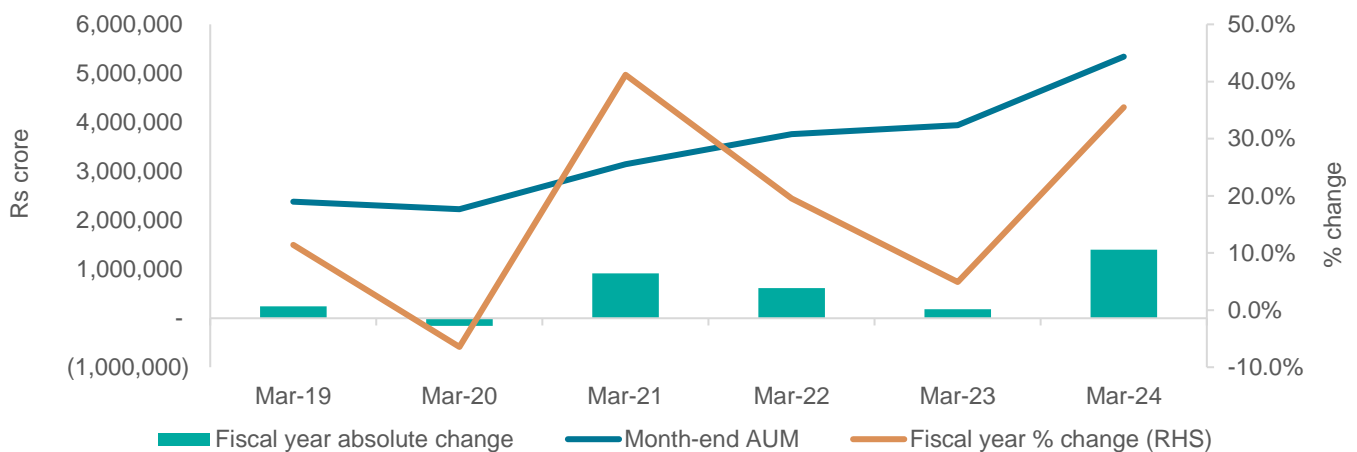


Mutual fund assets surge 35% in fiscal 2024 to a new high

Fiscal 2024 turned out to be one of the best years for the domestic mutual funds industry as assets under management (AUM) spurted by nearly Rs 14 lakh crore to a record Rs 53.40 lakh crore as of March 2024 compared with Rs 39.42 lakh crore as of March 2023.

At over 35%, the percentage gain was the highest since fiscal 2021 when the industry had grown 41%.

Industry asset growth



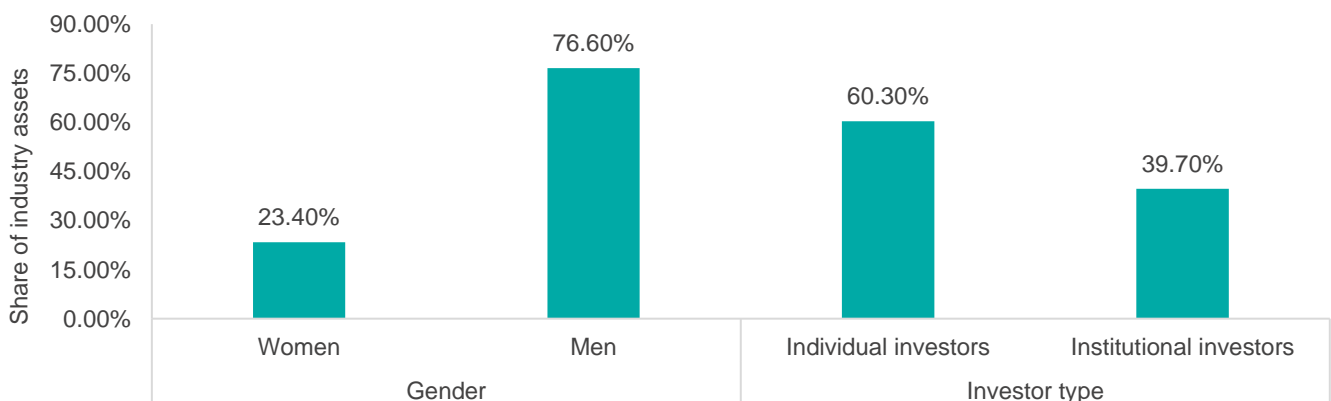
Note: Excludes domestic fund of funds (FoFs)

Source: Association of Mutual Funds in India (AMFI)

The strong gain in industry assets was also replicated in the growth of investors in mutual funds, with the number of folios closing at record high of 17.78 crore, converting into an investor base of around 4.46 crore.

Women comprised ~23% of the investors based on their share of the AUM and men ~77%, while individual investors comprised ~60% as against institutional investors ~40%¹.

Investor break-up based on AUM share



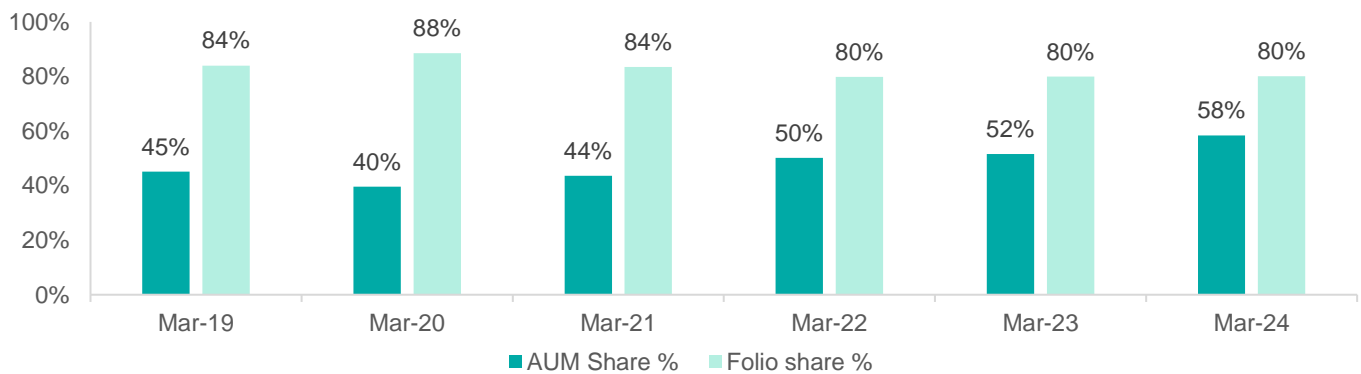
Source: AMFI

¹ As of February 2024

Individual investor-oriented schemes lead the growth chart

Individual investors dominated mutual fund categories such as equity, hybrid and solution-oriented schemes, and led the growth chart as households in the country increased their capital market participation through the mutual fund route. The three categories together accounted for nearly 58% of the industry assets and 80% of the folio count as of March 2024; share of assets of these categories has increased from 45% in March 2019, showcasing their dominance in the growth of industry assets.

Individual investor-oriented schemes' share of the industry



Source: AMFI

Equity-oriented fund categories gain on inflows and mark-to-market (MTM) gains

Equity-oriented mutual fund categories grew 55% in fiscal 2024 to Rs 23.50 lakh crore, led by strong inflows and MTM gains. The category saw net inflows of Rs 1.84 lakh crore in the fiscal, up from Rs 1.47 lakh crore in the previous fiscal.

The broad category also benefitted from sharp growth in the underlying equity markets, leading to MTM gains in industry assets. Equity markets represented by Nifty 50 total return index (TRI) and Nifty 500 TRI gained ~33% and ~44%, respectively, during the fiscal.

Flexi cap category was the largest fund category with assets of over Rs 3.50 lakh crore as of March 2024, followed by large cap funds with Rs 3.14 lakh crore assets. In terms of percentage growth, multi cap fund category saw the highest growth of 85% in fiscal 2024, followed by small cap funds at 82%.

Equity mutual fund asset trend

Equity mutual fund category	AUM as of March 2024 (Rs crore)	AUM as of March 2023 (Rs crore)	% change
Flexi Cap Fund	350,186	241,683	44.9%
Large Cap Fund	314,155	235,760	33.3%
Sectoral/Thematic Funds	297,358	172,819	72.1%
Mid Cap Fund	296,986	183,256	62.1%
Small Cap Fund	243,368	133,384	82.5%
ELSS	213,760	151,751	40.9%
Large & Mid Cap Fund	205,737	127,842	60.9%

Equity mutual fund category	AUM as of March 2024	AUM as of March 2023	% change
	(Rs crore)	(Rs crore)	
Value Fund/Contra Fund	149,099	90,584	64.6%
Focused Fund	129,704	98,673	31.4%
Multi Cap Fund	124,682	67,338	85.2%
Dividend Yield Fund	23,915	13,994	70.9%

Categories sorted on AUM size

Source: AMFI

In terms of asset flows, sectoral/thematic category saw the highest inflows during fiscal 2024 at over Rs 46,000 crore, followed by small cap fund category with net inflows of over Rs 40,000 crore even though the category saw marginal outflows in the last month of the fiscal amidst profit booking and regulator's requirement to conduct stress test for the category.

Hybrid funds cross Rs 7 lakh crore as investors adopt asset allocation approach

Hybrid funds crossed the Rs 7 lakh crore mark in fiscal 2024 with asset gains of over 50% and closed at Rs 7.22 lakh crore as of March 2024, compared with flat growth seen in the previous fiscal. Growth was led by the investors adopting the asset allocation approach and investing in arbitrage opportunities in the market. Strong gains in the underlying equity market also benefitted the segment.

Arbitrage funds saw the highest inflow in the category at over Rs 90,000 crore during the fiscal with assets up 127% (second-highest category growth within hybrid funds) and closed at Rs 1.53 lakh crore. Meanwhile, investors also actively adopted other hybrid categories with multi-asset allocation, equity savings fund and dynamic asset allocation / balanced advantage fund categories seeing growth of 153% (highest category growth within the hybrid category), 85% and 30% respectively.

Within the hybrid funds category, dynamic asset allocation / balanced advantage funds emerged as the largest category with assets of nearly Rs 2.50 lakh crore as of March 2024, followed by balanced hybrid / aggressive funds with assets of Rs 1.97 lakh crore.

Hybrid mutual fund asset trend

Hybrid mutual fund category	AUM as of March 2024	AUM as of March 2023	% change
	(Rs crore)	(Rs crore)	
Dynamic Asset Allocation/Balanced Advantage Fund	248,798	191,810	29.7%
Balanced Hybrid Fund/Aggressive Hybrid Fund	197,197	153,899	28.1%
Arbitrage Fund	153,009	67,435	126.9%
Multi Asset Allocation Fund	67,280	26,591	153.0%
Equity Savings Fund	29,567	16,012	84.7%
Conservative Hybrid Fund	26,871	23,170	16.0%

Categories sorted on AUM size

Source: AMFI

Passive funds continue to benefit from institutional investment flows

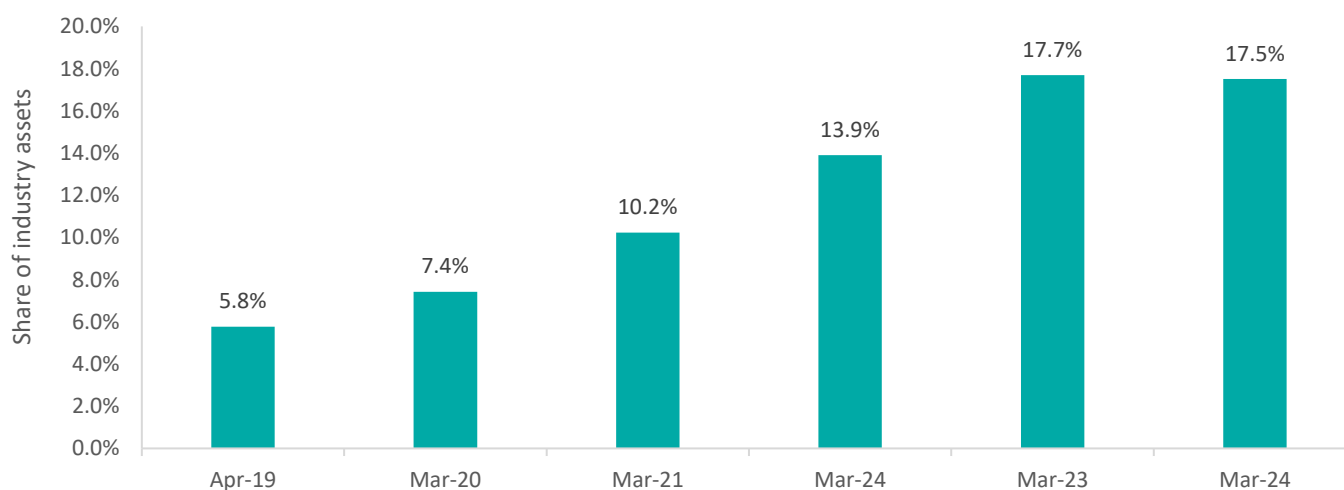
Passive funds² continued to see growth in assets; the segment continued to benefit from institutional investment flows into exchange traded funds (ETFs) from investors such as provident funds. ETFs as a category have assets of Rs 6.64 lakh crore as of March 2024. The category also saw inflows of Rs 42,000 crore in the fiscal compared with inflows of ~Rs 61,000 crore for the entire passive funds category.

Passive mutual fund category	AUM as of March 2024 (Rs crore)	AUM as of March 2023 (Rs crore)	% change
Other ETFs	664,000	484,277	37.1%
Index Funds	213,657	167,517	27.5%
Gold ETF	31,224	22,737	37.3%
Fund of funds investing overseas	25,713	22,991	11.8%

Categories sorted on AUM size

Source: AMFI

Share of passive funds



Source: AMFI

Debt fund assets grow 7% in fiscal 2024 after degrowth in previous fiscals

Debt funds saw a moderate growth of around 7% in fiscal 2024 to close with assets of Rs 12.62 lakh crore, after contracting 2% and 9% in fiscals 2022 and 2023, respectively.

The category also gained in folios, albeit small number of over 5,000 folios in fiscal 2024, after degrowth in the previous two fiscals, as investors retained confidence in the segment, despite the removal of indexation benefit.

In terms of asset growth, money market and liquid funds saw the highest absolute asset gain of Rs 40,000 crore and Rs 31,000 crore respectively. Money market funds also saw the second highest percentage growth in the fiscal

² Includes FoFs investing overseas

year of 37%. Among other categories, long duration funds saw the highest percentage growth at 45% to close with assets of Rs 12,700 crore. Overnight funds (down 36%) were the biggest drag in the debt mutual fund category during the year.

Debt mutual fund asset trend

Debt mutual fund category	AUM as of March 2024 (Rs crore)	AUM as of March 2023 (Rs crore)	% change
Liquid Fund	363,510	332,498	9.3%
Money Market Fund	148,893	108,468	37.3%
Corporate Bond Fund	147,361	130,767	12.7%
Short Duration Fund	99,004	91,239	8.5%
Low Duration Fund	90,212	86,693	4.1%
Ultra Short Duration Fund	83,561	79,123	5.6%
Banking and PSU Fund	80,891	80,517	0.5%
Overnight Fund	61,314	95,626	-35.9%
Floater Fund	51,469	52,989	-2.9%
Dynamic Bond Fund	31,617	29,287	8.0%
Gilt Fund	27,268	21,458	27.1%
Medium Duration Fund	25,976	27,091	-4.1%
Credit Risk Fund	23,141	24,776	-6.6%
Long Duration Fund	12,769	8,798	45.1%
Medium to Long Duration Fund	10,497	8,895	18.0%
Gilt Fund with 10 year constant duration	4,742	3,760	26.1%

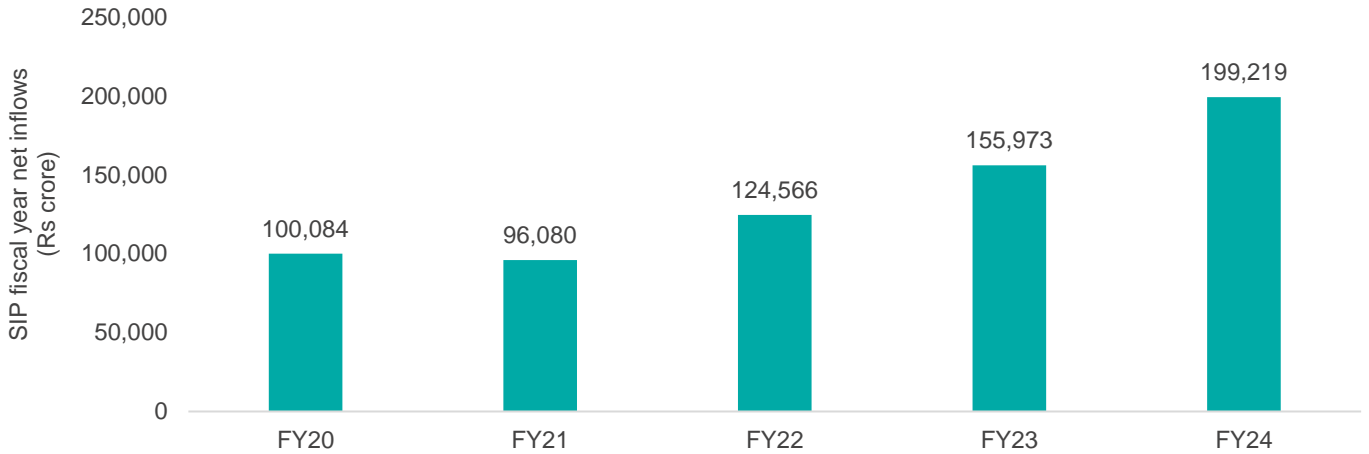
Categories sorted on AUM size

Source: AMFI

Investors SIP adoption continues to rise; flows touch ~Rs 2 lakh crore in fiscal 2024

Investor adoption of systematic investment plans (SIPs) continues to rise with monthly net inflows at ~Rs 19,300 crore in March 2024. For fiscal year 2024, the net inflows through SIPs stood at nearly Rs 2 lakh crore versus Rs 1.55 lakh crore in the previous fiscal year.

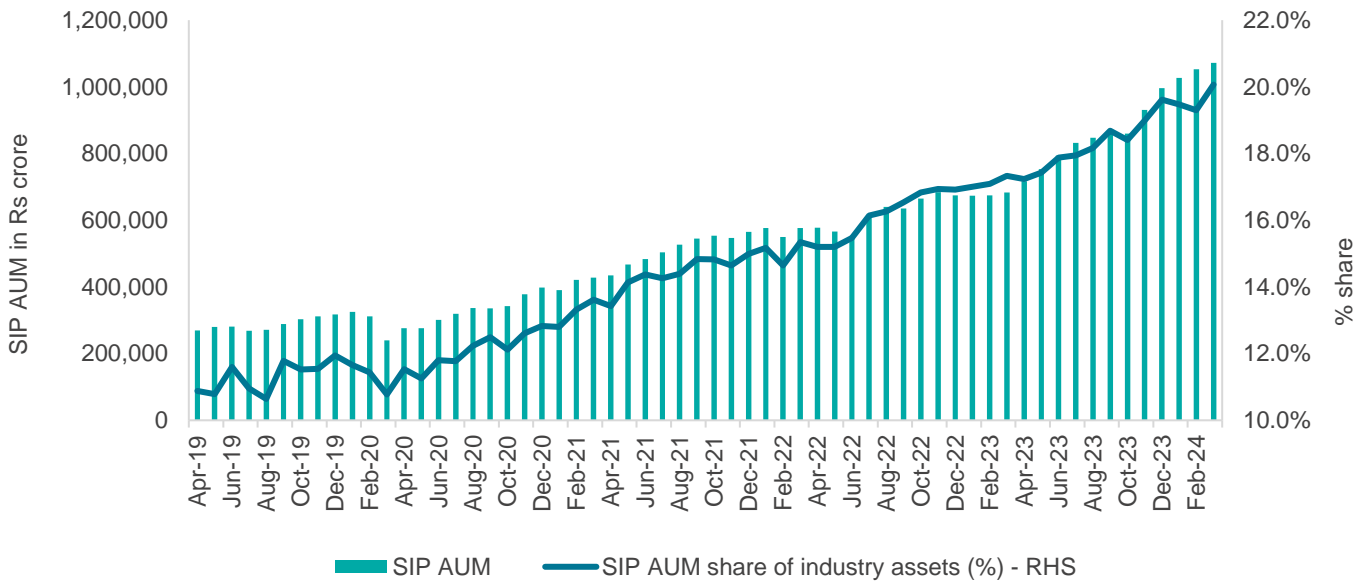
SIP fiscal year wise contribution



Source: AMFI

SIP assets stood Rs 10.71 lakh crore as of March 2024, accounting for over 20% of the industry assets. Further, the number of SIP accounts reached nearly 8.4 crore with ~17 lakh accounts added per month.

SIP AUM versus industry share



Source: AMFI

MUTUAL FUNDS

Sahi Hai

