DPLK US DOLLAR FUND
August 2020

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 or medium term interest bearing instruments (such as deposits or mutual funds).

Return Performance

Last 1-year period		6.13%
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

Mutual Fund Fixed Income	92.45%
Cash/Deposit	7.55%

Key Fund Facts

Fund Size (in bn IDR)	IDR 4.99
Risk Profile	Moderate
Launch Date	10 Sep 2003
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	17,155,387.46

Price per Unit	
(As of Aug 31, 2020)	IDR 290.6410

Managed by	DPLK Allianz Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
DPLK US Dollar Fund (in IDR)*	1.08%	2.03%	7.31%	6.13%	19.85%	8.33%	190.64%
Benchmark**	0.46%	-0.16%	2.93%	2.25%	6.33%	3.23%	46.00%

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

Unit Price Curve of DPLK USD Fund (Since Inception)

Monthly Performance of DPLK USD Fund
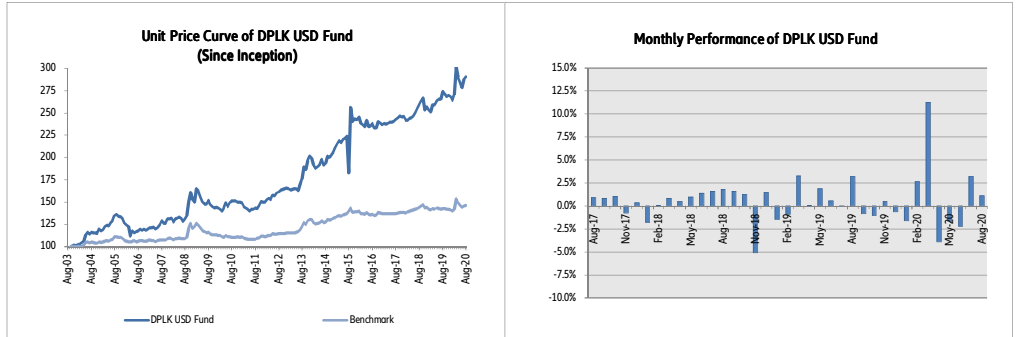
Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Aug 2020 deflation at -0.05% mom (vs consensus inflation +0.01%, -0.10% in July 2020). On yearly basis, inflation was +1.32% yoy (vs consensus inflation +1.40%, +1.54% in July 2020). Core inflation was printed at +2.03% yoy (vs consensus inflation +2.00%, +2.07% in July 2020). The monthly deflation was contributed by the deflation on volatile food and administered price group. The deflation on volatile food group was affected by the declining of chicken, onion, and rice price, while the administered price group was impacted by the declining of transportation cost. The core inflation was contributed by the increment of gold price. In the Board of Governors' Meeting on 18-19 Aug 2020, Bank Indonesia hold the BI 7-day Reverse Repo Rate at 4.00%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 3.25% and 4.75% level, respectively. This policy is expected to maintain the external stability in line with their expectation that the inflation remain low. Rupiah slightly appreciated by +0.68% from 14,653 at the end of July 2020 to 14,554 at the end of Aug 2020. Indonesia's trade balance recorded surplus amounting to USD +3,263mn in July 2020 vs previous month surplus USD +1,268mn. The surplus was caused by better number in export which was supported by the increment on commodities prices, especially CPO price and also the increasing in export number for iron & steel, especially to China. Non-oil and gas trade balance in July 2020 recorded surplus USD +3,516mn, which was higher than the previous month that recorded trade surplus amounting to USD +1,372mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -253mn in July 2020, which was higher than the deficit on June 2020 amounting to USD -95mn. Indonesia's official foreign reserve as of Aug 2020 was at USD 137.0 billion, higher than July2020's number at USD 135.1billion. The increment of foreign reserve was supported by the withdrawal of government loans and oil & gas export proceeds.

IDR Government bond yields were closed mixed which is lower on short tenor and higher on the medium to long tenor. The lower yield on short tenor was supported by the onshore banks buying action, while offshore names still recorded net outflows. Bond market was quiet volatile last month. Market was opened with bearish tone which was caused by the contraction on US economic growth by -32.9% QoQ and the rising tension between US and China again. Then, global risk on sentiment were seen in the market which was supported by the rising hope for Covid-19 vaccine in the near term, and also the announcement from FED for their new policy framework which indicated that they will maintain lower interest rate for long time. While from domestic, the affirmation from Fitch for Indonesia's rating on BBB and the unchanged of 7DRR by Bank Indonesia, also give positive sentiment to market. Last month, MoF succeed to issue new bonds two times on private placement which the only buyer was Bank Indonesia with burden sharing scheme. This issuance is expected to finance Public Goods amounting to IDR 397.56tn. The total issuance itself is amounting to IDR 99.08tn with four new bonds, as follows: VR34 (2025), VR35 (2026), VR36 (2027), and VR37 (2028). The coupon for these bonds is 3.8% for the first three months. Offshore accounts decreased their holding by IDR -3.85tn in Aug 2020 (-0.41% MoM), to IDR 941.94tn as of 31 Aug 2020 from IDR 945.79tn as of 30 July 2020, which brought their holding to 28.24% of total outstanding tradable government bond (from 29.77% in the previous month). The 5Y yield Aug 2020 ended -42bps lower to +5.54%(+5.96% in July 2020), 10Y tenor ended +4bps higher to +6.87%(+6.83% in July 2020), 15Y tenor ended +13bps higher to +7.40%(+7.27% in July 2020) and 20Y tenor ended +3bps higher to +7.45%(+7.42% in July 2020).

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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