

**RULE NUMBER IV .B.2 : GUIDELINES CONCERNING INVESTMENT  
FUND COLLECTIVE INVESTMENT  
CONTRACTS**

Attachment :

Decision of the Chairman of Bapepam

Number : Kep-23/PM/1996

Date : January 17, 1996

1. An Investment Fund collective investment contract must contain at least the following:
  - a. the name and the address of the Investment Manager;
  - b. the name and the address of Custodian Bank;
  - c. the composition of portfolio diversification in money market and Capital Market instruments, including:
    - 1) the Securities diversification plan in debt instruments and shares; and
    - 2) the portfolio investment diversification plan by type of industry;
  - d. The Investment Fund is prohibited from engaging in the following activities:
    - 1) purchasing foreign Securities;
    - 2) purchasing Securities of an issuer with the value more than 5% (five percent) of the paid in capital of the issuer;
    - 3) purchasing Securities of any one corporation with a value of more than 10% (ten percent) of the net asset value of the Investment Fund at the time of purchase. This restriction includes ownership of commercial paper issued by banks other than Bank of Indonesia Certificates;
    - 4) selling Participation Units with the value more than 1% (one percent) of the paid-in capital of the Investment Fund, to any investor except the Investment Manager of the open-end Investment Fund;
    - 5) purchasing Securities not issued through a Public Offering, except for money market Securities;
  - e. allocation of expenses to the Investment Manager, Custodian Bank, Investment Fund Portfolio, and investors, if any; and
  - f. in the event the Investment Fund is liquidated, all expenses including the fees of the Legal Consultant and Public Accountant, and other expenses to the third parties are the responsibility, and must be paid by the Investment Manager.
2. Responsibilities of the Investment Manager shall include at least the following provisions:
  - a. procedures of bookkeeping and reports;
  - b. procedures for termination of contracts;
  - c. a prohibition against terminating an Investment Fund Manager before another Investment Manager is assigned;
  - d. segregation of the Investment Fund's assets and Investment Manager's assets;

- e. procedures for selling Participation Units;
  - f. procedures for redeeming Participation Units;
  - g. determination of fair market value of Securities in the portfolio daily and submitting such determination to the Custodian Bank immediately;
  - h. the right to assign another Custodian Bank if required;
  - i. to invest according to the investment composition provision stipulated in the contract;
  - j. the responsibility to redeem Participation Units for the Investment Fund account or its own account; and
  - k. the obligation of preparing and Submitting semi annual and annual reports to Participation Unit holders and to Bapepam.
3. The Investment Manager must perform its activities in good faith and in the interests of the Investment Fund. If the Investment Manager does not comply with these provisions, it is responsible for any damages caused by its acts.
  4. Any circumstances under which the Investment Manager may postpone or refuse to redeem Participation Units.
  5. Responsibilities of a Custodian Bank shall include at least the following provisions:
    - a. procedures for bookkeeping and reports;
    - b. procedures for the termination of contracts;
    - c. the responsibility of the Custodian Bank for losses resulting from its actions;
    - d. the obligation to calculate the net asset value of Participation Units every Exchange operation day;
    - e. all changes in the portfolio, number of Participation Units, expenses, management costs, dividends, interest or other revenue shall be recorded in accordance with Bapepam rules;
    - f. settling Securities transactions in accordance with instructions of the Investment Manager;
    - g. paying management fees and other expenses charged to the Investment Fund portfolio with respect to the contract;
    - h. paying to Participation Unit holders any cash related to the contract;
    - i. keeping separate records showing changes in the numbers of Participation Units owned by every Participation Unit holder, the name, citizenship, address and other identity of Participation Unit holders;
    - j. ensure that every Participation Unit is issued only after payment is received from the prospective Participation Unit holder;
    - k. make separate accounts of Investment Fund assets from those of the Custodian Bank;
    - l. provide collective custodial services for the assets of the Investment Fund; and
    - m. prepare and submit reports to the Investment Manager, Bapepam and investors.
  6. The rights of Participation Unit holders.
  7. Policies regarding periodic distributions of benefits to Participation Unit holders.

8. The initial net asset value of any Participation Units must be Rp1,000 (one thousand rupiah).
9. Annual and semi annual financial statements must be audited by an Accountant registered with Bapepam.
10. In the event that the Investment Fund is liquidated, all expenses including the fees of the Legal Consultant and Public Accountant, and other expenses to third parties are the responsibility of, and must be paid by, the Investment Manager.