

SMARTWEALTH DOLLAR MULTI ASSET FUND

January 2019

BLOOMBERG: AZUSWMA:IJ

Investment Objective

The objective of this fund is to achieve conservative long term capital growth while earning more relatively stable income.

Investment Strategy

To achieve the investment objective, this fund shall be invested 0% - 20% in short-term instruments (such as time deposits and / or money market mutual funds), and 80% - 100% in offshore instruments (through mutual funds).

Return Performance

Last 1-year Period		N/A
Best Month	Jan-19	5.93%
Worst Month	Dec-18	-4.51%

Portfolio Breakdown

Mutual Funds - Equities	91.11%
Cash/Deposit	8.89%

Key Fund Facts

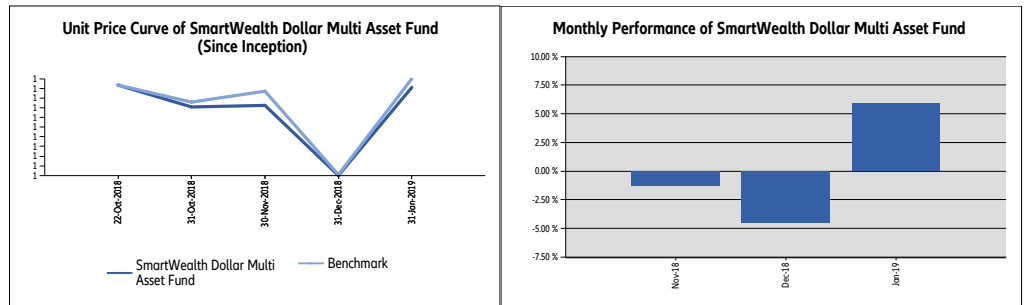
Fund Size (in mio USD)	USD 4.16
Risk Profile	Moderate
Launch Date	22 Oct 2018
Fund Currency	United States Dollar
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	1.75% p.a.

Price per Unit	Bid	Offer
(As of Jan 31, 2019)	USD 0.9486	USD 0.9985

Managed by Allianz Global Investor

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth Dollar Multi Asset Fund	5.93%	1.26%	N/A	N/A	N/A	5.93%	-0.15%
Benchmark*	6.46%	1.50%	N/A	N/A	N/A	6.46%	0.40%

*34% ICE BofAML US High Yield Index, 33% ICE BofAML US Convertible Index & 33% S&P 500 Index



Manager Commentary

Equities, convertibles and high yield bonds were weaker in December. The Russell 1000 Growth Index was down -8.6%. The ICE BofA Merrill Lynch All US Convertibles Index and ICE BofA Merrill Lynch US High Yield Master II Index returned -4.7% and -2.2%, respectively. By way of comparison, the 10-year US Treasury increased +3.0% and the S&P 500 Index declined -9.0%. Risk assets sold off in December as investors continued to analyse earnings and economic growth, unresolved trade issues, potential US Federal Reserve (Fed) outcomes and oil price volatility. A partial US government shutdown also influenced sentiment. The S&P 500 Index recording its weakest monthly performance since February 2009. For the year, US stocks turned in the worst Q4 and annual performances since 2008. Convertibles and high-yield bonds experienced selling pressure alongside equities. Although the two asset classes finished lower, both continued to perform as expected, holding up much better than stocks. On average, convertibles only captured 45% of the downside of their underlying equity.

As expected, the Fed raised rates for a fourth time this year to a range of 2.25 to 2.50%. The Federal Open Market Committee (FOMC) lowered both its growth and inflation forecasts, reduced hike expectations for 2019 from three to two, but indicated no change to balance sheet reduction efforts. Fearing a policy mistake, risk assets were sold following the Fed's communication. Energy companies traded lower alongside crude oil which continued to slump on oversupply and slowing demand concerns. The commodity fell more than USD 8 on an intra-month basis before settling off the lows just above USD 45 per barrel. Economically, positive reports outnumbered negative data points. Unemployment stayed low, industrial production rose and consumer spending was strong. In contrast, housing reports confirmed industry easing.

Disclaimer:

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