



MUTUAL FUNDS: INTERMEDIATE



KNOW YOUR FUNDS

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

EQUITY FUNDS

Multi Cap Fund*	At least 65% investment in equity & equity related instruments
Large Cap Fund	At least 80% investment in large cap stocks
Large & Mid Cap Fund	At least 35% investment in large cap stocks and 35% in mid cap stocks
Mid Cap Fund	At least 65% investment in mid cap stocks
Small Cap Fund	At least 65% investment in small cap stocks

EQUITY FUNDS

Dividend Yield Fund	Predominantly invest in dividend yielding stocks, with at least 65% in stocks
Value Fund	Value investment strategy, with at least 65% in stocks
Contra Fund	Scheme follows contrarian investment strategy with at least 65% in stocks
Focused Fund	Focused on the number of stocks (maximum 30) with at least 65% in equity & equity related instruments
Sectoral/ Thematic Fund	At least 80% investment in stocks of a particular sector/ theme
ELSS	At least 80% in stocks in accordance with Equity Linked Saving Scheme, 2005, notified by Ministry of Finance

EQUITY LINKED SAVINGS SCHEME (ELSS)

Deduction from taxable income of upto Rs. 1,50,000 under Sec 80C

Invests predominantly in equity

Shortest lock-in period of 3 years as compared to other tax saving options

DEBT FUNDS

Invest in different types of fixed income securities

Aims to earn interest income and capital appreciation

Suitable for investors seeking income at moderate risk

DEBT FUNDS

Overnight Fund	Overnight securities having maturity of 1 day
Liquid Fund	Debt and money market securities with maturity of upto 91 days only
Ultra Short Duration Fund	Debt & Money Market instruments with Macaulay duration of the portfolio between 3 months - 6 months
Low Duration Fund	Investment in Debt & Money Market instruments with Macaulay duration portfolio between 6 months- 12 months
Money Market Fund	Investment in Money Market instruments having maturity upto 1 Year
Short Duration Fund	Investment in Debt & Money Market instruments with Macaulay duration of the portfolio between 1 year - 3 years

DEBT FUNDS

Medium Duration Fund	Investment in Debt & Money Market instruments with Macaulay duration of portfolio between 3 years - 4 years
Medium to Long Duration Fund	Investment in Debt & Money Market instruments with Macaulay duration of the portfolio between 4 - 7 years
Long Duration Fund	Investment in Debt & Money Market Instruments with Macaulay duration of the portfolio greater than 7 years
Dynamic Bond	Investment across duration
Corporate Bond Fund	Minimum 80% investment in corporate bonds only in AA+ and above rated corporate bonds
Credit Risk Fund	Minimum 65% investment in corporate bonds, only in AA and below rated corporate bonds

DEBT FUNDS

Banking and PSU Fund	Minimum 80% in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds
Gilt Fund	Minimum 80% in G-secs, across maturity
Gilt Fund with 10 year constant Duration	Minimum 80% in G-secs, such that the Macaulay duration of the portfolio is equal to 10 years
Floater Fund	Minimum 65% in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/ derivatives)

HYBRID FUNDS

Invest in a mix of equities and debt

Gain from a healthy dose of equities but the debt portion fortifies them against any downturn

Ideal for investors who are looking for a mixture of safety, income and modest capital appreciation

HYBRID FUNDS

Conservative Hybrid Fund	10% to 25% investment in equity & equity related instruments; and 75% to 90% in Debt instruments
Balanced Hybrid Fund	40% to 60% investment in equity & equity related instruments; and 40% to 60% in Debt instruments
Aggressive Hybrid Fund	65% to 80% investment in equity & equity related instruments; and 20% to 35% in Debt instruments
Dynamic Asset Allocation or Balanced Advantage	Investment in equity/ debt that is managed dynamically (0% to 100% in equity & equity related instruments; and 0% to 100% in Debt instruments)
Multi Asset Allocation	Investment in at least 3 asset classes with a minimum allocation of at least 10% in each asset class
Arbitrage Fund	Scheme following arbitrage strategy, with minimum 65% investment in equity & equity related instruments
Equity Savings	Equity and equity related instruments (min.65%); Debt instruments (min.10%) and Derivatives (min. for hedging to be specified in the SID)

SOLUTION ORIENTED & OTHER SCHEMES

Retirement Funds	Lock-in for at least 5 years or till retirement age whichever is earlier
Children's Funds	Lock-in for at least 5 years or till the child attains age of majority whichever is earlier
Index Funds/ ETFs	Minimum 95% investment in securities of a particular index
Fund of Funds (Overseas/ Domestic)	Minimum 95% investment in the underlying fund

INDEX FUNDS

Portfolio replicates the index

Aims to provide returns in line with index

Suitable for investors seeking returns similar to index

INDEX FUNDS

- Index funds create a portfolio that mirrors a market index like Nifty 50 or Sensex
- The securities included in the portfolio and their weights are the same as that in the index
- The fund offers the same return and risk represented by the index it tracks
- The fees that an index fund can charge is capped at 1.5%

EXCHANGE TRADED FUNDS (ETFs)

- ETFs is a basket of assets that tracks an index, a commodity or bonds like Nifty 50, gold and so on
- However, unlike a regular mutual funds, ETFs trade like a common stock on a stock exchange
- The trading price of ETFS keeps on changing
- ETFs simply replicate the performance of the underlying index
- You need a demat account to buy and sell ETFs
- ETFs may be bought and sold in real time throughout the trading day. In traditional mutual funds, investors cannot buy and sell at real time

GOLD EXCHANGE TRADED FUNDS

- Gold ETF is an open ended scheme which invest pure physical gold bullion of 99.5 per cent purity
- Gold ETFs issue units against gold held in the portfolio. Each unit represents a defined weight in gold, typically one gram
- The price of gold ETF unit moves in line with the domestic price of gold

INTERNATIONAL FUNDS

- International funds enable investments in markets outside India
- International equity funds may also hold some of their portfolios in Indian equity or debt
- They can hold some portion of the portfolio in money market instruments to manage liquidity

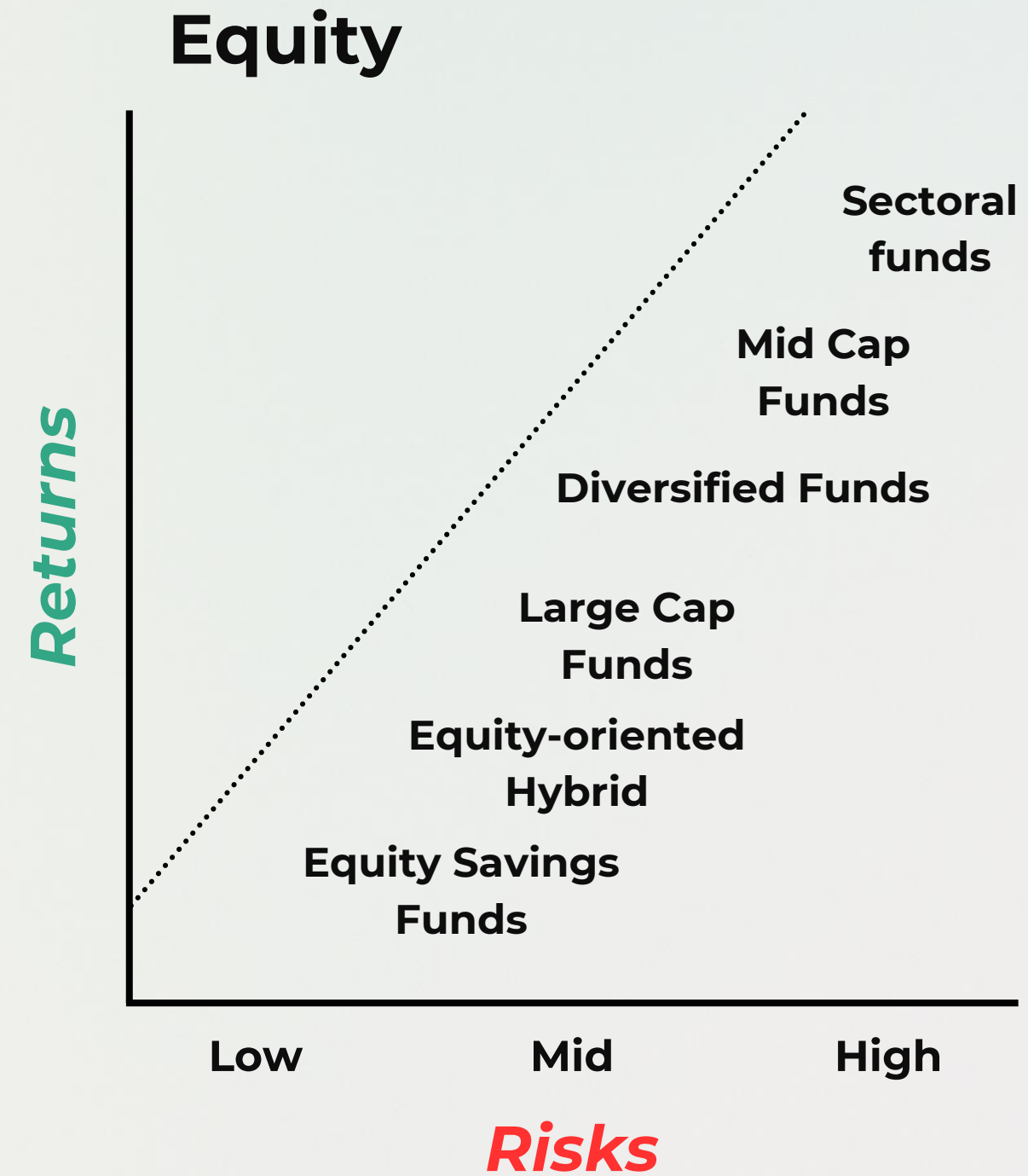
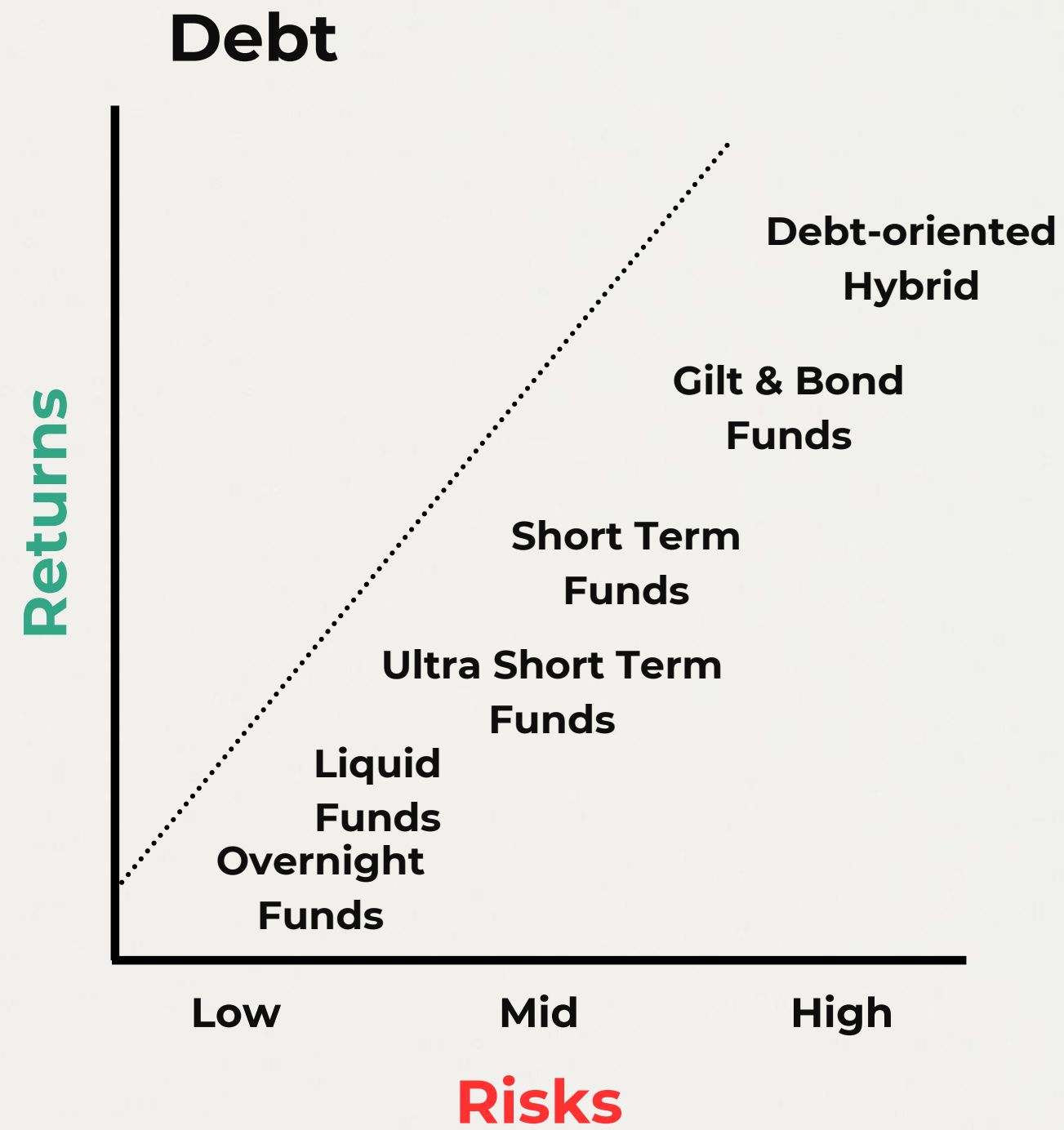
FUND OF FUNDS (FOF)

- Fund of funds are mutual fund schemes that invest in the units of other schemes of the same mutual fund or other mutual funds
- Its portfolio contains units of different underlying mutual fund scheme in which the FoF has invested

UNDERSTANDING PASSIVES

Features	Index Funds	Index ETF
Minimum Investment	Rs 5,000 (usually)	Each unit is dependent on the value of the index
NAV	End of the day	Real time basis
Expense Ratio	Usually between 0.3% to 1.5%	Usually between 0.3% to 1%
Investments	The fund house buys and sells the units at all times	In the initial offer, fund house sells the units .Later, units are bought and sold on the exchange
SIP	Yes	No
Demat A/c	Not Required	Required

RISK RETURN HIERARCHY



CONCEPT OF RISKOMETER

- Low – liquid funds and ultra-short term bond funds having average maturity of less than 90 days
- Moderately low – short to medium term funds having average maturity between 91 days and 3 years
- Moderate- income funds and gilt funds having average maturity of over 3 years; arbitrage funds and debt oriented hybrid funds having up to 20% exposure to equity components in the portfolio
- Moderately high- diversified equity funds, balanced funds, indexed ETF and gold ETF
- High- international funds and sectoral ETF
- Very High - sectoral funds/thematic funds



TO SUM UP

- Equity funds invest in share of companies. It is ideal only if you have long investment horizon
- Debt funds give exposure to fixed income securities across maturities
- Hybrid funds invest in a mix of equity and debt
- Index funds and ETFs replicate index like BSE Sensex and Nifty50
- Riskometer indicates risk level of a mutual fund scheme



THANK YOU!