

# ALLISYA RUPIAH BALANCED FUND

## October 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		-11.74%
Best Month	Jul-09	10.95%
Worst Month	Oct-08	-14.39%

**Portfolio Breakdown**

Equity	66.19%
Treasury Bonds	4.73%
Mutual Funds - Bonds	20.40%
Sharia Cash/Deposit	8.68%

**Top 5 Bonds**

SBSN Seri PBS012	9.45%
SBSN Seri PBS026	5.87%
SBSN Seri PBS017	2.81%
SBSN Seri PBS004	1.61%
SBSN Seri IFR0006	0.91%

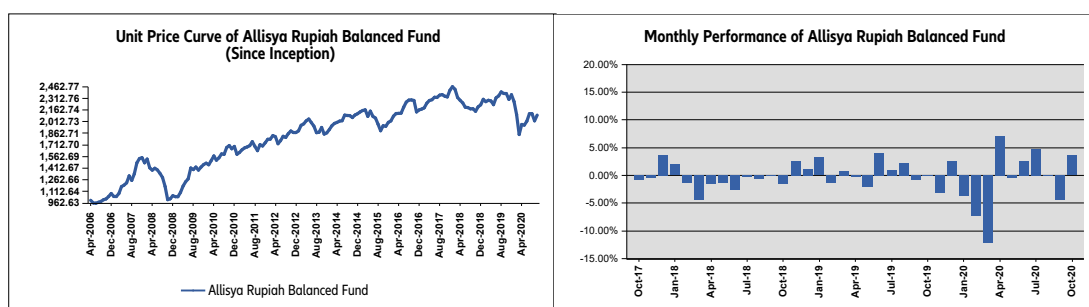
**Top Five Stocks Holding**

Telekomunikasi Indonesia	9.75%
Unilever Indonesia	9.04%
Astra International	7.17%
Chandra Asri Petrochemical	4.33%
Barito Pacific	4.33%

**Key Fund Facts**

Fund Size (in bn IDR)	IDR 444.18
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	223,095,530.2786

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	3.59%	-0.91%	6.01%	-11.74%	-10.45%	-11.18%	109.58%


**Manager Commentary**

Central Bureau Statistics of Indonesia (BPS) announced Oct 2020 inflation at +0.07% mom (vs consensus inflation +0.07%, -0.05% in Sep 2020). On yearly basis, inflation was +1.44% yoy (vs consensus inflation +1.45%, +1.42% in Sep 2020). Core inflation was printed at +1.74% yoy (vs consensus inflation +1.82%, +1.86% in Sep 2020). After three months consecutively deflation, finally this month recorded inflation which was supported by the inflation of volatile food group, especially increment on horticulture plants price, such as: chili and onion, while administered price group still recorded deflation on the back of declining of electricity and transportation cost. While the core inflation is lower compared last month on the back of declining of global gold price. In the Board of Governors' Meeting on 12-13 Oct 2020, Bank Indonesia hold the BI 7-day Reverse Repo Rate at 4.00%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 3.25% and 4.75% level, respectively. This policy is expected to maintain Rupiah stability amid low inflation. Rupiah appreciated by +1.53% from 14,918 at end of Sep 2020 to 14,690 at end of Oct 2020. Indonesia's trade balance recorded surplus amounting to USD +2,438mn in Sep 2020 vs previous month surplus USD +2,327mn. The higher number of trade surplus was affected by increment on commodity price, such as: CPO, iron, and steel. The import number grew by +7.7% MoM which was caused by increment of oil imports and machineries (hospital equipment). Non-oil and gas trade balance in Sep 2020 recorded surplus USD +2,908mn, which was higher than the previous month that recorded trade surplus amounting to USD +2,666mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -470mn in Sep 2020, which was higher than the deficit on Aug 2020 amounting to USD -388mn. Indonesia's economy contracted by -3.49% YoY in Q3 2020 (vs previous -5.32%, consensus -3.20%), but recorded positive growth by +5.05% QoQ (vs previous -4.19%, consensus 5.55%) which was supported by the relaxation of PSBB in July - September 2020. With this negative YoY growth, Indonesia's officially enter recession for the first time since 1998 Asian Financial Crisis. The YoY negative growth was contributed by the contraction on household consumption growth by -4.04% YoY, while only government spending grow positively by 9.72% YoY. Indonesia's official foreign reserve as of October 2020 was at USD 133.4 billion, lower than September 2020's number at USD135.2 billion. The decrement of foreign reserve was caused by the payment of external debt.

IDR Government bond yields were lower across all curves on the back of offshore inflows in line with IDR appreciation. Market was opened with weaker tone which was affected by global sentiments, such as: the uncertainty of additional budget stimulus in US and the increasing number of new cases & lockdown reimplementations on several cities in Europe Zone. However, market rebounded with bullish tone which was affected by the approval of Omnibus Law by The Parliament and also the capability of government to contain protest around Indonesia's cities. Thus the confidence level of investor to enter the market was rising again with the hope that Omnibus Law could increase the Indonesia's FDI level. On 8 Oct 2020, MoF succeed to issue new bonds on private placement which the only buyer is Bank Indonesia with burden sharing scheme. This issuance is expected to finance Public Goods amounting to IDR 397.56tn. The total issuance itself is amounting to IDR 46.2 with four new bonds, as follows: VR46 (2025), VR47 (2026), VR48 (2027), and VR49 (2028). The coupon for these bonds is 3.84000% for the first three months. Offshore accounts increased their holding by IDR 21.8tn in Oct 2020 (+2.34% MoM), to IDR 954.95tn as of 27 Oct 2020 from IDR 933.15tn as of 30 Sep 2020, which brought their holding to 26.41% of total outstanding tradable government bond (from 26.96% in the previous month). The 5Y yield Oct 2020 ended -24bps lower to +5.49% (+5.73% in Sep 2020), 10Y tenor ended -35bps lower to +6.61% (+6.96% in Sep 2020), 15Y tenor ended -28bps lower to +7.17% (+7.45% in Sep 2020) and 20Y tenor ended -17bps lower to +7.27% (+7.44% in Sep 2020).

The JAKISL Index ended the month higher at 545.66 (+5.16% MoM). Market movers were ASII, TPIA, ANTM, BRPT, and INTP as they rose 21.64%, 11.11%, 49.65%, 13.92% and 17.55% MoM respectively. Global stock markets continued its decline in October due to record high COVID-19 new cases in Europe which have triggered most European Countries to enforce another lockdown. Meanwhile, investors were concerned on the narrow US election results that would effectively result in a divided house of senate also weighed on capital market sentiments. Policy direction under this scenario will be divided and lack clarity on direction. Meanwhile on the Indonesian shores, investors responded positively to the passing of the Omnibus Bill in the hope that Indonesia will attract Foreign Direct Investment (FDI) particularly those that are related to the EV value chain. In addition, the easing of the Large Scale Social Distancing in Jakarta also boosted investors' confidence as it would had an impact on economy recovery given that Indonesia's economy is 60% consumption driven. Sector wise, the Miscellaneous Industries Sector was the best performing sector during the month, gaining 16.79% MoM. Ticker wise, ASII (Astra International) was the movers, appreciating 21.64% MoM. This was followed by the Basic Industry Sector which rallied 7.44% MoM. Ticker wise, INTP (Indocement Tunggal Prakarsa) and BRPT (Barito Pacific) posted 17.55% and 13.92% MoM gains respectively. On the other hand, the worst sector during the month was the Consumer Sector, which recorded a decline of 1.30% MoM. Ticker wise, UNVR (Unilever) and ICBP (Indofood CBP) were the laggards which fell 3.40% and 4.22% 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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Price per Unit	Bid	Offer
(As of Oct 27, 2020)	IDR 1,990.98	IDR 2,095.77

Managed by PT. Asuransi Allianz Life Indonesia