

Allisya Rupiah Equity Fund

July 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		-7.30%
Best Month	Jul-09	14.81%
Worst Month	Mar-20	-13.80%

Portfolio Breakdown

Sharia Equity	95.71%
Sharia Money Market	4.29%

Top 10 Holding

(in Alphabetical Order)

Adaro Energy
Astra International
Charoen Pokphand Indonesia
Indofood CBP Sukses Makmur
Indofood Sukses Makmur
Kalbe Farma
Merdeka Copper Gold Tbk
Semen Indonesia Persero
Telekomunikasi Indonesia
United Tractors

*there is no investment on related parties

Industry Sector

Basic Industry	21.66%
Industry	21.03%
Consumer Non-Cyclical	20.00%
Infrastructure	17.06%
Health	6.58%
Energy	6.44%
Consumer Cyclical	5.36%
Finance	1.88%

Key Fund Facts

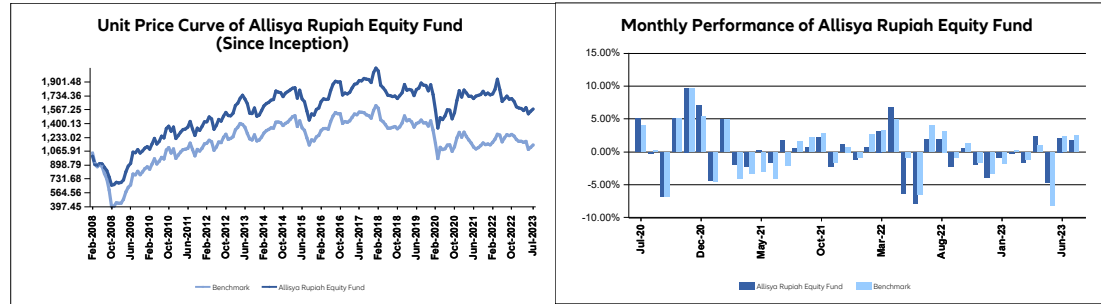
Fund Size (in bn IDR)	IDR 1,124.55
Risk Level	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	751,635,646.5299

Price per Unit	Bid	Offer
(As of Jul 31, 2023)	IDR 1,496.13	IDR 1,574.87

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	1.71%	-1.08%	-0.79%	-7.30%	0.52%	-9.34%	-1.66%	57.49%
Benchmark*	2.50%	-3.68%	-3.73%	-7.01%	0.07%	-15.11%	-5.44%	14.11%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced July 2023 inflation at +0.21% MoM (vs consensus inflation +0.22%, +0.14% in June 2023). On yearly basis, inflation was at +3.08% YoY (vs consensus inflation +3.10%, +3.52% in June 2023). Core inflation was printed at +2.43% YoY (vs consensus inflation +2.52%, +2.58% in June 2023). The higher inflation MoM was contributed by the higher price of transportation group, education group and health group. The BI Board of Governors agreed on 24-25 July 2023 to hold 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. The decision is consistent with the monetary policy stance of managing inflation under 3.0% this year and 2.5% in 2024. The policy concentrate on rupiah stability in order to manage imported inflation and limit the spreading effect of global financial market uncertainties. Rupiah weakening against USD by -0.61% from 15,000 at end of June 2023 to 15,092 at end of July 2023. The weakening of Rupiah was impacted by the release of U.S economic data that increase the probability of hawkish stance of The Fed for next meeting. Indonesia's trade balance recorded surplus amounting to USD +3,455mn in June 2023 vs previous month surplus USD +427mn in May 2023. The higher trade surplus was impacted by imports fell deeper than export. Non-oil and gas trade balance in June 2023 recorded surplus USD +4,416mn, which was higher than the previous month that recorded trade surplus amounting to USD +2,253mn in May 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,006mn in June 2023, which was lower than the deficit in Mei 2023 amounting to USD -1,826mn. Indonesia's economy grew by +5.17% yoy in 2Q 2023 (vs. previous 5.03%, consensus +5%) and 3.86% qoq (vs previous -0.9%, consensus 3.7%). In terms of expenditure side, the main contributor to the growth was household consumption which grew by +5.23% yoy, with the highest growth coming from Transportation and Storage sector. The investment side grew at a moderate level which grew only +4.63% yoy, while the growth of government expenditure by +10.62% yoy was supported by the realization of government spending. Indonesia's official reserve assets position amassed USD 137.7 billion as of the end of July 2023, increase from USD 137.5 billion as of June 2023. The increase was impacted by tax and service receipts.

The JAKISL ended the month higher at 556.05 (+2.50% MoM). Market movers were UNTR, MDKA, SMGR, BRMS, and ADRO as they rose +18.26%, +14.71%, +14.81%, +25.74%, and +8.07% MoM respectively. Global equities rally continued further in July as latest data suggest that global disinflation is continuing, and the US could possibly avoid recession while successfully addressing its rising consumer prices issues. Domestically in Indonesia, the Sharia Index also posted strong gains in July, gaining by +2.50% MoM vs June. This was driven by combination of: 1) a relatively better and stable macro environment and 2) supportive recent 2Q banking results that demonstrated Indonesia's domestic economy resiliency. Sector wise, the Energy Sector was the best performing sector during the month, gaining +10.71% MoM. Ticker wise, ADRO (Adaro Energy) and ITMG (Indo Tambangraya Megah) were the movers, appreciating +8.07% and +12.75% MoM respectively. This was followed by the Basic Materials Sector which rallied +10.19% MoM. Ticker wise, MDKA (Merdeka Copper Gold) and SMGR (Semen Indonesia) posted +14.71% and +14.81% MoM gains respectively. On the other hand, the worst amongst the best sector during the month was the Infrastructure Sector, which recorded a gain of +0.88% MoM. Ticker wise, TLKM (Telkom Indonesia) were the laggards which fell -7.00% MoM.

Portfolio positioning strategy wise, we are neutral and selective. 2023 is a year of normalization where strong commodity prices are normalizing 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 Abrupt type adjustment period(s).

About Allianz Indonesia

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