

Allisia Rupiah Equity Fund

June 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	6.02%
Best Month	14.81% Jul-09
Worst Month	-12.99% Oct-08

Portfolio Breakdown

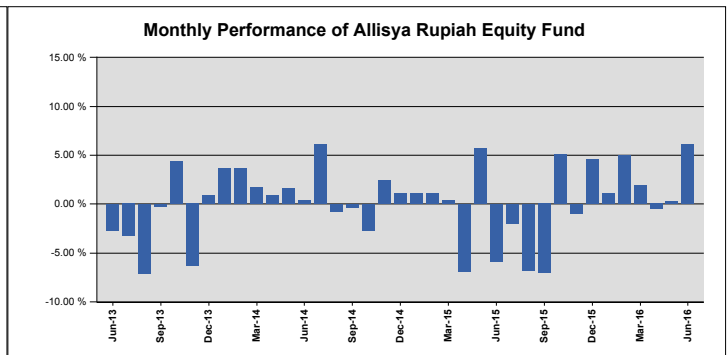
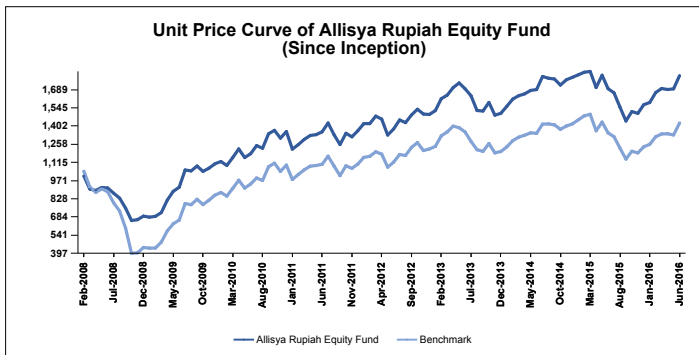
Equity	95.69%
Sharia Cash/Deposit	4.31%

Top Five Stocks Holding

Telekomunikasi Indonesia	19.43%
Unilever Indonesia	16.76%
Astra International	15.30%
Indofood CBP Sukses Makmur	4.36%
Indofood Sukses Makmur	3.61%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisia Rupiah Equity Fund	6.10%	5.93%	14.53%	6.02%	6.07%	14.53%	79.85%
Benchmark*	7.01%	6.38%	15.08%	5.69%	5.18%	15.08%	42.48%

*Jakarta Islamic Index (JII)



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 698.24
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 Jun 30, 2016)	Bid : IDR 1,708.55
Bid-Offer Spread	Offer : IDR 1,798.47
Management Fee	: 5.00%
	: 2.00% p.a.

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Jun's inflation at 0.66% mom (vs consensus 0.54%, inflation 0.24% in May 2016) mostly were caused by higher food ingredients, process food and beverages prices. On yearly basis, inflation stood at 3.45% YoY (vs consensus 3.40%, 3.33% in May 2016). Core inflation printed at 3.49% YoY, slightly higher from previous month (vs 3.41% in Apr 2016). In the Board of Governors' Meeting on Jun 16th, 2016, Bank Indonesia cut its reference rate by 25bps to 6.50%, Lending Facility to 7.00% along with its facility rate (FASBI) to 4.50%. Rupiah appreciated by +3.12% to 13,180/USD at end of Jun as opposed to 13,615/USD previous month. Trade balance booked a surplus of +US\$0.38bn (non-oil and gas surplus +US\$1.09bn, oil and gas deficit US\$-0.71bn) in May 2016. Export fell by -9.75% YoY mostly driven by a reduction in exports of machineries/mechanic, while imports fell by -4.12% YoY. FX Reserves rose by US\$6.198bn from US\$103.591bn in May 2016 to US\$109.789bn in Jun 2016 on the back of offshore inflow to the bond market.

The JII (Jakarta Islamic Index) closed higher in June at 694.34, gaining +7.01% MoM. Large cap stocks such as ASII, TLKM, UNVR, ICBP, and MIKA contributed to the MoM gain, all of which rose by +12.12%, +7.57%, +4.58%, +6.33%, and +17.02% MoM respectively. Index reached its highest level this year after the parliament passed the tax amnesty law on 28th June. Initially, investors were pessimistic as the tax amnesty progress was very slow initially, suggesting that the probability of delay on tax amnesty approval became relatively higher. Externally, Brexit and EU disintegration fears also increases the risk of weakening currency and capital outflow in emerging market, despite Indonesia's direct exposure to the UK is not significant, it could adversely impact financial/currency markets. However, on the positive side, the passing of the tax amnesty bill has offset the external fear factor, for now. Improvements in growth outlook are key to keeping the positive sentiment intact. Additionally, the implementation of tax amnesty law and lower BI rate by 25bps will potentially improve purchasing power, especially in the middle and middle-upper income segments. Bottom line, the growth outlook will improve and 3Q16 could mark an upward revision in earnings growth. Sector wise, the Mining Sector was the best performing sector this month, rising by +9.57% MoM. PTBA (Bukit Asam) and ADRO (Adaro Energy) were the movers; gaining by +20.78% and +19.72% MoM respectively. This was followed by the Miscellaneous Industry Sector that posted +9.50% MoM gains, driven by ASII (Astra International) which rose +12.12% MoM. On the other side, Agriculture Sector was the worst amongst the best performing sector this month, gaining by +1.61% MoM. AALI (Astra Agro Lestari) and SSMS (Sawit Sumbermas) were the movers, rising +9.03% and +6.82% MoM respectively.

We opportunistically select sound companies with quality management that offers earnings and cash flow resiliency on the back of relatively high valuation environment.