

# ALLISYA RUPIAH EQUITY FUND

## May 2021

### 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		19.46%
Best Month	Jul-09	14.81%
Worst Month	Mar-20	-13.80%

#### Portfolio Breakdown

Equity	99.97%
Sharia Cash/Deposit	0.03%

#### Top Five Stocks Holding

Telekomunikasi Indonesia	15.84%
Elang Mahkota Teknologi	14.99%
Unilever Indonesia	10.07%
Surya Citra Media	6.27%
Charoen Pokphand Indonesia	4.30%

#### Key Fund Facts

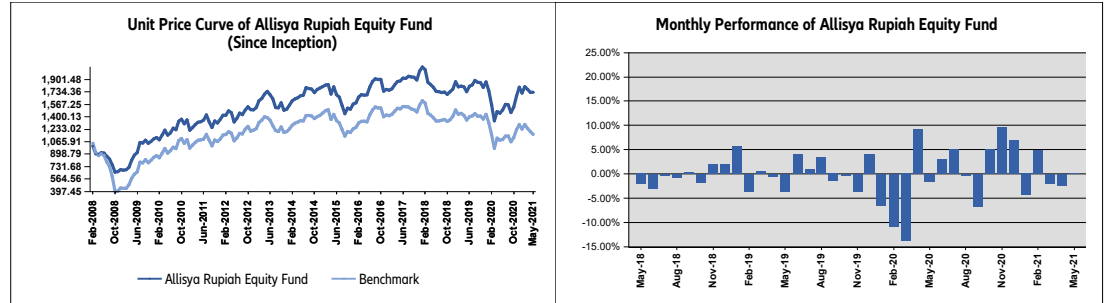
Fund Size (in bn IDR)	IDR 1,127.03
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	686,017,204.1290

Price per Unit	Bid	Offer
(As of May 31, 2021)	IDR 1,642.85	IDR 1,729.32

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	0.06%	-4.13%	3.05%	19.46%	-3.64%	-3.75%	72.93%
Benchmark*	-3.04%	-10.11%	-5.05%	7.31%	-15.97%	-9.96%	16.48%

\*Jakarta Islamic Index (JII)



#### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced May 2021 inflation at +0.32% mom (vs consensus inflation +0.29%, +0.13% on April 2021). On yearly basis, inflation was +1.68% yoy (vs consensus inflation +1.67%, +1.42% on April 2021). Core inflation was printed at +1.37% yoy (vs consensus inflation +1.30%, +1.18% on April 2021). The May inflation was improved which was affected by the higher core inflation due to higher global gold price, and the higher inflation on administered price group which was caused by the higher transportation cost on the Idul Fitri Season. The BI Board of Governors agreed on 24-25 May 2021 to hold the BI 7-Day Reverse Repo Rate to be 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates to be 2.75% and 4.25%, respectively. This policy is to maintain Rupiah stability in the middle of global uncertainty and also the lower inflation. Rupiah appreciated against USD by +1.12% from 14,453 at end of April 2021 to 14,292 at end of May 2021. Indonesia's trade balance recorded surplus amounting to USD +2,194mn in April 2021 vs previous month surplus USD +1,568mn. The better trade surplus was caused by the higher export number on non-oil and gas on the back of higher CPO export to China in line with global economics recovery. Non-oil and gas trade balance in April 2021 recorded surplus USD +3,261mn, which was higher than the previous month that recorded trade surplus amounting to USD +2,941mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,067mn in April 2021, which was lower than the deficit on March 2021 amounting to USD -1,373mn. Indonesia's official foreign reserve as of May 2021 was at USD 136.4billion, lower than March 2021 number at USD 138.8billion due to government's foreign debt payments.

The JAKISL Index ended the month lower at 567.62 (-3.04% MoM). Market laggards were TPIA, BRPT, ICBP, UNVR, and CPIN as they fell 21.34%, 9.72%, 5.75%, 2.50%, and 4.26% MoM respectively. Regional equity markets reversed to negative territory in May as US inflation jumped to its highest level in nearly four decades in April 2021 at 4.2% YoY, supply shortages, manufacturing bottleneck as well as low-base effect fuelled the reversal. The higher than expected inflation numbers triggered investors' concern on faster than expected policy tightening from the central banks. Additionally, surge in COVID-19 infection cases in ASEAN countries such as Malaysia and Singapore suggesting for another round of mobility restriction also fueled another negative sentiment towards the equity market within ASEAN. Within Indonesia equity market, JCI Index fell below 6,000 level as investors' anticipate on COVID-19 cases potentially spiking post-festive season. That said, daily cases still look manageable at 5-6k cases per day (vs. 8-10k/day in Jan-21) while the hospital bed occupancy rates are still below 40% (vs. 85-90% in Jan-21). Higher vaccination rate would still be key in containing the virus spread and prevent further increase in death cases caused by the virus. Valuation wise, current market valuation stands at 16.5x FY21 P/E, which seems fair in our view given the expectation of a stronger economic recovery post the higher vaccination roll-out (expectation in 2H21) and potential upcoming Indonesian tech IPOs in 2H21 which typically do not use P/E as a valuation method. Sector wise, the Basic Material Sector was the worst performing sector during the month, declining 6.33% MoM. Ticker wise, TPIA (Chandra Asri Petrochemical) and BRPT (Barito Pacific) were the laggards, depreciating 21.34% and 9.72% MoM respectively. This was followed by the Consumer Non-Cyclicals Sector which dropped 2.79% MoM. Ticker wise, ICBP (Indofood CBP Sukses Makmur Tbk PT) and UNVR (Unilever) posted 5.75% and 2.50% MoM losses respectively. On the other hand, the worst sector during the month was the Infrastructure Sector, which recorded a gain of 3.54% MoM. Ticker wise, EXCL (XL Axiata Tbk) and TLKM (Telkom Indonesia Persero Tbk) were the movers which rose 17.70% and 7.50% MoM respectively.

Portfolio strategy wise, we have started to progressively shift to increase non defensive cyclical exposures on economic recovery expectation in 2021 and 2022. Generally speaking, our preference on equities that have pricing power, efficient balance sheet and good corporate governance has not changed regardless of condition. 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.

#### About Allianz Indonesia

PT Asuransi Allianz Life Indonesia was founded in 1996 and is part of Allianz Asia Pacific which has been present in the region since 1910. Allianz Group is a leading insurance company and asset manager in the world with over 129 years of experience and provides a variety of personal and insurance services, companies, ranging from property, life and health insurance to credit insurance and business insurance services globally.

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