

SmartWealth US Dollar Equity IndoAsia Fund

June 2013


BLOOMBERG: AZUSIAS:IJ (USD)
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. This fund is a conversion of the Smartwealth IndoAsia Equity Fund (IDR). The unit price for the USD is calculated using the Bank Indonesia's middle rate.

PERFORMANCE INDICATOR
Return Performance

Last 1-year period	12.24%
Best Month	5.12% Feb-13
Worst Month	-10.62% May-12

Portfolio Breakdown

Equity	91.05%
Cash/Deposit	8.95%

Top Five Stocks Holding

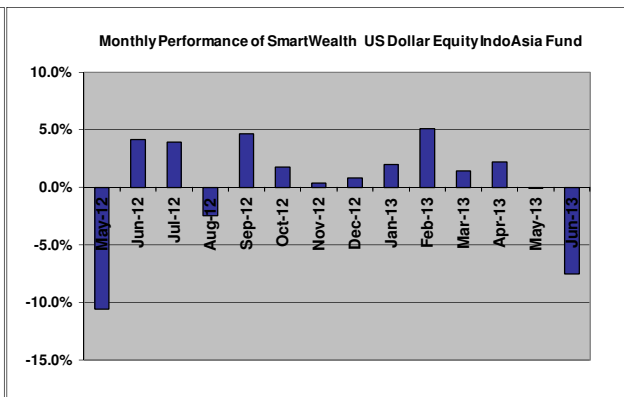
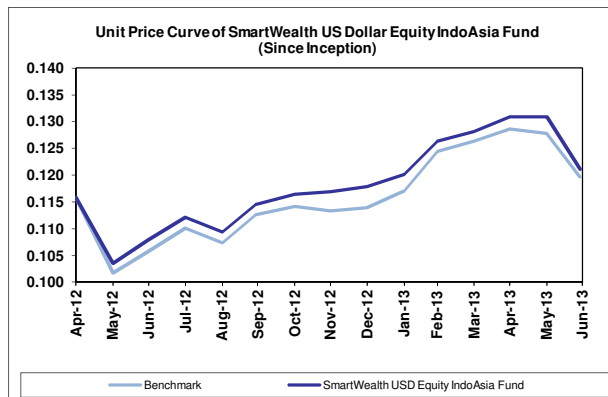
BANK CENTRAL ASIA	5.69%
TELEKOMUNIKASI	5.32%
BANK MANDIRI	5.07%
UNILEVER INDONESIA	4.56%
ASTRA INTERNATIONAL	4.45%

Country Breakdown (Stock)

Indonesia	72.88%
Philippines	1.40%
Hongkong	7.12%
South Korea	3.66%
Malaysia	1.19%
Singapore	2.36%
Taiwan	1.19%
Thailand	1.23%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth USD Equity IndoAsia Fund	-7.51%	-5.48%	2.75%	12.24%	NA	2.75%	4.51%
Benchmark*	-6.38%	-5.32%	5.03%	13.23%	NA	5.03%	3.29%

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


KEY FUND FACTS

Fund Size (in mn USD)	USD 14.92
Risk Profile	: Aggressive Investor
Launch Date	: 01 May 2012
Fund Currency	: US Dollar
Managed by	: PT. Asuransi Allianz Life Indonesia

Pricing Frequency	: Daily
Price per Unit	Bid Offer
(As of June 28, 2013)	0.1150 0.1211
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a.

MANAGER COMMENTARY

June was a challenging month for Asian equity markets as MSCI Asia-Ex-Japan market declined 6.3%. The worst performing markets were SHCOMP (-14%) followed by PCOMP (-7.9%), SET (-7.1%), Hang Seng (-7.1%) and KOSPI (-6.9%). The only market in Asia which managed to stay in the positive region was KLCI (+0.2%). Here in Asia, markets overall suffered as US rate rise expectations continue to drain fund flow across the region. Focus was on Chinese market pullback on liquidity concerns. China's tightened liquidity was reflected in surges in key indicators like SHIBOR, repo and bill discount rates. Chinese economic data were also unfavourable. HSBC flash PMI retreated to 48.3, suggesting weak exports. During the final week, PBOC announced that it was aiding selected financial institutions and expected a stable market.

Head Inflation rose to 5.9% YoY, 1.03% MoM in June (vs consensus 6.02% YoY, 1.09% MoM) from 5.5% YoY in May, driven by fuel price hikes. The core inflation was relatively stable to 3.98% YoY (vs consensus 4.13%) from 3.99% YoY in May. Government decided to increase the subsidized fuel price both for premium (from IDR4,500 to IDR6,500 per liter) and diesel (from IDR4,500 to IDR5,500 per liter) effective on June 22, 2013. Government will allocate around IDR29.4Tn to mitigate the negative impact of the price hikes on the economy that includes temporary monetary relief (BLSM) around IDR9.3Tn. In the Board of Governors' Meeting on June 13th, 2013, Bank Indonesia increased its reference rate by 25 bps to 6.00%, and two days earlier increased the deposit facility rate (FASBI) as well by 25bps to 4.25%. Rupiah depreciated against USD by -1.27% to IDR10,004 at end of June compared to previous month IDR9,877. Indonesia's May trade balance posted lower deficit at -USD 0.59bn compared to deficit at -USD 1.61bn in April 2013. Export increased by 8.90% MoM while import increased by 1.22% MoM.

The JCI (Jakarta Composite Index) ended lower losing -4.93% MoM during the month of June. Considerable foreign outflows continued, recording a net sell of US\$2bn from equities. Ticker wise, large cap stocks led the index down, mostly Banking and Property names such as BBRI, BMRI, BBNI, BBKA, LPKR, and BSDE which fell by -12.92%, -7.22%, -11.79%, -3.38%, -17.39%, and -18.18% MoM respectively. Investors that had to stay invested in Indonesia switched into defensive names like PGAS, TLKM, and UNVR that appreciated +4.55%, +1.81%, and +0.82% MoM respectively. Equity market sentiment remained volatile in June. Some anticipating the Fed QE tapering. Using unemployment rate and inflation as reasons to reduce its stimulus program by targeting 7% unemployment and 2% - 2.5% inflation rate. Currently, as of May 2013 unemployment and inflation level stood at 7.6% and 1.4% respectively. The liquidity crisis in China also triggered risk aversion. This had caused China's interbank rate to increase dramatically to 14.5% on 20th June 2013, 3 times higher from May 2013 at 4.55%. However, this situation eased after the PBoC (People's Bank of China) injected funds into the banking system amounting 36bn Yuan, or US\$ 5.9bn through repo securities. Sector wise, the Property Sector posted the lowest performance this month where it depreciated by -14.51% MoM. The largest contribution came from ASRI (Alam Sutera), WIKA (Wijaya Karya), WSKT (Waskita Karya), and PTPP (PT Pembangunan Perumahan) which dropped by -29.25%, -27.43%, -26.67% and -22.86% MoM respectively. This was followed by Financial Sector that also fell -7.55% MoM. Ticker wise, PNLF (Panin Life), BBTN (Bank Tabungan Negara), and BTPN (Bank Tabungan Pensiunan Nasional) posted -23.64%, -19.01%, and -15.31% MoM losses respectively. Higher inflation and interest rate environment hurt equity market sentiment.

Disclaimer:

SmartWealth US Dollar 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.