

# Smartlink Dollar Managed Fund

## July 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) **-4.98%**  
 Best Month **9.61% Dec-08**  
 Worst Month **-10.66% Oct-08**

**Portfolio Breakdown**

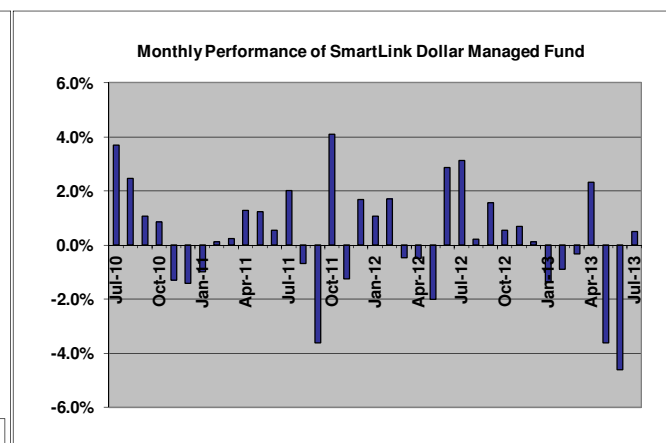
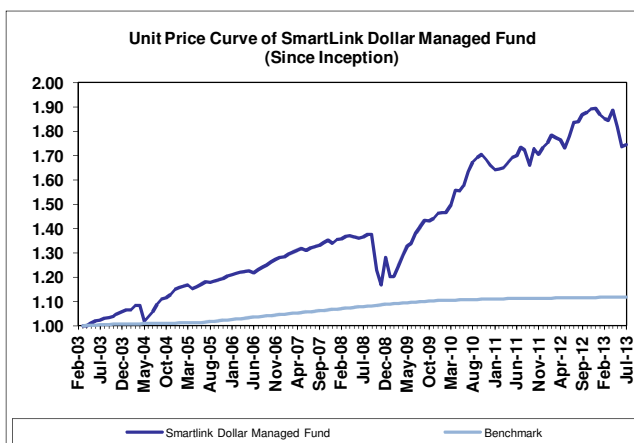
Corporate Bonds **34.65%**  
 Government Bonds **55.30%**  
 Cash/Deposit **10.05%**

**Top Five Bonds Holding**

Pertamina USD **9.51%**  
 Indon 2019 **9.09%**  
 Indon 2017 **7.36%**  
 Indon 2016 **7.15%**  
 Indon 2015 **7.06%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	0.50%	-7.60%	-6.62%	-4.98%	6.80%	-7.90%	74.41%
Benchmark*	0.02%	0.10%	0.17%	0.33%	1.02%	0.20%	11.84%

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


**KEY FUND FACTS**

**Fund Size (in mn USD)** : USD 31.19  
**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*  
**(As of July 31, 2013)** : USD 1.6569 *Offer* USD 1.7441  
**Bid-Offer Spread** : 5.00%  
**Management Fee** : 1.00% p.a

**MANAGER COMMENTARY**

Head Inflation rose to 8.61% yoy, 3.29% mom in July (vs consensus 8.04% yoy, 2.79% mom) from 5.9% yoy, 1.03% mom in June, driven by fuel price hikes and seasonal price increases due to the upcoming Eid Mubarak holiday. The core inflation also rose to 4.44% yoy (vs consensus 4.56%) from 3.98% YoY in June. In the Board of Governors' Meeting on July 11th, 2013, Bank Indonesia increased its reference rate by 50 bps to 6.50% and the deposit facility rate (FASBI) by 50bps to 4.75%. Rupiah depreciated against USD (BI middle exchange rate) by -3.51% to 10,278 at end of July compared to previous month 9,929. Indonesia's 2Q 2013 GDP expanded to 5.81% yoy vs prior quarter at 6.03%, median estimate was 5.9%. Indonesia's June trade balance posted higher deficit at USD -0.85bn compared to deficit at USD -0.59bn in May 2013. Export decreased by -8.63% MoM while imports lowered by -6.44% MoM.

USD govt bond yields closed mixed in July, i.e. yield in short tenor decreased while long tenor increased. Negative sentiment came from yield hike in 10 year US treasury and Indonesian Government plans to issue global MTN with indicative size USD 1.5bn. Positive sentiment came from Fed statement that US economy starts to recover but still need support, which showed no indication on plan to reduce bond-buying stimulus for next meeting in Sept. On August 1st 2013, Bank Indonesia held an FX Swap auction, offering a target of USD 500 million with tenors of 1, 3 and 6 months available. Bidding reached USD 1,605 million, oversubscribed from its target by 3.21 times. Of the total bids, USD 1,285 million worth of FX Swaps were auctioned. Indonesia's CDS 5yr level was higher from 195/215 to 209/220. The 5yr tenor yield July decreased by -61bps to 3.438% (4.048% in June 2013), 10yr tenor yield July increased by 21.6bps to 4.791% (4.575% in June 2013), and the longest 30yr tenor yield July increased by 36.8bps to 5.840% (5.472% in June 2013).

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

**Disclaimer:**

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