

ALLISYA RUPIAH FIXED INCOME FUND

June 2020

BLOOMBERG: AZSRPF: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		7.11%
Best Month	Nov-18	3.58%
Worst Month	Nov-13	-3.68%

Portfolio Breakdown

Mutual Funds - Bonds	85.56%
Sharia Cash/Deposit	14.44%

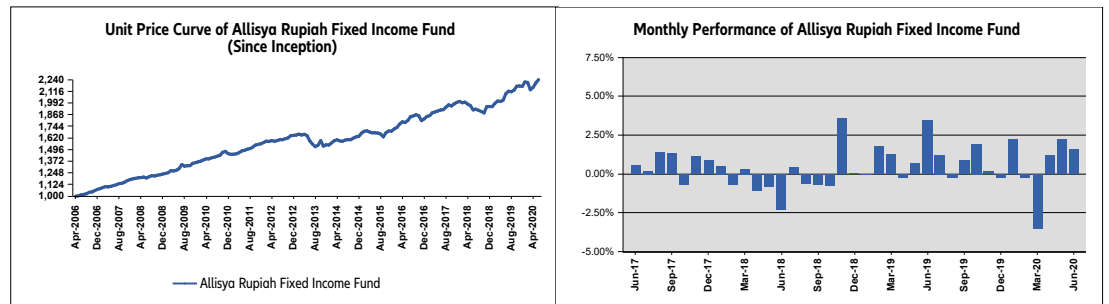
Key Fund Facts

Fund Size (in bn IDR)	IDR 133.10
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	62,547,200.0587

Price per Unit	Bid	Offer
(As of Jun 30, 2020)	IDR 2,128.02	IDR 2,240.02

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	1.59%	5.04%	3.35%	7.11%	16.85%	3.35%	124.00%



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced June 2020 inflation at +0.18% mom (vs consensus inflation +0.05%, +0.07% in May 2020). On yearly basis, inflation was +1.96% yoy (vs consensus inflation +1.84%, +2.19% in May 2020). Core inflation was printed at +2.26% yoy (vs consensus inflation +2.38%, +2.65% in May 2020). The inflation is still considered low, but better than previous months, which was supported by the inflation volatile price group (increment on chicken, egg, and coconut prices). In the Board of Governors' Meeting on 17-18 June 2020, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 4.25%, and also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 3.00% and 5.00% level, respectively. This policy is for keeping the economic stability and for the economic recovery which is affected by the Covid-19. Rupiah appreciated by +2.93% to 14,302 at the end of June 2020 from 14,733/USD at end of May 2020. Indonesia's trade balance recorded surplus amounting to USD +2,092mn in May 2020 vs previous month deficit USD -345mn. The trade surplus was caused by the contraction in import number that are related with the supporting for investment, such as machineries, raw material and capital goods. The export number also lower on the back of lower coal export number which is caused by the weak price of commodity. Non-oil and gas trade balance in April 2020 recorded surplus USD +2,098, while the previous month recorded trade deficit amounting to USD -100.7mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -6mn in May 2020, which was lower than the deficit on April 2020 amounting to USD -243mn. Indonesia's official foreign reserve as of June 2020 was at USD 131.7billion, higher than May 2020's number at USD 130.5billion. The increment of foreign reserve was supported by the issuance of global sukuk bonds amounting to USD 2.5bn.

IDR Government bond yields were closed lower across all curves in line with offshore inflows and also Rupiah appreciation. The bullish market were seen in the beginning of the week which offshore were seen taken the offer in the market. The excitement of the re-opening economy around the world was the reason behind it despite fearing of the second wave of the Covid-19 spreading is still haunted. Some global positive sentiments also supported the market, such as: monetary policy from ECB and FED to support the economics from falling to the recession, the expectation for the lower tension of trade wars between US and China in the near term. The injection of liquidity to State-Owned Banks by Minister of Finance as well as the cut of benchmark rate by Bank Indonesia supported the local market as well. Offshore accounts increased their holding by IDR +5.17tn in June 2020 (+0.55% MoM), to IDR 937tn as of 30 June 2020 from IDR 931.83tn as of 29 May 2020, which brought their holding to 30.17% of total outstanding tradable government bond (from 30.54% in the previous month). The 5Y yield June 2020 ended -28bps lower to +6.54% (+6.82% in May 2020), 10Y tenor ended -14bps lower to +7.21% (+7.35% in May 2020), 15Y tenor ended -20bps lower to +7.63% (+7.83% in May 2020) and 20Y tenor ended -10bps lower to +7.68% (+7.78% in May 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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