

MCB Funds

Q1: What is Folio number?

Folio number is a unique identifier assigned to an investment account and is used to track your investments with an Asset Management Company. Customer can either have a single Folio or they can also open multiple Folios as per requirement.

Q2. What is a Mutual Fund?

A Mutual Fund is a large pool of money managed by a team of experienced individuals as part of a licensed Asset Management Company. The money collected from investors is invested in securities such as stocks, bonds, money market instruments and other assets to generate returns for investors.

Q3. How do Mutual Funds operate and regulate?

Mutual Funds, operated by Asset Management Companies (AMCs), are licensed by the regulator after meeting a range of requirements. A Mutual Fund is set up under a trust structure with a 3rd party entity designated as the trustee. All investments, made by the fund, bank accounts, transactions, are managed by the trustee, according to the advice of the AMC. The trustee is obligated to follow the instructions of the AMC, as long as these instructions do not violate the "Trust Deed" which is a legal agreement signed by the AMC and the trustee that governs the operating framework of the trust. (i.e. the mutual fund).

Q4. What are different types of funds?

- **Open-end Funds:** Open-end mutual funds allow investors to invest and redeem (withdraw) their money whenever they want. They continually create new units or redeem issued units on demand and are also known as Unit Trusts. The unit holders buy the units of the fund or may redeem them on a continuous basis at the prevailing Net Asset Value (NAV). These units can be purchased and redeemed through a Management Company, which announces offer and redemption prices on a regular basis.
- **Close-ended Funds:** These funds have a fixed number of shares like a public company and are floated through an IPO. Once issued, they can be bought and sold at the market rates at the Stock Exchange, where they are listed at the prevailing rates at any point of time.

Q5. How is NAV calculated? / How do Mutual Funds determine their unit price?

A fund's Net Asset Value (NAV) represents the value per unit. The NAV is equal to the market worth of assets held in the portfolio of a Fund, minus liabilities, divided by the number of units currently issued to investors.

$$\text{NAV Per Unit} = \frac{\text{Current Market Value of all the Assets} - \text{Liabilities}}{\text{Total Number of Units Outstanding}}$$

The sales and redemption price of units might be different from the NAV if there is an element of "Sales Load / Front End Load" or "Back End Load". The sale and redemption price is declared on a daily basis by the funds and can be viewed on their websites.

Q6. What are back-end and front-end sales load?

Sales Load/Front-End Load is a small service fee charged to an investor when buying or redeeming shares in a mutual fund. The fee compensates the sales team for their efforts and is mandatory to be disclosed before any payment is made.

Back-End Load is charged when customers withdraw money from funds. This is rarely used and is applied only in case of funds that have a "lock in" period. Again, it is mandatory to disclose the fee before a customer signs up for the product.

Q7. What is a Benchmark?

A benchmark is a standard against which the performance of a security, mutual fund or investment manager can be measured. A Mutual Fund's performance is compared with the benchmark in order to find out whether the fund performed better than the market.

Q8. What are the benefits of investing with MCB Live application in MCB Funds?

- Track your investments anytime, anywhere
- Ability to perform transactions conveniently
- Start investing from as low as Rs 500
- Safe and secure saving in a solid institution
- Strong security measures and ensure that only you can access your information
- Paperless account opening

Q9. Can I invest in more than one fund at a time?

Yes, you can invest in as many funds as you want that are available in MCB Live application.

Q10. What is the minimum amount required to make an investment with MCB Funds?

It depends on the type of funds. However, you can start with as low as Rs 500 for some funds available on MCB Live.

Q11. Will Zakat be deducted from my investment?

Yes, Zakat will be deducted unless Zakat Exemption Declaration Form (CZ-50) / Zakat Affidavit is submitted to the company. If you have your Zakat Affidavit with you and your profile says that you are not exempt from Zakat, you need to simply take a picture of the Zakat Affidavit from your phone and email it to info@mcbah.com with your CNIC number from your registered email address and we will take care of the rest.

Q12. How long does one have to invest?

You can invest for as long as you wish. However, please ensure that the fund you choose is based on how long you wish to invest and what your financial requirements and risk appetite are.

Q13. What is the procedure to withdraw investments (Redemption Process)?

Simply login to your MCB Live application and access MCB Funds feature, hit the redeem button and choose the fund from which you wish to withdraw funds. After due process the funds would be credited in your selected MCB account.

Q14. Why is the customer receiving a character count error for input fields?

There are certain character count limits defined for each input category, e.g. customer may enter Email address of maximum 60 characters.

Q15. How will the customer be informed regarding successful account opening/linking?

A confirmation email/ SMS will be sent to the MCB Account Holder on his registered Email Address/ Mobile Number after the account is mapped successfully.

Q16. What type of investment account can MCB Live Customers open through the MCB Live application?

Currently, MCB Live users can only open Sehl Sarmayakari account from MCB Live application.

Q17. What are the limits of the Sehl Sarmayakari account?

The limits are given below:

Account Type	Account Title	Per Transaction Limit (Rs)	Annual Investment Limit (Rs)	Lifetime Limit (Rs)
Level-1	Sehl Sarmayakari Account	25,000	100,000	200,000

Q18. Can customers upgrade their account to Level-II or Level-III from the MCB Live application?

At the moment customer cannot upgrade their MCB Funds Sehl account from MCB Live application

Q19. If a customer has an existing Level-II or Level-III account with MCB Funds can these accounts be accessed through MCB Live application?

Yes, all types of existing investments accounts in MCB Funds can be accessed through MCB Live application.

Q20. How long does it take to open a Sehl Sarmayakari account from the MCB Live application?

The account opening is instantaneous, however in case there is verification or other error MCB Funds will take 24 hours to process account

Q21. Can non-Pakistani individuals open a Sehl account from the MCB Live application?

No, only Pakistani individuals can open this account

Q22. What is the eligibility criteria for opening a Sehl account from the MCB Live application?

The eligibility criteria is given below:

- MCB Account Holders who are using MCB Live App/Web Portal
- Local Customers (Pakistani only)
- Individuals over and above 18 years having CNIC issued by NADRA.
- Principal Account Holder of MCB Bank Limited Only