

# In FY24, MFs pumped ₹1.88-lakh cr into equity

**Ashley Coutinho**  
Mumbai

Mutual funds pumped in ₹1.88-lakh crore into equities in 2023-24, 8 per cent more than the previous fiscal year and double their equity investments five years ago.

This compares with the ₹2.08-lakh crore put in by foreign portfolio investors in FY24. Steady flows from domestic institutional investors have increasingly supported the market the past few years. Equity schemes saw net flows of ₹1.58-lakh crore in FY24 (excluding March). This is higher than all other years except FY18 when flows stood at ₹1.69-lakh crore.

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schemes in the past few years,” said DP Singh, Deputy CEO, SBI MF.

## SMID's TURN STAR

The bulk of the MF flows in FY24 was into small- and mid-cap (SMID) thematic and multi-cap schemes as equities continued to hit fresh highs.

Market-watchers say that about 40 per cent of equity flows in the past two years went into small- and mid-cap funds.

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**ON EQUAL FOOTING.** This compares with ₹2.08-lakh crore pumped in by FPIs

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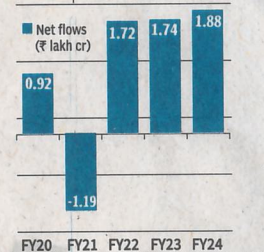
## SMID'S TURN STAR

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Experts say that about 40 per cent of equity flows in the past two years have gone to small and mid-cap funds. The net AUM of open-ended small cap schemes grew by 89 per cent year-on-year to ₹2.49-lakh crore, as on February 29. Meanwhile, the assets of mid-cap schemes rose 61 per cent to ₹2.96-lakh crore in the same period.

“Post Covid, the portfolio numbers have multiplied manifold, with an increasing number of young people investing through mutual funds. In the past two years, there has been a departure in

## Mutual fund flows in equities



Source: Capitaline

the risk profile of an average investor in the ownership of small and midcap schemes as investors have been chasing returns,” said Swarup Mohanty, CEO, Mirae Asset MF.

The monthly SIP book remained robust at ₹14,000-15,000 crore for the past year. Equity assets now form about 42 per cent of overall MF assets. This figure was about 30 per cent five years ago.

“Two years ago, most of

## IT'S A DELUGE

- Bulk of the flows have come into small- and mid-cap thematic and multi-cap schemes
- Monthly SIP book remained robust at ₹14,000-15,000 crore
- Share of domestic MFs in NSE-listed companies rose to an all-time high of 8.81% as of December end

the inflows came into hybrid categories. The equity market has given decent returns in the past two years. That combined with the higher risk appetite among investors, the adverse taxation of debt funds and financialisation of savings have resulted in

higher inflows into equity schemes in FY24. Sixty-seventy per cent of the inflows has been through systematic investment plans,” said Niranjana Avasthi, Head - Product, Marketing and Digital of Edelweiss Asset Management.

SEBI had recently mandated routine stress tests to be conducted on small and mid-cap funds to highlight the potential liquidity risk associated with these funds when the markets come under pressure. Some funds have imposed restrictions on the inflows and exits. As a result, these schemes are likely to see lower inflows in March, said industry officials.

The share of domestic mutual funds in companies listed on NSE rose to an all-time high of 8.81 per cent as on December 31 last year, led by robust net inflows, according to primeinfobase.com.