

# Group Link Equity Fund May 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

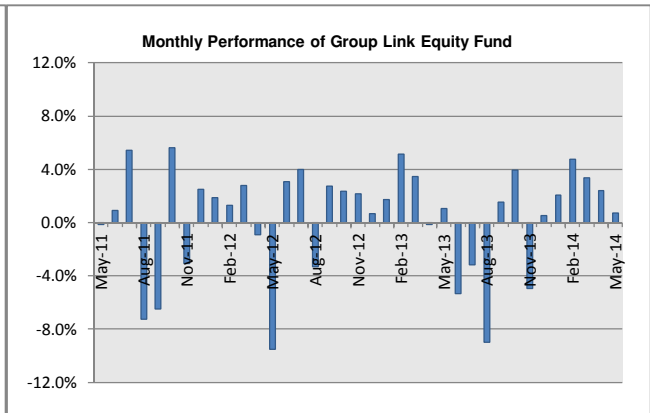
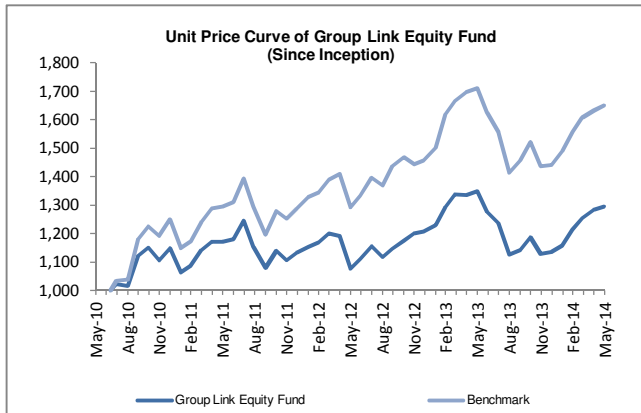
Last 1-year period	-4.09%
Best Month	10.56% Sep-10
Worst Month	-9.51% May-12

#### Portfolio Breakdown

Mutual Fund - Equity	80.14%
Cash/Deposit	19.86%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Group Link Equity Fund	0.72%	6.57%	14.59%	-4.09%	10.56%	13.97%	29.44%
Benchmark*	1.11%	5.92%	14.98%	-3.45%	27.55%	14.50%	65.10%

\*Jakarta Composite Index (JCI)



### KEY FUND FACTS

<b>Fund Size (in mn IDR)</b>	: IDR 697.54	<b>Pricing Frequency</b>	: Daily
<b>Risk Profile</b>	: Aggressive Investor	<b>Price per Unit</b>	
<b>Launch Date</b>	: 12 July 2010	<b>(As of May 30, 2014)</b>	: IDR 1,294.35
<b>Fund Currency</b>	: Indonesian IDR		
<b>Managed by</b>	: PT. Asuransi Allianz Life Indonesia		

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in May at 0.16% mom (vs consensus 0.14%, deflation -0.02% in Apr) caused by higher processed food, housing and utilities prices. On yearly basis, inflation printed at 7.32% yoy (vs consensus 7.30%, 7.25% in Apr). Core inflation rose to 4.82% yoy (vs consensus 4.77%, 4.66% in Apr) on the back of increasing demand of air and train transportation ahead the school's holiday and Moslem's fasting month and 'Idul Fitri' celebration as well Rupiah depreciation. In the Board of Governors' Meeting on May 8<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 depreciated against USD by -0.68% to 11,611 at end of May compared to previous month 11,532. Trade balance was deficit -1.962bn USD (non-oil and gas deficit 902mn, oil and gas deficit 1.06bn USD) in April (vs consensus surplus +0.178bn USD, surplus +0.673bn USD in Mar). Export decreased by -3.16% YoY, while imports decreased by -1.26% YoY. Foreign reserves in May increased by +1.4bn USD (+1.33% MoM) from USD 105.6bn in April to USD 107bn in May.

The JCI (Jakarta Composite Index) closed slightly higher in May at 4,893.91, appreciating by +1.11% MoM. Several stocks including TLKM, BMRI, BBRI, TBIG, and SILO saw notable appreciation, all of which appreciated by +13.69%, +3.56%, +3.03%, +18.08%, and +36.36% MoM respectively. Politics wise, preliminary polls suggests that the race for presidency is going to be tight between the two presidential candidates which in turn creates uncertainty on who will govern the country for the next 5 years. Net buying flows slowed to US\$706.6mn (-7.63% MoM). That aside and looking into fundamentals, investors seemed less upbeat on concerns that slower economic growth is more than likely. So far 1Q14 GDP growth has been modest at 5.2% YoY which is slower than what investors had predicted at 5.6%. Partially the export ore ban is having a short term negative impact on growth. In addition to this, trade balance is expected to seasonally worsen in 2Q resulting from higher imports as we head towards the fasting Ramadan month. Sector wise, the Infrastructure Sector was the best performing sector this month where it appreciated +6.53% MoM, WINS (Wintemar Offshore) and TBIG (Tower Bersama) posted +19.80% and +18.08% MoM gains respectively. This was followed by the Mining Sector that appreciated by +4.71% MoM, which was driven by ESSA (Esa Surya Perkasa) and MEDC (Medco International) which rose +28.65% and +18.18% MoM respectively. On the other hand, the Miscellaneous Industry Sector was the worst performing this month which fell by -3.76% MoM, driven by AUTO (Astra Otoparts) and ASII (Astra International) falling by -5.63% and -4.71% MoM respectively. Potential higher cost from electricity tariff and slower 2W and 4W demand towards fasting month have brought down sentiments towards the respective names.

#### Disclaimer:

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