

GROUP LINK EQUITY FUND

October 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		-7.65%
Best Month	Sep-10	10.56%
Worst Month	May-12	-9.51%

Portfolio Breakdown

Mutual Funds - Equities	89.15%
Cash/Deposit	10.85%

Key Fund Facts

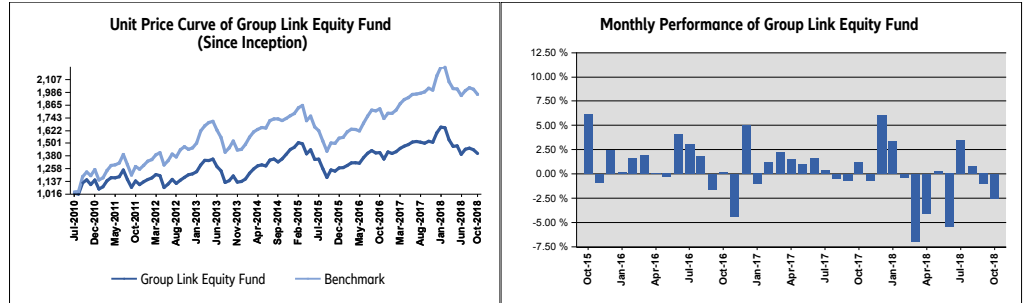
Fund Size (in bn IDR)	IDR 0.87
Risk Profile	Aggressive
Launch Date	12 Jul 2010
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily

Price per Unit	
(As of Oct 31, 2018)	IDR 1,403.20

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Group Link Equity Fund	-2.46%	-2.79%	-4.62%	-7.65%	12.61%	-12.33%	40.32%
Benchmark*	-2.42%	-1.77%	-2.72%	-2.90%	30.90%	-8.24%	96.74%

*Jakarta Composite Index (JCI)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced October 2018 inflation at +0.28% mom (vs consensus inflation +0.19%, -0.18% in Sep 2018). On yearly basis, inflation was +3.16% yoy (vs consensus inflation +3.06%, +2.88% in Sep 2018). Core inflation was printed at +2.94% yoy (vs consensus inflation +2.90%, +2.82 in Sep 2018). The inflation was contributed by increment of food stuff prices and fuel prices as impact of increasing of global crude prices. In the Board of Governors' Meeting on 22-23 October 2018, Bank Indonesia kept the BI 7-day Reverse Repo Rate unchanged at 5.75%, while also maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 5.00% and 6.50%, respectively. Rupiah depreciated by -2.00% to 15,227/USD at end of October 2018 from 14,929/USD in previous month. Indonesia's trade balance recorded a USD 0.227 billion surplus in Sep 2018 vs consensus USD -0.5 billion deficit. Non-oil and gas trade balance in Sep 2018 recorded surplus USD 1.297bn, better than the previous month which was surplus amounting to USD 0.639bn. Meanwhile, oil and gas trade balance recorded deficit to USD -1.07bn in Sep 2018, lower than deficit on Sep 2018 amounting to USD -1.66bn. Indonesia's economy grew at 5.17% yoy in Q3 2018 (vs previous 5.27%, consensus 5.15%), and 3.09% qoq (vs previous 4.2%, consensus 3%). This quarter growth was slower than Q2 2018, but higher than Q1 2018. This slowing down was affected by decrement of net export contribution to GDP. Private consumption, which accounts for more than half of Indonesia's gross domestic product, grew 5.01% yoy in Q3 2018 (vs previous 5.14%). Indonesia's official reserve assets at the end of October 2018 were at USD 115.2 billion, slightly higher than the end of September 2018 which stood at USD 114.85 billion. The increment in the reserve assets in October 2018 was caused by the amount of foreign exchange income from oil & gas income and withdrawal of government external debt that were bigger than the amount of government external debt repayment and rupiah stabilization.

The JCI ended the month lower at 5,831.65 (-2.42% MoM). Market laggards were UNVR, INKP, HMSP, BBKA, and TKIM as they fell -8.08%, -26.66%, -3.12%, -2.07% and -25.23% MoM respectively. The market continued to be under pressure as US-China trade war tension and upcoming US mid-term election. In addition, the trade war event has started to put pressure on the global growth expectation as China's 3Q18 GDP only grew 6.5% YoY, which was the lowest in the past 9 years. On the domestic front, encouraging numbers from positive trade balance and lower oil prices which fell by -10.84% MoM would help ease IDR currency pressure in the near term and provide positive sentiment. Market however remained volatile as external factors development remained fluid. Investors are still keeping a close check towards the developments of trade tariffs and energy prices. Sector wise, the Basic Industry Sector was the worst performing sector during the week, declining 8.11% MoM. Ticker wise, SMBR (Semen Baturaja Persero) and INKP (Indah Kiat Pulp & Paper Corp) were the laggards, depreciating 35.77% and 26.66% MoM respectively. This was followed by the Mining Sector which dropped 6.17% WoW. Ticker wise, ENRG (Energi Mega Persada) and BUMI (Bumi Resources) posted 22.9% and 21.76% MoM losses respectively. On the other hand, the best sector during the week was the Miscellaneous Industries Sector, which recorded a gain of 6.16% MoM. Ticker wise, MASA (Multistrada Arah Sarana) and PTSN (Sat Nusapersada) were the movers which rose 70.52% and 16.03% MoM respectively.

Disclaimer:

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