Simpan ASSET MANAGEMENT

Monthly Investor Update

June 2026

Dear Simpan Client,

Market Update

June proved to be another challenging month for Indonesian equity markets, with the IHSG declining -7.90% over the month, extending the year-to-date drawdown to -27.88%. Net foreign outflows reached approximately Rp30 trillion against the MSCI Indonesia universe, reflecting sustained risk-off positioning amid lingering policy uncertainty and concerns over Indonesia's fiscal trajectory.

Against this backdrop, a key positive development emerged on June 24, when MSCI confirmed that Indonesia retains its Emerging Market classification, removing a structural overhang that had weighed on foreign investor sentiment since the January 2026 announcement. The government's talk to reduce budget allocations for the Free Nutritious Meal (MBG) and Village Cooperative (Kopdes) programs is also encouraging, representing a concrete early step toward fiscal discipline. Adding to the macro headwinds, Indonesia's May 2026 trade balance recorded its first monthly deficit in six years at -US$1.61 billion, as oil and gas import costs surged 70.78% year-on-year amid elevated global energy prices, and export earnings reversed sharply following April's tariff-related frontloading effect.

On the monetary policy front, Bank Indonesia raised the BI-Rate by 50 basis points to 5.75%, the second consecutive hike following May's surprise move aimed at stabilizing the Rupiah against compounding pressures from both sustained capital outflows and a deteriorating current account position, with USD/IDR closing the month at Rp17,882. The cumulative impact of the tightening cycle has driven a significant repricing across the government bond curve: yields have risen sharply across all tenors since the start of the year, with the short end bearing the brunt of the move. The 1-year yield has risen from 4.88% to 6.90%, while the 30-year moved more moderately from 6.68% to 7.31%.

AMP Performance

In June, we executed a rebalancing across AMP portfolios. Having maintained a defensive stance through April and May, **we increased equity exposure meaningfully across Risk Levels 2 through 5**, acting on our view that the correction had largely priced in prevailing negative sentiment. In Risk Level 1, we continued rotating from cash into fixed income, reflecting the increasingly attractive yield environment. June returns reflected the timing of this repositioning against continued near-term market weakness; however, **AMP Risk Levels 2 through 5 maintained outperformance versus their benchmarks on a 3-month and Since Inception basis**.

Fund Performance

During June, equity-related funds faced headwinds from the continued market correction and sustained foreign selling, with Simpan Sustainable Equity Fund and Simpan Balanced Fund underperforming their respective benchmarks. Money Market Funds delivered steady positive returns, continuing to outperform benchmarks over longer horizons, while Simpan Bond Fund recorded a negative return as rising rates weighed on bond prices.

Outlook & Portfolio Positioning

Looking ahead, we take a cautiously constructive view on Indonesian equities. With the MSCI overhang resolved and the IHSG at 14.50x P/E, on par with COVID-era trough valuations, we believe the negative sentiment has largely been priced in. The Q2 earnings season is the next catalyst to watch, and we continue to favour companies with resilient fundamentals. Key risks include the S&P sovereign outlook decision where we anticipate an outlook downgrade rather than a rating downgrade — the pace of foreign flow stabilization, and the current account trajectory.

In fixed income, the bear flattening yield curve has created increasingly attractive opportunities in short-to-medium tenor government bonds, which now offer compelling yields relative to money market instruments. We are actively extending duration in this segment while maintaining caution on very long duration, given residual fiscal uncertainty which continues to sustain some risk premium at the back end of the curve.

Key watchpoints remain: the S&P sovereign outlook decision, USD/IDR trajectory, and Q2 earnings delivery.
We thank you, as always, for your continued trust and confidence.

Monthly Investor Update – June 2026
Key Highlights

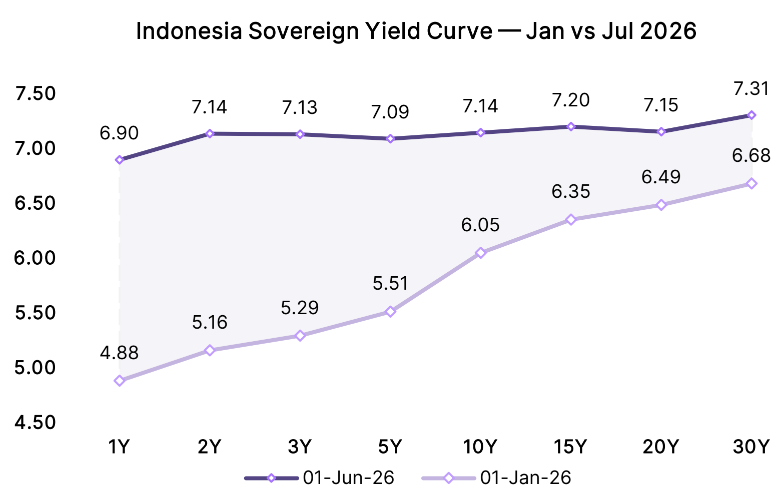
Simpan ASSET MANAGEMENT

1. MSCI Confirms Indonesia Retains Emerging Market Status Amid Continued Equity Market Correction

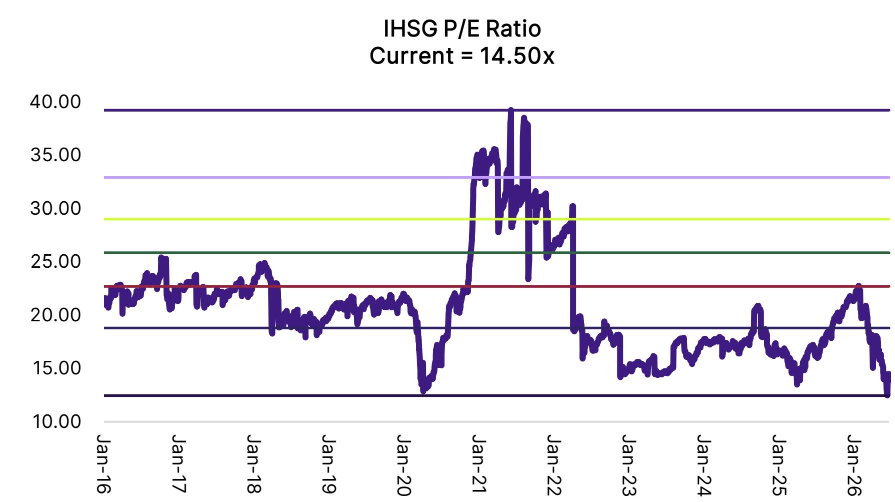
- Indonesian equity markets extended their correction in June, with the IHSG declining -7.90% over the month, bringing the year-to-date drawdown to -27.9% as persistent selling pressure continued to weigh on both price levels and broader market sentiment.
- Net foreign outflows against the IHSG reached approximately Rp30 trillion during the period, reflecting continued risk-off positioning from foreign institutional investors amid elevated macroeconomic and policy uncertainty.
- MSCI confirmed that Indonesia retains its Emerging Market classification following its annual market accessibility review, removing a key structural overhang that had weighed on foreign investor sentiment and contributed to passive fund outflows since the January 2026 announcement.
- The government announced reductions in budget allocations for MBG and Kopdes programs, which we view as a concrete and positive step toward fiscal discipline. The upcoming S&P sovereign outlook decision remains a key risk to monitor; we anticipate an outlook downgrade, though not a rating downgrade in the near term.

2. Back-to-Back BI Rate Hikes Signal a More Aggressive Tightening Cycle

- Persistent foreign outflows continued to exert pressure on the Rupiah throughout June, with USD/IDR closing the month at Rp17,882, reflecting sustained capital outflows and a broader environment of US Dollar strength.
- Bank Indonesia raised the BI-Rate by 50 basis points to 5.75%, marking the second consecutive hike following May's surprise move and reinforcing a more hawkish monetary policy stance than markets had previously anticipated
- Indonesia's May 2026 trade balance recorded its first monthly deficit in six years at -US$1.61 billion
- Government bond yields moved higher across the curve, with yield curve flattening, reflecting an even more attractive valuation.



Source: Bloomberg, Simpan Asset Management



Source: Bloomberg, Simpan Asset Management

Tracking Our Projections

What We Said Last Month	What Happened This Month
❑ We maintained a cautious approach to duration while actively monitoring opportunities at the shorter end of the yield curve.	✅ Bank Indonesia raised the BI-Rate by 50 basis points in June from 5.25% to 5.75%,the second consecutive hike following May's surprise move. Shorter-to-medium tenor yields moved higher
❑ We flagged MSCI's market accessibility assessment as a key event to monitor in June.	☑ MSCI confirmed that Indonesia retains its Emerging Market classification.

Market Outlook

Looking ahead to July, we take a cautiously constructive view on Indonesian equities. With the MSCI overhang now resolved and the IHSG trading at 14.50x P/E, on par with COVID-era trough valuations, we believe much of the negative sentiment has been priced in. The Q2 earnings season represents the next catalyst to watch, and we continue to identify selective opportunities in companies with resilient fundamentals and strong balance sheets. In fixed income, the bear flattening yield curve has rendered short-to-medium tenor government bonds increasingly attractive relative to money market instruments, and we view this as a compelling environment to gradually extend duration in portfolios where risk profiles permit.

Key areas of focus in the coming month include the upcoming sovereign outlook decision by S&P Global Ratings, where we anticipate an outlook downgrade rather than a rating downgrade. In addition, the persistently elevated USD/IDR level, the trajectory of the current account balance following the first monthly trade deficit in six years, and ongoing concerns surrounding Indonesia's fiscal sustainability continue to weigh on investor confidence and may limit the pace of near-term market recovery.

Actively Managed Portfolio (AMP)

Actively Managed Portfolio (AMP) is an automatic rebalancing strategy which 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 declined in June, driven by the broader rise in government bond yields as Bank Indonesia's tightening cycle continued.

Risk 2 – 5 portfolios also recorded negative returns in June, underperforming their respective benchmarks due to IHSG downtrend. On a since-inception basis, however, AMP Risk 2 through 5 portfolios continue to outperform their respective benchmarks, reflecting the cumulative benefit of active allocation decisions over the course of the year.

Asset Allocation Changes and Rationale

We believe the domestic equity market has now priced in much of the negative sentiment that weighed on prices over recent months. The sharp correction in the IHSG and sizeable foreign outflows reflect this repricing, compounded by sustained Rupiah pressure that prompted Bank Indonesia to raise the BI-Rate by 50 basis points to 5.75%, the second consecutive hike in a more hawkish stance than markets had previously anticipated.

Confirmation that Indonesia retains its Emerging Market classification in the MSCI review removes a key overhang that had pressured foreign flows, while the upcoming Q2 earnings season is expected to serve as the next positive catalyst, supported by solid fundamentals across our portfolio holdings. On the domestic front, reduced MBG and Kopdes budget allocations are a concrete step toward fiscal discipline, a development we view positively despite the broader confidence crisis surrounding government policy.

Taking these factors together where IHSG's P/E ratio at 14.50x, on par with COVID lows, MSCI status confirmation, the Q2 earnings catalyst, solid issuer fundamentals, and improving fiscal discipline, we increased equity allocation more aggressively than in the prior month, with proportional increases applied across Risk Levels 2 through 5. For Risk Level 1, back-to-back tightening has pushed short-to-medium tenor yields to increasingly competitive levels versus money market instruments, and we continued our rotation from cash into fixed income accordingly.

	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
June 26	39%	61%	0%	41%	41%	18%	33%	33%	34%	24%	24%	52%	16%	16%	69%
July 26	34%	64%	0%	41%	41%	18%	32%	32%	36%	22%	22%	56%	13%	13%	74%

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

Fund Performance per Risk Level

	June 2026	3M	YTD	1Y	Since Inception (p.a.)*
AMP Portfolio Risk 1	**-1.02%**	**-0.24%**	**2.66%**	**2.66%**	**-1.08%**
Benchmark	-0.79%	-0.06%	2.93%	2.93%	-0.59%
AMP Portfolio Risk 2	**-2.90%**	**-2.33%**	**0.87%**	**0.87%**	**-4.52%**
Benchmark	-2.20%	-3.05%	0.54%	0.54%	-5.42%
AMP Portfolio Risk 3	**-4.89%**	**-4.55%**	**-1.60%**	**-1.60%**	**-8.67%**
Benchmark	-3.64%	-6.01%	-1.92%	-1.92%	-10.09%
AMP Portfolio Risk 4	**-7.03%**	**-6.84%**	**-3.75%**	**-3.75%**	**-12.45%**
Benchmark	-5.09%	-8.94%	-4.44%	-4.44%	-14.62%
AMP Portfolio Risk 5	**-9.16%**	**-9.25%**	**-6.13%**	**-6.13%**	**-16.22%**
Benchmark	-6.55%	-11.83%	-7.03%	-7.03%	-19.00%

Notes: The benchmark used is a Strategic Asset Allocation (SAA) portfolio with a fixed asset mix per risk level (Risk Level 1: 0% equity, Risk Level 2: 12.5% equity, Risk Level 3: 25% equity, Risk Level 4: 37.5% equity, Risk Level 5: 50% equity). The remaining allocation is split evenly between bonds and money market instruments. Unlike AMP, the SAA benchmark does not adjust allocations based on market conditions.

Fund Performance Commentary

- **During June, all funds under our management, with the exception of Simpan Cash Fund and Cash Syariah Fund, underperformed their respective benchmarks.** This performance was broadly in line with prevailing market conditions, as sharp corrections in the equity market and sustained foreign capital outflows weighed heavily on risk assets across the board.

- **In Equities, our portfolios continued their downward trajectory and delivered negative returns during the month amid heightened market volatility.** Investor sentiment remained fragile following MSCI's decision and final review regarding Indonesia's Emerging Market status, which intensified concerns over the country's market accessibility and investment outlook. These developments contributed to continued foreign outflows, placing further pressure on the Rupiah and weighing on broader equity market performance

- **In Fixed Income, the government bond market also experienced a challenging month, with yields rising across the curve.** The 10-year government bond yield increased from 6.72% at the end of May to 7.16% by the end of June, reflecting persistent selling pressure and a repricing of interest rate expectations. During the month, investors continued to adjust portfolio duration in response to evolving market conditions, resulting in heightened volatility within the bond market. Bank Indonesia implemented measures aimed at stabilizing the Rupiah and maintaining orderly market conditions, including selling shorter-tenor government bonds while purchasing longer-tenor securities to encourage investor participation and lock in attractive yields at the longer end of the curve. In addition, Bank Indonesia raised its policy rate to support currency stability, which further contributed to the upward movement in bond yields across both short- and long-dated maturities.

Key Trades of the Month – Equities

Commodities – Coal: Following greater clarity from the government regarding its role in commodity exports, we re-entered a position in AADI. The investment was driven by the company's attractive fundamentals, operational efficiency, and improving market sentiment following the regulatory developments. We believe the stock remains well-positioned to benefit from a more stable policy environment while continuing to generate resilient earnings.

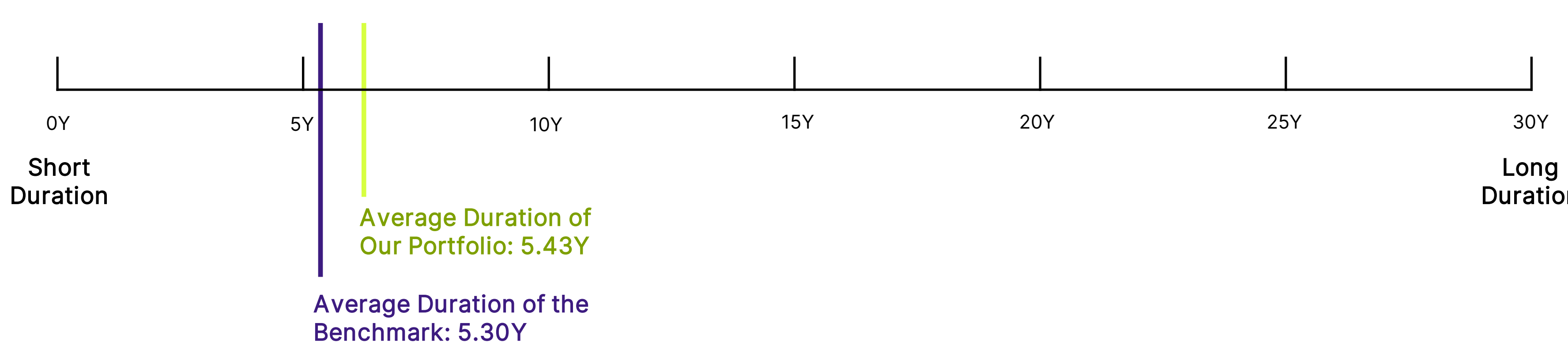
Infrastructure – Telecommunications: Within the infrastructure sector, we reduced our position in EXCL, one of our telecommunications holdings. While the company's underlying fundamentals remain relatively resilient, the share price has continued to trade within a narrow range with limited near-term catalysts. As a result, we elected to reallocate capital toward opportunities that we believe offer a more attractive risk-reward profile and greater upside potential.

Increased	Decreased / Exited
Adaro Andalan Indonesia (AADI)	XLSMART Telecom Sejahtera (EXCL)

Key Trades of the Month – Fixed Income

Our open-ended fixed income funds maintained an average portfolio duration of 5.43 years, slightly above the benchmark duration. During the month, the funds generated a return of +0.43%, outperforming the benchmark return of +0.29%. As we move into July, we continue to adopt a cautious approach toward duration positioning. At the same time, we are actively monitoring opportunities to selectively add exposure, particularly at the shorter end of the yield curve, with better risk-reward dynamics.

Duration Positioning



Simpan ASSET MANAGEMENT

IDR Reksa Dana Performance	June 2026	3M	YTD	1Y	3Y (p.a.)	Since Inception (p.a.)*
Cash Fund	**0.25%**	**0.80%**	**1.74%**	**3.91%**	**4.26%**	**4.16%**
Benchmark (100% 3 Month Deposit Rates)	0.28%	0.78%	1.53%	3.15%	3.13%	3.13%
Bond Fund	**-1.82%**	**-0.90%**	**-2.75%**	**1.93%**	**-**	**3.90%**
Benchmark (100% IndoBex Total Return Index, Net Tax)	-1.59%	-0.75%	-2.37%	3.35%	-	5.35%
Sustainable Equity Fund	**-10.68%**	**-20.49%**	**-27.88%**	**-14.94%**	**-**	**-10.34%**
Benchmark (MSCI Indonesia IMI Value Weighted Ex)	-8.36%	-18.29%	-21.60%	-10.76%	-	-5.68%
Balanced Fund	**-5.71%**	**-10.64%**	**-17.27%**	**-6.39%**	**-1.87%**	**0.00%**
Benchmark (65% IndoBex Total Return Index, Net Tax + 35% IHSG)	-3.80%	-7.46%	-13.70%	-4.31%	1.19%	1.96%

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

Cash Syariah Fund	**0.21%**	**0.63%**	**1.56%**	**3.76%**	**-**	**4.17%**
Benchmark (100% 1 Month Deposit Rates)	0.27%	0.73%	1.45%	2.98%	-	3.06%

USD Reksa Dana Performance	June 2026	3M	YTD	1Y	3Y (p.a.)	Since Inception (p.a.)*
Dollar Bond Fund	**-0.35%**	**-**	**-**	**-**	**-**	**-0.44%**
Benchmark (100% GIDU3YR Index)	0.21%	-	-	-	-	0.46%

Information & Disclosures

These materials have been prepared by Simpan Asset Management (including any of its affiliates "Simpan") for Simpan's client or potential client to whom such materials are directly addressed and delivered in connection with an actual or potential mandate or engagement and may not be used or relied upon for any purpose other than as specifically contemplated by a written agreement with Simpan. These materials are based on information provided by potential transaction participants, from public sources or otherwise reviewed by Simpan. Information herein also does not constitute professional advice or recommendations regarding any securities or investments. No investment decisions should be based on the information herein. Nothing in this document constitutes accounting, legal, regulatory, tax or other advice. Although the information herein has been obtained from sources that Simpan believes to be reliable, no representation or warranty (express or implied) is made as to the accuracy, completeness, reliability or fairness of the information, opinions or projections herein, all of which are subject to change without notice. This document is for the internal use of the recipient only. These materials were designed for use by specific persons familiar with the business and affairs of the Company and are being furnished and should be considered only in connection with other information, oral or written, being provided by Simpan in connection herewith. These materials are not intended to provide the sole basis for evaluating, and should not be considered a recommendation with respect to, any transaction or other matter. Simpan does not provide tax advice. Accordingly, any statements contained herein as to tax matters were neither written nor intended by Simpan to be used and cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on such taxpayer. Accordingly, any taxpayer should seek advice based on such taxpayer's particular circumstances from an independent tax advisor. These materials do not constitute an offer or solicitation to sell or purchase any securities and are not a commitment by Simpan to provide or arrange any financing for any transaction or to purchase any security in connection therewith. Simpan assumes no obligation to update or otherwise revise these materials. These materials have not been prepared with a view toward public disclosure under state or federal securities laws or otherwise, and may not be reproduced, disseminated, quoted, summarized or referred to, in whole or in part, without the prior written consent of Simpan. These materials may not reflect information known to other professionals in other business areas of Simpan.