**Best Mutual Fund NFO to invest in Aug 2022**

What is Mutual Fund NFO?

A New Fund Offer is an invitation to the public by an Asset Management Company to subscribe to its newly launched fund. A mutual fund uses the NFO to raise funds for its scheme by allotting units of equal value (usually Rs 10) to investors. For example, if you invest Rs 100000 in an NFO, you will receive 10000 units of Rs 10 each.

After the NFO is closed, the mutual fund invests the corpus raised from investors in the markets based on the scheme’s objectives and investing style. The price or Net Asset Value (which is Rs 10 at the start) of the fund rises and falls based on its performance.

Types of NFOs (New Fund Offer)

Basically, there are two types of new fund offers.

Open-ended Funds

 An open-end fund is a type of mutual fund that does not have restrictions on the number of shares the fund can issue. It allows investors to enter and exit the fund anytime after the NFO. The majority of funds that are offered through NFO are Open-ended mutual Funds

Close-ended Funds

 Close-ended Funds is a type of mutual fund in that the unit capital of closed-ended funds is fixed and they sell a specific number of units. In simple words, it restricts the entry and exit of investors to the NFO period.  And that do not allow investment in the fund post the completion of the NFO nor any exit from the fund till the maturity of such fund which is usually 3 years to 4 years.

Benefits of Investing in an NFO

An investment made in any NFO brings a lot of advantages like diversifying your portfolio by investing in new strategies, great flexibility, profitability, and liquidity to name a few. Furthermore, the investment objectives, expected return on investment, and the reason for the fund are provided with clarity right before starting.

How to invest in an NFO?

Invest in NFOs through the online or offline route as per your convenience:

Offline route:

Invest in NFOs through a mutual fund distributor or broker. The mutual fund broker helps you fill all relevant forms and submit documents when investing in the NFO. Invest in NFOs through the mutual fund broker if you prefer offline investing and information on the mutual fund launched through the NFO.

Online Route:

Invest in NFOs online through your Demat and Trading Account. Moreover, you can also invest in NFOs through mutual fund platforms where you can buy and sell units from the comfort of your home. It helps select NFOs that are open and invest in them by placing your order.

Best NFO to invest in Aug 2022

**TATA HOUSING OPPORTUNITIES FUND**

An open-ended equity scheme following a housing theme

NFO Opens  – 16th August 2022

NFO Closes  – 29th August 2022

Allotment date – 2nd Sep 2022

NAV - ₹10.00

Expense ratio - NA. Inclusive of GST.

Exit Load – Exit load for units in excess of 12% of the investment, 1% will be charged for redemption within 365 days.

Stamp duty – 0.005% (from July 1st, 2020)

Tax implication – returns are taxed at 15%, if you redeem before one year, you are required to pay LTCG tax of 10% on returns of Rs 1 lakh+ in a financial year.

Minimum investment amount. Lumpsum - ₹5000. SIP- ₹150

For investing online go to [**https://bharathfintechsolutions.com/industry-updates/**](https://bharathfintechsolutions.com/industry-updates/) then Click – Invest online button – mycams.camsonline.com – enter pan – enter

About **TATA HOUSING OPPORTUNITIES FUND**

***What is Housing Opportunities Fund?***

A house and everything that goes into making one is one of the biggest expenditures we make in our lifetimes. This is an opportunity to create wealth from it, by investing in companies that supply materials, products, and services that go into building a house.

In the past, the housing sector was impacted by Excess Inventory, Regulatory changes, NBFC Crisis & Demonetisation. It’s now at the cusp of a turnaround!

Housing Demand is driven by improved affordability, increasing urbanization, and supplier consolidation among other factors. As the demand for housing increases, so does the demand for products that go into building a house.

Housing Opportunities Fund aims to offer a portfolio of businesses that benefits from the real estate cycle: The fund focuses on businesses that are better quality compared to pure-play real estate companies.

Examples of sectors under the Housing theme – Construction, Cement, Consumer durables, Housing finance companies, Utilities, etc.



*Why Housing Theme now? – Some interesting data points!*

* Housing sales volume across seven major cities in India surged 113% YoY, signifying healthy recovery post lockdown
* the number of Indians living in urban areas is expected to reach 525 million by 2025 and 600 million by 2036
* By 2025 real estate may contribute 13% to the country’s GDP.
* Real Estate sector in India is expected to reach US$ 1 trillion by 2030.
* Under the ambitious Pradhan Mantri Awas Yojana (PMAY). with the scheme, the residential sector is expected to grow significantly.
* Affordability Index (EMI/Household income) is at the lowest currently which will further push the demand up.
* Lowest unsold inventory boost developers’ confidence in undertaking new projects.
* Debt reduced for large developers from the past.
* 70% of the portfolio consists of Growth stocks.
* 50% exposure to Mid & Small Cap ideally to capture double-digit Earnings.

*Tata Housing Opportunities fund will have stock universe of 307 stocks with combined market cap of 70 Lakh Crores!.*

To sum it up…..

* Tata Housing Opportunities Fund aims to offer a portfolio of businesses that benefits from the real estate cycle;
* Tata Housing Opportunities Fund aims to offer a portfolio of businesses that benefits from the real estate cycle:
* As the demand for housing increases, so does the demand for products that go into building a house. These products have their own cycles. In Housing sector upcycles they draw from the tailwinds In Housing sector downcycles, they do not necessarily mimic the sector
* These businesses tend to exhibit significantly lower cyclicality compared to pure-play real estate companies
* Lower exposure to defensive sectors offers a better way to play economic recovery