

AlliSya Rupiah Equity Fund

May 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 **-3.39%**
 Best Month **14.81% Jul-09**
 Worst Month **-12.99% Oct-08**

Portfolio Breakdown

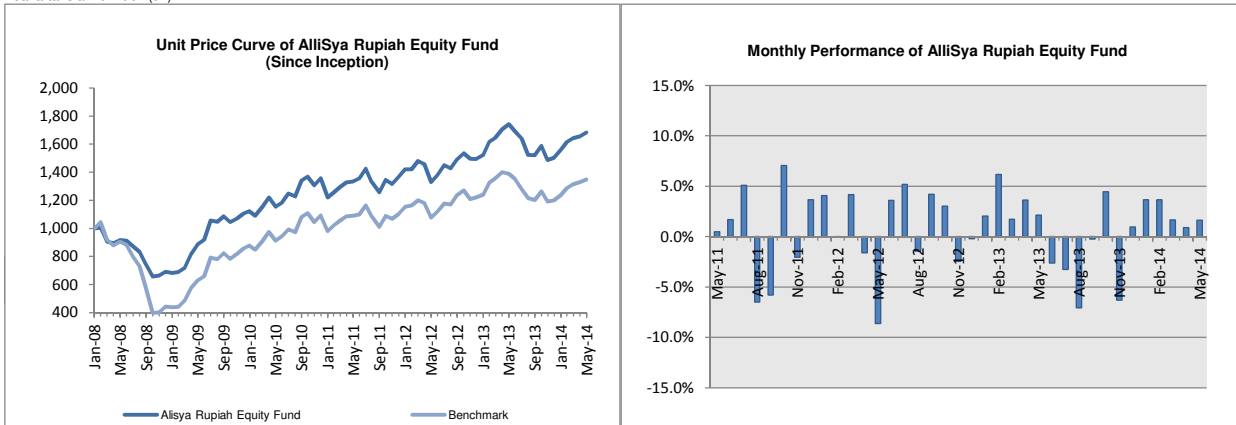
Equity **94.06%**
 Cash/Deposit Sharia **5.94%**

Top Five Stocks Holding

TELEKOMUNIKASI **15.78%**
 ASTRA INTERNATIONAL **15.14%**
 UNILEVER INDONESIA **11.53%**
 PERUSAHAAN GAS NEGARA **8.21%**
 SEMEN GRESIK (PERSERO) **4.69%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSya Rupiah Equity Fund	1.62%	4.22%	13.09%	-3.39%	26.15%	12.02%	68.24%
Benchmark*	1.41%	4.78%	13.27%	-2.92%	23.61%	12.26%	34.79%

*Jakarta Islamic Index (JII)


KEY FUND FACTS

Fund Size (in IDR bn) : IDR 436.92
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* / *Offer*
(As of May 30, 2014) : IDR 1,598.27 / IDR 1,682.39
Bid-Offer Spread : 5.00%
Management Fee : 2.00% p.a

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in May at 0.16% mom (vs consensus 0.14%, deflation -0.02% in Apr) caused by higher processed food, housing and utilities prices. On yearly basis, inflation printed at 7.32% yoy (vs consensus 7.30%, 7.25% in Apr). Core inflation rose to 4.82% yoy (vs consensus 4.77%, 4.66% in Apr) on the back of increasing demand of air and train transportation ahead the school's holiday and Moslem's fasting month and 'Idul Fitri' celebration as well Rupiah depreciation. In the Board of Governors' Meeting on May 8th, 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 -0.68% to 11,611 at end of May compared to previous month 11,532. Trade balance was deficit -1.962bn USD (non-oil and gas deficit 902mm, oil and gas deficit 1.06bn USD) in April (vs consensus surplus +0.178bn USD, surplus +0.673bn USD in Mar). Export decreased by -3.16% YoY, while imports decreased by -1.26% YoY. Foreign reserves in May increased by +1.4bn USD (+1.33% MoM) from USD 105.6bn in April to USD 107bn in May.

The JII (Jakarta Islamic Index) ended higher in May at 656.83, appreciating by +1.41% MoM. Large cap stocks such as TLKM, ITMG, PWON, INTP and EXCL contributed to the MoM gain increasing by +13.69%, +12.46%, +15.91%, +3.19%, and +5.80% MoM respectively. Politics wise, preliminary polls suggests that the race for presidency is going to be tight between the two presidential candidates which in turn creates uncertainty on who will govern the country for the next 5 years. Net buying flows slowed to US\$706.6mn (-7.63% MoM). That aside and looking into fundamentals, investors seemed less upbeat on concerns that slower economic growth is more than likely. So far 1Q14 GDP growth has been modest at 5.2% YoY which is slower than what investors had predicted at 5.6%. Partially the export ore ban is having a short term negative impact on growth. In addition to this, trade balance is expected to seasonally worsen in 2Q resulting from higher imports as we head towards the fasting Ramadan month. Sector wise, the Infrastructure Sector was the best performing sector this month where it appreciated +6.53% MoM, WINS (Wintermar Offshore) and TBIG (Tower Bersama) posted +19.80% and +18.08% MoM gains respectively. This was followed by the Mining Sector that appreciated by +4.71% MoM, which was driven by ESSA (Esa Surya Perkasa) and MEDC (Medco International) which rose +28.65% and +18.18% MoM respectively. On the other hand, the Miscellaneous Industry Sector was the worst performing this month which fell by -3.76% MoM, driven by AUTO (Astra Otoparts) and ASII (Astra International) falling by -5.63% and -4.71% MoM respectively. Potential higher cost from electricity tariff and slower 2W and 4W demand towards fasting month have brought down sentiments towards the respective names.

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

Disclaimer:

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