

Allisa Rupiah Equity Fund

February 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	6.59%
Best Month	14.81% Jul-09
Worst Month	-12.99% Oct-08

Portfolio Breakdown

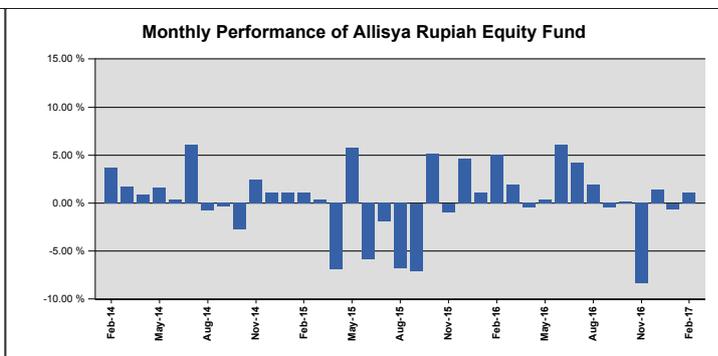
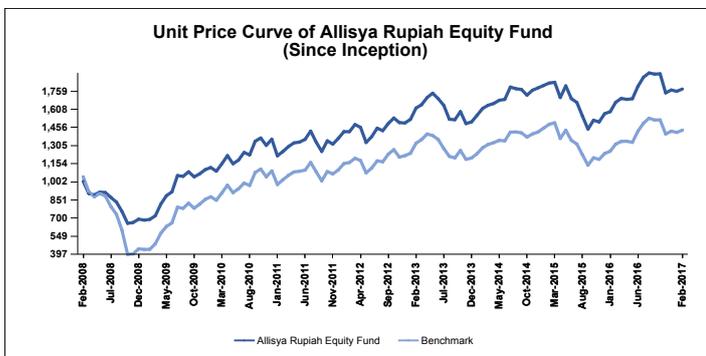
Equity	96.23%
Sharia Cash/Deposit	3.77%

Top Five Stocks Holding

Telekomunikasi Indonesia	19.05%
Unilever Indonesia	15.76%
Astra International	15.62%
United Tractors	5.05%
Indofood CBP Sukses Makmur	4.23%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisa Rupiah Equity Fund	1.06%	1.83%	-7.03%	6.59%	10.01%	0.45%	77.58%
Benchmark*	1.27%	2.25%	-6.53%	8.76%	11.36%	0.57%	43.25%

*Jakarta Islamic Index (JII)



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 783.58
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 Feb 28, 2017)	: Bid IDR 1,687.03 Offer IDR 1,775.82
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a.

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Feb 2017 inflation at 0.23% mom (vs consensus 0.30%, 0.97% in Jan 2017), mostly was caused by higher process food, beverages, cigarette and tobacco. On yearly basis, inflation was higher to 3.83% YoY (vs consensus 3.90%, 3.49% in Jan 2017). Core inflation printed at 3.41% YoY, higher than previous month at 3.35% YoY. In the Board of Governors' Meeting on 14 and 19 Feb 2017, 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 -0.03% to 13,347/USD at end of Feb 2017 as opposed to 13,343/USD previous month. Trade balance booked a surplus of +US\$1.4bn (non-oil and gas surplus +US\$1.93bn, oil and gas deficit US\$-0.54bn) in Jan 2017. Export rose by +27.71% YoY mostly driven by rubber exports, while imports rose by +14.54% YoY. FX Reserves rose by USD 3.01bn from USD 116.89bn in Jan 2017 to USD 119.9bn in Feb 2017 on the back of tax income, oil and gas export, government foreign loan drawdown also income from foreign currency bonds issuance.

The JII (Jakarta Islamic Index) closed higher in February at 698.08, gaining +1.27% MoM. Large cap stocks such as UNTR, ASII, UNVR, KLBF, and SMGR contributed to the MoM gain, all of which rose by +12.81%, +3.14%, +2.37%, +5.52%, and +6.65% MoM respectively. Along with 100 other regions, Jakarta conducted its regional government election on 15th Feb. Based on the real count data by General Election Commission, Ahok-Djarot, the incumbent, leads with about 43% vote, followed by Anies-Sandi 40% and Agus-Sylvi 17%, which will subsequently go into a 2nd round on the 19th of April given none was able to secure >50% of the voice. On the positive note, domestic political which has led to religious and racial tension has eased temporarily. In addition, public and investors had also witnessed that the government was able to consolidate its power to ease social unrest post the 2 large protests that happened in Nov and Dec last year. On the macro front, Indo's 2016 GDP growth edged higher to 5.02% YoY (2015: 4.79%), which was largely inline with market's expectation. That being said, we do however see potential headwinds on the private consumption side as evidently same store sales growth within the retail space began to ease. The recent electricity tariff hike and higher basic food prices have had adverse impact towards purchasing power overall. The higher commodity prices have yet to translate or serve as a buffer to the declining in purchasing power. In addition, tax collection and government spending remains evidently challenging which puts pressure on the government component of the GDP equation. We expect market to remain volatile as we anticipate surprises in macro data. Sector wise, the Miscellaneous Industry Sector was the best performing sector this month, appreciating by +5.01% MoM. ASII (Astra International) was the movers; gaining by +3.14% MoM. This was followed by the Consumer Sector that posted +2.19% MoM gains, driven by UNVR (Unilever) and KLBF (Kalbe Farma) which rose +2.37% and +5.52% MoM respectively. On the flip side, Agriculture Sector was the worst performing sector this month, losing by -5.68% MoM. AALI (Astra Agro) and SSMS (Sawit Sumbermas) were the laggards, falling -5.23% and -5.86% 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.