



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
POLICY, REGULATION AND DEVELOPMENT DEPARTMENT

No. SCD/AMCW /CIRCULAR/267/2021

June 10, 2021

Circular No. **16** of 2021

Subject: Requirements for Asset Management Companies (AMCs) to Advertise Open End Collective Investment Schemes (CIS)

This is further to Circular No. 16 of 2014 on "Requirements for Asset Management Companies to Advertise Open End Collective Investment Schemes".

The Securities and Exchange Commission of Pakistan (the Commission) in exercise of the powers conferred under sub-section (3) of section 282B of the Companies Ordinance, 1984 (XLVII of 1984) read with Regulation 54 (4) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, specifies the following additional requirements for performance presentation (*a sample illustration is also enclosed for guidance purposes only*) in all forms of advertisements including newspaper and social media advertisements related to equity schemes of an Open-end CIS, for compliance by AMCs.

- i. The calculation of return used in the advertisement shall be based on a minimum period of twelve (12) calendar months on rolling basis. This means that last twelve months performance will only be valid for the succeeding month. The AMCs shall ensure that outdated advertisements shall be removed from its websites and social media platforms. In case of new funds launched during the year, performance data of a CIS shall be presented only if it has an investment track-record of not less than six months, as required under Circular 16 of 2014.
- ii. The font size of performance figure(s) shall not exceed twice the font size of heading in the advertisement, where heading is the text with the largest font size excluding the performance figure.
- iii. The font size of benchmark returns shall not be less than 30% of the performance figure(s).
Explanation: *If font size of performance figure(s) is 60, font size for benchmark returns shall be equal to or more than 18.*
- iv. The information about fund risk profile should be given right under the benchmark figure and its font size shall not be less than 30% of the font size of the performance figure e.g. "Risk Profile: High Risk of Principal Erosion".



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
POLICY, REGULATION AND DEVELOPMENT DEPARTMENT

- v. The disclaimers mentioned in above-mentioned circular should be in bullet points and the font size of the disclaimer should not be less than 20% of the font size of the performance figure as specified in para ii above. The hoarding and billboard disclaimer shall cover at least 20% of the total display space of the advertisement.

The exemption earlier provided to newspapers and social media advertisement vide para 16 of above-mentioned circular has been withdrawn.

This circular shall come into force with immediate effect and all AMCs are required to ensure compliance in letter and spirit. All other requirements prescribed through Circular No. 16 of 2014 and not amended through this circular shall remain intact.

(Farrukh Sabzwari)

Commissioner (SCD)

Distribution:

- i. The Chief Executive Officers of all Asset Management Companies
- ii. Mutual Fund Association of Pakistan

Encl.

"Say no to Corruption"

AMC Name & Logo

Grow your savings with Pakistan's
Best performing** Equity Fund
(in last 1 year)

Fund Name

24.63%*

Benchmark 13.71%

Risk Profile: High Risk of Principal Erosion



Management Rating & Contact Information

**Among all AMC(s) Stock Funds. Source mufap.com.pk

3 years return: xx.xx%

5 years return: xx.xx%

*Funds 1 year trailing return till 30th April 2021

Since inception return: xx.xx%

Disclaimer:

- All investments in mutual Funds and pension funds are subject to market risks.
- Past performance is not necessarily indicative of future returns.
- Please read the offering documents to understand the policies and risks involved.