

ALLISYA RUPIAH FIXED INCOME FUND

March 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		5.93%
Best Month	Nov-18	3.58%
Worst Month	Nov-13	-3.68%

Portfolio Breakdown

Mutual Funds - Bonds	80.35%
Sharia Cash/Deposit	19.65%

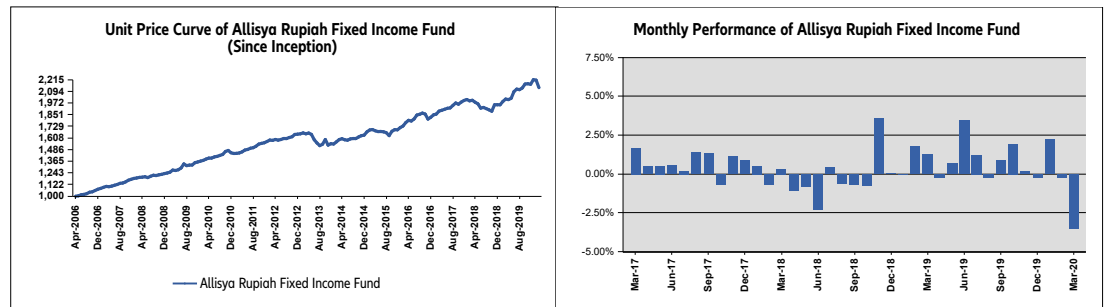
Key Fund Facts

Fund Size (in bn IDR)	IDR 124.54
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	61,471,051.3724

Price per Unit	Bid	Offer
(As of Mar 31, 2020)	IDR 2,025.98	IDR 2,132.61

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	-3.52%	-1.61%	0.18%	5.93%	12.97%	-1.61%	113.26%



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced March 2020 inflation at +0.10% mom (vs consensus inflation +0.13%, +0.28% in February 2020). On yearly basis, inflation was +2.96% yoy (vs consensus inflation +2.92%, +2.98% in February 2020). Core inflation was printed at +2.87% yoy (vs consensus inflation +2.76%, +2.76% in February 2020). The lower monthly inflation was affected by the deflation in volatile price (fish & garlic price) and administered price (airfares). While the higher core inflation was contributed by higher of gold price. In the Board of Governors' Meeting on 18-19 March 2020, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 4.50%, and also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 3.25% and 5.25%, respectively. Bank Indonesia also announced seven monetary policies that are expected to help the Indonesia's economics, as follows: 1) triple intervention for FX spot, DNDF, and bond market; 2) adding repo facility up to 12 months, 3) adding frequency of FX swap to be every day, 4) expanding the 50bps RRR cut, 5) enhancing FX term deposit instrument, 6) implemented vostro rupiah account for foreign investor as underlying of DNDF transaction, and 7) strengthening the payment system to mitigate the spread of Covid-19. Rupiah depreciated by -15.00% to 16,367/USD at end of March 2020 from 14,234/USD previous month. Indonesia's trade balance recorded surplus amounting to USD +2,336mn in February 2020 vs previous month deficit USD -864mn. The trade surplus was contributed by higher export number for non-oil and gas sector, especially the higher demand from China for coal and also the increasing of CPO price. Non-oil and gas trade balance in February 2020 recorded surplus USD +3,268mn, while the previous month resulted deficit amounting to USD -361mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -932mn in February 2020, but the deficit is lower than the deficit on January 2020 amounting to USD -1,181mn. Indonesia's official foreign reserve as of March 2020 declined by USD 9.40bn to USD 121bn, lower than February 2020's number at USD 130.40bn. The declining of foreign reserve was caused by paying external government debt and for stabilizing IDR currency in this current situation.

IDR Government bond yields were closed higher across all curves on the back of offshore outflows in line with IDR depreciation. The offshore outflows was a nightmare for Indonesia's bond market where we are still depended to portfolio investment due to lower FDI. The pressures of selling action were coming from both of external and internal factors which was caused by the fearing of Covid 19 pandemic. Thankfully, there was Bank Indonesia defending the market from falling deeper. To fight the impact of Covid-19 to Indonesian economy, Government finally announced a 'Substitution of Government Regulations' which they planned to increase the portion of budget deficit to 5.07% of GDP (current 3%) and the projection of 2020's growth is lowered to be 2.30%. In order to help for financing the government budget, Government also announced the recovery bonds where Bank Indonesia can buy bonds in primary market. Offshore accounts decreased their holding by IDR -121.26tn in March 2020 (-11.60% MoM), to IDR 926.91tn as of 31 March 2020 from IDR 1,048.16tn as of 28 Feb 2020, which brought their holding to 32.71% of total outstanding tradable government bond (from 37.09% in the previous month). The 5Y yield March 2020 ended +117bps higher to +7.31%(+6.14% in Feb 2020), 10Y tenor ended +97bps higher to +7.91%(+6.94% in Feb 2020), 15Y tenor ended +78bps higher to +8.28%(+7.50% in Feb 2020) and 20Y tenor ended +81bps lower to +8.36%(+7.55% in Feb 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.

Disclaimer:

Allisya Rupiah Fixed Income Fund is unit linked fund offered by PT. Asuransi Allianz Life Indonesia (Allianz). This fact sheet is prepared by Allianz. The information presented is for informational use only. The performance of the fund is not guaranteed and the value of the units and the income from them may increase or decrease. Past returns and any forecast are not necessarily a guide to future performance. Allianz does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise. You are advised to seek your financial consultant before making any investment.