



Complaint regarding loss in UTI MF scheme on account of wrong investment decision of Debt Fund Manager

1 message

UTI Officers Association <utiofficersassociation@gmail.com>

Fri, Nov 1, 2019 at 7:44 AM

To: chairman@sebi.gov.in

Cc: S Ravi <Sravi.fca@gmail.com>, Apte@iimb.ernet.in, Dinesh Mehrotra <mehrotradineshk@gmail.com>, Uttara Dasgupta <uttaradg@gmail.com>, Ramesh.kumar@sphm.co.in, SuhaliNathani@elpin.com, nsheshadri2003@yahoo.com

Dear Sir,

Loss in UTI Treasury Advantage Fund investment amounting to Rs.50,000/- approx.

Folio No.:522302478597- Investor - All India UTI AMC Officers Association

All India UTI AMC Officers' Association a registered Association representing vast majority of the Officers of UTI AMC Ltd which is the Investment Manager of UTI Mutual Fund.

The employees of UTI AMC invest their savings and their association funds in UTI MF schemes as informed investors of MF schemes with the knowledge of risks associated with MF investments.

Our association had invested its short term surplus(from contributions and donations of its members) in UTI Treasury Advantage Fund, under Folio no 522302478597. The association has now suffered a loss of around 10% of its investment under the above folio / scheme , presumably on account of default and downgrading of securities including DHFL. Rs 5 lacs invested on 25-04-2019 has now depreciated to Rs 4,52,424 as on 11-07-2019 in just 2 1/2 months.

While Liquid Funds and Ultra Short Terms funds are perceived as relatively safe funds, the erosion in value in UTI TAF which is a Ultra Short Term fund now raises several questions and doubts, especially on the rationale behind investments in DHFL and other less rated securities , of longer tenure.

As an investor, having suffered severe loss to our investments, we had written to UTI Trustee Company seeking clarity and sought ::

1. Compensation for the losses which we have incurred because of wrong investment decision of the fund manager, which is highlighted in the media, and which resulted in capital erosion.
2. Disclosure of action taken on the delinquent fund managers / research team members whose commissions/ omissions have resulted in wide spread losses to investors.

We have not received any reply from UTI Trustee Company / AMC for our mail and hence our present complaint to SEBI as a regulator of MF schemes.

As an investor in UTI-TAF , we are not convinced on the rationale of the investment by Fund Manager in DHFL , which needs to be investigated.

We request you to take up with UTI Trustee Company, the Trustee of UTI – TAF and investigate / review the investment decision of the fund managers in DHFL, which has defaulted recently resulting in loss to investors in TAF and other schemes.

Thanking You,
Yours Sincerely,

(P K ABROL)
General Secretary
All India UTI AMC Officers Association.

Dt 01-11-2019