

Monthly Investor Update

September 2025

Dear Simpan Client,

This September highlighted how quickly sentiments can shift between uncertainty and renewed optimism. The month began with volatility as a cabinet reshuffle unsettled markets, prompting foreign outflows and pressuring the Rupiah. However, confidence recovered after the new Finance Minister announced a large liquidity injection into state-owned banks, which supported the Jakarta Composite Index (JCI) and stabilized sentiment. Investors also welcomed a rate cut from Bank Indonesia, which led to a rally in equities and resulted in the JCI reaching all-time highs.

Our funds reflected these dynamics. Equities lagged benchmarks given the narrow rally in non-core names, while fixed income results were mixed as foreign selling weighed on Government Bonds. Nonetheless, our positions in quality assets continue to provide resilience, with income from higher-coupon bonds helping offset market volatility.

Looking forward, we see opportunities in select blue-chip equities and active momentum stocks with corporate action and significant earnings drivers. We expect domestic liquidity to be ample, despite continued foreign outflow in blue-chip equities. This has resulted in a polarized equity market, creating both challenges and opportunities in the equity markets.

We remain cautious about investing heavily in government bonds, given the rally in bond prices and Bank Indonesia's supportive policy. Yield spreads between US Treasuries and Indonesian Government Bonds (INDOGB) remain tight despite a global rate cut cycle. Continued foreign outflow in government bonds and a weakening Rupiah have created additional risks for the bond market.

Active navigation, discipline, and selective allocation in both the equity and bond markets are well warranted, and we believe our portfolios remain well-positioned to deliver long-term value.

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

September Market Highlights

1. Cabinet Reshuffle, including Finance Minister Sri Mulyani to Purbaya Yudhi Sadewa

- On September 8th, the news unsettled markets, as concerns arose over whether the new Finance Minister could maintain the same level of fiscal prudence.
- The JCI declined 1.3% that day, led by foreign outflows (IDR ~544B), while domestic investors remained net buyers (~IDR 540B). The IDR also weakened to USD 16,520.
- Shortly after, the new Finance Minister initiated an IDR 200T fund injection into state-owned banks to boost liquidity and stimulate the economy, supporting broader liquidity in the market.

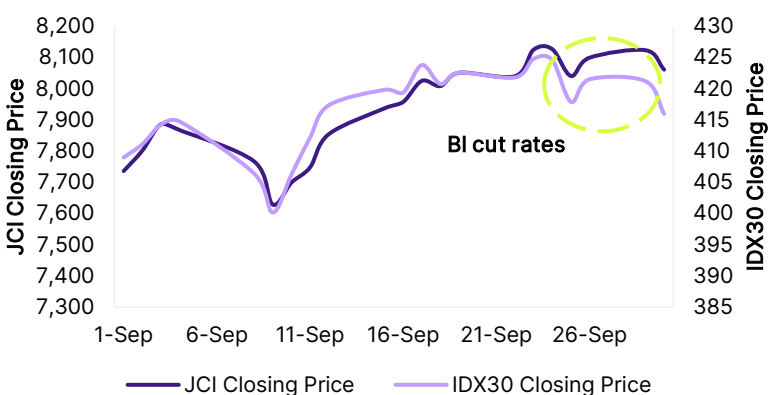
2. BI Cuts Rates from 5.00% to 4.75%

- BI delivered a second consecutive 25 bps rate cut this year to spur economic growth by improving liquidity and lowering borrowing costs. The move reinforced market optimism, with equities trading higher in the days following the announcement.

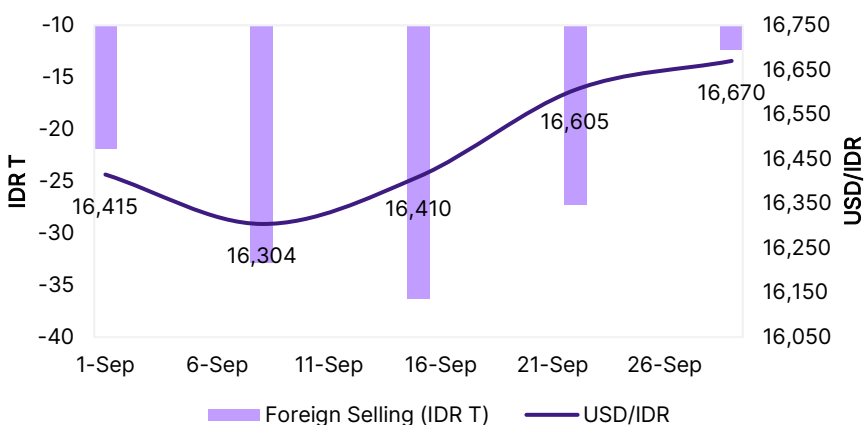
3. JCI Hits All-Time High

- JCI continued to extend gains and hit a record high of 8,169 on September 25. However, gains were largely driven by momentum names while the IDX30 (which tracks blue-chip stocks) lagged, signaling limited breadth and a polarized market.
- Domestic investors (retail, conglomerates, institutions) led the rally, while foreign investors trimmed exposure. A weakening Rupiah highlighted external skepticism despite market highs.

JCI Outpaces IDX30 - Momentum Rallies, while Blue-Chips Lagged



Foreign Selling Pressures the Rupiah



Tracking Our Projections

What We Said Last Month

- Recent social unrest should gradually ease as government measures take place.
- We anticipate one additional rate cut from BI to support Rupiah stability and provide growth stimulus.
- We expect the Fed to initiate its easing cycle in 3Q'25.

What Happened This Month

- President announced a reshuffle of the "Merah Putih" cabinet members, and social unrest eased.
- BI cut rates from 5.00% to 4.75%.
- Fed cut rates by 25 bps, lowering the rate to a range of 4.00% - 4.25%.

Market Outlook

The Ministry of Finance's liquidity injection is a key driver for consumption and growth.

Globally, the Fed's recent rate cut signals the start of a more accommodative cycle, with further easing anticipated by year-end. Domestically, we expect BI's surprise rate cut to reinforce growth momentum by improving liquidity and lowering borrowing costs.

Taken together, we view these policy shifts as creating a more supportive backdrop for risk assets, with flows entering equities and bonds while lifting sentiment across emerging markets such as Indonesia.

Portfolio Positioning

Fixed Income – favor selective exposure in benchmark series while leaning into higher-yielding bonds to capture carry. We are keeping duration positioning conservative as the macro backdrop remains cautious, with continued foreign selling and Rupiah weakness.

Equities – gradually rotating towards blue-chip stocks while keeping selective exposure to momentum-driven names. We expect attractive valuations, stronger earnings visibility, and an improving macro backdrop to drive further flows into blue-chips, keeping the portfolio resilient and well-positioned for upside.

Fund Performance Commentary

- **Our funds showed mixed performance in September**, though our money market funds continued to deliver stable and positive returns.
- **Equities lagged as foreign investors reduced exposure following the cabinet reshuffle.** Although the JCI reached new highs, gains were mainly driven by select momentum stocks which were outside our portfolio.
- **In fixed income, Government Bonds traded mixed in September.** The 10-year yield ended slightly higher at 6.37% after a volatile month, while the 5-year tenor declined by around 21 bps to 5.54%. Foreign investors posted net outflows of IDR 41.5T. Ownership in government securities eased by 0.67%, though holdings remain relatively stable at ~14.2% of total issuance.

Fund Performance vs Benchmark – Conventional Mutual Funds

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

- Gained +0.35% in September, outperformed the benchmark (+0.29%).

	Sep 2025	3M	YTD	1Y	Since Inception (p.a.)*
Cash Fund	0.35%	1.14%	3.70%	4.68%	4.28%
Benchmark (100% 3 Month Deposit Rates)	0.29%	0.84%	2.55%	3.40%	3.21%

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 +0.70% in September, underperformed the benchmark (+0.77%).
- Price gains and accrued interest from FR0068 and FR0050 were main drivers.

	Sep 2025	3M	YTD	1Y	Since Inception (p.a.)*
Bond Fund	0.70%	2.86%	7.61%	5.48%	6.78%
Benchmark (100% Indobex Total Return Index, Net Tax)	0.77%	3.33%	8.34%	7.36%	8.38%

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 +0.33% in September, underperformed the benchmark (+1.53%).
- Bond portfolio returned +0.43% while equities returned +0.04%.
- In equities, top laggards were PANI, BBKA, BBNI, while **DEWA, WIFI, RAJA were top gainers.**

	Sep 2025	3M	YTD	1Y	3Y	Since Inception (p.a.)*
Balanced Fund	0.33%	5.05%	5.55%	1.04%	2.99%	3.35%
Benchmark (65% Indobex Total Return Index, Net Tax + 35% IHSG)	1.53%	7.86%	10.29%	7.28%	5.95%	5.92%

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

- Down -0.01% in September, outperformed the benchmark (-0.08%).
- Top laggards were BMRI, PANI, BBKA, while **DEWA, UNTR, ASII were top contributors.**

	Sep 2025	3M	YTD	1Y	Since Inception (p.a.)*
Sustainable Equity Fund	-0.01%	4.36%	-2.42%	-11.89%	-1.44%
Benchmark (MSCI Indonesia IMI Value Weighted Ex)	-0.08%	6.24%	2.31%	-7.64%	4.31%

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 +0.37% in September, outperformed the benchmark (+0.27%).

	Sep 2025	3M	YTD	1Y	Since Inception (p.a.)*
Cash Syariah Fund	0.37%	1.13%	3.57%	4.73%	4.68%
Benchmark (100% 1 Month Deposit Rates)	0.27%	0.79%	2.41%	3.22%	3.22%

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

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

- Gained +1.91% in September, underperformed the benchmark (+1.96%).
- Bond portfolio returned +1.12% while equities returned +1.08%.
- Top laggards were PANI, SRTG, INKP, while **DEWA, WIFI, BKSL** were gainers.

	Sep 2025	3M	YTD	1Y	3Y	Since Inception (p.a.)*
Amanah Syariah Fund	1.91%	6.73%	4.49%	1.44%	3.00%	4.03%
Benchmark (65% IGSIX Sukuk Index, Net Tax + 20% ISSI)	1.96%	7.25%	11.60%	10.67%	5.25%	5.79%

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

Key Trades of the Month – Equities

- **Basic Materials** – We rotated out of the Basic Materials sector in September. Gold prices reached record highs during the month, which supported positive sentiment and drove a rally in gold-exposed stocks. We took the opportunity to realize profits and exited our positions in ANTM and MDKA.

Increased

Company	Fund
Jasa Marga (JSMR)	Balanced Fund Balanced Syariah Fund Sustainable Equity Fund
Alfamart (AMRT)	Balanced Fund Balanced Syariah Fund Sustainable Equity Fund

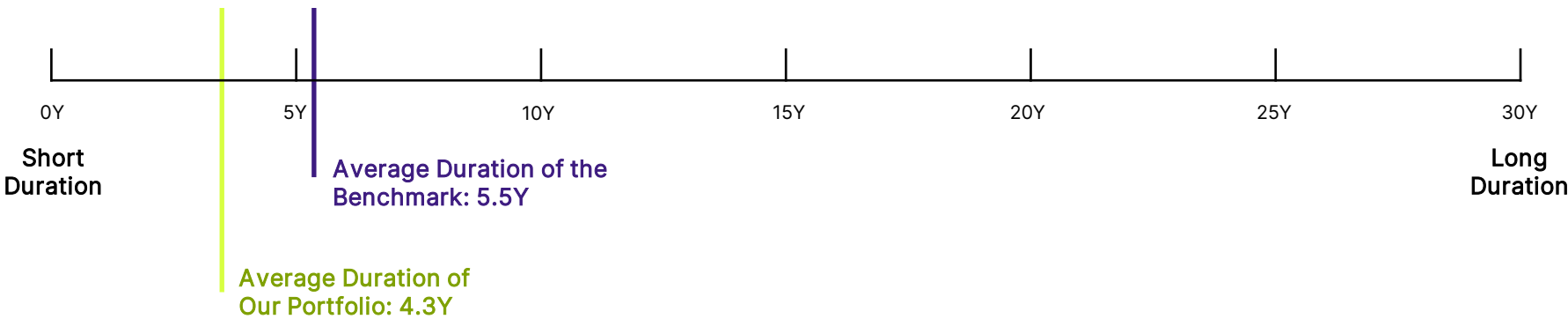
Decreased / Exited

Company	Fund
Aneka Tambang (ANTM)	Balanced Fund Balanced Syariah Fund Sustainable Equity Fund
Merdeka Copper Gold (MDKA)	Balanced Fund Balanced Syariah Fund Sustainable Equity Fund
Rukun Raharja (RAJA)	Balanced Fund Balanced Syariah Fund Sustainable Equity Fund
Darma Henwa (DEWA)	Balanced Fund Balanced Syariah Fund Sustainable Equity Fund
Saratoga Investama (SRTG)	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, following a barbell strategy. We maintain a significant allocation to government bonds with attractive coupons, ensuring steady income through accrued interest.

Duration Positioning



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