

SmartWealth Rupiah Equity IndoAsia Fund

May 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.

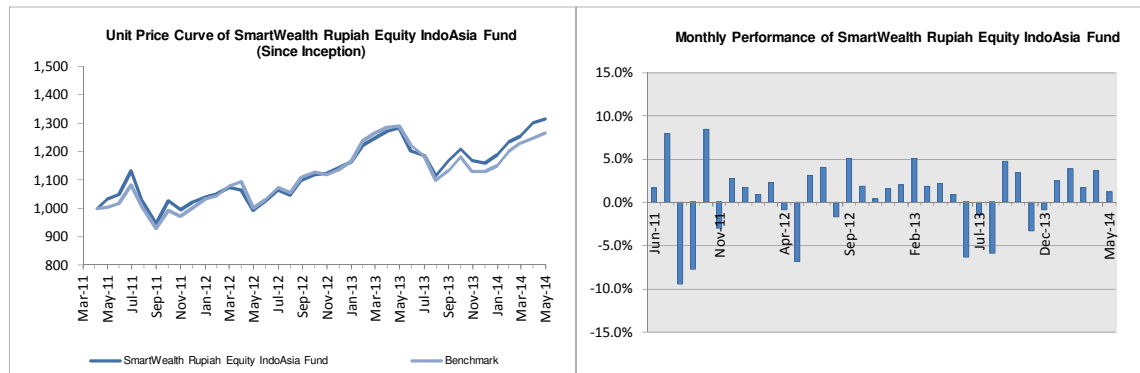
PERFORMANCE INDICATOR

Return Performance		Portfolio Breakdown	Top Five Stocks Holding	Country Breakdown (Stock)	
Last 1-year period	2.47%	Equity	89.04% TELEKOMUNIKASI	Indonesia	72.41%
Best Month	8.45% Oct-11	Cash/Deposit	10.96% BANK CENTRAL ASIA	Philippines	0.93%
Worst Month	-9.47% Aug-11		BANK MANDIRI	Hongkong	7.56%
			ASTRA INTERNATIONAL	South Korea	3.37%
			BANK RAKYAT INDONESIA	Malaysia	1.13%
				Singapore	2.47%
				Taiwan	1.16%
				Thailand	0.00%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth Rupiah Equity IndoAsia Fund	1.19%	6.68%	12.62%	2.47%	27.51%	13.57%	31.61%
Benchmark*	1.52%	5.57%	11.99%	-1.80%	26.02%	12.03%	26.59%

*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 355.31	Pricing Frequency	: Daily
Risk Profile	: Aggressive Investor	Price per Unit	Bid Offer
Launch Date	: 05 May 2011	(As of May 30, 2014)	: IDR 1,250.31 IDR 1,316.12
Fund Currency	: Indonesian IDR	Bid-Offer Spread	: 5.00%
Managed by	: PT. Asuransi Allianz Life Indonesia	Management Fee	: 2.00% p.a.

MANAGER COMMENTARY

For the month of May, MSCI Asia Ex-Japan is up 3.7% outperforming MSCI World which delivered a 1.6% return. Hong Kong and China equities traded well in the month of May on policy hopes as well as slightly better data. In particular, Premier Li stepped up reform plans at the State Council meeting in the areas of environmental protection and especially in water projects to support agricultural growth. Regarding monetary policy, Premier Li stated that the government will keep its prudent and steady stance, and continued to emphasize reforms in the structure of the financial system, while utilizing existing capital in the financial system and the real economy. HSCEI and Hang Seng Index were up 4.8% and 4.3% respectively. ASEAN markets generally underperformed the region. The worst performing market was PCOMP (-0.9%) as Q1 2014 GDP surprised significantly on the downside. This was driven by weaker manufacturing activity, together with a draw-down in inventories. Thailand SET index was also flat as the Thai army staged a military coup after imposing martial law. In Indonesia, JCI index was up 1.1% as market remains hopeful for Jakarta Governor Joko Widodo to win the presidential election in July despite the recent polls showing that Prabowo is closing the gap.

Central Bureau Statistics of Indonesia (BPS) announced inflation in May at 0.16% mom (vs consensus 0.14%, deflation -0.02% in Apr) caused by higher processed food, housing and utilities prices. On yearly basis, inflation printed at 7.32% yoy (vs consensus 7.30%, 7.25% in Apr). Core inflation rose to 4.82% yoy (vs consensus 4.77%, 4.66% in Apr) on the back of increasing demand of air and train transportation ahead the school's holiday and Moslem's fasting month and 'Idul Fitri' celebration as well Rupiah depreciation. In the Board of Governors' Meeting on May 8th, 2014, BI maintained its reference rate at 7.5%, Lending Facility at 7.5%, and the deposit facility rate (FASBI) at 5.75%. Rupiah depreciated against USD by -0.68% to 11,611 at end of May compared to previous month 11,532. Trade balance was deficit -1.962bn USD (non-oil and gas deficit 902mn, oil and gas deficit 1.06bn USD) in April (vs consensus surplus +0.178bn USD, surplus +0.673bn USD in Mar). Export decreased by -3.16% YoY, while imports decreased by -1.26% YoY. Foreign reserves in May increased by +1.4bn USD (+1.33% MoM) from USD 105.6bn in April to USD 107bn in May.

The JCI (Jakarta Composite Index) closed slightly higher in May at 4,893.91, appreciating by +1.11% MoM. Several stocks including TLKM, BMRI, BBRI, TBIG, and SILO saw notable appreciation, all of which appreciated by +13.69%, +3.56%, +3.03%, +18.08%, and +36.36% MoM respectively. Politics wise, preliminary polls suggests that the race for presidency is going to be tight between the two presidential candidates which in turn creates uncertainty on who will govern the country for the next 5 years. Net buying flows slowed to US\$706.6mn (-7.63% MoM). That aside and looking into fundamentals, investors seemed less upbeat on concerns that slower economic growth is more than likely. So far 1Q14 GDP growth has been modest at 5.2% YoY which is slower than what investors had predicted at 5.6%. Partially the export ore ban is having a short term negative impact on growth. In addition to this, trade balance is expected to seasonally worsen in 2Q resulting from higher imports as we head towards the fasting Ramadan month. Sector wise, the Infrastructure Sector was the best performing sector this month where it appreciated +6.53% MoM, WINS (Wintemar Offshore) and TBIG (Tower Bersama) posted +19.80% and +18.08% MoM gains respectively. This was followed by the Mining Sector that appreciated by +4.71% MoM, which was driven by ESSA (Esa Surya Perkasa) and MEDC (Medco International) which rose +28.65% and +18.18% MoM respectively. On the other hand, the Miscellaneous Industry Sector was the worst performing this month which fell by -3.76% MoM, driven by AUTO (Astra Otoparts) and ASII (Astra International) falling by -5.63% and -4.71% MoM respectively. Potential higher cost from electricity tariff and slower 2W and 4W demand towards fasting month have brought down sentiments towards the respective names.

Disclaimer: SmartWealth Rupiah Equity IndoAsia Fund is a unit-linked fund offered by PT Asuransi Allianz Life Indonesia (Allianz). This fact sheet is prepared by Allianz. The information presented is for informational use only. The performance of the Fund is not guaranteed and the value of the units and the income from them may increase or decrease. Past returns and any forecast are not necessarily a guide to future performance. Allianz does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise. You are advised to seek your financial consultant before making any investment.