

ALLISYA RUPIAH EQUITY FUND

April 2020

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		-18.37%
Best Month	Jul-09	14.81%
Worst Month	Mar-20	-13.80%

Portfolio Breakdown

Equity	93.76%
Sharia Cash/Deposit	6.24%

Top Five Stocks Holding

Telekomunikasi Indonesia	20.16%
Unilever Indonesia	18.87%
Astra International	8.73%
Merdeka Copper Gold	6.55%
Indofood CBP Sukses Makmur	5.76%

Key Fund Facts

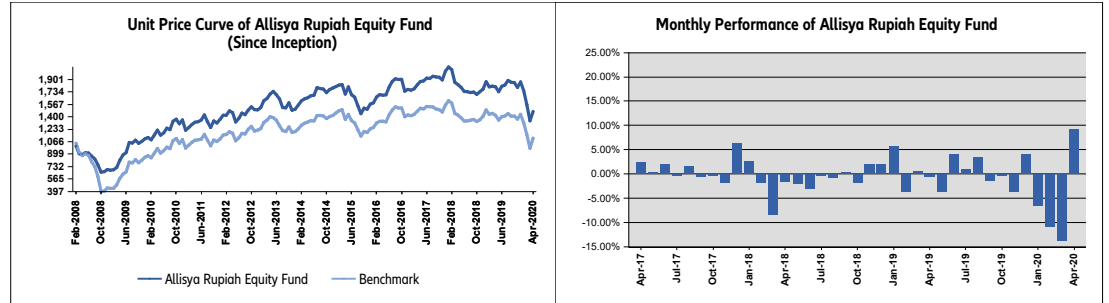
Fund Size (in bn IDR)	IDR 902.78
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	645,957,807.4439

Price per Unit	Bid	Offer
(As of Apr 30, 2020)	IDR 1,397.59	IDR 1,471.15

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	9.28%	-15.91%	-20.89%	-18.37%	-21.48%	-21.26%	47.12%
Benchmark*	13.88%	-15.60%	-21.03%	-21.59%	-26.51%	-22.29%	11.32%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced April 2020 inflation at +0.08% mom (vs consensus inflation +0.20%, +0.10% in March 2020). On yearly basis, inflation was +2.67% yoy (vs consensus inflation +2.76%, +2.96% in March 2020). Core inflation was printed at +2.85% yoy (vs consensus inflation +2.88%, +2.87% in March 2020). The lower monthly inflation is contributed by the deflation that are occurred on volatile food (the declining of garlic and chicken price) and administered price (the declining of airfare) group. While, the decelerated on core inflation is caused by the deflation of onion price. In the Board of Governors' Meeting on 13-14 April 2020, Bank Indonesia hold the BI 7-day Reverse Repo Rate at 4.50% level, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 3.25% and 5.25% level, respectively. Bank Indonesia lowered the RRR for conventional banks by 200bps and for Syariah banks by 50bps. This policy is expected to increase the liquidity on banks amounting to IDR 102tn. Rupiah appreciated by +7.39% to 15,157/USD at end of April 2020 from 16,367/USD previous month. The appreciation of Rupiah is helped by the deal between Bank Indonesia and FED for giving Indonesia repo line amounting to USD 60bn to increase dollar liquidity. Indonesia's trade balance recorded surplus amounting to USD +743.4mn in March 2020 vs previous month surplus USD +2,336mn. The trade surplus was contributed by better export number for non-oil and gas sector which is showed by the increasing of export on iron & steel, precious metal, and also electrical machineries. Non-oil and gas trade balance in March 2020 recorded surplus USD +1,676mn, which was lower than the previous month surplus amounting to USD +3,268mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -932.6mn in March 2020, relatively similar with the deficit on February 2020 amounting to USD -932mn. Standard & Poor's (S&P) affirm Indonesia's sovereign credit rating on BBB, but revised the outlook from a stable outlook to negative outlook. Ratings is supported by strong economic growth prospects in future and prudent fiscal policy. The negative outlook reflected the heavy financing for addressing the impact Covid-19 which it could give risk to fiscal. Indonesia's economy grew as 2.97% yoy in 1Q 2020 (vs previous 4.97%, consensus 4.00%), and -2.41% qoq (vs previous -1.47%, consensus -1.27%). The growth surprisingly lower than most people expected. This was caused by the impact of Covid-19, hit Indonesia's faster than economist's prediction. This is the weakest Indonesia's growth since 2001. The contributor of the increment of yearly growth is still from the household consumption. While the negative quarterly growth is caused by the declining of government consumption growth by -44.02%. Indonesia's official foreign reserve as of February 2020 was at USD 130.40billion, lower than January 2020's number at USD 131.70billion. The declining of foreign reserve was caused by paying external government debt.

The JAKISL Index ended the month higher at 542.5 (+13.88% MoM). Market movers were BRPT, TPIA, UNVR, TLKM, and KLB as they rose 100%, 70.95%, 14.14%, 10.76%, and 20% MoM respectively. The JII and overall global equity market turned positive money flow wise, as plateauing daily infection numbers on the COVID-19 cases globally gives hope which in effect would trigger several countries to ease lockdowns and restriction and provide support to economic activity. In addition, the COVID-19 vaccine and remedies from Gilead showed positive development. However, despite the positive outcomes along with monetary and fiscal stimulus measures across the globe to stem economic shocks, concern over COVID-19 impact to global economic growth still looms. Million dollar question of when exactly Covid-19 would be completely eradicated naturally or using vaccine still remains. Sector wise, the Basic Industry Sector was the best performing sector during the month, gaining 31.26% MoM. Ticker wise, BRPT (Barito Pacific) and TPIA (Chandra Asri Petrochemical) were the movers, appreciating 100% and 70.95% MoM respectively. This was followed by the Infrastructure, Utilities and Transportation Sector which rallied 13.69% MoM. Ticker wise, EXCL (XL Axiata) and JSMR (Jasa Marga Persero) posted 27% and 24.02% MoM gains respectively. On the other hand, the worst amongst the best sector during the month was the Trading and Distribution Sector, which recorded an increase of 0.78% MoM. Ticker wise, MNCN (Media Nusantara Citra) was the laggards which increased 1.10% 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.

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.

Disclaimer:

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