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FINANCE for DENTISTS – Part IX

The Current Scenario

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DISCLAIMER: Although every effort has been taken to make sure that there are no mistakes, there might be still, some mistakes inadvertently crept in the article. Please notify the same @ author's email: **drbhavdeep@gmail.com** or Call/Whatsapp: **98761-93039** and they will be corrected ASAP.

MUTUAL FUNDS

After umpteen requests from so many readers, I have decided to take up the topic of mutual funds and start a small series on the same before I delve on to other topics of finance. Let's start and discuss about Mutual funds and SIP in next few parts.

What are Mutual Funds?

A Mutual Fund (MF) is formed when capital collected by various investors is invested in purchasing company shares, stocks or bonds. Mutual funds are thus, basically investment vehicles that comprise the capital of different investors who share a mutual financial goal. It is shared by thousands of investors and mutual funds investments are collectively managed by a professional fund manager to earn the highest possible returns. This is the way, how mutual funds work, not only in India but, anywhere in the world. A fund manager manages that pool of collected money from various investors and invests the common fund so created money into a variety of investment options like one or many asset classes like equity, debt, liquid assets etc. Mutual funds in India are regulated by the Securities and Exchange Board of India (SEBI) and investing in mutual funds is considered to be the easiest way through which you can increase your wealth. A mutual fund in nutshell is a pool of savings contributed by multiple investors. It is called a 'mutual' fund because all risks, rewards, gains or losses pertaining to, or arising from, the investments made out of this savings pool are shared by all investors in proportion to their contributions.

A Mutual Fund has some stark differentiating features

1. Money pooled from various individuals (investors)
2. Well-regulated (by SEBI)
3. Access to large portfolios
4. Professionally Managed
5. Higher returns than conventional investing
6. Allows to invest in small amounts

How do Mutual Funds Work?

A mutual fund is a pool of funds collected from multiple investors which invests in assets like stocks and bonds. Mutual funds are managed by Asset Management Companies (AMCs). Each AMC will typically have several mutual fund schemes. The total size of the mutual fund industry in India crossed Rs. 28 lac crore in January 2020. The returns generated from the mutual fund investment are distributed proportionally among the investors. A professional and competent manager who has a sound knowledge of the financial market manages the fund, thus bridging the gap of layman's knowledge of the financial world and that of an expert. Mutual funds are essentially a basket of many financial instruments that generate returns over a period of time. If an investor invests in a mutual fund scheme, he/she buys units of that scheme based on the Net Asset Value (NAV) of that fund on the day of transaction. The fund manager invests the collected funds in various financial instruments, such as equity stocks, debt instruments, derivatives, arbitrage, etc in order to generate returns for the portfolio holders. The total capital gains from these allocations get added to the assets under management of the fund, on which the NAV of the fund depends. The investors can redeem the fund units as per their convenience. The units are redeemed on the current NAV of the fund, which would have probably been substantially higher when compared to the NAV at which the units were bought. This increase highlights your total gains on the investment. If the NAV at the time of redemption is not much higher than at the time of investment, it is suggested to remain invested in the fund and wait for the market sentiment to move in your favour. Investors also receive dividend income, if the companies whose stocks are a part of the portfolio distribute dividends to its shareholders. Investors can either choose to reinvest the dividend received (through the growth option) or claim it in addition to their capital gains.

A Few Salient Features of Mutual Funds

Investors can accumulate a significant amount of wealth through investment in a diversified portfolio that comprises high-performing schemes. However, there are so many different fund houses and schemes to choose from that it can be overwhelming to select the right portfolio. This is when a professional fund manager can come to your rescue and ensures that your money is invested in the funds that will offer maximum returns. Investing in Mutual Funds is the easiest way to grow your wealth, the only virtue you need in you is the **patience**. The fund manager's expertise is an important factor to consider while choosing the fund. All Mutual Funds are registered with the Securities Exchange and Board of India (SEBI) and hence, your investment is safe.

Here are some of the key features of mutual funds otherwise:

1. Smart, practical and strategic investment instrument
2. Professionally managed by qualified and experienced fund managers
3. Risk mitigation through investments done in a diverse portfolio of securities
4. More liquid than other investment options in deposits, shares and bonds
5. Relatively lower expenses and fees regardless of the fund's performance
6. Consistent in performance over a short, medium to long term period
7. Highly flexible in terms of financial objectives, liquidity, and tenures
8. Ample choice of investment catering to varied investor needs
9. Ease of trading and transacting the units on all the working days
10. Tax exemption/deduction benefits under Section 80C of the Income Tax Act for ELSS (Equity Linked Savings Schemes)

What is a Systematic Investment Plan (SIP) then?

A Systematic Investment Plan allows you to invest regularly a fixed sum in your favorite mutual fund scheme. In SIP, a fixed amount is deducted from your savings account every month and directed towards the mutual fund you choose to invest in. It allows you to buy units continuously without worrying about the market ups and downs. Not only does investing in an SIP brings financial discipline but also helps you plan your budget and expenses better. The concept of SIP focuses around the philosophy of "Save First Spend Next". With a SIP, you can invest small amounts at fixed intervals (weekly, monthly or quarterly) instead of doing a lump sum investment. Your money is invested in equity shares of small-cap/mid-cap/large-cap companies and this diversification helps get a good balance between risks and returns.

TERMINOLOGY aka NOMENCLATURE

There are some terms unique to mutual funds which as investor you should be aware about as an investor:

1. **Acid Test Ratio:** It is the ratio obtained by dividing the current assets of a company by the current liabilities. It is an indication of the company's financial strength.
2. **Annual Fund Operating Expenses:** It is the expenses acquired by an asset management company for fund management during a particular year.
3. **Asset Allocation:** It is the diversification of investments into various kinds of assets for risk optimization.
4. **Asset Allocation Fund:** This fund's portfolio is comprised of various investments such as government securities, real estate stocks, gold bullion, domestic stocks, foreign stocks and bonds. The proportion allocated to different sectors can remain constant or change as per market fluctuations.
5. **Asset class:** Asset class refers to a group of investments or securities whose characters are rather similar. The most common kinds of asset classes include fixed income securities, equities and cash equivalents.
6. **Asset Management Company:** A SEBI registered company that handles asset management and investment decisions for mutual funds.
7. **Assets Under Management (AUM):** This refers to the total market value of funds being managed by a mutual fund company. AUM is the overall market value of funds that are handled by that particular mutual fund company.
8. **Automatic Investment Plan:** An investment plan where a fixed amount is deducted every month from the investor's bank account

and invested in the chosen mutual fund.

9. **Automatic Reinvestment:** This option is available for a mutual fund unit holder involves diversion of earnings from fund dividends or capital gains to buy more fund units.
10. **Back End Load:** The charge levied on exiting a mutual fund to dissuade investors from withdrawal.
11. **Balanced Fund:** A balanced fund comprises of both equity and debt funds with 50-75% allocated to equity and the rest to debt scheme.
12. **Benchmark:** Benchmark refers to the standard of performance against which a mutual fund's performance is measured. It is an unmanaged group of securities whose performance is taken as a standard against the performance of other investments. BSE Sensex and NSE Nifty are a few benchmarks.
13. **Bid or Sell Price:** The price at which mutual fund shares are repurchased by the fund.
14. **Blue Chip Fund:** Mutual funds that invest in stocks of a well-established company. The stocks of such a company are called blue-chip stocks.
15. **Bond:** It is a debt investment where the investor lends the money to the company or the government, government agencies, municipalities, or companies for a particular period and interest rate.
16. **Bond Fund:** A mutual fund with a portfolio majorly comprising of corporate and government bonds. They are income-oriented rather than growth-oriented funds.
17. **Bond Rating:** It is a grade assigned to a bond indicating its credit quality. Bonds of blue-chip firms have a higher bond rating, which indicates the safety of the investment.
18. **Broker:** A broker is a middleman or a firm that is involved in the business of effecting securities transactions for others' accounts. Brokers work for commission.
19. **Capital Gains Distribution:** This is the end of year amount paid to mutual fund shareholders which are obtained on selling securities in the mutual fund portfolio. When the mutual fund sells the securities in its portfolio for a profit, it distributes these profits to the shareholders. This is called the distribution of capital gains.
20. **Capital Growth:** The change in net asset value per share of a mutual fund's securities due to an increase in its market value.

21. **Certificate of Deposit:** A short tenure debt instrument issued at a specified interest rate by banks.
22. **Closed-Ended Schemes:** A mutual fund scheme where the money is committed for a particular tenure by the investors.
23. **Commercial Paper:** Commercial papers are basically short-term unsecured notes that are issued by corporation for the purpose of meeting immediate short-term cash needs like the financing of short-term liabilities or inventories. The maturity period of a commercial paper usually ranges from one day to 270 days.
24. **Contingent Deferred Sales Charge (CDSC):** It is a fee levied on the sale of a specific investment. It is a percentage of the invested amount, also known as an exit fee or redemption charge.
25. **Conversion Privilege:** The privilege shareholders gain through mutual funds to utilize the income obtained or capital gains for the purchase of additional shares without any sales charge.
26. **Corpus:** The net amount of money invested in a scheme collectively by all investors.
27. **Coupon:** The stated interest rate on a bond issuance. The coupon is semi-annually paid.
28. **Credit Quality:** Average credit quality reflects the overall credit quality of the portfolio. Credit quality is given as an average credit rating of each bond, weighted by the relative size in the portfolio.
29. **Custodian:** Custodian is the trust company or bank that takes care of mutual fund's assets and portfolio of securities or maintains a record of them. Custodian only serves the purpose of safekeeping and plays no role in portfolio management.
30. **Debt Fund:** This fund invests in investment instruments like bonds, treasury bills etc. which are fixed income in nature. This is a preferred choice for investors who have a low-risk appetite. This type of fund invest in a combination of fixed income securities such as government securities, treasury bills, money market instruments, corporate bonds and other types of debt securities. Such securities have a fixed date of maturity and pay a fixed interest rate. These funds are opted for mostly by those investors who don't want to take much risk and are satisfied with a steady income.
31. **Deferred Sales Charge Schedule of Decline:** The amount that needs to be paid

for the corresponding time duration. The value of this amount goes down with time. Longer the fund is held, lower the sales charge.

32. **Distributor:** An individual or corporation involved in the direct buying of shares from the fund and reselling them to other investors.
33. **Dividend:** It is the money paid by a company or a fund house to its shareholders usually from its investment income. It is a form of distribution.
34. **Dividend Plan:** In dividend plans, the investor receives timely dividends when they are declared.
35. **Dividend Stripping:** The investor invests with the intention of exiting the fund as soon as the dividend is paid.
36. **Duration:** It is a measure of how sensitive a fund is to shift in interest rates. The longer a fund's duration, the more vulnerable it is to interest rate fluctuations.
37. **Entry Load:** This is the total amount that an investor has to pay at the time of purchasing the units of a mutual fund scheme. This is basically the entry fee that is charged on purchase of fund units by the fund management company when an investor buys units of a scheme of a mutual fund. The entry load is the charge levied on the NAV (it is a fixed percentage, around 2%) when you buy the units. It means you pay the NAV plus entry load while buying the units.
38. **Equity:** They are investments or securities that represent ownership in a firm or company.
39. **Equity Fund:** Mutual Fund scheme that invests only in equity. Equity funds are growth funds which invest in the shares and stocks of companies particularly. Also known as stock funds, these funds have a mix of stocks and shares of diverse companies in their portfolio.
40. **Equity-Linked Savings Scheme:** In this scheme, the majority of the invested in ELSS is in equity. The dividends earned in this scheme are tax-exempt after a period of three years.
41. **Ex-Dividend Date:** The date on which the Net Asset Value (NAV) of a fund decreases by an amount equal to the dividend and /or distribution of capital gains.
42. **Exchange Privilege:** A facility offered by some mutual funds where the investor can make a midway switch from one scheme to another within the same fund type without incurring any charges.
43. **Exit Load:** The exit load is the penalty fee charged by the company for making an

untimely exit from a mutual fund scheme. In other words, it is the amount that an investor is required to pay before selling the units or assets prior to the pre-decided time frame. The fee that investor pays or say, it is the charge that is levied to dissuade investors from withdrawing. Exit load is thus, a small percentage deducted from the NAV when you sell your units. It means you pay the NAV minus exit load while selling your units.

44. **Expense Ratio:** It tells how much amount needs to be paid to the fund for managing your money. It is a measure of the amount required for the operation of a fund, and is expressed as a percentage of its assets. As the word suggests, the expense ratio of a mutual fund is the total expense incurred by the fund when compared to the total assets that it acquires. This indicates the expenses incurred by the fund in relation to the total assets.

45. **Floating Rate Debt:** A bond whose stated interest rate changes as per market fluctuations. Type of bond or debt whose coupon rate undergoes changes based on the change in the market conditions.

46. **Fund Family:** A mutual fund company that offers various funds for different investment objectives.

47. **Fund Manager:** The individual responsible for handling the corpus of a fund and investing in the securities to generate returns for investors. The person responsible for all decisions related to the mutual fund.

48. **Fund Units or Shares:** Investments in a mutual fund are made by buying units or shares of a particular fund. The investors of a mutual fund make investments by buying the units or shares of the particular fund in which they are willing to invest. The more the number of units bought by the investors, the higher the investment is for them. The more the units bought the higher the investment.

49. **Gilt Fund:** Gilts are securities that are issued by the government and carry minimal risk.

50. **Global Fund:** A mutual fund investing in stocks or bonds all over the world.

51. **Government Bond:** They are debt securities issued by governments or their agencies.

52. **Growth Plan:** Mutual fund with long-term capital growth as the primary objective.

53. **Hedge Fund:** Hedge funds use a combination of different techniques to get higher

returns.

54. **Holding Period:** The duration for which a security is held by an individual. This is the duration or period for which an investor holds an asset. In other words, it is the time between the initial date of purchase of a security and the date of its sale.
55. **Holdings:** A fund's top performing securities.
56. **Inception Date:** The date on which the fund started operation.
57. **Income Fund:** Income fund is a type of mutual fund which essentially aims at providing current income instead of capital growth. The tendency of income fund is to contribute to stocks and bonds which collect high interest and dividends. The primary aim of this mutual fund is to enhance current income rather than long-term capital growth. This mutual fund invests in stocks and bonds which earn a higher return.
58. **Index Fund:** Funds that purchase securities that follow the pattern of returns represented by BSE sense. An index fund specifically focuses on the purchase of securities matching or representing a particular index. The portfolio of such fund is designed in order to mimic or track the components of a specific market index.
59. **Initial Purchase:** The minimum amount required to open a new account. This amount notifies the investor of the monetary constraints he has as a shareholder. A fund's initial purchase is an important criterion to check while selecting a suitable mutual fund.
60. **Interest Rate:** The monthly effective rate that is applicable to the amount borrowed. It is indicated as a percentage of the amount borrowed.
61. **Interest Rate Sensitivity:** Interest rate sensitivity is an indication of how sensitive a fund is to changes in interest rates. A fund with a longer tenure is more susceptible to interest rate changes and hence more volatile as a fund than a fund with a shorter tenure.
62. **Intermediate Bond Fund:** A mutual fund investing in bonds with a deposit period ranging from 5-10 years.
63. **Interval Schemes-** Interval schemes combine the features of both open-ended and closed-ended mutual funds. The units of these schemes can be traded either on the stock exchange or can be kept open for sale or redemption during the prefixed intervals at the NAV (Net Asset Value) related prices.

64. **Investment Objective:** It is the goal of the fund, and how it intends to raise money or returns for the investors. The long term or short term financial goal that an investor or mutual fund strives for.
65. **Investment Yield:** The yield of an investment is related to the risks and prospects of the investment. If it is a low-risk investment with better prospects then expected yield would be low and the capital value would be higher.
66. **Jobbers:** Stock exchange brokers who are involved in buying and selling of shares they specialize in.
67. **Level Load:** Commission (load) that stays unchanged irrespective of the duration for which an investment was held by the investor.
68. **Liquidity:** It is the ability of an investment to gain instant access to invested money.
69. **Liquid Fund:** This category of a liquid mutual fund is similar to the money market funds but doesn't have any lock-in-periods. It predominantly invests in money market instruments such as a certificate of deposits, commercial papers, treasury bills, and term deposits. Same as money market fund minus the lock-in period.
70. **Load:** The entry and exit fee that an investor pays on buying and selling units.
71. **Lock-in-Period:** This is the period during which an investor is not allowed to sell a particular investment. In other words, during the lock-in-period, the investment of a person remains locked. The period for which a particular investment is restricted from being sold by the investor. Certain funds stipulate a period during which units cannot be sold i.e. investors cannot liquidate their investment during this period. If allowed, it is subject to a penalty or loss of benefits.
72. **Long-Term Bond Fund:** A mutual fund that invests in bonds with a maturity period of more than 10 years.
73. **Long-Term Capital Gains:** The revenue generated by selling a mutual fund share that has been held for more than a year. Profits derived from the sale of assets such as shares and securities which are kept on hold for a period of more than 12 months.
74. **Lump sum Investment:** Lump sum mutual fund investment is the method of contributing a fixed amount of one-time money in a mutual fund. This type of investment is specially opted for by people having huge money to invest. Retired persons or business

entrepreneurs with massive capital usually choose such investments.

75. **Management Fee:** The fee paid by the mutual fund to the investment advisor for the portfolio management of the fund and other advisory services. The fee ranges from 0.5 to 0.1% of the asset value of the fund.

76. **Money Market:** It is the worldwide financial market for the purchase and sale of short-term securities like commercial paper, treasury bills and repurchase agreements. It is basically a market for borrowing and lending in the short term.

77. **Money Market Fund:** Mutual funds which capitalize especially in money markets like commercial bills, commercial papers, treasury bills certificate of deposit and other RBI instruments. The lock-in period for this type of funds is a minimum of 15 days. A mutual fund investing only in RBI specified investment instruments and money markets like commercial papers, treasury bills certificate, commercial bills etc. These funds come with a minimum lock-in period of 15 days and are regulated by SEBI.

78. **Mutual Fund:** It is a kind of trust with pooled funds from a number of investors for the purpose of wealth creation by investing in various financial avenues.

79. **Net Asset Value aka the NAV:** NAV is the value of one unit in the mutual fund scheme and is a measure of the fund's performance. It is an investment company's per-share value and is computed by deducting the liabilities of the fund from its assets' current market value and dividing the figure by the number of outstanding shares. This is the unit price or price per share of the fund. The NAV of a fund changes depending on the fund's performance. Units are purchased or sold/redeemed at the prevailing NAV or unit price at the time of purchase/sale. This is the value/price of a unit or price per share of the fund. It is actually the prime indicator of the performance of a mutual fund. Based on the performance of the fund, its NAV changes from time to time. During the purchase or sale of the fund units, the prevailing NAV is considered and the units are bought/sold/redeemed at the current value per unit.

80. **Net Asset Value Per Unit:** The present market value of a mutual fund share. It is calculated daily by

considering the total assets i.e. securities, accrued income, deducting the liabilities and then dividing the result by the number of outstanding units.

81. **Net Assets:** It is denoted as total assets minus the total liabilities.
82. **No-load Fund:** Mutual fund in which no charge is levied on the sale or purchase of units.
83. **Offer document:** The official document that formally summarizes all the basic features and rules and regulations of a mutual fund is the offer document. The investment objective of a particular fund along with all the details of investments made in securities and asset classes are elaborated in the offer document. Apart from the terms and conditions, it contains information about its managing authority, the associated risks, performance history and other financial matters. It is very important for an investor to go through the offer document carefully prior to the investment. This is a formal document that outlines the basic features of the fund. The objective of the fund and the asset classes that the fund will invest in is mentioned in the offer document. It also contains terms and conditions of the fund and other details such as who will manage the fund, risk factors, the fund's performance history and other financials. Investors should read the offer document carefully before investing in a fund.
84. **Offshore funds-** These funds focus in making investments in offshore foreign companies or corporations. The investors of such funds are NRI's and these are regulated as per the provisions of the offshore countries where these funds are registered. Such funds are regulated as per the directives of the Reserve Bank of India (RBI).
85. **New Fund Offer (NFO):** NFO's are the latest fund offers and schemes that are introduced in the market by the AMC. Since these new funds are launched at a special offer price, the investors can purchase these units at a relatively low price compared to that of the usual market price. New fund offers are new funds/schemes launched in the market. Investors can buy units of these new funds at the offer price, which is usually very low. Subsequent purchases in these funds will have to be made at prevailing NAV's of that day.
86. **Open Ended Schemes:** Mutual fund schemes that issue new units

to the public on a regular basis are called open-ended schemes. The duration for redemption is not specific.

87. **Operating Expense:** The expenses acquired for operating a business; includes raw material, maintenance charges cost etc.

88. **Payable Date:** The date on which dividends are paid to shareholders who do not plan on reinvesting them.

89. **Portfolio Manager:** Portfolio manager is hired by the fund advisor to handle investment decisions regarding buying and selling of securities for the mutual funds according to the fund's objective.

90. **Portfolio turnover rate:** It is the rate levied on the change of the mutual fund portfolio every year.

91. **Price/Book Ratio:** It is a metric to compare the market value of a stock to its book value. It is represented as Market Price per share divided by the book value per share.

92. **Prime Rate Fund:** A mutual fund that purchases some percentage of corporate loans from banks and pays the interest to shareholders.

93. **R & T agents:** Registrars and transfer agents that are responsible for all paperwork involved in investor servicing.

94. **Redemption:** Redemption refers to the resale of the units of a fund back to the fund house. This is when fund units are sold / transferred / cancelled.

95. **Redemption Fee:** The fee levied on an investor for exiting a mutual fund. This is imposed to dissuade investors from withdrawing.

96. **Redemption Price:** The price at which the fund repurchases a mutual fund's shares. It is often equal to the present net asset value per share. The redemption price is also known as selling price, bid etc.

97. **Reinvestment Privilege:** Some mutual funds allow their shareholders to use the income from capital gains to buy additional shares without having to pay any sales charge. This is a reinvestment privilege.

98. **Risk:** Measure of the ability of an investor to withstand market fluctuations and volatility.

99. **Roll-Over Option:** This is an option offered by some funds where after redemption investors can choose to reinvest the amount if the fund's performance is good.

100. **Rupee Cost Averaging:** A system in which the investor re-invests money into the same mutual fund periodically.

101. **Sales Charge:** Fees remitted to a brokerage house by a

purchaser of shares in a load mutual fund.

102. **Sector Fund:** An equity scheme that invests in shares of companies belonging to a particular sector. For example, an IT fund would invest only in IT companies.

103. **Series Fund:** A mutual fund whose prospectus allows for multiple portfolios. Portfolios can be specialized or broad.

104. **Short-term capital gain-** Profits that an investor earns from the sale of assets like shares, stocks, and securities which were owned for less than a year.

105. **SIP:** SIP or Systematic Investment Planning is a method of investing money in mutual funds in a small amount in periodic installments. By opting for this recurring investment vehicle, people can invest small amounts instead of a lump sum in the mutual fund on a weekly, quarterly, and monthly basis. This investment method is particularly beneficial for investors who want to invest small amounts on a regular basis for a long term. SIP or Systematic investment plan works similar to a recurring deposit plan where the investor can make a monthly/quarterly fixed contribution. SIP is a good option for investors who don't have a lump sum to invest.

106. **Stock Fund:** Mutual fund primarily investing in stocks.

107. **Switch-** Certain mutual funds allow the investors to shift or switch from one investment scheme to another within that particular fund. However, the mutual fund companies charge a switching fee for making a switch within funds. An investor can either shift his whole investment from one scheme to another or can transfer it partially depending on his investment goals, risk profile, and other circumstances.

108. **Subsequent Purchase:** The smallest additional purchase a fund allows in an existing account.

109. **Systematic Withdrawal Plans:** Systematic Withdrawal Plan or SWP in funds permit the investor to take out a fixed/variable amount from his/her fund scheme monthly, quarterly, semi-annually, or annually on a predetermined date. Such funds not only offer consistent income to the investors but these also provide good returns on the remaining amount. This is a plan offered by many mutual funds where shareholders are given payments from their investments. Money for the payments is usually sourced from the fund's dividend

income and capital gain distributions.

110. **Total Net Assets:** It is the overall amount of assets held by a fund minus any liabilities.

111. **Treasury Bills:** A government security sold for duration of 91-364 days. The security is sold by the Reserve Bank of India.

112. **Trustee:** A trustee basically oversees the operations and management of the mutual fund. Trustees also have the fiduciary responsibility to represent the shareholders' interests.

113. **Unit:** Represents the extent of ownership of an investor in a mutual fund.

114. **Unit Holder:** An investor who invests money in mutual funds.

115. **Unload:** Selling units of mutual fund.

116. **Venture Capital Fund:** A limited company that supports new industries by providing them risk capital.

117. **Withdrawal Plan:** It is a facility to redeem mutual funds periodically and have the proceeds sent directly to the investor.

118. **Zero Coupon Bond:** It is a bond that is sold at a fraction of its face value. There are no periodic interest payments made, but the bond value increases with time. The earnings from the bond accumulate until the maturity period, and then the bond is redeemable at full face value.

There are a few more, but these many should be enough for a dentist's purview.

(Series to be Continued)

(We shall continue this Article on Finance in the Part 10 of this Series in Volume 2 Issue 5 – Sep–Oct 2019 Issue – Second Part with Mutual Funds)

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Dr. Bhavdeep Singh Ahuja graduated in 1998 from Punjabi University, Patiala. He has specialized in Implants from BioHorizons Inc. USA in 2004-05 & in Advanced Course from LACE-ICOI, USA in 2006. Apart from Dentistry, he holds a **Triple M.B.A.** in Hospital Management, Finance/Human Resources (dual) & Marketing from three premier Institutes/Universities of India viz. the IIMM Pune, IGNOU Delhi & Annamalai University, Chennai respectively. He also holds Post Graduate Diploma's in Medical Law & Ethics (NLSIU - Premier LAW School of India), Clinical Research, Cyber Law, IPR's (Intellectual Property Rights), Disaster Management, Financial Management, Bioinformatics amongst many more from different Universities. He is a Certified Health Care Waste Manager from IGNOU & is qualified in Consumer Law as well. He is an academically oriented dentist & has more than **75** Original Scientific Publications to his credit in many International & National journals. He lectures all over India extensively on the topics of Practice Management, Medical Law, Ethics and Consent and Finance for Dentists and he is writing a series on these topics in multiple journals simultaneously. He has been the Past Editor-in-Chief, L.E.D. E-Journal & PAGE 3 OLA-D E-Newsletter, the twin Publications of IDA Ludhiana Branch. Presently, he is into his **21st Year** of Clinical Private Practice in Ludhiana, Punjab.