PT. Asuransi Allianz Life Indonesia

SmartWealth US Dollar Equity IndoAsia Fund
July 2015

BLOOMBERG: AZUSIAS:IJ

INVESTMENT OBJECTIVE

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

INVESTMENT STRATEGY

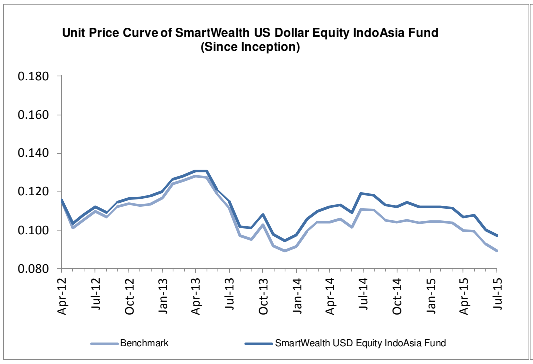
To achieve the investment objective, this fund shall be invested 80 - 100% in equity instruments (directly through stocks and / or through equity mutual funds) and 0 - 20% in short-term instruments (such as deposits). Furthermore, the fund shall be invested in equity instruments in the Asia Pacific region, 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.

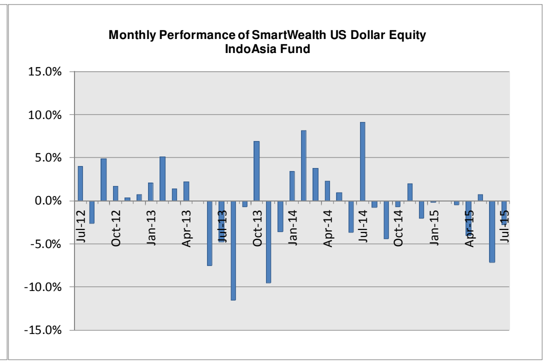
PERFORMANCE INDICATOR

Return Performance			Portfolio Breakdown		Top Five Stocks Holding		Country Breakdown (Stock)	
Last 1-year period	-18.37%		Equity	91.01%	TELEKOMUNIKASI	6.85%	Indonesia	72.99%
Best Month	9.16%	Jul-14	Cash/Deposit	8.99%	BANK CENTRAL ASIA	6.05%	Philippines	0.00%
Worst Month	-11.54%	Aug-13			UNILEVER INDONESIA	5.72%	Hongkong	8.70%
					BANK RAKYAT INDONESIA	4.68%	South Korea	3.58%
					ASTRA INTERNATIONAL	4.23%	Malaysia	1.21%
							Singapore	1.16%
							Taiwan	3.37%
							Thailand	0.00%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth USD Equity IndoAsia Fund	-2.80%	-9.07%	-13.13%	-18.37%	-13.24%	-13.28%	-15.98%
Benchmark*	-4.06%	-10.91%	-14.82%	-19.65%	-18.86%	-14.15%	-23.07%

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





KEY FUND FACTS

Fund Size (in mn USD)	: USD 35.93	**Pricing Frequency**	: Daily	
Risk Profile	: Aggresive Investor	**Price per Unit**	***Bid***	***Offer***
Launch Date	: 01 May 2012	**(As of July 31, 2015)**	: USD 0.0924	USD 0.0973
Fund Currency	: US Dollar	**Bid-Offer Spread**	: 5.00%	
Managed by	: PT. Asuransi Allianz Life Indonesia	**Management Fee**	: 2.00% p.a.	

MANAGER COMMENTARY

The month of July began with a global equities sell off on the back of Greek uncertainty, and the volatility in Chinese markets leading MSCI Asia Ex-Japan implied volatility to rise to one-year highs. Despite the rate/Reserve Requirement Ratio (RRR) cut by the People's Bank of China (PBoC) at the end of June, it was a particularly volatile month for China A-shares which made its largest single day loss in eight years on the 27 July 2015, falling 8.5% in a day. At one point, up to 48% of ChiNext and 36% of CSI 500 small caps were suspended; 18% of A-share companies are still suspended as of 31 July 2015. As a result, the government had to step in to support the market by unleashing funds to stabilize the market. The China Securities Regulatory Commission (CSRC) has also banned major shareholders, executives and directors from selling stakes in listed companies for six months, whilst State-Owned Assets Supervision and Administration Commission (SASAC) ordered central government SOEs not to sell the shares of their listed companies. The PBoC announced that it will provide "ample liquidity" to stabilize the stock market through China Securities Finance Corp, which will provide a credit line to 21 brokerages using stocks as collateral. The Greek debt drama was another major source of concern for the market with the Greece citizens voting overwhelming to reject Eurozone creditor's bailout terms in a referendum called upon by Prime Minister Alexis Tsipras. Despite this result, he was unable to negotiate for better terms with the Eurozone creditors and had to accept their terms of further austerity including tax hikes and raising the retirement age. During the month, the MSCI Asia Ex-Japan (-7.5%) underperformed the global equity market (+1.7%) significantly. SHCOMP was down 14.3% while TWSE also fell 7.1% on disappointing technology earning and guidance. Another market that suffered significant correction was Thailand where we saw a weakening THB and growing asset quality concern for the banking sector given the weakening economic environment. Among the Asian markets, only India and Malaysia delivered positive absolute return with 1.2% and 1% return respectively.

Central Bureau Statistics of Indonesia (BPS) announced July's inflation at 0.93% mom (vs consensus 0.74%, inflation 0.54% in Jun 2015) which mostly were caused by higher food ingredients, processed food, beverages, tobacco prices and transportation cost during the fasting month and Hari Raya. On yearly basis, inflation printed steady at 7.26% YoY (vs consensus 7.06%, 7.26% in June 2015). Core inflation printed at 4.86% YoY, lower compared to previous month (vs consensus 5.00%, 5.04% in Jun 2015). In the Board of Governors' Meeting on Jul 14th, 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 -1.12% to 13,481 at end of Jul compared to previous month 13,332. Indonesia economic growth in second quarter 2015 eased to 4.67% YoY compared to previous quarter at 4.71% YoY. The major driven of the slowdown was the fixed investment and the government spending. Trade balance was surplus +0.47bn USD (non-oil and gas surplus 1.59bn, oil and gas deficit 1.12bn USD) in Jun 2015. Export decreased by - 12.78% YoY mostly driven from export in natural oil, while imports decreased -17.42% YoY. FX Reserves decreased -0.48bn USD from 108.03bn USD in June 2015 to 107.55bn USD in July 2015 on the back of Government foreign debt payments and the use of foreign exchange to stabilize the IDR exchange rate.

The JCI (Jakarta Index) ended lower in July, falling -2.20% MoM to close at 4,802.53 for the month. Laggards were ASII, BMRI, SMGR, BBNI, and BBCA which fell -6.01%, -5.22%, -15.83%, -10.19%, and -2.96% MoM respectively. Meanwhile the movers were GGRM, MIKA, UNVR, WSKT, and KBLF which rose by +9.76%, +12.40%, +1.27%, +16.45%, and +4.18% MoM respectively. Broad market continued to be weaker in July as investors sold off Emerging Market which was triggered by the concerns of slowing Chinese consumption. On a more local front, 2Q15 results were weak in general. Given the fact that most investors had already anticipated the weak 2Q15 result announcement and that most investors had a relatively high cash levels, the sell-off was not as severe as the post weak 1Q15 announcements. On the government spending front we anticipate an accelerated government spending in 2H15 which in turn will help overall system liquidity, which then would lead to demand recovery. Looking ahead, the government's 2016 budget proposal during mid-August will provide more clarity on the domestic economy's medium-term direction. Sector wise, the Mining Sector was the worst performing sector this month, falling by -12.65% MoM. ANTM (Aneka Tambang) and PTBA (Tambang Batubara Bukit Asam) were the laggards; falling by -30.15% and -28.57% MoM respectively. This was followed by the Basic Industry Sector that posted -5.96% MoM losses, contributed by MAIN (Malindo Feedmill) and SMGR (Semen Gresik) which fell -27.35% and -15.83% MoM respectively. On the other hand, Consumer sector was the best performing sector this month, which grew +1.71%. HMSP (HM Sampoerna) and GGRM (Gudang Garam) were the movers which rose 15.90% and +9.76% MoM respectively.