

# AMCs demand wider reach

## Prime unit fund closes subscription ahead of schedule



Moin Al Kashem, managing director of Prime Finance Asset Management Company, speaks at a press meet for its Prime Financial First Unit Fund at La Vinci restaurant in Dhaka yesterday. Md Hasan Imam, head of finance and HRM, and Moinul Islam, head of fund management, were also present.

### STAR BUSINESS REPORT

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An asset manager yesterday stressed the need for expanding the activities of asset management companies (AMCs) so that they can deal with other funds, in addition to mutual or unit funds.

There are types of funds such as private fund, savings of non-resident Bangladeshis, surplus fund of corporate entities and provident fund that usually remain idle or unutilised, said Moin Al Kashem, managing director of Prime Finance Asset Management Company Ltd.

“If we are allowed to handle these funds professionally, we can utilise these as investment tools in our stockmarket,” he said. “We will formally request the Securities and Exchange Commission to consider our appeal.”

Kashem was addressing a function in Dhaka to mark the subscription closing of the first privately sponsored open-ended unit fund managed by his company. “The unit fund is a less risky investment tool for the people and institutions who want to avoid a highly volatile market.”

AMCs are currently allowed to manage only mutual funds or unit funds sponsored

by institutions. Thirteen AMCs are licensed to manage funds in Bangladesh.

Subscription of the unit fund, Prime Financial First Unit Fund, closed amid huge enthusiasm on Sunday, a week before the deadline.

The initial size of the fund was Tk 20 crore, with general investors subscribing 81 per cent and institutional investors 19 per cent.

The unit fund is ready for 'buying' and 'selling' from December 1, Kashem said, adding that the newly sold units will be added to the fund. If any investor sells units, those will be deducted from the total fund size, he added.

An open-ended unit fund is a professionally managed collective investment scheme that has unlimited lifetime and size. The fund manager pools money from investors through its sales agents and invests it in stocks, bonds and short-term money market instruments and pays out dividends to unit holders annually.

The open-ended unit fund, however, will not be listed or traded on the exchanges or secondary market.

Currently, the state-run Investment Corporation of Bangladesh manages three open-ended unit funds sponsored by the government.

PRIME FINANCE