

Mutual Fund at a Glance

Quarter-2 2023-2024

MF Industry at a glance in Q2FY24

- ❖ Quarterly Average AUM (QAAUM) rose 8.95% sequentially in Q2FY24 to Rs. 46.96 lakh crore. This marked the highest sequential growth since Q2FY22.
- ❖ With 10.6% sequential growth, DSP Mutual Fund entered the top 10 AMC list in Q2FY24 by replacing Bandhan Mutual Fund.
- ❖ Assets Under Management (AUM) rose 4.92% QoQ and rose 21.1% annually to Rs. 46.58 lakh crore in Q2FY24.
- ❖ MF industry continued to see net inflows in Q2FY24. Net inflows came in at Rs. 0.30 lakh crore against net inflow of Rs. 1.77 lakh crore in Q1FY24. The decline in net inflows came following net outflows in debt-oriented schemes.
- ❖ Equity-oriented funds continued to witness net inflows in September 2023, marking the 31st consecutive month of net inflow.
- ❖ The contribution through systematic investment plans (SIPs) touched a fresh all-time high of Rs. 16,042 crore in September 2023. In the H1 of FY24, the total SIP contribution stood at Rs. 90,312 crore.

Source: AMFI and MFI 360

What's Inside

Market Update

Mutual Fund Industry Size

Inflow Outflow Analysis

Industry Insights

Regulatory Update

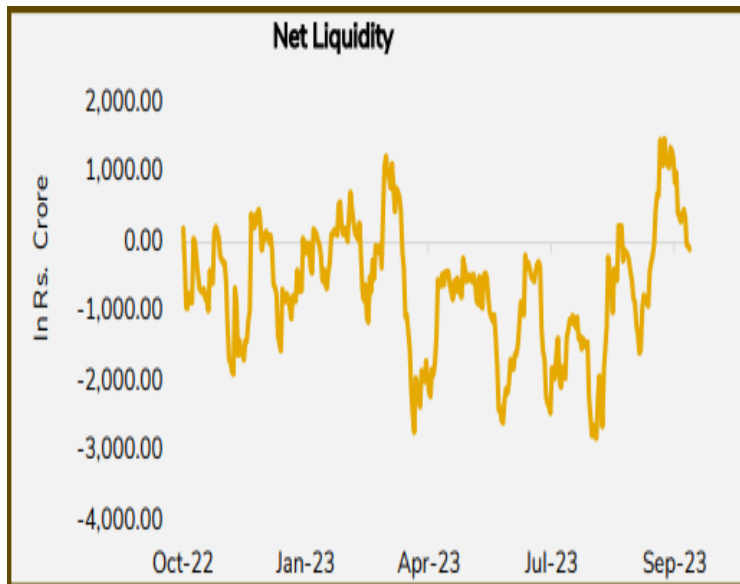
Section – 1: Market Update

10-year Benchmark yield rose on quarterly basis; Liquidity tightened in Q2FY24



10-year benchmark yield rose by 10 bps on quarterly basis due to :

- Increase in global crude oil prices. Global crude oil prices went up 30% over the quarter.
- Rise in U.S. Treasury Yields.
- Worries that interest rates in U.S. may remain at elevated levels for an extended period.

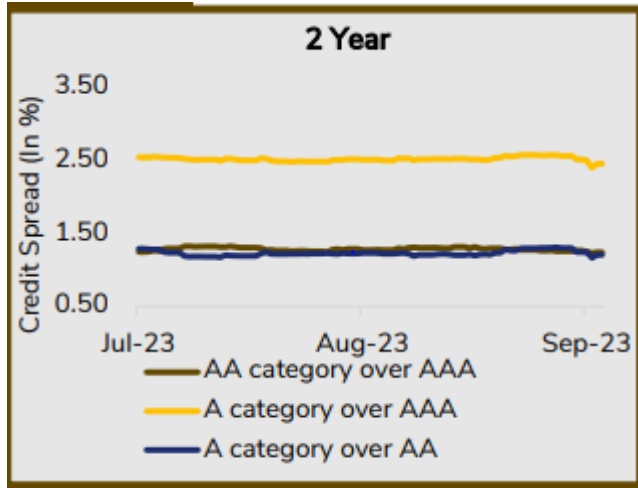


However, losses were restricted due to:

- Inclusion of Indian government bonds in JP Morgan’s Government Bond Index-emerging markets (GBI-EM) index.
- Decline in domestic inflationary pressures. Retail inflation fell from 7.44% in Jul 23 to 5.02% in Sep 23.
 - Yields fell by 19 bps annually.
 - Surplus liquidity in the banking system moderated to some extent during August to September 2023 due to GST and advance tax payments.

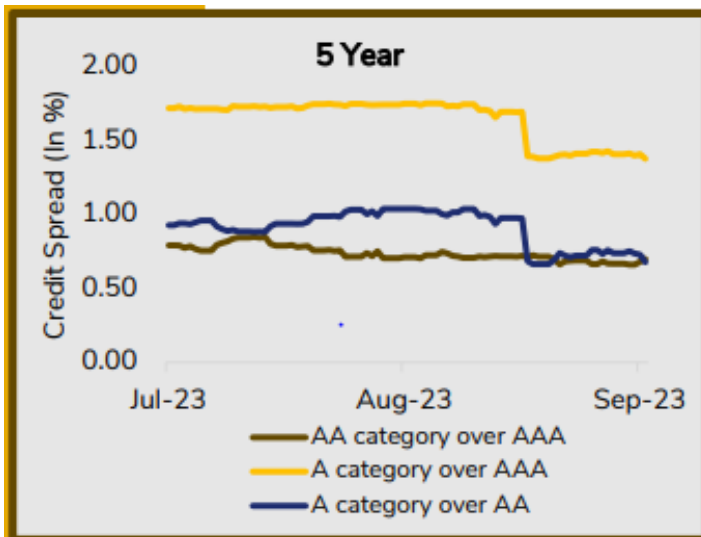
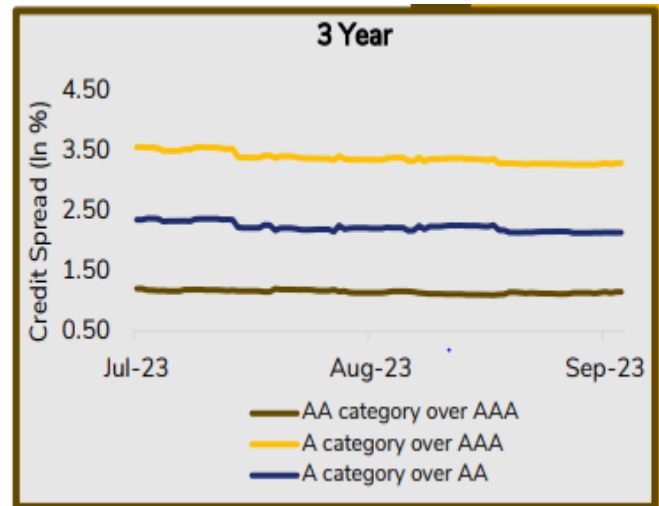
Source: Refinitiv, ICRA Analytics Limited

Spread Analysis



Credit Spread of A category over AAA remained flat in 2-year and 3-year segment and experienced a spread contraction in 5-year segment towards the end of the quarter.

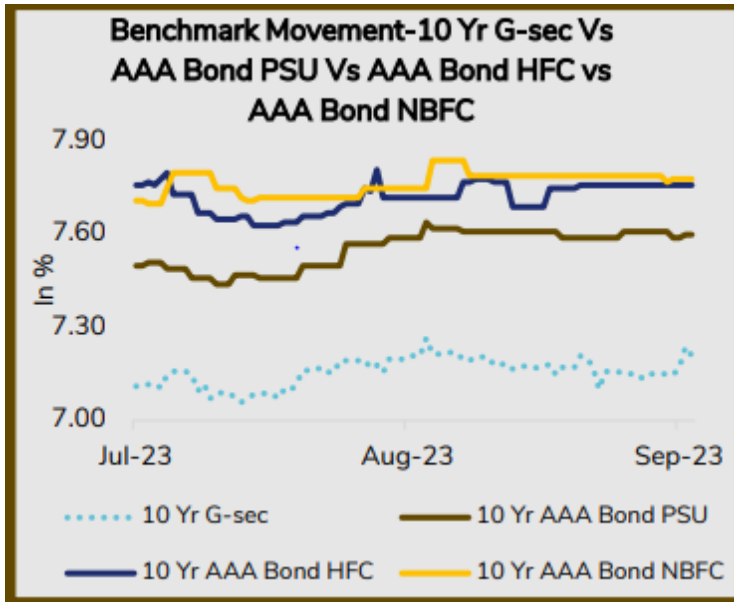
Credit Spread of AA category over AAA remained flat in 2-year and 3-year segment, though experienced a little spread contraction in 5-year segment.



Credit Spread of A category over AA remained flat in 2-year and 3-year segment; experienced slight spread expansion in the 5-year segment in the beginning of the quarter though experienced spread contraction towards the end of the quarter.

Source: : ICRA Analytics Limited; Calculated as average of all securities maturing in 2025, 2026, 2028, respectively in MF portfolio in their respective rating category

Spread Analysis

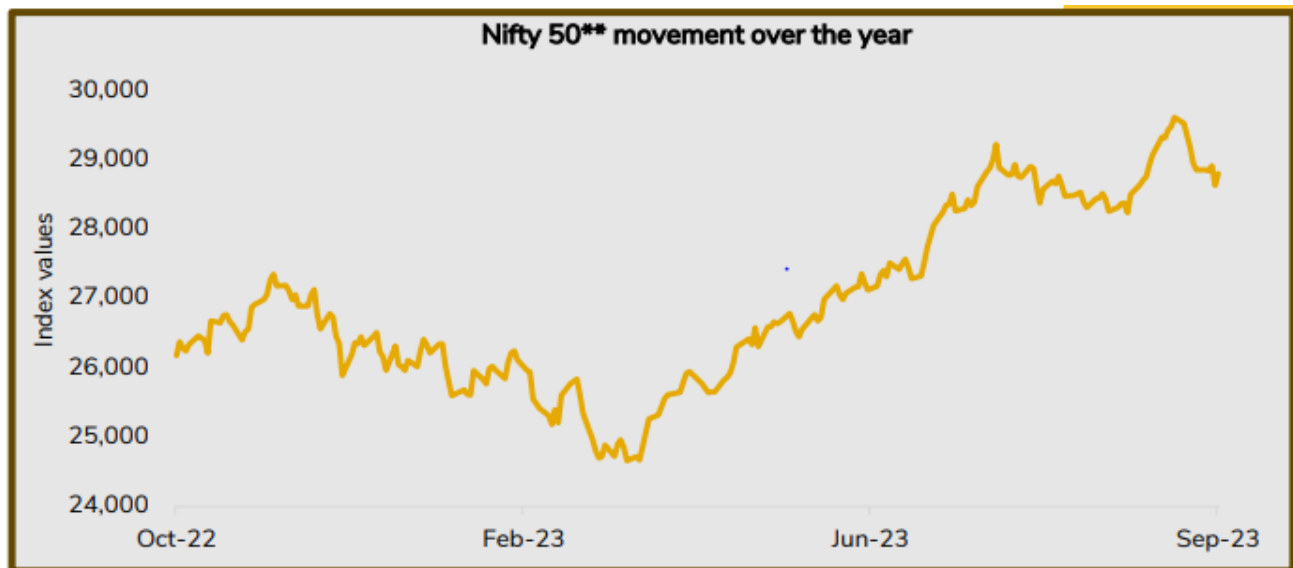


- ❖ Yield Movement in 10-year Gsec, 10-year AAA Bond PSU, 10-year AAA Bond HFC and 10-year AAA Bond NBFC witnessed a slight expansion across the quarter.
- ❖ Credit spread of 1-year AAA over Gsec experienced a slight spread contraction on Q-o-Q basis, though there was spread expansion on Y-o-Y basis; Credit spread of 3-year AAA, 5-year AAA, 10-year AAA over G-Sec experienced spread expansion on Q-o-Q and Y-o-Y basis.
- ❖ Credit spread of 1-year AA bond, 3-year AA bond, 5-year AA bond & 10-year AA bond over G-sec witnessed spread contraction on QoQ basis; Credit spread of 1-year AA bond and 3-year AA bond experienced spread expansion on Y-o-Y basis and Credit spread of 5-year AA bond and 10-year AA bond witnessed credit spread contraction on Y-o-Y basis.

Corporate Bond and G-sec Spread Matrix* (In bps)					
	30-Sep-23	30-Jun-23	30-Sep-22	QoQ change	YoY Change
1 Y-AAA	73	62	42	11	31
3 Y-AAA	40	88	31	-48	9
5 Y-AAA	24	52	37	-28	-13
10 Y-AAA	21	9	47	12	-26
1 Y-AA	105	128	35	-23	70
3 Y-AA	69	86	57	-17	12
5 Y-AA	66	77	88	-11	-22
10 Y-AA	110	83	117	27	-7

Source: ICRA Analytics Limited; Refinitiv *With respect to G-Sec of similar maturity. Semi annualized yields of G-Sec Papers are annualized for calculating spreads.

Nifty 50 ended Q2FY24 with quarterly gains



❖ **Nifty 50 TRI grew by 2.67% QoQ as of September 30, 2023. The upside was driven by:**

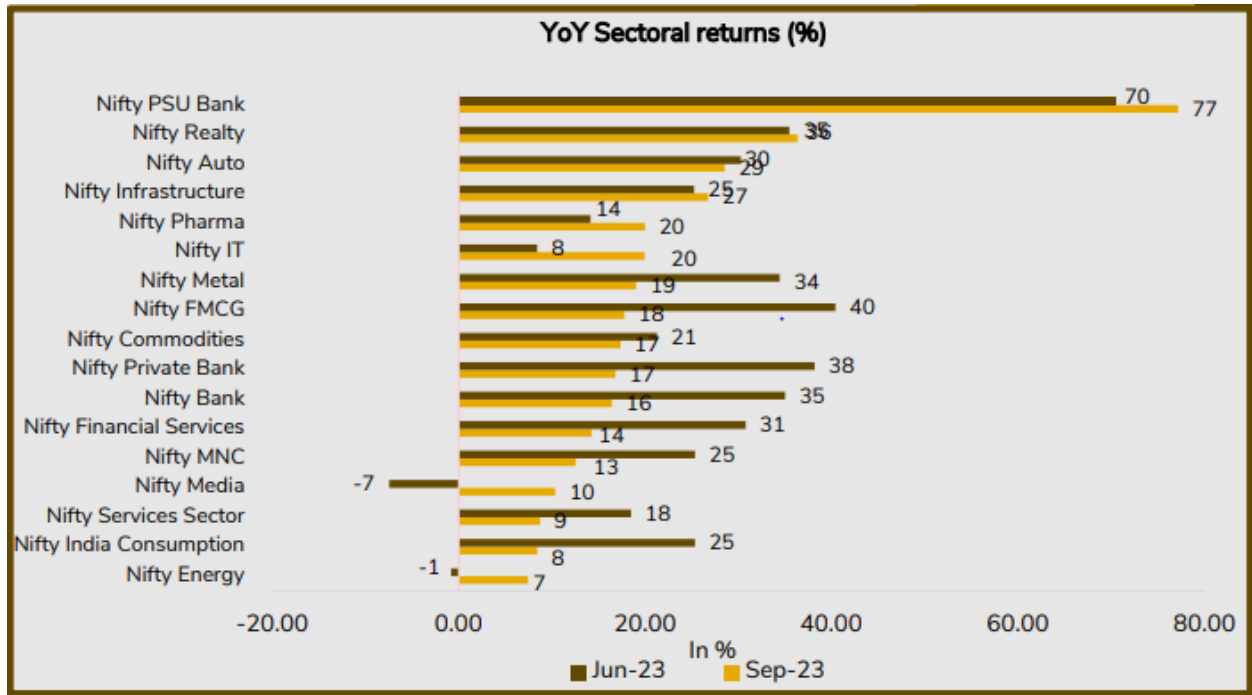
- Upbeat domestic macroeconomic data.
- Continued buying by foreign institutional investors.
- Reserve Bank of India decided to discontinue the incremental cash reserve ratio in a phased manner. The decision was taken to ensure that money markets function in an orderly manner and there are no sudden shocks to system liquidity.
- A historic consensus was achieved at the G20 summit, which too instilled confidence among market participants.
- Optimism on hopes of improved economic data due to the upcoming festive season.

However, following factors restricted the gains:

- Increase in global crude oil prices.
- Worries that interest rates in US, may remain at elevated levels for an extended period.

Index rose 16.11% YoY for the same period.

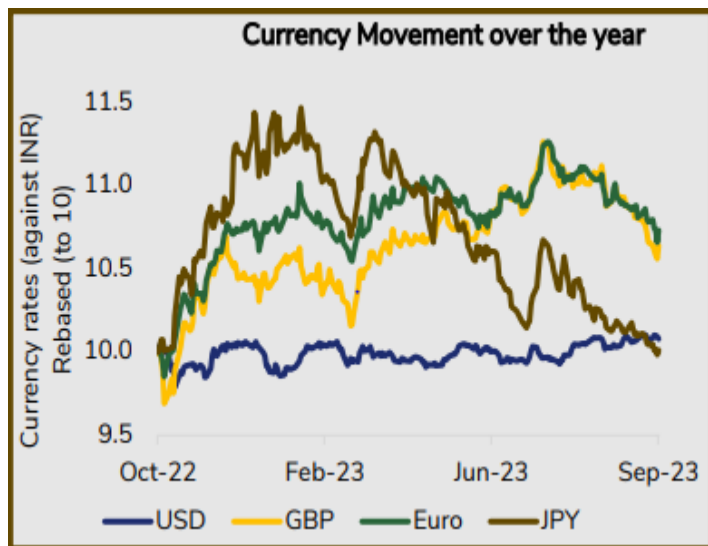
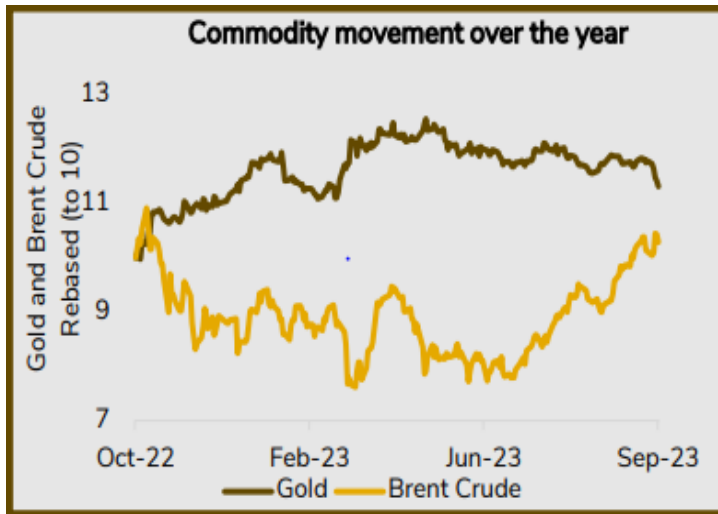
Highest YoY gains seen in Nifty PSU Bank



- On All the 17 sectors witnessed gains over the year for the quarter ended Q2FY24.
- Nifty PSU Bank was the top performer. Markets participants are of the view that state run banks are well-placed in terms of credit growth, asset quality and valuations.
- Realty stocks also benefitted due to strong demand and healthy earnings. Foreign capital inflow into the sector further boosted the sector. Global investors invested in India's real estate sector due to the country's investor-friendly FDI policies, increased transparency in deal structures, and higher investment limits.

Source: MFI 360; **TRI variant of the index has been used for representation purpose

Gold and Rupee fell on quarterly basis; Crude oil prices surged 30% during the quarter

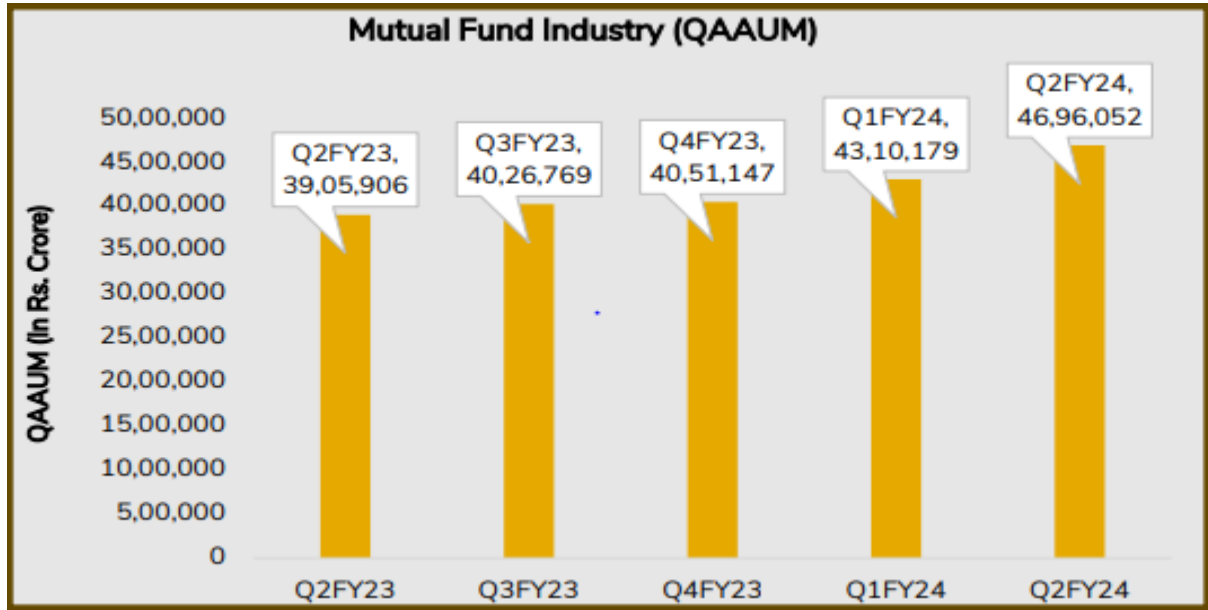


- Gold prices fell on quarterly basis on concerns that the U.S. Federal Reserve will keep interest rates at higher levels for an extended period. However, worries of recession and slowdown in global growth restricted further losses.
- Gold prices rose on yearly basis.
- Brent crude oil prices rose:
 - After Saudi Arabia and Russia announced supply cuts for Aug 2023.
 - Saudi Arabia and Russia extended their voluntary supply cuts of a combined 1.3 million barrels per day to the end of the year.
 - However, worries of slowdown in global growth capped the gains.
- Rupee saw losses on quarterly basis due to increase in global crude oil prices and worries that U.S. Federal Reserve will keep interest rates at higher levels for an extended period.
- However, gains in the domestic equity market restricted further losses.

Source: Refinitiv, ICRA Analytics Limited

Section – 2: Mutual Fund Industry Size

QAAUM rose 9 % sequentially and 20.2% YoY

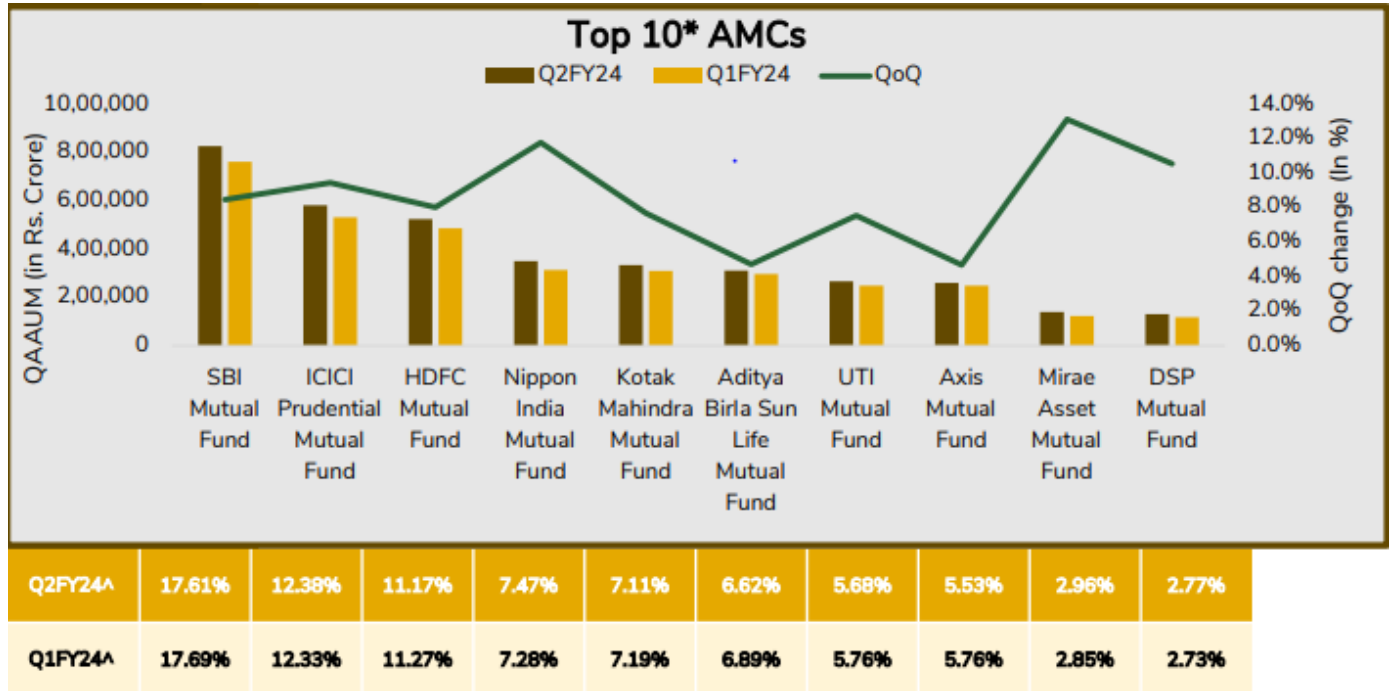


Growth/De-growth Trend of AMCs for the Quarter ended Sep-23	
AMCs*	Range
Top 5	7.7% to 11.8%
Next 10	4.7% to 14.8%
Rest	1.1% to 55.6%

- Quarterly Average AUM (QAAUM) rose 9% sequentially in Q2FY24 to Rs. 46.96 lakh crore. This marked the highest sequential growth since Q2FY22.
- QAAUM grew by 20.2% annually, marking the highest growth since Q3FY22.
- No AMCs witnessed quarterly decline in Q2FY24.
- Top five AMCs with sequential growth were:
 1. Samco Mutual Fund (55.6%)
 2. WhiteOak Capital Mutual Fund (39.1%)
 3. Quant Mutual Fund (35.9%)
 4. LIC Mutual Fund (30.7%)
 5. Mahindra Manulife Mutual Fund (22.6%)

Source: AMFI, MFI 360; On the basis of QAAUM ended Sep-23.

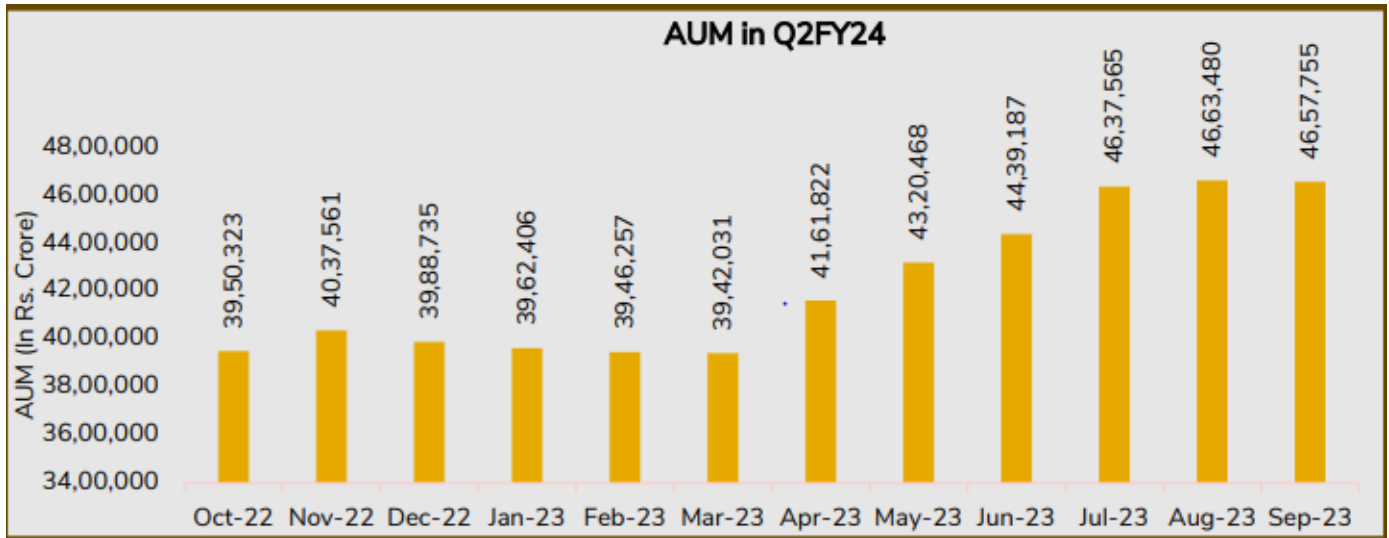
DSP Mutual Fund entered the top 10 AMC list in Q2FY24 by replacing Bandhan Mutual Fund



- The top 10 DSP Mutual Fund entered the top 10 AMC list in Q2FY24 by replacing Bandhan Mutual Fund.
- With 10.6% sequential growth, DSP Mutual Fund entered the top 10 AMC list in Q2FY24 by replacing Bandhan Mutual Fund.
- UTI Mutual Fund and Axis Mutual Fund switched places to take seventh and eighth spots, respectively.
- Among top 10 AMCs, Mirae Asset Mutual Fund saw highest sequential growth (13.1%) followed by Nippon India Mutual Fund (11.8%).

Source: AMFI, MFI 360; *Top 10 AMCs are based on MAR-23 QAAUM; ^Market share in terms of QAAUM

MF Industry witnessed 4.92% QoQ rise in AUM to Rs. 46.58 lakh crore

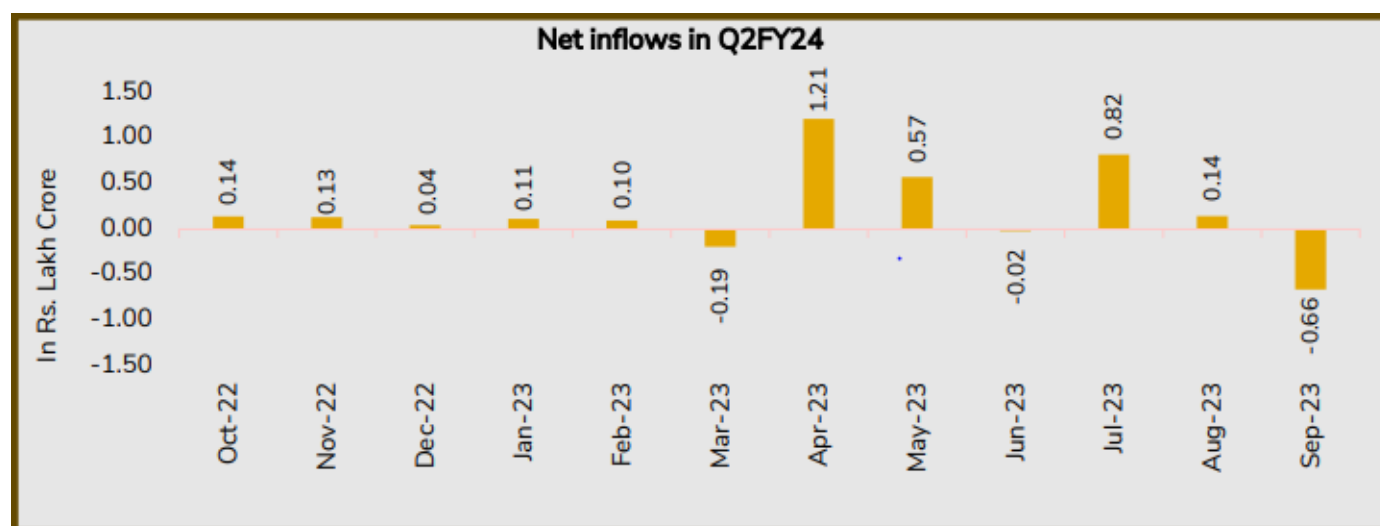


- Assets Under Management (AUM) rose 4.92% QoQ and rose 21.1% annually to Rs. 46.58 lakh crore in Q2FY24
- Under Open Ended category:
 - Top five sub-categories with maximum growth (in Rs.) were: Small Cap Fund (Rs. 30,049 crore), Arbitrage Fund (Rs. 28,736 crore), Mid Cap Fund (Rs. 27,350 crore), Sectoral/Thematic Funds (Rs. 23,964 crore) and Other ETFs (Rs. 21,851 crore).
 - Top three sub-categories with highest growth (in %) were from Hybrid Schemes: Arbitrage Fund (35.6%), Multi Asset Allocation Fund (34.9%), Equity Savings Fund (22.5%). The next two were from equity oriented schemes: Multi Cap Fund (19.6%) and Small Cap Fund (17.8%)
 - Five sub-categories with maximum degrowth (in %) were: Liquid Fund (9.8%), Overnight Fund (8.0%), Fund of funds investing overseas (7.8%), Ultra Short Duration Fund (4.9%) and Gilt Fund with 10 year constant duration (4.8%)

Source: AMFI and MFI 360

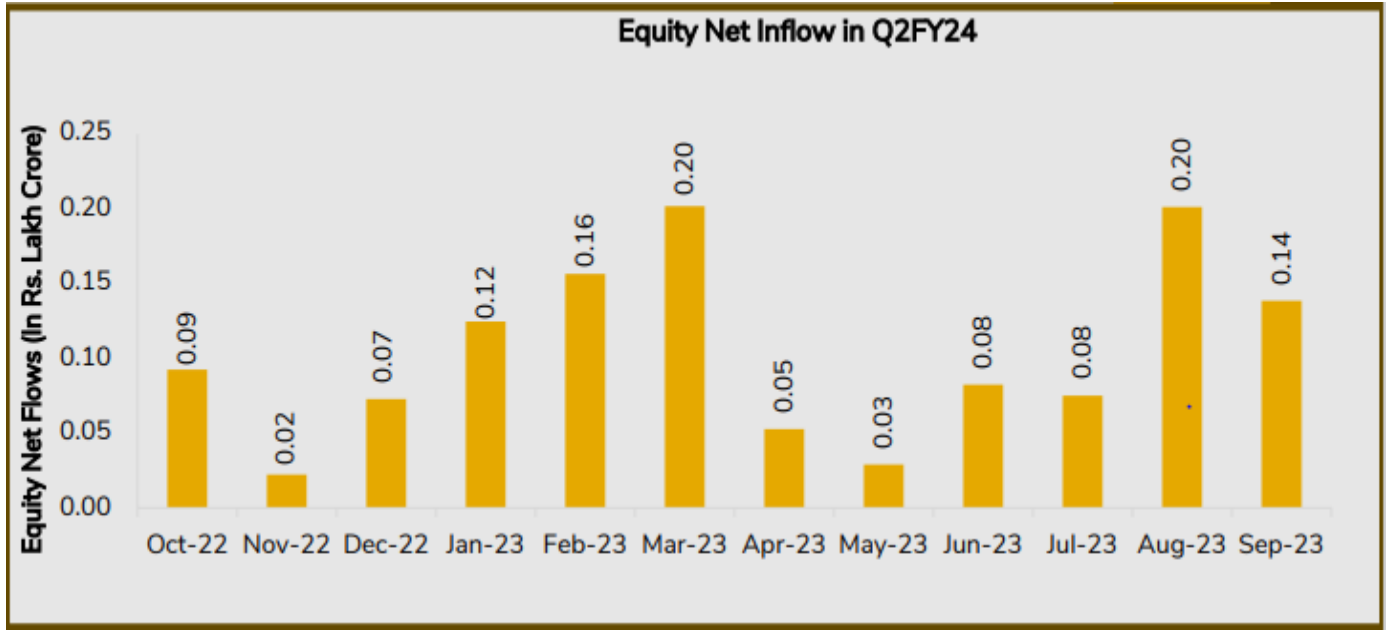
Section – 3: Inflow Outflow Analysis

MF Industry witnessed net inflows in Q2FY24 but lower than the previous quarter



- MF Industry continued to see net inflows in Q2FY24. Net inflows came in at Rs. 0.30 lakh crore against net inflow of Rs. 1.77 lakh crore in Q1FY24. The decline in net inflows came following net outflows in debt oriented schemes.
- Under open-ended category:
 - Debt Oriented Schemes witnessed net see net inflows in Q2FY24. Net inflows came in at Rs. 0.30 lakh crore against net inflow of Rs. 1.77 lakh crore in Q1FY24. The decline in net inflows came following net outflows in debt oriented schemes.
 - Under Debt Oriented Schemes, all categories witnessed net outflows barring Low Duration Fund, Medium to Long Duration Fund, Long Duration Fund and Gilt Fund that continued to witness net inflows.
 - Within Equity Oriented Schemes (including ELSS), all categories witnessed net inflows in Q2FY24 except for Large Cap Fund, Focused Fund and ELSS Fund, similar to previous quarter.
 - Net inflows in Hybrid Schemes rose to Rs. 0.48 lakh crore against net inflows of Rs. 0.14 lakh crore in previous quarter. The rise in net inflows came as all the categories in the hybrid segment witnessed growth in net inflows.
 - Except for Fund of funds investing overseas, all sub-categories under Solution Oriented Schemes and Other Schemes witnessed net inflows.

Equity-oriented funds witnessed 31st consecutive month of net inflows

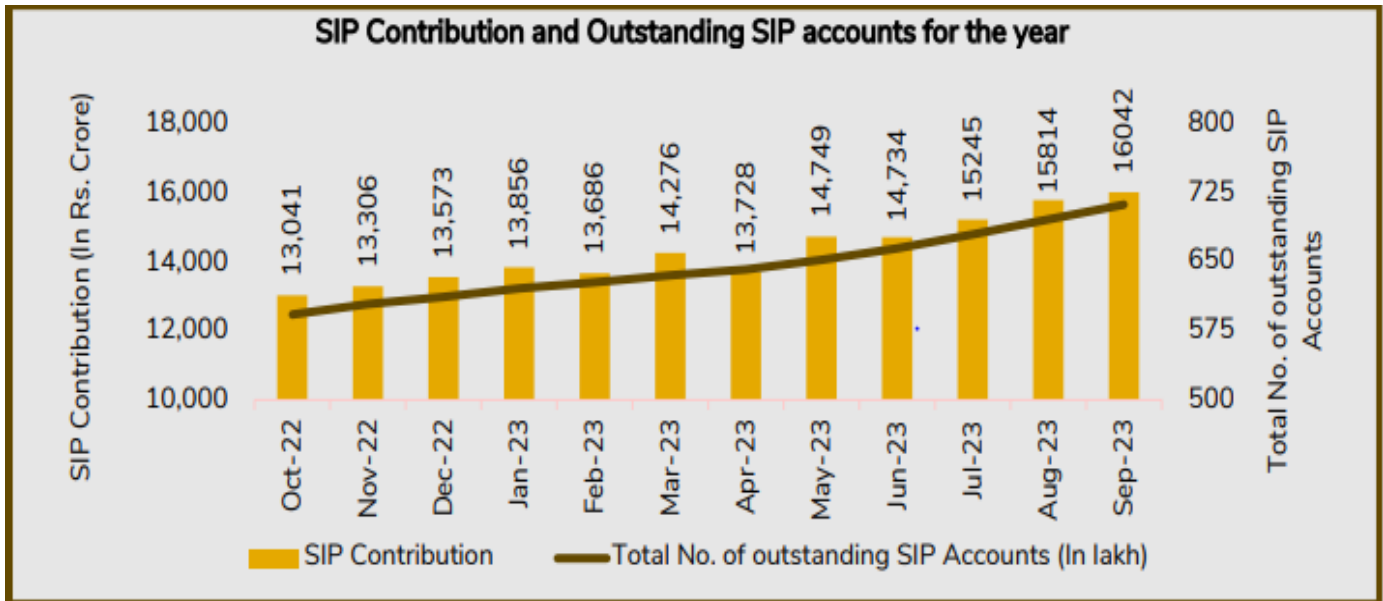


- Net inflows for Equity funds (including ELSS) rose 152.6% sequentially to Rs. 0.41 lakh crore.
- Equity-oriented funds continued to witness net inflows in September 2023, marking the 31st consecutive month of net inflows.
- Under Open Ended category:
 - All categories continued to witness net inflows in Q2FY24 except for Large Cap Fund, Focused Fund and ELSS Fund.
 - Flexi Cap Fund saw the maximum growth in net inflows in Q2FY24 followed by Sectoral/Thematic Funds and Multi Cap Fund.
 - Mid Cap Fund and Small Cap Fund continues to see inflows while Large Cap Funds witnessed outflows.

Source: AMFI and MFI Explorer; Note: Equity includes ELSS funds

Section – 4: Industry Insights

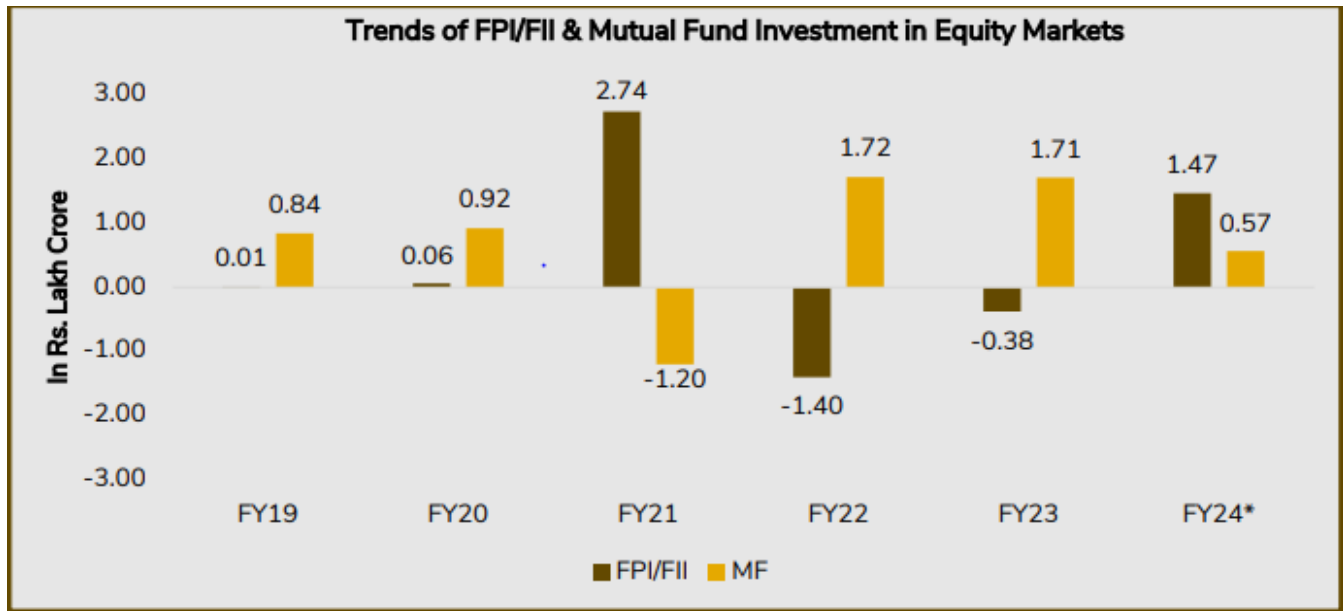
SIP Contribution touched an all time high of Rs. 16,042 crore in September 2023



- The contribution through systematic investment plans (SIPs) touched a fresh all-time high of Rs. 16,042 crore in September 2023.
- In the H1 of FY24, the total SIP contribution stood at Rs. 90,312 crore.
- The number of new SIP accounts increased by 36.77 lakh in September thereby crossing the seven-crore mark. Total number of accounts came to 7.13 crore.
- During H1 of FY24, mutual funds have added a net 77 million SIP accounts compared to 56 million during the same period of FY23.
- The SIP asset under management (AUM) stood at Rs 8.70 crore in September 2023 compared to Rs 8.47 crore in August 2023 and 7.94 in June 2023.

Source: AMFI, ICRA Analytics Limited

FPIs and MFs were net buyers in Q2FY24 and FY24*



- Both Foreign Portfolio Investors (FPIs) and Mutual Funds remained net buyers in FY24 so far
- FPIs remained net sellers in the last 2 fiscals
- Predilection towards domestic equities and FIIs can be attributed to multiple factors:
 - Upbeat domestic macroeconomic data
 - RBI managed to keep retail inflation under control
 - Perception that the Indian economy is a bright spot in the global economy
 - Quarterly corporate earning numbers was along market expectations
 - Anticipation that global monetary policy tightening may soon come to an end
- However, some of the factors which weighed on the market sentiment are as follows
 - Increase in global crude oil prices
 - Worries that higher interest rates may persist for a prolonged period
 - Global macroeconomic headwinds

Source: MFI Explorer. *FY24 till Sep 30, 2023

QAAUM Q2FY24 at a glance

Mkt Share	Asset Management Company	QAAUM		QAAUM (In Rs. Crore)				% Change in QAAUM				
		Q2FY24	% Share	Q1FY24	Q4FY23	Q3FY23	Q2FY23	3M	6M	9M	12M	
Top 20 = 96%	Top 5 = 56%	SBI Mutual Fund	8,26,934	17.61%	7,62,348	7,17,161	7,12,362	6,82,607	8.5%	15.3%	16.1%	21.1%
		ICICI Prudential Mutual Fund	5,81,566	12.38%	5,31,327	4,99,625	4,88,081	4,76,191	9.5%	16.4%	19.2%	22.1%
		HDFC Mutual Fund	5,24,740	11.17%	4,85,748	4,49,766	4,44,796	4,29,271	8.0%	16.7%	18.0%	22.2%
		Nippon India Mutual Fund	3,50,564	7.47%	3,13,598	2,93,159	2,92,803	2,85,054	11.8%	19.6%	19.7%	23.0%
		Kotak Mahindra Mutual Fund	3,33,687	7.11%	3,09,862	2,89,344	2,86,600	2,82,058	7.7%	15.3%	16.4%	18.3%
	Top 10 = 79%	Aditya Birla Sun Life Mutual Fund	3,10,899	6.62%	2,96,895	2,75,204	2,81,717	2,82,580	4.7%	13.0%	10.4%	10.0%
		UTI Mutual Fund	2,66,813	5.68%	2,48,088	2,38,791	2,40,841	2,33,595	7.5%	11.7%	10.8%	14.2%
		Axis Mutual Fund	2,59,795	5.53%	2,48,160	2,41,415	2,48,220	2,48,343	4.7%	7.6%	4.7%	4.6%
		Mirae Asset Mutual Fund	1,38,918	2.96%	1,22,802	1,16,270	1,15,194	1,09,256	13.1%	19.5%	20.59%	27.1%
		DSP Mutual Fund	1,30,149	2.77%	1,17,726	1,14,722	1,16,096	1,11,341	10.6%	13.4%	12.1%	16.9%
		Tata Mutual Fund	1,27,598	2.72%	1,11,151	98,426	94,532	91,284	14.8%	29.6%	35.0%	39.8%
		Bandhan Mutual Fund	1,24,582	2.65%	1,18,168	1,16,906	1,18,899	1,19,870	5.4%	6.6%	4.8%	3.9%
		Edelweiss Mutual Fund	1,10,972	2.36%	1,05,550	1,00,593	93,165	88,590	5.1%	10.3%	19.1%	25.3%
		HSBC Mutual Fund	97,641	2.08%	87,926	83,328	85,840	13,621	11.0%	17.2%	13.7%	616.9%
		Canara Robeco Mutual Fund	74,916	1.60%	67,532	62,485	60,547	55,149	10.9%	19.9%	23.7%	35.8%
		Franklin Templeton Mutual Fund	73,020	1.55%	65,749	63,116	63,992	61,278	11.1%	15.7%	14.1%	19.2%
		Invesco Mutual Fund	57,679	1.23%	50,054	46,444	45,850	42,273	15.2%	24.2%	25.8%	36.4%
		Sundaram Mutual Fund	49,195	1.05%	45,612	44,623	44,657	42,422	7.9%	10.2%	10.2%	16.0%
		PPFAS Mutual Fund	45,608	0.97%	39,110	33,716	31,332	28,411	16.6%	35.3%	45.6%	60.5%
		Motilal Oswal Mutual Fund	34,998	0.75%	31,593	29,579	30,016	29,540	10.8%	18.3%	16.6%	18.5%
		Quant Mutual Fund	31,748	0.68%	23,366	18,761	15,013	11,155	35.9%	69.2%	111.5%	184.6%
		Baroda BNP Paribas Mutual Fund	31,260	0.67%	27,716	24,507	23,744	22,895	12.8%	27.6%	31.7%	36.5%
		LIC Mutual Fund	24,257	0.52%	18,553	17,639	17,978	17,879	30.7%	37.5%	34.9%	35.7%
	PGIM India Mutual Fund	23,548	0.50%	22,518	21,437	21,116	19,333	4.6%	9.9%	11.5%	21.8%	
	Mahindra Manulife Mutual Fund	12,582	0.27%	10,262	9,821	9,277	9,171	22.6%	28.1%	35.6%	37.2%	
	Union Mutual Fund	12,466	0.27%	10,765	10,011	9,808	9,390	15.8%	24.5%	27.1%	32.8%	
	360 ONE Mutual Fund	6,205	0.13%	5,421	4,616	4,684	4,691	14.5%	34.4%	32.5%	32.3%	
	Bank of India Mutual Fund	4,915	0.10%	4,144	3,394	3,362	3,054	18.6%	44.8%	46.2%	60.9%	
	ITI Mutual Fund	4,712	0.10%	4,037	3,612	3,298	2,927	16.7%	30.5%	42.9%	61.0%	
	NJ Mutual Fund	4,470	0.10%	4,361	4,300	4,770	4,962	2.5%	4.0%	-6.3%	-9.9%	
	WhiteOak Capital Mutual Fund	4,200	0.09%	3,018	2,361	1,655	662	39.1%	77.9%	153.7%	534.3%	
	JM Financial Mutual Fund	3,845	0.08%	3,154	2,969	3,256	3,030	21.9%	29.5%	18.1%	26.9%	
	Navi Mutual Fund	3,600	0.08%	3,049	2,210	2,184	1,736	18.1%	62.9%	64.8%	107.4%	
Quantum Mutual Fund	2,024	0.04%	1,932	1,909	1,872	1,801	4.8%	6.0%	8.1%	12.4%		
IL&FS Mutual Fund (IDF)	1,511	0.03%	1,382	1,334	1,455	1,421	9.3%	13.3%	3.9%	6.3%		
Samco Mutual Fund	1,268	0.03%	815	781	735	647	55.6%	62.4%	72.6%	96.0%		
Trust Mutual Fund	1,185	0.03%	1,163	1,190	1,097	967	1.9%	-0.4%	8.0%	22.5%		
IIFCL Mutual Fund (IDF)	646	0.01%	639	629	634	631	1.1%	2.7%	1.9%	2.4%		
Taurus Mutual Fund	597	0.01%	533	513	535	518	12.1%	16.3%	11.6%	15.3%		
Groww Mutual Fund	438	0.01%	377	512	593	581	16.2%	-14.3%	-26.1%	-24.6%		
Shriram Mutual Fund	302	0.01%	275	283	296	254	9.6%	6.7%	1.8%	18.9%		
IDBI Mutual Fund	0	0.00%	3,695	3,690	3,867	3,761						
L&T Mutual Fund	0	0.00%	0	0	0	71,703						
Grand Total		46,96,052	100%	43,10,179	40,51,147	40,26,769	39,05,906					

Note: 1. HSBC Mutual Fund had completed the acquisition of L&T Mutual Fund in November 2022. Accordingly, % change in QAAUM and latest QAAUM data for L&T Mutual Fund has not been displayed. Also, for HSBC AMC %change may have been fuelled by the acquisition of L&TAMC

2. LIC Mutual Fund had completed the acquisition of IDBI Mutual Fund in Jul 2023. Accordingly, % change in QAAUM and latest QAAUM data for IDBI Mutual Fund has not been displayed. Also, for LIC AMC %change may have been fuelled by the acquisition of IDBI AMC

Source: AMFI, MFI360

Section – 5: Regulatory Update

Key takeaways from Monetary Policy Committee Meetings

FY24 Monetary Policy	Repo Rate	MSF and Bank Rate	Standing Deposit Facility	Inflation Projection	GDP- economic growth
06-Oct-23	Unchanged at 6.50%	Unchanged at 6.75%	Steady at 6.25%	Projection lowered from: 6.2% to 6.4% in Q2FY24 Projections lowered from: 5.7% to 5.6% in Q3FY24 Projection retained at: 5.4% for FY24, 5.2% for Q4FY24, 5.2% for Q1FY25	Projection retained at: 6.5% for FY24, 6.5% for Q2FY24, 6.0% for Q3FY24, 5.7% for Q4FY24, 6.6% for Q1FY25
10-Aug-23	Unchanged at 6.50%	Unchanged at 6.75%	Steady at 6.25%	Projection raised from: 5.1% to 5.4% for FY24, 5.2% to 6.2% for Q2FY24, 5.4% to 5.7% for Q3FY24 Projection retained at: 5.2% for Q4FY24 Projected: 5.2% for Q1FY25	Projection raised from: 7.8% to 8% for Q1FY24, 6.2% to 6.5% for Q2FY24 Projection lowered from: 6.1% to 6% in Q3FY24, 5.9% to 5.7% in Q4FY23 Projection retained at: 6.5% for FY24 Projected: 6.6% for Q1FY25
08-Jun-23	Unchanged at 6.50%	Unchanged at 6.75%	Steady at 6.25%	Projection lowered from: 5.2% to 5.1% for FY24, 5.1% to 4.6% for Q1FY24, 5.4% to 5.2% for Q2FY24 Projection retained at: 5.4% for Q3FY24, 5.2% for Q4FY24	Projection raised from: 6.4% to 6.5% for FY24, 7.1% to 7.8% for Q1FY24, 6.0% to 6.1% for Q3FY24, 5.8% to 5.9% for Q4FY24 Projection retained at: 7.8% for Q1FY24, 6.2% for Q2FY24

Mutual Fund at a Glance – Q2 2023-2024



FY24 Monetary Policy	Repo Rate	MSF and Bank Rate	Standing Deposit Facility	Inflation Projection	GDP- economic growth
06-Apr-23	Unchanged at 6.50%	Unchanged at 6.75%	Steady at 6.25%	Projection lowered from: 5.3% to 5.2% for FY24 5.6% to 5.2% for Q4FY24 Projection raised from: 5% to 5.1% for Q1FY24 Projection retained at: 5.4% for Q2FY24 5.4% for Q3FY24	Projection raised from: 7.8% to 8% for Q1FY24 6.2% to 6.5% for Q2FY24 Projection layered from: 6.1% to 6.0% for Q3FY24 5.9% to 5.7% for Q4FY24 Projection retained at: 6.5% for FY24

Source: RBI

RNB Corporate Services Pvt Ltd
 614, Corporate Annexe, Sonawala Road, Goregaon (E)
 AMFI REGISTERED MUTUAL FUND DISTRIBUTOR NO.173108
 CIN: U67190MH2020PTC349176

Disclaimer: The information contained in this report has been obtained from sources considered to be authentic and reliable. However, RNB Corporate Services Pvt. Ltd. is not responsible for any error or inaccuracy or for any losses suffered on account of this information. Mutual Fund investments are subject to market risks, read all scheme related documents carefully.