

Monthly Investor Update

September 2026

Dear Simpan Client,

Market Update

In September, the IHSG returned -6.96% to close at 6,071, while the INDOBeX index returned -0.26% over the same period. Foreign investors were net sellers of Indonesian Equities, withdrawing Rp 10.2 trillion after net inflows in July and August. Year-to-date, the IHSG is down -29.79%, with cumulative net foreign outflows of Rp 81.9 trillion. Suhasil Nazara was sworn in as Finance Minister on 14 September, replacing Purbaya Yudhi Sadewa. On 29 September, the DPR passed the 2027 State Budget with a deficit target of 2.4% of GDP.

In Fixed Income, government bond yields rose across tenors, with the 5Y up 12 bps to 7.00%, and the 10Y up 11 bps to 7.14%. Indonesia's US Dollar bonds moved further, with the INDON 3Y yield up 63 bps to 5.28%. Foreign ownership of government bonds was broadly unchanged at Rp 908.2 trillion. The Rupiah weakened from 17,720 to 17,870. Bank Indonesia held the BI-Rate at 5.75% on 23 September, Governor Destry Damayanti's first meeting since her confirmation, due the front run of June's hike when The Fed stays.

In the US, the Federal Reserve raised its policy rate by 25 bps to 3.75% - 4.00% on 16 September, and most committee members project a further increase this year. US diesel prices reached a record USD 6.53 a gallon on 21 September, and Brent crude stayed sticky around USD 100 a barrel amid renewed US-Iran tensions. The 10Y US Treasury yield rose from 4.75% to 5.28%. Higher US yields narrowed the premium for holding Indonesian bonds, which in turn added pressure on the Rupiah.

AMP Performance

In September, we raised Equity weighting across Risk Levels 2 through 5, after Bank Indonesia's leadership was settled and the August demonstrations passed. These risk levels posted negative returns as Indonesian Equities fell, with losses in proportion to each tier's Equity weight. Risk Level 1 returned 0.09%, supported by its higher cash position. For October, we are adding Equity gradually across Risk Levels 2 through 5.

Fund Performance

During September, Simpan Cash Fund outperformed its benchmark, while Simpan Sustainable Equity Fund, Simpan Bond Fund, Simpan Balanced Fund, Simpan Cash Syariah Fund and Simpan Dollar Bond Fund finished behind.

The Equity Fund and Balanced Fund declined with the equity market. The Dollar Bond Fund trailed as rising yields lowered bond prices, while its benchmark accrues yield without taking price changes.

Outlook & Portfolio Positioning

In Fixed Income, Bank Indonesia is holding interest rates steady while the Fed hikes, having moved early with an off-cycle hike in June. The Rupiah has absorbed the pressure. **Rupiah bond yields look attractive, but their premium over US Treasuries has narrowed, so we prefer Indonesia's US Dollar bonds through the Simpan Dollar Bond Fund. In Equities, we view September's decline as asset repricing rather than a weakening of fundamentals.** We still believe in companies with solid fundamentals, and lower prices offer a good entry point.

In Equities, we are adding to our Equity weighting gradually across AMP Risk Levels 2 through 5 for October, funded evenly from our Cash and Fixed Income Funds. In Risk Level 1, we are increasing Fixed Income and reducing our Cash Fund, with government bond yields of 6.79% to 7.14% versus 4.48% on 3-month deposits. Cash remains the larger weight while further Fed hikes are possible. The main risk to both positions is the FOMC decision on 27 – 28 October, where markets expect a further hike.

Key watchpoints: FOMC Meeting on 27 – 28 October, Bank Indonesia's 20 – 21 October meeting, the Rupiah, oil prices amid US-Iran tensions, Indonesia's Q3 GDP release, and the MSCI November review

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Key Highlights

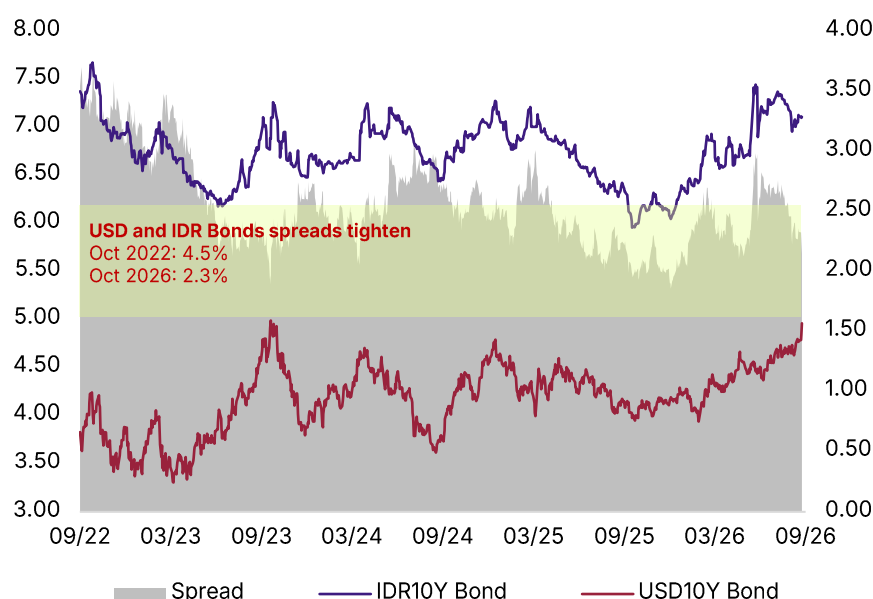
1. Foreign Selling Returned as US Rates Rose

- The Federal Reserve raised rates by 25 basis points (bps) to 3.75% - 4.00% on 16 September. The 10Y Treasury yield rose 53 bps to 5.28%.
- US diesel prices reached a record USD 6.53 a gallon on 21 September, adding to inflation pressure. Most Fed officials project at least one more increase this year, and markets expect a hike at the 27 – 28 October meeting.
- IHSG fell 6.96% in September to 6,071, below its end-July level of 6,236. The INDOBeX fell 0.26%.
- Foreign investors sold Rp 10.2 trillion of Indonesian Equities in September, reversing the net inflows of July and August. Outflows since January reached Rp 81.9 trillion.

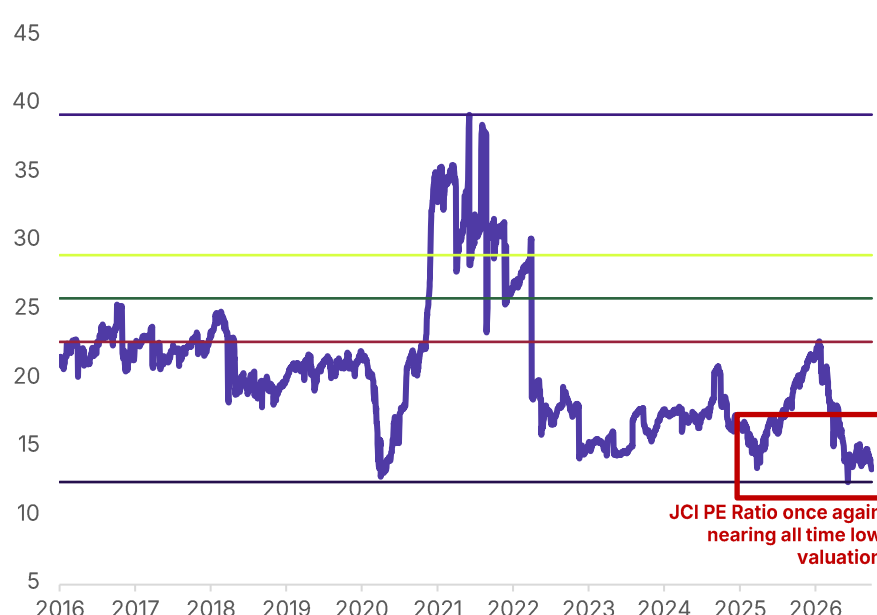
2. Bank Indonesia Held as the Rupiah Took the Pressure

- Bank Indonesia held the BI-Rate at 5.75% on 23 September, Governor Destry Damayanti's first meeting since her confirmation. The meeting ensured more liquidity buffers and hedging incentives to stabilize the bond and Rupiah market.
- Rupiah government bonds held steadier than US Treasuries. The 10Y yield rose 11 bps to 7.14%, against 53 bps for the 10Y Treasury. Indonesia's US Dollar bonds moved more, with the INDON 3Y up 63 bps to 5.28%.
- The Rupiah weakened from 17,720 to 17,870. The 10Y yield premium over US Treasuries narrowed from 228 bps to 186 bps.
- Suhasil Nazara replaced Purbaya Yudhi Sadewa as Finance Minister on 14 September. The DPR passed the 2027 State Budget on 29 September, with spending of Rp 4,106 trillion and a deficit of 2.4% of GDP.

Historical Spreads between GIDN10YR and USGG10YR



JCI P/E Ratio
Current: 13.40x



Tracking Our Projections

What We Said Last Month

- ☐ We named the FOMC decision on 16 September as a main risk to our positioning.
- ☐ We expected Fixed Income returns to moderate after August's rally, with less room for capital gains.

What Happened This Month

- ☒ The Fed raised rates by 25 bps, and foreign investors sold Rp 10.2 trillion of Indonesian Equities.
- ☒ The INDOBeX returned -0.26% in September after +2.26% in August, as the 10Y yield rose 11 bps to 7.14%.

Market Outlook

In Equities, we remain constructive. September's decline came as higher US rates drew foreign money away from Indonesian assets, and we see it as asset repricing rather than a deterioration in Indonesia's fundamentals. We still believe in companies with solid fundamentals, and with the Indonesian Index 29.79% lower year to date, lower prices offer a good entry point into those companies. We are therefore adding Equity gradually across AMP Risk Levels 2 through 5 rather than in a single step, funded evenly from our Cash and Fixed Income Funds. The main near-term risk is the 27 – 28 October FOMC, where markets expect a further hike. A sovereign rating downgrade would also challenge this view, after Moody's moved Indonesia's outlook to Negative in February.

In Fixed Income, the Federal Reserve raised rates as record US diesel prices added to inflation pressure, lifting US Treasury yields. Bank Indonesia held its rate at 5.75%, given its earlier off-cycle rate hike in June. The Rupiah has weakened as a result. Rupiah government bond yields have stayed relatively stable, while Indonesia's US Dollar bond yields rose sharply. The 10Y Rupiah yield looks cheap at 7.10 – 7.15%, but its premium over US Treasuries has narrowed. We therefore see Indonesia's US Dollar bonds, yielding 5.20 – 5.30%, the highest this year, as more attractive, preferring the Dollar Bond Fund versus the Rupiah Bond Fund.

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 0.09% in September as government bond prices eased, with the higher cash weighting we held through the month limiting the impact of that decline.

Risk 2 through 5 portfolios returned between -1.25% and -5.18%, scaling in line with each tier's Equity weighting as the IHSG fell 6.96%. Because we had raised Equity across these tiers entering September, each carried more Equity than its strategic weight into the decline.

Asset Allocation Changes and Rationale

In September, we raised Equity across Risk Levels 2 through 5 and raised cash in Risk Level 1. During the month, the Federal Reserve raised rates by 25 bps, and foreign investors sold Rp 10.2 trillion of Indonesian Equities.

We see that decline as asset repricing to higher US rates rather than a change in Indonesia's fundamentals and are raising Equity gradually across Risk Levels 2 through 5 for October, funded evenly from our Cash and Fixed Income Funds. In Risk Level 1, we are increasing Fixed Income and reducing cash, with government bond yields of 6.79% to 7.14% against 4.48% on three-month deposits.

	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
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%
Oct 26	53.50%	46.50%	0.00%	41.25%	41.25%	17.50%	32.50%	32.50%	35.00%	23.75%	23.75%	52.50%	15.00%	15.00%	70.00%

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

Fund Performance per Risk Level

	September 2026	Q1 2026	Q2 2026	Q3 2026	Q4 2026	YTD	1Y	Since Inception (21 Jan 2026)
AMP Portfolios								
AMP Core (Risk 1)	0.09%	-0.81%	-0.24%	1.36%	-	0.29%	1.90%	0.26%
AMP Focused (Risk 2)	-1.25%	-1.57%	-2.33%	3.39%	-	-0.61%	2.33%	-1.34%
AMP Enhanced (Risk 3)	-2.61%	-3.07%	-4.55%	5.25%	-	-2.62%	1.70%	-3.97%
AMP Progressive (Risk 4)	-3.90%	-4.21%	-6.84%	7.17%	-	-4.37%	1.38%	-6.32%
AMP Ultra Growth (Risk 5)	-5.18%	-5.34%	-9.25%	9.14%	-	-6.24%	0.78%	-8.76%
Market Indices								
Jakarta Composite Index	-6.96%	-18.49%	-19.87%	7.58%	-	-29.79%	-24.69%	-32.62%
Average 3M Deposit Rate	0.37%	0.95%	0.99%	1.09%	-	3.01%	4.48%	2.80%
Government Bond Index	-0.26%	-1.95%	-0.83%	2.10%	-	-0.72%	2.12%	-0.39%
Balanced (50% JCI + 50% Government Bond Index)	-3.61%	-10.22%	-10.35%	4.84%	-	-15.25%	-11.28%	-16.50%

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

In September, all funds under our management generated negative returns, except for Simpan Cash and Simpan Cash Syariah Fund.

The underperformance was driven by exogenous factors, led by the Federal Reserve's increase in the Fed Funds Rate as a response to higher US inflation. The hawkish stance of one more rate hike by year-end triggered a repricing of global assets as foreign investors pulled out of riskier assets. Gold prices also came under downward pressure during the month. Domestically, the appointment of a new Minister of Finance (MoF) was initially met with skepticism, but later turned positive as the government signaled its commitment to fiscal prudence amid ongoing geopolitical uncertainty.

In Equities, our portfolios posted a negative month and underperformed the JCI. Our holdings in the commodities sector were the primary detractors from performance, led by BRPT, CUAN, and ADRO. September was a month of adjusting to a new macro environment, shaped by the change in MoF at home and the repricing of global assets following the Fed's decision. We are closely monitoring the macroeconomic developments both domestically and globally.

In Fixed Income, government bonds weakened slightly, with yields rising across the curve. The 10-year government bond yield rose from 7.03% at the end of August to 7.20% during the month, before closing at 7.14%, as higher US Treasury yields following the Fed's rate hike weighed on the market. Rupiah bonds still held up better than US Treasuries, whose 10-year yield rose 53 basis points to 5.28%. Foreign ownership of government bonds was broadly unchanged over the month at around Rp 908 trillion. The Rupiah came under pressure, weakening from Rp 17,720/USD to as weak as Rp 17,975/USD before ending the month at Rp 17,870/USD.

Key Trades of the Month – Equities

Mining – Mining Contractors & Services: We exited from companies that are mining contractors that provide mining services to extract the resources, specifically from United Tractors (UNTR) with the rationale to realize profits while Darma Henwa (DEWA) experienced selling pressure which led to a deep correction in the price. This was also due to a change in the regulations by the Minister of Energy and Mineral Resources which covered on the selection of these contractors for mining concessions which changed the business environment sentiment.

Increased

Decreased / Exited

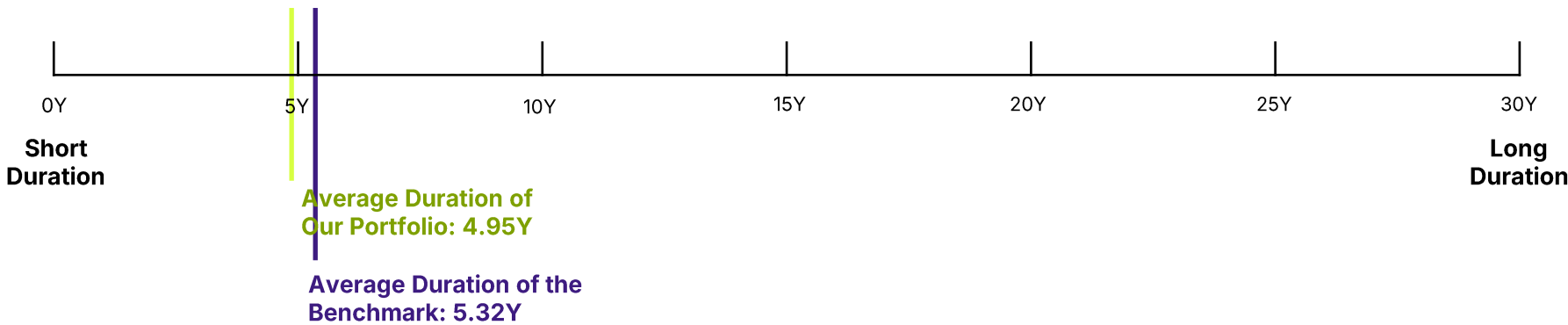
United Tractors (UNTR)
Darma Henwa (DEWA)

Key Trades of the Month – Fixed Income

Our Fixed Income funds maintained an average portfolio duration of 4.95 years, remaining below the benchmark duration throughout the month. Portfolio performance remained resilient despite continued volatility in the government bond market.

As we enter October, we remain cautious on duration positioning following the recent bond market correction. At current yield levels, mid- and short-tenor bonds continue to offer a more attractive risk-return profile, supporting our preference to maintain a relatively shorter duration and remain positioned toward the shorter end of the curve.

Duration Positioning



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IDR Reksa Dana Performance	September 2026	3M	YTD	1Y	3Y (p.a.)	Since Inception (p.a.)*
Cash Fund	0.36%	1.29%	3.06%	4.07%	4.40%	4.23%
Benchmark (100% 3 Month Deposit Rates)	0.29%	0.88%	2.44%	3.24%	3.37%	3.33%
Bond Fund	-0.31%	1.62%	-1.18%	0.70%	-	4.19%
Benchmark (100% IndoBex Total Return Index, Net Tax)	-0.24%	1.89%	-0.53%	1.91%	-	5.60%
Sustainable Equity Fund	-7.20%	13.25%	-18.33%	-7.70%	-	-4.22%
Benchmark (MSCI Indonesia IMI Value Weighted Ex)	-6.33%	6.03%	-16.87%	-10.94%	-	-2.62%
Balanced Fund	-4.18%	5.33%	-12.87%	-6.14%	-0.84%	1.16%
Benchmark (65% IndoBex Total Return Index, Net Tax + 35% IHSG)	-2.59%	3.89%	-10.77%	-7.40%	2.36%	2.85%

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

Cash Syariah Fund	0.20%	0.76%	2.33%	3.38%	-	4.03%
Benchmark (100% 1 Month Deposit Rates)	0.27%	0.83%	2.30%	3.06%	-	3.16%
USD Reksa Dana Performance	September 2026	3M	YTD	1Y	3Y (p.a.)	Since Inception (p.a.)*
Dollar Bond Fund	0.01%	0.20%	-	-	-	-0.24%
Benchmark (100% GIDU3YR Index)	-1.01%	-0.37%	-	-	-	0.09%

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