

# SmartWealth US Dollar Equity IndoAsia Fund

## February 2015


**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>5.96%</b>
Best Month	<b>9.16% Jul-14</b>
Worst Month	<b>-11.54% Aug-13</b>

**Portfolio Breakdown**

Equity	<b>95.15%</b>
Cash/Deposit	<b>4.85%</b>

**Top Five Stocks Holding**

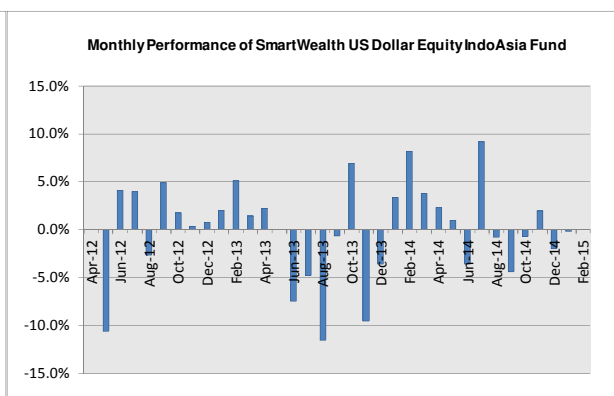
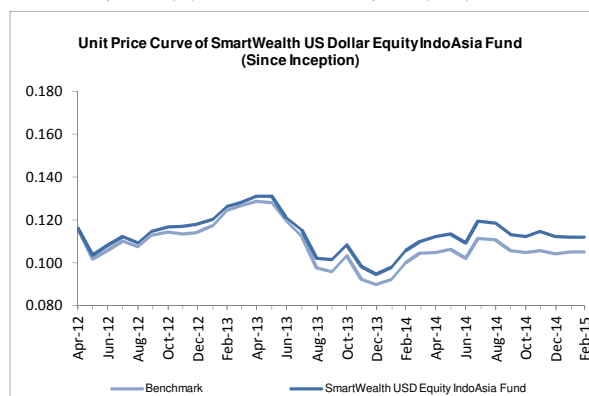
BANK CENTRAL ASIA	<b>6.50%</b>
BANK RAKYAT INDONESIA	<b>5.92%</b>
TELEKOMUNIKASI	<b>5.78%</b>
BANK MANDIRI	<b>5.70%</b>
ASTRA INTERNATIONAL	<b>5.47%</b>

**Country Breakdown (Stock)**

Indonesia	<b>76.28%</b>
Philippines	<b>0.00%</b>
Hongkong	<b>9.26%</b>
South Korea	<b>3.58%</b>
Malaysia	<b>1.07%</b>
Singapore	<b>1.08%</b>
Taiwan	<b>3.86%</b>
Thailand	<b>0.00%</b>

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth USD Equity IndoAsia Fund	0.00%	-2.18%	-5.33%	5.96%	NA	-0.18%	-3.36%
Benchmark*	0.02%	-0.55%	-5.30%	5.00%	NA	0.80%	-9.45%

\*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 38.98
<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</b>	<b>Bid</b> <b>Offer</b>
<b>(As of Feb 27, 2015)</b>	: USD 0.1064      USD 0.1120
<b>Bid-Offer Spread</b>	: 5.00%
<b>Management Fee</b>	: 2.00% p.a.

**MANAGER COMMENTARY**

Asian equities (MXASJ) rose 1.8% during the month but underperformed the global equities by 3.9%. The underperformance is largely due to strong performance from Japan (Nikkei was up 6.4%), Australia (ASX200 up 6.1%) as well as Dow Jones (5.6%). The Reserve Bank of Australia cut its policy rate by 25 basis points (bps) to 2.25%, the first move since August 2013. People's Bank of China's (PBoC) easing stance to stimulate growth and rebound in oil price has led a rally in commodity sector. On 28 February 2015, PBoC announced a rate cut to benchmark interest rates by 25bps, following a cut to the Reserve Requirement Ratio by 50bps on 5 February 2015. Shanghai Composite index rallied 3.1% outperforming the region and was the best performing market in the region during the month. Indonesia JCI index also had a strong month, delivering 3.04% while Taiwan TWSE returned 2.8%. The major laggards were India (+0.1%), Singapore (+0.3%) and Thailand (+0.4%).

Central Bureau Statistics of Indonesia (BPS) announced inflation in Feb 2015 at -0.36% mom (vs consensus 0.18%, inflation -0.24% in Jan 2015). Lower CPI was driven by price reduction in raw foods, tobacco and transportation costs. On yearly basis, inflation printed at 6.29% YoY (vs consensus 6.70%, 6.96% in Jan 2015). Core inflation printed at 4.96% YoY (vs consensus 5.00%, 4.99% in Jan 2015). In the Board of Governors' Meeting on Feb 17th, 2015, Bank Indonesia cut 25bps its reference rate to 7.50%, maintained Lending Facility at 8.0%, and cut the deposit facility rate (FASBI) to 5.50%. Rupiah depreciated against USD by -1.52% to 12,863 at end of Feb compared to previous month 12,670. Trade balance was surplus +0.71bn USD (non-oil and gas surplus 0.74bn, oil and gas deficit -0.03bn USD) in Jan 2015 (vs consensus surplus 0.06bn USD, surplus 0.19bn USD in Jan 2015). Export decreased by -8.1% YoY mostly driven from export in vegetable oil, while imports decreased -15.6% YoY. FX Reserves increased +1.277bn USD from 114.250bn USD in Jan 2015 to 115.527bn USD in Feb 2015.

The JCI (Jakarta Composite Index) closed higher in February, gaining +3.04% MoM to close at 5,450.29 for the month. Movers were BBRI, BMRI, BBKA, BBNI, and UNTR which rose +10.28%, +9.09%, +5.42%, +10.00%, and +15.92% MoM. Meanwhile the laggards were GGRM, IIKP, MLBI, KLBF, and CPIN which fell -7.57%, -31.20%, -12.61%, -3.22%, and -4.30% MoM respectively. Positive sentiment continued to support Indonesian stock market. Foreign investors recorded net purchases of US\$ 830.38mn in this month. 2015 govt. budget was approved by Parliament in a timely manner suggesting that the tender process for government projects could started in March. This is much faster compared to last year which began in July-August. On the monetary front, -0.24% MoM deflation was recorded in January which made BI cut its benchmark interest rate by 25bps to 7.5%, suggesting a pro-growth measure and provided support sentimentally towards the market. On the other hand, import trend is expected to be higher due to the importation of heavy equipments to accommodate for the infrastructure projects which could put pressure towards Indonesia's CAD. Sector wise, the Financial Sector was the best performing sector this month, appreciating by +7.63% MoM. BJBR (Bank Jabar) and BBRI (Bank Rakyat Indonesia) were the movers; rising by +18.79% and +10.28% MoM respectively. This was followed by the Trading and Distribution Sector that posted +7.13% MoM gains, driven by UNTR (United Tractor) and MNCN (Media Nusantara) which rose +15.92% and +10.14% MoM respectively. On the other hand, the Consumer Sector was the worst performing this month which fell -2.27% MoM, the laggards were MLBI (Multi Bintang) and ROTI (Nippon Indosari) which fell by -12.61%, and -10.55% MoM respectively.

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