

Smartlink Dollar Managed Fund

April 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

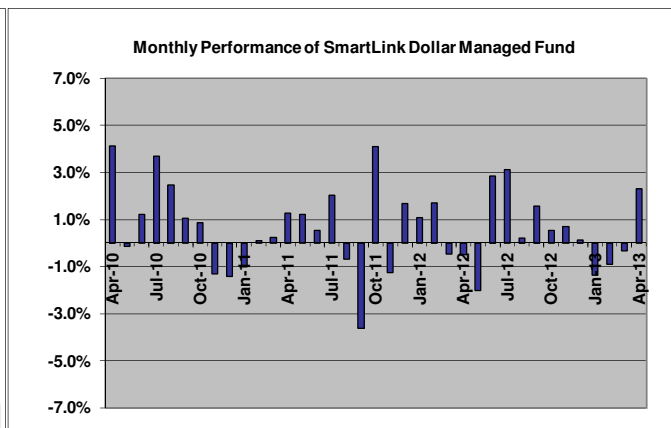
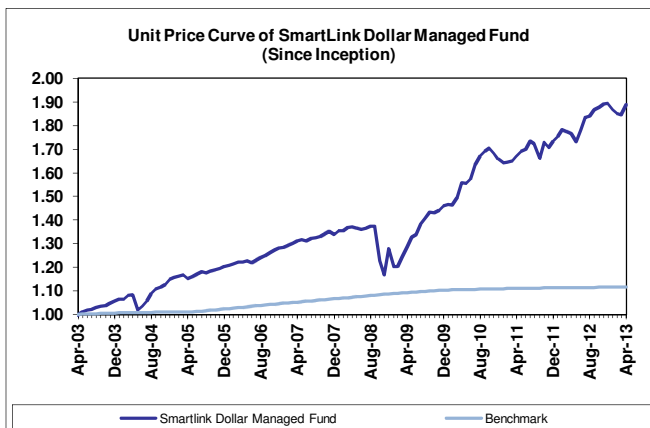
(Last 1-year period)	6.89%
Best Month	9.61% Dec-08
Worst Month	-10.66% Oct-08

Portfolio Breakdown

Corporate Bonds	31.25%	Pertamina USD	9.69%
Government Bonds	63.06%	Indon 2019	8.72%
Cash/Deposit	5.69%	Indon 2017	6.90%
		Indon 2016	6.79%
		Indon 2015	6.45%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception	Compound Annual Growth Rate
Smartlink Dollar Managed Fund	2.31%	1.06%	0.50%	6.89%	21.13%	-0.32%	88.76%	8.81%
Benchmark*	0.03%	0.07%	0.15%	0.29%	1.05%	0.10%	11.72%	1.16%

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


KEY FUND FACTS

Fund Size (in mn USD)	USD 34.461
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 Apr 30, 2013)	1.7933 1.8876
Bid-Offer Spread	: 5.00%
Management Fee	: 1.00% p.a

MANAGER COMMENTARY

Indonesia April's Inflation was lower compared to market consensus i.e. April CPI YoY 5.57% (consensus 5.69%) vs Mar 5.9%, April MoM -0.10% (consensus 0.01%) vs Mar 0.63%; due to deflation in food which was driven by adequate level of supply and relatively unimpeded distribution during harvest season in this month. April's Core inflation was also lower compared to previous month figure, YoY 4.12% (consensus 4.15%) vs Mar 4.21%. BI maintained its reference rate unchanged at 5.75% on 11 April 2013's meeting and overnight deposit facility rate was also unchanged. Rupiah slightly appreciated against USD by 0.01% to 9734 at end of April from 9735 compared to previous month. Indonesia's March trade balance posted first surplus in six months at USD 305 million compared to a revised deficit USD 298 million in February 2013. Export decreased by -0.08% MoM while imports decreased by -4.01% MoM. April's foreign reserves increased +USD2.47bn to USD107.27bn in April from USD104.8bn in March due to new USD government bond issuance. Indonesia's GDP increased YoY 6.02% in 1Q 2013, lower than YoY 6.11% of 4Q 2012.

USD govt bond yields closed the lower all across curve due to positive sentiment driven from global, including announcement by the Bank of Japan that they will increase their monthly purchases of government securities to JPY7.5 T. High demand in new USD government bond issuance supported market as well. Government issued total USD3bn (10yr USD1.5bn at coupon 3.375% and 30yr USD1.5bn at coupon 4.625%). S&P revised its outlook on Indonesia's BB+ rating to stable from positive. The outlook revision to stable reflects our assessment that the stalling of reform momentum and a weaker external profile has diminished the potential for a rating upgrade over the next 12 months. Moody's also gave warning that Indonesian Govt's inability to effect fuel subsidy reform is credit negative brought cautious tone in the market. Meanwhile, S&P upgraded Philippine long-term foreign-currency-denominated debt by one notch to BBB- from BB+, with a stable outlook. Indonesia's CDS 5yr level was lower from 157/163 to 126/132. The 5Yr tenor yield decreased by 54.1bps to 2.204% (2.745% in Mar 2013), 9yr tenor yield decreased by 48.4bps to 3.05% (3.534% in Mar 2013), and the longest 30Yr tenor yield decreased by 37.7bps to 4.421% (4.798% in Mar 2013).

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

Disclaimer:

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