

News monitored for: JM Financial

MF sector's asset growth moderates in H1FY23

Average AUM rose 2%, against a 20% increase during the entire FY22

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The pace of growth in mutual funds' assets under management (AUM) moderated during the first half of the ongoing financial year (H1 of FY23). Data released by the Association of Mutual Funds in India (Amfi) shows that the average AUM of the industry rose 2 per cent in H1 to ₹39 trillion. During the previous financial year (FY22), industry AUM had grown 20 per cent over the FY21 figures.

Given the tepid growth during the first half, moderation in equity inflows and heightened market volatility, it is a tall ask for the industry to top last year's growth figures.

The moderation in growth during the first half is on the back of outflows from debt funds, declining net inflows in equity schemes and little or no mark-to-market gains. This is owing to the benchmark indices remaining flat between April and September 2022.

Nifty50 slipped 3 per cent in the first half of FY23, while the Nifty Mid-cap 100 rose 1.7 per cent. During the first five months, investors redeemed net ₹16,100 crore from debt schemes and invested over ₹56,000 crore in active equity schemes.

However, investments in active equity



schemes have been on a decline since June.

An analysis of fund-wise AUM data shows that some fund houses were still able to record good growth. SBI MF was the fastest-growing fund house with its AUM rising 5.5 per cent, helping it to further consolidate its top position.

There were a few changes in the pecking order as Kotak Mahindra MF and Aditya Birla MF slipped one spot each, and Nippon India MF rose by two spots to again break into the top five. Beyond the top 10, there were 13 fund houses which recorded double-digit growth in their AUMs. Quant MF, Navi MF and PGIM India MF were the three fastest-growing fund houses as their AUM rose over 30 per cent.

There were two new entrants in Amfi's latest AUM data, WhiteOak MF (which acquired YES MF) and Samco MF. The AUMs of both the fund houses is around ₹650 crore.

EBB & FLOW

Among the top five AMC's, only SBI MF managed industry-beating growth

TOP FIVE AMC'S	AUM* (₹trn)	Change** (%)	FASTEST GROWTH	AUM* (₹cr)	Change** (%)
SBI MF	6.83	5.5	Quant MF	11,155	71.5
ICICI Prudential MF	4.76	1.7	Navi MF	1,736	67.1
HDFC MF	4.29	-0.7	PGIM India MF	19,333	31.5
Nippon India MF	2.85	0.6	JM Financial MF	3,030	30.7
Aditya Birla Sun Life MF	2.83	-4.5	PPFAS MF	28,411	22.9
Industry	39.00	2.0			

Note: *Average for the Q2FY23 period; **Over average AUM for Q4FY22
Source: Amfi