

MF equity folios at all-time high

CHANDAN KISHORE KANT
 Mumbai, 8 November

Mutual fund (MF) equity folios climbed to an all-time high of 46.63 million. So far this year, the industry has added 7.6 million new equity accounts, helping it surpass previous peak of 41.1 million touched in 2009.

The equity segment, which is retail investor dominated, now accounts for three-fourth the total industry folio account.

It is worth to note that this year has seen one of the fastest pace of equity additions despite key stock indices trading at their life time highs. Given the current pace of investors' additions, the fund industry is likely to surpass the 50 million mark by the end of this financial year.

Sundeep Sikka, chief executive officer (CEO), Reliance Nippon Mutual Fund, says, "Strong wave of mutual fund has begun. Investors are increasingly accepting mutual funds as investment vehicles. I believe, systematic investment plan (SIP) is the best way to invest. The good part is investors are realising the importance and potential of investments done through this mode. India has a great potential and fund sector has still lot to tap."

Already, number of SIP account has reached nearly 17 million. Currently, the monthly investment coming through the SIP route is at ₹6,000 crore, compared to less than ₹1,000 crore during times post the Lehman crisis.

Fund managers have no dearth of money in their hands to pump in the market. Over the last three years, they already have pumped over ₹2 lakh crore providing a strong counter-balance to any withdrawal by the foreign investors. Rising participation in stocks, through equity mutual fund schemes, many believe, is a big structur-

MONTHLY ADDITION OF EQUITY FOLIOS IN MF INDUSTRY IN 2017

Month	Folio Addition (Million)	Overall Folio Number (Million)
January	0.52	53.78
February	0.49	54.39
March	0.74	55.40
April	0.58	56.14
May	0.73	57.20
June	0.78	58.23
July	0.83	59.42
August	1.09	60.85
September	0.92	62.04
October	0.84	63.16

Source : Securities & Exchange Board of India (Sebi)

al change in India's capital market.

G Pradeepkumar, CEO of Union Mutual Fund, says, "This is one of the biggest structural shifts in our markets. Increasing retail participation through mutual funds gives rise to robust domestic institutional players which in turn should lead to structurally more stable markets."

The strong inflows can be gauged from the fact that during January-October period of 2017, net inflows into equity schemes stood at ₹1.16 lakh crore. This essentially means robust inflows of nearly ₹12,000 crore on a monthly basis in stocks. Currently, there are over 400 equity-oriented schemes being offered by fund industry. Collectively, they manage assets worth ₹7.2 lakh crore.