

SmartWealth Rupiah Equity IndoAsia Fund

September 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.

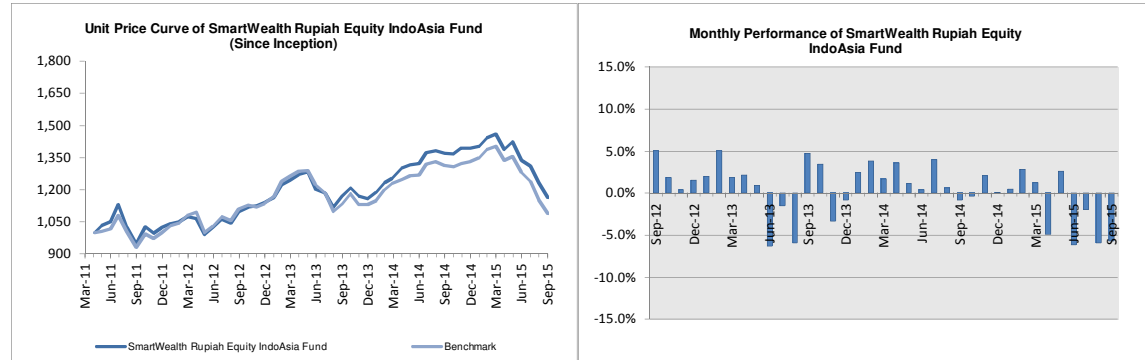
PERFORMANCE INDICATOR

| Return Performance | | Portfolio Breakdown | Top Five Stocks Holding | Country Breakdown (Stock) | |
|--------------------|---------------|---------------------|--------------------------|---------------------------|--------|
| Last 1-year period | -15.22% | Equity | 86.91% TELEKOMUNIKASI | Indonesia | 68.96% |
| Best Month | 8.45% Oct-11 | Cash/Deposit | 13.09% BANK CENTRAL ASIA | Philippines | 0.00% |
| Worst Month | -9.47% Aug-11 | | UNLEVER INDONESIA | Hongkong | 8.89% |
| | | | BANK RAKYAT INDONESIA | South Korea | 3.55% |
| | | | ASTRA INTERNATIONAL | Malaysia | 1.09% |
| | | | | Singapore | 1.07% |
| | | | | Taiwan | 3.35% |
| | | | | Thailand | 0.00% |

| | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | YTD | Since Inception |
|---|---------|----------|----------|---------|---------|---------|-----------------|
| SmartWealth Rupiah Equity IndoAsia Fund | -5.67% | -13.01% | -20.35% | -15.22% | 5.83% | -16.65% | 16.25% |
| Benchmark* | -5.51% | -14.91% | -22.47% | -17.14% | -1.95% | -18.21% | 8.86% |

*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 434.51 | Pricing Frequency | : Daily |
| Risk Profile | : Aggressive Investor | Price per Unit | Bid Offer |
| Launch Date | : 05 May 2011 | (As of Sep 30, 2015) | : IDR 1,104.35 IDR 1,162.47 |
| Fund Currency | : Indonesian IDR | Bid-Offer Spread | : 5.00% |
| Managed by | : PT. Asuransi Allianz Life Indonesia | Management Fee | : 2.00% p.a. |

MANAGER COMMENTARY

September saw another weak month in the region with focus centred around the Federal Open Market Committee (FOMC) meeting on the 17 September 2015 and concerns regarding China growth, RMB devaluation and Brazil reserves. Many investors stayed on the sidelines or reduced risk exposure ahead of the FOMC announcement. The US Federal Reserve's (Fed) eventual decision to hold rates was not a surprise, however its dovish tone and emphasis on global financial market development was. Investors' perception of the probability of two bad tail risks has increased. The first is debt and deflation in developed economies. The other outcome is that a tight labour market and a fading benefit of lower commodity prices increase the risk that the Fed is behind the curve and thus forced into an uncomfortably fast rate cycle. Chinese economic recovery continued to be a concern rippling into the rest of the region, with the lowest China Caixin Flash Purchasing Managers Index (PMI) print in 6 years and the government announced an increase in the margin requirements on stock-index futures contracts. The Chinese government released its long awaited SOE reform plan, but the slow implementation time (goal is 2020) had little effect on the markets. Meanwhile, A-share volumes hit a 7-month low mid-month led to volatile price action. In ASEAN, a lot of focus was on stimulus measures and political events this month. Indonesia announced the first of the three stimulus packages which disappointed the market due to the lack of detail. In Singapore, the People's Action Party (PAP) scored a resounding victory in the 2015 General Election held on the 11 September 2015. The Thai constitution draft was rejected by Junta's reform council which suggested a delay in election but investors shifted focus to the short term stimulus package worth THB 136 billion (USD 3.8 billion) aiming to boost domestic demand and purchasing power. Moody's lowered the Philippines GDP forecast. MSCI global equity index was down 3.9%, underperforming MSCI Asia Ex-Japan index by 1.9%. In Asia, the worst performing market was Indonesia JCI (-6.3%), Shanghai SHCOMP (-4.8%) and Singapore STI (-4.5%). During the month of September, the Asia equity market was supported by positive contributions from North Asia markets and Malaysia. Korea KOSPI and Taiwan TWSE were up 1.1% and 0.1% respectively. Malaysia KLCI after several months of heavy selling also saw some stabilization with 0.5% return.

Central Bureau Statistics of Indonesia (BPS) announced September's deflation at -0.05% mom (vs consensus 0.11%, inflation 0.39% in Aug 2015) mostly were caused by lower food ingredients and transportation cost. On yearly basis, inflation printed at 6.83% YoY (vs consensus 7%, 7.18% in Aug 2015). Core inflation printed at 5.07% YoY, higher compared to previous month (vs consensus 4.94%, 4.92% in Aug 2015) on the back of exchange rate depreciation. In the Board of Governors' Meeting on Sept 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 -4.49% to 14,657 at end of September compared to previous month 14,027. Trade balance was surplus +0.43bn USD (non-oil and gas surplus 1.01bn, oil and gas deficit 0.58bn USD) in Aug 2015. Export decreased by -12.28% YoY mostly driven from export in tins, while imports decreased by -17.06% YoY. FX Reserves decreased -3.63bn USD from 105.35bn USD in Aug 2015 to 101.72bn USD in Sept 2015 to stabilize the IDR exchange rate.

The JCI (Jakarta Index) ended lower in September, falling -6.34% MoM to close at 4,223.91 for the month. Laggards were BBRI, ASII, BMRI, TLKM, and BBKA which fell -18.59%, -11.81%, -12.91%, -7.84%, and -4.84% MoM respectively. Meanwhile the movers were INCO, MLBI, KREN, MIKA, and PSAB which posted +41.42%, +32.20%, +104.88%, +9.54%, and +68.75% MoM gains respectively. Emerging market remained under pressure as global and regional factors brought down investors' confidence in the domestic economy. Foreign outflows was US\$498.4mn and the IDR declined to 17-year low at IDR 14,7K/USD, falling -17% YTD. External factors continue to play a role in influencing Indonesia's monetary initiatives where the central bank has to navigate through inflation and IDR movements. On domestic front however, there were signs of economy stabilization in August where household consumption has shown signs of improvement. Motorcycle sales managed to grow +2% YoY. Investment is also expected to increase as more toll roads and power plants began construction. Furthermore, higher cement sales, imports of capital goods and stronger credit growth are all indicative of increasing investment activity. In addition, the government released several economic policies and initiatives aimed to aid investments and purchasing power. The economy is expected to accelerate in 3Q and 4Q/2015. Sector wise, the Financial Sector was the worst performing sector this month, declining by -10.04% MoM. BBRI (Bank Rakyat Indonesia) and BDMM (Bank Danamon) were the laggards; falling by -18.59% and -18.10% MoM respectively. This was followed by the Miscellaneous Industry Sector that posted -8.06% MoM losses, driven by ASII (Astra International) and MASA (Multistrada) which fell -11.81% and -5.76% MoM respectively. On the other side, Mining Sector was the best performing sector this month, gained by +1.74% MoM. INCO (Vale Indonesia) and TINS (PT Timah) were the movers, appreciated +41.42% and +5.79% MoM respectively.

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.