New Fund Offer

- A new fund offer (NFO) occurs when a new fund is offered through an investment company to raise money from public investors.
- An NFO only lasts for a set period of time, and you must buy a set amount of units to participate in one.
- The price is set by the investment or asset management company offering the new fund.
- Fund is offered through an investment company to raise money from public investors.

New Fund Offer (NFO)	Initial Public Offering (IPO)
Price set by investment or asset management company	Price set by issuing company
Your money goes to the asset management company handling the fund	Your money goes to the issuing company
Purchased one time and redeemed when required	Bought and sold through a stock exchange

- Each type of fund works slightly differently when it comes to an NFO:
- **Open-end fund:** These types of NFOs don’t limit the number of shares you can buy.
- They aren’t traded on an exchange.
- You buy or sell the shares on launch day—or any time after—through a brokerage firm or online trading account.
- You’ll see net asset values (NAV) every day after the market closes.

- **Closed-end fund:** These funds limit the number of shares you can buy during a new fund offering.
- Closed-end funds trade on an exchange, and you’ll get daily price quotes all day.
- You’ll purchase closed-end funds on launch day through an online trading account or a brokerage firm.
- **Exchange-traded fund:** ETFs can be publicly traded on the stock market and go through a new fund offering first.