

ALLISYA RUPIAH EQUITY FUND

October 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).

Portfolio Breakdown

Equity	98.63%
Sharia Cash/Deposit	1.37%

Top Ten Stocks Holding

(in Alphabetical Order)

Barito Pacific
Bukalapak.Com ,
Chandra Asri Petrochemical
Charoen Pokphand Indonesia
Elang Mahkota Teknologi
Merdeka Copper Gold
Surya Citra Media
Telekomunikasi Indonesia
Unilever Indonesia
United Tractors

Key Fund Facts

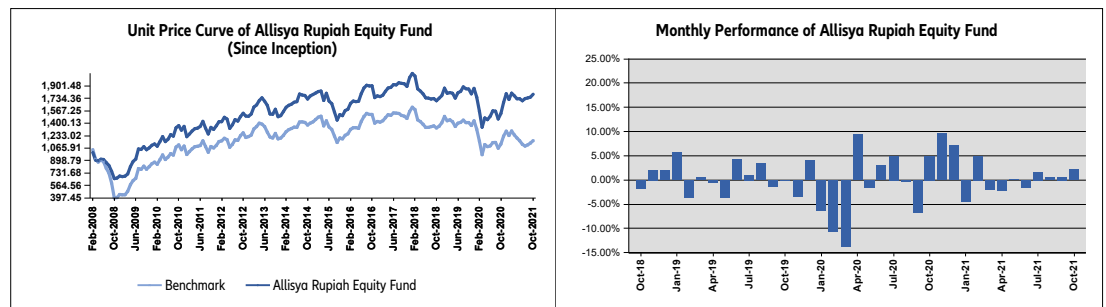
Fund Size (in bn IDR)	IDR 1,178.67
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	693,548,627.1242

Price per Unit	Bid	Offer
(As of Oct 29, 2021)	IDR 1,699.48	IDR 1,788.93

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	2.22%	3.36%	3.51%	16.90%	5.13%	-5.98%	-0.43%	78.89%
Benchmark*	2.79%	6.60%	-2.99%	4.08%	-12.80%	-23.24%	-9.91%	16.54%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Oct 2021 inflation +0.12% mom (vs consensus inflation +0.10%, -0.04% in Sep 2021). On yearly basis, inflation was +1.66% yoy (vs consensus inflation +1.65%, +1.60% in Sep 2021). Core inflation was printed at +1.33% yoy (vs consensus inflation +1.40%, +1.33% in Sep 2021). The higher inflation on Oct 2021 was supported by the inflation increment on volatile food group and administered price group. The higher inflation on volatile food group was affected by the increment of chili and cooking oil prices (in line with higher global CPO price), while on the administered price group side was affected by the higher air fare cost. The BI Board of Governors agreed on 18-19 Oct 2021 to hold the BI 7-Day Reverse Repo Rate at 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 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 +1.05% from 14,321 at end of Sep 2021 to 14,171 at end of Oct 2021. Indonesia's trade balance recorded surplus amounting to USD 4,371mn in Sep 2021 vs previous month surplus USD 4,746mn. Despite of the amount of trade surplus slightly lowered compared last month, the export number still showed strong growth on the back of increment demand of coal export from EU and US. Non-oil and gas trade balance in Sep 2021 recorded surplus USD +5,305mn, which was slightly lower than the previous month that recorded trade surplus amounting to USD +5,728mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -934mn in Sep 2021, which was slightly lower than the deficit in Aug 2021 amounting to USD -982mn. Indonesia's economy grew by +3.51% YoY in Q3 2021 (vs previous +7.07%, consensus +3.88%), and also recorded positive growth by +1.55% QoQ (vs previous +3.31%, consensus +1.90%). The slowing down was affected by the mobility restriction in Q3 2021 which was impacted by the Covid-19 second wave, and also lower domestic demand. The YoY growth was contributed by the deceleration on household consumption growth by 1.03% YoY, while government spending only grew by +0.60% YoY. Indonesia's official foreign reserve in the end of Oct 2021 was at USD 145.5bn, slightly lower than Sep 2021 number at USD 146.90bn due to the government's external debt payment.

The JAKISL Index ended the month higher at 567.93 (+2.79% MoM). Market movers were MDKA, UNVR, TLKM, KLB, and PGAS as they rose 25.40%, 11.90%, 2.98%, 11.89%, and 26.89% MoM respectively. Global stock markets continued to strengthen in October, driven by robust US economic data and upbeat corporate 3Q21 earnings results despite concerns on higher inflation, supply chain disruptions and rising energy cost. On taper updates, the Fed stated it will begin tapering monthly bond purchases by USD15bn/month until December 2021 and will adjust the pace of purchases depending on the economic outlook. This boosted price of risky assets ie equities as market perceive the stance as more dovish. Moving to Indonesia, Indonesia government began further relaxing its mobility restrictions as new covid cases remain low. This has reflected in several leading indicators such as mall occupancy rate in malls in Jakarta, which has now reached 80% of pre-covid level and weekly toll road traffic volume that has reached 11% above the pre-covid level. On Indonesia equities, the Indonesia stock benchmark currently trades at 2022 earnings multiple of 15.7x, which is slightly above its mean but considering the already low foreign investors positioning combined with improving economic activity, strong commodity prices, upcoming tax amnesty and more technology company IPOs, we believe this will improve investors' appetite in Indonesian stock market going forward. Sector wise, the Basic Materials was the best performing sector during the month, gaining 6.20% MoM. Ticker wise, MDKA (Merdeka Copper Gold) and TPIA (Chandra Asri Petrochemical) were the movers, appreciating 25.40% and 5.56% MoM respectively. This was followed by the Healthcare Sector which rallied 3.29% MoM. Ticker wise, KLB (Kalbe Farma) posted 11.89% MoM gains. On the other hand, the worst sector during the month was the Technology Sector, which recorded a decline of 0.4% MoM. Ticker wise, BUKA (Bukalapak) was the laggards, which fell 19.19% MoM.

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

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