

# ALLISYA RUPIAH EQUITY FUND

## March 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		-25.69%
Best Month	Jul-09	14.81%
Worst Month	Mar-20	-13.80%

### Portfolio Breakdown

Equity	90.47%
Sharia Cash/Deposit	9.53%

### Top Five Stocks Holding

Telekomunikasi Indonesia	19.70%
Unilever Indonesia	16.81%
Astra International	9.78%
Indofood CBP Sukses Makmur	6.47%
Merdeka Copper Gold	5.98%

### Key Fund Facts

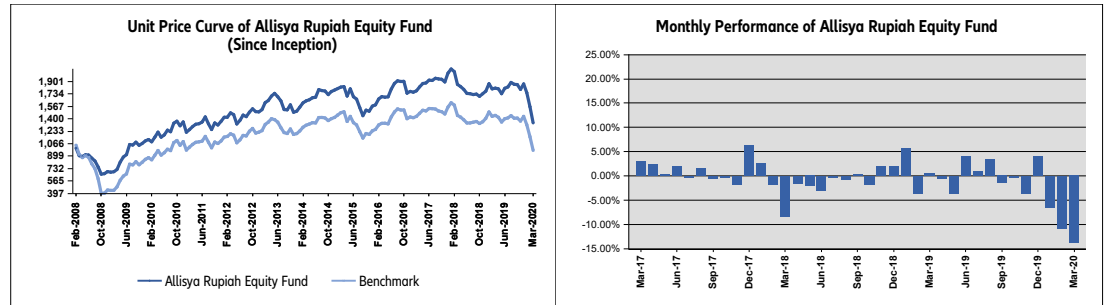
Fund Size (in bn IDR)	IDR 816.70
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	638,606,231.0324

Price per Unit	Bid	Offer
(As of Mar 31, 2020)	IDR 1,278.87	IDR 1,346.18

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	-13.80%	-27.94%	-27.74%	-25.69%	-26.39%	-27.94%	34.62%
Benchmark*	-15.68%	-31.76%	-30.55%	-32.40%	-33.68%	-31.76%	-2.24%

\*Jakarta Islamic Index (JII)



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced March 2020 inflation at +0.10% mom (vs consensus inflation +0.13%, +0.28% in February 2020). On yearly basis, inflation was +2.96% yoy (vs consensus inflation +2.92%, +2.98% in February 2020). Core inflation was printed at +2.87% yoy (vs consensus inflation +2.76%, +2.76% in February 2020). The lower monthly inflation was affected by the deflation in volatile price (fish & garlic price) and administered price (airfares). While the higher core inflation was contributed by higher of gold price. In the Board of Governors' Meeting on 18-19 March 2020, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 4.50%, and also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 3.25% and 5.25%, respectively. Bank Indonesia also announced seven monetary policies that are expected to help the Indonesia's economics, as follows: 1) triple intervention for FX spot, DNDf, and bond market; 2) adding repo facility up to 12 months, 3) adding frequency of FX swap to be every day, 4) expanding the 50bps RRR cut, 5) enhancing FX term deposit instrument, 6) implemented vostro rupiah account for foreign investor as underlying of DNDf transaction, and 7) strengthening the payment system to mitigate the spread of Covid-19. Rupiah depreciated by -15.00% to 16,367/USD at end of March 2020 from 14,234/USD previous month. Indonesia's trade balance recorded surplus amounting to USD +2,336mn in February 2020 vs previous month deficit USD -864mn. The trade surplus was contributed by higher export number for non-oil and gas sector, especially the higher demand from China for coal and also the increasing of CPO price. Non-oil and gas trade balance in February 2020 recorded surplus USD +3,268mn, while the previous month resulted deficit amounting to USD -361mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -932mn in February 2020, but the deficit is lower than the deficit on January 2020 amounting to USD -1,181mn. Indonesia's official foreign reserve as of March 2020 declined by USD 9.40bn to USD 121bn, lower than February 2020's number at USD 130.40bn. The declining of foreign reserve was caused by paying external government debt and for stabilizing IDR currency in this current situation.

The JAKISL Index ended the month lower at 476.39 (-15.68% MoM). Market laggards were ASII, TLKM, BRPT, SMGR, and JSRM as they fell -29.41%, -9.46%, -26.4%, -27.21% and -45.73% MoM respectively. The JAKISL Index continued its decline in March across the global stock markets as coronavirus outbreak made WHO declared a pandemic status, as worldwide daily new cases climbed to the 60,000 mark which triggered social distancing, lock downs and travel bans across the globe. Global economic activities are no doubt being disrupted and financial markets tumble. Monetary and fiscal stimulus were announced across the globe as well in a hope to stem hard landings, however unavoidable at this point in time. In addition to the turmoil the oil supply war had also weighed in upon financial markets. We expect a sudden contraction in global growth for 2020. Sector wise, the Miscellaneous Industries Sector was the worst performing sector during the month, declining 25.91% MoM. Ticker wise, ASII (Astra International) was the laggards, depreciating 29.41% MoM. This was followed by the Basic Industry Sector which dropped 23.53% MoM. Ticker wise, JPFA (Japfa Comfeed Indonesia) and SMGR (Semen Indonesia Persero) posted 32.14% and 27.21% 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 4.81% MoM. Ticker wise, UNVR (Unilever Indonesia) was the laggards which fell 6.23% MoM.

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

### Disclaimer:

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