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# [Know Your Mutual Funds](#)

If you have even a passing interest in the topic of Stock Market, then you should take a look at the following information. This enlightening article presents some of the latest news on the subject of Stock Market.

It is important for the individual investor to know about Mutual Funds. For some people the decision to invest in Mutual Funds is based on the premise that it is low risk investing. By in large this may be true, but it depends on the Mutual Fund and in particular the fund manager.

A Mutual Fund is a collection of stocks and other investments that are packaged by an investment company. Generally speaking it is a means by which the average pay check earner may enter the stock market. Some Mutual Funds require only a \$1,000 initial investment and a small number of Mutual Funds may be purchased with as low as an initial \$250 initial investment.

The key to investing in Mutual Funds is to read and evaluate the individual prospectives available to potential investors. You may review the performance of the Mutual Fund on-line or request the prospective by mail. The prospective gives you the Mutual Funds performance over the past quarters, years and decades. It also provides you with the fees that are charged to investors of Mutual Funds.

Certain Mutual Funds are no-load funds. Generally these funds are offered by state and municipal entities. It means the fund does not charge a fee to invest and is exempt to some taxes. There may be other charges for handling your Mutual Funds and charges if you decide to withdraw funds or move your investment elsewhere. This knowledge is essential before you commit a single dime to a Mutual Fund.

Your investigation should include the name of the stocks and other investments the Mutual Fund you are considering is currently investing. This point is critical because knowledge of the broader market is essential in determining if a particular fund is going to do well. If you have a penchant for global stocks , technology, financial or energy stocks you want to be assured these sectors are doing well in the overall stock market.

If you base what you do on inaccurate information, you might be unpleasantly surprised by the consequences. Make sure you get the whole Stock Market story from informed sources.

Some investors own single equities and Mutual Funds along with other investments in their portfolio. Most brokerage houses have financial planners who can review all of your investments including realty, equities, bonds and Mutual Funds to give you a full picture of your financial health and goals for your investing.

As with the stock exchanges Mutual Funds investing allows the investor to determine their risk level. There are municipal bonds funds, blue chips funds, growth funds, Asian Funds, Emerging Markets and combinations in between. The investor determines the choice of investment by his or her objective. For some it is for retirement, others income and tax consequences. The range of risk is provided by most Mutual Fund investment companies.

There are some excellent advisory services that provide star ratings on various Mutual Funds. The Morningstar advisors have up to date information on the health of various funds. There are also articles in the Wall Street Journal and Investors Daily about Mutual Fund Managers. There are stars in the Mutual Fund field. The star manager is only as good as his or her last year earnings. It is important to know who is doing well currently before you invest.

There are several families of Mutual Funds I would recommend reviewing. The Vanguard Funds, Fidelity, Oppenheimer and American Mutual Funds. Within these family of Mutual Funds there is a fund for about any level of interest and risk level. The information is available on-line or by mail.

The current bothersome area in the real estate market in particular sub-prime loans for at risk buyers is yet to be fleshed out on a global scale. The possible spill over effect to banks, financial institutions, mortgage companies and the commercial paper they have sold may be a factor in your consideration of which Mutual Fund to select. The true impact at this point is speculative as to the ripple effect that may ensue if the small percentage of risky mortgages end up in foreclosures. Presently the effect is an unwelcome squeeze in the credit market making it difficult to get loans for individuals and some lending institutions.

As with any uncertainty a good rule of thumb is to seek out Mutual Funds with a minimal amount of exposure to sub-prime mortgage woes. The Blue Chip or America's stand-by stocks may have some advantages as some are undervalued. The technology and some exposure to China and Emerging Markets may be worth a look. Most Mutual Funds companies have stocks and investments that may fit the current trends and moods in the financial markets. Review the institutional investors in each fund. A rule of thumb is that big institutional investors generally do not invest in "dog" investments.

#### About the Author

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