Simpan ASSET MANAGEMENT

Monthly Investor Update

August 2026

Dear Simpan Client,

Market Update

In August, the IHSG returned +4.64% to close at 6,525, while the INDOBeX index gained +2.26% over the same period. Foreign investors were net buyers of Indonesian Equities for a second consecutive month, adding Rp 1.2 trillion after Rp 1.6 trillion in July. Year-to-date, however, the IHSG remains down -24.53%, with cumulative net foreign outflows of Rp 71.7 trillion. The MSCI August review, implemented at the close on 31 August, removed Charoen Pokphand and GoTo from the Global Standard Index with no Indonesian additions. MSCI's accessibility freeze remains in place pending November review.

In Fixed Income, foreign ownership of government bonds rose from Rp 892.4 trillion to Rp 907.5 trillion, up Rp 15.0 trillion in a single month versus Rp 13.8 trillion from January to July combined. The curve repriced lower across tenors, with the 1Y down 28 basis points (bps) to 6.77%, the 5Y down 45 bps to 6.88%, and the 10Y down 31 bps to 7.03%. The Rupiah strengthened from 18,000 to 17,720, while Bank Indonesia held the BI-Rate at 5.75% this month. The leadership uncertainty we flagged in July has also been resolved, with DPR Commission XI approving Destry Damayanti as Governor for the 2026 - 2031 term.

In the US, Federal Reserve Chair Kevin Warsh used his first Jackson Hole keynote on 28 August to say that financial conditions are not restrictive and that the Fed has more work to do unless inflation moves to target clearly and quickly. The possibility of rate hikes in the US has increased, which in turn restricts Bank Indonesia’s ability to provide more pro-growth policies.

AMP Performance

In August, we reduced Equity weighting and increased the cash position, ahead of an unresolved Bank Indonesia leadership question and rumors of large-scale demonstrations. All five risk levels posted positive returns as Indonesian Fixed Income and Equities rallied, with gains in proportion to each tier’s Equity weight. With both uncertainties now resolved, we have raised equity materially across Risk Levels 2 through 5 for September.

Fund Performance

During August, Simpan Sustainable Equity Fund and Simpan Cash Fund outperformed their respective benchmarks, while Simpan Bond Fund, Simpan Balanced Fund and Simpan Dollar Bond Fund each finished modestly behind.

The Equity Fund generated outsize returns due to high-momentum stocks. While Bond Fund and Balanced Fund shortfalls both came from carrying less duration in the bond portfolio.

Outlook & Portfolio Positioning

In Fixed Income, we expect returns to moderate. The local bond curve has repriced a long way in a single month on a policy rate that did not move, leaving less room for capital gains and more emphasis on interest carry. In Equities, the longer-term valuation case is unchanged, but two consecutive months of foreign buying make the case for a sustained market recovery. Furthermore, significant overhang in Indonesia’s domestic policies has diminished, creating room for further upside in equities.

In Equities, we materially added our equity weighting across AMP Risk Levels 2 through 5 for September, as two overhangs have cleared – Bank Indonesia's leadership settled, and the 27 August demonstrations passed without escalation. In Risk Level 1, we made the opposite decision by raising cash and reducing duration to lock in August's bond gains. The main risks to both positions are FOMC’s decision on 16 September and rising oil prices due to renewed US-Iran tensions.

Key watchpoints: FOMC Meeting on 16 September and dot plot, Bank Indonesia's 22 – 23 September meeting, Indonesia's July trade balance, the MSCI November review, and the fiscal deficit against the 3% ceiling underpinning S&P's Stable outlook

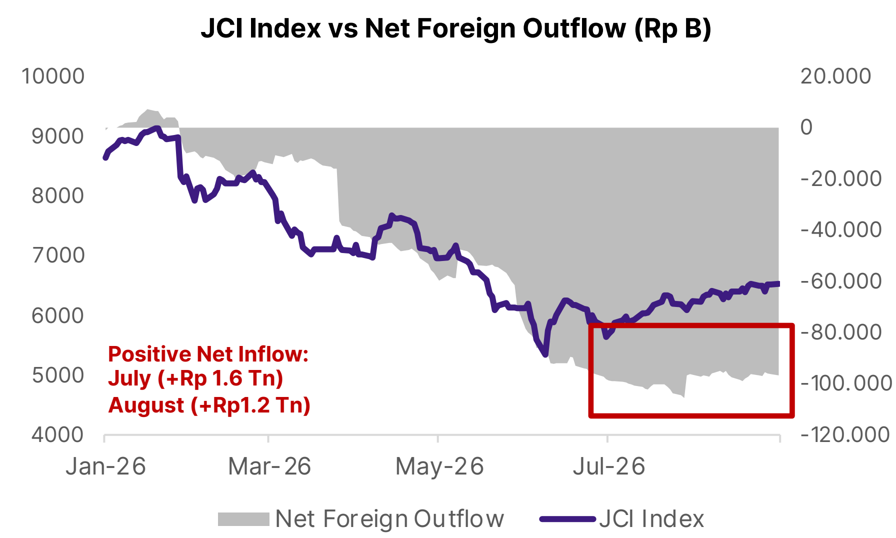
Monthly Investor Update – August 2026
Key Highlights

1. Bonds Led an August Rally We Did Not Expect

- IHSG rose 4.64% in August to 6,525, and the INDOBeX rose 2.26%, against our expectation that the market would consolidate through the month following July's recovery.
- Government bonds were the stronger story. The curve fell across tenors - the 1Y dropped by 28 basis points (bps), the 5Y down 45 bps, and the 10Y down 31 bps to 7.03%. The Rupiah strengthened from 18,000 to 17,720.
- Foreign ownership of government bonds rose Rp 15.0 trillion to Rp 907.5 trillion in one month, more than the Rp 13.8 trillion that came in from January to July combined.
- Foreign investors bought equities for a second consecutive month, roughly Rp 1.2 trillion after July's Rp 1.6 trillion. Against Rp 71.7 trillion sold since January.

2. Leadership Resolved at Home as the External Constraint Tightens

- DPR Commission XI approved Destry Damayanti as Bank Indonesia Governor for 2026 – 2031. Bank Indonesia held the BI-Rate at 5.75% through the month.
- Federal Reserve Chair Kevin Warsh's first Jackson Hole keynote on 28 August moved money markets to better than even odds of a hike on 16 September. The 2Y Treasury yield rose 11 bps to 4.34%.
- The MSCI August review removed Charoen Pokphand and GoTo from the Global Standard Index with no Indonesian additions, lowering Indonesia's benchmark weight. The accessibility freeze remains in place into the November review.
- The DPR committed to passing the asset forfeiture law by 15 December, a governance signal speaking to the policy predictability Moody's and Fitch cited in moving Indonesia's outlook to Negative.



Tracking Our Projections

What We Said Last Month

- ❑ We identified the appointment of a permanent Bank Indonesia Governor as the nearest catalyst.
- ❑ Longer-term valuation case remained intact, with the JCI trading more than two standard deviations below its twenty-year average, a discount previously seen only in 2008 and 2020.

What Happened This Month

- ✅ The market rally as DPR Commission XI approved Destry Damayanti for the 2026-2031 term.
- ✅ The IHSG rose 4.64% to 6,525, with foreign investors net buyers for a second consecutive month.

Market Outlook

In Equities, we have turned more constructive. The two uncertainties that argued for caution through August have resolved, and foreign investors were net buyers for a second consecutive month. With the index still 24.53% lower year to date, the valuation case remains among the most compelling of the past two decades, and we would rather establish exposure while the market is cheap than wait for a confirmation we would then have to pay for. We have therefore raised equity materially across Risk Levels 2 through 5, taking Risk Levels 4 and 5 above their strategic weights. The MSCI weight reduction effective 1 September is a headwind to passive flows, but it does not change what we are paying for domestic earnings.

In Fixed Income we do expect the pace of returns to slow. The curve has repriced a long way in a single month, despite no changes to the policy rate, leaving less room for capital gains and more burden on interest carry. The 16 September FOMC and its dot plot now matter more here than the domestic calendar, since a hawkish outcome would strengthen the Dollar and narrow the room available to Bank Indonesia. Governor Damayanti's first meeting on 22 – 23 September follows immediately.

Simpan ASSET MANAGEMENT

Actively Managed Portfolio (AMP)

Actively Managed Portfolio (AMP) is an automatic rebalancing strategy that combines data-driven technology and the expertise of our Investment Team to form a forward-looking view of market conditions and adjust portfolio asset allocation accordingly at the mutual fund allocation level.

Portfolio Performance Commentary

Risk 1 portfolios returned 0.95% in August as government bond yields fell across the curve, though the defensive cash weighting we adopted at the start of the month limited participation in that rally.

Risk 2 through 5 portfolios returned between 1.43% and 2.71%, scaling in line with each tier's equity weighting as the IHSG rose 4.64%. Because we had reduced equity proportionally across these tiers entering August, each participated in the recovery with less exposure than its strategic weight.

Asset Allocation Changes and Rationale

In August, we reduced equity proportionally across Risk Levels 2 through 5 and raised cash in Risk Level 1. At that time, Bank Indonesia had no permanent Governor following Perry Warjiyo's resignation, leaving the direction of monetary policy genuinely open, and rumors of large-scale demonstrations were circulating.

Those risks have subsided and therefore, raised equity allocations across Risk Levels 2 through 5, taking Risk Levels 4 and 5 above their strategic equity weights. In Risk Level 1, we increased cash and reduced bond exposure to secure August's bond gains and lower duration risk now that most of the price gain is realized.

	Risk 1			Risk 2			Risk 3			Risk 4			Risk 5		
	CF	BF	SEF	CF	BF	SEF	CF	BF	SEF	CF	BF	SEF	CF	BF	SEF
Aug 26	56.50%	43.50%	0.00%	45.25%	45.25%	9.50%	40.00%	40.00%	20.00%	35.25%	35.25%	29.50%	30.00%	30.00%	40.00%
Sep 26	59.00%	41.00%	0.00%	41.75%	41.75%	16.50%	33.00%	33.00%	34.00%	24.75%	24.75%	50.50%	16.50%	16.50%	67.00%

Notes: CF is Simpan Cash Fund, BF is Simpan Bond Fund, SEF is Simpan Sustainable Equity Fund

Fund Performance per Risk Level

	August 2026	Q1 2026	Q2 2026	Q3 2026	Q4 2026	YTD	1Y	Since Inception (21 Jan 2026)
AMP Portfolios								
AMP Core (Risk 1)	0.95%	-0.81%	-0.24%	-	-	0.21%	2.39%	0.17%
AMP Focused (Risk 2)	1.43%	-1.57%	-2.33%	-	-	0.66%	4.14%	-0.08%
AMP Enhanced (Risk 3)	1.88%	-3.07%	-4.55%	-	-	-0.02%	4.91%	-1.41%
AMP Progressive (Risk 4)	2.28%	-4.21%	-6.84%	-	-	-0.52%	5.93%	-2.55%
AMP Ultra Growth (Risk 5)	2.71%	-5.34%	-9.25%	-	-	-1.20%	6.64%	-3.85%
Market Indices								
Jakarta Composite Index	4.64%	-18.49%	-19.87%	-	-	-24.53%	-16.67%	-27.58%
Average 3M Deposit Rate	0.36%	0.95%	0.99%	-	-	2.64%	4.16%	2.43%
Government Bond Index	2.26%	-1.95%	-0.83%	-	-	-0.46%	0.87%	-0.13%
Balanced (50% JCI + 50% Government Bond Index)	3.45%	-10.22%	-10.35%	-	-	-12.49%	-7.90%	-13.85%

Note: Performance data shown in IDR. AMP portfolio returns before 21-Jan-2026 include back test performance. 1Y and YTD performance includes partial back test performance returns, while Since Inception uses live AMP portfolio returns.

Fund Performance Commentary

During August, all funds under our management generated positive returns. The positive performance was driven by improving domestic sentiment from both local and foreign investors and the House of Representatives' confirmation of Destry Damayanti as the new Governor of Bank Indonesia. As a result, we observed a net foreign inflow into our capital markets for the month.

In Equities, our portfolios delivered a positive month and outperformed the JCI. Our holdings in the commodities space were the primary drivers of the fund's returns, led by ADRO, AADI, and BULL, while other commodity names such as MDKA, BRPT, and AMMN detracted from performance. The local environment continued to improve from the previous month, following the government's clarification that its role in commodity export oversight would be limited to reporting and monitoring exports rather than controlling prices. This was further reinforced by the confirmation of Destry Damayanti as the new Governor of Bank Indonesia, alongside the government's proactive handling of local demonstrations, both of which added further momentum to the rally.

In Fixed Income, the government bond market experienced a strong rally, with yields declining across the curve. The 10-year government bond yield fell from as high as 7.34% at the end of July to 6.95% during the month, before closing at 7.03%, reflecting improving market confidence. Foreign investors recorded net purchases of approximately Rp 15 trillion in government bonds during the month, although their overall ownership remained relatively stable at around 13%. Positive sentiment also supported the Rupiah, which appreciated from around Rp 18,000/USD to 17,692/USD before ending the month at Rp 17,720/USD.

Key Trades of the Month – Equities

Mining – Precious Metals: We re-entered positions in Merdeka Gold Resources (EMAS) as the company enters its gold production phase, which we expect will be a key driver of its financial performance going forward. Additionally, gold prices experienced a spike during the month after trading sideways for quite some time.

Energy – Oil and Gas: While oil prices continue to experience volatility amid geopolitical tensions, Raharja Energi Cepu (RATU) remains a key beneficiary of this environment. However, the stock has been under some pressure, prompting us to explore other opportunities offering better momentum.

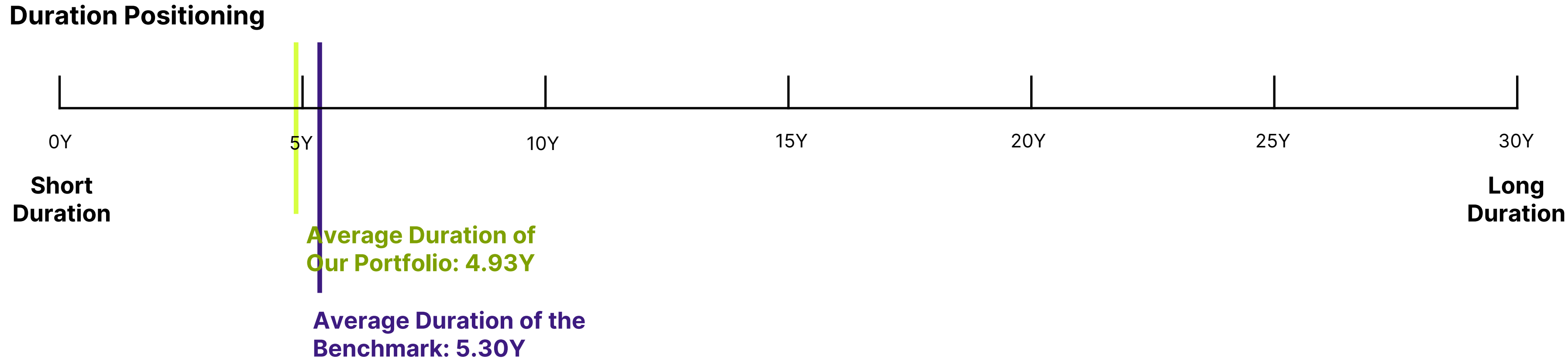
Increased	Decreased / Exited
Merdeka Gold Resources (EMAS)	Raharja Energi Cepu (RATU)

Key Trades of the Month – Fixed Income

Our Fixed Income funds maintained an average portfolio duration of 4.93 years, remaining below the benchmark duration throughout the month. Portfolio performance remained resilient despite elevated volatility in the government bond market, with the 10-year benchmark yield fluctuating between 6.95% and 7.34%.

As we enter September, we have taken profit on longer-tenor bonds and remain cautious on duration positioning following the recent rally in the bond market. At current levels, mid- and short-tenor bonds continue to offer a more attractive balance between return potential and downside risk, supporting our preference to remain positioned toward the shorter end of the curve.

Duration Positioning



IDR Reksa Dana Performance	August 2026	3M	YTD	1Y	3Y (p.a.)	Since Inception (p.a.)*
Cash Fund	**0.47%**	**1.18%**	**2.68%**	**4.06%**	**4.38%**	**4.23%**
Benchmark (100% 3 Month Deposit Rates)	0.27%	0.84%	2.11%	3.20%	3.35%	3.32%
Bond Fund	**1.94%**	**0.08%**	**-0.87%**	**1.72%**	**-**	**4.49%**
Benchmark (100% IndoBex Total Return Index, Net Tax)	1.98%	0.45%	-0.34%	2.89%	-	5.89%
Sustainable Equity Fund	**4.86%**	**9.00%**	**-11.99%**	**-0.55%**	**-**	**-1.09%**
Benchmark (MSCI Indonesia IMI Value Weighted Ex)	2.37%	3.37%	-11.56%	-5.32%	-	0.04%
Balanced Fund	**2.41%**	**3.64%**	**-9.07%**	**-1.72%**	**0.61%**	**2.17%**
Benchmark (65% IndoBex Total Return Index, Net Tax + 35% IHSG)	2.87%	2.52%	-8.84%	-3.99%	2.82%	3.38%

Notes: *Inception for Balanced Fund is as of 31 March 2022 following rebrand to Simpan Asset Management.

Cash Syariah Fund	**0.25%**	**0.77%**	**2.13%**	**3.55%**	**-**	**4.10%**
Benchmark (100% 1 Month Deposit Rates)	0.25%	0.80%	1.99%	3.03%	-	3.14%

USD Reksa Dana Performance	August 2026	3M	YTD	1Y	3Y (p.a.)	Since Inception (p.a.)*
Dollar Bond Fund	**0.28%**	**-0.16%**	**-**	**-**	**-**	**-0.25%**
Benchmark (100% GIDU3YR Index)	0.36%	1.17%	-	-	-	1.33%

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