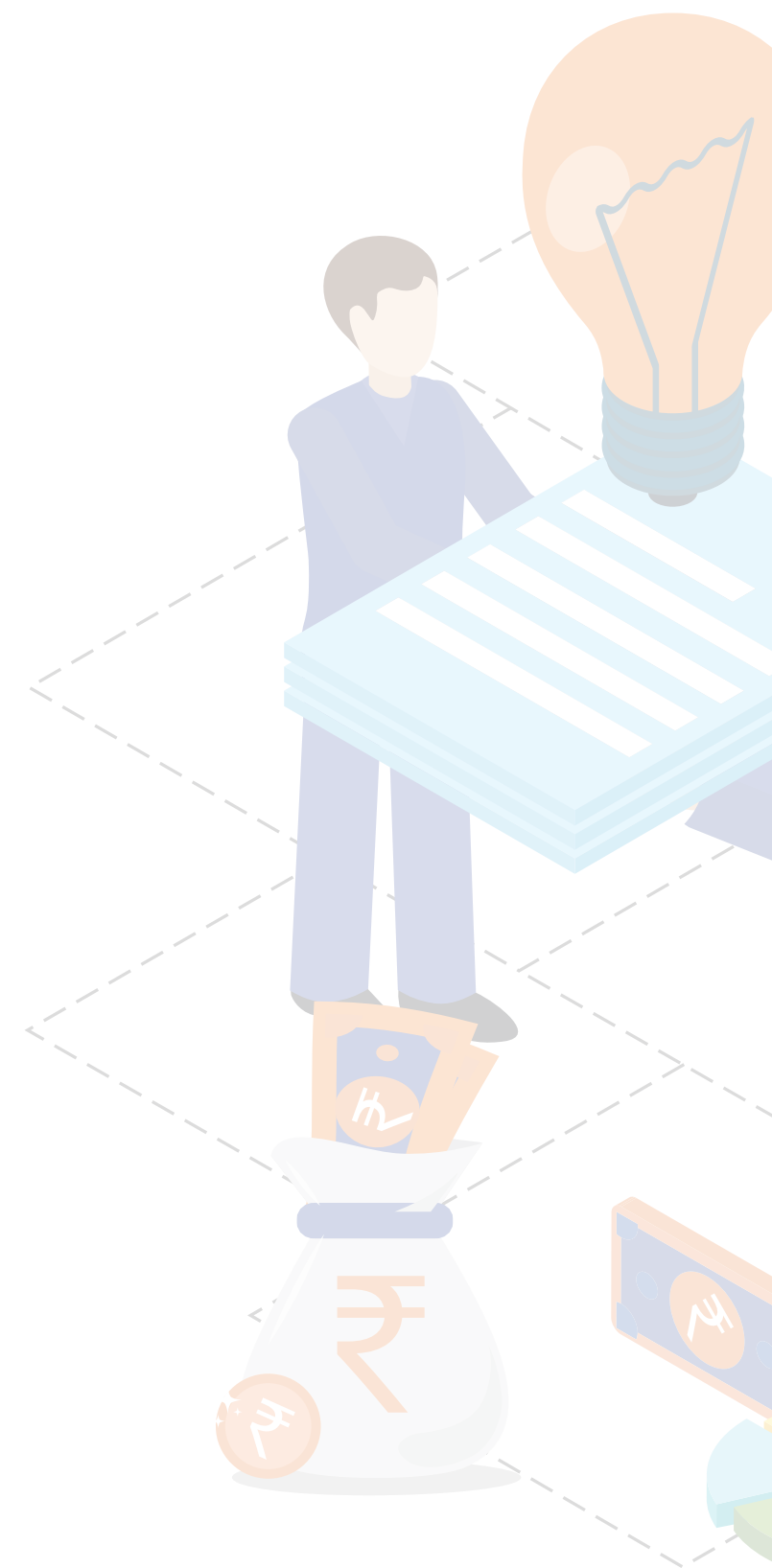


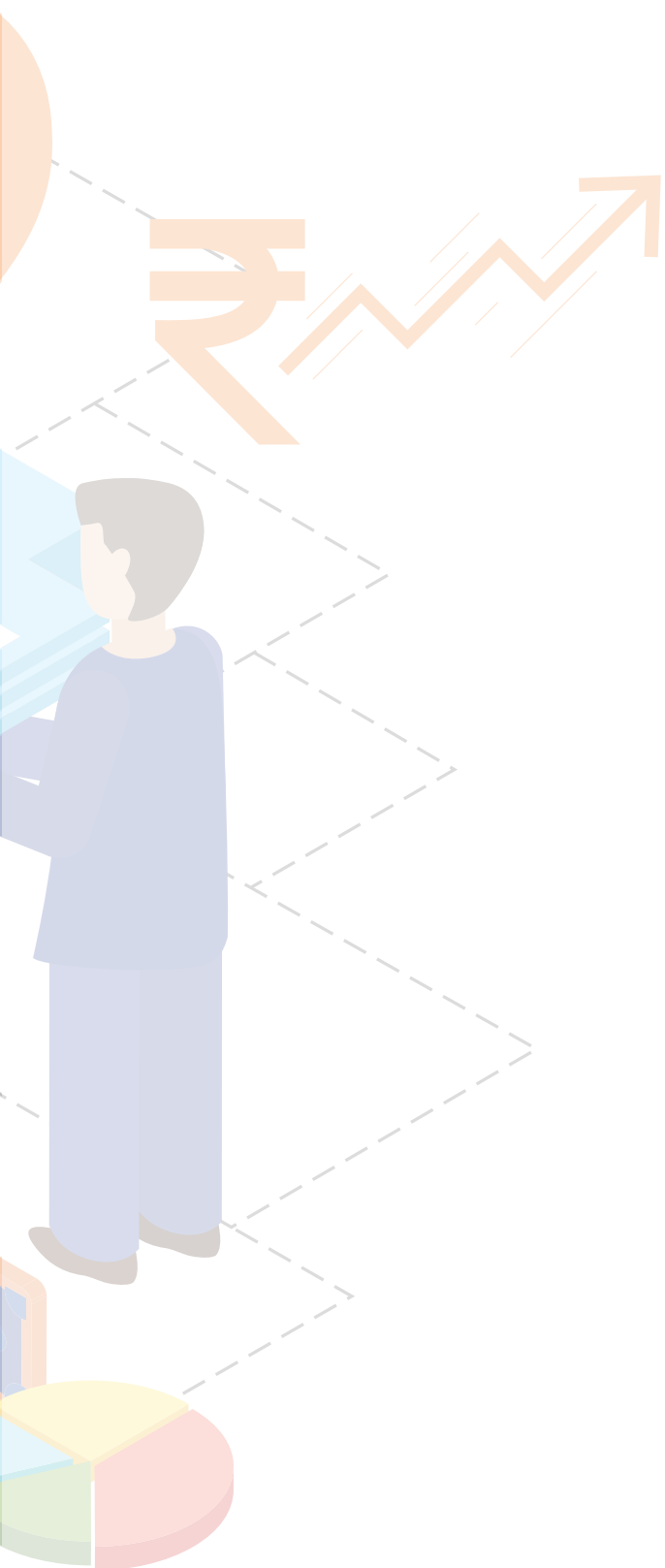
MUTUAL FUND ESSENTIALS:
YOUR GUIDE
TO SMART AND
STRATEGIC
INVESTING



What is NAV (Net Asset Value)?

It is a metric used to determine the per-unit value of the fund's assets. Essentially, NAV represents the price at which investors can buy or sell units of the mutual fund.

It fluctuates daily based on changes in the market value of the fund's underlying assets. NAV is instrumental in assessing the performance and value of mutual fund investments.



How is NAV calculated?

$$\text{NAV} = \frac{\text{Value of Fund's Assets} - \text{Value of Fund's Liabilities}}{\text{Total Number of Outstanding units}}$$

1 Value of Fund's Assets: This is the total value of all the investments held by the mutual fund. It includes stocks, bonds, cash, and any other securities owned by the fund.

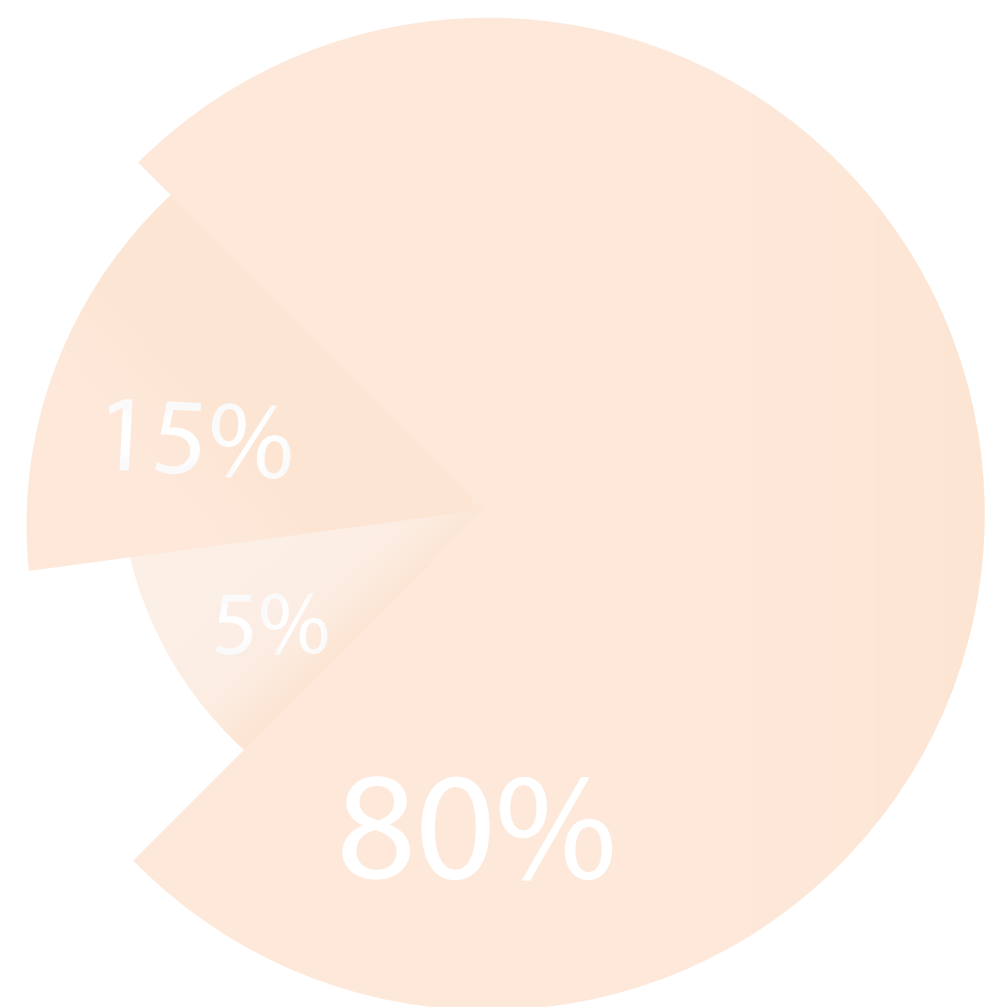
2 Value of Fund's Liabilities: These are any debts or obligations the mutual fund owes, such as expenses, fees, or taxes.

3 Total Number of Outstanding Units: This is the total number of units or shares of the mutual fund that investors own.

What is an Expense ratio?

The expense ratio is a measure of the total costs associated with managing and operating a mutual fund, expressed as a percentage of the fund's Average Assets Under Management (AAUM) over a specific period, typically a year.

It includes various expenses such as management fees, administrative costs, marketing expenses, and other operational costs.



What is the growth and dividend option in Mutual Funds?

1 Growth Option:

In a growth option, any dividends or profits earned by the mutual fund scheme are reinvested back into the fund. This means that instead of receiving payouts, the investor's money continues to grow within the fund.

2 Dividend Option:

In a regular option, any dividends or profits earned by the mutual fund scheme are distributed to investors periodically, typically in the form of dividends. This option provides regular income to investors in addition to the potential capital appreciation of the fund.



Modes of investing in MFs

1 SIP (Systematic Investment Plan):

SIP involves investing a fixed amount of money regularly at predetermined intervals, typically monthly or quarterly, into a mutual fund scheme.

2 Lumpsum:

Lumpsum as the name suggests is an investment that involves investing a single large amount of money into a mutual fund scheme at once, instead of spreading it out over regular intervals.



What are Open and Close-ended MFs?

1 Open-ended Mutual funds:

An open-ended mutual fund is a scheme that remains open for buying or selling shares at any time, providing investors with a convenient and economical means of pooling their money. Investors have the opportunity to purchase a diversified portfolio tailored to their investment objectives, whether they seek income or growth from investments in organizations of varying sizes.

2 Closed-ended Mutual funds:

Close-ended mutual fund schemes have a stipulated maturity period wherein the investor can invest directly in the scheme at the time of the initial issue and thereafter units of the scheme can be bought or sold on the stock exchanges where the scheme is listed.

To Bring It to a Close

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