

DPLK Syariah Fund

July 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 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 | | 7.94% |
| Best Month | Dec-03 | 3.16% |
| Worst Month | Sep-05 | -6.17% |

Portfolio Breakdown

| | |
|---------------------|--------|
| Sharia Bonds | 97.79% |
| Sharia Money Market | 2.21% |

Top 10 Holding

(in Alphabetical Order)

- PBS004 6.1% 02/15/2037
- PBS005 6.75% 15/04/43
- PBS012 8.875% 11/15/2031
- PBS017 6.125% 10/15/25
- PBS022 8.625% 04/15/34
- PBS026 6.625% 15/10/24
- PBS028 7.75% 15/10/46
- PBS029 6.375% 03/15/34
- PBS033 6.75% 15/06/47
- PBS037 6.875% 15/03/36

*there is no investment on related parties

Industry Sector

| | |
|----------------|--------|
| Government | 97.78% |
| Finance | 1.47% |
| Infrastructure | 0.74% |

Key Fund Facts

| | |
|-----------------------|---------------------|
| Fund Size (in bn IDR) | IDR 139.08 |
| Risk Level | Moderate |
| Launch Date | 31 May 2003 |
| Fund Currency | Indonesian Rupiah |
| Launch Date NAV Price | IDR 100.00 |
| Pricing Frequency | Daily |
| Custodian Bank Name | Bank HSBC Indonesia |
| Total Unit | 315,555,013.5454 |

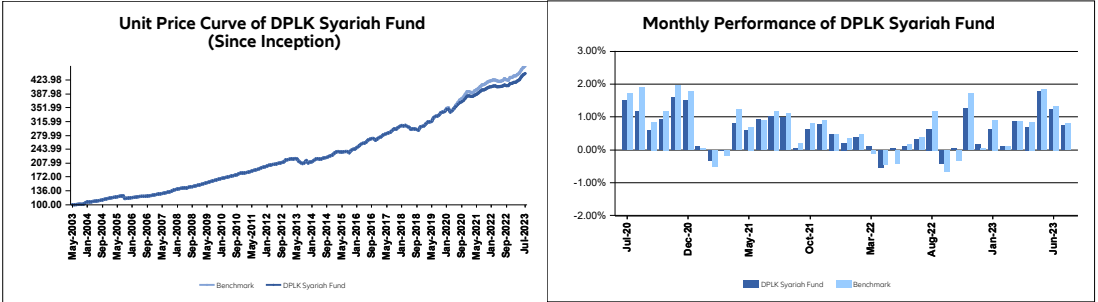
| Price per Unit | |
|----------------------|--------------|
| (As of Jul 31, 2023) | IDR 440.7358 |

| | |
|------------|------------------------|
| Managed by | DPLK Allianz Indonesia |
|------------|------------------------|

| | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | YTD | Since Inception |
|-------------------|---------|----------|----------|--------|---------|---------|-------|-----------------|
| DPLK Syariah Fund | 0.73% | 3.78% | 5.50% | 7.94% | 22.08% | 48.15% | 6.16% | 340.74% |
| Benchmark* | 0.78% | 4.01% | 5.88% | 8.89% | 26.11% | N/A | 6.84% | 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 July 2023 inflation at +0.21% MoM (vs consensus inflation +0.22%, +0.14% in June 2023). On yearly basis, inflation was at +3.08% YoY (vs consensus inflation +3.10%, +3.52% in June 2023). Core inflation was printed at +2.43% YoY (vs consensus inflation +2.52%, +2.58% in June 2023). The higher inflation MoM was contributed by the higher price of transportation group, education group and health group. The BI Board of Governors agreed on 24-25 July 2023 to hold the BI 7-Day Reverse Repo Rate at 5.75% and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 5.00% and 6.50%, respectively. In total, Bank Indonesia had increased their benchmark rate by 225bps up to Jan 2023. The decision is consistent with the monetary policy stance of managing inflation under 3.0% this year and 2.5% in 2024. The policy concentrate on rupiah stability in order to manage imported inflation and limit the spreading effect of global financial market uncertainties. Rupiah weakening against USD by -0.61% from 15,000 at end of June 2023 to 15,092 at end of July 2023. The weakening of Rupiah was impacted by the release of U.S economic data that increase the probability of hawkish stance of The Fed for next meeting. Indonesia's trade balance recorded surplus amounting to USD +3,455mn in June 2023 vs previous month surplus USD +427mn in May 2023. The higher trade surplus was impacted by imports fell deeper than export. Non-oil and gas trade balance in June 2023 recorded surplus USD +4,416mn, which was higher than the previous month that recorded trade surplus amounting to USD +2,253mn in May 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,006mn in June 2023, which was lower than the deficit in Mei 2023 amounting to USD -1,826mn. Indonesia's economy grew by +5.17% yoy in 2Q 2023 (vs. previous 5.03%, consensus +5%) and 3.86% qoq (vs previous -0.9%, consensus 3.7%). In terms of expenditure side, the main contributor to the growth was household consumption which grew by +5.23% yoy, with the highest growth coming from Transportation and Storage sector. The investment side grew at a moderate level which grew only +4.63% yoy, while the growth of government expenditure by +10.62% yoy was supported by the realization of government spending. Indonesia's official reserve assets position amassed USD 137.7 billion as of the end of July 2023, increase from USD 137.5 billion as of June 2023. The increase was impacted by tax and service receipts.

IDR Government bond yields were posted lower in medium and long tenor while higher in short tenor. Posted lower in the first of the July due to positive global sentiment from U.S economic data release like U.S GDP growth that beat consensus and US headline inflation that continued to moderate, easing to 3.0% YoY in June 2023. Flush liquidity made onshore investors persistently buy the Indonesian government bond. However, just before end of month the market closed in higher yields as the impact of Fed rate hike by 25bps. Fitch Ratings downgraded the US Long-Term Foreign-Currency Issuer Default Rating (IDR) from 'AAA' to 'AA+' on August 2, 2023. The Negative Rating Watch was withdrawn, and a Stable Outlook was issued. The expected fiscal deterioration over the next three years, a high and growing general government debt burden, and the erosion of governance relative to 'AA+' and 'AAA' rated peers over the last two decades, which has manifested themselves in repeated debt limit standoffs and last-minute resolutions, are the key drivers. Indonesia's economy continues to show improvement and resilience. 6M23 state budget realization recorded great performance driven by low government spending, while government revenue remains high. Indonesia's fiscal balance recorded a surplus of IDR152.25 (6M22: IDR91tn) or 0.71% (prev: 0.97% 5M23) of GDP in 6M23. Offshore accounts increased their holding by IDR +8.30tn in July 2023 (+0.98% MoM), from IDR 846.89tn as of 27 June 2023 to IDR 855.19 which brought their holding increased to 15.56% of total outstanding tradable government bond (from 15.51% in the previous month). The 5Y yield July 2023 ended +8bps higher to +5.99%(vs +5.91% in June 2023), 10Y tenor ended -1bps lower at +6.25%(vs +6.26% in June 2023), 15Y tenor ended -5bps lower to +6.43% (vs +6.48% in June 2023) and 20Y tenor ended -10bps lower to +6.49% (vs +6.59% in June 2023).

About Allianz Indonesia

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