

ALLISYA RUPIAH FIXED INCOME FUND

November 2019

BLOOMBERG: AZSRPFI:J

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		11.23%
Best Month	Nov-18	3.58%
Worst Month	Nov-13	-3.68%

Portfolio Breakdown

Mutual Funds - Bonds	92.68%
Sharia Cash/Deposit	7.32%

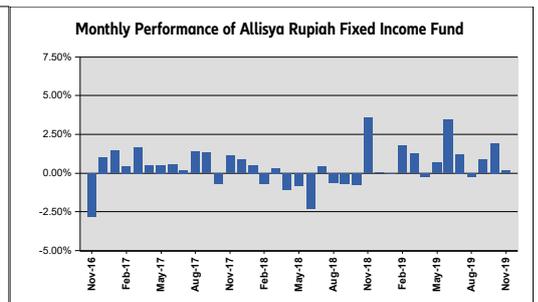
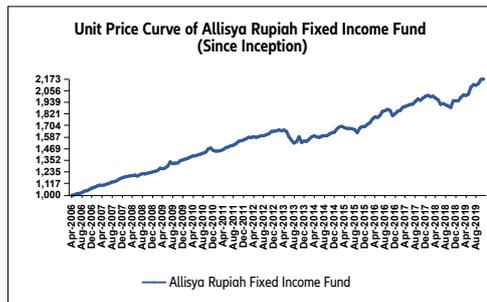
Key Fund Facts

Fund Size (in bn IDR)	IDR 114.62
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.

Price per Unit	Bid	Offer
(As of Nov 29, 2019)	IDR 2,064.63	IDR 2,173.29

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	0.15%	2.94%	7.53%	11.23%	20.45%	11.21%	117.33%



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced November 2019 inflation at +0.14% mom (vs consensus inflation +0.20%, +0.02% in October 2019). On yearly basis, inflation was +3.00% yoy (vs consensus inflation +3.06%, +3.13% in October 2019). Core inflation was printed at +3.08% yoy (vs consensus inflation +3.14%, +3.20% in October 2019). The inflation was still affected by increasing prices in food stuffs group, such as: meat, chicken & tomato. In the Board of Governors' Meeting on 20th and 21st November 2019 Bank Indonesia kept the BI 7-day Reverse Repo Rate unchanged on 5.00%, also maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 4.25% and 5.75%, respectively. This policy is still supported by manageable inflation that within target range as well. In contrast with that, BI lowered the bank's reserve requirements for second times in this year by 50bps to 5.50% for commercial banks and to 4.00% for sharia banks. This policy which will be implemented in January 2020, is expected to give liquidity in banks sector amounting to IDR 26trillion. Rupiah depreciated by -0.67% to 14,102/USD at end of November 2019 from 14,008/USD in previous month. Indonesia's trade balance recorded surplus amounting to USD +161mn in October 2019 vs previous month deficit USD -160mn. The surplus was caused by the declining of import growth deeper than export growth. The slowing down on import and export was affected by global trade slowing down, including Indonesia's biggest trading partner, China. Non-oil and gas trade balance in October 2019 recorded surplus USD +990mn, higher than the previous month which was also resulting surplus amounting to USD +601mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -829mn in October 2019, higher than the deficit on September 2019 amounting to USD -762mn. Indonesia's official foreign reserve as of November 2019 was at USD 126.63billion, slightly lower than October 2019's number at USD 126.7billion.

IDR Government bond yields were mostly posted higher, except 20yr tenor. The higher yield was caused by global risk-off mode, while the lower yield in 20yr tenor was supported by offshore inflows. Market was continued to be volatile which was mainly triggered by the uncertainty of trade wars. The expected agreement after 'phase 1' trade talks was not done yet because both of China and US did not agree on each offer where China want US rolling back their implemented tariff imposing and US want China buying their farm goods. Despite of that uncertainty, Indonesia's bond market was still supported by positive catalyst coming from domestic side. The surplus trade balance in October was the reason behind the offshore names still recorded net inflows in November. Offshore accounts increased their holding by IDR +9.33tn in November 2019 (+0.88% MoM), to IDR 1,067.80tn as of 29 Nov 2019 from IDR 1,058.47tn as of 31 Oct 2019, which brought their holding to 38.55% of total outstanding tradable government bond (from 38.99% in the previous month). The 5Y yield Nov 2019 ended +5bps higher to +6.49% (+6.44% in Oct 2019), 10Y tenor ended +10bps higher to +7.11% (+7.01% in Oct 2019), 15Y tenor ended +8bps higher to +7.55% (+7.47% in Oct 2019) and 20Y tenor ended -12bps lower to +7.56% (+7.68% in Oct 2019).

Disclaimer:

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