

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	6.13%
Best Month	15.22% Jul-09
Worst Month	-16.21% Oct-08

Portfolio Breakdown

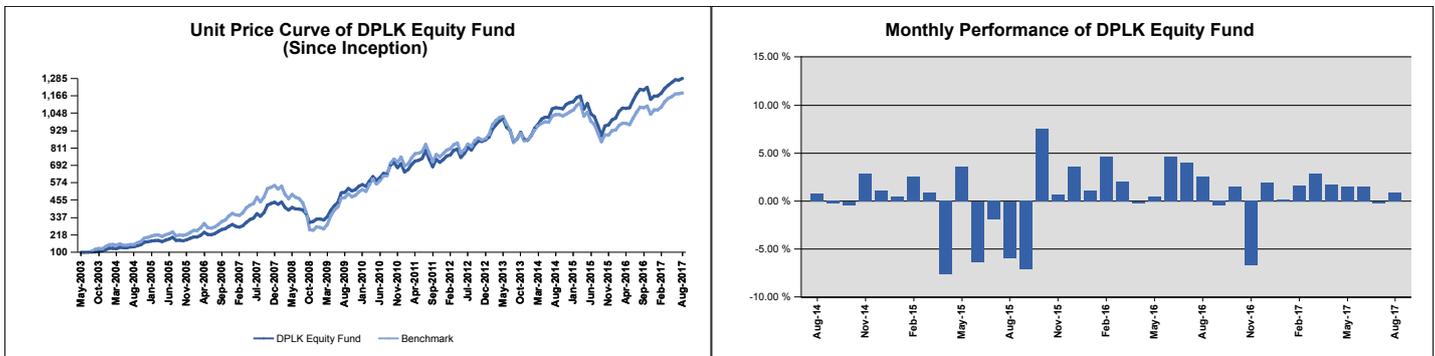
Equity	93.01%
Cash/Deposit	6.99%

Top Five Stocks Holding

Telekomunikasi Indonesia	8.45%
Bank Central Asia	7.29%
Unilever Indonesia	6.10%
Bank Rakyat Indonesia	5.78%
Hanjaya Mandala Sampoerna	5.01%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
DPLK Equity Fund	0.94%	2.23%	8.54%	6.13%	18.37%	10.38%	1184.51%
Benchmark*	0.40%	2.19%	8.86%	8.87%	14.16%	10.71%	1085.19%

*Jakarta Composite Index (JCI)



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 115.21
Risk Profile	: Aggressive
Launch Date	: 31 May 2003
Fund Currency	: Indonesian Rupiah
Managed by	: DPLK Allianz Indonesia

Pricing Frequency	: Daily
Price per Unit (As of Aug 31, 2017)	: IDR 1,284.5093

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Aug 2017 deflation at -0.07% mom (vs consensus inflation +0.06%, inflation +0.22% in Jul 2017). On yearly basis, inflation was slightly lower to +3.82%yoy (vs consensus inflation 3.99%, +3.88% in Jul 2017). Core inflation was printed at +2.98% yoy (vs +3.05% in Jul 2017). Deflation was mainly caused by lower food ingredients prices, also transportation and communication. In the Board of Governors' Meeting on 22 Aug 2017, Bank Indonesia cut its 7-day Reverse Repo Rate by 25bps from 4.75% to 4.50%, also Deposit Facility (DF) from 4.00% to 3.75% and Lending Facility (LF) from 5.50% to 5.25%. Rupiah depreciated by -0.21% to 13,351/USD at end of Aug 2017 from 13,323/USD in previous month. Trade balance booked a deficit of USD 0.27bn (non-oil and gas surplus USD 0.33bn, oil and gas deficit USD 0.60bn) in Jul 2017. Export rose by +41.12% YoY mostly driven by mineral fuel, while imports rose by +54.02% YoY. Indonesia's foreign reserves increased USD 4.67bn to USD 127.76bn in Jul 2017 from USD 123.09bn in Jun 2017. The increase was primarily attributable to foreign exchange receipts, among other from global bond issuance, tax revenues, government oil and gas export proceeds, as well as auction of Bank Indonesia foreign exchange bills.

The JCI (Jakarta Composite Index) ended the month higher at 5864.06 (+0.4% MoM). Market movers were UNVR, HMSP, INTP, BBRI, and RIMO as they rose 3.27%, 2.54%, 13.14%, 2.37% and 44.29% MoM respectively. Market continued to appreciate further during the month of August despite foreign booked net outflow of US\$468mn, lack of positive catalysts in domestic and rising geopolitical risks from North Korea. Dissatisfaction over a flat 2Q17 GDP of +5.01% YoY (below consensus +5.08% YoY) became a concern as the private consumption growth, which contributes 57% of Indo's GDP, clocked in flat at +4.95% YoY (vs 1Q17: 4.94%), historically 2Q data was always stronger than 1Q. The combination between slower wallet size growth, electricity tariff hike, slower government spending realization and rising political tension in 1Q17 eroded purchasing power and deteriorate consumer confidence. As banking data suggests, Indonesians with accounts which had IDR 5bn or more (48% of total banking deposits) had a 15% growth on a YTD basis. Meanwhile those with accounts less than IDR 100mn had a 12% decline. The recent 25 bps rate cut is clearly a signal that monetary policy makers recognize these issues. In summary we are of the view that risk/reward in broad market sense looks less favorable given the modest growth going trajectory in the nearer term and recognize rising geopolitical risk as an external headwind. Sector wise, the Construction, Property and Real Estate Sector was the best performing sector during the week, gaining 3.24% MoM. Ticker wise, BKSL (Sentul City) and MKPI (Metropolitan Kentjana) were the movers, appreciating 63.04% and 21.04% MoM respectively. This was followed by the Infrastructure, Utilities and Transportation Sector which rallied 1.86% WoV. Ticker wise, IBST (Inti Bangun Sejahtera) and BUKK (Bukaka Teknik Utama) posted 92% and 54.32% MoM gains respectively. On the other hand, the worst sector during the week was the Trade, Service and Investment Sector, which recorded a decline of 2.86% MoM. Ticker wise, ICON (Island Concepts Indonesia) and SQMI (Renuka Coalindo) were the laggards which fell 26.4% and 24.44% MoM respectively.