

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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