

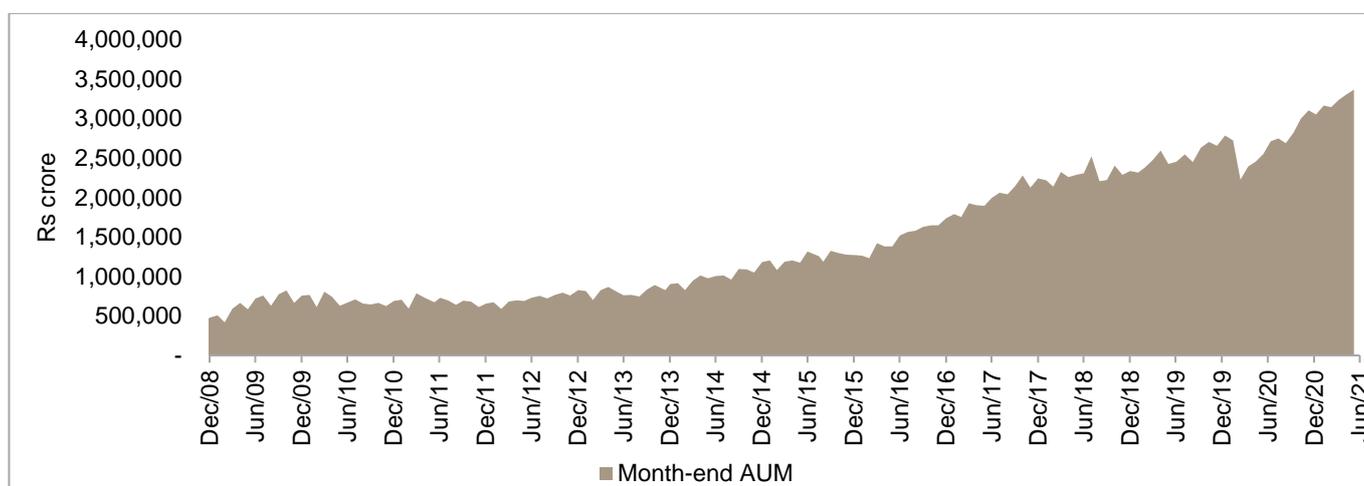
MF assets extend gains to hit fresh record high

AUM settles ~1.9% higher on-month, aided by inflows in most categories

Assets under management (AUM) of the domestic mutual fund industry grew for a third consecutive month in June to settle at a fresh record high of ~Rs 33.67 lakh crore, excluding domestic fund of funds. Mark-to-market (MTM) gains in equities and net inflows in most scheme categories contributed to the rise in AUM.

The industry AUM advanced by ~1.9% on-month, or ~Rs 61,217 crore, in June. At the aggregate level, net inflows were at Rs 15,320 crore, reversing May's net outflow of ~Rs 38,602 crore. Redemptions in close-ended debt schemes limited the gains.

Industry assets rise higher



Note: Excludes domestic fund of funds

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

- **Equity fund AUM breaches the Rs 11 lakh crore mark**

Open-ended equity schemes saw net inflows for the fourth consecutive month at Rs 5,988 crore, though the figure was less than the ~Rs 10,083 crore net inflows recorded in the month before. May's net inflow number was the highest on record since Rs 11,722 crore in March 2020.

Within the category, midcap funds attracted the highest net inflows, at ~Rs 1,729 crore, followed by sectoral / thematic funds at ~Rs 1,207 crore. Both midcap and sectoral / thematic schemes have now seen net inflows for the past four consecutive months. Investor interest in flexi-cap funds also remained firm; the category attracted net inflows of Rs 1,087 crore in June, marking the fourth straight month of inflows.

Value / contra and equity-linked savings schemes (ELSS) were the only two funds within the open-ended category that saw net outflows. While net outflows for ELSS persisted for the third straight month, at Rs 792 crore, the fund flow trend for value / contra funds reversed in June, with net outflows of ~Rs 115 crore.

Apart from the inflows, the gains in MTM helped the open-ended equity fund asset base rise ~3.9% or Rs 42,126 crore to hit a new lifetime high of Rs 11.10 lakh crore at month-end. June also marked the fifth consecutive month

of increase in the asset base for the category. The domestic equity benchmarks, i.e., Nifty 50 and S&P BSE Sensex, advanced ~1% each during the month.

- **Hybrid schemes see highest monthly net inflows since AMFI changed dissemination format**

Hybrid schemes recorded net inflows totalling ~Rs 12,361 crore in June, marking the sixth consecutive month of net inflows. The June net inflow number was the highest since April 2019, when AMFI changed its format of dissemination.

Within the category, arbitrage funds recorded net inflows of ~Rs 9,060 crore, marking the highest monthly net inflows since May 2020's net inflows of ~Rs 10,806 crore. June was also the sixth straight month of net inflows for the arbitrage category, which seeks to generate returns by exploiting any mispricing that may exist between the cash and derivative segments of the market.

Sentiment for aggressive hybrid schemes on the other hand remained persistently weak, with the category recording net outflows of ~Rs 301 crore.

Overall, the asset base of hybrid funds rose ~4.4%, or Rs 16,489 crore, on-month to a new record high of ~Rs 3.88 lakh crore. This was also the fifth consecutive month of increase in the asset base.

- **Investor interest in gold, equity exchange-traded funds (ETFs) remain firm**

Equity ETFs posted net inflows for the eighth consecutive month, at ~Rs 3,013 crore, though the gain was lower than the previous month's net inflows of ~Rs 5,380 crore. At June-end, the equity ETF asset base crossed the Rs 3 lakh crore mark for the first time since April 2019, at ~Rs 3.06 lakh crore. Investor interest in gold ETFs also remained firm, with the category's net inflows accelerating to ~Rs 360 crore in June from May's net inflows of ~Rs 288 crore. It was the seventh straight month of inflows for the category.

- **Investor interest in floater and low duration schemes contributed to net inflows in open-ended debt funds**

Within the open-ended debt fund category, low duration funds recorded net inflows for the third consecutive month at ~Rs 6,273 crore in June. Floater funds, which offer returns that may vary based on changes in the underlying market interest rate scenario, saw a surge in net inflows at ~Rs 6,319 crore. This marked the fourth consecutive month of net inflows. June's number was also the highest monthly inflow figure recorded since April 2019.

Money market and ultra-short duration schemes recorded the highest net outflows within the category at ~Rs 13,988 crore and ~Rs 2,440 crore, respectively.

In the closed-ended debt category, fixed-term plans saw redemptions totalling ~Rs 10,536 crore in June, compared with the redemption figures of ~Rs 18,802 crore and ~Rs 22,403 crore in May and April, respectively.

Overall, the open-ended debt category inflows stood at ~Rs 3,566 crore, compared with net outflows of ~Rs 44,512 crore in May. The category AUM advanced ~0.5% on-month to settle at ~Rs 13.86 lakh crore.

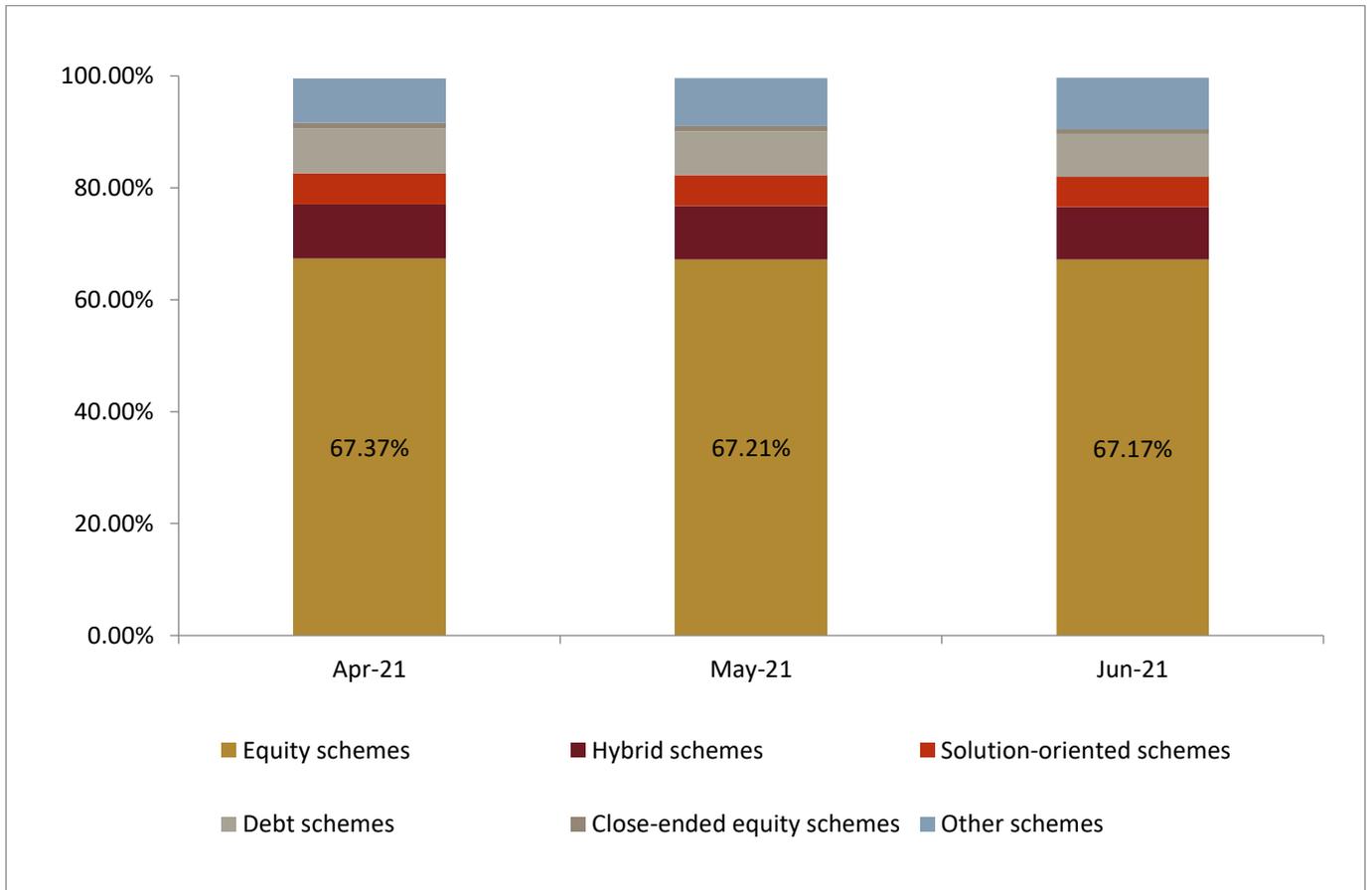
Category-wise inflow/ outflow and industry AUM (Rs crore)

Categories	Net flow for the period		Month-end AUM		
	Jun-21	May-21	Jun-21	May-21	Change
A – Open-ended schemes					
Debt-oriented schemes	3,566	-44,512	1,386,185	1,379,608	6,577
Equity-oriented schemes	5,988	10,083	1,110,025	1,067,899	42,126
Hybrid schemes	12,361	6,217	387,594	371,105	16,489
Solution-oriented schemes	96	68	26,532	25,866	666
Other schemes	5,850	9,332	365,355	355,337	10,018
B – Closed-ended schemes					
Debt-oriented schemes	-11161	-18941	73,277	84,991	-11,715
Equity-oriented schemes	-1379	-848	17,795	20,703	-2,909
C – Interval schemes					
Debt-oriented schemes	-2	-1	114	150	-35
Equity-oriented schemes	0	0	0	0	0
Total (A + B + C)	15320	-38602	3366877	3305660	61217

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

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