

ATTACHMENT

Decision of the Chairman of
Capital Market and Financial Institutions
Supervisory Agency

Number : Kep- 367/BL/2012

Date : July 9, 2012

**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 credit relationship between creditor (Securities holder) and the Person who issues Securities.
 - b. Fair Market Value of Securities is a value that can be derived from Securities transaction done by independent Persons without any pressure or for liquidation.
 - c. Securities Pricing Agency (SPA) is a party that holds a license from Bapepam and LK to value securities in order to provide fair market price as referred in Rule Number V.C.3 concerning Securities Pricing Agency.

2. The fair market value of Securities included in the portfolio of Investment Fund shall be calculated and reported by an Investment Manager to a Custodian Bank by 5 p.m. for every exchange day, with the following conditions:
 - a. The Fair Market Value of Securities that are actively traded in the Stock Exchange shall refer to the closing prices in the Securities Exchange;
 - b. The Fair Market Value of:
 - 1) Securities traded over the counter;
 - 2) Securities not actively traded in an exchange;
 - 3) Securities traded in foreign denomination;
 - 4) Domestic money market instrument, as referred to Rule number IV.B.1 concerning Guidelines for Managing Investment Fund in the Form of Collective Investment Contract;
 - 5) Other securities that its transactions shall be reported to the Recipient of Securities Transaction Report as referred to Rule number X.M.3 concerning to the Recipient of Securities Transaction Report.

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- 6) Other securities based on the Decision of Bapepam and LK Chairman can be included in portfolio of Mutual Fund.
- 7) Securities of a company that is declared bankrupt or will likely go bankrupt or default to pay securities principal or interest.

use fair market price provided by SPA as referred price for Investment Managers.

- c. If the closing price at the Securities Exchange does not reflect the fair market value at that time, the calculation of Fair Market Value of securities shall use Fair Market Price provided by SPA as price reference for Investment Managers.
- d. In term of SPA does not provide fair market price for securities as referred by number 2.b.1 to 2.b.6 and number 2.c, Investment Manager, in good faith and responsible manner, shall determine Fair Market Value using conservative and consistent method that consider:
 - 1) Last trading price;
 - 2) Prices of similar Securities ; and/or
 - 3) Fundamental condition of securities issuer.
- e. In term of SPA does not provide a fair market price of securities that its issuer declared bankrupt or will likely to go bankrupt or default to pay principal or interest, as referred by number 7.b.7), Investment Manager, in good faith and responsible manner, shall determine Fair Market Value using conservative and consistent method that consider:
 - 1) Last trading price of the securities;
 - 2) Trend of the securities price;
 - 3) General interest rate since the last transaction (for debt securities);
 - 4) Material information of the securities published since the last transaction;
 - 5) Estimation of securities price-earning-ratio, compared with the price-earning-ratio of similar securities (for equity);
 - 6) Market interest rate of similar securities in the prevailing year with similar credit rating (for debt securities);

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- 7) The last market price of underlying securities (for derivatives).
 - f. In term of Investment Manager considers that fair market price provided by Securities Pricing Agency does not reflect Fair Market Value of securities included in portfolio of Investment Fund that shall be terminated due to:
 - a. order by Bapepam and LK based on Capital Market regulations; and/or
 - b. Total of Net Asset Value is less than IDR 25,000,000,000 (twenty five billions) for 90 consecutive exchange days,Investment Manager, in good faith and responsible manner, can determine Fair Market Value using conservative and consistent method.
 - g. Fair Market Price of Investment Fund's securities that are traded using different denomination with Investment Fund's denomination shall be calculated using middle exchange rate of Bank of Indonesia.
3. SPA shall:
 - a. determine a standard deviation of fair market price of securities provided by Securities Pricing Agency.
 - b. have a standard operating procedure or mechanism to revise fair market price of securities if error pricing occurs.
 4. Securities Pricing Agency shall provide:
 - a. online access for Investment Managers that manage Investment Fund to obtain fair market price of securities in the Investment Fund's portfolio; and
 - b. fair market price of securities, as referred to in number 2.b, included in investment fund's portfolio which are managed by each Investment Manager on prevailing day and the previous day,
daily, with no fees.
 5. For calculating the fair market price of securities in Investment Fund's portfolio, SPA can ask Investment Manager regarding the information of securities included in Investment Fund's portfolio managed by that Investment Manager.

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6. In regard with provisions in Rule Number V.C.3 concerning Securities Pricing Agency (SPA), SPA can charge fees to access fair market price, if Investment Manager
 - a. accesses fair market price of securities as referred to in 2.b for days other than the days mentioned in number 4.b above;
 - b. accesses fair market price of securities as referred to in 2.b with different format to meet an Investment Manager's special demand; and/or
 - c. accesses fair market price of securities other than mentioned in 2.b.
7. SPA shall provide fair market price as referred to in 2.b to Investment Managers managing Investment Fund before 5 p.m. on each exchange day.
8. To implement provisions stated in 2.d and e, Investment Manager shall at least:
 - a. have standard procedure;
 - b. use accountable calculation foundation base on a conservative and consistent method;
 - c. make records and/or working paper on how to calculate securities Fair Market Value which include factors or facts that are put into consideration; and
 - d. keep the above records for at least 5 (five) years.
9. The calculation of Net Asset Value of Investment Fund shall use Fair Market Value of securities determined by Investment Manager.
10. In calculating Fair Market Value of Government Securities in Protected Investment Fund's portfolio, Investment Manager can use amortized price, as long as Government Securities are held to maturity.
11. In the case of Protected Investment Fund's portfolio consists of Government Securities that are held to maturity and Fair Market Value calculated using

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amortized price method, redemption of Participation Unit can only be done at the date of maturity as stated in Collective Investment Contract and Prospectus.

12. Net Asset Value per share or Participation Unit is calculated using Net Asset Value at the end of respective exchange day, after the bookkeeping entries of the Investment Fund are closed, but without considering the increase or decrease of in Investment Fund's wealth due to subscription and/or redemption received by Custodian Bank on the same day.
13. By no means undermining criminal stipulation in capital market, Bapepam and LK may impose sanctions on any violation of this rule, as well as on any Party that causes the violations to occur.

Stipulated in : Jakarta
Date : July 9, 2012
Chairman of Capital Market and
Financial Institutions Supervisory Agency

Signed

Nurhaida
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Based on the original documents
Head of General Affairs Division

Signed

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