

ALLISYA RUPIAH EQUITY FUND

January 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		-6.50%
Best Month	Jul-09	14.81%
Worst Month	Oct-08	-12.99%

Portfolio Breakdown

Equity	96.77%
Sharia Cash/Deposit	3.23%

Top Five Stocks Holding

Telekomunikasi Indonesia	17.50%
Unilever Indonesia	13.44%
Astra International	12.48%
Merdeka Copper Gold	6.79%
Indofood CBP Sukses Makmur	5.69%

Key Fund Facts

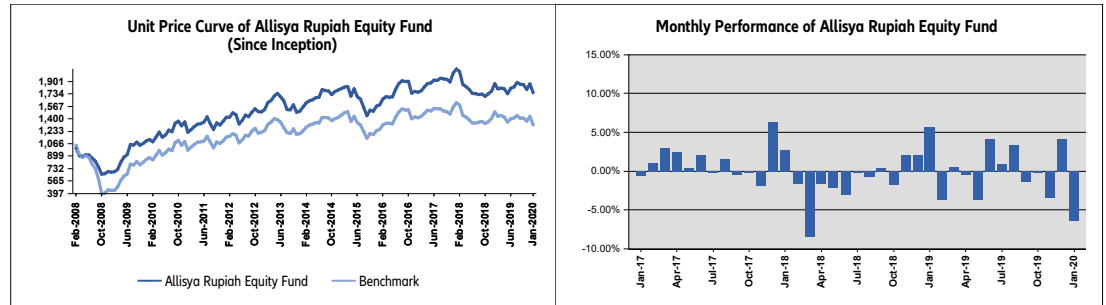
Fund Size (in bn IDR)	IDR 1,055.34
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	634,969,741.1480

Price per Unit	Bid	Offer
(As of Jan 31, 2020)	IDR 1,662.03	IDR 1,749.51

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	-6.36%	-5.92%	-4.26%	-6.50%	-0.43%	-6.36%	74.95%
Benchmark*	-7.92%	-6.42%	-6.54%	-11.58%	-6.75%	-7.92%	31.91%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced January 2020 inflation at +0.39% MoM (vs consensus inflation +0.46%, +0.34% in December 2019). On yearly basis, inflation was +2.68% YoY (vs consensus inflation +2.84%, +2.72% in December 2019). Core inflation was printed at +2.88% YoY (vs consensus inflation +3.00%, +3.02% in December 2019). The MoM inflation was higher compared December 2019 which was mostly contributed by the higher inflation on raw food, beverage, and tobacco group. The higher of food prices was mostly affected by flood in the beginning of January 2020. While, the increasing of tobacco prices itself was caused by the implementation of tobacco excise per January 2020. In the Board of Governors' Meeting on 22nd and 23rd January 2020, Bank Indonesia kept the BI 7-day Reverse Repo Rate unchanged on 5.00%, also maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 4.25% and 5.75%, respectively. This policy is still supported by manageable inflation that within target range as well. Rupiah appreciated by -1.75% to 13,662/USD at end of December 2019 from 13,901/USD in previous month. Indonesia's trade balance recorded deficit amounting to USD -28mn in December 2019 vs previous month deficit USD -1,331mn. The lower deficit in Dec 2019 was helped by higher export number on non-oil and gas export (CPO export increased 25.80% MoM). Non-oil and gas trade balance in December 2019 recorded surplus USD +942mn, while the previous month resulted deficit amounting to USD -300.8mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -971mn in December 2019, lower than the deficit on November 2019 amounting to USD -1,029mn. The lower deficit was helped by increasing in crude oil export compared with previous month. The Indonesia' actual GDP growth 4Q19 recorded 4.97%YoY, lower than the previous quarter of 5.02%YoY. Throughout 2019, economic growth recorded 5.02%, lower compared to 5.17% in FY2018. Growth was mainly caused by private consumption which grew 4.97% in FY 2019. Even though, the private consumption still grew positively, it was lower compared with growth in FY 2018, 5.08% YoY. The lower consumption growth was reflected in the slowing down of retail sales and motorcycle & car sales. Overall, the slowing down of Indonesia's economy was affected by slowing down of global trade and investment.

The JAKISL Index ended the month lower at 642.8 (-7.92% MoM). Market laggards were ASII, UNVR, TLKM, BRPT, and ADRO as they fell -8.3%, -5.36%, -4.28%, -13.58% and -21.22% MoM respectively. Index started the year positively up until mid-January 2020 as US-China phase one trade deal was struck as well as early indications of improvement in manufacturing activity and global trade. However it all came to a grinding halt when the Corona virus emerged one week before Chinese New Year which sent shockwaves through global equity markets, including Indonesia, despite the backdrop of a stronger Rupiah currency and improved macro outlook. Although at this juncture, the evidence have not been as severe as SARS back in 2002-2003, today China is far more important as both the epicenter of global supply chain and consumption, thus leading to disruptions towards global supply chain and consumption in the short term. Sector wise, the Construction, Property and Real Estate Sector was the worst performing sector during the month, declining 10.43% MoM. Ticker wise, CTRA (Ciputra Development) and BSDE (Bumi Serpong Damai) were the laggards, depreciating 13.94% and 11.16% MoM respectively. This was followed by the Mining Sector which dropped 9.29% MoM. Ticker wise, ADRO (Adaro Energy) and UNTR (United Tractor) posted 21.22% and 10.80% MoM losses respectively. On the other hand, the best amongst the worst sector during the month was the Consumer Sector, which recorded a decline of 3.23% MoM. Ticker wise, KLBF (Kalbe Farma) and UNVR (Unilever) were the laggards which fell 11.73% and 5.36% MoM respectively.

We remain selective on equities that have pricing power, 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.

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