

Business Standard

Share of debt mutual funds in industry AUM wilts markedly

The share of debt mutual funds (MFs) in the overall industry assets has shrunk dramatically over the past 16 months. At the end of July, the assets under management (AUM) of debt MF schemes (including closed-ended schemes) stood at ₹12.64 trillion – 33.5 per cent of the overall AUM of ₹37.8 trillion for the domestic MF industry. This is a sharp fall, compared to April 2021, when debt AUM accounted for 47 per cent of the overall industry AUM.

This change in mix – more in favour of equity assets – is a healthy

sign for the industry, which corrals more money for managing equity schemes than debt.

The share of debt MFs has been consistently sliding after the pandemic, with interest rates headed south and stock markets ascending.

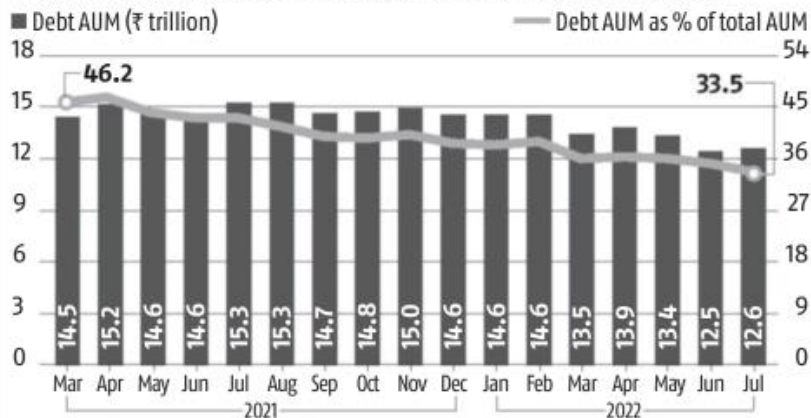
While the overall AUM pie has grown 17 per cent since April 2021, debt AUM has compressed 17 per cent.

Non-debt AUM – largely equity – has risen 46 per cent during this period, driven by persistent inflows into equity-oriented schemes and rising asset prices.

SAMIE MODAK

WELCOME CHANGE

The changing mix is seen boosting profitability of fund houses



Sources: CARE Ratings, Association of Mutual Funds in India



Clipped from - Business Standard - August 16, 2022

Read it digitally on the Magzter app

MAGZTER