

# Is it the most expensive Investment Fund Company in Poland?

A brave title, a brave investment, brave people. That's the philosophy of the original MM Prime Investment Company offer. It's a different, however, completely deliberate model of cooperation with investors...

**M**M Prime TFI S.A is an independent investment fund company founded by private individuals. Until recently it has been the only such entity on the market (for over three years the KNF (Polish Financial Supervision Authority) licences were granted solely to entities associated with big capital groups.) MM Prime has been the one to make a change by becoming the pioneer among private investment fund companies on the market as well as by becoming the only investment fund company granted a KNF licence in 2013.

*– Thanks to our independence, the investing solutions we offer are characterised by full flexibility and care for the results achieved for clients. – said Piotr Krzysztofczyk, MM Prime Chairman of the Board. – TFI is our life project we have been preparing for during all our professional careers.*

*We are very happy with the trust our clients have put in us as well as with the KNF granting us the licence.*

**Piotr Krzysztofczyk,  
Chairman of the  
MM Prime TFI  
Board**

*We're sure that we will surprise the market by a new approach towards the investment fund market and that in a few years MM Prime brand will become a reliable business partner.*

The MM Prime brand will become a reliable business partner. MM Prime TFI members of the board have a lifelong experience gained on the financial market. They were engaged in the process of building several financial institutions. As financiers and managers they took part in building some of the biggest companies on the Polish market and worked in many corporations, to finally set up their own company – TFI (Investment Fund Company). The board is comprised by Piotr Krzysztofczyk, Maciej Michalski and Monika Pogorzelska.

The management team is a closely-knit group of specialists: Seweryn Masalski

– an experienced and successful fund manager on the Polish market (he has worked for OFE Polsat and Superfund TFI), and Adrian Apanel – a manager with over 10 years' experience in the biggest global financial institutions (JP Morgan, Anima Asset Management)- *We focus on our knowledge and competence. We're sure of our abilities having a team of experienced and reliable managers. People we jointly developed the TFI with are experienced specialists in the management of different types of assets on the Polish market as well as foreign markets. Both of them have managed multibillion Euro investments (over 3 bln Euro in total) and are proud of achieving excellent repeated results of the managed funds.* – says Monika Pogorzelska, member of the board responsible for the management team.

When you set up a company, you need to remember to be patient and brave. Someone who runs even the smallest, one-person business knows and understands how much it costs, how much preparation, sacrifice, and commitment it takes. It is

**Monika Pogorzelska,  
Member of the  
MM Prime TFI  
Board**

always very demanding to work with a client, especially when their money is involved.

*- In the first phase we build solutions there is demand for, arranging our remuneration in such a way that the fixed management fee is as low as possible on the Polish market, while the success fee is appropriately higher. We want the main part of our remuneration to grow simultaneously with the profit we make for our client. –said Maciej Michalski.*

In the case of MM Prime TFI funds the fee arrangement is unique and interesting: fees have been constructed in such a way that they are far different from the current market standards. The idea embraced by the company assumes the fee system based mainly on remuneration for the achieved investment results. If the satisfactory results are not achieved, the fixed part of the management fee stays the lowest on the market. When the fund is successful and the client is satisfied with the financial results, this is reflected in the remuneration.

The fee arrangement for management developed by MM Prime TFI is supposed to motivate the managers while offering clients a sense of security and reasonable profit. Closed funds in MM Prime TFI are offered to wealthy clients only.

*- Our capital funds are constructed in such a way so as to maximise the advantages of the closed funds with the additional elements prepared especially for our clients. While building the foundations of funds, we wanted to diversify the investment reasonably and use different types of assets. On the other hand, we wanted to provide our clients with a full liquidity – we provide a monthly profit-taking and access to resources at the end of each month. – says Adrian Apanel, a fund manager.*

Another type of investment managed by MM Prime TFI is FIZAN (non-public assets closed-end investment) i.e. dedicated funds. It's a solution for the clients who want to consolidate their assets under the umbrella of the fund. In that product sector MM Prime focuses its activity on supporting business people in constructing investment structures which influence the optimisation of processes as well as prepare their business for succession.

*– Our philosophy of client relations is something innovative on the Polish market. We work on the success and by that we mean achieving goals only when the results are higher than the standard ones says Seweryn Masalski, funds manager.*

There is one more thing which puts MM Prime TFI first – it has been the only investment fund company in Poland which has decided to build its own sales network, thus the constant process of recruitment. Apart from that, the company cooperates with the local brokers. The company focuses on the sales network development based on client relation, direct contact and current investment consulting. They believe that the introduction and maintenance of high quality level of service is only possible due to direct control over employees who concentrate solely on MM Prime TFI activity and will fully participate in the motivation system of remuneration based on the clients' own investments.

*-- We are fully aware of investors' needs and the importance of relations with them. MM Prime aims at setting high standards of customer service and maintaining prime quality – ensured Grzegorz Sadło, the sales director.*

## Interview

### Exclusive solutions for demanding investors

**What solutions does MM Prime TFI offer and who are they targeted at?**

**Maciej Michalski, Vice-Chairman of the MM Prime TFI Board responsible for the sales department and customer relations:**

– We currently possess two capital funds in the form of closed funds – MM Prime Deposit FIZ and MM Prime Equity FIZ. Those solutions are mainly targeted at wealthy individuals as well as at companies for which the minimal sum of investment is 190,000 polish zloty (PLN).

**What is the client's profile for Deposit FIZ?**

– The clients for Deposit FIZ are investors who want to earn more than on a long term deposit, not tying up the capital at the same time. The client gains a possibility of earning more than on a long term deposit at the full monthly liquidity with a full profit payment. When you have a long term deposit you want to terminate, it usually means losing interest. Another type of clients are companies, foundations, collectives etc., so institutions which are not involved in finance management on a daily basis but would like to earn more on their resources than they would on a long term deposit. Then financial directors may focus on the core business and not involve in getting profit from long term deposits.

**What is the client's profile for Equity FIZ?**

– That's a client who is more interested in bigger profit and is able to wait for the profit for at least a

year. The fund invests in Poland and abroad. Due to our team's experience we can invest on the global market and we want to use this possibility. You're invited to follow our funds results. I believe we can take pride in it, although clients will always scrutinise it.

### **What are the results of MM Prime TFI funds?**

- While matching the assets with the investment, we always try to ensure security of our clients and maximization of the return rate. Our results are very good and they encourage a bigger number of clients. If you are interested in getting more details I recommend visiting our website where we currently publish our results which can be compared with those of our competitors.

### **Who is the leading manager?**

- We have assumed a team model from the beginning which is based on our experience as well as on consultation with fellow specialists from the London City, where I have been mastering my business skills on the post-diploma studies at London Business School. I think that individual results achievement is less effective and bears a bigger risk. Thus, we are sure that a team management of investment gives a broader view, a wider range of risk assessment and a lot of investing ideas while being a more secure and conscious fund management.

### **Why do you want to be perceived as the most expensive TFI in Poland? Where did the idea of such a fee arrangement come?**

- There are two points of view - We are different from other TFIs on the Polish market - the most expensive one as well as the cheapest. Differently from other TFI on the Polish market we get into our investors' shoes and work for a joint success. When the results are not satisfactory, the client will pay the lowest cost possible while in other investment funds the fee would be almost fixed and definitely higher. When

we work for the better client's results, we will also work for our remuneration. We try to respond to our clients' needs by building solutions which will meet their current needs. Additionally, the investment management fees have been set up in such a way so that we are perceived as the most motivated company on the market. The fee arrangement is the friendliest for the clients and at the same time it is the most motivating for the whole team.



**Maciej Michalski,  
Vice – Chairman  
of the MM Prime  
TFI Board**

### **Are you going to raise those fees?**

- We can see a chance for lowering the fixed management fees for our clients in the future. The more assets we manage, the more we will be able to make use of the scale effect and success fees. We are focused on the offer at the moment and the available solutions now, i.e. the most effective ones because based on results.

### **Your fixed fees are almost the lowest on the Polish market. Aren't those contradictory ideas?**

- That's what the whole construction is based on. Clients have trusted it. On the one hand, low base fees which will ensure the sceptical ones that investing doesn't have to be expensive. On the other hand, the motivating success fee which shows that we are completely engaged in the management process and we bare the same risks as our clients do. Only attractive funds results will make the client share profit with us. What will it mean that we are the most expensive on the market? The fact that we have worked out prime results - that's what we wish for our clients as well as for ourselves, following the rule that you share profits more willingly

### **You mentioned that you have been building your own distribution...**

- Yes, we have our own network of dedicated advisors which we constantly develop. Apart from broadening the network of cooperating brokers which repeatedly have come to us in search of cooperation, we regularly increase our own sales department. Our employees are people who have been involved in banking or financial markets for years. What we would like to provide our sales network with, is a convenient and stable system of high remuneration based on the clients' investment. We want each of our employees to feel that they are part of a unique organisation - not a fossilised corporation.