

SmartWealth Rupiah Equity IndoAsia Fund

January 2015


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.

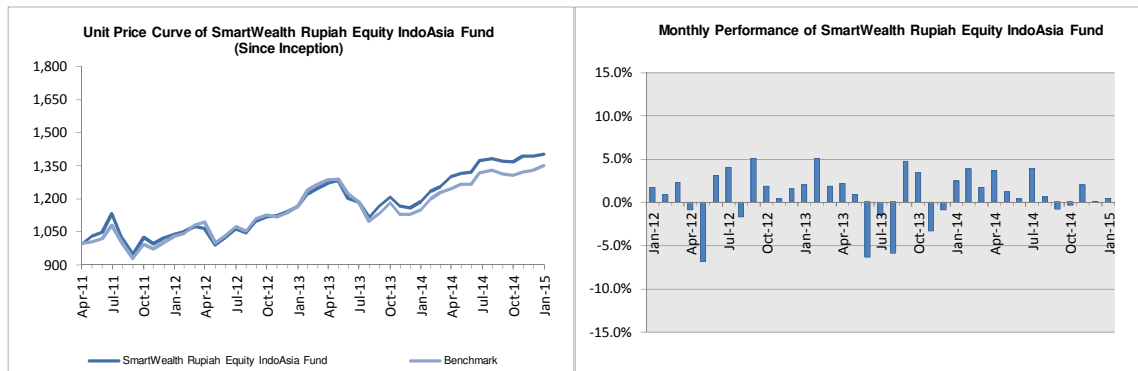
PERFORMANCE INDICATOR

Return Performance	Portfolio Breakdown	Top Five Stocks Holding	Country Breakdown (Stock)
Last 1-year period	Equity	BANK CENTRAL ASIA PT	Indonesia
Best Month	Cash/Deposit	TELEKOMUNIKASI TBK PT	Philippines
Worst Month		ASTRA INTERNATIONAL TBK	Hongkong
		BANK MANDIRI	South Korea
		BANK RAKYAT INDONESIA	Malaysia
			Singapore
			Taiwan
			Thailand

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth Rupiah Equity IndoAsia Fund	0.50%	2.57%	2.01%	18.00%	34.75%	0.50%	40.17%
Benchmark*	1.43%	3.17%	2.37%	17.39%	30.75%	1.43%	34.93%

*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 492.86	Pricing Frequency	: Daily
Risk Profile	: Aggressive Investor	Price per Unit	: <i>Bid</i> <i>Offer</i>
Launch Date	: 05 May 2011	(As of Jan 30, 2015)	: IDR 1,331.58 IDR 1,401.66
Fund Currency	: Indonesian IDR	Bid-Offer Spread	: 5.00%
Managed by	: PT. Asuransi Allianz Life Indonesia	Management Fee	: 2.00% p.a.

MANAGER COMMENTARY

Asian (MXASJ) equities rose 2.5% and outperformed MSCI World Index (MXWO) by 4.4%. Philippines market was the best performing market with PCOMP delivering 6.4% return. In India, a surprise rate cut by the Reserve Bank of India aided investor confidence and drove SENSEX up another 6.1%. The Thai market also saw some strong performance with 5.6% performance while Hong Kong equity market also had a strong start to the year but consolidated towards the end of the month amid the weaker-than expected China macro data. The laggards during the month were SHCOMP (-0.8%), TWSE (0.6%) and FSSTI (0.8%). The ECB's larger than expected QE program resulted in the EUR depreciating 6.7%. The DXY rallied 5% and JPY 1.8%. All currencies in Asia Pacific Ex-Japan depreciated against the USD except the INR, PHP and THB. Crude oil continued its downward trajectory in January 2015, its seventh consecutive monthly decline. However towards the end of the month, we saw slight rebound in oil prices as industry majors announced further plans to cut capex and OPEC reaffirming that they are open to work with non-OPEC countries to rebalance supply.

Central Bureau Statistics of Indonesia (BPS) announced inflation in Jan 2015 at -0.24% mom (vs consensus 0.24%, inflation 2.46% in Dec 2014). CPI was lower than expected was driven by the fuel cut policy, which caused a price reduction in transportation costs and communication. On yearly basis, inflation printed at 6.96% YoY (vs consensus 7.46%, 8.36% in Dec 2014). Core inflation printed at 4.99% YoY (vs consensus 4.70%, 4.93% in Dec 2014). In the Board of Governors' Meeting on Jan 15th, 2015, Bank Indonesia maintained its reference rate at 7.75%, Lending Facility at 8.0%, and the deposit facility rate (FASBI) at 5.75%. Rupiah depreciated against USD by -0.64% to 12,670 at end of Jan compared to previous month 12,589. Trade balance was surplus +0.19bn USD (non-oil and gas surplus 1.22bn, oil and gas deficit -1.04bn USD) in Dec 2014 (vs consensus surplus +0.17bn USD, deficit -0.43bn USD in Nov 2014). Export decreased by -13.83% YoY mostly driven from export in jewelry, while imports decreased -6.61% YoY. FX Reserves increased +2.388bn USD from 111.862bn USD in Dec 2014 to 114.250bn USD in Jan 2015. BPS announced Q4 2014 GDP expanded by only 5.02% YoY (vs consensus 4.9%) and 2.06% QoQ (vs consensus 1.5%), lower compared to previous quarter with net export decline as the driver. By industry level, GDP growth was driven by agriculture, forestry and fisheries.

The JCI (Jakarta Composite Index) closed higher in January, gaining +1.19% MoM to close at 5,289.40 for the month. Movers were UNVR, ASII, EMTK, ICBP and INDF which rose +10.91%, +5.72%, +21.79%, +10.69% and +11.85% MoM. Meanwhile the laggards were PGAS, SMGR, INTP, GGRM, and SMAR which fell -15.83%, -10.03%, -8.00%, -4.78%, and -15.43% MoM respectively. Investor appetite towards the Indonesian stock market improved as the 2015 Revised Budget discussion between government and parliament went relatively smooth. Foreign investors net flows was at US\$18.54mn for the month where the bulk of the inflows happened during the last 2 weeks of the month, more than offsetting the first two weeks of the month which saw US\$146.5mn foreign net outflows. The outflows were driven by the worry that government will impose some sort of price fixing in a free market environment towards certain industries when the Indonesian government instructed to lower cement selling prices for its state owned cement company in which is operating in an oligopolistic market. Post this action, the government communicated to various media sources that it had no intention to intervene the free market, somewhat bringing positive sentiment back towards the market. Sector wise, the Construction and Property Sector was the best performing sector this month, appreciating by +7.00% MoM. AFLN (Agung Podomoro) and WSKT (Waskita Karya) were the movers; rising by +33.13% and +16.67% MoM respectively. This was followed by the Consumer Sector that posted +5.48% MoM gains, driven by MYOR (Mayora) and INDF (Indofood) which saw +16.03% and +11.85% MoM gains respectively. On the other hand, the Agriculture Sector was the worst performing this month which fell -4.47% MoM, the laggards were SMAR (Sinarmas Agro) and BWPT (Eagle High Plantation) which fell by -15.43%, and -11.25% MoM respectively.

Disclaimer:

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