

**MINISTRY OF FINANCE OF THE REPUBLIC OF INDONESIA  
CAPITAL MARKET AND FINANCIAL INSTITUTIONS SUPERVISORY  
AGENCY**

**DUPLICATE OF  
DECISION OF CHAIRMAN OF CAPITAL MARKET AND FINANCIAL  
INSTITUTIONS SUPERVISORY AGENCY  
NUMBER: KEP-402/BL/2008**

**CONCERNING**

**FAIR MARKET VALUE OF SECURITIES IN THE PORTFOLIO OF AN  
INVESTMENT FUND**

**CHAIRMAN OF CAPITAL MARKET AND FINANCIAL INSTITUTIONS  
SUPERVISORY AGENCY,**

- Considering :
- a. that in order to provide a certainty for investor rights on Investment Fund portfolio in accordance to types of Investment Fund, to enhance professionalism and transparency of Investment Fund management, and to be in line with specific characteristics in managing Capital Protected Fund in the investment management industry, stipulations regarding fair market value of debt securities in an investment fund portfolio needs to be revised;
  - b. that based on consideration referred to in item a above, it is deemed necessary to revise the Decision of Chairman of Capital Market Supervisory Agency Number Kep-24/PM/2004 concerning Fair Market Value of Securities in the Portfolio of an Investment Fund;
- In view of :
1. Law Number 8 of 1995 concerning Capital Market (Statute Book Year 1995 Number 64, Supplement to the Statute Book Number 3608);
  2. Government Regulation Number 45 of 1995 concerning Capital Market Organization (Statute Book Year 1995 Number 86, Supplement to Statute Book Number 3618 );
  3. Government Regulation Number 46 of 1995 concerning Capital Market Organization (Statute Book Year 1995 Number 87, Supplement to Statute Book Number 3618 );
  4. President of Indonesia Decree Number 7/M Year 2000;

**HAS DECIDED:**

To issue : **DECISION OF CHAIRMAN OF CAPITAL MARKET AND  
FINANCIAL INSTITUTIONS SUPERVISORY AGENCY  
CONCERNING FAIR MARKET VALUE OF SECURITIES IN**

**MINISTRY OF FINANCE OF THE REPUBLIC OF INDONESIA**  
**CAPITAL MARKET AND FINANCIAL INSTITUTIONS SUPERVISORY**  
**AGENCY**

**THE PORTFOLIO OF AN INVESTMENT FUND.**

Article 1

2 (two) separate provisions are inserted following item 6 and preceding item 7 and adjusting numbering of provision included in previous item 7 and 8 to be 9 and 10 in the Decision of Chairman of Capital Market Supervisory Agency Number Kep-24/PM/2004 concerning Fair Market Value of Securities in the Portfolio of an Investment Fund so the entire rule will state that:

7. Determination of fair market value of Government Debt Securities in the portfolio of a Capital Protected Fund may employ the method of amortized acquisition price provided that the Government Debt Securities in the portfolio of Capital Protected Fund are held until maturity.
8. In case where Government Debt Securities in the portfolio of a Capital Protected Fund are held until maturity and whose fair market value determination employs the method of amortized acquisition price, redemption can only be executed on the designated redemption date as specified in the Collective Investment Contract and Prospectus.
9. The net asset value per share or Unit shall be calculated based on the net asset value as of the end of working day, after the bookkeeping entries of the Investment Fund are closed, but such entries do not include purchase orders and or redemptions accepted by the Custodian during that same day.
10. By no means of undermining criminal provisions in capital market, CMFISA may impose sanctions against any violation of this rule, as well as against any Person who causes such violation to occur.

Article 2

With the addition of provision as referred to in item a of this Decision, the entire Decision of Chairman of Capital Market Supervisory Agency Number Kep-24/PM/2004 concerning Fair Market Value of Securities in the Portfolio of an Investment Fund is as stipulated by this Decision.

**MINISTRY OF FINANCE OF THE REPUBLIC OF INDONESIA  
CAPITAL MARKET AND FINANCIAL INSTITUTIONS SUPERVISORY  
AGENCY**

Article 3

This Decision shall become effective since the date of its promulgation.

In order that all may be informed, this Decision shall be promulgated by publication in the State Gazette of the Republic of Indonesia.

Enacted in : Jakarta  
Date : October 9, 2008

Chairman Of Capital Market and Financial  
Institutions Supervisory Agency

Signed

**A. Fuad Rahmany**  
NIP 060063058

Based on the original documents

Signed

**Prasetyo Wahyu Adi Suryo**  
NIP 060076008

**ATTACHMENT :**

Decision of the Chairman of Capital  
Market and Financial Institutions  
Supervisory Agency (CMFISA)

Number : Kep-402/BL/2008

Date : 9 October 2008

**RULE NUMBER IV.C.2: FAIR MARKET VALUE OF SECURITIES IN  
THE PORTFOLIO OF AN INVESTMENT FUND**

1. In this rule, what is meant by:
  - a. Debt Securities is Securities that explicates debt relationship between creditor (Securities holder) and Person who issues Securities.
  - b. Fair Market Value of Securities is value created from Securities transaction by Persons without any compulsion or liquidation reason.
2. The fair market value of Securities in an Investment Fund portfolio must be determined and submitted by the Investment Manager to Custodian Bank not later than 5 p.m. of each working day, with the following provisions:
  - a. The determination of Fair Market Value of Securities that are actively traded in Stock Exchange shall use the closing prices at the Securities Exchange;
  - b. If the closing prices at the Securities Exchange are not considered to reflect the fair market value at that time, Investment Manager must, in good faith and in a fully responsible manner, determine the Fair Market Value of Securities, based on method stipulated in the Collective Investment Contract and Prospectus by considering the following items:
    - 1) previous trading prices; or
    - 2) comparable prices of similar Securities;
  - c. The determination of Fair Market Value of Securities that are traded over the counter shall use reference prices, as follows:
    - 1) Government Debt Securities shall use price information issued by Over the Counter Government Debt Securities Dealer;
    - 2) Corporate bond shall use price information that are available in the system determined by Capital Market and Financial Institutions Supervisory Agency (CMFISA) as stipulated in CMFISA Rule Number X.D.1 concerning Investment Fund Report;
  - d. The determination of Fair Market Value of Securities that are traded in foreign Stock Exchange shall use price information from reliable and accessible sources that may be accessed through mass media or internet facilities;

- e. The determination of Fair Market Value of Securities of companies that are bankrupt or will bankrupt, or are in default to pay the principal and interest of such Securities, shall be based on Investment Manager's good faith and fully responsible manner by using conservative principles and be implemented consistently. The estimation of the fair market value must be based on the most possible price between a seller and a buyer who have Material Facts with respect to the Securities and conduct transaction without any compulsions. Facts that the Investment Manager must consider in making such evaluation are, among other things:
    - 1) the closing price, the trend in share prices and the general level of interest rates since the last trade;
    - 2) material information disclosed with respect to the Securities since the last trade;
    - 3) in the case of shares, the estimated price earnings ratio, compared with the price earnings ratios of similar Securities;
    - 4) in the case of debt Securities, the current interest rate of the debt Securities, compared with other debt Securities with similar credit rating; and
    - 5) in the case of warrants, rights or convertible bonds, the recent market price of the related equity Securities.
  - f. Securities that are traded in foreign currency denomination other than the currency of Investment Fund, shall be calculated by using exchange rate issued by the Central Bank.
3. In relation to the determination of Fair Market Value of Securities as stipulated in item 2 letter c, then:
- a. Over the Counter Government Debt Securities Dealer shall electronically submit data of Government Securities prices to CMFISA, , using system determined by CMFISA as stipulated in CMFISA Rule Number X.D.1 concerning Investment Fund Report on each working day not later than 4 p.m.; and
  - b. Investment Managers shall electronically submit to CMFISA, quotation on bid and ask price for corporate bonds in their Investment Fund's portfolios, using system determined by CMFISA as stipulated in CMFISA Rule Number X.D.1 concerning Investment Fund Report on each working day not later than 4 p.m.
4. In order to implement rules as stipulated in item 2 and 3 above, Investment Manager shall at least:
- a. have standard operating procedures;
  - b. use an accountable valuation and implement this valuation consistently;

- c. make records and or working paper on procedures of valuation of Fair Market Value of Securities that include, among other things, factors or facts that are used as consideration and valuation; and
  - d. maintain the records for a period of at least 5 (five) years.
5. The valuation of the net asset value of the Investment Fund must be based on the fair market value submitted by the Investment Manager.
6. The valuation of the net asset value of the Money Market Investment Fund must be based on amortized price. Amortized price is the valuation of Security's price in portfolio of Money Market Fund based on acquisition cost adjusted by amortizing premium or accretion to its discount.
7. Determination of fair market value of Government Debt Securities in the portfolio of a Capital Protected Fund may employ the method of amortized acquisition price provided that the Government Debt Securities in the portfolio of Capital Protected Fund are held until maturity.
8. In case where Government Debt Securities in the portfolio of a Capital Protected Fund are held until maturity and whose fair market value determination employs the method of amortized acquisition price, redemption can only be executed on the designated redemption date as specified in the Collective Investment Contract and Prospectus.
9. The net asset value per share or Unit shall be calculated based on the net asset value as of the end of working day, after the bookkeeping entries of the Investment Fund are closed, but such entries do not include purchase orders and or redemptions accepted by the Custodian during that same day.
10. By no means of undermining criminal provisions in capital market, CMFISA may impose sanctions against any violation of this rule, as well as against any Person who causes such violation to occur.

Enacted in : Jakarta  
Date : 9 October 2008

Chairman Of Capital Market and Financial  
Institutions Supervisory Agency

Signed

**A. Fuad Rahmany**  
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Based on the original documents

Prasetyo Wahyu Adi Suryo  
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