

ALLISYA RUPIAH EQUITY FUND

November 2019

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		3.35%
Best Month	Jul-09	14.81%
Worst Month	Oct-08	-12.99%

Portfolio Breakdown

Equity	96.03%
Sharia Cash/Deposit	3.97%

Top Five Stocks Holding

Telekomunikasi Indonesia	17.49%
Unilever Indonesia	13.01%
Astra International	12.23%
Merdeka Copper Gold	7.97%
Indofood CBP Sukses Makmur	5.91%

Key Fund Facts

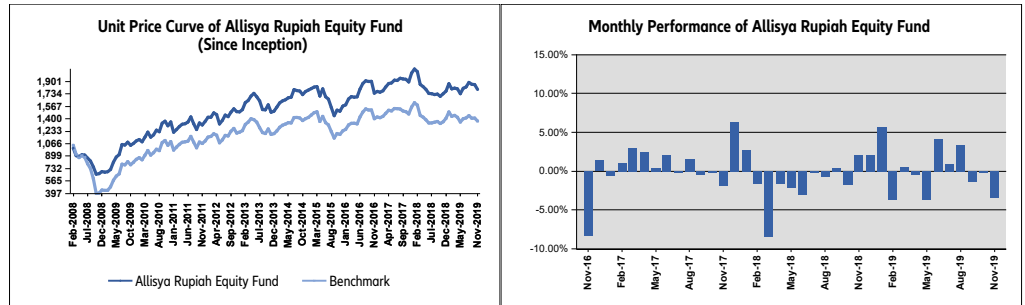
Fund Size (in bn IDR)	IDR 1,068.81
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

Price per Unit	Bid	Offer
(As of Nov 29, 2019)	IDR 1,704.77	IDR 1,794.49

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	-3.50%	-4.98%	3.31%	3.35%	2.90%	1.32%	79.45%
Benchmark*	-2.84%	-5.00%	0.97%	0.73%	-2.24%	-2.60%	36.96%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced November 2019 inflation at +0.14% mom (vs consensus inflation +0.20%, +0.02% in October 2019). On yearly basis, inflation was +3.00% yoy (vs consensus inflation +3.06%, +3.13% in October 2019). Core inflation was printed at +3.08% yoy (vs consensus inflation +3.14%, +3.20% in October 2019). The inflation was still affected by increasing prices in food stuffs group, such as: meat, chicken & tomato. In the Board of Governors' Meeting on 20th and 21st November 2019 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. In contrast with that, BI lowered the bank's reserve requirements for second times in this year by 50bps to 5.50% for commercial banks and to 4.00% for sharia banks. This policy which will be implemented in January 2020, is expected to give liquidity in banks sector amounting to IDR 26trillion. Rupiah depreciated by -0.67% to 14,102/USD at end of November 2019 from 14,008/USD in previous month. Indonesia's trade balance recorded surplus amounting to USD +161mn in October 2019 vs previous month deficit USD -160mn. The surplus was caused by the declining of import growth deeper than export growth. The slowing down on import and export was affected by global trade slowing down, including Indonesia's biggest trading partner, China. Non-oil and gas trade balance in October 2019 recorded surplus USD +990mn, higher than the previous month which was also resulting surplus amounting to USD +601mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -829mn in October 2019, higher than the deficit on September 2019 amounting to USD -762mn. Indonesia's official foreign reserve as of November 2019 was at USD 126.63billion, slightly lower than October 2019's number at USD 126.7billion.

The JAKISL Index ended the month lower at 667.44 (-2.84% MoM). Market laggards were TLKM, ASII, UNVR, SMGR, and INCO as they fell -4.38%, -6.47%, -4.4%, -9.49% and -19.14% MoM respectively. Equity market corrected in November as sentiment from the US-China trade war took some setback, where there is a possibility that the first phase of trade deal being delayed until early 2020. On the local front, there was selling pressure by foreign investors on large-cap stocks triggered by MSCI rebalancing as well as several news flows related to government intervention in certain sectors, such as Banking and Utilities (gas prices) Sectors. In addition, selling pressure were seen from domestic investors as well as OJK forcibly closed several problematic onshore mutual funds on various grounds. On a more positive note the government is pushing the Omnibus law to be approved and implemented by 1H20 which would favor a more conducive foreign and domestic direct investment which would hopefully trigger rounds of capex cycle. Sector wise, the Mining Sector was the worst performing sector during the week, declining 9.52% WoW. Ticker wise, ITMG (Indo Tambangraya Megah) and INCO (Vale Indonesia) were the laggards, depreciating 23.12% and 19.14% MoM respectively. This was followed by the Construction, Property and Real Estate Sector which dropped 7.62% MoM. Ticker wise, PTPP (Pembangunan Perumahan Persero) and WIKA (Wijaya Karya Persero) posted 23.94% and 12.37% MoM losses respectively. On the other hand, the best sector during the week was the Basic Industry Sector, which recorded a gain of 1.32% MoM. Ticker wise, BRPT (Barito Pacific) and CPIN (Charoen Pokphand Indonesia) were the movers which rose 43.16% and 6.75% 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.

Disclaimer:

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