



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

No. SCD/AMCW/ 90/2014

September 10, 2014

Chief Executive Officer
Mutual Funds Association of Pakistan
207-209, 2nd Floor, Kassam Court Block 5
Clifton, Karachi

Subject: Requirements for Advertisement of Open-end Collective Investment Schemes (CIS)

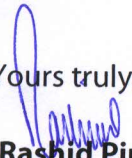
Dear Madam,

I am directed to refer to your email dated September 03, 2014 on the subject matter whereby MUFAP has sought clarification regarding clause 16(iii) and clause 21 of the circular dated July 03, 2014 specifying requirements for Asset Management Companies to advertise CIS. The clarification against relevant clauses is mentioned below:

Clause	Clarification										
16. iii	It is clarified that "Since Inception for each financial year" shall be a single figure showing average annual return (geometric mean) including return of each financial year since inception. E.g Mutual Fund XYZ records the following returns: <table><tr><td>Year</td><td>Return</td></tr><tr><td>2000</td><td>10%</td></tr><tr><td>2001</td><td>15%</td></tr><tr><td>2002</td><td>12%</td></tr><tr><td>2003</td><td>8%</td></tr></table> $AAR = (\text{Return1} \times \text{Return2} \times \text{Return3} \times \text{Return4})^{1/4} - 1$ AAR=10.95%	Year	Return	2000	10%	2001	15%	2002	12%	2003	8%
Year	Return										
2000	10%										
2001	15%										
2002	12%										
2003	8%										
21.	It is clarified that reference date for performance information can be last day of month provided that NAV of a CIS is calculated for that particular day.										

Please acknowledge receipt of this letter.

Yours truly,


(Rashid Piracha)

Director