

GROUP LINK EQUITY FUND

January 2018

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).

Return Performance

Last 1-year Period		17.92%
Best Month	Sep-10	10.56%
Worst Month	May-12	-9.51%

Portfolio Breakdown

Mutual Funds - Equities	84.73%
Cash/Deposit	15.27%

Key Fund Facts

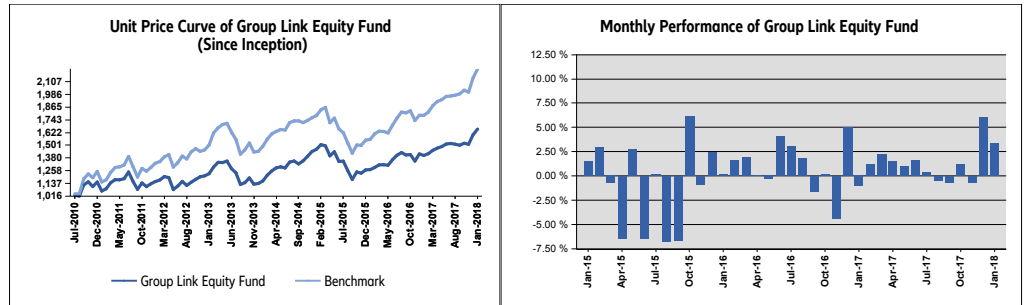
Fund Size (in bn IDR)	IDR 0.48
Risk Profile	Aggressive
Launch Date	12 Jul 2010
Fund Currency	Indonesian Rupiah

Price per Unit	
(As of Jan 31, 2018)	IDR 1,654.48

Managed by PT Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Group Link Equity Fund	3.37%	8.88%	9.02%	17.92%	13.14%	3.37%	65.45%
Benchmark*	3.93%	9.99%	13.09%	24.77%	24.88%	3.93%	122.85%

*Jakarta Composite Index (JCI)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Jan 2018 inflation at +0.62% mom (vs consensus inflation +0.70%, +0.71% in Dec 2017). On yearly basis, inflation was lower to +3.25%yoy (vs consensus inflation +3.33%, +3.61% in Dec 2017). Core inflation was printed at +2.69%yoy (vs consensus inflation +2.80%, +2.95% in Dec 2017). The controlled inflation is primarily attributable to administered prices whose deflation and core inflation remain controlled amidst the increasing inflation of volatile food. In the Board of Governors' Meeting on 18 Jan 2018, Bank Indonesia maintained the BI 7-day Reverse Repo Rate at 4.25%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 3.50% and 5.00% respectively. Rupiah appreciated by +0.99% to 13,413/USD at end of Jan 2018 from 13,548/USD in previous month. Trade balance booked surplus of USD11.83bn FY2017 (non-oil and gas surplus increased USD 5.24bn to USD20.40bn, while deficit in oil and gas increased USD 2.93bn to USD 8.57bn), despite monthly deficit in Dec 2017 of USD -0.27bn. The Indonesia's actual GDP growth 4Q17 recorded 5.19%yoy, higher than that in the previous quarter of 5.06%yoy. Throughout 2017, economic growth is recorded 5.07%, higher compared to 5.03% in FY2016. Growth was mainly caused by investment (grew 6.2%yoy from 4.5% in FY2016), followed by net export (grew 21.2%yoy from 10% in FY2016), and government expenditure (grew 2.14%yoy from -0.14% in FY2016). Private consumption was relatively stable (4.95% from 5.01% FY2016). Indonesia's foreign exchange reserve in January 2018 reached USD131.98 billion January 2018, higher than the end of December 2017 level at USD130.2 billion. The increase was primarily attributable to foreign exchange receipts, among other form tax revenues and government oil & gas export proceeds, withdrawal of government foreign loan, as well as auction of Bank Indonesia foreign exchange bills.

The JCI ended the month higher at 6,605.63 (+3.93% MoM). Market movers were INKP, PGAS, ADRO, BBKA, and HMSP as they rose 73.61%, 49.14%, 31.72%, 3.77% and 3.59% MoM respectively. The index continued its gains in January, buoyed by positive sentiment both in domestic and global markets. As seen on the foreign net inflow of US\$123mn in Jan-18. Investors were more optimistic that Indonesian economy in 2018 will be stronger versus 2017. The combination of regional elections as well as government's program on Village Funds' "Cash for Work" is expected to improve purchasing power for middle to middle low income segment. In addition, relatively high & stable commodity prices is set to further benefit the economy particularly within the non-Java regions. That being said however, the risk of rising oil prices which has risen past US\$60/barrel is something that can't be ignored as it would have negative implications towards inflationary pressure. On the global side, global monetary normalization agenda from US and Europe in the medium term could trigger exchange rate volatility and changes in Global Fund's asset allocation within emerging markets. Sector wise, the Mining Sector was the best performing sector during the week, gaining 24.97% MoM. Ticker wise, ENRG (Energi Mega Persada) and GTBO (Garda Tujuh Buana) were the movers, appreciating 89.89% and 83.43% MoM respectively. This was followed by the Basic Industry Sector which rallied 11.51% WoW. Ticker wise, INKP (Indah Kiat Pulp & Paper Corp) and TKIM (Pabrik Kertas Tjiwi Kimia) posted 73.61% and 61.64% MoM gains respectively. On the other hand, the worst sector during the week was the Infrastructure, Utilities and Transportation Sector, which recorded a decline of 1.79% MoM. Ticker wise, CASS (Cardig Aero Services) and SDMU (Sidomulyo Selaras) were the laggards which fell 18.89% and 16.6% MoM respectively.

Disclaimer:

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