

# Smartlink Dollar Managed Fund

## June 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)	-2.49%
Best Month	9.61% Dec-08
Worst Month	-10.66% Oct-08

##### Portfolio Breakdown

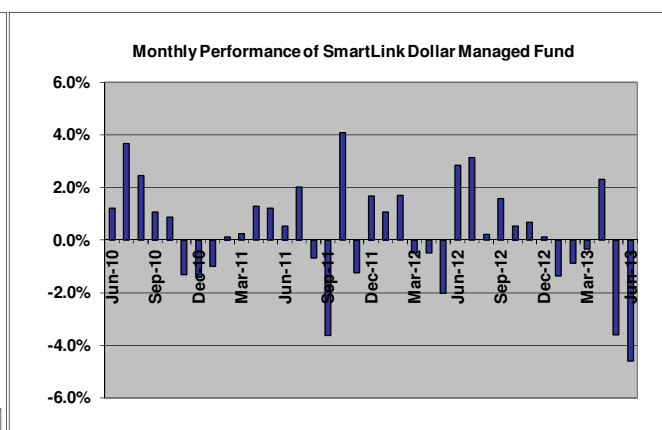
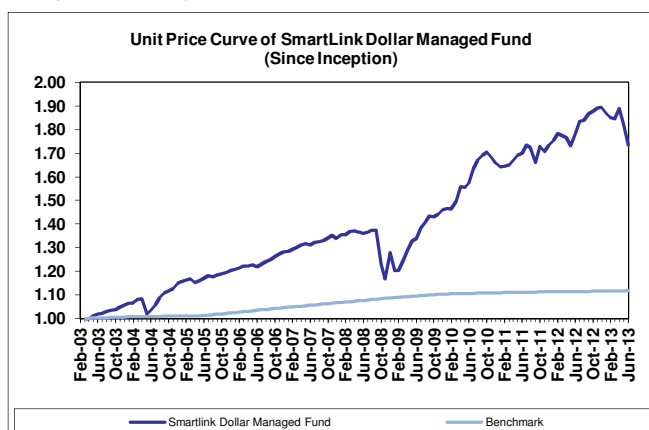
Corporate Bonds	34.94%
Government Bonds	55.21%
Cash/Deposit	9.85%

##### Top Five Bonds Holding

Pertamina USD	9.56%
Indon 2019	8.92%
Indon 2016	7.30%
Indon 2017	7.27%
Indon 2015	7.00%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	-4.61%	-5.93%	-8.35%	-2.49%	10.19%	-8.35%	73.55%
Benchmark*	0.05%	0.10%	0.18%	0.34%	1.04%	0.18%	11.81%

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



#### KEY FUND FACTS

<b>Fund Size (in mn USD)</b>	USD 31.125
<b>Risk Profile</b>	: Moderate Investor
<b>Launch Date</b>	: 07 Apr 2003
<b>Fund Currency</b>	: US Dollar
<b>Managed by</b>	: PT. Asuransi Allianz Life Indonesia

<b>Pricing Frequency</b>	: Daily
<b>Price per Unit</b>	<i>Bid</i> 1.6488 <i>Offer</i> 1.7355
<b>(As of June 28, 2013)</b>	
<b>Bid-Offer Spread</b>	: 5.00%
<b>Management Fee</b>	: 1.00% p.a

#### MANAGER COMMENTARY

Head Inflation rose to 5.9% YoY, 1.03% MoM in June (vs consensus 6.02% YoY, 1.09% MoM) from 5.5% YoY in May, driven by fuel price hikes. The core inflation was relatively stable to 3.98% YoY (vs consensus 4.13%) from 3.99% YoY in May. Government decided to increase the subsidized fuel price both for premium (from IDR4,500 to IDR6,500 per liter) and diesel (from IDR4,500 to IDR5,500 per liter) effective on June 22, 2013. Government will allocate around IDR29.4Tn to mitigate the negative impact of the price hikes on the economy that includes temporary monetary relief (BLSM) around IDR9.3Tn. In the Board of Governors' Meeting on June 13th, 2013, Bank Indonesia increased its reference rate by 25 bps to 6.00%, and two days earlier increased the deposit facility rate (FASBI) as well by 25bps to 4.25%. Rupiah depreciated against USD by -1.27% to IDR10,004 at end of June compared to previous month IDR9,877. Indonesia's May trade balance posted lower deficit at -USD 0.59bn compared to deficit at -USD 1.61bn in Apr 2013. Export increased by 8.90% MoM while import increased by 1.22% MoM.

USD govt bond yields closed higher all across the curve in June due to Government plans to issue global bond in 2nd half this year to cover budget deficit, and possibility of Fed tapering down its bond buying program which triggered higher yield in US Treasury. The Federal Reserve Chairman Ben S. Bernanke stated that the central bank may begin to tapering its bond buying program this year and entirely end the stimulus in mid-2014 if the economy still shows the sustainable improvement. The liquidity crisis in China also triggered risk aversion. This had caused China's interbank rate to increase dramatically to 14.5% on 20th June 2013, 3 times higher from May 2013 at 4.55%. However, this situation eased after the PBoC (People's Bank of China) injected funds into the banking system amounting 36bn Yuan, or US\$ 5.9bn through repo securities. Indonesia's CDS 5yr level was higher from 160/170 to 195/215. The 5Yr tenor yield June increased by 137.9bps to 4.048% (2.669% in May 2013), 10yr tenor yield June increased by 60.9bps to 4.575% (3.966% in May 2013), and the longest 30Yr tenor yield June increased by 33.7bps to 5.472% (5.135% in May 2013).

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

#### Disclaimer:

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