

AlliSya Rupiah Equity Fund

October 2015


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

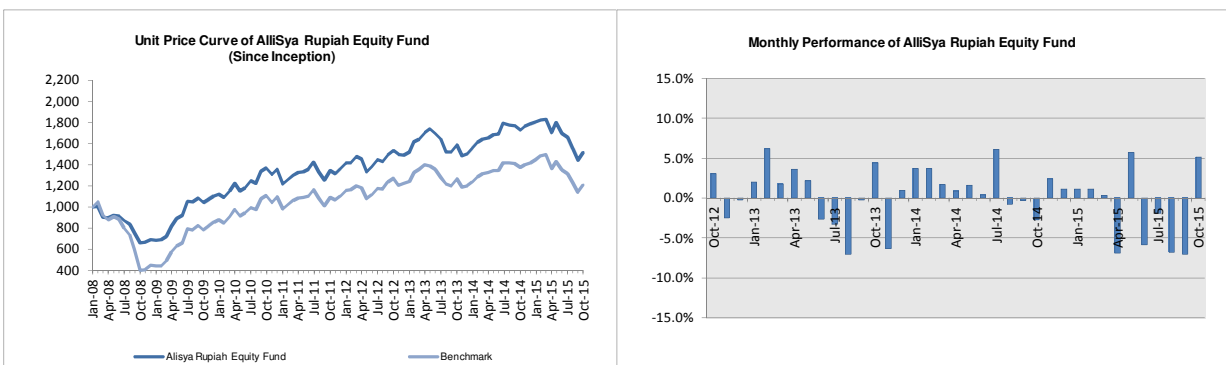
Last 1-year period	-12.10%
Best Month	14.81% Jul-09
Worst Month	-12.99% Oct-08

Portfolio Breakdown

Equity	95.53%	Top Five Stocks Holding	
Cash/Deposit Sharia	4.47%	UNILEVER INDONESIA	16.52%
		TELEKOMUNIKASI	15.73%
		ASTRA INTERNATIONAL	14.04%
		INDOFOOD CBP SUKSES MAKMUR	4.38%
		PERUSAHAAN GAS NEGARA	3.71%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSya Rupiah Equity Fund	5.15%	-8.88%	-11.10%	-12.10%	-1.18%	-15.10%	51.60%
Benchmark*	5.40%	-8.70%	-11.84%	-12.58%	-5.36%	-15.19%	20.27%

*Jakarta Islamic Index (JII)


KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 527.29
Risk Profile	: Aggressive Investor
Launch Date	: 01 Feb 2008
Fund Currency	: Indonesian IDR
Managed by	: PT. Asuransi Allianz Life Indonesia

Pricing Frequency	: Daily
Price per Unit (As of Oct 30, 2015)	Bid : IDR 1,440.18 Offer : IDR 1,515.98
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced October's deflation at -0.08% mom (vs consensus -0.02%, deflation -0.05% in Sept 2015) mostly were caused by lower food ingredients. On yearly basis, inflation printed at 6.25% YoY (vs consensus 6.38%, 6.83% in Sept 2015). Core inflation printed at 5.02% YoY, slightly lower compared to previous month (vs consensus 5.05%, 5.07% in Sept 2015). In the Board of Governors' Meeting on Oct 15th, 2015, Bank Indonesia maintained its reference rate at 7.50%, Lending Facility at 8.0%, and also facility rate (FASBI) to 5.50%. Rupiah appreciated against USD by 6.95% to 13,639 at end of October compared to previous month 14,657. Indonesia economic growth in third quarter 2015 grew 4.73% YoY compared to previous quarter grew at 4.67% YoY. The major driver of the increase was from communication and information sector. Trade balance was surplus +1.02bn USD (non-oil and gas surplus 1.48bn, oil and gas deficit 0.46bn USD) in Sept 2015. Export decreased by -17.98% YoY mostly driven from export in machinery, while imports decreased by -25.95% YoY. FX Reserves decreased -1.01bn USD from 101.72bn USD in Sept 2015 to 100.71bn USD in Oct 2015.

The JII (Jakarta Islamic Index) ended higher in October at 586,108, gaining +5.40% MoM. Large cap stocks such as ASII, PGAS, INTP, ICBP, and PWON contributed to the MoM gain, all of which rose by +12.92%, +18.58%, +9.42%, +6.45%, and +28.70% MoM respectively. The delayed of Fed rate hike in September has brought positive sentiment towards emerging markets, including Indonesia, putting a stop towards foreign investors selling off equities aggressively. On the currency front, the IDR strengthened to IDR 14k/USD. Domestic fundamentals expectation also turned better. Cement sales grew +3% YoY in 3Q15 and retailers showed some sales growth where Ace Hardware, Ramayana, and Alfamart showed positive sales growth of +1.6%, +7.6%, and +12% YoY respectively. The sales growth improvement suggests that the broad slowdown in economic activity is nearing or at bottom. Lower than expected inflation rate also gave room for central bank to ease reference rate. In regards to the government, several stimulus packages, asset revaluation and lower corporate tax rate will be expected to gain investment confidence. The rupiah stability could restore not only purchasing power but also investors' and the public's confidence. Sector wise, the Miscellaneous Industry Sector was the best performing sector this month, rising by +10.14% MoM. ASII (Astra International) and GJTL (Gajah Tunggal) were the movers; gaining by +12.92% and +9.73% MoM respectively. This was followed by the Agriculture Sector that posted +8.72% MoM gains, driven by BWPT (Eagle High Plantation) and LSIP (London Sumatera) which gained +16.34% and +11.91% MoM respectively. On the other side, Trading and Distribution Sector was the worst amongst the best performing sector this month, which only gained by +0.87% MoM. ACES (Ace Hardware) and RALS (Ramayana) were the movers, appreciated +32.67% and +22.33% MoM respectively.

We remain selective on companies that offer resiliency in earnings on a backdrop of softer economic activity.