

**SENSEX**  
60105.50**NIFTY 50**  
17895.70**GOLD**  
56115.00**USDINR**  
81.71**CRUDEOIL**  
6330.00

## Mutual fund industry AUM rises 5.7 per cent in 2022: AMFI

The mutual fund industry added Rs 2.2 lakh crore to its asset base in 2022, driven by consistent monthly increase in SIP (Systematic Investment Plan) flows. The Assets Under Management (AUM) of the mutual fund industry rose by 5.7 per cent or Rs 2.2 lakh crore to a total Rs 39.88 lakh crore in 2022, data from the Association of Mutual Fund Industry (AMFI) showed on Tuesday.

This was way lower than a surge of nearly 22 per cent or an increase of close to Rs 7 lakh crore in the asset base to Rs 37.72 lakh crore in 2021. The industry grew at a slower pace in 2022 due to uncertainty in stock markets, and changing interest rate scenarios affecting the business environment at large. Understandably, investors have been in step with these changes by reallocating their investments between equity, debt and hybrid schemes.

While, the growth of 42-player mutual fund space in 2021 was mainly braced by a rally in the stock markets. The increase in asset base in 2022 is mostly the result of advanced SIP flows, which touched Rs 13,000-crore for the second time in a row in November. Besides, industry body AMFI has played an important role in driving awareness towards mutual funds among retail investors.

During the calendar year, SIP inflows averaged more than Rs 12,500 crore per month, helping investors to stay in the stock market and benefit from Rupee cost averaging. The steady inflow suggests resilience in domestic inflows, which have been strong counterbalance to FPIs (Foreign Portfolio Investors) selling.

Further, the current run rate of inflows is expected to continue in 2023 with monthly SIPs touching around Rs 14,000 crore on an average.

In 2022, the total net flows into all mutual funds stood at Rs 71,443 crore, with positive inflows into equity schemes (Rs 1.61 lakh crore), index funds and ETFs (Rs 1.65 lakh crore) and negative inflows into debt schemes (Rs 2.5 lakh crore). The investor count is estimated to have expanded by 2 crores during the year to 14.11 crore. In 2021, a total of 2.6 crore folios were added.

Equity schemes have got inflow to the tune of Rs 1.61 lakh crore last year as against Rs 96,700 crore in 2021. In December, equity schemes saw a net inflow of Rs 7,303 crore, much higher than Rs 2,258 crore in the preceding month.

The schemes have been witnessing incessant net inflow since March 2021 and before this, the equity schemes had witnessed outflows for eight straight months on account of the Covid pandemic.

Higher awareness about equities and their ability to create wealth over a longer term is what has led to this increase in flows in equity-oriented schemes in 2022. "Maturing of the retail investor is the reason for the consistent inflow in equities. 2022 has been a volatile year. People have used opportunities of corrections to average down and continue to add money," Radhika Gupta, MD and EO of Edelweiss AMC, said. Going ahead, experts believe that growth in the asset base in 2023 would be driven by economic growth and retail participation from young investors.

## Equity AUM Ranking: SBI, ICICI Prudential and Axis retain the top 3 spots

SBI MF retains the top spot with an average equity AUM of Rs. 1.64 lakh crore, reveals an analysis of the top 20 fund houses done by Cafemutual.

Likewise, ICICI Prudential MF and Axis MF held on to their second and third ranking respectively. They individually reported average equity AUM of Rs. 1.57 lakh crore and Rs. 1.47 lakh crore.

While SBI MF and ICICI Prudential MF saw 7% quarterly growth, Axis MF recorded 1% growth.

Of the 20 fund houses, 15 recorded quarterly growth of 5% or more.

Here is the equity ranking of the top 20 fund houses along with their quarterly performance. Figures mentioned are in crore.

Mutual Fund	Equity AAUM (Dec 22 Qtr)	Equity AAUM (Sep 22 Qtr)	Change	Change%
SBI	1,64,149	1,52,807	11,342	7%
ICICI Prudential	1,57,018	1,46,120	10,898	7%
Axis	1,47,135	1,45,533	1,601	1%
Kotak	1,45,171	95,884	49,287	51%
HDFC	1,44,068	1,33,231	10,837	8%
Nippon India	1,05,850	99,111	6,738	7%
Aditya Birla Sun Life	98,525	96,004	2,521	3%
Mirae Asset	94,460	90,101	4,359	5%
UTI	73,631	71,717	1,914	3%
DSP	59,037	57,272	1,764	3%
Franklin Templeton	55,926	52,950	2,976	6%
HSBC	47,890	38,869	9,021	23%
Canara Robeco	45,247	40,868	4,378	11%
Tata	35,805	33,027	2,779	8%
Sundaram	32,122	29,995	2,127	7%
PPFAS	28,725	25,987	2,738	11%
Invesco	27,275	25,849	1,427	6%
IDFC	23,892	22,366	1,526	7%
Motilal Oswal	18,283	17,502	782	4%
Edelweiss	8,540	7,690	851	11%

### Notes:

\* Average AUM in case of Canara Robeco MF is as on January 6, 2023

\* HSBC MF completed the acquisition of L&T MF in December 2022 quarter. For an apple-to-apple comparison, we have captured the total average AUM of both fund houses in September 22 quarter

## Equity funds receive over Rs.7000 crore; industry AUM at Rs.41 lakh crore despite liquid outflows

The last month of 2022 ended on a good note for the MF industry. While the industry saw net inflows of Rs.7300 crore in December, which is thrice the November inflows of Rs.2250 crore, the industry AUM stood at Rs.41 lakh crore despite heavy outflows from liquid funds.

### **Equity funds**

Overall, net inflows increased from Rs. 2,250 crores in November to Rs. 7,300 crores in December. This was partly due to six NFOs that mobilised Rs. 1,996 crore last month.

All categories, except sectoral/thematic funds, focused funds and large cap funds reported net inflows. Small cap funds, mid cap funds and large & mid cap funds received the highest inflows of Rs. 2,250 crores, Rs. 1,950 crore and Rs. 1,200 crores, respectively.

### **Hybrid funds**

The category saw net inflows of Rs. 2,250 crores in December 2022. All hybrid categories, except dynamic asset allocation/balanced advantage funds and equity savings funds saw net inflows. Multi asset allocation funds and arbitrage funds saw the highest net inflows of Rs. 1,700 crore and Rs. 900 crores respectively.

### **Passive funds**

Index funds and other ETFs witnessed net inflows of Rs. 6,700 crore and Rs. 8,800 crores respectively. However, gold ETFs reported outflows to the tune of Rs. 270 crores.

### **SIP**

The monthly SIP contribution increased to Rs. 13,600 crores in December, the highest ever monthly gross collection. As a result, the SIP AUM stood at Rs. 6.75 lakh crore.

## 2 out of 10 investors join mutual funds through physical onboarding

The rapid adoption of technology has simplified the otherwise cumbersome onboarding process, suggests CAMS data. Paper onboarding has shrunk to almost one-third in the last three financial years. What used to be 58% has reduced to 20% between FY 2019 and FY 2022, said Anuj Kumar, MD, CAMS at Cafemutual Confluence 2022.

Notably, the contribution of platforms, websites and apps increased from 42% to 80% in the said period. Most of this is 100% tech and without physical documents or cheques.

Further, the data also shows that 98% of transactions in the last five financial years are electronic/digital. They have almost tripled from 15 crore in FY 2017 to 42 crore in FY 2022.

### **Investor count and AUM**

The MF industry sells in over 19,000 PIN Codes and is very well-penetrated, shows AMFI data.

If we look at the period from September 2017 to September 2022, the number of unique investors jumped around two and a half times from 1.5 crore to 3.6 crore.

During the same period, individual investors' AUM grew from 48% to 57% and continues to expand. New SIP registrations annually increased by 1.1 crore in FY 2019, 1.2 crore in FY 2020, 1.4 crore in FY 2021 and 2.7 crore in FY 2022. Anuj believes that the core characteristic of India is that the small investors will define the market, something similar to the FMCG segment where sachets contribute 70% of the market share in shampoos. This is indicated by SIP collections which increased from Rs. 43,921 crores in FY 2017 to Rs. 1.25 lakh crore in FY 2022 - a 23% CAGR. Such momentum can move the entire industry towards the Rs 100 lakh crore frontiers, believes Anuj.

## Best ELSS mutual funds (December 2022): Top tax-saving schemes with over 17% returns since launch

Best ELSS mutual funds (December 2022): Tax-saving mutual funds, or ELSS funds, provide an opportunity for investors to grow their wealth along with saving tax under Section 80C of the Income Tax Act. If you are investing for tax saving purposes only, you should explore ELSS funds as they may provide better returns compared to schemes like 5-year Fixed Deposit, PPF, SCSS, and NSC. Several ELSS funds have given annualised returns of over 17% since their respective launch dates. Following is a list of such top-performing ELSS tax-saving funds that have given the highest returns since inception.

Scheme Name	Since Inception Return %
Franklin India Taxshield Fund	22.22
Parag Parikh Tax Saver Fund	21.72
ICICI Prudential Long Term Equity Fund	19.16
Canara Robeco Equity Tax Saver Fund	18.85
Bank of India Tax Advantage Fund	18.07
HDFC Tax saver Fund	17.99
IDFC Tax Advantage (ELSS) Fund	17.93
Mirae Asset Tax Saver Fund	17.57

## Mutual funds can start passive ELSS after stopping fresh inflows to active ELSS: SEBI

The Securities and Exchange Board of India has allowed mutual fund houses to launch passive ELSSs after stopping fresh inflows/ subscriptions to existing active ELSS schemes. SEBI had allowed mutual funds to launch passive ELSSs in May, 2022. However, the condition was that fund houses can either have an active ELSS or Passive ELSS. In a circular dated January 10, SEBI said that, “Based on feedback received from the stakeholders, it has now been decided that mutual funds having existing actively managed open ended ELSS scheme may launch passively managed open ended ELSS schemes after stopping fresh inflows/ subscriptions to existing actively managed open ended ELSS scheme.”

The market watchdog also laid down the steps by which fund houses with active ELSSs can proceed to launch a passive ELSS. First, all fresh inflows/ subscriptions to the actively managed ELSS scheme shall be stopped after a written communication about the proposed change along with reasons and benefits of such change. Next, the communication has to be sent to each unitholder and an advertisement is given in at least one English daily newspaper having nationwide circulation as well as in at least one newspaper published in the language of the region where the Head Office of the mutual fund is situated.

Sebi said that the mutual fund will be able to launch passively managed open-ended ELSS Scheme subject to filing of the Scheme Information Document with SEBI and receiving a final observation letter. Further, after completion of 3 years from the date of stopping of all inflows in actively managed ELSS Scheme, AMC is required to make suitable disclosures for merger of the two ELSS schemes subject to obtaining necessary approvals from SEBI. The exit option should specifically inform the investor doesn't exit the scheme; the investments would be managed through passively managed open ended ELSS scheme.

## NEWS IN BRIEF

### **FPIs can invest in mutual funds other than thematic funds: SEBI**

Foreign portfolio investors (FPIs) operating from International Finance Service Centres (IFSCs) and regulated by International Financial Services Centres Authority (IFSCA) can invest in all mutual fund schemes other than thematic funds, clarified SEBI.

SEBI said, "Such FPIs shall be allowed to invest in mutual fund schemes other than the schemes in the category of "thematic" as defined in SEBI circular."

### **'MFDs do not split application for transaction fee'**

From October, RTAs have been submitting a report to AMFI in which they share details of MFDs who have indulged in splitting of MF transaction to earn higher transaction fee on a monthly basis within 5 days from the end of the month.

However, RTAs did not find any erring MFDs over the last two months who have split the MF application to charge transaction, said two senior officials from RTAs. One of the officials of a leading RTA said, "We are filing nil report to AMFI for the past two months as no distributor splits application to charge transaction fees." A few months back, AMFI said that it will suspend 'opt in' distributors who split application to charge transaction fee multiple times for six months from doing fresh business. This has come after AMFI received a communication from SEBI to keep an eye on instances of splitting of transactions by MFDs.

### **Seven new companies added to the large cap list**

AMFI has issued a list of stocks that will be classified as large cap, mid cap and small cap. According to the new list, seven new names have entered the large cap list while 9 new companies made it to the list of mid cap companies. As many as 24 companies have entered the small cap space, shows the AMFI data.

Varun Beverages, ABB India, Page Industries, Tata Elxsi, Bosch, Trent and PI Industries have been elevated to the large-cap category in the latest stock reclassification announced by AMFI.

### **IDBI MF inks pact to transfer schemes to LIC MF**

IDBI Bank-promoted IDBI Mutual Fund has signed an agreement with LIC Mutual Fund to transfer its schemes to the latter, the bank said in an exchange filing on Friday. The decision has been taken to comply with the Section 7B of Securities and Exchange Board of India's (SEBI) Mutual Fund Regulations, the filing said. IDBI Mutual Fund has a total of 22 schemes as on November 30. Its average assets under management were Rs 3,761.4 crore and LIC Mutual Fund's average assets stood at Rs 17,879 crore in July-September.

### **Keep core allocation in balanced advantage funds: Tata Mutual Fund**

Our advice to investors in 2023 would be to maintain a healthy mix of debt and equity, and keep core allocation in balanced advantage funds, said Tata Mutual Fund. The fund house further said the outlook for India remains relatively stable in an unstable world, with stable macro parameters, lower interlinkage with the global economy and revival of the investment cycle are some of the important factors that can drive above-par GDP growth and earnings growth over next 2-3 years.

### **SEBI permits AMC's to provide advisory services to all FPIs at IFSC**

Markets regulator Sebi on Friday permitted asset management companies (AMCs) to provide management and advisory services to all FPIs operating from International Financial Services Centres (IFSCs). This is subject to certain conditions, including that such Foreign Portfolio Investors (FPI) will be allowed to invest in mutual fund schemes other than the schemes in the category of "thematic", the Securities and Exchange Board of India (Sebi) said in a circular.

# New Fund Offer (NFO)

Aditya Birla Sun Life Mutual Fund



**ACTION OF EQUITY,  
DANCE OF DEBT AND  
ROMANCE OF GOLD,  
DOESN'T THAT MAKE FOR A  
BLOCKBUSTER?**

Introducing

**ADITYA BIRLA SUN LIFE**

**MULTI ASSET ALLOCATION FUND**

An open ended scheme investing in Equity, Debt and Commodities

NFO Opens: January 11, 2023

NFO closes: January 25, 2023



HSBC Mutual Fund

Why stop at one

Invest in  
**HSBC Multi Cap Fund**

(Multi Cap Fund - An open ended equity scheme investing across large cap, mid cap, small cap stocks)

NFO

Opens 10 January, 2023  
Closes 24 January, 2023

Reopening 3 February, 2023



when you can  
aim to win  
them all?

## TATA MULTICAP FUND

(An open ended equity scheme investing across large cap, mid cap, small cap stocks)

(SCHEME CODE TATA/O/E /MCF/22/10/0053)



**NFO Opens: 16<sup>th</sup> January 2023 | NFO Closes: 30<sup>th</sup> January 2023**

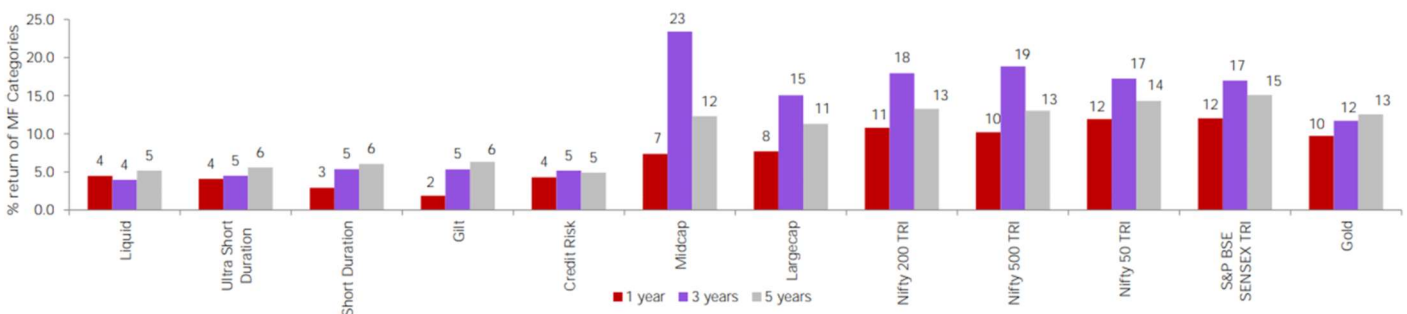
<p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>To Generate Long Term Capital Appreciation</li> <li>An open ended equity scheme investing across large cap, mid cap and small cap stocks</li> </ul> <p><b>*Investors should consult their financial advisors if in doubt about whether the product is suitable for them</b></p>	<p><b>Scheme Risk-O-Meter</b></p>	<p><b>Risk-O-Meter of Nifty 500 Multicap 50:25:25 TRI</b></p>
	<p><small>Investors understand that their principal will be at Very High Risk</small></p>	

(It may be noted that risk-o-meter specified above is based on internal assessment. The same shall be updated in accordance with provisions of SEBI circular dated October 5, 2020 on Product labelling in mutual fund schemes on ongoing basis)

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

### Why equities?

Beat inflation consistently with equities over the long run



BSE Sensex	3-year rolling returns	5-year rolling returns	7-year rolling returns	10-year rolling returns	15-year rolling returns
Average rolling period returns	16.27%	15.88%	15.46%	15.36%	14.68%
Positive investment periods	90%	93%	94%	99%	100%

Past performance may or may not be sustained in future

The longer you stay invested in equities, lower is the possibility of negative returns

**(Source: - Economicstimes, Moneycontrol, AMFI, IBJARates, Cafemutual, Livemint, Financial Express etc.)**

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