Mutual Funds

What is a Mutual Fund?

A mutual fund is a type of investment vehicle that combines money from many investors to create a single pool of capital. This pooled money is then used to purchase a diversified mix of assets—such as stocks, bonds, or other securities. Professional fund managers oversee these investments and make decisions on behalf of all participants in the fund. The core investment fund line-up inside your company retirement plan consists of mutual funds.

1. **Pooling of Funds:** Investors contribute their money to the mutual fund, and this pooled money is used by fund managers to purchase a mix of different assets.

2. **Professional Management:** The fund is managed by experienced professionals who analyze the financial markets, economic conditions, and specific securities to make informed investment decisions.

3. **Types of Mutual Funds:** There are various types of mutual funds, such as equity funds (investing in stocks), bond funds (investing in bonds), balanced funds (mix of stocks and bonds), money market funds (short-term debt securities), and index funds (tracking specific market indexes).

4. **Diversification:** The mutual fund spreads its investments across various assets, such as stocks, bonds, or both. Diversification helps reduce risk since the performance of individual assets may vary.

5. **Net Asset Value:** The value of each mutual fund share is represented by the Net Asset Value, which is calculated daily based on the fund's total assets minus liabilities. The NAV per share fluctuates with changes in the value of the fund's holdings.

6. **Prospectus:** Before investing, investors receive a prospectus that contains essential information about the fund's objectives, strategy, risks, fees, and past performance.

7. **Open Ended Structure:** Most mutual funds have an open-ended structure, allowing investors to buy or sell shares at the current NAV. This ensures liquidity and flexibility for investors.

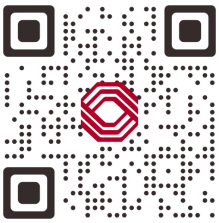
8. **Fees and Expenses:** Mutual funds charge fees, including management fees and operating expenses. These costs impact on the overall returns for investors. (Log onto the Start Right website or Start Right mobile to find the Expense Ratio's for each of your plan's investments).

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Advantages of Mutual Funds:

1. **Diversification:** Investors gain exposure to a broad range of assets without needing to purchase individual securities.
2. **Professional Management:** Expert fund managers make investment decisions based on their research and market analysis.
3. **Liquidity:** Investors can buy or sell shares at any time, making mutual funds more liquid than some other investments.
4. **Affordability:** Even with a small investment, investors can access a diversified portfolio.
5. **Regulation:** Mutual funds are regulated by government authorities, providing a level of investor protection.

Mutual funds are a popular investment option for individuals seeking a diversified portfolio managed by professionals. However, it's essential to understand your investment goals, risk tolerance, and the specific fund's objectives before investing. Always read the prospectus and consult with a financial advisor to make well-informed decisions that align with your financial objectives.



Start Right Website

To research the mutual fund options of your plan, log onto **startright.bokf.com**.

- To view a Fund Fact Sheet click on the name of the fund.
- To access the Morningstar site, click the fund's ticker symbol.
- To open the Prospectus, click on the book icon.

To learn more about mutual fund investing, visit the Financial Resource Center. From the main menu, go to the "Planning Tools" tab.

Disclaimer: The information provided in this handout is for educational purposes only and should not be considered as financial advice. Consult with a qualified financial advisor to discuss your specific situation and investment needs.

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