

DPLK Equity Fund

June 2014



INVESTMENT OBJECTIVE

The objective of the fund is to provide maximum long term investment yield.

INVESTMENT STRATEGY

The fund seeks to attain its objectives by investing in short term interest bearing instruments (such as deposits, SBI or money market mutual funds) and in equity instruments (whether directly on stocks or indirectly through mutual funds).

PERFORMANCE INDICATOR

Return Performance

Last 1-year period	7.08%
Best Month	15.22% Jul-09
Worst Month	-16.21% Oct-08

Portfolio Breakdown

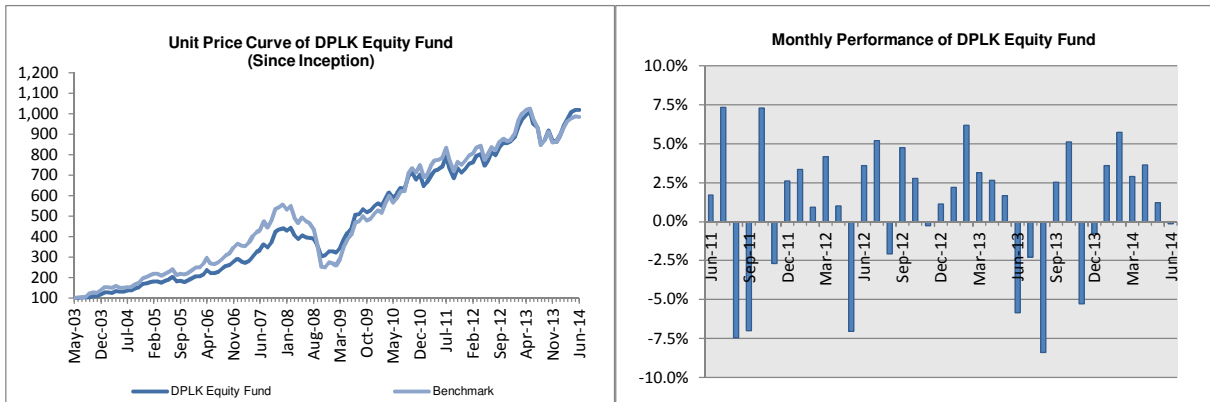
Equity	88.49%
Cash/Deposit	11.51%

Top Five Stocks Holding

BANK CENTRAL ASIA	7.30%
TELEKOMUNIKASI	6.78%
BANK MANDIRI	6.44%
ASTRA INTERNATIONAL	6.18%
BANK RAKYAT INDONESIA	5.99%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
DPLK Equity Fund	-0.15%	4.76%	18.07%	7.08%	37.83%	18.07%	918.93%
Benchmark*	-0.31%	2.31%	14.14%	1.24%	25.46%	14.14%	886.02%

*Jakarta Composite Index (JCI)



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 80.47
Risk Profile	: Aggressive Investor
Launch Date	: 31 May 2003
Fund Currency	: Indonesian IDR
Managed by	: PT. Asuransi Allianz Life Indonesia

Pricing Frequency	: Daily
Price per Unit	
(As of June 30, 2014)	: IDR 1,018.93

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in June at 0.43% mom (vs consensus 0.47%, inflation 0.16% in May) caused by higher food ingredients, processed food, beverages, and tobacco prices while direct impact of May's electricity tariff hike was limited as it only involved high-end household customers. However, starting July, the impact may increase as mid-size households will also see tariff hikes averaging 9% every two months. On yearly basis, inflation printed at 6.70% yoy (vs consensus 6.79%, 7.32% in May). Core inflation rose to 4.81% yoy (vs consensus 4.80%, 4.66% in May). In the Board of Governors' Meeting on Jun 12th, 2014, BI maintained its reference rate at 7.5%, Lending Facility at 7.5%, and the deposit facility rate (FASBI) at 5.75%. Rupiah depreciated against USD by -3.08% to 11,969 at end of June compared to previous month 11,611. Trade balance was surplus +70mn USD (non-oil and gas surplus 1.4mn, oil and gas deficit -1.33mn USD) in May (vs consensus deficit -100mn USD, deficit -1.962bn USD in Apr). Export decreased by -8.11% YoY mostly driven from vehicles and parts. While imports decreased by -11.43% YoY.

The JCI (Jakarta Composite Index) closed lower in June at 4,878.58, declining by -0.31% MoM. Large cap stocks including TLKM, BMRI, INCO, EXCL, and PWON saw notable losses, all of which fell by -4.27%, -4.42%, -9.20%, -6.85%, and -14.46% MoM respectively. There were also movers that supported the index which includes ASII, SCMA, KLBK, BBKA, and UNTR appreciated by +2.83%, +13.09%, +7.79%, +2.09%, and +6.57% MoM respectively. Investors have been largely absent from the market over the last month, where foreign flows decreased to US\$229.7mn (vs. US\$706.6mn in May-14) in view of the presidential election and its uncertainty over the outcome. The election remains a key focus for investors, foreign in particular, as investors typically view a Jokowi win as favorable and Prabowo win would be seen as a negative. Given the fact that more and more reports to suggest that the election will be a tight race between the two presidential candidates, investors became cautious and decide to simply wait for the outcome of the post-election quick count results. Aside from politics, Indonesia's macro indicators are also of concern as inflation pressure is not expected to ease in near future as there are progressive bi-monthly electricity tariff hike and a combination of weaker rupiah and higher oil prices are also in the horizon. Hence a scenario of worsening trade balance and slower economic growth should not be ruled out. Sector wise, the Property Sector was the worst performing sector this month where it fell -6.47% MoM. BKSL (Bukit Sentul) and BEST (Bekasi Fajar) fell -27.89% and -16.44% MoM respectively. This was followed by the Mining Sector that fell by -4.55% MoM, which was driven by BUMI (Bumi Resource) and TINS (Timah) which fell by -15.00% and -11.58% MoM respectively. On the other hand, the Trading and Distribution Industry Sector was the best performing this month which advanced +3.39% MoM, driven by BRMS (Bumi Resources Mineral) and SCMA (Surya Citra Media) rose by +25.65% and +13.09% MoM respectively.

Disclaimer:

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