

Allisya Rupiah Equity Fund

October 2022

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 and 80 - 100% the sharia based equity instruments in accordance to OJK's decision.

Return Performance

Last 1-year Period		-4.93%
Best Month	Jul-09	14.81%
Worst Month	Mar-20	-13.80%

Portfolio Breakdown

Sharia Equity	95.98%
Sharia Money Market	4.02%

Top 10 Holding

(in Alphabetical Order)

- Adaro Energy
- Elang Mahkota Teknologi
- Indofood CBP Sukses Makmur
- Kalbe Farma
- Merdeka Copper Gold Tbk
- Semen Indonesia Persero
- Telekomunikasi Indonesia
- Unilever Indonesia
- United Tractors
- XL Axiata

Industry Sector

Basic Industry	27.00%
Infrastructure	17.94%
Consumer Non-Cyclical	14.33%
Energy	12.71%
Industry	8.46%
Health	8.23%
Technology	5.27%
Finance	2.58%
Transportation	1.58%
Consumer Cyclical	1.19%
Property	0.71%

Key Fund Facts

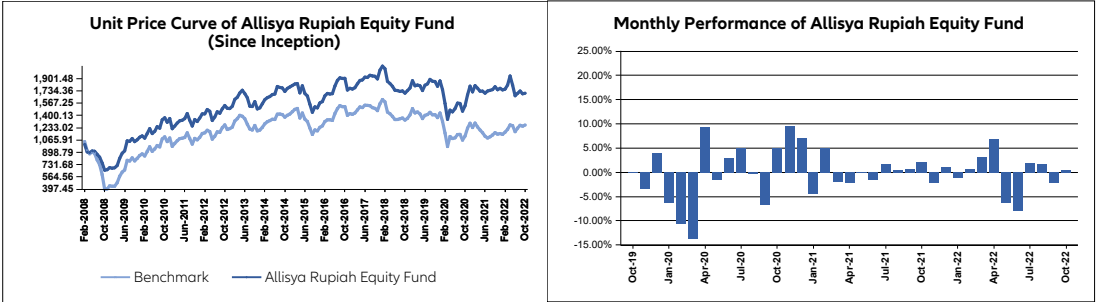
Fund Size (in bn IDR)	IDR 1,181.02
Risk Level	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	730,964,632.6659

Price per Unit	Bid	Offer
(As of Oct 31, 2022)	IDR 1,615.70	IDR 1,700.74

Managed by	PT. Asuransi Allianz Life Indonesia
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	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	0.45%	0.11%	-12.09%	-4.93%	-8.54%	-11.91%	-3.77%	70.07%
Benchmark*	1.20%	3.40%	-0.14%	8.88%	-9.98%	-15.14%	10.02%	26.89%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Oct 2022 deflation at -0.11% mom (vs consensus inflation +1.10%, +0.17% in Sep 2022). On yearly basis, inflation was at +5.71% yoy (vs consensus inflation +5.98%, +5.95% in Sep 2022). Core inflation was printed at +3.31% yoy (vs consensus inflation +3.40%, +3.21% in Sep 2022). The monthly deflation was contributed by the deflation in volatile food group by -1.62% MoM due to higher supply in line with horticultural harvest season. The other reason of lower yearly inflation was, the normalization from the first round impact of fuel price adjustment in Sep 2022. The BI Board of Governors agreed on 19-20 Oct 2022 to increase the BI 7-Day Reverse Repo Rate by 50bps to be 4.75% and also increase the Deposit Facility (DF) and Lending Facility (LF) rates by 50bps to be 4.00% and 5.50%, respectively. In total, Bank Indonesia had increased their benchmark rate by 125bps until September 2022. This decision for this policy is as front loaded, pre-emptive and forward-looking movement to lower the expectation inflation, to ensure the core inflation back to their target level at 3% on 2Q 2023, and also to strengthen the Rupiah currency amid the uncertainty of global financial market. Rupiah depreciated against USD by -2.54% from 15,293 at end of September 2022 to 15,681 at end of October 2022. The depreciation of Rupiah was impacted by the strengthening of Dollar which was caused by the Fed Fund Rate hike by FED. Indonesia's trade balance recorded surplus amounting to USD +4,994 mn in Sep 2022 vs previous month surplus USD +5,758 mn in Aug 2022. The lower trade surplus was impacted by the lower export number due to sluggish global demand (the biggest laggard from iron & steel export). Non-oil and gas trade balance in Sep 2022 recorded surplus USD +7,094mn, which was higher than the previous month that recorded trade surplus amounting to USD +7,741mn in Aug 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -2,100mn in Sep 2022, which was higher than the deficit in Aug 2022 amounting to USD -1,983mn. Indonesia's economy grew by +5.72% YoY in Q3 2022 (vs previous +5.44%, consensus +5.60%), and also recorded positive growth by +1.81% QoQ (vs previous +3.72%, consensus +1.71%). In terms of expenditure side, the main contributor of the yearly growth was from Components of Exports of Goods and Services grew by +21.64% yoy. Unfortunately, the government consumption contracted by -2.28% yoy. Indonesian economy was still dominated by the household consumption by 50.38%. Indonesia's official foreign reserve in the end of October 2022 was at USD 130.20bn, similar with September 2022 number at USD 130.8bn. The lower foreign reserve was impacted government debt payment and the need for Rupiah currency stabilization.

The JAKISL ended the month higher at 618.35 (+1.20% MoM). Market movers were KLBFI, ICBP, PGAS, INDF, and ITMG as they rose 12.02%, 12.43%, 12.54%, 7.05%, and 8.75% MoM respectively. Global equities rebounded in October, as most of the investors shifted their focus to the latest round of corporate earnings. According to FactSet, more than half of the companies within the S&P 500 Index have reported results with overall earnings growth of +2.3% YoY. 3Q22 US GDP also rebounded after 2 consecutive quarters of contraction as slowdown in consumption and a sharp decline in residential investment were more than offset by gains in equipment investment, government spending, and a large boost from trade. Real final domestic demand (GDP ex trade and inventories) grew less strongly by just 0.5%. This week market is expecting another 75bps hike by the Fed but is also hoping for it to be the last 75bps increase as inflation is expected to cool down ahead. Moving on to Indonesia, JCI also rebounded in October with 0.8% MoM gain, but it relatively underperformed compared to its Asian peers (ex. Hong Kong and China) that printed more than +3.0% MoM gain. Indonesia seemed to regain more positive sentiment after the heavyweight names delivered better-than-expectation 3Q22 results. On the other hand, during its October's meeting, Bank Indonesia revised down its end-2022 headline and core CPI forecasts to 6.3% YoY (from 6.6% YoY) and 4.3% YoY (from 4.6% YoY), helped by the recent slowing food inflation that helps to offset the impact from fuel price hike. BI now sees core inflation returning to 2-4% target by H123, from H223. Sector wise, the Energy Sector was the best performing sector during the month, gaining 7.77% MoM. Ticker wise, PGAS (Perusahaan Gas Negara) and ITMG (Indo Tambangraya) were the movers, appreciating 12.54% and 8.75% MoM respectively. This was followed by the Consumer Non-Cyclicals Sector which rallied 5.58% MoM. Ticker wise, ICBP (Indofood CBP Sukses Makmur) and INDF (Indofood Sukses Makmur) posted 12.43% and 7.05% MoM gains respectively. On the other hand, the worst sector during the month was the Infrastructure Sector, which recorded a decline of 4.16% MoM. Ticker wise, TLKM (Telkom Indonesia) and WIKA (Wijaya Karya) were the laggards which fell 1.57% and 1.62% MoM respectively.

For portfolio strategy, we are constructive on the new economy sector as well as green energy value chain related sectors, however very selective. Even though short-term outlook is quite challenging and volatile, we still believe that the direction of digital and green economy theme is structural and playing an important role for Indonesia over the mid-long terms. Our preference on equities that have pricing power, efficient balance sheet and good corporate governance has not changed regardless of condition. However, we have increased our cash portion over rising recession, geopolitical risks and relative market outperformance.

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