

Smartlink US Dollar Managed Fund

March 2015


BLOOMBERG: AZUSMGD:IJ
INVESTMENT OBJECTIVE

The objective of the fund is to provide relatively stable income with capital preservation for the long term in U.S. Dollars.

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

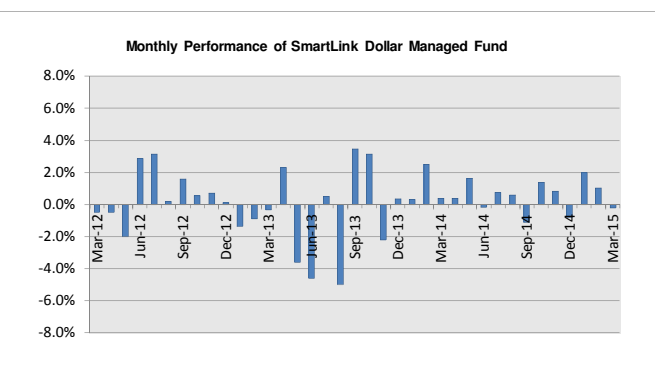
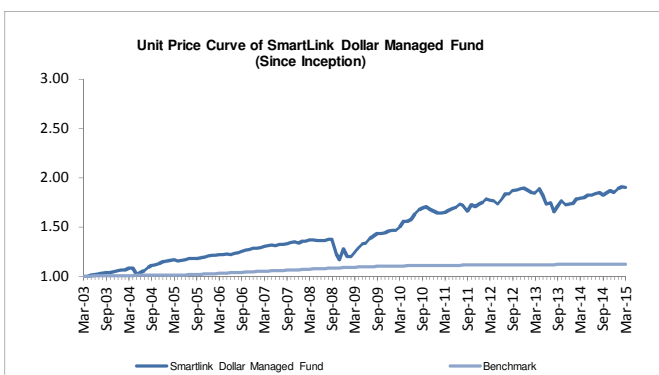
(Last 1-year period) **6.36%**
 Best Month **9.61% Dec-08**
 Worst Month **-10.66% Oct-08**

Portfolio Breakdown

Treasury Bonds	63.21%	Top Five Bonds Holding	
Govt. Related Bonds	32.27%	Pertamina USD	10.79%
Corporate Bonds	0.00%	Indon 2019	9.55%
Cash/Deposit	4.52%	Indon 2044	9.20%
		Indon 2017	7.83%
		Indon 2022	7.35%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	-0.22%	2.80%	4.23%	6.36%	7.29%	2.80%	90.41%
Benchmark*	0.03%	0.06%	0.12%	0.23%	0.81%	0.06%	12.28%

*Average Time Deposit (1 Month) of Bank BNI, BCA and Citibank


KEY FUND FACTS

Fund Size (in mn USD) : USD 28.12
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 (As of Mar 31, 2015) : USD 1.8089 **Bid** **Offer** USD 1.9041
Bid-Offer Spread : 5.00%
Management Fee : 1.00% p.a

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in Mar 2015 at 0.17% mom (vs consensus 0.22%, inflation -0.36% in Feb 2015) which was caused by higher processed food, beverages, cigarettes and tobacco prices. On yearly basis, inflation printed at 6.38% YoY (vs consensus 6.39%, 6.29% in Feb 2015). Core inflation printed at 5.04% YoY, higher than previous month (vs consensus 4.95%, 4.96% in Feb 2015). In the Board of Governors' Meeting on Mar 17th, 2015, Bank Indonesia maintained its reference rate at 7.50%, Lending Facility at 8.0%, and also facility rate (FASBI) to 5.50%. Rupiah depreciated against USD by -1.72% to 13,084 at end of Mar compared to previous month 12,863. Trade balance was surplus +0.74bn USD (non-oil and gas surplus 0.17bn, oil and gas surplus 0.57bn USD) in Feb 2015 (vs consensus surplus 0.64bn USD, surplus 0.74bn USD in Jan 2015). Export decreased by -16.02% YoY mostly driven from export in jewelry, while imports decreased -16.24% YoY. FX Reserves decreased -3.973bn USD from 115.527bn USD in Feb 2015 to 111.554bn USD in Mar 2015.

IDR government bond yields curve closed lower across all tenor in Mar 2015 as foreign accounts sell off their inventories as their hedging cost was getting more expensive due to appreciation of USD against IDR and other currencies in the region. The uncertainty of currency rate has made the market fluctuated. US Federal Reserve removed the word "patience" from its regular statement which the language was seen as an indication that US Fed would refrain from raising rates for at least a few months. President Jokowi announced policy to address CAD that has been impacting weakening IDR. Some of the policies include: Anti-dumping tax on import products, Tax incentive for Indonesian companies that meet 30% export quota, Tax incentive for local shipping companies, Increase of biodiesel component in fuel, Tax incentive for foreign company on dividend reinvested in Indonesia, Formulate tax payment for foreign shipping companies, Forming reinsurance company under state own entity, To enforce the use of IDR in Indonesia. Indonesia's CDS 5yr level deteriorated from 136/141 to 151/158. The 5Y yield Mar was flat at 2.52% (2.52% in Feb 2015), 10yr tenor was higher by 13bps to 3.73% (3.60% in Feb 2015), and 30yr was higher by 13bps to 4.91% (4.78% in Feb 2015).

For the portfolio strategy: we maintain our current duration strategy.

Disclaimer:

Smartlink Dollar Managed Fund is a unit-linked fund offered by PT Asuransi Allianz Life Indonesia (Allianz). This fact sheet is prepared by Allianz. The information presented is for informational use only. The performance of the Fund is not guaranteed and the value of the units and the income from them may increase or decrease. Past returns and any forecast are not necessarily a guide to future performance. Allianz does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise. You are advised to seek your financial consultant before making any investment.