SEVEN PLAYERS RAISE JUST ₹27,000 CR AMID MARKET VOLATILITY

New MFs face an uphill climb

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SLOW PROGRESS

Fund House	Total monthly average AUM (in crore)	Active equity assets	Passive assets	Liquid + Overnight + Ultra short duration
Abakkus	5,643	5,350	0	293
Angel One	610	NA	610	0
Capitalmind	575	432	0	91
Choice	85	NA	85	0
Jio BlackRock	17,883	3,274	1,067	9,462
The Wealth Company	1,288	534	24	559*
Unifi	1,532	192	NA	124
Total	**27,616**	**9,782**	**1,786**	**10,529**

*Includes assets from money market scheme (fund house has not provided scheme-wise data)
All data as of May 2026; Source: PrimeMF Database

THE MUTUAL FUND industry has expanded rapidly in recent years with a wave of new players entering the market. But for some of these fund houses, the launch timing has proved challenging as prolonged market volatility has limited their ability to attract assets.

The Securities and Exchange Board of India (Sebi) has granted final approval to 12 fund houses to launch schemes since March 2024, of which seven have already commenced operations. However, as of May 2026, the combined assets under management (AUM) of these seven fund houses stood at ₹27,616 crore, according to data shared by PrimeMF Database.

In comparison, the mutual fund industry has added ₹28.18 lakh crore in assets since FY24 and ₹15.84 lakh crore since FY25 till May 2026, highlighting the uphill task faced by new entrants in scaling up.

Among the seven operational fund houses, only JioBlackRock Mutual Fund has crossed ₹10,000 crore in average monthly assets. Even within the ₹27,616-crore corpus, nearly ₹10,000 crore is concentrated in liquid, overnight and ultra-short duration schemes, largely driven by corporate treasury investments. Of the five fund houses that have launched active schemes, only Abakkus Mutual Fund has accumulated more than ₹5,000 crore in active equity assets. This compares with an increase of ₹12.65 lakh crore in active equity assets across the industry since FY24 and ₹6.68 lakh crore since FY25.

The struggle of new fund houses to gain market share comes at a time when equity markets have witnessed extended volatility. Prasanna Pathak, deputy CEO, The Wealth Company Mutual Fund, believes market uncertainty has made it harder for new players to attract investors, as customers tend to prefer established brands with proven track records during uncertain periods.

"For a distributor-led model like The Wealth Company, the key challenge is earning mindshare and confidence among intermediaries who already have several established options," he said. Pathak added that positive investor outcomes and distributor trust would be crucial for future growth. Fund houses with a clear identity, strong governance and differentiated capabilities, he said, are better positioned to build scale and create long-term value.

Vaibhav Chugh, CEO, Abakkus Mutual Fund, said that despite the industry being concentrated among the top 10 fund houses, there remains significant opportunity for new AMCs as mutual funds gain wider acceptance as long-term wealth creation vehicles.

"The biggest challenge for any new fund house is establishing credibility among investors," he said, adding that a defined investment philosophy, time and consistent execution are essential to building confidence.

Chugh pointed out that gaining visibility among distributors and investors remains difficult due to limited shelf space and intense competition, making asset accumulation a gradual process requiring sustained engagement. He said the rise of passive investing among first-time investors has intensified competition. However, he believes volatility can create opportunities for smaller active fund managers to identify emerging opportunities.

Besides the seven operational players, five entities holding mutual fund licences are yet to commence operations. These are ASK Mutual Fund, Alphagrep Mutual Fund, Monarch Networth Capital, Nuvama Asset Management, and Wealth First Portfolio Management. Nimesh Mehta, chief business officer, Nuvama Asset Management, said the AMC plans to enter the specialised investment fund market first before launching mutual fund offerings.