

# HDFC HOUSING OPPORTUNITIES FUND NFO



## WHY INVEST IN THIS FUND?

### Key Features

- HDFC Housing Opportunities Fund to focus on businesses that would benefit from the expected growth in housing.
- HDFC Housing Opportunities Fund is a 1140 days close-ended thematic equity offering investing a minimum of 80% into equities of housing and allied businesses and Balance 15 - 20 % can be in debt and money market instruments. To give downside protection to the portfolio the fund manager may invest in derivatives by purchasing put options in Nifty 50 / Individual stocks.
- Stock cap is 10% and basic industry cap is 20% to control portfolio risk.
- Housing theme would predominantly include industries including Cement, Engineering-Designing-Construction, Banks, Housing Finance, Steel, Paints, Construction, Home appliances, Plywood, Sanitaryware, Tiles, etc. Hence, a diversified basket to choose stocks from.
- Benchmark: A custom-made benchmark by IISL (NSE) called India Housing and Allied Businesses Index, a 50 stock index that currently includes 14 basic industries.
- Why housing theme:
  - Acute shortage for housing in India.
  - Favourable demographics, urbanization and shift toward nuclear households.
  - Government focus on affordable housing.
  - Improved affordability on account of stable house prices, increase in income levels and a drop in interest rates.
  - Multiple macro-economic linkages to foster growth in allied industries, thereby boosting economic growth.
- NFO closes November 30, 2017

### Benefits

- This is a closed ended multi Cap fund diversified with an investment strategy which invests in 14 sectors which are part of housing and allied companies.
- Fund Benchmark is India Housing and Allied Business Index which is a newly created index focusing on Housing and allied companies.
- **This index has given a return of 20.52% p.a. ( on absolute basis based on equal weighted average of all 50 stocks of the index from period Sept 30, 2016 to Sept 29, 2017)**
- Fund manager since inception is Mr Srinivas Rao Ravuri
- Expense ratio is around 2% (based on NFO collection)

### Recommendation

- We recommend this fund for investors desiring superior returns with lower volatility from a portfolio of companies which stand to benefit from the growth in the housing sector.
- This fund is closed ended for 1140 days and is proposed to be listed and liquidity may depend on the volumes on the stock exchange.

### To invest in this NFO please contact:

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