

## Jump In for Mutual Fun

### ICI Explains

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Mutual funds are investment pools, in which a professional manager invests a pool of money on behalf of many investors. Why have 100 million investors in the United States jumped into these pools? Professional management, diversification, cost-effectiveness, and ready access to funds are some of the top reasons. Learn why and how investors turn to mutual funds to help reach their personal financial goals.

### Transcript

“Sign up for mutual fun.” That’s how a local swim club invited neighbors to join.

Mutual fun. Now, isn’t that what a mutual fund is all about, too?

Mutual funds are *pooled* investments.

With a mutual fund, a professional manager invests a pool of money on behalf of many investors. The manager selects a diversified portfolio of securities that might be difficult for investors to assemble themselves.

Investors like the professional management, diversification, cost-effectiveness, and the ready access to their money that funds provide.

More than 100 million people in the US own mutual funds to reach their financial goals. That includes saving for a home, education, or retirement—all of which set you up for fun.

Mutual fund investors range widely—in age—and in income.

So, should you jump into the pool, too?

If you feel that you need a flotation device, you can ask a broker or financial adviser to help you select your funds. If you're investing through your retirement plan at work, the plan sponsor will have an appropriate investment lineup for you to choose from.

Or you can select funds yourself—at a mutual fund company, or through an online or discount broker.

Either way, decide on your comfort level with [investment risk](#). Do you prefer to hang onto the side of the pool, wade, or swim laps?

Whatever your comfort level, money market funds, bond funds, balanced funds, and stock funds offer a range of risk levels and returns. Funds also offer access to domestic and international securities markets, and some also consider environmental, social, or governance—or ESG—criteria when investing.

And getting into the pool through mutual funds provides many benefits and ways to reach your financial goals.

*That's what puts the fun in mutual funds.*

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