

# Allisia Rupiah Equity Fund

## June 2017



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).

### PERFORMANCE INDICATOR

#### Return Performance

Last 1-year Period	<b>6.69%</b>
Best Month	<b>14.81%</b> Jul-09
Worst Month	<b>-12.99%</b> Oct-08

#### Portfolio Breakdown

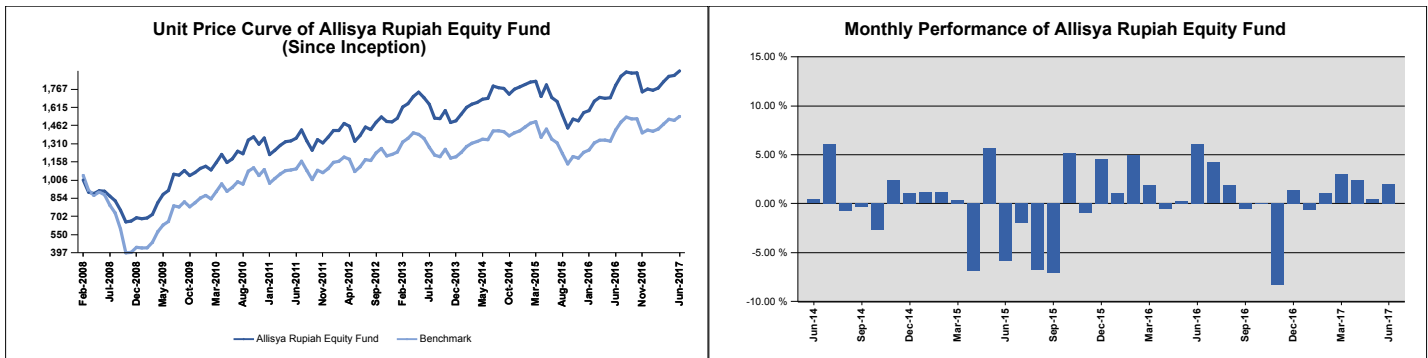
Equity	<b>90.80%</b>
Sharia Cash/Deposit	<b>9.20%</b>

#### Top Five Stocks Holding

Telekomunikasi Indonesia	<b>19.91%</b>
Astra International	<b>16.22%</b>
Unilever Indonesia	<b>15.78%</b>
Indofood CBP Sukses Makmur	<b>4.11%</b>
United Tractors	<b>4.01%</b>

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisia Rupiah Equity Fund	<b>2.00%</b>	<b>4.92%</b>	<b>8.54%</b>	<b>6.69%</b>	<b>13.57%</b>	<b>8.54%</b>	<b>91.89%</b>
Benchmark*	<b>2.17%</b>	<b>4.35%</b>	<b>7.99%</b>	<b>7.96%</b>	<b>14.44%</b>	<b>7.99%</b>	<b>53.82%</b>

\*Jakarta Islamic Index (JII)



### KEY FUND FACTS

<b>Fund Size (in bn IDR)</b>	: IDR 877.96
<b>Risk Profile</b>	: Aggressive
<b>Launch Date</b>	: 01 Feb 2008
<b>Fund Currency</b>	: Indonesian Rupiah
<b>Managed by</b>	: PT Asuransi Allianz Life Indonesia

<b>Pricing Frequency</b>	: Daily
<b>Price per Unit (As of Jun 22, 2017)</b>	<b>Bid</b> : IDR 1,822.93 <b>Offer</b> : IDR 1,918.87
<b>Bid-Offer Spread</b>	: 5.00%
<b>Management Fee</b>	: 2.00% p.a.

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Jun 2017 inflation at 0.69% mom (vs consensus 0.60%, 0.39% in May 2017). On yearly basis, inflation was slightly higher to +4.37%yoy (vs consensus 4.29%, 4.33% in May 2017). Core inflation was printed at +3.13% yoy (vs 3.20% in May 2017). Higher inflation was due to seasonally higher food prices during the Ramadan period. In the Board of Governors' Meeting on 14-15 Jun 2017, Bank Indonesia maintained the BI 7-day (Reverse) Repo Rate (BI-7 day RR Rate) at 4.75%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 4.00% and 5.50% respectively. Rupiah appreciated by +0.02% to 13,319/USD at end of Jun 2017 from 13,321/USD in previous month. Trade balance booked a surplus of USD 0.47bn (non-oil and gas surplus USD 1.03bn, oil and gas deficit USD 0.56bn) in May 2017. Export rose by +12.63% YoY mostly driven by engine and mechanical equipment, while imports rose by +24.03% YoY.

The JAKISL (Jakarta Islamic Index) ended the month higher at 749.6 (+2.17% MoM). Market movers were UNVR, TLKM, ASII, EXCL, and KLBF as they rose 5.68%, 3.91%, 2%, 15.2% and 5.52% MoM respectively. The index extended its gain in June after the S&P rated "investment grade" for Indonesia. Improvement on several economic indicators such as credit growth, car and cement sales increased by 9%, 6%, and 7% YoY, respectively, coupled by sustainable export growth brought the BI stance that 2Q17 economic growth will improve. However, weaker May-17 retail sales for lower-middle income segment compared to April numbers became investor concern, which is an early indication that purchasing power are still relatively soft. On the external front, rising Middle East tensions between Qatar and several Arab countries increase global geopolitical risks. Sector wise, the Infrastructure Sector was the best performing sector during the week, gaining 3.37% MoM. Ticker wise, EXCL (XL Axiata) and TLKM (Telekomunikasi Indonesia Persero) were the movers, appreciating 15.2% and 3.91% MoM respectively. This was followed by the Consumer Sector which rallied 1.48% MoM. Ticker wise, UNVR (Unilever Indonesia) and KLBF (Kalbe Farma) posted 5.68% and 5.52% MoM gains respectively. On the other hand, the worst sector during the week was the Agriculture Sector, which recorded a decline of 2.06% MoM. Ticker wise, LSIP (London Sumatra) and SSMS (Sawit Sumbermas Sarana) were the laggards which fell 10.16% and 6.15% MoM respectively.

Our portfolio strategy leans towards a more defensive approach where risk/reward is still the bottom up main focus. Generally speaking, we have been selective on equities that have pricing power, 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.