



राष्ट्रीय वित्तीय शिक्षा केन्द्र

National Centre for Financial Education

एक आर्थिक रूप से जागरुक और सशक्त भारत

A financially aware and empowered India



BASICS OF MUTUAL FUNDS



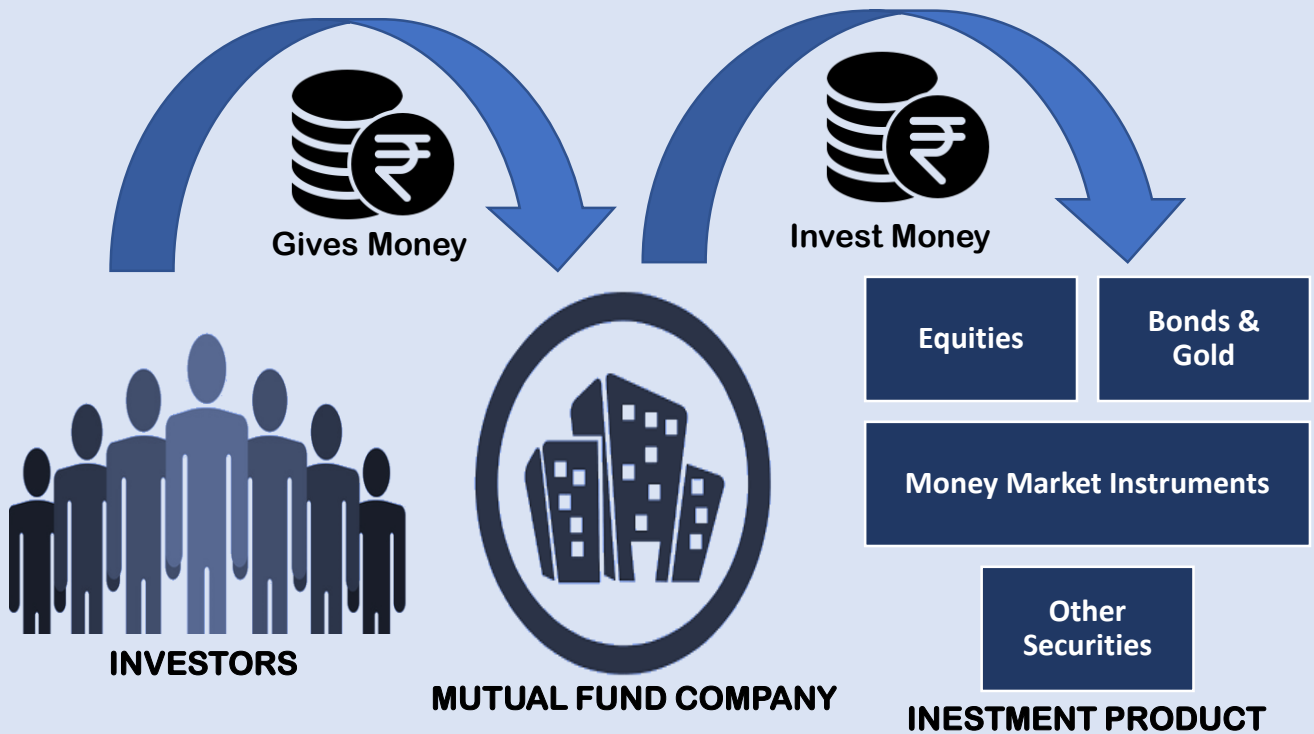
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MUTUAL FUNDS – STORY BOARD

WORKFLOW OF MUTUAL FUND



BENEFITS OF INVESTING IN A SIP



Power of Compounding



Disciplined Investing



Can Invest Online



Investment starts with small amount



Can skip SIP Payment

MUTUAL FUNDS (Characters)



RAMAN

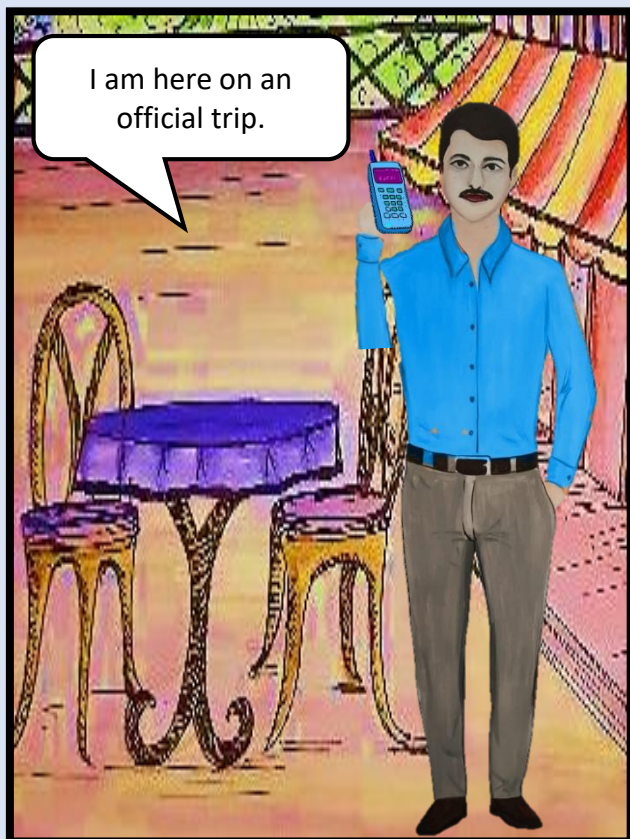
working as an Investment Banker with one of the leading banks. Maintaining a luxury car and a beautiful bungalow. Raman is a long-term investor in Equity Mutual Funds, hence have been able to do great for himself.

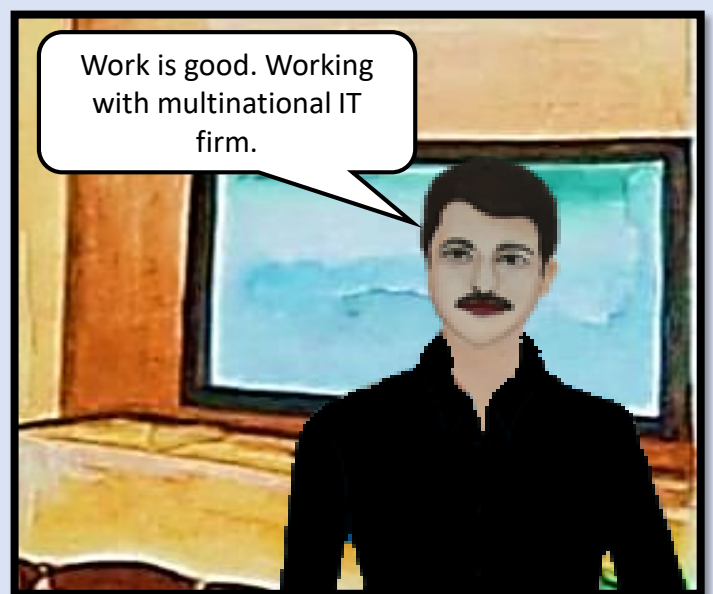
VARUN

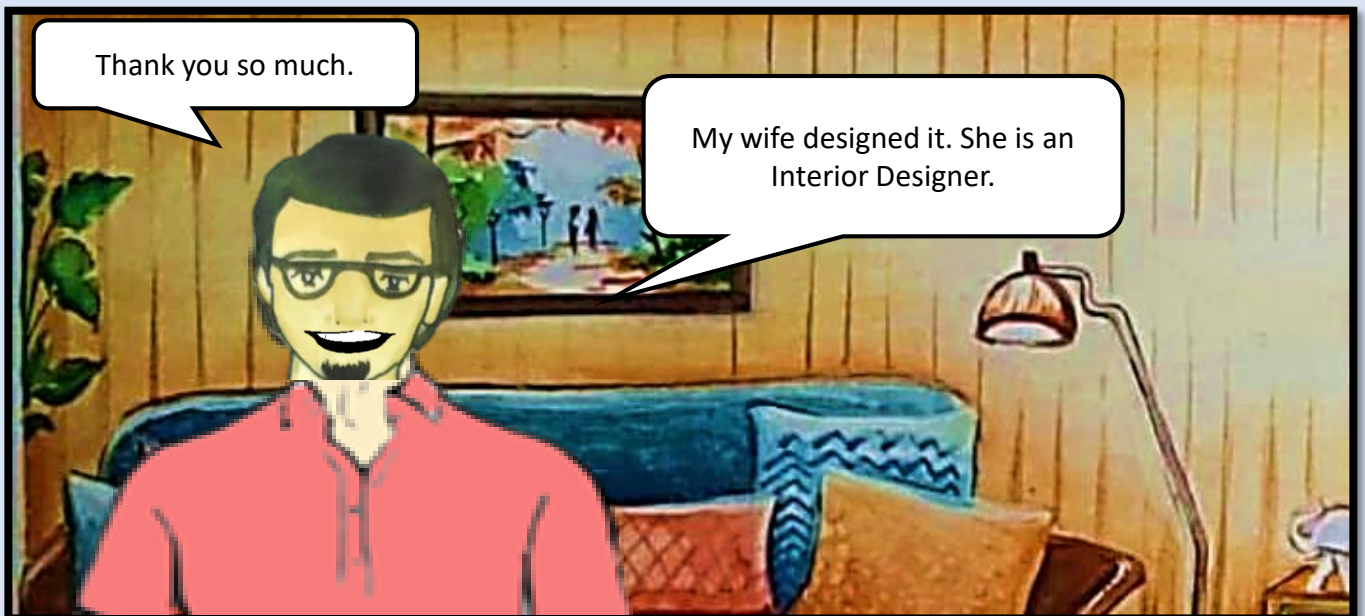
Working with a multinational IT firm. He is a conventional, old school and conservative kind of Investor, hence he invested in Fixed Deposits, PPF etc. And hasn't been able to fetch inflation beating returns




This story is of two friends, Varun and Raman. One day, while scrolling the phone, Raman saw a post on his Instagram from Varun that he is in Delhi. Without wasting time, he called up Varun.














Yes, I invest in fixed deposits, PPF etc.



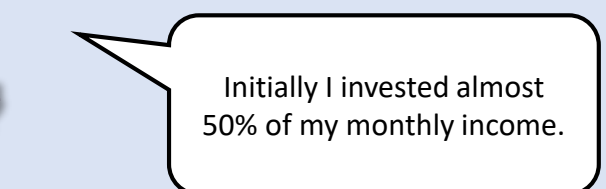
Oh, my friend!! You are still old school and conservative kind of Investor.




But I guess, it's the safest




That's the difference!!
I am taking calculated risks. Made my investments in Equity Mutual Funds



Initially I invested almost 50% of my monthly income.



Hey that's great!!



Please tell me more about Mutual Funds.



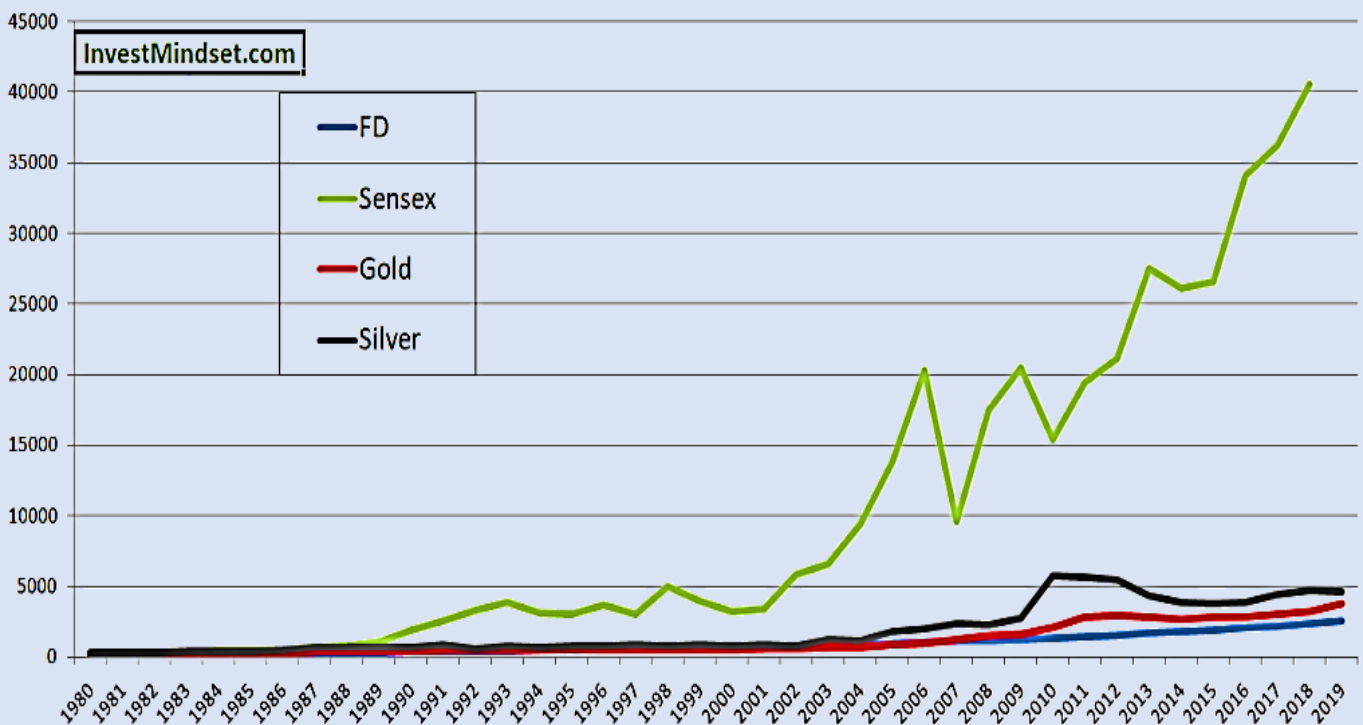
A Mutual Fund is a company that brings together money from many people and invests it in stocks, bonds, or other assets.



That's all good but how are the returns?



Sure, let me show you the growth of mutual funds in last 5 years through these charts.



Charts clearly showing that Sensex has outperformed inflation, Bank Deposits and Company Deposits by a substantial margin. The returns of Gold is again lower than Sensex due to strong performance in the last 5 years. The net returns delivered by Equity Mutual Funds post Covid too are above 15%. In comparison to other asset classes, Equity Mutual Funds have created almost 3 times more wealth than FD and nearly 1.5 times more than Sensex and Gold.



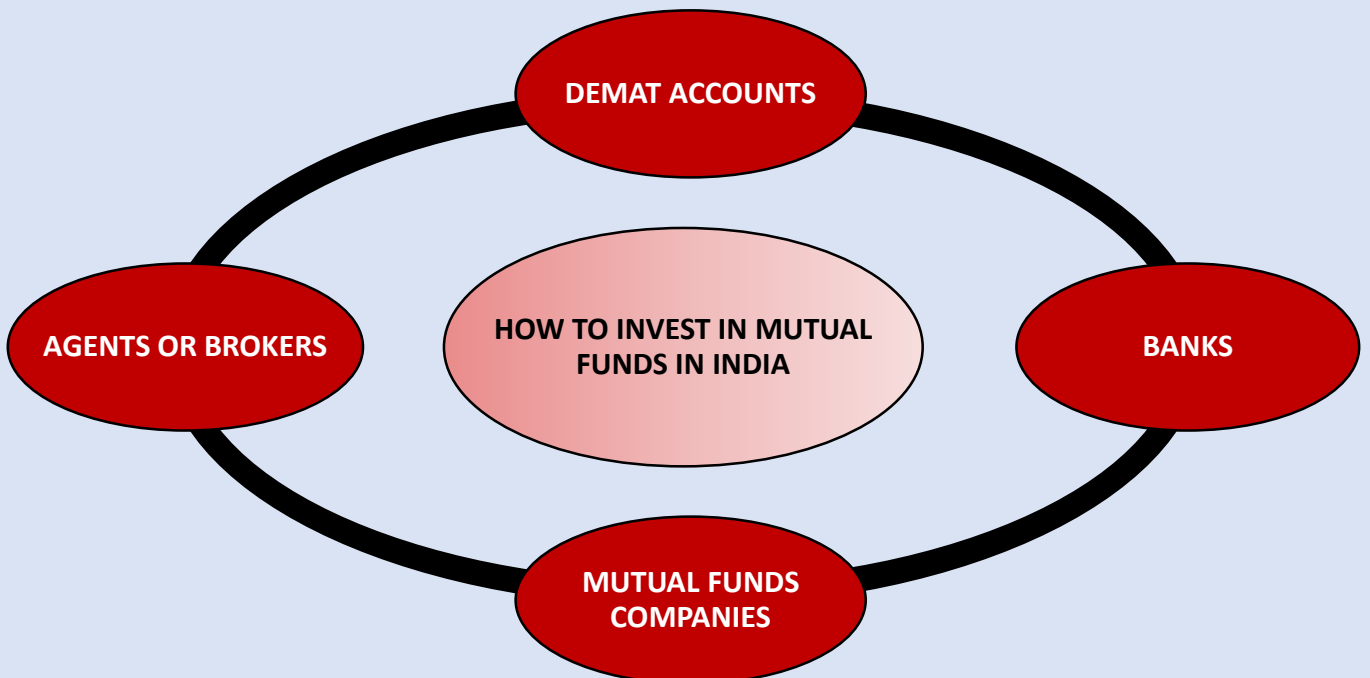
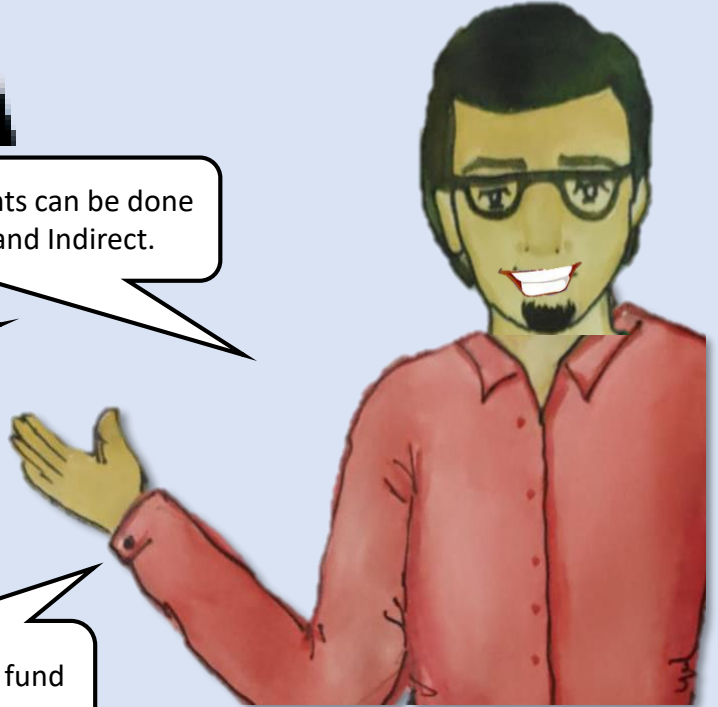
I am curious to know more about this. Is it complicated!!!

How can I invest in it?

Share market investments can be done in two ways - Direct and Indirect.

To do direct investment a person should have financial know-how about share trading and need to focus on it full time.

That's where mutual fund schemes come in.





Ok! So how will mutual funds help? Will it eliminate all the risk?



No, risk is involved with all investments.



In case of long-term investments, the risk will be minimal because it will be spread over a longer period.

MFs are designed to account for inflation and help in accomplishing your financial goals.

COMPOUNDING

Longer the period, better the accumulation of returns generated by the scheme

REDUCED VOLATILITY

The short term price movements get cancelled out. Years of lower returns plus good returns can give good average.



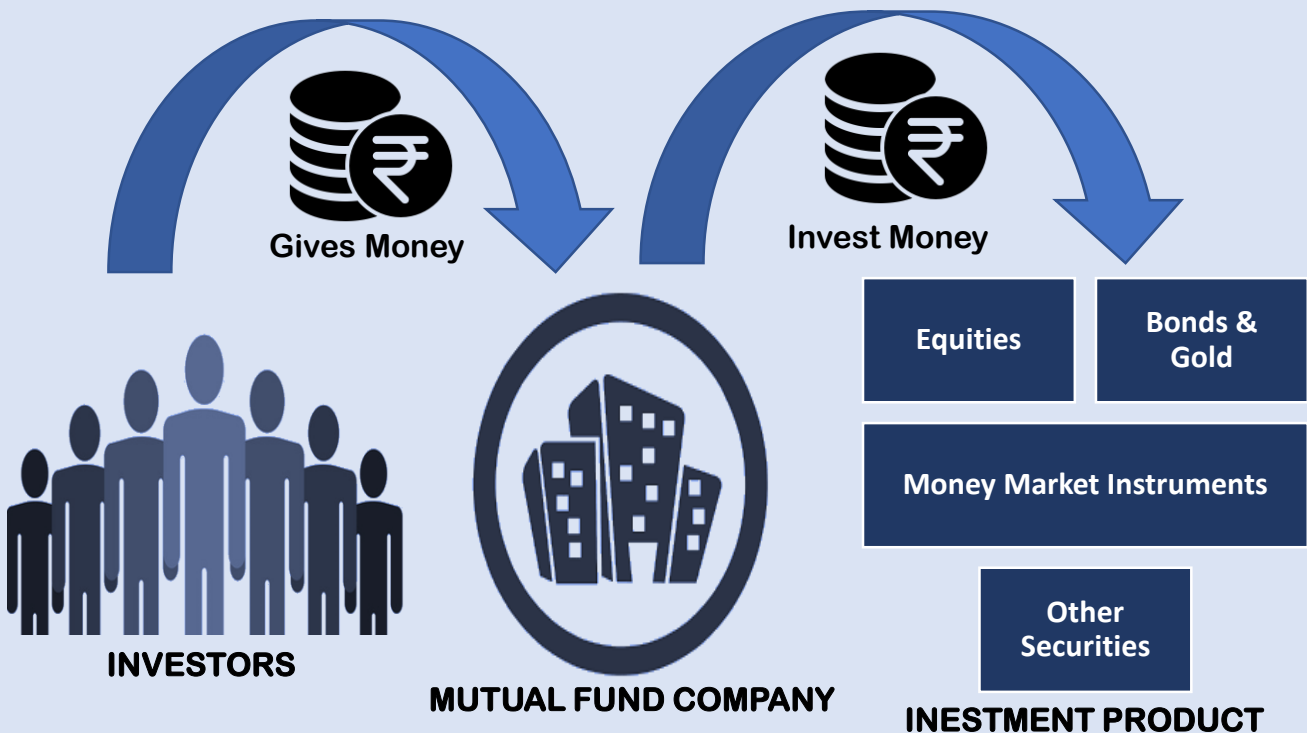
It seems to me that mutual funds are a safer bet.



Exactly! As a professional will be handling your money. Your money will be invested in various company's stocks that might normally be out of your financial reach.



Risk is minimized because it is spread over a group of stocks rather than a single company.





I m excited! How can I get started?



Please use Systematic Investment Plan (SIP).

