

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	25.68%
Best Month	15.22% Jul-09
Worst Month	-16.21% Oct-08

Portfolio Breakdown

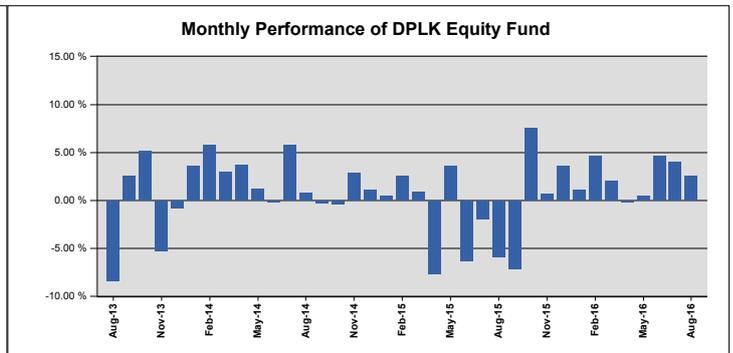
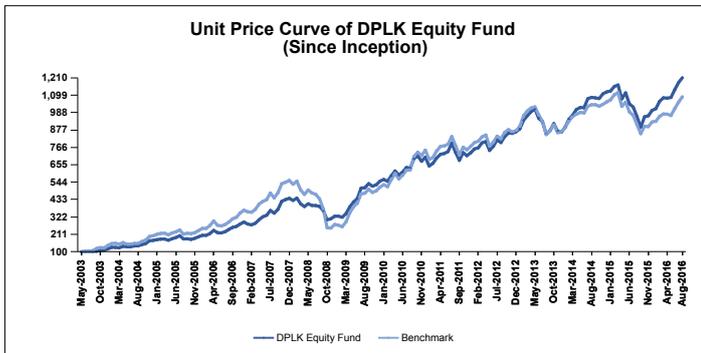
Equity	92.21%
Cash/Deposit	7.79%

Top Five Stocks Holding

Telekomunikasi Indonesia	8.74%
Bank Central Asia	7.84%
Hanjaya Mandala Sampoerna	7.72%
Unilever Indonesia	6.09%
Bank Rakyat Indonesia	5.40%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
DPLK Equity Fund	2.61%	11.57%	14.14%	25.68%	42.12%	20.78%	1110.27%
Benchmark*	3.26%	12.28%	12.89%	19.44%	28.39%	17.27%	988.59%

*Jakarta Composite Index (JCI)



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 106.15	Pricing Frequency	: Daily
Risk Profile	: Aggressive	Price per Unit	
Launch Date	: 31 May 2003	(As of Aug 31, 2016)	: IDR 1,210.2704
Fund Currency	: Indonesian Rupiah		
Managed by	: DPLK Allianz Indonesia		

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Aug's deflation at -0.02% mom (vs consensus inflation +0.02%, inflation +0.69% in Jul 2016) mostly was caused by lower food ingredients, communication and transportation cost also financial services. On yearly basis, inflation lower to 2.79% YoY (vs consensus 3.02%, 3.21% in Jul 2016). Core inflation printed at 3.32% YoY, lower than previous month (3.49% in Jul 2016). In the Board of Governors' Meeting on 18-19 Aug 2016, Bank Indonesia maintained its 7-day Reverse Repo Rate at 5.25%, Deposit Facility (DF) however reduced the Lending Facility (LF) by 100bps from 7.00% to 6.00%. Rupiah depreciated by -1.57% to 13,300/USD at end of July as opposed to 13,094/USD previous month. Trade balance booked a surplus of +US\$0.6bn (non-oil and gas surplus +US\$1.07bn, oil and gas deficit US\$-0.48bn) in Jul 2016. Export fell by -17.02% YoY mostly driven by a reduction in exports of jewelry, while imports fell by -11.56% YoY. FX Reserves rose by US\$2,13bn from US\$111,41bn in Jul 2016 to US\$113,54bn in Aug 2016 on the back of revenue from tax, and oil-gas, as well as proceeds from Bank Indonesia's FX bills, known as SBBI. Reserves are sufficient for 8.7months imports or 8.3months imports and government external debt payments.

The JCI (Jakarta Index) closed higher in August, gaining +3.26% MoM to close at 5,386.08 for the month. Movers were HMSP, BMRI, ASII, ICBP, and TPIA which recorded gain of +9.64%, +11.14%, +5.50%, +15.99%, and +78.69% MoM respectively. Meanwhile the laggards were EXCL, PGAS, GGRM, ISAT, and INDF which fell -23.45%, -8.21%, -4.63%, -9.49%, and -4.80% MoM respectively. The equity market continued to stay in positive territory, driven by foreign inflow amounting US\$3bn YTD. Strong inflow wasn't merely driven by the euphoria of tax amnesty program, but also supported by bold moves from Minister of Finance by cutting state expenditure of IDR 130tn as 2016 tax revenue target will likely be missed by IDR 219tn. Such moves showed that she brooks no nonsense in imposing budgetary discipline, which become another major positive for the index. Going forward, further improvements in the macroeconomic environment, stronger IDR, stable inflation and lower interest rate that will further support economic growth and corporate earnings. However, the execution of the tax amnesty is now the biggest concern, especially given the aggressive target of IDR 165tn. Investors were also concerned about the valuation as market has increased 23% YTD in USD terms, which makes risk-reward is not too attractive at this level. Bottom line, structural story on Indonesia is indeed evolving but will take time as it will be depend on the success of the implementation of the tax amnesty and how the current government continues to push infrastructure projects and encourage new investment to the manufacturing sector to replace the strong dependency on commodity exports. Sector wise, the Basic Industry Sector was the best performing sector this month, appreciating by +12.52% MoM. SMBR (Semen Baturaja) and TPIA (Chandra Asri Petrochemical) were the movers, gaining by +91.98% and +78.69% MoM respectively. This was followed by the Financial Sector that posted +5.95% MoM gains, driven by BEKS (Bank Pundi) and NISP (Bank NISP) which rose +83.52% and +55.13% MoM respectively. On the other side, Infrastructure Sector was the worst performing sector this month, losing by -3.68% MoM. LEAD (Logindo) and EXCL (XL Axiata) were the laggards, falling -24.68% and -23.45% MoM respectively.