

AlliSya Rupiah Equity Fund

July 2014


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	9.29%
Best Month	14.81% Jul-09
Worst Month	-12.99% Oct-08

Portfolio Breakdown

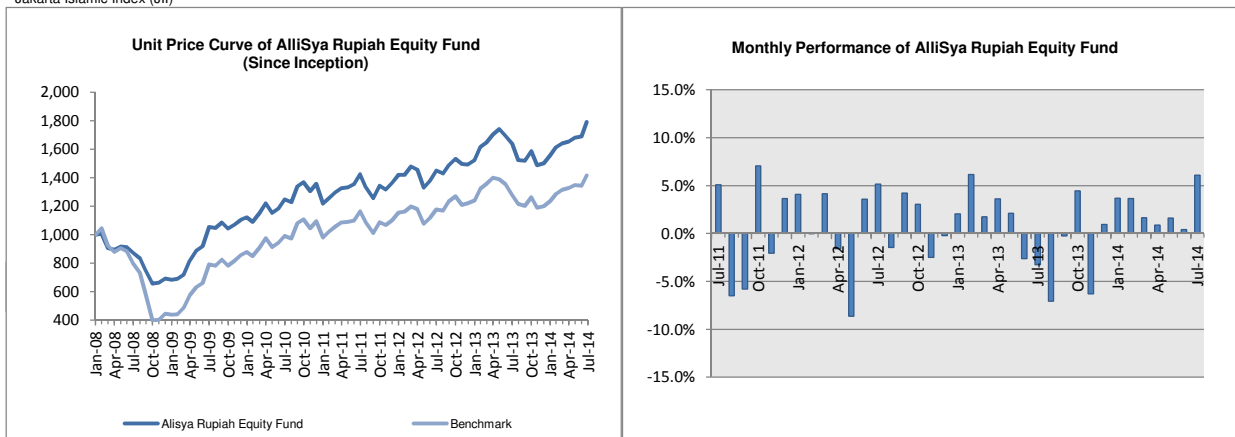
Equity	94.42%
Cash/Deposit Sharia	5.58%

Top Five Stocks Holding

ASTRA INTERNATIONAL	15.50%
TELEKOMUNIKASI	15.43%
UNILEVER INDONESIA	11.82%
PERUSAHAAN GAS NEGARA	8.12%
SEMEN GRESIK (PERSERO)	4.77%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSya Rupiah Equity Fund	6.09%	8.27%	15.11%	9.29%	25.74%	19.35%	79.24%
Benchmark*	5.40%	6.60%	14.52%	10.69%	21.74%	17.99%	41.67%

*Jakarta Islamic Index (JII)


KEY FUND FACTS

Fund Size (in IDR bn)	: IDR 482.73
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	<i>Bid</i> <i>Offer</i>
(As of July 25, 2014)	: IDR 1,702.80 IDR 1,792.42
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in Jul at 0.93% mom (vs consensus 0.82%, 0.43% in Jun) caused by higher food ingredients, processed food, beverages, and tobacco prices, as well as increasing impact of the July's electricity tariff hike for mid-size households – averaging 9% every two months. On yearly basis, inflation printed at 4.53% YoY (vs consensus 4.40%, 6.70% in Jun) as the base effect on the back of last year's June fuel price increase has diminished. Core inflation fell to 4.64% YoY (vs consensus 4.80%, 4.81% in Jun). In the Board of Governors' Meeting on Jul 10th, 2014, BI maintained its reference rate at 7.5%. Lending Facility at 7.5%, and the deposit facility rate (FASBI) at 5.75%. Rupiah appreciated against USD by +3.16% to 11,591 at end of Jul compared to previous month 11,969. Trade balance was deficit -0.31bn USD (non-oil and gas surplus +0.30bn, oil and gas deficit -0.60bn USD) in Jun (vs consensus deficit -0.39bn USD, surplus +0.07bn USD in May). Export increased by +4.45% YoY mostly driven from jewelry, while imports increased by +0.54% YoY.

The JII (Jakarta Islamic Index) ended higher in July at 690.39, increasing by +5.40% MoM. Large cap stocks such as TLKM, ASII, UNVR, SMGR, and INTP contributed to the MoM gain, all of which rose by +7.51%, +6.19%, +5.04%, +9.95%, and +10.64% MoM respectively. Political condition in the country remains to be under control despite the Prabowo-Hatta band camp announcing that they will appeal to constitutional court after the Election Committee declaring Jokowi-Jusuf Kalla as the winner of the president and vice president election on 22nd Jul 2014. Jokowi led with 53.12% of total votes while Prabowo-Hatta grabbed 46.88% of total votes. The Jokowi-JK band camp won by 6.24% or the equivalent of 8mn people. Foreign Investors reacted positively on the election result which resulted in booking a net inflow of US\$ 1.1bn. The additional net inflow brought the YTD 2014 foreign inflows to US\$4.4bn which was a historical high over the last decade. Sentiments continue to be favorable however broad market valuations on most tickers have become more expensive since earnings expectations are not expected to change significantly in the near term. Sector wise, the Property Sector was the best performing sector this month where it appreciated +12.53% MoM. BEST (Bekasi Fajar) and CTRA (Ciputra Development) rose +39.81% and +24.86% MoM respectively. This was followed by the Basic Industry Sector that posted +7.09% MoM gain, driven by INTP (Indocement) and SMGR (Semen Gresik) which appreciated by +10.64% and +9.95% MoM respectively. On the other hand, the Agriculture Sector was the worst performing this month which lost -5.84% MoM, laggards includes SIMP (Salim Ivomas) and LSIP (London Sumatera) which fell by -11.39% and -9.29% MoM respectively. Lower CPO price to MYR 2,345.5/ton (-5.58% YoY) on the back of higher CPO production seasonality and higher probability of el-nino that being delayed.

We remain selective in our stock picks focusing names which have an attractive risk/reward profile.

Disclaimer:

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