

ALLISYA RUPIAH EQUITY FUND

May 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		-4.60%
Best Month	Jul-09	14.81%
Worst Month	Oct-08	-12.99%

Portfolio Breakdown

Equity	95.52%
Sharia Cash/Deposit	4.48%

Top Five Stocks Holding

Telekomunikasi Indonesia	15.56%
Astra International	14.12%
Unilever Indonesia	14.12%
United Tractors	7.08%
Surya Citra Media	5.11%

Key Fund Facts

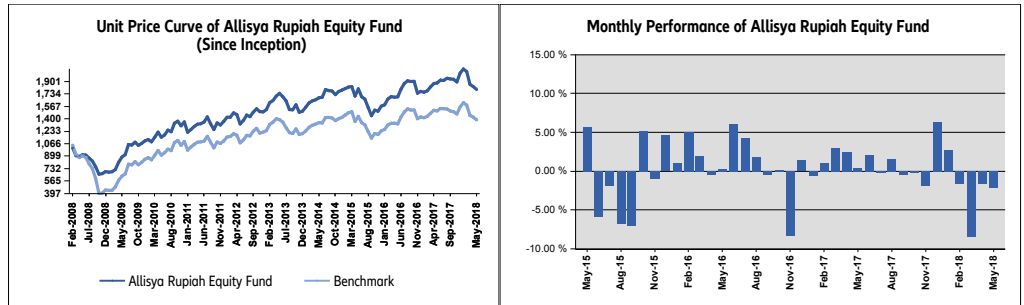
Fund Size (in bn IDR)	IDR 913.22
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

Price per Unit	Bid	Offer
(As of May 31, 2018)	IDR 1,704.99	IDR 1,794.73

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	-2.06%	-11.75%	-5.27%	-4.60%	-0.42%	-10.89%	79.47%
Benchmark*	-2.56%	-12.49%	-5.35%	-7.93%	-3.24%	-11.01%	38.61%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced May 2018 inflation at +0.21% mom (vs consensus inflation +0.25%, +0.10% in Apr 2018). On yearly basis, inflation was +3.23% yoy (vs consensus inflation +3.30%, +3.41% in Apr 2018). Core inflation was printed at +2.75% yoy (vs consensus inflation +2.80%, +2.69% in Apr 2018). Inflation mostly caused by the slowing down of volatile food inflation. In the Board of Governors' Meeting on 30 May 2018, Bank Indonesia raised the BI 7-day Reverse Repo Rate by 25 bps to 4.75%, while also raising the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to 4.00% and 5.50% respectively. Rupiah depreciated by +0.02% to 13,896 /USD at end of May 2018 from 13,892/USD in previous month. Indonesia's trade balance in April 2018 records deficit of USD -1.269bn vs consensus USD 733mn. Non-oil and gas trade balance deficit in April 2018 is recorded USD 0.50bn, lower than the previous month which was surplus amounting to USD 2.02bn. Meanwhile, oil and gas trade balance deficit to USD 1.13bn in April 2018.

The JAKISL Index ended the month lower at 675.48 (-2.56% MoM). Market laggards were TLKM, ASII, SMGR, KLBK, and UNVR as they fell -7.25%, -3.5%, -12.95%, -8.97% and -1.62% MoM respectively. The index fell in the first week of May-18 as market concerned that higher US yield and oil prices will provide more pressure to the EM market. As a dollarize economy structure and past foreign portfolio investor favorite, Indonesia has experienced massive foreign outflows from both equity and bond markets, which had triggered the IDR currency to decline surpassing the IDR 14k/USD handle. On a positive note, there had been a proactive response from BI to stabilize the currency by raising its benchmark 7-day repo rate by 50bps to 4.75% and also provide macro prudential relaxation measure had partially restored investors' confidence. That being said, external risks will however still linger within EM market space, Indonesia no exception, in the short run as a result of a persistent trend of the US treasury yield and higher crude oil price backdrop. Sector wise, the Infrastructure, Utilities and Transportation Sector was the worst performing sector during the week, declining 4.46% WoW. Ticker wise, TLKM (Telekomunikasi Indonesia Persero) and EXCL (XL Axiata) were the laggards, depreciating 7.25% and 0.94% MoM respectively. This was followed by the Agriculture Sector which dropped 4.2% MoM. Ticker wise, SSMS (Sawit Sumbermas Sarana) and LSIP (Perusahaan Perkebunan London Sumatra Ind) posted 8.78% and 8.73% MoM losses respectively. On the other hand, the best sector during the week was the Mining Sector, which recorded a gain of 6.02% MoM. Ticker wise, INCO (Vale Indonesia) and PTBA (Tambang Batubara Bukit Asam Persero Tbk) were the movers which rose 22.15% and 17.28% 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:

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.