

ALLISYA RUPIAH FIXED INCOME FUND

October 2021

BLOOMBERG: AZSRPFI 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).

Portfolio Breakdown

| | |
|---------------------|--------|
| Treasury Bonds | 88.29% |
| Govt. Related Bond | 4.96% |
| Sharia Cash/Deposit | 6.75% |

Top Ten Bonds Holding

(in Alphabetical Order)

IFR0006 15/03/2030
 PBS004 15/02/2037
 PBS012 15/11/2031
 PBS017 15/10/2025
 PBS022 15/04/2034
 PBS025 15/05/2033
 PBS026 15/10/2024
 PBS028 15/10/2046
 PBS029 15/03/2034
 SMFP10XXMS 05/12/2021

Key Fund Facts

| | |
|-----------------------|---------------------|
| Fund Size (in bn IDR) | IDR 203.23 |
| 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 | 86,958,100.6409 |

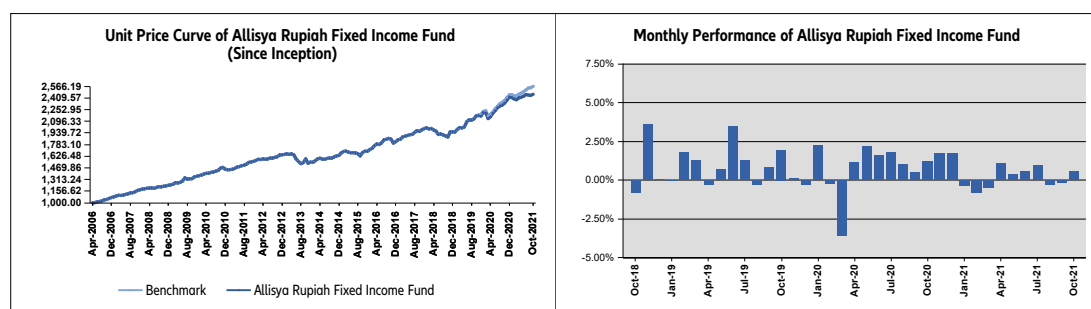
| Price per Unit | Bid | Offer |
|----------------------|--------------|--------------|
| (As of Oct 29, 2021) | IDR 2,337.10 | IDR 2,460.11 |

Managed by PT. Asuransi Allianz Life Indonesia

| | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | YTD | Since Inception |
|----------------------------------|---------|----------|----------|--------|---------|---------|-------|-----------------|
| Allisya Rupiah Fixed Income Fund | 0.60% | 0.15% | 2.00% | 5.05% | 30.42% | 32.50% | 1.48% | 146.01% |
| Benchmark* | 0.72% | 1.89% | 4.30% | 8.01% | 36.04% | 38.21% | 4.67% | N/A |

*IBPA Govt Sukuk Index (IGSIK)

(Benchmark assessment; using benchmark since Sep 2021, backdated to Nov 2019; before Nov 2019, data is not available)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Oct 2021 inflation +0.12% mom (vs consensus inflation +0.10%, -0.04% in Sep 2021). On yearly basis, inflation was +1.66% yoy (vs consensus inflation +1.65%, +1.60% in Sep 2021). Core inflation was printed at +1.33% yoy (vs consensus inflation +1.40%, +1.33% in Sep 2021). The higher inflation on Oct 2021 was supported by the inflation increment on volatile food group and administered price group. The higher inflation on volatile food group was affected by the increment of chili and cooking oil prices (in line with higher global CPO price), while on the administered price group side was affected by the higher air fare cost. The BI Board of Governors agreed on 18-19 Oct 2021 to hold the BI 7-Day Reverse Repo Rate at 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 2.75% and 4.25%, respectively. This policy is to maintain Rupiah stability in the middle of global uncertainty and also the lower inflation. Rupiah appreciated against USD by +1.05% from 14,321 at end of Sep 2021 to 14,171 at end of Oct 2021. Indonesia's trade balance recorded surplus amounting to USD 4,371mn in Sep 2021 vs previous month surplus USD 4,746mn. Despite of the amount of trade surplus slightly lowered compared last month, the export number still showed strong growth on the back of increment demand of coal export from EU and US. Non-oil and gas trade balance in Sep 2021 recorded surplus USD +5,305mn, which was slightly lower than the previous month that recorded trade surplus amounting to USD +5,728mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -934mn in Sep 2021, which was slightly lower than the deficit in Aug 2021 amounting to USD -982mn. Indonesia's economy grew by +3.51% YoY in Q3 2021 (vs previous +7.07%, consensus +3.88%), and also recorded positive growth by +1.55% QoQ (vs previous +3.31%, consensus +1.90%). The slowing down was affected by the mobility restriction in Q3 2021 which was impacted by the Covid-19 second wave, and also lower domestic demand. The YoY growth was contributed by the deceleration on household consumption growth by 1.03% YoY, while government spending only grew by +0.60% YoY. Indonesia's official foreign reserve in the end of Oct 2021 was at USD 145.5bn, slightly lower than Sep 2021 number at USD 146.90bn due to the government's external debt payment.

IDR Government bond yields were closed lower across all curves due to buying action from onshore players. The market was opened with bearish tone which mostly caused by the negative global sentiments, such as: higher US Treasury Yield which reached 1.50%, the announcement of below expectation number of US' Non-Farm Payroll Employment Change, and concern over higher inflation around the world. Those reason resulted offshore outflows this month. While onshore banks still showed their supports as the bigger buyer on the expectation of easing bond supply from the government and ample liquidity. Offshore accounts decreased their holding by IDR -12.51tn in Oct 2021 (-1.30% MoM), to IDR 949.27tn as of 29 Oct 2021 from IDR 961.78tn as of 30 Sep 2021, which brought their holding to 21.24% of total outstanding tradable government bond (from 21.56% in the previous month). The 5Y yield Oct 2021 ended -21bps lower to +4.93%(vs +5.14% in Sep 2021), 10Y tenor ended -20bps lower to +6.06% (vs +6.26% in Sep 2021), 15Y tenor ended -12bps lower to +6.29% (vs +6.41% in Sep 2021) and 20Y tenor ended -8bps lower to +6.86% (vs +6.94% in Sep 2021).

About Allianz Indonesia

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