

Monthly Investor Update

December 2025

Dear Simpan Client,

In December, Indonesian markets saw some episodes of volatility and traded sideways mid-month, due to profit-taking from investors. Despite that, **markets still showed resilience, with the Jakarta Composite Index (JCI) gaining +1.26% during the month.** Momentum stocks continued to drive gains, while blue-chip flows remained quiet, with the LQ45 (index that tracks blue-chips) down -0.07%.

In economic headlines, the Fed cut rates by 0.25% given a weak labour market, with the unemployment rate hitting four-year highs of 4.6% in November. U.S. data also shows that inflation remains sticky at ~2.7%, presenting a policy trade-off between rising unemployment and inflation. **Despite the Fed's rate cut, BI kept rates unchanged at 4.75%, once again reiterating its stance to prioritize stability over growth given Rupiah weakness.** In contrast, the Bank of Japan (BOJ) raised rates to 0.75%, the highest level in 30 years, due to rising inflation. The decision prompted a sell-off in Japanese Government Bonds, with 10Y and 20Y yields rising to 26-year highs.

Our funds showed strong performance in December, with positive returns across all funds. All funds outperformed benchmarks except for our Bond Fund, which underperformed slightly due to our conservative duration positioning. Meanwhile, equities continued to deliver strong gains, supported by our exposure to momentum names driven by meaningful flows to the constituents.

In January, we maintain a constructive outlook but remain aware of near-term risks. Seasonal patterns in January indicate stronger equity performance; however, a potential uptick in December inflation from stronger consumption could constrain BI's policy flexibility. Globally, we are closely monitoring upcoming U.S. labour market and inflation data, which will be key in shaping expectations around the Fed's policy path.

In equities, we remain confident in high-quality blue-chips but selective on momentum stocks. Following recent market rallies, we've opted for a more defensive stance by locking in profits and holding higher cash levels. In Fixed Income, we continue to keep our portfolio duration conservative and below the benchmark due to rising fiscal deficit risk.

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

December Market Highlights

1. Fed Cut Rates by 25 bps, while BI Kept Rates Unchanged At 4.75%

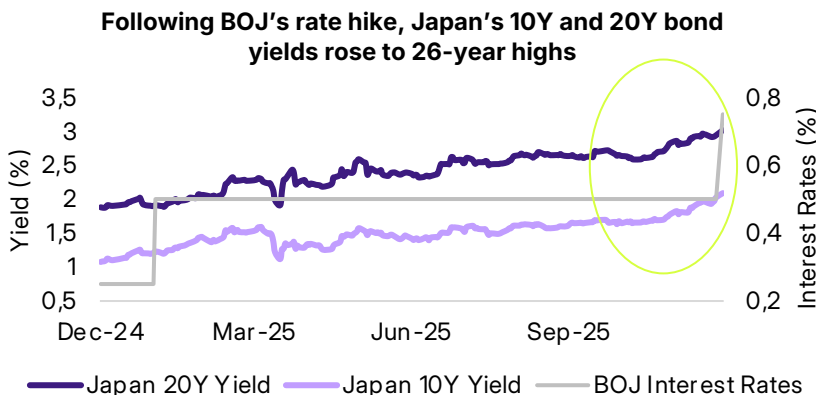
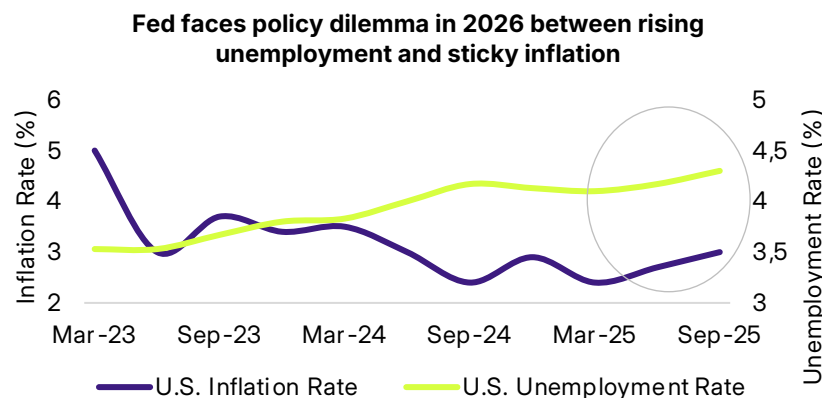
- The Fed cut rates to 3.50% - 3.75% due to a softening labor market, with U.S. unemployment rate rising to a four-year high of 4.6% in November. However, U.S. inflation remains sticky at 2.7%, complicating the Fed's 2026 policy outlook as it must balance rising unemployment against sticky inflation.
- BI reiterated their stance to prioritize stability amid continued Rupiah weakness (USD/IDR at ~16,700), but signaled room for policy easing in 2026 as inflation is expected to stay within the target range of 1.5% - 3.5%.

2. JCI Traded Sideways but Closed Out Higher

- The JCI saw some volatility in December, with pockets of profit-taking particularly in the second and third weeks. Despite volatility, market strength continued, with the index gaining +1.26% during the month.
- Momentum stocks again drove JCI's outperformance, while the LQ45 (blue-chip index) pared back by -0.07%. Foreign investors remained net buyers of IDR ~795B, though buying activity subsided compared to November.

3. Bank of Japan (BOJ) Raised Rates by 25 bps to 0.75%

- This was the highest level in 30 years, marking another step in the country's gradual policy normalization due to rising inflation (2.9% in November). BOJ Governor Kazuo Ueda remained vague on the exact timing and pace of future rate hikes, and only mentioned that Japan should expect further tightening.
- The decision triggered a sell-off in Japanese Government Bonds, with 10Y and 20Y yields rising to 26-year highs.



Tracking Our Projections

What We Said Last Month

- ☐ We expect both the Fed and BI to continue their monetary easing trend.
- ☐ We expect some volatility and foresee pockets of profit-taking across momentum stocks and select blue-chips.

What Happened This Month

The Fed cut rates by 25 bps, while BI kept rates unchanged at 4.75%.

Though the JCI closed out higher in December, we saw some volatility and sideways trading due to profit-taking, particularly in the second and third weeks of the month.

Market Outlook

We enter 2026 with a more constructive outlook, supported by historically stronger January equity performance, though near-term risks remain. Domestically, a seasonal rise in December inflation from holiday-driven consumption may constrain BI's policy flexibility, particularly amid ongoing Rupiah pressure.

Globally, we are closely monitoring U.S. labour market and inflation data, which will be key determinants in the Fed's rate trajectory. Any shift in expectations around the pace or timing of rate adjustments could have meaningful implications for global capital flows and emerging market risk sentiment, including Indonesia.

Portfolio Positioning

Fixed Income – We continue to keep our portfolio duration conservative, with the average duration of our portfolio below the average duration of the benchmark. Government Bond yields declined in December; 10Y yields fell to 6.05% and 5Y yields fell to 5.57%. Foreign investors turned net buyers of ~IDR 6.4T, keeping ownership stable at roughly 13% of total issuance.

Equities – We have been gradually realizing profits and increasing our cash position following the recent market rally, so we can redeploy capital opportunistically during periods of market pullback. Seasonal January tailwinds and an improving domestic macro backdrop should support market sentiment, particularly for select blue-chip stocks with strong fundamentals and earnings visibility. Within momentum names, we remain highly selective, focusing only on stocks backed by liquidity, earnings momentum, and supportive market structure.

Fund Performance Commentary

- **All funds delivered positive returns in December**, with all funds outperforming benchmarks except for Bond Fund.
- **Equities continued to deliver strong gains for our portfolios**, supported by our exposure to momentum names. We actively traded around positions to lock in gains and manage risk, allowing us to capture upside while maintaining capital discipline as valuations and positioning become more extended.
- **In Fixed Income, Government Bond yields declined due to strong domestic demand, particularly BI.** Expectations for a rate cut from BI and the Fed and buying from foreign investors reinforced positive sentiment in the bond market.

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 December, outperformed the benchmark (+0.27%).

	Dec 2025	3M	YTD	1Y	Since Inception (p.a.)*
Cash Fund	0.34%	0.99%	4.72%	4.72%	4.26%
Benchmark (100% 3 Month Deposit Rates)	0.27%	0.78%	3.32%	3.32%	3.18%

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 +0.80% in December, slightly underperforming benchmark (+0.97%).
- Price gains and accrued interest from FR0068 were main drivers.

	Dec 2025	3M	YTD	1Y	Since Inception (p.a.)*
Bond Fund	0.80%	1.90%	9.65%	9.65%	7.02%
Benchmark (100% IndoBex Total Return Index, Net Tax)	0.97%	2.45%	10.99%	10.99%	8.72%

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 +4.07% in December, outperformed the benchmark (+1.20%).
- Main contributor was equities returning +3.77%, while bond portfolio returned +0.36%.
- In equities, **top gainers were EMAS, BUMI, RMKE**, while RATU, RAJA, MAPA were top laggards.

	Dec 2025	3M	YTD	1Y	3Y (p.a.)	Since Inception (p.a.)*
Balanced Fund	4.07%	7.72%	13.71%	13.71%	5.85%	5.18%
Benchmark (65% IndoBex Total Return Index, Net Tax + 35% IHSG)	1.20%	4.14%	14.93%	14.93%	7.79%	6.67%

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 Growth Strategy

- Gained +5.76% in December, outperformed the benchmark (+1.30%).
- **Top gainers were EMAS, BUMI, RMKE**, while RATU, RAJA, MAPA were top laggards.

	Dec 2025	3M	YTD	1Y	Since Inception (p.a.)*
Sustainable Equity Fund	5.76%	13.01%	10.28%	10.28%	6.91%
Benchmark (MSCI Indonesia IMI Value Weighted Ex)	1.30%	7.13%	9.61%	9.61%	8.32%

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 +0.34% in December, outperformed the benchmark (+0.25%).

	Dec 2025	3M	YTD	1Y	Since Inception (p.a.)*
Cash Syariah Fund	0.34%	1.02%	4.63%	4.63%	4.58%
Benchmark (100% 1 Month Deposit Rates)	0.25%	0.74%	3.14%	3.14%	3.15%

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 +1.96% in December, outperformed the benchmark (+1.03%).
- Equities were the main contributor as they returned +2.16%, while the bond portfolio returned -0.02%.
- In equities, **top gainers were BUMI, RMKE, IRSX**, while RATU, RAJA, MAPA were top laggards.

	Dec 2025	3M	YTD	1Y	3Y (p.a.)	Since Inception (p.a.)*
Amanah Syariah Fund	1.96%	7.90%	12.74%	12.74%	6.33%	5.88%
Benchmark (65% IGSIX Sukuk Index, Net Tax + 20% ISSI)	1.03%	3.97%	16.37%	16.37%	9.22%	6.51%

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

- **Energy – Coal & Consumable Fuels** – We continue to favour coal producers and mining contractors such as DEWA, ADRO, and UNTR, supported by resilient operations, disciplined capital allocation, and ongoing corporate actions. Despite near-term commodity volatility, their strong cash flows and balance sheets provide defensive appeal in the current market environment.
- **Financials – Banks** – We rotated into BBNI supported by intact fundamentals and an attractive valuation relative to historical average and peers. This offers a compelling risk-reward as market volatility creates opportunities in high-quality financials.
- **Industrials – Transportation** – We exited out of JSMR as the stock has seen limited market flows, largely due to ongoing and potential corporate actions that may weigh on near-term performance. We therefore reallocated capital to opportunities with clearer catalysts and stronger momentum.
- **Communication Services – Telecommunication Services** – We exited out of EXCL following a period of strong price appreciation. With the stock having delivered our targeted return and upside appearing more limited in the near term, we opted to lock in gains and redeploy capital more efficiently.

Increased

Company	Fund
Darma Henwa (DEWA)	Balanced Fund Amanah Syariah Fund Sustainable Equity Fund
Alamtri Resources (ADRO)	Sustainable Equity Fund
United Tractors (UNTR)	Sustainable Equity Fund
Bank Negara Indonesia (BBNI)	Sustainable Equity Fund

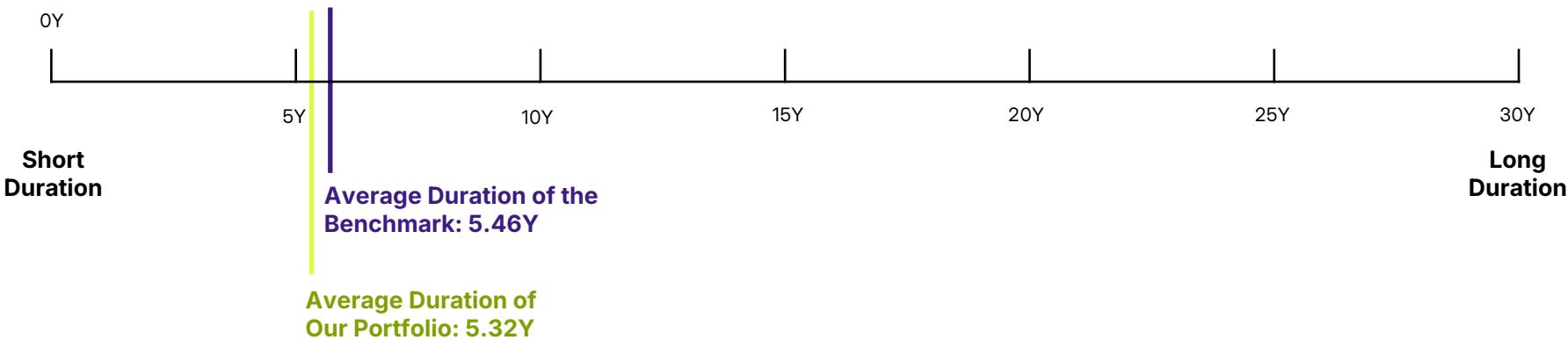
Decreased / Exited

Company	Fund
Jasa Marga (JSMR)	Balanced Fund Amanah Syariah Fund Sustainable Equity Fund
XLSmart Telecom Sejahtera (EXCL)	Sustainable Equity Fund

Key Trades of the Month – Fixed Income

Our open-ended funds maintained an average duration of 5.32 years, lower than the benchmark. During the month, the fund delivered a return of 0.80%, slightly underperforming the benchmark which recorded a return of +0.97%.

Duration Positioning



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.

© Copyright 2026 Simpan Asset Management. All rights reserved. All copyrights subsisting and arising out of these materials belong to Simpan and may not be reproduced, distributed, amended, modified, adapted, transmitted in any form, or translated in any way without prior written consent of Simpan.