

SmartWealth US Dollar Equity IndoAsia Fund

January 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	-19.29%
Best Month	14.32% Oct-15
Worst Month	-11.54% Aug-13

Portfolio Breakdown

Equity	92.42%
Cash/Deposit	7.58%

Top Five Stocks Holding

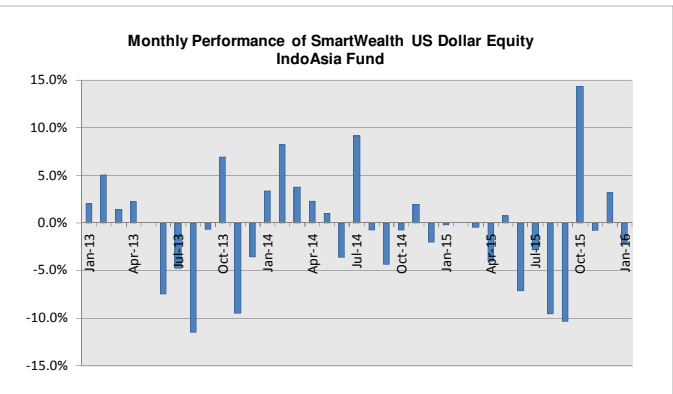
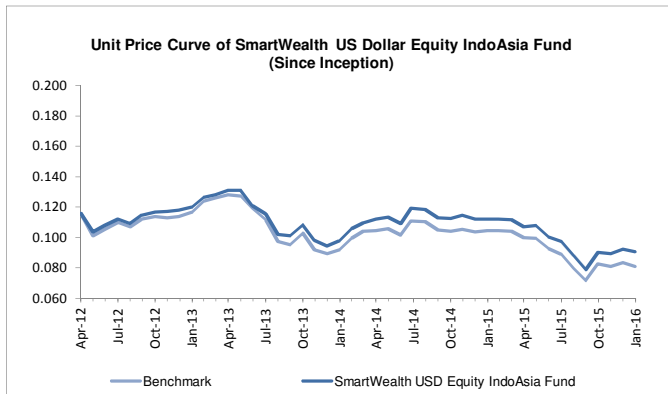
Telekomunikasi Indonesia	7.89%
Hanjaya Mandala Sampoerna	7.30%
Bank Central Asia	5.39%
Unilever Indonesia	5.28%
Astra International	5.01%

Country Breakdown (Stock)

Indonesia	75.77%
Philippines	0.00%
Hongkong	7.69%
South Korea	3.15%
Malaysia	1.11%
Singapore	2.12%
Taiwan	2.58%
Thailand	0.00%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth USD Equity IndoAsia Fund	-2.06%	0.22%	-7.09%	-19.29%	-24.79%	-2.06%	-21.93%
Benchmark*	-2.80%	-1.99%	-9.14%	-22.60%	-30.66%	-2.80%	-30.11%

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


KEY FUND FACTS

Fund Size (in mn USD)	: USD 34.02
Risk Profile	: Aggressive Investor
Launch Date	: 01 May 2012
Fund Currency	: US Dollar
Managed by	: PT. Asuransi Allianz Life Indonesia

Pricing Frequency	: Daily	
Price per Unit	Bid	
(As of Jan 29, 2016)	USD 0.0859	Offer
Bid-Offer Spread	: 5.00%	
Management Fee	: 2.00% p.a.	

MANAGER COMMENTARY

Equity markets made a volatile start to the year of Monkey. China introduced a stock circuit breaker rule from the first day of the year but was subsequently forced to suspend it as it caused confusion and panic among market participants. The forex market was equally volatile with China RMB policy moves raising concerns on the risk of competitive devaluation among trade nations. In Japan, following a downward revision to its growth and inflation projections, Bank of Japan made the surprise decision to take interest rates into negative territory. This would signal the Bank's growing concern about faltering momentum in the economy and inflation – a creation that many concerned observers have been waiting for. In January, global equity market fell 6.1% while Asia ex-Japan equities (MXFEJ) fell 7.7%. Nikkei Japan also fell 8% during the month. Within Asia, the worst performing market was Shanghai composite (-22.6%), followed by Hang Seng (-14.7%), Singapore Straits Times (-8.8%) and India SENSEX (-4.8%). The outperforming markets were Thailand SET (+1.0%), Indonesia JCI (+0.5%) and Malaysia (-1.5%).

Central Bureau Statistics of Indonesia (BPS) announced January's inflation at 0.51% mom (vs consensus +0.66%, +0.96% in Dec 2015) mostly were caused by higher food ingredients, processed food, beverages, cigarette and tobacco. On yearly basis, inflation printed at 4.14% YoY (vs consensus 4.26%, 3.35% in Dec 2015). Core inflation printed at +3.62% YoY, lower compared to previous month (vs consensus 3.80%, +3.95% in Dec 2015). In the Board of Governors' Meeting on Jan 14th, 2016, Bank Indonesia cut its reference rate by 25bps to 7.25%, Lending Facility to 7.75% as well as facility rate (FASBI) to 5.25%. Rupiah depreciated against USD by -0.37% to 13,846 at end of January compared to previous month 13,795. Trade balance deficit -0.23bn USD (non-oil and gas surplus 0.27bn, oil and gas deficit 0.50bn USD) in Dec 2015. Export decreased by -17.66% YoY mostly driven from export in iron and steel, while imports decreased by -16.02% YoY. FX Reserves decreased -3.8bn USD from 105.93bn USD in Dec 2015 to 102.13bn USD in Jan 2016 due to maturing government global bond.

The JCI (Jakarta Index) ended higher in January 2016, gaining +0.48% MoM to close at 4,615.16 for the month. Movers were HMSP, TLKM, ASII, CPIN, and INDF which rose +10.11%, +7.57%, +7.50%, +28.65% and +19.81% MoM respectively. Meanwhile the laggards were INTP, MNCN, PGAS, SCMA, and BBCA which fell -11.76%, -35.85%, -12.39%, -12.90%, and -1.50% MoM respectively. Regional stocks was volatile during January, which has been overshadowed by the sell-off in Chinese Stock Exchanges. The JCI was no exception. The Chinese regulators imposed policies that control capital market investment flows created Jitters amongst Chinese investors. On domestic front however, Indonesia posed to have better growth outlook for 2016. Indonesian government continue to induce domestic consumption growth by lowering fuel, gas, and electricity tariffs at the beginning of January. Absorption of Infrastructure spending was also encouraging. Absorption rate was reached 5-6% in Jan-16, much better than Jan-15 which was a mere sub 1%. Better absorption rate induces leverage towards economic growth. The IDR was relatively well stable, hovering in the range of IDR 13,600-13,700/USD despite BI rate cutting its reference rate by 25bps to 7.25%. An indication that investors are expecting a brighter growth outlook for 2016. Sector wise, the Consumer Sector was the best performing sector this month, rising by +5.18% MoM. INDF (Indofood) and HMSP (HM Sampoerna) were the movers; appreciating by +19.81% and +10.11% MoM respectively. This was followed by the Miscellaneous Industry Sector that posted +3.87% MoM gains, driven by VOKS (Voksel Electric) and ASII (Astra International) which rose +13.27% and +7.50% MoM respectively. On the flip side, Trading and Distribution Sector was the worst performing sector this month, falling by -6.60% MoM. MNCN (Media Nusantara Citra) and MDRN (Modern International) were the laggards, falling -35.85% and -30.67% MoM respectively.

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