

Monthly Investor Update

January 2026

Dear Simpan Client,

In the first weeks of the month, Indonesian markets continued to rally, with the Jakarta Composite Index (JCI) reaching a record high of ~9,174 driven by strength in momentum stocks. However, markets saw a massive sell-off in the last week of the month, following the MSCI announcement to apply an interim freeze on certain index related changes for Indonesian securities and Indonesia's possible downgrade to Frontier Market status. **The news triggered panic selling and the JCI fell -4% during the month, with conglomerate stocks experiencing the steepest declines.**

In economic headlines, both BI and the Fed kept rates unchanged at 4.75% and 3.5% - 3.75% respectively. BI reiterated their stance to prioritize stability and support the Rupiah's weakness, while the Fed chose to adopt a "wait and see" approach given moderating inflation and a cooling labour market.

Commodities were also in focus in January, as gold and silver climbed to record highs amid heightened geopolitical tensions, particularly involving the U.S., which drove investors toward safe-haven assets. This trend reversed after the announcement of Kevin Warsh as the new Fed chair. His generally hawkish stance boosted the U.S. dollar, prompting investors to take profits in gold and silver. As a result, both metals saw a sharp pullback.

Given the volatile environment, our funds had mixed performance in January. Our cash funds and bond fund outperformed benchmarks, but our equity and balanced funds lagged benchmarks, largely due to weakness in the equity markets.

Heading into February, we remain cautious on equities and expect some volatility around the JCI in the short-term. We are closely monitoring market conditions while maintaining higher cash levels so we're well positioned to act when the landscape becomes more constructive. In fixed income, portfolio duration is broadly in line with the benchmark, with flexibility to gradually extend duration as higher yields create more attractive entry points.

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

January Market Highlights

1. JCI Reached Record Highs then Pulled Back Sharply After MSCI Announcement, Closing Out Lower by -4% MoM

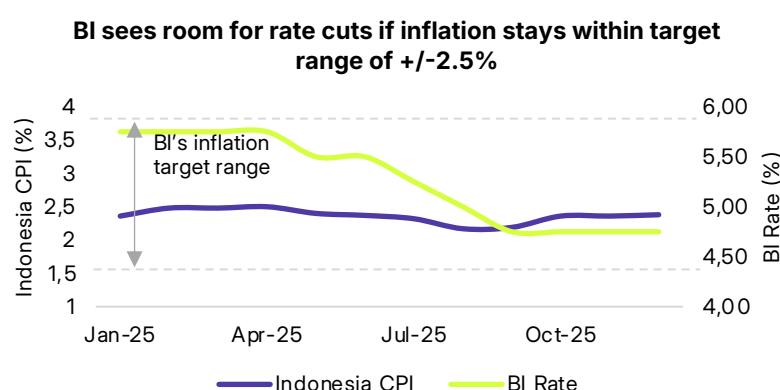
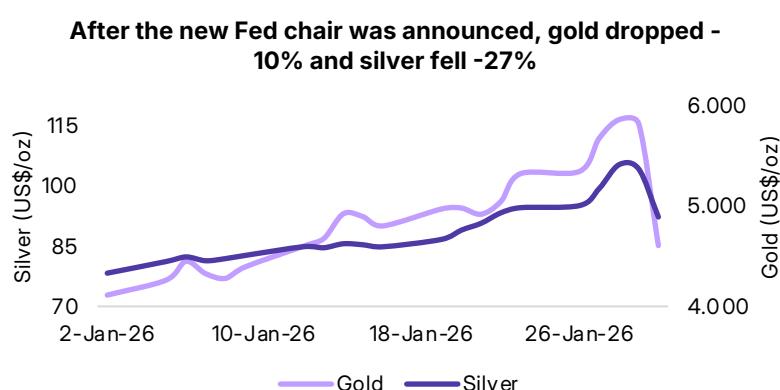
- The JCI continued its rally in the first couple weeks of January and hit a record high of ~9,174, again driven by momentum stocks.
- However, momentum faded toward month end after MSCI announced that they will not add new Indonesian stocks to its indexes, and warned of a possible downgrade of Indonesia to Frontier Market (FM) status if transparency issues regarding free float numbers and share ownership are not addressed by May 2026.
- The news triggered a massive sell-off as investors panicked. The JCI saw two trading halts and plunged ~8% in two days, dragged down mostly by conglomerate stocks. Foreign investors sold IDR ~15.8T in the last week of January.

2. Gold and Silver Hit All-Time Highs, then Dropped Sharply After Announcement of New Fed Chair

- Amid geopolitical tensions especially within the U.S., investors rushed to safe-haven assets, pushing gold prices to a high of USD \$5,597/oz and silver to a high of USD \$121.5/oz.
- On the last day of the month, there was a sell-off across metal prices after the announcement of Kevin Warsh as the new Fed chair, who is widely viewed as "hawkish": favoring higher interest rates to curb inflation. This strengthened the USD and triggered significant profit-taking across gold and silver.

3. Both BI and the Fed Kept Interest Rates Unchanged

- BI kept rates steady at 4.75%, again reiterating their stance to prioritize stability over growth given continued Rupiah weakness (with USD/IDR reaching a low of ~16,900) and rising geopolitical uncertainty. However, BI sees room for cuts in 2026 if inflation stays within the target range of ~2.5%.
- The Fed also kept rates unchanged at 3.5% - 3.75%, opting for a "wait and see" approach given continued but softening inflation and a stabilizing, yet cooling labor market.



Tracking Our Projections

What We Said Last Month

- We enter 2026 with a more constructive outlook, supported by historically stronger January equity performance.
- A seasonal rise in December may constrain BI's policy flexibility, particularly amid ongoing Rupiah pressure.

What Happened This Month

- The JCI hit record highs in the first few weeks of January but saw a massive sell-off in the last week, closing out the month lower by -4%.
- BI kept rates unchanged at 4.75%, prioritizing stability over growth given continued Rupiah weakness.

Market Outlook

Our domestic economy remains structurally intact. As we move into February and preparations for the Lebaran festivities begin, we expect consumption to gradually strengthen in the first quarter.

That said, we remain cautious regarding potential changes to MSCI's index criteria, as well as the broader market restructuring, which could keep the JCI vulnerable in the near term. We will continue to monitor these developments closely.

Portfolio Positioning

Fixed Income – We are currently maintaining the portfolio duration broadly in line with the benchmark, while remaining prepared to gradually extend duration as higher yields present more attractive entry points.

Equities – We continue to closely monitor market conditions and remain positioned to act decisively should the investment environment change. We had anticipated a market correction following JCI's strong rally. Accordingly, we maintained a prudent cash buffer by progressively trimming exposure to momentum names and reallocating capital toward high-quality blue-chip stocks.

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.

Asset Allocation Changes and Rationale

We expect a bearish outlook for February, as we anticipate profit-taking from investors after the JCI reached record highs, uncertainty regarding MSCI's criteria and policy changes, and ongoing geopolitical tensions. However, we see a gradual improvement in market conditions compared to January. With market levels now lower and stock valuations relatively attractive, we are taking a measured and cautious approach. In risk 1, we slightly added Cash Fund allocation and decreased Bond Fund allocation; in risk 2 – 5, we decreased allocation to Bond Fund and Cash Fund, and added allocation to Equity Fund to capture potential upside.

	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
Jan 26	40.0%	60.0%	0%	44.25%	44.25%	11.50%	38.50%	38.50%	23.0%	32.75%	32.75%	34.50%	27.0%	27.0%	46.0%
Feb 26	40.6%	59.4%	0%	42.75%	42.75%	14.50%	36.0%	36.0%	28.0%	28.75%	28.75%	42.50%	22.0%	22.0%	56.0%

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

Fund Performance per Risk Level

	Jan 2026	3M	YTD	1Y	Since Inception (p.a.)*
AMP Portfolio Risk 1	0.11%	0.60%	0.11%	6.14%	5.69%
Benchmark	0.14%	0.68%	0.14%	6.02%	5.72%
AMP Portfolio Risk 2	0.06%	1.48%	0.06%	7.31%	6.44%
Benchmark	0.03%	1.70%	0.03%	8.57%	5.94%
AMP Portfolio Risk 3	-0.04%	2.32%	-0.04%	8.66%	7.27%
Benchmark	-0.08%	2.72%	-0.08%	11.09%	6.15%
AMP Portfolio Risk 4	-0.14%	3.17%	-0.14%	9.97%	7.98%
Benchmark	-0.21%	3.73%	-0.21%	13.58%	6.29%
AMP Portfolio Risk 5	-0.26%	3.96%	-0.26%	11.25%	8.71%
Benchmark	-0.34%	4.74%	-0.34%	16.04%	6.36%

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.

Portfolio Performance Commentary

- For risk 1 portfolios, gains were driven by solid performance in the money market holdings and accrued interest from our bond holdings, particularly in FR0068 and FR0050.
- Risk 2 – 5 portfolios were down in January, mainly driven by weakness in the equity holdings due to the sudden change in MSCI's rebalancing criteria which sparked a wave of panic selling. In equities, top laggards were BUMI, CUAN and BBKA.

Fund Performance Commentary

- **Our funds had mixed performance in January.** Our cash funds and bond fund outperformed respective benchmarks, while our equity and balanced funds underperformed due to weakness in the equity market.
- **Equities began the period with solid performance but saw weakness toward month-end,** impacted by a sudden change in MSCI's rebalancing criteria. Foreign investors were net sellers of IDR ~13.29T, and the JCI declined by -3.67% during the month.
- **In Fixed Income, Indonesian Government Bond yields moved higher in January.** The 10-year yield rose to 6.33% and the 5-year yield increased to 5.72%. Foreign ownership remained stable at approximately 13% 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 +0.33% in January, outperformed the benchmark (+0.26%).

	Jan 2026	3M	YTD	1Y	Since Inception (p.a.)*
Cash Fund	0.33%	0.97%	0.33%	4.54%	4.25%
Benchmark (100% 3 Month Deposit Rates)	0.26%	0.77%	0.26%	3.28%	3.17%

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

- Down -0.04% in January, but still outperformed benchmark (-0.16%).
- Price loss from FR0068 was the top laggard, but accrued interest from FR0068 and FR0050 helped stabilize the portfolio.

	Jan 2026	3M	YTD	1Y	Since Inception (p.a.)*
Bond Fund	-0.04%	0.39%	-0.04%	9.14%	6.63%
Benchmark (100% IndoBex Total Return Index, Net Tax)	-0.16%	0.40%	-0.16%	10.07%	8.15%

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

- Down -2.22% in January, underperformed the benchmark (-1.39%).
- Main contributor was equities which lost -2.07%, while bond portfolio returned +0.07%.
- In equities, **top laggards were BUMI, CUAN, EXCL**, while AMMN, EMAS, TINS were top gainers.

	Jan 2026	3M	YTD	1Y	3Y (p.a.)	Since Inception (p.a.)*
Balanced Fund	-2.22%	3.90%	-2.22%	10.11%	4.97%	4.45%
Benchmark (65% IndoBex Total Return Index, Net Tax + 35% IHSG)	-1.39%	0.97%	-1.39%	12.59%	6.99%	6.15%

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 -0.95% in January, underperformed the benchmark (+0.57%).
- **Top laggards were BUMI, CUAN, BBKA**, while EMAS, AMMN, ADRO were top gainers.

	Jan 2026	3M	YTD	1Y	Since Inception (p.a.)*
Sustainable Equity Fund	-0.95%	8.83%	-0.95%	7.37%	5.92%
Benchmark (MSCI Indonesia IMI Value Weighted Ex)	0.57%	2.67%	0.57%	10.63%	8.25%

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 +0.33% in January, outperformed the benchmark (+0.24%).

	Jan 2026	3M	YTD	1Y	Since Inception (p.a.)*
Cash Syariah Fund	0.33%	0.99%	0.33%	4.50%	4.53%
Benchmark (100% 1 Month Deposit Rates)	0.24%	0.72%	0.24%	3.10%	3.13%

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

- Down -1.97% in January, underperformed the benchmark (-0.62%).
- Equities were the main contributor as they lost -2.15%, while the bond portfolio gained +0.25%.
- In equities, **top laggards were BUMI, EXCL, RATU**, while RAJA, TINS, AADI were top gainers.

	Jan 2026	3M	YTD	1Y	3Y (p.a.)	Since Inception (p.a.)*
Amanah Syariah Fund	-1.97%	3.76%	-1.97%	9.43%	5.49%	5.20%
Benchmark (65% IGSIX Sukuk Index, Net Tax + 20% ISSI)	-0.62%	1.71%	-0.62%	15.46%	8.91%	6.21%

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

- **Basic Materials – Mining** – We initiated exposure to the nickel sector by accumulating stocks with direct nickel exposure, following the government’s decision to reduce production allowances in support of nickel prices and industry stability. This policy action is particularly meaningful given Indonesia’s strategic importance in the global nickel supply chain, and we view it as a constructive development for sector fundamentals over the medium term.
- **Energy – Oil & Gas** – We exited our positions in RAJA and RATU following the significant appreciation in their share prices. This provided an opportunity to realize gains and lock in profits amid elevated valuations.

Increased

Company	Fund
Merdeka Battery Materials (MBMA)	Balanced Fund Amanah Syariah Fund Sustainable Equity Fund
Trimegah Bangun Persada (NCKL)	Balanced Fund Amanah Syariah Fund Sustainable Equity Fund
Vale Indonesia (INCO)	Balanced Fund Amanah Syariah Fund Sustainable Equity Fund

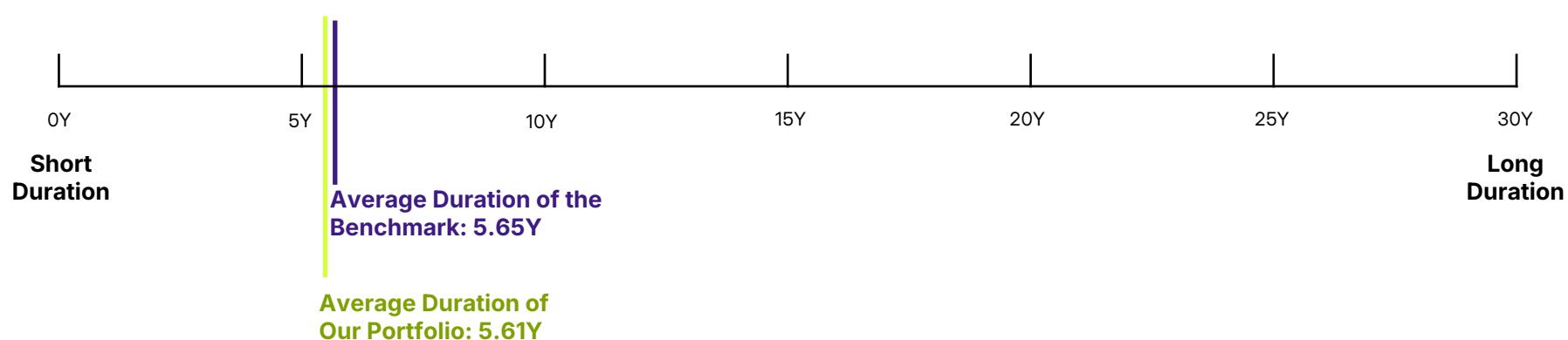
Decreased / Exited

Company	Fund
Rukun Raharja (RAJA)	Balanced Fund Amanah Syariah Fund Sustainable Equity Fund
Raharja Energi Cepu (RATU)	Balanced Fund Amanah Syariah Fund Sustainable Equity Fund

Key Trades of the Month – Fixed Income

Our open-ended funds maintained an average duration of 5.61 years, slightly lower than the benchmark. During the month, the fund delivered a return of -0.04%, outperforming the benchmark which recorded a return of -0.16%.

Duration Positioning



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