

# LIC MF eyes Rs 1,000 cr from new money market fund

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LIC Mutual Fund is targeting to collect Rs 1,000 crore from its new money market fund launched on Wednesday.

The new fund is an open-ended debt scheme that facilitates investing in money market instruments, it said in a statement.

Nityanand Prabhu, executive director and business head of LIC MF, told PTI that it has set an internal target of garnering at least Rs 1,000 crore from the scheme during the primary subscription period.

The fund, targeted mainly at corporate investors, is open for two days from Wednesday for the subscription. It will reopen on August 3, Rahul Singh, a senior fund manager -- fixed income & a vice-president at LIC Mutual Fund, said.

Prabhu said the fund launch comes at an appropriate time as spreads between corporate bonds and the repo rate are retracing towards their mean of 1.07 per cent, making money market funds a favourable option to invest.

The fund proposes to invest in money market securities having up to one-year maturity, along with an option to invest in both sovereign and money market instruments to arrive at an optimum asset allocation between the asset classes, Singh said.

Earlier this month, LIC AMC chief executive TS Ramakrishnan had told PTI that the fund house is on an aggressive growth path expecting to gain from IDBI MF's merger and new fund launches, which should help grow its AUM by over 70 per cent to Rs 30,000 crore by March.

The company had closed FY22 with around Rs 17,500 crore in assets under management.

The new money market fund is the first from the company in many years and is among the first to launch a new scheme after the three-month Sebi ban on new launches ended on July 1. The company will soon be launching new schemes this fiscal, including a Rs 500 crore multi-cap equity fund. Currently, LIC MF's asset under management is around Rs 17,500 crore.