

# ALLISYA RUPIAH BALANCED FUND

## March 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		25.73%
Best Month	Jul-09	10.95%
Worst Month	Oct-08	-14.39%

#### Portfolio Breakdown

Equity	70.63%
Treasury Bonds	4.45%
Mutual Funds - Bonds	17.97%
Sharia Cash/Deposit	6.96%

#### Top 5 Bonds

SBSN Seri PBS012	7.99%
SBSN Seri PBS026	4.33%
SBSN Seri PBS017	2.36%
SBSN Seri PBS004	1.46%
SBSN Seri PBS025	1.26%

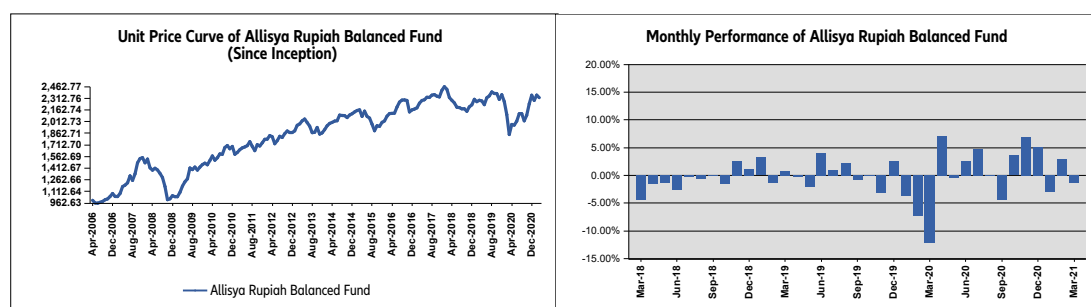
#### Top Five Stocks Holding

Telekomunikasi Indonesia	10.34%
Elang Mahkota Teknologi	9.95%
Unilever Indonesia	6.18%
Chandra Asri Petrochemical	5.85%
Surya Citra Media	3.81%

#### Key Fund Facts

Fund Size (in bn IDR)	IDR 480.26
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	217,722,549.2452

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	-1.38%	-1.32%	14.77%	25.73%	-0.05%	-1.32%	132.19%



#### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced March 2021 inflation at +0.08% mom (vs consensus inflation +0.12%, +0.10% on Feb 2021). On yearly basis, inflation was +1.37% yoy (vs consensus inflation +1.40%, +1.38% on Feb 2021). Core inflation was printed at +1.21% yoy (vs consensus inflation +1.44%, +1.53% on Feb 2021). The lower inflation in March 2021 was caused by the lower core inflation. The decline in core inflation was mainly driven by deflation in auto commodities in line with the provision of incentives to reduce the Sales Tax on Luxury Goods (PPnBM) rates for certain motor vehicles and deflation in the gold jewelry commodity that continued in line with the slowing of global gold inflation. The BI Board of Governors agreed on 17-18 March 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 in line with lower inflation expectation, stable Rupiah currency, and also to push the economic recovery. Rupiah depreciated against USD by -2.41% from 14,229 at end of Feb 2021 to 14,572 at end of March 2021. Indonesia's trade balance recorded surplus amounting to USD +2,010mn in Feb 2021 vs previous month surplus USD +1,959mn. The support for trade surplus was still coming from higher export of iron and steel to China, and also the increment of vehicle export to ASEAN and Japan. Non-oil and gas trade balance in Feb 2021 recorded surplus USD +2,445mn, which was lower than the previous month that recorded trade surplus amounting to USD +2,627mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -443mn in Feb 2021, which was lower than the deficit on Jan 2021 amounting to USD -668mn. Indonesia's official foreign reserve as of March 2021 was at USD 137.1 billion, lower than February 2021 number at USD 138.8 billion. The lower of foreign reserve was caused by the external government debt payment.

IDR Government bond yields were higher across all curves in line with offshore outflows and Rupiah depreciation. Market was already opened with bearish tone on the back of concern of market players over the higher US Treasury Yield (breached 1.7% level), Governor Powell's speech which focused on unemployment and inflation level, and also the new expectation of infrastructure budget by President Biden amounting to USD 3tn to support US' economic recovery. However, there were some positive sentiments, such as: standby buyer and reverse auction by Bank Indonesia and also the affirmation for Indonesia's sovereign rating by Fitch on BBB with stable outlook. On 22 March 2021, Fitch affirm Indonesia's rating on BBB with stable outlook. The pandemic resulted contraction on growth by -2.1% in 2020, while the budget deficit is doubled from the ceiling level. Compared with the regional peers, Indonesia still could maintain their prudent fiscal policy. Offshore accounts decreased their holding by IDR -19.99tn in March 2021 (-2.06% MoM), from IDR 971.40tn as of 26 Feb 2021 to IDR 951.41 as of 31 March 2021, which brought their holding to 22.89% of total outstanding tradable government bond (from 23.81% in the previous month). The 5Y yield March 2021 ended +20bps higher to +5.91% (vs +5.71% on Feb 2021), 10Y tenor ended +17bps higher to +6.78% (vs +6.61% on Feb 2021), 15Y tenor ended +23bps higher to +6.65% (vs +6.42% on Feb 2021) and 20Y tenor ended +24bps higher to +7.50% (vs +7.26% on Jan 2021).

The JAKISL Index ended the month lower at 605.69 (-4.08% MoM). Market laggards were UNVR, INCO, MDKA, INKP, and BRPT as they fell -6.07%, -27.9%, -24.03%, -20.68% and -12.73% MoM respectively. Global equity market continued its rally in March as optimism builds on the basis of a massive USD1.9tn of US fiscal stimulus as well as better than expected growth expectation within developed markets, which was seen through the strong recovery in manufacturing data as well as jobs data. As such, there has been an upward revision on US 2021 GDP growth numbers to 6.5%, from previously 4.2%. Despite the strong economic recovery in the US and other developed nations, volatility remains on the rise in March as market argues the stronger than expected growth would potentially result in an inflation overshoot, in turn pressuring the central banks to do tapering sooner than expected. Such anticipation had resulted in the rapid rise in global bond yields, which subsequently triggered sell-offs within emerging market equities such including Indonesia. Within the Indonesia equity market, several catalysts have been playing out on the domestically but the emerging market equities sell-off has led the IDR to weakened to IDR 14.5k/USD. Despite the high volatility, current valuation of 16x FY21 P/E seems fair given the expectation of strong economic recovery post vaccination and potential upcoming Indonesian tech IPOs in 2021-2022. Sector wise, the Mining Sector was the worst performing sector during the month, declining 13.84% MoM. Ticker wise, INCO (Vale Indonesia) and MDKA (Merdeka Copper Gold) were the laggards, depreciating 27.9% and 24.03% MoM respectively. This was followed by the Construction, Property and Real Estate Sector which dropped 3.9% MoM. Ticker wise, PTPP (Pembangunan Perumahan Persero) and WIKA (Wijaya Karya Persero) posted 15.17% and 11.78% MoM losses respectively. On the other hand, the best sector during the month was the Basic Industry Sector, which recorded a gain of 0.27% MoM. Ticker wise, TKIM (Pabrik Kertas Tjiwi Kimia) and INKP (Indah Kiat Pulp & Paper Corp) were the movers which rose 29.44% and 20.68% MoM respectively.

#### About Allianz Indonesia

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#### Disclaimer:

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Price per Unit	Bid	Offer
(As of Mar 31, 2021)	IDR 2,205.82	IDR 2,321.92

Managed by PT. Asuransi Allianz Life Indonesia