

# SmartWealth US Dollar Equity IndoAsia Fund

## September 2013


**BLOOMBERG: AZUSIAS:IJ**
**INVESTMENT OBJECTIVE**

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

**INVESTMENT STRATEGY**

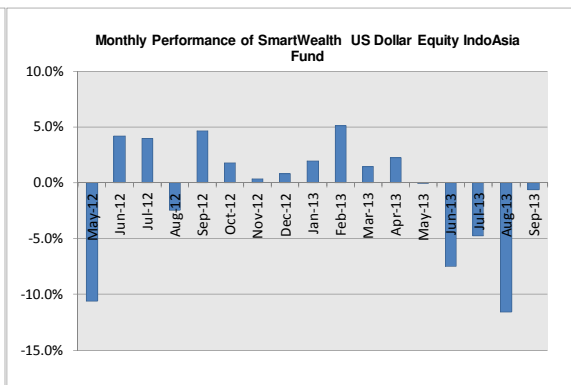
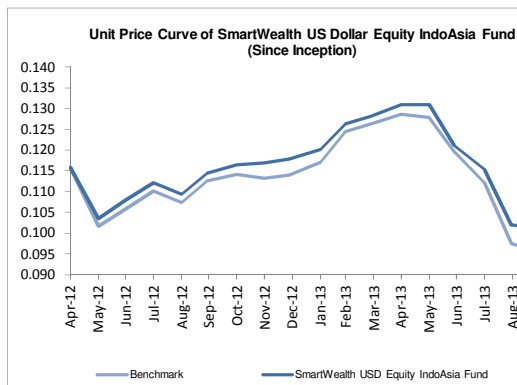
To achieve the investment objective, this fund shall be invested 80 - 100% in equity instruments (directly through stocks and / or through equity mutual funds) and 0 - 20% in short-term instruments (such as deposits). Furthermore, the fund shall be invested in equity instruments in the Asia Pacific region, excluding Japan, not exceeding 20% of the fund. 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	Portfolio Breakdown	Top Five Stocks Holding	Country Breakdown (Stock)
Last 1-year period	Equity	90.01% TELEKOMUNIKASI TBK PT	Indonesia 71.77%
Best Month	Cash/Deposit	9.99% BANK CENTRAL ASIA PT	Philippines 0.88%
Worst Month		BANK MANDIRI	Hongkong 8.63%
		ASTRA INTERNATIONAL TB	South Korea 3.72%
		UNILEVER INDONESIA TBK	Malaysia 1.46%
			Singapore 2.34%
			Taiwan 1.22%
			Thailand 0.00%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth USD Equity IndoAsia Fund	-0.63%	-16.31%	-20.90%	-11.47%	NA	-14.01%	-12.54%
Benchmark*	-2.06%	-20.12%	-24.37%	-15.10%	NA	-16.11%	-17.50%

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


**KEY FUND FACTS**

<b>Fund Size (in mn USD)</b>	: USD 15.89	<b>Price Frequency</b>	: Daily
<b>Risk Profile</b>	: Aggressive Investor	<b>Price per Unit</b>	: <i>Bid</i> <i>Offer</i>
<b>Launch Date</b>	: 01 May 2012	<b>(As of Sep 30, 2013)</b>	: USD 0.0963    USD 0.1013
<b>Fund Currency</b>	: US Dollar	<b>Bid-Offer Spread</b>	: 5.00%
<b>Managed by</b>	: PT. Asuransi Allianz Life Indonesia	<b>Management Fee</b>	: 2.00% p.a.

**MANAGER COMMENTARY**

In the month of September, MSCI World index was up 4.8%, Dow Jones was up 2.2% and MSCI Far East Ex-Japan was up 4.9% despite the looming government shutdown in US and as we approached the fiscal cliff in October. In the region, the best performing market was Thailand SET (+6.9%). Thai market rebounded strongly after 4 months of consecutive sell down. Other markets that did well include Hang Seng (+5.2%), Sensex (+4.1%) and Kospi (+3.7%). Nikkei also have a strong rally during the month, delivering 8% return. The laggards for the month were PCOMP (+1.9%) and TWSE (+1.9%). Up till the shutdown, the economic focus of the month was the "no taper" decision from Fed. Larry Summers withdrawal from the race to be the next Fed Chairman was also well received by the market as it put Janet Yellen in the pole position. Yellen is the vice chairman of Fed and market believe that she will likely to continue steering Fed policy in the same direction as Bernanke. A close ally of the chairman, she has been a key architect of the Fed's efforts under Bernanke to keep interest rates near record lows to support the economy. In Asia, sentiment improved as Chinese IP, retail sales, FAI and lending data beat expectations alongside the news of Fed tapering and the reduction of Syrian political risk.

Central Bureau Statistics of Indonesia (BPS) announced deflation in September at -0.35% mom, better than market expectation (vs consensus +0.15%, 1.12% in Aug). On yearly basis, Indonesia inflation printed at 8.40% yoy (vs consensus 9%, 8.79% in Aug), caused by lower food prices and transportation costs, however core inflation rose to 4.72% yoy (vs consensus 4.60%, 4.48% in Aug). In the Board of Governors' Meeting on Sept 12th, 2013, Bank Indonesia increased its reference rate by 25 bps to 7.25%, and the deposit facility rate (FASBI) by 25bps to 5.5%. Rupiah depreciated against USD by -6.3% to 11613 at end of September compared to previous month 10924. Trade balance was surplus US\$ 0.133bn in Aug (vs consensus -US\$0.89bn, -US\$2.31bn in July) on the back of lower imports. Export decreased by 12.77% MoM while imports decreased by 25.2% MoM. Foreign reserves in September increased by USD 2.678bn from USD92.997bn in Aug to USD95.675bn in Sept.

The JCI (Jakarta Composite Index) ended higher in September, rose by +2.89% MoM. Large cap stocks in particular, where Consumer Related Sector experienced the decline. The index saw TLKM, KLBFI, UNVR, ITMG, and INTP falling by -4.55%, -12.59%, -3.37%, -17.94%, and -8.63% MoM respectively. On the flip side, the banking sector as the sector overall offer good value or favorable risk/reward. Banking names that saw appreciation include BBCA, BMRI and BBRI which appreciated by +10.50%, +11.97%, and +9.85% MoM respectively. Concern on US debt ceiling occurred after the FED postponed QE tapering in mid of Sep-13, which resulted on the US government to shut down its activities due to insufficient budget. This issue gave volatility in sentiments towards emerging market especially Indonesia where foreign investors sold over US\$26.7mn of Equities last month. However, government's action to stabilize the Indonesian economy approx a month ago was beginning to pay reward as August forex reserves data were stable which in turn gave a signal that Indonesia's current account balance is improving. Trade agreement between China and Russia amounting US\$33bn and US\$3bn means that foreign direct investors still showed confidence in investing in Indonesia. However, investors are waiting on US debt ceiling results due to be released on 17th October 2013 which will determine the next short term sentiments towards emerging countries equities. Sector wise, the Agriculture Sector was the lowest performing sector this month where it depreciated by -2.59% MoM, laggards came from LSIP (London Sumatera) and BWPT (BW Plantation) which fell by -14.77% and -12.09% MoM respectively. This was followed by Infrastructure Sector that also depreciated by -2.25% MoM, driven by EXCL (XL Axiata), and JSMR (Jasa Marga) which posted -5.03% and -4.59% MoM declines respectively.

**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.