

# Allisia Rupiah Equity Fund

## January 2017



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>10.71%</b>
Best Month	<b>14.81%</b> Jul-09
Worst Month	<b>-12.99%</b> Oct-08

#### Portfolio Breakdown

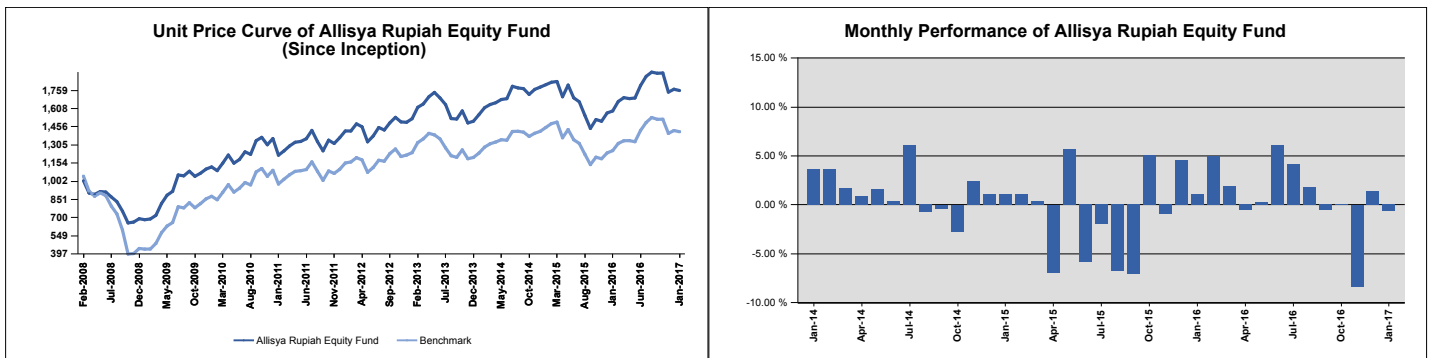
Equity	<b>95.90%</b>
Sharia Cash/Deposit	<b>4.10%</b>

#### Top Five Stocks Holding

Telekomunikasi Indonesia	<b>19.63%</b>
Unilever Indonesia	<b>15.51%</b>
Astra International	<b>15.32%</b>
United Tractors	<b>4.43%</b>
Indofood CBP Sukses Makmur	<b>4.37%</b>

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisia Rupiah Equity Fund	<b>-0.61%</b>	<b>-7.65%</b>	<b>-6.27%</b>	<b>10.71%</b>	<b>12.85%</b>	<b>-0.61%</b>	<b>75.71%</b>
Benchmark*	<b>-0.69%</b>	<b>-6.84%</b>	<b>-5.13%</b>	<b>12.50%</b>	<b>14.34%</b>	<b>-0.69%</b>	<b>41.45%</b>

\*Jakarta Islamic Index (JII)



### KEY FUND FACTS

<b>Fund Size (in bn IDR)</b>	: IDR 764.32
<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 (As of Jan 31, 2017)</b>	<b>Bid</b> : IDR 1,669.25 <b>Offer</b> : IDR 1,757.11
<b>Bid-Offer Spread</b>	: 5.00%
<b>Management Fee</b>	: 2.00% p.a.

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Jan 2017 inflation at 0.97% mom (vs +0.42% in Dec 2016), mostly was caused by higher vehicle registration fee and electricity tariff. On yearly basis, inflation was higher to 3.49% YoY (vs consensus 3.20%, 3.02% in Dec 2016). Core inflation printed at 3.35% YoY, higher from previous month (vs consensus 3.12%, 3.07% in Dec 2016). In the Board of Governors' Meeting on 18-19 Jan 2017, Bank Indonesia maintained the 7-day reverse repo rate at 4.75%, also Deposit Facility (DF) at 4.00% and Lending Facility (LF) at 5.50%. Rupiah appreciated by +0.69% to 13,343/USD at end of Jan 2017 as opposed to 13,436/USD previous month. Trade balance booked a surplus of +US\$0.992bn (non-oil and gas surplus +US\$1.448bn, oil and gas deficit US\$-0.456bn) in Dec 2016. Export rose by +15.57% YoY mostly driven by mineral fuel exports, while imports rose by +5.82% YoY. Indonesia's gross domestic product (GDP) growth in Q4 2016 was at -1.77% qoq (vs consensus -1.80%, 3.20% last quarter), however expanded 5.02% yoy in FY2016 (vs consensus 5.02%, 4.88% FY2015).

The JII (Jakarta Islamic Index) closed lower in January at 689.32, losing -0.69% MoM. Large cap stocks such as ASII, TLKM, INCO, KLBF, and ANTM contributed to the MoM loss, all of which fell by -3.93%, -2.76%, -15.96%, -4.29%, and -10.61% MoM respectively. Stock market continued to stay relatively flat given the lack of positive catalysts. Foreign flows dominated where US\$37mn of outflows were recorded in Jan-17 as a reflection of rising political concerns as we head towards the Jakarta governor elections which will be held on the 15th Feb. Despite a recovery in incumbent Ahok's popularity, there are no indications that any candidate will surpass the >50% threshold to win outright in the first round on 15 Feb. Current polls suggest Ahok will progress to a second round and the election campaign period is likely to continue through mid-April 2017, which will increase the risk of further political tension during 1Q17. On the monetary front, BI maintained its benchmark policy rate given potential external volatility and rising inflation risk due to higher electricity and issuance of new vehicle licenses tariff. We would expect market volatility to remain relatively high in the near term. Sector wise, the Miscellaneous Industry Sector was the worst performing sector this month, depreciating by -3.43% MoM. ASII (Astra International) was the laggards; losing by -3.93% MoM. This was followed by the Infrastructure Sector that posted -0.43% MoM losses, driven by TLKM (Telekomunikasi Indonesia) which lost -2.76% MoM. On the other side, Agriculture Sector was the best performing sector this month, gaining by +4.50% MoM. SSMS (Sawit Sumbermas) was the movers, rising +15.71% MoM respectively.

Our portfolio strategy leans towards a more defensive approach where risk/reward is still the bottom up main focus. Generally speaking, we have been selective on equities that have pricing power, relatively low gearing and well-disciplined corporate governance. We are putting a larger emphasis on managing earnings expectations to a more conservative approach rather than growth seeking and assess value on that front also bearing in mind forex, leverage exposures and cash flow generation ability.