



MFs see 35% rise in AUM

ENSE ECONOMIC BUREAU

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ON THE back of continuing strong inflow of funds into debt and equity schemes from retail investors and a sharp rise in stock markets in the last quarter of FY17, the mutual fund (MF) sector witnessed a jump of 35 per cent or 4.76 lakh crore in its assets under management (AUM) during the year.

Data released by Association of Mutual Funds of India (Amfi) show that while the AUM rose from 13.5 lakh crore in March 2016 to 18.29 lakh crore in March 2017, it has more than doubled over the last three years, from Rs 9 lakh crore in March 2014.

According to the Amfi data, while the net inflow into equity schemes for the 11-month period till February 2017 amounted to Rs 1.76 lakh crore, that in equity and balanced funds aggregated to Rs 54,960 crore and Rs 30,658 crore, respectively. During this period, the sector also added over 67 lakh investor accounts, taking the total number of folios to 5.4 crore.

Industry insiders say that the credit for this year's big jump is a result of several years of hard

THE JUMP IN FY17

Year	AUM (₹ crore)
March 2017	1,829,583
March 2016	1,353,443
March 2015	1,188,690
March 2014	905,120
March 2013	816,657
March 2012	664,791
March 2011	700,809
March 2010	747,338

work. "It is not a function of this year but efforts made over last 10-15 years. While regulators have provided the regulatory framework and distributors provided the reach, the fund managers delivered returns for investors. It has all developed confidence among retail investors to invest in mutual funds," said Nilesh Shah, MD, Kotak Mahindra AMC.

The sector, however, witnessed an increase in dominance of large players over the last one year, as the top 10 players contributed 88 per cent of the total AUM growth

for the industry that constitutes 41 players. The AUM share of top 10 players which stood at 78.4 per cent of the total industry AUM as of March 2016 rose this year to 80.6 per cent at the end of March 2017.

While no asset management company had an AUM over Rs 2 lakh crore at the end of FY'16, the top three players entered the Rs 2 lakh crore club last year. ICICI Prudential AMC led the growth in absolute numbers and its AUM rose the highest by Rs 67,000 crore during the year to Rs 242,961 crore. HDFC MF and Reliance MF follow with AUMs of Rs 2.37 lakh crore and Rs 2.1 lakh crore. In percentage terms, DSP Blackrock witnessed the biggest gain in AUM among the top 10 players and its assets rose by 64 per cent during the year. Kotak Mahindra witnessed a 57 per cent jump in its AUM in the year.

"The financial year 2016-17 has been a good a year for Reliance MF in terms of AUM and performance. We registered strong systematic investment plan (SIP) growth and also added CPSE ETF success to our list of milestones," said Sundeep Sikka, CEO, Reliance MF.