

SmartWealth US Dollar Equity IndoAsia Fund

April 2017



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

| | |
|--------------------|----------------|
| Last 1-year period | 11.31% |
| Best Month | 14.32% Oct-15 |
| Worst Month | -11.54% Aug-13 |

Portfolio Breakdown

| | |
|--------------|--------|
| Equity | 92.67% |
| Cash/Deposit | 7.33% |

Top Five Stocks Holding

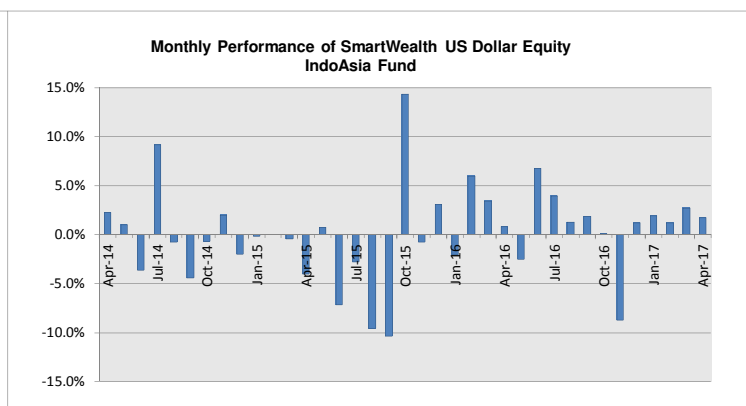
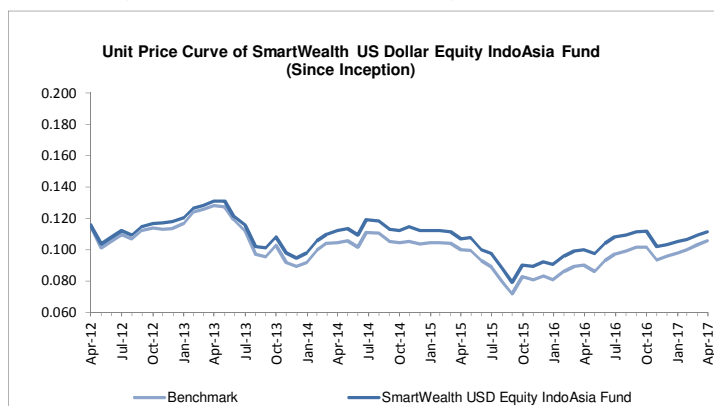
| | |
|---------------------------|-------|
| Bank Central Asia | 6.98% |
| Telekomunikasi Indonesia | 6.88% |
| Hanjaya Mandala Sampoerna | 5.98% |
| Unilever Indonesia | 4.74% |
| Astra International | 4.72% |

Country Breakdown (Stock)

| | |
|-------------|--------|
| Indonesia | 74.26% |
| Philippines | 0.00% |
| Hongkong | 6.04% |
| South Korea | 4.91% |
| Malaysia | 0.00% |
| Singapore | 0.03% |
| Taiwan | 6.15% |
| Thailand | 1.28% |

| | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | YTD | Since Inception |
|--------------------------------------|---------|----------|----------|--------|---------|--------|-----------------|
| SmartWealth USD Equity IndoAsia Fund | 1.74% | 5.80% | -0.36% | 11.31% | -0.89% | 7.86% | -3.97% |
| Benchmark* | 2.25% | 7.87% | 4.16% | 17.32% | 1.24% | 10.30% | -8.77% |

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



KEY FUND FACTS

| | |
|------------------------------|---------------------------------------|
| Fund Size (in mn USD) | : USD 46.14 |
| Risk Profile | : Aggressive |
| Launch Date | : 01 May 2012 |
| Fund Currency | : US Dollar |
| Managed by | : PT. Asuransi Allianz Life Indonesia |

| | |
|-----------------------------|-------------------------|
| Pricing Frequency | : Daily |
| Price per Unit | Bid USD 0.1056 |
| | Offer USD 0.1112 |
| (As of Apr 28, 2017) | |
| Bid-Offer Spread | : 5.00% |
| Management Fee | : 2.00% p.a. |

MANAGER COMMENTARY

The Asian market had an overall return of 2.21% for the month of April. Amongst Asian countries, the market top performers were the Philippines followed by Malaysia and Indonesia. Australia and Thailand were the bottom performers for the month. Unexpected strong economic data helped ease uncertainty over geopolitical issues and the lack of confidence in Trump's ability to stimulate the US economy. The ease of these uncertainties had a favourable impact on the Asian market performance. Falling oil prices and optimism with the passing of the Comprehensive Tax Reform Program (CTRP) helped the Philippines performance in April. Concerns regarding the price of housing and a significant sell-off in the iron ore price had an impact in Australia being the bottom performer for the month.

Central Bureau Statistics of Indonesia (BPS) announced April 2017 inflation at +0.09% mom (vs consensus +0.05%, -0.02% in Mar 2017), mostly was caused by higher administrated price (caused by higher electricity tariff as the second phase tariff adjustment for post-paid customers of non-subsidized 900 VA). On yearly basis, inflation was higher to +4.17% YoY (vs consensus +4.10%, +3.61% in Mar 2017). Core inflation was printed at +3.28% YoY (vs consensus +3.32%, +3.30% in Mar 2017). In the Board of Governors' Meeting on 18-20 Apr 2017, Bank Indonesia maintained the BI 7-day (Reverse) Repo Rate (BI-7 day RR Rate) at 4.75%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 4.00% and 5.50% respectively. Rupiah depreciated by -0.05% to 13,327/USD at end of Apr 2017 from 13,321/USD in previous month. Trade balance booked a surplus of +US\$1.23bn (vs consensus US\$1.298bn) in Mar 2017, from +US\$1.32bn in Feb 2017. Export rose by +23.55%yoy, while imports rose by +18.19% YoY. Indonesia's foreign reserves increased \$1.4bn to \$123.25bn in Apr 2017 from \$121.81bn in Mar 2017. The increase was primarily due to foreign exchange receipts, especially from tax revenues and government oil & gas export proceeds, as well as auction of Bank Indonesia foreign exchange bills. Indonesia 1Q GDP expanded 5.01% yoy, vs consensus 5.10% yoy, and from 4.94% yoy in Q4 2016. From production segment, higher growth reached by information and communication sector at 9.10%. From expense segment, higher growth reached by export sector that grew 8.04%.

The JCI (Jakarta Composite Index) closed higher in April, gaining +2.10% MoM to close at 5,685.30 for the month. Movers were BBCA, TLKM, ASII, UNVR, and TPIA which posted respectable gains of +7.25%, +5.81%, +3.77%, +2.71%, and +10.64% MoM respectively. Meanwhile the laggards were HMSP, PLIN, PGAS, MYOR, and IIKP which fell -2.05%, -23.00%, -3.95%, -4.69%, and -18.64% MoM respectively. Risk appetite domestically continued to be positive despite the recent Jakarta governor election which had initially created concern and lowered investor confidence. Anis Baswedan won against the incumbent governor Ahok on the second round Jakarta Governor Election on 19th April, 58% vs 42% respectively. On the macro front, numbers were looking encouraging. 1Q17 tax revenue increased 19% YoY (+11% YoY after stripping off the last tranche of the tax amnesty) and 1Q17 trade balance US\$3.9bn surplus, which is the highest since 2014 and a stable IDR at IDR 13.3k/USD. Going forward, reconciliation period is vital post the intense polarization / divide that happened during the Jakarta election process to ensure social stability is maintained. Effectively, social stability is part of the economic stability backbone. Sector wise, the Trading and Distribution Sector was the best performing sector this month, appreciating by +3.94% MoM. ERAA (Erajaya Swasembada) and ECII (Electronic City) were the movers; gaining by +20.66% and +20.00% MoM respectively. This was followed by the Infrastructure Sector that posted +3.77% MoM gains, driven by INDY (Indika Energy) and MBSS (Mitra Bahtera) which rose +26.76% and +14.21% MoM respectively. On the flip side, Agriculture Sector was the worst performing sector this month, losing by -2.28% MoM. UNSP (Bakrie Plantation) and BWPT (Eagle High Plantation) were the laggards, falling -9.09% and -7.10% MoM respectively.

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