

ALLISYA RUPIAH FIXED INCOME FUND

July 2020

BLOOMBERG: AZSRPFI:IJ

Investment Objective

The Objective of the fund is to provide relatively stable income with capital preservation for the long term.

Investment Strategy

To achieve the investment objective, this fund shall be invested 0 - 20% in short-term sharia instruments (such as deposits of sharia, sharia SBI, sharia SPN, and / or money market mutual funds), and 80 - 100% in medium or long term instruments (such as sharia bonds, sharia corporate bonds and / or sharia fixed income mutual funds).

Return Performance

Last 1-year Period		7.67%
Best Month	Nov-18	3.58%
Worst Month	Nov-13	-3.68%

Portfolio Breakdown

Mutual Funds - Bonds	89.43%
Sharia Cash/Deposit	10.57%

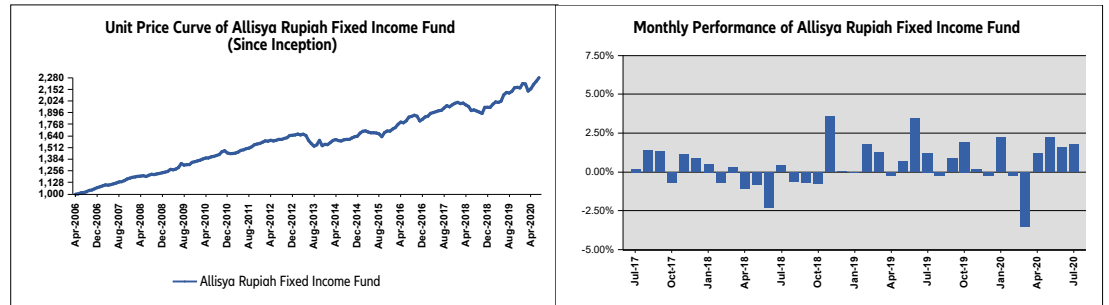
Key Fund Facts

Fund Size (in bn IDR)	IDR 136.91
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	63,219,274.1018

Price per Unit	Bid	Offer
(As of Jul 30, 2020)	IDR 2,165.56	IDR 2,279.54

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Fixed Income Fund	1.76%	5.65%	2.89%	7.67%	18.67%	5.17%	127.95%



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced July 2020 deflation at -0.10% mom (vs consensus inflation +0.05%, +0.18% in June 2020). On yearly basis, inflation was +1.54% yoy (vs consensus inflation +1.71%, +1.96% in June 2020). Core inflation was printed at +2.07% yoy (vs consensus inflation +2.11%, +2.26% in June 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, onion, and rice price, while the administered price group was impacted by the declining of transportation cost. The core inflation was contributed by the increment of gold price. In the Board of Governors' Meeting on 15-16 July 2020, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 4.00%, and also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 3.25% and 4.75% level, respectively. This policy is still in line with the low inflation target, and it expected to keep the stability of economic and also help the economic recovery which is affected by the Covid-19. Rupiah depreciated by -2.45% to 14,653 at the end of July 2020 from 14,302 at end of June 2020. Indonesia's trade balance recorded surplus amounting to USD +1,268mn in June 2020 vs previous month surplus USD +2,092mn. The surplus was caused by better number in export which was supported by the increment on commodities prices and also the increasing in export number for iron & steel. The growth of import on June was also better compared with May's number which was caused the the relaxation of implementation of new normal policy where the business started to reopen on June. Non-oil and gas trade balance in June 2020 recorded surplus USD+1,372mn, which was lower than the previous month that recorded trade surplus amounting to USD +2,098mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -95mn in June 2020, which was higher than the deficit on May 2020 amounting to USD -6mn. Indonesia's economy contracted by -5.32% YoY in Q2 2020 (vs previous -2.97%, consensus -4.72%), and -4.19% QoQ (vs previous -0.41%, consensus -3.65%). This is the first negative growth in Indonesia's history after the Asian Financial Crisis in 1998. In terms of expenditure, the private consumption which dominated 57.85% of GDP growth, also contracted by -6.5% QoQ. While, in terms of business sector, the contraction was happened on all of sectors, except agriculture, telecommunication, and water supply sector that still grew positively. Indonesia's official foreign reserve as of July 2020 was at USD 135.1billion, higher than June 2020's number at USD 131.7billion. The increment of foreign reserve was supported by the issuance of global bonds and withdrawal of government loans.

IDR Government bond yields were closed lower across all curves in line with offshore inflows. The bullish tone in this month was affected by the global and domestic sentiments, such as: the news about additional stimulus budget for Europe Zone amounting to EU 750bn, the expectation of the injection liquidity by US Government amounting to US 4tn (100x of Indonesia's stimulus budget), and also the development process of Covid-19 vaccine showed good signed. While from domestic side are the announcement of scheme for Burden Sharing between MoF and Bank Indonesia. The scheme for burden sharing between BI and MoF will be divided into three, as follows: Public Goods amounting to IDR 397Tn that BI will bear the cost and buy it through private placement; Non Public Goods for SMEs amounting to IDR 123Tn that BI will partially bear the cost and buy it in market; Non Public Goods for Non SMEs amounting to IDR 53 tn that MoF will bear the cost and BI will buy bonds in market. Offshore accounts increased their holding by IDR +8.79tn in July 2020 (+0.94% MoM), to IDR 945.79tn as of 30 July 2020 from IDR 937.00tn as of 30 June 2020, which brought their holding to 29.77% of total outstanding tradable government bond (from 30.17% in the previous month). The 5Y yield July 2020 ended -58bps lower to +5.96%(+6.54% in June 2020), 10Y tenor ended -38bps lower to +6.83%(+7.21% in June 2020), 15Y tenor ended -36bps lower to +7.27%(+7.63% in June 2020) and 20Y tenor ended -25bps lower to +7.42%(+7.68% in June 2020).

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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