

PFI launches open-ended unit fund

Staff Correspondent

PRIME Finance and Investment, a merchant bank, on Sunday launched the trading of the units of its open-ended unit fund, first of its kind in the private sector.

Md Ziaul Haque Khondker, chairman of the Securities and Exchange Commission, inaugurated the trading of the units of the fund at a ceremony at the Sheraton Hotel in Dhaka.

Investors will be able to purchase the units of the Prime Financial First Mutual Fund from 16 selling agents across the country.

Ziaul said, 'I hope the fund will be beneficial for the capital market and investors.'

'If the fund becomes successful, the SEC will approve more open-ended unit funds in future,' he added.

The SEC approved the fund on August 25, with a face value of Tk 100 each unit and a lot of 50 units.

In Bangladesh, unit fund was first introduced by the state-owned Investment

Corporation of Bangladesh in 1981.

Other than the Prime Financial First Mutual Fund there are three other unit funds operated by the ICB and its subsidiary.

An open-ended fund is an investment scheme which can issue and redeem shares at any time.

A Tk 20-crore open-ended fund, Prime Financial First Mutual Fund is divided into 20 lakh units. The fund has offered 17 lakh units for public subscription and three lakh units for the sponsor. Prime Finance and Investment is the asset manager and sponsor of the fund. Bangladesh General Insurance Company is the trustee and BRAC Bank is the custodian of the fund.

Prime Finance and Investment chairman Aminul Haque said, 'Unit fund has emerged as an effective investment tool for those who like to rely on professional fund manager for investment management.'