

# SmartWealth US Dollar Equity IndoAsia Fund

## April 2014



### BLOOMBERG: AZUSIAS:IJ

#### INVESTMENT OBJECTIVE

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

#### INVESTMENT STRATEGY

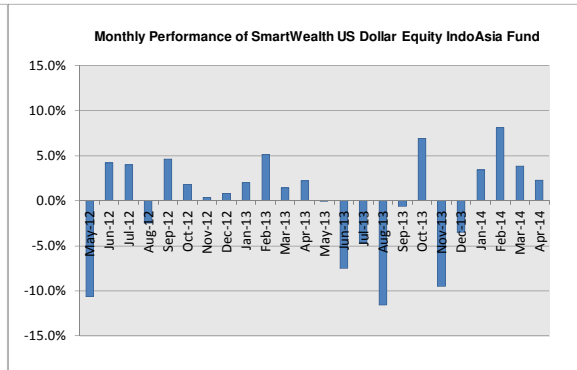
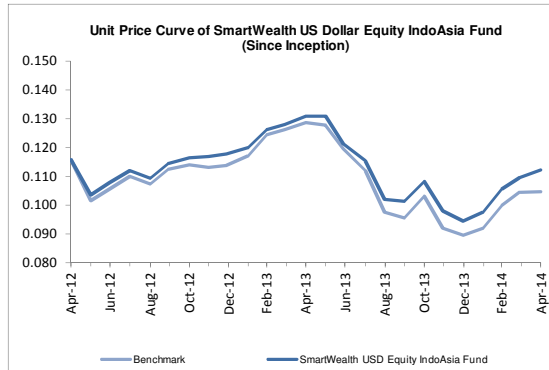
To achieve the investment objective, this fund shall be invested 80 - 100% in equity instruments (directly through stocks and / or through equity mutual funds) and 0 - 20% in short-term instruments (such as deposits). Furthermore, the fund shall be invested in equity instruments in the Asia Pacific region, 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		Portfolio Breakdown	Top Five Stocks Holding	Country Breakdown (Stock)	
Last 1-year period	-14.28%	Equity	89.01% TELEKOMUNIKASI	Indonesia	72.83%
Best Month	8.12% Feb-14	Cash/Deposit	10.99% BANK CENTRAL ASIA	Philippines	1.19%
Worst Month	-11.59% Aug-13		ASTRA INTERNATIONAL	Hongkong	6.70%
			BANK MANDIRI	South Korea	3.43%
			BANK RAKYAT INDONESIA	Malaysia	1.17%
				Singapore	2.52%
				Taiwan	1.17%
				Thailand	0.00%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth USD Equity IndoAsia Fund	2.29%	14.84%	3.65%	-14.28%	NA	18.74%	-3.12%
Benchmark*	0.17%	13.77%	1.54%	-18.66%	NA	16.74%	-9.66%

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



#### KEY FUND FACTS

**Fund Size (in mn USD)** : USD 28.83  
**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** **Offer**  
**(As of Apr 30, 2014)** : USD 0.1066 USD 0.1122  
**Bid-Offer Spread** : 5.00%  
**Management Fee** : 2.00% p.a.

#### MANAGER COMMENTARY

For the month of April, MSCI MXASJ (Asia Ex-Japan) is up 0.5% versus 0.8% performance by MSCI MXWO (Global). Within Asia, the best performing market was Philippines PCOMP (+4.3%) followed by Thailand SET (+2.8%) and Singapore STI (+2.4%). The worst performing market was Korea KOSPI (-1.2%), Taiwan TWSE (-0.7%) and China SHCOMP (-0.3%). In the first half of March, equities were down due to weak China economic data and geopolitical risk around Crimea. Economic activity in China decelerated in Jan-Feb 2014. Retail sales, industrial production, fixed investment and loan growth were weaker than market forecast. NBS Manufacturing PMI at 50.2 is the lowest in last eight months. However, hope of "mini stimulus" to stabilize growth led to recovery in Chinese equities in the second half. In Indonesia's PDI-P party won majority seats in the Legislative election, riding on Jakarta governor, Jokowi's popularity. Jokowi who was nominated as PDI-P party's presidential candidate however comes up short of market's expectation as the party is expected to win by a bigger margin. Despite this outcome, JCI index was still up 1.5% for the month. Market focus turns to the Presidential election that will take place in July 2014.

Central Bureau Statistics of Indonesia (BPS) announced deflation in Apr at -0.02% mom (vs consensus -0.03%, inflation +0.08% in Mar) caused by lower food and jewelry prices. On yearly basis, inflation printed at 7.25% yoy (vs consensus 7.25%, 7.32% in Mar). Core inflation rose to 4.66% yoy (vs consensus 4.65%, 4.61% in Mar). In the Board of Governors' Meeting on April 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 -1.12% to 11,532 at end of Apr compared to previous month 11,404. Trade balance was surplus US\$0.673bn in Mar (vs consensus surplus +US\$0.520bn, surplus US\$ 0.789bn in Feb). Surplus is supported by the increasing surplus in non-oil and gas balance of trade. Surplus in non-oil and gas balance of trade increased from US\$1.57bn in Feb 2014 to US\$2.05bn in Mar 2014. On the other hand, increase in balance of trade in Mar 2014 is constrained by the increasing deficit in oil and gas balance of trade. Deficit in oil and gas balance of trade increased from US\$0.73bn in Feb 2014 to US\$1.37bn in Mar 2014. Export increased by 1.24% YoY, while imports decreased by -2.30% YoY. Indonesia's Q1 2014 GDP expanded 5.21% yoy (vs consensus 5.59% yoy, 5.72% Q4 2013) on the back of slowed mining export mainly due to the implementation of mineral ore export ban.

The JCI (Jakarta Composite Index) ended higher in April, appreciating by +1.51% MoM. Large cap stocks such as GGRM, BBCA, BMRI, BBRI, and INCO saw notable gains, which appreciating by +14.37%, +3.77%, +3.97%, +3.39%, and +25.89% MoM respectively. Inflows continued to support the market this month as foreign investors are sentimentally more upbeat towards Indonesia justifying relatively higher valuations. Furthermore, confidence level towards favorable election outcome seems high which could solve several overhangs that the country currently faces through reforms. Beyond that, 1Q14 earnings results were generally favorable, particularly from Banking Sector which still indicates healthy growth, fueled the index higher. Sector wise, the Mining Sector was the best performing sector this month where it advanced +7.00% MoM. INCO (Vale Indonesia) and ADRO (Adaro Energy) rose by +25.89% and +20.92% MoM respectively. This was followed by the Agriculture Sector that appreciated by +6.16% MoM, which was driven by SSMS (Sawit Sumatera) and SGRO (Sampoerna Agro) that appreciated +15.94% and +14.52% MoM respectively. On the other hand, the Property and Construction Sector was the worst performing this month which fell by -1.88% MoM, driven by SSIA (Surya Semesta) and CTRP (Ciputra Property) falling by -13.09% and -12.65% MoM respectively. Slower industrial land demand and high potential delays on building project have brought down sentiments towards the respective names.

#### Disclaimer:

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