

Mutual Fund Screener

For the quarter ended March 2019



ICRA ONLINE LIMITED
A Group ICRA Company

Mutual Fund Screener

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Industry Size

Industry QAAUM grows 6% YoY to Rs. 24.48 lakh crore in Q4FY19

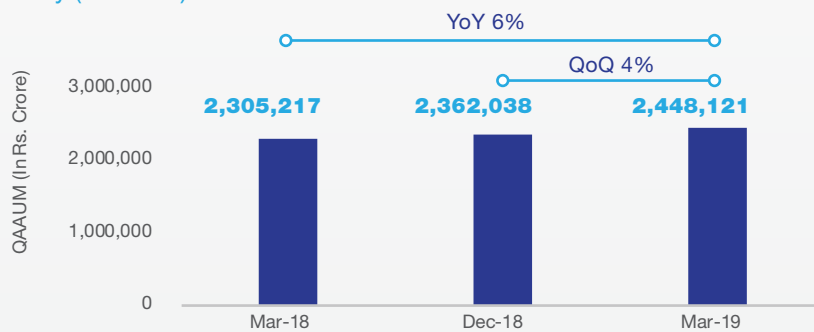
- After witnessing QoQ fall in Q3FY19, the industry Quarterly Average Assets Under Management (QAAUM) grew 4% in Q4FY19
- SIP contribution grew in Q4FY19 compared with Q3FY19

Growth Trend of AMCs for the Quarter ended Mar-19

AMCs	Top 5	Next 10	Rest
Range	-1% to 7%	-1% to 15%	-29% to 29%

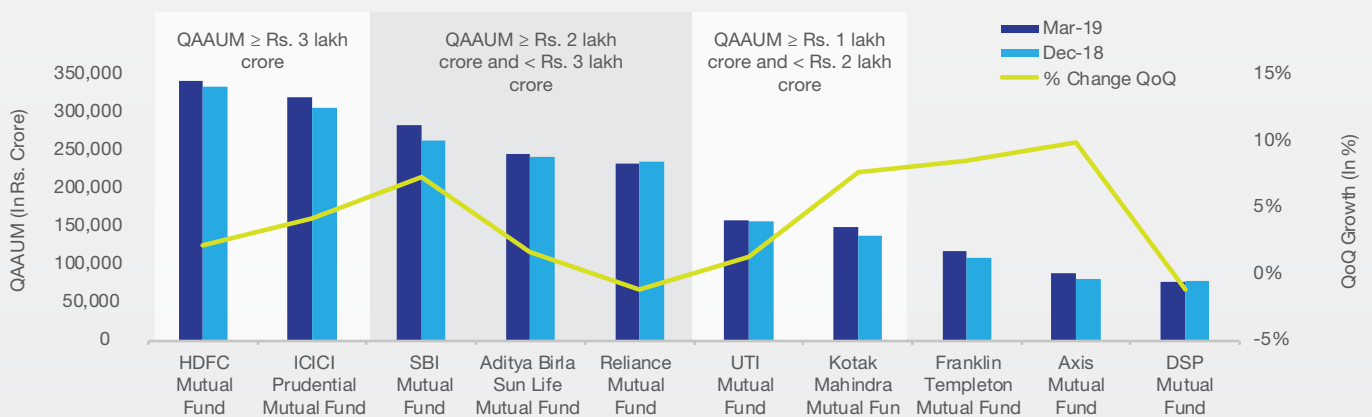
Source: AMFI, ICRA Online Research; Note: QoQ growth of QAAUM as of Mar-19

Mutual Fund Industry (QAAUM)



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

8 of top 10 AMCs report quarterly AUM growth

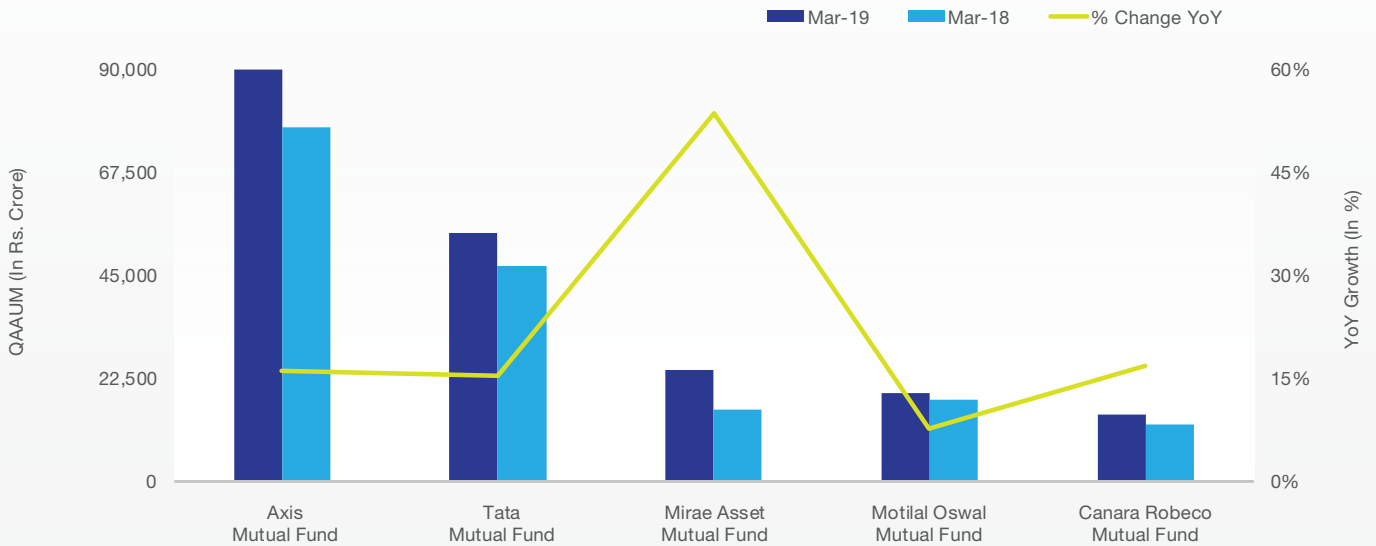


Source: AMFI, ICRA Online Research

No change in the position of top five AMCs based on their asset size

YoY growth hovers in the range of ~8% to ~54% for top 5 faster growing mid level* AMCs

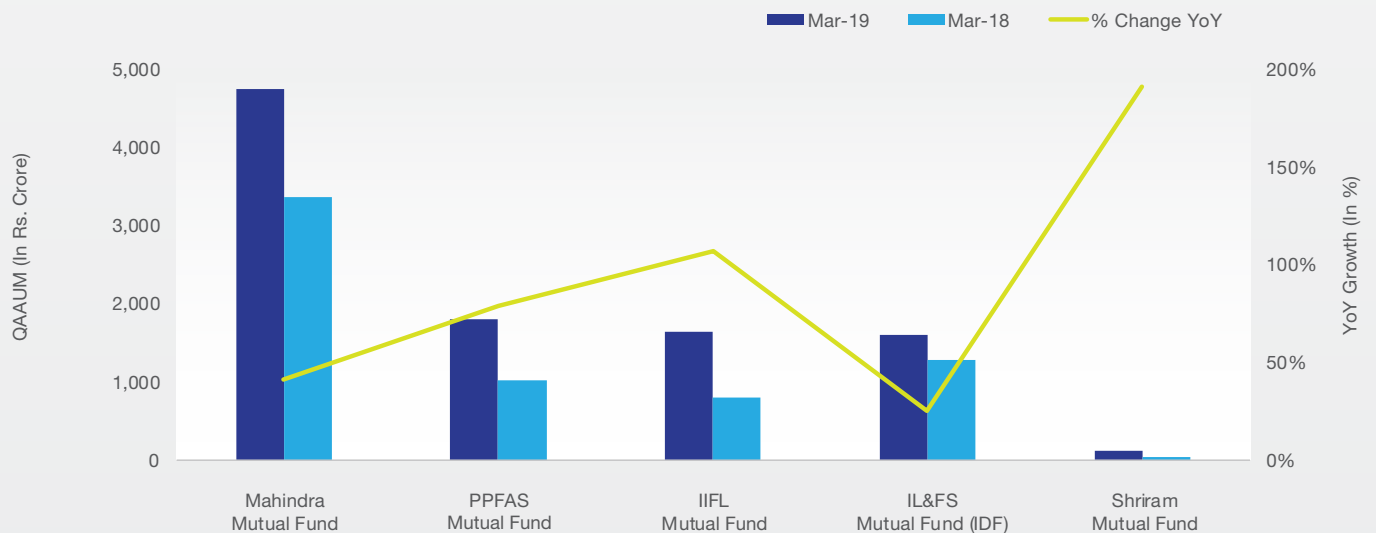
- QAAUM of Mirae Asset Mutual Fund witnessed YoY growth of more than 50%



Source: AMFI, ICRA Online Research; *AMCs with QAAUM > Rs. 5,000 cr or ≤ Rs. 100,000 cr have been considered

YoY growth hovers in the range of ~25% to ~191% for top 5 faster growing smaller# AMCs

- QAAUM of Shriram Mutual Fund and IIFL Mutual Fund witnessed YoY growth of more than 100%



Source: AMFI, ICRA Online Research; #AMCs with QAAUM ≤ Rs. 5,000 cr have been considered

Private sector JVs (predominantly Indian) manage ~50% of Q4FY19 QAAUM

- On a quarterly basis, Indian private sector JVs captured the highest AUM in absolute terms with growth in asset base by ~Rs. 30,000 crore
- On an annual basis, Indian bank sponsored JVs lead the pack with incremental AUM of ~Rs. 66,000 crore

Category		As a % of Q4FY19 QAAUM	QAAUM (In Rs. Crore)			Growth	
			Q4FY19	Q3FY19	Q4FY18	QoQ	YoY
Bank Sponsored	Joint Ventures - Predominantly Indian	12.5%	306,276	286,390	240,253	6.9%	27.5%
	Joint Ventures - Predominantly Foreign	0.5%	11,320	12,257	13,022	-7.6%	-13.1%
	Others	6.9%	168,643	166,185	165,699	1.5%	1.8%
Institutions	Indian	0.6%	15,820	13,973	20,768	13.2%	-23.8%
Private Sector	Indian	21.0%	513,087	490,079	495,101	4.7%	3.6%
	Joint Ventures - Predominantly Indian	50.4%	1,232,900	1,202,921	1,176,046	2.5%	4.8%
	Foreign	7.1%	174,303	161,829	153,271	7.7%	13.7%
	Joint Ventures - Predominantly Foreign	0.7%	18,145	17,647	17,462	2.8%	3.9%
	Joint Ventures - Others	0.3%	7,627	10,756	23,595	-29.1%	-67.7%

Source: AMFI, ICRA Online Research; Note: QoQ - Q4FY19 vs Q3FY19; YoY - Q4FY19 vs Q4FY18

Nearly 79% of the new schemes added were in Income category

New scheme launched (allotment completed) during the quarter (Jan-Mar 2019)

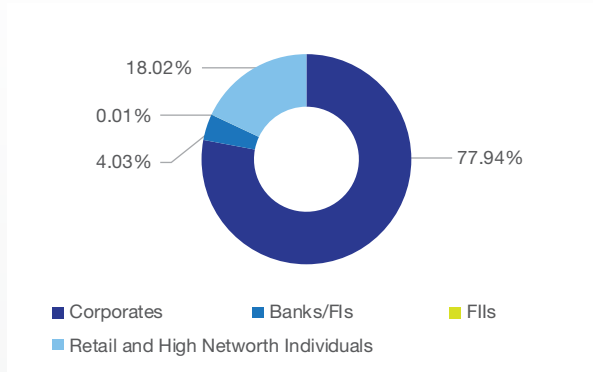
	Open End		Close End		Interval Fund		Total	
	No. of Schemes	Amount	No. of Schemes	Amount	No. of Schemes	Amount	No. of Schemes	Amount
Income	7	983	109	11,294	2	74	118	12,351
Infrastructure Debt Fund	-	-	-	-	-	-	-	-
Equity Schemes (Excluding Arbitrage Funds)	15	2,849	-	-	-	-	15	2,849
Arbitrage Funds	2	367	-	-	-	-	2	367
Balanced	2	653	-	-	-	-	2	653
Liquid/ Money Market	8	5,763	-	-	-	-	8	5,763
Gilt	-	-	-	-	-	-	-	-
ELSS - Equity	1	16	-	-	-	-	1	16
Gold ETF	-	-	-	-	-	-	-	-
Other ETFs Fund of Funds Investing	4	10,056	-	-	-	-	4	10,056
Overseas	-	-	-	-	-	-	-	-
Total	39	20,687	109	11,294	2	74	150	32,055

Source: AMFI, ICRA Online Research

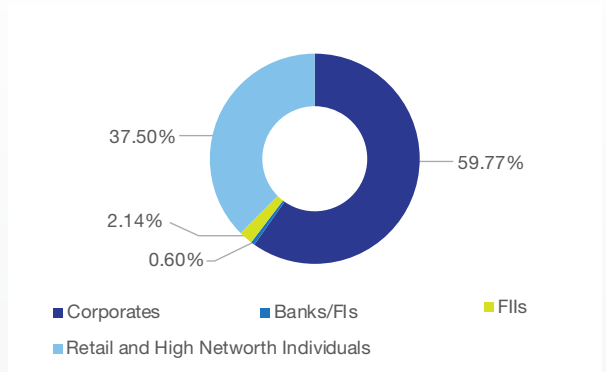
Investor Trends

Corporates bet on debt categories and ETFs; retail investors prefer equity

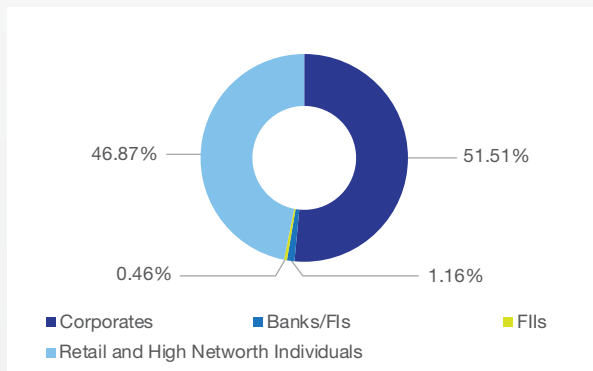
Liquid Money Market



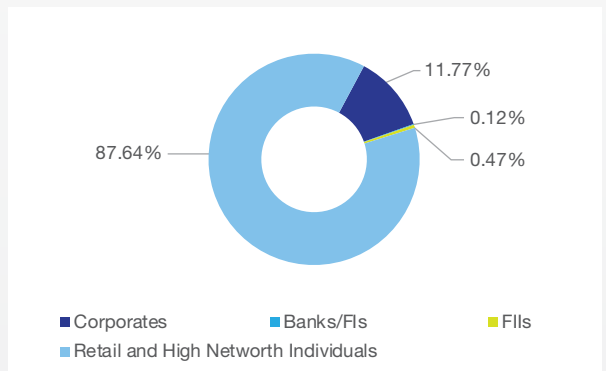
Gilt



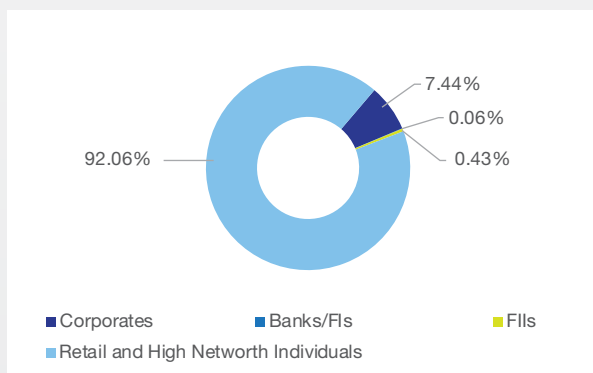
Debt



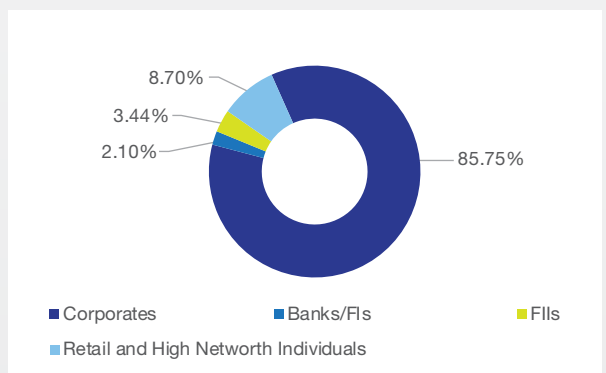
Equity



Balanced



Exchange Traded Fund

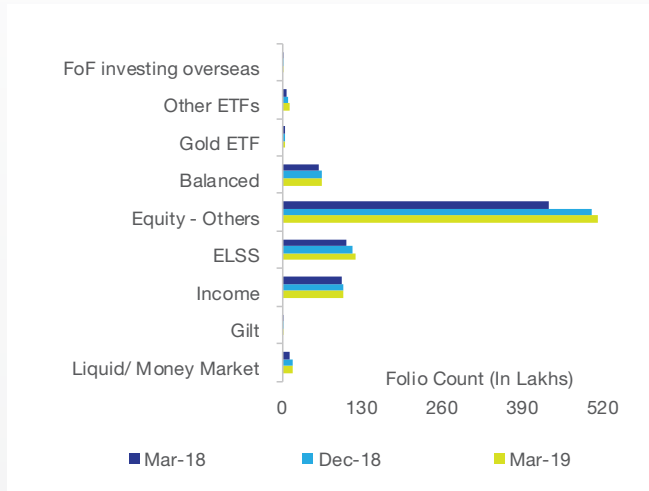


Source: AMFI, ICRA Online Research; Note 1. Exchange Traded Fund (ETF) includes Gold ETF as well as Other ETFs; Note 2. High Net worth individuals are defined as individuals investing Rs. 5 lakh and above; Note 3. Data for the quarter ended Mar-19

21.5 lakh new folios added as equity category continues to be at the top

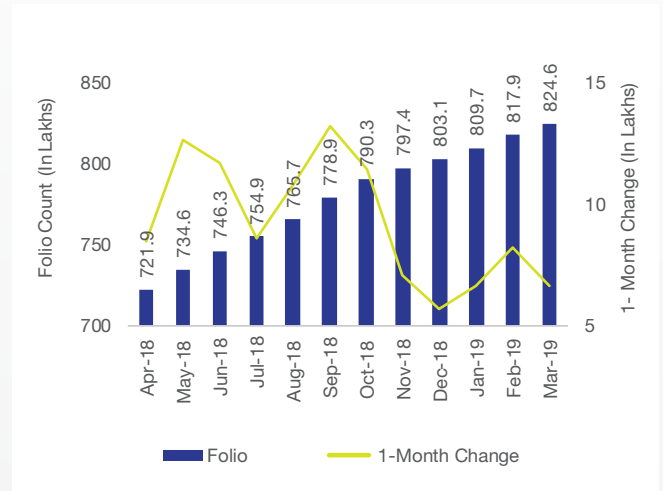
- As per SEBI data, total folio count at the end of Mar-19 was 8.2 crore, up 2.7% QoQ and 15.6% YoY
- Out of the 21.5 lakh new folios added in Q4FY19, 16.4 lakh were in the Equity category (including ELSS); Other ETFs and Income category clinched the 2nd and 3rd positions

Category-wise Folio Count (In Lakhs)



Source: AMFI, ICRA Online Research

Folio Growth in Last 12 Months



Source: SEBI, ICRA Online Research

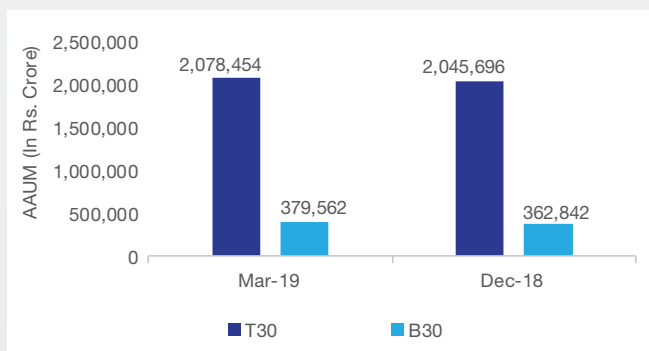
Share of assets garnered by India's smaller towns is on the rise

- Investors in B30 locations continue to rely on distributors rather than taking the direct route
- The country's smaller towns or B30 (beyond top 30 cities) locations accounted for 15.4% of the total industry AAUM at the end of Mar-19 as against 15.1% in Dec-18

AUM Garnered by different Channels

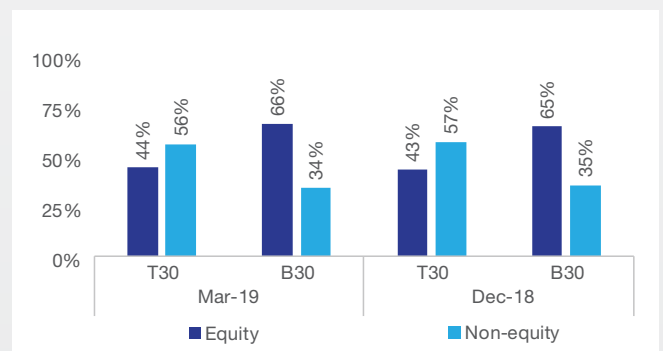
Channel	Mar-19		Dec-18	
	T30	B30	T30	B30
Associate Distributor	6%	19%	6%	19%
Direct Plan	45%	18%	45%	19%
Non-Associate Distributor	49%	62%	48%	62%

Growth in Assets in T30/B30 Locations



Source: AMFI, ICRA Online Research

Equity/Non-equity Asset Mix in T30/B30 Locations

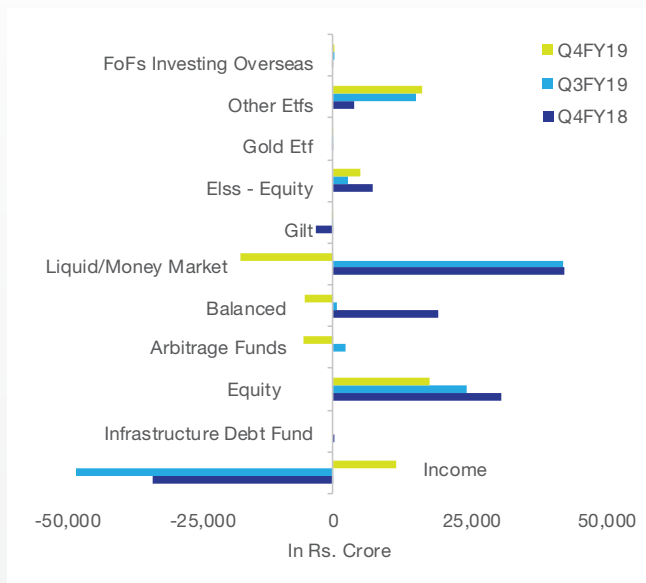


Inflow Outflow Analysis

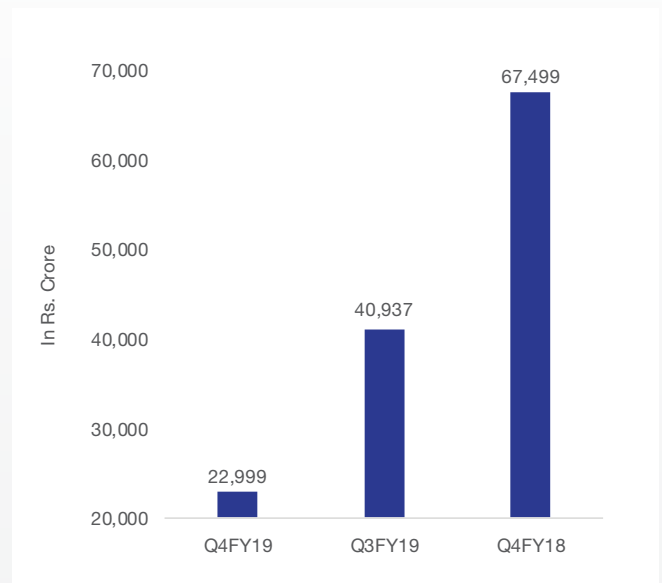
Industry registers net inflows of ~Rs. 23,000 crore in Q4FY19

- Net inflows in Q4FY19 are down significantly both on a QoQ and YoY basis
- Equity funds see the maximum inflows during the quarter as mutual funds continue to attract retail investors

Category-wise Net Inflow/Outflow



Industry-wide Net Inflow/Outflow

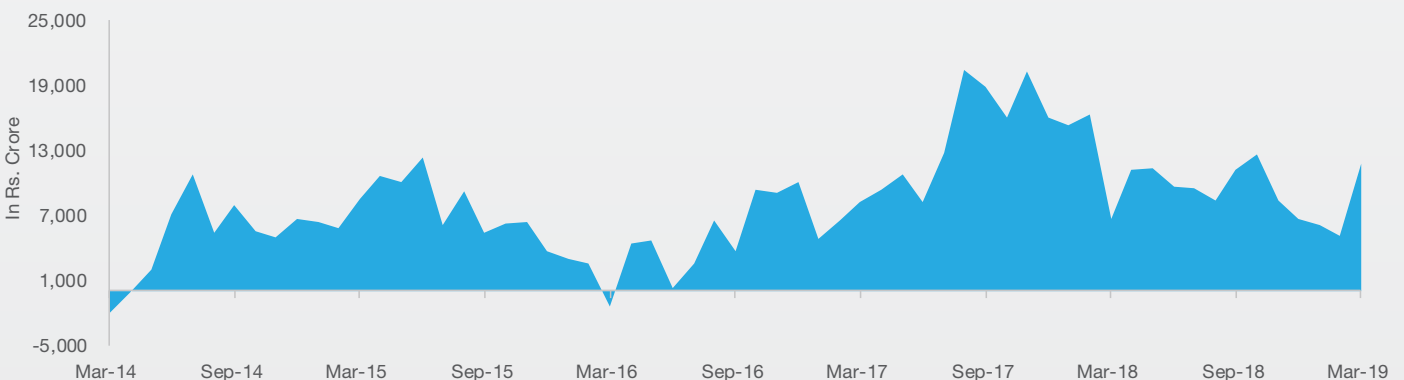


Source: AMFI, ICRA Online Research

Equity funds (including ELSS) gain at the end of FY19

- Market sentiment was bolstered by hopes that the country will get a stable government after the elections
- Net inflows from Equity including ELSS came in at Rs. 23,036 crore in Q4FY19 as against Rs. 27,642 crore in Q3FY19
- Tight liquidity due to NBFC crisis, increase in global crude oil prices and trade tensions weighed on market sentiment

Equity Net Inflow/Outflow



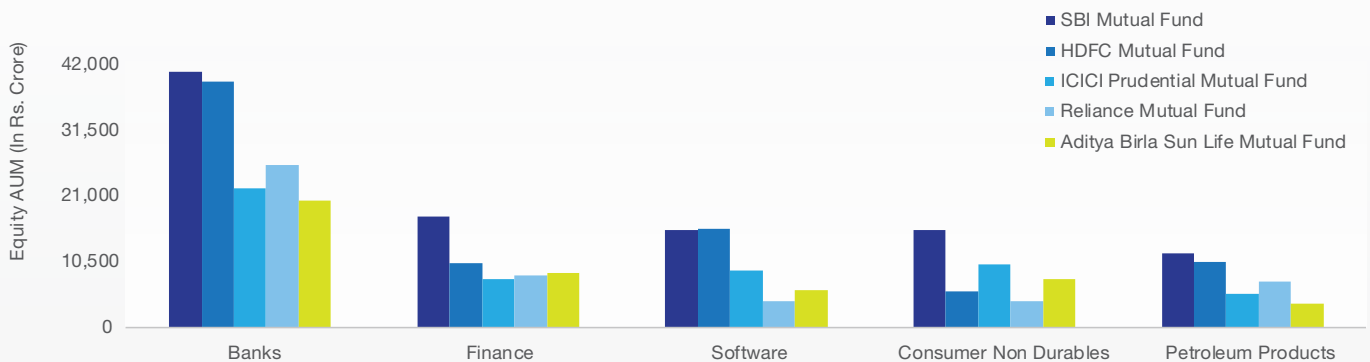
Source: AMFI, ICRA Online Research; Note: Equity includes ELSS funds

Sector Update

Top five sectors constitute more than 50% of the total equity AUM

- AMCs continue to bet big on Banks and Finance sectors hoping for an earnings recovery and swift resolution of the NPA issue

Equity exposure of Top 5 AMCs in Top 5 sectors (Mar-19)

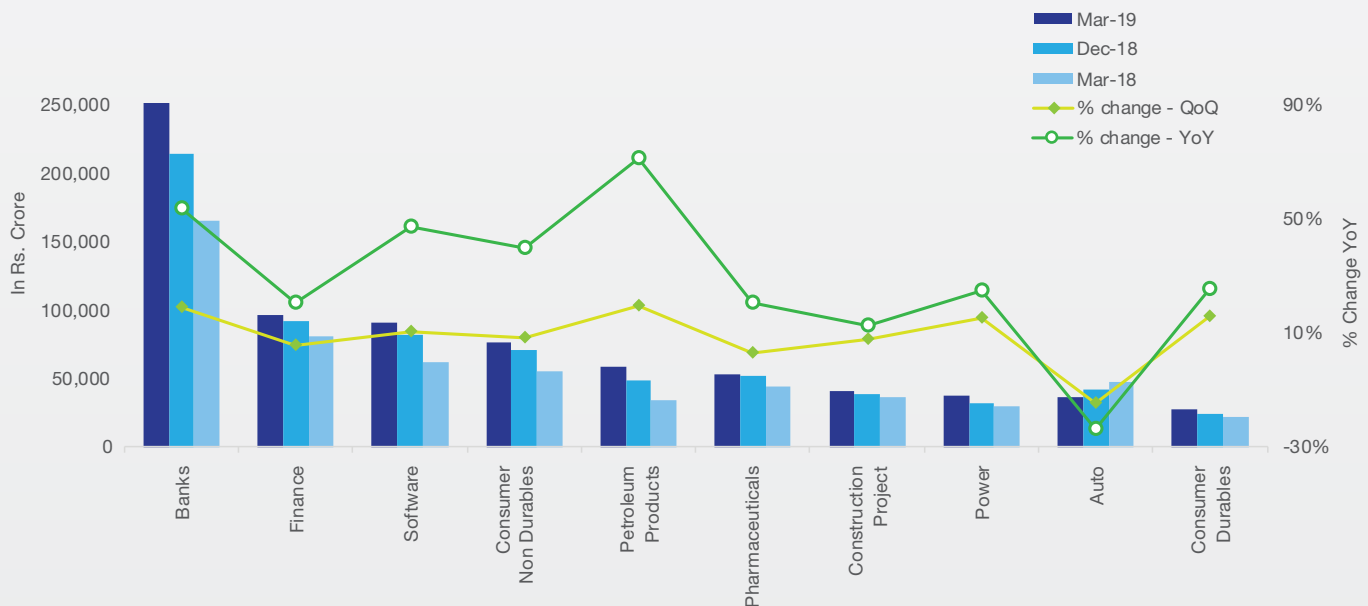


Source: AMFI, ICRA Online Research

Petroleum sector sees highest YoY inflow growth due to attractive valuations

- Exposure to software sector rose due to weakness in rupee while cheap valuations made petroleum products sector attractive

Sector-wise Inflow in Mar-19 vis-a-vis Dec-18 and Mar-18



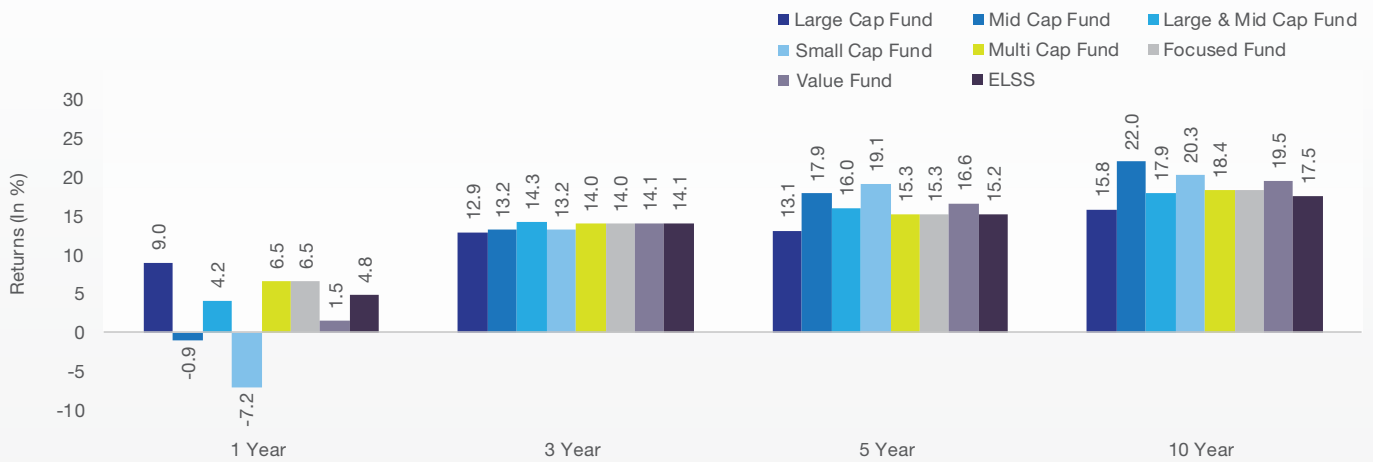
Source: AMFI, ICRA Online Research; Note: Only top 10 sectors considered

Category Performance

FY19 was a mixed bag for equity mutual funds

- Large cap funds ruled the roost over the year in the equity segment, yet again proving their mettle in times of volatility
- Mid cap and small cap funds languished as they gave returns in the negative territory

Performance* of Equity-Oriented Mutual Fund Categories

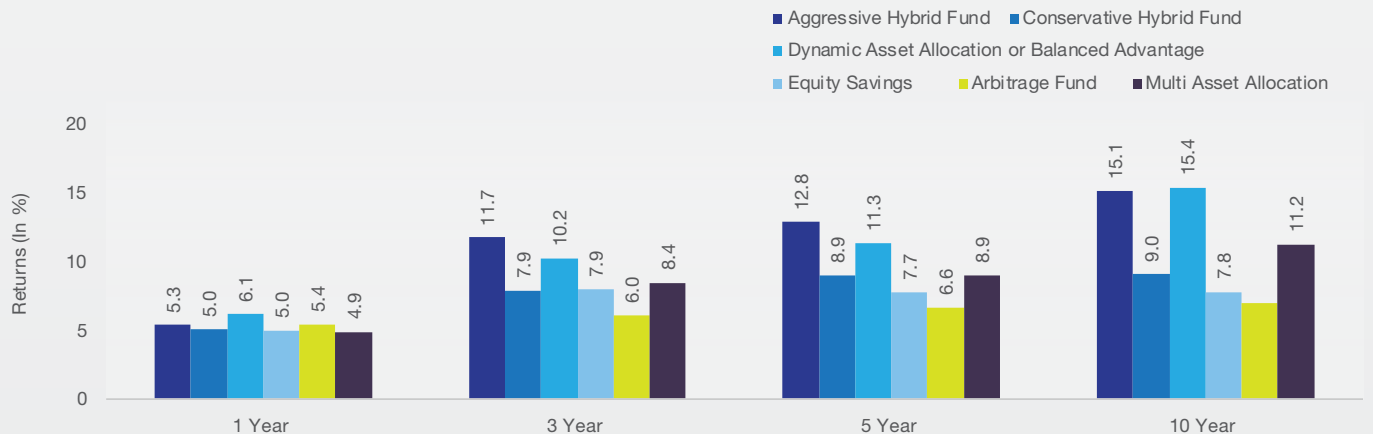


Source: ICRA Online Research; Note: *Compound Annualized returns; Data as of Mar-19

Aggressive hybrid funds standout in the long run though returns in last one year remain subdued

- Hybrid mutual funds generated returns in the range of 4.9% to 6.1% in the last one year, which is modest compared with their longer term averages
- Returns of aggressive hybrid funds in the last one year fell below what either equity or debt has delivered

Performance* of Hybrid Mutual Fund Categories

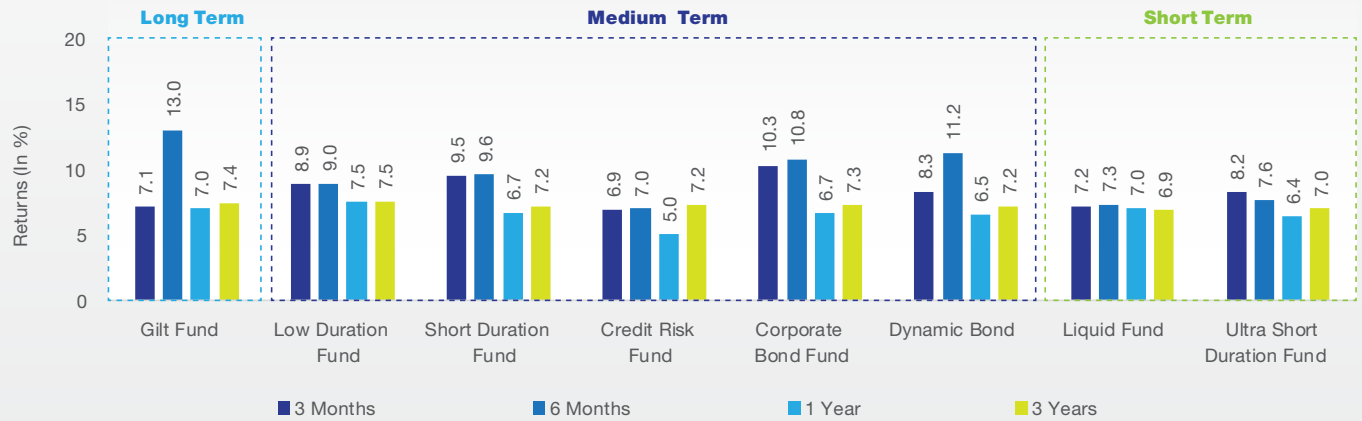


Source: ICRA Online Research; Note: *Compound Annualized returns; Data as of Mar-19

Long term debt funds outperform short term peers in last 6 months

- Gilt fund was the standout performer in the last six months of FY19
- Open market note purchases by the Reserve Bank of India and a rate cut by the Monetary Policy Committee in Mar-19 outweighed losses due to fiscal slippage worries

Performance* of Debt Funds



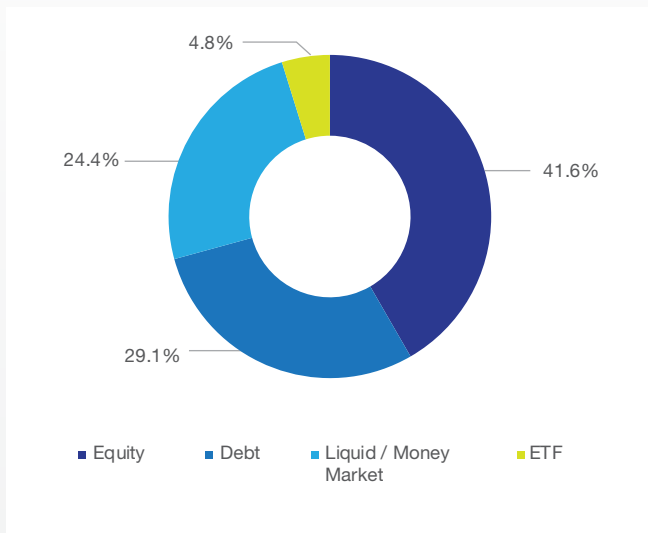
Source: ICRA Online Research; Note: *Compound annualised returns for periods ≥ 1 year; Simple annualised returns for < 1 year; Data as of Mar-19

Industry Insights

Category-wise AAUM break-up

- Debt categories including Liquid and Money market funds account 54% of mutual fund assets, reflecting the risk averse mentality of investors at large
- Equity category makes up nearly 42% of the asset base
- ETFs yet to catch up as its share remains below 5%

Category wise AAUM

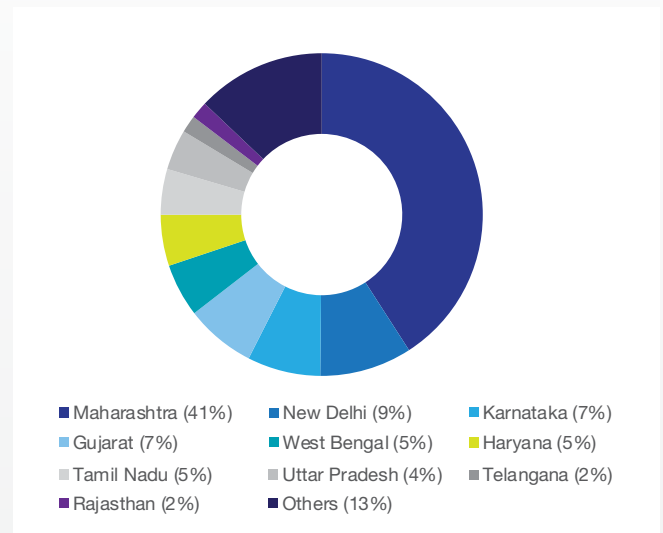


Source: AMFI, ICRA Online Research; Note 1. AAUM excludes Fund of Funds Scheme(Domestic); Note 2. Equity includes ELSS and Balanced schemes; Note 3. Debt includes liquid/money market, Gilt, FMP, Debt (assured return) Infrastructure Debt Funds and Other Debt Schemes; Note 4. Data is an average of contribution for Jan-19, Feb-19 and Mar-19

State-wise AAUM break-up

- Maharashtra continues to contribute the highest share in mutual fund investments
- Top 5 states contribute ~70% of mutual fund assets

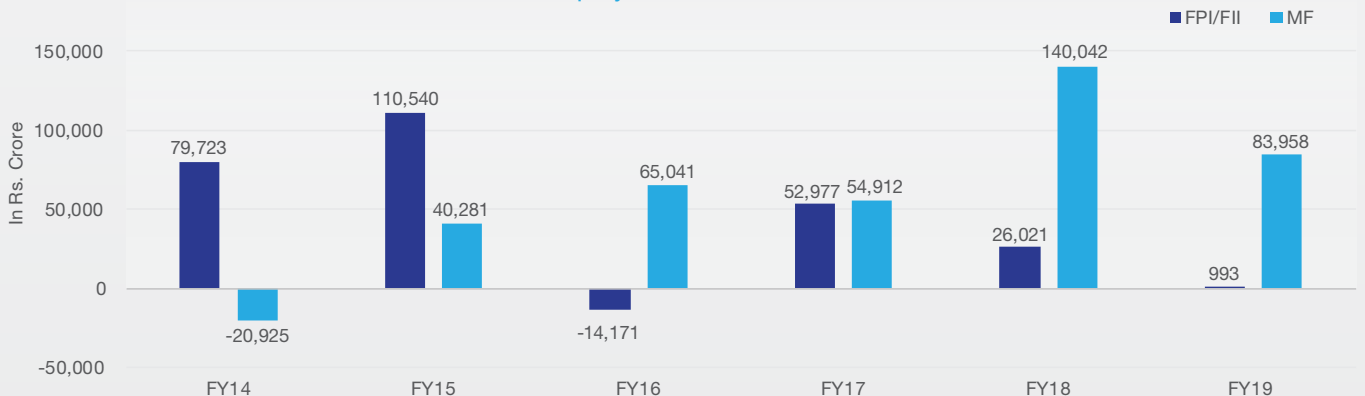
Top 10 State-wise Contribution



Source: AMFI, ICRA Online Research; Note 1. Data is an average of contribution for Jan-19, Feb-19 and Mar-19

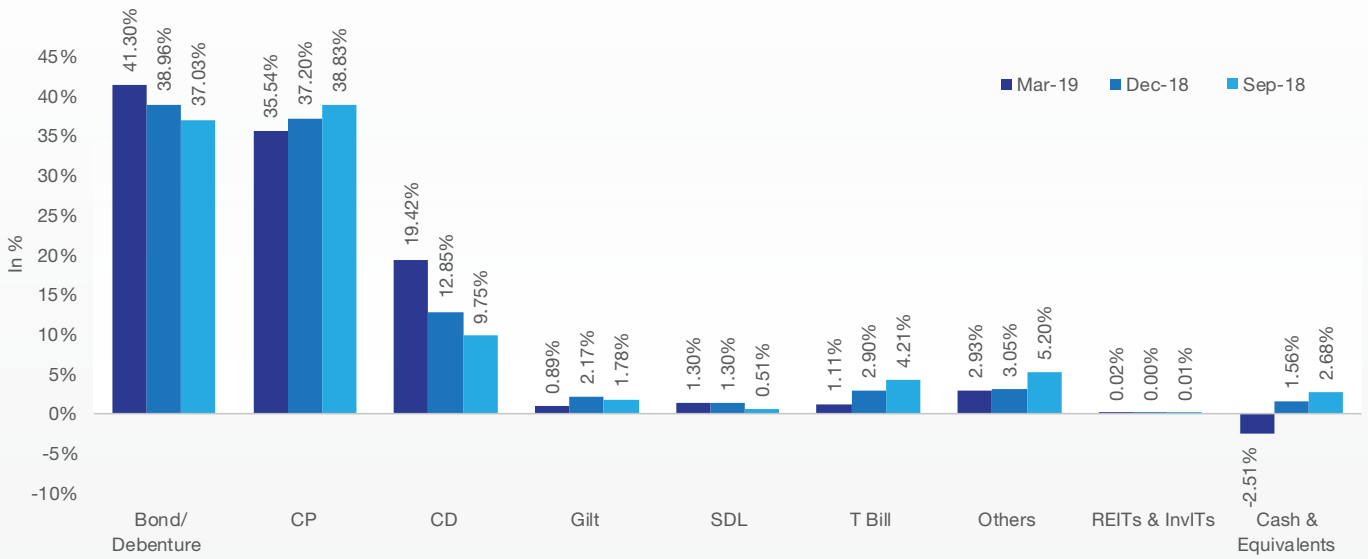
FPIs turned net buyers in FY19 on hopes of political stability post elections

FPI/FII & Mutual Fund Investment Trends in Equity Markets



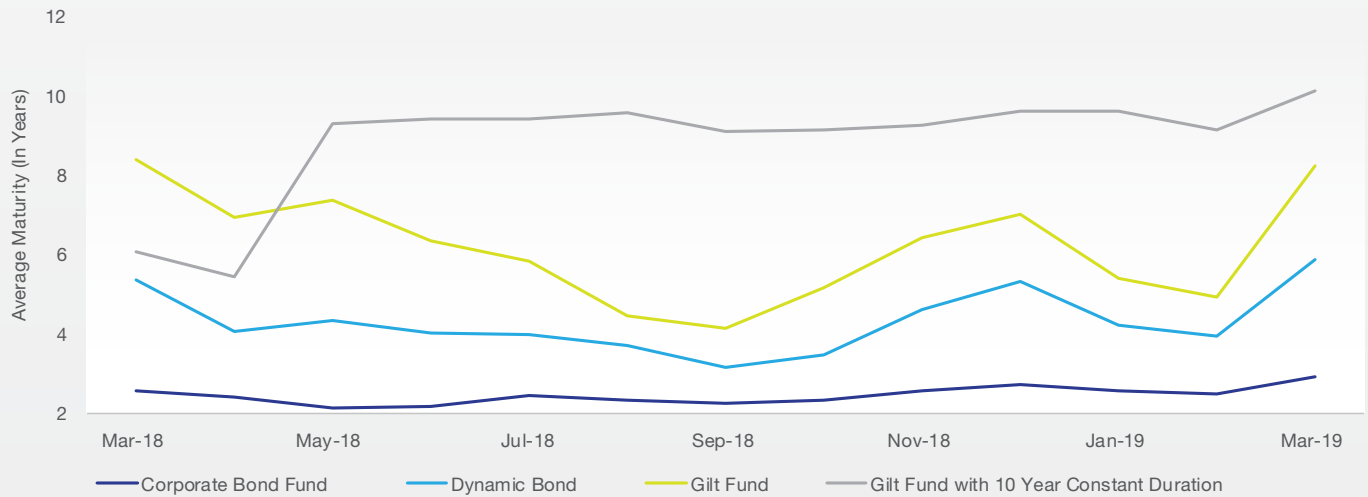
Source: ICRA Online Research

Instrument allocation pattern in debt segment



Source: ICRA Online Research

Average maturity trend in last one year



Source: ICRA Online Research

Regulatory Update

Regulator remains vigilant

○ FPI/FII & Mutual Fund Investment Trends in Equity Markets

SEBI has modified the formula for calculating the total expense ratio (TER) for beyond 30 (B30) cities. The new formula will include HNI assets together with retail assets for calculating the additional TER. Earlier, only retail assets were included. The regulator has also defined retail investors: inflows of amount up to Rs. 2 lakh per transaction by individual investors shall be considered as inflows from retail investor

○ Fund houses permitted to pay additional interest on borrowing from AMC book

SEBI has allowed fund houses to use AMC's books if the borrowing cost exceeds running yield or yield to maturity (YTM) of the scheme portfolio. SEBI has clarified that the cost of borrowing by a mutual fund scheme would be adjusted against the portfolio yield and if the cost of borrowing exceeds such a yield, then fund houses can use the AMC book to repay additional interest on such borrowing

○ SEBI allows segregating stressed assets in debt mutual funds

SEBI has permitted mutual funds to create segregated portfolios for stressed debt securities. The new facility, known as side pocketing, involves separation of distressed or illiquid assets from healthier securities in a debt mutual fund portfolio. The move aims at insulating debt schemes from major erosion in their net asset values in the event of a default. AMCs will have to take trustees' approval and issue a press release disclosing its intention and its impact on investors

○ Fund houses mandated to reduce portfolio concentration risks in index funds and ETFs

SEBI has asked fund houses to reduce portfolio concentration risks in index funds and ETFs. An index used for equity ETFs or index funds should constitute at least 10 stocks. In a sectoral/ thematic index, a single stock cannot have more than 35% weight in the index, while this limit will be 25% for other indices. The cumulative weightage of top three stocks in the index cannot be more than 65%. Each stock in the index should have a trading frequency of at least 80% and an average impact cost of 1% or less over the previous six months

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AUM reconciliation with
difference in folios
highlighted



Single sign-on for managing all
investments through a single login-
anytime, anywhere



Capital Gains Report with
Grandfathered Calculation



Interactive Dashboards - Wealth
Manager Dashboard, RM Dashboard,
Agent Dashboard, Investor Dashboard



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