

# Allianz Syariah Rupiah Balanced Class B Fund

December 2023

**BLOOMBERG: AZSRBLB IJ**

**Investment Objective**

The objective of this fund is to provide maximum long term investment yield.

**Investment Strategy: Balanced**

To achieve the investment objectives, this fund shall be invested with a target of 25%- 50% in sharia based money market and fixed income instruments, and 50%-75% in the sharia based equity instruments in accordance to OJK's decision.

**Return Performance**

Last 1-year Period	N/A
Best Month	Apr-23 1.86%
Worst Month	Oct-23 -5.05%

**Portfolio Breakdown**

Sharia Equity	68.33%
Sharia Bonds	30.07%
Sharia Money Market	1.60%

**Top 10 Holding**

(in Alphabetical Order)

- Adaro Energy
  - Astra International
  - Chandra Asri Petrochemical
  - GoTo Gojek Tokopedia Tbk
  - Merdeka Copper Gold Tbk
  - PBS012 8.875% 11/15/2031
  - PBS028 7.75% 15/10/46
  - PBS029 6.375% 03/15/34
  - Semen Indonesia Persero
  - Telekomunikasi Indonesia
- \*there is no investment on related parties

**Industry Sector**

Government	29.21%
Basic Industry	15.71%
Infrastructure	13.29%
Industry	10.49%
Technology	8.01%
Consumer Non-Cyclical	7.05%
Energy	6.39%
Health	4.90%
Consumer Cyclical	3.60%
Finance	1.34%

**Key Fund Facts**

Fund Size (in bn IDR)	IDR 8.14
Risk Level	Moderate
Launch Date	27 Feb 2023
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	8,472,685.7270

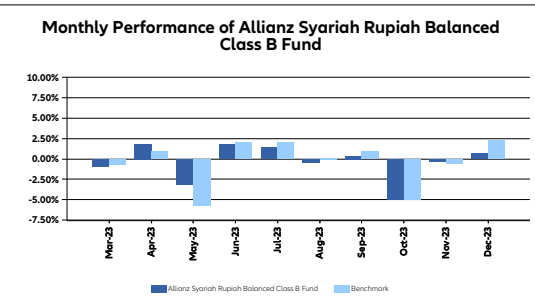
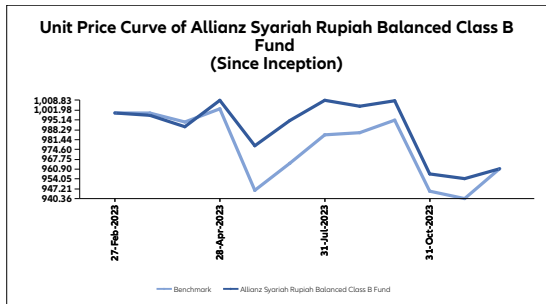
**Price per Unit**

(As of Dec 29, 2023)	IDR 961.12
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Managed by PT. Asuransi Allianz Life Syariah Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Allianz Syariah Rupiah Balanced Class B Fund	0.72%	-4.70%	-3.38%	N/A	N/A	N/A	N/A	-3.89%
Benchmark*	2.21%	-3.40%	-0.39%	N/A	N/A	N/A	N/A	-3.88%

\*25% IBPA Govt Sukuk Index (IGSIX) & 75% Jakarta Islamic Index (JII)



**Manager Commentary**

Central Bureau Statistics of Indonesia (BPS) announced December 2023 inflation at +0.41% MoM (vs consensus inflation +0.51%, +0.38% in November 2023). On yearly basis, inflation was at +2.61% YoY (vs consensus inflation +2.74%, +2.86% in November 2023). Core inflation was printed at +1.80% (vs consensus inflation +1.86%, +1.87% in November 2023). The higher inflation MoM was contributed by the higher price of transportation group. The BI Board of Governors agreed in their meeting on 20-21 December 2023 to hold the BI 7-Day Reverse Repo Rate at 6.00% and also held the Deposit Facility (DF) and Lending Facility (LF) rates at 5.25% and 6.75%, respectively. In total, Bank Indonesia had increased their benchmark rate by 250bps up to Dec 2023. The decision remains consistent with the pro-stability focus of monetary policy, namely to strengthen rupiah stabilization policy, and as a pre-emptive and forward-looking measure to maintain inflation within the 2.5%±1% target corridor in 2024. Rupiah strengthened against USD by +0.3% from 15,484 at end of November 2023 to 15,439 at end of December 2023. The strengthened Rupiah was impacted by the Fed keeping the Fed Rate in the December meeting and the effect of the weakening trend of the US Dollar Index as there are some indications that the Fed will be more dovish in 2024. Indonesia's trade balance recorded surplus amounting to USD +2.412mn in November 2023 vs previous month surplus USD +3.474mn in October 2023. The lower trade surplus was impacted by imports still having positive growth, but exports recorded negative growth in November 2023. Non-oil and gas trade balance in November 2023 recorded surplus USD +4.618mn, which was lower than the previous month that recorded trade surplus amounting to USD +5.310mn in October 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -2,206mn in November 2023, which was higher than the deficit in October 2023 amounting to USD -1,836mn. Indonesia's official reserve assets position amassed USD 146.4 billion as of the end of December 2023, increased from USD 138.1 billion as of November 2023. The increase was impacted by foreign loan withdrawals by the Government, as well as tax and service receipts.

IDR Government bond yields were lower across all the curves in line with IDR Appreciation and Offshore inflow. The bullish sentiments came from Global, which show by The Fed maintaining its policy rate and Jerome Powell starting to communicate a dovish stance in the FOMC meeting. It can be shown in the Fed's policy rate projection, which indicates that the Fed will cut their policy rate by 75bps in 2024 and 100bp in 2025. Indonesia's fiscal balance continues to show improvement and resilience. 11M23 state budget realization recorded great performance driven by low government spending, while government revenue remains high. It shows that Indonesia's budget deficit will be lower than expected. Indonesia's fiscal balance recorded a deficit of IDR -48.17tn (10M23: IDR -0.67tn) or -0.23% (prev: -0.003% 10M23) of GDP in 11M23. Offshore accounts increased their holding by IDR +8.17tn in December 2023 (+1.0% MoM), from IDR 833.88tn as of 30 November 2023 to IDR 842.05 which brought their holding increased to 14.93% of total outstanding tradable government bond from 14.89% in the previous month). The 5Y yield December 2023 ended -23bps lower to +6.44%(vs +6.67% in November 2023), 10Y tenor ended -15bps lower to +6.48%(vs +6.63% in November 2023), 15Y tenor ended -19bps lower to +6.62% (vs +6.81% in November 2023) and 20Y tenor ended -13bps lower to +6.77% (vs +6.90% in November 2023).

The JAKISL ended the month higher at 535.68 (+2.70% MoM). Market movers were TPIA, TLKM, ASII, MDKA, and UNTR as they rose +77.97%, +5.05%, +4.63%, +6.72%, and 3.31% MoM respectively. Global equities rallied further in December as data showed U.S. inflation cooled further in November, cementing expectations that the Federal Reserves would cut interest rates in March 2024. Domestically in Indonesia, the sharia index also ended the month higher (+2.70% MoM) driven by combination of Fed rate cut hopes as well as more fiscal spending by the government as we are nearing the presidential election, which is anticipated to boost the country's economic growth. Sector wise, the Basic Material Sector was the best performing sector during the month, gaining +6.62% MoM. Ticker wise, TPIA (Chandra Asri Petrochemical) and MDKA (Merdeka Copper Gold) were the movers, appreciating +77.97% and +6.72% MoM respectively. This was followed by the Energy Sector which rallied +4.05% MoM. Ticker wise, UNTR (United Tractor) and ITMG (Indo Tambangraya) posted +3.31% and +4.48% MoM gains respectively. On the other hand, the worst sector during the month was the Technology Sector, which recorded a decline of -4.52% MoM. Ticker wise, GOTO (Goto Gojek Tokopedia) and EMTK (Elang Mahkota Teknologi) were the laggards which fell -11.34% and -8.53% MoM respectively.

**About Allianz Indonesia**

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