

# Allisia Rupiah Equity Fund

## July 2016



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	<b>12.68%</b>
Best Month	<b>14.81%</b> Jul-09
Worst Month	<b>-12.99%</b> Oct-08

#### Portfolio Breakdown

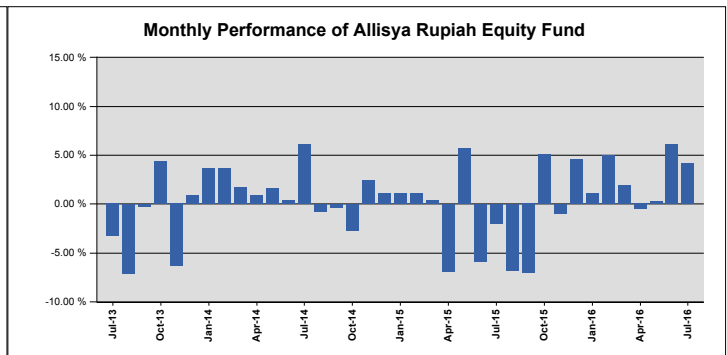
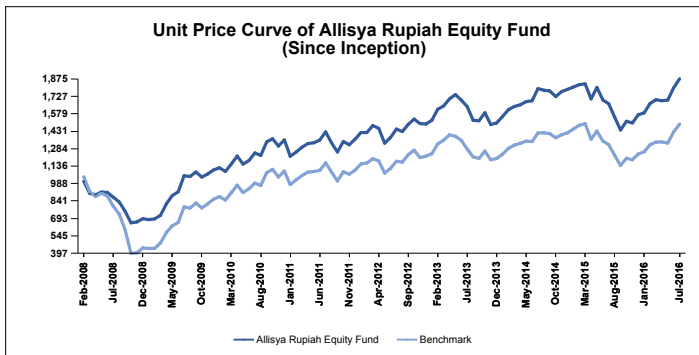
Equity	<b>96.71%</b>
Sharia Cash/Deposit	<b>3.29%</b>

#### Top Five Stocks Holding

Telekomunikasi Indonesia	<b>19.50%</b>
Unilever Indonesia	<b>15.79%</b>
Astra International	<b>14.05%</b>
Indofood CBP Sukses Makmur	<b>4.32%</b>
Indofood Sukses Makmur	<b>3.80%</b>

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisia Rupiah Equity Fund	<b>4.23%</b>	<b>10.94%</b>	<b>18.11%</b>	<b>12.68%</b>	<b>14.29%</b>	<b>19.38%</b>	<b>87.46%</b>
Benchmark*	<b>4.65%</b>	<b>11.23%</b>	<b>18.58%</b>	<b>13.18%</b>	<b>16.49%</b>	<b>20.43%</b>	<b>49.11%</b>

\*Jakarta Islamic Index (JII)



### KEY FUND FACTS

<b>Fund Size (in bn IDR)</b>	: IDR 735.67
<b>Risk Profile</b>	: Aggressive
<b>Launch Date</b>	: 01 Feb 2008
<b>Fund Currency</b>	: Indonesian Rupiah
<b>Managed by</b>	: PT Asuransi Allianz Life Indonesia

<b>Pricing Frequency</b>	: Daily	
<b>Price per Unit</b>	<b>Bid</b>	<b>Offer</b>
<b>(As of Jul 29, 2016)</b>	: IDR 1,780.83	: IDR 1,874.56
<b>Bid-Offer Spread</b>	: 5.00%	
<b>Management Fee</b>	: 2.00% p.a.	

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Jul's inflation at 0.69% mom (vs consensus 0.83%, 0.66% in Jun 2016) mostly were caused by higher food ingredients, process food and beverages prices. On yearly basis, inflation stood at 3.21% YoY (vs consensus 3.37%, 3.45% in Jun 2016). Core inflation printed at 3.49% YoY, unchanged previous month (vs consensus 3.59%). In the Board of Governors' Meeting on Jul 21st, 2016, Bank Indonesia maintained its reference rate at 6.50%, Lending Facility at 7.00% along with its facility rate (FASBI) at 4.50%. Rupiah appreciated by +0.65% to 13,094/USD at end of July as opposed to 13,180/USD previous month. Indonesia economic growth in second quarter 2016 was increased 4.02% QoQ (5.18% YoY compared to previous quarter at 4.91% YoY) which largely led by growth in agriculture, forestry and fisheries business sector. By expenditure, government spending and private consumption were the main drivers while investment continued to ease and net export ebbed. Trade balance booked a surplus of +US\$0.9bn (non-oil and gas surplus +US\$1.399bn, oil and gas deficit US\$-0.498bn) in Jun 2016. Export fell by -4.42% YoY mostly driven by a reduction in exports of iron and steel goods, while imports fell by -7.41% YoY. FX Reserves rose by US\$1.62bn from US\$109.79bn in Jun 2016 to US\$111.41bn in Jul 2016 on the back of revenue from tax, and oil-gas, as well as proceeds from Bank Indonesia's FX bills, known as SBBI. Reserves are sufficient for 8.5months imports or 8.2months imports and government external debt payments.

The JII (Jakarta Islamic Index) closed higher in July at 726.61, gaining +4.65% MoM. Large cap stocks such as TLKM, PGAS, ASII, INDF, and INCO contributed to the MoM gain, all of which rose by +6.28%, +40.60%, +4.39%, +14.83%, and +40.66% MoM respectively. The equity market continued to react strongly as a result of the passing of the tax amnesty bill that is expected to increase the government's future tax collection, to the point that it will be able to fund most of its infra projects and populist policies without relying heavily on external funding. This positive sentiment has reflected in strong foreign inflow which is posted US\$900mn in Jul-16. Investors were also surprised by the second cabinet reshuffle announcement, especially on the appointment of former finance minister and current managing director at the World Bank, Sri Mulyani as the new finance minister. Having a sound track record as a true reformist, she would be able to manage fiscal risk more properly going forward. On a broader framework, she will likely deliver a more consistent fiscal policy and be able to continue tax amnesty and tax reform programs. Keep in mind that she was the engineer for the so-called soft tax amnesty, Sunset Policy 2008. Bottom line, the two catalysts have and will send positive sentiment to wards investors and will have real benefits towards the economy as a whole, especially private investment. Sector wise, the Mining Sector was the best performing sector this month, appreciating by +12.30% MoM. INCO (Vale Indonesia) and ADRO (Adaro Energy) were the movers, gaining by +40.66% and +22.35% MoM respectively. This was followed by the Infrastructure Sector that posted +6.25% MoM gains, driven by PGAS (Perusahaan Gas Negara) and TLKM (Telekomunikasi Indonesia) which rose +40.60% and +6.28% MoM respectively. On the other side, Consumer Sector was the worst performing sector this month, losing by -0.08% MoM. UNVR (Unilever) and ROTI (Nippon Indosari) were the laggards, decreasing -0.06% and -0.95% MoM respectively.

We are more upbeat on Indonesian equities on the back of more favorable government initiatives that we think will have positive spillover effect towards the private sector. That said, our focus remains on value and earnings trajectory changes on the longer term horizon bearing in mind that FY17 would be the expected inflection point.

#### Disclaimer:

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