Classification of Mutual Funds

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- **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)?

Statement of additional information (SAI)	• Contains generic and statutory information of mutual fund. • Contains financial information of mutual fund. • Lays down rights of investor. • Other additional information.
Scheme information document (SID)	• Scheme type (open or closed end). • Investment objective. • Asset allocation. • Investment strategies. • 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