

AlliSya Rupiah Equity Fund

December 2015


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

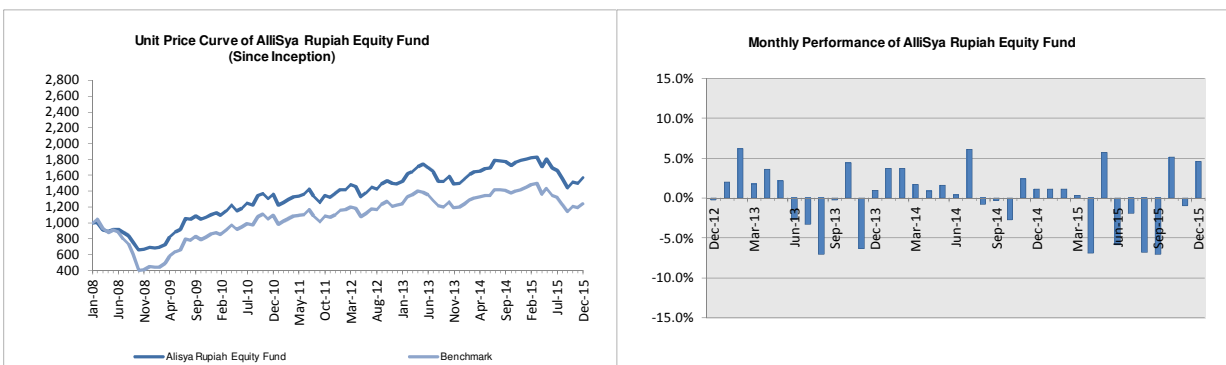
Last 1-year period	-12.06%
Best Month	14.81% Jul-09
Worst Month	-12.99% Oct-08

Portfolio Breakdown

Equity	96.09%	Top Five Stocks Holding	
Cash/Deposit Sharia	3.91%	Telekomunikasi Indonesia	17.78%
		Unilever Indonesia	16.44%
		Astra International	14.17%
		Indofood CBP Sukses Makmur	4.55%
		Indocement Tunggul Prakarsa	4.13%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSya Rupiah Equity Fund	4.57%	8.92%	-7.43%	-12.06%	5.19%	-12.06%	57.03%
Benchmark*	4.06%	8.50%	-8.16%	-12.69%	1.44%	-12.69%	23.81%

*Jakarta Islamic Index (JII)


KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 562.51
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 (As of Dec 30, 2015)	Bid : IDR 1,491.76 Offer : IDR 1,570.27
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced December's inflation at 0.96% mom (vs consensus +0.61%, +0.21% in Nov 2015) mostly were caused by higher food ingredients, processed food, beverages, cigarette and tobacco. On yearly basis, inflation printed at 3.35% YoY (vs consensus 3.00%, 4.89% in Nov 2015). Core inflation printed at +3.95% YoY, lower compared to previous month (+4.77% in Nov 2015). In the Board of Governors' Meeting on Dec 17th, 2015, Bank Indonesia maintained its reference rate at 7.50%, Lending Facility at 8.0%, and also facility rate (FASBI) to 5.50%, however cut reserve requirement by 50bps effective per December 2015. Rupiah appreciated against USD by +0.33% to 13,795 at end of December compared to previous month 13,840. Trade balance was deficit -0.35bn USD (non-oil and gas deficit 0.29bn, oil and gas deficit 0.06bn USD) in Nov 2015. Export decreased by -17.58% YoY mostly driven from export in natural oil, while imports decreased by -18.03% YoY. FX Reserves increased +5.69bn USD from 100.24bn USD in Nov 2015 to 105.93bn USD in Dec 2015 mostly from Global MTN issuance USD3.5bn in early December 2015.

The JII (Jakarta Islamic Index) ended higher in December at 603.35, gaining +4.06% MoM. Large cap stocks such as TLKM, INTP, LPPF, ICBP, and JMSR contributed to the MoM gain, all of which rose by +5.97%, +19.39%, +12.46%, +6.73%, and +16.11% MoM respectively. Equity market closed weaker in 2015 as corporates earnings momentum slows, the index fell 12.13% YoY in December. Weaker macroeconomic conditions including slower pace of government spending, increased government intervention in several industries and weakening IDR due to external factors all resulted in relatively weaker economic growth. Foreign outflows have been the dominant trend in the market in 2015 and consequently resulting in higher than usual volatility in the IDR. That said however, we see that 2015 marked the start of a reform process in Indonesia in determining government policies and priorities for the longer term horizon. Execution on the ability for the government to implement new policies is crucial which saw challenges in 2015 remains the key risk factor. Nonetheless, government execution is expected to be somewhat smoother in 2016. In summary, Indonesia's long-term prospects remain constructive, be it gradual. Sector wise, the Agriculture Sector was the best performing sector this month, rising by +8.18% MoM. SSMS (Sawit Sumbermas Sarana) and LSIP (London Sumatera) were the movers; gaining by +23.42% and +10.00% MoM respectively. This was followed by the Trading and Distribution Sector that posted +5.84% MoM gains, driven by AKRA (AKR Corporindo) and UNTR (United Tractor) which rose +17.62% and +3.99% MoM respectively. On the flip side, Mining Sector was the worst performing sector this month, which fell by -5.40% MoM. ITMG (Indotambang) and ADRO (Adaro Energy) were the laggards, depreciating -15.19% and -6.36% MoM respectively.

We opportunistically select sound companies with quality management that offers earnings resiliency and growth going forward.