

ALLISYA RUPIAH EQUITY FUND

July 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		-14.26%
Best Month	Jul-09	14.81%
Worst Month	Mar-20	-13.80%

Portfolio Breakdown

Equity	95.41%
Sharia Cash/Deposit	4.59%

Top Five Stocks Holding

Unilever Indonesia	16.34%
Telekomunikasi Indonesia	15.39%
Astra International	10.80%
Merdeka Copper Gold	7.43%
United Tractors	5.84%

Key Fund Facts

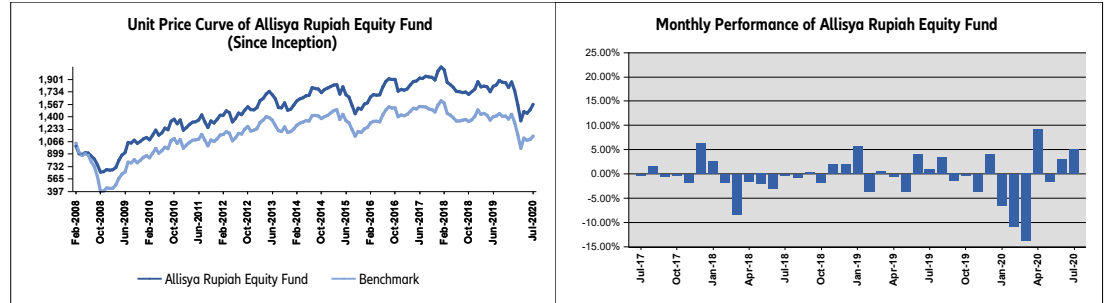
Fund Size (in bn IDR)	IDR 983.34
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	660,641,701.3143

Price per Unit	Bid	Offer
(As of Jul 30, 2020)	IDR 1,488.46	IDR 1,566.80

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	5.05%	6.50%	-10.44%	-14.26%	-18.17%	-16.14%	56.68%
Benchmark*	4.09%	2.42%	-13.56%	-19.22%	-25.75%	-20.41%	14.02%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced July 2020 deflation at -0.10% mom (vs consensus inflation +0.05%, +0.18% in June 2020). On yearly basis, inflation was +1.54% yoy (vs consensus inflation +1.71%, +1.96% in June 2020). Core inflation was printed at +2.07% yoy (vs consensus inflation +2.11%, +2.26% in June 2020). The monthly deflation was contributed by the deflation on volatile food and administered price group. The deflation on volatile food group was affected by the declining of chicken, onion, and rice price, while the administered price group was impacted by the declining of transportation cost. The core inflation was contributed by the increment of gold price. In the Board of Governors' Meeting on 15-16 July 2020, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 4.00%, and also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 3.25% and 4.75% level, respectively. This policy is still in line with the low inflation target, and it expected to keep the stability of economic and also help the economic recovery which is affected by the Covid-19. Rupiah depreciated by -2.45% to 14,653 at the end of July 2020 from 14,302 at end of June 2020. Indonesia's trade balance recorded surplus amounting to USD +1,268mn in June 2020 vs previous month surplus USD +2,092mn. The surplus was caused by better number in export which was supported by the increment on commodities prices and also the increasing in export number for iron & steel. The growth of import on June was also better compared with May's number which was caused by the relaxation of implementation of new normal policy where the business started to reopen on June. Non-oil and gas trade balance in June 2020 recorded surplus USD+1,372mn, which was lower than the previous month that recorded trade surplus amounting to USD +2,098mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -95mn in June 2020, which was higher than the deficit on May 2020 amounting to USD -6mn. Indonesia's economy contracted by -5.32% YoY in Q2 2020 (vs previous -2.97%, consensus -4.72%), and -4.19% QoQ (vs previous -0.41%, consensus -3.65%). This is the first negative growth in Indonesia's history after the Asian Financial Crisis in 1998. In terms of expenditure, the private consumption which dominated 57.85% of GDP growth, also contracted by -6.5% QoQ. While, in terms of business sector, the contraction was happened on all of sectors, except agriculture, telecommunication, and water supply sector that still grew positively. Indonesia's official foreign reserve as of July 2020 was at USD 135.1billion, higher than June 2020's number at USD 131.7billion. The increment of foreign reserve was supported by the issuance of global bonds and withdrawal of government loans.

The JAKISL Index ended the month higher at 555.63 (+4.09% MoM). Market movers were UNTR, UNVR, ASII, CPIN, and INCO as they rose 29%, 6.33%, 7.29%, 11.66% and 22.14% MoM respectively. Global stock markets continued to rally in July on the back of market optimism of resumption of economic activity recovery and fiscal & monetary stimulus from governments globally starting to cushion economic impacts. China's 2Q20 GDP growth was encouraging at 6.2% YoY and was welcomed positively by the market. Consequently, commodities such as oil, palm oil & copper moved positively in tandem following the encouraging economic data release. From the west, the economic stimulus which involves printing of money helped gold prices to reach a record high of \$1,900 / ounce as investors seek hedge on the devaluation of the dollar. Meanwhile locally in Indonesia, investors are starting to price in path to recovery in 2021 be it the expectation is to be lower than 2019 levels despite the number of new daily Covid-19 cases reaching a record high of over 1,200 cases / day. In addition, relaxation of large-scale social activity restrictions (PSBB) which have a positive impact on automotive, cement, and housing sales which served as a positive catalyst for sentiment towards JII. Normalization of business matrix data will be closely watched and will dictate market trends going forward. The recent policy synergy, which is a combination of government fiscal stimulus acceleration and expansive monetary policies will serve to propel sequential improvements. Sector wise, the Mining Sector was the best performing sector during the month, gaining 11.95% MoM. Ticker wise, INCO (Vale Indonesia) and ANTM (Aneka Tambang Persero) were the movers, appreciating 22.14% and 20.66% MoM respectively. This was followed by the Miscellaneous Industry Sector which rallied 6.30% MoM. Ticker wise, ASII (Astra International) posted 7.29% MoM gain. On the other hand, the worst sector during the month was the Construction, Property and Real Estate Sector, which recorded a decline of 6.69% MoM. Ticker wise, BSDE (Bumi Serpong Damai) and WIKA (Wijaya Karya) were the laggards which fell 6.76% and 0.83% MoM respectively.

Portfolio strategy wise, we have started to progressively shift to increase non defensives cyclical exposures on economic recovery expectation in 2021. 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.

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, ranging from property, life and health insurance to credit insurance and business insurance services globally.

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