Monthly Investor Update

October 2025

Dear Simpan Client,

In October, the Jakarta Composite Index (JCI) extended its rally early in the month, reaching a new all-time high of 8,354, though gains remained concentrated in conglomerate names. Toward the month-end, markets reversed sharply as broad profit-taking and renewed U.S.– China trade tensions weighed on sentiment. MSCI's plan to tighten index inclusion rules added further pressure, sparking broad selling in large-cap conglomerates.

Investors later rotated into blue-chip stocks, particularly banks, following BBCA's strong earnings and buyback announcement, as well as attractive sector valuations. Meanwhile, Bank Indonesia held its policy rate steady, while the U.S. Federal Reserve cut rates by 25 bps, continuing its easing stance.

Our funds delivered positive performance in October, though some lagged benchmarks. Equities benefited from renewed interest in blue-chips as foreign investors returned, while Fixed Income remained stable despite ongoing foreign outflows. Higher-coupon positions and selective allocation helped cushion volatility.

Looking ahead, we continue to favour blue-chip equities, where valuations remain compelling and fundamentals solid. Supportive fiscal and monetary policies, alongside the Fed's rate cuts, should provide an improved macro backdrop for Indonesian equities in the months ahead. In Fixed Income, we remain focused on high-yield bonds with attractive carry potential, maintaining a conservative duration stance amid persistent foreign outflows and mild Rupiah weakness.

We continue to manage portfolios with greater discipline and selectivity, emphasizing quality assets and prudent risk management. By staying flexible and focused on fundamentals, we aim to capture opportunities while safeguarding against near-term volatility.

We thank you for your continued trust and confidence in us and remain committed to managing your investments with the same dedication and care as ever.

Yours Sincerely,
Julian Thio
Member of the Investment Committee

October Market Highlights

1. JCI Reached an All-Time High, but Pulled Back Sharply Towards Month-End

- JCI continued to rally in initial weeks, hitting an all-time high of 8,354. The rally was again driven by conglomerate stocks, fueled by company-specific catalysts and speculation around MSCI inclusion.
- However, markets corrected sharply toward month-end, as broad profit-taking and renewed trade tensions between the U.S. and China weighed on sentiment and global growth expectations.
- Investor appetite shifted to blue-chip banks following BBCA's strong earnings and buyback announcement, with attractive sector valuations drawing renewed foreign inflows.

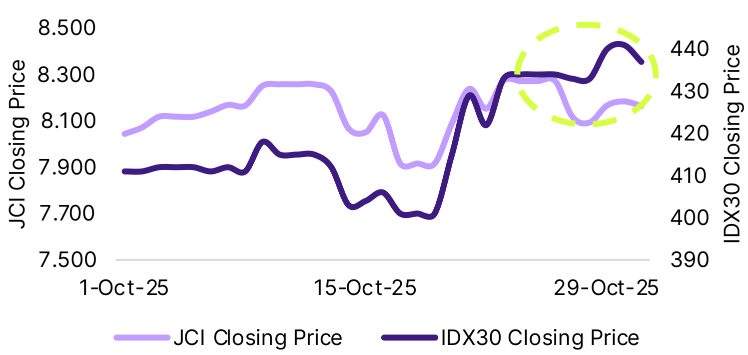
2. BI Kept Rates Unchanged, While Fed Cut Rates by 25 bps

- BI kept its policy rate at 4.75%, pausing after three consecutive cuts to preserve Rupiah stability and assess the impact of prior easing.
- Meanwhile, the Fed lowered rates to a benchmark of 3.75 – 4.00%, the lowest in three years. The rate cut was intended to spur growth amid a weakening labor market. Market reaction was muted as the move was in-line with investor expectations.

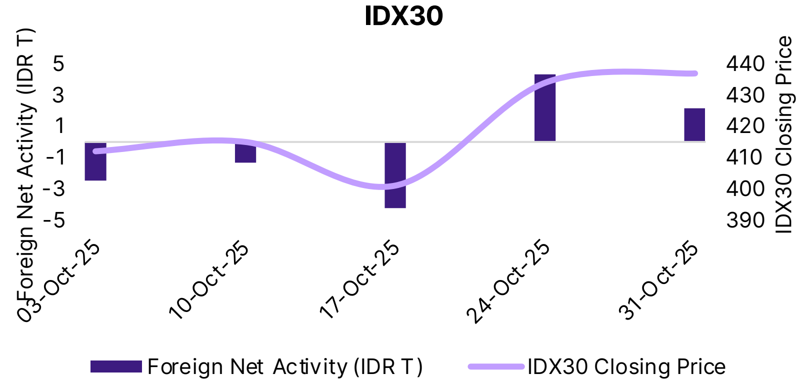
3. MSCI Rule Change Announcement Triggers Sell-off

- MSCI announced plans to tighten its free-float calculation using KSEI data, potentially affecting index eligibility for select Indonesian stocks.
- The news sparked broad selling especially in conglomerate stocks, as investors feared potential outflows from affected companies. Sell-off was driven by domestic investors (~IDR -0.34T), while foreign investors remained net buyers.

IDX30 Outperforms JCI Toward Month-End as Market Rotation Favors Blue-Chips



Foreign Appetite Returns to Blue-Chips, Lifting IDX30



Tracking Our Projections

What We Said Last Month	What Happened This Month
❑ We anticipate further easing from the Fed by year-end.	Fed cut rates by 25 bps, lowering the benchmark to 3.75% - 4.00%.
❑ Policy shifts should create a supportive backdrop for risk assets, with flows entering equities and bonds.	Though foreign investors remain net sellers in October, outflows moderated sharply.

Market Outlook

We expect supportive fiscal and monetary policies from the Ministry of Finance and Bank Indonesia to provide a favourable backdrop for equity market outperformance over the next 6 – 12 months. Valuations and dividend yields remain attractive, which could offer additional upside potential.

Furthermore, continued rate cuts from the Fed should bolster capital inflows into the JCI due to an improving global risk appetite and narrowing yield differentials, making Indonesian assets (particularly blue-chips) more attractive to foreign investors.

Portfolio Positioning

Fixed Income – We continue to favour higher-yielding bonds with attractive carry potential after recent price gains. Due to a cautious macro environment marked by ongoing foreign outflows and slight Rupiah weakness, we are keeping our portfolio duration conservative as we seek to reduce interest rate risk and minimize portfolio volatility.

Equities – We have significantly reduced exposure in high-momentum names given the recent rally, although we maintain selective exposure to names with solid and sustainable growth stories. **We continue to rotate towards blue-chip stocks** as valuations remain attractive. An improving macro backdrop should support renewed inflows into blue-chips, keeping the portfolio resilient and positioned for upside.

Fund Performance Commentary

- **All funds delivered positive returns in October.** Though some funds underperformed benchmarks, our money market funds continued to outperform.
- **Equities saw positive momentum** amid notable rotation into blue-chip stocks, supported by easing money-market yields, attractive dividend spreads, and a more pro-growth policy stance. Foreign outflows eased and domestic investors increased exposure.
- **In Fixed Income, Government Bonds traded steadily.** The 10-year yield decreased to 6.08%, while the 5-year yield fell 7 bps to 5.47%. Foreign investors posted net outflows of ~IDR 27.56T, reducing ownership to 13.62% of total issuance. Despite this, market liquidity stayed stable, supported by strong domestic demand.

Fund Performance vs Benchmark – Conventional Mutual Funds

Cash Fund – Money Market Fund (100% Deposits & Bonds below 1 Year) for Liquidity Management

- Gained +0.34% in October, outperformed the benchmark (+0.27%).

	Oct 2025	3M	YTD	1Y	Since Inception (p.a.)*
Cash Fund	**0.34%**	**1.10%**	**4.05%**	**4.71%**	**4.28%**
Benchmark (100% 3 Month Deposit Rates)	0.27%	0.82%	2.81%	3.38%	3.20%

Notes: Management Fees (excluding Tax) - 0.50%; *Inception for Cash Fund is as of 28 November 2022

Bond Fund – Indonesian Fixed Income Strategy for Medium-Term Capital Appreciation

- Gained +1.47% in October, underperformed the benchmark (+1.88%).
- Price gains and accrued interest from FR0068 and FR0050 were main drivers.

	Oct 2025	3M	YTD	1Y	Since Inception (p.a.)*
Bond Fund	**1.47%**	**3.33%**	**9.19%**	**8.81%**	**7.53%**
Benchmark (100% IndoBex Total Return Index, Net Tax)	1.88%	4.16%	10.37%	10.36%	9.32%

Notes: Management Fees (excluding Tax) - 0.50%; *Inception for Bond Fund is as of 29 May 2024

Balanced Fund – All Weather Strategy (65% Bonds + 35% Equity) for Medium to Long Term Growth Strategy

- Gained +1.37% in October, underperformed the benchmark (+1.67%).
- Bond portfolio returned +0.47% while equities returned +1.56%.
- In equities, top laggards were RAJA, BKSL, EMAS while **RATU, WIFI, BBCA were top gainers**.

	Oct 2025	3M	YTD	1Y	3Y (p.a.)	Since Inception (p.a.)*
Balanced Fund	**1.37%**	**0.03%**	**7.00%**	**3.66%**	**3.86%**	**0.37%**
Benchmark (65% IndoBex Total Return Index, Net Tax + 35% IHSG)	1.67%	5.89%	12.14%	9.50%	7.62%	8.41%

Notes: Management Fees (excluding Tax) – 1.00%; *Inception for Balanced Fund is as of 31 March 2022 following rebrand to Simpan Asset Management.

Sustainable Equity Fund – Equity Strategy in ESG-Compliant Indonesian Equities for Long Term Investing

- Gained +2.86% in October, underperformed the benchmark (+4.95%).
- Top laggards were EMAS, RAJA, AMRT, while **RATU, BBCA, WIFI were top contributors**.

	Oct 2025	3M	YTD	1Y	Since Inception (p.a.)*
Sustainable Equity Fund	**2.86%**	**1.58%**	**0.37%**	**-8.27%**	**0.68%**
Benchmark (MSCI Indonesia IMI Value Weighted Ex)	4.95%	8.38%	7.38%	-1.91%	7.74%

Notes: Management Fees (excluding Tax) – 2.00%; *Inception for Sustainable Equity Fund is as of 13 June 2024

Fund Performance vs Benchmark – Syariah-Compliant Mutual Funds

Cash Syariah Fund – Syariah-Compliant Money Market Fund (100% Deposits & Bonds below 1 Year) for Liquidity Management

- Gained +0.35% in October, outperformed the benchmark (+0.26%).

	Oct 2025	3M	YTD	1Y	Since Inception (p.a.)*
Cash Syariah Fund	**0.35%**	**1.09%**	**3.93%**	**4.68%**	**4.64%**
Benchmark (100% 1 Month Deposit Rates)	0.26%	0.78%	2.66%	3.20%	3.20%

Notes: Management Fees (excluding Tax) - 0.50%; *Inception for Cash Syariah Fund is as of 26 September 2024

Amanah Syariah Fund – All Weather Strategy (80% Bonds + 20% Equity) for Medium to Long Term Growth Strategy

- Gained +1.94% in October, outperformed the benchmark (+1.61%).
- Bond portfolio returned +1.26% while equities returned +1.30%.
- **Top gainers were RATU, WIFI, AADI,** while BKSL, RAJA, CBDK were top laggards.

	Oct 2025	3M	YTD	1Y	3Y (p.a.)	Since Inception (p.a.)*
Amanah Syariah Fund	**1.94%**	**1.67%**	**6.52%**	**4.01%**	**4.00%**	**-0.70%**
Benchmark (65% IGSIX Sukuk Index, Net Tax + 20% ISSI)	1.61%	5.51%	13.35%	12.31%	6.58%	5.37%

Notes: Management Fees (excluding Tax) – 1.00%; *Inception for Amanah Syariah Fund is as of 31 March 2022 following rebrand to Simpan Asset Management.

Key Trades of the Month – Equities

- **Materials – Mining** – We rotated into mining companies with exposure to coal and gold. Coal prices appear to have bottomed and could rebound with rising winter demand, which should support AADI's performance. Meanwhile, though gold may see short-term moderation, it is likely to stabilize at a higher base, benefiting producers such as EMAS.

- **Materials – Pulp & Paper** – We rotated out of the pulp and paper industry. Though the industry remains stable and valuations remain attractive, we see a lack of near-term catalysts to drive significant upside at this stage. As such, we have realized profits from our existing positions in INKP and TKIM.

Increased

Company	Fund
Merdeka Gold Resources (EMAS)	Balanced Fund | Balanced Syariah Fund | Sustainable Equity Fund
Adaro Andalan Indonesia (AADI)	Balanced Fund | Balanced Syariah Fund | Sustainable Equity Fund
Adaro Minerals Indonesia (ADMR)	Balanced Fund | Balanced Syariah Fund | Sustainable Equity Fund

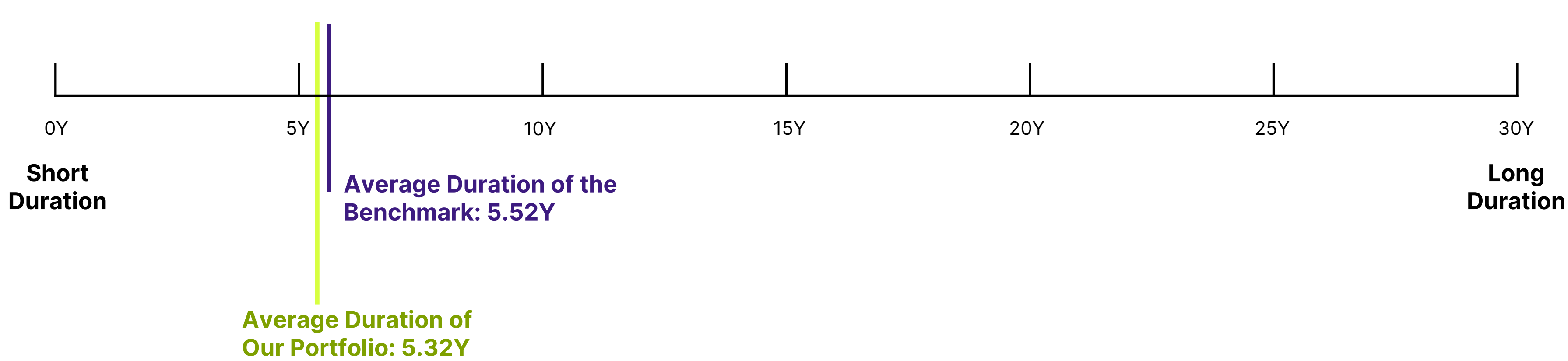
Decreased / Exited

Company	Fund
Indah Kiat Pulp and Paper (INKP)	Balanced Fund | Balanced Syariah Fund | Sustainable Equity Fund
Pabrik Kertas Tjiwi Kimia (TKIM)	Balanced Fund | Balanced Syariah Fund | Sustainable Equity Fund
United Tractors (UNTR)	Balanced Fund | Balanced Syariah Fund | Sustainable Equity Fund

Key Trades of the Month – Fixed Income

Our open-ended funds are positioned below the benchmark duration. We continue to adopt a barbell strategy and keep our portfolio duration conservative, with a significant allocation to high yield bonds.

Duration Positioning



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