

ALLISYA RUPIAH BALANCED FUND

May 2021

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		16.16%
Best Month	Jul-09	10.95%
Worst Month	Oct-08	-14.39%

Portfolio Breakdown

Equity	76.39%
Treasury Bonds	4.99%
Mutual Funds - Bonds	18.78%
Sharia Cash/Deposit	0.34%

Top 5 Bonds

SBSN Seri PBS012	8.29%
SBSN Seri PBS026	4.49%
SBSN Seri PBS017	2.45%
SBSN Seri PBS004	1.54%
SBSN Seri PBS025	1.35%

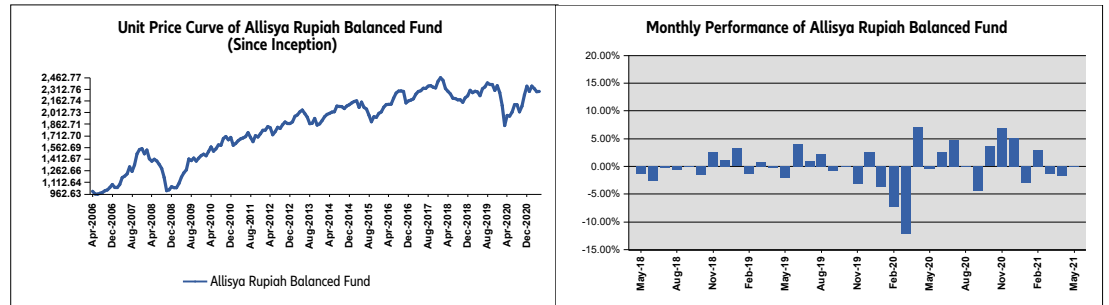
Top Five Stocks Holding

Telekomunikasi Indonesia	12.01%
Elang Mahkota Teknologi	11.47%
Unilever Indonesia	7.64%
Surya Citra Media	4.79%
Charoen Pokphand Indonesia	3.25%

Key Fund Facts

Fund Size (in bn IDR)	IDR 468.48
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	215,745,274.0855

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	0.14%	-2.91%	2.02%	16.16%	1.40%	-2.86%	128.58%


Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced May 2021 inflation at +0.32% mom (vs consensus inflation +0.29%, +0.13% on April 2021). On yearly basis, inflation was +1.68% yoy (vs consensus inflation +1.67%, +1.42% on April 2021). Core inflation was printed at +1.37% yoy (vs consensus inflation +1.30%, +1.18% on April 2021). The May inflation was improved which was affected by the higher core inflation due to higher global gold price, and the higher inflation on administered price group which was caused by the higher transportation cost on the Idul Fitri Season. The BI Board of Governors agreed on 24-25 May 2021 to hold the BI 7-Day Reverse Repo Rate to be 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates to be 2.75% and 4.25%, respectively. This policy is to maintain Rupiah stability in the middle of global uncertainty and also the lower inflation. Rupiah appreciated against USD by +1.12% from 14,453 at end of April 2021 to 14,292 at end of May 2021. Indonesia's trade balance recorded surplus amounting to USD +2,194mn in April 2021 vs previous month surplus USD +1,568mn. The better trade surplus was caused by the higher export number on non-oil and gas on the back of higher CPO export to China in line with global economics recovery. Non-oil and gas trade balance in April 2021 recorded surplus USD +3,261mn, which was higher than the previous month that recorded trade surplus amounting to USD +2,941mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,067mn in April 2021, which was lower than the deficit on March 2021 amounting to USD -1,373mn. Indonesia's official foreign reserve as of May 2021 was at USD 136.4billion, lower than March 2021 number at USD 138.8billion due to government's foreign debt payments.

IDR government bond yields were lower across all curves due to buying support mostly from onshore players. The probability of higher Indonesia's new Covid-19 cases after the Idul Fitri's holiday haunted the market. The reimplementation of lockdown in several countries such as: Malaysia, Philippines, and Singapore on the back of increasing numbers of new covid cases, and concern over of US inflation data higher than expectation 4.20% YoY (vs 3.60% YoY) which could lead higher US Treasury Yield for long time brought negative sentiments to the market. However, the FOMC meeting result do not show any signs for tapering in the near term on the back of FED still see the economy recovery remains 'uneven and far for complete'. Offshore accounts decreased their holding by IDR 7.14tn in May 2021 (-0.74% MoM), from IDR 964.60tn as of 30 April 2020 to IDR 957.46tn as of 31 May 2021, which brought their holding to 22.76% of total outstanding tradable government bond (from 22.74% in the previous month). The 5Y yield May 2021 ended -15bps lower to +5.50% (vs +5.65% on April 2021), 10Y tenor ended -4bps lower to +6.42% (vs +6.46% on April 2021), 15Y tenor ended 8bps lower to +6.35% (vs +6.43% on April 2021) and 20Y tenor ended -9bps lower to +7.13% (vs +7.22% on April 2021).

The JAKISL Index ended the month lower at 567.62 (-3.04% MoM). Market laggards were TPIA, BRPT, ICBP, UNVR, and CPIN as they fell 21.34%, 9.72%, 5.75%, 2.50%, and 4.26% MoM respectively. Regional equity markets reversed to negative territory in May as US inflation jumped to its highest level in nearly four decades in April 2021 at 4.2% YoY, supply shortages, manufacturing bottleneck as well as low-base effect fuelled the reversal. The higher than expected inflation numbers triggered investors' concern on faster than expected policy tightening from the central banks. Additionally, surge in COVID-19 infection cases in ASEAN countries such as Malaysia and Singapore suggesting for another round of mobility restriction also fueled another negative sentiment towards the equity market within ASEAN. Within Indonesia equity market, JCI Index fell below 6,000 level as investors' anticipate on COVID-19 cases potentially spiking post-festive season. That said, daily cases still look manageable at 5-6k cases per day (vs. 8-10k/day in Jan-21) while the hospital bed occupancy rates are still below 40% (vs. 85-90% in Jan-21). Higher vaccination rate would still be key in containing the virus spread and prevent further increase in death cases caused by the virus. Valuation wise, current market valuation stands at 16.5x FY21 P/E, which seems fair in our view given the expectation of a stronger economic recovery post the higher vaccination roll-out (expectation in 2H21) and potential upcoming Indonesian tech IPOs in 2H21 which typically do not use P/E as a valuation method. Sector wise, the Basic Material Sector was the worst performing sector during the month, declining 6.33% MoM. Ticker wise, TPIA (Chandra Asri Petrochemical) and BRPT (Barito Pacific) were the laggards, depreciating 21.34% and 9.72% MoM respectively. This was followed by the Consumer Non-Cyclicals Sector which dropped 2.79% MoM. Ticker wise, ICBP (Indofood CBP Sukses Makmur Tbk PT) and UNVR (Unilever) posted 5.75% and 2.50% MoM losses respectively. On the other hand, the worst sector during the month was the Infrastructure Sector, which recorded a gain of 3.54% MoM. Ticker wise, EXCL (XL Axiata Tbk) and TLKM (Telkom Indonesia Persero Tbk) were the movers which rose 17.70% and 7.50% MoM respectively.

About Allianz Indonesia

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Price per Unit	Bid	Offer
(As of May 31, 2021)	IDR 2,171.46	IDR 2,285.75

Managed by PT. Asuransi Allianz Life Indonesia