

International mutual funds beat domestic funds with up to 10% returns in July. What should mutual fund investors do now?

By Surbhi Khanna, Published on: August 01, 2025.



International mutual funds have outperformed their domestic counterparts in the month of July with up to 10% return, an analysis of performance by ETMutualFunds showed. There were around 564 funds in the mentioned time period, 134 gave positive returns, 429 gave negative returns and one fund failed to generate return.

Among the top 20 performers, 18 were international funds and two were pharma and healthcare sector-based funds.

Mirae Asset S&P 500 Top 50 ETF FoF, the topper in the said time period, posted a return of 9.77%. DSP Global Clean Energy FoF offered a return of 8.67% in July, followed by Mirae Asset NYSE FANG+ETF FoF which gave 8.51% return in the similar time period.

Two greater China based funds - Axis Greater China Equity FoF and Edelweiss Gr China Equity Off-Shore Fund - delivered 8.48% and 7.45% returns respectively in July. Mirae Asset Global Electric & Autonomous Vehicles Equity Passive FOF posted a return of 7.21% in the mentioned time period.

HDFC Pharma and Healthcare Fund, a pharma and healthcare sector-based fund, delivered a return of 6.18% in the said time period. Mirae Asset Hang Seng TECH ETF FoF delivered a return of 6.09% in July.

Three NASDAQ based funds - Kotak NASDAQ 100 FoF, Axis NASDAQ 100 FoF, and Motilal Oswal Nasdaq 100 FOF - have delivered a return of 5.88%, 5.78%, and 5.73% respectively in July.

Two funds from DSP Mutual Fund - DSP World Mining FoF and DSP Healthcare Fund - offered a return of 4.50% each in the mentioned period. HDFC Small Cap Fund delivered a return of 0.66% in the similar time frame.

Mirae Asset Small Cap Fund and Helios Flexi Cap Fund posted 0.42% return each in the month of July. Three funds - Baroda BNP Paribas Aqua FoF, Bandhan Small Cap Fund, and Axis Innovation Fund - posted a return of 0.16% each in the said time period.

Baroda BNP Paribas Innovation Fund was the last one to offer a positive return of around 0.01% in July.

ICICI Prudential MNC Fund did not post any return in the mentioned period. Based on the data, the fund gave 0.00% return.

Negative performers:

HDFC Defence Fund, the only active fund based on defence sector, lost the most of around 9.67% in the said time period. HSBC Brazil Fund, an international fund, lost 6.63% in July.

Six funds based on the technology sector lost between 4.61% to 5.36% in said time period. Old Bridge Focused Fund lost 4.51% in the mentioned period.

SBI Midcap Fund delivered a negative return of 2.85% in the mentioned time frame. Motilal Oswal Midcap Fund delivered a negative return of 2.64% in the month of July.

Three funds from Quant Mutual Fund - Quant Manufacturing Fund, Quant Large Cap Fund, Quant Infrastructure Fund - lost 2.18%, 2.18%, and 2.17% respectively in the month of July.

Quant Mid Cap Fund and Quant Momentum Fund lost 2.03% and 2.02% respectively in the mentioned timeframe.

The largest and oldest contra fund, SBI Contra Fund, delivered a negative return of 1.90% in the said time horizon. Nippon India Small Cap Fund, the largest small cap fund based on assets managed, lost 1.60% in July.

Quant Small Cap Fund delivered a negative return of 1.31% in July, followed by HDFC Flexi Cap Fund which lost 1.31% as well.

Kotak Manufacture in India Fund and DSP Midcap Fund lost the lowest of around 0.05% each in July.

Investor strategy: Navigating the path forward.

An expert is of the opinion that with equity valuations continuing to be at premium and heightened uncertainty on tariff front, investors in equity mutual funds may wish to avoid lumpsum investments but invest through SIPs and STPs.

“Overvaluations are excessive in mid and small caps and investors may prefer to book profits in those segments. Debt investors may prefer to stay at the shorter end of the yield curve as RBI may not cut interest rates due to the rise in core inflation,” Vishal Dhawan, CEO, Plan Ahead Wealth Advisors, a wealth management firm in Mumbai told ETMutualFunds.

We considered all equity mutual funds including sectoral and thematic funds. We considered regular and growth options. We calculated the performance from July 1 to July 30.

Note, the above exercise is not a recommendation. The exercise was done to evaluate the performance of equity mutual funds in the month of July. One should not make investment or redemption decisions based on the above exercise.

One should always consider risk appetite, investment horizon, and goals before making any investment decisions.