

Smartlink Dollar Managed Fund

January 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) **6.52%**
 Best Month **9.61% Dec-08**
 Worst Month **-10.66% Oct-08**

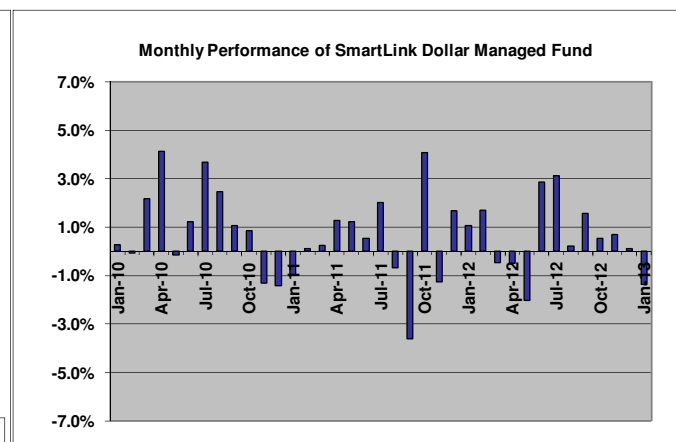
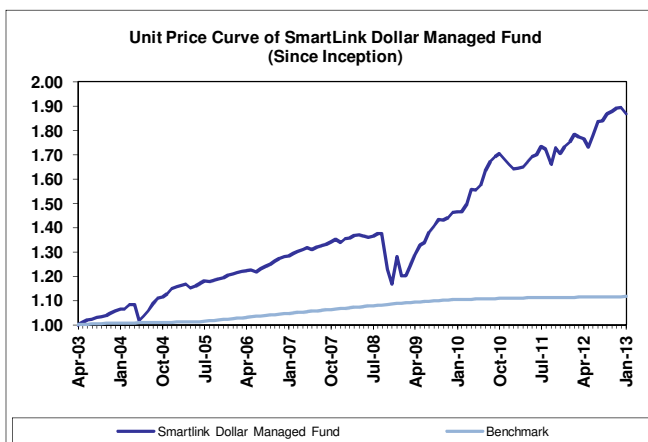
Portfolio Breakdown

Corporate Bonds **28.11%** Indon 2015 **9.60%**
 Government Bonds **66.48%** Pertamina USD **8.85%**
 Cash/Deposit **5.41%** Indon 2019 **6.94%**
 Indon 2017 **6.66%**
 Indon 2016 **6.53%**

Top Five Bonds Holding

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception	Compound Annual Growth Rate
Smartlink Dollar Managed Fund	-1.37%	-0.56%	1.76%	6.52%	27.46%	-1.37%	86.78%	8.82%
Benchmark*	0.03%	0.07%	0.15%	0.27%	1.13%	0.03%	11.64%	1.18%

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


KEY FUND FACTS

Fund Size (in mn USD) : USD 34.703
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 Jan 31, 2013) **1.7745** **1.8678**
Bid-Offer Spread : 5.00%
Management Fee : 1.00% p.a

MANAGER COMMENTARY

Indonesia January's Inflation increased due to massive floods disturbing distribution of goods and services, i.e. Jan CPI YoY 4.57% (consensus 4.47%) vs Dec 4.30%, Jan MoM 1.03% (consensus 0.89%) vs Dec 0.54%. Jan Core inflation was lower due to low base effect, YoY 4.32% vs Dec 4.40%. Higher food prices (3.39% mom) contributed mostly to higher monthly January inflation. BI maintained its reference rate unchanged at 5.75% on 10 Jan 2013's meeting, due to manageable inflation. Rupiah weakened against USD by -0.67% to 9744 as of end of Jan from 9679 in previous month. Indonesia's December trade balance showed an improvement from -\$0.479bn in Nov to -\$0.15 bn in Dec. Export decreased by -5.58% MoM to US\$ 15.41bn while imports decreased by -8.11% MoM to US\$ 15.56bn. Indonesia's Q4 GDP growth reported at 6.11% yoy (survey 6.2% yoy, Q3 2012 6.17% yoy), leading to a full-year average of 6.2% yoy.

USD govt bond yields closed higher all across the curve during January, the same pattern with US treasury indicated by 10yr UST yields which closed higher at 1.986% in January 2013 from 1.758% in December 2012. Improving global economic outlook caused risk-on mode and trigger sell-off in US Treasury from few players. US Housing starts increased to 954 thousand (annualized) in December, the highest since July 2008. Euro-zone economy show positive signal as unemployment rate has stopped increasing. Stronger China economic growth in Q4 2012 has also supported global optimism. Indonesia's CDS 5yr level was higher from 129/136 to 143/149. The 3Yr tenor yield was higher 35.7bps to 2.033% (1.676% in Dec 2012), 8Y tenor yield was higher 25.8bps to 3.028% (2.770% in Dec 2012), 9yr tenor was higher 22.3bps to 3.121% (2.898% in Dec 2012), and the longest 29Yr tenor yield was higher 32.9bps to 4.564% (4.235% in Dec 2012).

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

Disclaimer:

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