

# ALLISYA RUPIAH EQUITY FUND

## September 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		7.56%
Best Month	Jul-09	14.81%
Worst Month	Oct-08	-12.99%

### Portfolio Breakdown

Equity	96.33%
Sharia Cash/Deposit	3.67%

### Top Five Stocks Holding

Telekomunikasi Indonesia	19.04%
Unilever Indonesia	13.10%
Astra International	11.49%
Merdeka Copper Gold	6.93%
Indofood CBP Sukses Makmur	6.34%

### Key Fund Facts

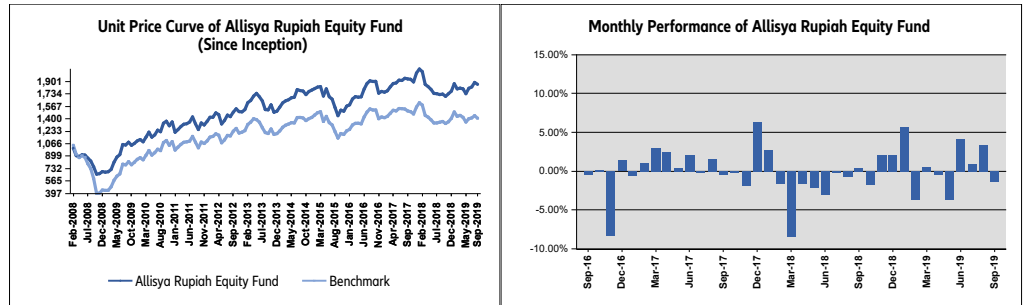
Fund Size (in bn IDR)	IDR 1,086.12
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

<b>Price per Unit</b>	<b>Bid</b>	<b>Offer</b>
(As of Sep 30, 2019)	IDR 1,769.70	IDR 1,862.84

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	-1.36%	2.96%	2.82%	7.56%	-1.99%	5.18%	86.28%
Benchmark*	-2.37%	0.48%	-2.66%	3.16%	-7.27%	0.10%	40.76%

\*Jakarta Islamic Index (JII)



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced September 2019 deflation at -0.27% mom (vs consensus inflation -0.15%, +0.12% in August 2019). The deflation in this month was caused by decrement on food prices, especially chilli prices. On yearly basis, inflation was +3.39% yoy (vs consensus inflation +3.52%, +3.49% in August 2019). The contributor of yearly inflation was still affected by the increment of school fees ahead of new school academic year and clothing prices. Core inflation was printed at +3.32% yoy (vs consensus inflation +3.30%, +3.30% in August 2019). In the Board of Governors' Meeting on 18th and 19th September 2019, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 5.25%, while also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 4.50% and 6.00%, respectively. The reason for this policy is due to Indonesia's inflation is still lower enough. Bank Indonesia also do refinement for macro prudential policies for LTV and RIM. Rupiah appreciated by +0.44% to 14,174/USD at end of September 2019 from 14,237/USD in previous month. Indonesia's trade balance recorded surplus amounting to USD +85.1mn in August 2019 vs previous month deficit USD -0.63mn. Both of export and import growth was declining this month, but import growth declined faster than export growth. Thus, it impacted surplus in August 2019. Non-oil and gas trade balance in August 2019 recorded surplus USD 0.84bn, higher than the previous month which was resulting surplus amounting to USD 0.079bn. Meanwhile, oil and gas trade balance still recorded deficit to USD -0.756bn in August 2019, worsen than deficit on July 2019 amounting to USD -0.142bn. The deficit was still caused by higher oil products imports. Indonesia's official foreign reserve as of September 2019 was at USD 124.3billion, lower than August 2019's number at USD 126.4billion. The decrement in the reserve assets per Aug 2019 was caused by government external debts repayments.

The JAKISL Index ended the month lower at 685.92 (-2.37% MoM). Market laggards were UNVR, TLKM, INTP, SMGR, and ASII as they fell -4.81%, -3.15%, -13.81%, -12.83% and -1.12% MoM respectively. The stock market continued its decline in September as global leading indicators continues to show weakness. A stubborn global PMI at below 50 also triggered several central banks to cut interest rates to stimulate economic growth. On the domestic front, the government's plan to raise cigarette excise tax by 23% in 2020 which puts a pressure on cigarette names in addition to a benign grassroots wage growth. The Banking/Financial sector also showed strains as asset quality ticked upwards slightly and loan book growth looks to set on the softer side in months to come. Domestic consumption data early indicators looks weak as well as retailers post a softer trajectory same stores sales growth. The lack of short term catalyst had resulted in the JAKISL Index to contract by a notable -2.37% MoM. Sector wise, the Consumer Sector was the worst performing sector during the week, declining 8.08% MoM. Ticker wise, UNVR (Unilever Indonesia) and INDF (Indofood Sukses Makmur) were the laggards, depreciating 4.81% and 2.84% MoM respectively. This was followed by the Basic Industry Sector which dropped 3.62% MoM. Ticker wise, INTP (Indocement Tunggul Prakarsa) and SMGR (Semen Indonesia Persero) posted 13.81% and 12.83% MoM losses respectively. On the other hand, the best sector during the week was the Trade, Service and Investment Sector, which recorded a gain of 0.24% MoM. Ticker wise, ERAA (Erajaya Swasembada) was the movers which rose 17.74% 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.

#### Disclaimer:

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