

ALLISYA RUPIAH BALANCED FUND

June 2020

BLOOMBERG: AZSRPBL:IJ

Investment Objective

The objective of this fund is to achieve conservative long term capital growth while earning relatively stable income.

Investment Strategy

To achieve the investment objectives, this fund shall be invested with a target of 25%-50% in sharia based money market and fixed income instruments (such as deposits of sharia, sharia SBI, sharia SPN, and / or money market mutual funds, sharia bonds, sharia corporate bonds and / or sharia fixed income mutual funds), and 50%-75% in the sharia based equity instruments in accordance to OJK's decision (either directly through sharia stocks or through sharia equity mutual funds).

Return Performance

Last 1-year Period		-12.98%
Best Month	Jul-09	10.95%
Worst Month	Oct-08	-14.39%

Portfolio Breakdown

Equity	65.03%
Mutual Funds - Bonds	19.02%
Sharia Cash/Deposit	15.95%

Top Five Stocks Holding

Unilever Indonesia	11.60%
Telekomunikasi Indonesia	10.77%
Merdeka Copper Gold	7.54%
Astra International	7.06%
Indofood CBP Sukses Makmur	3.36%

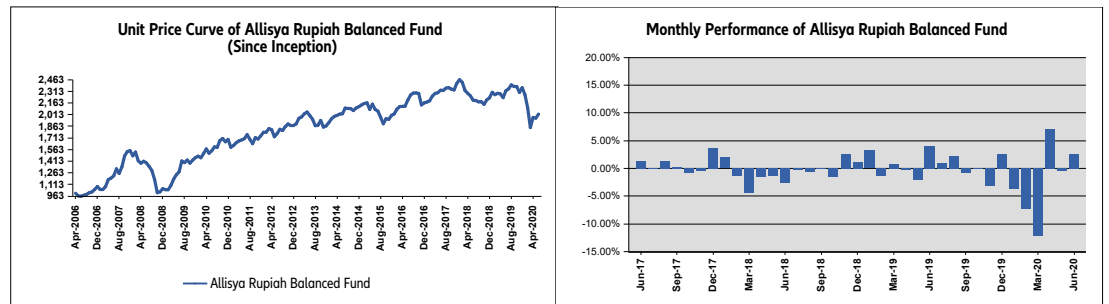
Key Fund Facts

Fund Size (in bn IDR)	IDR 430.06
Risk Profile	Moderate
Launch Date	25 Apr 2006
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	224,208,892.9615

Price per Unit	Bid	Offer
(As of Jun 30, 2020)	IDR 1,918.12	IDR 2,019.07

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	2.61%	9.33%	-14.43%	-12.98%	-13.22%	-14.43%	101.91%



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced June 2020 inflation at +0.18% mom (vs consensus inflation +0.05%, +0.07% in May 2020). On yearly basis, inflation was +1.96% yoy (vs consensus inflation +1.84%, +2.19% in May 2020). Core inflation was printed at +2.26% yoy (vs consensus inflation +2.38%, +2.65% in May 2020). The inflation is still considered low, but better than previous months, which was supported by the inflation volatile price group (increment on chicken, egg, and coconut prices). In the Board of Governors' Meeting on 17-18 June 2020, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 4.25%, and also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 3.00% and 5.00% level, respectively. This policy is for keeping the economic stability and for the economic recovery which is affected by the Covid-19. Rupiah appreciated by +2.93% to 14,302 at the end of June 2020 from 14,733/USD at end of May 2020. Indonesia's trade balance recorded surplus amounting to USD +2,092mn in May 2020 vs previous month deficit USD -345mn. The trade surplus was caused by the contraction in import number that are related with the supporting for investment, such as machineries, raw material and capital goods. The export number also lower on the back of lower coal export number which is caused by the weak price of commodity. Non-oil and gas trade balance in April 2020 recorded surplus USD +2,098, while the previous month recorded trade deficit amounting to USD -100.7mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -6mn in May 2020, which was lower than the deficit on April 2020 amounting to USD -243mn. Indonesia's official foreign reserve as of June 2020 was at USD 131.7billion, higher than May 2020's number at USD 130.5billion. The increment of foreign reserve was supported by the issuance of global sukuk bonds amounting to USD 2.5bn.

IDR Government bond yields were closed lower across all curves in line with offshore inflows and also Rupiah appreciation. The bullish market were seen in the beginning of the week which offshore were seen taken the offer in the market. The excitement of the re-opening economy around the world was the reason behind it despite fearing of the second wave of the Covid-19 spreading is still haunted. Some global positive sentiments also supported the market, such as: monetary policy from ECB and FED to support the economics from falling to the recession, the expectation for the lower tension of trade wars between US and China in the near term. The injection of liquidity to State-Owned Banks by Minister of Finance as well as the cut of benchmark rate by Bank Indonesia supported the local market as well. Offshore accounts increased their holding by IDR +5.17tn in June 2020 (+0.55% MoM), to IDR 937tn as of 30 June 2020 from IDR 931.83tn as of 29 May 2020, which brought their holding to 30.17% of total outstanding tradable government bond (from 30.54% in the previous month). The 5Y yield June 2020 ended -28bps lower to +6.54% (+6.82% in May 2020), 10Y tenor ended -14bps lower to +7.21% (+7.35% in May 2020), 15Y tenor ended -20bps lower to +7.63% (+7.83% in May 2020) and 20Y tenor ended -10bps lower to +7.68% (+7.78% in May 2020).

The JAKISL Index ended the month higher at 533.8 (+0.91% MoM). Market movers were ICBP, INDF, JSMR, UNVR, and JPFA as they rose 14.72%, 13.48%, 23.94%, 1.94% and 31.67% MoM respectively. Equity market globally have recovered strongly, as global manufacturing PMIs rebounded strongly as well to 48.9 in June, from 41.6 in May. This sharp rebound in global manufacturing PMI is aligned with market expectation of a V-shaped recovery in the global economy. Global risk appetite also improve as the worst of the economic fallout from the pandemic seems largely over despite fears over a second wave of infections. Locally, the JCI also gained, albeit lagging global markets as foreign investors remained as net sellers in equity and bond markets (outflows of IDR 1.3tn and IDR 4tn, respectively), despite Indonesia's manufacturing PMI improved to 39.1 in June (vs. May-20 at 28.6). Indonesia's coronavirus outbreak can be said as lagging compared to the rest of the world, developed nations in particular. Investors' perception of the US\$40bn debt monetization plan, arising from Bank Indonesia's sharing of the government's pandemic fiscal response did raise concerns over BI's independence, JCI's valuation looks attractive relative to the global market valuation if one were to anticipate a recovery phase in 2021. However, we can't rule out that the continued rise in new cases has raised the risk that economies could re-enter into lockdown to curb the spread of the virus. Policy-makers will face difficult decisions on how to manage economic activity alongside managing the virus outbreak. But in aggregate, we see selective and rolling measures, where a repeat of strict lockdown measures imposed similar to the beginning of the year minimal. Sector wise, the Infrastructure, Utilities and Transportation Sector was the best performing sector during the month, gaining 2.21% MoM. Ticker wise, PGAS (Perusahaan Gas Negara) and JSMR (Jasa Marga) were the movers, appreciating 31.98% and 23.94% MoM respectively. This was followed by Miscellaneous Industries Sector which rallied 1.02% MoM. Ticker wise, ASIL (Astra International) posted 0.63% MoM gain. On the other hand, the worst sector during the month was the Basic Industry Sector, which recorded a decline of 3.23% MoM. Ticker wise, TPIA (Chandra Asri Petrochemical) and BRPT (Barito Pacific) were the laggards which fell 10.24% and 14.07% MoM respectively.

About Allianz Indonesia

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