

Allisya Rupiah Equity Fund

March 2016



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	-7.33%
Best Month	14.81% Jul-09
Worst Month	-12.99% Oct-08

Portfolio Breakdown

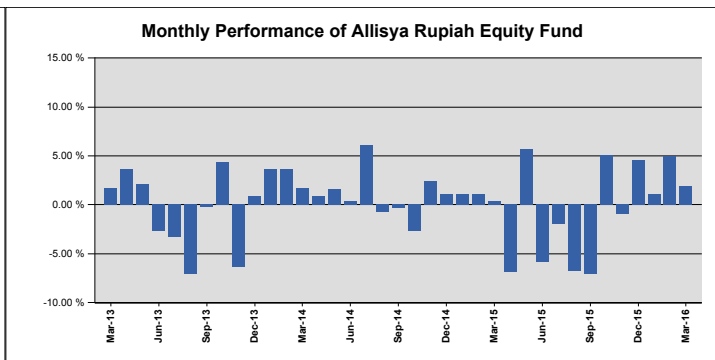
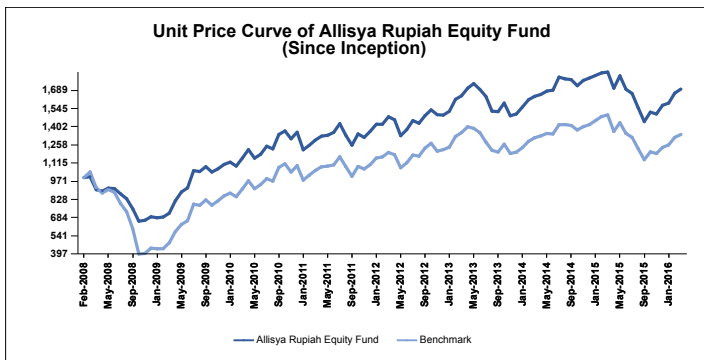
Equity	95.54%
Cash/Deposit	4.46%

Top Five Stocks Holding

Telekomunikasi Indonesia	17.84%
Unilever Indonesia	17.37%
Astra International	15.46%
Indofood CBP Sukses Makmur	4.19%
Indofood Sukses Makmur	3.83%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	1.91%	8.12%	17.76%	-7.33%	3.19%	8.12%	69.78%
Benchmark*	1.69%	8.18%	17.37%	-10.37%	-1.16%	8.18%	33.94%

*Jakarta Islamic Index (JII)



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 641.80
Risk Profile	: Aggressive
Launch Date	: 01 Feb 2008
Fund Currency	: Indonesian Rupiah
Managed by	: PT Asuransi Allianz Life Indonesia

Pricing Frequency	: Daily
Price per Unit (As of Mar 31, 2016)	: IDR 1,612.94
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a.

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced March's inflation at 0.19% mom (vs consensus 0.25%, -0.09% in Feb 2016) mostly were caused by higher food ingredients, processed food, beverages, cigarettes and tobacco prices. On yearly basis, inflation printed at 4.45% YoY (vs consensus 4.5%, 4.42% in Feb 2016). Core inflation printed at +3.50% YoY, slightly lower from previous month (vs consensus 3.57%, +3.59% in Feb 2016). In the Board of Governors' Meeting on Mar 17th, 2016, Bank Indonesia cut its reference rate by 25bps to 6.75%, Lending Facility to 7.25% as well as facility rate (FASBI) to 4.75%. Indonesia Deposit Insurance Corporation (LPS) lower the guarantee rate by 25bps to 7.25% for Rupiah and 1.00% for other currencies and effective on 15 January 2016 to 14 May 2016 on the back of macro economy indicators and banks liquidity in general seems continues to improving. Rupiah appreciated against USD by +0.89% to 13,276 at end of February compared to previous month 13,395. Trade balance was surplus +1.14bn USD (non-oil and gas surplus +1.14bn USD) in Feb 2016. Export decreased by -7.18% YoY mostly driven from export in mineral gas, while imports decreased by -11.71% YoY. X Reserves increased +2.999bn USD from 104.544bn USD in Feb 2016 to 107.543bn USD in Mar 2016 on the back of offshore inflow to the bond market.

The JII (Jakarta Islamic Index) closed higher in March at 652.68, gaining +1.69% MoM. Large cap stocks such as ASII, TLKM, KLBF, AALI, and MIKA contributed to the MoM gain, all of which rose by +6.62%, +2.31%, +11.15%, +22.56%, and +12.79% MoM respectively. Government has launched initiatives to improve consumer purchasing power by lowering fuel price by 9-10% as well as another 25bps rate cut by BI in mid-March 2016 on the monetary side. The recent fiscal and monetary initiatives have had positive impact towards economic activities especially within the mid-to-low segments. Certain industry indicators such as low-end ceramic demand, retail sales, and housing priced below IDR 400mn/unit posted double digit growth. However the middle and middle-up segments sentiments have yet to improve as the tax office are still being aggressive to find potential additional tax revenue from these segments. If this continues, then consumption growth might be impeded and could potentially impact to the company's earnings in the next 3-6 months. We are cautious that any equity rallies which isn't supported by earnings performance will not sustain in the long run. Earnings disappointment is a big risk as weak 1Q16 results could appear in late April 2016. Sector wise, the Agriculture Sector was the best performing sector this month, gaining by +12.29% MoM. AALI (Astra Agro Lestari) and LSIP (London Sumatera) were the movers; appreciating by +22.56% and +27.27% MoM respectively. This was followed by the Mining Sector that posted +7.28% MoM gains, driven by INCO (Vale Indonesia) and ADRO (Adaro Energy) which rose +14.01% and +6.61% MoM respectively. On the other side, Consumer Sector was the worst performing sector this month, falling by -3.95% MoM. ICBP (Indofood CBP) and UNVR (Unilever) were the laggards, falling -3.49% and -3.59% MoM respectively.

We opportunistically select sound companies with quality management that offers earnings resiliency and growth going forward.