© INTERNATIONAL JOURNAL FOR RESEARCH PUBLICATION & SEMINAR
ISSN: 2278-6848 | Volume: 07 Issue: 04 | July – September 2016
Paper is available at www.jrps.in | Email : info@jrps.in

STUDY OF PERFORMANCE OF INVESTMENT IN EQUITY DIVERSIFIED MUTUAL FUNDS

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ABSTRACT: A mutual fund is known as investment fund managed. It pools cash/money from various investors in order to buy securities. Generally Mutual fund is applied only to those investment vehicles that have been sold to public. A Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is invested by the fund manager in different types of securities depending upon the objective of the scheme. These could range from shares to debentures to money market instruments. The income earned through these investments and the capital appreciations realized by the scheme are shared by its unit holders in proportion to the number of units owned by them. Thus, a Mutual Fund is the most suitable investment for the common person as it offers an opportunity to invest in a diversified, professionally managed portfolio at a relatively low cost. The small savings of all the investors are put together to increase the buying power and hire a professional manager to invest and monitor the money. Anybody with an investible surplus of as little as a few thousand rupees can invest in Mutual Funds.

[1] Introduction

A **mutual fund** is known as investment fund managed. It pools cash/money from various investors in order to buy securities. Generally Mutual fund is applied only to those investment vehicles that have been sold to public. A Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is invested by the fund manager in different types of securities depending upon the objective of the scheme. These could range from shares to debentures to money market instruments. The income earned through these investments and the capital appreciations realized by the scheme are shared by its unit holders in proportion to the number of units owned by them. Thus, a Mutual Fund is the most suitable investment for the common person as it offers an opportunity to invest in a diversified, professionally managed portfolio at a relatively low cost. The small savings of all the investors are put together to increase the buying power and hire a professional manager to invest and monitor the money. Anybody with an investible surplus of as little as a few thousand rupees can invest in Mutual Funds. Each Mutual Fund scheme has a defined investment objective and strategy.

Types of Mutual Fund Schemes

Mutual Fund schemes may be classified based on its structure and its investment objective.

- Open-end Funds, Closed-end Funds and Interval funds are the funds by structure.
- Funds by Investment objective are Growth Funds, Income Funds, Balanced Funds and Money Market Funds.
- The Other Schemes in funds are Tax Saving Schemes, Index Schemes and Sectoral Schemes.