PT. Asuransi Allianz Life Indonesia

SmartWealth Rupiah Equity IndoAsia Fund
February 2014

BLOOMBERG: AZRPIAS: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.

PERFORMANCE INDICATOR

Return Performance	
Last 1-year period	**0.87%**
Best Month	**8.45% Oct-11**
Worst Month	**-9.47% Aug-11**

Portfolio Breakdown	
Equity	**88.01%**
Cash/Deposit	**11.99%**

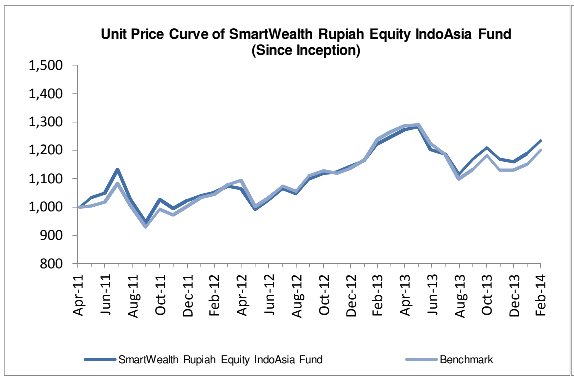
Top Five Stocks Holding	
TELEKOMUNIKASI	**5.92%**
BANK CENTRAL ASIA	**5.69%**
BANK MANDIRI	**5.38%**
BANK RAKYAT INDONESIA	**4.88%**
ASTRA INTERNATIONAL	**4.70%**

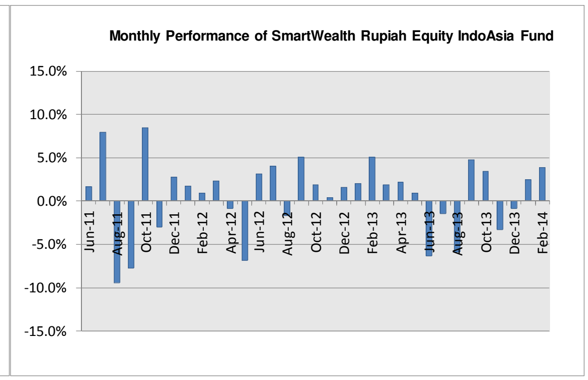
Country Breakdown (Stock)	
Indonesia	**72.56%**
Philippines	**0.93%**
Hongkong	**6.15%**
South Korea	**4.00%**
Malaysia	**1.11%**
Singapore	**2.03%**
Taiwan	**1.22%**
Thailand	**0.00%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth Rupiah Equity IndoAsia Fund	**3.86%**	**5.57%**	**10.63%**	**0.87%**	**NA**	**6.46%**	**23.37%**
Benchmark*	**4.31%**	**6.08%**	**9.29%**	**-3.23%**	**NA**	**6.11%**	**19.91%**

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

(New benchmark assessment as of May 2012; previously: Jakarta Composite Index (JCI))





KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 252.44	**Pricing Frequency**	: Daily
Risk Profile	: Aggresive Investor	**Price per Unit**	***Bid*** ***Offer***
Launch Date	: 05 May 2011	**(As of Feb 28, 2014)**	: IDR 1,172.05 IDR 1,233.74
Fund Currency	: Indonesian IDR	**Bid-Offer Spread**	: 5.00%
Managed by	: PT. Asuransi Allianz Life Indonesia	**Management Fee**	: 2.00% p.a.

MANAGER COMMENTARY

In February 2014, Asia Ex-Japan stock markets regained grounds from the prior month's slump as investors' confidence returned. Within the region, all markets were all able to notch up gains. Indonesia and the Philippines were among the best performers, while China and Malaysia lagged. In China, disappointing macro data continued to weigh negatively on the market. The HSBC Flash Purchasing Managers' Index softened further to 48.3 from January's level of 49.5, implying continued weakness in business activity. Investors' worries over the potential risk of a "hard landing" and the deterioration in sentiment due to the lack of news flow on reforms were reflected in the dramatic RMB depreciation close to the end of the month. Within the ASEAN markets, Indonesia and the Philippines were the best performers for the period while Malaysia underperformed. In Indonesia, the stock market and the IDR slumped in 2013 but rebounded significantly going into 2014 after positive signs on macro front. The current account deficit improved with December's trade surplus reaching a 2-year high. The Q4 2013 GDP rose by 5.72% compared to 5.62% in Q3 2013, indicating acceleration in economic growth. The Philippines was another outperforming market. Despite the damage caused by the Super Typhoon Haiyan, the Philippines were able to deliver resilient economic growth. The Q4 2013 GDP growth came in stronger than expected at 6.5% year-on-year. The solid macro fundamentals attracted large foreign capital inflow and supported the equity market's performance. The main ASEAN currencies gained strength against USD over the month, with the IDR appreciating by 5.2% while the MYR and PHP were up 2.3% and 1.8% against USD respectively.

Central Bureau Statistics of Indonesia (BPS) announced inflation in Feb at 0.26% mom (vs consensus 0.50%, 1.07% in Jan). The low inflation was due to relatively lower food (raw and processed) despite bad weather and the flood disaster. On yearly basis, inflation printed at 7.75% yoy (vs consensus 7.94%, 8.2% in Jan). Core inflation rose to 4.57% yoy (vs consensus 4.60%, 4.5% in Jan) which was slightly higher on the back of slight rise in the gold jewelry. In the Board of Governors' Meeting on February 13th, 2014, BI maintained its reference rate at 7.5%, Lending Facility at 7.5%, and the deposit facility rate (FASBI) at 5.75%. Rupiah appreciated against USD by +4.84% to 11,634 at end of February compared to previous month 12,226. The Association of Banks in Singapore (ABS) has decided to stop IDR transactions for non-deliverable forward (NDF) rate in Singapore's money market. Thus, to obtain reliable reference rate for such as derivative instrument, the Singapore Foreign Exchange Market Committee (SFEMC) now recommends banks to instead use the IDR JISDOR (Jakarta Interbank Spot Dollar Rate), which is published by Indonesian central bank. Trade balance was deficit -US$0.431bn in Jan (vs consensus surplus +US$0.421bn, surplus US$ 1.53bn in Dec). Export decreased by -5.79% YoY, on the back of mineral ore ban, while imports decreased by -3.5% YoY. Indonesia balance of payments posted surplus at $4.4bn in 4Q13 on the back of large capital and financial account surplus at $9.2bn while CAD dropped significantly to -$4bn. Indonesia FY 2013 current-account deficit was at $28.5bn (3.26% of GDP) which was higher compared to deficit of $24.4bn (2.78% of GDP) in 2012.

The JCI ended the month higher, appreciating by 4.56% MoM predominantly driven by large cap stocks as foreign inflows continued to support the market. The Market saw GGRM, ASII and BBRI appreciating by 13.84%, 8.17% and 11.41% respectively. Despite mixed macro data, investors took opportunity in capturing value in selective stocks/tickers which supported the market. On the other hand, coal related stocks were evidently the laggards of the index where UNTR and ITMG fell by -1.68% and 2.99% respectively.