



Mutual Fund Screener

For the quarter ended September 2016

ICRA Online Ltd

A Group ICRA company



ICRA ONLINE LIMITED
A Group ICRA Company

Mutual Fund Screener – What's Inside

01

Industry
QAAUM

02

Inflow Outflow
Analysis

03

Sector
Update

04

Category
Performance

05

Industry
Insights

06

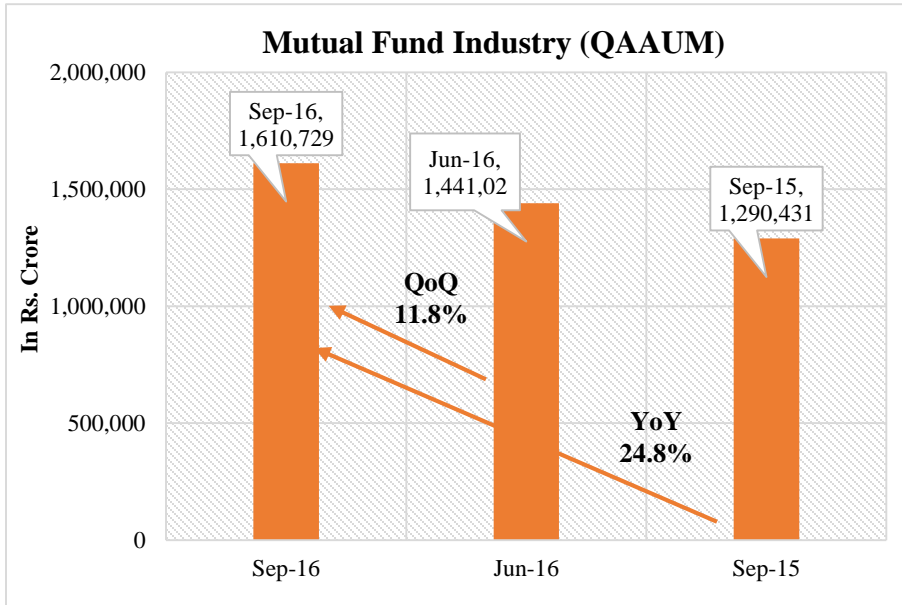
Regulatory
Update

Section I

INDUSTRY QAAUM



Industry QAAUM hits another high, crosses Rs. 16 lakh cr



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

Growth in QAAUM for the quarter ended Sep 2016

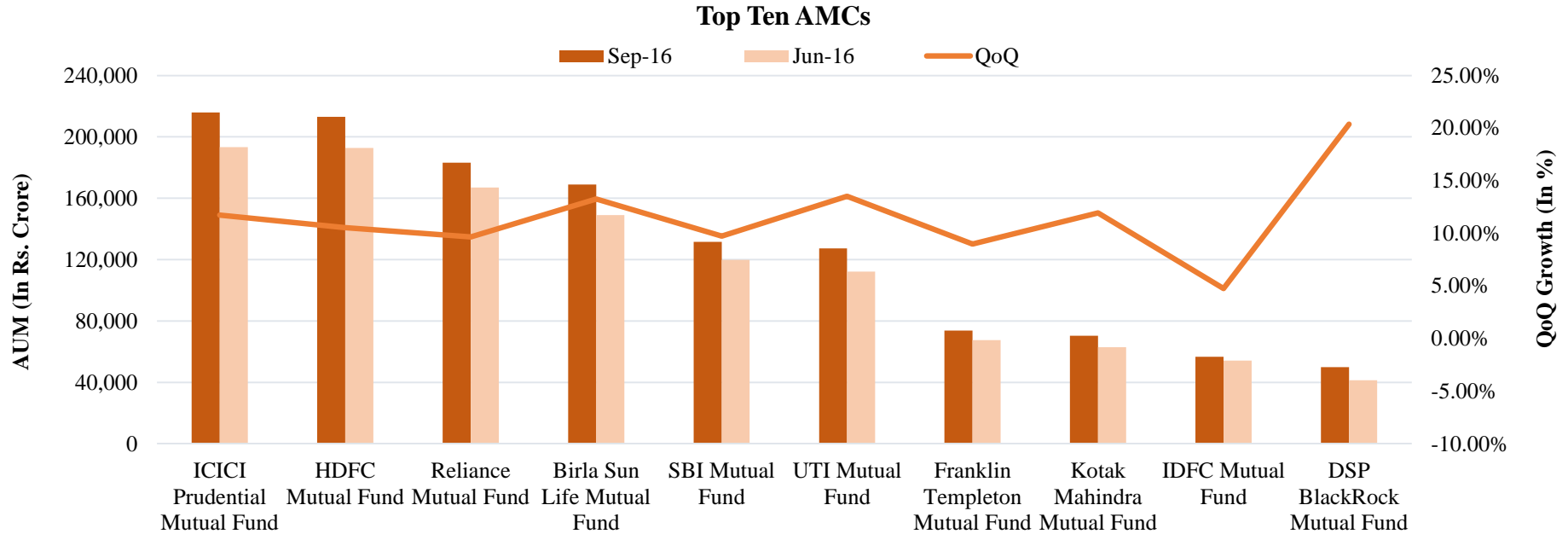
AMCs	Range
Top 5	10% to 13%
Next 10	5% to 20%
Rest	-21% to 32%

Source: AMFI; ICRA Online Research. AMC list based on Sep 2016 QAAUM

Low AUM to GDP ratio of 7% (as of 2015) compared with 11.4% in Australia, 91% in US, and 51% in UK suggests huge potential for growth in the coming quarters¹

- ✓ Industry QAAUM grew for the **12th** consecutive period in Q2FY17
- ✓ The 11.8% QoQ growth in QAAUM was driven by strong participation from retail investors and robust inflow in equity schemes

ICICI and HDFC surpass Rs. 2 lakh cr mark in assets for the first time in history

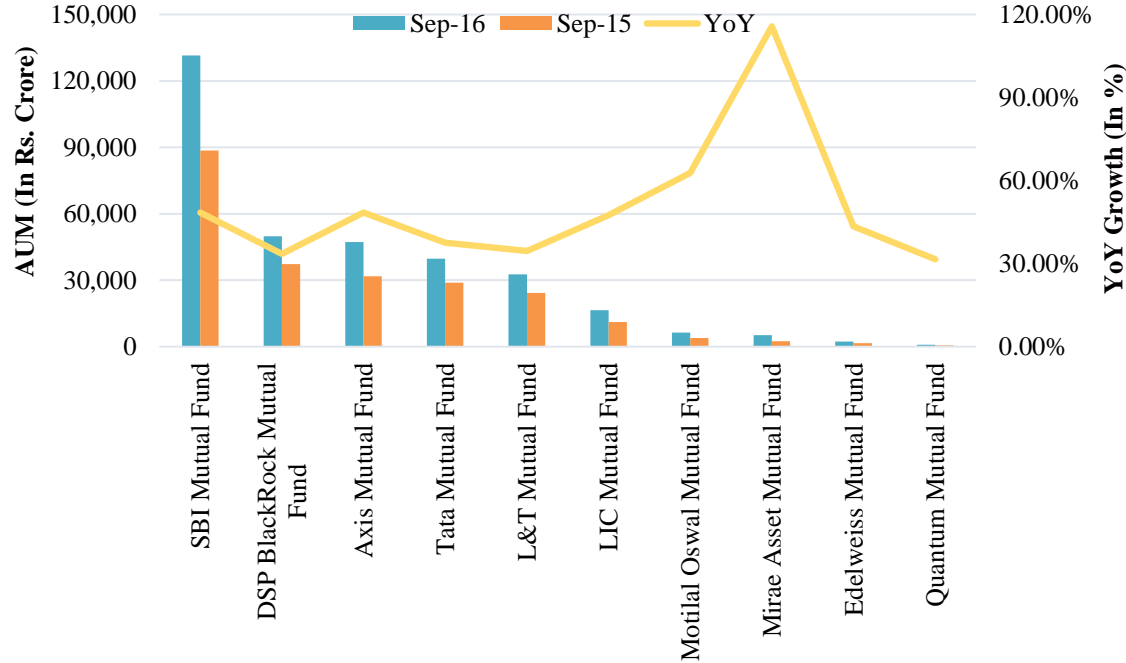


Source: AMFI, ICRA Online Research

- ✓ The share of top-10 AMCs (in terms of QAAUM) fell slightly to 80.1% compared with 80.5% in the last quarter
- ✓ ICICI Prudential MF retained pole position with QoQ growth of 11.7%

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

Top ten fastest growing AMC's



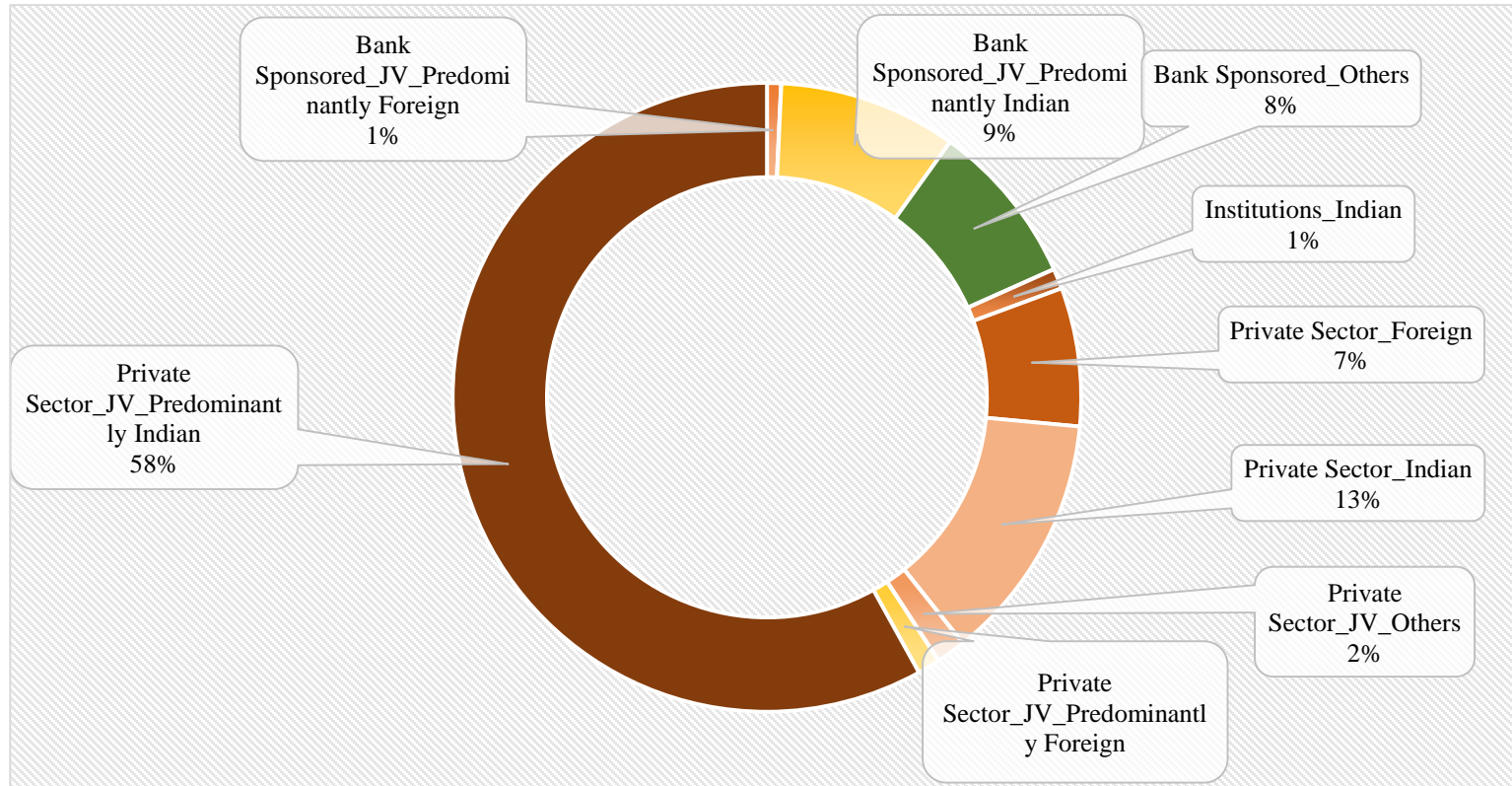
Among the larger AMC's (QAAUM > Rs. 35,000 crore), Tata, Axis, DSP Blackrock and SBI Mutual Fund have shown exceptional growth in corpus in the last one year

✓ Mirae Asset doubled its corpus in the last one year and registered highest % change in QAAUM (YoY) of 115.7%

Source: AMFI, ICRA Online Research

DHFL Pramerica AMC was not included in the list of top 10 fastest growing AMC's as its YoY growth of 935% was fuelled by the acquisition of Deutsche MF

Private sector joint ventures (predominantly Indian) manage 58% of QAAUM



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

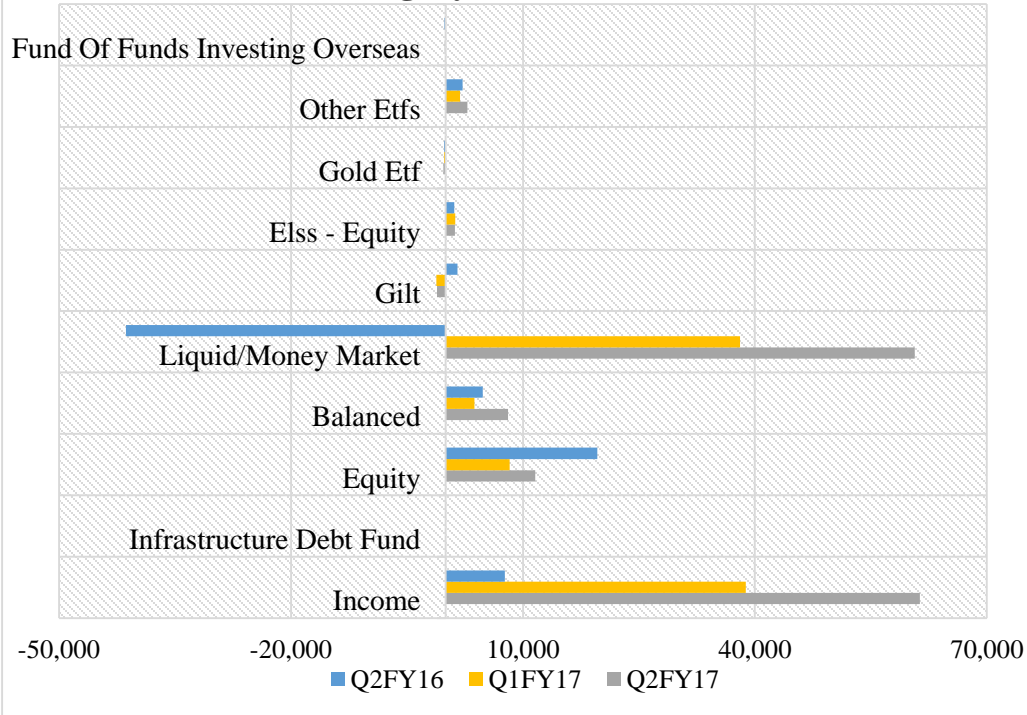
Section II

INFLOW OUTFLOW ANALYSIS



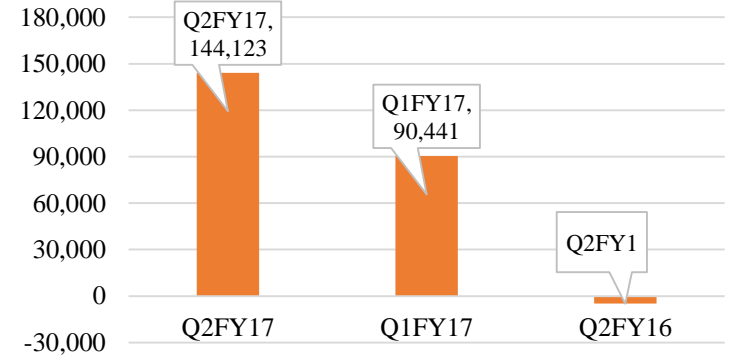
Net inflow/outflow during Q2FY17

Category wise net inflow



Source: AMFI, ICRA Online Research

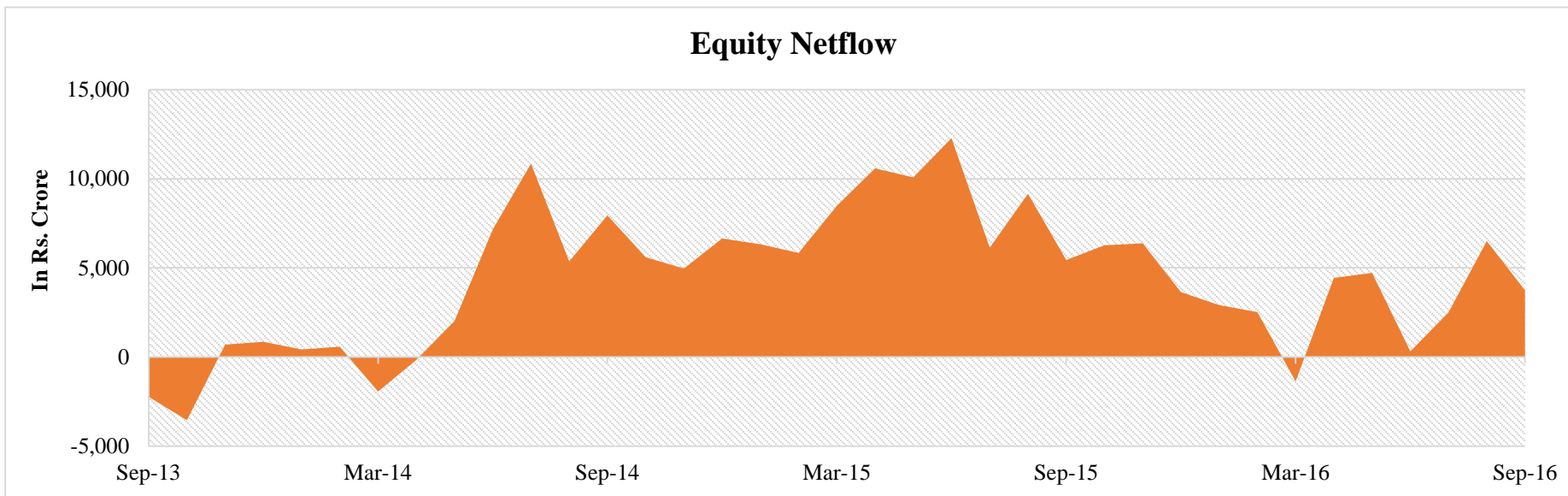
Net inflow/outflow



Source: AMFI, ICRA Online Research

- ✓ Equity funds scaled new highs aided by both strong inflows and mark-to-market gains
- ✓ Short-term debt funds continued to gain investors' confidence amid uncertain interest rate scenario

Equity MFs see net infusion of Rs. 12,754 cr in Q2FY17



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

- ✓ Mutual funds have been net buyers of equities for all the six months of FY17 due to higher retail participation
- ✓ Net inflows were Rs. 22,233 crore in H1FY17 compared with Rs. 53,666 crore in the same period last year. Lower net inflows could be attributed to higher redemptions due to a volatile equity environment

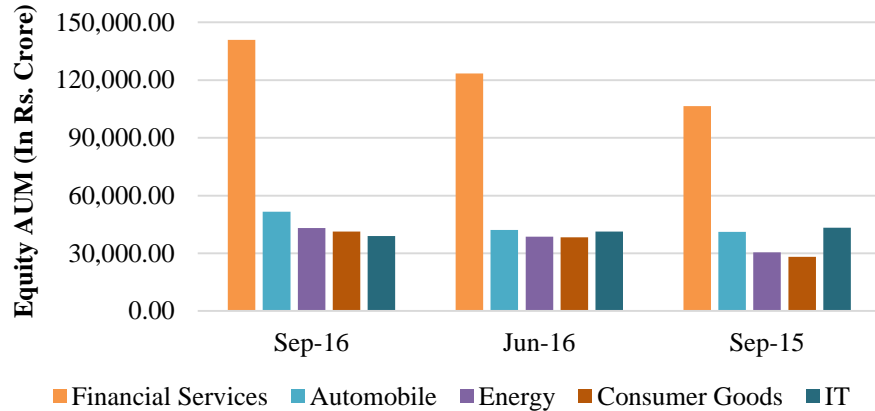
Section III

SECTOR UPDATE



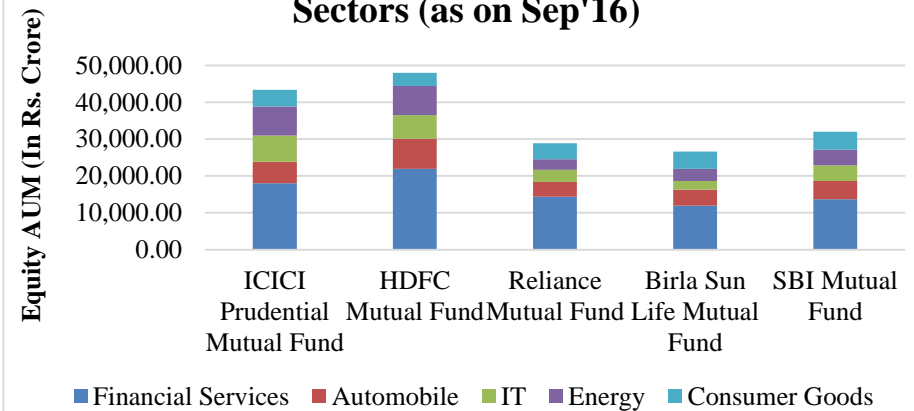
Sectoral update

Top 5 Sectors - Equity Exposure



Source: AMFI, ICRA Online Research

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



- ✓ Top five sectors constituted almost 64% of the total equity AUM
- ✓ Highest inflow was seen in Paper (25%) and Healthcare services (21%) sectors

- ✓ Financial Services continued to be the most preferred sector with more than 28% of the equity AUM invested
- ✓ During the quarter, the sector witnessed more than 12% increase in inflow

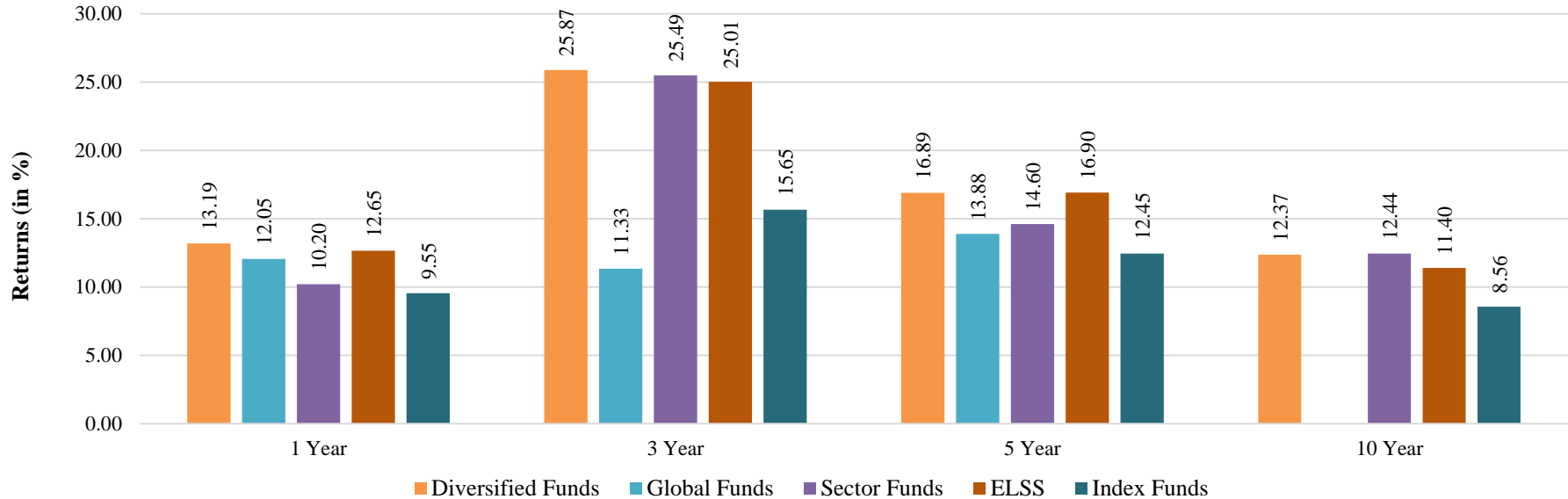
Section IV

CATEGORY PERFORMANCE



Equity funds continued to deliver positive returns

Performance of Equity oriented Mutual Fund categories

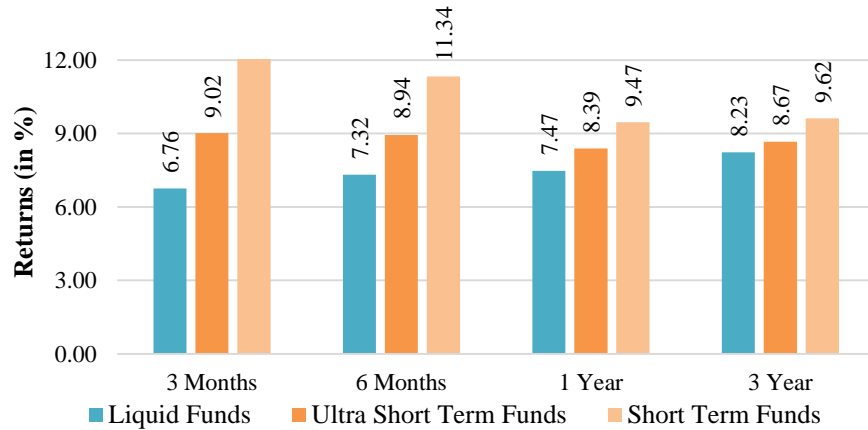


Source: ICRA Online Research; Data as/of 30th September 2016
Greater than or Equal to 1 year Compound Annualized returns

✓ Average returns across the categories outperformed average benchmark return across various time horizons.

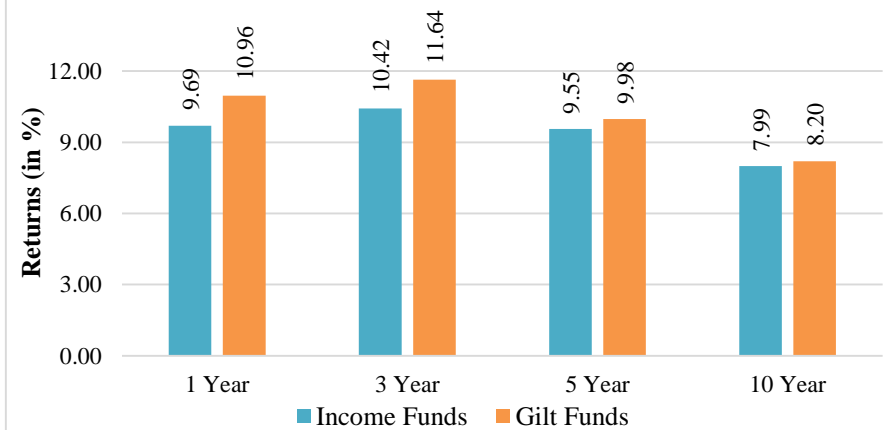
Debt funds performed well due to comfortable liquidity situation

Performance of Short Term Debt oriented Mutual Fund categories



Source: ICRA Online Research; Data as/of 30th September 2016
Less than 1 year Simple Annualized returns, Greater than or Equal to 1 year Compound Annualized returns

Performance of Long Term Debt oriented Mutual Fund categories



Source: ICRA Online Research; Data as/of 30th September 2016
Greater than or Equal to 1 year Compound Annualized returns

- ✓ Fall in yields along with ease in liquidity and expectations of a rate-cut by RBI played supportive role for long-term tenure papers
- ✓ Fall in small savings rate can boost debt mutual funds, specially, fixed maturity plans (FMPs)

Section V

INDUSTRY INSIGHTS

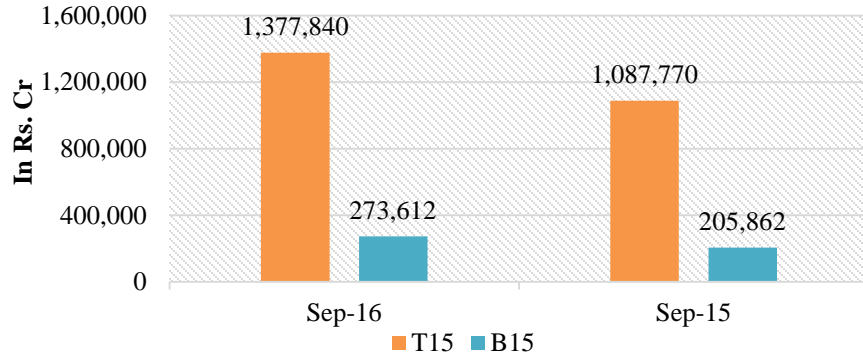


B15 locations generate 17% of industry AUM in Sep 2016

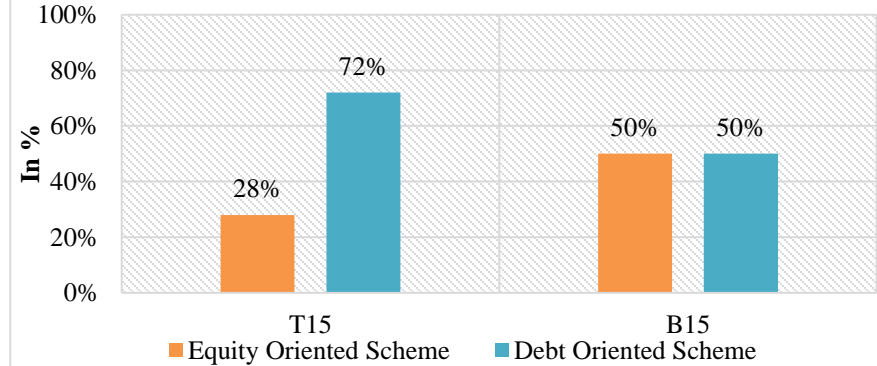


ICRA ONLINE LIMITED
A Group ICRA Company

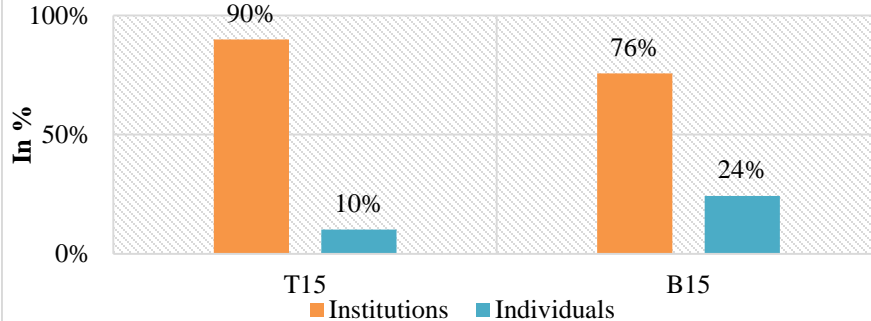
The rate of growth in assets for B15 locations is 33% Y-o-Y



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



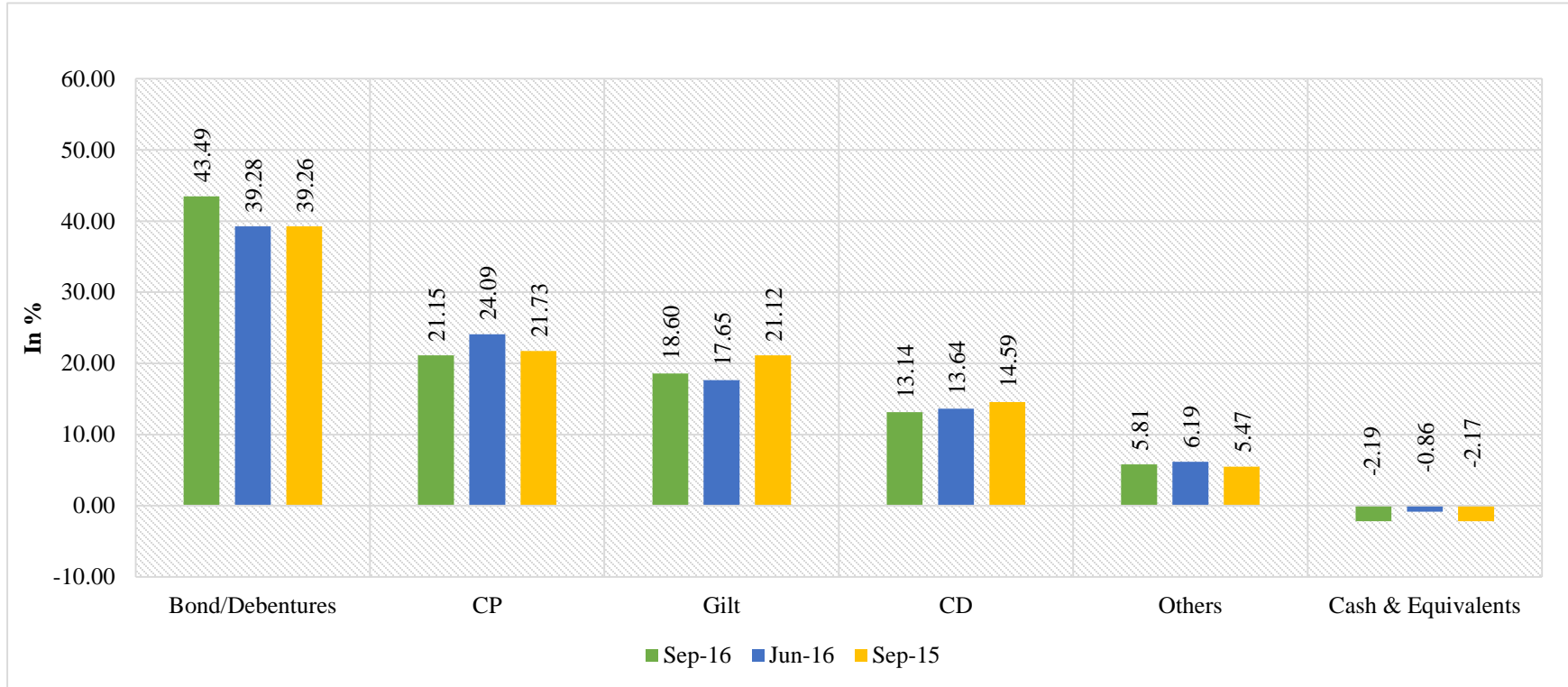
24% of the B15 assets are from individual category



✓ Activity beyond the top 15 cities (referred to as B-15) has increased in recent years, which indicates expansion of the investor base. Improved distribution and regulatory changes to the fee structure have helped in increasing participation in smaller places

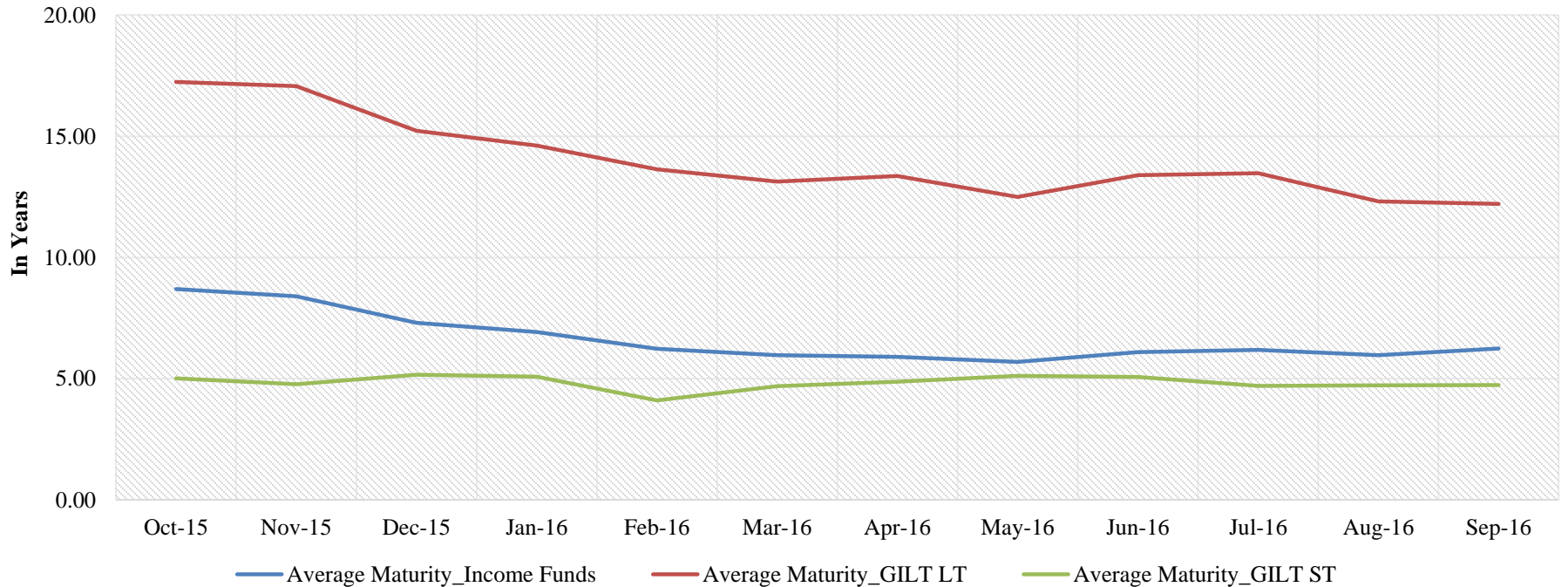
Source: AMFI

Instrument allocation pattern in debt segment



Average maturity goes below FY16 levels

Average Maturity trends in Income, GILT-long term & GILT-short term funds



Liquidity analysis of last 12 months

	Sep-16	Aug-16	Jul-16	Jun-16	May-16	Apr-16	Mar-16	Feb-16	Jan-16	Dec-15	Nov-15	Oct-15
Equity	1.82	1.91	1.73	1.74	1.84	1.99	1.85	1.85	1.84	2.07	2.08	2.00
Speciality	0.05	0.04	0.05	0.04	0.06	0.06	0.04	0.04	0.04	0.04	0.04	0.04
Gilt	0.04	0.06	0.06	0.05	0.07	0.07	0.06	0.05	0.04	0.11	0.06	0.06
Liquid	16.98	18.85	20.07	19.02	20.31	20.96	13.61	21.66	19.38	18.84	19.17	18.64
Balanced	0.15	0.21	0.19	0.19	0.17	0.17	0.09	0.20	0.21	0.24	0.18	0.17
ETF	0.48	0.46	0.48	0.53	0.49	0.52	0.58	0.57	0.53	0.50	0.48	0.54
Fund of Funds	0.15	0.15	0.16	0.17	0.17	0.18	0.21	0.21	0.18	0.17	0.17	0.19
Dynamic/Asset Allocation	0.30	0.34	0.32	0.25	0.26	0.25	0.19	0.11	0.11	0.13	0.11	0.13
Debt	8.28	9.52	9.48	9.32	9.49	10.04	9.60	10.21	9.97	9.35	10.03	9.92

Section VII

REGULATORY UPDATE



Regulator remains pro-active during the quarter



SEBI sets new rules for operation of Central KYC records registry

- All mutual fund investors will now have to provide their mother's name and proof of permanent address
- The requirement became mandatory for new investors from Aug 1



SEBI directs AMCs to appoint scrutinisers to review rationale of voting rights

- This move will provide active voice to retail investors on important decisions of the AMCs
- AMCs would be required to obtain certification from the scrutiniser on voting reports being disclosed by them



SEBI raises additional exposure limits of MFs in HFCs to 10%

- SEBI said mutual funds should ensure that additional exposure to securities issued by HFCs are rated AA and above, and these HFCs are registered with the National Housing Bank



SEBI to amend investment adviser regulations

- In an attempt to restrict unregistered entities from offering investment advisory services, SEBI will amend the SEBI Investment Adviser Regulations, 2013
- Post amendment, any entity providing investment advice would be brought under the ambit of investment adviser regulations

Contact Information

Saugat Acharya

+91 98209 74940

saugat.acharya@icraonline.com

Atul Sharma

+91 96191 12544

atul.sharma@icraonline.com

Eshna Basu

+91 98318 27490

eshna.basu@icraonline.com

Disclaimer:

All information contained in this document has been obtained by ICRA Online Limited from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA Online Limited or its affiliates or group companies and its respective directors, officers, or employees in particular, makes no representation or warranty, express or implied, as to the accuracy, suitability, reliability, timelines or completeness of any such information. All information contained herein must be construed solely as statements of opinion, and ICRA Online Limited, or its affiliates or group companies and its respective directors, officers, or employees shall not be liable for any losses or injury, liability or damage of any kind incurred from and arising out of any use of this document or its contents in any manner, whatsoever. Opinions expressed in this document are not the opinions of our holding company, ICRA Limited (ICRA), and should not be construed as any indication of credit rating or grading of ICRA for any instruments that have been issued or are to be issued by any entity.