AARAMBH

Mutual Funds Decoded for Rural Families

Understand the idea before you invest.

Explain mutual funds in simple language, with special attention to first-time learners and families.

LEARN Understand the basics	THINK Compare risks and choices	ACT Use official channels

Educational resource • Simple language • No product endorsement

Important: This booklet is for education only. Financial products, rates, eligibility, rules and scheme terms can change. Verify current information from official sources before acting.

The Guide

1. The Basic Idea

A mutual fund pools money from investors and invests it according to the scheme's stated objective. A professional fund manager manages the portfolio.

Different funds can have different asset mixes and risk levels.

2. What Families Should Understand

Returns are not guaranteed. The value of mutual fund investments can rise or fall.

Look at the goal, time horizon, risk, costs, liquidity and scheme documents before investing.

3. Avoid Common Mistakes

Do not invest because a friend, influencer or salesperson promises a quick return.

Do not confuse a mutual fund with a bank deposit. Mutual funds are market-linked products and are not covered by DICGC deposit insurance.

Remember

Understand the scheme before investing; market-linked products can lose value.

Your Action Checklist

Use this page during a workshop or at home. Tick each item only when you understand it.

- Learn what the scheme invests in.
- Check risk and costs.
- Understand NAV and redemption rules.
- Use regulated platforms/intermediaries.
- Keep records and review periodically.

Questions to Ask Before You Act

1	What exactly am I buying, joining, borrowing or authorizing?
2	What could go wrong, and what would I lose?
3	What are the fees, penalties, exclusions or conditions?
4	Who regulates or officially administers this product/scheme?
5	Where can I verify the information independently?

My Notes

Quick Questions & Trusted Sources

Are mutual funds risk-free?

No. SEBI investor material emphasizes that mutual funds carry risks and investors should understand those risks.

Are all mutual funds the same?

No. Equity, debt, hybrid, index and other categories have different objectives and risk characteristics.

Are mutual funds insured like bank deposits?

No. DICGC's deposit insurance applies to eligible bank deposits, not mutual funds.

Trusted starting points

• SEBI Investor — Mutual Funds for Beginners and Financial Education Booklet.

• DICGC — Guide to Deposit Insurance.

Aarambh Note

Aarambh creates simple educational resources to help families and communities understand important financial and digital topics. This booklet does not provide personalized financial, legal, tax or insurance advice and does not endorse any product, provider or scheme.

For current rules, rates, eligibility and official application processes, always check the relevant government, regulator, bank, insurer or other official source.