

First International Fund by IDFC Mutual Fund - NFO opens on 29 July, 2021

By : Editor Published On : 27 Jul, 2021 12:22 PM IST



Low Correlation Between Indian & US Equities Makes IDFC US Equity Fund of Fund Suited for Geographic Diversification

INVC NEWS Bengaluru,

IDFC Mutual Fund announced the launch of its first international fund **IDFC US Equity Fund of Fund**, an open-ended fund of fund scheme investing in units/shares of overseas Mutual Fund Scheme (/s) / Exchange Traded Fund (/s) investing in US Equity securities, focused on generating long term capital appreciation by investing in units/shares of overseas Mutual Fund Scheme(/s)/Exchange Traded Fund(/s) investing in US equity securities. Designed to offer investors an opportunity to invest in a growth-oriented portfolio of US stocks, thereby benefiting from strong structural opportunities in a resilient US market. **J.P Morgan US Growth Fund**, inceptioned in 2000 and has an AUM of USD 1.8 billion as on June 30, 2021, is the actively managed underlying fund, with a robust investment framework, a tight-knit portfolio team and a consistent track record. The **New Fund Offer will open for subscription on Thursday, July 29, 2021 and close on Thursday, August 12, 2021.**

Highlighting the rationale behind launching the IDFC US Equity Funds of Fund and relevance of investing in US equities now, **Vishal Kapoor, CEO, IDFC Asset Management Company Limited (AMC)** said, "Including an international fund helps bring a geographical diversification to an investor's portfolio. However, before selecting an international fund, an investor should check if the fund is complementary. IDFC US Equity Fund of Fund provide complementary addition to the investor's portfolio as it has a low correlation with Indian equities, additionally, it offers investors the powerful opportunity of investing in US equities and participation in a significant global revenue pool. The US economy started showing signs of economic revival, supported by the aggressive vaccination rollout, flattening curve of the Covid-19 cases, progression towards herd immunity, reopening of establishments, and fiscal stimulus by the government. These key factors have restored the confidence of investors. The US market is at the forefront of new-age innovations across different sectors and investors can reap benefit of those unique businesses. Investors can add currency exposure to their portfolio to meet future expenses and participate in innovative themes,

which are expected to advance the US economy further. Pent-up demand aided by low debt levels and high net worth is expected to drive GDP growth in the second half of 2021, which is expected to range between 6-7% for CY21, the highest in almost 40 years.”

US equities can be an ideal complementary addition to the investor’s portfolio as it has a low correlation with Indian equities, facilitating effective diversification and exposure to USD, which is a key asset. Higher US equity market performance can be attributed to the superior earnings growth making it a perfect destination for earning attractive returns with low risk.

Investors of IDFC US Equity Fund of Fund can derive value proposition from the growth-oriented underlying fund as it provides a broad exposure to the US equity markets and has been actively managed by a team of prudent fund managers with deep US Understanding and adopting a bottom-up approach to identify ESG compliant companies with a sustainable competitive advantage and strong price momentum. The underlying fund portfolio consists of 60-90 fundamentally strong stocks with 40% of the revenue of the underlying stocks contributed by countries outside the US.

URL : <https://www.internationalnewsandviews.com/first-international-fund-by-idfc-mutual-fund-nfo-opens-on-29-july-2021/>



12th year of news and views excellency

Committed to truth and impartiality

Copyright © 2009 - 2019 International News and Views Corporation. All rights reserved.
