Classification of Mutual Funds

Based on Structure
- Open Ended Funds
- Closed Ended Funds
- Interval Funds

Based on Investment Objective
- Debt Funds
- Equity Funds
- Hybrid Funds

Based on Investment Style
- Passive Funds
- Active Funds
How to check information about the Mutual Funds (Offer Document)?

<table>
<thead>
<tr>
<th>Statement of additional information (SAI)</th>
<th>Scheme information document (SID)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Contains generic and statutory information of mutual fund.</td>
<td>• Scheme type (open or closed end).</td>
</tr>
<tr>
<td>Contains financial information of mutual fund.</td>
<td>• Investment objective.</td>
</tr>
<tr>
<td>• Lays down rights of investor.</td>
<td>• Asset allocation.</td>
</tr>
<tr>
<td>• Other additional information.</td>
<td>• Investment strategies.</td>
</tr>
</tbody>
</table>

- Terms with regard to liquidity.
- Fees and expenses.
- Other information relating to the scheme.
Risk-o-Meter and its importance

Six levels of risk for mutual fund schemes:

i. Low Risk
ii. Low to Moderate Risk
iii. Moderate Risk
iv. Moderately High Risk
v. High Risk and
vi. Very High Risk

Importance of Risk-o-meter:

- Helps align risk that a fund carries with the risk profile of the investor.

- **Equity as asset class**: Volatile: High risk
- **Debt as asset class**: Stable: Low risk
- **Hybrid**: Moderate: Depends on allocation and concentration