

An Investor Education Initiative by



TRUST
MUTUAL
FUND

CLEAR ★ CREDIBLE ★ CONSISTENT

Investor Education and Awareness Program

FLOW OF THE PRESENTATION

- Understanding Money : Savings and Investments
- Introduction to Mutual Funds
- Types of Mutual Funds
- Understanding Asset Allocation
- Getting started with Mutual Funds
- Decoding the fine print
- Introduction to TRUST Mutual Fund

Understanding Money : Savings and Investments

MONEY MANTRAS

- Income – Expenses = Investment **OR**
Income – Investment = Expenses ?
- Why should one Invest and not only save?
- Impact of Inflation on your savings & expenses over time
- Starting early is the key
- Make your money work harder
- Make investment your second source of income
- Benefit from Power of Compounding

GOAL BASED INVESTING



Always invest in assets with your specific financial goal in mind

OPTIONS OF INVESTING



MAKE YOUR INVESTMENTS WORK FOR YOU



Proper Asset Allocation is the answer

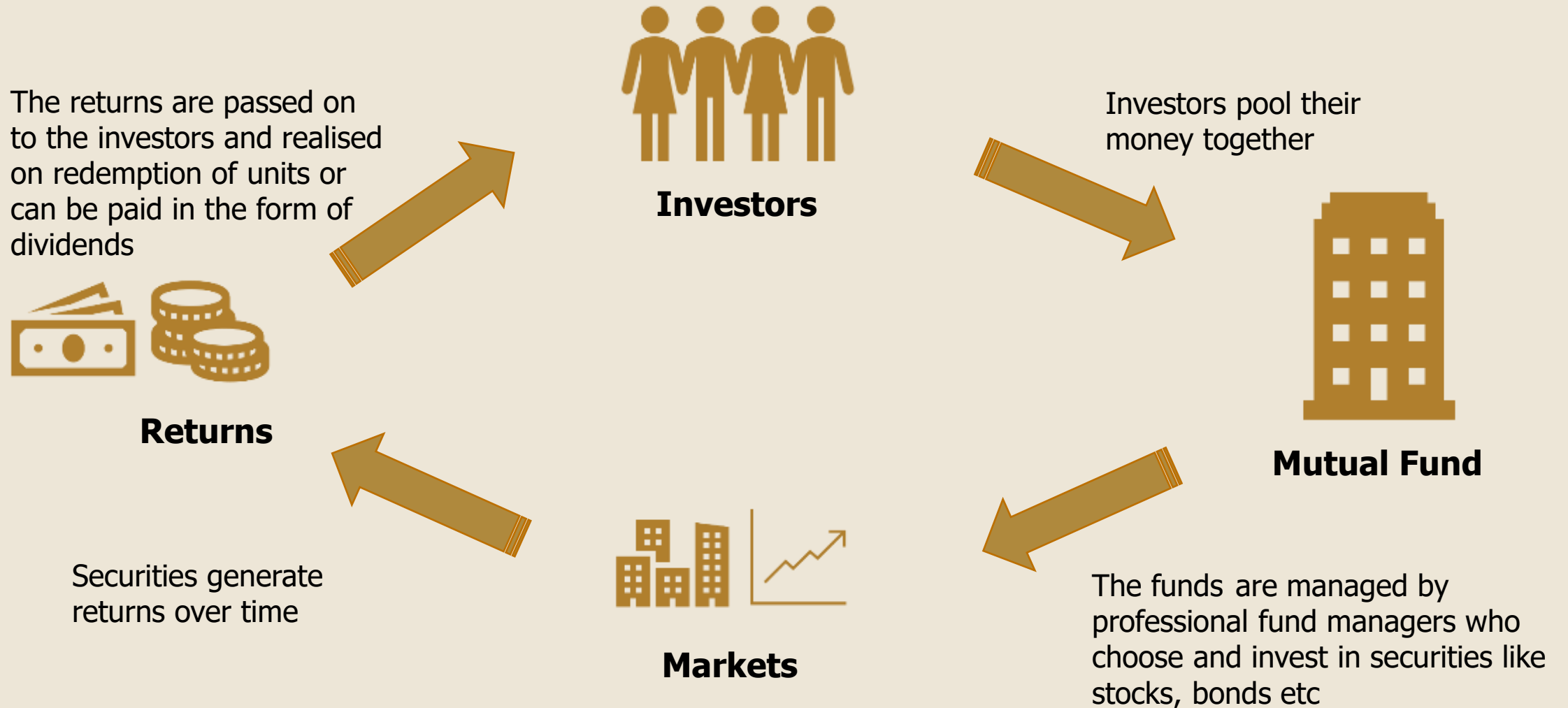
ARE YOU INVESTING IN THE RIGHT ASSETS?

Higher Risk Investments – Perceived to Grow in Value	Lower Risk Investments - Perceived to Generate Income
Property	Bonds
Gold	NSC/KVP
Art Collection	PPF
Equity Shares	Bank / Company Deposits
Mutual Funds	Mutual Funds

Mutual Funds offer different schemes catering to both categories!!

Introduction to Mutual Funds

WHAT IS A MUTUAL FUND?



ADVANTAGES OF MUTUAL FUNDS



Professional
Management



Liquidity



Tax Efficient



Well Regulated



Economies of Scale



Portfolio and Risk
Diversification



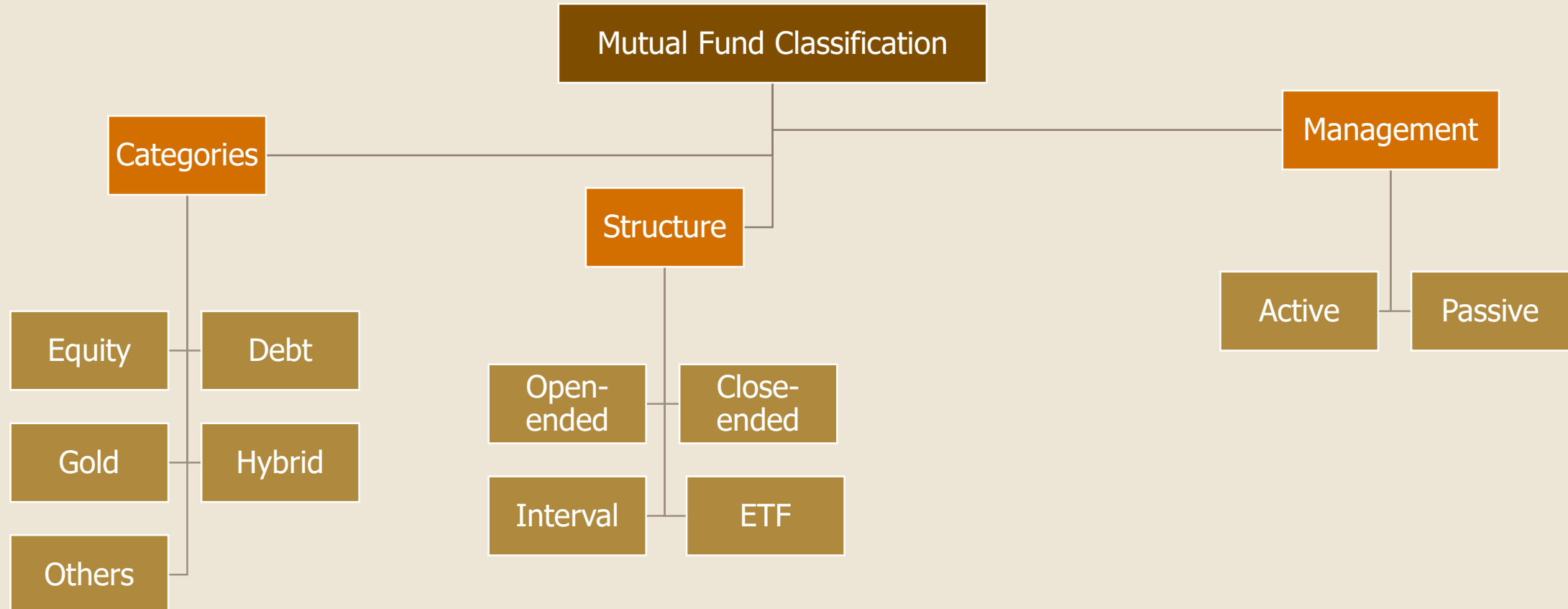
Convenient for
Transaction



Systematic approach
to investment

Types of Mutual Funds

TYPES OF MUTUAL FUNDS



CATEGORIZATION OF MUTUAL FUND SCHEMES

- As per SEBI guidelines on Categorization and Rationalization of schemes issued in October 2017, mutual fund schemes are classified as :
 - Debt Schemes
 - Equity Schemes
 - Hybrid Schemes
 - Solution Oriented Schemes – For Retirement and Children
 - Other Schemes – Index Funds & ETFs and Fund of Funds
- Under Equity category, Large, Mid and Small cap stocks have now been defined.
- Naming convention of the schemes, especially debt schemes, is as per the risk level of underlying portfolio (e.g. Credit Opportunity Fund is now called Credit Risk Fund)
- Balanced / Hybrid funds are further categorised into conservative hybrid fund, balanced hybrid fund and aggressive hybrid fund etc.

EQUITY MUTUAL FUNDS : CLASSIFICATION

Large Cap

Sectoral/Thematic

Mid Cap

Dividend Yield

Small Cap

ELSS

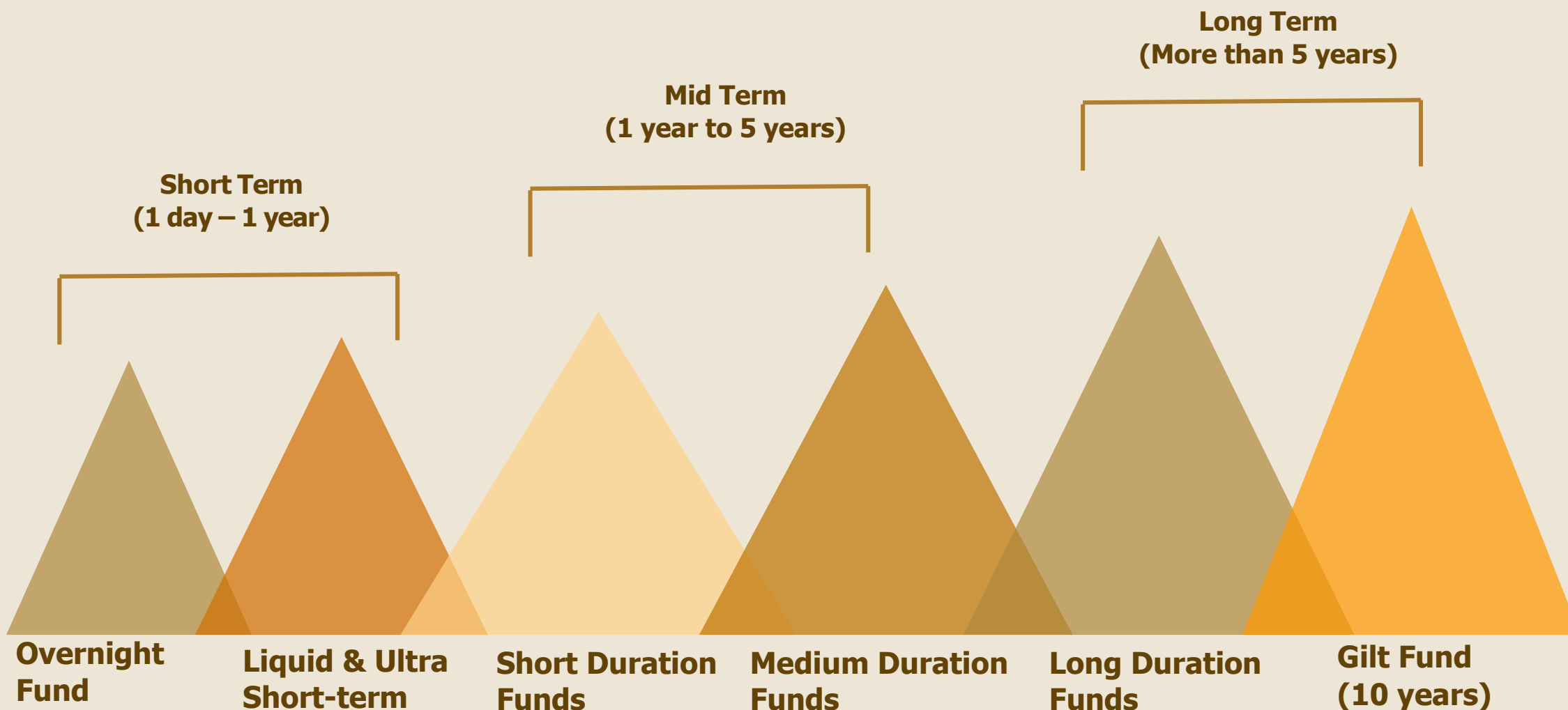
Flexi Cap

Focused

Diversified

Contra

DEBT MUTUAL FUNDS : GENERAL CLASSIFICATION AS PER TIME HORIZON



Note : For more details, refer SEBI circular on Categorization And Rationalization of Mutual Fund Schemes

DEBT FUNDS: AN INTRODUCTION

Debt Funds invest in fixed income instruments such as debentures issued by corporates, Government Securities, Commercial paper, Certificate of Deposits, Treasury bills, etc.

They can be classified in terms of

- Maturity i.e. duration of the underlying asset class/scheme
- Risk i.e. credit profile of the underlying issuers/scheme
- Liquidity

PRODUCT FEATURES

Ideal for risk averse investors who seek regular income

Less risky as compared to equity funds

LTCG & indexation benefits to investors investing for more than 3 years

UNDERSTANDING KEY TERMS

Key terms to understand while evaluating Fixed income Fund:

- **YTM** – The Yield to Maturity or the YTM is the rate of return anticipated on a bond if held until maturity. YTM is expressed as an annual rate. The YTM factors in the bond's current market price, par value, coupon interest rate and time to maturity. An increase in interest rates leads to increase in yields which in turn leads to drop in price of the underlying bonds and vice versa impacting the returns.
- **Duration** – The interest rate sensitivity of the portfolio is measured by it's duration. Higher the duration higher is the sensitivity to change in interest rates
- **Average Maturity** – Duration is directly proportional to average maturity, higher the maturity higher is the duration
- **Credit Profile** – Credit profile is the creditworthiness of the instruments in the portfolio. This is important from the safety and liquidity parameters.

AMCs disclose all the above parameters in their monthly factsheets, and one should refer to these factsheets for better understanding about any funds

FIXED INCOME PRODUCTS

	Fixed Deposits	Debt Funds	Direct Bonds
Maturity Profile	FDs greater than 7 days are available	Investment can be from 1 day to longer periods for various products	Bonds of various maturity available
Returns	Fixed Returns	No guarantee of returns and depends on Market conditions	If HTM than fixed
Real Returns (returns adjusted for inflation)	Usually lower real returns	Can give higher real returns	Can give higher real returns
Risk	Low Risk	Low to medium	Medium to High
Liquidity	Medium-high	High	Low
Premature withdrawals	With Penalty	Allowed, with exit load if applicable	Depends on secondary market liquidity and can be very low
Cost	No cost	MF Expenses	Impact cost
Taxability	As per individual tax slab, other than FDs classified under 80 C	LTCG over 36 months holding with indexation benefits	LTCG over 12 months holding without indexation benefits

This information is meant for general reading purposes and is not meant for any solicitation, advice, recommendation or suggestion, to buy or sell any mutual fund units.

Understanding Asset Allocation

LET'S MEET THE SHAH FAMILY



Mr. Shah

Mr. Shah has just retired; he wants to invest his retirement corpus to optimum use for living a happy retired life. He is wondering where and how to invest his retirement corpus.



**Ramesh Shah,
Son of Mr. Shah**

Mr. Ramesh is a middle-aged working professional, looking for investment avenues to save tax, meet various goals, and create a retirement corpus.



**Tina Shah,
Wife of Ramesh Shah**

Tina is a working professional and is looking for ways to save for the child's future and other family goals.



**Neeraj Shah, Son of
Tina and Ramesh Shah**

Inspired from his grandfather, Neeraj knows the importance of saving early. He has savings and recurring accounts where he accumulates corpus for his higher education.

HOW CAN THE SHAH'S INVEST IN MUTUAL FUNDS



Mr. Shah

Mr. Shah can opt for low-risk debt funds with an SWP plan. This will generate a monthly income and give him the benefits of low-risk investments.



**Ramesh
Shah,
Son of
Mr. Shah**

Ramesh can map his goals and then invest through an SIP. E.g., to create an emergency corpus (equivalent to six months' expenses), he should park the requisite amount in a liquid fund. He can also consider ELSS for tax saving purposes. He may also invest some portion in debt funds.



**Tina Shah,
Wife of
Ramesh
Shah**

Tina can explore mutual funds to start an SIP in an equity mutual fund or a balanced fund which invests a part in Debt. This way she will have sufficient fund for education of her children.



**Neeraj
Shah, Son
of Tina and
Ramesh
Shah**

Learning to save is good, as money sitting idle leads to wealth erosion due to inflation. Since he is saving for his higher education, which is still some years away, he can consider diversified equity funds for investment through SIP mode.

Note : For illustrative purposes only, this should not be construed as investment advice.

Getting started with Mutual Funds

MODES OF INVESTING



Lumpsum Investment – Initial + Additional



Systematic Investment Plan (SIP)



Systematic Transfer Plan (STP)



Scheme Switches (In/Out)

DIRECT PLANS AND REGULAR PLANS

- All MF schemes offer a Direct Plan and Regular Plan for investments
- You can invest –
 - DIRECTLY i.e., without involving or routing the investment through any distributor/agent in a 'Direct Plan' OR
 - Through / with the help of a Mutual Fund agent/distributor in a Regular Plan
- Direct Plan has a separate NAV, which is higher than the normal "Regular" Plan's NAV.
- Direct Plan has lower expense ratio as there is no distributor/agent involved

GROWTH OPTION AND IDCW OPTION

- **Growth Option**

- Capital appreciation in the investment are ploughed back in the scheme and are reflected in increase in the NAV.
- Investors do not receive any periodic payments.
- Suitable for investors who do not require regular income.
- Tax efficient

- **IDCW Option (Income Distribution cum Capital Withdrawal)**

- Capital appreciation in the investment are paid / distributed to the investors by way of IDCW, erstwhile known as dividend, periodically.
- IDCW payment is subject to availability of distributable surplus in the MF scheme.
- On IDCW payment, NAV of the scheme drops.
- IDCW payments are taxable as per the investor's Income tax slab.
- Suitable for investors who require regular income as cash flow.
- Under IDCW Reinvestment sub-option, the IDCW proceeds are reinvested in the same scheme and additional units are allotted.

SYSTEMATIC INVESTMENT PLAN (SIP)

- SIP is a method of investing a fixed sum, at a regular interval, in a mutual fund scheme
- Similar to monthly saving schemes like a recurring deposit
- Advantages
 - Enables regular investments without any additional paperwork
 - Convenient way to invest regularly through one-time standing instruction
 - Convenience of small installments
 - **Rupee Cost Averaging Benefits** as it counter volatility and brings down the average cost of your Investments
 - No timing the market!

WAYS OF INVESTING IN MUTUAL FUNDS

	Systematic Investment Plan (SIP)	Systematic Transfer Plan (STP)	Systematic Withdrawal Plan (SWP)
What is	It is a periodical investment of fixed amount in a particular MF scheme	It is transfer of funds from one MF scheme to another scheme of the same MF	It is a periodical redemption of a fixed amount in a MF scheme
How	Money gets debited from bank account to buy MF units	Fund house sells MF units (transfer out) and buy units of another scheme (transfer in)	Fund house sells MF units and credits the money back into bank account of the investor
When	SIP is ideal for investments across various market cycles, and should be used to achieve goals	STP is ideal when you are a few years away from your goal or during market volatility or due to asset re-allocation	SWP is ideal for retirement or while using the money to fund goals
Tax	Tax is applicable as per investors holding period	It may attract short-term or long-term capital gains tax depending on the investment time horizon	

Understanding the Fine Print

STEPS FOR INVESTING IN MUTUAL FUNDS

Pre-requisites

- KYC (Know Your Customer)
- PAN Card
- Bank Account

Steps to complete KYC

Visit any MF Branch Investor Service Centre / Branch with required KYC Documents

- Address Proof → Aadhaar Card, Passport, Telephone bill etc.
- Identity Proof → PAN Card, Aadhaar Card, Passport, Voter's card etc.
- Photograph

Submit Completed KYC form with photograph and required documents.

This process can also be completed online

After completing KYC, one can open a Folio with any Mutual Fund and start investing.

WHAT IS NAV?

- The NAV (net asset value) is the market value of the securities held by the scheme less liabilities and expenses of a particular scheme, divided by outstanding number of units of that scheme.
- NAV is important as it is the basis for valuing an investor's holding of units in a mutual fund, and the relative value of the same.
- Mutual Fund NAVs are published daily on AMFI's website, Mutual Fund own Website, leading newspapers, etc.

PRODUCT LABELLING AND RISKOMETER

- Mutual funds are required to 'Label' their schemes on the following parameters:
- Nature of scheme such as to create wealth or provide regular income and its indicative time horizon (short/medium/long term).
- A brief about the investment objective (in a single line sentence) followed by kind of product in which investor is investing (Equity/Debt).
- Level of risk, depicted by 'Riskometer' as under:
 - Low: Principal at low risk
 - Low to Moderate: Principal at low to moderate risk
 - Moderate: Principal at moderate risk
 - Moderately High: Principal at moderately high risk
 - High: Principal at high risk
 - Very High: Principal at very high risk
- A disclaimer saying: "Investors should consult their financial advisers if in doubt about whether the product is suitable for them."



SCHEME RELATED DOCUMENTS

- Statement of Additional Information (SAI)
 - SAI contains information with regards to constitution of the mutual fund and is common across all schemes launched by a Fund House.
- Scheme information document (SID)
 - SID contains information that is specific to each MF scheme.
 - Concise & detailed information that a prospective investor should know so as to take an informed decision to invest
- Key Information Memorandum (KIM)
 - Abridged version of SID
 - Simple to understand and contains key / essential information that investors need to be aware about before they invest

One must read & understand scheme related documents before investing in a mutual fund scheme.

FACTSHEET

- Fact sheets help you assess a scheme and keep track of its performance
- Issued every month
- Easy to understand and provides a snapshot of the scheme as of the end of that particular month
- Shows the following key information at a glance:
 - NAV
 - Fund Managers managing the portfolio
 - Portfolio Holdings
 - Scheme Performance
 - Riskometer
 - Other statistics allowing investors to compare mutual funds and decide which ones to invest in.
- All MFs need to adhere to the AMFI guidelines on factsheets.

Factsheet is like a score-card

TRUSTMF Liquid Fund

An open-ended Liquid Scheme

Fund Rating : [ICRA] A1+mfs (Provisional)

Investment Objective

The objective of the scheme is to provide reasonable returns at a high level of safety and liquidity through investments in high quality debt and money market instruments. However, there can be no assurance that the investment objective of the scheme will be realised.



Scheme Features

Fund Highlights

- Investment into Issuers with Stable AAA Long Term Ratings
- Structurally Laddered Portfolio with Segmental Allocation

Date of Allotment:

23rd April 2021

Fund Manager:

Arvind Menon (since 23rd April 2021)
Total Experience - 17 years

Fund Size:

- Month-end AUM: ₹125.36 Cr
- Average AUM: ₹100.03 Cr

Load Structure

- Entry Load: Nil
- Exit Load: as a % of redemption proceeds (including systematic transaction) Up to:
 - Day 1 : 0.0000%
 - Day 2 : 0.0000%
 - Day 3 : 0.0000%
 - Day 4 : 0.0000%
 - Day 5 : 0.0000%
 - Day 6 : 0.0043%
 - Day 7 onwards Nil

Benchmark

CRISIL Liquid Fund Index

Minimum Investment (lumpsum)
₹1,000/-

NAV as on 30th April 2021

NAV Regular Plan : Direct Plan
Growth : ₹100.6743 : ₹1000.7072
BANK : ₹200.6454 : ₹2000.0000
*Income Distribution cum Capital Withdrawal

Total Expense Ratio (TER)

Including Additional Expense and GST on Management Fees

- Regular: 0.25%
- Direct: 0.11%

Portfolio Parameters

- Average Maturity : 94 Days
- YTM : 3.35%
- YTM net of tax : 3.24%

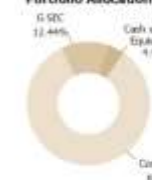
Portfolio as on 30-Apr-2021

Instruments	Rating	% To Net Assets
Non Convertible Debentures / Bonds		
Small Industries Development Bank of India [^]	AAA	6.65%
HDF Financial Services Ltd.	AAA	5.30%
Reliance Industries Ltd.	AAA	5.36%
Total		17.38%
Commercial Papers[^]		
Hindustan Petroleum Corporation Ltd. [^]	A1+	6.63%
National Bank for Agriculture and Rural Development [^]	A1+	6.63%
LIC Housing Finance Ltd. [^]	A1+	6.62%
Chemical Petroleum Corporation Ltd. [^]	A1+	6.61%
ICICI Securities Ltd. [^]	A1+	6.59%
Total		33.07%
Certificate of Deposits[^]		
Axys Bank Ltd. [^]	A1+	6.60%
Total		6.60%
Treasury Bills		
364 Days Treasury Bill 08-Jul-2021 [^]	SOV	6.60%
362 Days Treasury Bill 08-Jul-2021 [^]	SOV	6.60%
91 Days Treasury Bill 22-Jul-2021 [^]	SOV	6.59%
Total		19.80%
Cash & Cash Equivalents		23.15%
Grand Total		100.00%

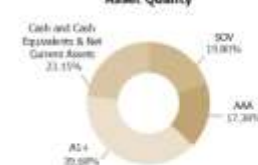
[^] Top 10 Holdings

Investment into Issuers with Stable AAA Long Term Ratings

Portfolio Allocation



Asset Quality



RISKOMETER & PRODUCT SUITABILITY LABEL:

This product is suitable for investors who are seeking[^]

- Income over short term
- Investment in debt and money market instruments

[^]Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Please refer to page 11 for performance details

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

HOW TO INVEST IN A MUTUAL FUND SCHEME

- One can invest in a Mutual Fund scheme through Offline or Online mode
- **Offline (physical application) mode**
 - Duly completed scheme application form signed by all applicants
 - Cheque or bank draft for the amount to be invested
 - Submit the above at the branch office or designated Investor Service Centres (ISC) of mutual funds or Registrar & Transfer Agents
- **Online mode**
 - Websites of the respective Mutual Funds
 - Websites of Mutual Fund Distributors / RIA's
 - Buy mutual funds units through Stock Exchange platforms such as NSE – NMF II OR BSE - StAR MF or ICEX just like a company stock
 - MF Utilities (**MFU**) - a technology based shared service platform for MF transactions promoted by the mutual fund industry wherein single transaction can be executed for multiple schemes of different Fund Houses

HOW TO WITHDRAW YOUR MONEY?

- Withdrawing your money from Mutual Fund scheme is called as Redemption or Repurchase
- You can withdraw full or partial amount or even a specific number of units
- **Offline** mode to redeem your mutual fund investments
 - Unit holder needs to submit a duly filled and signed Redemption Request form to the AMC's or the Registrar's designated office
 - All holders have to sign the Redemption form as per the signatory list
 - The proceeds from the redemption transaction are credited to the registered bank account of the first named unit holder
- **Online** mode to redeem your mutual fund investments
 - Log-on to the 'Online Transaction' page of the Mutual Fund in which investments are held
 - Select the Scheme and the number of units (or the amount) you wish to redeem and confirm your transaction.

NOMINATION

- Facility that enables an individual unitholder (including sole proprietor of sole proprietary concern) to nominate a person, who can claim the Units held by the unitholder or the redemption proceeds thereof in the event of death of the unitholder.
- If the Units are held jointly by more than one person, all joint unit holders are required to nominate together; a person in whom all the rights in the units would vest in the event of death of all the joint unit holders.
- Nomination can be made either at the time of initial application for purchase of Units or subsequently.
- Nomination once made can be changed subsequently any time and any number of times.

WHY IS NOMINATION IMPORTANT?

- In case nomination is not made by a Unitholder, the Units would be transmitted to the account of legal heir(s), depending whether the deceased person has left behind a Will and as per applicable succession law, which involves lengthy (and sometimes expensive & cumbersome) procedure.
- Nomination is a simpler and inexpensive way to make things easy for one's near and dear ones to claim the money in your mutual fund folio, demat account or bank account expeditiously, through minimal paperwork after one's death.
- To claim the Units after the death of a unitholder, the nominee has to complete the necessary formalities, such as completion of KYC process, along with proof of death of the unit holder, signature of the nominee duly attested, furnishing of proof of guardianship in case the nominee is a minor, and such other document as may be required for transmitting the units in favour of the nominee(s).

COMPLAINTS REDRESSAL MECHANISM

Complaint to the Mutual Fund

- Investors may approach the Investor Service Centers of the Mutual Fund with their Complaints.
- Contact the Investor Relations Officer of the Mutual Fund
- Name and contact details of the Investor Relations Officer are available in the Scheme Information Document and also on the website of the concerned mutual fund.
- Investors may also lodge their complaints through the toll free number of the MF or through an email. Both the toll free number and email ids are available on MF website

SEBI COMPLAINTS REDRESS SYSTEM (SCORES)



SEBI has provided a centralized web-based complaints redress system on its portal, named '**SCORES**'.

If you are not satisfied with the response from a particular Mutual Fund/ company/ intermediary, you may then lodge an online complaint with SEBI through SCORES to get your complaint redressed.

SEBI takes up the complaints registered via SCORES with the concerned company / mutual fund / intermediary for timely redressal.

To log on to SCORES System, please visit <http://scores.gov.in/>

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.



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