

ALLISYA RUPIAH EQUITY FUND

May 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		-16.66%
Best Month	Jul-09	14.81%
Worst Month	Mar-20	-13.80%

Portfolio Breakdown

Equity	96.06%
Sharia Cash/Deposit	3.94%

Top Five Stocks Holding

Telekomunikasi Indonesia	18.40%
Unilever Indonesia	17.74%
Astra International	10.90%
Merdeka Copper Gold	6.98%
Barito Pacific	4.97%

Key Fund Facts

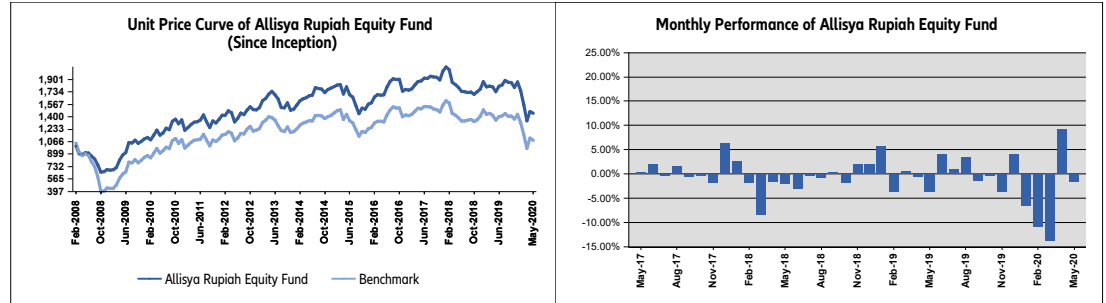
Fund Size (in bn IDR)	IDR 895.90
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	651,469,403.9932

Price per Unit	Bid	Offer
(As of May 29, 2020)	IDR 1,375.20	IDR 1,447.58

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	-1.60%	-7.31%	-19.33%	-16.66%	-23.05%	-22.52%	44.76%
Benchmark*	-2.49%	-6.38%	-20.75%	-19.98%	-27.90%	-24.23%	8.55%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced May 2020 inflation at +0.07% mom (vs consensus inflation +0.10%, +0.08% in April 2020). On yearly basis, inflation was +2.19% yoy (vs consensus inflation +2.20%, +2.67% in April 2020). Core inflation was printed at +2.65% yoy (vs consensus inflation +2.80%, +2.85% in April 2020). The inflation on May 2020 is the lowest inflation in festive season (Ramadhan & Idul Fitri) since 1998 which the food prices usually increased and could lead higher inflation, but in this year, there was deflation on volatile food group (declining of onion and chicken egg prices). In the Board of Governors' Meeting on 18-19 May 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. This policy is to support the rupiah stability, even though there are still room for Bank Indonesia to cut their benchmark rate. Rupiah appreciated by +2.79% to 14,733/USD at end of May 2020 from 15,157/USD previous month. Indonesia's trade balance recorded deficit amounting to USD -345mn in April 2020 vs previous month surplus USD +743.4mn. The trade deficit was caused by increment in non-oil and gas import where the increment was on importing electrical machinery (medical equipment supply). While the export number also lower on the back of lower coal export number which is caused by the weak price of commodity. Non-oil and gas trade balance in April 2020 recorded deficit USD -100.7mn, while the previous month recorded trade surplus amounting to USD +1,676mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -243mn in April 2020, which was lower than the deficit on March 2020 amounting to USD -932.6mn. Indonesia's official foreign reserve as of May 2020 was at USD 130.5billion, higher than April 2020's number at USD 127.9billion. The increment of foreign reserve was affected by withdrawal external government debt and also the placement of banks' foreign currency in Bank Indonesia.

The JAKISL Index ended the month lower at 528.97 (-2.49% MoM). Market laggards were TLKM, UNVR, ICBP, BRPT, and INDF as they fell -10%, -6.34%, -17.47%, -6.9% and -11.88% MoM respectively. The Index closed the month in the negative territory despite global equity market sentiment improved over several globally positive sentiments as continuation of plateauing daily infection numbers of COVID-19 cases and encouraging leading economy indicators globally which points out to recovery. The global manufacturing PMI rose in May, to 42.0 from 39.7 in April, which indicates economy showed signs of recovery despite some developing countries only beginning to relax social distancing measures halfway thru May. The pace of the recovery in the services sector continued at a faster than expected pace for now. Consumer activity in US has been recovering since mid-April and it has sustained going into the month of May. On the domestic front in Indonesia, government began to re-open some regions despite infection rates still being relatively high. While health concerns remain and 2nd wave or prolonged high infection rates still in question, economic impact is positive to Indonesia's largely consumption driven economy. The relaxation measures allow to what was regions that contributed 25-35% to GDP to recover in its productivity. Market has somewhat already largely priced in the bad news looking at the way market behaved, there was also some foreign flows buying into the market towards the tail end. However, how the longer term trajectory of the economic recovery will be determined from a combination of health issues, government monetary & fiscal policies which effectively determines purchasing power in the short to medium run. Sector wise, the Infrastructure, Utilities and Transportation Sector was the worst performing sector during the month, declining 5.63% MoM. Ticker wise, INDY (Indika Energy) and TLKM (Telekomunikasi Indonesia) were the laggards, depreciating 19.5% and 10.0% MoM respectively. This was followed by the Basic Industry Sector which dropped 2.09% MoM. Ticker wise, JPFA (Japfa Comfeed Indonesia) and BRPT (Barito Pacific) posted 7.69% and 6.9% MoM losses respectively. On the other hand, the best sector during the month was the Miscellaneous Industries Sector, which recorded a gain of 17.02% MoM. Ticker wise, ASII (Astra International) was the movers which rose 23.9% 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. companies, ranging from property, life and health insurance to credit insurance and business insurance services globally.

Disclaimer:

Allisya Rupiah Equity Fund is unit linked fund offered by PT. Asuransi Allianz Life Indonesia (Allianz). This fact sheet is prepared by Allianz. The information presented is for informational use only. The performance of the fund is not guaranteed and the value of the units and the income from them may increase or decrease. Past returns and any forecast are not necessarily a guide to future performance. Allianz does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise. You are advised to seek your financial consultant before making any investment.