

ALLISYA RUPIAH EQUITY FUND

August 2021

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).

Return Performance

Last 1-year Period	11.40%
Best Month	Jul-09 14.81%
Worst Month	Mar-20 -13.80%

Portfolio Breakdown

Equity	98.08%
Sharia Cash/Deposit	1.92%

Top Five Stocks Holding

TELKOM INDONESIA PERSERO TBK	16.77%
UNILEVER INDONESIA TBK PT	8.00%
SURYA QTRA MEDIA PT TBK	6.35%
BUKALAPAK.COM PT TBK	5.55%
BARITO PAFICTBK PT	4.82%

Key Fund Facts

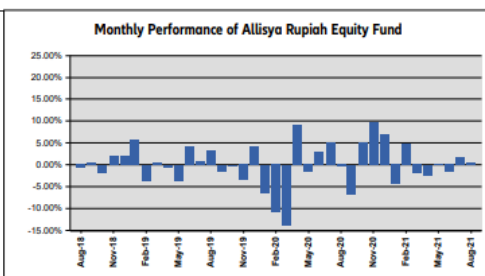
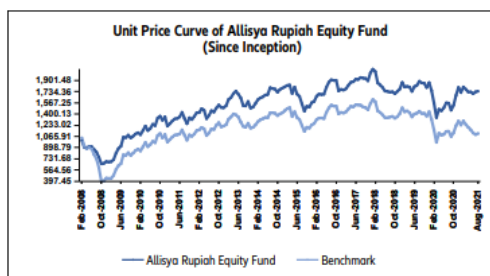
Fund Size (in bn IDR)	IDR 1,139.11
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	689,240,799.7168

Price per Unit	Bid	Offer
(As of Aug 31, 2021)	IDR 1,652.71	IDR 1,739.69

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	0.52%	0.60%	-3.56%	11.40%	0.85%	-3.18%	73.97%
Benchmark*	1.48%	-4.75%	-14.38%	-2.87%	-18.07%	-14.24%	10.95%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Aug 2021 inflation at +0.03% mom (vs consensus inflation +0.03%, +0.08% in July 2021). On yearly basis, inflation was +1.59% yoy (vs consensus inflation +1.60%, +1.52% in July 2021). Core inflation was printed at +1.31% yoy (vs consensus inflation +1.30%, +1.40% in July 2021). The lower monthly inflation was contributed by the deflation on volatile food group (lower prices of chicken and various holticulture) and the slowing down of the inflation on administered price group (chicken, and various holticulture). The BI Board of Governors agreed on 17-18 Aug 2021 to hold the BI 7-Day Reverse Repo Rate to be 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates to be 2.75% and 4.25%, respectively. This policy is to maintain Rupiah stability in the middle of global uncertainty and also the lower inflation. Rupiah appreciated against USD by +1.07% from 14,462 at end of July 2021 to 14,306 at end of Aug 2021. Indonesia's trade balance recorded surplus amounting to USD 2,589mn in July 2021 vs previous month surplus USD +1,316. The higher monthly trade surplus was caused by the lower imports number, especially on capital goods imports on the back of social restriction. While, the exports number was actually slowing down on the back of lower demand of iron and steel export from China. Even though, the CPO exports was increasing. Non-oil and gas trade balance in July 2021 recorded surplus USD +3,384mn, which was higher than the previous month that recorded trade surplus amounting to USD +2,382mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -795mn in July 2021, which was lower than the deficit in June 2021 amounting to USD -1,066mn. Indonesia's official foreign reserve in the end of Aug 2021 was at USD 144.80bn, higher than July 2021 number at USD 137.3billion due to additional fund from IMF for Special Drawing Rights (SDR) allocation amounting to USD 6.31bn.

The JAKISL Index ended the month higher at 540.67 (+1.48% MoM). Market movers were TLKM, SMGR, INTP, BRPT and CPIN as they rose 4.94%, 20.13%, 27.84%, 9.79% and 6.38% MoM respectively. Global stock markets strengthened in August, despite still relatively highly volatile from the beginning to the middle month period as geopolitical tension rise from Afghanistan and China. In addition, rising daily new Covid-19 cases globally and continuing market concerns over the outcome of the FOMC Meeting also fueled volatility. However, the dovish statement that came from Jerome Powell during the Jackson Hole symposium helped to build investors' confidence towards risky assets such as equities. Looking domestically in Indonesia, the country's daily Covid-19 cases and Covid-19 positivity rate has fallen quite significantly in August, which prompted the government to begin easing mobility restrictions, particularly in the Greater Jakarta area. On the vaccination progress, Indonesia continues to increase its daily vaccination rate, which now stands at above 1 million doses per day. The improvement in these two parameters has resulted in increasing foreign inflows into JCI in August. Market wise, the JCI currently trades at 2022 earnings multiple of 15x, which is still below its mean and considering the already low foreign investors' appetite in Indonesian stock market going forward. Sector wise, the Basic Materials Sector was the best performing sector during the month, gaining 1.02% MoM. Ticker wise, SMGR (Semen Indonesia) and INTP (Indocement) were the movers, appreciating 20.13% and 27.84% MoM respectively. This was followed by the Consumer Non-Cyclicals Sector which rallied 0.28% MoM. Ticker wise, CPIN (Charoen Pokphand) and ICBP (Indofood CBP) posted 6.38% and 3.69% MoM gains respectively. On the other hand, the worst sector during the month was the Energy Sector, which recorded a decline of 0.97% MoM. Ticker wise, ADRO (Adaro Energy) and PTBA (Bukit Asam) were the laggards, which fell 5.62% and 5.38% MoM respectively.

Portfolio strategy wise, we have started to progressively shift to increase non defensive cyclical exposures on economic recovery expectation in 2021 and 2022. Generally speaking, our preference on equities that have pricing power, efficient balance sheet and good corporate governance has not changed regardless of condition. 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.

About Allianz Indonesia

PT Asuransi Allianz Life Indonesia was founded in 1996 and is part of Allianz Asia Pacific which has been present in the region since 1910. Allianz Group is a leading insurance company and asset manager in the world with over 129 years of experience and provides a variety of personal and insurance services, companies, ranging from property, life and health insurance to credit insurance and business insurance services globally.

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