



Mutual Fund Sahi Hain

Various Avenues of Investment



Bonds



Mutual Funds



Property



Bank Deposits



Public Provident Fund



Jewellery



Individual Stocks

Amongst Many Others!

Mutual Fund as an Investment Avenue

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- Managed by professional investment managers
- Portfolios constructed, reviewed and rebalanced at specific intervals
- Reasonable costs
- Strict vigilance by SEBI to safeguard investor interests



What Is A Mutual Fund

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Mutual Fund

A common pool
of money



Investors



Get mutual fund units for the sum contributed to the pool. Fund belongs to all Unit holders

Unit Capital

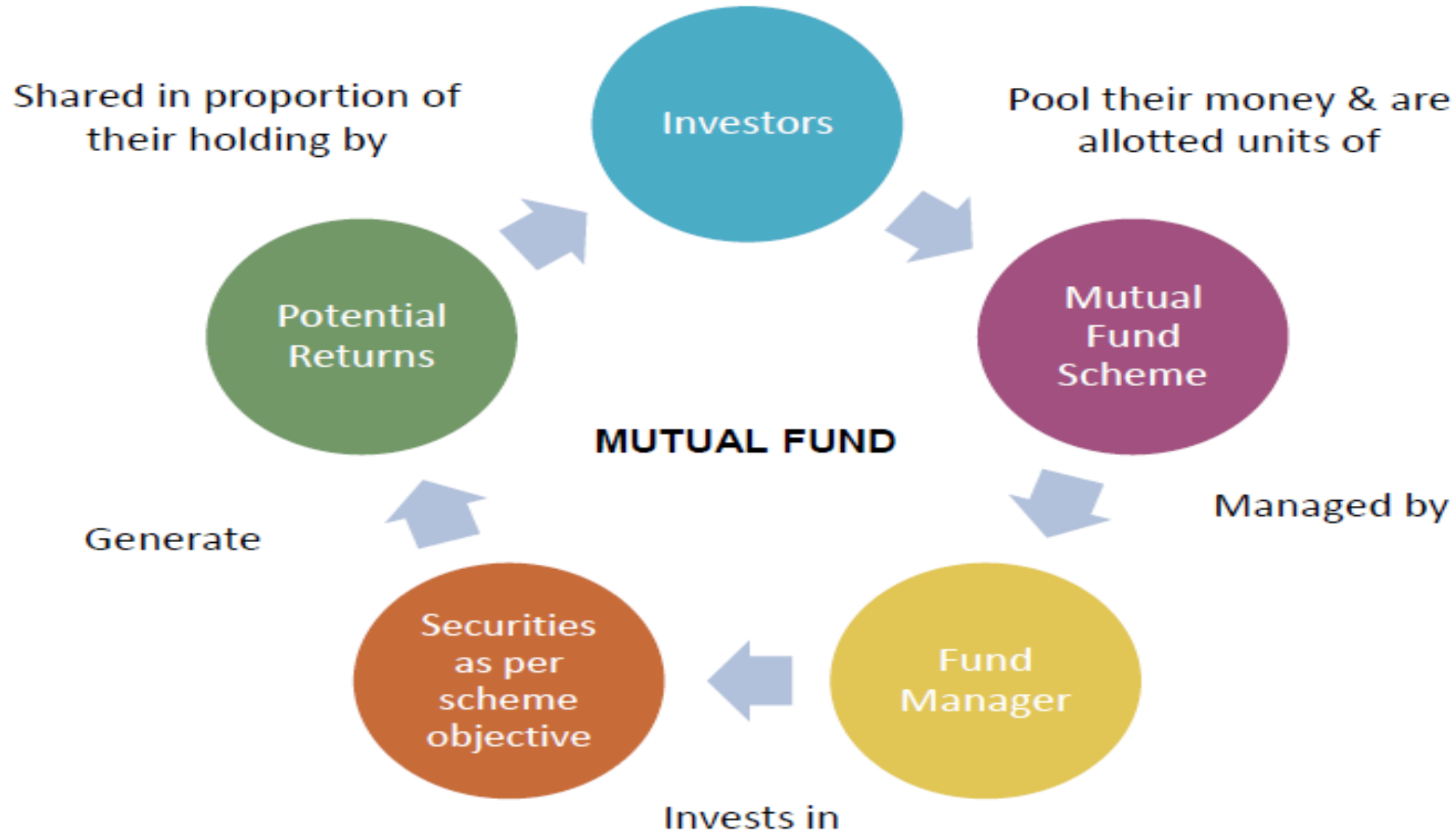
Is calculated as the number of units in a scheme multiplied by the face value per unit



How does a Mutual Fund Scheme work?

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Classification based on the Investment Horizon



Mutual Funds Classification

Investment Objective Based

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Equity
**(Wealth
creation
solution)**

Debt
**(Savings
solution)**

Hybrid
**(Balancing
equity and
debt)**

Debt Funds



Invest in different types of fixed income securities



Aims to earn interest income and capital appreciation

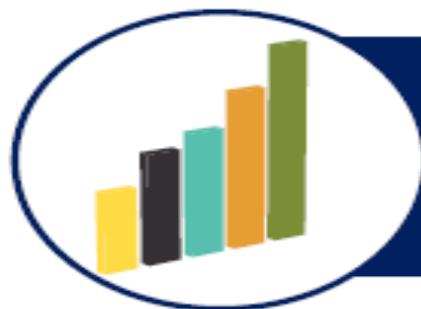


Suitable for those seeking income at moderate risk

Equity Funds



Invests in equities and equity related instruments of companies



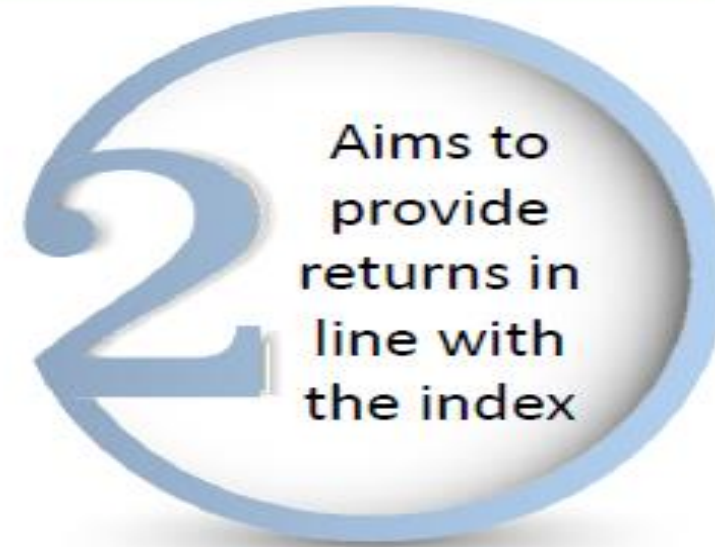
Seeking long term growth, but volatile in the short term



Suitable for investors with higher risk appetite and longer investment horizon



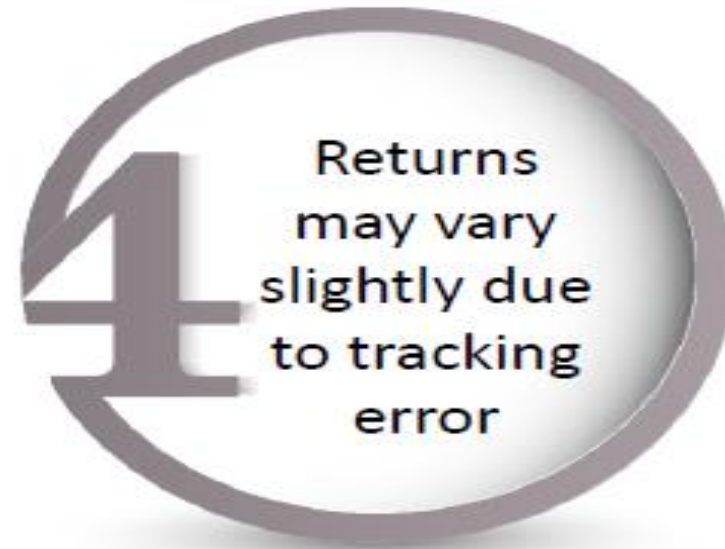
Portfolio
replicates
the index



Aims to
provide
returns in
line with
the index



Suitable
for investors
seeking
returns
similar to
index



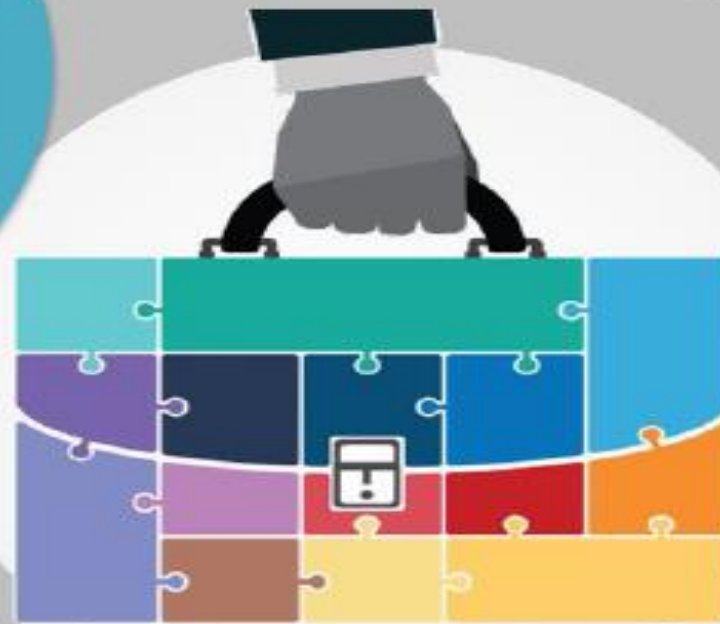
Returns
may vary
slightly due
to tracking
error

Hybrid Funds

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Invest in a
combination of debt
and equity in varying
proportions



Modes of Investing

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Lump Sum or One Time Investment



Systematic Investment Plan (SIP)



Systematic Transfer Plan (STP)



Switches

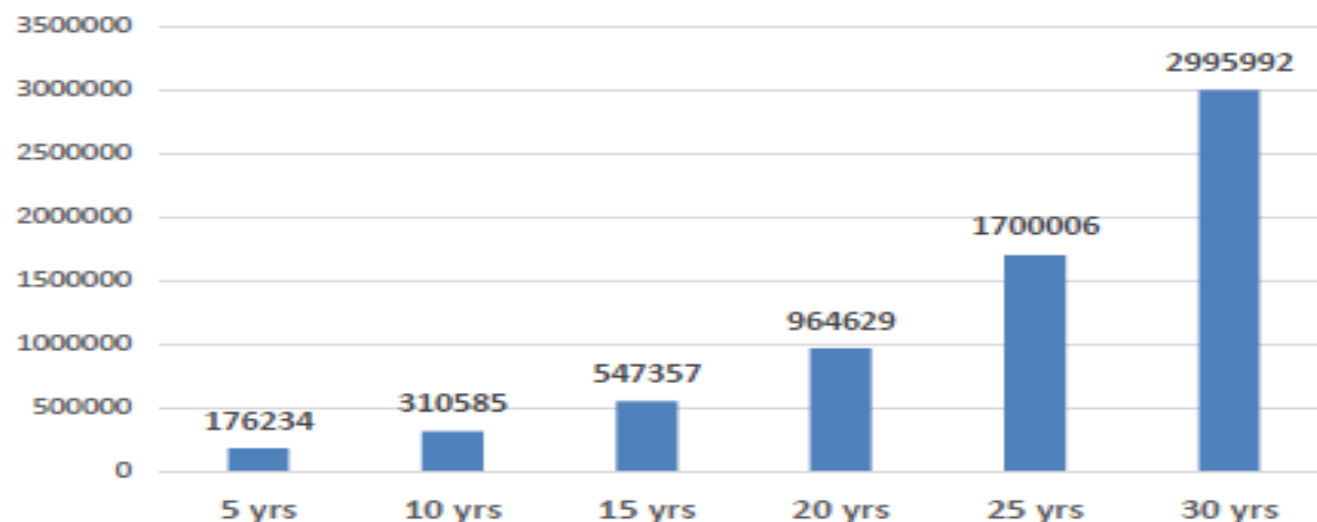
Value of Rs. 1,00,000 Invested @12% CAGR

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Growth is only Rs.1.76 Lacs in the first 5 years But Rs.12 lacs in the last 5 years

Value of Rs.1,00,000 @ 12% Growth



Money has grown 30 times in 30 years!!

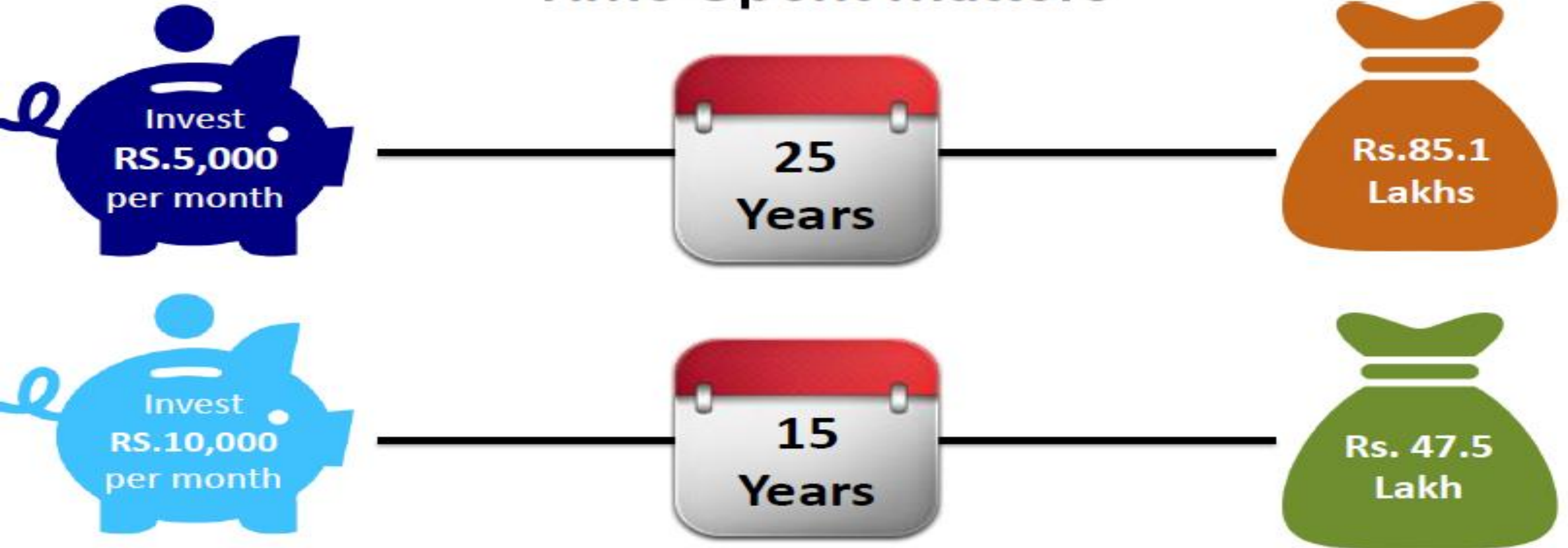
*CAGR means Compounded Annual Growth Rate. The returns and other figures mentioned here are hypothetical and are only for illustrative purposes. Actual returns may vary.

The Power of Compounding @12% CAGR

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Time Spent Matters



*CAGR means Compounded Annual Growth Rate. The returns and other figures mentioned here are hypothetical and are only for illustrative purposes. Actual returns may vary.

How SIP works?

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**At Higher
Prices...
Less Units**

**At Lower
Prices...
More Units**

- Allows one to buy more units as the Market moves down & less units as the Market moves up
- Reduces Risk by spreading Investments over a long period of *time...at various levels of the market*
- Reduces Cost of Investment in Fluctuating Markets
- Automatic implementation of these strategies continuously & consistently

Rupee Cost Averaging



Month	Amount you Invest	NAV	No. of Units
1	5000	10	500
2	5000	12	417
3	5000	10	500
4	5000	8	625
5	5000	10	500
	25000		2542

"The cost of investing at each instance was the NAV in the respective period. But the average cost of investing Rs 25,000 was Rs 9.84 per unit."

What is an SWP?

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A facility that allows an investor to withdraw a fixed amount from an existing mutual fund scheme at predetermined interval.

Withdrawals can be

- **Re-invested**
- **Source of Regular Income**

Benefits of SWP

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1

Helps in meeting
pre-determined
expenses

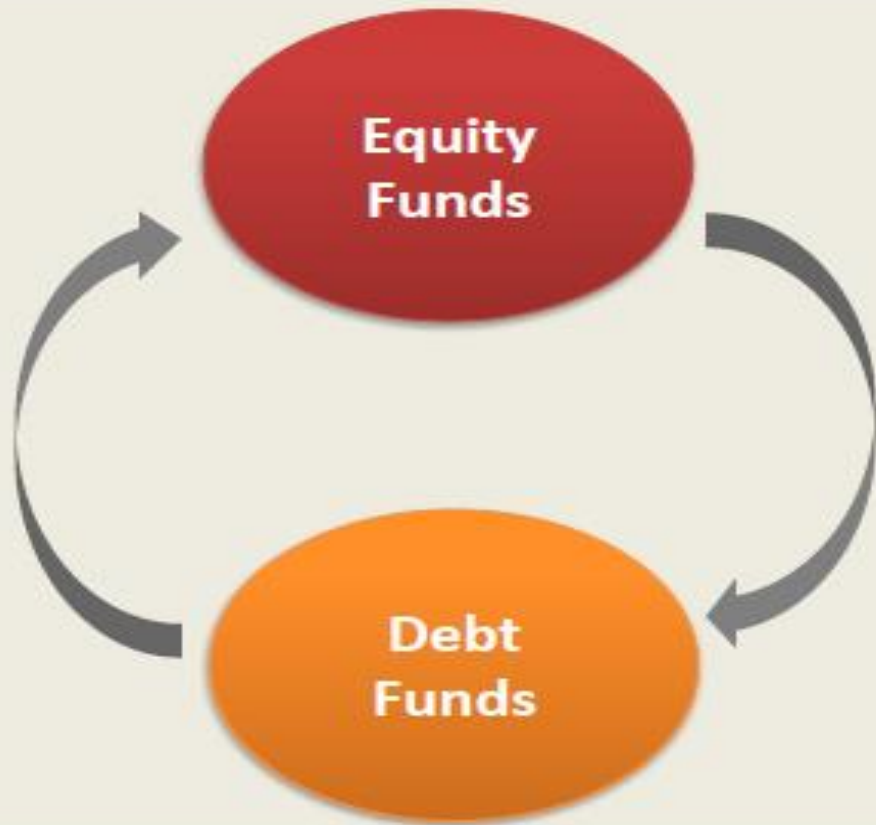
2

It aims to mitigate the
impact of market
fluctuation

Systematic Transfer Plan

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- Systematic Transfer Plan (STP) is a facility wherein a unit holder can opt to transfer a fixed amount at regular intervals from one scheme to another.
- The facility helps an investor to rebalance the portfolio by easily switching his/her investments between different asset classes.

Benefits of STP

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1

Reduces Volatility
through allocation to
different asset classes

2

Facilitates fulfilment of
financial goal

3

Helps in generating market
linked returns

4

Aids portfolio rebalancing



Thank you