

Chapter 8 : Mutual Funds

By

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Meaning

- Financial literacy is managing the finances of a person in the most effective manner.
- In the general market, the financial literacy is missing.
- A Mutual Fund is an investment vehicle that allows several investors to pool their resources in order to purchase stocks, bonds and other securities.
- The collective funds are called as Asset Under Management (AUM) and the fund is invested by the expert fund manager appointed by a mutual fund company (also called as Asset Management Company)

Types of Mutual Funds

```
graph TD; A[Types of Mutual Funds] --- B[By Structure]; A --- C[By Investment Objective]; A --- D[Others];
```

By Structure

By Investment Objective

Others

Structure

```
graph TD; A[Structure] --- B[Open-Ended Mutual Funds]; A --- C[Close-Ended Mutual Funds]; A --- D[Interval Funds];
```

Open-Ended
Mutual Funds

Close-Ended
Mutual Funds

Interval
Funds

By Investment
Objective

```
graph TD; A[By Investment Objective] --- B[Growth Funds]; A --- C[Income Funds]; A --- D[Balanced Funds]; A --- E[Money Market Funds];
```

Growth Funds

Income Funds

Balanced
Funds

Money
Market Funds

```
graph TD; A[Others] --- B[Specialty Funds]; A --- C[Tax Saving Funds / ELSS]; A --- D[Index Funds];
```

Others

Specialty
Funds

Tax Saving
Funds / ELSS

Index Funds