

ALLISYA RUPIAH FIXED INCOME FUND

May 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		2.92%
Best Month	Nov-18	3.58%
Worst Month	Nov-13	-3.68%

Portfolio Breakdown

Mutual Funds - Bonds	92.58%
Sharia Cash/Deposit	7.42%

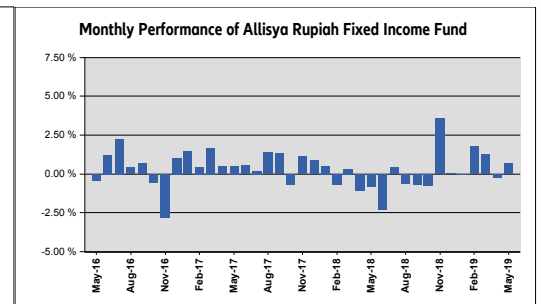
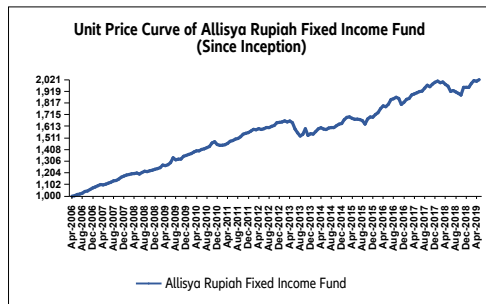
Key Fund Facts

Fund Size (in bn IDR)	IDR 103.79
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 May 31, 2019)	IDR 1,920.12	IDR 2,021.18

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	0.67%	1.66%	3.44%	2.92%	13.28%	3.43%	102.12%



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced May 2019 inflation at +0.68% mom (vs consensus inflation +0.53%, +0.44% in April 2019). On yearly basis, inflation was +3.32% yoy (vs consensus inflation +3.13%, +2.83% in April 2019). Core inflation was printed at +3.12% yoy (vs consensus inflation +3.08%, +3.05% in April 2019). The inflation in this month was mainly contributed by increasing in foodstuffs price (red chilli and chicken meat) and transportation cost (airfares) ahead of Ramadhan and Eid Fitri. In the Board of Governors' Meeting on 15th and 16th May 2019, Bank Indonesia kept the BI 7-day Reverse Repo Rate unchanged on 6.00%, while also maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 5.25% and 6.75% respectively. Rupiah depreciated by -1.20% to 14,385/USD at end of May 2019 from 14,215/USD in previous month. Indonesia's trade balance recorded deficit amounting to USD -2.502bn in April 2019 vs previous month surplus USD +0.540bn. The wider deficit was mostly caused by increasing in import for oil and gas, especially oil products, while export growth for oil and gas decreased by -32% compared previous month. Non-oil and gas trade balance in April 2019 recorded deficit USD -1.008bn, worse than the previous month which was surplus amounting to USD 0.989bn. The deficit was caused by decreasing of export for mineral fuels (coal). Meanwhile, oil and gas trade balance recorded deficit to USD -1.493bn in April 2019, worse than deficit on March 2019 amounting to USD -0.448bn. Indonesia's official foreign reserve as of May 2019 was at USD 120.35 billion, slightly lower than the April 2019 which stood at USD 124.30 billion. The decrement in the reserve assets per April 2019 was caused by overseas debt payment.

IDR Government bond yields were closed higher at the end of the May 2019 on the back of offshore outflows. Both of global and domestic sentiments affected to the volatility in the market. The escalation from US-China trade wars where US increased the tariff from 10% to 25% for \$200bn of Chinese imports and then China's retaliation to US where China also increased the tariff to 25% for \$60bn US imports, hurt the market. While from domestic side, the wider-than-expected first quarter current account deficit and deficit trade balance, affected to the market to be weaker. BI was even seen in the market trying to help the market to not fall deeper. The Jokowi's victory in Indonesia election was welcomed by market player where market rebounded becoming bullish. Even though, there was a political turmoil in several days which was caused by Prabowo's supporters. Market tended to be stronger until the end of the month due to rating's upgrading from S&P from BBB- to BBB. Standard & Poor's (S&P) upgraded Indonesia's sovereign credit rating from BBB- with a stable outlook to BBB with a stable outlook. Ratings supported by government's relatively low debt levels and moderate fiscal performance and external indebtedness. S&P also stated that Indonesia have strong economic growth prospects in future. Offshore accounts decreased their holding by IDR -10.78tn in May 2019 (-1.12% MoM), from IDR 960.34tn as of 30 April 2019 to IDR 949.56tn as of 31 May 2019, which brought their holding to 37.88% of total outstanding tradable government bond (from 38.38% in the previous month). The 5Y yield May 2019 ended +25bps higher to +7.56%(+7.31% in April 2019), 10Y tenor ended +20bps higher to +8.03%(+7.83% in April 2019), 15Y tenor ended +24bps higher to +8.51%(+8.27% in April 2019) and 20Y tenor ended +10bps higher to +8.48%(+8.37% in April 2019).

Disclaimer:

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