

Allisa Rupiah Equity Fund

October 2017



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	1.47%
Best Month	14.81% Jul-09
Worst Month	-12.99% Oct-08

Portfolio Breakdown

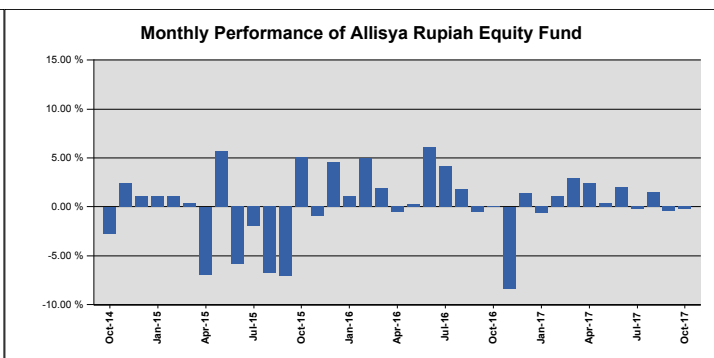
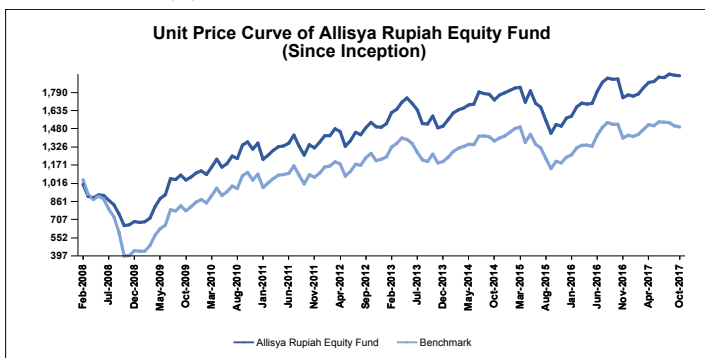
Equity	96.30%
Sharia Cash/Deposit	3.70%

Top Five Stocks Holding

Telekomunikasi Indonesia	18.16%
Unilever Indonesia	16.32%
Astra International	13.95%
Chandra Asri Petrochemical	8.36%
United Tractors	5.53%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisa Rupiah Equity Fund	-0.23%	0.84%	3.05%	1.47%	11.94%	9.21%	93.07%
Benchmark*	-0.63%	-2.63%	-1.29%	-1.52%	8.69%	4.98%	49.53%

*Jakarta Islamic Index (JII)



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 912.87
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 Oct 31, 2017)	: Bid IDR 1,834.15 Offer IDR 1,930.68
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a.

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Oct 2017 inflation at +0.01% mom (vs consensus inflation +0.10%, +0.13% in Sep 2017). On yearly basis, inflation was lower to +3.58% yoy (vs consensus inflation +3.68%, +3.72% in Sep 2017). Core inflation was printed at +3.07% yoy vs consensus inflation +3.08%, +3.00% in Sep 2017). Inflation was mainly caused by higher processed food, beverage, cigarette and tobacco prices. In the Board of Governors' Meeting on 18 Oct 2017, Bank Indonesia maintained the BI 7-day Reverse Repo Rate at 4.25%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 3.50% and 5.00% respectively. Rupiah depreciated by -0.59% to 13,572/USD at end of Oct 2017 from 13,492/USD in previous month. Indonesia economic growth in third quarter 2017 was increased by 3.18% QoQ (5.06% YoY compared to previous quarter at 5.01% YoY) which largely led by growth in other services. By expenditure, exports of goods and services components were the main drivers. Trade balance booked surplus of USD 1.76bn (non-oil and gas surplus USD 2.26bn, oil and gas deficit USD 0.50bn) in Sep 2017. Export rose by +15.60% YoY mostly driven by mineral fuel, while imports rose by +13.13% YoY. Indonesia's foreign reserves decreased USD 2.85bn to USD 126.55bn in Oct 2017 from USD 129.40bn in Sep 2017. The decrease was primarily attributable to foreign debt repayment and Rupiah stabilization also related to the reduction of foreign exchange placement in central bank for the need of payment.

The JAKISL Index ended the month lower at 728.69 (-0.63% MoM). Market laggards were TLKM, EXCL, KLB, LPPF, and INDF as they fell -13.89%, -9.63%, -3.9%, -7.28% and -2.67% MoM respectively. Despite a declining foreign flows in the last 6th consecutive months, the index recorded all-time high which broke 6,000 level. Strong index was supported by largely inline 3Q17 results, in which broad market earnings grew 19% YoY, driven by the strong acceleration in infrastructure sectors and stable commodity prices that enabled Mining Sector continuous to outperform. Expectation on better 3Q17 GDP result has somewhat supported the index as well as investors seeing some recovery within the offline retail segments as well as accelerated infra project realizations. On the global front, the hawkish Fed, still dovish ECB and the rolling over of economic data surprises especially in the US may limit foreign investor appetite to add exposure to EM risky assets despite medium term outlook remains supportive of EM Market as stability in Chinese Renminbi and stronger Chinese economic data. The recalibration of exposure towards DM could serve as a refraining factor for EM inflows. Sector wise, the Infrastructure, Utilities and Transportation Sector was the worst performing sector during the week, declining 6.31% WoW. Ticker wise, TLKM (Telekomunikasi Indonesia Persero) and EXCL (XL Axiata) were the laggards, depreciating 13.89% and 9.63% MoM respectively. This was followed by the Agriculture Sector which dropped 1.39% MoM. Ticker wise, AALI (Astra Agro Lestari) and SSMS (Sawit Sumbermas Sarana) posted 2.02% and 1.64% MoM losses respectively. On the other hand, the best sector during the week was the Mining Sector, which recorded a gain of 12.15% MoM. Ticker wise, INCO (Vale Indonesia) and PTBA (Tambang Batubara Bukit Asam Persero Tbk) were the movers which rose 13.51% and 9.81% MoM respectively.

Our portfolio strategy remains unchanged where risk/reward is still the main bottom up focus. Generally speaking, we have been selective on equities that have competitive advantage, 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:

Allisa 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.