

# ALLISYA RUPIAH FIXED INCOME FUND

## July 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		9.92%
Best Month	Nov-18	3.58%
Worst Month	Nov-13	-3.68%

### Portfolio Breakdown

Mutual Funds - Bonds	92.42%
Sharia Cash/Deposit	7.58%

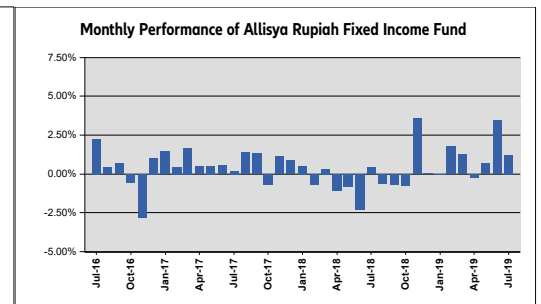
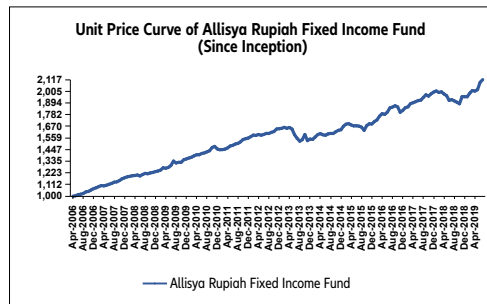
### Key Fund Facts

Fund Size (in bn IDR)	IDR 109.62
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 Jul 31, 2019)	IDR 2,011.29	IDR 2,117.15

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	1.24%	5.46%	8.38%	9.92%	14.65%	8.34%	111.72%



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced July 2019 inflation at +0.31% mom (vs consensus inflation +0.26%, +0.55% in June 2019). On yearly basis, inflation was +3.32% yoy (vs consensus inflation +3.30%, +3.28% in June 2019). Core inflation was printed at +3.18% yoy (vs consensus inflation +3.16%, +3.25% in June 2019). The inflation was mostly contributed by increasing volatile food group (especially, red chili pepper) and also increasing the gold price. In the Board of Governors' Meeting on 17th and 18th July 2019, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 5.75%, while also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 5.00% and 6.50%, respectively. The reason for this policy is due to Indonesia's inflation is lower enough and this policy also expected to boost the increasing of economic growth. LPS follow this move by lowered the guaranteed rate as well by 25bps to 6.75%. Rupiah appreciated by +0.81% to 14,026/USD at end of July 2019 from 14,141/USD in previous month. Indonesia's trade balance recorded surplus amounting to USD 0.196bn in June 2019 vs previous month surplus USD 0.208bn. The surplus was contributed by export for non-oil & gas sector, especially mineral fuels (ex oil & gas product). Both of export and import for non-oil & gas sector were declining in this month, however the declining of non-oil & gas import was deeper than export. Non-oil and gas trade balance in June 2019 recorded surplus USD 1.164bn, slightly declining than the previous month which was resulting surplus amounting to USD 1.186bn. Meanwhile, oil and gas trade balance still recorded deficit to USD -0.967 in June 2019, slightly better than deficit on May 2019 amounting to USD -0.978bn. The deficit was caused by higher oil products imports. Indonesia's economy grew 5.05% yoy in Q2 2019 (vs previous 5.07%, consensus 5.04%), and 4.20% qoq (vs previous -0.52%, consensus 4.20%). This growth was lower compared with previous growth both of on quarter basis and annual basis. The lower growth was caused by declining of commodities price, such as crude oil and crude palm oil. The impact of global slowing down also hurted Indonesia's growth. Private consumption, which accounts for more than half of Indonesia's gross domestic product, grew 5.17% yoy in Q2 2019 (vs previous 5.01%) which was caused by higher consumption on election period and followed by Ramadhan and Idul Fitri. Indonesia's official foreign reserve as of July 2019 was at USD 125.9 billion, higher than June 2019's number at USD 123.8 billion. The increment in the reserve assets per July 2019 was due to higher export earnings from oil and gas and withdrawal of gov't offshore borrowings.

IDR Government bond yields were closed lower at the end of the July 2019 on the back of offshore inflows. Market rallied since the beginning of the week on the back of positive sentiment after US and China reaching their trade deal in G20 summit as well as dovish statement from Jerome Powell in Congress where market expected cutting on benchmark rate in July. Domestic side was supported by the meeting between Jokowi and Prabowo which showed the expectation for national politic stability, Jokowi's plan for cutting corporate income tax, and dovish tone which is also showed by Bank Indonesia. Offshore accounts increased their holding by IDR 24.28tn in July 2019 (+2.46% MoM), from IDR 988.75tn as of 28 June 2019 to IDR 1,013.04tn as of 31 July 2019, which brought their holding to 39.26% of total outstanding tradable government bond (from 39.07% in the previous month). The 5Y yield July 2019 ended -3bps lower to +6.84% (+6.87% in June 2019), 10Y tenor ended -7bps lower to +7.38% (+7.45% in June 2019), 15Y tenor ended -14bps lower to +7.69% (+7.83% in June 2019) and 20Y tenor ended -14bps lower to +7.88% (+8.02% in June 2019).

#### Disclaimer:

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