

AlliSya Rupiah Equity Fund

May 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	7.13%
Best Month	14.81% Jul-09
Worst Month	-12.99% Oct-08

Portfolio Breakdown

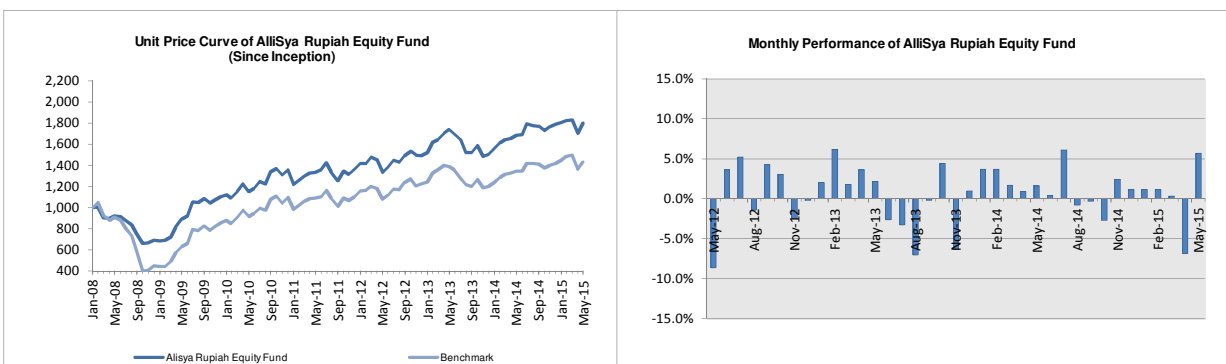
Equity	94.51%
Cash/Deposit Sharia	5.49%

Top Five Stocks Holding

UNILEVER INDONESIA	16.69%
ASTRA INTERNATIONAL	14.93%
TELEKOMUNIKASI	14.35%
PERUSAHAAN GAS NEGARA	5.24%
INDOFOOD CBP SUKSES MAKMUR	4.17%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSya Rupiah Equity Fund	5.70%	-1.28%	2.04%	7.13%	35.47%	0.94%	80.24%
Benchmark*	5.00%	-3.33%	2.20%	6.28%	32.95%	1.02%	43.25%

*Jakarta Islamic Index (JII)


KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 571.90
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 May 29, 2015)	: IDR 1,712.27	: IDR 1,802.39
Bid-Offer Spread	: 5.00%	
Management Fee	: 2.00% p.a	

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in May 2015 at 0.50% mom (vs consensus 0.40%, inflation 0.36% in Apr 2015) which mostly were caused by higher food ingredients, processed food and tobacco prices. On yearly basis, inflation printed at 7.15% YoY (vs consensus 7.01%, 6.79% in Apr 2015). Core inflation printed at 5.04% YoY, unchanged from previous month (vs consensus 5.06%, 5.04% in Apr 2015). In the Board of Governors' Meeting on May 19th, 2015, Bank Indonesia maintained its reference rate at 7.50%, Lending Facility at 8.0%, and also facility rate (FASBI) to 5.50%. Rupiah depreciated against USD by -2.12% to 13,211 at end of May compared to previous month 12,937. Trade balance was surplus +0.45bn USD (non-oil and gas surplus 1.33bn, oil and gas deficit 0.88bn USD) in Apr 2015. Export decreased by -8.46% YoY mostly driven from export in mineral fuel, while imports decreased -22.31% YoY. FX Reserves slightly decreased -0.1bn USD from 110.87bn USD in April 2015 to 110.77bn USD in May 2015 (can cover 7.1 months import or 6.8 months import and offshore government loan payment). The government issuance of \$2 billion global sukuk added to the reserves, however the gain was offset when Bank Indonesia used reserves to repay offshore government loans and to defend the rupiah in the foreign-exchange market.

The JII (Jakarta Islamic Index) ended higher in May at 698.07, rising +5.00% MoM. Large cap stocks such as TLKM, ASII, AALI, SMGR, and UNVR contributed to the MoM gain, all of which rose by +8.80%, +6.57%, +21.87%, +7.60%, and +1.64% MoM respectively. Equity market rebounded last month despite lower macro indicators. IDR currency weakened 6.23% YTD to IDR 13,211/USD level, which was 17 year low with ongoing foreign outflows. Foreign investors saw increasing downside risk of the Indonesian economy as lower purchasing power could be prolonged. Weak commodity prices have reduced people's wallet size/income in outer Java which are highly dependent on the commodity related sector. Government spending will be the only growth driver in the short run, however the progress has been slow and potentially improve post the month of Ramadan which suggests lesser working hours. In summary, FY15 Govt. spending expectation may have slight shortfalls and lower purchasing power may suggest that the FY15 GDP growth target of 5.4% might be challenging. Sector wise, the Agriculture Sector was the best performing sector this month, rising by +15.56% MoM. BWPT (BW Plantation) and AALI (Astra Agro Lestari) were the movers; gaining by +59.13% and +21.87% MoM respectively. This was followed by the Basic Industry Sector that rose +7.36% MoM, contributed by SMGR (Semen Gresik) and INTPT (Indocement) went up by +7.60% and +6.67% MoM respectively. On the other hand, Trading and Distribution sectors was the worst performing sector this month, fell -0.70%. UNTR (United Tractor) and BMTR (Global Mediacom) were the detractors which fell -5.14% and -16.77% MoM respectively.

We remain selective on stocks that have sustainable earnings projection in a situation where broad market earnings outlook looks relatively soft.

Disclaimer:

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