

ALLISYA RUPIAH BALANCED FUND

April 2020

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		-13.27%
Best Month	Jul-09	10.95%
Worst Month	Oct-08	-14.39%

Portfolio Breakdown

Equity	66.26%
Mutual Funds - Bonds	18.49%
Sharia Cash/Deposit	15.25%

Top Five Stocks Holding

Telekomunikasi Indonesia	13.49%
Unilever Indonesia	12.58%
Merdeka Copper Gold	6.94%
Astra International	5.78%
Indofood CBP Sukses Makmur	3.84%

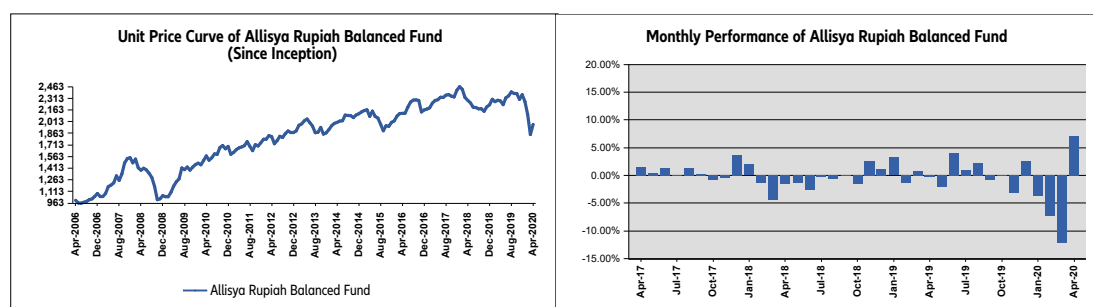
Key Fund Facts

Fund Size (in bn IDR)	IDR 421.31
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	224,336,626.9637

Price per Unit	Bid	Offer
(As of Apr 30, 2020)	IDR 1,878.05	IDR 1,976.89

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	7.04%	-12.96%	-16.75%	-13.27%	-13.48%	-16.22%	97.69%


Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced April 2020 inflation at +0.08% mom (vs consensus inflation +0.20%, +0.10% in March 2020). On yearly basis, inflation was +2.67% yoy (vs consensus inflation +2.76%, +2.96% in March 2020). Core inflation was printed at +2.85% yoy (vs consensus inflation +2.88%, +2.87% in March 2020). The lower monthly inflation is contributed by the deflation that are occurred on volatile food (the declining of garlic and chicken price) and administered price (the declining of airfare) group. While, the decelerated on core inflation is caused by the deflation of onion price. In the Board of Governors' Meeting on 13-14 April 2020, Bank Indonesia hold the BI 7-day Reverse Repo Rate at 4.50% level, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 3.25% and 5.25% level, respectively. Bank Indonesia lowered the RRR for conventional banks by 200bps and for Syariah banks by 50bps. This policy is expected to increase the liquidity on banks amounting to IDR 102tn. Rupiah appreciated by +7.39% to 15,157/USD at end of April 2020 from 16,367/USD previous month. The appreciation of Rupiah is helped by the deal between Bank Indonesia and FED for giving Indonesia repo line amounting to USD 60bn to increase dollar liquidity. Indonesia's trade balance recorded surplus amounting to USD +743.4mn in March 2020 vs previous month surplus USD +2,336mn. The trade surplus was contributed by better export number for non-oil and gas sector which is showed by the increasing of export on iron & steel, precious metal, and also electrical machineries. Non-oil and gas trade balance in March 2020 recorded surplus USD +1,676mn, which was lower than the previous month surplus amounting to USD +3,268mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -932.6mn in March 2020, relatively similar with the deficit on February 2020 amounting to USD -932mn. Standard & Poor's (S&P) affirm Indonesia's sovereign credit rating on BBB, but revised the outlook from a stable outlook to negative outlook. Ratings is supported by strong economic growth prospects in future and prudent fiscal policy. The negative outlook reflected the heavy financing for addressing the impact Covid-19 which it could give risk to fiscal. Indonesia's economy grew as 2.97% yoy in 1Q 2020 (vs previous 4.97%, consensus 4.00%), and -2.41% qoq (vs previous -1.47%, consensus -1.27%). The growth surprisingly lower than most people expected. This was caused by the impact of Covid-19, hit Indonesia's faster than economist's prediction. This is the weakest Indonesia's growth since 2001. The contributor of the increment of yearly growth is still from the household consumption. While the negative quarterly growth is caused by the declining of government consumption growth by -44.02%. Indonesia's official foreign reserve as of February 2020 was at USD 130.40billion, lower than January 2020's number at USD 131.70billion. The declining of foreign reserve was caused by paying external government debt.

IDR Government bond yields were closed lower across all curves. The uncertainty is still haunted the market with pressured coming from global and domestic side. Market reacted positively with the government plan to allow Bank Indonesia buying bonds in primary market as a last resort, as well as the plan for widening the ceiling of budget deficit to be 5.07% for the next three years. The success story of MOF for issuing global bonds amounting to USD 4.3bn with the longest tenor ever (50yr), also added positive sentiment to market. The negative sentiment which was caused by the significant declining of global oil price and the news that US surpassed China for the highest cases number of Covid-19, have affected the market as well. Other good news for Indonesia's bond market that offshore names were starting buy bonds despite in small volume. While Bank Indonesia is still the biggest name for buying bonds in the past month. Offshore accounts decreased their holding by IDR -2.15tn in April 2020 (-0.23% MoM), to IDR 924.76tn as of 30 April 2020 from IDR 926.91tn as of 31 March 2020, which brought their holding to 31.77% of total outstanding tradable government bond (from 32.71% in the previous month). The 5Y yield April 2020 ended -4bps lower to +7.27% (+7.31% in March 2020), 10Y tenor ended -4bps lower to +7.88% (+7.91% in March 2020), 15Y tenor ended -17bps lower to +8.11% (+8.28% in March 2020) and 20Y tenor ended -31bps lower to +8.07% (+8.38% in March 2020).

The JAKISL Index ended the month higher at 542.5 (+13.88% MoM). Market movers were BRPT, TPIA, UNVR, TLKM, and KLBK as they rose 100%, 70.95%, 14.14%, 10.76%, and 20% MoM respectively. The JII and overall global equity market turned positive money flow wise, as plateauing daily infection numbers on the COVID-19 cases globally gives hope which in effect would trigger several countries to ease lockdowns and restriction and provide support to economic activity. In addition, the COVID-19 vaccine and remedies from Gilead showed positive development. However, despite the positive outcomes along with monetary and fiscal stimulus measures across the globe to stem economic shocks, concern over COVID-19 impact to global economic growth still looms. Million dollar question of when exactly Covid-19 would be completely eradicated naturally or using vaccine still remains. Sector wise, the Basic Industry Sector was the best performing sector during the month, gaining 31.26% MoM. Ticker wise, BRPT (Barito Pacific) and TPIA (Chandra Asri Petrochemical) were the movers, appreciating 100% and 70.95% MoM respectively. This was followed by the Infrastructure, Utilities and Transportation Sector which rallied 13.69% MoM. Ticker wise, EXCL (XL Axiata) and JSMR (Jasa Marga Persero) posted 27% and 24.02% MoM gains respectively. On the other hand, the worst amongst the best sector during the month was the Trading and Distribution Sector, which recorded an increase of 0.78% MoM. Ticker wise, MNCN (Media Nusantara Citra) was the laggards which increased 1.10% MoM respectively.

About Allianz Indonesia

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