

DPLK FIXED INCOME FUND

June 2021

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 interest bearing instruments (such as deposits, SBI) and medium or long term interest bearing instruments (such as bonds and/or fixed income mutual funds).

Return Performance

Last 1-year Period		10.78%
Best Month	Jan-15	6.42%
Worst Month	Nov-13	-5.61%

Portfolio Breakdown

Treasury Bonds	85.39%
Corporate Bonds	0.55%
Govt. Related Bond	1.75%
Cash/Deposit	12.31%

Key Fund Facts

Fund Size (in bn IDR)	IDR 181.61
Risk Profile	Moderate
Launch Date	31 May 2003
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	371,485,945.8508

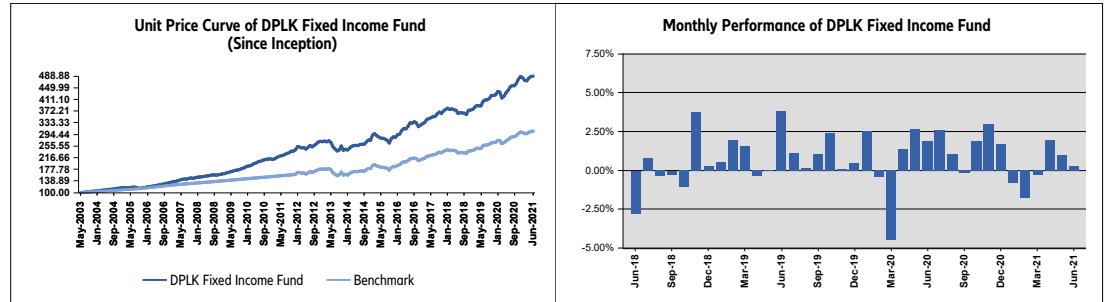
Price per Unit	
(As of Jun 30, 2021)	IDR 488.8767

Managed by DPLK Allianz Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
DPLK Fixed Income Fund	0.28%	3.27%	0.28%	10.78%	34.14%	0.28%	388.88%
Benchmark*	0.39%	2.88%	1.14%	10.25%	31.39%	1.14%	205.47%

*80% Indonesia Bond Pricing Agency (IBPA) IDR Bond Index & 20% Average Time Deposit (1 month) from BNI, BCA and Citibank

(Benchmark assessment: before Jul 2018: 80% Bloomberg Indonesia Local Sovereign Bond (BINDO) & 20% Average Time Deposit (1 month) from BNI, BCA and Citibank before Mar 2016: 80% HSBC Indonesia Local Bond Index & 20% Average Time Deposit (1 month) from BNI, BCA and Citibank before Jan 2012: Average 1 Month Deposit of BNI, BCA and Citibank)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced June 2021 deflation at -0.16% mom (vs consensus inflation -0.08%, 0.32% on May 2021). On yearly basis, inflation was +1.33% yoy (vs consensus inflation +1.45%, +1.68% on May 2021). Core inflation was printed at +1.49% yoy (vs consensus inflation +1.45%, +1.37% on May 2021). The monthly deflation on June 2021 was affected by the lower inflation on core inflation, administered price group, and volatile food group. The lower inflation in volatile food group was caused by the declining of red onion, chicken, and chili prices, while the lower inflation in administered price group was caused by the lower public transportation cost after Lebaran period. The BI Board of Governors agreed on 16-17 June 2021 to hold the BI 7-Day Reverse Repo Rate to be 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates to be 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 depreciated against USD by +1.75% from 14,292 at end of May 2021 to 14,542 at end of June 2021. Indonesia's trade balance recorded surplus amounting to USD +2,360mn in May 2021 vs previous month surplus USD +2,194mn. The better number of trade surplus was supported by the global economic recovery, especially China and US which was showed by increasing number on export number for commodity goods. Non-oil and gas trade balance in May 2021 recorded surplus USD +3,485mn, which was higher than the previous month that recorded trade surplus amounting to USD +3,261mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,125mn in May 2021, which was higher than the deficit on April 2021 amounting to USD -1,067mn. Indonesia's official foreign reserve in the end of June 2021 was at USD 137.1billion, higher than May 2021 number at USD 136.4billion due to Global Sukuk Issuance.

IDR Government bond yields were closed mixed, mostly posted higher. The market has on the bullish tone, lead by the foreign investor, in the beginning of the month which was caused by the lower US Treasury yield (breached the 1.40% level). However, the weakening were seen in the Indonesia's bond market on the back of concern over that the tapering will come faster than expected after FED announced their projection for two rate hikes in the beginning of 2023. The weaker market was affected by the domestic sentiments as well, such as: the rising new cases of Covid-19 which resulted the new restriction mandate (PPKM Darurat for two weeks). On 3 June, MoF issued Global Sukuk Bond denominated USD with total issued USD 3bn which divided into three different series different tenors, as follows: 5 years (USD 1.25bn), 10 years (USD 1bn), and 30 years (USD 0.750bn). Offshore accounts increased their holding by IDR 19.86tn in June 2021 (+2.07% MoM), to IDR 977.31tn as of 30 June 2020 from IDR 957.46tn as of 31 May 2021, which brought their holding to 22.82% of total outstanding tradable government bond (from 22.76% in the previous month). The 5Y yield June 2021 ended -10bps lower to +5.40% (vs +5.50% on May 2021), 10Y tenor ended +17bps higher to +6.59% (vs +6.42% on May 2021), 15Y tenor ended +8bps higher to +6.43% (vs +6.35% on May 2021) and 20Y tenor ended +14bps higher to +7.27% (vs +7.13% on May 2021).

About Allianz Indonesia

PT Asuransi Allianz Life Indonesia was founded in 1996 and is part of Allianz Asia Pacific which has been present in the region since 1910. Allianz Group is a leading insurance company and asset manager in the world with over 129 years of experience and provides a variety of personal and insurance services, companies, ranging from property, life and health insurance to credit insurance and business insurance services globally.

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