

Allisa Rupiah Equity Fund

May 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	10.99%
Best Month	14.81% Jul-09
Worst Month	-12.99% Oct-08

Portfolio Breakdown

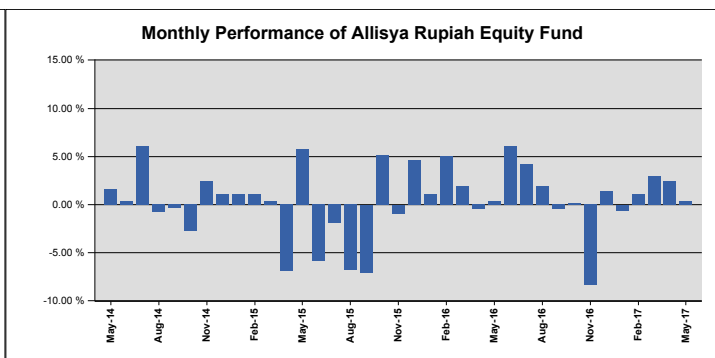
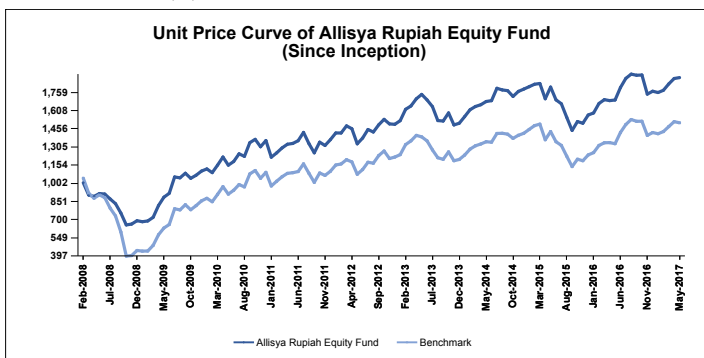
Equity	95.28%
Sharia Cash/Deposit	4.72%

Top Five Stocks Holding

Telekomunikasi Indonesia	20.48%
Astra International	16.59%
Unilever Indonesia	15.61%
United Tractors	4.45%
Indofood CBP Sukses Makmur	4.17%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisa Rupiah Equity Fund	0.41%	5.93%	7.88%	10.99%	11.82%	6.41%	88.12%
Benchmark*	-0.61%	5.10%	7.47%	13.08%	11.70%	5.70%	50.56%

*Jakarta Islamic Index (JII)



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 850.67
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 May 31, 2017)	Bid : IDR 1,787.14 Offer : IDR 1,881.20
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a.

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced May 2017 inflation at +0.39% mom (vs consensus 0.38%, 0.09% in Apr 2017). On yearly basis, inflation was higher to +4.33%yoy (vs consensus 4.31%, 4.17% in Apr 2017). Core inflation was printed at +3.20% yoy (vs consensus 3.30%, 3.28% in Apr 2017). Higher inflation was due to higher food prices on lead to and on fasting month. In the Board of Governors' Meeting on 17-18 May 2017, Bank Indonesia maintained the BI 7-day (Reverse) Repo Rate (BI-7 day RR Rate) at 4.75%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 4.00% and 5.50% respectively. Rupiah appreciated by +0.05% to 13,321/USD at end of May 2017 from 13,327/USD in previous month. April trade balance was surplus \$1.238bn (vs consensus \$0.946bn, \$1.234bn prior), with import rose 10.31% yoy (vs last 18.19%) and export rose 12.63% yoy (from before 23.55%). Indonesia's foreign reserves increased \$1.703bn to \$124.953bn in May 2017 from \$123.25bn in Apr 2017. The increase was primarily attributable to foreign exchange receipts, among other from tax revenues and government oil & gas export proceeds, as well as auction of Bank Indonesia foreign exchange bills. S&P upgraded Indonesia rating to BBB-/stable from BB+/positive on the back of improvement in the budget. "The government's new focus on realistic budgeting has lowered the risks that budget deficits will widen significantly when government revenue disappoints," S & P said.

The JAKISL Index ended the month lower at 733.69 (-0.61% MoM). Market laggards were ASII, ADRO, PTBA, EXCL, and CTRA as they fell -2.23%, -14.37%, -14%, -7.79% and -12.5% MoM respectively. Index broke thru all-time high in May on the back of S&P raised Indonesia's long-term sovereign credit rating to investment grade BBB-. Indonesia's Fiscal Reform became the key factor driver on the rating upgrade. Investors, foreign in particular, reacted positively as the rating upgrade could drive further capital inflows and lower credit cost will reflect to better economic growth for both the public and private sectors. While we remain constructive on the Indonesian economy as a whole over the longer term, equity markets remains on the rich side in terms of valuation. Potential further social disruption and political instability will increase risk aversion to the market in the short to medium term. Sector wise, the Mining Sector was the worst performing sector during the week, declining 8.63% MoM. Ticker wise, ADRO (Adaro Energy) and INCO (Vale Indonesia) were the laggards, depreciating 14.37% and 14.19% MoM respectively. This was followed by the Construction, Property and Real Estate Sector which dropped 2.69% MoM. Ticker wise, LPKR (Lippo Karawaci) and PPRO (PP Properti) posted 13.92% and 13.64% MoM losses respectively. On the other hand, the best sector during the week was the Consumer Sector, which recorded a gain of 3.42% MoM. Ticker wise, INDF (Indofood Sukses Makmur) and UNVR (Unilever Indonesia) were the movers which rose 4.48% and 3.76% MoM respectively.

Our main strategy is to focus on bottom up stock picks where we lean towards a value approach and preference on shock proof business model that generates sustainable returns and cash flows over aggressive growth with risks of shortfall associated with it. Overall, while the longer term broader economy still looks constructive, there are stumbling blocks to navigate through be it as a result of internal and external factor over the short to medium term.