

Should one invest in NFO(New Fund Offer) to get NAV at lower price?



- NFO units are allotted at Rs. 10 per unit NAV. That does not make the fund cheaper and better to invest



- In NFO Past performance data is not available & there could be existing funds with similar style, theme

- Higher NAV simply suggests that the Fund has either been in existence for a long period, or the scheme has fared well.



- Growth of the NAV is important and not the absolute NAV
- NFOs have higher expense ratios compared to existing funds

NFO

- NFO NAV is constant at Rs.10 and will not change based on the demand factors etc.

IPO

- In IPO, the listing price is determined by the demand and other factors.