

ALLISYA RUPIAH EQUITY FUND

February 2019

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		-11.41%
Best Month	Jul-09	14.81%
Worst Month	Oct-08	-12.99%

Portfolio Breakdown

Equity	96.52%
Sharia Cash/Deposit	3.48%

Top Five Stocks Holding

Telekomunikasi Indonesia	15.22%
Unilever Indonesia	12.90%
Astra International	11.20%
Semen Indonesia Persero	5.35%
Chandra Asri Petrochemical	5.30%

Key Fund Facts

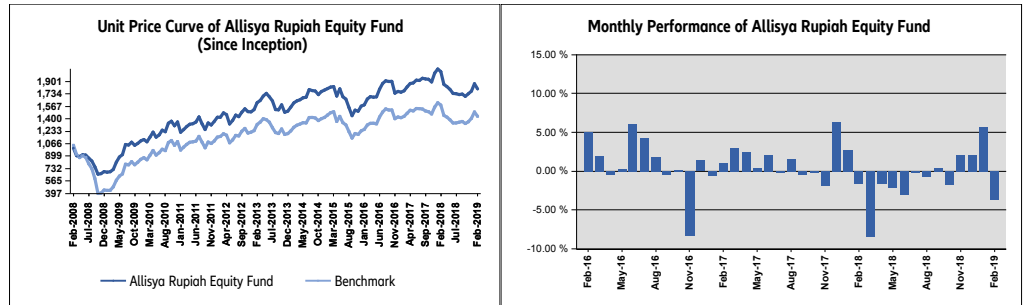
Fund Size (in bn IDR)	IDR 1,009.93
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

Price per Unit	Bid	Offer
(As of Feb 28, 2019)	IDR 1,711.59	IDR 1,801.67

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	-3.72%	3.76%	4.44%	-11.41%	8.15%	1.72%	80.17%
Benchmark*	-3.95%	5.39%	5.82%	-9.53%	8.80%	1.91%	43.30%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Feb 2019 deflation at -0.08% mom (vs consensus inflation -0.04%, +0.32% in Jan 2019). On yearly basis, inflation was +2.57% yoy (vs consensus inflation +2.75%, +2.82% in Jan 2019). Core inflation was printed at +3.06% yoy (vs consensus inflation +3.06%, +3.06 in Jan 2019). The deflation in February 2019 was caused by the declining in chicken, egg and non-subsidized fuel price. In the Board of Governors' Meeting on 20th and 21st February 2019, Bank Indonesia kept the BI 7-day Reverse Repo Rate unchanged on 6.00%, while also maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 5.25% and 6.75% respectively. Rupiah appreciated by +0.07% to 14,062/USD at end of February 2019 from 14,072/USD in previous month. Indonesia's trade balance recorded deficit amounting to USD -1.159bn in January 2019 vs previous month deficit USD -1.102bn. This deficit was mainly contributed by declining in export growth, especially in oil & gas side, on the back of declining in global crude oil price by -12% yoy. Oil and gas trade balance recorded deficit to USD -0.455bn in January 2019, worse than deficit on December 2018 amounting to USD -0.219bn. Meanwhile, non-oil and gas trade balance in January 2019 recorded deficit USD -0.705bn, slightly better than the previous month which was deficit amounting to USD -0.883bn. This was occurred on the back of increasing in number of non-oil & gas export, such as: iron & steel and organic chemicals commodities. Indonesia's official foreign reserve as of Januari 2019 was at USD 120.1 billion, slightly lower than the December 2018 which stood at USD 120.7 billion. The decrement in the reserve assets in January 2019 was caused by government external debt repayment.

The JAKISL Index ended the month lower at 698.32 (-3.95% MoM). Market laggards were ASII, UNVR, ICBP, INDF, and KLBF as they fell -15.38%, -2.65%, -5.1%, -8.71% and -6.56% MoM respectively. The index and most markets across Asia weakened as investors started to be cautious on the US-China trade talks. Weaker export growth and auto sales in China, which experienced the first annual decline since 1990 also weighs on sentiments across emerging Asia. On the domestic front, disappointing 4Q18 earnings result from Astra and MSCI outflow rebalancing also played a part on declining risk appetite as foreign investors booked US\$237mn net outflows in Feb-19. In summary, FY19 Valuation has reverted close to mean post the Jan rally at 15.5x P/E. Domestically we are keeping a close eye on the trade tariff developments and its ramification towards Indonesia's economic structure if any. Sector wise, the Miscellaneous Industries Sector was the worst performing sector during the week, declining 11.91% WoW. Ticker wise, ASII (Astra International) was the laggards, depreciating 15.38% MoM. This was followed by the Property Sector which dropped 2.61% MoM. Ticker wise, CTRA (Ciputra Development) and SMRA (Summarecon Agung) posted 10.26% and 9.18% MoM losses respectively. On the other hand, the best sector during the week was the Trade, Service and Investment Sector, which recorded a gain of 3.42% MoM. Ticker wise, AKRA (AKR Corporindo) and UNTR (United Tractors) were the movers which rose 5.71% and 3.01% MoM respectively.

Our portfolio stance went constructive towards end of 2018 and as we enter into 2019. That being said, we are closely monitoring asset prices and its respective valuation in check to ensure we are not exposed to any overshoot events at times of high volatility.

Disclaimer:

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