

RULE NUMBER IV.A.4 : MANAGEMENT CONTRACTS OF A CORPORATE INVESTMENT FUND

Attachment :

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Decision of the Chairman of Bapepam

Number : Kep-14/PM/2002

Date : August 14, 2002

Substitute Prior Decision

Number : Kep-20/PM/1996

Date : January 17, 1996

Management contracts of an Investment Fund in corporate form must contain at least the following provisions:

1. the name and the address of the Investment Manager;
2. the composition of the portfolio in the money market and Capital Market;
3. the Securities diversification plan in debt instruments and shares;
4. the portfolio investment diversification plan for Securities based on Issuer industry types;
5. responsibilities of the Investment Manager;
6. the allocation and detail of the Investment Manager's expenses with respect to the Investment Fund;
7. procedures of bookkeeping and reports (including the calculation of net asset value);
8. procedures for termination and changing of contracts;
9. procedures for selling and redeeming shares of an open-end Investment Fund;
- 10 a guarantee by the Investment Manager that all of the Investment Fund's Securities, funds and other assets are kept by a Custodian Bank;
11. circumstances under which the Investment Fund may be liquidated;
12. a prohibition from:
 - a. to purchase foreign Exchange-listed Securities that their information can not be accessed via available mass media or internet;
 - b. to purchase foreign Exchange-listed Securities that their information can be accessed via mass media or internet in an amount of more than 15% (fifteen percent) of the net asset value of the Investment Fund;
 - c. to purchase equity Securities issued by a corporation and listed at Exchange in Indonesia in an amount of more than 5% (five percent) of paid in capital of the corporation;
 - d. to purchase Securities issued by a corporation in an amount of more than 10% (ten percent) of net asset value of the Investment Fund at any time. This restriction includes the purchase of commercial papers that are not categorized as Bank of

- Indonesia Certificates issued by bank and obligations issued by the Government of the Republic of Indonesia;
- e. to sell shares of an open-end Fund to any investor in an amount of more than 2% (two percent) of the paid-in capital, except for the Investment Manager of the open-end Investment Fund itself;
 - f. to purchase Asset-Backed Securities in an amount of more than 10% (ten percent) of the net asset value of the Investment Fund and each type of Asset-Backed Securities may not exceed 5% (five percent) of the net asset value of the Investment Fund;
 - g. to purchase Securities not issued through a Public Offering and or not listed at Exchange, except for money market Securities, Obligations issued by the Government of the Republic of Indonesia;
 - h. to purchase Securities issued by a party affiliated with Investment Manager or Unit holder in an amount of more than 20% (twenty percent) of the net asset value, except for an affiliation caused by the Government capital placement;
 - i. to be involved in any activities other than investing, re-investing, or trading of Securities;
 - j. to be involved in any short selling;
 - k. to purchase any Securities on margin;
 - l. to issue bonds or credit Securities;
 - m. to be involved in any type of loans, except short term loans relating to the settlement of transactions and such loans may not exceed 10% (ten percent) of the value of the Investment Fund portfolio at the time of purchase;
 - n. to purchase any Securities underwritten by its Investment Manager;
 - o. to enter into any joint transaction or profit-sharing contract with the Investment Manager or with any Affiliated Person of the Investment Manager; or
 - p. to pay a dividend from any source other than profits;
 - q. to purchase Asset-Backed Securities that its Investment Manager is also the Investment Manager of the Investment Fund or a person affiliated with initial creditor of the Asset-Backed Securities;
 - r. to purchase Asset-Backed Securities that are not listed at domestic Exchange in Indonesia.
13. any prohibitions against investing in certain sectors;
 14. the responsibility of the Investment Manager for any losses resulting from its own faults;
 15. all new contracts, extended contracts or any assignments from an Investment Fund must result from objective negotiations by Persons who are concerned with the interests of the Fund and not on the basis of relationships with other Persons;
 16. approval from a majority of the board of directors of the Investment Fund before making any contract with an Investment Manager, Custodian, or Accountant or any extension or assignment of such a contract;
 17. a prohibition for the Investment Fund to enter into a contract to indemnify the Investment Fund or shareholders of the Investment Fund against the misuse of power, negligence or willful malfeasance by the Investment Manager;

18. segregation of the Investment Fund's assets from the Investment Manager's assets;
19. any circumstances under which the Investment Fund may postpone shareholder redemption;
20. the obligation of the Investment Manager to calculate the net asset value of the Investment Fund, if assigned to do so; and
21. the obligation of the Investment Manager to pay all Investment Fund expenses, including the fees of Legal Consultants, Public Accountants, and other Persons, in the event that a corporate Investment Fund is dissolved.
22. With the enactment of this rule, thereby, Rule No IV.A.4 attachment of the Decision of the Chairman of Bapepam No Kep-19/PM/1996 dated 17 January 1996 concerning Management of a Corporate Investment Fund is no longer in force.