

DPLK USD Fund

December 2023

Investment Objective

The objective of the fund is to provide relatively stable income with capital preservation for the long term.

Investment Strategy: Fixed Income

The Fund seeks to attain its objectives by investing in short or medium term interest bearing instruments (such as deposits or mutual funds).

Return Performance

| | |
|--------------------|----------------|
| Last 1-year Period | 0.51% |
| Best Month | Sep-15 39.75% |
| Worst Month | Aug-15 -18.34% |

*Error at Net Asset Value in Aug-15 and correction in Sep-15.

Portfolio Breakdown

| | |
|--------------|--------|
| Bonds | 95.01% |
| Money Market | 4.99% |

Top 10 Holding

(in Alphabetical Order)

Schroder USD Bond Fund

*there is no investment on related parties

Industry Sector

| | |
|---------|---------|
| Finance | 100.00% |
|---------|---------|

Key Fund Facts

| | |
|-----------------------|---------------------|
| Fund Size (in bn IDR) | IDR 3.36 |
| Risk Level | Moderate |
| Launch Date | 10 Sep 2003 |
| Fund Currency | Indonesian Rupiah |
| Pricing Frequency | Daily |
| Custodian Bank Name | Bank HSBC Indonesia |
| Total Unit | 11,694,792.4980 |

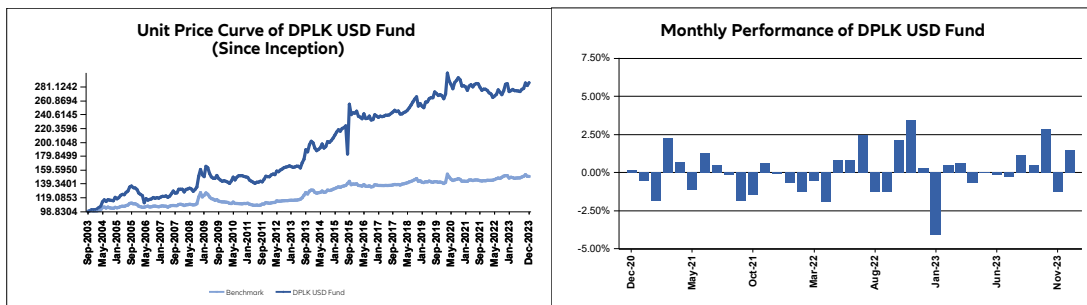
Price per Unit

| | |
|----------------------|--------------|
| (As of Dec 29, 2023) | IDR 287.4102 |
|----------------------|--------------|

Managed by DPLK Allianz Indonesia

| | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | YTD | Since Inception |
|---------------|---------|----------|----------|--------|---------|---------|--------|-----------------|
| DPLK USD Fund | 1.47% | 3.04% | 4.42% | 0.51% | 1.57% | 11.89% | 0.51% | 187.41% |
| Benchmark* | -0.11% | -0.10% | 1.48% | -0.72% | 4.81% | 4.45% | -0.72% | 50.33% |

*Asset valuation in IDR **50% Forex IDR/USD & 50 % the average time deposit (1 month) BNI, BCA and Citibank



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced December 2023 inflation at +0.41% MoM (vs consensus inflation +0.51%, +0.38% in November 2023). On yearly basis, inflation was at +2.61% YoY (vs consensus inflation +2.74%, +2.86% in November 2023). Core inflation was printed at +1.80% YoY (vs consensus inflation +1.86%, +1.87% in November 2023). The higher inflation MoM was contributed by the higher price of transportation group. The BI Board of Governors agreed in their meeting on 20-21 December 2023 to hold the BI 7-Day Reverse Repo Rate at 6.00% and also held the Deposit Facility (DF) and Lending Facility (LF) rates at 5.25% and 6.75%, respectively. In total, Bank Indonesia had increased their benchmark rate by 250bps up to Dec 2023. The decision remains consistent with the pro-stability focus of monetary policy, namely to strengthen rupiah stabilization policy, and as a pre-emptive and forward-looking measure to maintain inflation within the 2.5%±1% target corridor in 2024. Rupiah strengthen against USD by +0.3% from 15,484 at end of November 2023 to 15,439 at end of December 2023. The strengthened Rupiah was impacted by the Fed keeping the Fed Rate in the December meeting and the effect of the weakening trend of the US Dollar Index as there are some indications that the Fed will be more dovish in 2024. Indonesia's trade balance recorded surplus amounting to USD +2,412mn in November 2023 vs previous month surplus USD +3,474mn in October 2023. The lower trade surplus was impacted by imports still having positive growth, but exports recorded negative growth in November 2023. Non-oil and gas trade balance in November 2023 recorded surplus USD +4,618mn, which was lower than the previous month that recorded trade surplus amounting to USD +5,310mn in October 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -2,206mn in November 2023, which was higher than the deficit in October 2023 amounting to USD -1,836mn. Indonesia's official reserve assets position amassed USD 146.4 billion as of the end of December 2023, increased from USD 138.1 billion as of November 2023. The increase was impacted by foreign loan withdrawals by the Government, as well as tax and service receipts.

IDR Government bond yields were lower across all the curves in line with IDR Appreciation and Offshore inflow. The bullish sentiments came from Global, which show by The Fed maintaining its policy rate and Jerome Powell starting to communicate a dovish stance in the FOMC meeting. It can be shown in the Fed's policy rate projection, which indicates that the Fed will cut their policy rate by 75bps in 2024 and 100bp in 2025. Indonesia's fiscal balance continues to show improvement and resilience. 11M23 state budget realization recorded great performance driven by low government spending, while government revenue remains high. It shows that Indonesia's budget deficit will be lower than expected. Indonesia's fiscal balance recorded a deficit of IDR -48.17tn (10M23: IDR -0.67tn) or -0.23% (prev: -0.003% 10M23) of GDP in 11M23. Offshore accounts increased their holding by IDR +8.17tn in December 2023 (+1.0% MoM), from IDR 833.88tn as of 30 November 2023 to IDR 842.05 which brought their holding increased to 14.93% of total outstanding tradable government bond (from 14.89% in the previous month). The 5Y yield December 2023 ended -23bps lower to +6.44%(vs +6.67% in November 2023), 10Y tenor ended -15bps lower to +6.48%(vs +6.63% in November 2023), 15Y tenor ended -19bps lower to +6.62% (vs +6.81% in November 2023) and 20Y tenor ended -13bps lower to +6.77% (vs +6.90% in November 2023).

About Allianz Indonesia

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