PT. Asuransi Allianz Life Indonesia

SmartWealth Rupiah Equity IndoAsia Fund
January 2013

BLOOMBERG: AZRPIAS:IJ (IDR)

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	**11.93%**
Best Month	**8.45% Oct-11**
Worst Month	**-9.47% Aug-11**

Portfolio Breakdown	
Equity	**93.11%**
Cash/Deposit	**6.89%**

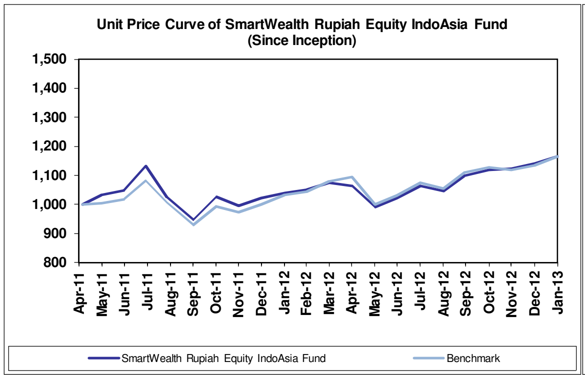
Top Five Stocks Holding	
ASTRA INTERNATIONAL TBK PT	**6.37%**
BANK MANDIRI	**6.09%**
BANK CENTRAL ASIA PT	**5.49%**
TELEKOMUNIKASI TBK PT	**4.67%**
BANK RAKYAT INDONESIA	**4.22%**

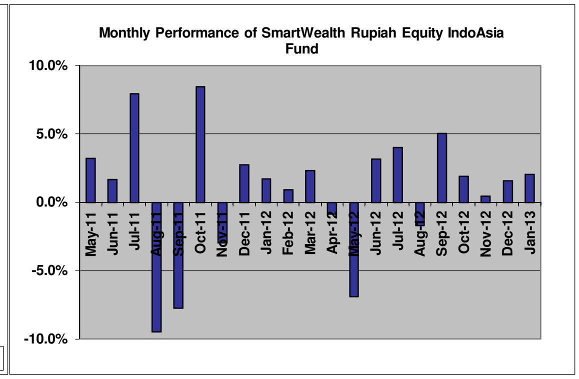
Country Breakdown (Stock)	
Indonesia	**75.13%**
Philippines	**0.00%**
Hongkong	**7.09%**
South Korea	**4.59%**
Malaysia	**0.00%**
Singapore	**2.59%**
Taiwan	**1.38%**
Thailand	**2.33%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception	Compound Annual Growth Rate
SmartWealth Rupiah Equity IndoAsia Fund	**2.02%**	**4.04%**	**9.46%**	**11.93%**	**NA**	**2.02%**	**16.43%**	**9.41%**
Benchmark*	**2.81%**	**3.37%**	**8.59%**	**13.01%**	**NA**	**2.81%**	**16.62%**	**9.53%**

*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 110.12	**Pricing Frequency**	: Daily	
Risk Profile	: Aggresive Investor	Price per Unit	***Bid***	***Offer***
Launch Date	: 05 May 2011	(As of Jan 31, 2013)	**1,106.08**	**1,164.29**
Fund Currency	: Indonesian IDR	**Bid-Offer Spread**	: 5.00%	
Managed by	: PT. Asuransi Allianz Life Indonesia	**Management Fee**	: 2.00% p.a.	

MANAGER COMMENTARY

Global equity markets started the year with strong performance. MSCI World Index was up 5%, Dow Jones was up 5.8%, Nikkei Index was up 7.2%, ASX200 was up 4.9% and FTSE100 was also up 6.4%. In Asia, MSCI Far East Asia Ex-Japan was also up 1.3%, which was still good performance even though it underperformed the global equity index. Within Asia ex-Japan market, the best performing markets were PCOMP (+7.4%), SET (+5.9%), SHCOMP (+5.1%) and HSI (+4.7%). The laggards were KLCI (-3.6%) and KOSPI (-1.8%). In Asia, Chinese equities traded up in the first week of 2013 largely helped by improving global sentiment and continued signs of mild recovery in China. Among the demand variables, infrastructure investment continues to be the key driver of growth. It has been accelerating rapidly since Q2 2012. On the other hand, property investment and retail sales have shown signs of recovery. However, it is not all good news as export recovery remained soft and industrial investment lack luster.

Indonesia January's Inflation increased due to massive floods disturbing distribution of goods and services, i.e. Jan CPI YoY 4.57% (consensus 4.47%) vs Dec 4.30%, Jan MoM 1.03% (consensus 0.89%) vs Dec 0.54%. Jan Core inflation was lower due to low base effect, YoY 4.32% vs Dec 4.40%. Higher food prices (3.39% mom) contributed mostly to higher monthly January inflation. BI maintained its reference rate unchanged at 5.75% on 10 Jan 2013's meeting, due to manageable inflation. Rupiah weakened against USD by -0.67% to 9744 as of end of Jan from 9679 in previous month. Indonesia's December trade balance showed an improvement from -$0.479bn in Nov to -$0.15 bn in Dec. Export decreased by -5.58% MoM to US$ 15.41bn while imports decreased by -8.11% MoM to US$ 15.56bn. Indonesia's Q4 GDP growth reported at 6.11% yoy (survey 6.2% yoy,Q3 2012 6.17% yoy), leading to a full-year average of 6.2% yoy.

The JCI ended the month of January by appreciating +3.17% to close at 4,453.70 with inflation rising by 1.03% MoM in January caused some of the bond investors to shift to equities. Heavy rain and flood have disturbed distribution of raw food and vegetables and caused higher prices. It is reported that prices of egg increased to IDR20,000/kg (+11%), cooking oil upped to IDR10,000/kg (+5.2%), and peanuts rose to IDR21,000/kg (+16.6%) since end of last year. In addition, the 2012 trade balance recorded a deficit of -US$ 1.6 milyar and a fuel subsidy quota exceeding the 40 million to 45 million kl. quota became a main concern for investors fearing that if not well controlled by the government, it would sacrifice its state budget going forward. However, strong foreign inflows were seen, buying into large caps as risk appetite increases. Index wise, as seen on LQ45 Index (top 45 stocks based on market cap) recorded monthly gains higher than JCI, at +3.57% MoM. As the largest sector based on weights, the banking sector, recorded a significant increase in this month as BBRI (Bank Rakyat Indonesia), BMRI (Bank Mandiri), BBCA (Bank Central Asia), and BBNI (Bank Negara Indonesia) each posted +14.39%, +11.73%, +6.04%, and +6.08% MoM gains respectively. Furthermore, Property Sector managed to gain +11.38% MoM, driven by one of the largest residential developers namely BSDE (Bumi Serpong Damai) appreciating by +26.13% MoM, followed by ASRI (Alam Sutera) and BKSL (Bukit Sentul) appreciating +34.92% and +28.33% MoM respectively. Mining names, INCO (Vale Indonesia) also rose +17.02% as China's strong 4Q12 GDP growth fortified expectations of higher nickel price. On the contrary, the other large caps such as ASII (Astra International), GGRM (Gudang Garam) dan EXCL (XL Axiata) fell by -3.29%, -7.90%, and -12.28% MoM respectively. ASII (Astra International) fell as investors switched to stocks that have higher risk-reward profile in regards to valuations and better earnings risk. GGRM (Gudang Garam) fell on the back of cigarette industry being seen as matured coupled with higher excise tax this year to 8.5% (previously 7%). EXCL (XL Axiata) which has continued to fall by nearly 27% over the last three months was due to the anticipation of poor FY12 results.