

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

If Anand does not want to get into the details of the what, when and how of investing, mutual funds is his best choice. Mutual funds enable small investors to access the equity, debt and derivative markets. Mutual funds are run by professional fund managers, who manage the investors' money for a fee, and are closely regulated by SEBI.

Mutual funds offer flexibility. Anand can invest when he has the funds, hold the investments for as long as he likes and redeem them when he needs the money. He can buy and sell his mutual fund units at the prevailing market value, called net asset value (NAV). If Anand likes to keep his money invested for a given period of time, he should choose closed-end funds.

Anand can also invest regularly using systematic investment plans (SIPs). SIPs bring discipline in investing, take away the stress of investment timing and diversify the risk. Investing a fixed am-

ount regularly also averages the cost over time.

Mutual funds offer a wide range of products, representing various markets and investment strategies. Anand can choose on the basis of his needs and preferences.

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 8.



SMS CONTEST

Question: The current value of a mutual fund product is represented as _____.

Answer: A. the last traded price
B. the net asset value
C. the fund book value

To answer SMS DISHA A, B or C to 53030 and win a 2N 3D holiday.*
Contest open for the day of publication.

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



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