

ALLISYA RUPIAH EQUITY FUND

June 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		-2.06%
Best Month	Jul-09	14.81%
Worst Month	Mar-20	-13.80%

Portfolio Breakdown

Sharia Equity	94.33%
Sharia Money Market	5.67%

Top 10 Holding

(in Alphabetical Order)

Adaro Energy
Bukalapak.Com
Charoen Pokphand Indonesia
Elang Mahkota Teknologi
Indofood CBP Sukses Makmur
Indofood Sukses Makmur
Semen Indonesia Persero
Telekomunikasi Indonesia
Unilever Indonesia
United Tractors

Industry Sector

Consumer Non-Cyclical	22.32%
Technology	15.27%
Infrastructure	14.63%
Basic Industry	13.80%
Energy	13.48%
Industry	9.97%
Health	5.56%
Consumer Cyclical	2.21%
Transportation	1.72%
Property	1.04%
Finance	0.00%

Key Fund Facts

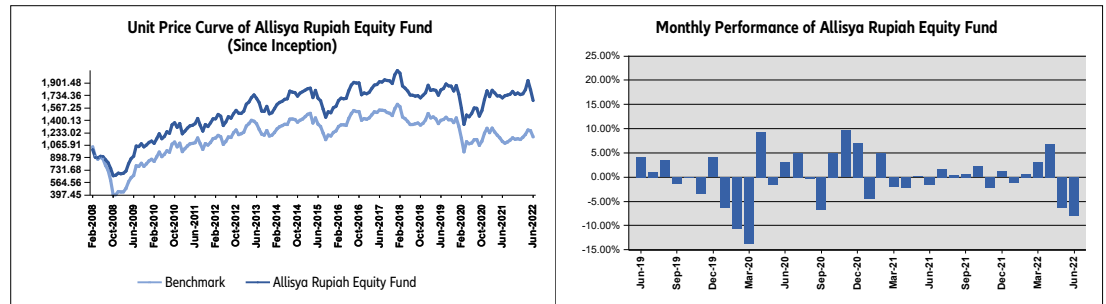
Fund Size (in bn IDR)	IDR 1,120.10
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	707,526,944.3557

Price per Unit	Bid	Offer
(As of Jun 30, 2022)	IDR 1,583.12	IDR 1,666.44

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	-7.96%	-8.01%	-5.71%	-2.06%	-7.90%	-13.16%	-5.71%	66.64%
Benchmark*	-6.47%	-2.64%	2.23%	5.56%	-15.83%	-23.35%	2.23%	17.90%

*Jakarta Islamic Index (JII)



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.

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.

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 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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