



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

29

No. SCD/PRDD/Directions/37/2016

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Direction No. 27 of 2016

Subject: Performance Benchmarks for Collective Investment Schemes (CIS)

In order to standardize the comparison of performance of Collective Investment Schemes against their benchmarks, the Securities and Exchange Commission of Pakistan, in exercise of its powers conferred under Section 282D of the Companies Ordinance, 1984, hereby directs all Asset Management Companies (AMCs) to use the following performance benchmarks for Collective Investment Schemes:-

No	Category of Fund	Performance Benchmarks
1	Money Market Scheme	70% three (3) months PKRV rates + 30% three (3) months average deposit rate of three (3)-AA rated scheduled Banks as selected by MUFAP
2	Islamic Money Market Scheme	Three (3) months average deposit rates of three (3)-AA rated Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP
3	Sovereign Income Scheme	Six (6) months PKRV rates
4	Shariah Compliant Sovereign Income Scheme	Six (6) months PKISRV rates
5	Income Scheme	Six (6) months KIBOR rates
6	Shariah Compliant Income Scheme	Six (6) months average deposit rates of three (3)-A rated scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP
7	Aggressive Income Scheme	One year KIBOR rates
8	Equity Scheme	KSE-100 Index Or KSE-30 Index (Total Return Index)
9	Islamic Equity Scheme	KMI-30 Index
10	Balanced Scheme	Combination of performance benchmark of Equity and Fixed Income/Money Market scheme on the basis of actual proportion held by the scheme.
11	Asset Allocation Scheme	Combination of performance benchmark of Equity and Fixed Income/Money Market scheme on the basis of actual proportion held by the scheme.



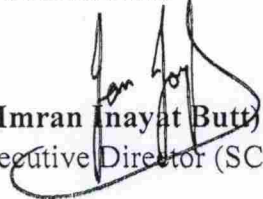
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		OR
		Asset Allocation Scheme may also use a single benchmark i.e. equity market index or interbank interest rate benchmark rate with some premium.
12	Fund of Funds Scheme	Combination of benchmarks of underlying schemes on the basis of actual investments by the scheme.
13	Commodity Scheme	70% composition of daily closing US Dollar per ounce Gold at PMEX and 30% deposit rates of three (3)-AA rated scheduled banks as selected by MUFAP.
14	Islamic Commodity Scheme	Combination of 70% PKR base closing price of physical gold and 30% deposit rates of three (3)-AA rated scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP.
15	Index Scheme	Benchmark shall be the return of the Index tracked by the scheme.

The category of schemes which are using KIBOR/PKRV/PKISRV as performance benchmark shall take average KIBOR/PKISRV/PKRV rate of corresponding period for which the performance of scheme is being compared against benchmark.

All Asset Management Companies shall make necessary amendments in the offering documents and fund manager reports of the schemes within one month of issue of this direction. However, amendments required in the trust deed may be deferred by the AMCs until any future amendment in the trust deed is proposed and submitted by an AMC to the Commission.


(Imran Inayat Butt)
Executive Director (SCD)

Distribution:

1. Chief Executive Officers, Asset Management Companies
2. Mutual Funds Association of Pakistan
3. Trustees of Collective Investment Schemes