

Smartlink Dollar Managed Fund

November 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) **-8.59%**
 Best Month **9.61% Dec-08**
 Worst Month **-10.66% Oct-08**

Portfolio Breakdown

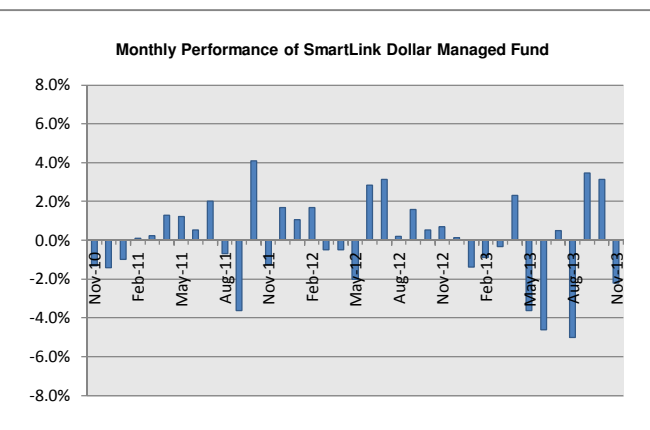
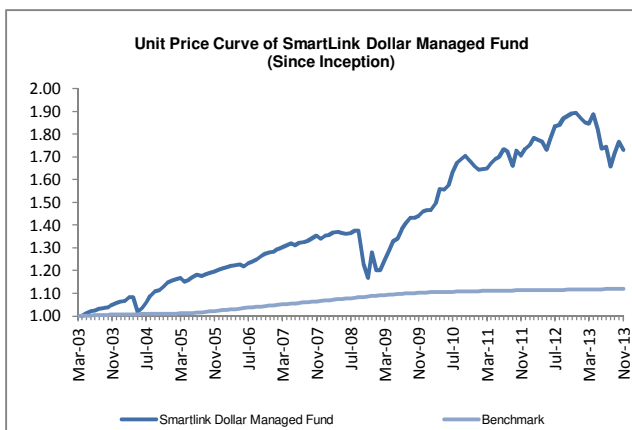
Corporate Bonds **31.32%**
 Government Bonds **53.73%**
 Cash/Deposit **14.96%**

Top Five Bonds Holding

Pertamina USD **9.71%**
 Indon 2019 **9.23%**
 Indon 2017 **7.69%**
 Indon 2016 **7.68%**
 Indon 2015 **7.31%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	-2.21%	4.35%	-4.98%	-8.59%	2.70%	-8.71%	72.88%
Benchmark*	0.02%	0.06%	0.16%	0.31%	0.94%	0.29%	11.93%

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


KEY FUND FACTS

Fund Size (in mn USD) : USD 29.47
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 Nov 29, 2013) : USD 1.6424 *Offer* USD 1.7288
Bid-Offer Spread : 5.00%
Management Fee : 1.00% p.a

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in Nov at +0.12% mom (vs consensus +0.17%, inflation +0.09% in Oct). On yearly basis, inflation printed at 8.37% yoy (vs consensus +8.45%, lower than 8.32% in Oct). Core inflation rose to +4.80% yoy (vs consensus +4.75%, +4.73% in Oct), on the back of weakening IDR and electricity tariff hike. Suryamin, head of National Statistic Agency inform that the Agency will use 2012 base year for calculating consumer price index (CPI) starting in January. Number of cities covered by CPI will be expanded to 82 from 66 and number of items included in consumer price basket will also be expanded. In the Board of Governors' Meeting on Nov 12th, 2013, BI increased its reference rate 25bps to 7.5%, Lending Facility at 7.5%, and the deposit facility rate (FASBI) at 5.75%. Rupiah depreciated against USD by -6.61% to 11,977 at end of November compared to previous month 11,234. Trade balance was surplus US\$0.042bn in Oct (vs consensus deficit -US\$0.775bn, deficit -US\$ 0.657bn in Sept) on the back of positive growth in exports. Export increased by 6.87% MoM while imports increased by 1.06% MoM. Foreign reserves in November slightly decreased by -USD0.036bn (-0.04% mom) from USD96.996bn in Oct to USD96.96bn in Nov.

USD govt bond yields closed higher across all tenor in November. Worries on Fed tapering re-appeared post stronger than expected employment report (US added 204,000 jobs in October vs 120,000 forecasted by economists and the unemployment rate was 7.3% vs forecast 7.4%), and minutes meeting of the Federal Open Market Committee (FOMC) that were released on November 21 which indicated tapering is being considered. Lower Indonesia's 3Q13 GDP result also added negative sentiment in the market despite higher foreign reserves and better 3Q13 CAD. Indonesia sold USD 190 mn of 3.5Yr domestic USD bond at auction on Nov 25 with average yield 3.51671% (cut-off yield 3.8%). Total incoming bid was USD 293.55mn vs target issuance USD 450mn. Indonesia's CDS 5yr level was higher from 198/202 to 232/242. The 5Yr tenor yield November was higher by 46.9bps to 3.681% (3.212% in October 2013), 10yr tenor yield November higher by 76.7bps to 5.379% (4.612% in October 2013), and the longest 30Yr tenor yield November higher by 68.4bps to 6.327% (5.643% in October 2013).

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

Disclaimer:

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