

ALLISYA RUPIAH EQUITY FUND

September 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 | 96.89% |
| Sharia Cash/Deposit | 3.11% |

Top Five Stocks Holding

| | |
|------------------------------|--------|
| TELKOM INDONESIA PERSERO TBK | 17.57% |
| UNILEVER INDONESIA TBK PT | 7.67% |
| SURYA CITRA MEDIA PT TBK | 6.72% |
| BUKALAPAK.COM PT TBK | 5.32% |
| UNITED TRACTORS TBK PT | 4.99% |

Key Fund Facts

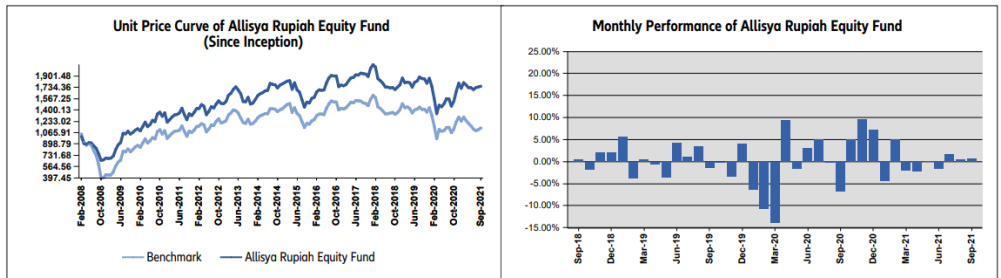
| | |
|-----------------------|---------------------|
| Fund Size (in bn IDR) | IDR 1,149.91 |
| Risk Profile | Aggressive |
| Launch Date | 01 Feb 2008 |
| Fund Currency | Indonesian Rupiah |
| Pricing Frequency | Daily |
| Bid-Offer Spread | 5.00% |
| Management Fee | 2.00% p.a. |
| Custodian Bank Name | Bank HSBC Indonesia |
| Total Unit | 691,667,662.3136 |

| Price per Unit | Bid | Offer |
|----------------------|--------------|--------------|
| (As of Sep 30, 2021) | IDR 1,662.52 | IDR 1,750.02 |

Managed by PT. Asuransi Allianz Life Indonesia

| | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | YTD | Since Inception |
|----------------------------|---------|----------|----------|--------|---------|---------|-----------------|
| Allisya Rupiah Equity Fund | 0.59% | 2.85% | -1.05% | 20.13% | 1.05% | -2.60% | 75.00% |
| Benchmark* | 2.19% | 1.51% | -8.78% | 6.48% | -16.90% | -12.36% | 13.38% |

*Jakarta Islamic Index (JII)


Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Sep 2021 deflation at -0.04% mom (vs consensus inflation +0.03%, +0.01% in Aug 2021). On yearly basis, inflation was +1.60% yoy (vs consensus inflation +1.66%, +1.59% in Aug 2021). Core inflation was printed at +1.30% yoy (vs consensus inflation +1.33%, +1.31% in Aug 2021). The deflation was mainly contributed by the deflation on volatile food group which was impacted by the lower chicken and various horticulture prices. The BI Board of Governors agreed on 20-21 Sep 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 depreciated against USD by -0.10% from 14,306 at end of Aug 2021 to 14,321 at end of Sep 2021. Indonesia's trade balance recorded surplus amounting to USD 4,746mn in Aug 2021 vs previous month surplus USD 2,589mn. The trade surplus recorded the historical high in Aug 2021 which was contributed by the coal and CPO exports. Non-oil and gas trade balance in Aug 2021 recorded surplus USD +5,728mn, which was higher than the previous month that recorded trade surplus amounting to USD +3,384mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -982mn in Aug 2021, which was higher than the deficit in June 2021 amounting to USD -759mn. Indonesia's official foreign reserve in the end of Sep 2021 was at USD 146.90bn, higher than Aug 2021 number at USD 144.80bn due to tax & services receipts and also the government's external debt withdrawal.

The JAKISL Index ended the month higher at 552.53 (+2.19% MoM). Market movers were TLKM, UNTR, ADRO, PTBA, and INDF as they rose 8.53%, 29.51%, 39.68%, 30.81%, and 7.45% MoM respectively. Global stock markets continued to strengthen in September despite highly volatile for the first half of the month on the back of uncertainty over US debt ceiling announcement and faster than expected US treasury yield that would spur the FED to shorten its tapering timeline. In addition, EM stocks corrected more than DM stocks as result of a sharp fall in Chinese markets on tightening tech regulations and China Evergrande Group's debt issue. However, global stocks recovered as contagion fears from Evergrande's huge USD 300bn debt woes as the company had settled its domestic bond payment by end of Sep-21. Looking domestically in Indonesia, faster than projected vaccine distribution in Jakarta greater area (25% of Indo's GDP portion), lower new covid cases and strong recovery on the Coal and CPO prices which have reached USD 280/ton (+198% YTD) and MYR 4.8k/ton (+28% YTD), respectively, have triggered foreign investors to increase its exposure in the Indonesian stock market. In which it was reflected in the foreign inflows which accelerated to IDR 9tn in Sep-21, the highest monthly inflows since Jan-21. Market wise, the Indonesia's index is currently trades at 2022 earnings multiple of 15.3x, which is still below its mean and considering the already low foreign investors positioning combined with improvement in economic activity in 4Q21, strong commodity prices and upcoming technology company IPOs, we believe this will improve investors' appetite in Indonesian stock market going forward. Sector wise, the Energy Sector was the best performing sector during the month, gaining 32.36% MoM. Ticker wise, ADRO (Adaro Energy) and PTBA (Bukit Asam) were the movers, appreciating 39.68% and 30.81% MoM respectively. This was followed by the Industrial Sector which rallied 8.73% MoM. Ticker wise, UNTR (United Tractor) posted 29.51% MoM gain. On the other hand, the worst sector during the month was the Basic Materials Sector, which recorded a decline of 4.31% MoM. Ticker wise, TPIA (Chandra Asri Petrochemical) and BRPT (Barito Pacific) were the laggards, which fell 8.28% and 9.39% MoM respectively.

Portfolio strategy wise, we have started to progressively shift to increase non defensives 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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