

AlliSyia Rupiah Equity Fund

August 2013



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 **6.67%**
 Best Month **14.81% Jul-09**
 Worst Month **-12.99% Oct-08**

Portfolio Breakdown

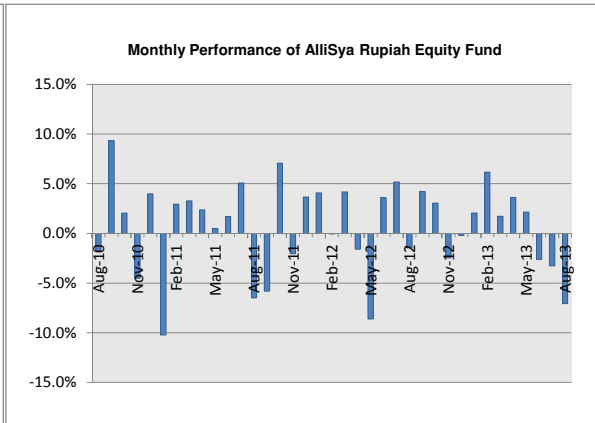
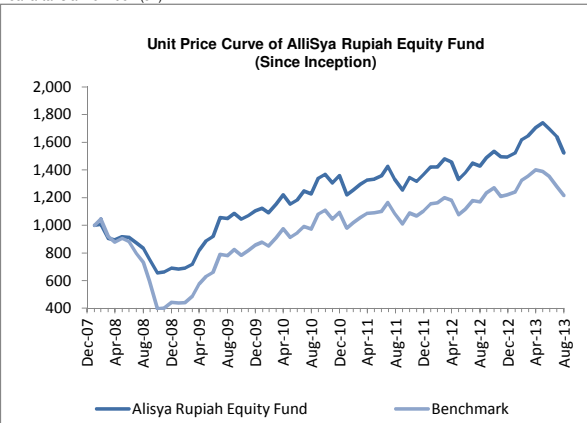
Equity
 Cash/Deposit Sharia

Top Five Stocks Holding

90.70% TELEKOMUNIKASI TBK PT **15.03%**
9.30% ASTRA INTERNATIONAL TBK PT **14.54%**
 UNILEVER INDONESIA TBK PT **14.06%**
 PERUSAHAAN GAS NEGARA PT **7.76%**
 INDOFOOD CBP SUKSES MAKMUR TBK **4.78%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSyia Rupiah Equity Fund	-7.08%	-12.49%	-5.77%	6.67%	24.28%	2.08%	52.40%
Benchmark*	-5.09%	-12.50%	-8.25%	3.87%	24.95%	-0.47%	21.48%

*Jakarta Islamic Index (JII)



KEY FUND FACTS

Fund Size (in IDR bn) : IDR 326.75
Risk Profile : Aggressive Investor
Launch Date : 01 Feb 2008
Fund Currency : Indonesian IDR
Managed by : PT. Asuransi Allianz Life Indonesia

Pricing Frequency : Daily
Price per Unit : *Bid* IDR 1,447.75 *Offer* IDR 1,523.95
(As of Aug 30, 2013)
Bid-Offer Spread : 5.00%
Management Fee : 2.00% p.a

MANAGER COMMENTARY

Inflation in August was lower than market expectation, printed at 1.12% mom (vs consensus 1.20%, 3.29% in July). However in yearly basis, it was higher compared to previous month at 8.79% yoy (vs consensus 8.95%, 8.61% in July) which was driven by staple food price due to the Eid Mubarak holiday, and educational cost caused by start of new school term. Core inflation rose 4.48% yoy (vs consensus 4.43%, 4.44% in July). In the Board of Governors' Meeting on Aug 29th, 2013, Bank Indonesia increased its reference rate by 50 bps to 7.00%, Lending Facility by 25 bps to 7% and the deposit facility rate (FASBI) by 50bps to 5.25%. Rupiah depreciated against USD by -6.29% to 10,924 at end of August compared to previous month 10,278. Indonesia's July trade balance posted higher deficit at USD -2.31bn (vs consensus USD -0.4bn) compared to deficit at USD -0.847bn in June 2013. Export increased by 2.37% MoM while imports sharply increased by 11.4% MoM. Government announced policy package to address widening current account deficit, rising inflation and slowing growth. There are 4 packages: 1. to address current account deficit, 2. to maintaining economic growth, 3. to maintain consumer's purchasing power and lower inflation 4. to speed up investment. Bank Indonesia also announced some action plan: 1. Extend the allowed maturity of forex term deposits from max 30 days to maximum of 1 year, 2. Allow exporters to purchase foreign currency onshore in the amounts that they have previously converted into IDR, 3. Allow banks to "pass on" derivative positions held with third parties to BI, 4. Fund from the sale of assets by non-residents may now be kept in Indonesia and these deposits will be exempted from bank's foreign liability limit, 5. BI to issued deposit certificate of Bank Indonesia (SDBI).

The JII (Jakarta Islamic Index) ended lower in August by -5.09% MoM. Most of the large cap stocks led the decline including BMTR, CPIN, SMGR, BSDE, and ICBP which fell by -23.91%, -21.51%, -17.11%, -17.09%, and -10.71% MoM respectively. On the other hand, there were several stocks that appreciated, i.e. from Commodity related names, such as ITMG, ADRO, AALI, INCO, and PTBA which appreciated by +32.44%, +32.86%, +27.01%, +29.94%, and 21.61% MoM respectively. Investors booked an overall net sell in transaction in the mid of August after Indonesia's Current Account Deficit (CAD) numbers was at its worst at -US\$9.8bn (-4.4% of total GDP), higher non-oil and gas import and a relatively much lower export was the main culprit. Volatility in equity instrument increased in August. In order to reduce volatility in financial market, government announced several policy response, which includes changing trade procedure for cow meat and horticulture import goods from quota system to price mechanism. In regards to the sector, the Property Sector posted the lowest performance this month where it fell by -16.27% MoM. The largest contribution came from BSDE (Bumi Serpong Damai) and CTRA (Ciputra Development) which fell by -17.29% and -29.50% MoM respectively. The new LTV regulation in place effective September 1st as well as the interest rate hike is expected to slow down mortgage growth and hence potentially moderate property sales volume and price appreciation. Second lowest contribution came from Basic Industry sector that also fell by -12.26% MoM, driven by CPIN (Charoen Pokphand), and SMGR (Semen Gresik) which posted -21.51% and -17.11% MoM decline respectively. Having an USD exposure in raw material cost could potentially increase the cost and profit margin pressure. We remain selective in our stock picks.

Disclaimer:

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