

ALLISYA RUPIAH EQUITY FUND

February 2018

BLOOMBERG: AZSRPEQ:IJ

Investment Objective

The objective of this fund is to provide long term maximum investment yield.

Investment Strategy

To achieve the investment objective, this fund shall be invested 0-20% in short-term sharia instruments such as deposits sharia, sharia SBI, sharia SPN, and / or money market mutual funds) and 80 - 100% the sharia based equity instruments in accordance to OJK's decision (either directly through sharia stocks or through sharia equity mutual funds).

Return Performance

Last 1-year Period		14.52%
Best Month	Jul-09	14.81%
Worst Month	Oct-08	-12.99%

Portfolio Breakdown

Equity	97.13%
Sharia Cash/Deposit	2.87%

Top Five Stocks Holding

Unilever Indonesia	15.29%
Telekomunikasi Indonesia	15.23%
Astra International	13.07%
United Tractors	7.74%
Barito Pacific	4.66%

Key Fund Facts

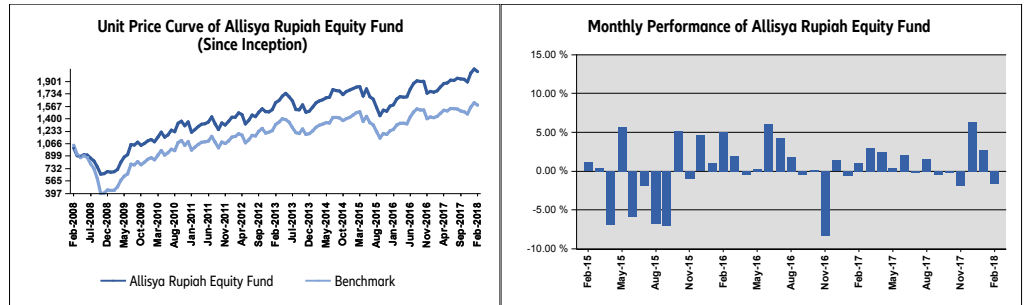
Fund Size (in bn IDR)	IDR 1,000.50
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

Price per Unit	Bid	Offer
(As of Feb 28, 2018)	IDR 1,931.97	IDR 2,033.65

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	-1.69%	7.34%	4.60%	14.52%	11.38%	0.98%	103.37%
Benchmark*	-1.94%	8.15%	3.43%	10.57%	6.89%	1.68%	58.39%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Feb 2018 inflation at +0.17% mom (vs consensus inflation +0.21%, +0.62% in Jan 2018). On yearly basis, inflation was lower to +3.18%yoy (vs consensus inflation +3.28%, +3.25% in Jan 2018). Core inflation was printed at +2.58%yoy (vs consensus inflation +2.60%, +2.69% in Jan 2018). Inflation mostly caused by higher processed food, beverage, cigarette and tobacco prices. In the Board of Governors' Meeting on 15 Feb 2018, Bank Indonesia maintained the BI 7-day Reverse Repo Rate at 4.25%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 3.50% and 5.00% respectively. Rupiah depreciated by -2.19% to 13,707/USD at end of Feb 2018 from 13,413/USD in previous month. Indonesia's trade balance in January 2018 records deficit of USD 0.68bn vs estimate USD 0.280bn. Non-oil and gas trade balance surplus in January 2018 is recorded USD 0.18bn, lower than that in the previous month of USD 0.83bn. Meanwhile, deficit in oil and gas trade balance decreases to USD 0.86bn in January 2018, from USD 1.05 bn in December 2017. Indonesia's foreign exchange reserve in February 2018 reached USD 128.059 billion, which lower than the end of January 2018' level at USD131.98 billion. The decline in the reserve assets in February 2018 was mainly due to the use of foreign exchange to repay government external debt and stabilize rupiah. In addition, the decline was also attributable to lower banks' foreign currency term deposits to Bank Indonesia in line with the residents' necessity to repay their foreign currency liabilities.

The JAKISL Index ended the month lower at 771.85 (-1.94% MoM). Market laggards were ASII, UNTR, TPIA, UNVR, and ADRO as they fell -5.00%, -8.48%, -5.75%, -0.92% and -4.08% MoM respectively. Equity market was experienced a turbulent month as expectations and probability of Fed Fund Rate (FFR) hike heightened. The latest FOMC meeting minutes revealed that the Fed is already sanguine on growth prospects and could potentially increase FFR hike by 3 times in 2018. Under such an expectations, emerging market currency have come under pressure with the IDR being no exception and depreciated the most amongst its ASEAN peers where it fell by 1.5% YTD to IDR 13,750/USD. As such, the currency weakness could trigger negative sentiment towards the Indonesian capital markets within the short term given its dollarized nature of the economy. Sector wise, the Miscellaneous Industries Sector was the worst performing sector during the week, declining 4.28% WoW. Ticker wise, ASII (Astra International) was the laggard, depreciating 5.00% MoM. This was followed by the Trade, Service and Investment Sector which dropped 2.91% MoM. Ticker wise, UNTR (United Tractors) and LPPF (Matahari Department Store) posted 8.48% and 4.27% MoM losses respectively. On the other hand, the best sector during the week was the Agriculture Sector, which recorded a gain of 2.35% MoM. Ticker wise, AALI (Astra Agro Lestari) and LSIP (Perusahaan Perkebunan London Sumatra Ind) were the movers which rose 10.96% and 6.11% MoM respectively.

Our portfolio strategy remains unchanged where risk/reward is still the main bottom up focus. Generally speaking, we have been selective on equities that have competitive advantage, relatively low gearing and well-disciplined corporate governance. We are putting a larger emphasis on managing earnings expectations to a more conservative approach rather than growth seeking and assess value on that front also bearing in mind forex, leverage exposures and cash flow generation ability.

Disclaimer:

Allisya Rupiah Equity Fund is unit linked fund offered by PT. Asuransi Allianz Life Indonesia (Allianz). This fact sheet is prepared by Allianz. The information presented is for informational use only. The performance of the fund is not guaranteed and the value of the units and the income from them may increase or decrease. Past returns and any forecast are not necessarily a guide to future performance. Allianz does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise. You are advised to seek your financial consultant before making any investment.