

Allisya Rupiah Equity Fund

September 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		-6.76%
Best Month	Jul-09	14.81%
Worst Month	Mar-20	-13.80%

Portfolio Breakdown

Sharia Equity	99.40%
Sharia Money Market	0.60%

Top 10 Holding

(in Alphabetical Order)

- Adaro Energy
- Astra International
- Barito Pacific
- INDAH KIAT PULP & PAPER TBK
- Kalbe Farma
- Merdeka Copper Gold Tbk
- Semen Indonesia Persero
- Telekomunikasi Indonesia
- United Tractors
- XL Axiata

*there is no investment on related parties

Industry Sector

Basic Industry	24.73%
Infrastructure	19.56%
Industry	15.55%
Energy	14.06%
Consumer Non-Cyclical	11.24%
Consumer Cyclical	7.12%
Health	6.72%
Finance	1.02%

Key Fund Facts

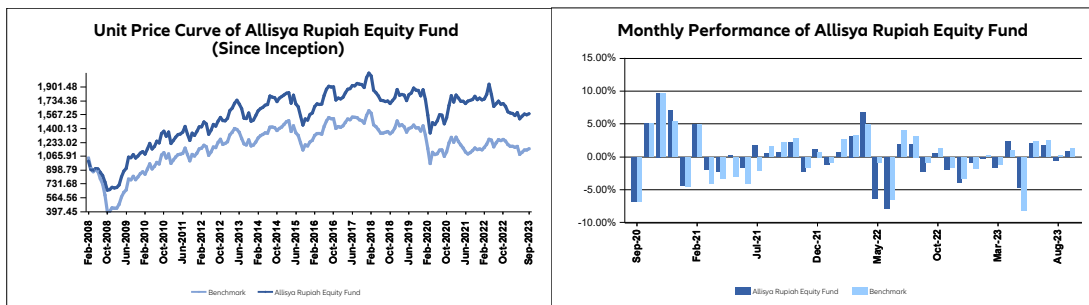
Fund Size (in bn IDR)	IDR 1,052.88
Risk Level	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	702,030,249.7605

Price per Unit	Bid	Offer
(As of Sep 29, 2023)	IDR 1,499.77	IDR 1,578.71

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	0.82%	1.96%	1.43%	-6.76%	8.37%	-8.85%	-1.42%	57.87%
Benchmark*	1.31%	3.87%	-1.44%	-7.79%	8.59%	-15.26%	-4.18%	15.62%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced September 2023 inflation at +0.19% MoM (vs consensus inflation +0.12%, -0.02% in August 2023). On yearly basis, inflation was at +2.28% YoY (vs consensus inflation +2.20%, +3.27% in August 2023). Core inflation was printed at +2.00% YoY (vs consensus inflation +2.06%, +2.18% in August 2023). The higher inflation MoM was contributed by the higher price of food, beverage, tobacco group, and clothing group. The BI Board of Governors agreed on 20-21 September 2023 to hold the BI 7-Day Reverse Repo Rate at 5.75% and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 5.00% and 6.50%, respectively. In total, Bank Indonesia had increased their benchmark rate by 225bps up to Jan 2023. The decision is consistent with the monetary policy stance of managing inflation under 3.0% this year and 2.5% in 2024. The policy concentrate on rupiah stability in order to manage imported inflation and limit the spreading effect of global financial market uncertainties. Rupiah weakened against USD by -1.64% from 15,237 at end of August 2023 to 15,487 at end of September 2023. The weakened of Rupiah was impacted by hawkish statement from Jerome Powell and many Fed official that stated the Fed still need hike rate until the Fed get assurance that inflationary path to inflation target of 2% without causing damage to US economy. Indonesia's trade balance recorded surplus amounting to USD +3,124mn in August 2023 vs previous month surplus USD +1,292mn in July 2023. The higher trade surplus was impacted by import fell deeper and export. Non-oil and gas trade balance in August 2023 recorded surplus USD +4,468mn, which was higher than the previous month that recorded trade surplus amounting to USD +3,197mn in July 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,343mn in August 2023, which was lower than the deficit in July 2023 amounting to USD -1,905mn. Indonesia's official reserve assets position amassed USD 134.9 billion as of the end of September 2023, decrease from USD 137.1 billion as of August 2023. The decrease was impacted by the government's external debt repayments and the need for Rupiah stabilization.

The JAKISL ended the month higher at 563.45 (+1.31% MoM). Market movers were BRPT, TPIA, INKP, UNTR, and ADRO as they rose +21.50%, +16.06%, +21.98%, +8.65%, and +6.74% MoM respectively. Global equities corrected further in September as market begins pricing in lesser interest rate cut by the Fed in 2024 on the back of recent hawkish statement by the Fed officials. This is also apparent in the US 10Y bond yield, which has risen by 47bps MoM to 4.58% in September. Domestically in Indonesia, the Sharia Index posted positive return in September as the country offers more stable macro environment, in which the inflation is well contained at 3.3% as of August and less pressure for Bank of Indonesia to do further monetary tightening. Sector wise, the Basic Material Sector was the best performing sector during the month, gaining +8.44% MoM. Ticker wise, BRPT (Barito Pacific) and TPIA (Chandra Asri Petrochemical) were the movers, appreciating +21.50% and +16.06% MoM respectively. This was followed by the Energy Sector which rallied +4.76% MoM. Ticker wise, ADRO (Adaro Energy) and AKRA (AKR Corporindo) posted +6.74% and +10.36% MoM gains. On the other hand, the worst sector during the month was the Healthcare Sector, which recorded a decline of -3.98% MoM. Ticker wise, KLBF (Kalbe Farma) and MIKA (Mitra Keluarga) were the laggards which fell -3.31% and -4.59% MoM respectively.

Portfolio positioning strategy wise, we are slightly overweight 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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