

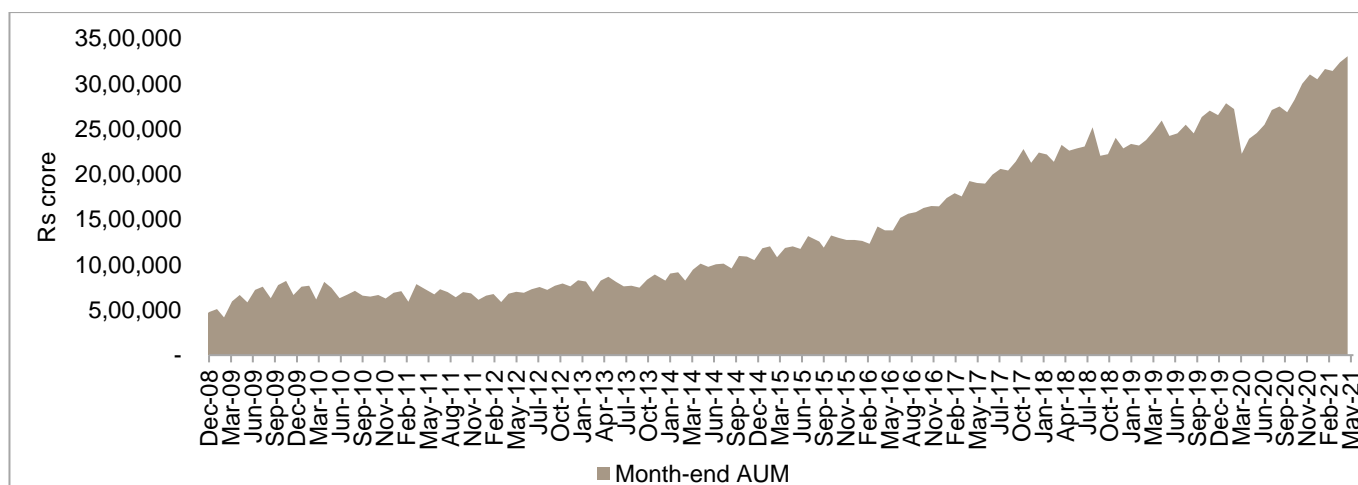
MF assets log a new high on equity gains

AUM tops Rs 33 lakh crore despite outflows from liquid, overnight funds

Assets under management (AUM) of the domestic mutual fund industry grew for the second month in a row in May to a record Rs 33.06 lakh crore, riding on mark-to-market (MTM) gains in equities and net inflows into categories such as equity funds, exchange traded funds (ETFs) and hybrid schemes.

The aggregate AUM rose ~2.1% from the previous record of Rs 32 lakh crore registered in April. Net outflows of ~Rs 38,602 crore, mostly from liquid and overnight funds within the debt category, limited the gains in May.

Industry assets rise and rise



Note: Excludes domestic fund of funds

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

- **Equity funds see highest monthly inflows since March 2020**

Open-ended equity schemes saw net inflows for the third straight month at ~Rs 10,083 crore, improving upon ~Rs 9,115 crore and ~Rs 3,437 crore in March and April, respectively. This was the second-highest monthly net inflow ever for the category, after Rs 11,722 crore in March 2020.

Within the category, almost all types of schemes recorded net inflows, led by multi-cap schemes with ~Rs 1,954 crore. Midcap funds saw firm investor interest and net inflows for the third straight month at ~Rs 1,368 crore. The focused fund category saw net inflows for the fourth straight month at ~Rs 1,169 crore and sectoral/ thematic schemes saw net inflows for the third straight month at ~Rs 1,137 crore.

Equity-linked savings schemes were the only category that recorded net outflows as investors pulled out Rs 290 crore. In April, too, these funds had seen outflows of ~Rs 136 crore.

MTM gains pushed up open-ended equity fund AUM in May by ~Rs 76,537 crore, or 7.7% on-month, to a fresh lifetime high of Rs 10.68 lakh crore. The domestic equity benchmarks – Nifty 50 and S&P BSE Sensex – advanced ~6.5% each during the month.

- **Hybrid schemes see net inflows for fifth straight month**

Hybrid schemes saw cumulative net inflows of ~Rs 6,217 crore in May, lower than ~Rs 8,641 crore in April.

Within the category, arbitrage funds recorded the highest net inflows of ~Rs 4,521 crore, followed by dynamic asset allocation funds with ~Rs 1,363 crore, conservative hybrid schemes ~Rs 395 crore, and equity savings schemes with ~Rs 382 crore.

Aggressive hybrid schemes and multi-asset allocation funds saw net outflows of ~Rs 435 crore and ~Rs 8 crore, respectively.

Overall, hybrid funds' asset base rose ~5.5% on month to a new record of ~Rs 3.71 lakh crore.

- **Investor interest in gold, equity ETFs steady**

Equity ETFs posted net inflow for the seventh consecutive month, at ~Rs 5,380 crore, higher than ~Rs 2,537 crore in April. Investor interest in gold ETFs also remained firm, as the price of the yellow metal increased during the month. Net inflow into gold ETFs stood at ~Rs 288 crore, marking the sixth straight month of inflow into the category. However, inflow in April was higher at ~Rs 680 crore.

- **Outflows from liquid, overnight schemes weigh on open-ended debt funds**

Within the open-ended debt fund category, liquid funds saw the highest net outflows of ~Rs 45,447 crore in May, followed by overnight funds at ~Rs 11,573 crore. Short duration funds saw outflows of Rs 1,034 crore, corporate bond funds Rs 1,468 crore, and gilt schemes Rs 9,44 crore. Weakness in banking and PSU funds persisted and recorded net outflows for the fourth consecutive month at ~Rs 1,340 crore.

Low duration, money market, and ultra-short duration funds attracted the highest net inflows within the category at ~Rs 7,823 crore, ~Rs 4,334 crore and Rs 2,924 crore, respectively.

Overall, the open-ended debt category outflows stood at ~Rs 44,512 crore, a complete reversal from the trend in April, which had seen net inflows of ~Rs 1.01 lakh crore. The category AUM declined ~2.8% on month to settle at ~Rs 13.80 lakh crore.

In the closed-ended debt category, fixed-term plans saw redemptions totalling ~Rs 18,802 crore, only slightly lower than April's cumulative redemption of ~Rs 22,403 crore.

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

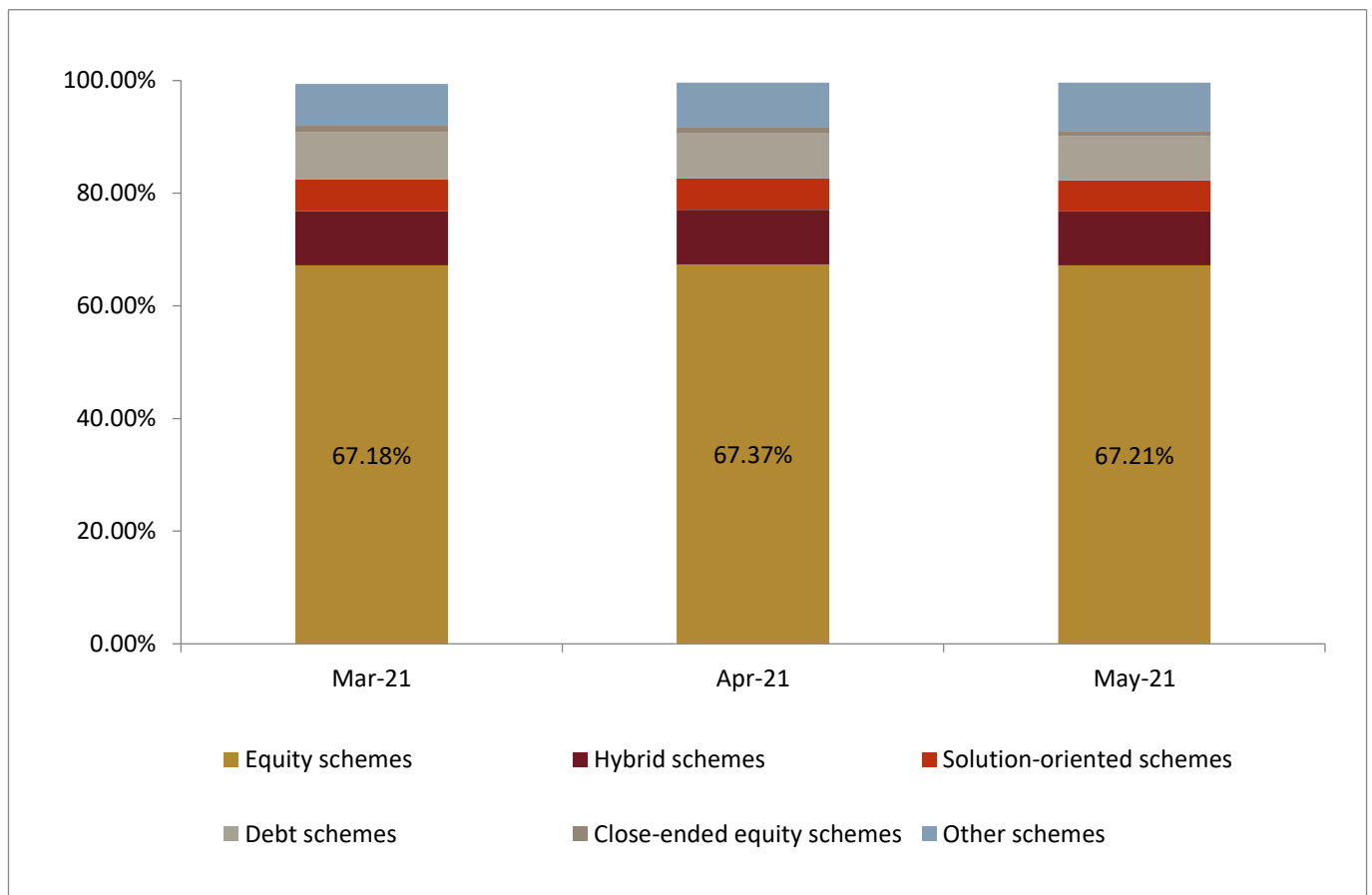
Categories	Net flow for the period		Month-end AUM		
	May-21	Apr-21	May-21	Apr-21	Change
A – Open-ended schemes					
	May-21	Apr-21	May-21	Apr-21	Change
Debt-oriented schemes	-44,512	100,903	1,379,608	1,418,551	-38,943
Equity-oriented schemes	10,083	3,437	1,067,899	991,363	76,537
Hybrid schemes	6,217	8,641	371,105	351,831	19,274

Categories	Net flow for the period		Month-end AUM		
Solution-oriented schemes	68	58	25,866	24,589	1,276
Other schemes	9,332	5,080	355,337	327,615	27,723
B – Closed-ended schemes					
Debt-oriented schemes	-18941	-23559	84,991	103,563	-18,572
Equity-oriented schemes	-848	-1654	20,703	20,322	381
C – Interval schemes					
Debt-oriented schemes	-1	0	150	151	-1
Equity-oriented schemes	0	0	0	0	0
Total (A + B + C)	-38602	92906	3305660	3237985	67675

Note: Excludes domestic fund of funds

Source: AMFI

Folio share of schemes



Note: Excludes domestic fund of funds

Source: AMFI

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