

# Mutual Fund Screener

For the quarter ended Jun -18



**ICRA ONLINE LIMITED**  
A Group ICRA Company

# Mutual Fund Screener – What's Inside

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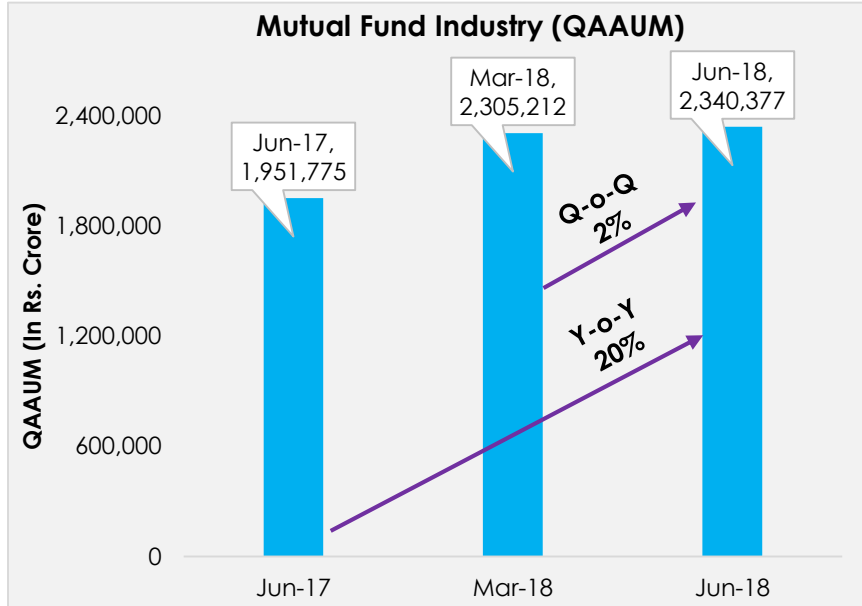
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Section I | **INDUSTRY SIZE**

# Industry QAAUM up 20% YoY to Rs. 23.4 lakh crore in Q1FY19



Source: AMFI, ICRA Online Research;  
 Note: QAAUM – Quarterly Average Assets Under Management

**Rs. 35,166 crore added in Q1FY19**

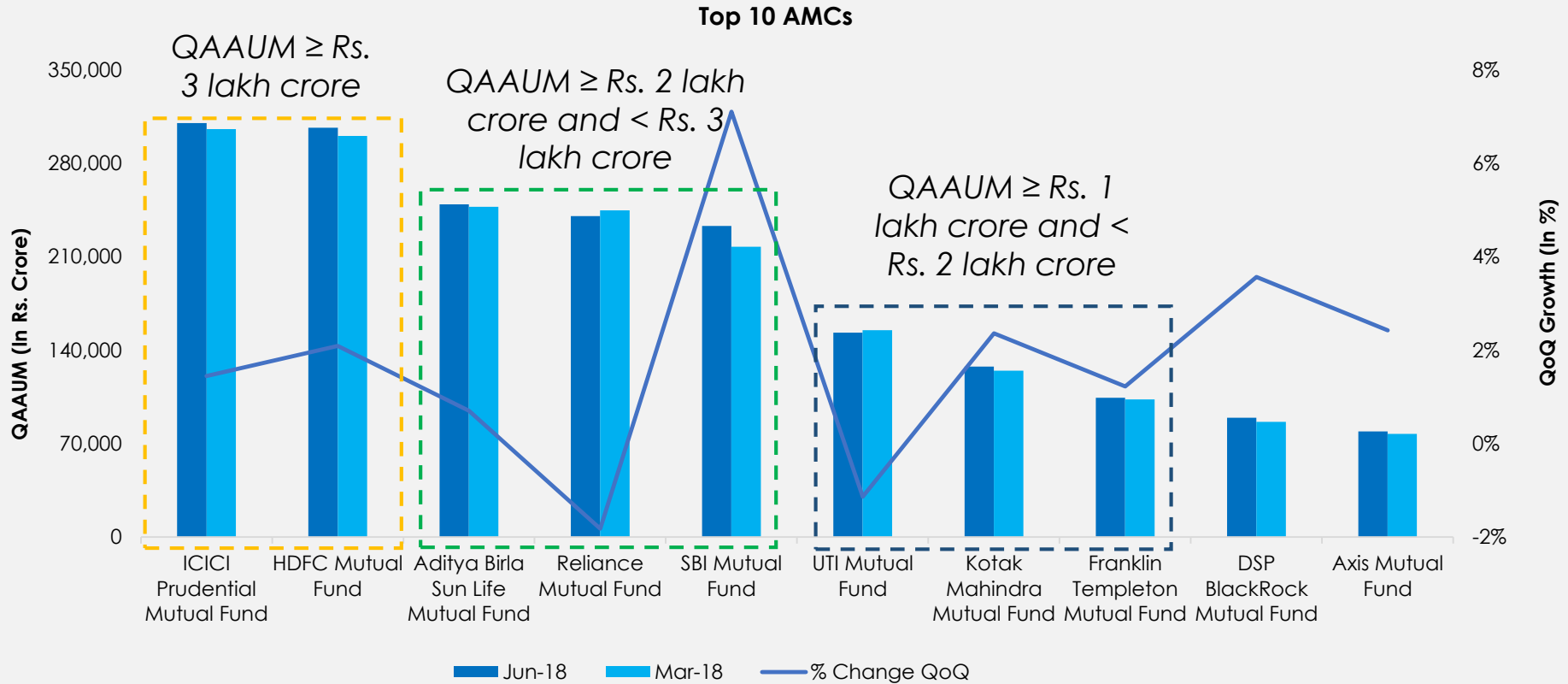
## Growth Trend of AMC's for the Quarter ended Jun-18

AMCs	Range
Top 5	-2% to 7%
Next 10	-5% to 8%
Rest	-26% to 58%

Source: AMFI, ICRA Online Research  
 Note: QoQ growth of QAAUM as of Jun-18

- ✓ Industry Quarterly Average Assets Under Management (QAAUM) grew for the **19<sup>th</sup>** consecutive quarter in Q1FY19
- ✓ Positive triggers that are working for the industry
  - ✓ Robust SIP inflows
  - ✓ Strong retail participation especially from B30 cities
  - ✓ Investor awareness campaigns such as “Mutual Funds Sahi Hai”

# Top 10 AMC's account for ~81% of QAAUM

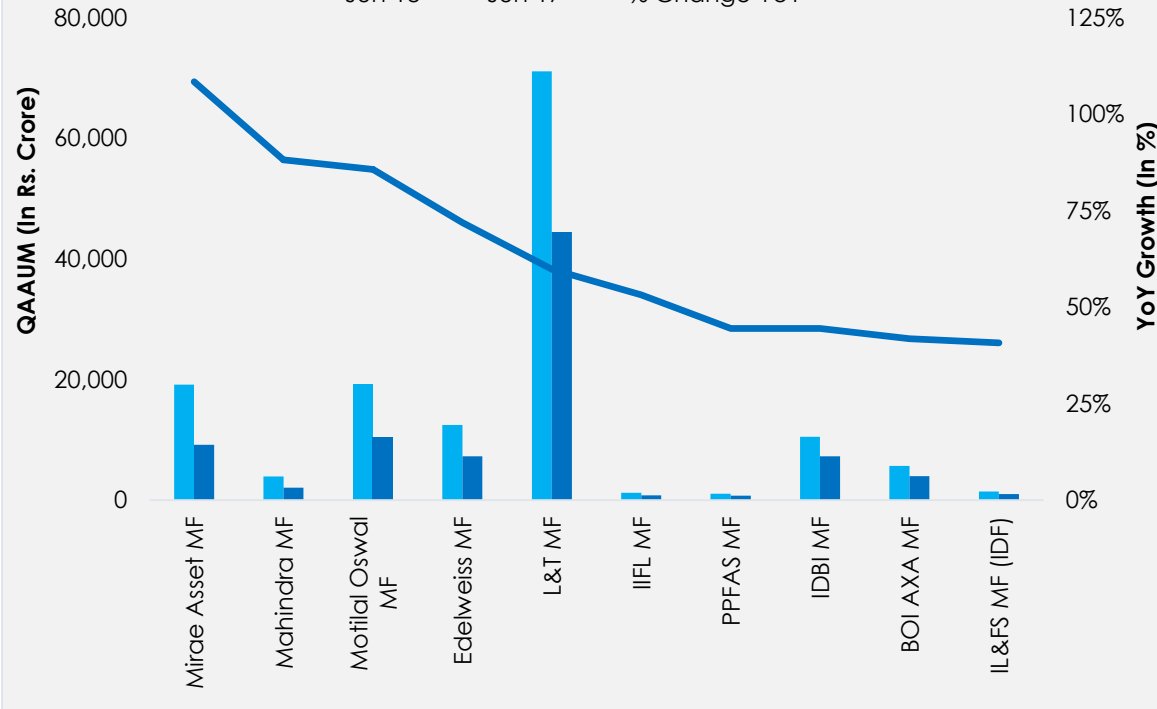


Source: AMFI, ICRA Online Research

## Smaller AMC's grow at a faster pace

### Top 10 Fastest Growing AMC's

Jun-18 Jun-17 % Change YoY



✓ QAAUM of nine fastest growing AMC's below Rs. 20,000 crore

✓ Among the larger AMC's (QAAUM > Rs. 35,000 crore), L&T Mutual Fund has shown tremendous growth in assets

Source: AMFI, ICRA Online Research



## Private sector JVs (predominantly Indian) manage 54% of Q1FY19 QAAUM

Category		As a % of Q1FY19 QAAUM	QAAUM (In Rs. Crore)			Growth	
			Q1FY19	Q4FY18	Q1FY18	QoQ	YoY
Bank Sponsored	Joint Ventures - Predominantly Indian	10.9%	255,479	240,779	187,361	6.1%	36.4%
	Joint Ventures - Predominantly Foreign	0.5%	10,540	10,760	7,296	-2.0%	44.5%
	Others	6.9%	161,176	165,653	155,411	-2.7%	3.7%
Institutions	Indian	0.9%	21,057	20,768	24,373	1.4%	-13.6%
Private Sector	Indian	17.8%	416,337	408,322	327,390	2.0%	27.2%
	Joint Ventures - Predominantly Indian	54.5%	1,275,327	1,262,372	1,076,539	1.0%	18.5%
	Foreign	6.7%	156,572	153,271	130,555	2.2%	19.9%
	Joint Ventures - Predominantly Foreign	0.9%	20,752	19,692	16,175	5.4%	28.3%
	Joint Ventures - Others	1.0%	23,137	23,595	25,720	-1.9%	-10.0%

Source: AMFI, ICRA Online Research

Note: QoQ – Q1FY19 vs Q4FY18; YoY – Q1FY19 vs Q1FY18

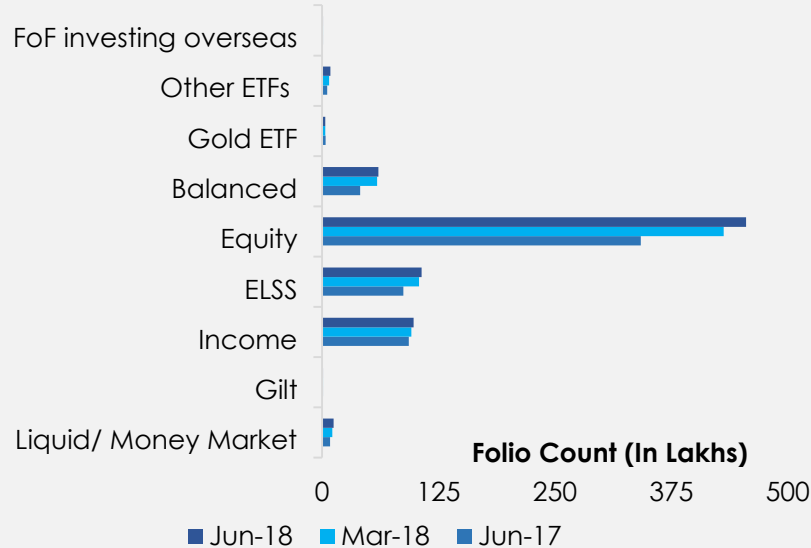
A close-up photograph of a person's hands holding a white piggy bank. The person is wearing a dark suit jacket with orange lapels. The piggy bank is a simple, stylized white pig with small black dots for eyes and a snout. The background is dark and out of focus.

Section II | **INVESTOR TRENDS**



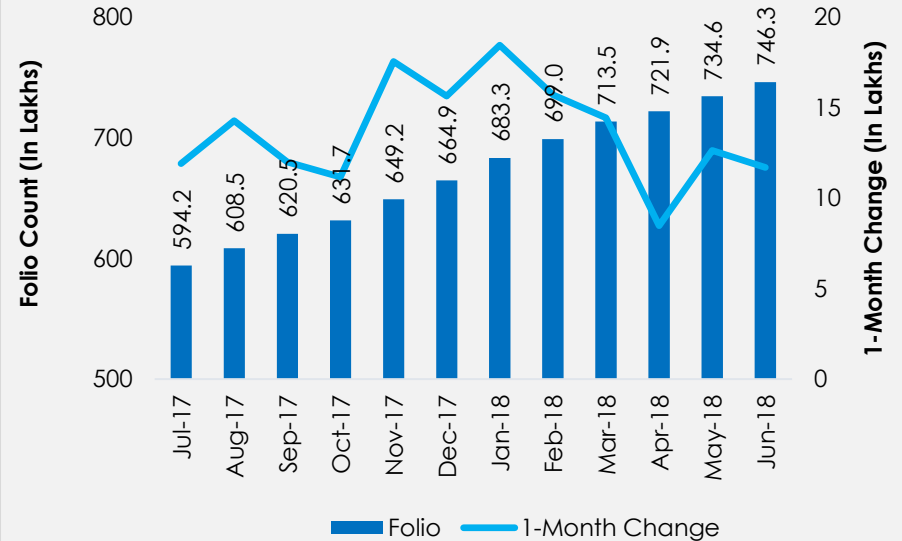
# MF industry adds 32.8 lakh folios in Q1FY19

### Category-wise Folio Count (In Lakhs)



Source: AMFI, ICRA Online Research

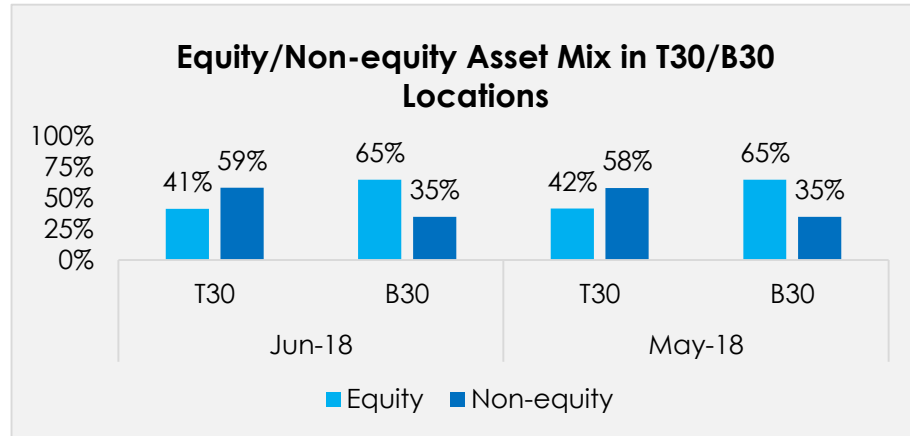
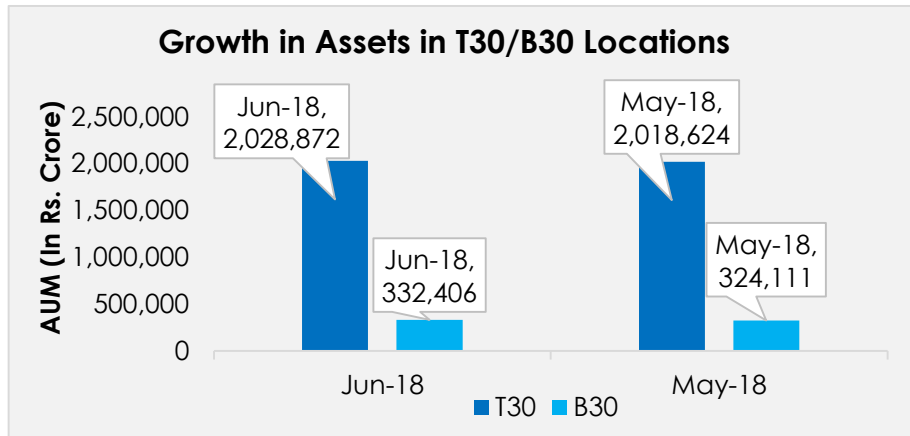
### Folio Growth in Last 12 Months



Source: SEBI, ICRA Online Research

- ✓ As per data from SEBI, total folio count at the end of Jun-18 stood at 7.5 crore, 4.6% higher than the previous quarter
- ✓ The mutual fund industry added close to 32.8 lakh new folios in Q1FY19 out of which 26.4 lakh were in the Equity category (including ELSS)

## B30 locations generate ~14% of industry assets in Jun-18



AUM Garnered by Different Channels				
	Jun-18		May-18	
	T30	B30	T30	B30
<b>Associate Distributor</b>	6%	19%	6%	19%
<b>Direct Plan</b>	45%	17%	45%	17%
<b>Non-Associate Distributor</b>	49%	64%	49%	64%

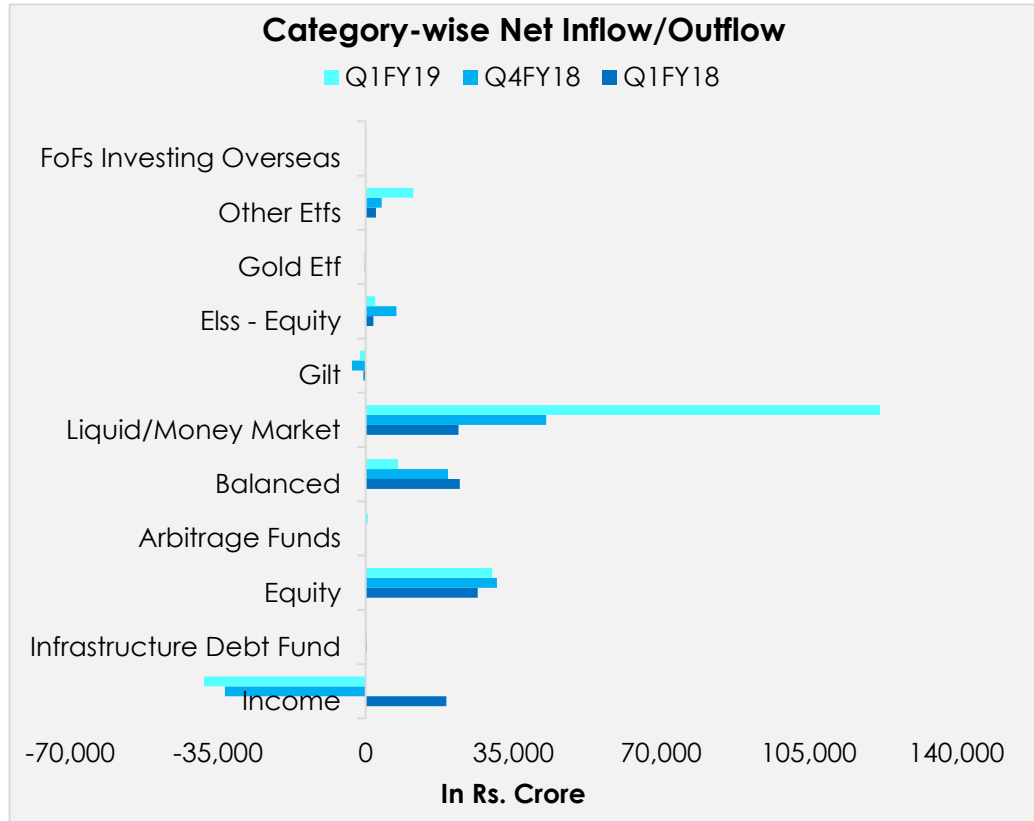
Source: AMFI, ICRA Online Research

- ✓ The country's smaller towns or B30 (beyond top 30 cities) locations accounted for 14.1% of the total industry AUM at the end of Jun-18
- ✓ SEBI has expanded the scope of T15/B15 locations to T30/B30 from 01-Apr-18

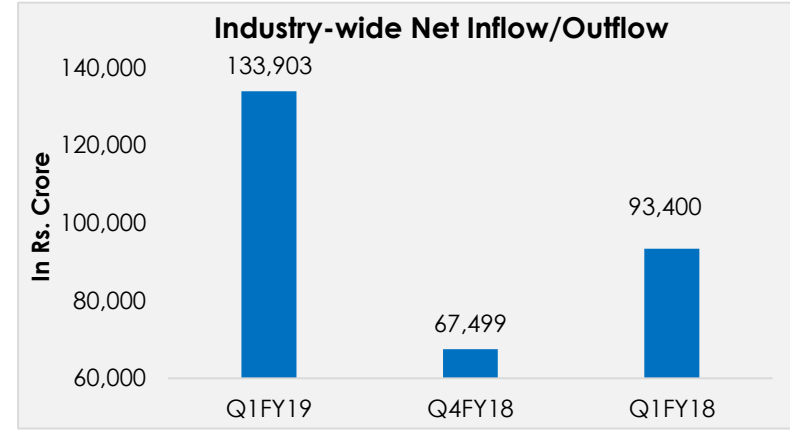
Section III

# INFLOW OUTFLOW ANALYSIS

# Investors pour over Rs. 32,000 crore in Equity MFs in Q1FY19



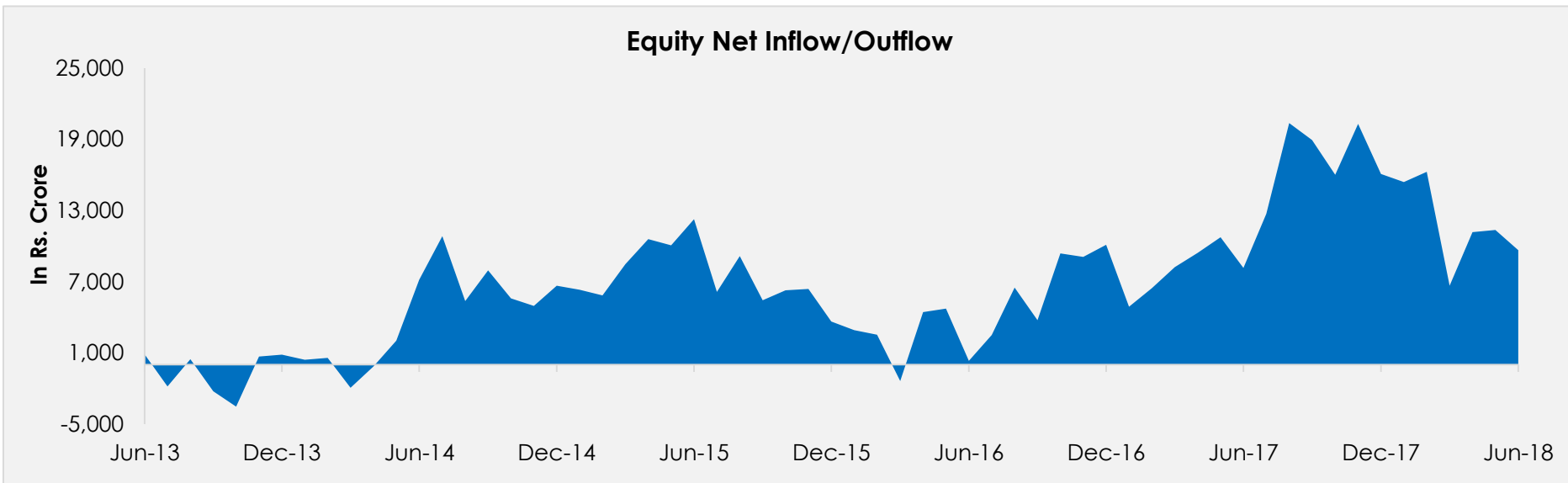
Source: AMFI, ICRA Online Research



Source: AMFI, ICRA Online Research

- ✓ In Q1FY19, net inflows in the Equity category (including ELSS) was Rs. 32,181 crore compared with Rs. 38,315 crore in Q4FY18
- ✓ Cumulative SIP contribution has been Rs. 21,548 crore for the first quarter vis-à-vis Rs. 20,188 crore in Q4FY18

## Robust SIP inflows seen from retail investors



Source: AMFI, ICRA Online Research;

Note: Equity includes ELSS funds

- ✓ Equity funds (including ELSS) witnessed slightly lower net inflows in Q1FY19 compared with Q4FY18 mainly due to volatile equity markets towards the end of quarter
- ✓ As per data from AMFI, SIP contribution is showing a rising trend, which can be attributed to investor awareness campaigns such as “Mutual Funds Sahi Hai” run by AMFI under SEBI's guidance

Section IV

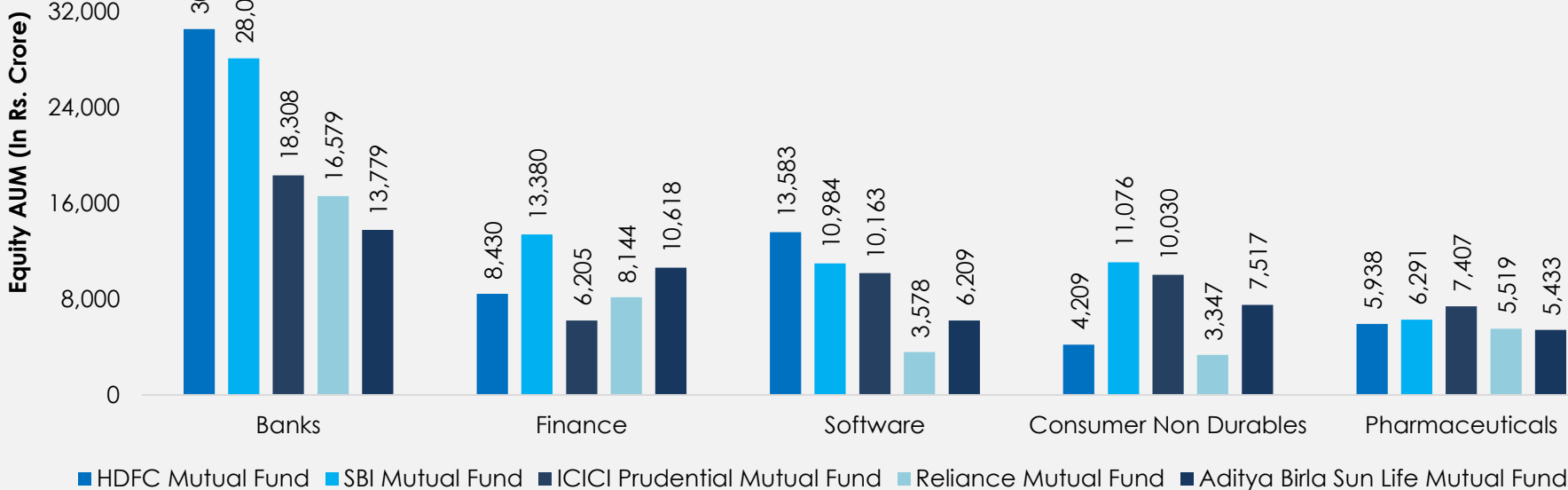
SECTOR UPDATE





# Top 5 sectors constitute about 52% of the total equity AUM

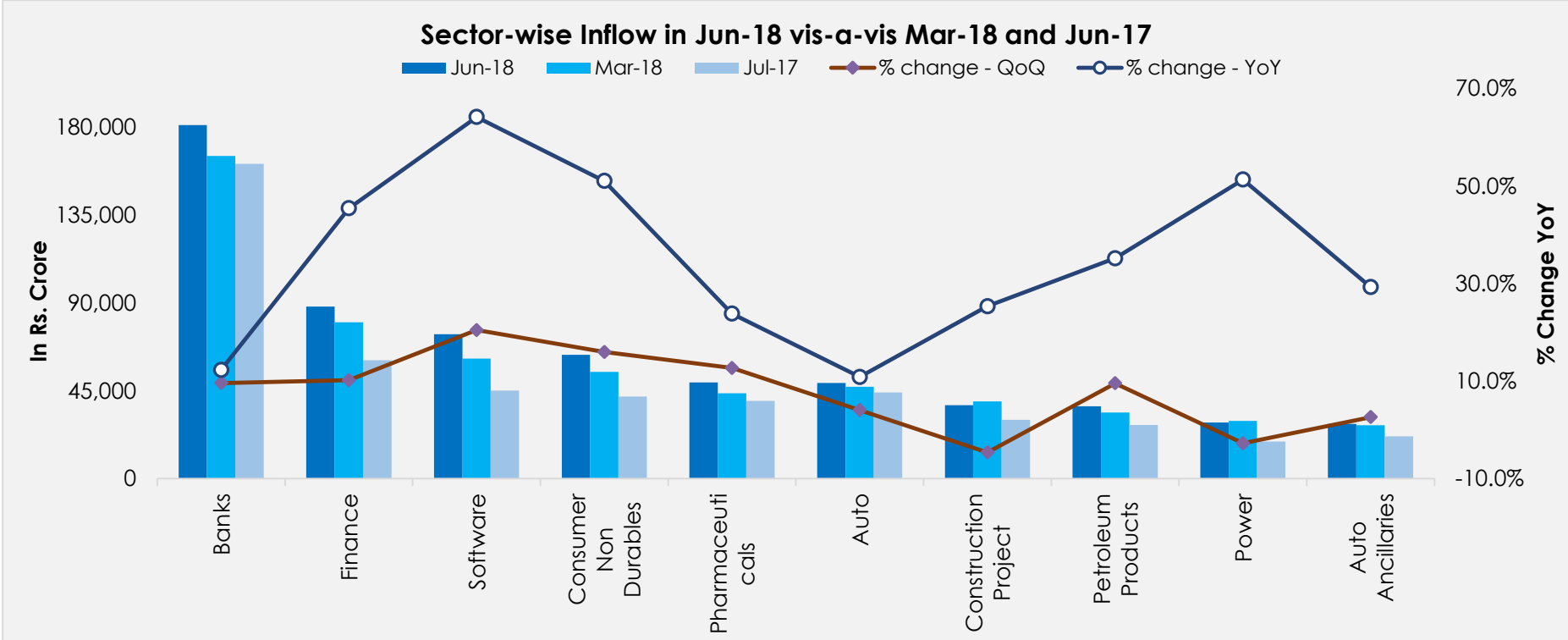
Equity Exposure of Top 5 AMC in Top 5 Sectors (Jun-18)



Source: AMFI, ICRA Online Research

- ✓ AMC's continue to bet on Bank and Finance sectors with ~ 31% of the total equity AUM
- ✓ Pharmaceuticals made it to the top five due to higher allocation compared with previous quarter

# Software sector sees the highest growth in inflow in percentage terms



Source: AMFI, ICRA Online Research  
 Note: Only top 10 sectors considered

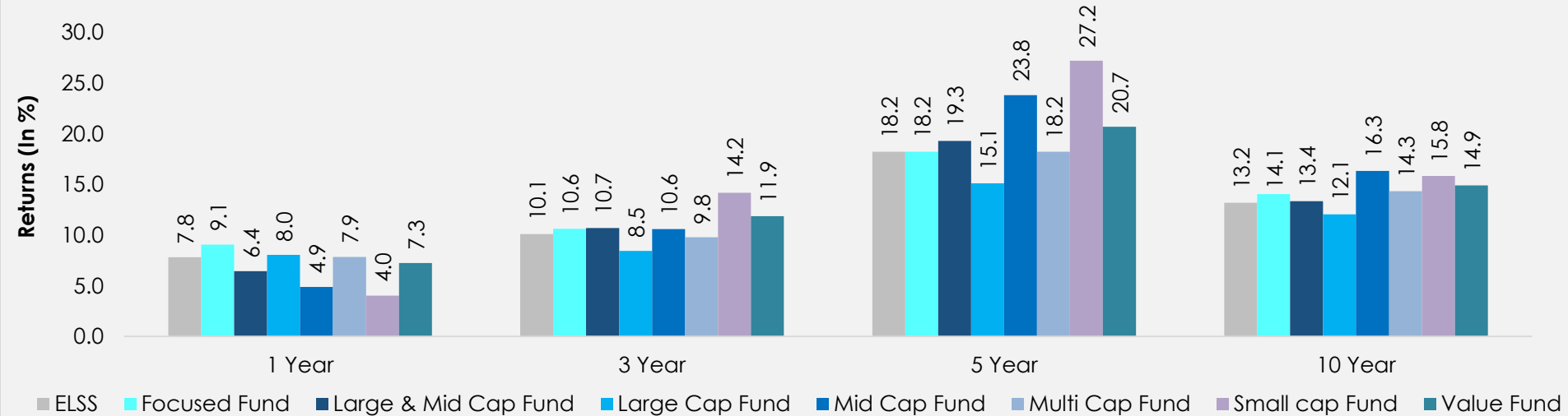
Section V

# CATEGORY PERFORMANCE



# Market correction affects performance of Equity-oriented funds – mostly mid and small caps

Performance\* of Equity-Oriented Mutual Fund Categories



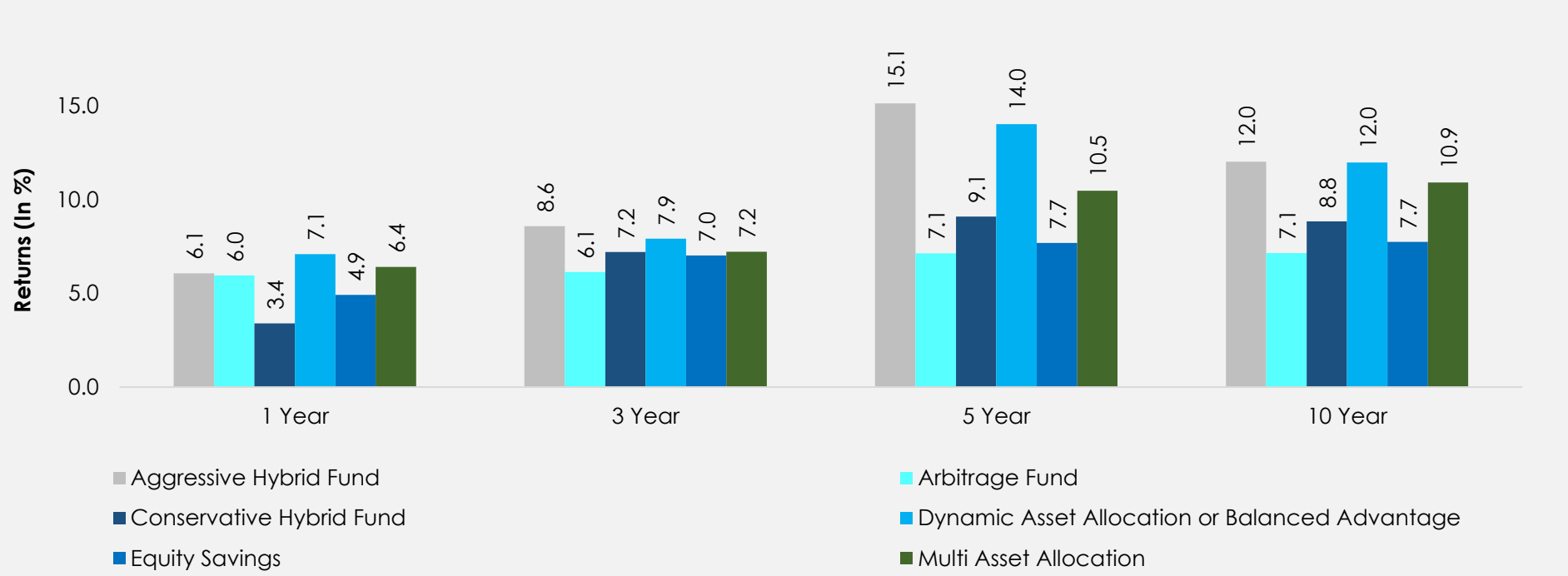
Source: ICRA Online Research;

Note: \*Compound annualized returns; Data as of Jun-18

- ✓ In Q1FY19, S&P BSE Sensex and Nifty 50 benchmark indices gained 7.5% and 5.9%, respectively, but S&P BSE Mid Cap and S&P BSE Small Cap fell 3.2% and 5.7%, respectively
- ✓ U.S. – China trade dispute kept investors cautious

# Hybrid categories see muted performance

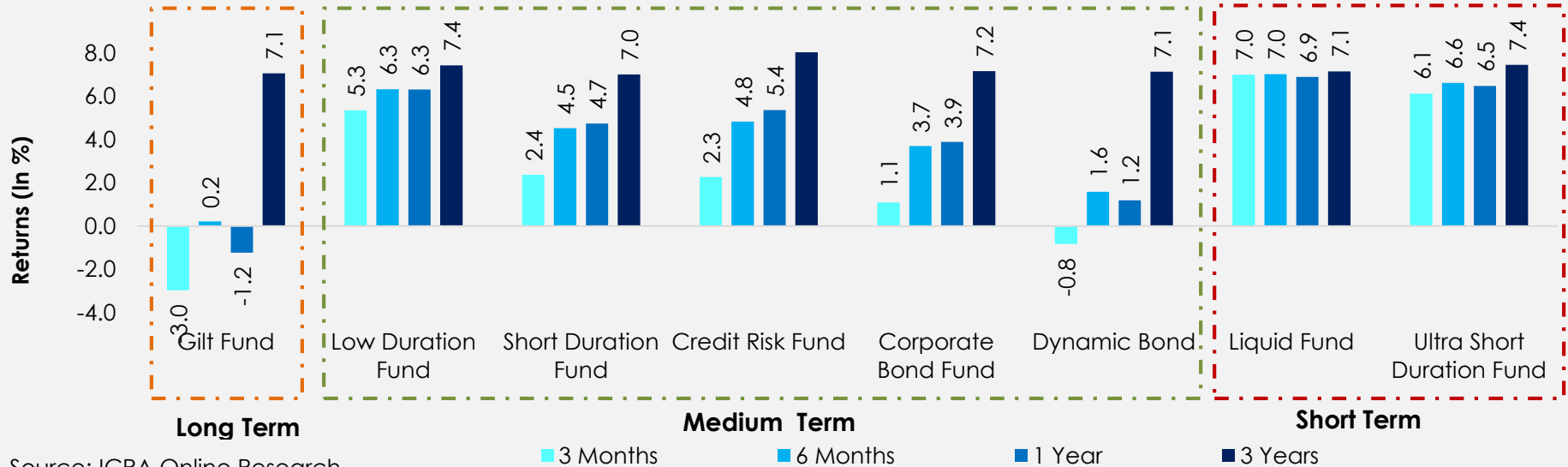
Performance\* of Hybrid Mutual Fund Categories



Source: ICRA Online Research;  
 Note: \*Compound annualized returns; Data as of Jun-18

# Debt-oriented categories post muted returns

Performance\* of debt funds



Source: ICRA Online Research

Note: \*Compound annualised returns for periods  $\geq 1$  year; Simple annualised returns for  $< 1$  year; Data as of Jun-18

## Key drivers:

- ✓ Bond yields continued to rise in Q1FY19 over concerns of widening fiscal deficit and tightening of monetary policy
- ✓ Medium- to long-term debt funds posted poor returns in the short-term periods

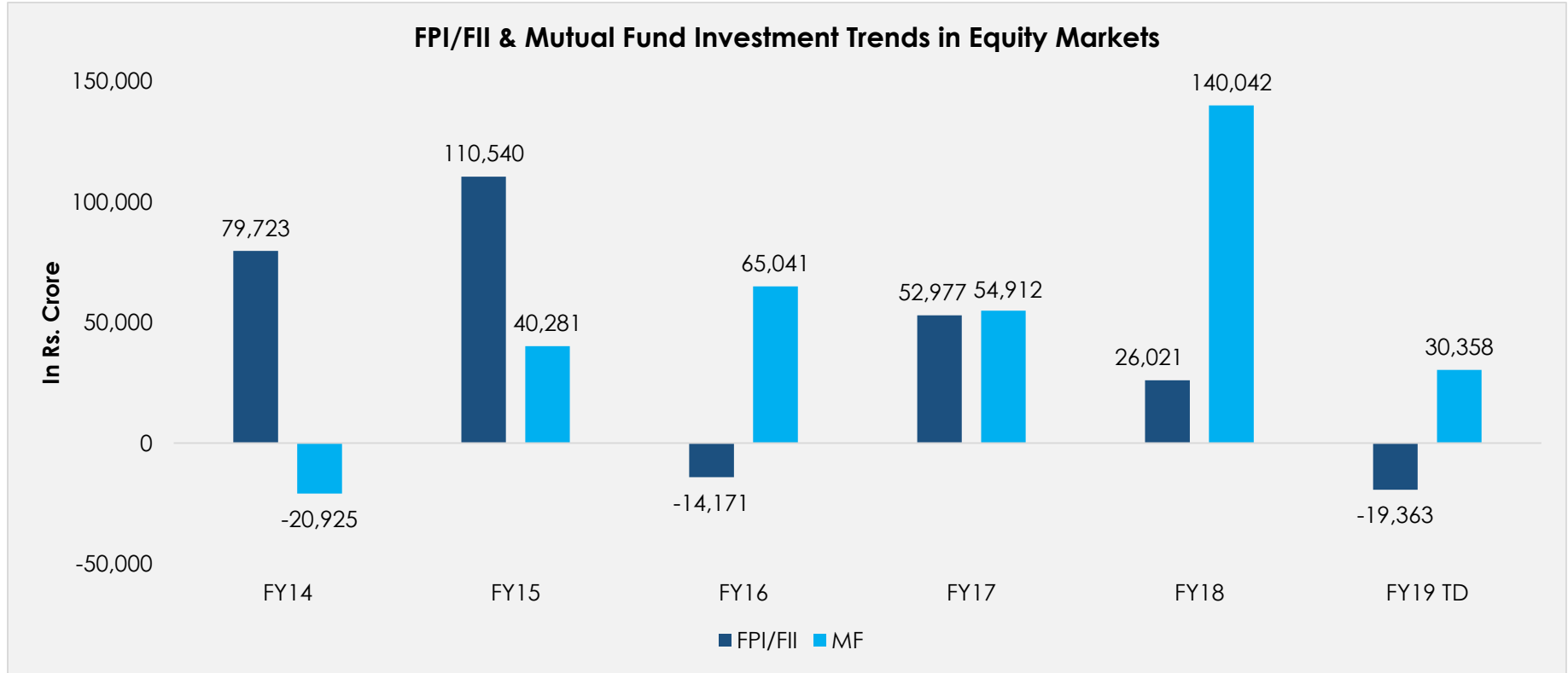




Section VI

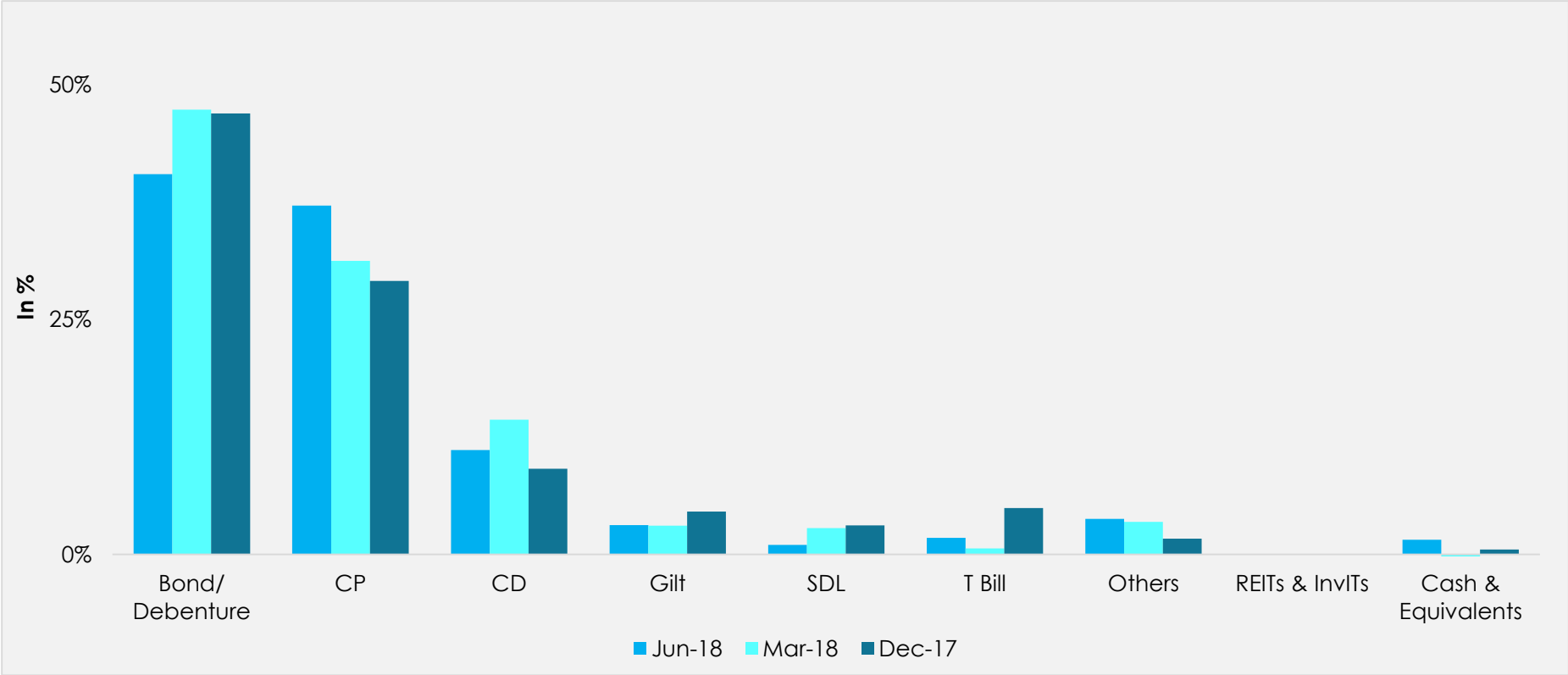
**INDUSTRY INSIGHTS**

# Equity MF inflows continue to drive the markets; FII/FPI witness outflow in Q1FY19



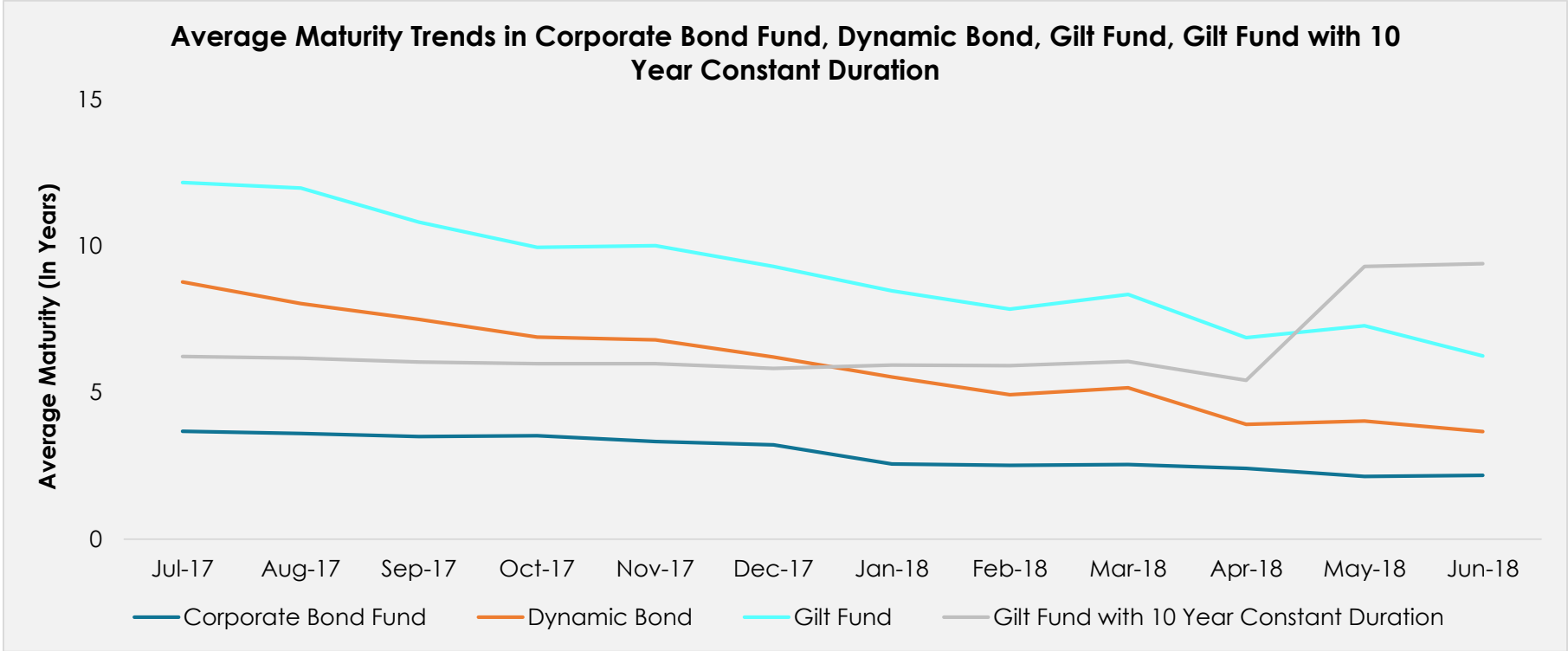
Source: ICRA Online Research

# Instrument allocation pattern in debt segment



Source: ICRA Online Research

# Average maturity trend in last three years



Source: ICRA Online Research



Section VII

**REGULATORY UPDATE**

## Regulator remains vigilant

Date	SEBI mandate	Effective from	Brief	Earlier practice	Impact
05-Jun-18	Total expense ratio for MFs	29-May-18	Schemes charging an exit load (open-ended schemes without lock-in) can levy an additional 5 basis points charge	Mutual funds were allowed to charge up to 20 basis points of scheme AUM as a compensation for exit load	Reduces the cost of investing in mutual funds for retail investors
05-Jun-18	Go green initiative	Within 30 days from the date of issuance of this circular	<p>1. AMCs will not have to publish NAVs in newspapers; they will disclose the same on their own and AMFI's website</p> <p>2. AMCs shall disclose monthly/ half-yearly portfolios (along with ISIN) for all their schemes on their own website and AMFI's website within 10 days from the close of each month/ half-year</p>	<p>1. The NAV of schemes are published on a daily basis by AMCs in at least two daily newspapers</p> <p>2. AMCs disclosed monthly/ half-yearly portfolios (along with ISIN) only on their own website on or before the tenth day of the succeeding month</p>	Environmental awareness

Source: SEBI, Media Reports



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