

## JOM SILKKITIE ASIA EQUITY INVESTMENT FUND

JOM Silkkitie Asia Equity Investment Fund's NAV was 179.66 at the end of June so the performance during the month stood at +9.25%. Since fund inception (31st August 2009) the NAV has increased by +79.66%, thus the annual performance has been +5.51%.

During June our core focus markets continued to recover, and especially many smaller companies gained traction as economies were being reopened and thus economic activity increased. Stock markets in domestic China, India, the Philippines and in Indonesia rose by 4-6% during the month while Pakistan gained only marginally.

While economic numbers started to show improvements on a month-on-month basis, there is still long way to go before we can see improvements in year-over-year figures. Inflation has been on a steady decline in Asia's emerging countries, that has given room for central banks room to cut interest rates without having to worry too much about currency outflows. In Pakistan, real interest rates are still negative as rates were cut by 100bps to 7% from 8%, while inflation in June was 8.6%. However, we think real interest rates will stay negative only during this transition period until the effect of PKR devaluation during 2018-19 will not show anymore in annual inflation numbers. In a similar fashion, Bangko Sentral ng Pilipinas (BSP) cut rates by 50bps to 2.25%, thus real interest rates are still marginally on the positive side as inflation is running at 2.1%.

In Philippines low interest rates combined with low banking penetration has been a fruitful combination for bank loan growth that has been on 10-20% annual growth rate for the past 10 years or so. Naturally, this has realized also in robust GDP growth during the same period. However, 2020 will have a bump in this development due to covid-19, but 2021 should show again a robust GDP growth of 6-7% YoY.

In the Silkkitie Fund portfolio, China's weight was increased slightly during the month while other focus countries' weights were being reduced a bit.

## Monthly Report June 2020

JOM SILKKITIE, NET ASSET VALUE (30 June 2020)	179.66
Fund size	21.4 mEUR
Number of fund units	119 366.0019
Inception date	31.7.2009
Last month's performance	+9.25 %
Performance since inception	+79.66 %
Annualized performance since inception	+5.51 %
Accumulated management fee*	0.60 %
Accumulated performance fee*	0.00 %
Accumulated custodian fee*	0.10 %
Net investment position**	94.2 %
Volatility***	20.9 %
Portfolio turnover	129.9 %

### OVERVIEW OF THE FUND

**Name:**

JOM Silkkitie Asia Equity Investment Fund (UCITS)

**Portfolio Manager:**

Juuso Mykkänen

**Custodian:**

SEB. Helsinki branch

**Benchmark index:**

No official index

**Profit sharing:**

The Fund has only accumulating units

**Fund rules last confirmed:**

3.4.2020

**Inception date:** 31.7.2009

**ISIN-code:** FI4000003470

**Bloomberg-ticker:** JOMSILK FH

**Fund target group:**

Demanding investors who understand the potential of Asian equity markets in the long run.

**Minimum subscription:** 5 000 €

**Subscription account:**

IBAN: FI81 3301 0001 1297 17

BIC: ESSEFIHXXXX

**Management fee:**

1.2% p.a.

**Subscription fee:**

1.5% - 0%

**Redemption fee:**

1% (min. 20 €)

**Performance fee:**

10% on the return exceeding the hurdle rate of 5%. (pls see Fund prospectus for details)



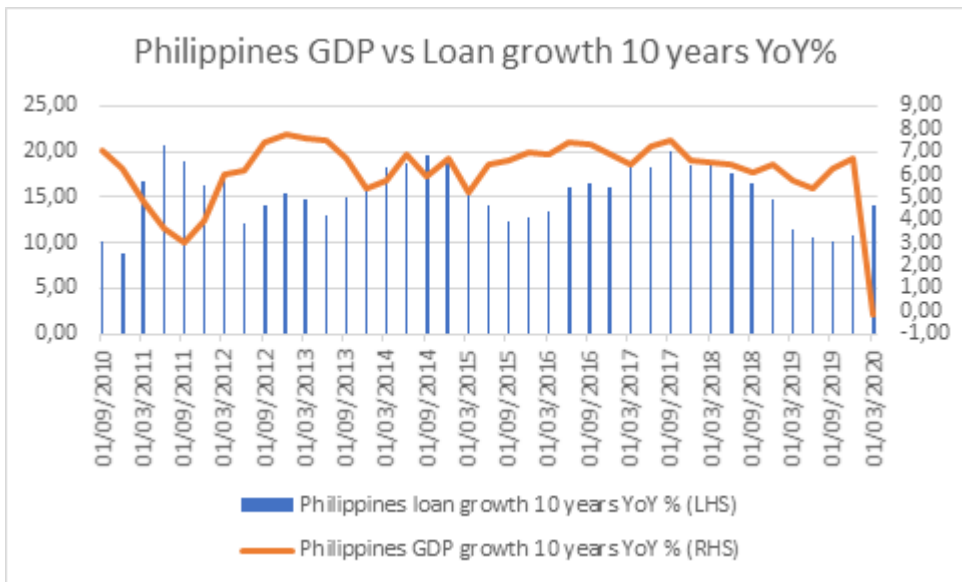
### JOM Fund Management Ltd

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*Past performance is no guarantee for future returns. The Fund value June increase or decrease, and the investor June incur losses when redeeming his shares. Further details on JOM Silkkitie Investment Fund June be found in the key investor information document, fund prospectus and fund rules, which are available by request from JOM Fund Management Ltd, or on the website www.jom.fi. \*For the fiscal period since 1.1.2020, % of fund average net assets. \*\*Prior to end-of-the-month net subscriptions. \*\*\*Based on daily returns during 12 months. Detailed formulas available from the Fund Management Company.*



Bank loans and GDP growth in the Philippines. Source: Bloomberg



SOURCE: TRADINGECONOMICS.COM | BANK INDONESIA

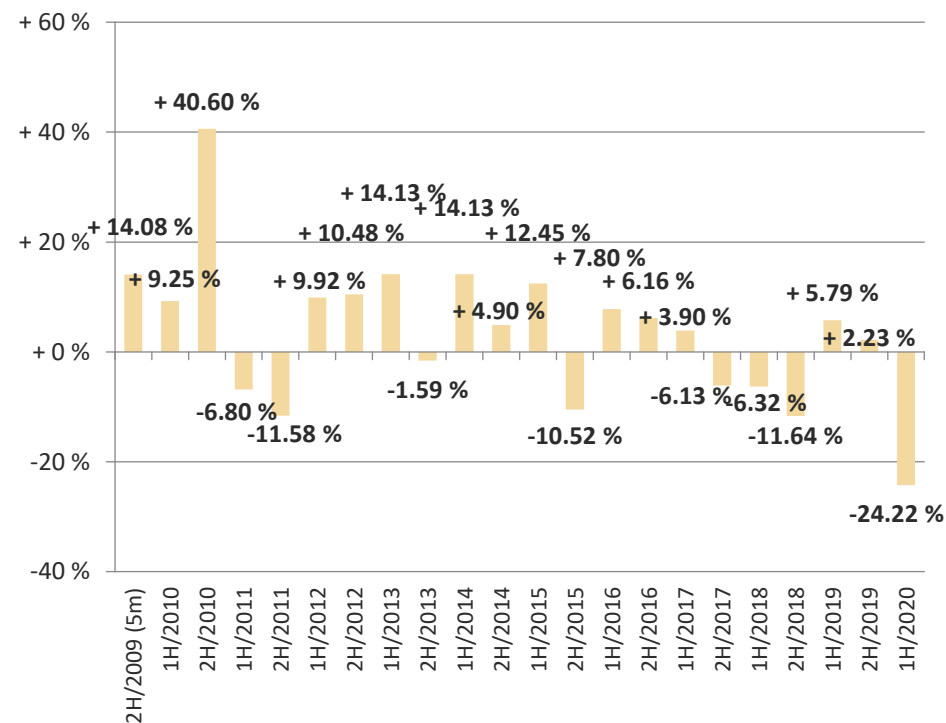
Bank loan growth in Indonesia for the last 10 years. The rate cuts in 2020 will likely spur loan growth, and lift these numbers back towards +10% growth yoy during next year 2021. Source: tradingeconomics.com



FUND PERFORMANCE MONTHLY (%)

	Jan	Feb	Mar	Apr	June	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2009	-	-	-	-	-	-	-	-2.74	+7.49	+1.52	+0.40	+7.07	<b>+14.08</b>
2010	+3.55	-0.05	+9.66	+4.00	-8.12	+0.74	+7.55	+2.46	+13.95	+2.45	+2.73	+6.39	<b>+53.60</b>
2011	-8.11	-1.34	+2.81	+3.17	-2.47	-0.62	+7.75	-10.15	-14.07	+5.83	-4.11	+4.73	<b>-17.59</b>
2012	+8.75	+4.07	+2.35	+1.85	-4.68	-2.26	+2.58	-5.49	+0.90	+4.59	+5.35	+2.51	<b>+21.44</b>
2013	+6.18	+6.82	+3.25	-0.51	+10.17	-11.08	-1.57	-6.91	+2.00	+3.54	-1.15	+2.88	<b>+12.31</b>
2014	+2.31	+7.46	+0.14	+2.94	+2.21	-1.48	+7.98	+3.98	-1.25	-0.58	-0.33	-4.53	<b>+19.72</b>
2015	+6.02	+3.20	+5.89	+2.38	+3.81	-8.69	-3.22	-16.41	-2.44	+15.52	-1.36	-0.51	<b>+0.61</b>
2016	-9.61	+0.65	+5.97	+1.25	+1.71	+8.58	+7.75	+1.84	-1.66	+0.30	-3.26	+1.38	<b>+14.44</b>
2017	-0.55	+4.73	+1.51	-0.13	-0.67	-0.93	-4.23	-0.73	-0.40	+1.62	-2.73	+0.30	<b>-2.46</b>
2018	+1.54	+0.55	-5.46	+2.03	+4.85	-9.28	-4.14	+0.32	-5.39	-7.39	+6.50	-1.52	<b>-17.23</b>
2019	+1.56	+3.58	+5.58	-2.45	-4.37	+2.10	+0.07	-7.05	+1.17	+2.74	+0.46	+5.25	<b>+8.15</b>
2020	-4.03	-7.14	-32.14	+15.30	-0.52	+9.25							<b>-24.22</b>

JOM SILKKITIE HISTORICAL BI-ANNUAL PERFORMANCE (%)



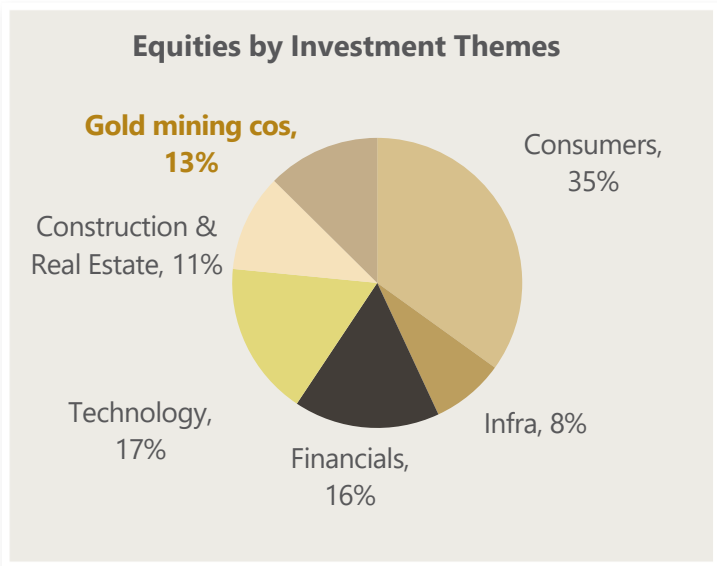
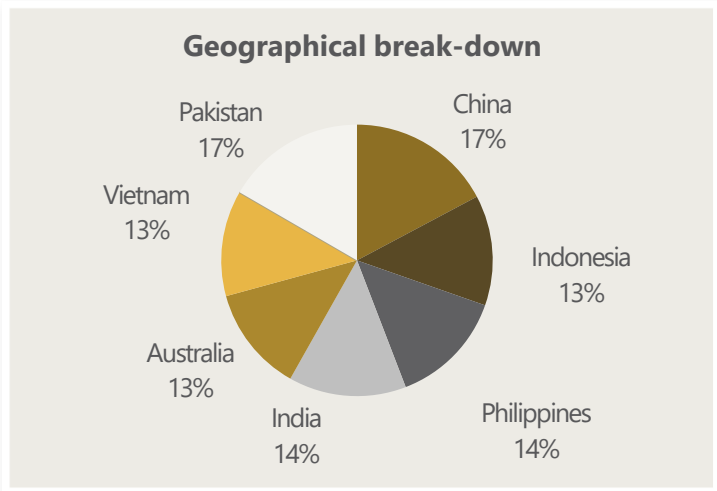
FUND CORRELATION (12M, DAILY) WITH SOME EQUITY INDICES (EUR)

Jakarta Composite Index JCI	Philippine composite Index PCOMP	HK China H shares HSCEI	MSCI Asia ex-Japan	Topix	MSCI World	S&P 500	Bloomberg Europe 500 Index
Indonesia	Philippines	China	Asia	Japan	World	US	Europe
0.76	0.62	0.61	0.71	0.38	0.42	0.34	0.53

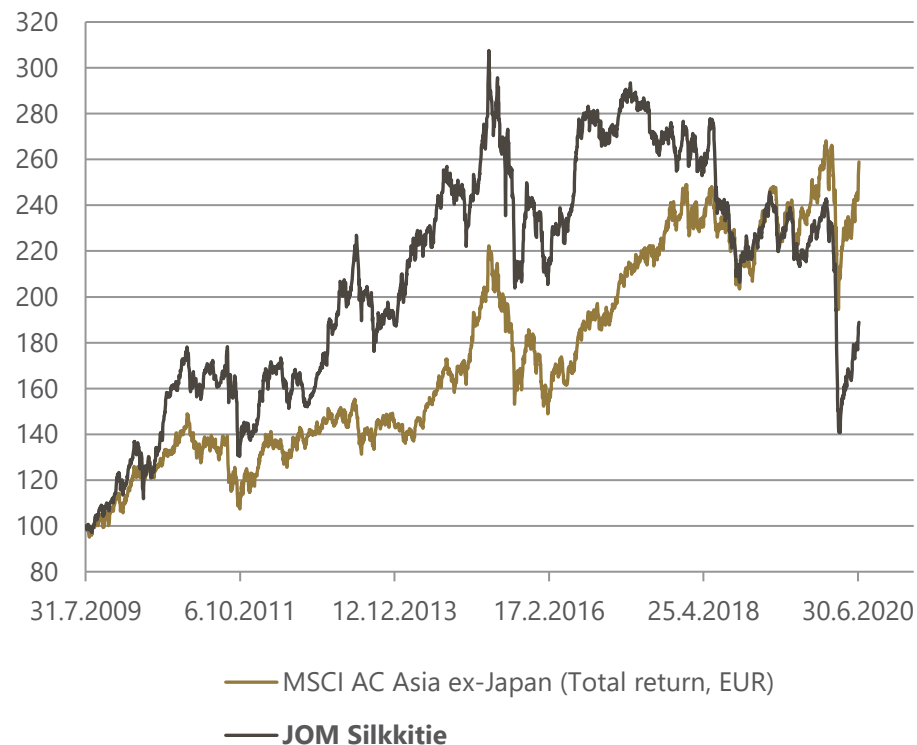


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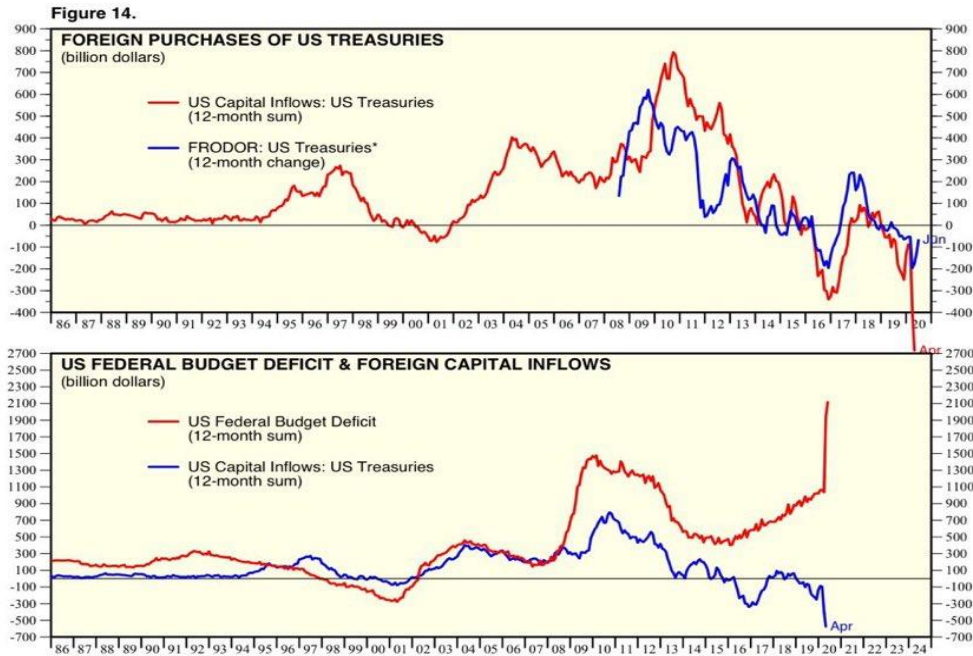
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JOM SILKKITIE NAV VS. THE REGIONAL EQUITY MARKET INDEX



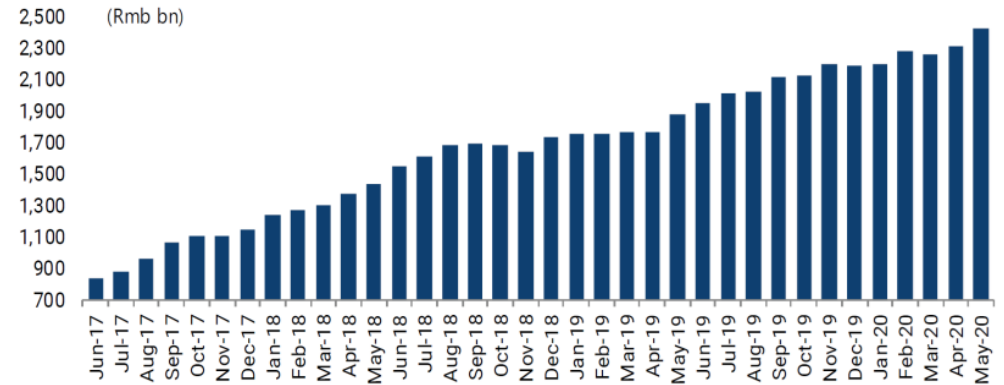
Foreign Purchases of US Treasuries



US budget deficit is currently being financed solely by the Fed. Source: Twitter

Covid-19 induced a harsh stock market correction and the subsequent recovery has been extremely uneven in different countries. Recovery in western countries has been mostly dependent on the size of the economic packages, whereas in many Asian countries, recovery has been dependent on the number of active covid-19 cases. In the US, the economic turnaround has been very swift due to the massive economic stimulus that has been around 10-20% of GDP, while the Fed has also started to support the economy and capital markets by keeping rates artificially low. In many Asian countries economic packages have been much smaller at 2-4% of GDP, thus recovery has been also slower, however, in post-corona era we believe that the recovery will be robust in Asia as covid-19 related debt repayments will not hamper economic activity as much as in western countries.

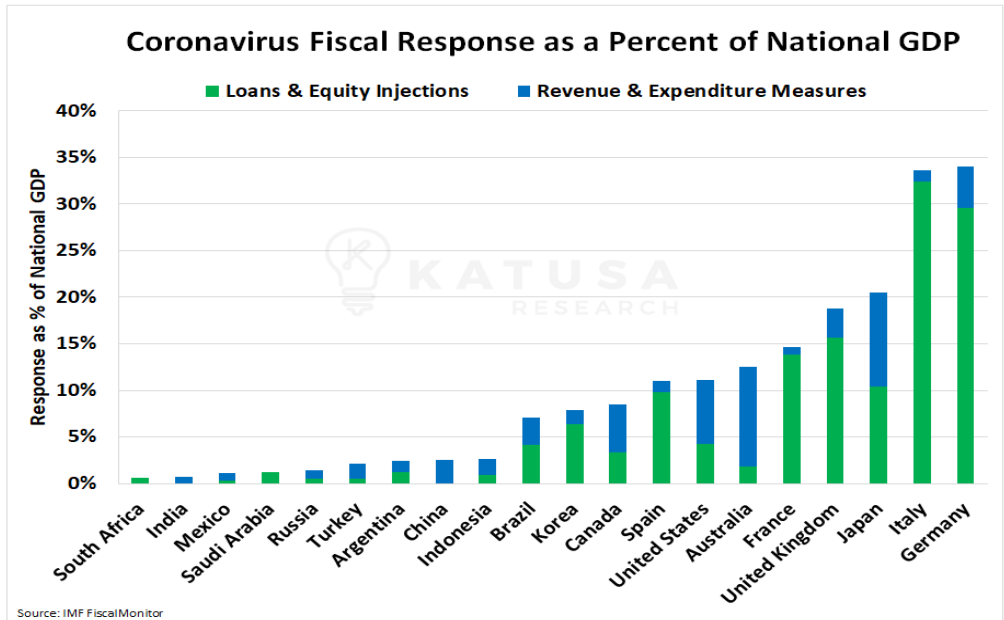
Exhibit 16: Foreign holdings of Chinese bonds



Source: China Bond Connect

Above: Foreign interest towards China bonds is growing. Source: Jefferies.

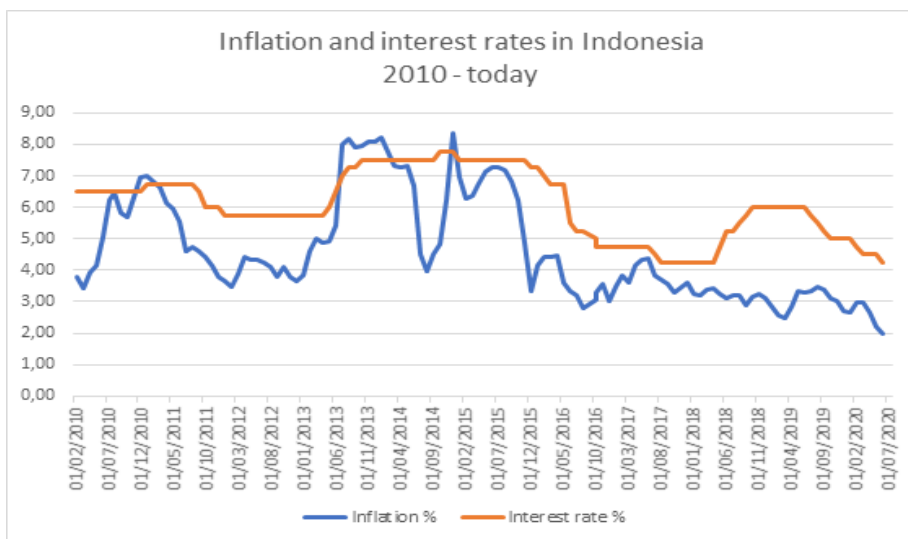
Below: Different covid-19 stimulus packages in various countries. Source: Katusa Research



JOM Komodo Indonesia Equity Investment Fund’s NAV was 112.01 at the end of June, so the performance during the month stood at +9.15%. Since fund inception (15th June 2012) the NAV has increased by +12.01%, thus the annual performance has been +1.40%.

In Indonesia real interest rates are slightly over 2% on the positive side as interest rates are now at 4.25% (BI cut rates on 18th June by 25bps), while inflation is now slightly below 2%. Bank loan growth has been substantially lower in recent years as interest rates have been forced to increase due to, for example, trade war related stress that has caused IDR depreciation. Now, however, situation has improved quite markedly as BI has gained 60bn USD repo swap-line from the Fed – thus BI can obtain dollars if needed, while Fed takes IDR or Indo gov bonds as a collateral. In addition to this arrangement, we believe that Fed’s extremely easy monetary policy (interest rates near zero and QE flowing), will not create a situation anymore where, if some kind of crises occurs, investors would only resort to US treasuries that yield considerably less than China’s or Indonesia’s gov bonds. Anyway, many foreign investors have also noted that BI has in recent months purchased part of Indo gov bonds due to covid crisis related action – thus BI has started to monetize debt in similar way to western and Japan central banks, but we believe that this is purely temporary.

JOM KOMODO, NET ASSET VALUE (30 June 2020)	112.01
Size of the fund	12.0 mEUR
Number of fund units	107 209.0197
Inception date	15.5.2012
Last month’s performance	+9.15%
Performance since inception	+12.01%
Annualised performance since inception	+1.40%
Accumulated management fee*	0.75 %
Accumulated performance fee*	0.00 %
Accumulated custodian fee*	0.10 %
Net investment position**	94.4 %
Volatility***	27.0 %
Portfolio turnover***	144.7 %
Fund’s correlation to JCI-Index (12m)	0.80



**FUND OVERVIEW**

<p><b>Name:</b> JOM Komodo Indonesia Equity Investment Fund (UCITS)</p> <p><b>Portfolio Manager:</b> Juuso Mykkänen</p> <p><b>Custodian:</b> SEB, Helsinki branch</p> <p><b>Benchmark index:</b> No official index</p> <p><b>Profit sharing:</b> The Fund has only accumulating units</p> <p><b>Fund rules last confirmed:</b> 3.4.2020</p>	<p><b>Inception date:</b> 15.5.2012</p> <p><b>ISIN-code:</b> FI4000043401</p> <p><b>Fund target group:</b> Demanding investors who understand the potential of Asian equity markets in the long run.</p> <p><b>Minimum subscription:</b> 5 000 €</p> <p><b>Subscription account:</b> IBAN: FI75 3301 0001 1363 24 BIC: ESSEFIHXXX</p>	<p><b>Management fee:</b> 1.5% p.a.</p> <p><b>Subscription fee:</b> 1.5% - 0%</p> <p><b>Redemption fee:</b> 2% (min. 20 €)</p> <p><b>Performance fee:</b> 10% on the return exceeding the hurdle rate of 5%. (pls see Fund prospectus for details)</p>
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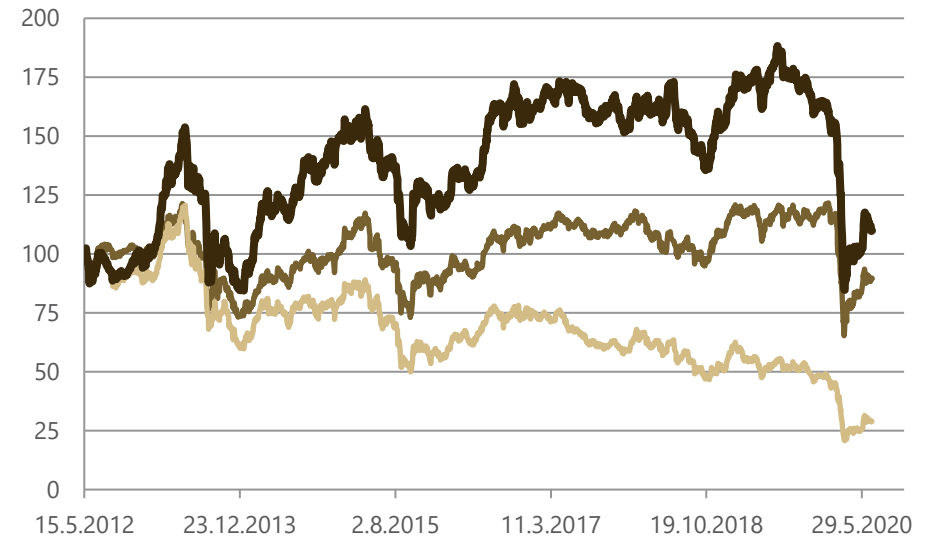
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FUND PERFORMANCE MONTHLY (%)

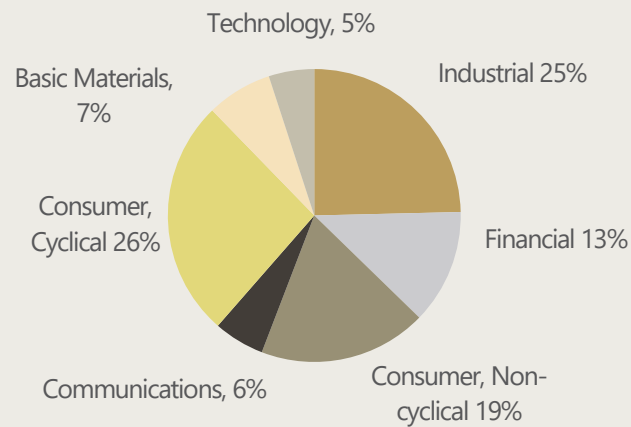
	Jan	Feb	Mar	Apr	June	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2012</b>	-	-	-	-	-6.29	+0.42	+3.62	-8.02	+3.01	+0.71	+7.63	-4.57	<b>-4.34</b>
<b>2013</b>	+6.05	+17.64	+13.43	+1.54	+11.52	-11.79	-8.95	-20.95	-0.95	+7.28	-13.95	-3.40	<b>-10.13</b>
<b>2014</b>	+9.68	+15.86	+10.77	-1.42	+3.20	-6.05	+10.24	+8.15	-2.09	+2.30	+5.50	+2.61	<b>+73.92</b>
<b>2015</b>	+2.45	+0.04	+2.24	-8.35	+1.42	-6.30	+0.26	-16.99	-8.01	+21.09	-1.75	-0.47	<b>-17.26</b>
<b>2016</b>	-1.69	+3.01	+5.87	+0.63	-0.86	+8.49	+9.63	+4.12	-3.45	+7.33	-6.93	+2.44	<b>+30.86</b>
<b>2017</b>	-0.30	+5.05	-0.38	+1.37	+0.73	-2.46	-4.74	-1.73	+1.37	+3.63	-4.47	-1.28	<b>-3.63</b>
<b>2018</b>	+5.21	+0.16	-1.45	+1.09	+3.50	-6.29	-1.32	-4.18	-3.48	-4.27	+13.25	+0.13	<b>+0.88</b>
<b>2019</b>	+6.46	+3.56	+0.19	+1.49	-1.80	+3.24	+3.93	-5.42	-1.83	-0.79	-6.75	+2.72	<b>+4.22</b>
<b>2020</b>	-6.05	-12.45	-31.75	+11.88	-0.42	+9.15							<b>-31.71</b>

JOM KOMODO NAV VS. INDONESIA EQUITY INDICES



— JAKARTA COMPOSITE Index (EUR)  
 — MSCI Indonesia Small Cap TR Net (EUR)  
**— JOM Komodo**

Equities by Investment Themes



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