

ALLISYA RUPIAH EQUITY FUND

December 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		-1.63%
Best Month	Jul-09	14.81%
Worst Month	Mar-20	-13.80%

Portfolio Breakdown

Equity	99.02%
Sharia Cash/Deposit	0.98%

Top Ten Stocks Holding

(in Alphabetical Order)

Adaro Energy
Bukalapak.Com ,
Charoen Pokphand Indonesia
Elang Mahkota Teknologi
Indofood Sukses Makmur
Kalbe Farma
Semen Indonesia Persero
Surya Citra Media
Telekomunikasi Indonesia
United Tractors

Key Fund Facts

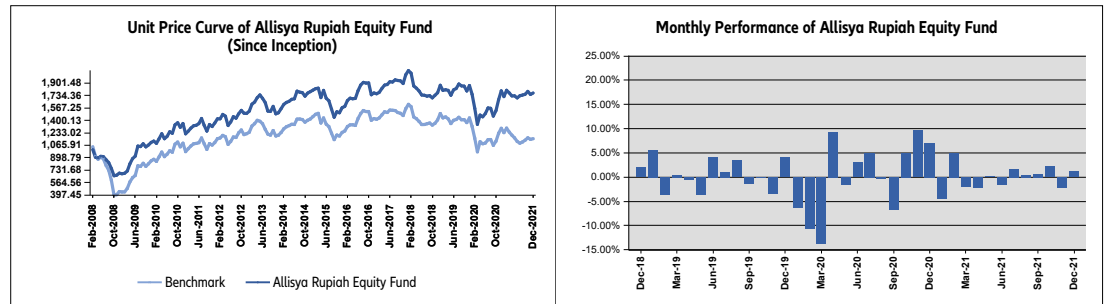
Fund Size (in bn IDR)	IDR 1,181.92
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	703,919,166.9614

Price per Unit	Bid	Offer
(As of Dec 30, 2021)	IDR 1,679.06	IDR 1,767.43

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	1.11%	0.99%	3.88%	-1.63%	-0.21%	-0.02%	-1.63%	76.74%
Benchmark*	0.69%	1.72%	3.26%	-10.85%	-17.98%	-19.03%	-10.85%	15.33%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Dec 2021 inflation +0.57% mom (vs consensus inflation +0.52%, +0.37% in Nov 2021). On yearly basis, inflation was +1.87% yoy (vs consensus inflation +1.81%, +1.75% in Nov 2021). Core inflation was printed at +1.56% yoy (vs consensus inflation +1.53%, +1.44% in Nov 2021). The increment of monthly inflation was contributed by the higher inflation of volatile food group (higher chili and cooking oil prices), and also the increment of inflation on administered prices group ahead of Christmas and New Year Holiday due to higher airfare. The BI Board of Governors agreed on 15-16 Dec 2021 to hold the BI 7-Day Reverse Repo Rate at 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 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 +0.5% from 14,340 at end of Nov 2021 to 14,269 at end of Dec 2021. Indonesia's trade balance recorded surplus amounting to USD 3,513mn in Nov 2021 vs previous month surplus USD 5,733mn in Oct 2021. The trade surplus recorded lower growth compared last month by -39% which was impacted by higher oil and gas import which grew by +94%. Non-oil and gas trade balance in Nov 2021 recorded surplus USD +5,206mn, which was higher than the previous month that recorded trade surplus amounting to USD +6,606mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,693mn in Nov 2021, which was higher than the deficit in Oct 2021 amounting to USD -873mn. Indonesia's official foreign reserve in the end of Dec 2021 was at USD 144.9bn, slightly higher than Nov 2021 number at USD 145.9bn due to external debt payment.

The JAKISL Index ended the month higher at 562.02 (+0.69% MoM). Market movers were ADRO, EMTK, INTPT, UNTR, and TLKM as they rose 42.21%, 18.44%, 14.42%, 3.75% and 1.25% MoM respectively. Global stock markets rebounded in the month of December amid speculation that the Omicron coronavirus variant won't derail the economic recovery. Sales of previously owned U.S. homes increased for a third consecutive month in November, while consumer confidence rose in December by more than expected as Americans' outlook for employment and the economy improved. While on the monetary policy front, minutes of the Federal Reserve's December meeting, at which it signaled its intention to reduce monetary policy support and raise interest rates this year, show members found the economy "much stronger, with higher inflation" than in previous recoveries. This poses a risk on the equity market going forward. Moving to Indonesia, Indonesia coronavirus cases has remained low in December with no signs of another round of Covid-19 wave picking up. To prevent Omicron Virus from spreading in the country, Indonesia government has extended the quarantine days for foreigners travelling aboard to Indonesia to 7 days, from previously 3 days. On Indonesia equities, the Indonesia stock benchmark currently trades at 2022 earnings multiple of 15.2x, which is slightly above its mean but considering the already low foreign investors positioning combined with improving economic activity, strong commodity prices, upcoming tax amnesty and more technology company IPOs, we believe this will improve investors' appetite in Indonesian stock market going forward. Sector wise, the Energy Sector was the best performing sector during the month, gaining 8.88% MoM. Ticker wise, ADRO (Adaro Energy) were the movers, appreciating 42.21% MoM. This was followed by the Basic Materials Sector which rallied 2.72% MoM. Ticker wise, INTPT (Indocement Tunggul Prakarsa) posted 14.42% MoM gain. On the other hand, the worst sector during the month was the Infrastructure Sector, which recorded a decline of 2.83% MoM. Ticker wise, PTPTP (Pembangunan Perumahan) and WIKA (Wijaya Karya) were the laggards, which fell 12.39% and 4.74% MoM respectively.

Portfolio strategy wise, we have started to progressively shift to increase non-defensive cyclical exposures on economic recovery expectation in 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

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