

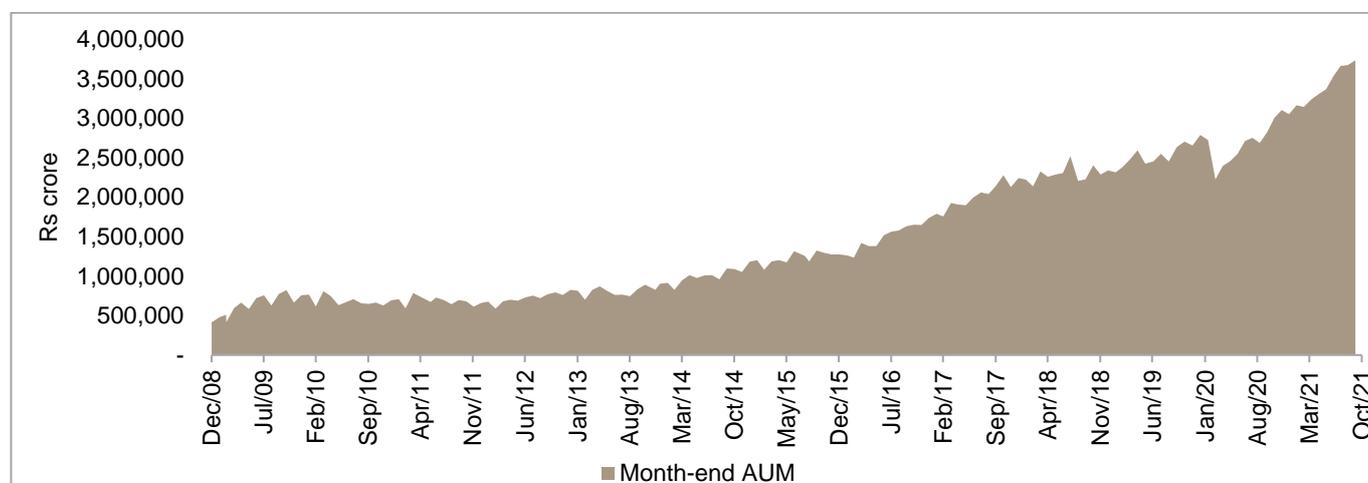
Asset base rises to record high

AUM up ~1.6%, aided by MTM gains in the equity market and net inflows in most categories

The domestic mutual fund industry’s asset base continued rising in October, with assets under management (AUM) settling at a record Rs 37.33 lakh crore (excluding domestic fund of funds). The peak eclipsed the previous high of Rs 36.74 lakh seen in September. October marked the seventh straight month of an increase in assets.

In absolute terms, industry AUM advanced by ~Rs 59,311 crore on-month, led by inflows in the open-ended equity and hybrid categories. On an aggregate basis, net inflows were at ~Rs 38,275 crore in October, reversing the net outflows of ~Rs 47,257 crore in the previous month. Mark-to-market (MTM) gains in the domestic stock market also contributed to the expanding asset base.

Industry assets cross the Rs 37 lakh crore mark in October



Note: Excludes domestic FoFs

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

- **Open-ended equity fund AUM settles just shy of the Rs 13 lakh crore mark in October**

Aggregate net inflows for the open-ended equity category stood at ~Rs 5,215 crore in October, marking the eighth straight month of net inflows. However, inflows were lower than September’s Rs 8,677 crore.

Within the category, sectoral / thematic schemes recorded the highest net inflows at ~Rs 1,734 crore, while flexi-cap schemes saw net inflows of ~Rs 1,122 crore. It was the eighth consecutive month of net inflows for both types.

Equity linked savings schemes (ELSS) recorded the highest net outflows at ~Rs 488 crore in October, while net outflows for value / contra schemes stood at ~Rs 349 crore. It was the seventh successive month of net outflows for the ELSS category and the fifth consecutive month of net outflows for value / contra funds.

The open-ended equity category’s assets advanced ~1.32% in October, setting at a new record of ~Rs 12.97 lakh crore. The category’s asset base rose for the ninth month on the trot in October. Net inflows and MTM gains in the

underlying equity market contributed to the rise. The benchmark equity indices, the S&P BSE Sensex and Nifty 50, rose ~0.3% each.

Investor enthusiasm for systematic investment plans (SIP) continued unabated. In September, monthly collections through the SIP route had crossed the Rs 10,000 crore mark for the first time since the Association of Mutual Funds of India (AMFI) began disseminating the data in fiscal 2017. Compared with September's Rs 10,351 crore, October's figure was a new record high of Rs 10,519 crore. Furthermore, the number of SIP accounts rose to 4.64 crore in October from 4.48 crore in September.

- **Hybrid funds AUM crosses the Rs 4.6 lakh crore mark**

Hybrid schemes recorded net inflows for the tenth straight month at ~Rs 10,437 crore in October, and sharply higher than the previous month's corresponding net inflows of ~Rs 3,588 crore.

Balanced advantage funds recorded the highest net inflows within the category during the month, at ~Rs 11,219 crore. It was the tenth month in a row of net inflows for the category. New fund offerings (NFO) contributed to the net inflows in October, and fund mobilisation stood at Rs 5,216 crore according to AMFI data.

At Rs 2,344 crore, arbitrage funds saw the highest net outflows among hybrid schemes.

Overall, the asset base of hybrid funds rose for the ninth straight month in October, up ~2.8% or Rs 12,446 crore on-month to a fresh record high of ~Rs 4.63 lakh crore. It was buoyed by MTM gains in the underlying equity component of the schemes.

- **Passive schemes and overseas fund of funds (FoF) continue to see firm inflows**

In September, the AUM of equity exchange-traded funds (ETFs) had displaced that of liquid schemes. It became the highest contributing category in terms of asset base for the first time since AMFI began enhanced dissemination of data for all funds. In October, the passive strategy continued to attract investors. ETFs (both equity and gold) and index schemes cumulatively saw net inflows of ~Rs 9,245 crore in October, marginally lower than September's net inflows of ~Rs 11,210 crore.

Furthermore, inflows into FoFs that invest overseas saw a sharp increase in net inflows at ~Rs 1,514 crore in October, compared with September's net inflows of ~Rs 410 crore.

The cumulative net inflows into ETFs, index and FoFs, at ~Rs 10,759 crore in October, helped the asset base of these schemes rise 3.45%. It settled at a fresh record high of ~Rs 4.49 lakh crore.

- **Open-ended debt schemes see net inflows at the start of the new quarter**

Reversing the net outflows of ~Rs 63,910 crore in the category in September, there were net inflows of ~Rs 12,984 crore in October. Corporate houses and institutional investors ploughed funds back into open-ended debt schemes after making advance tax payments.

Within the category, overnight funds recorded the highest net inflows, of ~Rs 6,337 crore, while ultra-short duration schemes saw net inflows of ~Rs 4,512 crore. Floater funds, meanwhile, have recorded the highest net inflows within the open-ended debt category on a fiscal year to date basis, at ~Rs 38,133 crore. October marked the eighth

straight month of net inflows, at ~Rs 5,050 crore. Anticipation that yields may rise as the Reserve Bank of India slowly unwinds from its accommodative interest rate regime has generated strong investor interest in the category.

Liquid funds saw the highest net outflows within the category, at ~Rs 10,200 crore, while short duration funds also recorded net outflows, at ~Rs 2,666 crore.

In the close-ended debt category, redemptions in fixed-term plans totalled ~Rs 1,080 crore compared with a corresponding figure of Rs 4,980 crore in September.

Aided by the net inflows, the open-ended debt category's AUM resumed its climb, rising 1.1% on-month to settle at ~ Rs 14.31 lakh crore at October-end. Assets had dwindled by ~4% to Rs 14.15 lakh crore in September.

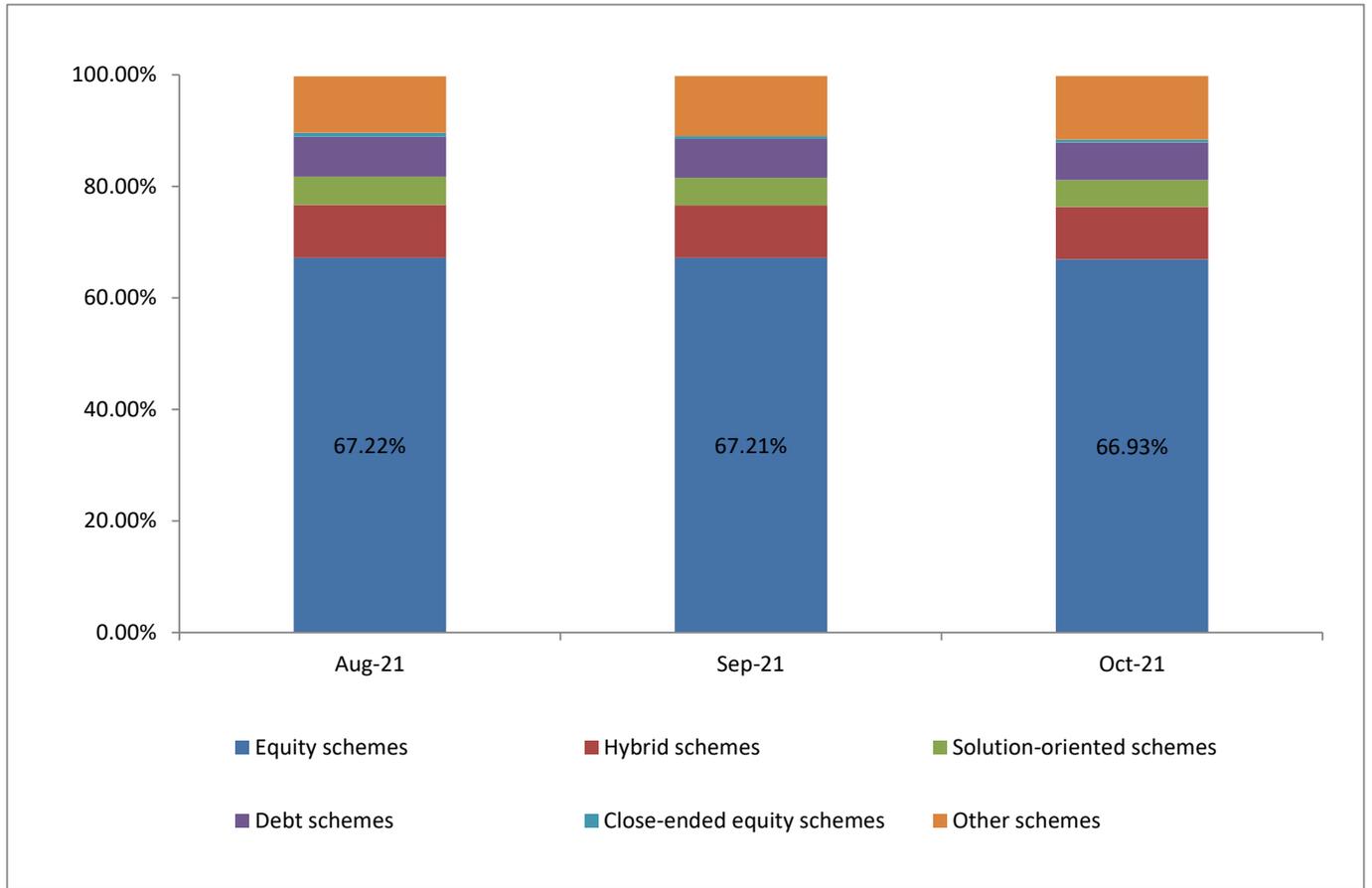
Category-wise inflow/outflow and industry AUM (Rs crore)

| Categories | Net inflow | | Month-end AUM | | |
|---------------------------------|--------------|---------------|----------------|----------------|--------------|
| | Oct-21 | Sep-21 | Oct-21 | Sep-21 | Change |
| A – Open-ended schemes | | | | | |
| Debt-oriented schemes | 12,984 | -63,910 | 1,431,330 | 1,415,417 | 15,913 |
| Equity-oriented schemes | 5,215 | 8,677 | 1,296,559 | 1,279,647 | 16,912 |
| Hybrid schemes | 10,437 | 3,588 | 462,611 | 450,165 | 12,446 |
| Solution-oriented schemes | 99 | 81 | 29,247 | 28,950 | 296 |
| Other schemes | 10,759 | 11,620 | 449,186 | 434,225 | 14,961 |
| B – Closed-ended schemes | | | | | |
| Debt-oriented schemes | -1082 | -5084 | 50,991 | 52,092 | -1,101 |
| Equity-oriented schemes | -136 | -2221 | 13,171 | 13,287 | -117 |
| C – Interval schemes | | | | | |
| Debt-oriented schemes | -1 | -9 | 109 | 110 | -1 |
| Equity-oriented schemes | 0 | 0 | 0 | 0 | 0 |
| Total (A + B + C) | 38275 | -47257 | 3733204 | 3673893 | 59311 |

Note: Excludes domestic FoFs

Source: AMFI

Folio share of schemes



Note: Excludes domestic FoFs

Source: AMFI

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