

Mutual Fund Screener

For the quarter ended Dec -18



ICRA ONLINE LIMITED
A Group ICRA Company

Mutual Fund Screener – What's Inside

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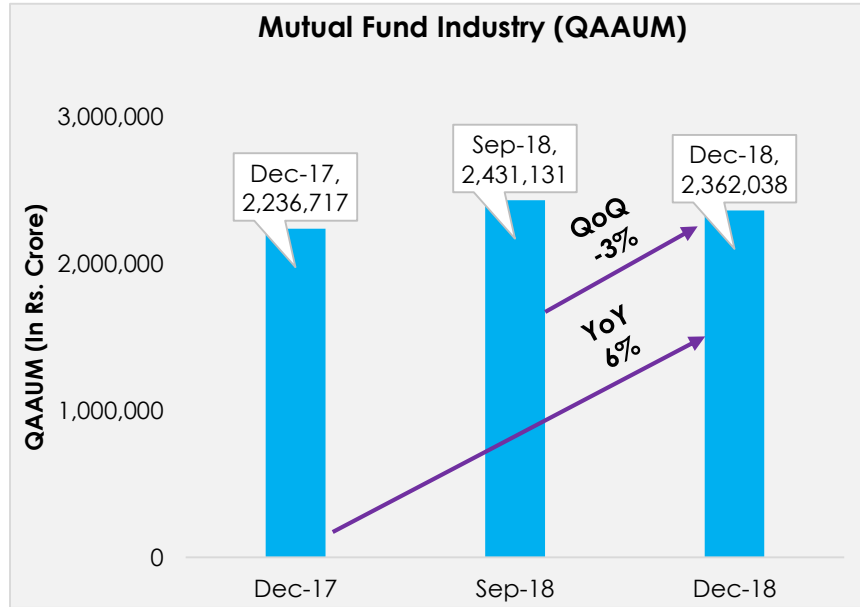
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Section I | **INDUSTRY SIZE**

Industry QAAUM at Rs. 23.62 lakh crore in Q3FY19



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

QAAUM grows 6% YoY in Q3FY19

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

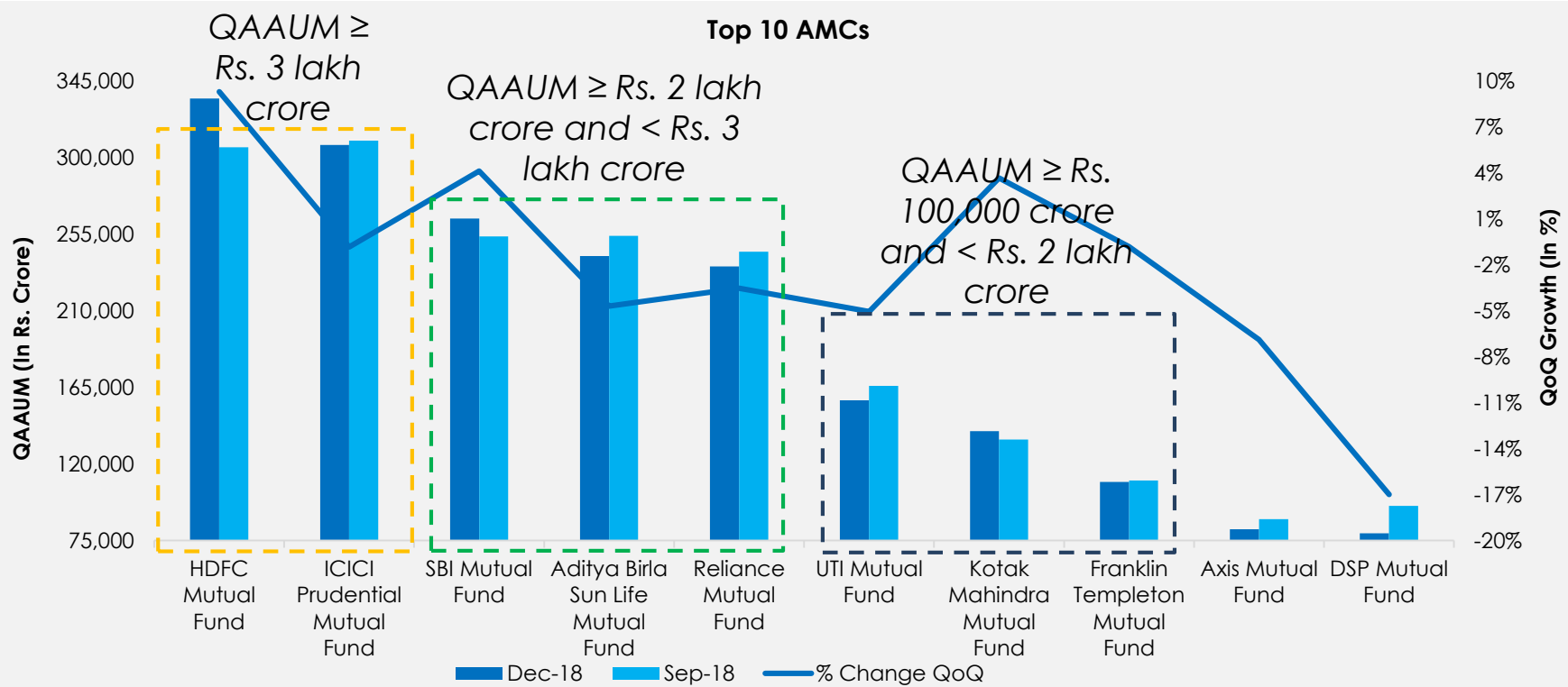
AMCs	Range
Top 5	-5% to 9%
Next 10	-17% to 4%
Rest	-53% to 87%

Source: AMFI, ICRA Online Research

Note: QoQ growth of QAAUM as of Dec-18

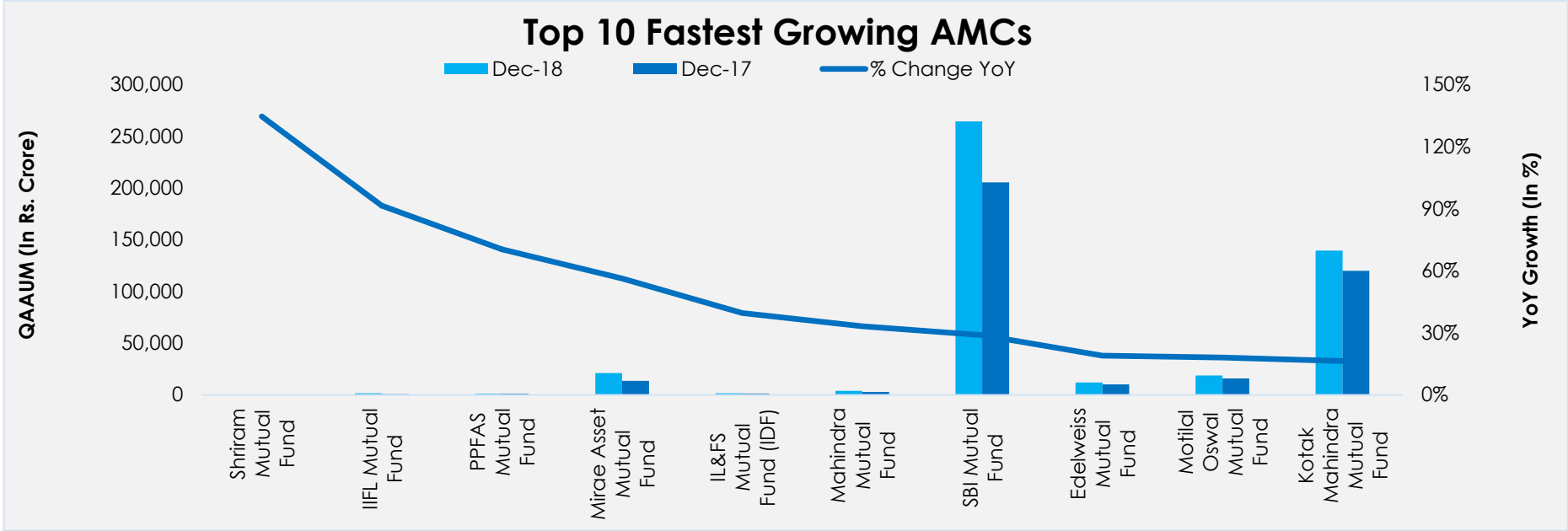
- ✓ After witnessing growth over past 20 consecutive quarters, the Industry Quarterly Average Assets Under Management (QAAUM) dipped in Q3FY19
- ✓ Retail participation, especially from B30 cities, remained strong during the period
- ✓ Significant increase in SIP contribution was also witnessed during the period

QAAUM of top two AMC's above Rs. 3 lakh crore



Source: AMFI, ICRA Online Research

Growth at smaller AMC's in the range of ~33% to ~135%



Source: AMFI, ICRA Online Research

- ✓ QAAUM of top 10 fastest growing AMC's (on YoY basis) came in the range of Rs. 100 crore – Rs. 2.65 lakh crore
- ✓ SBI Mutual Fund with a QAAUM of more than Rs. 2.64 lakh crore witnessed tremendous YoY growth of 28.78%

Private sector JVs (predominantly Indian) manage ~51% of Q3FY19 QAAUM

Category		As a % of Q3FY19 QAAUM	QAAUM (In Rs. Crore)			Growth	
			Q3FY19	Q2FY19	Q3FY18	QoQ	YoY
Bank Sponsored	Joint Ventures - Predominantly Indian	12.1%	286,390	278,656	226,722	2.8%	26.3%
	Joint Ventures - Predominantly Foreign	0.5%	12,257	13,564	11,085	-9.6%	10.6%
	Others	7.0%	166,185	175,907	164,018	-5.5%	1.3%
Institutions	Indian	0.6%	13,973	21,064	22,756	-33.7%	-38.6%
Private Sector	Indian	20.7%	490,079	529,156	485,296	-7.4%	1.0%
	Joint Ventures - Predominantly Indian	50.9%	1,202,921	1,203,315	1,140,578	0.0%	5.5%
	Foreign	6.9%	161,829	167,048	144,893	-3.1%	11.7%
	Joint Ventures - Predominantly Foreign	0.7%	17,647	19,721	17,877	-10.5%	-1.3%
	Joint Ventures - Others	0.5%	10,756	22,700	23,493	-52.6%	-54.2%

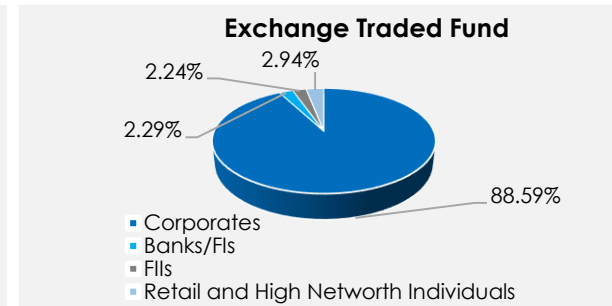
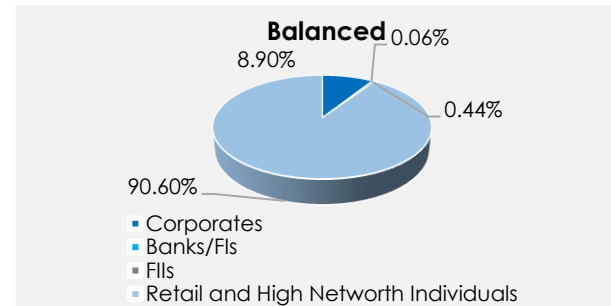
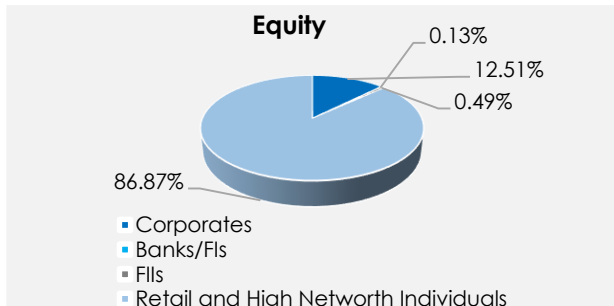
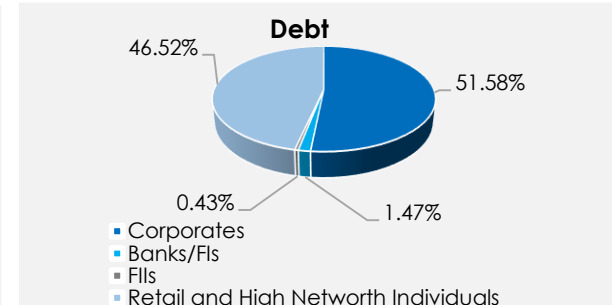
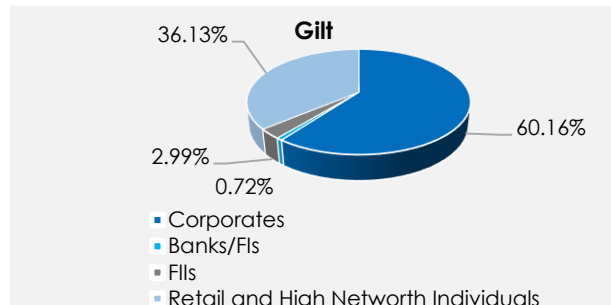
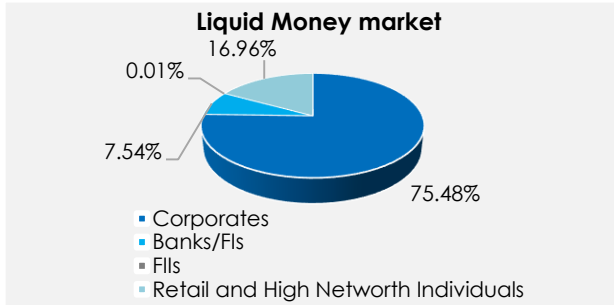
Source: AMFI, ICRA Online Research

Note: QoQ – Q3FY19 vs Q2FY19; YoY – Q3FY19 vs Q3FY18

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 eyes and a snout. The background is dark and out of focus.

Section II | **INVESTOR TRENDS**

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



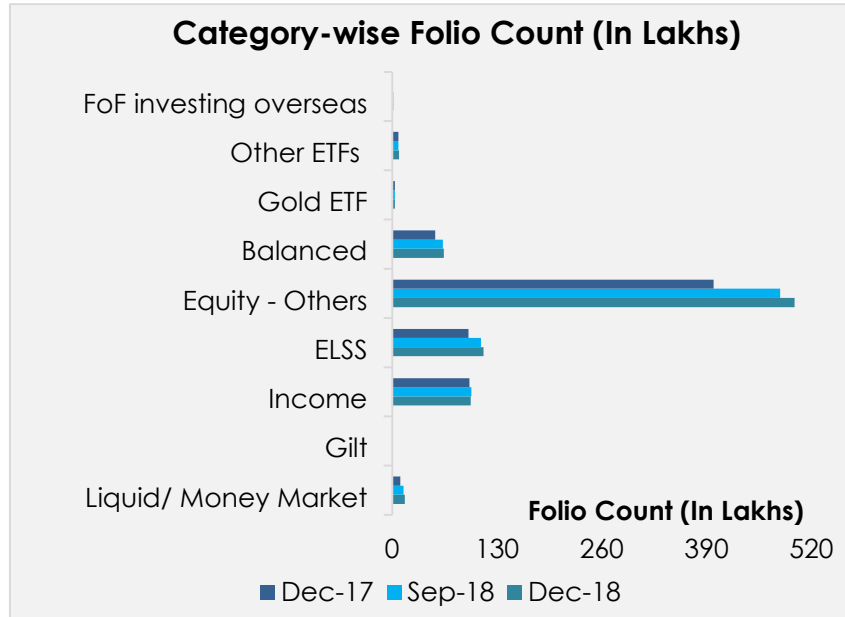
Note 1. Exchange Traded Fund (ETF) includes Gold ETF as well as Other ETFs

Note 2. High Net worth individuals are defined as individuals investing Rs. 5 lakh and above

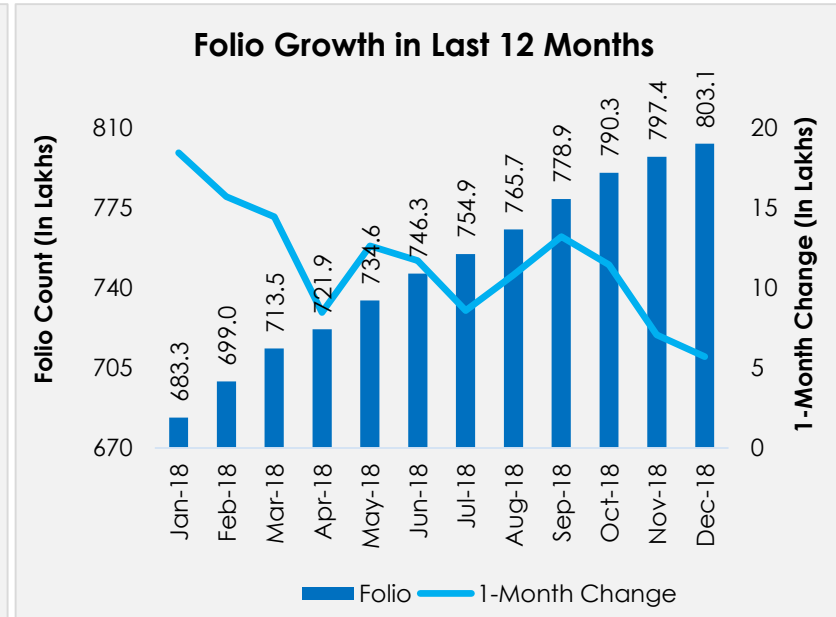
Note 3. Data for the quarter ended Dec-18

Source: AMFI, ICRA Online Research

Total folio count reaches 8 crore in Q3FY19; 24.2 lakh new folios added



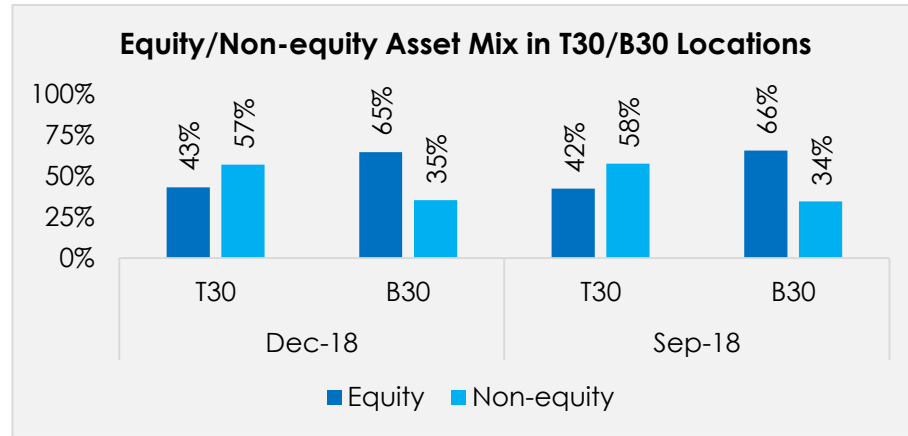
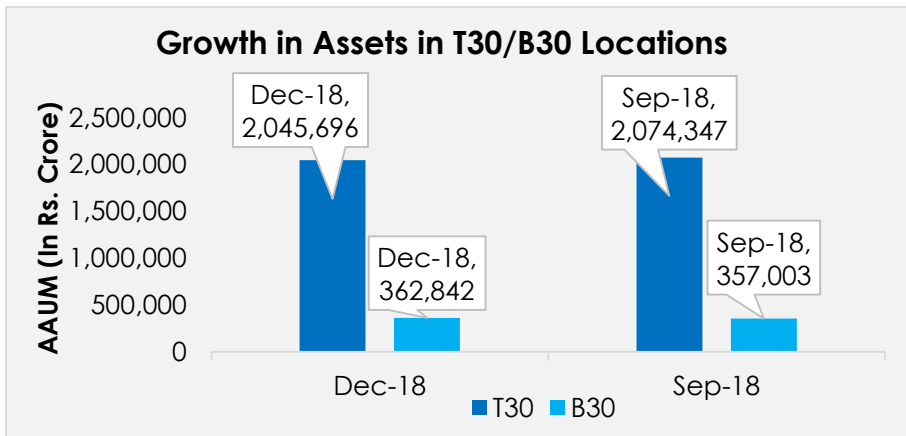
Source: AMFI, ICRA Online Research



Source: SEBI, ICRA Online Research

- ✓ As per SEBI data, total folio count at the end of Dec-18 was ~8 crore, up 3.1% from the previous quarter
- ✓ Out of the 24.2 lakh new folios added in Q3FY19, 21.1 lakh were in the Equity category (including ELSS) followed by Liquid/Money market category

B30 locations generate ~15% of industry assets in Dec-18



AUM Garnered by Different Channels				
	Dec-18		Sep-18	
	T30	B30	T30	B30
Associate Distributor	6%	19%	6%	19%
Direct Plan	45%	19%	44%	17%
Non-Associate Distributor	48%	62%	50%	64%

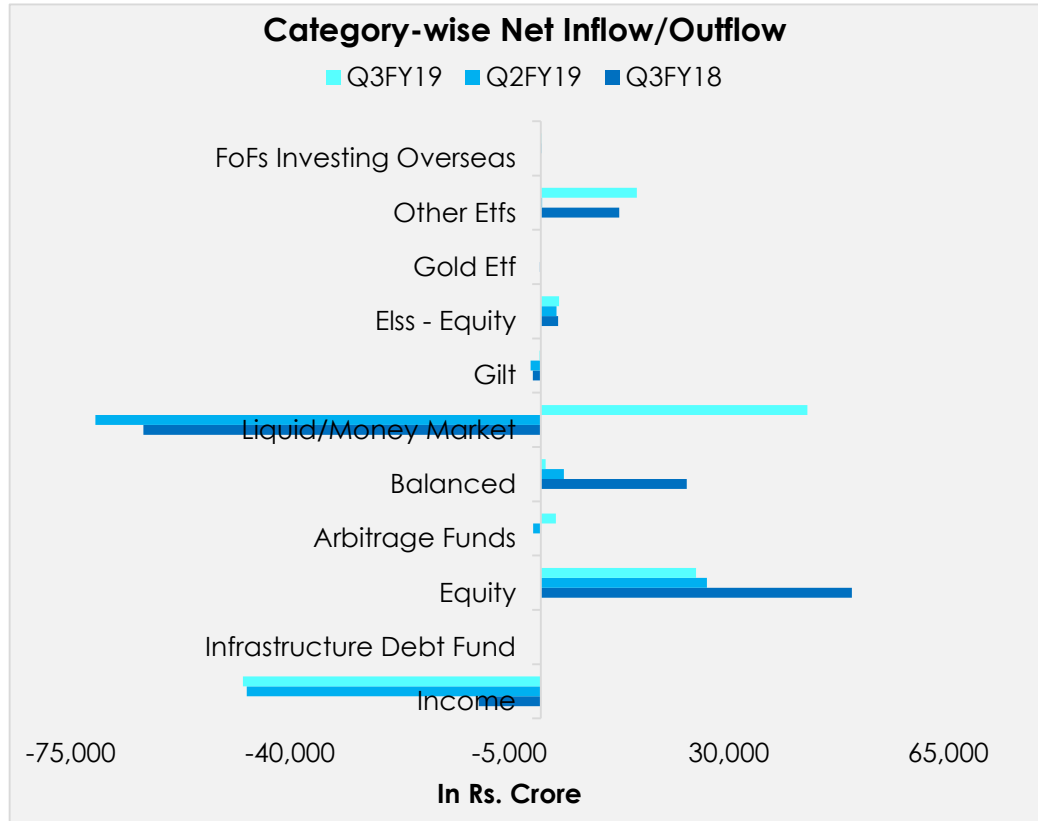
Source: AMFI, ICRA Online Research

- ✓ The country's smaller towns or B30 (beyond top 30 cities) locations accounted for 15.1% of the total industry AAUM at the end of Dec-18 as against 14.7% in Sep-18
- ✓ Direct Plan and Associate Distributor each accounted for 19% of the total industry AAUM for B30 locations and Non-Associate Distributor accounted for 62% at the end of Dec-18

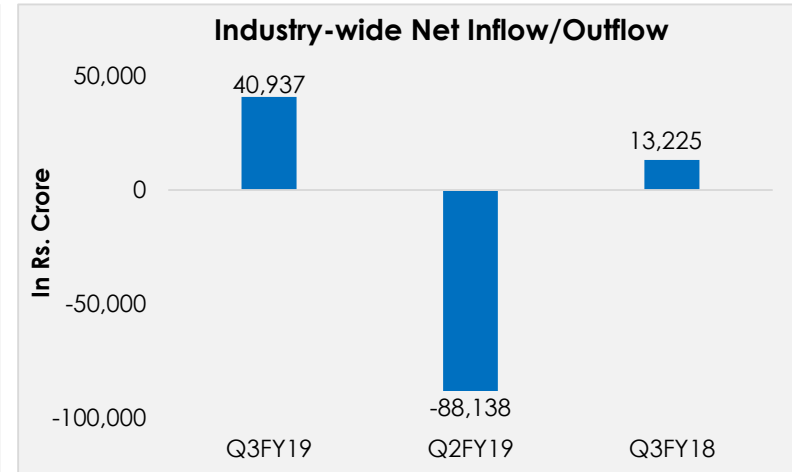
Section III

INFLOW OUTFLOW ANALYSIS

Industry registers net inflows in Q3FY19 as against net outflows in Q2FY19



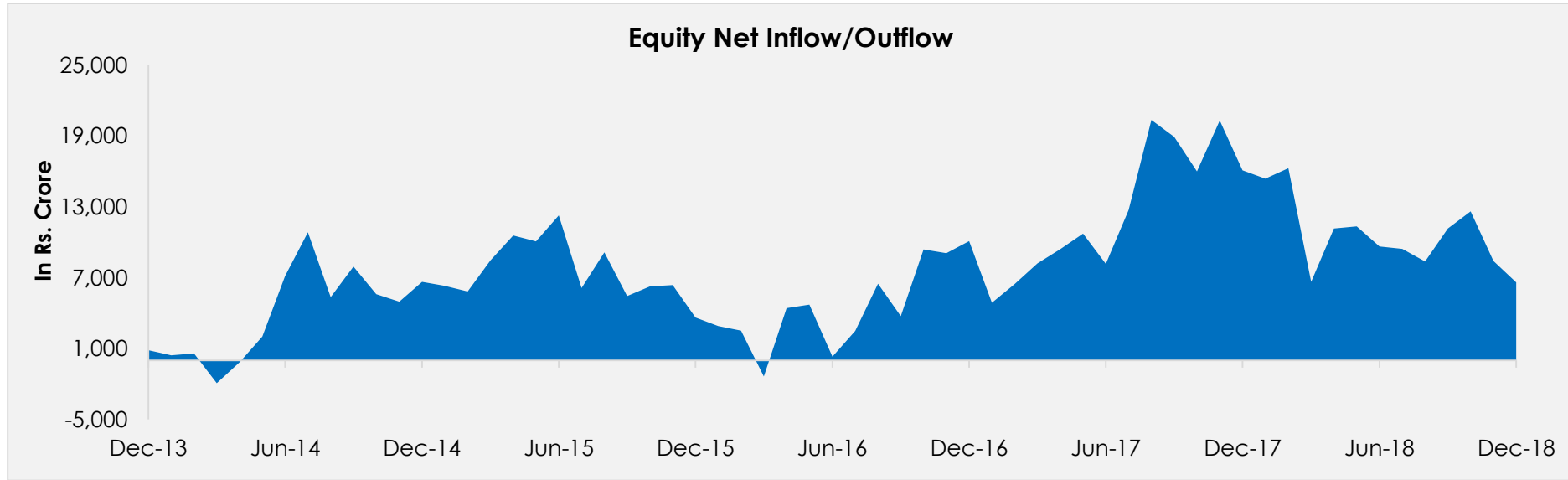
Source: AMFI, ICRA Online Research



Source: AMFI, ICRA Online Research

✓ After registering net outflows in Q2FY19, net inflows came in at Rs. 40,937 crore in Q3FY19

Equity funds (including ELSS) see fourth straight quarterly decline in net inflows



Source: AMFI, ICRA Online Research;

Note: Equity includes ELSS funds

- ✓ Net inflows from Equity including ELSS came in at Rs. 27,642 crore in Q3FY19 as against Rs. 28,999 crore in Q2FY19
- ✓ Equity funds (including ELSS) witnessed lower net inflows in Q3FY19 vis-a-vis Q2FY19 as equity markets remained volatile

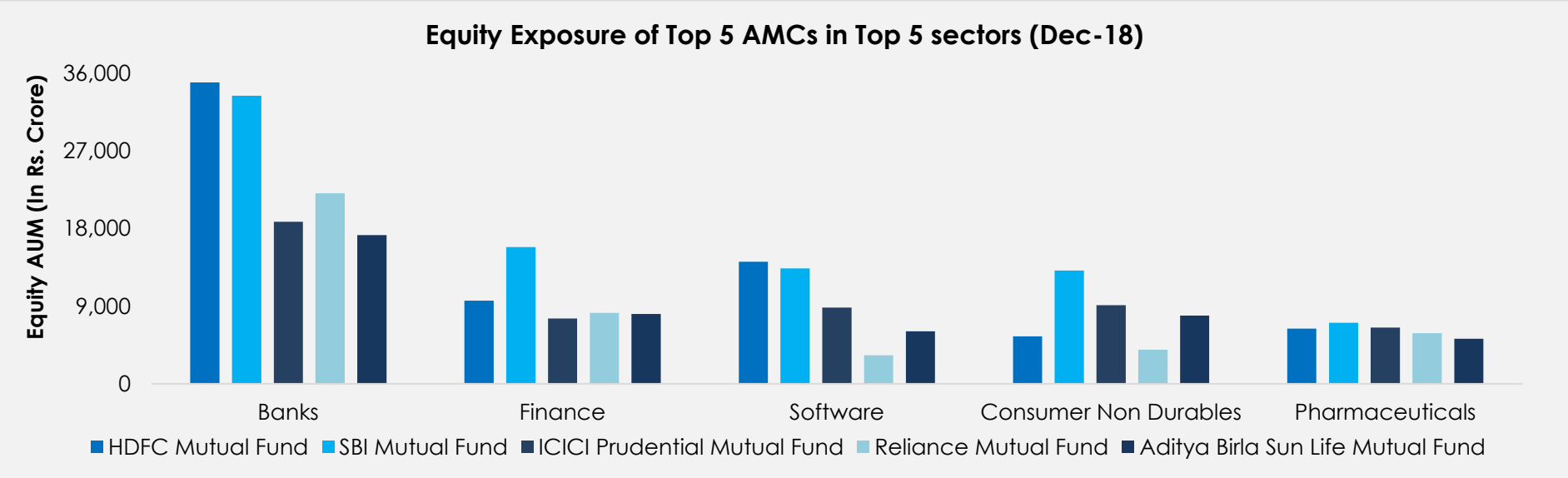
Section IV

SECTOR UPDATE



Top five sectors constitute ~53% of the total equity AUM

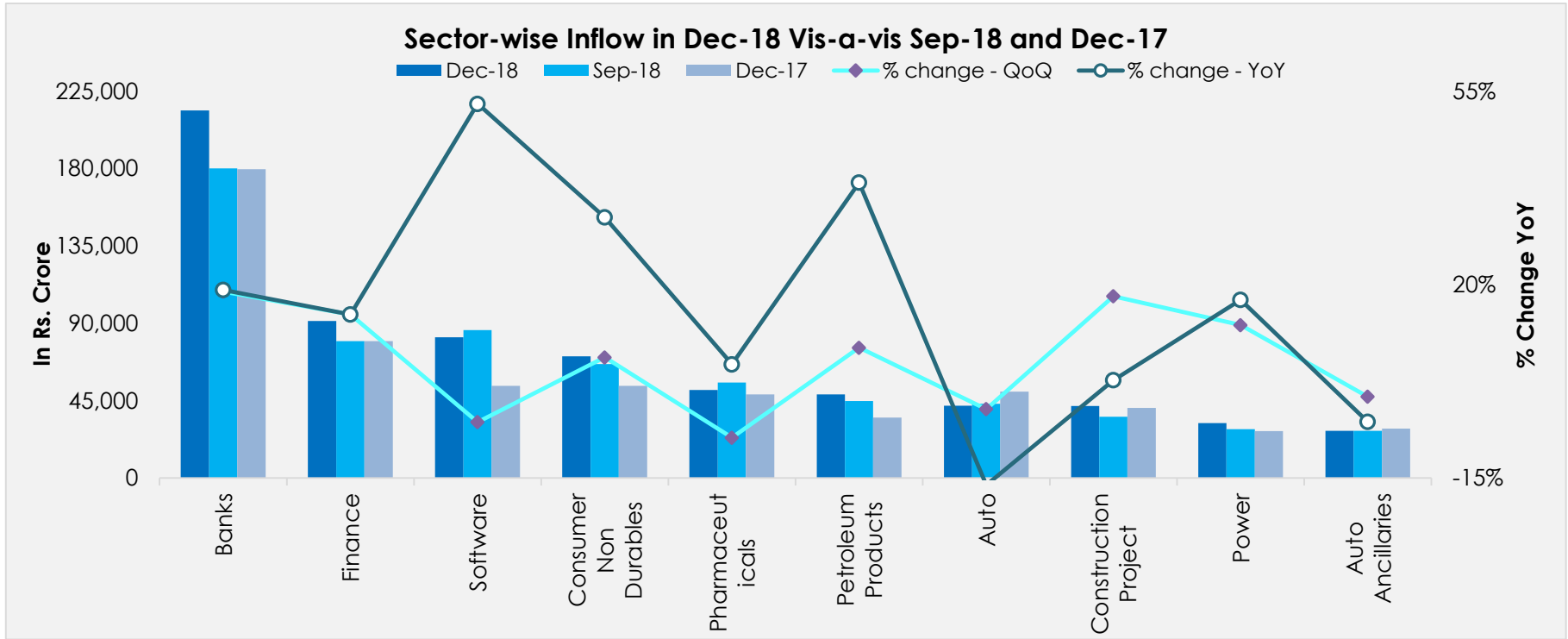
Equity Exposure of Top 5 AMC's in Top 5 sectors (Dec-18)



Source: ICRA Online Research

- ✓ AMC's continue to bet on Banks and Finance sectors with ~18% of total equity AUM residing there
- ✓ Pharmaceuticals and Software sectors are largely export-dependent and were helped by the weakness in rupee

Software sector sees highest YoY inflow growth in percentage terms



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

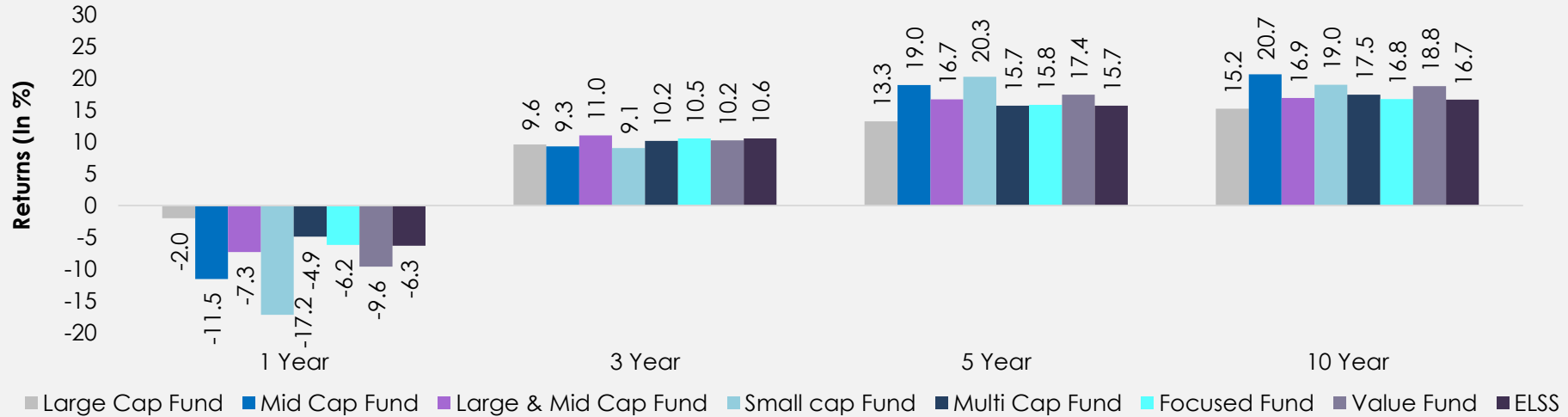
Section V

CATEGORY PERFORMANCE



79% of mutual funds under Equity category gave negative returns

Performance* of Equity-Oriented Mutual Fund Categories



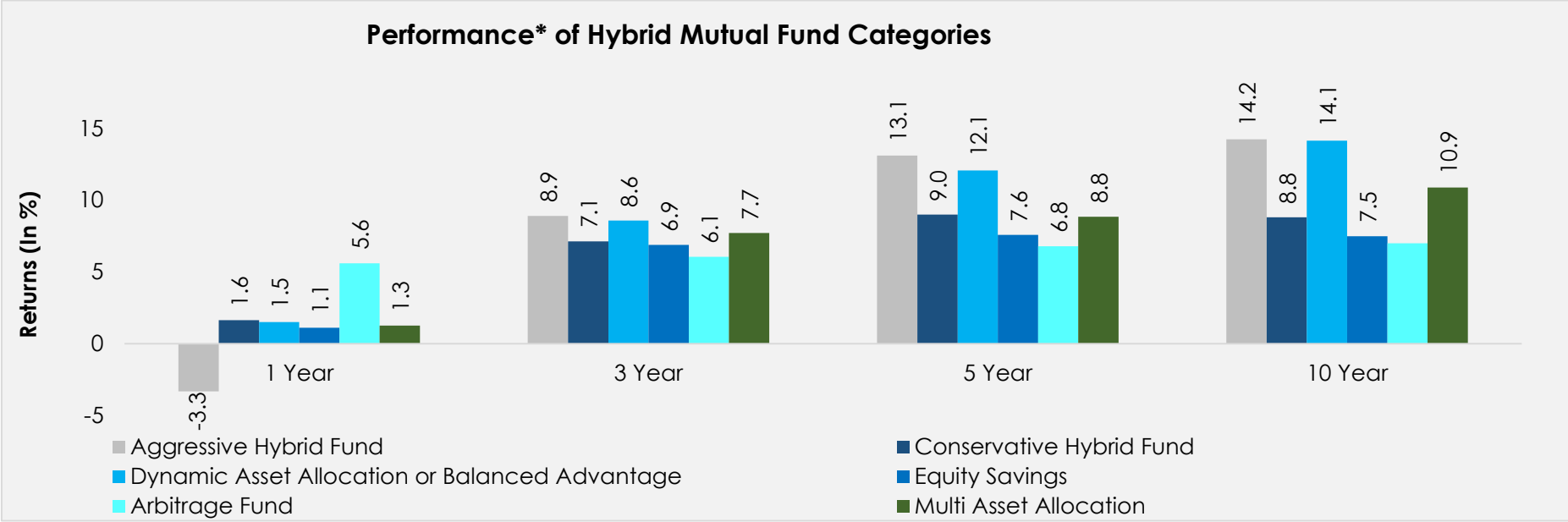
Source: ICRA Online Research;

Note: *Compound Annualized returns

Data as of Dec-18

- ✓ Performance of equity-oriented mutual funds remained dismal over the year. Under the Equity category, 79% of the funds gave negative returns while only 9% of the funds gave positive returns
- ✓ Weakness of the rupee against the greenback, banks' management issues, liquidity concerns, and global trade war concerns kept markets under pressure

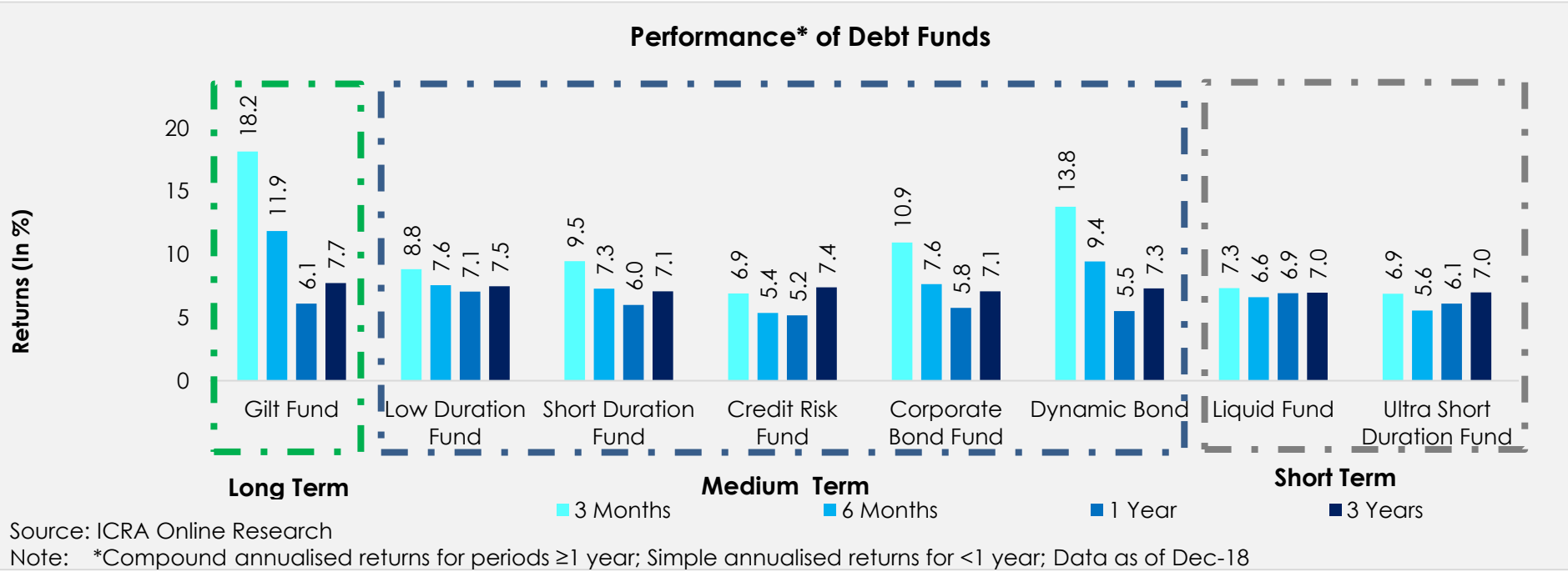
Volatility helped Arbitrage funds



Source: ICRA Online Research;
 Note: *Compound Annualized returns; Data as of Dec-18

- ✓ Arbitrage funds were the outperformer amongst its peers in CY18 as domestic equity markets witnessed significant volatility over the year

Long term funds outperform short term peers in Q3FY18



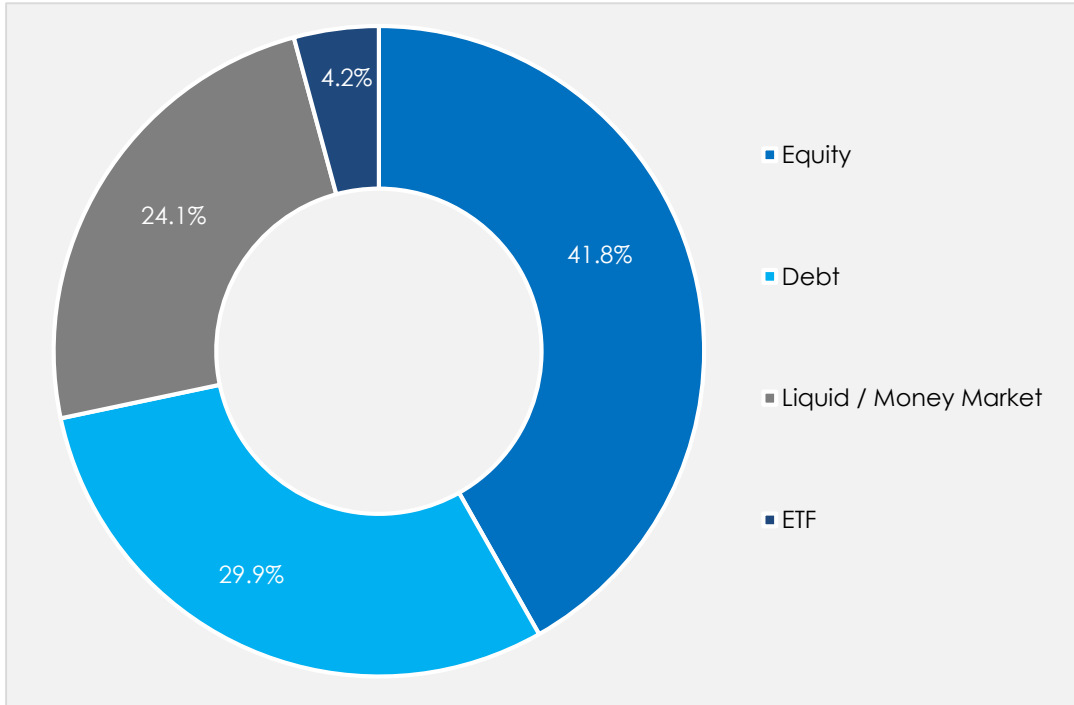
✓ Gilt funds were the standout performer in Q3FY18 which can be attributed to plunge in global crude oil prices and fall in domestic inflationary pressures



Section VI

INDUSTRY INSIGHTS

Category-wise AAUM break-out



- ✓ Debt categories including Liquid and Money market funds constitute 54% of mutual fund assets
- ✓ Equity category makes up nearly 42% of the asset base
- ✓ ETFs yet to catch up with its share remaining below 5%

Note 1. AAUM excludes Fund of Funds Scheme(Domestic)

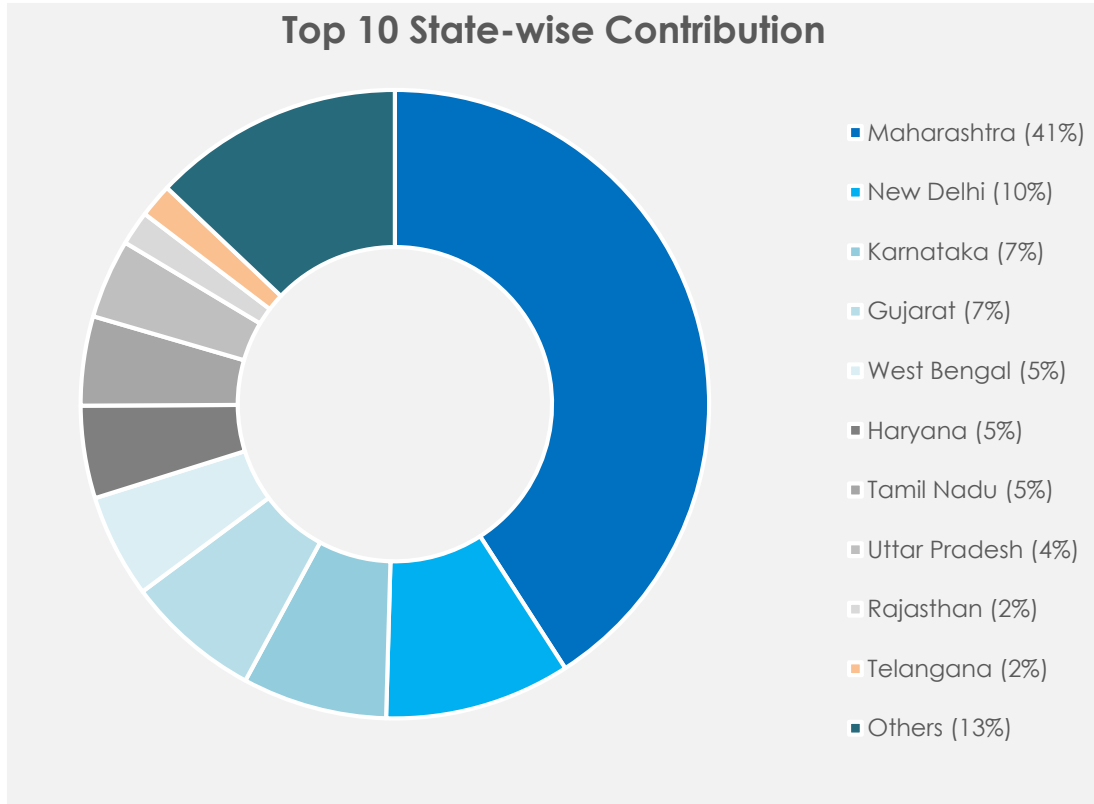
Note 2. Equity includes ELSS and Balanced schemes

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 Oct-Nov and Dec-18

Source: AMFI, ICRA Online Research

State-wise AAUM break-out

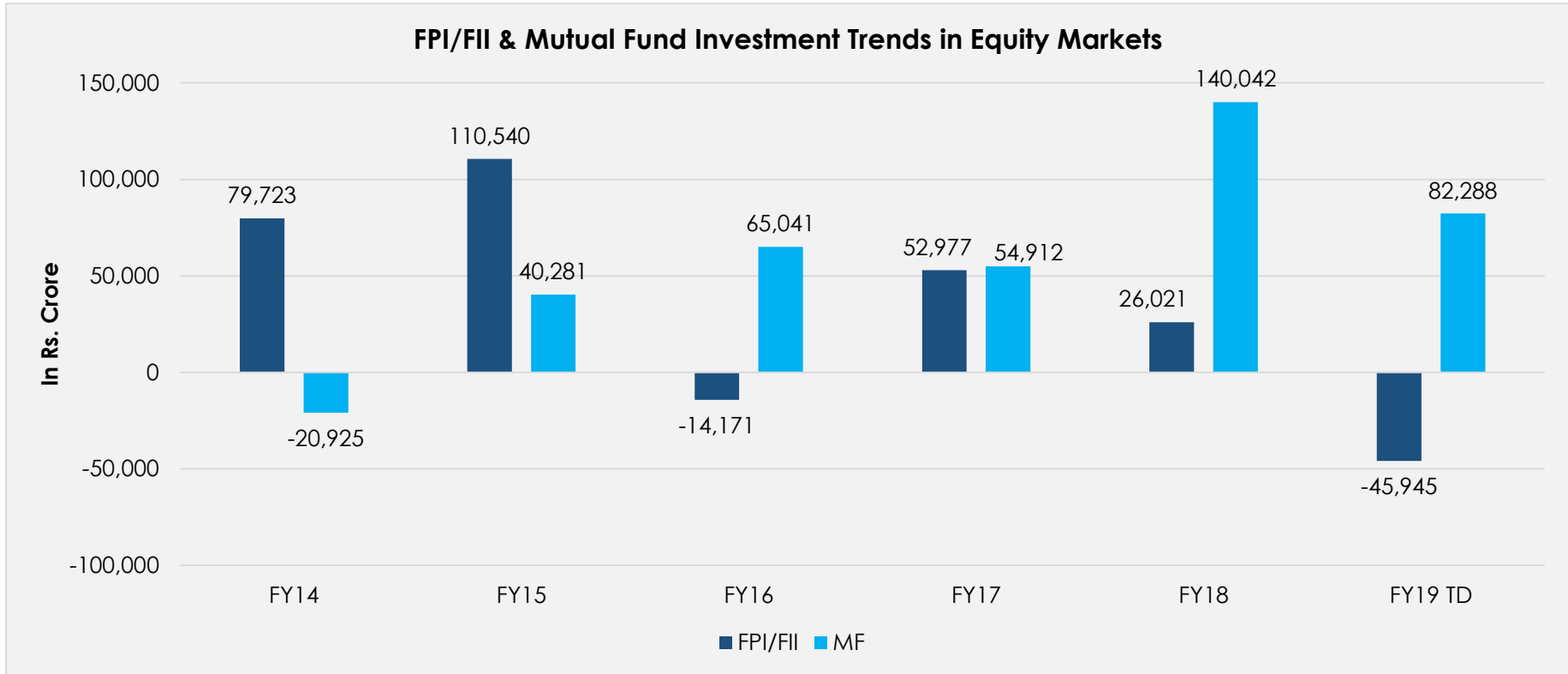


- ✓ Maharashtra continues to constitute the highest share in mutual fund investments
- ✓ Top 5 states contribute ~70% of mutual fund assets

Note 1. Data is an average of contribution for Oct-Nov and Dec-18

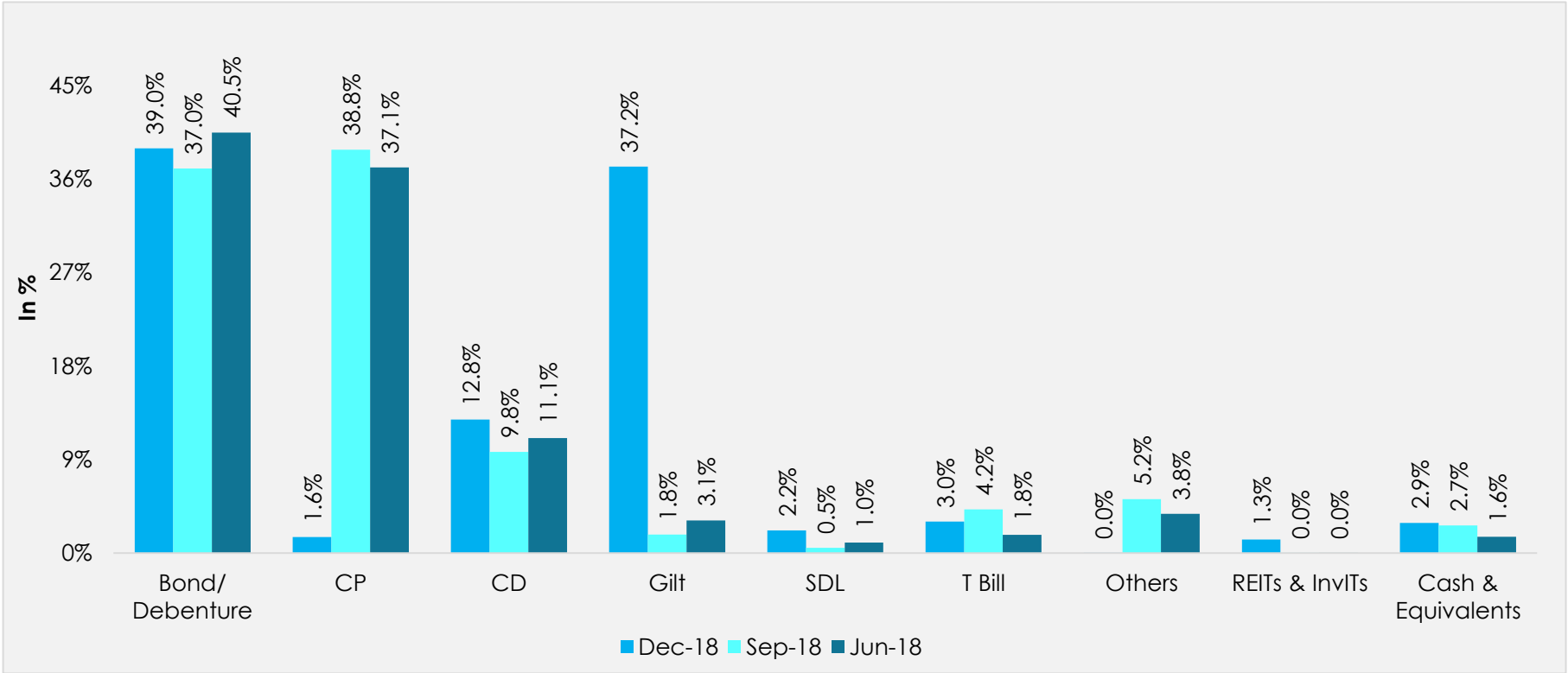
Source: AMFI, ICRA Online Research

FPIs turn bullish while MFs continue to retain faith in the Indian growth story



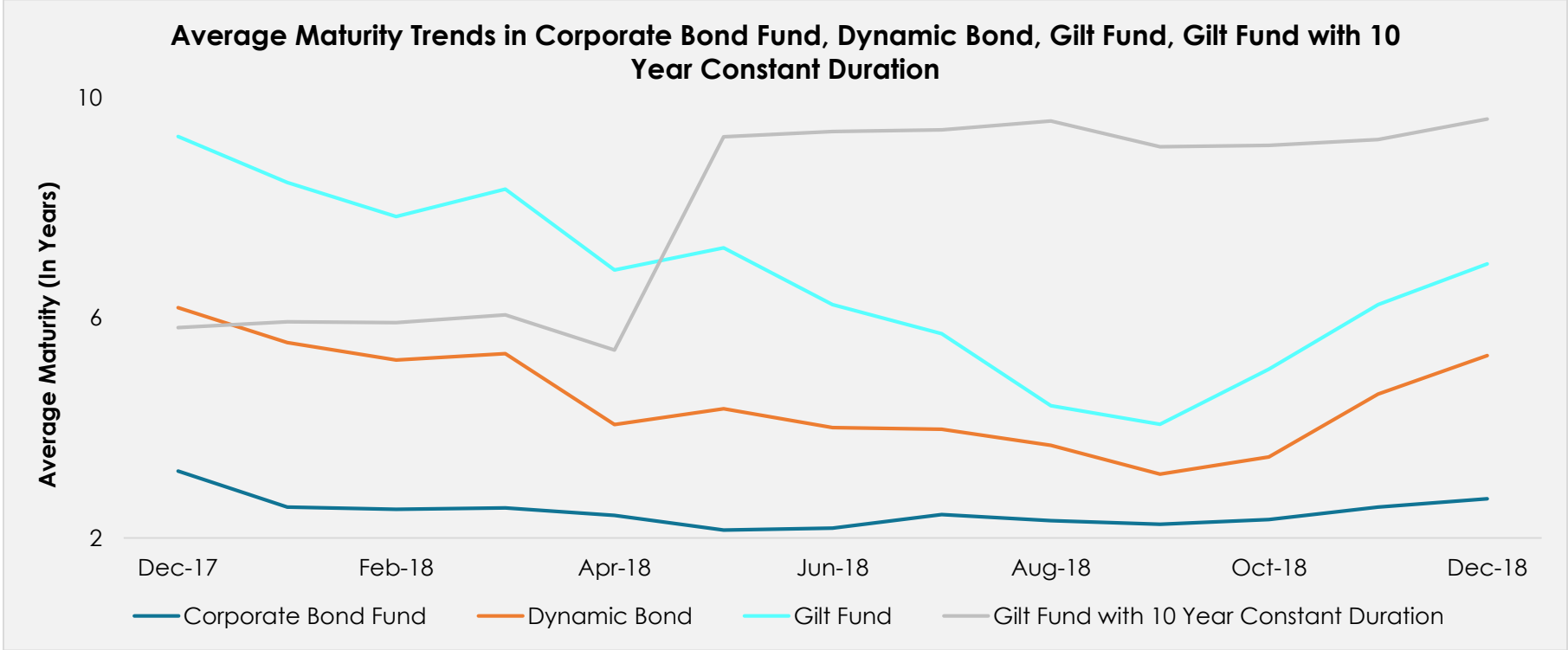
Source: ICRA Online Research

Instrument allocation pattern in debt segment



Source: ICRA Online Research

Average maturity trend in last one year



Source: ICRA Online Research



Section VII

REGULATORY UPDATE

Regulator remains vigilant (1 of 2)



SEBI allows side pocketing

- The Securities and Exchange Board of India (SEBI) has permitted mutual funds to create segregated portfolios for stressed debt securities and eased listing norms for start-ups. 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. Also, SEBI has allowed clubbing of investment limits for foreign portfolio investors and introduced custodial services for commodities derivatives market



Fund houses to upload daily scheme performance data on AMFI website

- SEBI has asked fund houses to upload their daily scheme performance data on AMFI website. The returns will be for 1-year, 3-year, 5-year, 10-year and since inception time periods. Additionally, AMC's will also have to upload 7 days, 15 days, 1 month, 3 months and 6 months performance of overnight funds, liquid funds, ultra-short duration funds, low duration funds, and money market funds on the portal. The returns will be calculated based on previous day's NAV

Regulator remains vigilant (2 of 2)



Reporting norms revised for mutual funds

- SEBI has revised reporting norms for mutual funds. The new Monthly Cumulative Report (MCR) will capture details such as no. of folios in each scheme, gross inflows, net inflows/outflows, net AUM, average AUM and so on. AMCs will have to do such reporting at scheme level. The revised MCR is in line with the categorization and rationalization of mutual fund schemes that aims to eliminate duplication in offerings across schemes within the fund house. The new report directs fund houses to put one scheme in each category



Fund houses to disclose investment and advisory fees and other expenses

- With immediate effect, SEBI has asked fund houses to disclose investment and advisory fees and other expenses along with the gross commission of distributors. Hence, now the half yearly consolidated account statement (CAS) will have two more columns for the disclosure of management fees and other expenses along with the gross commission paid to distributors. SEBI has yet not clarified if such disclosures will be in percentage terms or absolute terms

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