

# DPLK EQUITY FUND

## July 2021

### 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		25.48%
Best Month	Jul-09	15.22%
Worst Month	Mar-20	-19.57%

### Portfolio Breakdown

Equity	89.23%
Cash/Deposit	10.77%

### Top Five Stocks Holding

Bank Central Asia	9.60%
Bank Rakyat Indonesia	6.76%
Bank Jago	6.58%
Telekomunikasi Indonesia	4.82%
Tower Bersama Infrastruct	4.64%

### Key Fund Facts

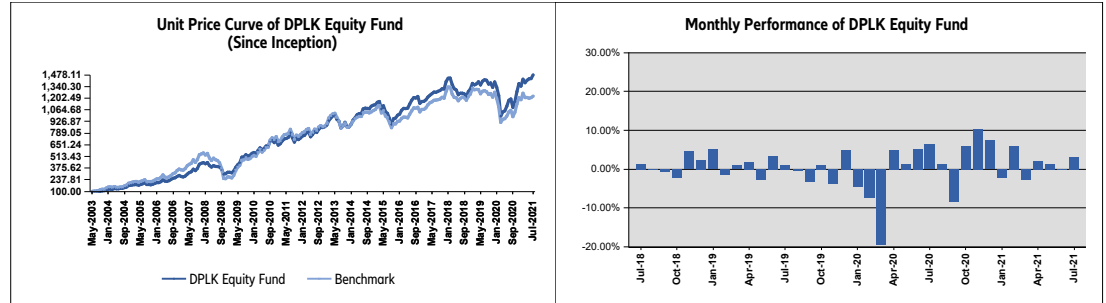
Fund Size (in bn IDR)	IDR 155.24
Risk Profile	Aggressive
Launch Date	31 May 2003
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	105,025,516.0315

<b>Price per Unit</b>	
(As of Jul 30, 2021)	IDR 1,478.1084

Managed by DPLK Allianz Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
DPLK Equity Fund	3.04%	4.50%	9.85%	25.48%	17.16%	7.44%	1378.11%
Benchmark*	1.41%	1.24%	3.54%	17.87%	2.25%	1.52%	1126.83%

\*Jakarta Composite Index (JCI)



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced July 2021 inflation at +0.08% mom (vs consensus inflation +0.01%, -0.16% on June 2021). On yearly basis, inflation was +1.52% yoy (vs consensus inflation +1.47%, +1.33% on June 2021). Core inflation was printed at +1.40% yoy (vs consensus inflation +1.43%, +1.49% on June 2021). The higher July inflation was contributed by the administered price group which was impacted by the higher tobacco price, and also volatile food group which was caused by the lower supply of several goods on the back of harvest time. The BI Board of Governors agreed on 21-22 July 2021 to hold the BI 7-Day Reverse Repo Rate to be 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates to be 2.75% and 4.25%, respectively. This policy is to maintain Rupiah stability in the middle of global uncertainty and also the lower inflation. Rupiah appreciated against USD by +0.55% from 14,542 at end of June 2021 to 14,462 at end of July 2021. Indonesia's trade balance recorded surplus amounting to USD +1,316mn in June 2021 vs previous month surplus USD +2,360mn. The lower of trade surplus was affected by the better growth of import number, especially non-oil and gas sector (capital goods imports), however the growth of gas export number also showed improvement on the back of higher global oil price. Non-oil and gas trade balance in June 2021 recorded surplus USD +2,382mn, which was lower than the previous month that recorded trade surplus amounting to USD +3,485mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,066mn in June 2021, which was lower than the deficit on May 2021 amounting to USD -1,125mn. Indonesia's economy grew by +7.07% YoY in Q2 2021 (vs previous -0.74% on Q1 2021), and +3.31% QoQ (vs previous -0.96% on Q1 2021). The better YoY growth was mainly caused by the low base effect which last year GDP contracted by -5.32% YoY. In terms of business sector, the positive growth was happened on all of sectors, especially Manufacturing Sector (the highest) which grew +1.35% YoY. While, in terms of expense, the highest growth came from the household consumption by +3.17% YoY. Indonesia's official foreign reserve in the end of July 2021 was at USD 137.3billion, slightly higher than June 2021 number at USD 137.1billion due to the Government's Global Bond Issuance as well as tax and services receipts.

The JCI ended the month higher at 6,070.04 (+1.41% MoM). Market movers were ARTO, BBHI, POLL, EMTK, and BRIS as they rose 31.74%, 126.43%, 128.57%, 10.00% and 14.35% MoM respectively. Global equity markets movement during the month of July was mixed, on the back of the spread of COVID delta variants spreads sparking lockdowns and hence concerns over slower economic recovery trajectory. US equities recorded its new highs in July due to strong 2Q21 GDP growth as well as better than expected 2Q21 corporate earnings. Equities within Asia however, were pulling back as China's regulators intervened on the tech sector. As such, the return gap between DM and EM equity market since the start of 2021 has continued to widen. Locally, Indonesia's economic activity is set to improve after several encouraging leading indicators such as property pre-sales numbers, cement volumes as well as retail sales are on the rise. Daily Covid cases in Indonesia reached a new high at 56k cases/day in mid-July (from 20k/day in June) which triggered the government to impose strict mobility restrictions. Despite the new restrictions will result in a reduction in mobility and slower economic activity within the next 1-2 months, increased number of daily testing and vaccination doses should help to reduce growing new infections going forward and help fuel economic activity over the longer term. Valuation wise, despite its fair valuation of 17.2x FY21 P/E at the moment, the interest towards Indonesia equity market has improved on the back of upcoming tech IPOs. Sector wise, the Technology Sector was the best performing sector during the month, gaining 9.62% MoM. Ticker wise, TFAS (Telefast Indonesia) and DMMX (Digital Mediatama Maxima) were the movers, appreciating 99.14% and 98.73% MoM respectively. This was followed by the Consumer Cyclical Sector which rallied 8.21% MoM. Ticker wise, ABBA (Mahaka Media) and MASA (Multistrada Arah Sarana) posted 152.10% and 102.34% MoM gains respectively. On the other hand, the worst sector during the month was the Consumer Non-Cyclicals Sector, which recorded a decline of 6.31% MoM. Ticker wise, GGRM (Gudang Garam) and UNVR (Unilever Indonesia) were the laggards which fell 25.79% and 14.75% MoM respectively.

### About Allianz Indonesia

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