

ALLISYA RUPIAH EQUITY FUND

July 2022

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 and 80 - 100% the sharia based equity instruments in accordance to OJK's decision.

Return Performance

Last 1-year Period		-1.84%
Best Month	Jul-09	14.81%
Worst Month	Mar-20	-13.80%

Portfolio Breakdown

Sharia Equity	94.00%
Sharia Money Market	6.00%

Top 10 Holding

(in Alphabetical Order)

Adaro Energy
Bank Permata Syariah 2.45% 29/08/2022
Barito Pacific
Charoen Pokphand Indonesia
Elang Mahkota Teknologi
Indofood CBP Sukses Makmur
Indofood Sukses Makmur
Merdeka Copper Gold Tbk
Telekomunikasi Indonesia
United Tractors

Industry Sector

Basic Industry	21.51%
Consumer Non-Cyclical	19.08%
Infrastructure	15.06%
Energy	11.13%
Industry	9.11%
Technology	8.97%
Finance	5.47%
Health	4.58%
Consumer Cyclical	2.40%
Transportation	1.65%
Property	1.05%

Key Fund Facts

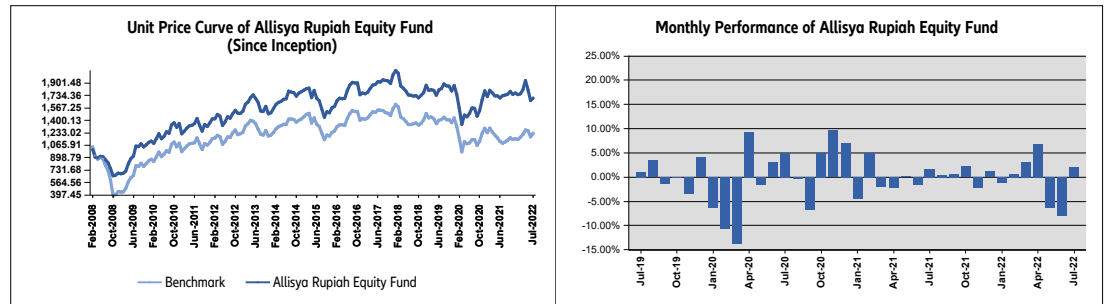
Fund Size (in bn IDR)	IDR 1,145.72
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	709,882,159.5303

Price per Unit	Bid	Offer
(As of Jul 29, 2022)	IDR 1,613.96	IDR 1,698.91

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	1.95%	-12.18%	-2.69%	-1.84%	-7.03%	-11.27%	-3.88%	69.89%
Benchmark*	4.08%	-3.43%	7.39%	12.24%	-13.06%	-20.09%	6.40%	22.71%

*Jakarta Islamic Index (JII)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced July 2022 inflation +0.64% mom (vs consensus inflation +0.53%, +0.61% in June 2022). On yearly basis, inflation was +4.94% yoy (vs consensus inflation +4.82%, +4.35% in June 2022). Core inflation was printed at +2.86% yoy (vs consensus inflation +2.86%, +2.63% in June 2022). The higher of yearly inflation was impacted by the energy inflation, which was impacted by the global crisis, as well as food inflation which was impacted by the seasonal condition. The BI Board of Governors agreed on 20-21 July 2022 to hold the BI 7-Day Reverse Repo Rate at 3.50%, and hold the Deposit Facility (DF) and Lending Facility (LF) rates at 2.75% and 4.25%, respectively. This policy is in line to support the Indonesia's economic growth amid global economic slowdown. Rupiah appreciated against USD by +0.55% from 14,956 at end of June 2022 to 14,874 at end of July 2022. Indonesia's trade balance recorded surplus amounting to USD +5,089mn in June 2022 vs previous month surplus USD +2,895mn in May 2022. Higher trade surplus was supported by the increment of CPO oil export after the export ban was lifted. Non-oil and gas trade balance in June 2022 recorded surplus USD +7,229mn, which was lower than the previous month that recorded trade surplus amounting to USD +4,753mn in June 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -2,140mn in June 2022, which was higher than the deficit in May 2022 amounting to USD -1,858mn. Indonesia's economy grew by +5.44% YoY in Q2 2022 (vs previous 5.01%, consensus +5.17%), and +3.72% qoq (vs previous -0.96%, consensus +3.44%). In term of expenditure side, the main contributor of the growth was from Components of Export of Goods and Services grew by +19.74% yoy, and followed by the growth of household consumption grew +5.51% yoy which was contributed to GDP by +51.47% of Total GDP. The investment side grew on moderate level which grew only +3.07% yoy. Indonesia's official foreign reserve in the end of July 2022 was at USD 132.2bn, slightly lower than June 2022 number at USD 136.4bn due to government debt payment and to stabilize the Rupiah exchange rate in line with the global financial market uncertainty.

The JAKISL ended the month higher at 597.99 (+4.08% MoM). Market movers were UNTR, TLKM, ADRO, EMTK, and BRPT as they rose 13.73%, 5.75%, 13.64%, 16.82%, and 19.21% MoM respectively. Global stock markets rebounded in July despite continued monthly inflation surprise as recent pullback in the commodities as well as improvements in the global supply chain side resulted in investors taking a view that inflation may be peaking soon. During the Fed meeting in July, The Fed raised its FFR rate by 75 bps and mentioned that it will likely become appropriate to slow down the pace of increases while it assesses how the monetary tightening is affecting the economy and inflation. In Addition, the Fed also reassured the market that it does not think that the US economy is in recession, given the strong labor market. All these factors improved investors sentiment towards the global equity market in July. Moving on to Indonesia, Indonesia equity markets underperformed its developed market peers in July as combination of higher inflation, currency weakening triggered foreign outflows out of the Indonesia equity market. On the valuation front, the equity index currently trades at 2022 earnings multiple of 16.2x, which is slightly below its mean but considering low foreign investors positioning combined with improving economic activity, we believe investors' appetite in Indonesian stocks will continue to improve in the longer run. However, we can't rule out that recession risk could pressure commodity price which in turn would Indonesia's fiscal balance vulnerable. Sector wise, the Energy Sector was the best performing sector during the month, gaining 13.40% MoM. Ticker wise, ADRO (Adaro Energy) and ITMG (Indotambang) were the movers, appreciating 13.64% and 29.10% MoM respectively. This was followed by the Industrials Sector which rallied 8.10% MoM. Ticker wise, UNTR (United Tractor) posted 13.73% MoM gain. On the other hand, the worst sector during the month was the Healthcare Sector, which recorded a decline of 4.37% MoM. Ticker wise, MIKA (Mitra Keluarga) were the laggards which fell 9.45% MoM.

For portfolio strategy, we still maintain non defensives cyclical exposures on economic recovery expectation in 2022. We are constructive on the new economy sector as well as green energy value chain related sectors. Generally speaking, our preference on equities that have pricing power, efficient balance sheet and good corporate governance has not changed regardless of condition. However, we have increased our cash portion given rising recession and geopolitical risks.

About Allianz Indonesia

PT. Asuransi Allianz Life Indonesia is a financial service institution registered and supervised by the Otoritas Jasa Keuangan (OJK) according to POJK 6/2022 which 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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