

ALLISYA RUPIAH BALANCED FUND

June 2022

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, and 50%-75% in the sharia based equity instruments in accordance to OJK's decision.

Return Performance

Last 1-year Period	Jul-09	-1.02%
Best Month	Oct-08	10.95%
Worst Month	Oct-08	-14.39%

Portfolio Breakdown

Sharia Equity	73.08%
Sharia Bonds	22.39%
Sharia Money Market	4.52%

Top 10 Holding

(in Alphabetical Order)

Adaro Energy
Bukalapak.Com
Charoen Pokphand Indonesia
Elang Mahkota Teknologi
Indofood Sukses Makmur
PBS012 8.875% 11/15/2031
PBS026 6.625% 15/10/24
Telekomunikasi Indonesia
Unilever Indonesia
United Tractors

Industry Sector

Government	22.90%
Consumer Non-Cyclical	16.99%
Technology	11.35%
Infrastructure	11.08%
Basic Industry	10.61%
Energy	10.15%
Industry	7.65%
Health	4.12%
Consumer Cyclical	1.71%
Finance	1.42%
Transportation	1.24%
Property	0.78%

Key Fund Facts

Fund Size (in bn IDR)	IDR 438.59
Risk Profile	Moderate
Launch Date	25 Apr 2006
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	206,290,302.1931

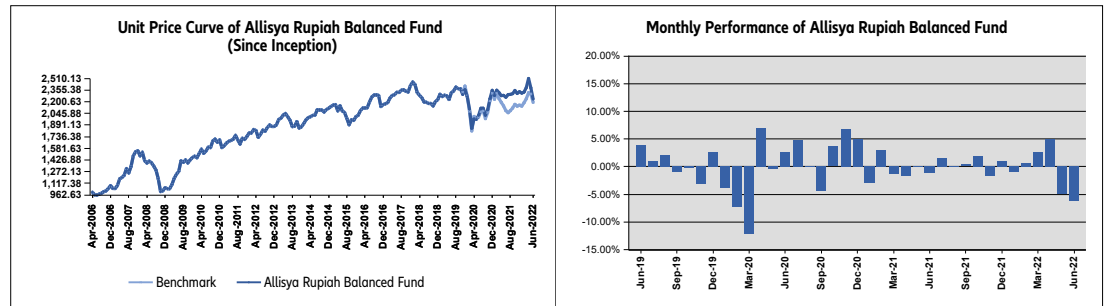
Price per Unit	Bid	Offer
(As of Jun 30, 2022)	IDR 2,126.06	IDR 2,237.96

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	-6.20%	-6.32%	-4.15%	-1.02%	-3.55%	-3.81%	-4.15%	123.80%
Benchmark*	-4.81%	-2.10%	1.73%	5.30%	N/A	N/A	1.73%	N/A

*25% IBPA Govt Sukuk Index (IGSIX) & 75% Jakarta Islamic Index (JII)

(Benchmark assessment; using benchmark since Oct 2021, backdated to Nov 2019; before Nov 2019, data is not available)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced June 2022 inflation +0.61% mom (vs consensus inflation +0.45%, +0.40% in May 2022). On yearly basis, inflation was +4.35% yoy (vs consensus inflation +3.55%, +4.19% in May 2022). Core inflation was printed at +2.63% yoy (vs consensus inflation +2.70%, +2.58% in May 2022). The higher inflation was mainly contributed by the volatile food group, especially the horticulture commodity. The BI Board of Governors agreed on 22-23 June 2022 to hold the BI 7-Day Reverse Repo Rate at 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 2.75% and 4.25%, respectively. This policy is in line for maintaining the inflation level and exchange rate, and also to support the economic growth amid higher external pressure which was impacted by the risk of stagflation in most of country in the world. Rupiah depreciated against USD by -2.49% from 14,592 at end of May 2022 to 14,956 at end of June 2022. Indonesia's trade balance recorded surplus amounting to USD 2,895mn in May 2022 vs previous month surplus USD 7,557mn in April 2022. The lower trade surplus was impacted by the export ban of palm oil which was showed by the declining of palm oil export to EU from 45% to 3% YoY in May 2022. Non-oil and gas trade balance in May 2022 recorded surplus USD +4,753mn, which was lower than the previous month that recorded trade surplus amounting to USD +9,938mn in April 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,858mn in May 2022, which was lower than the deficit in April 2022 amounting to USD -2,381mn.

IDR Government bond yields were mostly closed lower, except the 10yr INDOGB which was higher. The bond market was actually opened in bearish tone which was impacted by the global and domestic sentiments, such as: the hawkish tone from FED with higher benchmark rate by 75bps in June 2022 which was impacted by the highest inflation level on 8.6% level and lower monthly trade surplus in May 2022. However, the persistent buying from onshore players especially in short and long tenor managed to support bond market. The pressure from supply side also eased on the back of the Government issued four series of SUN through Private Placement to Bank Indonesia with a total issuance nominal amount of 21.87Tn as part of implemented the SKB III. Fitch Ratings has affirmed Indonesia's Long-Term Foreign-Currency Issuer Default Rating at 'BBB' (investment grade) with a Stable Outlook. According to Fitch, key factors that support the affirmation are Indonesia's favorable medium-term growth outlook and a low government debt/GDP ratio. Offshore accounts decreased their holding by IDR -15.51tn in June 2022 (-1.95% MoM), from IDR 795.73tn as of 31 May 2022 to IDR 780.22tn as of 30 June 2022, which brought their holding to 16.09% of total outstanding tradable government bond (from 16.56% in the previous month). The 5Y yield June 2022 ended -2bps lower to +6.13% (vs +6.15% in May 2022), 10Y tenor ended +18bps higher to +7.22% (vs +7.04% in May 2022), 15Y tenor ended unchanged at +7.34% (vs +7.34% in May 2022) and 20Y tenor ended -8bps lower to +7.25% (vs +7.33% in May 2022).

The JAKISL Index ended the month lower at 574.56 (-6.47% MoM). Market laggards were ADRO, ANTM, INCO, EMTK, and UNTR as they fell -12.54%, 27.16, 31.31%, 16.19%, and 9.27% MoM respectively. Global stock markets sentiment fell in the month of June as persistent US inflation numbers, where May-22 inflation posted 8.6% YoY, which above market expectation of 8.3%. This was followed by more aggressive US tightening, where the FED raised Fed Fund Rate by 75bps which indicated further tightening ahead until inflation number close to the FED target at 2-4% range. All these events increased market concerns on potential economy recession, whereby market expects the Fed be more aggressive in its liquidity tightening plan, which could lead to US economy recession in 2023. Indonesia stock market also affected by current global tightening. We have seen big outflows this year even though foreign ownerships in bonds were low, which has depreciated rupiah currency to IDR 14,800/USD at the end of the month. 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 Basic Materials Sector was the worst performing sector during the month, declining 12.89% MoM. Ticker wise, INCO (Vale Indonesia) and ANTM (Aneka Tambang) were the laggards, depreciating 31.31% and 28.29% MoM respectively. This was followed by the Industrial Sector which dropped 7.04% MoM. Ticker wise, UNTR (United Tractor) posted 9.27% MoM loss. On the other hand, the best sector during the month was the Consumer Non-Cyclicals Sector, which recorded a gain of 1.80% MoM. Ticker wise, ICBP (Indofood CBP) and CPIN (Charoen Pokphand) were the movers which rose 11.37% and 13.38% MoM respectively.

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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