

AlliSya Rupiah Equity Fund

June 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	-0.35%
Best Month	14.81% Jul-09
Worst Month	-12.99% Oct-08

Portfolio Breakdown

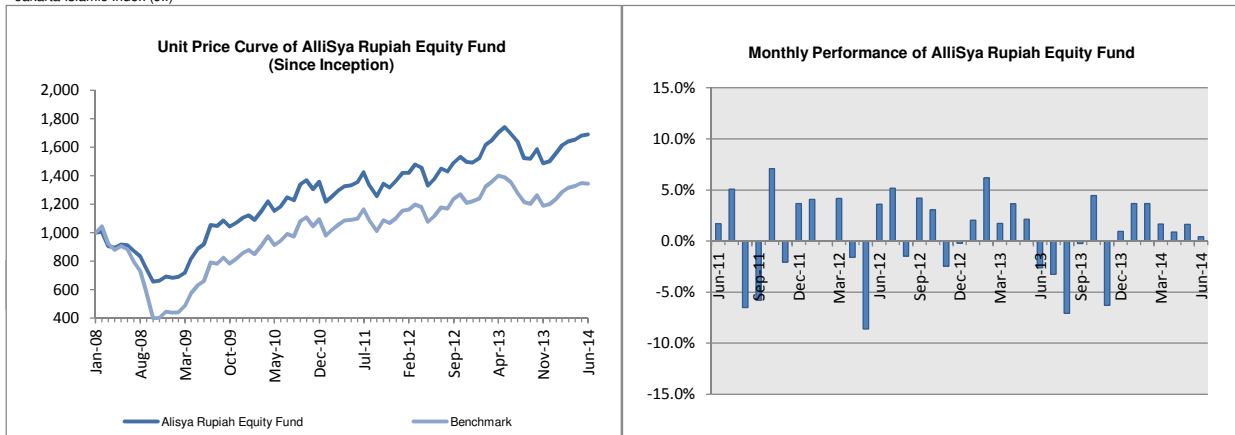
Equity	94.75%
Cash/Deposit Sharia	5.25%

Top Five Stocks Holding

ASTRA INTERNATIONAL	15.47%
TELEKOMUNIKASI	14.93%
UNILEVER INDONESIA	11.54%
PERUSAHAAN GAS NEGARA	8.30%
SEMEN GRESIK (PERSERO)	4.61%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSya Rupiah Equity Fund	0.42%	2.97%	12.50%	-0.35%	24.56%	12.50%	68.95%
Benchmark*	-0.28%	2.28%	11.94%	-0.78%	22.19%	11.94%	34.41%

*Jakarta Islamic Index (JII)


KEY FUND FACTS

Fund Size (in IDR bn)	: IDR 447.97
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 June 30, 2014)	: IDR 1,605.06 IDR 1,689.53
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in June at 0.43% mom (vs consensus 0.47%, inflation 0.16% in May) caused by higher food ingredients, processed food, beverages, and tobacco prices while direct impact of May's electricity tariff hike was limited as it only involved high-end household customers. However, starting July, the impact may increase as mid-size households will also see tariff hikes averaging 9% every two months. On yearly basis, inflation printed at 6.70% yoy (vs consensus 6.79%, 7.32% in May). Core inflation rose to 4.81% yoy (vs consensus 4.80%, 4.66% in May). In the Board of Governors' Meeting on Jun 12th, 2014, BI maintained its reference rate at 7.5%, Lending Facility at 7.5%, and the deposit facility rate (FASBI) at 5.75%. Rupiah depreciated against USD by -3.08% to 11,969 at end of June compared to previous month 11,611. Trade balance was surplus +70mn USD (non-oil and gas surplus 1.4mn, oil and gas deficit -1.33mn USD) in May (vs consensus deficit -100mn USD, deficit -1.962bn USD in Apr). Export decreased by -8.11% YoY mostly driven from vehicles and parts. While imports decreased by -11.43% YoY.

The JII (Jakarta Islamic Index) ended lower in June at 654.99, depreciating by -0.28% MoM. Large cap stocks such as TLKM, INCO, EXCL, BSDE, and CTRA contributed to the MoM decline, all of which fell by -4.27%, -9.20%, -6.85%, -7.76%, and -12.32% MoM respectively. Investors have been largely absent from the market over the last month, where foreign flows decreased to US\$229.7mn (vs. US\$706.6mn in May-14) in view of the presidential election and its uncertainty over the outcome. The election remains a key focus for investors, foreign in particular, as investors typically view a Jokowi win as favorable and Prabowo win would be seen as a negative. Given the fact that more and more reports to suggest that the election will be a tight race between the two presidential candidates, investors became cautious and decide to simply wait for the outcome of the post-election quick count results. Aside from politics, Indonesia's macro indicators are also of concern as inflation pressure is not expected to ease in near future as there are progressive bi-monthly electricity tariff hike and a combination of weaker rupiah and higher oil prices are also in the horizon. Hence a scenario of worsening trade balance and slower economic growth should not be ruled out. Sector wise, the Property Sector was the worst performing sector this month where it fell -6.47% MoM. BKSL (Bukit Sentul) and BEST (Bekasi Fajar) fell -27.89% and -16.44% MoM respectively. This was followed by the Mining Sector that fell by -4.55% MoM, which was driven by BUMI (Bumi Resource) and TINS (Timah) which fell by -15.00% and -11.58% MoM respectively. On the other hand, the Trading and Distribution Industry Sector was the best performing this month which advanced +3.39% MoM, driven by BRMS (Bumi Resources Mineral) and SCMA (Surya Citra Media) rose by +25.65% and +13.09% MoM respectively.

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

Disclaimer:

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