



Mutual Fund Screener

For the quarter ended Dec-16

ICRA Online Ltd

A Group ICRA company



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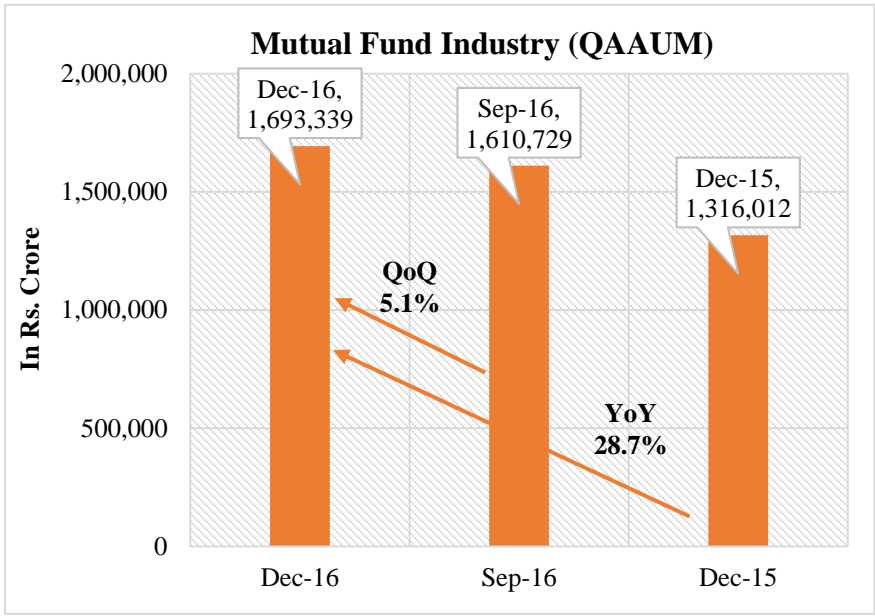
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Section I

INDUSTRY QAAUM



Industry QAAUM hits another high, Rs. 82,610 cr added in Q3FY17



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

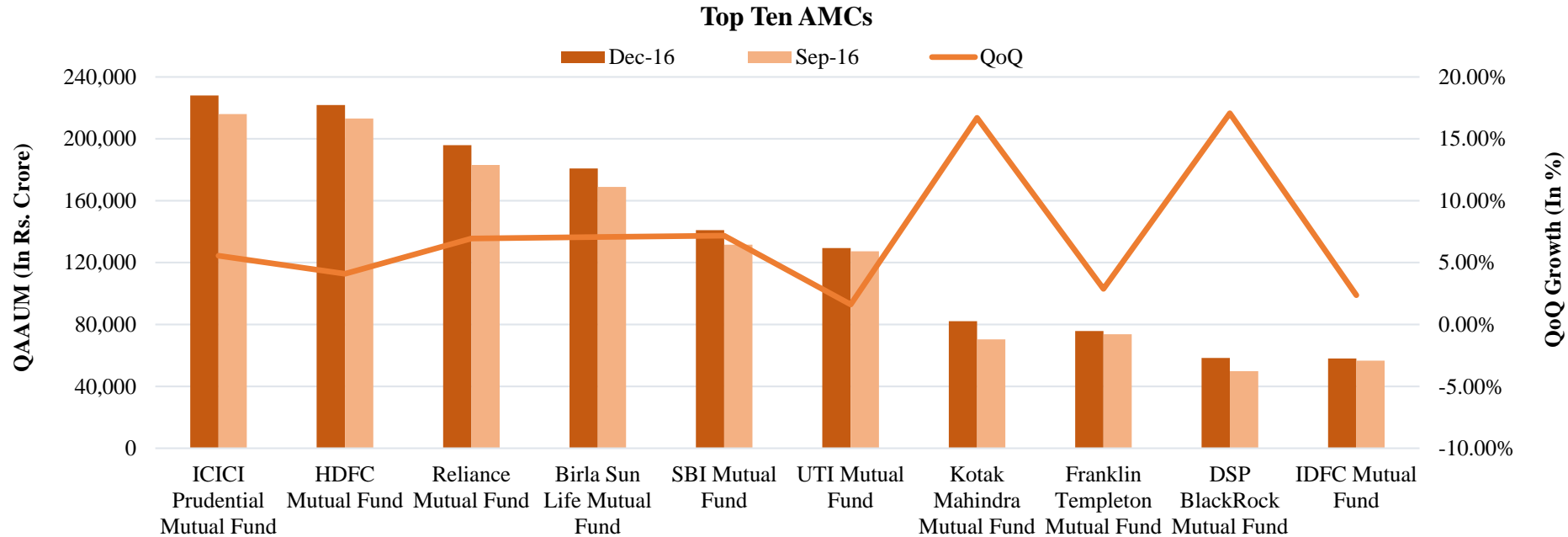
Growth in QAAUM for the quarter ended Dec 2016			
AMCs	Range	Count of AMCs	
		Growth	De-growth
Top 5	4% to 7%	5	0
Next 10	-4% to 17%	9	1
Rest	-20% to 53%	13	12

Source: AMFI; ICRA Online Research. AMC list based on Dec-16 QAAUM; Edelweiss AMC was not included in the list as the QoQ growth of 203% was fuelled by the acquisition of JP Morgan AMC

Assets under management of the mutual fund industry likely to grow at a CAGR of **19%** between FY15-FY20 and cross **Rs. 30 lakh crore** in 2020¹

- ✓ Industry QAAUM grew for the **13th** consecutive period in Q3FY17
 - ✓ The 5.1% QoQ growth in QAAUM was driven by strong participation from retail investors and robust inflow in equity schemes

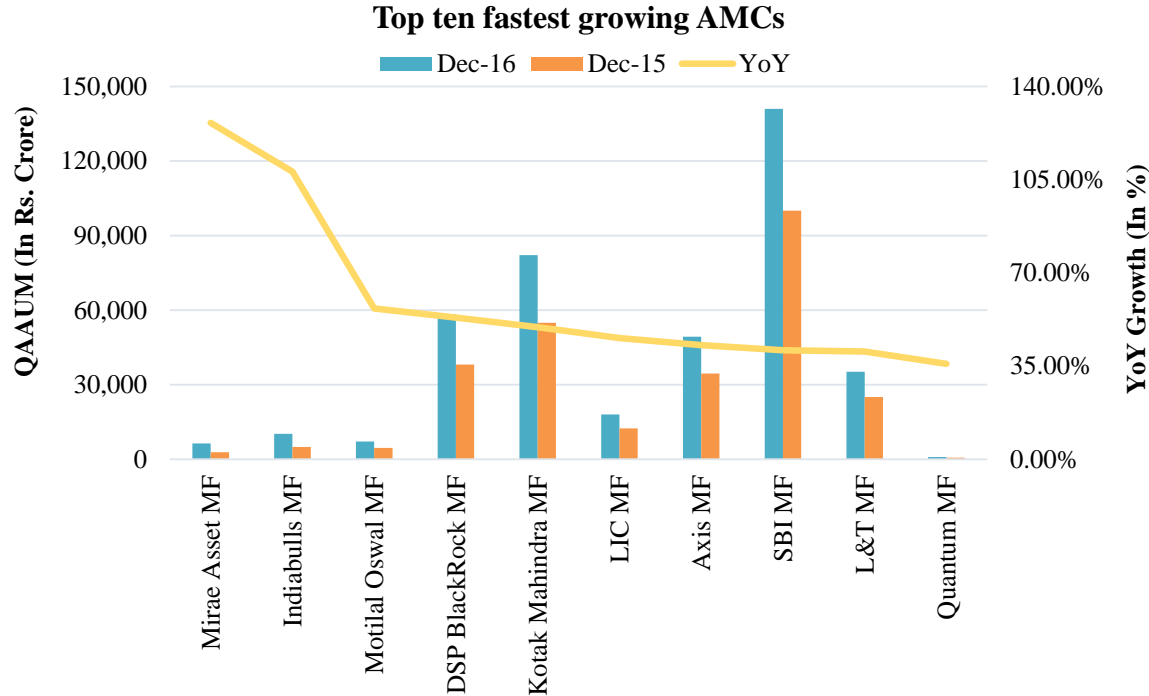
Top 10 AMCs account for 97.6% of incremental QAAUM in Q3FY17



Source: AMFI, ICRA Online Research

- ✓ The share of top-10 AMCs (in terms of QAAUM) increased to 81.0% compared with 80.1% in the last quarter
- ✓ ICICI Prudential MF retained pole position with QoQ growth of 5.6%

QAAUM of three fastest growing AMC's below Rs. 10,000 cr



Among the larger AMC's (QAAUM > Rs. 35,000 crore), SBI, Kotak Mahindra, DSP BlackRock, Axis, and L&T Mutual Fund have shown exceptional growth in corpus in the last one year

✓ Mirae Asset and Indiabulls doubled their corpus in the last one year and registered highest % change in QAAUM (YoY) of 126.4% and 108.0%, respectively

Source: AMFI, ICRA Online Research

DHFL Pramerica AMC and Edelweiss AMC were not included in the list of top 10 fastest growing AMC's as their YoY growth of 1047% and 318% were fuelled by the acquisition of Deutsche AMC and JP Morgan AMC, respectively

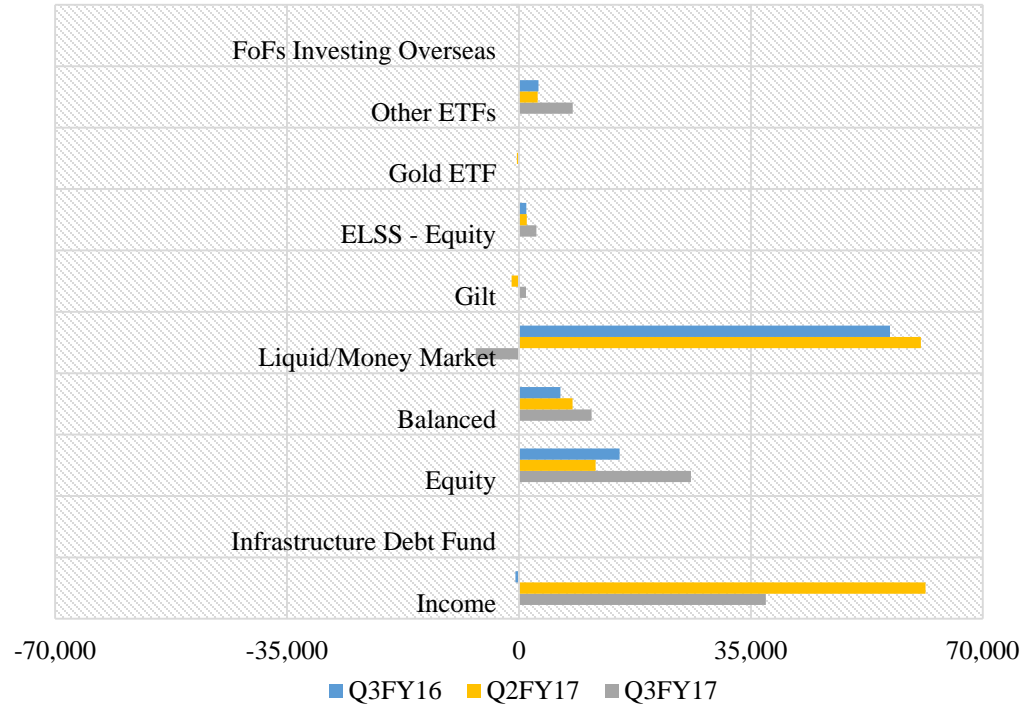
Section II

INFLOW OUTFLOW ANALYSIS

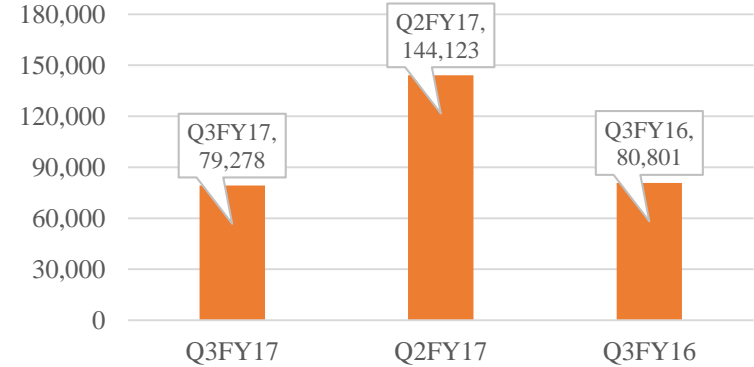


Net inflow/outflow during Q3FY17

Category wise net inflow (in Rs. Cr.)



Net Inflow / Outflow (in Rs. Cr.)

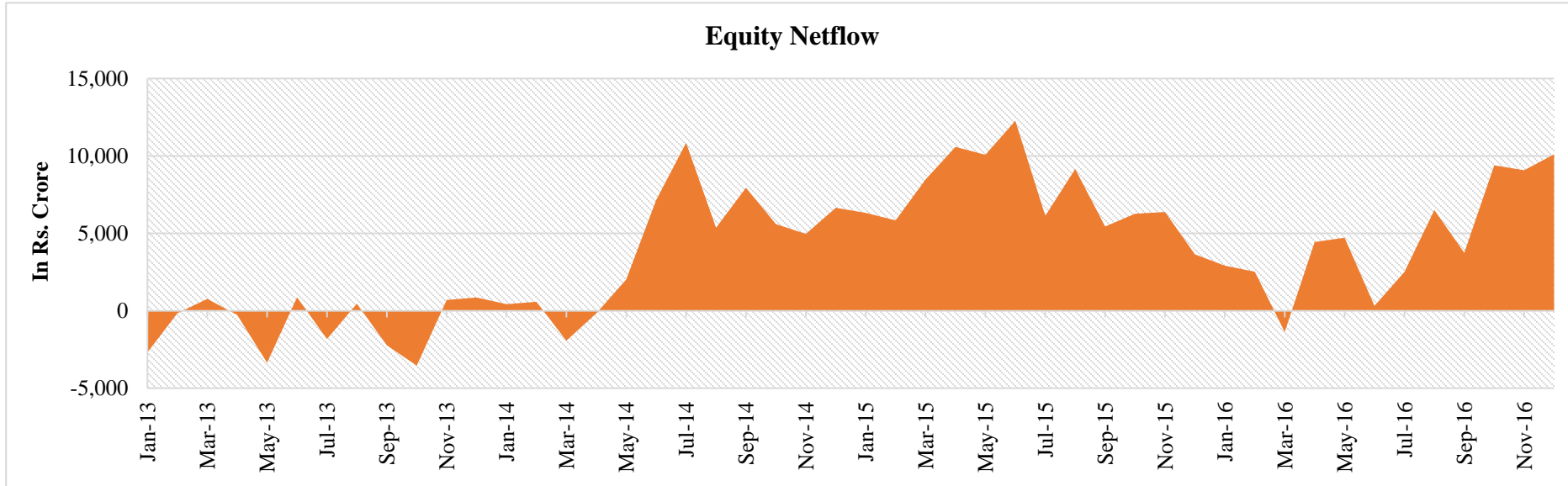


Source: AMFI, ICRA Online Research

- ✓ In Q3FY17, MF industry's assets expanded even as Sensex fell 5%
- ✓ Inflows into debt mutual funds have been increasing steadily with falling bank deposit rates

Source: AMFI, ICRA Online Research

Equity MFs see highest net infusion in 18 months



Source: AMFI, ICRA Online Research; Equity includes ELSS funds as well

- ✓ In Dec 2016, equity mutual funds saw net inflow for the ninth straight month, worth Rs. 10,103 crore
- ✓ CY 2016 witnessed a net inflow of Rs. 54,875 crore compared with Rs. 90,603 crore in CY 2015 and Rs. 49,458 crore in CY 2014

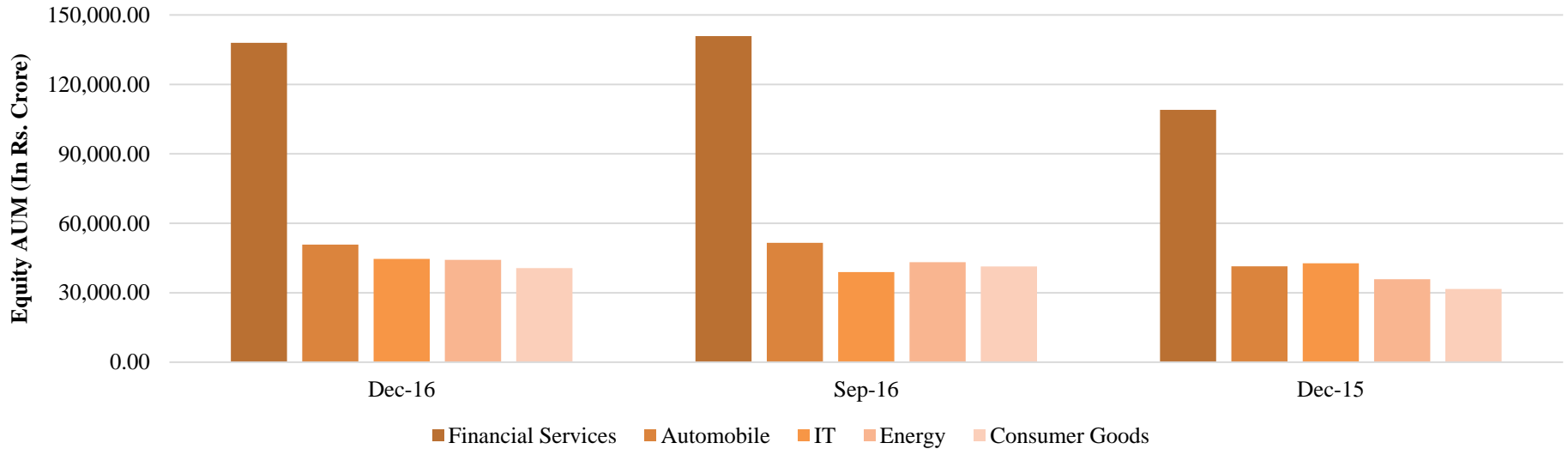
Section III

SECTOR UPDATE



Financial services remain most preferred

Top 5 Sector (as on Dec-16) - Equity Exposure

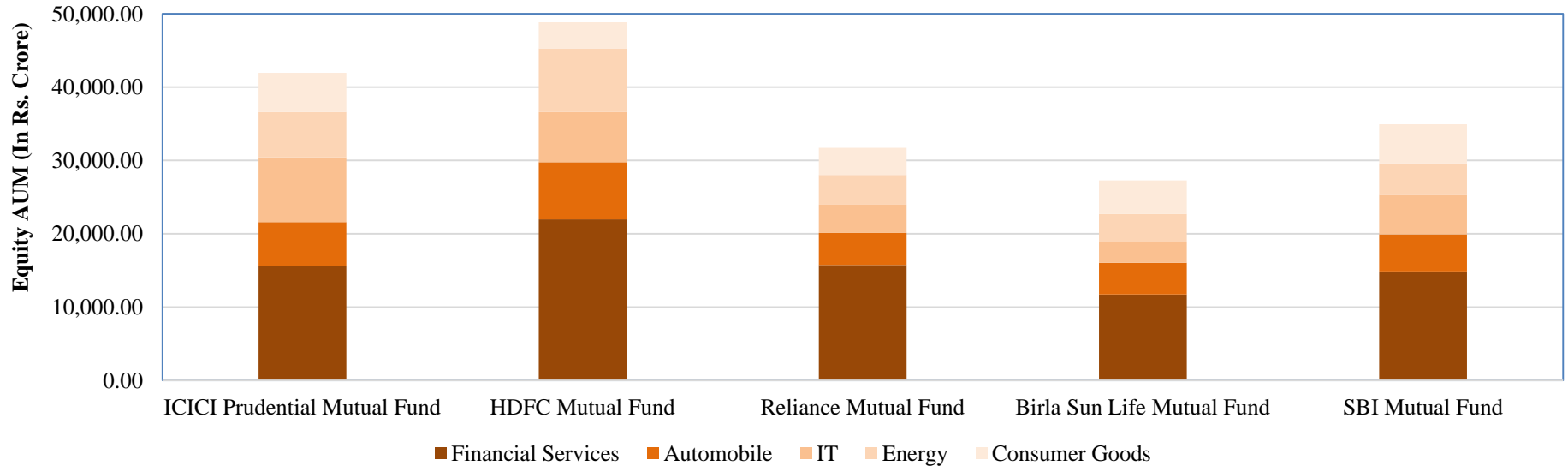


Source: AMFI, ICRA Online Research

- ✓ Financial services continued to be the most preferred sector with more than 28% of the equity AUM
- ✓ The sector witnessed more than 26% YoY increase in inflow

Highest inflow witnessed in IT and metals in Dec 2016

Equity Exposure of Top 5 AMC's in Top 5 Sectors (as on Dec-16)



Source: AMFI, ICRA Online Research

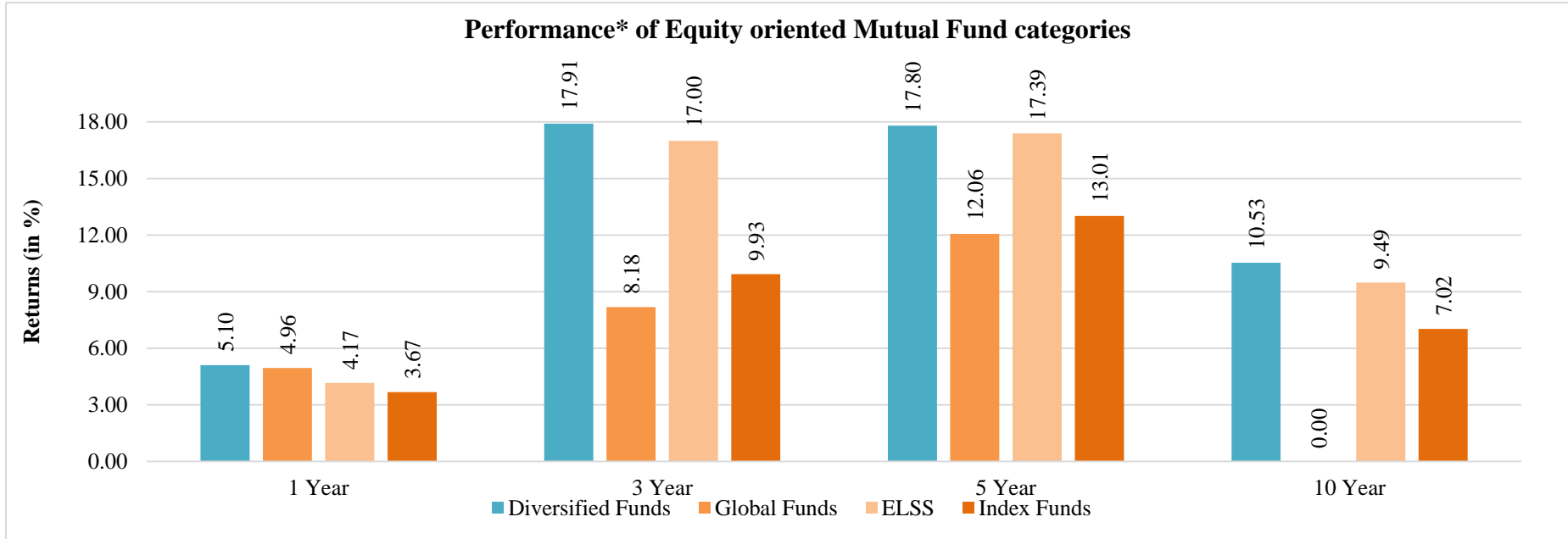
- ✓ Top five sectors constituted almost 65% of the total equity AUM in Dec 2016
- ✓ During the quarter, highest inflow was seen in the IT (15%) and metals (17%) sectors

Section IV

CATEGORY PERFORMANCE



Equity funds continue to deliver positive returns



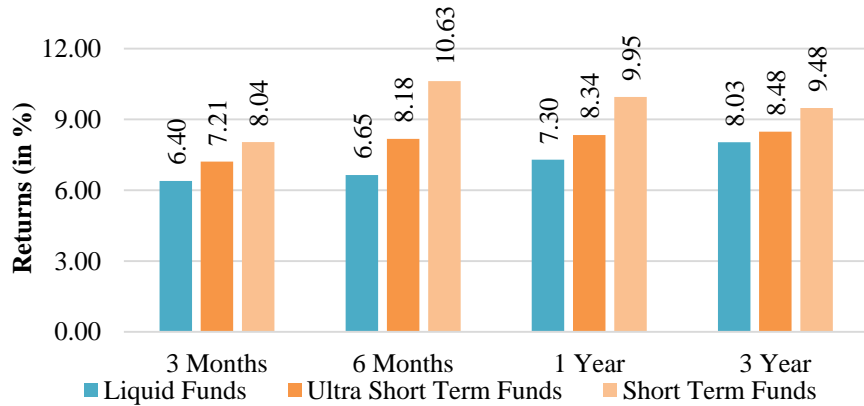
Source: ICRA Online Research; Data as of 31-Dec-16

*Compound annualized returns

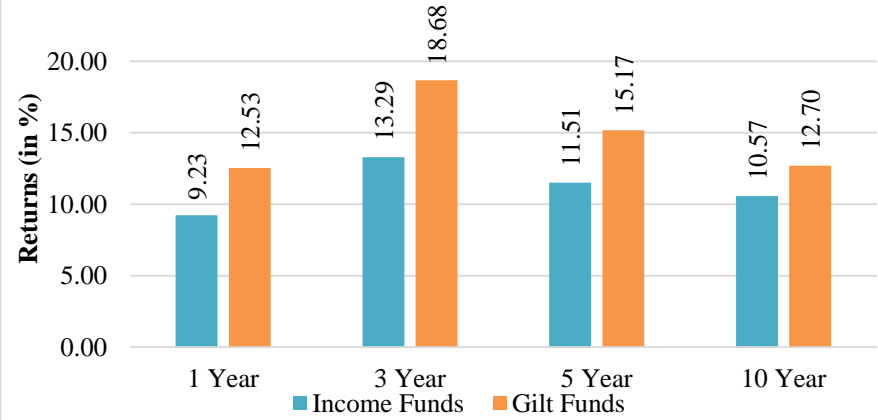
✓ In various long-term tenures, average returns across categories have outperformed benchmark returns

Fall in yields post demonetisation results in outperformance of long term debt funds

Performance* of Short Term Debt oriented Mutual Fund categories



Performance* of Long Term Debt oriented Mutual Fund categories



Source: ICRA Online Research; Data as of 31-Dec-16

*Compound annualised returns have been considered for periods ≥ 1 year; Simple annualised returns for < 1 year

- ✓ In last one year, gilt mutual funds (12.53%) have topped the chart; the category got support after bond yields plunged following the demonetisation move, which led to heightened liquidity in the banking sector
- ✓ In the short-term category, average three months' return generated by liquid funds has been 6.40% compared with 6.76% in Q2FY17

Section V

INDUSTRY INSIGHTS

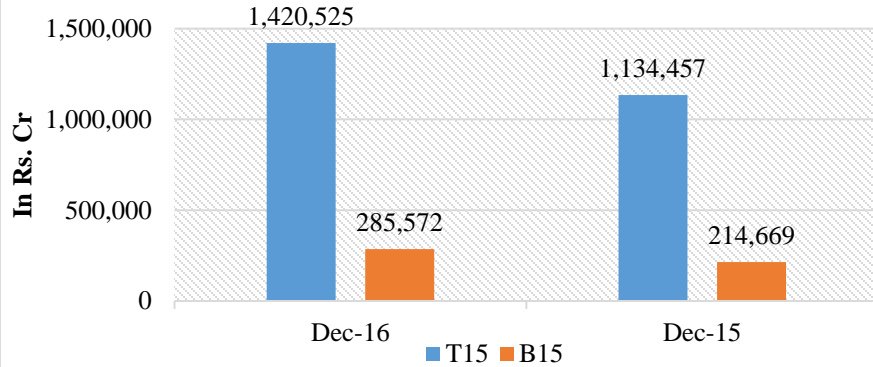


B15 locations generate 17% of industry AUM in Dec 2016

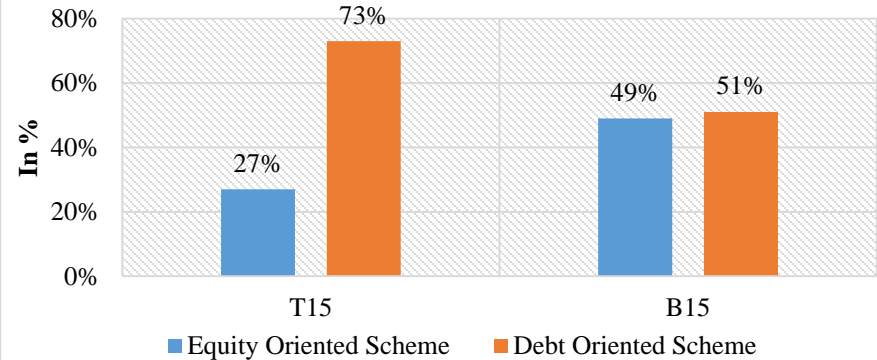


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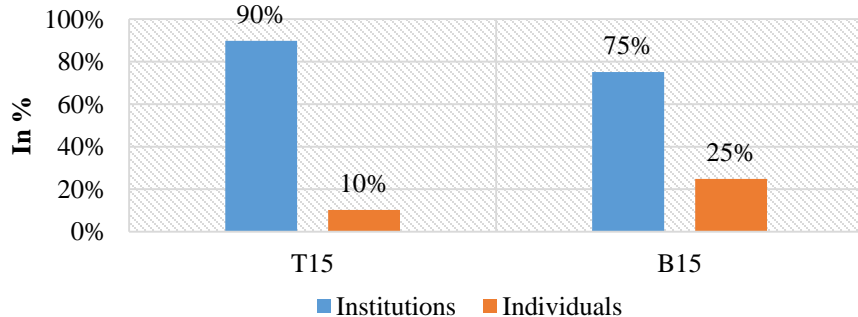
The rate of growth in assets for B15 locations is 33% y-o-y



Higher equity participation in B-15 cities (As on Dec-16)



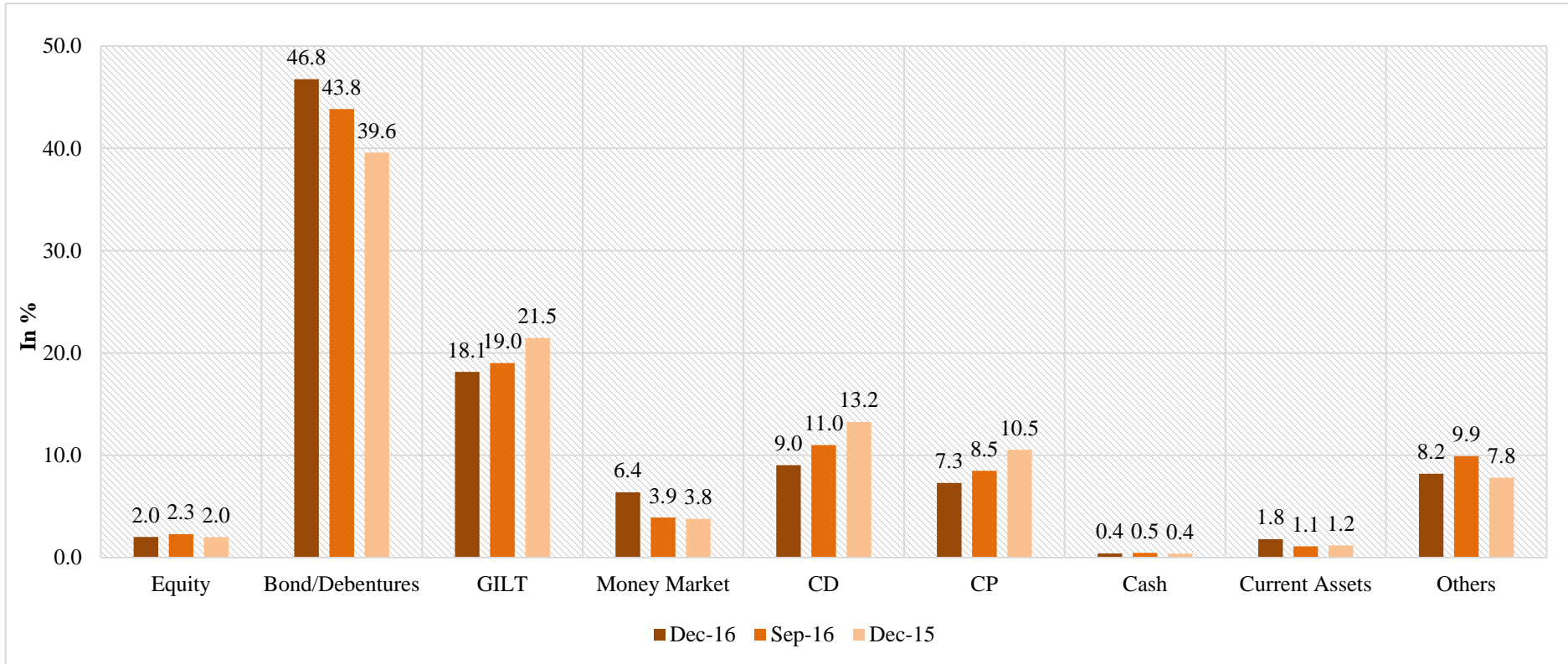
25% of the B15 assets are from individual category



- ✓ 17% of the industry assets came from B15 locations in Dec 2016
- ✓ B15 locations have a better balance between equity and non-equity schemes
- ✓ Retail comprises 25% of B15 assets and 10% in T15 locations

Source: AMFI

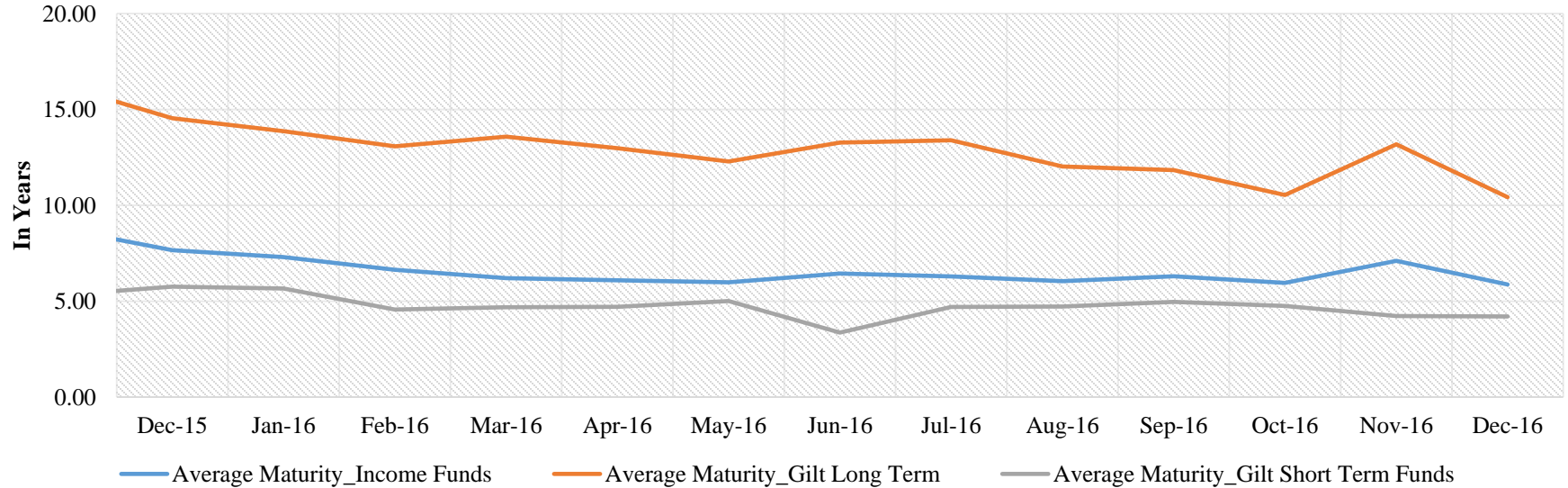
Instrument allocation pattern in debt segment



Source: ICRA Online Research

Long term debt funds had a great CY 2016 due to sharp correction in bond yields

Average Maturity trends in Income, Gilt long term & Gilt short term funds



Source: ICRA Online Research

- ✓ Average maturity spiked in Nov 2016 because of rally in bonds post demonetisation
- ✓ Average maturity eased after the Reserve Bank of India decided to keep interest rates unchanged

Section VII

REGULATORY UPDATE



Regulator remains pro-active during the quarter



SEBI provides transparency on regulations regarding investment advisors

- An investment advisor advising a particular client may charge fees subject to the ceiling specified by the board. However, the fees charged by the investment advisor need to be fair and reasonable



SEBI plans to allow investors to buy MFs through digital wallets

- In order to emphasise on government's aim to promote digital transaction, SEBI is planning to allow investors to buy mutual funds worth as much as Rs. 50,000 a month through digital wallets



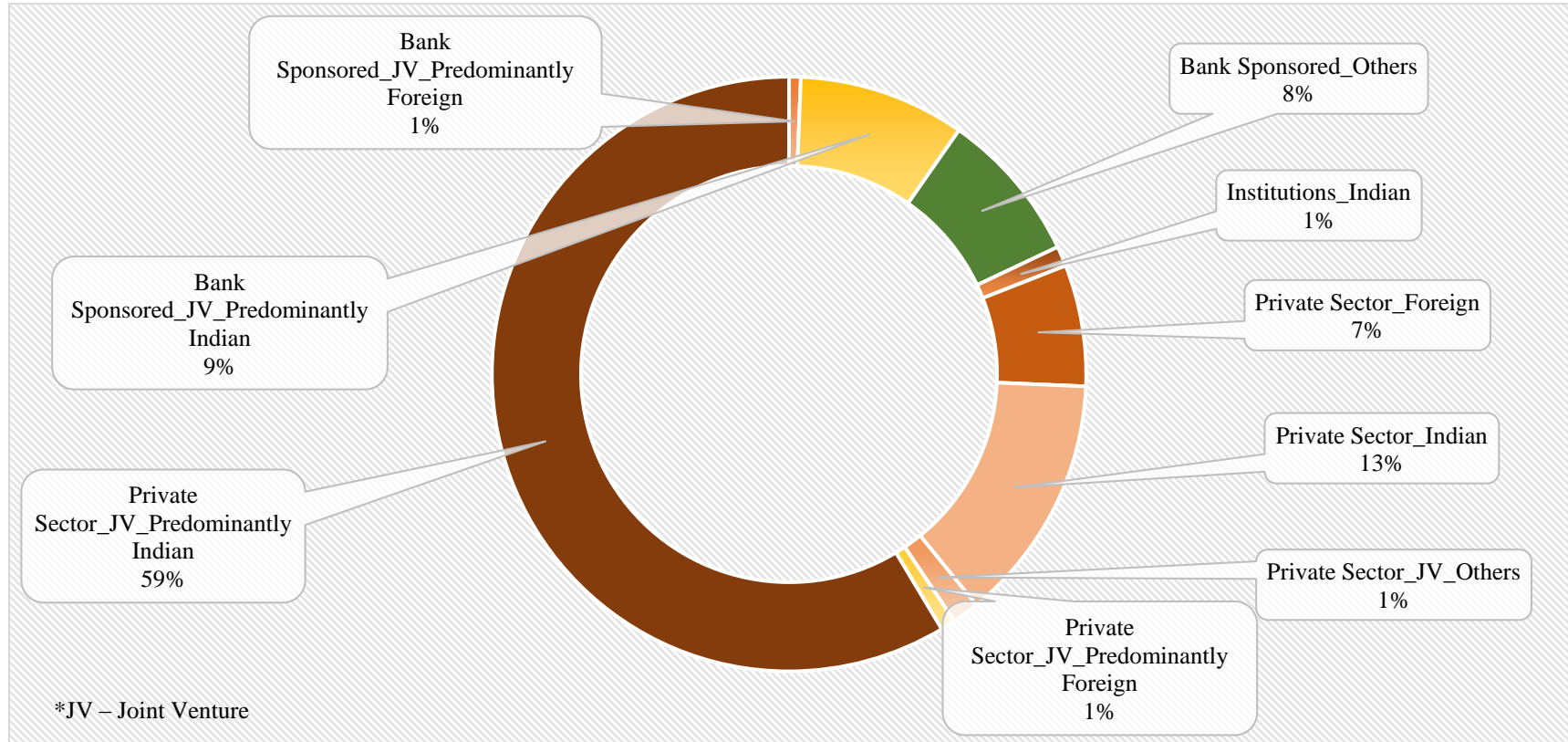
SEBI to set norms for instant credit to investors' bank accounts

- SEBI is in talks to set rules regarding instant credit to investors' bank accounts after redemption of liquid mutual fund. This, in turn, is expected to boost inflows by attracting retail customers to such funds

ANNEXURES



Private sector joint ventures (predominantly Indian) manage 59% of QAAUM



Source: AMFI, ICRA Online Research, data pertains to Dec-16

Liquidity analysis of last 12 months

	Dec-16	Nov-16	Oct-16	Sep-16	Aug-16	Jul-16	Jun-16	May-16	Apr-16	Mar-16	Feb-16	Jan-16
Equity	2.6	2.2	2.2	1.82	1.91	1.73	1.74	1.84	1.99	1.85	1.85	1.84
Specialty	0.1	0.0	0.0	0.05	0.04	0.05	0.04	0.06	0.06	0.04	0.04	0.04
Gilt	0.1	0.1	0.1	0.04	0.06	0.06	0.05	0.07	0.07	0.06	0.05	0.04
Liquid	16.2	16.7	17.4	16.98	18.85	20.07	19.02	20.31	20.96	13.61	21.66	19.38
Balanced	0.3	0.1	0.2	0.15	0.21	0.19	0.19	0.17	0.17	0.09	0.20	0.21
ETF	0.4	0.4	0.4	0.48	0.46	0.48	0.53	0.49	0.52	0.58	0.57	0.53
Fund of Funds	0.1	0.1	0.1	0.15	0.15	0.16	0.17	0.17	0.18	0.21	0.21	0.18
Dynamic/Asset Allocation	0.3	0.2	0.3	0.30	0.34	0.32	0.25	0.26	0.25	0.19	0.11	0.11
Debt	8.2	8.8	9.1	8.28	9.52	9.48	9.32	9.49	10.04	9.60	10.21	9.97

Source: ICRA Online Research

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