

# Private open-ended fund kicks off

## STAR BUSINESS REPORT

Subscription of the first-ever privately sponsored open-ended unit fund started yesterday.

The fund is a less-risky investment tool for the people and institutions who want to avoid a highly volatile market like Bangladesh's.

Chairman of Securities and Exchange Commission Ziaul Haque Khondker launched the subscription of the fund styled "Prime Financial First Unit Fund" at a function in Dhaka.

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

The subscription will remain open for the next 45 days, said Moin Al Kashem, managing director of Prime

Finance Asset Management Company Ltd, the manager of the fund.

"It's a first-come, first-served process, and so the subscription may close before the 45-day deadline," he said.

The initial size of the fund is Tk 20 crore, and the fund size will increase from time to time, Kashem added.

Prime Finance and Investment Limited as a sponsor of the fund has already subscribed units worth Tk 3 crore. The fund will initially sell units worth Tk 17 crore at Tk 100 each to individuals including non-resident Bangladeshis and institutions.

For individual, minimum subscription lot is 50 units totalling Tk 5,000 and for institution, it is 1,000 units worth Tk 1 lakh. The investors bought a total of 1,52,100 units worth Tk 1.52 crore yesterday.

"The fund offers a huge investment opportunity for the investors of our country and it will be an ideal investment tool for the investors who want to avoid the high risk in the volatile sec-

ondary market," said Kashem.

The SEC chairman said the newly launched unit fund will be able to attract the investors through its professional efficiency and lucrative returns.

Emphasising proper functioning of the asset management companies (AMCs), Khondker said the commission will allow broadening the working areas of the AMCs if they can prove their efficiency. "If necessary, we will change rules for the AMCs," he said.

Anyone can purchase the unit from the designated selling agents, who will also issue certificates. The unit holders can sell their units any time through the selling agents and the fund will buy back the units.

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

Currently, the state-run Investment Corporation of Bangladesh is managing three open-ended unit funds that are also sponsored by the government.



Md Ziaul Haque Khondker, chairman of the Securities and Exchange Commission, gives unit fund certificate to Asrfunnesa, chief operating officer of IIDFC Securities Ltd.