

# Smartlink Dollar Managed Fund

## December 2013


**BLOOMBERG: AZUSMGD:IJ**
**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) **-8.39%**  
 Best Month **9.61% Dec-08**  
 Worst Month **-10.66% Oct-08**

**Portfolio Breakdown**

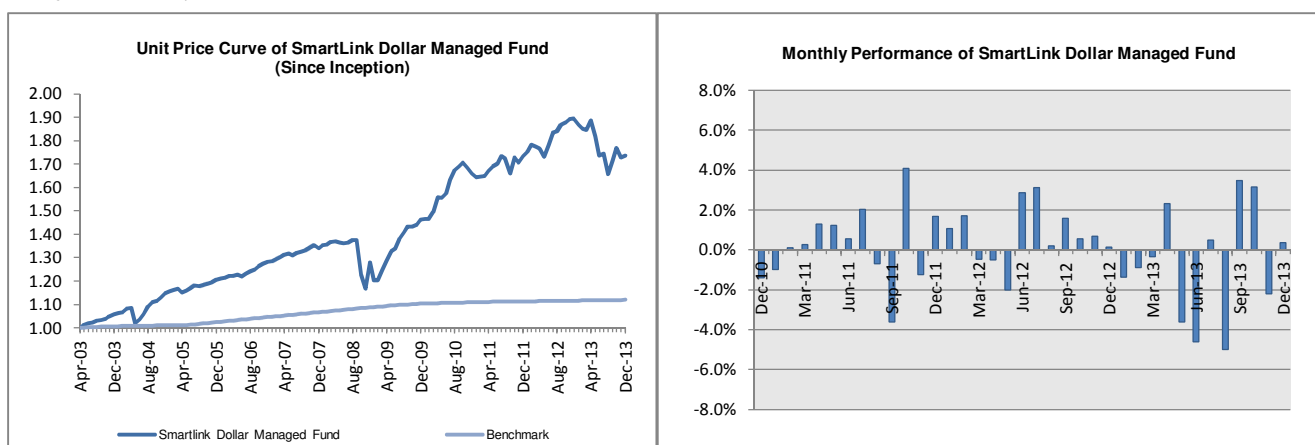
Corporate Bonds **28.54%**  
 Government Bonds **54.51%**  
 Cash/Deposit **16.95%**

**Top Five Bonds Holding**

Pertamina USD **9.92%**  
 Indon 2019 **9.40%**  
 Indon 2016 **7.78%**  
 Indon 2017 **7.77%**  
 Indon 2015 **7.41%**

|                               | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | YTD    | Since Inception |
|-------------------------------|---------|----------|----------|--------|---------|--------|-----------------|
| Smartlink Dollar Managed Fund | 0.35%   | 1.22%    | -0.03%   | -8.39% | 4.54%   | -8.39% | 73.49%          |
| Benchmark*                    | 0.02%   | 0.06%    | 0.13%    | 0.31%  | 0.92%   | 0.31%  | 11.96%          |

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


**KEY FUND FACTS**

**Fund Size (in mn USD)** : USD 29.18  
**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** **Offer**  
**(As of Dec 30, 2013)** : USD 1.6482 USD 1.7349  
**Bid-Offer Spread** : 5.00%  
**Management Fee** : 1.00% p.a

**MANAGER COMMENTARY**

Central Bureau Statistics of Indonesia (BPS) announced inflation in Dec at +0.55% mom (vs consensus +0.5%, higher than +0.12% in Nov). The rising inflation in December was mostly on the back of higher foodstuff prices during Christmas and year-end celebration. On yearly basis, inflation printed at 8.38% yoy (vs consensus +8.33%, slightly higher than 8.37% in Nov). Core inflation rose to +4.98% yoy (vs consensus +4.82%, higher than +4.80% in Nov) on the back of weakening IDR against USD. In the Board of Governors' Meeting on Dec 12<sup>th</sup>, 2013, BI maintained its reference rate at 7.5%, Lending Facility at 7.5%, and the deposit facility rate (FASBI) at 5.75%. Rupiah depreciated against USD by -2.45% to 12,270 at end of December compared to previous month 11,977. Trade balance was surplus US\$0.777bn in Nov (vs consensus surplus US\$0.075bn, surplus US\$ 0.024bn in Oct – revised number) on the back of positive growth in exports and slowing imports. Export increased by 1.45% MoM while imports decreased by 3.35% MoM.

USD govt bond yields closed lower across all tenor in December on the back of bargain hunting from local players and post better trade balance result announced despite UST yields crept higher. Federal Open Market Committee (FOMC) meeting on Dec 19<sup>th</sup> 2013 stated that the tapering will start in Jan 2014 (The tapering will reduce US\$10bn each month, from US\$85bn to US\$75bn). Indonesia's CDS 5yr level was relatively stable from 232/242 to 231/242. The 5Yr tenor yield December was lower by 14.2bps to 3.555% (3.697% in November 2013), 10yr tenor yield December lower by 4.4bps to 5.401% (5.445% in November 2013), and 30Yr tenor yield December lower by 24.3bps to 6.094% (6.337% in November 2013).

For the portfolio strategy: we maintained neutral strategy for fixed income portion and duration.

**Disclaimer:**

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