

# ALLISYA RUPIAH EQUITY FUND

## July 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		5.19%
Best Month	Jul-09	14.81%
Worst Month	Oct-08	-12.99%

### Portfolio Breakdown

Equity	98.42%
Sharia Cash/Deposit	1.58%

### Top Five Stocks Holding

Telekomunikasi Indonesia	19.43%
Unilever Indonesia	14.38%
Astra International	12.16%
Indofood CBP Sukses Makmur	5.75%
Merdeka Copper Gold	5.59%

### Key Fund Facts

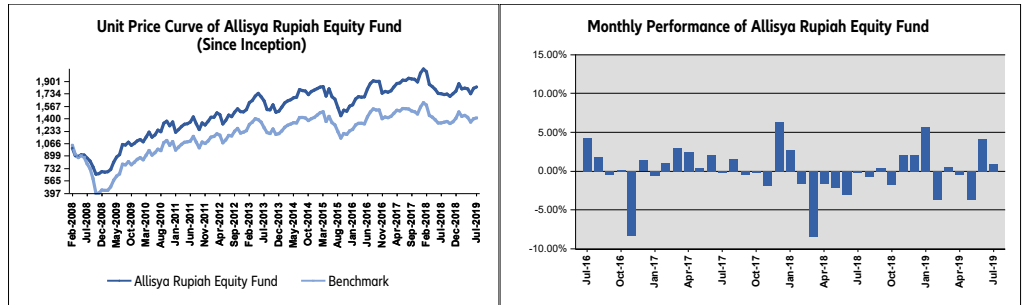
Fund Size (in bn IDR)	IDR 1,056.38
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

<b>Price per Unit</b>	<b>Bid</b>	<b>Offer</b>
(As of Jul 31, 2019)	IDR 1,735.96	IDR 1,827.33

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	0.99%	1.40%	-2.34%	5.19%	-2.52%	3.17%	82.73%
Benchmark*	0.76%	-0.59%	-5.39%	5.00%	-5.34%	0.38%	41.14%

\*Jakarta Islamic Index (JII)



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced July 2019 inflation at +0.31% mom (vs consensus inflation +0.26%, +0.55% in June 2019). On yearly basis, inflation was +3.32% yoy (vs consensus inflation +3.30%, +3.28% in June 2019). Core inflation was printed at +3.18% yoy (vs consensus inflation +3.16%, +3.25% in June 2019). The inflation was mostly contributed by increasing volatile food group (especially, red chili pepper) and also increasing the gold price. In the Board of Governors' Meeting on 17th and 18th July 2019, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 5.75%, while also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 5.00% and 6.50%, respectively. The reason for this policy is due to Indonesia's inflation is lower enough and this policy also expected to boost the increasing of economic growth. LPS follow this move by lowered the guaranteed rate as well by 25bps to 6.75%. Rupiah appreciated by +0.81% to 14,026/USD at end of July 2019 from 14,141/USD in previous month. Indonesia's trade balance recorded surplus amounting to USD 0.196bn in June 2019 vs previous month surplus USD 0.208bn. The surplus was contributed by export for non-oil & gas sector, especially mineral fuels (ex oil & gas product). Both of export and import for non-oil & gas sector were declining in this month, however the declining of non-oil & gas import was deeper than export. Non-oil and gas trade balance in June 2019 recorded surplus USD 1.164bn, slightly declining than the previous month which was resulting surplus amounting to USD 1.186bn. Meanwhile, oil and gas trade balance still recorded deficit to USD -0.967 in June 2019, slightly better than deficit on May 2019 amounting to USD -0.978bn. The deficit was caused by higher oil products imports. Indonesia's economy grew 5.05% yoy in Q2 2019 (vs previous 5.07%, consensus 5.04%), and 4.20% qoq (vs previous -0.52%, consensus 4.20%). This growth was lower compared with previous growth both of on quarter basis and annual basis. The lower growth was caused by declining of commodities price, such as crude oil and crude palm oil. The impact of global slowing down also hurt Indonesia's growth. Private consumption, which accounts for more than half of Indonesia's gross domestic product, grew 5.17% yoy in Q2 2019 (vs previous 5.01%) which was caused by higher consumption on election period and followed by Ramadhan and Idul Fitri. Indonesia's official foreign reserve as of July 2019 was at USD 125.9 billion, higher than June 2019's number at USD 123.8 billion. The increment in the reserve assets per July 2019 was due to higher export earnings from oil and gas and withdrawal of gov't's offshore borrowings.

The JAKISL Index ended the month higher at 687.8 (+0.76% MoM). Market movers were TPIA, TLKM, BRPT, CPIN, and INTP as they rose 26.26%, 3.86%, 20.87%, 13.64% and 12.38% MoM respectively. The stock market was relatively flat on a month on month basis with some optimism as the BI signaled rate easing cycle where they decided to cut its BI rate by 25bps to 5.75%. The IDR was relatively stable at the ~IDR14,000/USD level throughout the month. On the flip side to the optimism, broad market earnings growth trajectory with 1H19 results showed some weakness. We still expect a 9-11% EPS growth for FY19. The potential escalation of the US-China trade tension over the coming months could also put market sentiments on the downside bearing in mind that market valuation is approximately at mean which gives room for sentiment (valuation) to move negatively. Nonetheless Indonesia seems to be able to show higher growth numbers in a relative sense as global PMI slowed to below 50. Sector wise, the Basic Industry Sector was the best performing sector during the week, gaining 7.73% WoW. Ticker wise, TPIA (Chandra Asri Petrochemical) and BRPT (Barito Pacific) were the movers, appreciating 26.26% and 20.87% MoM respectively. This was followed by the Construction, Property and Real Estate Sector which rallied 2.28% MoM. Ticker wise, SMRA (Summarecon Agung) and CTRA (Ciputra Development) posted 8.61% and 7.39% MoM gains respectively.

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.

#### 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.