

Allisya Rupiah Equity Fund

March 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		-14.08%
Best Month	Jul-09	14.81%
Worst Month	Mar-20	-13.80%

Portfolio Breakdown

Sharia Equity	97.37%
Sharia Money Market	2.63%

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

Infrastructure	23.38%
Basic Industry	20.88%
Consumer Non-Cyclical	16.99%
Health	14.19%
Energy	10.79%
Industry	8.37%
Consumer Cyclical	3.18%
Finance	2.22%

Key Fund Facts

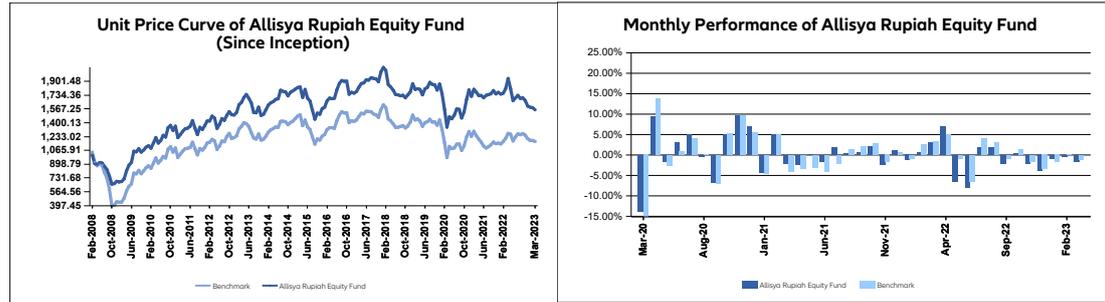
Fund Size (in bn IDR)	IDR 1,107.51
Risk Level	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	748,995,816.8077

Price per Unit	Bid	Offer
(As of Mar 31, 2023)	IDR 1,478.66	IDR 1,556.48

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	-1.58%	-2.81%	-8.07%	-14.08%	15.62%	-16.39%	-2.81%	55.65%
Benchmark*	-1.09%	-2.78%	-6.44%	-3.13%	20.01%	-18.82%	-2.78%	17.32%

*Jakarta Islamic Index (JII)


Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Mar 2023 inflation at +0.18% mom (vs consensus inflation +0.28%, +0.16% in Feb 2023). On yearly basis, inflation was at +4.97% yoy (vs consensus inflation +5.12%, +5.47% in Feb 2023). Core inflation was printed at +2.94% yoy (vs consensus inflation +3.03%, +3.09% in Feb 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 Mar 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. 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 Warjiyo mentioned that the latest rate hike was sufficient to bring the inflation back to their target. Rupiah appreciation against USD by +1.73% from 15,240 at end of February 2023 to 14,977 at end of March 2023. The appreciation of Rupiah was impacted by inflow of foreign investor from Indonesia's bond market and the FED start to slowing down hike FED's Fund Rate. Indonesia's trade balance recorded surplus amounting to USD +5,480mn in Feb 2023 vs previous month surplus USD +3,870mn in Jan 2023. The higher trade surplus was impacted the increment of O&G export by +19% YoY in Feb 2023. Non-oil and gas trade balance in Feb 2023 recorded surplus USD +6,697mn, which was higher than the previous month that recorded trade surplus amounting to USD +5,289mn in Jan 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,220mn in Feb 2023, which was lower than the deficit in Jan 2023 amounting to USD -1,419mn. Indonesia's official reserve assets position amassed USD 145.2billion as of end March 2023, increased from USD 140.3billion as of end February 2023. The increment was impacted by the issuance of government foreign loan withdrawal as well as tax & service receipts.

The JAKISL Index ended the month lower at 571.71 (-1.09% MoM). Market laggards were SMGR, BRPT, CPIN, PGAS, and INDF as they fell -12.80%, -11.76%, -7.16%, -11.82% and -4.25% MoM respectively. Global equities posted strong rebound in March as recent Silicon Valley Bank (SVB) and Credit Suisse (CS) collapse resulted in market pricing in less aggressive Fed guidance going forward. The FOMC hiked rates 25bps to 4.75-5% in March as expected but latest Fed statement suggest a more dovish tone with consensus expecting the Fed to start its rate-cut plan as soon as late 2023 following the recent stress development in the US banking system. Domestically in Indonesia the JII lagged its peers in March as current slowdown in the developed market economic growth is putting pressure towards energy and metals prices, which Indonesia has been benefitting from. Sector wise, the Basic Materials Sector was the worst performing sector during the month, declining -4.78% MoM. Ticker wise, SMGR (Semen Indonesia) and BRPT (Barito Pacific) were the laggards, depreciating -12.80 and -11.76% MoM respectively. This was followed by the Consumer Non-Cyclicals Sector which dropped -1.41% MoM. Ticker wise, CPIN (Charoen Pokphand) and INDF (Indofood Sukses Makmur) posted -7.16% and -4.25% MoM losses respectively. On the other hand, the best sector during the month was the Energy Sector, which recorded a gain of 0.12% MoM. Ticker wise, UNTR (United Tractor) and ITMG (Indotambang Megah) were the movers which rose 4.30% and 5.91% 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).

About Allianz Indonesia

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