

ALLISYA RUPIAH EQUITY FUND

October 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		-17.70%
Best Month	Jul-09	14.81%
Worst Month	Mar-20	-13.80%

Portfolio Breakdown

Equity	98.75%
Sharia Cash/Deposit	1.25%

Top Five Stocks Holding

Telekomunikasi Indonesia	14.10%
Unilever Indonesia	13.60%
Astra International	10.89%
Chandra Asri Petrochemical	6.65%
Barito Pacific	6.64%

Key Fund Facts

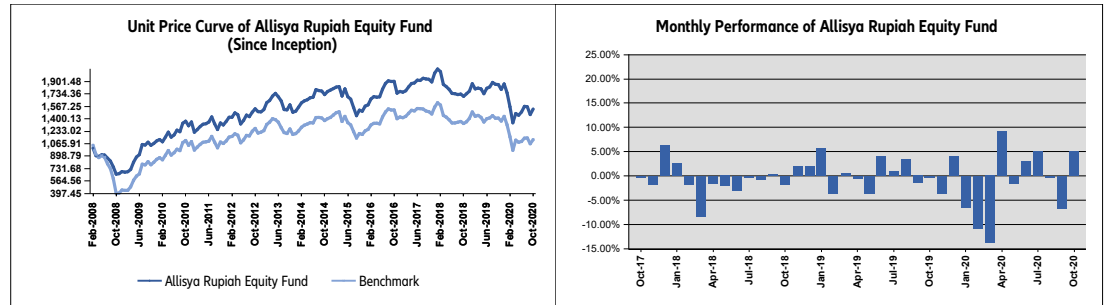
Fund Size (in bn IDR)	IDR 972.35
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	668,818,341.6409

Price per Unit	Bid	Offer
(As of Oct 27, 2020)	IDR 1,453.84	IDR 1,530.36

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%	-2.33%	4.02%	-17.70%	-20.73%	-18.09%	53.04%
Benchmark*	5.16%	-1.80%	0.58%	-20.56%	-25.12%	-21.83%	11.97%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Oct 2020 inflation at +0.07% mom (vs consensus inflation +0.07%, -0.05% in Sep 2020). On yearly basis, inflation was +1.44% yoy (vs consensus inflation +1.45%, +1.42% in Sep 2020). Core inflation was printed at +1.74% yoy (vs consensus inflation +1.82%, +1.86% in Sep 2020). After three months consecutively deflation, finally this month recorded inflation which was supported by the inflation of volatile food group, especially increment on horticulture plants price, such as: chili and onion, while administered price group still recorded deflation on the back of declining of electricity and transportation cost. While the core inflation is lower compared last month on the back of declining of global gold price. In the Board of Governors' Meeting on 12-13 Oct 2020, Bank Indonesia hold the BI 7-day Reverse Repo Rate at 4.00%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 3.25% and 4.75% level, respectively. This policy is expected to maintain Rupiah stability amid low inflation. Rupiah appreciated by +1.53% from 14,918 at end of Sep 2020 to 14,690 at end of Oct 2020. Indonesia's trade balance recorded surplus amounting to USD +2,438mn in Sep 2020 vs previous month surplus USD +2,327mn. The higher number of trade surplus was affected by increment on commodity price, such as: CPO, iron, and steel. The import number grew by +7.7% MoM which was caused by increment of oil imports and machineries (hospital equipment). Non-oil and gas trade balance in Sep 2020 recorded surplus USD +2,908mn, which was higher than the previous month that recorded trade surplus amounting to USD +2,666mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -470mn in Sep 2020, which was higher than the deficit on Aug 2020 amounting to USD -388mn. Indonesia's economy contracted by -3.49% YoY in Q3 2020 (vs previous -5.32%, consensus -3.20%), but recorded positive growth by +5.05% QoQ (vs previous -4.19%, consensus 5.55%) which was supported by the relaxation of PSBB in July - September 2020. With this negative YoY growth, Indonesia's officially enter recession for the first time since 1998 Asian Financial Crisis. The YoY negative growth was contributed by the contraction on household consumption growth by -4.04% YoY, while only government spending grow positively by 9.72% YoY. Indonesia's official foreign reserve as of October 2020 was at USD 133.4 billion, lower than September 2020's number at USD135.2 billion. The decrement of foreign reserve was caused by the payment of external debt.

The JAKISL Index ended the month higher at 545.66 (+5.16% MoM). Market movers were ASII, TPIA, ANTM, BRPT, and INTP as they rose 21.64%, 11.11%, 49.65%, 13.92% and 17.55% MoM respectively. Global stock markets continued its decline in October due to record high COVID-19 new cases in Europe which have triggered most European Countries to enforce another lockdown. Meanwhile, investors were concerned on the narrow US election results that would effectively result in a divided house of senate also weighed on capital market sentiments. Policy direction under this scenario will be divided and lack clarity on direction. Meanwhile on the Indonesian shores, investors responded positively to the passing of the Omnibus Bill in the hope that Indonesia will attract Foreign Direct Investment (FDI) particularly those that are related to the EV value chain. In addition, the easing of the Large Scale Social Distancing in Jakarta also boosted investors' confidence as it would had an impact on economy recovery given that Indonesia's economy is 60% consumption driven. Sector wise, the Miscellaneous Industries Sector was the best performing sector during the month, gaining 16.79% MoM. Ticker wise, ASII (Astra International) was the movers, appreciating 21.64% MoM. This was followed by the Basic Industry Sector which rallied 7.44% MoM. Ticker wise, INTP (Indocement Tunggul Prakarsa) and BRPT (Barito Pacific) posted 17.55% and 13.92% MoM gains respectively. On the other hand, the worst sector during the month was the Consumer Sector, which recorded a decline of 1.30% MoM. Ticker wise, UNVR (Unilever) and ICBP (Indofood CBP) were the laggards which fell 3.40% and 4.22% 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, 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.