

# Allisya Rupiah Fixed Income Fund

October 2022

**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, and 80 - 100% in medium or long term sharia instruments.

**Return Performance**

Last 1-year Period		-0.93%
Best Month	Nov-18	3.58%
Worst Month	Nov-13	-3.68%

**Portfolio Breakdown**

Sharia Bonds	83.99%
Sharia Money Market	16.01%

**Top 10 Holding**

(in Alphabetical Order)

PBS004	6.1%	02/15/2037
PBS012	8.875%	11/15/2031
PBS017	6.125%	10/15/25
PBS019	8.25%	09/15/23
PBS022	8.625%	04/15/34
PBS025	8.375%	05/15/33
PBS026	6.625%	15/10/24
PBS029	6.375%	03/15/34
PBS031	4%	15/07/24
PBS32	4.8750	07/15/26

**Industry Sector**

Government	83.68%
Finance	15.67%
Infrastructure	0.65%

**Key Fund Facts**

Fund Size (in bn IDR)	IDR 312.42
Risk Level	Moderate
Launch Date	25 Apr 2006
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	134,926,882.8420

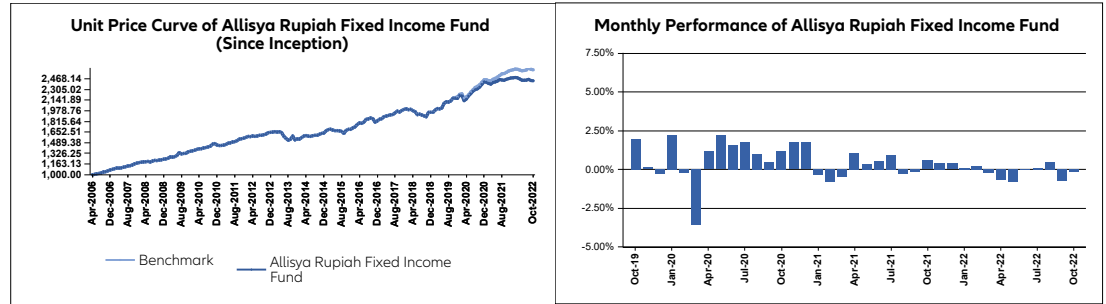
Price per Unit	Bid	Offer
(As of Oct 31, 2022)	IDR 2,315.46	IDR 2,437.33

Managed by	PT. Asuransi Allianz Life Indonesia
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	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Allisya Rupiah Fixed Income Fund	-0.16%	-0.41%	-1.14%	-0.93%	12.32%	24.38%	-1.73%	143.73%
Benchmark*	-0.32%	0.07%	0.14%	1.52%	N/A	N/A	0.29%	N/A

\*IBPA Govt Sukuk Index (IGSIX)

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


**Manager Commentary**

Central Bureau Statistics of Indonesia (BPS) announced Oct 2022 deflation at -0.11% mom (vs consensus inflation +1.10%, +0.17% in Sep 2022). On yearly basis, inflation was at +5.71% yoy (vs consensus inflation +5.98%, +5.95% in Sep 2022). Core inflation was printed at +3.31% yoy (vs consensus inflation +3.40%, +3.21% in Sep 2022). The monthly deflation was contributed by the deflation in volatile food group by -1.62% MoM due to higher supply in line with horticultural harvest season. The other reason of lower yearly inflation was, the normalization from the first round impact of fuel price adjustment in Sep 2022. The BI Board of Governors agreed on 19-20 Oct 2022 to increase the BI 7-Day Reverse Repo Rate by 50bps to be 4.75% and also increase the Deposit Facility (DF) and Lending Facility (LF) rates by 50bps to be 4.00% and 5.50%, respectively. In total, Bank Indonesia had increased their benchmark rate by 125bps until September 2022. This decision for this policy is as front loaded, pre-emptive and forward-looking movement to lower the expectation inflation, to ensure the core inflation back to their target level at 3% on 2Q 2023, and also to strengthen the Rupiah currency amid the uncertainty of global financial market. Rupiah depreciated against USD by -2.54% from 15,293 at end of September 2022 to 15,681 at end of October 2022. The depreciation of Rupiah was impacted by the strengthening of Dollar which was caused by the Fed Fund Rate hike by FED. Indonesia's trade balance recorded surplus amounting to USD +4,994 mn in Sep 2022 vs previous month surplus USD +5,758 mn in Aug 2022. The lower trade surplus was impacted by the lower export number due to sluggish global demand (the biggest laggard from iron & steel export). Non-oil and gas trade balance in Sep 2022 recorded surplus USD +7,094mn, which was higher than the previous month that recorded trade surplus amounting to USD +7,741mn in Aug 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -2,100mn in Sep 2022, which was higher than the deficit in Aug 2022 amounting to USD -1,983mn. Indonesia's economy grew by +5.72% YoY in Q3 2022 (vs previous +5.44%, consensus +5.60%), and also recorded positive growth by +1.81% QoQ (vs previous +3.72%, consensus +1.71%). In terms of expenditure side, the main contributor of the yearly growth was from Components of Exports of Goods and Services grew by +21.64% yoy. Unfortunately, the government consumption contracted by -2.28% yoy. Indonesian economy was still dominated by the household consumption by 50.38%. Indonesia's official foreign reserve in the end of October 2022 was at USD 130.20bn, similar with September 2022 number at USD 130.8bn. The lower foreign reserve was impacted government debt payment and the need for Rupiah currency stabilization.

IDR Government bond yields were closed higher across all the curves in line with IDR depreciation against USD. The weakening in Indonesia's bond market was still affected by the global sentiments, as follows: higher inflation in two largest economies (EU breached 10% level and US stayed on 8% level) and followed by rate hike, especially the hawkish stance by FED continues to bring back the inflation level back 2% level. The domestic sentiments, such as: 50bps rate hike by Bank Indonesia and also increment revenue in State Budget Sep 2022, couldn't help to strengthen the Indonesia's bond market. Offshore accounts decreased their holding by IDR -17.02tn in Oct 2022 (-2.33% MoM), from IDR 730.26tn as of 30 Sep 2022 to IDR 713.23 as of 31 Oct 2022, which brought their holding to 13.90% of total outstanding tradable government bond (from 14.31% in the previous month). The 5Y yield Oct 2022 ended +44bps higher to +7.16% (vs 6.72% in Sep 2022), 10Y tenor ended +17bps higher to +7.54% (vs +7.37% in Sep 2022), 15Y tenor ended +32bps higher to +7.57% (vs +7.25% in Sep 2022) and 20Y tenor ended +20bps higher to +7.62% (vs +7.42% in Sep 2022).

**About Allianz Indonesia**

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