

DPLK FIXED INCOME FUND

September 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).

Portfolio Breakdown

Treasury Bonds	89.33%
Corporate Bonds	0.54%
Govt. Related Bond	1.69%
Cash/Deposit	8.44%

Key Fund Facts

Fund Size (in bn IDR)	IDR 187.19
Risk Profile	Moderate
Launch Date	31 May 2003
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	372,450,470.4191

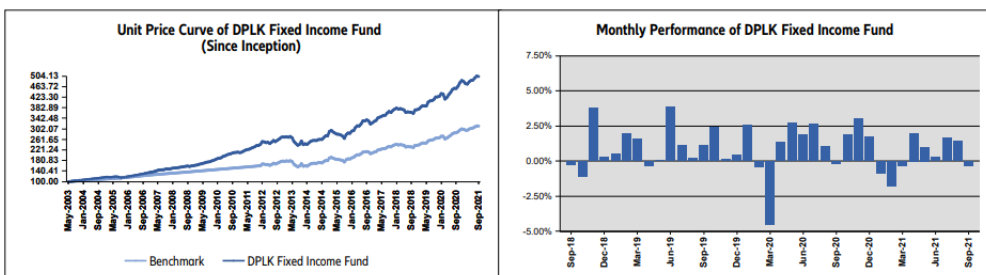
Price per Unit	
(As of Sep 30, 2021)	IDR 502.5836

Managed by DPLK Allianz Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	Sejak Awal Tahun	Sejak Peluncuran
DPLK Fixed Income Fund	-0.31%	2.80%	6.17%	10.05%	37.65%	3,09%	402,58%
Benchmark*	-0.12%	2.47%	5.42%	9.16%	34.23%	3,63%	213,01%

*80% Indonesia Bond Pricing Agency (BPA) 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 2018: 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 Sep 2021 deflation at -0.04% mom (vs consensus inflation +0.03%, +0.01% in Aug 2021). On yearly basis, inflation was +1.60% yoy (vs consensus inflation +1.66%, +1.59% in Aug 2021). Core inflation was printed at +1.30% yoy (vs consensus inflation +1.33%, +1.31% in Aug 2021). The deflation was mainly contributed by the deflation on volatile food group which was impacted by the lower chicken and various horticulture prices. The BI Board of Governors agreed on 20-21 Sep 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 -0.10% from 14,306 at end of Aug 2021 to 14,321 at end of Sep 2021. Indonesia's trade balance recorded surplus amounting to USD 4,746mn in Aug 2021 vs previous month surplus USD 2,589mn. The trade surplus recorded the historical high in Aug 2021 which was contributed by the coal and CPO exports. Non-oil and gas trade balance in Aug 2021 recorded surplus USD +5,728mn, which was higher than the previous month that recorded trade surplus amounting to USD +3,384mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -982mn in Aug 2021, which was higher than the deficit in June 2021 amounting to USD -759mn. Indonesia's official foreign reserve in the end of Sep 2021 was at USD 146.90bn, higher than Aug 2021 number at USD 144.80bn due to tax & services receipts and also the government's external debt withdrawal.

IDR Government bond yields were closed higher across all curves in line with offshore outflows as well as IDR depreciation. The market was opened with better performance in the beginning of the month which was supported by positive sentiment with Indonesia's lower new cases of Covid-19, the loosening of social restriction, especially on Java Island, and also higher trade surplus. However, market then turned to have bearish tone on the back of concern over the US debt ceiling level and China's Evergrande debt crisis which market players fear that it will impact globally. Offshore accounts decreased their holding by IDR -18.67tn in Sep 2021 (-1.90% MoM), to IDR 961.78tn as of 30 Sep 2021 from IDR 980.44tn as of 31 Aug 2021, which brought their holding to 21.56% of total outstanding tradable government bond (from 22.44% in the previous month). The 5Y yield Sep 2021 ended +10bps higher to 5.14%(vs +5.04% in Aug 2021), 10Y tenor ended +20bps higher to +6.26% (vs +6.06% in Aug 2021), 15Y tenor ended +11bps higher to +6.41% (vs +6.30% in Aug 2021) and 20Y tenor ended +5bps higher to +6.94% (vs +6.89% in Aug 2021).

About Allianz Indonesia

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