

# SmartWealth US Dollar Equity IndoAsia Fund

## February 2016


**BLOOMBERG: AZUSIAS:IJ**
**INVESTMENT OBJECTIVE**

The objective of this fund is to provide maximum long term investment yield.

**INVESTMENT STRATEGY**

To achieve the investment objective, this fund shall be invested 80 - 100% in equity instruments (directly through stocks and / or through equity mutual funds) and 0 - 20% in short-term instruments (such as deposits). Furthermore, the fund shall be invested in equity instruments in the Asia Pacific region, excluding Japan, not exceeding 20% of the fund. This fund is a conversion of the Smartwealth IndoAsia Equity Fund (IDR). The unit price for the USD is calculated using the Bank Indonesia's middle rate.

**PERFORMANCE INDICATOR**
**Return Performance**

Last 1-year period	<b>-14.46%</b>
Best Month	<b>14.32% Oct-15</b>
Worst Month	<b>-11.54% Aug-13</b>

**Portfolio Breakdown**

Equity  
Cash/Deposit

**Top Five Stocks Holding**

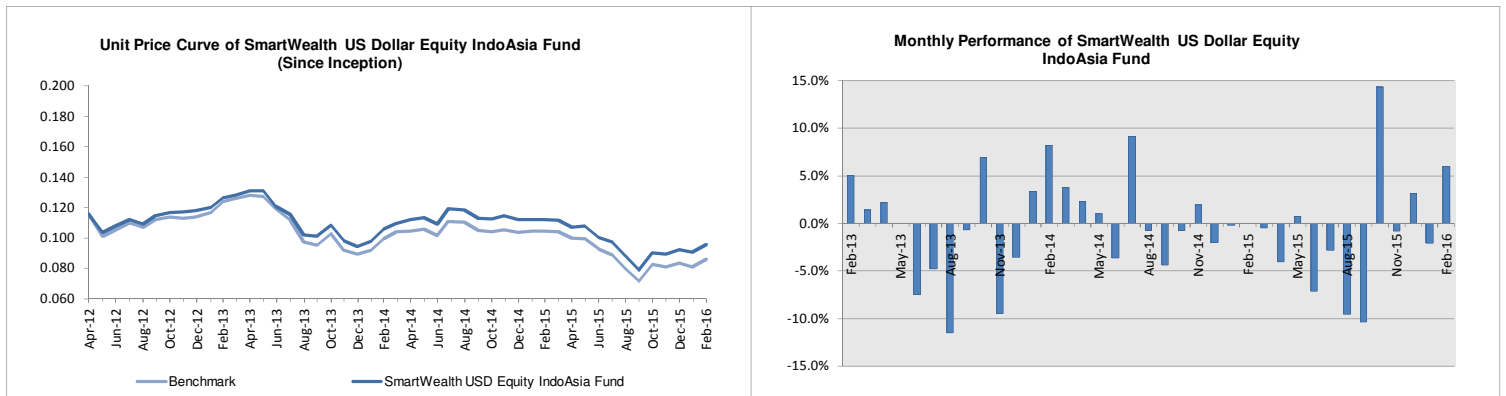
Hanjaya Mandala Sampoerna	<b>7.47%</b>
Telekomunikasi Indonesia	<b>7.39%</b>
Unilever Indonesia	<b>6.17%</b>
Bank Central Asia	<b>5.99%</b>
Astra International	<b>5.08%</b>

**Country Breakdown (Stock)**

Indonesia	<b>64.21%</b>
Philippines	<b>0.00%</b>
Hongkong	<b>5.52%</b>
South Korea	<b>2.19%</b>
Malaysia	<b>7.39%</b>
Singapore	<b>2.74%</b>
Taiwan	<b>9.33%</b>
Thailand	<b>0.00%</b>

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth USD Equity IndoAsia Fund	<b>5.97%</b>	<b>7.04%</b>	<b>8.86%</b>	<b>-14.46%</b>	<b>-24.15%</b>	<b>3.79%</b>	<b>-17.27%</b>
Benchmark*	<b>6.41%</b>	<b>6.58%</b>	<b>8.04%</b>	<b>-17.67%</b>	<b>-30.57%</b>	<b>3.43%</b>	<b>-25.63%</b>

\*80% Jakarta Composite Index (JCI) and 20% MSCI AC Far East Ex-Japan Index (MXFEJ)


**KEY FUND FACTS**

<b>Fund Size (in mn USD)</b>	: USD 36.60
<b>Risk Profile</b>	: Aggressive Investor
<b>Launch Date</b>	: 01 May 2012
<b>Fund Currency</b>	: US Dollar
<b>Managed by</b>	: PT. Asuransi Allianz Life Indonesia

<b>Pricing Frequency</b>	: Daily
<b>Price per Unit (As of Feb 29, 2016)</b>	<b>Bid</b> USD 0.0910 <b>Offer</b> USD 0.0958
<b>Bid-Offer Spread</b>	: 5.00%
<b>Management Fee</b>	: 2.00% p.a.

**MANAGER COMMENTARY**

Equity markets were extremely volatile in February. Global markets see-sawed in tandem with the volatility in the USD and oil prices. Northern Asian markets generally underperformed their southern counterparts on concerns of poor economic data from China and the risk of further devaluation of the RMB. The PBOC was compelled to inject liquidity via another cut in RRR to compensate for capital outflows. Japanese equities were dragged by the BOJ's unprecedented decision to move to negative interest rates in January. ASEAN equities fared better as investors adopted a risk-on stance on the back of recovery in oil prices and the weakening of USD. In February, global equity market fell 6.1% while Asia ex-Japan equities (MXFEJ) fell 0.3% month-on-month. Nikkei Japan also fell 8.5% during the month, the worst performing market in Asia, followed by India (-7.6%). The outperforming markets were Indonesia (+3.4%) and Taiwan (+3.3%) and Thailand (+2.4%).

Central Bureau Statistics of Indonesia (BPS) announced February's deflation at -0.09% mom (vs consensus -0.16%, +0.51% in Jan 2016) mostly were caused by lower food ingredients, housing, water, electricity also natural gas and fuel prices. On yearly basis, inflation printed at 4.42% YoY (vs consensus 4.36%, 3.14% in Jan 2016). Core inflation printed at +3.62% YoY, unchanged from previous month (vs consensus 3.59%, +3.62% in Jan 2016). In the Board of Governors' Meeting on Feb 18th, 2016, Bank Indonesia cut its reference rate by 25bps to 7%, Lending Facility to 7.5% as well as facility rate (FASBI) to 5%. Rupiah appreciated against USD by +3.26% to 13,395 at end of February compared to previous month 13,846. Trade balance was surplus +0.05bn USD (non-oil and gas surplus +0.16bn, oil and gas deficit -0.11bn USD) in Jan 2016. Export decreased by -20.72% YoY mostly driven from export in natural oil, while imports decreased by -17.15% YoY. FX Reserves increased +2.41bn USD from 102.13bn USD in Jan 2016 to 104.54bn USD in Feb 2016 on the back of offshore inflow to the bond market.

The JCI (Jakarta Index) closed higher in February, gaining +3.38% MoM to close at 4,770.96 for the month. Movers were UNVR, HMSP, ASII, GGRM, and MNCN which rose +21.32%, +6.23%, +5.43%, +9.17%, and +56.30% MoM respectively. Meanwhile the laggards were TLKM, UNTR, SMGR, BBRI and AALI which fell -2.69%, -10.78%, -7.24%, -1.34% and -13.03% MoM respectively. Foreign investment appetite into Indonesian Market rebounded in February, which was driven by better than expected Indonesia's 4Q15 GDP growth of 5.04% YoY. Better government infra spending absorption became the key driver of economic growth and is expected to continue until 1H16. Lower BI rate of 25bps and potential fuel and electricity price cuts in March/April 2016 will give positive impact on people's purchasing power as well as better utilization rates within the manufacturing industry. Risk remains on whether the current government can introduce business friendly policy introduction and implementation. Sector wise, the Consumer Sector was the best performing sector this month, gaining by +9.76% MoM. UNVR (Unilever) and INDF (Indofood) were the movers; appreciating by +21.32% and +13.71% MoM respectively. This was followed by the Mining Sector that posted +6.33% MoM gains, driven by ITMG (Indo Tambang) and MEDC (Medco International) which rose +40.33% and +39.01% MoM respectively. On the flip side, Trading and Distribution Sector was the worst performing sector this month, falling by -2.15% MoM. CMNP (Citra Marga Nusaphala) and WINS (Wintermar Offshore) were the laggards, falling -20.09% and -17.46% MoM respectively.