

SmartWealth Rupiah Equity IndoAsia Fund

May 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	29.55%
Best Month	8.45% Oct-11
Worst Month	-9.47% Aug-11

Portfolio Breakdown

Equity	95.05%
Cash/Deposit	4.95%

Top Five Stocks Holding

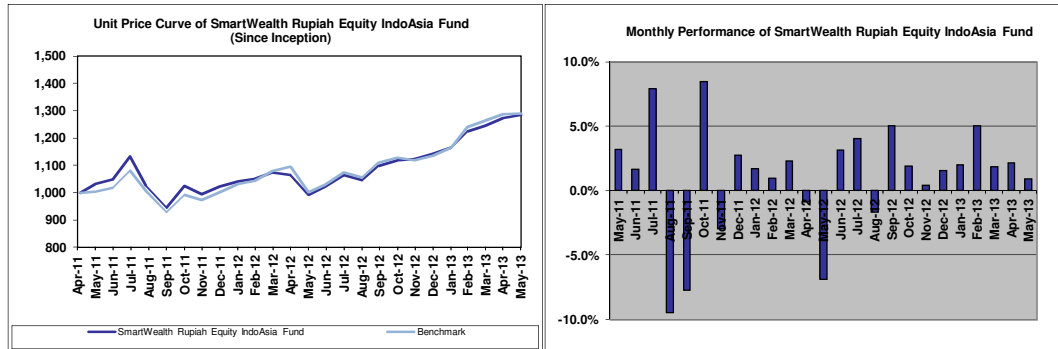
95.05% BANK MANDIRI
4.95% BANK CENTRAL ASIA PT
TELEKOMUNIKASI TBK PT
UNILEVER INDONESIA TBK PT
ASTRA INTERNATIONAL TBK PT

Country Breakdown (Stock)

Indonesia	77.05%
Philippines	5.12%
Hongkong	6.84%
South Korea	3.84%
Malaysia	4.61%
Singapore	2.45%
Taiwan	1.20%
Thailand	1.21%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception	Simple Average Growth Rate Since Inception
SmartWealth Rupiah Equity IndoAsia Fund	0.91%	5.01%	14.28%	29.55%	NA	12.54%	28.44%	13.71%
Benchmark*	0.25%	4.04%	15.26%	28.90%	NA	13.65%	28.92%	13.94%

*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 160.37
Risk Profile	: Aggressive Investor
Launch Date	: 05 May 2011
Fund Currency	: Indonesian IDR
Managed by	: PT. Asuransi Allianz Life Indonesia

Pricing Frequency	: Daily
Price per Unit	Bid Offer
(As of May 31, 2013)	1,220.15 1,284.37
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a.

MANAGER COMMENTARY

Global equity market took a breather in May after reaching all time high since 2009 in the middle of the month. Performance for Dow Jones was even more impressive with the index reaching record high of 15,409 on 28 May 2013. In Asia, NIKKEI also reached a peak of 15,627 in the middle of the month on hopes of Abenomics, but subsequently fell sharply to close at 13,774. Malaysia market had a strong performance post-election which saw ruling party, Barisan Nasional winning 133 out of 222 parliamentary seats. KLCI fell up 3.0% delivering one of the strongest performances in the region. Other markets that performed during the month were TWSE (+2%), KOSPI (+1.9%) and SENSEX (+1.3%). On the other hand, Hang Seng (-1.5%), Straits Times (-1.7%) and SET (-2.2%) went the opposite direction.

Indonesia May's Inflation was lower compared to market consensus i.e. May CPI YoY 5.47% (consensus 5.61%) vs April 5.57%, May MoM -0.03% (consensus +0.11%) vs April -0.10%; due to deflation in food and clothes as horticulture import restrictions were loosened, and prices of personal accessories fell due to downtrend in gold prices. April's Core inflation was also lower compared to previous month figure, YoY 3.99% (consensus 4.08%) vs Apr 4.12%. BI maintained its reference rate unchanged at 5.75% on 14 May 2013's meeting due to manageable inflation. Rupiah depreciated against USD by -1.45% to 9877 at end of May from 9734 compared to previous month. Indonesia's April trade balance posted deficit at -USD 1.61bn compared to surplus USD 305 million in March 2013. Export decreased by -2.18% MoM while imports increased by 9.59% MoM. May's foreign reserves decreased by -USD2.12bn from USD107.27bn in April to USD105.15bn in May on the back of Bank Indonesia's intervention in foreign exchange market. Target deficit of 2013's Revised Budget widened by IDR 80.47t from initial budget. Overall, budget deficit widened to IDR 233.7T (2.48% of GDP).

The JCI (Jakarta Composite Index) closed higher in May gaining +0.69% MoM, once again hitting an all time high of 5,068.63. On the contrary the LQ45 Index (index which represent the most largest and active 45 stocks) saw a decline of -2.06% MoM. Investors globally were anticipating potentially slower global growth rates as the FED's stimulus measures may have triggered risk aversion on emerging markets. Indonesia money flow wise, foreign investors recorded a net sell of IDR 621.69bn from equities in the month of May. Ticker wise, big cap stocks led the way down as BMFL, PGAS, TLKM, BBRI and ASII fell by -7.62%, -12.00%, -5.04%, -5.32%, and -4.08% MoM respectively. However, several stocks managed the index into positive territory which includes UNWR, LPKR, ICBP, BSDE, and GGRM appreciating +16.19%, +36.30%, +14.41%, +27.17% and +8.30% MoM respectively. Mid-cap stocks such as MLI, TSPC, BMTB, MYOR, and ULTI which appreciated by +38.10%, +39.71%, +19.54%, +20.63% and +31.62% respectively also helped support the JCI. On the domestic front, the subsidized fuel price hike progress which had postponed last year, will be implemented soon. Minister of Finance, Chatib Basri, mentioned that the government would raise fuel prices in mid June. Subsidized fuel (premium) price will increase from IDR 4,500 to IDR 6,500 (+44%)/litre and diesel from IDR 4,500 to IDR 5,500 (+22%)/litre should the parliament approve the temporary direct aid program and revised 2013 State budget. The temporary direct aid program amounting IDR 11.6tn for 6 month would act as compensation to maintain middle-low segment purchasing power. In the short run, the fuel price hike would have an impact on higher inflation environment, where the central bank expects that 2013 CPI would have a one-off spike at 7.76% YoY. However, the longer term benefit is that the country's balance of payments would drastically improve and thus reduce the fiscal and external vulnerabilities. Sector wise, the Property Sector recorded the highest appreciation this month where it appreciated by +17.08% MoM. The largest contribution came from LPCK (Lippo Cikarang) and KJJA (Jababeka Industrial Estate), which rose by +50.36% and +36.67% MoM. New toll exit access to Cikarang area at km 34 +700 in June and the agreement between the industrial estate companies which Marubeni, Deltamas, Hyundai, Lippo Cikarang, and JICA (Japan International Cooperation Agency) to establish interconnection industrial estate from West to the East became a catalysts for the above mentioned property stocks. On the other hand, Mining Sector suffered the biggest decline this month by -12.51% MoM. Several negative sentiments still blanketed this sector, such as the government plans to increase mining tax royalties from the current 3%-7% to 10%, weak manufacturing PMI data in China, and China's coal import restriction to forbid any imports for coal with less than 5,000 CV. In addition, around 20% of Indonesia's total exports are below 4,900 CV (GAR) and 30% of Indonesia's total exports in 2012 were sold off to China. These factors make Indonesian coal companies continue to be under pressure. ADRO (Adaro Energy), PTRO (Petrosae), PTBA (Bukit Asam Coal Mine), and ITMG (Indo Mines) posted -24.39%, -23.84%, -20.00%, and -18.37% MoM losses respectively.

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