APPENDIX-VII

FREQUENTLY USED TERMS

Net Asset Value (NAV)

Net Asset Value is the market value of the assets of the scheme minus its liabilities. The per unit NAV is the net asset value of the scheme divided by the number of units outstanding on the Valuation Date.

Sale Price

Is the price you pay when you invest in a scheme, also called Offer Price. It may include a sales load.

Repurchase Price

Is the price at which units under open-ended schemes are repurchased by the Mutual Fund. Such prices are NAV related.

Redemption Price

Is the price at which close-ended schemes redeem their units on maturity. Such prices are NAV related.

Sales Load

Is a charge collected by a scheme when it sells the units. Also called, ‘Front-end’ load. Schemes that do not charge a load are called ‘No Load’ schemes.

NAV

Is a charge collected by a scheme when it buys back the units from the unit holders.