

Is Mutual Fund investment worth? Advantages And Disadvantages Of Mutual Funds

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What is Mutual Fund?



As per Wikipedia: A **mutual fund** is an open-end professionally managed investment fund that pools money from many different investors to purchase securities, equities, bonds, and other money market instruments. These investors may be retail or institutional in nature.

Mutual Fund is nothing but a pool of money which is managed by professionals fund management team.

In **Mutual Fund** you just invest money in your funds and the expert fund managers invest in the right place so your fund values increases or maybe decrease sometimes it depends on the share market. But for the long term, you will see your fund values increase drastically.

Advantages And Disadvantages Of Mutual Funds

Most of the people aren't aware of the advantages and benefits of the Mutual Funds. Here I mentioned the important advantages and disadvantages of Mutual Funds.

Advantages

- **Liquidity of enter and exit anytime:** The reason behind the high demand for Mutual fund is its Liquidity property. This means you can easily withdraw your funds or invest your funds.

- **Diversification:** Mutual Fund offers Diversification, which helps you to reduce risk. And it is done automatically. So instead of buying any equity, bonds, and securities, all are done by professionals.
- **Expert Fund Management Team:** Investing your money in any real state, golds, and any other share market is not an easy thing. But in Mutual Funds no need to worry about these things, you no need to be an expert. All are managed by the professional fund team. Your work is to choose your Mutual Funds, relax and review your investments.
- **Simplicity:** Easily anyone can invest in Mutual Funds. Also no need to having any DEMAT Accounts like other shares. You can easily access it from anywhere and anytime.
- **Safe:** All Mutual Funds are safe and transparent. And strictly regulated under government bodies like SEBI and AMFI which regularly ensure safe and transparent investment.

But after knowing these advantages, Mutual Funds have disadvantages also and i.e., **COST.**

For some of the Mutual Funds have a high cost associate with them. Charges of the Funds managers, distributors cost and the managing cost of the fund need to pay and it totally depends on the funds and it can be significant

For example: When you exit your Mutual Funds you will be charged extra amount as exit load.

And there is always a risk after It also belongs to a share market.

So are you ready to invest in Mutual Fund? If yes, [Click here](#)

I hope you all viewers like it and please write your views of Mutual Funds in the comment section.

Thanks!