

Smaller Fund Houses Make Hay, Both Equity & Debt Schemes See Inflow

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Mutual funds back in demand, assets rise 6% in June quarter

By Bureau
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THE assets of the country's mutual fund industry have grown by over 6%, or Rs42,546 crore, during the April-June quarter on a sequential basis with inflows coming into both equity as well as debt funds.

As per data provided by the Association of Mutual Funds in India (Amfi), average assets under management (AAUMs) of 41 funds for the April-June quarter stood at Rs7,43,083 crore against Rs7,00,537 crore for the January-March quarter. In the previous quarter, Indian MF assets had also seen a rise by over 3%.

A Balasubramanian, CEO of Birla Sun Life MF, says, "We have seen incremental flows coming into the equity schemes through systematic investment plans (SIP). Also relatively lower redemption was witnessed in June on the debt side as compared to the previous quarter."

AVERAGE ASSETS OF TOP 10 FUND HOUSES

in Rs crore

Fund	Apr-Jun 2011	Jan-Mar 2011	% chg
Reliance Mutual Fund	101,259	101,577	-0.3
HDFC Mutual Fund	92,033	86,282	6.7
ICICI Prudential Mutual Fund	79,760	73,466	8.6
UTI Mutual Fund	69,105	67,189	2.9
Birla Sun Life Mutual Fund	67,475	63,696	5.9
SBI Mutual Fund	47,874	41,672	14.9
Franklin Templeton Mutual Fund	34,729	37,883	-8.3
Kotak Mahindra Mutual Fund	33,994	32,202	5.6
DSP BlackRock Mutual Fund	30,022	30,601	-1.9
IDFC Mutual Fund	27,849	21,019	32.5
Total MF assets	743,084	700,538	6.1

Source: Amfi

Among the top 10 fund houses, IDFC MF (32.49%) and SBI MF (14.88%) saw huge increase in their assets for the April-June quarter. According to market participants, in the last three months, several fund houses had launched short-

term fixed maturity plans (FMPs) which had also seen huge response from the retail investors. With higher interest rates existing in the economy, investors are preferring FMPs to park their short-term money. "With equity markets remain-

ing volatile in the last quarter, lot of hot money have also flown into the equity funds" said a chief marketing officer of a leading fund house on condition of anonymity.

However, 11 of 41 fund houses registered a dip in their AAUM

IN THE LAST THREE MONTHS, SEVERAL FUND HOUSES HAD COME UP WITH SHORT-TERM FIXED MATURITY PLANS, WHICH HAD ALSO SEEN HUGE RESPONSE FROM RETAIL INVESTORS

for the quarter ended June. It included names such as Reliance MF, DSP BlackRock MF and Franklin Templeton MF. Country's top fund house, Reliance MF's assets stood at over Rs1,01,259 crore during the quarter witnessing a marginal fall of Rs317 crore or 0.31% while that of HDFC MF rose Rs5,750 crore to Rs92,032 crore for the quarter. Interestingly, smaller fund houses like Taurus MF, Baroda Pioneer MF, IDBI MF and Deutsche MF saw huge increase in their assets.



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