

# Group Link Equity Fund

## January 2013



### 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 through stocks or indirectly through mutual funds).

### PERFORMANCE INDICATOR

#### Return Performance

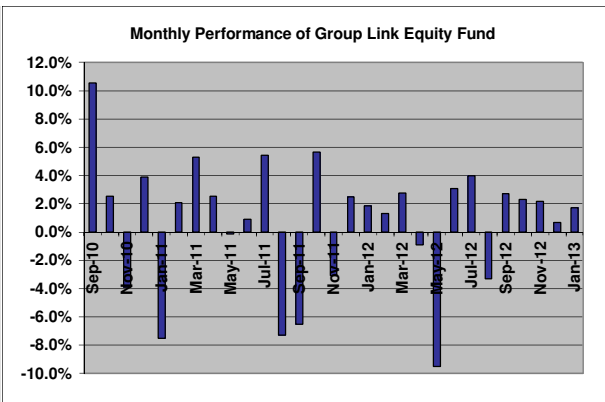
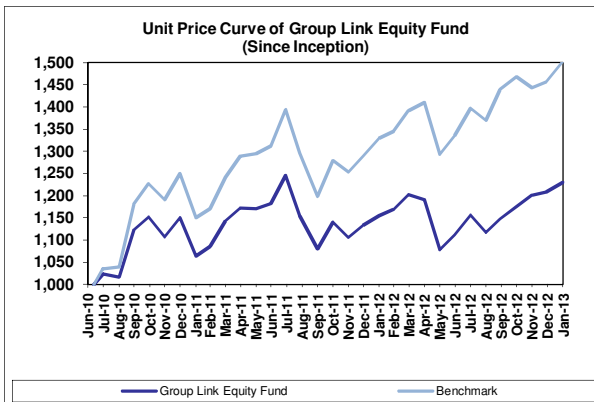
Last 1-year period **6.50%**  
 Best Month **10.56% Sep-10**  
 Worst Month **-9.51% May-12**

#### Portfolio Breakdown

Mutual Fund - Equity **87.80%**  
 Cash/Deposit **12.20%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception	Compound Annual Growth Rate
Group Link Equity Fund	1.74%	4.67%	6.38%	6.50%	NA	1.74%	22.93%	8.96%
Benchmark*	3.17%	2.38%	7.52%	12.99%	NA	3.17%	50.25%	19.64%

\*Jakarta Composite Index (JCI)



### KEY FUND FACTS

**Fund Size (in mn IDR)** : IDR 714.17  
**Risk Profile** : Aggressive Investor  
**Launch Date** : 12 July 2010  
**Fund Currency** : Indonesian IDR  
**Managed by** : PT. Asuransi Allianz Life Indonesia

**Pricing Frequency** : Daily  
**Price per Unit**  
 (As of Jan 31, 2013) **1,229.34**

### MANAGER COMMENTARY

Indonesia January's Inflation increased due to massive floods disturbing distribution of goods and services, i.e. Jan CPI YoY 4.57% (consensus 4.47%) vs Dec 4.30%, Jan MoM 1.03% (consensus 0.89%) vs Dec 0.54%. Jan Core inflation was lower due to low base effect, YoY 4.32% vs Dec 4.40%. Higher food prices (3.39% mom) contributed mostly to higher monthly January inflation. BI maintained its reference rate unchanged at 5.75% on 10 Jan 2013's meeting, due to manageable inflation. Rupiah weakened against USD by -0.67% to 9744 as of end of Jan from 9679 in previous month. Indonesia's December trade balance showed an improvement from -\$0.479bn in Nov to -\$0.15 bn in Dec. Export decreased by -5.58% MoM to US\$ 15.41bn while imports decreased by -8.11% MoM to US\$ 15.56bn. Indonesia's Q4 GDP growth reported at 6.11% yoy (survey 6.2% yoy, Q3 2012 6.17% yoy), leading to a full-year average of 6.2% yoy.

The JCI ended the month of January by appreciating +3.17% to close at 4,453.70 with inflation rising by 1.03% MoM in January caused some of the bond investors to shift to equities. Heavy rain and flood have disturbed distribution of raw food and vegetables and caused higher prices. It is reported that prices of egg increased to IDR20,000/kg (+11%), cooking oil upped to IDR10,000/kg (+5.2%), and peanuts rose to IDR21,000/kg (+16.6%) since end of last year. In addition, the 2012 trade balance recorded a deficit of -US\$ 1.6 milyar and a fuel subsidy quota exceeding the 40 million to 45 million kl. quota became a main concern for investors fearing that if not well controlled by the government, it would sacrifice its state budget going forward. However, strong foreign inflows were seen, buying into large caps as risk appetite increases. Index wise, as seen on LQ45 Index (top 45 stocks based on market cap) recorded monthly gains higher than JCI, at +3.57% MoM. As the largest sector based on weights, the banking sector, recorded a significant increase in this month as BBRI (Bank Rakyat Indonesia), BMRI (Bank Mandiri), BCCA (Bank Central Asia), and BNNI (Bank Negara Indonesia) each posted +14.39%, +11.73%, +6.04%, and +6.08% MoM gains respectively. Furthermore, Property Sector managed to gain +11.38% MoM, driven by one of the largest residential developers namely BSDE (Bumi Serpong Damai) appreciating by +26.13% MoM, followed by ASRI (Alam Sutera) and BKSJL (Bukit Sentul) appreciating +34.92% and +28.33% MoM respectively. Mining names, INCO (Vale Indonesia) also rose +17.02% as China's strong 4Q12 GDP growth fortified expectations of higher nickel price. On the contrary, the other large caps such as ASII (Astra International), GGRM (Gudang Garam) dan EXCL (XL Axiata) fell by -3.29%, -7.90%, and -12.28% MoM respectively. ASII (Astra International) fell as investors switched to stocks that have higher risk-reward profile in regards to valuations and better earnings risk. GGRM (Gudang Garam) fell on the back of cigarette industry being seen as matured coupled with higher excise tax this year to 8.5% (previously 7%). EXCL (XL Axiata) which has continued to fall by nearly 27% over the last three months was due to the anticipation of poor FY12 results.

#### Disclaimer:

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