Snapshot of Mutual Fund Schemes

There are a lot of mutual fund schemes prevalent in the market. An investor should be aware of the scheme before investing his hard earned money in the scheme.

I have given hereunder a snapshot of the various schemes which will be of immense help to an investor and will help in choosing the scheme that suits him best.

Mutual Fund Type	Objective	Risk	Investment Portfolio	Who should Invest	Investment Horizon
Money Market	Liquidity + Moderate Income + Reservation of Capital	Negligible	Treasury Bills, Certificate of Deposits, Commercial Papers, Call Money	Those who park their funds in current accounts or short-term bank deposits	2 days – 3 weeks
Short-term Funds (Floating-short-term)	Liquidity + Moderate Income	Little Interest Rate	Call Money, Commercial Papers, Treasury Bills, CDs, Short-term Government securities	Those with surplus short-term funds	3 weeks – 3 months
Bond Funds (Floating-Long-Term)	Regular Income	Credit Risk & Interest Rate Risk	Predominantly Debentures, Government Securities, Corporate Bonds	Salaried & conservative investors	More than 9 - 12 months
Gilt Funds	Security & Income	Interest Rate Risk	Government Securities	Salaried & conservative investors	12 months & more
Equity Funds	Long – term Capital Appreciation	High Risk	Stocks	Aggressive investors with long term outlook	3 years plus
Index Funds	To generate returns that are commensurate with returns of respective indices	NAV varies with index performance	Portfolio indices like BSE, NIFTY etc	Aggressive investors	3 years plus
Balanced Funds	Growth & Regular Income	Capital Market Risk and Interest Risk	Balanced ratio of equity and debt funds to ensure higher returns at lower risk	Moderate & aggressive investors	2 years plus

HAPPY INVESTING