Mutual Fund Screener

For the quarter ended Dec-16

ICRA Online Ltd
A Group ICRA company
Mutual Fund Screener – What’s Inside

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Section I

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

- 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

**Growth in QAAUM for the quarter ended Dec 2016**

<table>
<thead>
<tr>
<th>AMCs</th>
<th>Range</th>
<th>Count of AMCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 5</td>
<td>4% to 7%</td>
<td>5</td>
</tr>
<tr>
<td>Next 10</td>
<td>-4% to 17%</td>
<td>9</td>
</tr>
<tr>
<td>Rest</td>
<td>-20% to 53%</td>
<td>13</td>
</tr>
</tbody>
</table>

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 2020.

Source: AMFI, ICRA Online Research; QAAUM – Quarterly Average Assets Under Management.
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 AMCs below Rs. 10,000 cr

Among the larger AMCs (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.

DHFL Pramerica AMC and Edelweiss AMC were not included in the list of top 10 fastest growing AMCs 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

- 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

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

Source: AMFI, ICRA Online Research; Equity includes ELSS funds as well
Financial services remain most preferred

- 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.

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
Equity funds continue to deliver positive returns

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

**Performance* of Equity oriented Mutual Fund categories**

<table>
<thead>
<tr>
<th>Category</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversified Funds</td>
<td>5.10</td>
<td>8.18</td>
<td>12.06</td>
<td>10.53</td>
</tr>
<tr>
<td>Global Funds</td>
<td>4.96</td>
<td>9.93</td>
<td>13.01</td>
<td>9.49</td>
</tr>
<tr>
<td>ELSS</td>
<td>4.17</td>
<td>3.67</td>
<td>7.02</td>
<td>7.02</td>
</tr>
<tr>
<td>Index Funds</td>
<td>3.00</td>
<td>6.00</td>
<td>9.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

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

*Compound annualized returns
Fall in yields post demonetisation results in outperformance of long term debt funds

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

**Performance* of Short Term Debt oriented Mutual Fund categories**

<table>
<thead>
<tr>
<th>Returns (in %)</th>
<th>3 Months</th>
<th>6 Months</th>
<th>1 Year</th>
<th>3 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid Funds</td>
<td>6.40</td>
<td>6.65</td>
<td>7.30</td>
<td>8.03</td>
</tr>
<tr>
<td>Ultra Short Term Funds</td>
<td>7.21</td>
<td>8.18</td>
<td>8.34</td>
<td>8.48</td>
</tr>
<tr>
<td>Short Term Funds</td>
<td>8.04</td>
<td>10.63</td>
<td>9.95</td>
<td>9.48</td>
</tr>
</tbody>
</table>

**Performance* of Long Term Debt oriented Mutual Fund categories**

<table>
<thead>
<tr>
<th>Returns (in %)</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Funds</td>
<td>9.23</td>
<td>13.29</td>
<td>11.51</td>
<td>10.57</td>
</tr>
<tr>
<td>Gilt Funds</td>
<td>12.53</td>
<td>18.68</td>
<td>15.17</td>
<td>12.70</td>
</tr>
</tbody>
</table>

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

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

INDUSTRY INSIGHTS
B15 locations generate 17% of industry AUM in Dec 2016

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

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

- 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
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.

Source: Media Reports
ANNEXURES
Private sector joint ventures (predominantly Indian) manage 59% of QAAUM

*JV – Joint Venture

Source: AMFI, ICRA Online Research, data pertains to Dec-16
# Liquidity analysis of last 12 months

<table>
<thead>
<tr>
<th></th>
<th>Dec-16</th>
<th>Nov-16</th>
<th>Oct-16</th>
<th>Sep-16</th>
<th>Aug-16</th>
<th>Jul-16</th>
<th>Jun-16</th>
<th>May-16</th>
<th>Apr-16</th>
<th>Mar-16</th>
<th>Feb-16</th>
<th>Jan-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>2.6</td>
<td>2.2</td>
<td>2.2</td>
<td>1.82</td>
<td>1.91</td>
<td>1.73</td>
<td>1.74</td>
<td>1.84</td>
<td>1.99</td>
<td>1.85</td>
<td>1.85</td>
<td>1.84</td>
</tr>
<tr>
<td>Specialty</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.05</td>
<td>0.04</td>
<td>0.05</td>
<td>0.04</td>
<td>0.06</td>
<td>0.06</td>
<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
</tr>
<tr>
<td>Gilt</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.04</td>
<td>0.06</td>
<td>0.06</td>
<td>0.05</td>
<td>0.07</td>
<td>0.07</td>
<td>0.06</td>
<td>0.05</td>
<td>0.04</td>
</tr>
<tr>
<td>Balanced</td>
<td>0.3</td>
<td>0.1</td>
<td>0.2</td>
<td>0.15</td>
<td>0.21</td>
<td>0.19</td>
<td>0.19</td>
<td>0.17</td>
<td>0.17</td>
<td>0.09</td>
<td>0.20</td>
<td>0.21</td>
</tr>
<tr>
<td>ETF</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.48</td>
<td>0.46</td>
<td>0.48</td>
<td>0.53</td>
<td>0.49</td>
<td>0.52</td>
<td>0.58</td>
<td>0.57</td>
<td>0.53</td>
</tr>
<tr>
<td>Fund of Funds</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.15</td>
<td>0.15</td>
<td>0.16</td>
<td>0.17</td>
<td>0.17</td>
<td>0.18</td>
<td>0.21</td>
<td>0.21</td>
<td>0.18</td>
</tr>
<tr>
<td>Dynamic/Asset Allocation</td>
<td>0.3</td>
<td>0.2</td>
<td>0.3</td>
<td>0.30</td>
<td>0.34</td>
<td>0.32</td>
<td>0.25</td>
<td>0.26</td>
<td>0.25</td>
<td>0.19</td>
<td>0.11</td>
<td>0.11</td>
</tr>
</tbody>
</table>

Source: ICRA Online Research
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