

ALLISYA RUPIAH FIXED INCOME FUND

May 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		9.10%
Best Month	Nov-18	3.58%
Worst Month	Nov-13	-3.68%

Portfolio Breakdown

Mutual Funds - Bonds	82.05%
Sharia Cash/Deposit	17.95%

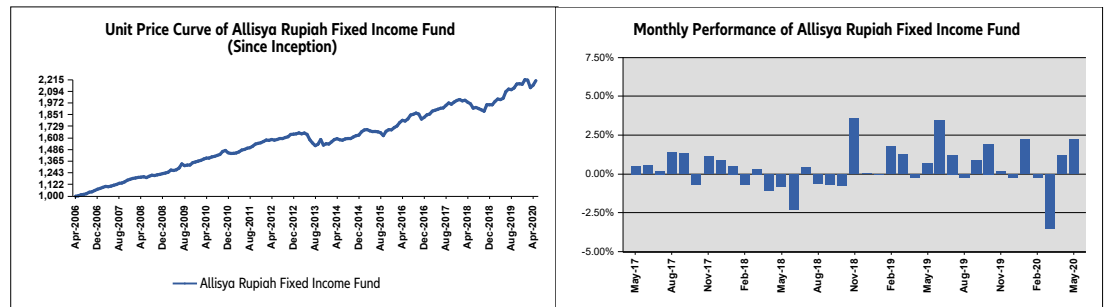
Key Fund Facts

Fund Size (in bn IDR)	IDR 129.95
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	62,037,827.2998

Price per Unit	Bid	Offer
(As of May 29, 2020)	IDR 2,094.76	IDR 2,205.01

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	2.20%	-0.25%	1.46%	9.10%	15.65%	1.73%	120.50%



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced May 2020 inflation at +0.07% mom (vs consensus inflation +0.10%, +0.08% in April 2020). On yearly basis, inflation was +2.19% yoy (vs consensus inflation +2.20%, +2.67% in April 2020). Core inflation was printed at +2.65% yoy (vs consensus inflation +2.80%, +2.85% in April 2020). The inflation on May 2020 is the lowest inflation in festive season (Ramadhan & Idul Fitri) since 1998 which the food prices usually increased and could lead higher inflation, but in this year, there was deflation on volatile food group (declining of onion and chicken egg prices). In the Board of Governors' Meeting on 18-19 May 2020, Bank Indonesia hold the BI 7-day Reverse Repo Rate at 4.50% level, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 3.25% and 5.25% level, respectively. This policy is to support the rupiah stability, even though there are still room for Bank Indonesia to cut their benchmark rate. Rupiah appreciated by +2.79% to 14,733/USD at end of May 2020 from 15,157/USD previous month. Indonesia's trade balance recorded deficit amounting to USD -345mn in April 2020 vs previous month surplus USD +743.4mn. The trade deficit was caused by increment in non-oil and gas import where the increment was on importing electrical machinery (medical equipment supply). While 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 deficit USD -100.7mn, while the previous month recorded trade surplus amounting to USD +1,676mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -243mn in April 2020, which was lower than the deficit on March 2020 amounting to USD -932.6mn. Indonesia's official foreign reserve as of May 2020 was at USD 130.5billion, higher than April 2020's number at USD 127.9billion. The increment of foreign reserve was affected by withdrawal external government debt and also the placement of banks' foreign currency in Bank Indonesia.

IDR Government bond yields were closed lower across all curves in line with offshore inflows and also Rupiah appreciation. Market was bullish in May on the back of the rising of optimism for business across the world where many countries start to open their country again after implemented lockdown for couple months ago. Even though, there was still volatility which was mostly affected by the rising tension again between US and China. But, the offshore names were continuously coming to Indonesia market where they also reinvest their coupon payment. Offshore accounts increased their holding by IDR +7.07tn in May 2020 (+0.77% MoM), to IDR 931.83tn as of 29 May 2020 from 924.76tn as of 30 April 2020, which brought their holding to 30.54% of total outstanding tradable government bond (from 31.77% in the previous month). The 5Y yield May 2020 ended -44bps lower to +6.83% (+7.27% in April 2020), 10Y tenor ended -53bps lower to +7.35% (+7.88% in April 2020), 15Y tenor ended -28bps lower to +7.83% (+8.11% in April 2020) and 20Y tenor ended -28bps lower to +7.79% (+8.07% in April 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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