

# ALLISYA RUPIAH EQUITY FUND

## June 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		-9.30%
Best Month	Jul-09	14.81%
Worst Month	Oct-08	-12.99%

### Portfolio Breakdown

Equity	95.41%
Sharia Cash/Deposit	4.59%

### Top Five Stocks Holding

Telekomunikasi Indonesia	15.93%
Unilever Indonesia	13.89%
Astra International	13.29%
United Tractors	6.80%
Indofood CBP Sukses Makmur	4.95%

### Key Fund Facts

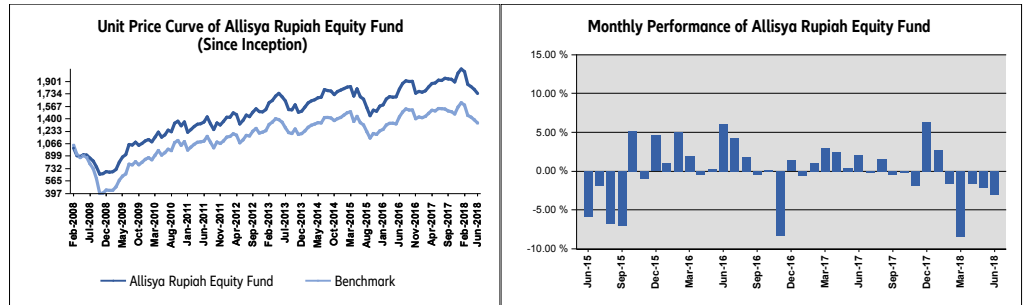
Fund Size (in bn IDR)	IDR 893.26
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

<b>Price per Unit</b>	<b>Bid</b>	<b>Offer</b>
(As of Jun 29, 2018)	IDR 1,653.44	IDR 1,740.46

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	-3.02%	-6.51%	-13.58%	-9.30%	2.60%	-13.58%	74.05%
Benchmark*	-3.07%	-7.03%	-13.74%	-12.65%	-0.34%	-13.74%	34.36%

\*Jakarta Islamic Index (JII)



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced June 2018 inflation at +0.59% mom (vs consensus inflation +0.54%, +0.21% in May 2018). On yearly basis, inflation was +3.12% yoy (vs consensus inflation +3.04%, +3.23% in May 2018). Core inflation was printed at +2.72% yoy (vs consensus inflation +2.78%, +2.75 in May 2018). The June inflation was contributed by inflation of transportation, communication, and financial services sector. In the Board of Governors' Meeting on 28th - 29th June 2018, Bank Indonesia raised the BI 7-day Reverse Repo Rate by 50 bps to 5.25%, while also raising the Deposit Facility (DF) and Lending Facility (LF) rates by 50bps to 4.50% and 6.00% respectively. Rupiah depreciated by -3.12% to 14,330 /USD at end of June 2018 from 13,896/USD in previous month. Indonesia's trade balance in May 2018 recorded deficit of USD -1.524bn vs consensus USD -0.606bn. Non-oil and gas trade balance deficit in May 2018 recorded at USD 0.28bn, lower than the previous month which was deficit amounting to USD 0.50bn. Meanwhile, oil and gas trade balance deficit to USD 1.244bn in May 2018. Indonesia's foreign reserve assets stood at USD 119.8 billion as of end-June 2018, lower than the end of May 2018 level at USD 122.900 billion. The decline in the reserve assets in June 2018 was mainly due to the use of foreign exchange to repay government external debt and stabilize rupiah amidst increasing global financial market uncertainty.

The JAKISL Index ended the month lower at 654.77 (-3.07% MoM). Market laggards were UNTR, ASII, KLBF, SMGR, and WSKT as they fell -9.84%, -4.35%, -10.95%, -15.18% and -17.03% MoM respectively. Emerging market had another sell-off period last month on trade war concerns between US and China which effectively shape the global trade flows. The Chinese RMB fell by 4% MoM in reflection of the trade war concerns. Locally from an Indonesian perspective, foreign outflows had accelerated last month, totalling IDR 9tn, larger than May's IDR 6tn during the MSCI rebalancing. Despite the Indonesian Central bank (BI) taking a more hawkish stance by increasing 50bps benchmark interest rate to 5.25%, it was not enough to convince foreign investors as IDR currency and bond yield slide further towards the IDR 14.4k/USD and 8% mark respectively. Sector wise, the Construction, Property and Real Estate Sector was the worst performing sector during the week, declining 7.14% WoW. Ticker wise, PTPP (Pembangunan Perumahan Persero) and WIKA (Wijaya Karya Persero) were the laggards, depreciating 22.67% and 20.66% MoM respectively. This was followed by the Agriculture Sector which dropped 6.4% MoM. Ticker wise, LSIP (Perusahaan Perkebunan London Sumatra Ind) and AALI (Astra Agro Lestari) posted 13.91% and 10.76% MoM losses respectively. On the other hand, the best sector during the week was the Infrastructure, Utilities and Transportation Sector, which recorded a gain of 2.79% MoM. Ticker wise, EXCL (XL Axiata) and TLKM (Telekomunikasi Indonesia Persero) were the movers which rose 20% and 6.53% 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.

#### Disclaimer:

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