

ALLISYA RUPIAH BALANCED FUND

September 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).

Portfolio Breakdown

Equity	75.04%
Treasury Bonds	23.69%
Sharia Cash/Deposit	1.26%

Top Five Bonds Holding

PBS012	8.21%
PBS026	5.75%
PBS017	2.36%
PBS029	1.98%
PBS004	1.49%

Top Five Stocks Holding

TELKOM INDONESIA PERSERO TBK	13.17%
UNILEVER INDONESIA TBK PT	5.58%
SURYA CITRA MEDIA PT TBK	5.09%
BUKALAPAK.COM PT TBK	4.88%
UNITED TRACTORS TBK PT	3.83%

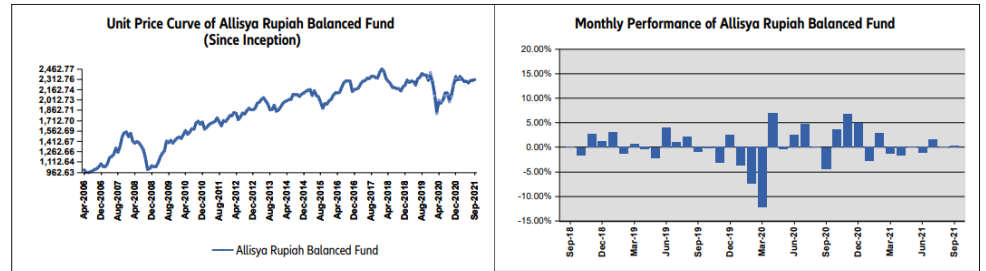
Key Fund Facts

Fund Size (in bn IDR)	IDR 459.02
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	209,310,793.5007

Price per Unit	Bid	Offer
(As of Sep 30, 2021)	IDR 2,193.02	IDR 2,308.44

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	0.41%	2.10%	-0.58%	14.10%	5.96%	-1.90%	130.84%



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Sep 2021 deflation at -0.04% mom (vs consensus inflation +0.03%, +0.01% in Aug 2021). On yearly basis, inflation was +1.60% yoy (vs consensus inflation +1.66%, +1.59% in Aug 2021). Core inflation was printed at +1.30% yoy (vs consensus inflation +1.33%, +1.31% in Aug 2021). The deflation was mainly contributed by the deflation on volatile food group which was impacted by the lower chicken and various horticulture prices. The BI Board of Governors agreed on 20-21 Sep 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 depreciated against USD by -0.10% from 14,306 at end of Aug 2021 to 14,321 at end of Sep 2021. Indonesia's trade balance recorded surplus amounting to USD 4,746mn in Aug 2021 vs previous month surplus USD 2,589mn. The trade surplus recorded the historical high in Aug 2021 which was contributed by the coal and CPO exports. Non-oil and gas trade balance in Aug 2021 recorded surplus USD +5,728mn, which was higher than the previous month that recorded trade surplus amounting to USD +3,384mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -982mn in Aug 2021, which was higher than the deficit in June 2021 amounting to USD -759mn. Indonesia's official foreign reserve in the end of Sep 2021 was at USD 146.90bn, higher than Aug 2021 number at USD 144.80bn due to tax & services receipts and also the government's external debt withdrawal.

IDR Government bond yields were closed higher across all curves in line with offshore outflows as well as IDR depreciation. The market was opened with better performance in the beginning of the month which was supported by positive sentiment with Indonesia's lower new cases of Covid-19, the loosening of social restriction, especially on Java Island, and also higher trade surplus. However, market then turned to have bearish tone on the back of concern over the US debt ceiling level and China's Evergrande debt crisis which market players fear that it will impact globally. Offshore accounts decreased their holding by IDR -18.67tn in Sep 2021 (-1.90% MoM), to IDR 961.78tn as of 30 Sep 2021 from IDR 980.44tn as of 31 Aug 2021, which brought their holding to 21.56% of total outstanding tradable government bond (from 22.44% in the previous month). The 5Y yield Sep 2021 ended +10bps higher to 5.14%(vs +5.04% in Aug 2021), 10Y tenor ended +20bps higher to +6.26% (vs +6.06% in Aug 2021), 15Y tenor ended +11bps higher to +6.41% (vs +6.30% in Aug 2021) and 20Y tenor ended +5bps higher to +6.94% (vs +6.89% in Aug 2021).

The JAKISL Index ended the month higher at 552.53 (+2.19% MoM). Market movers were TLKM, UNTR, ADRO, PTBA, and INDF as they rose 8.53%, 29.51%, 39.68%, 30.81%, and 7.45% MoM respectively. Global stock markets continued to strengthen in September despite highly volatile for the first half of the month on the back of uncertainty over US debt ceiling announcement and faster than expected US treasury yield that would spur the FED to shorten its tapering timeline. In addition, EM stocks corrected more than DM stocks as result of a sharp fall in Chinese markets on tightening tech regulations and China Evergrande Group's debt issue. However, global stocks recovered as contagion fears from Evergrande's huge USD 300bn debt woes as the company had settled its domestic bond payment by end of Sep-21. Looking domestically in Indonesia, faster than projected vaccine distribution in Jakarta greater area (25% of Indo's GDP portion), lower new covid cases and strong recovery on the Coal and CPO prices which have reached USD 280/ton (+198% YTD) and MYR 4.8k/ton (+28% YTD), respectively, have triggered foreign investors to increase its exposure in the Indonesian stock market. In which it was reflected in the foreign inflows which accelerated to IDR 9tn in Sep-21, the highest monthly inflows since Jan-21. Market wise, the Indonesia's index is currently trades at 2022 earnings multiple of 15.3x, which is still below its mean and considering the already low foreign investors positioning combined with improvement in economic activity in 4Q21, strong commodity prices and upcoming technology company IPOs, we believe this will improve investors' appetite in Indonesian stock market going forward. Sector wise, the Energy Sector was the best performing sector during the month, gaining 32.36% MoM. Ticker wise, ADRO (Adaro Energy) and PTBA (Bukit Asam) were the movers, appreciating 39.68% and 30.81% MoM respectively. This was followed by the Industrial Sector which rallied 8.73% MoM. Ticker wise, UNTR (United Tractor) posted 29.51% MoM gain. On the other hand, the worst sector during the month was the Basic Materials Sector, which recorded a decline of 4.31% MoM. Ticker wise, TPIA (Chandra Asri Petrochemical) and BRPT (Barito Pacific) were the laggards, which fell 8.28% and 9.39% 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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