

# DPLK EQUITY FUND

## July 2019

### 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		12.62%
Best Month	Jul-09	15.22%
Worst Month	Oct-08	-16.21%

### Portfolio Breakdown

Equity	91.28%
Cash/Deposit	8.72%

### Top Five Stocks Holding

Bank Central Asia	10.43%
Bank Rakyat Indonesia	7.55%
Telekomunikasi Indonesia	5.92%
Hanjaya Mandala Sampoerna	5.83%
Bank Mandiri Persero	5.11%

### Key Fund Facts

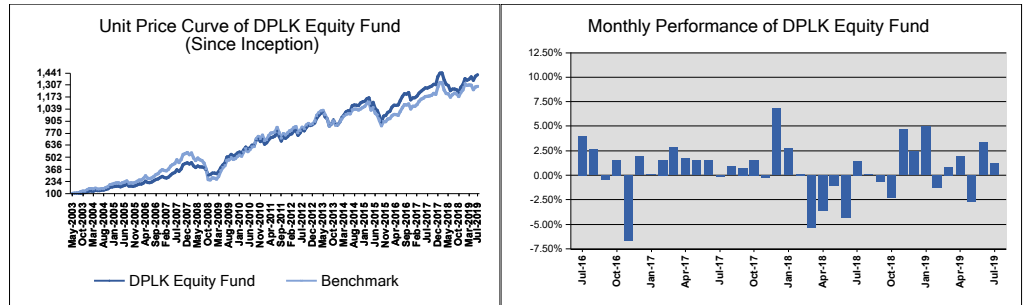
Fund Size (in bn IDR)	IDR 137.85
Risk Profile	Aggressive
Launch Date	31 May 2003
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily

<b>Price per Unit</b>	
(As of Jul 31, 2019)	IDR 1,420.7897

Managed by DPLK Allianz Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
DPLK Equity Fund	1.15%	1.65%	3.12%	12.62%	20.46%	8.27%	1320.79%
Benchmark*	0.50%	-1.00%	-2.18%	7.65%	22.52%	3.16%	1191.60%

\*Jakarta Composite Index (JCI)



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced July 2019 inflation at +0.31% mom (vs consensus inflation +0.26%, +0.55% in June 2019). On yearly basis, inflation was +3.32% yoy (vs consensus inflation +3.30%, +3.28% in June 2019). Core inflation was printed at +3.18% yoy (vs consensus inflation +3.16%, +3.25% in June 2019). The inflation was mostly contributed by increasing volatile food group (especially, red chili pepper) and also increasing the gold price. In the Board of Governors' Meeting on 17th and 18th July 2019, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 5.75%, while also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 5.00% and 6.50%, respectively. The reason for this policy is due to Indonesia's inflation is lower enough and this policy also expected to boost the increasing of economic growth. LPS follow this move by lowered the guaranteed rate as well by 25bps to 6.75%. Rupiah appreciated by +0.81% to 14,026/USD at end of July 2019 from 14,141/USD in previous month. Indonesia's trade balance recorded surplus amounting to USD 0.196bn in June 2019 vs previous month surplus USD 0.208bn. The surplus was contributed by export for non-oil & gas sector, especially mineral fuels (ex oil & gas product). Both of export and import for non-oil & gas sector were declining in this month, however the declining of non-oil & gas import was deeper than export. Non-oil and gas trade balance in June 2019 recorded surplus USD 1.164bn, slightly declining than the previous month which was resulting surplus amounting to USD 1.186bn. Meanwhile, oil and gas trade balance still recorded deficit to USD -0.967 in June 2019, slightly better than deficit on May 2019 amounting to USD -0.978bn. The deficit was caused by higher oil products imports. Indonesia's economy grew 5.05% yoy in Q2 2019 (vs previous 5.07%, consensus 5.04%), and 4.20% qoq (vs previous -0.52%, consensus 4.20%). This growth was lower compared with previous growth both of on quarter basis and annual basis. The lower growth was caused by declining of commodities price, such as crude oil and crude palm oil. The impact of global slowing down also hurt Indonesia's growth. Private consumption, which accounts for more than half of Indonesia's gross domestic product, grew 5.17% yoy in Q2 2019 (vs previous 5.01%) which was caused by higher consumption on election period and followed by Ramadhan and Idul Fitri. Indonesia's official foreign reserve as of July 2019 was at USD 125.9 billion, higher than June 2019's number at USD 123.8 billion. The increment in the reserve assets per July 2019 was due to higher export earnings from oil and gas and withdrawal of gov't's offshore borrowings.

The JCI ended the month higher at 6,390.51 (+0.5% MoM). Market movers were TPIA, BBKA, TLKM, BBRI, and BRPT as they rose 26.26%, 3.25%, 3.86%, 2.75% and 20.87% MoM respectively. The stock market was relatively flat on a month on month basis with some optimism as the BI signaled rate easing cycle where they decided to cut its BI rate by 25bps to 5.75%. The IDR was relatively stable at the ~IDR14,000/USD level throughout the month. On the flip side to the optimism, broad market earnings growth trajectory with 1H19 results showed some weakness. We still expect a 9-11% EPS growth for FY19. The potential escalation of the US-China trade tension over the coming months could also put market sentiments on the downside bearing in mind that market valuation is approximately at mean which gives room for sentiment (valuation) to move negatively. Nonetheless Indonesia seems to be able to show higher growth numbers in a relative sense as global PMI slowed to below 50. Sector wise, the Basic Industry Sector was the best performing sector during the week, gaining 7.73% MoM. Ticker wise, TPIA (Chandra Asri Petrochemical) and APLI (Asiaplast Industries) were the movers, appreciating 26.26% and 22.45% MoM respectively. This was followed by the Construction, Property and Real Estate Sector which rallied 2.28% WoW. Ticker wise, BKSL (Sentul City) and RBMS (Ristia Bintang Mahkotasejati) posted 16.41% and 15.19% MoM gains respectively. On the other hand, the worst sector during the week was the Mining Sector, which recorded a decline of 4.64% MoM. Ticker wise, TOBA (Toba Bara Sejahtera) and SMRU (SMR Utama) were the laggards which fell 24.35% and 23.94% MoM respectively.

#### Disclaimer:

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