

# Group Link Equity Fund

## July 2014



### 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

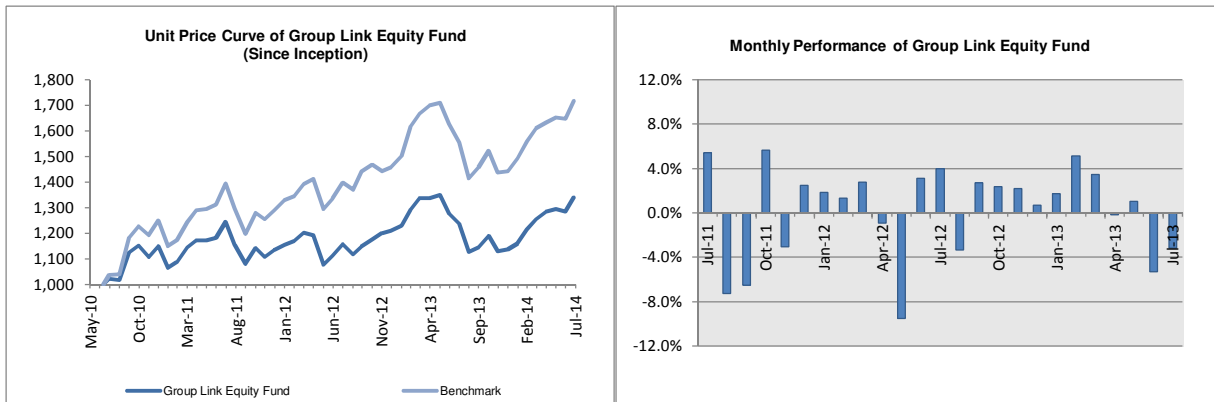
Last 1-year period **8.30%**  
 Best Month **10.56% Sep-10**  
 Worst Month **-9.51% May-12**

#### Portfolio Breakdown

Mutual Fund - Equity **80.04%**  
 Cash/Deposit **19.96%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Group Link Equity Fund	4.35%	4.28%	15.59%	8.30%	7.60%	18.00%	34.01%
Benchmark*	4.31%	5.14%	15.16%	10.38%	23.19%	19.06%	71.68%

\*Jakarta Composite Index (JCI)



### KEY FUND FACTS

**Fund Size (in mn IDR)** : IDR 727.98  
**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 July 25, 2014)** : IDR 1,340.09

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in Jul at 0.93% mom (vs consensus 0.82%, 0.43% in Jun) caused by higher food ingredients, processed food, beverages, and tobacco prices, as well as increasing impact of the July's electricity tariff hike for mid-size households – averaging 9% every two months. On yearly basis, inflation printed at 4.53% YoY (vs consensus 4.40%, 6.70% in Jun) as the base effect on the back of last year's June fuel price increase has diminished. Core inflation fell to 4.64% YoY (vs consensus 4.80%, 4.81% in Jun). In the Board of Governors' Meeting on Jul 10<sup>th</sup>, 2014, BI maintained its reference rate at 7.5%, Lending Facility at 7.5%, and the deposit facility rate (FASBI) at 5.75%. Rupiah appreciated against USD by +3.16% to 11,591 at end of Jul compared to previous month 11,969. Trade balance was deficit -0.31bn USD (non-oil and gas surplus +0.30bn, oil and gas deficit -0.60bn USD) in Jun (vs consensus deficit -0.39bn USD, surplus +0.07bn USD in May). Export increased by +4.45% YoY mostly driven from jewelry, while imports increased by +0.54% YoY.

The JCI (Jakarta Composite Index) appreciated in July, advancing by +4.31% MoM to close at 5,088.81 for the month. Large cap stocks including BBRI, TLKM, ASII, BBCA, and BMRI posted respectable gains, all of which rose by +8.47%, +7.51%, +6.19%, +5.45%, and +5.40% MoM respectively. On the flip side, there were tickers that dragged the index, which includes BMTR, BDMN, AALI, MNCN, and SIMP falling by -9.65%, -7.00%, -5.24%, -5.25%, and -11.39% MoM respectively. Political condition in the country remains to be under control despite the Prabowo-Hatta band camp announcing that they will appeal to constitutional court after the Election Committee declaring Jokowi-Jusuf Kalla as the winner of the president and vice president election on 22nd Jul 2014. Jokowi led with 53.12% of total votes while Prabowo-Hatta grabbed 46.88% of total votes. The Jokowi-JK band camp won by 6.24% or the equivalent of 8mn people. Foreign Investors reacted positively on the election result which resulted in booking a net inflow of US\$ 1.1bn. The additional net inflow brought the YTD 2014 foreign inflows to US\$4.4bn which was a historical high over the last decade. Sentiments continue to be favorable however broad market valuations on most tickers have become more expensive since earnings expectations are not expected to change significantly in the near term. Sector wise, the Property Sector was the best performing sector this month where it appreciated +12.53% MoM. BEST (Bekasi Fajar) and CTRA (Ciputra Development) rose +39.81% and +24.86% MoM respectively. This was followed by the Basic Industry Sector that posted +7.09% MoM gain, driven by INTP (Indocement) and SMGR (Semen Gresik) which appreciated by +10.64% and +9.95% MoM respectively. On the other hand, the Agriculture Sector was the worst performing this month which lost -5.84% MoM, laggards includes SIMP (Salim Ivomas) and LSIP (London Sumatera) which fell by -11.39% and -9.29% MoM respectively. Lower CPO price to MYR 2,345.5/ton (-5.58% YoY) on the back of higher CPO production seasonality and higher probability of el-nino that being delayed.

#### Disclaimer:

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