

# DPLK EQUITY FUND

## July 2018

### 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).

### Return Performance

Last 1-year Period	-0.86%
Best Month	Jul-09 15.22%
Worst Month	Oct-08 -16.21%

### Portfolio Breakdown

Equity	88.90%
Cash/Deposit	11.10%

### Top Five Stocks Holding

Bank Central Asia	8.69%
Hanjaya Mandala Sampoerna	7.20%
Bank Mandiri Persero	4.76%
Astra International	4.34%
Bank Rakyat Indonesia	4.15%

### Key Fund Facts

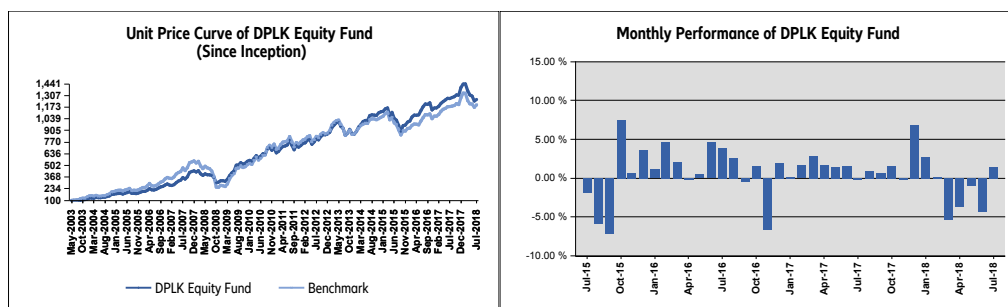
Fund Size (in bn IDR)	IDR 117.53
Risk Profile	Aggressive
Launch Date	31 May 2003
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily

Price per Unit	
(As of Jul 31, 2018)	IDR 1,261.6182

Managed by DPLK Allianz Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
DPLK Equity Fund	1.42%	-4.01%	-12.34%	-0.86%	23.27%	-9.92%	1161.62%
Benchmark*	2.37%	-0.97%	-10.13%	1.64%	23.61%	-6.60%	1099.82%

\*Jakarta Composite Index (JCI)



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced July 2018 inflation at +0.28% mom (vs consensus inflation +0.24%, +0.59% in June 2018). On yearly basis, inflation was +3.18% yoy (vs consensus inflation +3.20%, +3.12% in June 2018). Core inflation was printed at +2.87% yoy (vs consensus inflation +2.74%, +2.72 in June 2018). The slowing down of inflation was caused by deflation on 'administered price' group, such as fare decrement of air freight and intercity transport, while the biggest contributor of the inflation itself was the increase of egg and chicken price. In the Board of Governors' Meeting on 18th -19th July 2018, Bank Indonesia kept unchanged the BI 7-day Reverse Repo Rate at 5.25%, the Deposit Facility (DF) rates at 4.50% and Lending Facility (LF) rates at 6.00%. Rupiah depreciated by -0.59% to 14,414 /USD at end of June 2018 from 14,330/USD in previous month. Indonesia's trade balance in June 2018 recorded surplus of USD 1.743bn vs consensus USD 0.968bn. Non-oil and gas trade balance in June 2018 recorded surplus at USD 2.1bn, better than previous month which was deficit amounting to USD -0.28bn. Meanwhile, oil and gas trade balance recorded deficit to USD -0.4bn in June 2018, which lower from deficit on May 2018 amounting to USD -1.244bn. Indonesia's economy grew 5.27% yoy in Q2 2018 (vs previous 5.06%, consensus 5.12%), and 4.2% qoq (vs previous -0.40%, market 4.07%), helped by high consumption during the Muslim fasting month and Lebaran Holiday. Private consumption, which accounts for more than half of Indonesia's gross domestic product, grew 5.14% yoy in Q2 2018 (vs previous 4.79%). Indonesia's foreign reserve assets stood at USD 118.3 billion as of end-July 2018, lower than the end of Jun 2018 level at USD 119.8 billion. The decline in the reserve assets in July 2018 was mainly due to government external debt repayment and rupiah stabilization in the midst of remained high uncertainty of global financial market.

The JCI ended the month higher at 5,936.44 (+2.37% MoM). Market movers were BBKA, HMSP, BBRI, ASII, and BYAN as they rose 8.38%, 7.26%, 8.1%, 8.33% and 35.97% MoM respectively. The stock market moved positively last month following the regional and global markets as trade war concerns between US and China was muted at least temporarily. The acceleration on US's 2Q18 earnings report also brought positive sentiment to the US market as well. On the domestic side, foreign investors started buying this month amounting US\$70mn after massive outflows of US\$3.7bn in the 5 consecutive months. Improvement in several leading economic indicators such as credit growth, 2W and 4W sales, and cement sales have made investors become more optimistic towards 2Q18 GDP growth outlook. That being said however, we see limited tailwind to push faster than anticipated economic activity in the medium term. Concerns of IDR depreciation could lead to as twin deficit situation (Current Account and Trade Balance) for Indonesia remains a key concern for the rest of the year. Tightening monetary policy along with the trend of rising global interest rates could also start to adversely affect economic growth at one point in time. Sector wise, the Mining Sector was the best performing sector during the week, gaining 9.84% MoM. Ticker wise, BYAN (Bayan Resources) and ITMG (Indo Tambora Raya Megah) were the movers, appreciating 35.97% and 27.26% MoM respectively. This was followed by the Miscellaneous Industries Sector which rallied 6.01% MoM. Ticker wise, POLY (Asia Pacific Fibers) and KBLM (Kabelindo Murni) posted 49.22% and 23.93% 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 1.81% MoM. Ticker wise, SILO (Siloam International Hospitals) and FISH (FKS Multi Agro) were the laggards which fell 40.29% and 26.98% MoM respectively.

#### Disclaimer:

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