

SmartWealth US Dollar Equity IndoAsia Fund

March 2013


BLOOMBERG: AZUSIAS:IJ (USD)
INVESTMENT OBJECTIVE

The objective of this fund is to provide maximum long term investment yield.

INVESTMENT STRATEGY

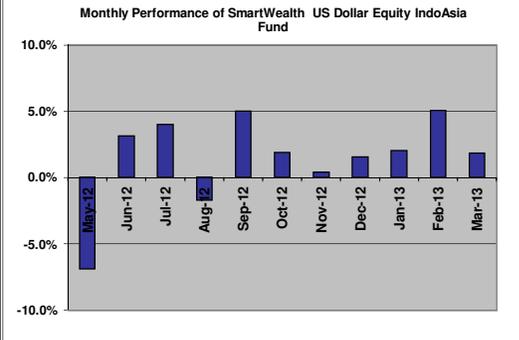
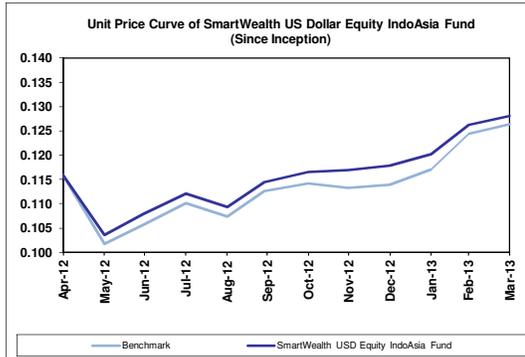
To achieve the investment objective, this fund shall be invested 80 - 100% in equity instruments (directly through stocks and / or through equity mutual funds) and 0 - 20% in short-term instruments (such as deposits). Furthermore, the fund shall be invested in equity instruments in the Asia Pacific region, 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	NA	Portfolio Breakdown	Top Five Stocks Holding	Country Breakdown (Stock)
Last 1-year period	NA	Equity	91.17% ASTRA INTERNATIONAL TBK PT	6.18% Indonesia
Best Month	5.07% Feb-13	Cash/Deposit	8.83% BANK MANDIRI	5.75% Philippines
Worst Month	-10.62% May-12		BANK CENTRAL ASIA PT	5.46% Hongkong
			TELEKOMUNIKASI TBK PT	4.61% South Korea
			BANK RAKYAT INDONESIA	4.19% Malaysia
				Singapore
				Taiwan
				Thailand
				74.26%
				0.00%
				6.69%
				4.58%
				0.00%
				2.27%
				0.99%
				2.37%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception	Compound Annual Growth Rate
SmartWealth USD Equity IndoAsia Fund	1.43%	8.71%	11.92%	NA	NA	8.71%	10.57%	NA
Benchmark*	1.54%	10.92%	12.25%	NA	NA	10.92%	9.08%	NA

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


KEY FUND FACTS

Fund Size (in mn USD)	USD 12.96	Pricing Frequency	: Daily
Risk Profile	: Aggressive Investor	Price per Unit	: <i>Bid</i> <i>Offer</i>
Launch Date	: 01 May 2012	(As of Mar 28, 2013)	0.1217 0.1261
Fund Currency	: US Dollar	Bid-Offer Spread	: 5.00%
Managed by	: PT. Asuransi Allianz Life Indonesia	Management Fee	: 2.00% p.a.

MANAGER COMMENTARY

In the month of March, Asia markets generally underperformed the global equities market. MXASJ index was down -2.1% versus MXWO index which was up 2.1% for the month. Both the US and Japan was the major contributor in the global equity rally. Dow Jones was up 3.7%, setting an all-time high of 14,578 on the last day of the trading day for the month, surpassing the previous peak in September 2007. Japan also delivered very strong performance during the month of March, after new Bank of Japan governor gave commitments on further easing to pursue its 2% inflation target. The Nikkei index was up 7.3% for the month. Year-to-date, Nikkei was already up more than 19.3% making it one of the best performing market in the world. Recent developments in Asia probably caused investors to raise some concerns in the market. In China, equities opened lower due to property tightening measures, including some previously unexpected elements such as a 20% tax on gains. Cyclical indicators also showed some signs of softness in the Purchasing Managers Index. A new strain of bird flu, H7N9 has also been detected in China resulting in 2 deaths. In Malaysia, the market was also concerned about the election outcome where the opposition lead by ex-Prime Minister Anwar Ibrahim is putting a strong challenge for the incumbent. There were also some concerns on Thailand Prime Minister Yingluck's political future due to probe by National Anti-Corruption Commission on the accusation of her concealing her assets wrongfully. In South Korea, market was also hit by rising geopolitical risk as North Korean continues to toughen their stance towards US and their allies. In early March, North Korea annulled a non-aggression deal with South Korea after UN Security Council adopted a resolution with new sanctions against North Korea in the wake of its recent nuclear test.

Indonesia March's Inflation was higher compared to market consensus i.e. Mar CPI YoY 5.9% (consensus 5.56%) vs Feb 5.31%, Mar MoM 0.63% (consensus 0.36%) vs Feb 0.75%; mainly due to food prices where the biggest contributors were onion, garlic and chilies. March's Core inflation was slightly lower compared to previous month figure which mostly due to the decline in jewelry prices, YoY 4.21% (consensus 4.3%) vs Feb 4.29%. BI maintained its reference rate unchanged at 5.75% and FASBI rate at 4% on 7 March 2013's meeting. Rupiah depreciated against USD by -0.68% to 9735 at end of March from 9669 compared to previous month. Indonesia February' trade balance deficit was wider, of -USD0.3bn compared to the revised figure of -USD0.1bn in Jan13. Export decreased by -2.5% MoM while imports decreased by -0.86% MoM. February's foreign reserves decreased -USD3.6bn from USD108.78bn in January due to Bank Indonesia's intervention.

The JCI (Jakarta Composite Index) closed in March gaining +3.03% MoM and hitting an all time high of 4,941.10. This was fueled by better FY2012 earning results as well as favorable/positive dividend announcement from the Banking Sector. Market participants, particularly from foreign investors recorded net purchases in March amounting US\$ 189.01bn. This impacted mostly large cap stocks such as PGAS, CPIN, BBCA, BBNI and ICBP that appreciated +23.96%, +14.77%, +3.64%, and +9.78% MoM respectively. The JCI had also been supported from corporate action, private placement of 40% worth of stake of LPPF (Matahari Department Store) shares by Asia Color Company Ltd to market priced at IDR 10,850, made the essentially 'no-float' stock appreciate by +225.93% on a monthly basis. The rise in the JCI / Indonesian equities suggests that investors were ignoring negative sentiments from Europe that could potentially affect fund flows. Cyprus became the 5th country to be bailed out by the ECB, the bail-out was worth EUR 10bn (US\$ 13bn) in order to save its economy from bankruptcy. The consequence is that depositors that owns savings with an amount above EUR 100,000 will be taxed by 9%. The tightening action is coupled with unemployment rates in February hitting a new record of 12% (January at 11.8%) as well as little price inflation suggests that the European economic fundamental is far from stable. In regards to sector, the Property Sector recorded the highest appreciation this month where it rose by +10.29% MoM, fueled both from housing developers such as LPOK (Lippo Cikarang), MDLN (Modernland Realty), and BEST (Bekasi Fajar Industrial) as well as the Construction companies such as DGK (Nusa Konstruksi Engineering) and PTPP (PTP Pembangunan Perumahan) that posted +66.46%, +23.17%, +21.25%, +38.59% and +30.43% MoM gains respectively. This is driven by FY12 strong earnings growth results on both sectors (Property and Construction) with an average growth of 60% and 30% respectively. Another sector that contributed to the rise in equity market was the Trading Sector that recorded +7.80% MoM gains, driven by medium-cap stocks such as MICE (Multi Indocitra), MTDL (Metrodata), and MLPL (Multipolar) that grew by +87.80%, +57.61%, and +26.67% MoM respectively. On the contrary, Mining Sector was the worst performing sector this month, falling by -7.47% MoM. Commodity prices remains soft, particularly coal which had reached a low of US\$ 90/ton in 2012 (-22% YoY) implying lower margins for coal companies as seen in ADRO, BUMI, HRUM and ITMG that fell by -16.56%, -15.85%, -12.73%, and -11.80% MoM respectively.

Disclaimer:

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