

Allisya Rupiah Equity Fund

October 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		-13.53%
Best Month	Jul-09	14.81%
Worst Month	Mar-20	-13.80%

Portfolio Breakdown

Sharia Equity	96.84%
Sharia Money Market	3.16%

Top 10 Holding

(in Alphabetical Order)

- Adaro Energy
- Astra International
- Barito Pacific
- Charoen Pokphand Indonesia
- INDAH KIAT PULP & PAPER TBK
- Indocement Tunggul Prakarsa
- Kalbe Farma
- Merdeka Copper Gold Tbk
- Semen Indonesia Persero
- Telekomunikasi Indonesia

*there is no investment on related parties

Industry Sector

Basic Industry	24.46%
Infrastructure	17.30%
Industry	16.65%
Consumer Non-Cyclical	13.07%
Energy	12.36%
Health	8.05%
Consumer Cyclical	7.34%
Finance	0.78%

Key Fund Facts

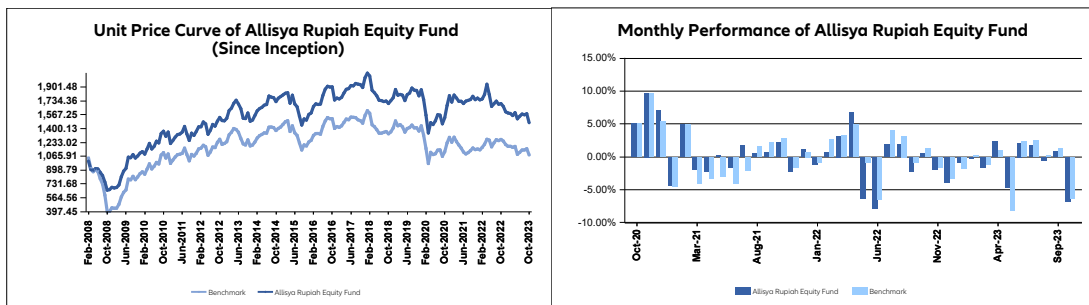
Fund Size (in bn IDR)	IDR 978.89
Risk Level	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	700,689,264.3122

Price per Unit	Bid	Offer
(As of Oct 31, 2023)	IDR 1,397.03	IDR 1,470.56

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	-6.85%	-6.62%	-7.63%	-13.53%	-3.91%	-13.58%	-8.17%	47.06%
Benchmark*	-6.41%	-5.16%	-8.65%	-14.72%	-3.36%	-19.03%	-10.32%	8.21%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced October 2023 inflation at +0.17% MoM (vs consensus inflation +0.20%, +0.19% in September 2023). On yearly basis, inflation was at +2.56% YoY (vs consensus inflation +2.60%, +2.28% in September 2023). Core inflation was printed at +1.91% YoY (vs consensus inflation +1.98%, +2.00% in September 2023). The lower inflation MoM was contributed by the lower price of beverage, clothing information and communication group. The BI Board of Governors agreed in their meeting on 18-19 October 2023 to raise the BI 7-Day Reverse Repo Rate at 6.00% and also rise the Deposit Facility (DF) and Lending Facility (LF) rates at 5.25% and 6.75%, respectively. In total, Bank Indonesia had increased their benchmark rate by 250bps up to Oct 2023. The decision bolsters rupiah stabilization policy against heightening global uncertainty and as a pre-emptive and forward-looking measure to mitigate the impact of imported inflation, thus bringing inflation under control and within the 3.0%±1% target corridor in 2023 and 2.5%±1% in 2024. Rupiah weakened against USD by -2.65 % from 15,487 at end of September 2023 to 15,897 at end of October 2023. The weakened Rupiah was impacted by pressure from the global market as UST yield kept rising and touched level 5.00%, triggered few investors outflow from emerging markets to enter US bond markets. Indonesia's trade balance recorded surplus amounting to USD +3,418mn in September 2023 vs previous month surplus USD +3,118mn in August 2023. The higher trade surplus was impacted by import fell deeper than export. Non-oil and gas trade balance in September 2023 recorded surplus USD +5,341mn, which was higher than the previous month that recorded trade surplus amounting to USD +4,461mn in August 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,924mn in September 2023, which was higher than the deficit in August 2023 amounting to USD -1,343mn. Indonesia's economy grew by +4.94% yoy in 3Q 2023 (vs. previous 5.17%, consensus +5%) and 1.60% qoq (vs previous 3.86%, consensus 1.67%). In terms of expenditure side, the main contributor to the growth was investment, which grew by +5.77% yoy, with the highest growth coming from vehicle investment. The consumption side grew at a moderate level, which grew only +5.06% yoy, while the growth of government expenditure unexpectedly contracted dragging down GDP growth in 3Q23 as it posted -3.76%yoy, significantly down from +10.57%yoy growth in 2Q23. Indonesia's official reserve assets position amassed USD 133.1 billion as of the end of October 2023, decreased from USD 134.9 billion as of September 2023. The decrease was impacted by an obligation of the government's external debt payment and the need to stabilize the currency exchange rate in response to rising global financial market uncertainty.

The JAKISL Index ended the month lower at 527.34 (-6.41% MoM). Market laggards were TLKM, MDKA, ASII, BRPT and ADRO as they rose +6.93%, -22.57%, -5.70%, -13.46%, and -10.18% MoM respectively. Global equities corrected further in October as combination of war between Israel and Hamas together with resilient consumers prices in the US has made investors worry that the inflation will stay resilient for longer hence eliminating any chances that we will be seeing a rate cut by the Fed in the near term. Domestically in Indonesia, the JAKISL Index also posted correction driven by combination of foreign outflows in both bond and equity market as yield spread between the US & Indonesia 10Y yield narrow as well as surprise rate hike by Bank Indonesia to defend further depreciation of Rupiah. Sector wise, the Basic Materials Sector was the worst performing sector during the month, declining -7.09% MoM. Ticker wise, MDKA (Merdeka Copper Gold) and BRPT (Barito Pacific) were the laggards, depreciating -22.57% and -13.46% MoM respectively. This was followed by the Industrial Sector which dropped -5.09% MoM. Ticker wise, ASII (Astra International) and UNTR (United Tractor) posted -5.70% and -8.68% MoM losses respectively. On the other hand, the best sector during the month was the Healthcare Sector, which recorded a gain of +2.31% MoM. Ticker wise, MIKA (Mitra Keluarga) was the movers which rose +1.48% 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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