

ICICI BANK CUSTOMER EDUCATION SERIES

TIMES BUSINESS ASSOCIATE COMMUNICATION

Did You Know?

Mutual funds are formed as trusts and the investor's money is kept with a custodian. Fund managers only receive a fee to manage the money, but do not access the funds directly.



Mutual Funds

Many of us like a do-it-yourself strategy when it comes to investing. The truth, though, is that many of us are unable to give our investments the time and focus they need. Mutual funds offer a simple alternative of engaging professionals to manage our money for us.

Each mutual fund product can be described by the market it invests in (equity, debt, derivatives or a combination thereof) and the investment objective and strategy it follows (to generate income, enable growth).

To those used to looking at investments as having a fixed tenure, mutual funds are a surprise in the flexibility and liquidity they offer. Except for closed-end funds that run for a fixed term, mutual funds are open-ended. Investors can come in and move out at will, on the basis of their needs and views. The prices are based on the prevailing market value of the investments, called the net asset value (NAV). Mutual funds also offer systematic investment plans (SIPs)

that enable regular and disciplined investing.

Mutual funds are closely regulated for the fees they charge and their investment policies and disclosures by SEBI. To investors who like a hands-off approach to investments, but want to be sure their investments receive adequate attention, mutual funds are a good option.

Centre for Investment Education and Learning

We welcome your questions, suggestions and feedback on this column. Please use the 'Email Us' link at www.icicibank.com or send us an SMS to 53030. Please include your full name, address and phone number. Your comments may be edited for clarity and space.

Look out for our next article on 'Gold' on December 10.



SMS CONTEST

Question: The fees charged by mutual funds are regulated by _____.

Answer: A. AMFI
B. AMC
C. SEBI

To answer, SMS DISHA A, B or C to 53030 and win a 2N 30 holiday.* Contest open for the day of publication.

*Terms and conditions apply. Visit www.dishafc.org for details and winners.

SAFE BANKING



Always update your latest contact details to avoid missing out on important information.

BE AN INFORMED CONSUMER. Watch this space every Wednesday.