

# ALLISYA RUPIAH BALANCED FUND

## September 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		-14.81%
Best Month	Jul-09	10.95%
Worst Month	Oct-08	-14.39%

### Portfolio Breakdown

Equity	64.85%
Treasury Bonds	5.01%
Mutual Funds - Bonds	19.86%
Sharia Cash/Deposit	10.28%

### Top Five Bonds Holding

PBS026 6.625% 15/10/24	4.87%
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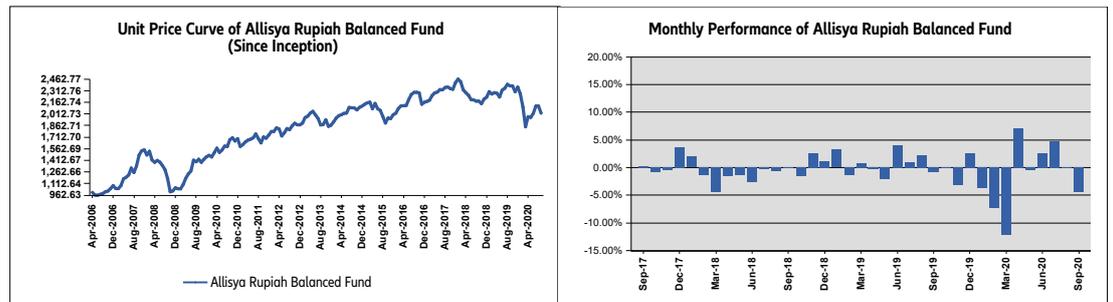
### Top Five Stocks Holding

Unilever Indonesia	10.34%
Telekomunikasi Indonesia	9.32%
Astra International	6.63%
United Tractors	5.12%
Indofood CBP Sukses Makmur	3.79%

### Key Fund Facts

Fund Size (in bn IDR)	IDR 429.86
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	223,653,689,5159

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	-4.36%	0.20%	9.55%	-14.81%	-14.30%	-14.26%	102.31%



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Oct 2020 deflation at -0.05% mom (vs consensus inflation -0.03%, -0.05% in Sep 2020). On yearly basis, inflation was +1.42% yoy (vs consensus inflation +1.40%, +1.32% in Sep 2020). Core inflation was printed at +1.86% yoy (vs consensus inflation +2.00%, +2.03% in Sep 2020). The monthly deflation was contributed by the deflation on volatile food and administered price group. The deflation on volatile food group was affected by the declining of chicken price, while the administered price group was impacted by the declining of transportation cost. In the Board of Governors' Meeting on 16-17 Sep 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 the external stability in line with their expectation that the inflation remain low. Rupiah depreciated by +2.50% from 14,554 at the end of Aug 2020 to 14,918 at end of Sep 2020. Indonesia's trade balance recorded surplus amounting to USD +2,327mn in Aug 2020 vs previous month surplus USD +3,263mn. The surplus was caused by increment on commodities prices, especially CPO price and also the increasing in export number for iron & steel, especially to China & US. However, our import number also showed recovery from the previous month by +3% MoM which could indicated the recovery on Indonesia's economic activity that was caused by the relaxation of public restriction. Non-oil and gas trade balance in Aug 2020 recorded surplus USD +2,666mn, which was lower than the previous month that recorded trade surplus amounting to USD +3,516mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -338mn in Aug 2020, which was higher than the deficit on July 2020 amounting to USD -253mn. Indonesia's official foreign reserve as of September 2020 was at USD 135.2 billion, lower than August 2020's number at USD137.0 billion. The decrement of foreign reserve was caused by the payment of external debt and to stabilize the Rupiah exchange rate.

IDR Government bond yields were mostly posted higher, except the 20yr tenor which was lower by -1bps. Offshore were seen selling their inventories, while the biggest buyer on market last month were still onshore banks. Market was actually opened with bullish tone on the back of global risk on which was supported by the indication that FED will hold the lower rate for longer time and also the optimism for Covid-19 vaccine. However, the mood in the market was changed which was triggered by the news that Parliament propose to change the Undang-Undang Bank Sentral and set Monetary Council, and also the announcement of re-implementation of Large Scale Social Distancing (PSBB) in Jakarta by Governor Anies Baswedan. While negative sentiments from global side, the increment of new cases of Covid-19 which was still considered high, the rising tension between US and China, and also the uncertainty of additional stimulus budget for US economies' recovery, were affected to the weaker market as well. On 24 Sep 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 84.4 with four new bonds, as follows: VR42 (2025), VR43 (2026), VR44 (2027), and VR45 (2028). The coupon for these bonds is 3.84002% for the first three months. Offshore accounts decreased their holding by IDR -8.79tn in Sep 2020 (-0.93% MoM), to IDR 933.15tn as of 30 Sep 2020 from IDR 941.94tn as of 31 Aug 2020, which brought their holding to 26.96% of total outstanding tradable government bond (from 28.24% in the previous month). The 5Y yield Sep 2020 ended +19bps higher to +5.73% (+5.54% in Aug 2020), 10Y tenor ended +9bps higher to +6.96% (+6.87% in Aug 2020), 15Y tenor ended +5bps higher to +7.45% (+7.40% in Aug 2020) and 20Y tenor ended -1bps lower to +7.44% (+7.45% in Aug 2020).

The JCI ended the month lower at 4,870.04 (-7.03% MoM). Market laggards were BBKA, BBRI, BMRI, TLKM, and HMSP as they fell -13.63%, -13.39%, -16.64%, -10.49% and -15.15% MoM respectively. Equity market declined in September as global risk-off selling re-escalated on COVID-19 resurgence in Europe and Asia, potentially triggering another lock down and disrupt economic activities once more. In addition to that, the uncertainty over the US election in November and US fiscal stimulus failed discussion triggered investors to de-risk from equity market as well. On the domestic front, the JCI was no exception especially after the Jakarta's governor announced the Large Scale Social Distancing (PSBB) due to the new daily cases reaching above 1,000 people/day. The event had dampened investor confidence as Jakarta contributes almost 20% of Indonesia's GDP, potentially delaying Indonesia's economic growth recovery in 3Q20. On a more positive note, progress for the Omnibus Law had reached 90% and expected to be completed by early October 2020. Once passed, will hopefully spur business confidence despite spikes in new cases but with vaccine lingering in the background at the same time. Sector wise, the Finance Sector was the worst performing sector during the month, declining 12.26% MoM. Ticker wise, BBKP (Bank Bukopin Tbk) and BBTN (Bank Tabungan Negara Persero) were the laggards, depreciating 26.57% and 23.81% MoM respectively. This was followed by the Miscellaneous Industries Sector which dropped 10.13% MoM. Ticker wise, GJTL (Gajah Tunggal) and PTSN (Sat Nusapersada) posted 18.52% and 16.1% MoM losses respectively. On the other hand, the best sector during the month was the Construction, Property and Real Estate Sector, which recorded a gain of 14.53% MoM. Ticker wise, MKPI (Metropolitan Kentjana) and KUIA (Kawasan Industri Jababeka) were the movers which rose 57.48% and 28.47% 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 Sep 30, 2020)	IDR 1,921.97	IDR 2,023.13

Managed by PT. Asuransi Allianz Life Indonesia