



Mutual Fund Screener

For the quarter ended June 2016

ICRA Online Ltd
A Group ICRA company



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Mutual Fund Screener – What's Inside

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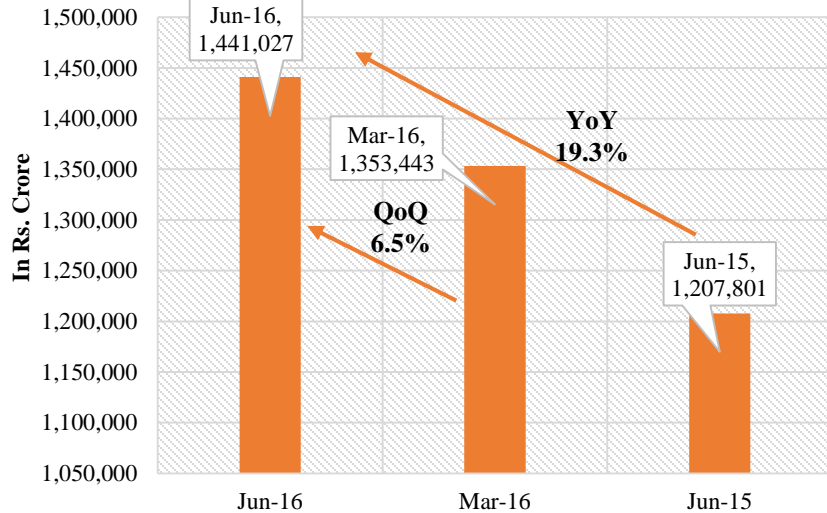
Section I

INDUSTRY QAAUM



Industry QAAUM crosses Rs. 14 lakh crore

Mutual Fund Industry (QAAUM)



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

Growth in QAAUM for the quarter ended Jun 2016

AMCs	Range
Top 5	5% to 12%
Next 5	1% to 8%
Next 10	-21% to 11%
Rest	-19% to 27%

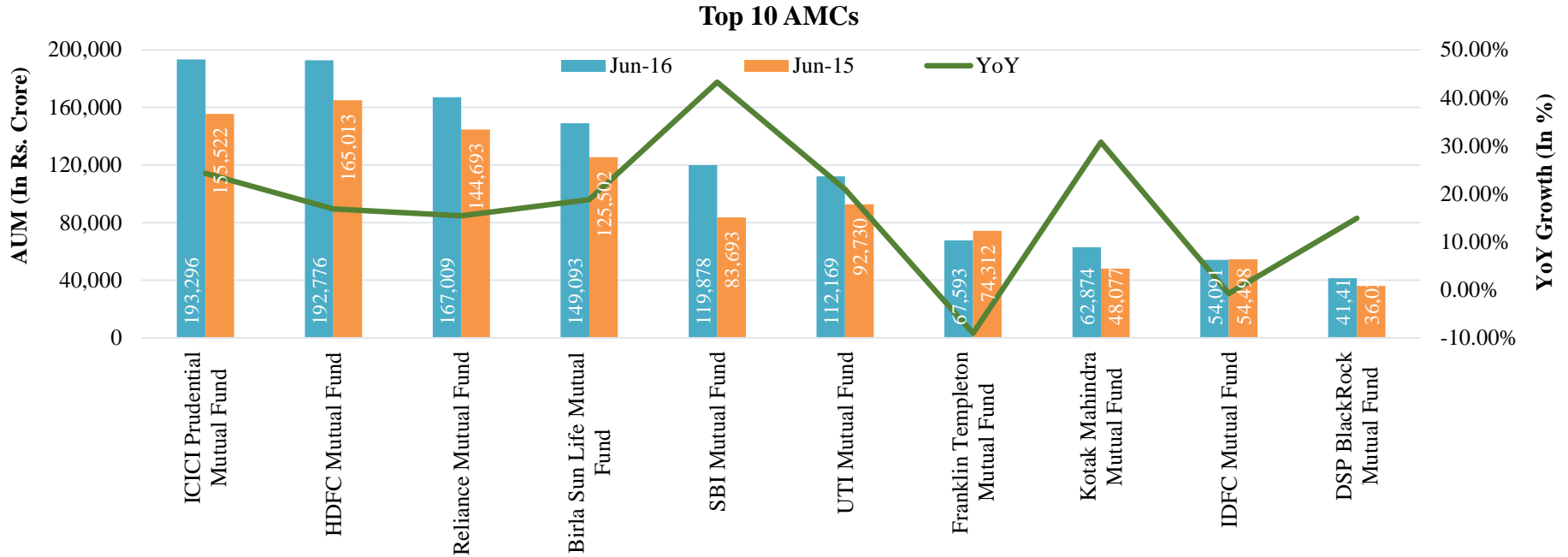
Source: AMFI; ICRA Online Research. AMC list based on Jun 2016 QAAUM

31 fund houses reported QAAUM growth in Q1FY17 compared with 27 in the last quarter

✓ Industry QAAUM grew for the 11th consecutive period in Q1FY17

✓ The 6.5% QoQ growth in QAAUM driven by inflows in equities and short term debt funds

ICICI Prudential MF retains pole position with QoQ growth of 9.9%

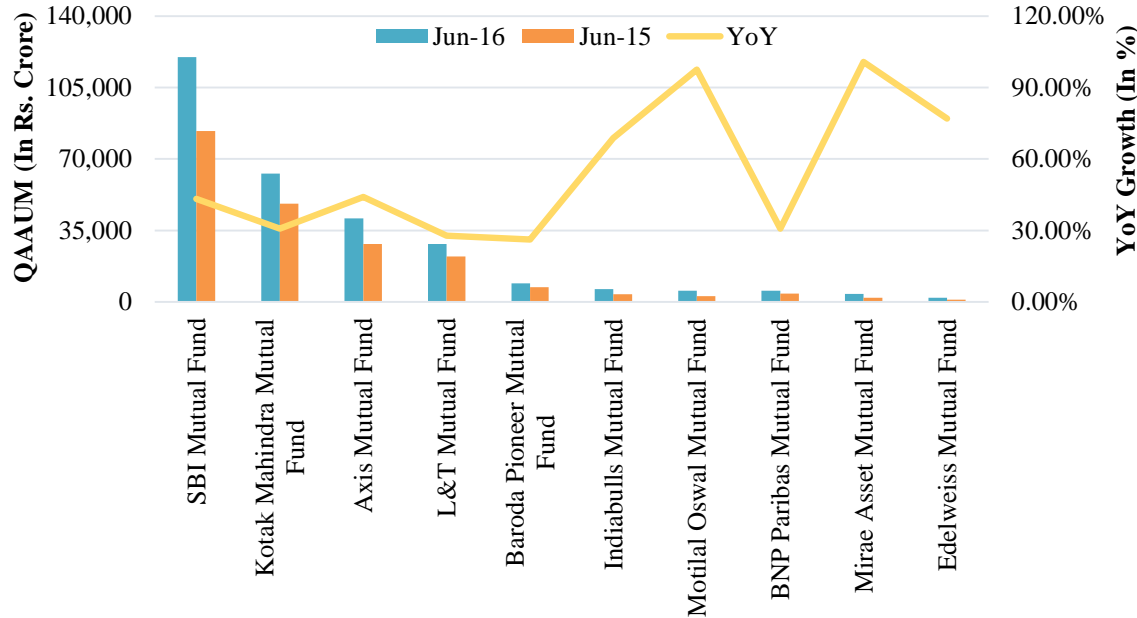


Source: AMFI, ICRA Online Research

✓ The share of top-10 AMC's (in terms of QAAUM) rose to 80.5% compared with 79.5% in the last quarter

QAAUM of six fastest growing AMC's below Rs. 10,000 crore

Top 10 fastest growing AMC's



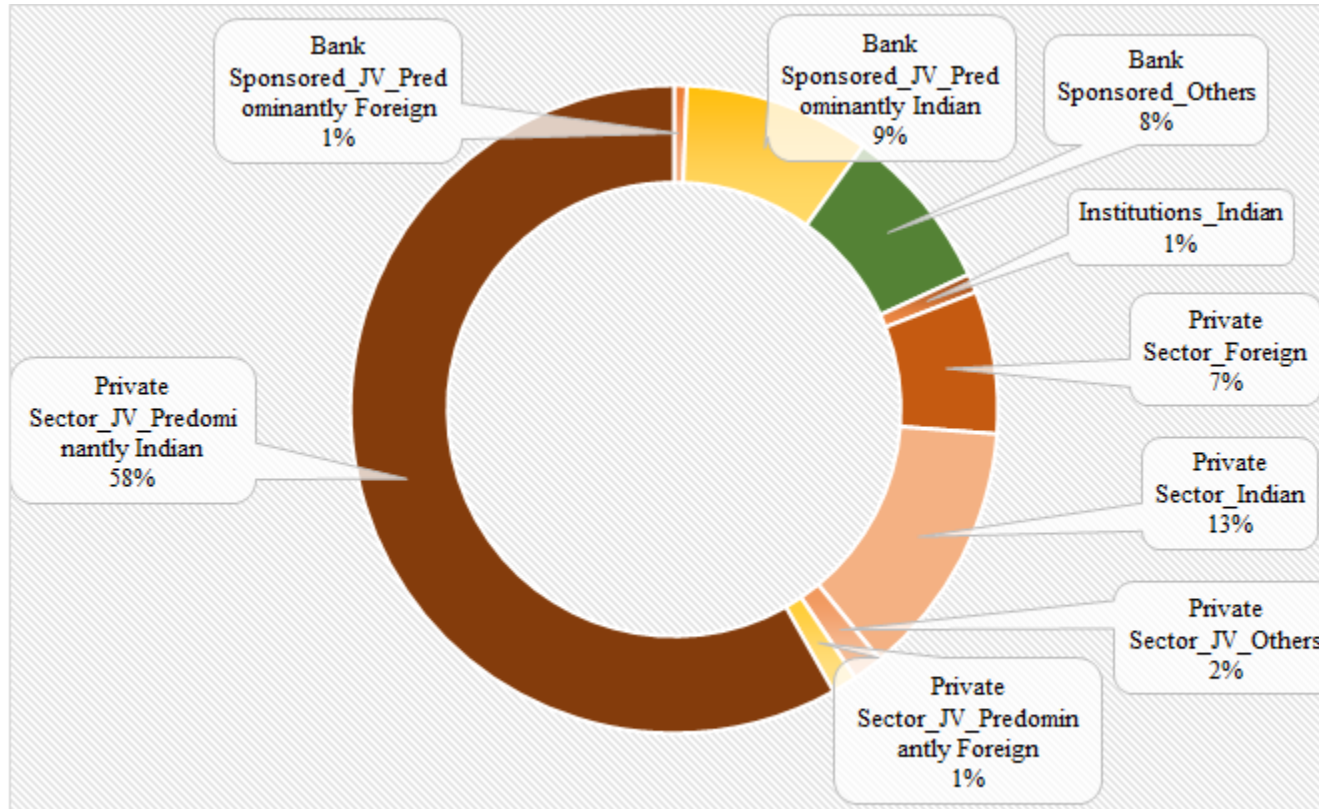
Among the larger AMC's (QAAUM > Rs. 40,000 crore), Axis, Kotak Mahindra, and SBI Mutual Fund have shown exceptional growth in corpus

✓ Mirae Asset and Motilal Oswal almost doubled corpus in the last one year and registered highest % change in QAAUM (YoY) of 100.7% and 97.6%, respectively

Source: AMFI, ICRA Online Research

DHFL Pramerica AMC was not included in the list of top 10 fastest growing AMC's as its YoY growth of 923% was fuelled by the acquisition of Deutsche MF.

Private sector joint ventures (predominantly Indian) manage 58% of QAAUM



Source: AMFI, ICRA Online Research, data pertains to June-16

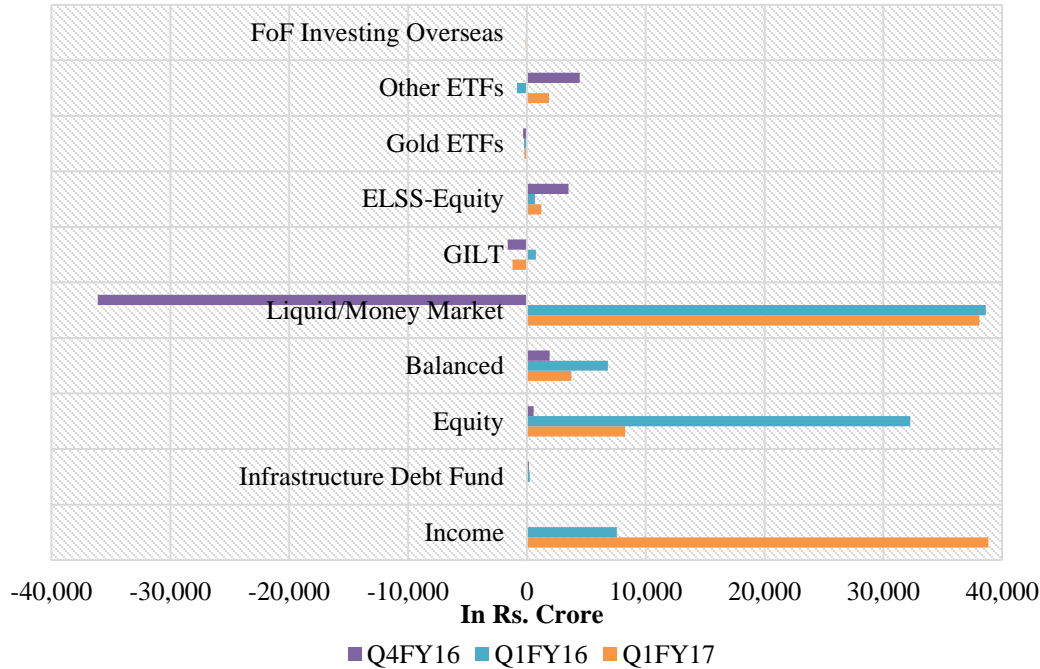
Section II

INFLOW OUTFLOW ANALYSIS



Net inflow/outflow during the quarter

Category wise net inflow/outflow during Q1FY17 vis-a-vis Q1FY16 & Q4FY16



Source: AMFI, ICRA Online Research

Net inflow/outflow

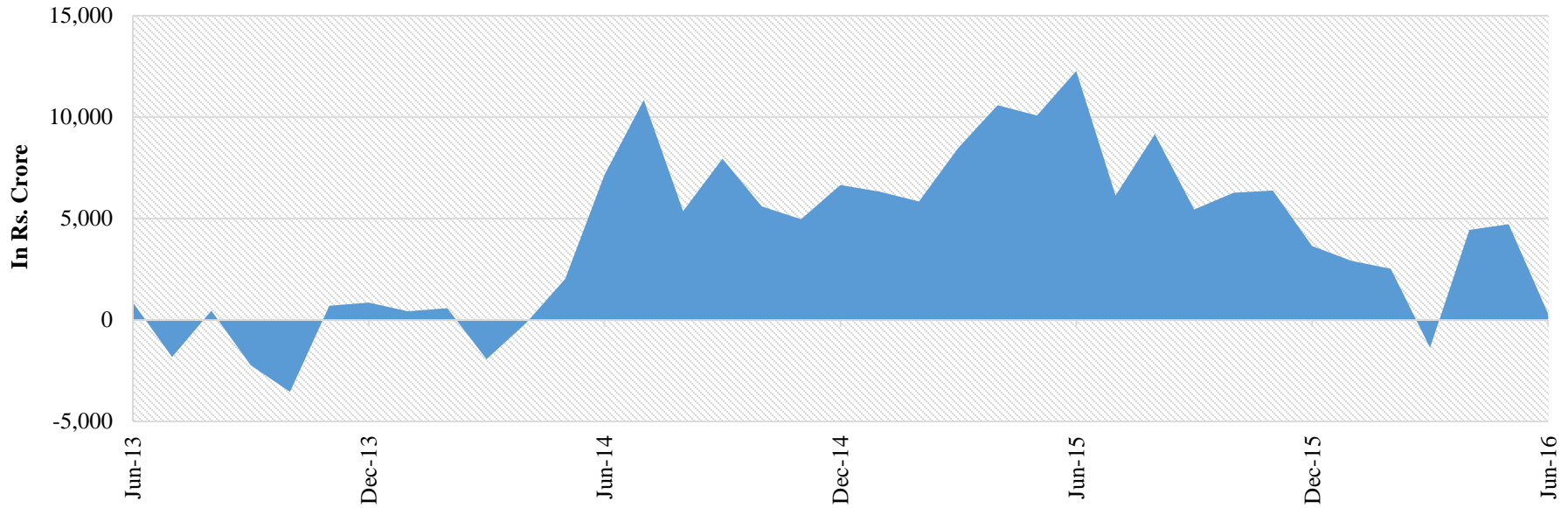


Source: AMFI, ICRA Online Research

- ✓ Income funds saw net inflow of Rs. 38,833 crore in the quarter
- ✓ Gilt funds witnessed net outflow of Rs. 1,202 crore in the quarter

Equity mutual funds see net infusion of Rs. 9,479 crore in Q1FY17

Equity net inflow/outflow for the last 3 years



Source: AMFI, ICRA Online Research

✓ The equity segment saw net inflows in five out of six months in CY16

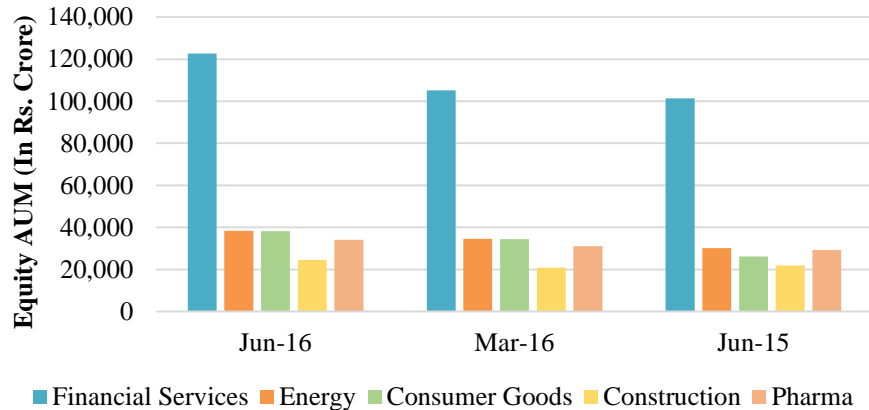
Section III

SECTOR UPDATE

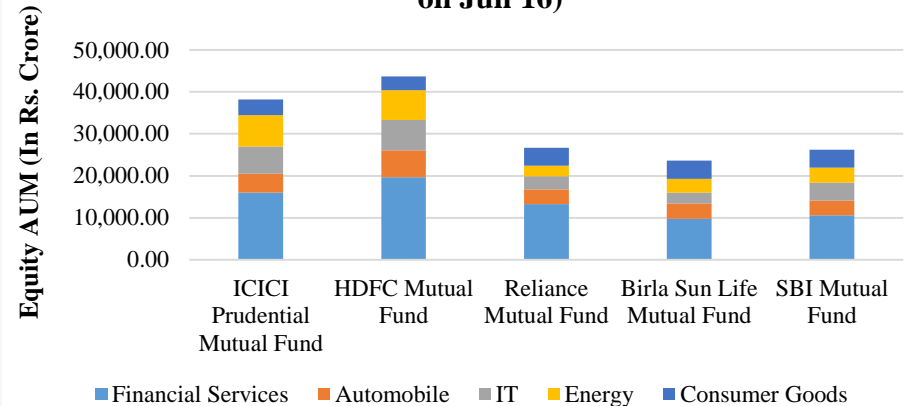


Sectoral update

Top 5 sectors (as on Jun 30, 2016) - Equity exposure



Equity exposure of Top 5 AMC's in Top 5 Sectors (as on Jun'16)



Source: AMFI, ICRA Online Research

- ✓ Top five sectors constituted more than 62% of the total equity AUM
- ✓ Highest inflow was seen in Paper (32%) and Fertilizers & Pesticides (17%) sectors

- ✓ Financial Services continued to be the most preferred sector with more than 14% increase in inflow
- ✓ More than 27% of the equity AUM was invested in the sector

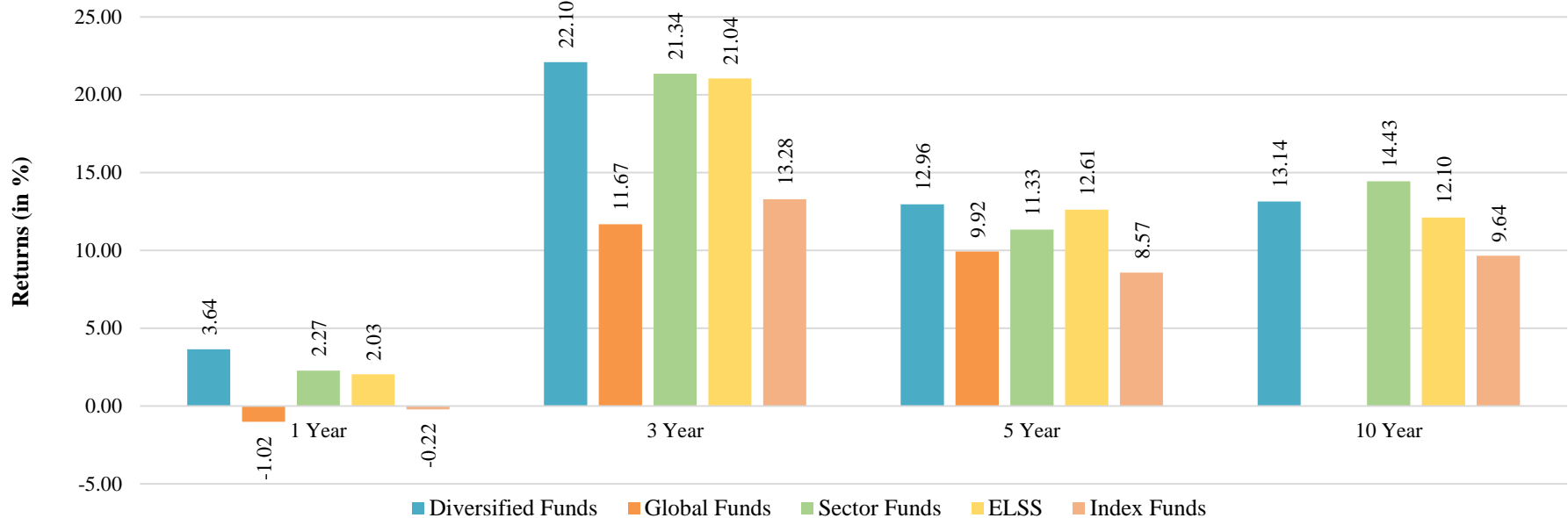
Section IV

CATEGORY PERFORMANCE



Equity funds generate positive real returns in last 10 years

Performance of equity oriented mutual fund categories

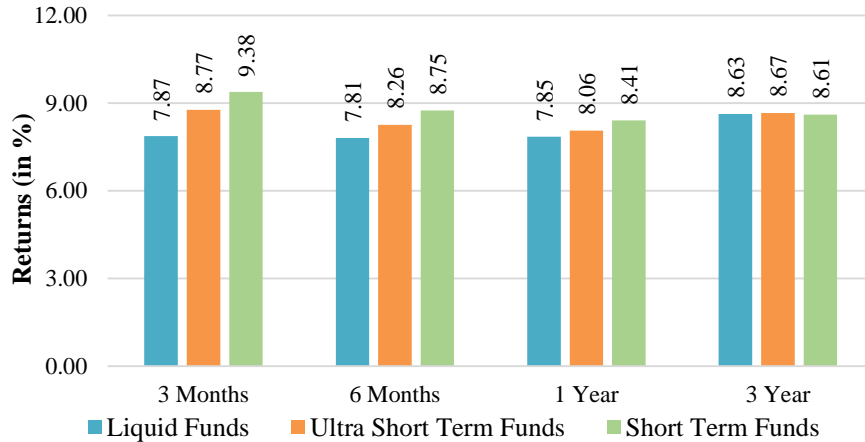


Source: ICRA Online Research; Data as of Jun 30, 2016
Greater than or Equal to 1 year Compound Annualized returns

✓ Benchmark indices (Nifty and Sensex) posted their highest quarterly gain since Jun 2014, which positively impacted equity-oriented mutual funds

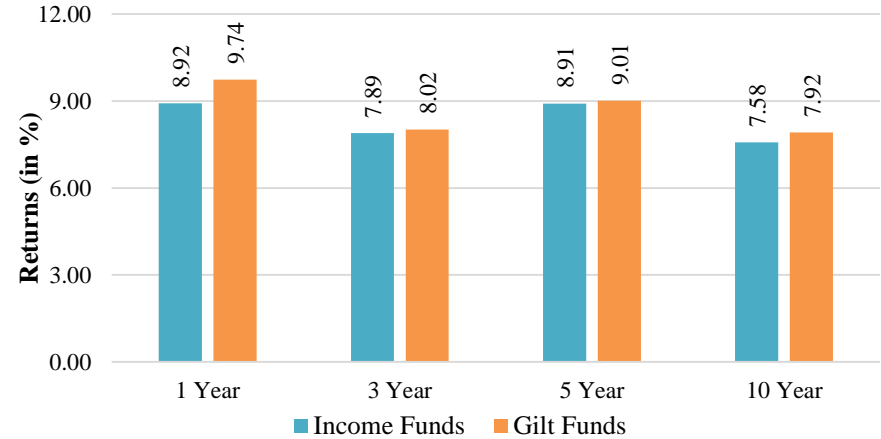
Expectations of accommodative monetary policies across the globe push bond yields down during the quarter

Performance of Short Term Debt oriented Mutual Fund categories



Source: ICRA Online Research; Data as/of Jun 30, 2016
Less than 1 year Simple Annualized returns, Greater than or Equal to 1 year Compound Annualized returns

Performance of Long Term Debt oriented Mutual Fund categories



Source: ICRA Online Research; Data as/of Jun 30, 2016
Greater than or Equal to 1 year Compound Annualized returns

- ✓ RBI's focus on transmission of past rate-cuts through improvement in banks' liquidity conditions supported short-term funds
- ✓ Long-term funds benefitted as central banks across the globe indicated they would take necessary measures to mitigate the effect of BREXIT

Section V

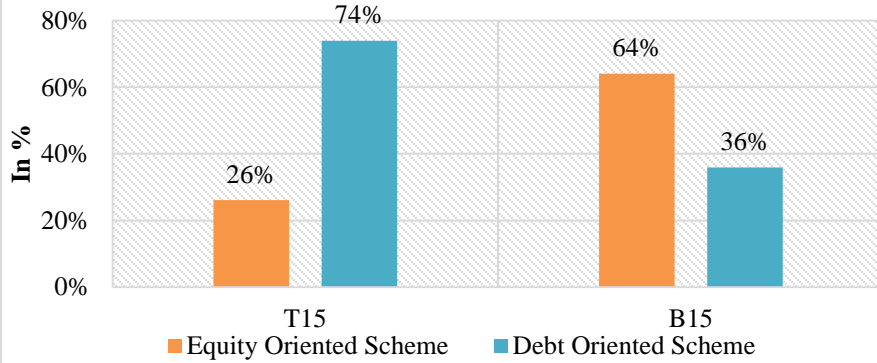
INDUSTRY INSIGHTS



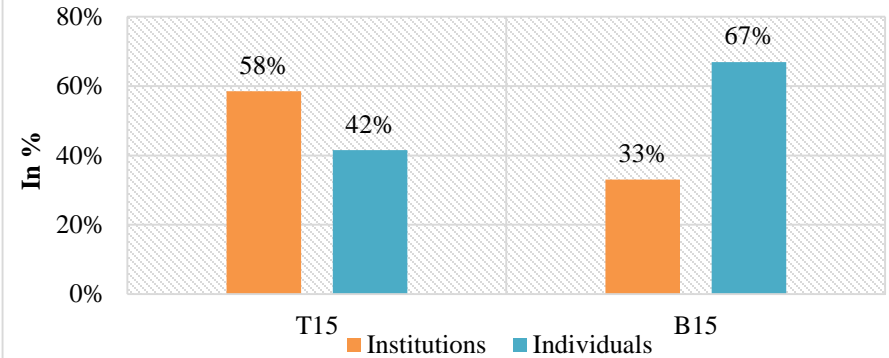
B15 locations generate 16.2% of the industry AUM in Jun 2016



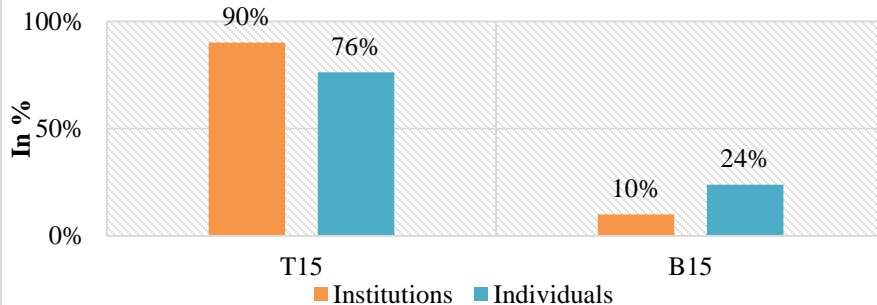
Higher equity participation in B-15 cities (As on Jun 2016)



67% of the B15 assets are from individual category

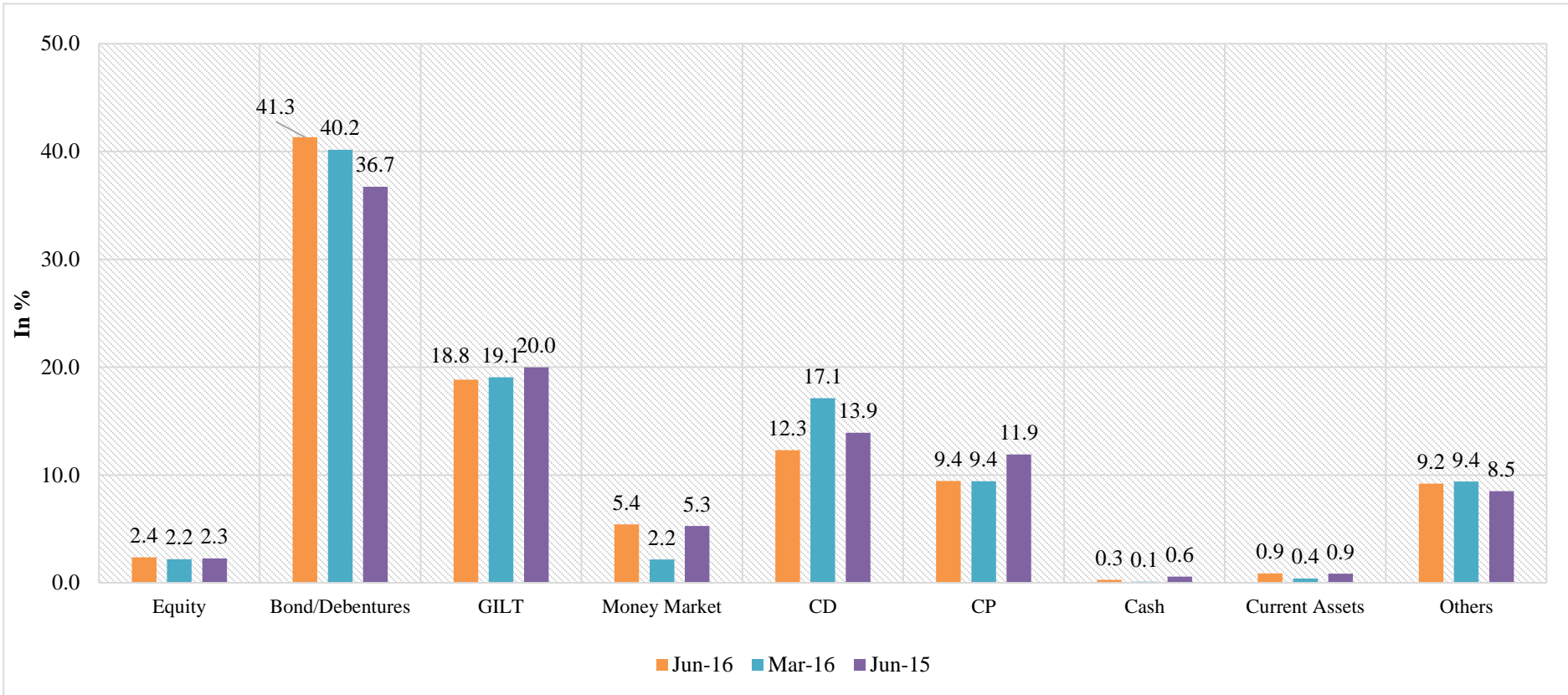


24% of the individual investors are from B15



✓ Activity beyond the top 15 cities (referred to as B-15) has increased in recent years, which indicates expansion of the investor base. Improved distribution and regulatory changes to the fee structure have helped in increasing participation in smaller places

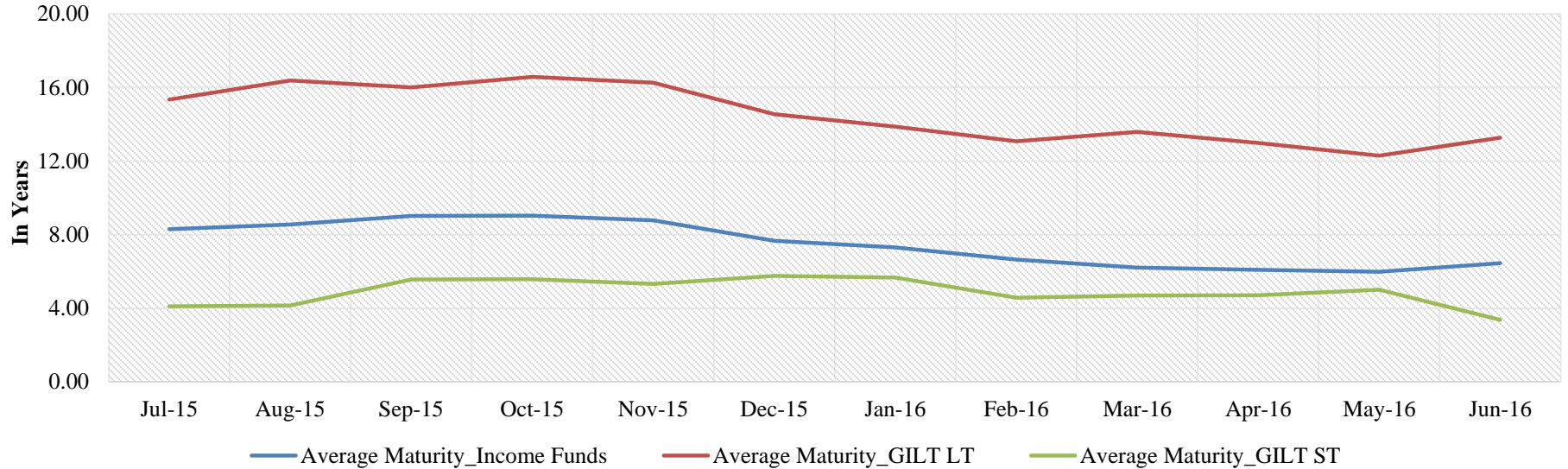
Instrument allocation pattern in debt segment



Source: ICRA Online Research

Average maturity goes below FY16 levels

Average maturity trends in Income, GILT-long term (LT) & GILT-short term (ST) funds



- ✓ Higher interest rate-cut expectations in FY16 led to higher average maturity
- ✓ Once rate-cut started transmitting, average maturity reduced in Q1FY17

Liquidity analysis of last 12 months

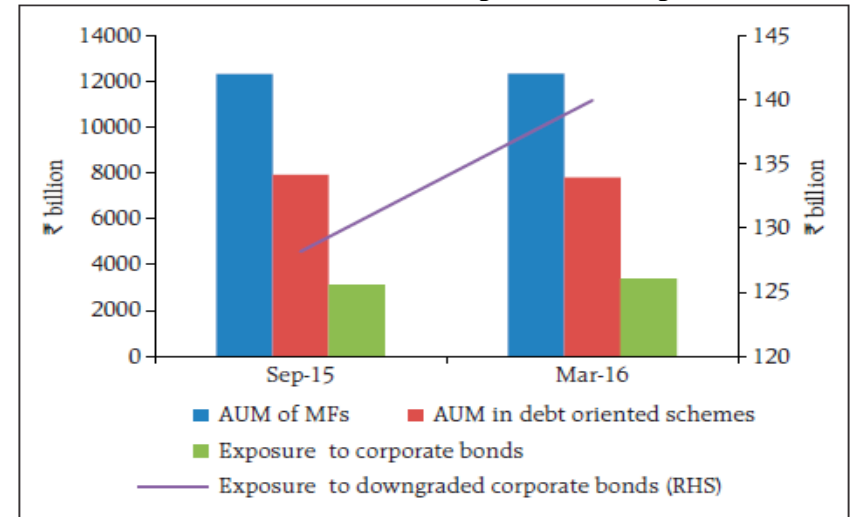
	Jun 2016	May 2016	Apr 2016	Mar 2016	Feb 2016	Jan 2016	Dec 2015	Nov 2015	Oct 2015	Sep 2015	Aug 2015	Jul 2015
Equity	1.72	1.84	1.99	1.85	1.85	1.84	2.07	2.08	2.00	2.05	2.05	2.04
Speciality	0.04	0.06	0.06	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.03	0.05
Gilt	0.05	0.07	0.07	0.06	0.05	0.04	0.11	0.06	0.06	0.06	0.05	0.05
Liquid	19.06	20.31	20.96	13.61	21.66	19.38	18.84	19.17	18.64	16.07	19.52	19.92
Balanced	0.19	0.17	0.17	0.09	0.20	0.21	0.24	0.18	0.17	0.19	0.17	0.17
ETF	0.53	0.49	0.52	0.58	0.57	0.53	0.50	0.48	0.54	0.57	0.53	0.51
Fund of Funds	0.17	0.17	0.18	0.21	0.21	0.18	0.17	0.17	0.19	0.20	0.19	0.18
Dynamic/Asset Allocation	0.24	0.26	0.25	0.19	0.11	0.11	0.13	0.11	0.13	0.15	0.21	0.30
Debt	9.34	9.49	10.04	9.60	10.21	9.97	9.35	10.03	9.92	9.72	11.08	11.02

RBI's financial stability report (Jun 2016): The mutual fund perspective

- ✓ The mutual fund sector is expanding to a greater section of the investor population
- ✓ Other than SCBs, insurance companies and AMC's are the two most dominant sectors
- ✓ As of Mar 2016, AMC's had 19% exposure to the Banking sector
- ✓ Debt-oriented MF schemes' exposure to corporate bonds increased 4% in Sep 2015-Mar 2016
- ✓ Exposure to corporate bonds that were downgraded in the last six months increased marginally from 1.6% to 1.8% in the same period

AMCs' exposure to Banking sector			
(Rs. Billion)	Investment in short-term instruments	Investment in capital instruments	Investment in bonds and other long-term instruments
PSBs	1058	140	153
PVBs	357	550	137
FBs	25	690	300

Debt mutual funds' AUM and exposure to corporate bonds



Source: RBI's Financial Stability report-Jun 16

Section VII

REGULATORY UPDATE



Regulator remains pro-active during the quarter



SEBI eases MF redemption restriction norms

- No restriction on redemption requests of up to Rs. 2 lakh
- AMC's can impose restrictions for the balance amount only for a specified period



SEBI could allow e-commerce companies to sell MFs

- SEBI exploring e-portals for easy availability and reducing the cost of mutual funds
- Proposal for digitisation of financial services submitted in May 2016



SEBI to introduce online option for registration of MFs

- Online registration of brokerage firms, mutual funds, and other market intermediaries to be launched
- It will cover submission of inspection and action taken reports, periodic filings, and payment of fees as well



SEBI to ease ad and MF scheme sale norms

- SEBI planning to ease norms regarding advertisement, promotion, and sale of MF schemes
- Standard risk statement norms for AMC's might ease and certain restrictions on MF branding activities could be removed

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