



The Investment Funds .



The Financial Awareness Program.



The Index:

- The Introduction.
- The Investment Funds' Definition.
- The Investment Funds' Characteristics.
- The Importance of the Investment Funds.
- The Investment Funds' Types.



- **The Investment Funds:**

The establishment of the Investment Funds are correlated generally with the existence of the Securities' Market.

And as the Securities' Market is established the scope for establishing the Investment Funds will be available.

And they are of a vital role in the employment of their capital in the Securities Market; in both parts the Ordinary Market or what we call (the Issuance Market), and the Secondary Market or the so to say (the Trading Market.)

And consequently the Investment Funds play an important role at the Capital Markets as an effective mean in the savings' collection and investing them at the Stock Exchange under the Management and the Supervision of the Specialized Entities.



- **The Investment Funds' Definition:**

The Investment Funds' Act that was issued according to the Provisions of the Stock Exchange Act No /55/ for the year 2006, had defined the Investment Funds as "An Investment Mean that takes the form of a Public Joint – Stock Company that aims at providing the opportunity for its shareholders to participate jointly at the investment of the securities. And it will be managed by an Investment Director, and supervised by an Investment Trusteeship."



- **The Investment Funds' Characteristics:**

The Investment Funds are characterized with a group of specialized characteristics that are:

- 1) They enjoy an Autonomous Legal Entity.
- 2) The Fund's Capital is divided into Investment Units that are nominal and equal in value.
- 3) A Part of the Fund's Capital is offered for the Public Subscription.
- 4) The responsibility of the Investment Unit's Shareholder is limited to the Investment Units' Nominal Value that he / she owns.
- 5) They are characterized with Professional and Specialized Management.

- 6) The specialized supervision of the Investment Trusteeship on the performance of the Investment Director.



- **The Importance of the Investment Funds:**

The Investment Funds enjoy a big importance due to their providing of considerable Investment opportunities that contribute positively into the prosperous of the Economic Development.

And we can shed the light on these Funds' importance through the following:



1.As for the Individual Investors:

They help the Individual Investor who enjoys a small amount of reserves, a limited experience, or probably the one who owns the money and experience but does not have the adequate time for the following – up of his / her investment in the process of the investment.

And the Investment Fund will take its considerable role in the rationalization of the best ever opportunity of the offered individual's Investment Processes through making the appropriate use and chances of the available experience that is entitled with the Specialized Management.

2.As for the Charges and the Administrative Burdens:

It is obvious that the settling – up of the investment deals and processes at the Securities market is done in exchange for a certain charge.

And such charge's Percent is decreased obviously with the rising of the Deal's Volume.

And we notice that whenever the Investment Funds do have a vast big Investment Assets, they can deal – up with the big deals in low charges and make benefit of the vast Economics.

And by this way they spare a lot of costs and burdens on the part of the investor.



- The Importance of the Investment Funds:

3. As for the Securities Market:

- To activate the motion of the Securities' Market through the offering of Investment Instruments that correspondence with the circumstances of the majority of the investors.

And these Funds contribute as well in the Purchasing and selling process of a group of Tradable Securities at the Market.

- To offer the Investment Units of these Funds for the Public Subscription, and that means to add more of the Tradable Securities into the Market.
- To spread the Investment's Education at the Securities' Market.



4. As for the Financial Institutions:

The Investment Funds represent one of Investment Channels of the surplus Funds at the Financial Institutions from Banks, Insurance Companies, Financial Services' Companies and others, and transferring these surplus Funds into active Funds.

And we also consider the activities of the Investment Funds as a complementary activity to the Bank's services, and consequently a step toward the firmly established of the concept of the overall Banks.



- **The Investment Funds' Types:**

The Investment Funds are varied into many types in accordance with a group of standards. And we mention:



1) **The Investment Funds According to the Fund's Capital:**

A. The Open – End Investment Funds:

They conduct the role of the issuance and the redemption of the Investment Units consistently.

And consequently such type of the Investment Funds are characterized and distinguished with the consistent changes in the capital.



B. The Close – End Investment Funds:

They conduct the role of the issuance of a defined number of the Investment Units. And consequently such type of the Investment Funds are distinguished with a Fixed Capital.



2) The Investment Funds According to the Dealt with Securities' Type:

A. The Stocks' Investment Funds:

They invest their capital at the securities of the Joint – Stock Companies.

And they are varied according to the following:

(The Local Securities' Funds, the Regional Securities' Funds, the International Securities' Funds, the Index Funds, and the Specialized Securities' Funds.)



B. The Bonds' Investment Funds:

They invest their Funds at the Company's Bonds and the Government Bonds in accordance with the Investment Policy of the Fund.

And they are divided into, (The Companies' Bonds' Funds, The Government Bonds' Funds, the Varied Bonds' Funds and the Balanced Funds.)



- **The Investment Funds' Types:**

3) The Investment Funds According to the Fund's Aims:

A) The Investment Funds with Growth:

They aim at achieving a better level in the Market Value of the Fund's Securities.

And such is done through directing the biggest part of the Fund's Investments toward the purchasing process of the Companies' securities that are characterized with a high degree of growth.



B) The Income Investment Funds:

They aim at achieving a Semi – Stable Return or Income for their Shareholders so that their investments in this type of Funds, will participate in covering part of their expenditures.

And consequently the Funds' Investments will be directed into Bonds and Companies' Securities that are distinguished with stability in the profits and the dividends.



C) The Investment Funds of Growth and Income:

They aim at achieving both the Income and the Growth as well.

And for achieving such, the Fund's Investments are divided into two parts:

- **The First Part:** is directed toward the purchasing process of the Ordinary Securities that are distinguished with the decreasing in the Risks' Degree.

And this type of Investment will achieve the least available Income at the Market, however the biggest possible portion of security, in addition to its basic aim of achieving the required Growth.



- **The Second Part:** is directed toward the purchasing of the Fixed Income Securities – such as the Bonds or the Treasury Bonds.

- **The Investment Funds' Types:**

4) **The Investment Funds According to the Fund's Investment Policy:**

A) **The Investment Funds that are Distinguished with an Impulsive Investment Policy:**

They are characterized with the high level of Risks.



B) **The Investment Funds that are Distinguished with a Moderate Investment Policy:**

This type of fund invests its capital in the securities that may achieve for it a profit and a moderate Capital Growth taking into consideration the reserve of the Capital.

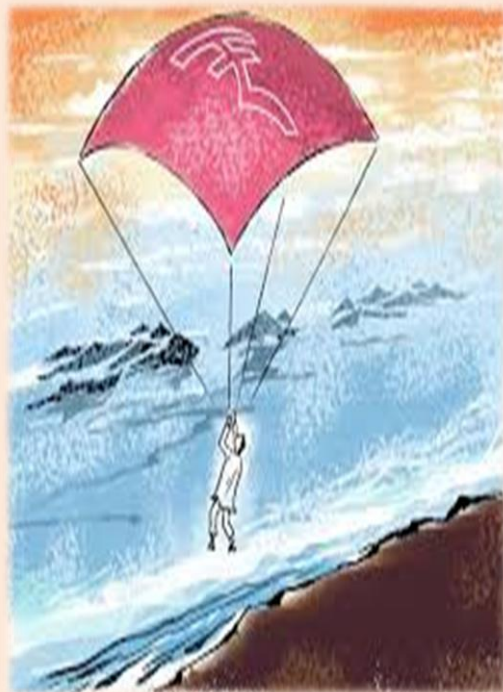
And this suits the investor who wells to achieve a reasonable Return, and endures Moderate Risks.



C) The Investment Funds that are Distinguished with a Reserved Investment Policy:

In this Type of Fund, the Investment is done in various due Bonds, and at the Issuance Entities that achieve a Fixed Return and characterize with a low level of Risks.

And these Types of Fund is in correspondence with the circumstances of the investor who is unable to endure the risks, however willing to achieve a Fixed Return although it is in a decreased level in exchange of reserving the Capital.





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