

SmartWealth Rupiah Equity IndoAsia Fund

March 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.

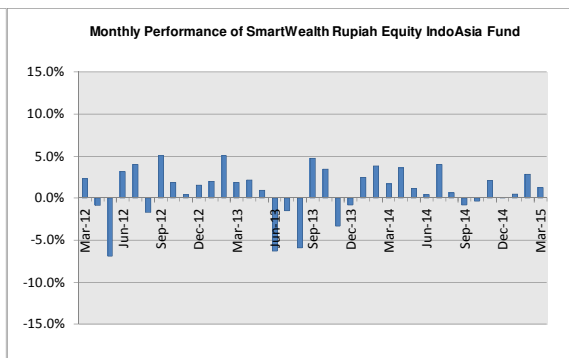
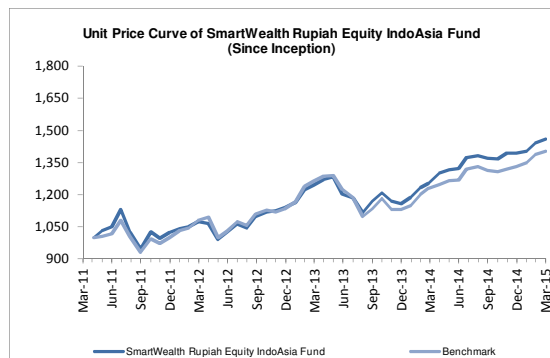
PERFORMANCE INDICATOR

Return Performance		Portfolio Breakdown	Top Five Stocks Holding	Country Breakdown (Stock)	
Last 1-year period	16.30%	Equity	95.11% BANK CENTRAL ASIA	Indonesia	75.91%
Best Month	8.45% Oct-11	Cash/Deposit	4.89% BANK RAKYAT INDONESIA	Philippines	0.00%
Worst Month	-9.47% Aug-11		ASTRA INTERNATIONAL	Hongkong	9.27%
			BANK MANDIRI	South Korea	3.85%
			TELEKOMUNIKASI	Malaysia	1.12%
				Singapore	1.10%
				Taiwan	3.87%
				Thailand	0.00%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth Rupiah Equity IndoAsia Fund	1.28%	4.65%	6.44%	16.30%	35.89%	4.65%	45.96%
Benchmark*	1.16%	5.47%	6.84%	14.20%	30.03%	5.47%	40.31%

*80% Jakarta Composite Index (JCI) and 20% MSCIAC Far East Ex-Japan Index (MXFEJ)

(Newbenchmark assessment as of May 2012; previously: Jakarta Composite Index (JCI))


KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 515.11	Pricing Frequency	: Daily
Risk Profile	: Aggressive Investor	Price per Unit (As of Mar 31, 2015)	Bid : IDR 1,386.58 Offer : IDR 1,459.56
Launch Date	: 05 May 2011	Bid-Offer Spread	: 5.00%
Fund Currency	: Indonesian IDR	Management Fee	: 2.00% p.a.
Managed by	: PT. Asuransi Allianz Life Indonesia		

MANAGER COMMENTARY

Asian equities (MXFEJ) continue its upward trend this year, up 0.8% this month and 4.6% for Q1 2015. The region has also outperformed global equities till date (up 1.8%). Shanghai composite was the star performers among the regional markets up 13.2% followed by KOSPI (+2.8%), PSE (+2.7%), NIKKEI (+2.2%), Straits Times Index (+1.3%) and JCI (+1.3%). On the other hand, markets like SET (-5.1%) and SENSEX (-4.3%) were subjected to profit taking. People's Bank of China governor, Mr. Zhou's comment that there could be room for more monetary policy loosening to alleviate the cyclical economic pressures against a backdrop where macro growth is moderating and deflationary risk is building, and financial conditions and real interest rates remaining largely growth-suppressive. In the real estate market, relevant regulatory bodies also made a few key policy changes aiming to address the supply/demand imbalances and the soft growth momentum of investment and transaction in the industry. During the month, China Securities Regulatory Commission also announced further move to liberalize the financial market further by allowing domestic mutual funds which have been investing in Hong Kong listed stocks through the QDII scheme or newly raised mutual funds to use Stock Connect going forward, subject to their fund's prospectus. Last but not least, on 31 March 2015, the State Council approved the long awaited insurance system for bank deposits effective 1 May 2015, paving the way for full interest rate liberalization. All these were taken positively by the market leading both the China listed A-share and Hong Kong listed H-share higher.

Central Bureau Statistics of Indonesia (BPS) announced inflation in Mar 2015 at 0.17% mom (vs consensus 0.22%, inflation -0.36% in Feb 2015) which was caused by higher processed food, beverages, cigarettes and tobacco prices. On yearly basis, inflation printed at 6.38% YoY (vs consensus 6.39%, 6.29% in Feb 2015). Core inflation printed at 5.04% YoY, higher than previous month (vs consensus 4.95%, 4.96% in Feb 2015). In the Board of Governors' Meeting on Mar 17th, 2015, Bank Indonesia maintained its reference rate at 7.50%, Lending Facility at 8.0%, and also facility rate (FASBI) to 5.50%. Rupiah depreciated against USD by -1.72% to 13,084 at end of Mar compared to previous month 12,863. Trade balance was surplus +0.74bn USD (non-oil and gas surplus 0.17bn, oil and gas surplus 0.57bn USD) in Feb 2015 (vs consensus surplus 0.64bn USD, surplus 0.74bn USD in Jan 2015). Export decreased by -16.02% YoY mostly driven from export in jewelry, while imports decreased -16.24% YoY. FX Reserves decreased -3.973bn USD from 115.527bn USD in Feb 2015 to 111.554bn USD in Mar 2015.

The JCI (Jakarta Composite Index) closed higher in March, appreciating +1.25% MoM to close at 5,518.67 for the month. Movers were ASII, UNVR, BBCA, BMRI, and BBRI which rose +9.24%, +10.14%, +5.14%, +3.96% and +3.11% MoM. Meanwhile the laggards were PGAS, INTIP, SMGR, GGRM, and TLKM which fell -7.69%, -8.84%, -8.24%, -4.54%, and -1.53% MoM respectively. 2014 earnings results were mixed, where broad market earnings growth was in the range of 5-10% YoY. Lower in comparison to 2013 broad market earnings at 10-15% YoY. Corporate earnings growth in general has expectedly slowed due to several macro factors. Imports were lower in Feb-15, which fell by 16% YoY. Further indicating that the economy is slowing. Investors in general were cautious on the government's more aggressive growth target of 5.7%. Government tax revenue merely reached IDR 125tn which was 8.4% of FY15 target, -9.19% lower on a YoY basis. Should government be unable to reach the FY15 target, CAD risks rising above 2% of GDP which may result in cutting infrastructure spending. Sector wise, the Miscellaneous Industry Sector was the best performing sector this month, appreciating by +7.17% MoM. SRIL (Sn Rejeki Isman) and ASII (Astra International) were the movers; rising by +49.67% and +9.24% MoM respectively. This was followed by the Financial Sector that rose +4.83% MoM, driven by PNB (Bank Parin) and BBTN (Bank Tabungan Negara) rising +29.55% and +17.29% MoM respectively. On the other hand, the Basic Industry Sector was the worst performing this month which fell -7.74% MoM, the laggards were MAIN (Malindo Feedmill) and SMCB (Holcim) which fell by -21.26% and -19.90% MoM respectively.

Disclaimer:

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