An investigation of the role of trust in the relationship between pension fund trustees and investment managers: an Indonesian case study

Djoko Wintoro
University of Wollongong


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Appendix 5.1: List of Interview Questions.

A. Investment Manager Interviewees.

1. Background
   a. Would you explain the development of investment management business in Indonesia.

2. Focus
   a. Would you explain your reasons for issuing mutual funds?
   b. Would you explain your reasons for issuing more than one type of mutual funds?
   c. Would you explain the activities you perform to assist you to build a long-term relationship?
   d. Would you explain your activities for building an early relationship with trustees?
   e. Would you explain your activities for developing a long-term relationship with the trustee?

B. Pension Funds Trustee Interviewees.

1. Background
   a. Would you explain your reasons for establishing a pension fund?
   b. Would you explain the function of investment fund?
   c. Would you explain the factors you considered in constructing your pension funds’ portfolio investment?
   d. Would you explain the reasons for investing in stock market?
   e. Would you explain your reasons for sponsoring mutual funds?

2. Focus
   a. Would you explain your reasons for hiring an investment manager?
   b. Would you explain your reasons for hiring more than one investment manager?
   c. Would you explain your criteria for hiring an investment manager?
   d. Would you explain your activities in building an early relationship with the investment manager?
   e. Would you explain your activities for developing a long-term relationship with the investment manager?
Appendix 6.1. Reasons for The Investment Managers For Issuing Mutual Funds

The Investment Manager Interviewees

Mr. 'C', investment manager of 'TGD' investment management firm.

Mr. 'J', investment manager of 'MAM' investment management firm.

Mr. 'D', investment manager of 'IBB' investment management firm

The Reasons for Issuing Mutual Fund

Providing alternative investment products to serve large number of retail investors.

Key reason:
* serving large number of retail investors

Good support by stock market regulators to the investment management firm, and providing alternative investment products for institutional investors, as sponsors of fixed income funds, and to serve retail investors.

Key reasons:
* good support by regulators
* serving retail investors
* the willingness of institution investor to be the sponsored of mutual funds.

To serve a large number of retail investors of small investment funds, and to assist both experienced and inexperienced investors.

Key reasons:
* serving large number of retail investors.
Mr. ‘I’, investment manager of ‘IST’ investment management firm. Providing alternative investment products from the stock market to serve a large number of retail investors. 
Key reason:  
* serving large number of retail investors.

Mr. ‘H’, general manager of ‘HGN’ investment management firm. The growth of the mutual funds industry, good support by regulators, and serving retail investors. 
Key reasons:  
* growth of mutual funds industry  
* good support by regulators.  
* serving retail investors.

Mr. ‘G’, investment manager of ‘ARB’ investment management firm. To serve the need of a large number of retail investors who want to invest in the stock market. 
Key reason:  
* serving large number of retail investors.

Ms. ‘K’, investment manager of KSI investment management firm. Many institution investors such as a bank willing to be the sponsor of mutual funds, and the growth the demand of mutual funds by retail investors. 
Key reasons:  
* the willingness of institution investor to be the sponsored of mutual funds.  
* serving large number of retail investors.
Mr. ‘F’, asset manager of ‘INB’ investment management firm.

BAPEPAM, as a regulator of stock market supports the investment management firm to issue mutual funds. To serve retail investors.

Key reasons:
* good support by regulators.
* serving retail investors.

Mr. ‘B’, investment manager of ‘ISN’ investment management firm.

The bullish condition of stock market, and the large number of potential retail investors.

Key reasons:
* bullish condition of stock market
* large number of retail investors.

Summary of Key Reasons for Issuing Mutual Funds
(Appendix 6.1A)

- Serving the investment need of retail investors (9 interviewees = 100%)
- Good support by regulators (3 interviewees = 30%)
- The willingness of institution investors to be the sponsored of mutual funds (2 interviewees = 20%)
- Growth of mutual funds industry (1 interviewee = 10%)
- Bullish condition of stock market (1 interviewee = 12.5%)
Appendix 6.2. Reasons of The Investment Manager for Issuing More Than One Type of Mutual Funds

The Investment Manager Interviewees.

Mr. 'C', investment manager of 'TGD' investment management firm.

Issuing two types of mutual funds is aimed as meeting the need of speculative and experienced investors by the investment products with characteristics of high risks and high returns.

Key reasons:

* meeting several needs of investors by several risks and return profile.

Mr. J, investment manager of 'MAM' investment management firm.

Issuing three types of mutual funds is aimed at meeting several needs of investors by investment products with the characteristics of low to high risks and stable to volatile returns.

Key reason:

* meeting several needs of investors in term of risks and returns.

Mr. 'G', investment manager of 'ARB' investment management firm.

Issuing three types of mutual funds is aimed at meeting the different several needs of investors by investment products with conservative or aggressive characteristics.

Key reason:
Mr. 'I', investment manager of ‘IST’ investment management firm.

* meeting several needs of investors in term of conservative or aggressive investments.

Investors have different preferences for risks and returns: low to high risks: low to high returns. This is the impetus to issue three types of mutual funds.

Key reason:
* meeting several needs of investors in term of risks and return

Mr. ‘H’, investment manager of ‘HGN’ investment management firm.

Issuing two types of mutual funds is aimed at meeting the needs of both experienced and inexperienced investors whose preferences vary in returns and risk.

Key reason:
* meeting several needs of investors in term of risks and return

Mr. ‘D’, investment manager of ‘IIB’ investment management firm.

Issuing three types of mutual funds is aimed at meeting several investment needs of investors in the stock market such as equity funds, fixed income funds, or mixed funds that have different risk and returns profile.

Key reasons:
* meeting several needs of investors in term of risks and return
Ms. ‘F’, investment manager of ‘INB’ investment management firm.

Issuing two types of mutual funds is aimed at meeting the needs of experienced and unexperienced retail investors.

Key reason:
* meeting several needs of investors in term of risks and return

Mr. ‘B’, investment manager of ‘ISN’ investment management firm.

Issuing three types of mutual funds is aimed at meeting various needs of investors in term of risk and return.

Key reason:
* meeting several needs of investors in term of risks and return

Summary of Key Reasons for Issuing Many Types of Mutual Funds

- Meeting several the need of investors in term of returns and risks (8interviewees = 100%)
Appendix 6.3: Activities Performed by The Investment Manager for Building a Long-term Relationship with the Unit Holders

The Investment Manager.

Mr. ‘H’, investment manager of ‘HGN’ investment management firm. Showing his/her honesty and ability to meet the benchmark, sending regular reports, continuous training to enhance the investment knowledge of the clients, and providing well explanations and investment services.

Key activities:
* showing his honesty and ability.
* sending regular reports
* training investment knowledge
* providing well explanation
* providing investment services.

Ms. ‘K’, investment manager of ‘KSI’ investment management firm.

The investment manager must show their honesty and commitment to implement the prospectus consistently, provide regular report and honest information, and concern to the investors’ interest.

Key activities
* showing honesty and concern
* sending regular reports

Mr. ‘C’, investment manager of ‘TGD’ investment management.

Showing his/her selective ability, educating the investors to invest long-term, and
providing clear explanations of the characteristics of the product.

Key activities
* showing his/her selective ability.
* educating the investors to invest long-term,
* explaining the investment products knowledge

Mr. 'I', investment manager of 'IST' investment management firm.

The investment manager shows that he/she has capabilities of managing mutual funds, protecting the interest of the investors, sending regular reports and providing explanations, conducting investor forums, and providing investment services.

Key activities:
* showing the capabilities and concern with the interest of investors
* providing safety of the funds.
* sending regular reports
* conducting investor forum.
* providing good investment services.

Mr. 'J', investment manager of 'MAM' investment management firm.

Showing his/her professionalism, independent, openness, and honesty, in managing investment on behalf of the trustee. Providing reasonable returns to the investors.

Key activities:
* Showing ability, openness, and honesty
Mr. 'D', investment manager of 'IIB' investment management firm.

Showing his/her credibility, providing consistency of returns, sending regular reports, and providing good investment services

Key activities:
* showing credibility and ability
* sending regular reports.
* providing investment services.

Mr. 'G', investment manager of 'ARB' investment management firm.

Showing his/her performance, providing assurance of the safety of the funds, and sending regular reports.

Key activities:
* showing his/her performance
* assuring the safety of the funds
* sending regular reports.

Mr. 'F', investment manager of 'INB' investment management firm.

Showing ability in managing a portfolio, openness in communication, and sending regular reports

Key activities:
* showing ability, and openness
* sending regular reports.

Mr. 'B', investment manager of 'ISN' investment management firm.

Providing good investment services, accurate information and well explanations

Key activities:
Summary of Key Activities for Building Long-term Relationship with Retail Investors. (Appendix 6.3A)

- Showing: honesty (keeping promises) = 3 interviewees (30%)
  - ability = 7 interviewees (80%)
  - openness (well explanation) = 4 interviewees (45%)
- Sending regular reports = 6 interviewees (70%)
- Providing investment services = 4 interviewees (45%)
- Training product knowledge = 3 interviewees = (30%)
- Safety of funds = 2 interviewees (20%)
Appendix 6.4 : The Development of Mutual Funds
For the year 1996

<table>
<thead>
<tr>
<th>Investment Manager</th>
<th>Names of Mutual Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. BDNI securities</td>
<td>BDNI Reksadana MMF</td>
</tr>
<tr>
<td>2. Danareksa Fund Management</td>
<td>Danareksa Anggrek</td>
</tr>
<tr>
<td></td>
<td>Danareksa Mawar</td>
</tr>
<tr>
<td></td>
<td>Danareksa Melati</td>
</tr>
<tr>
<td>3. Bahana TCW Inv. Management</td>
<td>Bahana Dana Abadi</td>
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<tr>
<td></td>
<td>Bahana Dana Prima</td>
</tr>
<tr>
<td>4. Bira Asset Management</td>
<td>Bira Dana Kas</td>
</tr>
<tr>
<td></td>
<td>Bira Dana Saham</td>
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<tr>
<td></td>
<td>Bira Dana Obligasi</td>
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<tr>
<td></td>
<td>Bira Dana Fleksi</td>
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<tr>
<td>5. BNI Securities</td>
<td>BNI Reksadana Berkembang</td>
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<td>BNI Reksadana Berbunga</td>
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<tr>
<td>6. Danamon GT Management</td>
<td>Danamon GT Prima</td>
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<td>Danamon GT Kencana</td>
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<tr>
<td>7. BII Lend Lease Investment</td>
<td>Billis Superpundi</td>
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<td>Billis Supersaham</td>
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<td>8. ABN Amro Management Inv.</td>
<td>ABN Amro Indonesia Dana Saham</td>
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<td></td>
<td>ABN Amro Indonesia Dana Obligasi</td>
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<td>ABN Amro Indonesia Dana Rupiah</td>
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<tr>
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<td>ABN Amro Indonesia Dana Dollar</td>
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<tr>
<td>9. Intru Nusantara</td>
<td>Garuda Satu</td>
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<tr>
<td>11. Asia Kapitalindo Securities</td>
<td>Asia Tetap Berbunga</td>
</tr>
<tr>
<td>12. Nikko Securities</td>
<td>Nikko Inti Nusantara</td>
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## Appendix 6.5: The Development of Mutual Funds
### For the year 1997

<table>
<thead>
<tr>
<th>Investment Manager</th>
<th>Names of Mutual Funds</th>
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<td>Big Palapa</td>
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<td>3. Pentasena Arthatama</td>
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<td>Bima</td>
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<td>Arjuna</td>
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<td>4. Trimegah Securindo</td>
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<td>Reksadana Megah Kapital</td>
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<td>Reksadana Megah Kombinasi</td>
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<td>GTF Agresif</td>
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<td>GTF Sentosa</td>
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<td>9. Mashill Asset Management</td>
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<td>Multi Plus</td>
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<td>No.</td>
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<td>15.</td>
<td>Jisawi Finas</td>
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<td>Layang Megah Securities</td>
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<td>17.</td>
<td>Citicorp Securities Indonesia</td>
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<td>18.</td>
<td>BII Lend Lease Inv. Services</td>
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<td>19.</td>
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<td>Panin Securities</td>
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Source: Statistic Capital Market, Week 1, January 1998
## Appendix 6.6: List of Interviewee

<table>
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<tr>
<th>Interviewee</th>
<th>Position</th>
<th>Name of Firms</th>
<th>Status of</th>
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<tbody>
<tr>
<td>1. Mr. A</td>
<td>President Director</td>
<td>NBA</td>
<td>Joint Venture</td>
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<tr>
<td>2. Mr. B</td>
<td>Director</td>
<td>ISN</td>
<td>Joint Venture</td>
</tr>
<tr>
<td>3. Mr. C</td>
<td>President Directors</td>
<td>TGD</td>
<td>Joint Venture</td>
</tr>
<tr>
<td>4. Mr. D</td>
<td>Associate Directors</td>
<td>IIB</td>
<td>Joint Venture</td>
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<tr>
<td>5. Mr. E</td>
<td>Assistant Directors</td>
<td>MIS</td>
<td>Joint Venture</td>
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<tr>
<td>6. Mr. F</td>
<td>Manager</td>
<td>INB</td>
<td>National</td>
</tr>
<tr>
<td>7. Mr. G</td>
<td>Director</td>
<td>ARB</td>
<td>National</td>
</tr>
<tr>
<td>8. Mr. H</td>
<td>General Manager</td>
<td>HGN</td>
<td>National</td>
</tr>
<tr>
<td>9. Mr. I</td>
<td>Director</td>
<td>IST</td>
<td>National</td>
</tr>
<tr>
<td>10. Mr. J</td>
<td>President Directors</td>
<td>MAM</td>
<td>Joint Venture</td>
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<td>11. Ms. K</td>
<td>Fund Manager</td>
<td>KSI</td>
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### Appendix 6.7: List of Investment Management Firms, December 1997

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<td>3. Antaboga Delta Sekuritas Indonesia</td>
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<td>4. Arab Malaysian Capital Indonesia</td>
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<td>5. Asia Kapitalindo Securities</td>
<td>National</td>
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<td>6. Asian Development Securities</td>
<td>Joint Venture</td>
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<td>20. Danareksa Fund Management</td>
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<td>22. DBS Securities Indonesia</td>
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<td>25. Eficorp Securities</td>
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<td>26. GTF Indonesia Asset Manajemen</td>
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</tr>
<tr>
<td>27. Indovest Securities</td>
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</table>
28. Inter-Pascific Securities
29. Intra Nusantara
30. Jardine Fleming Nusantara
31. Jisawi Finas Fund Management
32. Layang Megah Securities
33. Lippo Investment Management
34. Lippo Securities
35. Makindo
36. Mashil Asset Management
37. Meespierson Finas Investment
38. Merincorp Securities Indonesia
39. Merril Lynch Indonesia
40. Morgan Grenfell Astra
41. Niaga Asset Manajemen
42. Nikko Securities Indonesia
43. Nomura Indonesia
44. OCBC Sikap Securities
45. Omireksa Nusantara Manajemen
46. Orientama Inti Asset Management
47. Panin Securities
48. PDFCI Securities
49. Pentasena Arthatama
50. Pentasena Artasentosa
51. Peregrine Sewu Securities
52. Pranata Securities
53. Pratama Penagananarta
54. Puri Dana Bersama
55. Samuel Asset Manajemen
56. Sanyo Primarindo Securities
57. Schroder Investment Management

28. Inter-Pascific Securities National
29. Intra Nusantara Joint Venture
30. Jardine Fleming Nusantara Joint Venture
31. Jisawi Finas Fund Management National
32. Layang Megah Securities National
33. Lippo Investment Management Joint Venture
34. Lippo Securities Joint Venture
35. Makindo National
36. Mashil Asset Management National
37. Meespierson Finas Investment Joint Venture
38. Merincorp Securities Indonesia National
39. Merril Lynch Indonesia Joint Venture
40. Morgan Grenfell Astra Joint Venture
41. Niaga Asset Manajemen National
42. Nikko Securities Indonesia Joint Venture
43. Nomura Indonesia Joint Venture
44. OCBC Sikap Securities Joint Venture
45. Omireksa Nusantara Manajemen National
46. Orientama Inti Asset Management National
47. Panin Securities National
48. PDFCI Securities National
49. Pentasena Arthatama National
50. Pentasena Artasentosa National
51. Peregrine Sewu Securities Joint Venture
52. Pranata Securities National
53. Pratama Penagananarta National
54. Puri Dana Bersama National
55. Samuel Asset Manajemen National
56. Sanyo Primarindo Securities National
57. Schroder Investment Management Joint Venture
58. Transpacific Securindo  National
59. Trimegah Securindo Lestari  National
60. UOBB Securities  Joint Venture
61. Rashid Husein Asset Management  National

source: BAPEPAM-Annual Report 1997
Appendix 6.8: Managing the Client Investment

Indonesian Investment Manager

Mr. 'D', investment manager of "IIB" investment management firm.

Mr. 'E', investment manager of 'MIS' investment management firm.

Managing the client investment

The investment manager assists the client in preparing the investment guideline that contain the investment objectives, risk preferences, and investment limitations.

Many factors must be considered in preparing an investment guideline such as: the objectives of pension funds, the maturity of liabilities, the risks preferences, the expectations of returns, the investment allocation, and the cash flow.

In developing and implementing the investment strategy, the investment manager has the full authority of the trustee to manage portfolio with support by the investment management team, research analysts, and other facilities.
Appendix 6.9 : List of Interview Questions for Chapter 6

1. Background
   a. Would you explain the development of investment management business in Indonesia.

2. Focus
   a. Would you explain your reasons for issuing mutual funds?
   b. Would you explain your reasons for issuing more than one type of mutual fund?
   c. Would you explain the activities you perform to assist you to build a long-term relationship with the unit holders?
Appendix 7.1: Reasons for Establishing Pension Funds.

The Indonesian Trustees of Interviewees

The reasons for establishing a pension fund

Mr. ‘A’, trustee of ‘A’ pension fund.

To provide benefits for both the employer and employees. For the employer, they can expect an increasing employees’ loyalty and productivity. For the employees, they can expect the safety of income during retirement period.

Key reasons:
* loyalty and productivity
* retirement income.

Mr. ‘T’, trustee of ‘B’ pension fund.

Providing retirement income to the employees on retirement, and assisting the employer in increasing its employees’ work motivation and productivity during the working period.

Key reasons:
* retirement income
* work motivation.

Mr. ‘D’, trustee of ‘H’ pension fund.

The employer uses the pension fund program to retain good employees, and to recruit new experienced employees with a good working record. The employees are rewarded with an retirement income.

Key reasons:
* retain and recruit good employees.
* retirement income.
Mr. ‘N’, trustee of ‘K’ pension fund.

The employees will have a *retirement income* on retirement or through an accident due to work. The employers can expect to the employees to maintain or improve their *quality of work*.  
Key reasons:
* retirement income
* loyalty.

Mr. ‘L’, trustee of ‘C’ pension fund.

The employees will have a continuous *income during their working and retirement periods*; they can be expected to increase their *loyalty to the firm*.  
Key reasons:
* retirement income.
* loyalty.

Mr. ‘Y’, trustee of ‘F’ pension fund.

The employees, because they will have an *income during their retirement period*, can be expected to *work much better*.  
Key reasons:
* retirement income
* working much better.

Mr. ‘M’, trustee of ‘G’ pension fund.

Providing *income during retirement period* and expecting the employees to increase their *sense of belonging to the firm*.  
Key reasons:
* retirement income
* sense of belonging

Ms. ‘Y’, trustee of ‘I’ pension funds.

Assists the employer to increase the *loyalty*.
Mr. ‘I’, trustee of ‘L’ pension fund.

Providing retirement income to the employees who expected to increase loyalty to the firm.

Key reasons:
* retirement income
* loyalty.

Ms. ‘C’, trustee of ‘E’ pension fund.

To provide retirement income to the employees on retirement who expected to increase sense of belonging to the firm.

Key reasons:
* retirement income
* sense of belonging.

Summary of Key Reasons for Establishing Pension Funds
(Appendix 7.1)

1. **Retirement Income** (100% of interviewees)
2. **Loyalty** (70% of interviewees) including sense of belonging and maintaining good employees
3. **Work motivation** (30% of interviewees) including productivity, and working much better.
4. **Recruiting new employees** with good working record (10% of interviewees).
Appendix 7.2: Function of Investment Funds.

The Indonesian Trustee Interviewees

Mr. ‘A’, trustee of ‘A’ pension fund.
To increase the funds by obtaining reasonable returns from investment portfolio that consists of securities, property, direct placement, and term deposit.
Key reason:
* obtaining returns

Mr. ‘B’, trustee of ‘B’ pension fund
To obtain returns on investments in order to reduce the liability of the employers to pay the pension premium.
Key reason:
* obtaining returns.

Ms. ‘J’, trustee of ‘I’ pension fund
To obtain returns on investments in order to increase the benefit to the retirees, and to reduce the liability of the employer to pay pension premium.
Key reason:
* obtaining returns.

Mr. ‘Y’, trustee of ‘F’ pension fund.
To enhance the liquidity ratio of the funds by obtaining returns on investment.
Key reason
* obtaining returns.

Mr. ‘L’, chairman of ‘C’ pension fund
To obtain returns on investments as a
source of funds for increasing the liquidity ratio.

Key reason:
* obtaining returns

Mr. 'I', investment manager of 'L' pension fund.

To obtain returns for increasing liquidity ratio.

Key reason:
* obtaining returns

Mr. 'C', chairman of 'F' pension fund.

Ensuring the liquidity ratio by obtaining return on investments.

Key reason:
* obtaining returns.

Summary of Key Function of Investment Funds

- To obtain returns (100% of interviewees).
Appendix 7.3: Factors Considered in Constructing Portfolio Investment

The Indonesian Trustee Interviewees

Mr. ‘N’, trustee of ‘K’ pension fund.
The safety of investment, returns on investments, and the liquidity of investments.
Key factors:
* safety
* returns
* liquidity.

Mr. ‘D’, trustee of ‘H’ pension fund.
The rate of returns, and the safety of funds.
Key factors:
* returns
* safety

Mr. ‘A’, trustee of ‘A’ pension fund.
The target rate of returns, the safety of funds, and the risk reduction.
Key factors:
* returns
* safety
* risk reduction.

Mr. ‘B’, trustee of ‘B’ pension fund.
The safety of funds, and the target rate of returns on investments.
Key factors:
* safety
* returns.
Mr. 'Y', trustee of 'F' pension fund

The safety of funds, and target return on investments.

Key factors:
* safety
* returns

Mr. 'M', trustee of 'G' pension fund.

The level of risks, and returns on investment.

Key factors:
* risks
* returns

Mr. 'L', trustee of 'C' pension fund.

Returns on investment for short and long-term, and the level of risks.

Key factors:
* returns
* risks

Mr. 'C', trustee of 'E' pension funds

The safety of funds and returns on investment.

Key factors:
* safety
* returns.

Mr. 'T', trustee of 'L' pension fund.

The spreading and reducing of investment risks and the safety of funds.

Key factors:
* risks and safety

Summary of Key Factors In Designing Portfolio Investment.

- Return on investment (4 interviewees = 45%)
- Safety of funds (7 interviewees = 80%)
- Risks reductions (10 interviewees = 100%)
Appendix 7.4: Reasons for Investing in the Stock Market.

The Indonesian Trustee of pension fund. The reasons for investing in the stock market.

Mr. 'N', trustee of 'K' pension fund. To obtain returns on investments and easy to monitor the value of investments.
Key reasons:
* returns
* easy to monitor.

Mr. 'A', trustee of 'A' pension fund. To obtain returns on long-term investment and diversification in order to reduce the risks of investment portfolio.
Key reasons:
* returns
* diversification

Mr. 'B', trustee of 'B' pension fund. To obtain returns on long-term investment and to diversify investment.
Key reasons:
* returns
* diversification

Mr. 'Y', trustee of 'F' pension fund. To obtain returns on investment and to learn how to invest in the stock market.
Key reasons:
* returns

Mr. 'M', treasurer of 'G' pension fund. To obtain investment diversification in...
order to reduce total *risks* in the portfolio, and to increase total *returns* of the investment portfolio.

Key reasons:
* diversification
* risks
* returns

Ms. 'J', trustee of 'I' pension fund.

The nature of securities as a *long-term investment* and *returns*.

Key reasons:
* long-term investment
* returns

Ms. 'C', trustee of 'E' pension fund

To obtain *returns* on investment and to diversify the investments.

Key reasons:
* returns
* diversification.

Mr. 'T', trustee of 'L' pension fund.

To *diversify* the investment and to *invest in the long-term investment* instrument.

Key reasons:
* diversifications
* long-term investment,

Mr, 'L', trustee of 'C' pension fund.

To obtain *returns* on investment and investment *diversification* in order to reduce risks.

Key reasons:
* returns.
Mr. ‘D’, trustee of ‘H’ pension fund.

* diversification.

To obtain returns on investments in the form of dividends and capital gains.

Key reason:

* returns

Summary of Key Reasons for Investing in the Stock Market.

- **returns on investment** (9 interviewees = 90%)
- **diversifications** (6 interviewees = 60%)
- **long-term investment** (2 interviewees = 20%)
- **easy to monitor** (1 interviewees = 10%).
Appendix 7.5: The Process of Selecting and Hiring Indonesian Investment Manager.

The Indonesian Interviewees

Mr. ‘D’, investment manager of ‘TIB’ investment management firm

Mr. ‘E’, investment manager of ‘MIS’ investment management firm.

Ms. ‘C’, trustee of ‘E’ pension funds

Mr. ‘D’, trustee of ‘H’ pension funds

Mr. ‘M’, trustee of ‘G’ pension funds

Mr. ‘Y’, trustee of ‘F’ pension funds

Process of Selecting and Hiring

Invited by financial consultant of trustee to submit and make presentation an active investment to the trustee.

Made presentation to the trustee about firm’s profile including investment experience and firm reputation, experience in managing active investment, investment philosophy, investment style, investment services and investment performance.

Invited by investment manager to visit the office of investment manager for showing the research facilities and team

Asking for custodian to check the performance of an investment manager in buying and selling stock transactions.

Hiring an independent consultant to evaluate the profile of investment manager who will be hired.

Investment management agreement prepared by an investment manager considering the trustee investment
Ms. 'C', trustee of 'E' pension funds

The investment management agreement must be written in the Indonesian language and mention the responsibility of an investment manager in all buying and selling transactions.

Mr. 'L', trustee of 'C' pension funds

Activities to monitor and evaluate the investment manager's activities and performance is important to assess the benefits from the relationship.

Mr. 'D', trustee of 'H' pension funds

Activities to evaluate costs of relationship such as custodian costs as results of selling and buying transactions made by an investment manager.

Ms. 'J', trustee of 'T' pension funds

Activities to communicate regularly by phone or personal visit for providing explanation and market information.
Appendix 7.6: Reasons for Sponsoring Mutual Funds

The Indonesian Trustee Interviewees

Mr. 'A', president director of B pension fund
To receive *free market information*, and *free transactions costs* for buying and selling mutual funds.
Key reasons:
* free market information
* free transaction costs.

Mr. 'Y', trustee of 'F' pension fund
To receive *free transfer of investment knowledge* and *stock market information* from the investment manager.
Key reasons:
* free transfer of investment knowledge.
* stock market information.

Mr. 'B', trustee of 'B' pension fund
To have *free transactions* for buying and selling mutual funds.
Key reason:
* free transaction.

Mr. 'N', trustee of 'K' pension fund.
To receive *free the transfer of investment knowledge* from the investment manager.
Key reason:
* free transfer of investment knowledge.

Ms. 'J', trustee of 'I' pension fund
To receive *up to date stock market information* without paying a fee.
Summary of Key Reasons for Sponsoring Mutual Funds

- **free market information** (3 interviewees = 60%)
- **free transaction costs** (2 interviewees = 40%)
- **free transfer of knowledge** (2 interviewees = 40%).
Appendix 7.7 : List of Interviewee of Pension Funds.

<table>
<thead>
<tr>
<th>Interviewee</th>
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<td>3. Mr ‘L’</td>
<td>Chairman of ‘C’ pension fund.</td>
</tr>
<tr>
<td>4. Mr ‘C’</td>
<td>Chairman of ‘E’ pension fund.</td>
</tr>
<tr>
<td>5. Mr ‘Y’</td>
<td>Investment Director of ‘F’ pension fund</td>
</tr>
<tr>
<td>6. Mr ‘B’</td>
<td>Investment Director of ‘B’ pension fund</td>
</tr>
<tr>
<td>7. Mr. ‘M’</td>
<td>Treasurer of ‘G’ pension fund.</td>
</tr>
<tr>
<td>8. Mr. ‘D’</td>
<td>Treasurer of ‘H’ pension fund.</td>
</tr>
<tr>
<td>9. Mr. ‘J’</td>
<td>General Manager of ‘I’ pension fund.</td>
</tr>
<tr>
<td>10. Mr. ‘N’</td>
<td>Investment Manager of ‘K’ pension fund.</td>
</tr>
<tr>
<td>11. Mr. ‘I’</td>
<td>Investment Manager of ‘L’ pension Fund.</td>
</tr>
</tbody>
</table>
Appendix 7.8: List of Interview Questions of Chapter 7

1. Background.
   a. Would you explain the development of Indonesian pension fund industry
   b. Would you explain the type of Indonesian pension fund.

2. Focus
   a. Would you explain your reasons for establishing a pension fund?
   b. Would you explain the function of investment funds?
   c. Would you explain the factors you considered in constructing a portfolio investment?
   d. Would you explain your reasons for investing in the stock market?
   e. Would you explain your reasons for sponsoring mutual funds?
   f. Would you explain your reason for hiring an investment manager?
   g. Would you explain your for hiring many more than one investment manager?
   h. Would you explain your criteria to hire an investment manager?
   i. Would you explain the activities in building an early relationship?
   j. Would you explain the activities for developing a long-term relationship?
Appendix 8.1: Reason for Hiring an Investment Manager

Indonesian Trustee Interviewees. Reasons for Hiring Indonesian Investment managers.

Mr. ‘A’, trustee of ‘A’ pension fund (classified as Large Funds) For receiving transfer of investment knowledge, and learning how the investment manager manage an active investment.
Key reasons:
* transfer of knowledge
* learning active investment management

Mr. ‘D’, trustee of ‘H’ pension fund (classified as Small Funds) For obtaining reasonable returns on investment and investment services such as reporting and investment knowledge.
Key reasons:
* returns on investment
* investment service.

Mr. ‘B’, trustee of ‘B’ pension fund (classified as Large Funds) Giving mandate to the investment manager to manage an active investment in order to receive transfer of knowledge, and learn how to manage an active investment.
Key reasons:
* learning an active investment.
* willingness to transfer investment knowledge.

Mr. ‘N’, trustee of ‘K’ pension fund (classified as Large Funds) To obtain transfer of knowledge and experience in managing an active investment, and to obtain
Mr. 'I', trustee of 'L' pension fund
(classified as Small Funds)

Giving mandate to the investment manager to manage an active investment on behalf of the trustee in order to obtain returns, to receive transfer of investment knowledge.

Key reasons:
* obtaining returns
* transfer of investment knowledge.

Mr. 'L', trustee of 'C' pension fund
(classified as Medium Funds)

Learning from the investment manager, who has experience and expertise of investment in the stock market, research facility, and up to date data, in managing active investment.

Key reasons:
* receiving transfer of knowledge
* learning active investment manager

Ms. 'J', trustee of 'I' pension fund
(classified as Large Funds)

Giving mandate to the investment manager for managing an active investment on behalf of the trustee, to receive transfer of knowledge, and to learn from the investment manager how to manage an active investment.

Key reasons:
* transfer of knowledge
* learning active investment

Mr. 'P', trustee of 'F' pension fund

Managing an active investment on behalf of the
(classified as Medium Funds) trustee in order to obtain returns and to learn from the investment manager in managing investments in the stock market.
Key reasons:
* return on investments

Ms. 'C', trustee of ‘E’ pension fund (classified as Small Funds) Managing an active investment on behalf of the trustee, and to obtain returns on investments.
Key reasons:
* obtain return on investments

Mr. ‘M’, trustee of ‘G’ pension fund (classified as Medium Funds) Giving mandate to the investment managers for managing an active investment on behalf of the trustee, and to receive transfer of knowledge in how to manage an active investment.
Key reasons:
* transfer of knowledge
Summary of Key Reasons for Hiring an Indonesian Investment Manager.

- Transfer of knowledge (7 interviewees = 70%)
- Returns on investment (5 interviewees = 50%)
- Learning active investment management (4 interviewees = 40%)

Summary of Key Reasons for Hiring an Indonesian Investment Manager

1. Large funds invested in stock and bonds.
   - Transfer of knowledge (4 interviewees = 100%)
   - Return on investment (1 interviewee = 25%)
   - Learning active investment management (3 interviewees = 75%)

2. Medium funds invested in stocks and bonds
   - Transfer of knowledge (2 interviewees = 67%)
   - Returns on investment (1 interviewee = 33%)
   - Learning active investment management (1 interviewee = 33%)

3. Small funds invested in stocks and bonds
   - Returns on investment (3 interviewees = 100%)
   - Investment service (1 interviewee = 33%)
   - Transfer of knowledge (1 interviewee = 33%)
Appendix 8.2: Reasons for Indonesian trustees of pension funds for Hiring More than One Investment Manager.

Indonesian Trustee Interviewees  The Reason for Hiring More than One Investment manager.

Mr. 'A', trustee of 'A' pension fund  Hiring four investment managers is aimed at comparing the investment managers' performance with each other, reducing the risk of a single investment manager, cross checking the accuracy of market information.
Key reasons:
* comparing investment manager’s performance
* reducing risk with single investment manager
* cross checking the accuracy of market information.

Mr. ‘B’, trustee of ‘B’ pension fund  Hiring four investment managers is aimed at receiving information from many sources, and reducing potential loss from a single investment manager.
Key reasons:
* receiving information from many sources
* reducing risk from a single fund manager.

Mr. ‘D’, trustee of ‘H’ pension fund  Hiring three investment managers is aimed at comparing the performance of investment managers, the accuracy of information in managing investments, and their honesty.
Key reasons:
Mr. ‘N’, trustee of ‘K’ pension fund

Hiring two investment managers is aimed at comparing the investment managers’ performance and investment services.

Key reasons:
* comparing the investment managers’ performance
* comparing the quality of investment services.

Mr. ‘L’, trustee of ‘C’ pension fund

Hiring two investment managers is aimed at comparing the performance of investment managers, and team analysts among investment manager.

Key reasons:
* comparison of the performance of investment manager with the others
* comparison of the analysts of the investment managers

Ms. ‘Y’, trustee of ‘I’ pension fund

Hiring four investment managers is aimed at comparing their performances (returns), ability of buying and selling decisions, reducing the risk from a single investment manager, and to gain the strong points of each investment manager.

Key reasons:
* comparing performance
* comparing selective ability
Mr ‘M’, trustee of ‘G’ pension fund

Hiring two investment managers is aimed at comparing the performance of the investment managers in terms of returns, the quality of buying and selling decisions, the quality of investment services such as reporting, and providing up to date information.

Key reasons:
* comparing the performance
* comparing the selective ability
* comparing the investment services.

Ms. ‘C’, trustee of ‘E’ pension fund

Hiring two investment managers for the purpose of comparing the performance of the investment managers, their ability to analyse stocks fundamentally.

Key Reasons:
* comparing the performance of investment manager
* the ability in analysing stocks

Summary of Key Reason for Hiring More than One Investment Manager

- **Investment managers’ performance comparison** (7 interviewees = 90%)
  (performance, and selective ability)

- **Investment services’ quality comparison** (5 interviewees = 60%)
  (accuracy market information, and information from many sources)

- **Reducing risks from a single investment manager** (3 interviewees = 40%)
Appendix 8.3: The Criteria to Select and Hire Investment Manager.

Indonesian trustee Interviewees. The Criteria to Select and Hire Indonesian Investment managers.

Mr. ‘A’, trustee of ‘A’ pension fund

The performance of investment management firms, the expertise of the investment manager, research facilities, the amount of funds under management, the number of clients, easy to contact, willingness to communicate and visit clients.

Key criteria:

1. The Criteria Related to the Firms:
   - research facility
   - the number of clients
   - the amount of funds

2. The Criteria Related to the Investment Manager
   - the expertise
   - easy to contact
   - willingness to communicate
   - willingness to visit

Mr. ‘D’, trustee of ‘H’ pension fund

Good performance records, willingness to discuss, transfer of knowledge to pension funds’ staff, and providing well explanations and true/reliable information.

Key criteria related to the investment manager:

- good performance records
- willingness to discuss
- transfer of knowledge,
Mr. ‘N’, trustee of ‘K’ pension fund.

The reputation of the investment management firm, track record of the investment manager, openness, keep promises, expertise and willingness to transfer investment knowledge.

Key criteria:
1. The criteria related to the firm
   - good reputation of the firms
2. The criteria related to investment manager
   - performance record
   - openness
   - keep promises
   - expertise
   - willingness to transfer knowledge.

Mr. ‘B’, trustee of ‘B’ pension fund.

Track record of the investment manager, the willingness to educate the employees of the pension fund, to explain the reasons to buy or sell, good analysis for companies and industry.

Key criteria related to investment manager:
- investment performance record
- ability
- willingness to give transfer of knowledge
- good explanation.

Mr. ‘I’, trustee of ‘L’ pension fund.

Historical performance of the investment manager, investment experience, the number of clients, good investment services, willingness to transfer of knowledge to the trustee.
Key criteria:

1. The criteria related to the firms:
   - the number of clients

2. The criteria related to the investment manager:
   - historical investment performance
   - investment experience
   - investment services
   - willingness to transfer knowledge.

Mr. ‘L’, trustee of ‘C’ pension fund. Past and current performance of investment manager, investment team to support the investment manager including their expertise and experience, and regular report.

Key criteria:

1. The criteria related to the firm:
   - the support of the investment team

2. The criteria related to the investment manager:
   - regular reports
   - performance

Ms. ‘Y’, trustee of ‘T’ pension fund. Investment experience, reputation of the investment management firm, the amount of funds, the number of clients, current performance, meetings and discussions, regular contact.

Key criteria:

1. The criteria related to the firm:
   - reputation
   - the amount of funds under management
   - the number of clients
   - the investment team

2. The criteria related to investment manager.
Mr. 'J', trustee of 'F' pension fund. Investment manager's clients recommendation, good performance, honesty, experience and ability of investing in the stock market, and willingness to discuss.

Key criteria related to investment manager:
- good performance
- honesty
- experience
- ability
- willingness to discuss

Mr. 'M', trustee of 'G' pension fund. Good performance of investment manager, experience in managing active investment on behalf of the trustee, and good quality of investment services.

Key criteria related to investment manager:
- good investment performance
- experience in managing active investment
- good quality of investment services.

Ms. 'C', trustee of 'F' pension fund. Trusted persons, good performance record, keep promise, strong research team and facilities, ability in managing investment.

Key criteria:
1. The criteria related to investment manager.

keep promises
Summary of Key Criteria to Select and Hire Indonesian Investment Manager

The criteria related to the investment manager.

1. Expertise : (10 interviewees = 100%)
   (ability, performance, and investment experience)

2. Honesty : (4 interviewees = 40%)
   (keep promise, and true information)

3. Openness : (5 interviewees = 50%)
   (well explanation, discussion)

4. Concern : (5 interviewees = 50%)
   (transfer of knowledge, investment services)

5. Communication : (3 interviewees = 30%)
   (easy to contact, personal visit, meeting, contact)

The criteria related to the investment management firm (who employed investment manager)

1. Reputation (2 interviewees = 33%)
2. The number of clients (3 interviewees = 50%)
3. The amount of funds under management (2 interviewees = 33%)
4. Research Facility (2 interviewees = 33%)
5. Research Team (2 interviewees = 33%)
Summary of Key Criteria for Hiring More than One Investment Manager

1. Large Funds Invested in the Stocks and Bonds (4 interviewees)
   - **Expertise**: 4 interviewees = 100%
   - **Honesty**: 1 interviewee = 25%
   - **Openness**: 3 interviewees = 75%
   - **Concern**: 2 interviewees = 50%
   - **Communication**: 2 interviewees = 50%

2. Medium Funds Invested in the Stocks and Bonds (3 interviewees)
   - **Expertise**: 3 interviewees = 100%
   - **Honesty**: 1 interviewee = 33%
   - **Openness**: 1 interviewee = 33%
   - **Concern**: 1 interviewee = 33%
   - **Communication**: 1 interviewee = 33%

3. Small Funds Invested in the Stocks and Bonds.
   - **Expertise**: 3 interviewees = 100%
   - **Honesty**: 2 interviewees = 67%
   - **Openness**: 1 interviewee = 33%
   - **Concern**: 2 interviewees = 67%
   - **Communication**: • -
Appendix 8.4: List of Interviewee of Pension Funds

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<td>General Manager of ‘I’ pension fund</td>
</tr>
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<td>10. Mr ‘N’</td>
<td>Investment Manager of ‘K’ pension fund</td>
</tr>
</tbody>
</table>
Appendix 8.5: List of Key Interview Questions for This Chapter.

1. Would you explain your reasons for hiring an investment manager?
2. Would you explain your reasons for hiring more than one investment manager?
3. Would you explain the criteria in hiring an investment manager.
Appendix 9.1: The Activities Performed by the Trustee of
Pension Funds in Building An Early Relationship

The Indonesian Trustee Interviewees.

Mr. 'B', trustee of 'B' pension fund

The Activities for Developing Early Relationship with the Investment Manager.

Regular evaluation of the quality of the relationship with the investment manager in terms of the performance, and transfer of knowledge; and asking explanations.

Key activities:

* regular evaluation: performance
  and transfer of knowledge
* asking explanations

Mr. 'D', trustee of 'H' pension fund

Evaluating the ability of the investment manager to meet the trustee's investment objectives, and his/her willingness to provide clear explanations, and to build a close relationship.

Key activities:

* Evaluating the ability of investment manager to meet the trustee's investment objectives
* Evaluating the willingness to provide well explanation.
* Building close relationship.

Mr. 'A', trustee of 'A' pension fund

Monitoring the implementation of investment management agreement by the
investment manager. Conducting a meeting to evaluate the investment performance, investment services, and the transfer of investment knowledge to the staff of the pension funds.

Key activities:
* monitoring the implementation of investment management agreement.
* evaluating the investment performance, investment services, and transfer of knowledge.

Mr. 'N', trustee of 'K' pension funds.

Monitoring the performance of investment manager by evaluating the investment returns, and by asking for explanations from the investment manager. Evaluating investment services such as the transfer of knowledge.

Key activities:
* monitoring the returns performance
* asking explanations
* evaluating investment services.

Mr. 'L', trustee of 'C' pension funds.

Setting up a team to monitor and control the activities of the investment managers by checking the transactions reports, the accuracy of information given, and the transfer of knowledge. Conducting quarterly meetings to evaluate the performance of the investment manager by comparing it with the investment plan.
Key activities:
* checking transactions reports, the accuracy of information, and the transfer of knowledge.
* Evaluating the investment performance

Setting up a team to monitor and evaluate the investment performance, the transfer of knowledge; asking for adequate explanation; and building communication.

Key activities:
* monitoring and evaluating investment performance
* monitoring and evaluating the transfer of knowledge.
* asking adequate explanation
* building communication.

Evaluating regularly the investment performance of the investment manager, the investment services; and asking clear explanations.

Key activities:
* Evaluating the investment performance and investment services.
* asking well explanation.

Evaluating the investment performance and the safety of the funds, and building communication for receiving clear explanations and adequate information.
Mr. 'M', trustee of 'G' pension fund

Key activities:
* Evaluating investment performance and the safety of funds.
* Building communications: well explanation and adequate information.

Asking the investment manager to present and provide explanations of the investment performance; hiring independent consultants to evaluate the ability of the investment manager in manage active investment management.

Key activities:
* asking presentation and evaluation of investment performance.
* hiring independent consultant to evaluate the ability of investment manager.

Ms. 'C', trustee of 'E' pension fund.

Evaluating the investment performance, and asking for adequate explanations, checking the monthly report, and evaluating other investment services.

Key activities:
* evaluating the investment performance
* asking adequate explanation.
* evaluating other investment services.
Summary of key activities performed by Indonesian trustee for building an early relationship with Indonesian investment managers.

- **Evaluation investment performance** (ability of investment manager): all interviewees = 100%
- **Evaluation investment services** (transfer of knowledge, reporting) = 7 interviewees = 70%
- **Building communication** (asking explanation) = 7 interviewees = 70%

Summary of key activities performed by Indonesian trustee for building an early relationship with Indonesian investment managers - based on the duration of relationship.

1. Long-term relationship (more than 2 years)
   
   Evaluation investment performance = 4 interviewees = 100%
   Evaluation investment services = 4 interviewees = 100%
   Building communication = 3 interviewees = 75%

2. Short-term relationship (less than or equal to 2 years)
   
   Evaluation investment performance = 6 interviewees = 100%
   Evaluation investment services = 3 interviewees = 50%
   Building communication = 4 interviewees = 70%
Appendix 9.2: The Activities Performed by the Investment Manager for Building An Early Relationship with the Trustee of the Pension Funds

The Investment Manager Interviewees

Mr. 'A', investment manager of 'NBA' investment management firm.

The Activities of investment manager for building an early relationship with the trustee.

Showing the ability to implement trustee's investment plan, producing investment performance, providing investment services, sending regular reports, and building communications.

Key activities:
* showing investment performance
* providing investment services
* sending regular reports
* building communications.

Mr. 'D', investment manager of 'IIB' investment management firm.

Explaining the way the investment manager manages the trustee's portfolio such as: investment philosophy, investment decision making process, and investment team; adhering trustee's investment guideline presenting the performance; providing monthly report; and providing investment training to the trustee.

Key activities:
* explaining the ability in managing investment on behalf of the trustee.
* presenting the performance.
Mr. 'E', investment manager of 'MIS' investment management firm.

Showing the ability to manage investments based on investment guidelines such as the objectives, risks, and the constraints, and providing investment training to the trustee.

Key activities:
* showing ability in managing investment based on trustee’s guideline
* providing investment training to trustee

Mr. 'I', investment manager of 'IST' investment management firms.

Showing the ability to manage investments based on the trustee’s investment guidelines, regular visits, providing reports, and updating information.

Key activities:
* showing ability
* regular visit
* providing report
* updating information

Ms. 'K', investment manager of 'KSI' investment management firm.

Showing the ability to manage investments including investment strategy, past performance, and providing well explanations.

Key activities:
* showing ability
* providing well explanation
Summary of key activities performed by Indonesian investment manager for building an early relationship with Indonesian trustee of pension funds.

1. showing ability (performance) : all interviewees = 100%

2. providing investment services (reporting, and transfer of knowledge) : 4 interviewees = 80%

3. building communication (well explanation) : 3 interviewees : 60%
Appendix 9.3: The Activities Performed by the Trustees of Pension Funds for Developing a Long-term Relationship.

The Indonesian trustee interviewees.

Mr. 'B', trustee of 'B' pension fund. The activities of the trustee for developing a long-term relationship with the investment manager.

Regular meetings to evaluate the investment performance and investment services provided by the investment manager. Hiring independent consultants to evaluate the ability of the investment manager in managing investments.

Key activities:
* regular meeting
* evaluating the investment performance and transfer of knowledge.
* evaluating the ability of investment manager.

Mr. 'A', trustee of 'A' pension fund. Evaluating the concern of the investment manager in the interests of the trustee, and meeting regularly to discuss the performance and sharing the information to improve the future performance.

Key activities:
* evaluating the concern of the investment manager.
* meeting regularly for discussion
Mr. 'N', trustee of 'K' pension funds. Hiring independent consultants to evaluate the performance of an investment manager, this includes the assessment of the returns and quality investment services. Conducting quarterly meetings with the investment manager and assessing the openness of the investment manager.

Key activities:
* assessing the returns
* assessing the quality of investment services.
* regular meeting.
* assessing the openness of investment manager.

Ms. 'J', trustee of 'I' pension funds. Evaluating the honesty and the ability of the investment manager's skill in active investment management on behalf of the trustee; building close relationship and regular communication.

Key activities:
* evaluating the honesty and ability of investment manager in managing investment.
* building close relationship
* regular communication.
Summary of key activities performed by Indonesian trustees for developing a long-term relationship with the Indonesian investment manager.

- **Evaluating the ability of investment manager** (performance) = 3 interviewees = 75%

- **Evaluating the concern on investment manager** (transfer of knowledge, and investment services) : 3 interviewees = 75%

- **Evaluating the honesty of investment manager** : 1 interviewee = 25%

- **Regular meetings** (communication) = all interviewees = 100%
Appendix 9.4: The Activities Performed by The Investment Manage for Building a Long-term Relationship.

The Indonesian investment manager interviewees.

Mr. 'A', investment manager 'NBA' investment management firm.

The activities of the investment manager for building a long-term relationship with the investment manager.

Showing the ability to meet the trustee's investment objectives, providing good investment services, providing good reporting, enhancing the confidence of the trustee in investing the funds.

Key activities:
* showing ability
* providing good investment services
* providing good reporting
* enhancing confidence of the trustees in investing.

Mr. 'D', trustee of 'IIB' investment management firm.

Showing credibility and consistency in returns to increase the level of trust of the trustee to the investment manager, and communicating regularly.

Key activities:
* showing the credibility, and consistency returns.
* communicating regularly.

Mr. 'E', trustee of 'MIS' investment management firm.

Showing good performance, providing good investment services and regular reports, providing well explanation to the
trustees, and keeping promises.

Key activities:
* showing good performance
* providing good investment services.
* providing regular report
* providing well explanation
* keeping promises

Summary of key activities performed by Indonesian investment manager for developing a long-term relationship with Indonesian trustee.

- **showing the ability in managing investment on behalf of the trustee** (e.g., performance, consistency returns, credibility, keeping promises): all interviewees = 100%

- **providing investment services** (e.g., reporting): 2 interviewees = 67%

- **regular communication** (e.g., well explanation, enhancing confidence): all interviewees = 100%