

Smartlink Dollar Managed Fund

February 2013


BLOOMBERG: AZUSMGD:IJ (USD)
INVESTMENT OBJECTIVE

The objective of the fund is to provide relatively stable income with capital preservation for the long term in USD.

INVESTMENT STRATEGY

To achieve the investment objective, this fund shall be invested 0-20% in short-term instruments (such as deposits), and 80-100% in the medium-or long-term instruments (such as government bonds, corporate bonds, and / or fixed-income funds), in U.S. Dollars.

PERFORMANCE INDICATOR
Return Performance

(Last 1-year period) **3.81%**
 Best Month **9.61% Dec-08**
 Worst Month **-10.66% Oct-08**

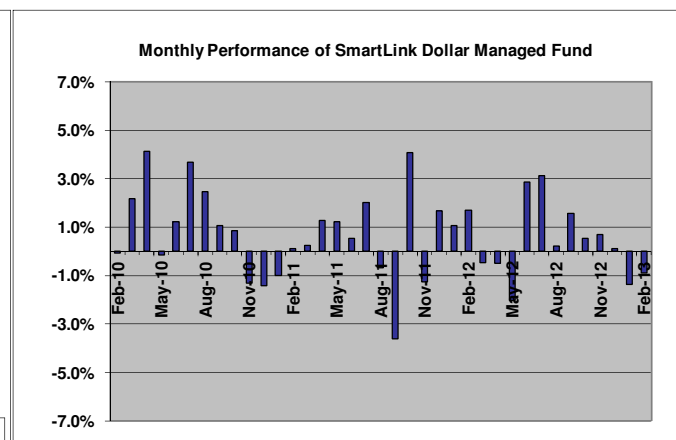
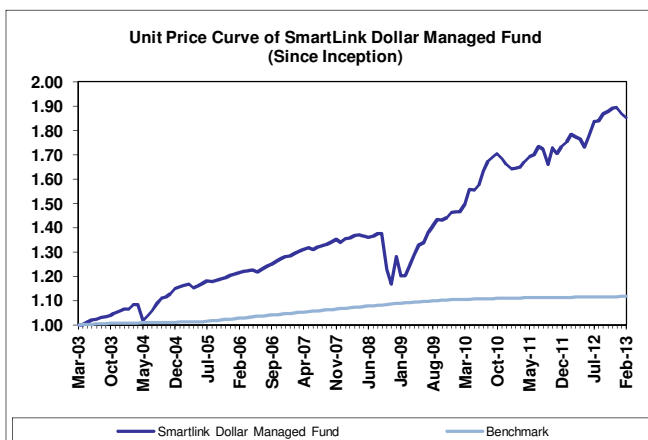
Portfolio Breakdown

Corporate Bonds **28.00%** Pertamina USD **9.53%**
 Government Bonds **66.14%** Indon 2019 **8.79%**
 Cash/Deposit **5.86%** Indon 2017 **6.96%**
 Indon 2016 **6.70%**
 Indon 2015 **6.57%**

Top Five Bonds Holding

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception	Compound Annual Growth Rate
Smartlink Dollar Managed Fund	-0.89%	-2.12%	0.65%	3.81%	26.41%	-2.24%	85.12%	8.59%
Benchmark*	0.02%	0.07%	0.15%	0.28%	1.10%	0.05%	11.67%	1.18%

*Average 1 Month USD Deposit of Bank BNI, BCA and Citibank


KEY FUND FACTS

Fund Size (in mn USD) : USD 34.534
Risk Profile : Moderate Investor
Launch Date : 07 Apr 2003
Fund Currency : US Dollar
Managed by : PT. Asuransi Allianz Life Indonesia

Pricing Frequency : Daily
Price per Unit : **Bid** 1.7587 **Offer** 1.8512
 (As of Feb 28, 2013)
Bid-Offer Spread : 5.00%
Management Fee : 1.00% p.a

MANAGER COMMENTARY

Indonesia February's Inflation increased, Feb CPI YoY 5.31% (consensus 4.81%) vs Jan 4.57%, Feb MoM 0.75% (consensus 0.31%) vs Jan 1.03% which was (1) electricity tariff hike, (2) tightening horticulture and meat policy and, (3) higher food prices due to distribution disturbance from previous flood. Feb Core inflation was lower due to low base effect, YoY 4.29% (consensus 4.35%) vs Jan 4.32%. BI maintained its reference rate unchanged at 5.75% on 12 Feb 2013's meeting. Indonesia Deposit Insurance Corporation keeps maximum guaranteed Rupiah Deposit rate at 5.5%. Rupiah appreciated against USD by 0.77% to 9669 at end of Feb from 9744 compared to previous month. Indonesia January' trade balance was in deficit of -US\$0.17bn, as a result of a slowing pace of exports. Export decreased by -0.11% MoM to US\$ 15.38bn while imports decreased by -0.22% MoM to US\$ 15.55bn. 4Q 2012 Current Account Deficit (CAD) was higher at 3.6% of GDP (or USD 7.76bn, market expected USD7.388bn) from 3Q 2012 at 2.4% of GDP (USD 5.3bn).

USD government bond yields closed mixed in February; lower yield in short tenor, but higher in medium and long tenor. From local side, negative sentiment came from higher than expected 4Q12 current account deficit (CAD). Negative sentiment came from global news as well, i.e. (1) issuer over the possibility of US would end Fed's asset purchases programs, (2) no-deal in budget talks which would lead to spending cuts totaling USD85 billion, as the cuts would trim down US growth and slower job market improvement, (3) Result of Italy's election which showed the reluctance of Italians to austerity programs added market volatility. Indonesia's CDS 5yr level was lower from 143/149 to 135/140. The 3Yr tenor yield was lower -1.9bps to 2.014% (2.033% in Jan 2013), 8Y tenor yield was higher 21.4bps to 3.242% (3.028% in Jan 2013), 9yr tenor was higher 15.7bps to 3.278% (3.121% in Jan 2013), and the longest 29Yr tenor yield was higher 14.4bps to 4.708% (4.564% in Jan 2013).

For the portfolio strategy: we maintain to have a medium duration.

Disclaimer:

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