

ALLISYA RUPIAH EQUITY FUND

June 2020

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).

Return Performance

| | |
|--------------------|----------------|
| Last 1-year Period | -17.57% |
| Best Month | Jul-09 14.81% |
| Worst Month | Mar-20 -13.80% |

Portfolio Breakdown

| | |
|---------------------|--------|
| Equity | 94.95% |
| Sharia Cash/Deposit | 5.05% |

Top Five Stocks Holding

| | |
|----------------------------|--------|
| Unilever Indonesia | 17.47% |
| Telekomunikasi Indonesia | 16.81% |
| Astra International | 10.60% |
| Merdeka Copper Gold | 7.08% |
| Indofood CBP Sukses Makmur | 5.08% |

Key Fund Facts

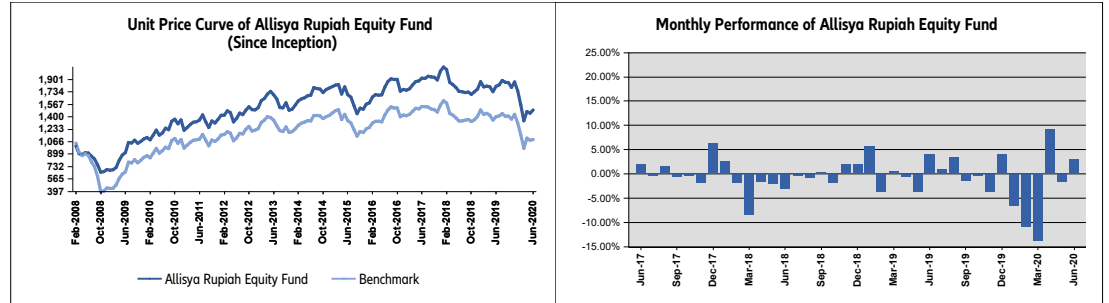
| | |
|-----------------------|---------------------|
| Fund Size (in bn IDR) | IDR 927.15 |
| Risk Profile | Aggressive |
| Launch Date | 01 Feb 2008 |
| Fund Currency | Indonesian Rupiah |
| Pricing Frequency | Daily |
| Bid-Offer Spread | 5.00% |
| Management Fee | 2.00% p.a. |
| Custodian Bank Name | Bank HSBC Indonesia |
| Total Unit | 654,333,606.1429 |

| Price per Unit | Bid | Offer |
|----------------------|--------------|--------------|
| (As of Jun 30, 2020) | IDR 1,416.94 | IDR 1,491.52 |

Managed by PT. Asuransi Allianz Life Indonesia

| | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | YTD | Since Inception |
|----------------------------|---------|----------|----------|---------|---------|---------|-----------------|
| Allisya Rupiah Equity Fund | 3.04% | 10.80% | -20.17% | -17.57% | -22.27% | -20.17% | 49.15% |
| Benchmark* | 0.91% | 12.05% | -23.53% | -21.80% | -28.79% | -23.53% | 9.54% |

*Jakarta Islamic Index (JII)



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.

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, ASII (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.

Our portfolio strategy leans towards a more defensive approach where risk/reward is still the bottom up main focus. Generally speaking, we have been selective on equities that have pricing power, relatively low gearing and well-disciplined corporate governance. 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.

Disclaimer:

Allisya Rupiah Equity Fund is unit linked fund offered by PT. Asuransi Allianz Life Indonesia (Allianz). This fact sheet is prepared by Allianz. The information presented is for informational use only. The performance of the fund is not guaranteed and the value of the units and the income from them may increase or decrease. Past returns and any forecast are not necessarily a guide to future performance. Allianz does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise. You are advised to seek your financial consultant before making any investment.