



## **Press Release**

May 18, 2015

*For immediate release*

### **Equity oriented mutual funds are eligible to invest in REITs: SECP**

Islamabad: The Securities and Exchange Commission of Pakistan has clarified to the Asset Management Companies (AMCs) that equity and equity oriented schemes (i.e. equity, balance and asset allocation schemes) are eligible to invest in the units of Real Estate Investment Trusts (REITs) subject to compliance with other regulatory provisions for mutual funds.

The said clarification through SECP's Circular No.19 of 2015 would lead to increased diversification by such mutual funds through investment in a new asset class with different risk and return characteristics. It would also provide an opportunity to the investors to avail exposure to REITs through mutual funds with small investment amount.

Given that AMCs have been in the business of managing money of public for long and have a better understanding of their needs, it will result in improved disciplining of upcoming REITs owing to institutional investment through mutual funds.

The circular is available on SECP's website at <http://www.secp.gov.pk/circulars.asp>