

Mutual Funds

Equity Mutual Funds

Equity Schemes

- These schemes invest major part of their portfolio in stocks. (Generally more than 65% & upto 90%)
- These schemes offer growth or capital appreciation and may gain value over the period.
- Have high risk and accordingly can offer high returns over a longer period of time.
- These carry risk of loss of capital also.
- The portfolios based on investment objectives may consist large, medium and small sized companies.
- Fund manager uses his expertise to generate returns by investing in growth or value companies.

Diversified Equity Funds: These are pure equity funds with a mandate to invest in equity upto 100% of their portfolio. They invest in a diversified basket of equities giving allocation to sectors as deemed fit by fund managers. They do not have any bias of sector or capitalization to invest.

The primary investment objective of the scheme is to generate long term capital appreciation from a portfolio that is invested predominantly in equity and equity related securities.

Sector Equity Funds: Sector funds invest only in stocks of companies of one specific sector or industry, such as utilities, real estate or technology. For eg: AIG world gold fund – It invests in shares of gold mining companies.

The primary investment objective of the scheme is to generate long term capital appreciation from a portfolio that is invested predominantly in equity and equity related securities in a particular industry or sector.

Some investment options

Growth Option	Dividend is not paid-out under a growth plan and the investor realizes only the capital appreciation on the investment (by an increase in NAV).
Dividend Payout Option	Paid-out to investors under a Dividend Payout Option. However, the NAV of the mutual fund scheme falls to the extent of the dividend payout.
Dividend Re-investment Plan	Dividend accrued on mutual funds is automatically re-invested in purchasing additional units at Ex NAV date and price.

Investment strategies offered

- Systematic Investment Plan
- Systematic Withdrawal Plan
- Systematic Transfer Plan

Some Equity schemes of mutual funds

Birla Sunlife Equity Fund	Reliance Growth Fund
Dsp Black Rock India T.I.G.E.R. Fund	Sbi Msfu Emerging Business Fund
Fidelity Equity Fund	Sundaram Bnp Paribas Select Midcap
Franklin India Prima Fund (Fipf)	Tata Equity Opportunities Fund
Hdfc Equity Fund	Icici Prudential Infrastructure Fund