

Allisya Rupiah Equity Fund

November 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	16.13%
Best Month	14.81% Jul-09
Worst Month	-12.99% Oct-08

Portfolio Breakdown

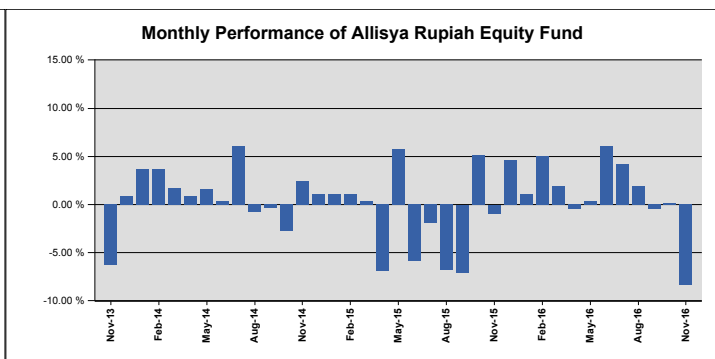
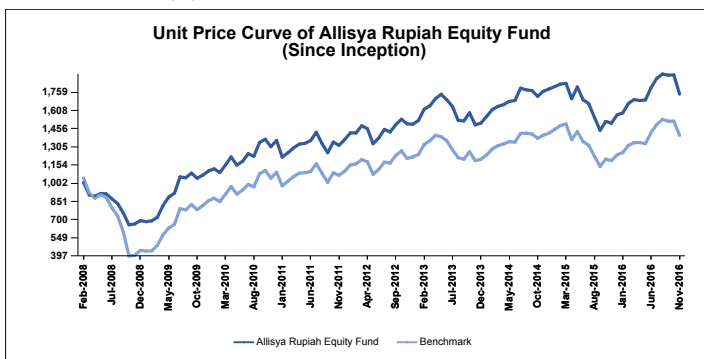
Equity	95.57%
Sharia Cash/Deposit	4.43%

Top Five Stocks Holding

Telekomunikasi Indonesia	18.83%
Astra International	14.52%
Unilever Indonesia	14.29%
Indofood CBP Sukses Makmur	4.63%
United Tractors	3.98%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	-8.35%	-8.70%	2.88%	16.13%	17.22%	11.05%	74.39%
Benchmark*	-7.73%	-8.59%	5.22%	17.75%	17.74%	13.15%	40.10%

*Jakarta Islamic Index (JII)



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 726.58
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 Nov 30, 2016)	Bid : IDR 1,656.66 Offer : IDR 1,743.85
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a.

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Nov's inflation at 0.47% mom (vs consensus inflation +0.32%, +0.14% in Oct 2016) mostly was caused by higher food ingredients, process food, beverages, cigarette and tobacco. On yearly basis, inflation higher to 3.58% YoY (vs consensus 3.41%, 3.31% in Oct 2016). Core inflation printed at 3.07% YoY, lower than previous month (vs 3.08% in Oct 2016). In the Board of Governors' Meeting on 17 Nov 2016, Bank Indonesia maintained the 7-day reverse repo rate at 4.75%, also Deposit Facility (DF) at 4.00% and Lending Facility (LF) at 5.50%. Rupiah depreciated by -3.92% to 13,563/USD at end of Nov as opposed to 13,051/USD previous month. Trade balance booked a surplus of +US\$1.2068bn (non-oil and gas surplus +US\$1.71bn, oil and gas deficit US\$-0.5032bn) in Oct 2016. Export rose by +4.60% YoY mostly driven by natural oil exports, while imports rose by +3.27% YoY. FX Reserves down by USD 3.571bn from US\$115.037bn in Oct 2016 to US\$111.466bn in Nov 2016 on the back of government external debt payments and currency stability as fundamental.

The JII (Jakarta Islamic Index) closed lower in November at 682.71, losing -7.73% MoM. Large cap stocks such as TLKM, UNVR, ASII, KLBF, and LPPF contributed to the MoM loss, all of which fell by -10.43%, -8.88%, -8.21%, -13.79, and -20.11% MoM respectively. The index continued to be under pressure following the announcement of Donald Trump's presidency, as the market is concerned on speculation of more aggressive rate hikes and foreign currency implications as a result of potential increased protectionism from the US. Meanwhile, US election result is likely to increase political uncertainty in the Eurozone with increased expectations of populist and/or anti EU/EMU parties gaining ground across the Eurozone. Given higher uncertainty in equity market, foreign investors booked US\$919mn outflows in November 2016. Bottom-line, Indonesia's economy fundamental is much better than 2015, but higher expectation for US growth and stronger dollar will bring negative sentiment for overall emerging markets and Indonesia is no exception. Sector wise, the Miscellaneous Industry Sector was the worst performing sector this month, depreciating by -7.16% MoM. GJTL (Gajah Tunggal) and ASII (Astra International) were the laggards; losing by -19.60% and -8.21% MoM respectively. This was followed by the Infrastructure Sector that posted -5.89% MoM losses, driven by TLKM (Telekomunikasi Indonesia) and JSMR (Jasa Marga) which fell -10.43% and -8.17% MoM respectively. On the other side, Mining Sector was the best performing sector this month, rising by +4.46% MoM. TINS (Timah) and INCO (Vale Indonesia) were the movers, gaining +29.57% and +24.26% 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 increased our cash levels and bottom up select equities that has 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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