PT. Asuransi Allianz Life Indonesia

SmartWealth Rupiah Equity IndoAsia Fund
January 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	**2.02%**
Best Month	**8.45% Oct-11**
Worst Month	**-9.47% Aug-11**

Portfolio Breakdown	
Equity	**90.50%**
Cash/Deposit	**9.50%**

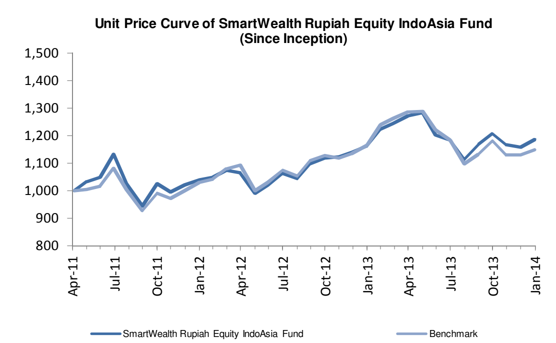
Top Five Stocks Holding	
TELEKOMUNIKASI	**6.33%**
BANK CENTRAL ASIA	**5.75%**
BANK MANDIRI	**5.63%**
BANK RAKYAT INDONESIA	**4.71%**
ASTRA INTERNATIONAL	**4.67%**

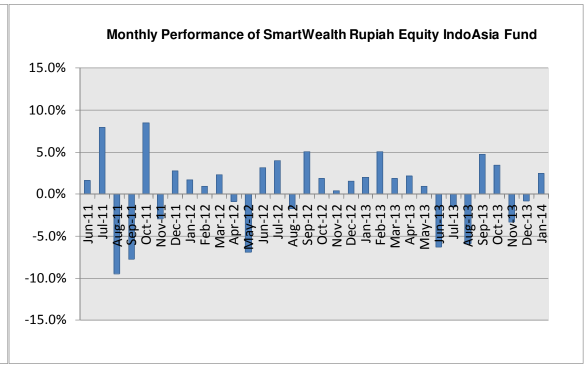
Country Breakdown (Stock)	
Indonesia	**73.50%**
Philippines	**1.37%**
Hongkong	**6.55%**
South Korea	**4.60%**
Malaysia	**1.12%**
Singapore	**2.08%**
Taiwan	**1.27%**
Thailand	**0.00%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth Rupiah Equity IndoAsia Fund	**2.50%**	**-1.71%**	**0.21%**	**2.02%**	**NA**	**2.50%**	**18.79%**
Benchmark*	**1.72%**	**-2.81%**	**-2.98%**	**-1.44%**	**NA**	**1.72%**	**14.95%**

*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 221.66	**Pricing Frequency**	: Daily
Risk Profile	: Aggresive Investor	**Price per Unit**	***Bid*** ***Offer***
Launch Date	: 05 May 2011	**(As of Jan 30, 2014)**	: IDR 1,128.46 IDR 1,187.85
Fund Currency	: Indonesian IDR	**Bid-Offer Spread**	: 5.00%
Managed by	: PT. Asuransi Allianz Life Indonesia	**Management Fee**	: 2.00% p.a.

MANAGER COMMENTARY

Tracking the global plunge, the Asia Pacific stock markets tumbled in January amid the emerging market turmoil, continued stimulus withdrawal by the U.S. Federal Reserve (the “Fed”) and fear over a slowdown of China’s economic growth. Within the Asia Pacific ex Japan region, Indonesia (JCI +3.4%) and Philippines (PCOMP +2.6%) were among the best performers, while China (HSCEI -9.2%), Hong Kong (Hang Seng -5.5%) and Singapore (FSSTI -4.4%) lagged. In China, investors’ concern over the tight liquidity in the interbank market continued to weigh negatively on the market and multiple disappointing macro indicators also sparked fear of a slowdown in domestic economic growth. The flash Markit/HSBC Purchasing Managers' Index (“PMI”) of December softened to 49.6 from November’s level of 50.5, falling below the 50 line that divides expansion and contraction in business activity. The growth of industrial production and fixed-asset investment also slowed down in December. Except for Indonesia and the Philippines, Southeast Asian markets fell in January amid renewed concerns over emerging markets after the Fed continued to taper. Indonesia regained traction after the heavy sell-off in H2 2013 and several upgrades from the brokers during the month. The softer-than-expected ban on ore export offered some support to both the domestic stock market and the Indonesian rupiah. The Philippines equity market continued to be supported by its solid macro fundamentals especially the sustainable overseas remittance. After December’s outperformance, Malaysia suffered from both profit-taking and the flight of capital in anticipation of further tapering. The main ASEAN currencies depreciated against USD over the month with the Philippine peso weakening the most.

Central Bureau Statistics of Indonesia (BPS) announced inflation in Jan at 1.07 % mom (higher than 0.55% in Dec). The rising inflation in January was mostly due to higher foodstuff prices since floods disrupt food supply and distribution networks, as well as 12kg LPG price hike. On yearly basis, inflation printed at 8.22% yoy (lower than 8.38% in Dec on the back of changes in the basis for calculation and deduction in weight of raw and processed food). Core inflation is at 4.53% yoy (vs consensus 5.1%, lower than 4.98% in Dec) on the back of changes in the basis for calculation. In the Board of Governors' Meeting on Jan 9th, 2014, BI maintained its reference rate at 7.5%, Lending Facility at 7.5%, and the deposit facility rate (FASBI) at 5.75%. Rupiah apreciated against USD by +0.36% to 12,226 at end of January compared to previous month 12,270. Trade balance was surplus US$1.53bn in Dec (vs consensus surplus US$0.729bn, revised surplus US$0.789bn in Dec) on the back of positive strong growth in exports and slow growth in imports. 4Q13 Gross Domestik Product (GDP) increased to 5.72% YoY from 5.62% YoY in 3Q13 on the back of net exports. Foreign reserves in January increased by USD1.313bn (+1.32% MoM) from USD99.387bn in Dec to USD100.7bn in Jan.

The JCI (Jakarta Composite Index) closed higher in January, appreciating by +3.38% MoM. Large cap stocks particular Banking Names such as BBRI, BMRI, UNVR, TLKM, and CPIN contributed to MoM gain, which posted +14.83%, +10.83%, +9.81%, +5.81%, and +22.52% MoM respectively. On the contrary, the laggards were ASII, AALI, MNCN, ADRO, and INCO which depreciated by -5.51%, -14.44%, -14.86%, -12.84%, and -13.02% MoM respectively. Federal Reserve decided to continue to taper its bond purchasing program by another USD 10 billion in February which somewhat caused the global market to react negatively. Emerging markets (EM) sentiments, Indonesia not being an exception, also deteriorated that resulted in foreign investors to sell off EM assets. Local currencies in Argentina, South Africa and Turkey fell by -22.98%, -7.25%, and -6.76% MoM respectively as their foreign reserves deteriorated. Indonesia on the other hand had shown supportive macro data where its December'13 trade balance data and 2013 GDP growth were supportive. We also saw foreign net buy inflows amounting US$197.56mn in January which were more driven from increasing expectation that there are hopes that Jokowi would be running for president despite no confirmation for PDI-P’s leader and ex-Indonesian president Megawati. Sector wise, the Property & Construction Sector was the best performing sector this month where it appreciated +8.01% MoM. TOTL (Total Bangun Persada) and WSKT (Waskita Karya) rose by +35.00% and +33.33% MoM respectively on new expectation that the new government would step up infrastructure spending. This was followed by the Financial Sector that appreciated by +7.52% MoM, which was driven by BDMN (Bank Danamon) and BBRI (Bank Rakyat Indonesia) that appreciated +14.97% and +14.83% MoM respectively. On the other hand, the Agriculture Sector was the worst performing this month which fell by -8.45% MoM driven by AALI (Astra Agro Lestari) and LSIP (London Sumatera) falling by -14.44% and -14.25% MoM respectively. B10 (Biodiesel 10%) tender realization in Dec-13 was only 20% of total tender.