

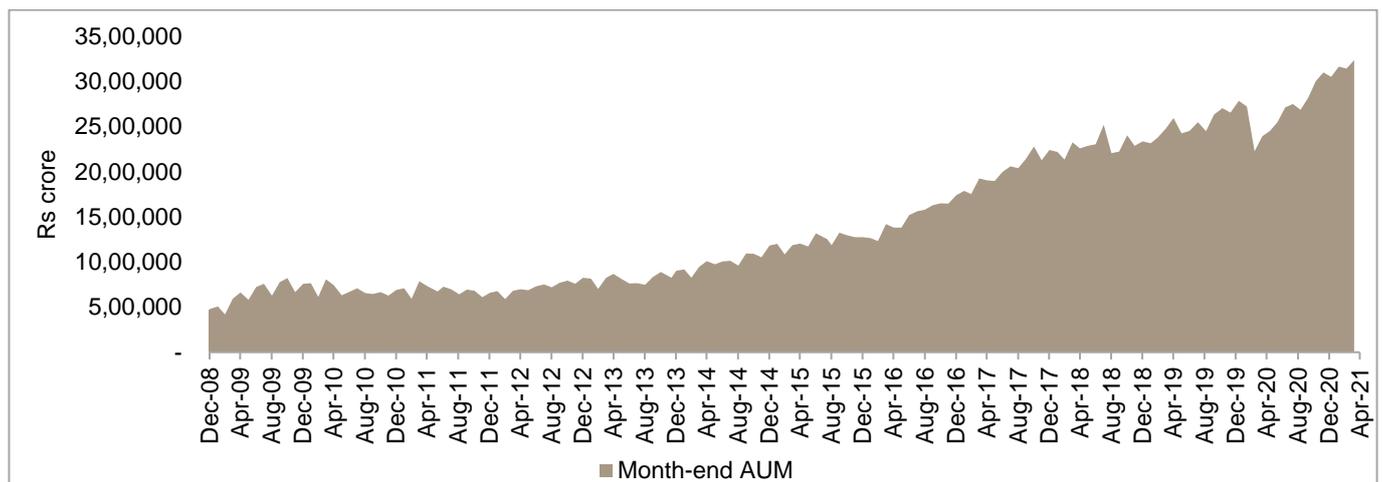
MF asset base hits new peak at over Rs 32 lakh crore

Robust net inflows of Rs 93,000 crore in April

The domestic mutual fund (MF) industry's assets under management (AUM) rose ~3% on-month in April 2021, or a net ~Rs 95,000 crore, to a record Rs 32.38 lakh crore. That reverses the ~1% on-month decline seen in March.

More than Rs 1 lakh crore (gross) flowed to open-ended debt funds; equity and hybrids also saw good interest.

Industry assets rose past Rs 32.4 lakh crore in April 2021



Note: Excludes domestic fund of funds

Source: Association of Mutual Funds in India (AMFI), CRISIL Research

Among the fund categories:

- **Open-ended debt funds recorded highest net inflow since October 2020**

Open-ended debt funds saw net inflows of Rs 1.01 lakh crore in April, the highest monthly net inflow since October 2020, which saw Rs 1.10 lakh crore coming in. Liquid funds led the way with a net inflow of Rs 41,507 crore, the highest since April 2020, when it had touched Rs 68,848 crore.

There is seasonal effect at the start of a new quarter when corporates and other institutions re-invest excess cash reserves into liquid funds and other short-term debt categories after payment of advance tax.

Apart from liquid funds, money market funds reeled in Rs 20,287 crore, the highest since the Association of Mutual Funds in India changed its format of data dissemination in April 2019. Overnight funds saw a net inflow of Rs 18,492 crore, the highest since the Rs 26,654 crore seen in March 2020.

On the other hand, dynamic bond funds, which invest in debt securities across the duration spectrum, saw the most net outflows within the category at Rs 2,103 crore. That's also the highest monthly net outflow from the category since April 2019.

There was a flurry of redemptions in fixed-term plans from the closed-end debt category. Consequently, net outflow was ~Rs 22,403 crore, the highest since April 2019. Typically, April is when investors exit from the category after holding units for three years to get indexation benefit.

AUM of open-ended debt funds ended 6.80% higher on-month at a record Rs 14.19 lakh crore.

- **Equity funds posted second-straight month of net inflow**

March 2021 saw the first net inflow for open-ended equity category, after outflows in the preceding eight months. The trend remained positive in April, too, though less so at Rs 3,437 crore versus Rs 9,115 crore in March.

Sectoral / thematic schemes and mid-cap funds recorded the highest net inflows within the category, at Rs 1,705 crore and Rs 958 crore, respectively. Large and mid-cap schemes also drew good interest, with net inflow at Rs 708 crore.

In contrast, value / contra funds posted the highest net outflow in the category, at Rs 674 crore, while multi-cap funds also saw net outflow of ~Rs 158 crore.

Open-ended equity fund AUM rose ~Rs 11,995 crore or 1.2% to a fresh high of Rs 9.91 lakh crore.

- **Inflow into hybrid schemes accelerated**

Net inflow in April 2021 among hybrid schemes was Rs 8,641 crore versus Rs 6,210 crore in March.

Volatility in the underlying equity market saw arbitrage funds in the category record monthly net inflow of Rs 7,245 crore, which was the highest since May 2020's net inflow figure of Rs 10,806 crore. Dynamic asset allocation funds recorded net inflow for the fourth-straight month, at Rs 1,700 crore.

Sentiment for aggressive hybrid schemes though remained weak, with net outflow for the 21st consecutive month, at ~Rs 502 crore.

At the aggregate level, the asset base of hybrid funds rose ~2.6% on-month to ~Rs 3.52 lakh crore, which was the highest since December 2019, when the asset base touched ~Rs 3.58 lakh crore.

- **Interest for gold and equity ETFs remained firm**

Equity exchange-traded funds (ETFs) posted net inflow for the sixth-straight month, at ~Rs 2,537 crore. Interest in gold ETFs also remained firm, as the price of the yellow metal trended upward during the month. Net inflow for gold ETFs was ~Rs 680 crore, marking the fifth-straight month of inflow for the category.

Category-wise inflow/outflow and industry AUM (Rs crore)

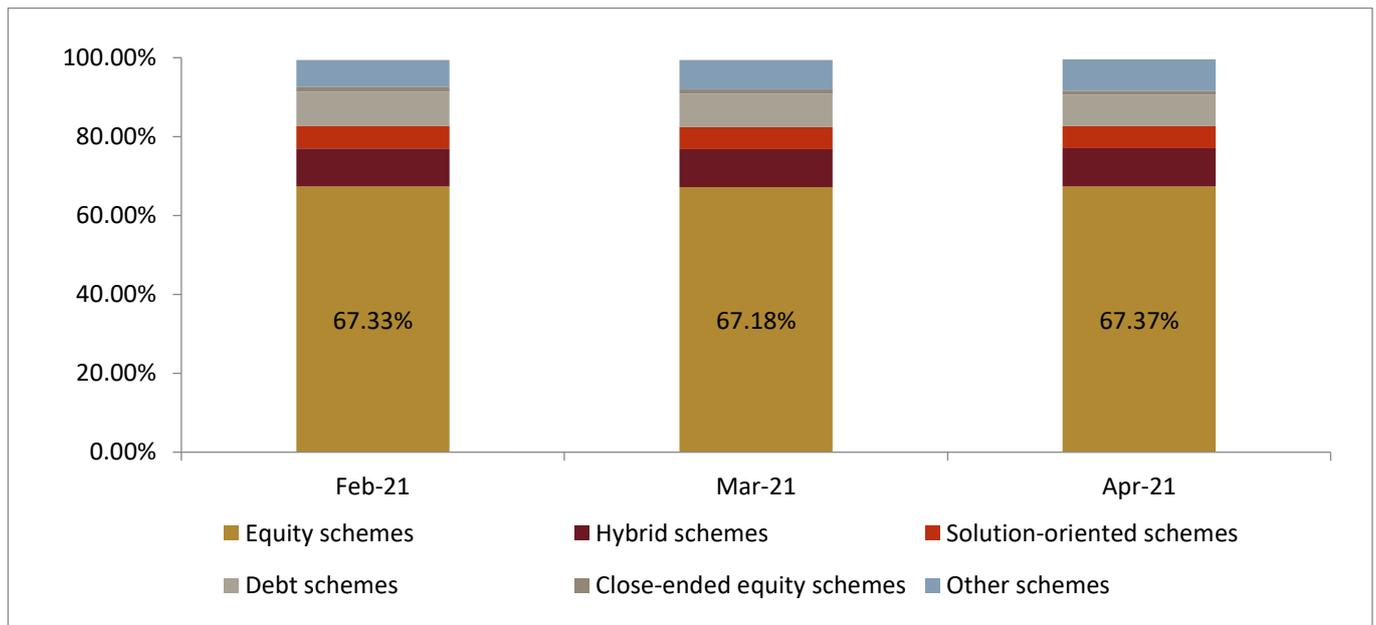
Categories	Net flow for the period		Month-end AUM		
	Apr-21	Mar-21	Apr-21	Mar-21	Change
A – Open-ended schemes					
Debt-oriented schemes	100,903	-52,528	1,418,551	1,328,226	90,325

Categories	Net flow for the period		Month-end AUM		
Equity-oriented schemes	3,437	9,115	991,363	979,367	11,995
Hybrid schemes	8,641	6,210	351,831	342,957	8,874
Solution-oriented schemes	58	94	24,589	24,377	213
Other schemes	5,080	8,197	327,615	321,626	5,989
B – Closed-ended schemes					
Debt-oriented schemes	-23559	957	103,563	124,336	-20,773
Equity-oriented schemes	-1654	-1739	20,322	21,754	-1,431
C – Interval schemes					
Debt-oriented schemes	0	-52	151	122	29
Equity-oriented schemes	0	0	0	0	0
Total (A + B + C)	92906	-29745	3237985	3142764	95222

Note: Excludes domestic fund of funds

Source: AMFI

Folio share of schemes



Note: Excludes domestic fund of funds

Source: AMFI

Analytical contacts

Piyush Gupta

Director, Fund Research
piyush.gupta1@crisil.com

Prahlad Salian

Manager, GIX
prahlad.salian@crisil.com

About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

About CRISIL Research

CRISIL Research is India's largest independent integrated research house. We provide insights, opinion and analysis on the Indian economy, industry, capital markets and companies. We also conduct training programs to financial sector professionals on a wide array of technical issues. We are India's most credible provider of economy and industry research. Our industry research covers 86 sectors and is known for its rich insights and perspectives. Our analysis is supported by inputs from our large network sources, including industry experts, industry associations and trade channels. We play a key role in India's fixed income markets. We are the largest provider of valuation of fixed income securities to the mutual fund, insurance and banking industries in the country. We are also the sole provider of debt and hybrid indices to India's mutual fund and life insurance industries. We pioneered independent equity research in India, and are today the country's largest independent equity research house. Our defining trait is the ability to convert information and data into expert judgments and forecasts with complete objectivity. We leverage our deep understanding of the macro-economy and our extensive sector coverage to provide unique insights on micro-macro and cross-sectoral linkages. Our talent pool comprises economists, sector experts, company analysts and information management specialists.

CRISIL Privacy

CRISIL respects your privacy. We may use your contact information, such as your name, address, and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com/privacy.

Disclaimer

CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this Report based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any company / entity covered in the Report and no part of this report should be construed as an investment advice. CRISIL especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published / reproduced in any form without CRISIL's prior written approval.