

ALLISYA RUPIAH EQUITY FUND

January 2018

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).

Return Performance

Last 1-year Period		17.73%
Best Month	Jul-09	14.81%
Worst Month	Oct-08	-12.99%

Portfolio Breakdown

Equity	95.58%
Sharia Cash/Deposit	4.42%

Top Five Stocks Holding

Unilever Indonesia	15.22%
Telekomunikasi Indonesia	15.04%
Astra International	13.79%
United Tractors	6.66%
Barito Pacific	4.47%

Key Fund Facts

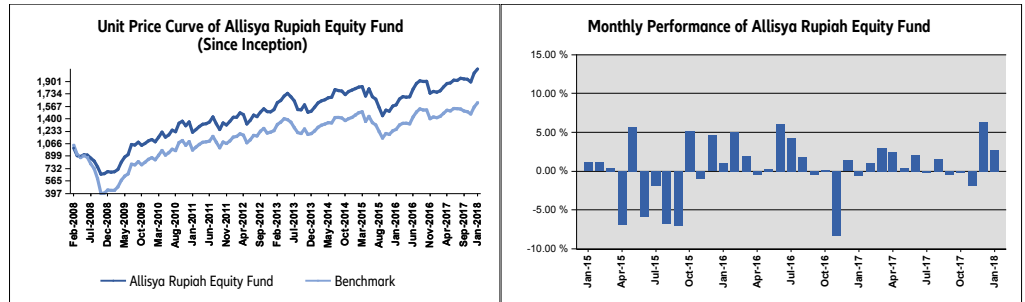
Fund Size (in bn IDR)	IDR 1,010.63
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah

Price per Unit	Bid	Offer
(As of Jan 31, 2018)	IDR 1,965.16	IDR 2,068.59

Managed by PT Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	2.71%	7.14%	8.04%	17.73%	14.57%	2.71%	106.86%
Benchmark*	3.69%	8.02%	5.18%	14.19%	11.38%	3.69%	61.52%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Jan 2018 inflation at +0.62% mom (vs consensus inflation +0.70%, +0.71% in Dec 2017). On yearly basis, inflation was lower to +3.25%yoy (vs consensus inflation +3.33%, +3.61% in Dec 2017). Core inflation was printed at +2.69%yoy (vs consensus inflation +2.80%, +2.95% in Dec 2017). The controlled inflation is primarily attributable to administered prices whose deflation and core inflation remain controlled amidst the increasing inflation of volatile food. In the Board of Governors' Meeting on 18 Jan 2018, 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 appreciated by +0.99% to 13,413/USD at end of Jan 2018 from 13,548/USD in previous month. Trade balance booked surplus of USD11.83bn FY2017 (non-oil and gas surplus increased USD 5.24bn to USD20.40bn, while deficit in oil and gas increased USD 2.93bn to USD 8.57bn), despite monthly deficit in Dec 2017 of USD -0.27bn. The Indonesia's actual GDP growth 4Q17 recorded 5.19%yoy, higher than that in the previous quarter of 5.06%yoy. Throughout 2017, economic growth is recorded 5.07%, higher compared to 5.03% in FY2016. Growth was mainly caused by investment (grew 6.2%yoy from 4.5% in FY2016), followed by net export (grew 21.2%yoy from 10% in FY2016), and government expenditure (grew 2.14%yoy from -0.14% in FY2016). Private consumption was relatively stable (4.95% from 5.01% FY2016). Indonesia's foreign exchange reserve in January 2018 reached USD131.98 billion January 2018, higher than the end of December 2017 level at USD130.2 billion. The increase was primarily attributable to foreign exchange receipts, among other form tax revenues and government oil & gas export proceeds, withdrawal of government foreign loan, as well as auction of Bank Indonesia foreign exchange bills.

The JAKISL Index ended the month higher at 787.12 (+3.69% MoM). Market movers were PGAS, ADRO, PTBA, UNTR, and INCO as they rose 49.14%, 31.72%, 38.21%, 9.89% and 29.76% MoM respectively. The index continued its gains in January, buoyed by positive sentiment both in domestic and global markets. As seen on the foreign net inflow of US\$123mn in Jan-18. Investors were more optimistic that Indonesian economy in 2018 will be stronger versus 2017. The combination of regional elections as well as government's program on Village Funds' "Cash for Work" is expected to improve purchasing power for middle to middle low income segment. In addition, relatively high & stable commodity prices is set to further benefit the economy particularly within the non-Java regions. That being said however, the risk of rising oil prices which has risen past US\$60/barrel is something that can't be ignored as it would have negative implications towards inflationary pressure. On the global side, global monetary normalization agenda from US and Europe in the medium term could trigger exchange rate volatility and changes in Global Fund's asset allocation within emerging markets. Sector wise, the Mining Sector was the best performing sector during the week, gaining 24.97% WoW. Ticker wise, ANTM (Aneka Tambang Persero) and PTBA (Tambang Batubara Bukit Asam Persero Tbk) were the movers, appreciating 46.4% and 38.21% MoM respectively. This was followed by the Basic Industry Sector which rallied 11.51% MoM. Ticker wise, SMGR (Semen Indonesia Persero) and TPIA (Chandra Asri Petrochemical) posted 12.63% and 8.75% MoM gains respectively. On the other hand, the worst sector during the week was the Infrastructure, Utilities and Transportation Sector, which recorded a decline of 1.79% MoM. Ticker wise, TLKM (Telekomunikasi Indonesia Persero) was the laggards which fell 10.14% MoM.

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:

Allisya 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.