

ALLISYA RUPIAH EQUITY FUND

September 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		-21.80%
Best Month	Jul-09	14.81%
Worst Month	Mar-20	-13.80%

Portfolio Breakdown

Equity	97.23%
Sharia Cash/Deposit	2.77%

Top Five Stocks Holding

Unilever Indonesia	15.30%
Telekomunikasi Indonesia	13.79%
Astra International	9.81%
United Tractors	7.57%
Indofood CBP Sukses Makmur	5.63%

Key Fund Facts

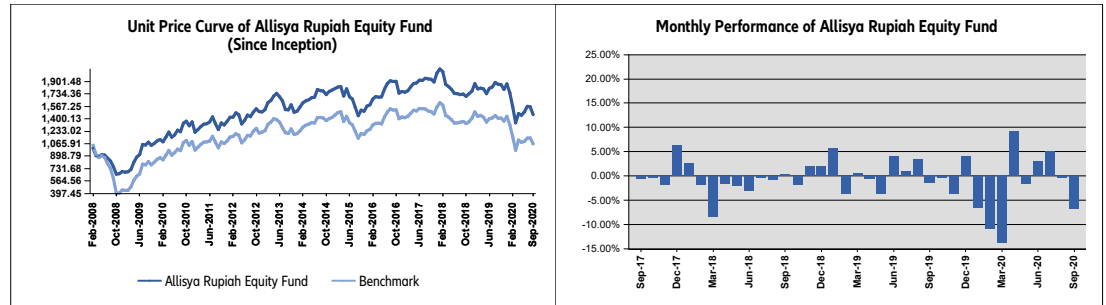
Fund Size (in bn IDR)	IDR 924.16
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	667,783,651.0137

Price per Unit	Bid	Offer
(As of Sep 30, 2020)	IDR 1,383.92	IDR 1,456.76

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	-6.72%	-2.33%	8.21%	-21.80%	-24.72%	-22.03%	45.68%
Benchmark*	-6.78%	-2.79%	8.92%	-24.35%	-29.24%	-25.67%	6.48%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Oct 2020 deflation at -0.05% mom (vs consensus inflation -0.03%, -0.05% in Sep 2020). On yearly basis, inflation was +1.42% yoy (vs consensus inflation +1.40%, +1.32% in Sep 2020). Core inflation was printed at +1.86% yoy (vs consensus inflation +2.00%, +2.03% in Sep 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 price, while the administered price group was impacted by the declining of transportation cost. In the Board of Governors' Meeting on 16-17 Sep 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 the external stability in line with their expectation that the inflation remain low. Rupiah depreciated by +2.50% from 14,554 at the end of Aug 2020 to 14,918 at end of Sep 2020. Indonesia's trade balance recorded surplus amounting to USD +2,327mn in Aug 2020 vs previous month surplus USD +3,263mn. The surplus was caused by increment on commodities prices, especially CPO price and also the increasing in export number for iron & steel, especially to China & US. However, our import number also showed recovery from the previous month by +3% MoM which could indicated the recovery on Indonesia's economic activity that was caused by the relaxation of public restriction. Non-oil and gas trade balance in Aug 2020 recorded surplus USD +2,666mn, which was lower than the previous month that recorded trade surplus amounting to USD +3,516mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -338mn in Aug 2020, which was higher than the deficit on July 2020 amounting to USD -253mn. Indonesia's official foreign reserve as of September 2020 was at USD 135.2 billion, lower than August 2020's number at USD137.0 billion. The decrement of foreign reserve was caused by the payment of external debt and to stabilize the Rupiah exchange rate.

The JAKISL Index ended the month lower at 518.9 (-6.78% MoM). Market laggards were TLKM, ASII, CPIN, SMGR, and PGAS as they fell -10.49%, -12.55%, -9.92%, -13.03% and -26.29% MoM respectively. Equity market declined in September as global risk-off selling re-escalated on COVID-19 resurgence in Europe and Asia, potentially triggering another lock down and disrupt economic activities once more. In addition to that, the uncertainty over the US election in November and US fiscal stimulus failed discussion triggered investors to de-risk from equity market as well. On the domestic front, the JCI was no exception especially after the Jakarta's governor announced the Large Scale Social Distancing (PSBB) due to the new daily cases reaching above 1k/day. The event had dampened investor confidence as Jakarta contributes almost 20% of Indonesia's GDP, potentially delaying Indonesia's economic growth recovery in 3Q20. On a more positive note, progress for the Omnibus Law had reached 90% and expected to be completed by early October 2020. Once passed, will hopefully spur business confidence despite spikes in new cases but with vaccine lingering in the background at the same time. Sector wise, the Miscellaneous Industries Sector was the worst performing sector during the month, declining 10.13% MoM. Ticker wise, ASII (Astra International) was the laggards, depreciating 12.55% MoM. This was followed by the Infrastructure, Utilities and Transportation Sector which dropped 8.28% MoM. Ticker wise, PGAS (Perusahaan Gas Negara Persero Tbk) and EXCL (XL Axiata Tbk) posted 26.29% and 16.80% MoM losses respectively. On the other hand, the best sector during the month was the Trade, Service and Investment Sector, which recorded a gain of 0.39% MoM. Ticker wise, ACES (Ace Hardware) was the movers which rose 3.24% MoM.

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.

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