DPLK Allianz Indonesia

DPLK SYARIAH FUND

October 2019

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
DPLK Syariah Fund	1.84%	2.94%	7.61%	15.49%	24.74%	11.82%	239.17%

Investment Objective

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

Investment Strategy

The Fund seeks to attain its objectives by investing in short term sharia instruments (such as sharia deposits or sharia T-bills) and sharia bonds and/or sharia fixed income mutual fund for its medium or longer term instruments.

Return Performance

Last 1-year Period		15.49%
Best Month	Dec-03	3.16%
Worst Month	Sep-05	-6.17%

Portfolio Breakdown

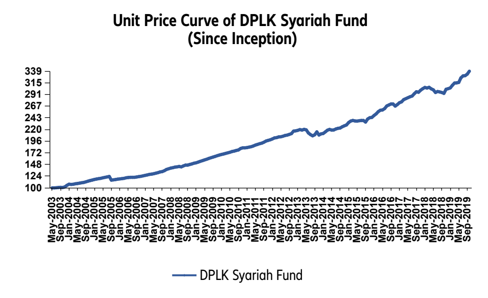
Treasury Bonds	93.13%
Govt. Related Bond	1.27%
Sharia Cash/Deposit	5.61%

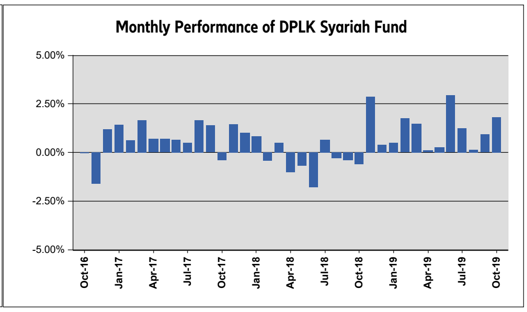
Key Fund Facts

Fund Size (in bn IDR)	IDR 80.25
Risk Profile	Moderate
Launch Date	31 May 2003
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily

Price per Unit	
(As of Oct 31, 2019)	IDR 339.1657

Managed by DPLK Allianz Indonesia





Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced October 2019 inflation at +0.02% mom (vs consensus inflation +0.17%, -0.27% in September 2019). On yearly basis, inflation was +3.13% yoy (vs consensus inflation +3.29%, +3.39% in September 2019). Core inflation was printed at +3.20% yoy (vs consensus inflation +3.32%, +3.32% in September 2019). The inflation was mostly affected by increasing in food stuffs group, from increasing in chicken meat & onion prices to cigarettes prices. In the Board of Governors' Meeting on 23rd and 24th October 2019, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 5.00%, while also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 4.25% and 5.75%, respectively. The reason for this policy is manageable inflation and within target range. Rupiah appreciated by +1.19% to 14,008/USD at end of October 2019 from 14,174/USD in previous month. Indonesia's trade balance recorded deficit amounting to USD -160mn in September 2019 vs previous month surplus USD +85mn. The deficit was affected by increasing of import number in non-oil and gas products which was caused by rising on consumption goods and capital goods. Non-oil and gas trade balance in September 2019 recorded surplus USD +601mn, lower than the previous month which was resulting surplus amounting to USD +840mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -762mn in September 2019, slightly higher than the deficit on August 2019 amounting to USD -756mn. Indonesia's economy grew as 5.02% yoy in Q3 2019 (vs previous 5.05%, consensus 5.00%), and 3.06% qoq (vs previous 4.20%, consensus 3.05%). This quarter growth was slower than Q2 2019 as well as Q3 2018. This slowing down was affected by global slowing down which was triggered by the uncertainty of trade war between US and their trading partners, especially China, which were also Indonesia's trading partners. Private consumption, which accounts for more than half of Indonesia's gross domestic product, grew 5.01% yoy in Q3 2019 (vs previous 5.17%). Indonesia's official foreign reserve as of October 2019 was at USD 126.70billion, higher than September 2019's number at USD 124.3billion. The increasing in the reserve assets per October 2019 was caused by issuance global bonds and oil & gas foreign exchange.

IDR Government bond yields were closed lower on the back of offshore inflows in line with IDR appreciation to USD. Market was quiet volatile last month which was mostly affected by trade war issue where the uncertainty was still appeared, even though the 'phase 1' trade talks between US and China was already occurred and turning out, it was going well. The negative sentiment also came from domestic side where Sri Mulyani (after she reappointed as Minister of Finance again) stated that budget deficit will be widen in 2019 from 1.93% to 2.20%. However, the offshore inflows managed to push prices higher. Offshore accounts increased their holding by IDR +29.08tn in Oct 2019 (+2.82% MoM), to IDR 1,058.47tn as of 31 Oct 2019 from IDR 1,029.39tn as of 30 Sep 2019, which brought their holding to 38.99% of total outstanding tradable government bond (from 38.64% in the previous month). The 5Y yield Oct 2019 ended -27bps lower to +6.44% (+6.71% in Sept 2019), 10Y tenor ended -28bps lower to +7.01% (+7.29% in Sept 2019), 15Y tenor ended -25bps lower to +7.47% (+7.72% in Sept 2019) and 20Y tenor ended -17bps lower to +7.68% (+7.85% in Sept 2019).

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