



Diversify your portfolio with international funds

The second episode of 'Decoding the world of ETF- Season2' by Mirae Asset Mutual Fund and Moneycontrol explored how investors dip their feet into the international market and invest in global companies and new-age themes such as artificial intelligence, electric vehicles and much more.

Financial advisors Siddharth Srivastava, Head – ETF Product, Mirae Asset Investment Managers India and Vishal Dhawan, CEO& Founder, Plan Ahead Wealth Advisors spoke to Sumaira Abidi, CNBC-TV18 on 'How investors can get exposure to global markets' and discussed why Indian investors should consider global markets, how they can get started, role of ETFs and much more.

During the discussion, experts said individuals can start via Exchange Traded Funds (ETFs) that are a low-cost way to invest in the global markets. They said passive funds typically track a benchmark and provide a very transparent and known exposure to these developed markets.

Talking about allocation and why to get started, Dhawan said India's market capitalisation is paltry as compared to the international market.

"For most people to start-off with anywhere between 10%-25% is a good number for them to gradually build-up to and we need to keep in mind the Indian markets make up only about 3% of global marketcap. So, we are very small in the context of what exists globally," said Dhawan.

He advised investors can gradually look at making selected choices of what kind of markets they want to participate in different types of ETFs.

Taking the discussion forward and giving deep insights into what kind of opportunity one can explore, Srivastava said developed markets give an exposure to a variety of themes and global companies.

"The US markets, especially in the last year, have done pretty well. There are a lot of themes which are not available in India. What we have in India are traditional sectors like banks, oil and gas, IT consultancy, etc. But if you want to participate in disruptive technologies which are creating new economies and disrupting the way like electric vehicles, e-commerce, social media, artificial intelligence and robotics and get that exposure, it is, as of now, provided by companies that are listed in foreign markets," said Srivastava.

The webinar also saw detailed discussion on currency implications, taxation, risk profiling, investment objective, expense ratio, etc.