

# Allisya Rupiah Equity Fund

August 2023

**BLOOMBERG: AZSRPEQ IJ**

## Investment Objective

The objective of this fund is to provide long term maximum investment yield.

## Investment Strategy: Equity

To achieve the investment objective, this fund shall be invested 0-20% in short-term sharia instruments and 80 - 100% the sharia based equity instruments in accordance to OJK's decision.

## Return Performance

Last 1-year Period		-9.52%
Best Month	Jul-09	14.81%
Worst Month	Mar-20	-13.80%

## Portfolio Breakdown

Sharia Equity	98.91%
Sharia Money Market	1.09%

## Top 10 Holding

(in Alphabetical Order)

Adaro Energy
Astra International
Barito Pacific
Charoen Pokphand Indonesia
Indofood CBP Sukses Makmur
Merdeka Copper Gold Tbk
Semen Indonesia Persero
Telekomunikasi Indonesia
United Tractors
XL Axiata

\*there is no investment on related parties

## Industry Sector

Basic Industry	24.42%
Infrastructure	17.50%
Consumer Non-Cyclical	17.25%
Industry	16.67%
Energy	9.84%
Consumer Cyclical	7.09%
Health	5.64%
Finance	1.58%

## Key Fund Facts

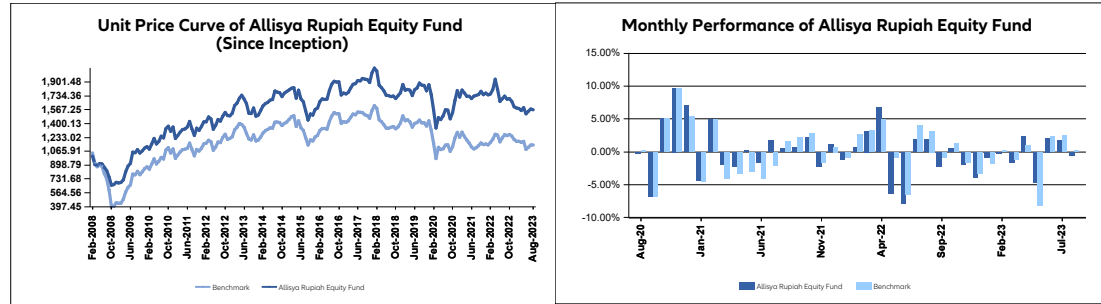
Fund Size (in bn IDR)	IDR 1,073.50
Risk Level	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	721,651,333.3955

Price per Unit	Bid	Offer
(As of Aug 31, 2023)	IDR 1,487.56	IDR 1,565.85

Managed by	PT. Asuransi Allianz Life Indonesia
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	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	-0.57%	3.21%	-0.99%	-9.52%	0.26%	-9.23%	-2.22%	56.59%
Benchmark*	0.02%	4.84%	-3.77%	-9.82%	-0.09%	-15.72%	-5.42%	14.13%

\*Jakarta Islamic Index (JII)



## Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced August 2023 inflation at -0.02% MoM (vs consensus inflation +0.05%, +0.21% in July 2023). On yearly basis, inflation was at +3.27% YoY (vs consensus inflation +3.34%, +3.08% in July 2023). Core inflation was printed at +2.18% YoY (vs consensus inflation +2.33%, +2.43% in July 2023). The lower inflation MoM was contributed by the lower price of food, beverage, tobacco group, clothing group and utilities group. The BI Board of Governors agreed on 23-24 August 2023 to hold the BI 7-Day Reverse Repo Rate at 5.75% and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 5.00% and 6.50%, respectively. In total, Bank Indonesia had increased their benchmark rate by 225bps up to Jan 2023. The decision is consistent with the monetary policy stance of managing inflation under 3.0% this year and 2.5% in 2024. The policy concentrate on rupiah stability in order to manage imported inflation and limit the spreading effect of global financial market uncertainties. Rupiah weakened against USD by -0.96% from 15,092 at end of July 2023 to 15,237 at end of August 2023. The weakened of Rupiah was impacted by Jerome Powell hawkish statement that stated the Fed still could hike rate until the Fed get assurance that inflationary path to inflation target of 2% is sustainable. Indonesia's trade balance recorded surplus amounting to USD +1,313mn in July 2023 vs previous month surplus USD +3,451mn in Jun 2023. The lower trade surplus was impacted by exports fell deeper than import. Non-oil and gas trade balance in July 2023 recorded surplus USD +3,218mn, which was lower than the previous month that recorded trade surplus amounting to USD +4,413mn in June 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,905mn in July 2023, which was higher than the deficit in June 2023 amounting to USD -963mn. Indonesia's current account deficit increased to USD -1.93 billion in Q2 of 2023 from Current Account Surplus USD 3.85 billion in the same period of the previous year, accounting for -0.55 percent of the country's GDP. The deficit driven by seasonally high dividend repatriation at USD -9.15bn while goods balance surplus thinner at USD 10.4bn. Indonesia's official reserve assets position amassed USD 137.1 billion as of the end of August 2023, decreased from USD 137.7 billion as of July 2023. The decrease was impacted by the government's external debt repayments and the need for Rupiah stabilization in response to increasing global financial market uncertainty.

The JAKISL ended the month higher at 556.17 (+0.02% MoM). Market movers were BRPT, ADRO, BRMS, EXCL and TPIA as they rose +38.06%, +10.79%, +14.04%, +10.13% and +2.83% MoM respectively. Global equities posted negative return in August as recent hawkish statement by the Fed combined with lackluster economic data coming out of China resulted in investors taking some money away from the equity market as there is a high probability that we may be living in a higher interest rate environment for a prolonged period. Domestically in Indonesia, the Shariah Index posted a slight positive return in August, gaining by +0.02% vs July. This was driven by combination of recent coal prices spike on the back of recent coal miners' strike in Australia and Indonesia offers more stable macro environment compared to its peers globally. Sector wise, the Basic Material Sector was the best performing sector during the month, gaining +9.81% MoM. Ticker wise, BRPT (Barito Pacific) and BRMS (Bumi Resources Minerals) were the movers, appreciating +38.06% and +14.04% MoM respectively. This was followed by the Infrastructure Sector which rallied +6.24% MoM. Ticker wise, EXCL (XL Axiata) posted +10.13% MoM gain. On the other hand, the worst sector during the month was the Industrial Sector, which recorded a decline of -3.90% MoM. Ticker wise, ASII (Astra International) and UNTR (United Tractor) were the laggards which fell -5.84% and -5.54% MoM respectively.

Portfolio positioning strategy wise, we are neutral and selective. 2023 is a year of normalization where strong commodity prices are normalizing with aggregate corporate earnings growth is expected to grow at high single digit compared to double digit growth in 2022. Structurally, we are also adjusting to a new era of higher cost of capital and hence equity. Despite a challenging and volatile short-term outlook, we still believe that the direction of digital and down streaming theme is structural and playing an important role for Indonesia over the mid-long term. Our preference on equities that have pricing power, efficient balance sheet and good corporate governance has not changed regardless of conditions. However, we have increased our cash portion over rising recession risk, complex geopolitical factors and lingering uncertainty over Abrupt type adjustment period(s).

## About Allianz Indonesia

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