

ALLISYA RUPIAH BALANCED FUND

May 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 (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		4.38%
Best Month	Jul-09	10.95%
Worst Month	Oct-08	-14.39%

Portfolio Breakdown

Equity	76.13%
Treasury Bonds	21.01%
Sharia Cash/Deposit	2.86%

Top Five Bonds Holding

(in Alphabetical Order)

PBS004	15/02/2037
PBS012	15/11/2031
PBS017	15/10/2025
PBS026	15/10/2024
PBS029	15/03/2034

Top Five Stocks Holding

(in Alphabetical Order)

Adaro Energy
Bukalapak.Com ,
Elang Mahkota Teknologi
Telekomunikasi Indonesia
United Tractors

Key Fund Facts

Fund Size (in bn IDR)	IDR 467.15
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%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	206,099,719.9043

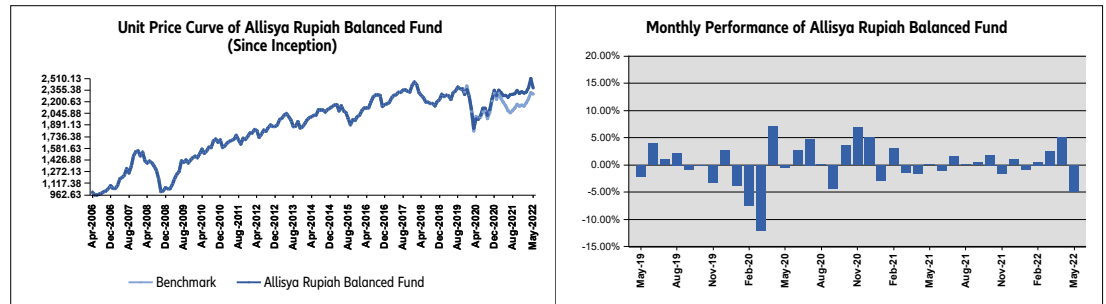
Price per Unit	Bid	Offer
(As of May 31, 2022)	IDR 2,266.64	IDR 2,385.94

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	-4.95%	2.44%	3.22%	4.38%	6.93%	3.98%	2.19%	138.59%
Benchmark*	-0.70%	5.36%	7.54%	7.42%	N/A	N/A	6.87%	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 May 2022 inflation +0.40% mom (vs consensus inflation +0.41%, +0.95% in Apr 2022). On yearly basis, inflation was +3.55% yoy (vs consensus inflation +3.59%, +3.47% in Apr 2022). Core inflation was printed at +2.58% yoy (vs consensus inflation +2.70%, +2.60% in Apr 2022). The lower monthly inflation compare to previous month was impacted by the lower inflation in volatile food and administered prices group. The lower inflation on volatile food group was impacted by the deflation on CPO price due to the implementation of temporary export ban. While, lower inflation on administered prices group was impacted by the normalization on public transportation post Idul Fitri. The BI Board of Governors agreed on 23-24 May 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 with stable inflation, exchange rate, stable financial system amid higher external pressure which impacted by the rising tension between Russia and Ukraine, and the acceleration of monetary normalization globally. However, Bank Indonesia revised the increment of rupiah reserve requirements from previously up to 300bps to be 550bps for conventional banks (GWM to be 9% per September 2022) and from previously up to 150bps to be 400bps for sharia banks and sharia business units (GWM to be 7.5% per September 2022). Rupiah depreciated against USD by -0.77% from 14,480 at end April 2022 to 14,592 at end of May 2022. Indonesia's trade balance recorded surplus amounting to USD 7,557mn in Apr 2022 vs previous month surplus USD 4,530mn in March 2022. The trade surplus was still supported by the higher global commodity prices, especially coal and CPO. The lower imports which was impacted by the China's lockdown, was also be the reason behind higher trade surplus. Non-oil and gas trade balance in April 2022 recorded surplus USD +9,938mn, which was higher than the previous month that recorded trade surplus amounting to USD +6,617mn in March 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -2,381mn in April 2022, which was higher than the deficit in March 2022 amounting to USD -2,087mn. Indonesia's official foreign reserve in the end of May 2022 was at USD 135.6bn, relatively similar with April 2022 number at USD 135.7bn. The delopment in foreign reserve was impacted by oil and gas foreign exchange receipts, tax and services receipts, and also the obligations of government's external debt payment.

IDR Government bond yields were mostly closed higher across all curves in line with offshore outflows and Rupiah depreciation except short tenors. Market was opened with bearish tone which was impacted by the FED rate hike by 50bps to address the impact of the US higher inflation (US inflation on May stayed on 8% level), which brought to higher US Treasury Yield which reached the 3.12% level. However, there were several good sentiments from domestic side, such as: government revised APBN for increasing energy subsidy so inflation expectation still in range of BI and government target, the unchanged 7DRR at 3.50%, and palm oil export reopening which also could ease the inflationary pressure. Offshore accounts decreased their holding by IDR -32.12tn in May 2022 (-3.88% MoM), from IDR 827.85tn as of 30 Apr 2022 to IDR 795.73tn as of 31 May 2022, which brought their holding to 16.56% of total outstanding tradable government bond (from 17.03% in the previous month). The 5Y yield May 2022 ended -16bps lower to +6.15%(vs +6.31% in April 2022), 10Y tenor ended +6bps higher to +7.04% (vs +6.99% in April 2022), 15Y tenor ended +29bps higher to +7.34% (vs +7.05% in April 2022) and 20Y tenor ended +4bps higher to +7.33% (vs +7.29% in April 2022).

The JAKISL Index ended the month lower at 614.30 (-0.79% MoM). Market laggards were EMTK, TLKM, BUKA, EXCL, and INTIP as they fell -35.95%, -6.71%, -23.04%, -15.81% and -7.16% MoM respectively. Global stock markets movement was mixed in the month of May as growth continue to underperform value stocks on the back of rising bond yields. Global equity market was hammered in the first half of May amid higher-than-expected U.S. CPI print but quickly recovered its losses in May on bets of a possible slowdown in U.S. monetary tightening and after an easing of COVID restrictions in China. Moving to Indonesia, Indonesia stock market tracked its global peers movement as combination of rise in bond yields, depreciating rupiah led to foreign investors sold some of its position in the Indonesia stock market in May. On the valuation front, the JCI currently trades at 2022 earnings multiple of 16.1x, which is slightly above its mean but considering low foreign investors positioning combined with improving economic activity, strong commodity prices, ongoing tax amnesty and more technology company IPOs, we believe investors' appetite in Indonesian stocks will continue to improve in the longer run but expect volatility to be elevated. Sector wise, the Technology Sector was the worst performing sector during the month, declining 11.40% MoM. Ticker wise, EMTK (Elang Mahkota Teknologi) and BUKA (Bukalapak) were the laggards, depreciating 35.95% and 23.04% MoM respectively. This was followed by the Infrastructure Sector which dropped 5.46% MoM. Ticker wise, TLKM (Telkom Indonesia Persero) and EXCL (XL Axiata) posted 6.71% and 15.81% MoM losses respectively. On the other hand, the best sector during the month was the Energy Sector, which recorded a gain of 8.14% MoM. Ticker wise, PTBA (Bukit Asam) and ITMG (Indo Tambangraya Megah) were the movers which rose 18.59% and 23.24% 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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