



# Mutual Fund Screener

For the quarter ended Sep 2015

**ICRA Online Ltd**

*A Group ICRA company*



**ICRA ONLINE LIMITED**  
A Group ICRA Company

# Mutual Fund Screener – What's Inside

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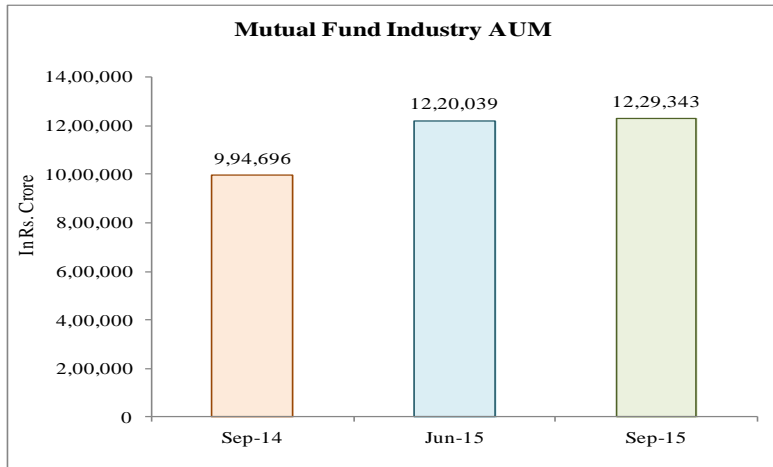
## Section I

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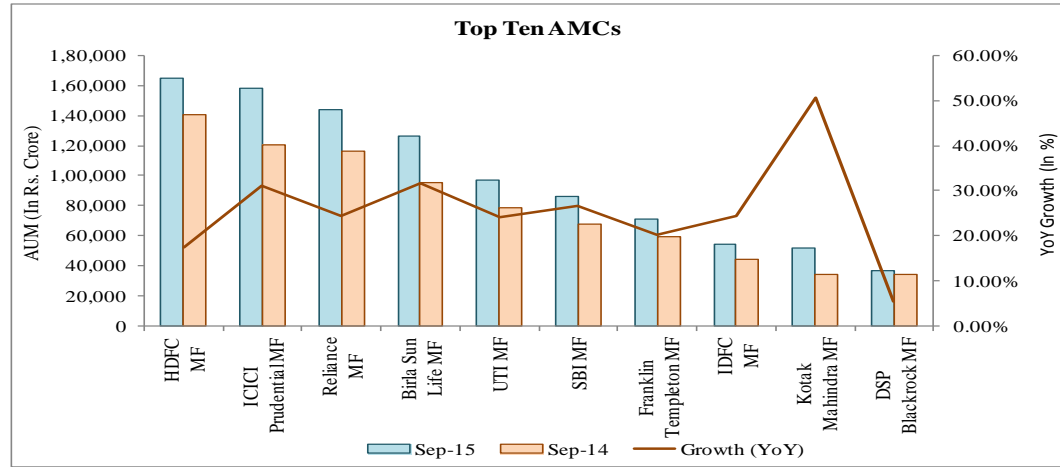
# INDUSTRY AUM



# Industry AUM Grows 23% YoY



Source: AMFI

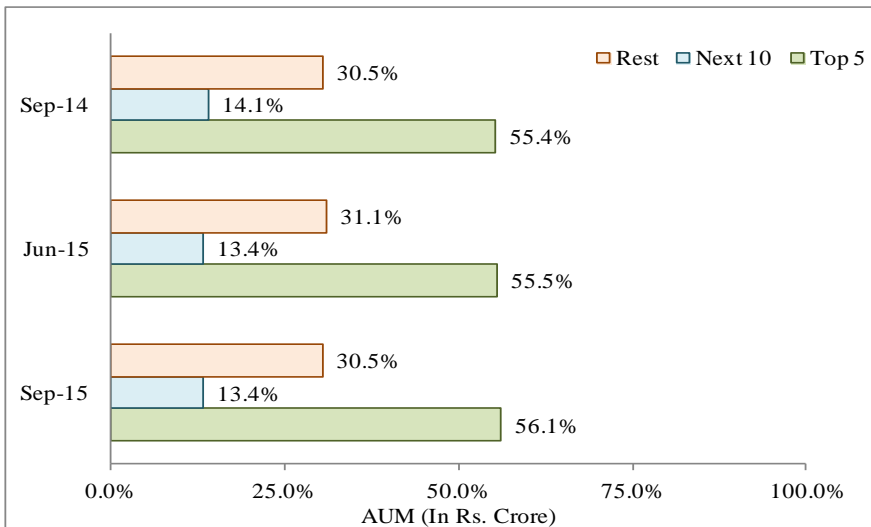


Source: AMFI, ICRA Online Research

- ✓ In Sep-15, month-end industry AUM grew by 23.6% YoY.
  - Mixed performance – rise in AUM of 32 fund houses and decline for others.
- ✓ The list of top 10 AMCs (in terms of industry AUM) remains unchanged
  - Highest change in AUM among the top 10 AMCs registered by Kotak Mahindra AMC followed by Birla Sun Life AMC.
- ✓ The top 10 AMCs alone added close to Rs. 2 lakh crore to their AUM.
  - HDFC AMC retained the top position with a corpus of Rs. 1.6 lakh crore

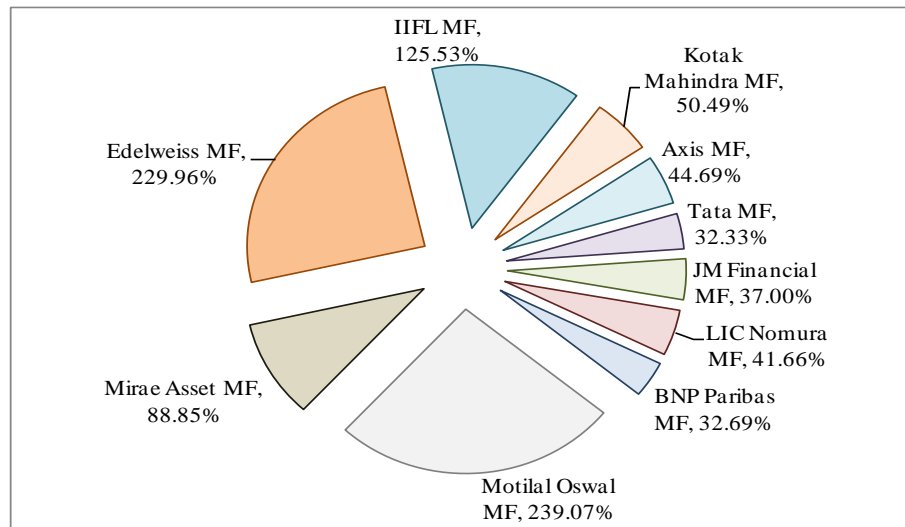
# Top Players Retain Position

## AUM distribution across AMCs



Source: AMFI, ICRA Online Research

## Growth in AUM – Top ten AMCs (YoY%)



Source: AMFI, ICRA Online Research

- ✓ The change in distribution pattern of AUM across AMCs remained in the range of +/-1%.
- ✓ Motilal Oswal AMC witnessed the highest % change in AUM (YoY) and doubled its corpus to Rs. 4,302 crore.
- ✓ In absolute term, highest change in corpus was registered by ICICI Prudential AMC, going up by Rs. 37,401 crore.

## Section II

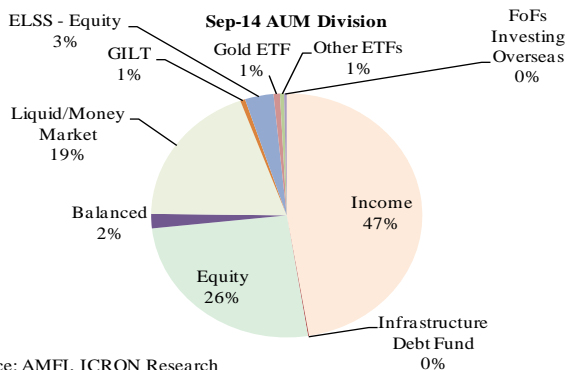
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# INFLOW OUTFLOW ANALYSIS



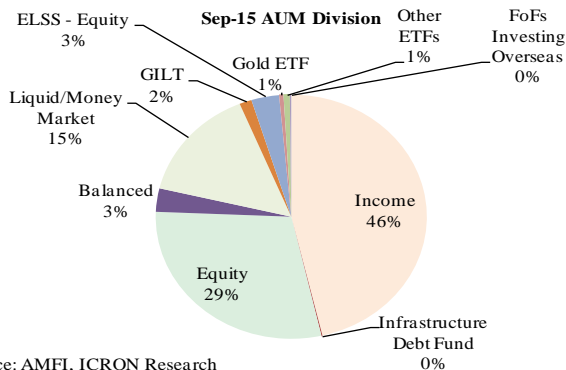
# Equity Witnesses Steady Inflow

## Where were we in Sep-14?



Source: AMFI, ICRA Research

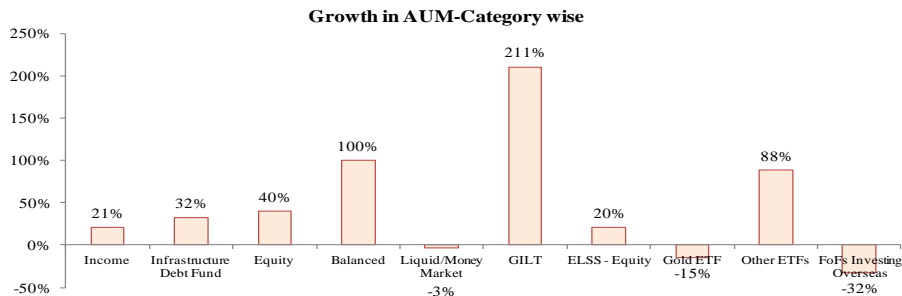
## Where are we in Sep-15?



Source: AMFI, ICRA Research

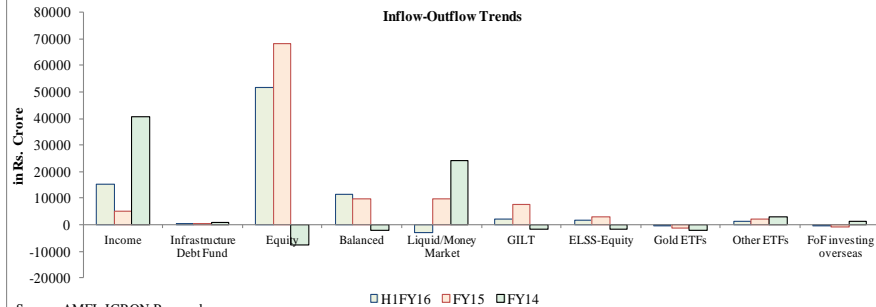
- ✓ Equity category saw steady inflows in FY15 and H1FY16.
- ✓ The flow resulted in greater presence of equity-oriented assets in total AUM.

## Which category grew the most?



Source: AMFI, ICRA Research

## What has been the trend?



Source: AMFI, ICRA Research

## Section III

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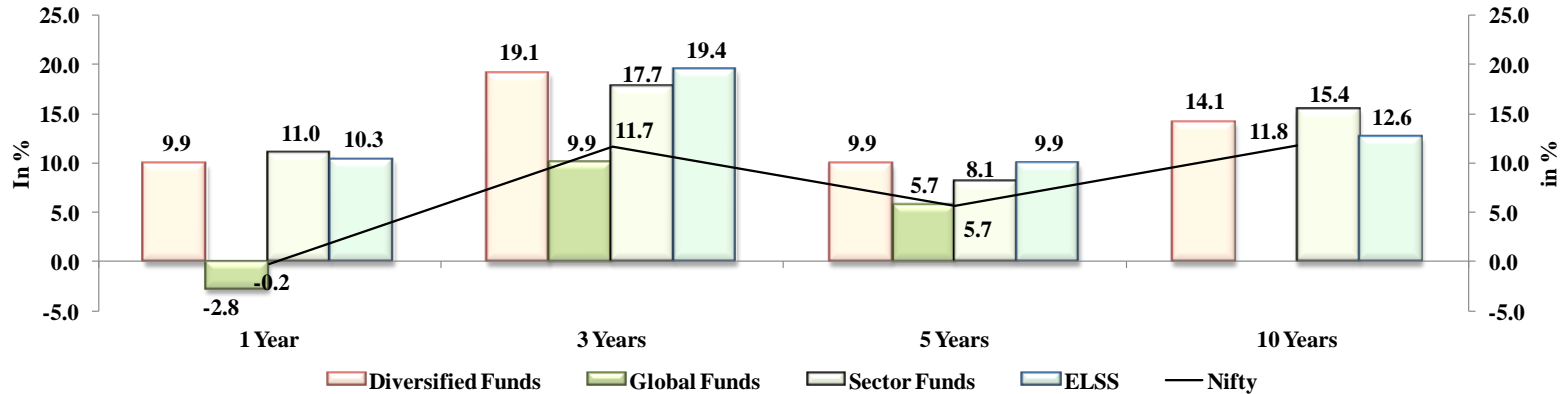
# PERFORMANCE MONITOR





# Performance Monitor (1of 2)

## Equity Oriented Mutual Fund Performance



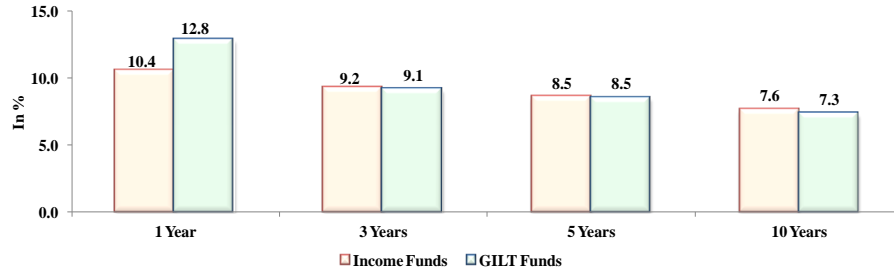
Source: ICRA Online Research, Returns as on 30-Sep-2015

Less than 1 year Absolute returns, Greater than 1 year Compound Annualized returns

- ✓ Over a long-term investment horizon, equity funds in India managed to generate positive real returns, after adjusting for inflation.
- ✓ Funds that aim to diversify across economies, i.e. global funds, met with limited traction, as performance was disappointing as against domestic diversified funds.

# Performance Monitor (2 of 2)

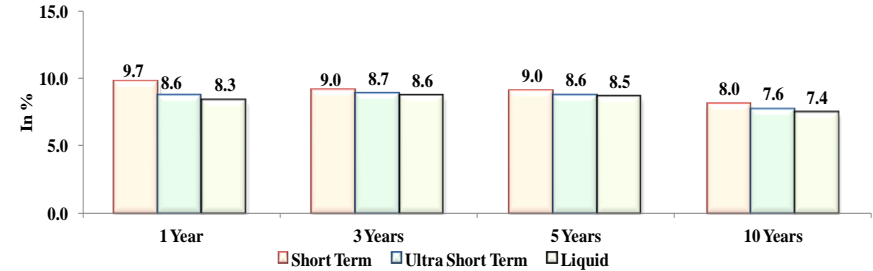
## Long term- Debt Oriented Mutual Fund Performance



Source: ICRA Online Research, Returns as on 30-Sep-2015

Less than 1 year Simple Annualized returns, Greater than 1 year Compound Annualized returns

## Short term- Debt Oriented Mutual Fund Performance



Source: ICRA Online, Returns as on 30-Sep-2015

Less than 1 year Simple Annualized returns, Greater than 1 year Compound Annualized returns

✓ RBI cut interest rates by 125 bps in 2015, which resulted in 10%-12% returns for dynamic bond funds.

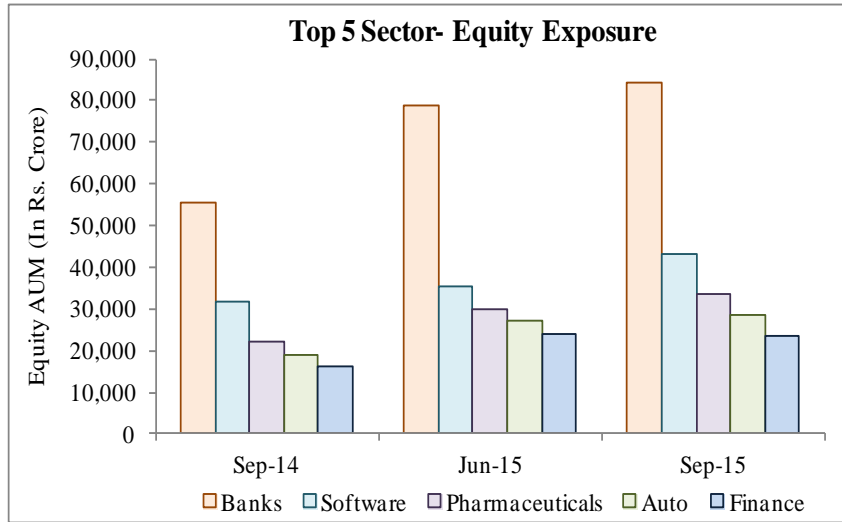
## Section IV

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# SECTOR EXPOSURE



# IT Share Touches All-Time High



Source: SEBI, ICRA Online Research

Sector	Corresponding Index	YoY Change in AUM	1 Year
Banks	S&P BSE Bankex	52.28%	11.73%
Software	S&P BSE IT	35.24%	8.33%
Pharmaceuticals	Nifty Pharma	54.06%	19.10%
Auto	S&P BSE AUTO	50.94%	-2.01%
Finance	S&P BSE Finance	44.40%	11.32%

Source: BSE, NSE, ICRA Online Research

- ✓ Equity fund managers continued investment in IT companies as the rupee depreciated against the dollar. Allocation in IT stocks reached an all-time high of Rs. 43,053 crore as against Rs. 31,834 crore in Sep-14.
- ✓ Banking with 20.9% of the total equity AUM remained a heavy-weight sector, but asset quality of banks, especially PSUs, remained a concern.
- ✓ Pharma remained the third most preferred sector. It had generated close to 19% returns in 2014.
- ✓ Exposure to Auto stocks remained consistent (~7% of equity AUM) in the quarter.

## Section V

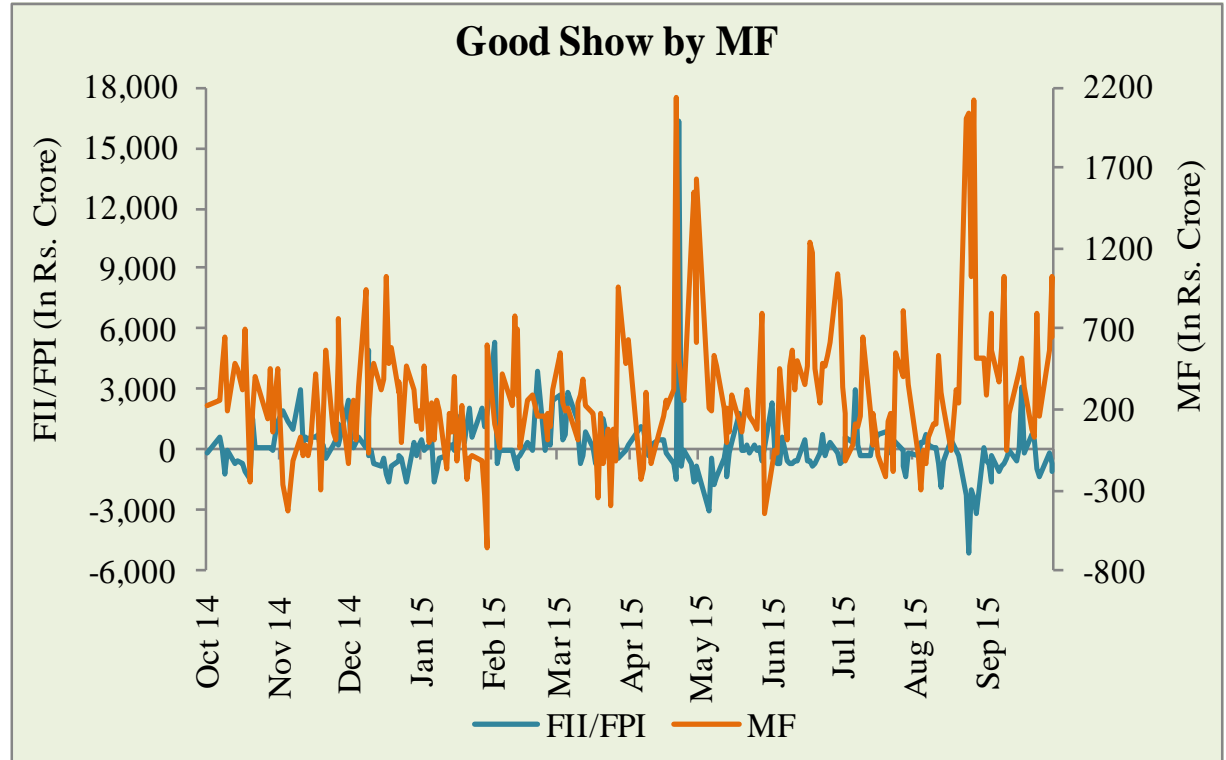
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# **DOMESTIC VS. FOREIGN INSTITUTIONAL FLOW**



# Domestic Flows Peak

- ✓ For 48% of trading days in the last 12 months, Foreign Institutional Investors (FIIs) were net sellers of Indian equity.
- ✓ Domestic Institutional Investors (DIIs) bought twice the amount against FIIs, amounting to Rs. 70,500 crore.
- ✓ DIIs' blue-chip holding reached its highest in 25 quarters, but for FIIs, it fell to its lowest in seven quarters, mainly due to selloff in emerging economies.



Source: ICRA Online Research

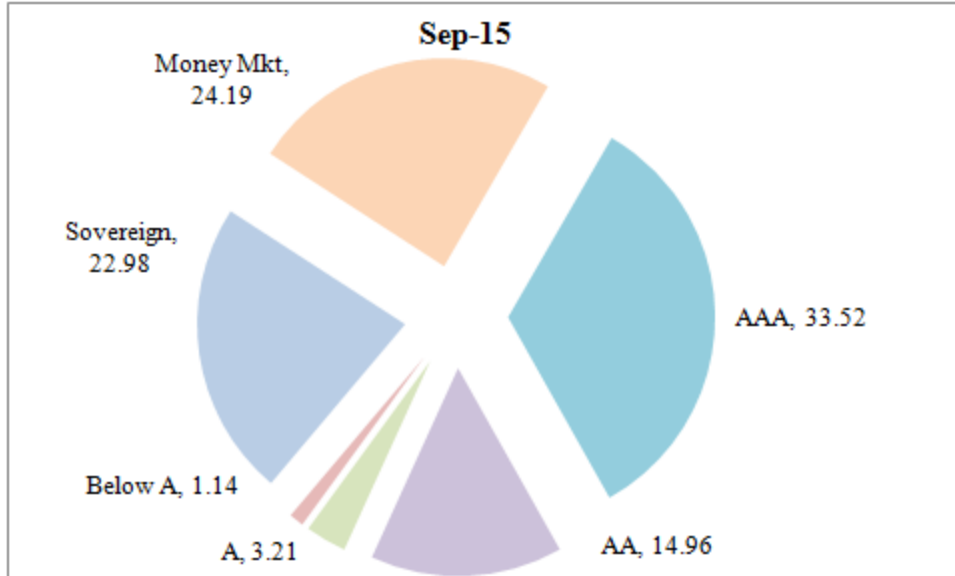
## Section VI

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# DEBT MONITORING



# Credit Rating Profile of the Industry



Source: ICRA Online Research

- ✓ The chart shows the credit rating profile of debt instruments in the industry
- ✓ Exposure in AAA instruments increased from 22.66% in Sep-14 to 33.52% in Sep-15, whereas exposure to money market instruments reduced from 48.77% to 24.19% in the same period.
- ✓ Investment in longer term papers increased to benefit from falling yields.



## Section VII

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# SUMMING UP



# Summing Up

- ✓ The industry has a tiered structure with the top 5 AMC's having 56% of the industry AUM.
- ✓ Equity category has seen steady inflows in FY15 and H1FY16.
- ✓ Institutional investors currently hold 54% of assets. 88% of the institution assets are held in liquid/money market and debt-oriented schemes
- ✓ Individual investors increase their share of assets from 45% to 46% in the last 12 months because of strong equity participation.

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