

Allisya Rupiah Equity Fund

February 2023

BLOOMBERG: AZSRPEQ IJ

Investment Objective

The objective of this fund is to provide long term maximum investment yield.

Investment Strategy: Equity

To achieve the investment objective, this fund shall be invested 0-20% in short-term sharia instruments and 80 - 100% the sharia based equity instruments in accordance to OJK's decision.

Return Performance

| | | |
|--------------------|--------|---------|
| Last 1-year Period | | -9.95% |
| Best Month | Jul-09 | 14.81% |
| Worst Month | Mar-20 | -13.80% |

Portfolio Breakdown

| | |
|---------------------|--------|
| Sharia Equity | 95.97% |
| Sharia Money Market | 4.03% |

Top 10 Holding

(in Alphabetical Order)

- Adaro Energy
- Chandra Asri Petrochemical
- Charoen Pokphand Indonesia
- Indofood CBP Sukses Makmur
- Indofood Sukses Makmur
- Kalbe Farma
- Semen Indonesia Persero
- Telekomunikasi Indonesia
- Unilever Indonesia
- United Tractors

*there is no investment on related parties

Industry Sector

| | |
|-----------------------|--------|
| Basic Industry | 22.22% |
| Infrastructure | 21.89% |
| Consumer Non-Cyclical | 17.18% |
| Health | 14.49% |
| Energy | 10.76% |
| Industry | 8.43% |
| Consumer Cyclical | 3.43% |
| Finance | 1.58% |

Key Fund Facts

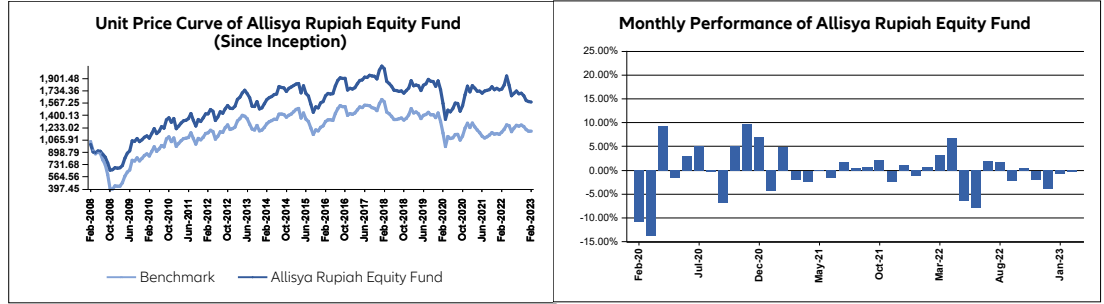
| | |
|---------------------------|---------------------|
| Fund Size (in bn IDR) | IDR 1,124.56 |
| Risk Level | Aggressive |
| Launch Date | 01 Feb 2008 |
| Fund Currency | Indonesian Rupiah |
| Launch Date NAV Price | IDR 1,000.00 |
| Pricing Frequency | Daily |
| Bid-Offer Spread | 5.00% |
| Investment Management Fee | 2.00% p.a. |
| Custodian Bank Name | Bank HSBC Indonesia |
| Total Unit | 748,502,994.6047 |

| Price per Unit | Bid | Offer |
|----------------------|--------------|--------------|
| (As of Feb 28, 2023) | IDR 1,502.42 | IDR 1,581.49 |

Managed by PT. Asuransi Allianz Life Indonesia

| | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | YTD | Since Inception |
|----------------------------|---------|----------|----------|--------|---------|---------|--------|-----------------|
| Allisya Rupiah Equity Fund | -0.37% | -5.16% | -8.62% | -9.95% | 1.27% | -22.23% | -1.24% | 58.15% |
| Benchmark* | 0.07% | -5.01% | -6.28% | 1.15% | 2.30% | -25.12% | -1.71% | 18.61% |

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Feb 2023 inflation at +0.16% mom (vs consensus inflation +0.13%, +0.34% in Jan 2023). On yearly basis, inflation was at +5.47% yoy (vs consensus inflation +5.42%, +5.28% in Jan 2023). Core inflation was printed at +3.09% yoy (vs consensus inflation +3.24%, +3.27% in Jan 2023). The lower inflation was contributed by the lower core inflation and inflation of volatile food group. The BI Board of Governors agreed on 15-16 Feb 2023 to increase the BI 7-Day Reverse Repo Rate at 5.75% and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 5.00% and 6.50%, respectively. In total, Bank Indonesia had increased their benchmark rate by 225bps up to Jan 2023. This decision for this policy is as front loaded, pre-emptive and forward-looking movement to lower the expectation inflation and to ensure the core inflation back to their target level at 3±1% on 1H 2023. Mr Perry Wariyo mentioned that the latest rate hike was sufficient to bring the inflation back to their target. Rupiah depreciated against USD by -2.85% from 14,992 at end of January 2023 to 15,420 at end of February 2023. The depreciation of Rupiah was impacted by outflow of foreign investor from Indonesia's bond market. Indonesia's trade balance recorded surplus amounting to USD +3,870mn in Jan 2023 vs previous month surplus USD +3,890mn in Dec 2022. The relatively stable trade surplus impacted the increase of coal export by +31% YoY in Jan 2023. Non-oil and gas trade balance in Jan 2023 recorded surplus USD +5,289mn, which was lower than the previous month that recorded trade surplus amounting to USD +5,613mn in Dec 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,419mn in Jan 2023, which was lower than the deficit in Dec 2022 amounting to USD -1,725mn. Indonesia's official reserve assets position amassed USD 140.3billion as of end February 2023, increased from USD 139.4billion as of end January 2023. The increment was impacted by the issuance of government foreign loan withdrawal as well as tax & service receipts. Indonesia's trade balance recorded surplus amounting to USD +3,890mn in December 2022 vs previous month surplus USD +5,159mn in November 2022. The lower trade surplus was impacted by the lower non-oil and gas export which was in line with the lower commodity prices and also global slowing down. The import showed higher growth on volume term which the main driver was from capital goods imports. Non-oil and gas trade balance in Dec 2022 recorded surplus USD +5,613mn, which was lower than the previous month that recorded trade surplus amounting to USD +6,827mn in Nov 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,725mn in Dec 2022, which was higher than the deficit in Nov 2022 amounting to USD -1,668mn. The Indonesia's actual GDP growth 4Q22 recorded +5.01% YoY (vs previous +5.72%, consensus +4.92%), and also recorded growth by +0.36% QoQ (vs previous +1.81%, consensus +0.35%). In conclusion, the FY2022 grew by +5.31% YoY compared FY 2021. The household consumption which accounts by +51.87% of Indonesia's GDP, grew by +4.93% YoY in line with Indonesia's economic recovery. The better growth was also supported by the export number which grew by +16.28% YoY which accounts by +24.49% of Indonesia's GDP. The higher growth on export was impacted by the higher global commodity prices. However, the government consumption which was accounted by 7.66% of Indonesia's GDP, contracted by -4.51% YoY in 2022. Indonesia's official reserve assets position amassed USD137.2 billion as of end-December 2022, increased from USD134.0 billion as of end-November 2022. The gain of official reserves assets in December 2022 was underpinned, amongst others, by the tax and service receipts as well as government's foreign loan withdrawal.

The JAKISL Index ended the month higher at 577.99 (+0.07% MoM). Market movers were UNTR, BRPT, PTBA, INTP and KLBF as they rose 13.65%, 13.33%, 13.53%, 11.25% and 2.43% MoM respectively. Global equities showed mixed performance in February as most of the US January economic data showed that inflation is still running high, and its economy seemed to be strong enough to handle the possibility of more rate hikes since its job market is still very tight while consumption is rebounding at the same time. Domestically in Indonesia the JAKISL Index ended February flat MoM as we saw foreign flows returning to selective large cap names, but sentiment remained negative during the month as market showed signs of attempting to consider the higher for longer US interest rates scenario narrative. Sector wise, the Industrials Sector was the best performing sector during the month, gaining 2.41% MoM. Ticker wise, UNTR (United Tractors) was the movers, appreciating 13.65% MoM. This was followed by the Healthcare Sector which rallied 1.24% MoM. Ticker wise, KLBF (Kalbe Farma) and SIDO (Industri Jamu dan Farmasi Sido) posted 2.43% and 16.56% MoM gains respectively. On the other hand, the worst sector during the month was the Basic Materials Sector, which recorded a decline of 1.25% MoM. Ticker wise, ANTM (Aneka Tambang) and BRMS (Bumi Resources Minerals) were the laggards, which fell 13.85% and 11.41% MoM respectively.

Portfolio positioning strategy wise, we are slightly underweight and selective. We are beginning to factor in that 2023 would be a year of normalization where strong commodity prices are set to normalize with aggregate corporate earnings growth is expected to grow at high single digit compared to double digit growth in 2022. Structurally, we are also adjusting to a new era of higher cost of capital and hence equity. Despite a challenging and volatile short-term outlook, we still believe that the direction of digital and down streaming theme is structural and playing an important role for Indonesia over the mid-long term. Our preference on equities that have pricing power, efficient balance sheet and good corporate governance has not changed regardless of conditions. However, we have increased our cash portion over rising recession risk, complex geopolitical factors and lingering uncertainty over knee jerk type adjustment period(s).

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