



BUILT ON RULES

Mutual Fund Industry Update

February 2026



TOPIC

INDUSTRY OVERVIEW & AUM GROWTH

NET INFLOWS & CATEGORY BREAKDOWN

NFO TRENDS & FUND MOBILIZATION

THE POWER OF SIPS & RETENTION

STRUCTURAL SHIFTS: ACTIVE VS. PASSIVE



SCALE



MOMENTUM



INNOVATION

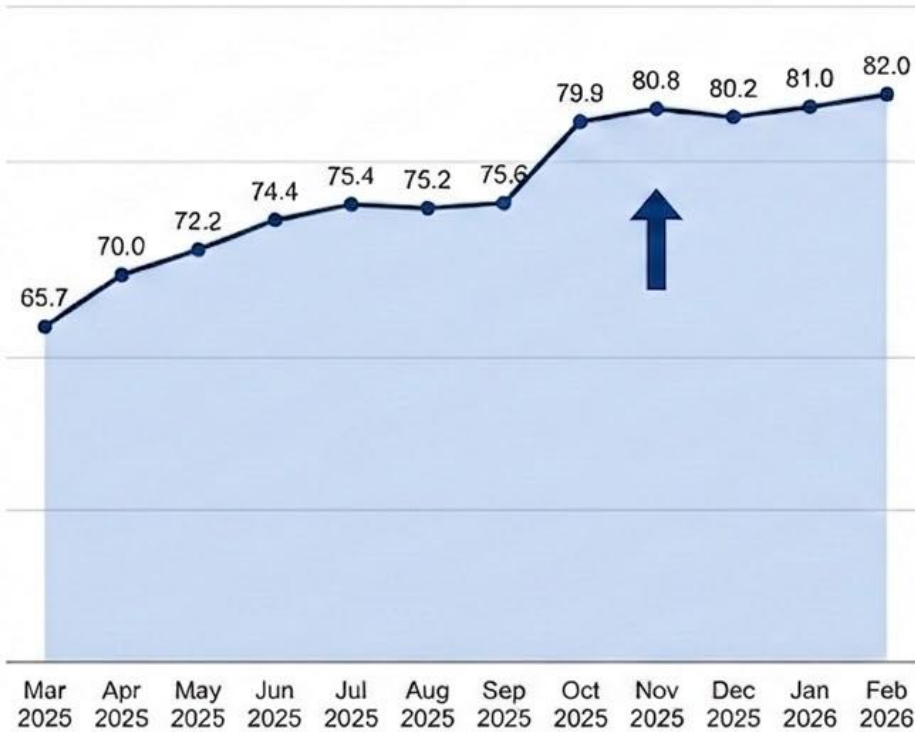


DISCIPLINE

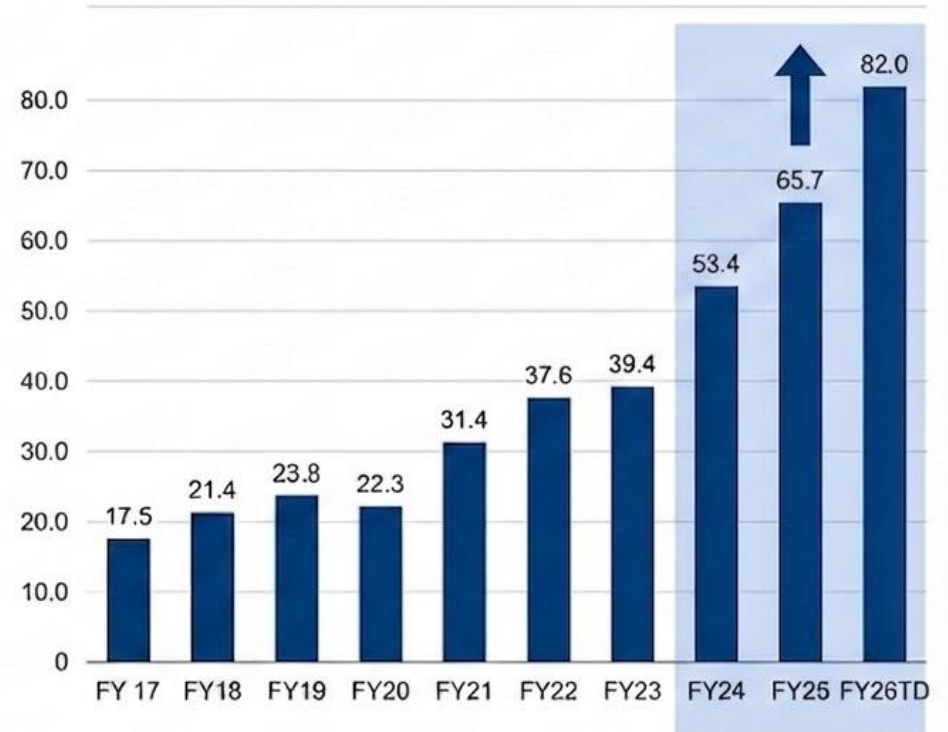


EVOLUTION

Net AUM Trend MoM (INR Lac Crores)



Net AUM Trend YoY (INR Lac Crores)



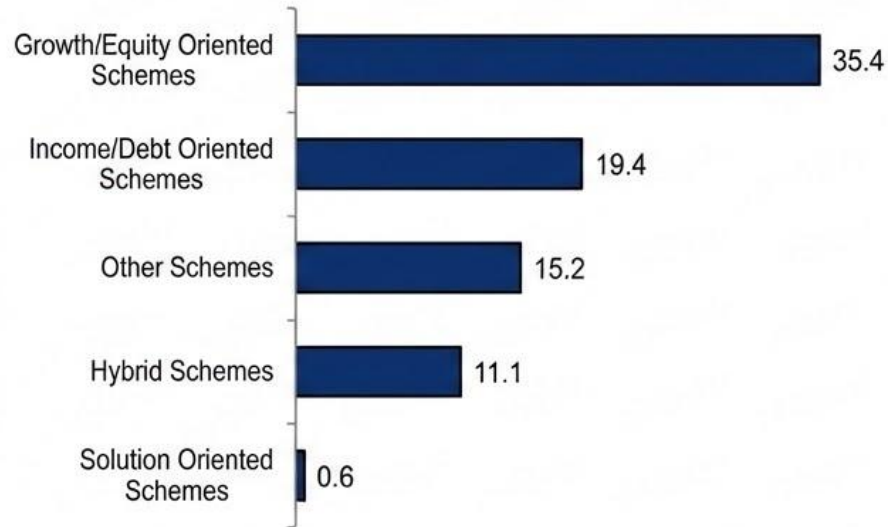
Key Highlights

- The industry demonstrates relentless YoY compounding, scaling from ₹17.5 Lac Cr in FY17 to a historic ₹82.0 Lac Cr in FY26TD.
- Short-term MoM growth remains remarkably low-volatility, adding over ₹16 Lac Cr in AUM in just the last 12 months.

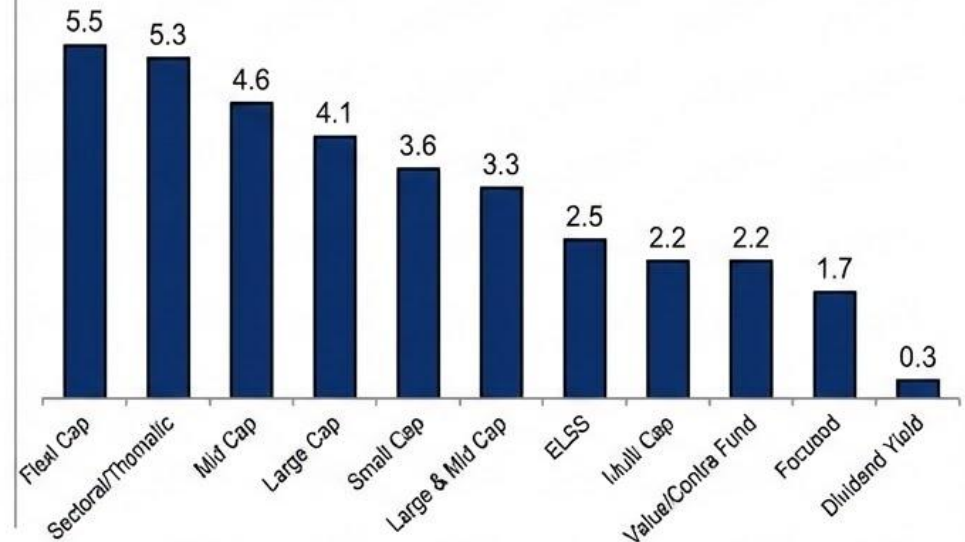
Source: AMFI | 31st March 2025 - 28th February 2026

Source: AMFI | FY 2016-17 - FY 2025-26TD. FY 2025-26TD data is as of February 2026

Category-wise Net AUM (INR Lac Crores)



Equity Schemes Net AUM (INR Lac Crores)



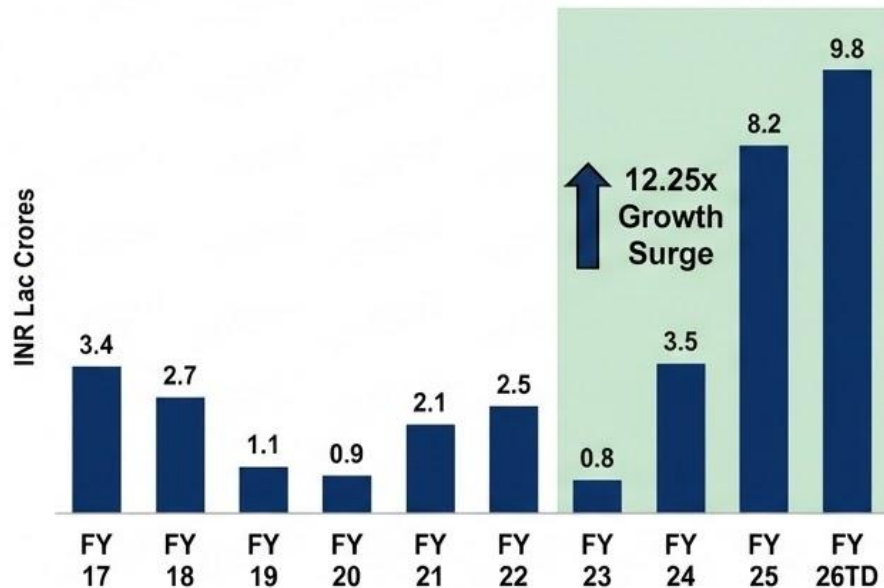
Key Highlights

- Growth/Equity completely dominates the broader asset class composition, commanding ₹35.4 Lac Cr of total industry AUM.
- Within the equity space, capital concentration is highest in Flexi Cap (₹5.5 Lac Cr) and Sectoral/Thematic funds (₹5.3 Lac Cr).

Source: AMFI | Data is as of February 2026. Only open-ended schemes are considered.

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Net Inflow Trend YoY



Extraordinary macro momentum, scaling from 0.8L Cr in FY23 to a record 9.8L Cr in FY26TD.

Net Inflow Trend MoM



Despite intense MoM drawdowns, investor recovery and capital deployment remain exceptionally swift.

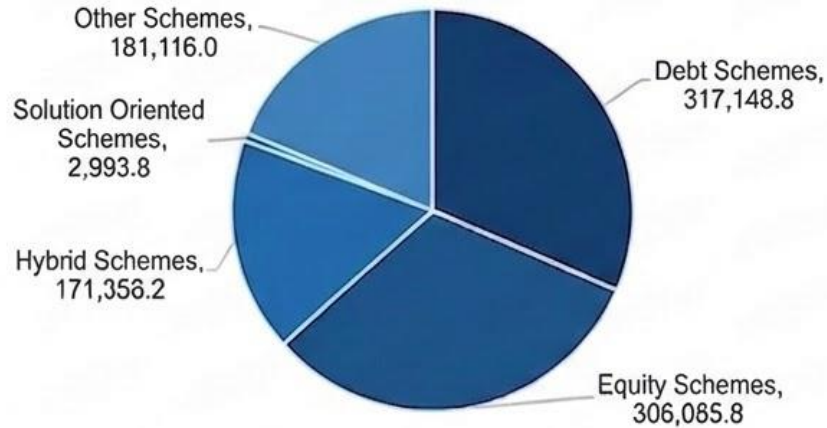
Key Highlights

- **The Surge Narrative:** The mutual fund industry is witnessing unprecedented long-term capital accumulation, multiplying over 12x in net inflows over the last four fiscal years.
- **The Resilience Narrative:** Short-term volatility is standard; sharp outflows (e.g., Dec '26) are consistently met with robust, immediate recovery capital (e.g., Jan '26), indicating mature investor behavior and strong buy-on-dip momentum.

Source: AMFI | FY 2016-17 - FY 2025-26TD. FY 2025-26TD data is as of February 2026

Source: AMFI | March 2025 - February 2026

Category-wise Net Inflows (INR Crores)



Broad capital allocation shows near-parity between primary Debt and Equity vehicles.

YTD Equity Schemes Net Inflows



Investors are aggressively favoring flexible and high-growth mandates over locked-in or yield-focused funds.

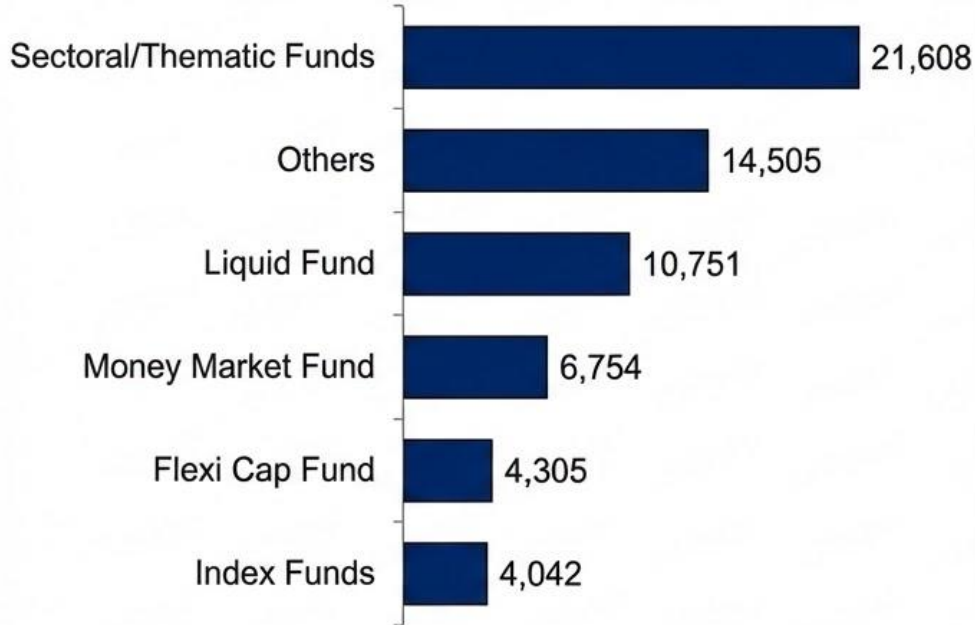
Key Highlights

- **Balanced Macro, Aggressive Micro:** While top-level allocation demonstrates a balanced approach between Debt (~3.17L Cr) and Equity (~3.06L Cr), the sub-category behavior reveals a strong Risk-On appetite.
- **The Dominance of Flexibility:** Flexi Cap Funds command the overwhelming majority of equity inflows (~₹79K Cr), signaling that investors prefer handing mandate flexibility to fund managers.
- **Abandonment of Constraints:** Traditional constraint-based or lock-in vehicles (ELSS: -₹5,420.4 Cr) and fixed-strategy funds (Dividend Yield: -₹811.6 Cr) are experiencing active capital flight.

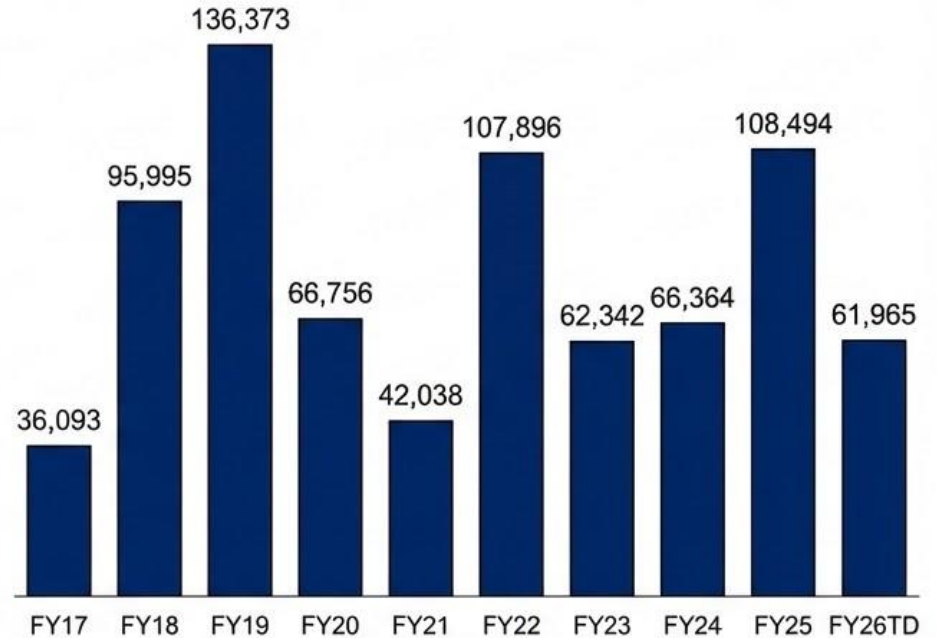
Source: AMFI | Data is for FY 2025-26TD, as of February 2026. Only open-ended schemes are considered. Yearly Net Inflows figure is calculated as the sum of Monthly Net Inflows figures.

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Category-wise NFO Fund Mobilization (INR Crores)



NFO Trend YoY (INR Crores)



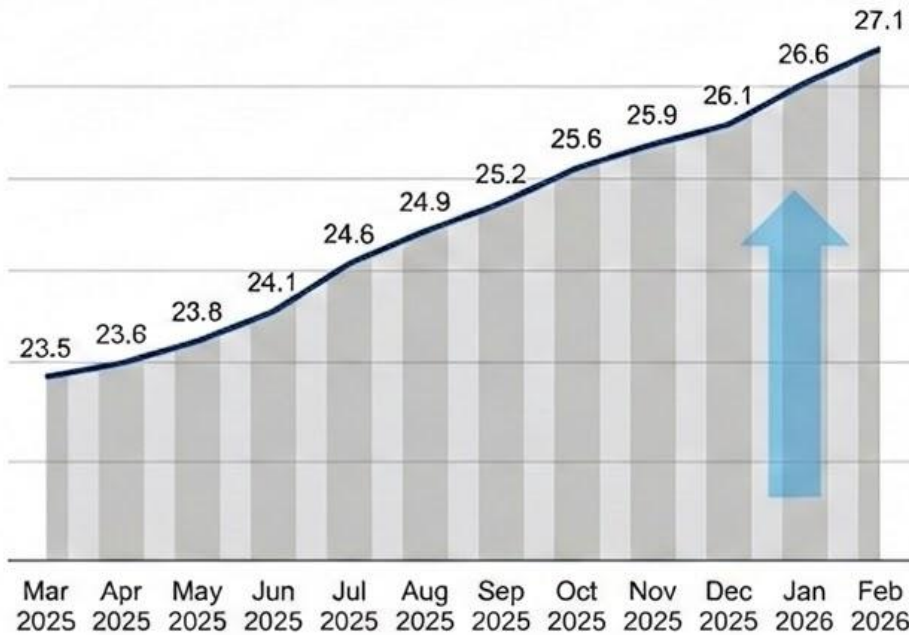
Key Highlights

- Sectoral and Thematic funds are currently the dominant drivers of new capital mobilization, raising ₹21,608 Cr in the NFO market.
- Overall NFO mobilization for FY26TD (₹61,965 Cr) remains solid, though currently tracking behind the cyclical peaks of FY19 and FY25.

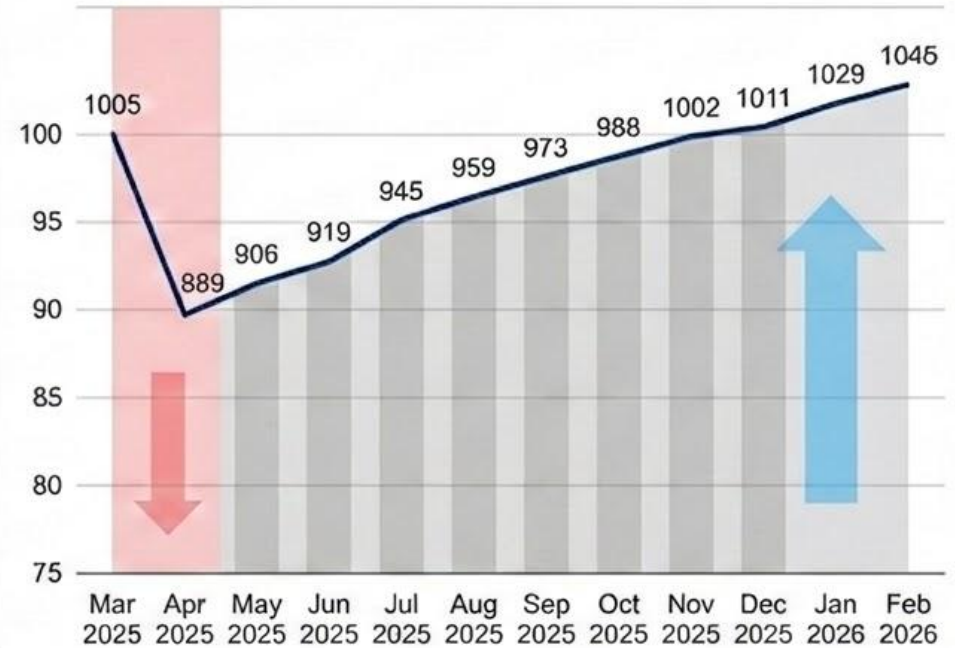
Source: AMFI | FY 2016-17 - FY 2025-26TD. FY 2025-26TD data is as of February 2026

Source: AMFI | Data is for FY 2025-26TD, as of February 2026.

No. of Folios (In Cr.)



Total No. of outstanding SIP Accounts (in lakhs)



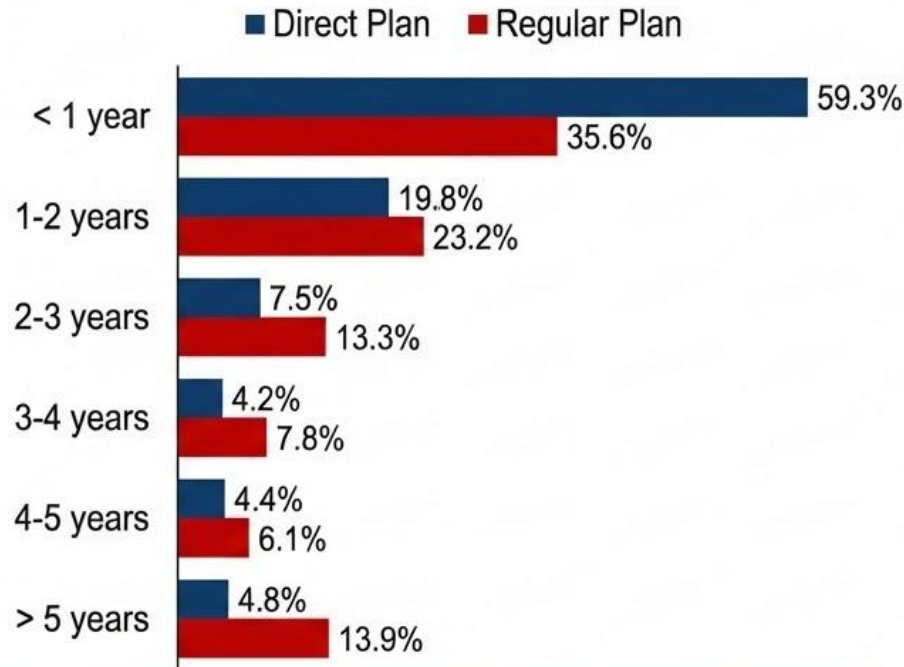
Key Highlights

- Total industry folios demonstrate a synchronized, unbroken month-over-month growth trajectory, reaching 27.1 Crore.
- Following a brief dip in April 2025, outstanding SIP accounts have surged to 1,045 lakhs, highlighting deep retail penetration and expanding systematic investment culture.

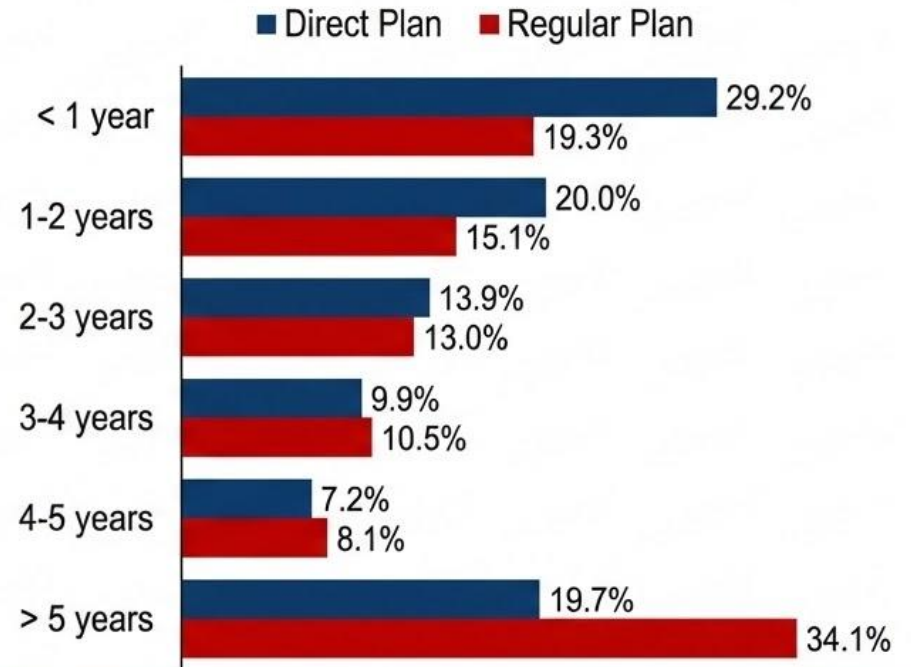
Source: AMFI | March 2025 - February 2026

Source: AMFI | March 2025 - February 2026

SIP accounts continuing for: Direct Plan vs Regular Plan (%)



SIP AUM: Direct Plan vs Regular Plan (%)

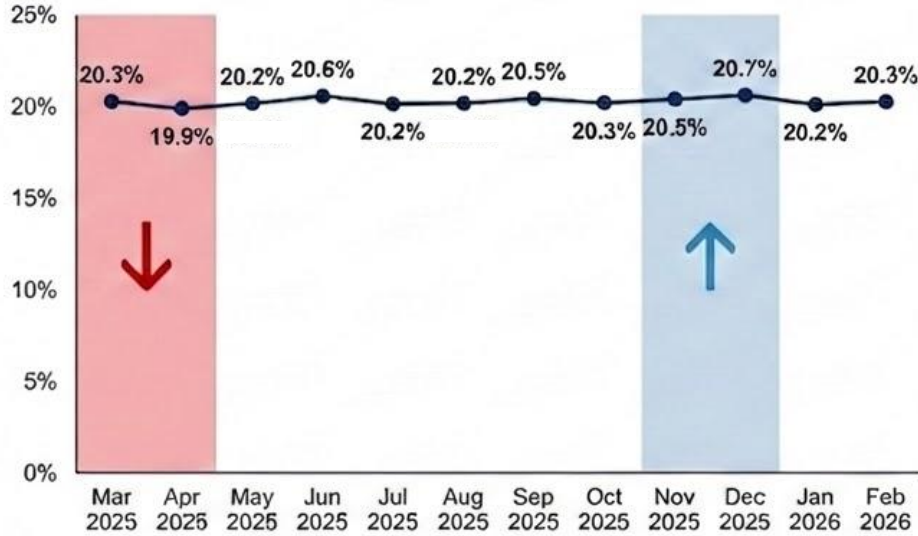


Key Highlights

- While an overwhelming majority of Direct SIP accounts (59.3%) are less than 1 year old, the underlying AUM story is vastly different.
- A massive 34.1% of all Regular Plan SIP AUM sits in highly sticky accounts older than 5 years, proving the long-term retention value of advised channels.

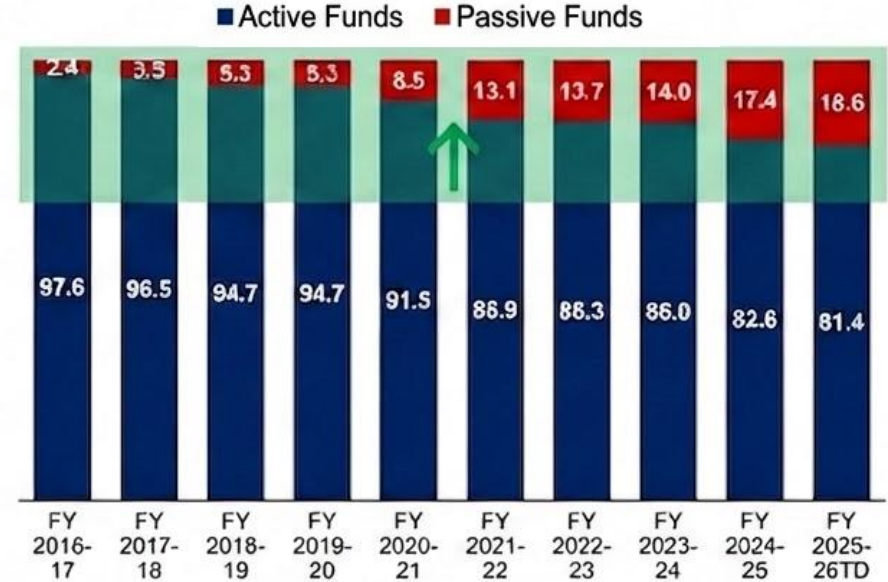
Source: AMFI | Data is for the period February 2026

SIP assets as a % of Industry Assets



SIP contributions maintain a highly stable ~20% share of total industry assets with minimal monthly volatility.

Active Vs Passive Funds: Net AUM (%)



Passive fund AUM share has expanded continuously over the past decade, capturing 18.6% of net assets.

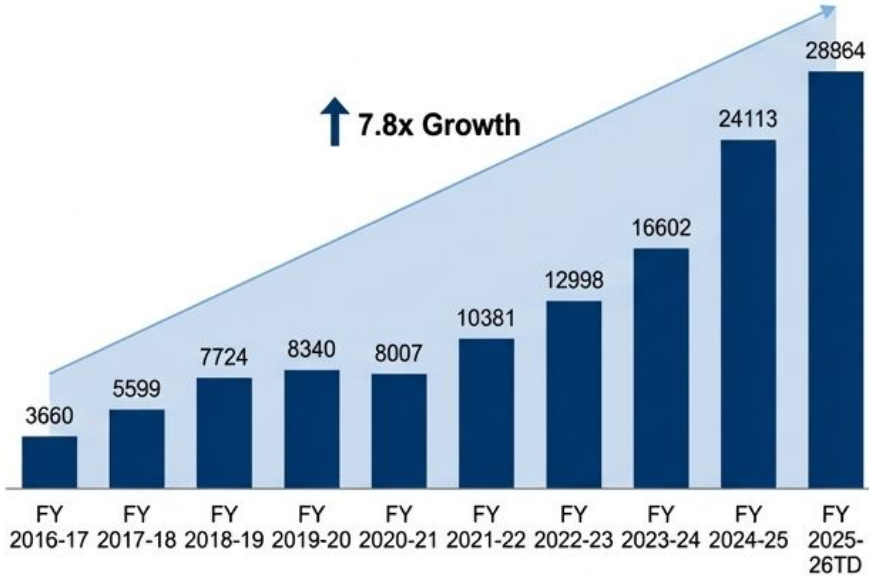
Key Highlights

- Retail inflows via SIPs demonstrate high baseline resilience, anchoring total industry assets near the 20% threshold throughout the year.
- Investor preference exhibits a decisive, long-term structural shift toward passive vehicles, expanding from 2.4% to 18.6% over a ten-year period.
- Distributors must adapt to a dual-trend environment: stable systemic SIP inflows paired with rapidly expanding passive allocations.

Source: AMFI | March 2025 - February 2026

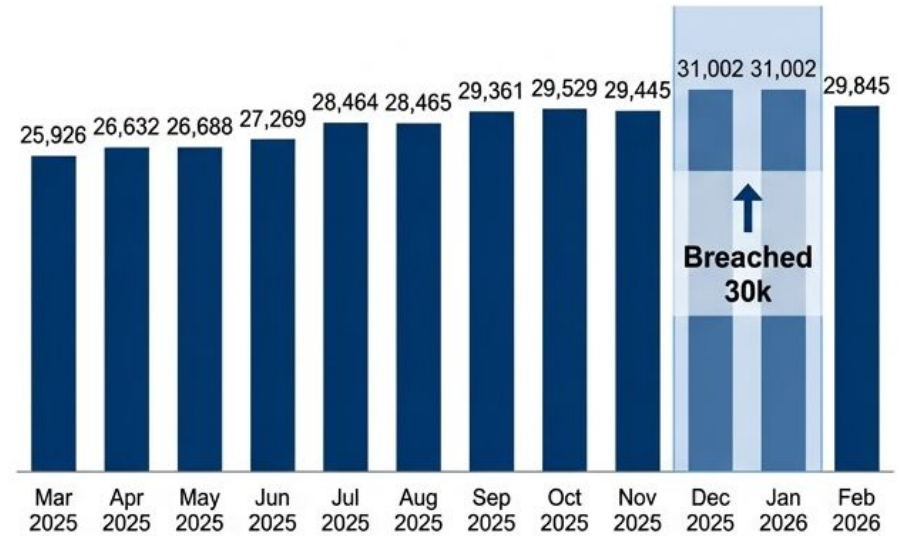
Source: AMFI | FY 2016-17 - FY 2025-26TD. FY 2025-26TD data is as of February 2026. Passive Funds include: Index Funds, Gold ETF, Other ETFs, and Fund of funds investing overseas. Remaining open-ended and all close-ended schemes are classified as Active Funds. Active Funds and Passive Funds Net AUM is each shown as a percentage of Total Net AUM.

Average SIP Book (INR Crores)



The average SIP book has expanded nearly 8-fold over the decade, accelerating significantly in the post-FY23 period.

Monthly SIP Contribution (INR Crores)



Short-term data confirms momentum, with contributions crossing the 31,000 Crore threshold.

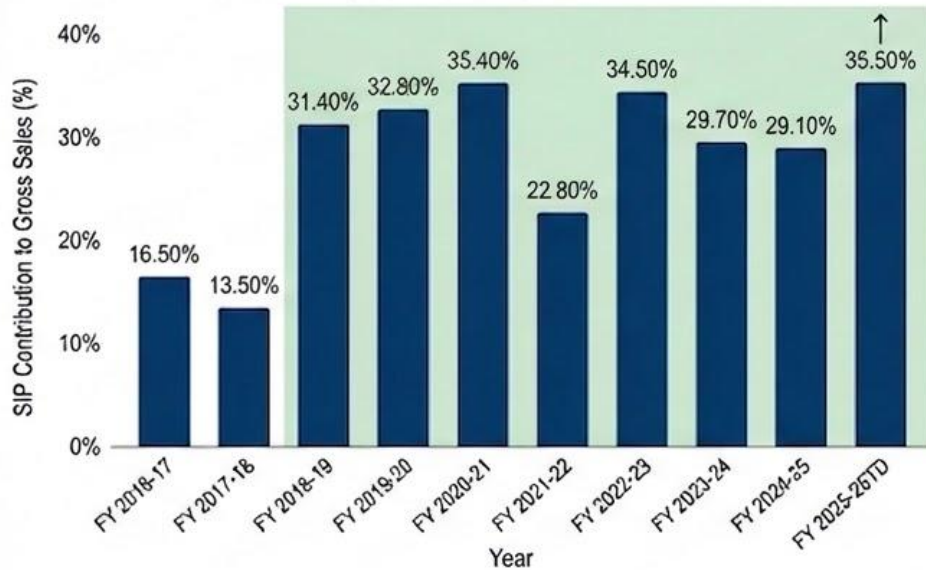
Key Highlights

- **Long-term structural shift confirmed:** Average book size has grown steadily from 3660 Crores to 28864 Crores.
- **Immediate momentum is accelerating:** Monthly run-rate has stabilized above 25k Crores and recently peaked at 31,002 Crores.

Source: AMFI | FY 2016-17 - FY 2025-26TD. FY 2025-26TD data is as of February 2026. Average SIP Contribution is calculated by dividing yearly SIP Contribution by the number of months.

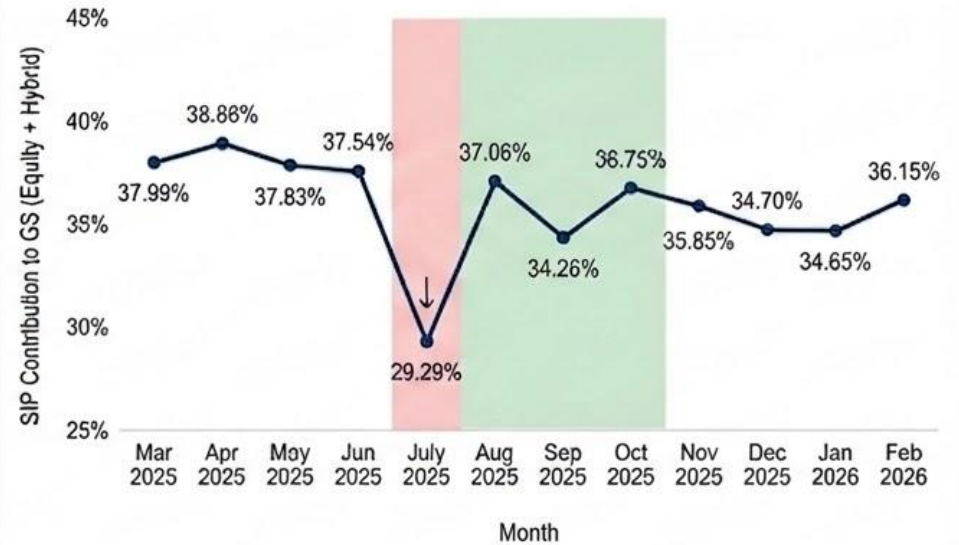
Source: AMFI | March 2025 - February 2026

Yearly SIP Contribution to Gross Sales (%) (Equity & Hybrid)



A structural shift in the sales mix is evident, with SIPs now contributing over one-third of Gross Sales.

Monthly SIP Contribution to Gross Sales (%) (Equity & Hybrid)



Contribution stability remains high (~34-38%), demonstrating rapid recovery despite a temporary seasonal dip in July.

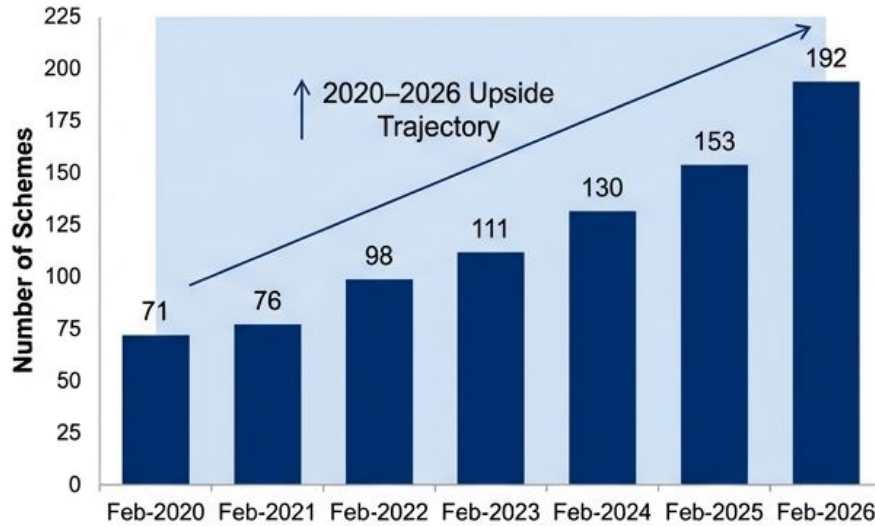
Key Highlights

- SIP contribution to gross sales has more than **doubled**, moving from 16.50% in FY 2016-17 to 35.50% in the current fiscal year to date.
- Short-term trends demonstrate remarkable resilience; despite a sharp dip in July 2025 (29.29%), contribution levels rapidly rebounded back to the ~35-37% range in subsequent months.

Source: AMFI | FY 2016-17 - FY 2025-26TD. FY 2025-26TD data is as of February 2026. SIP Contribution to Gross Sales is calculated by dividing Yearly SIP Contribution by Yearly Funds Mobilized as per AMFI Monthly Report. For Gross Sales, only open-ended Equity and Hybrid Schemes (excl. Arbitrage Fund) are considered.

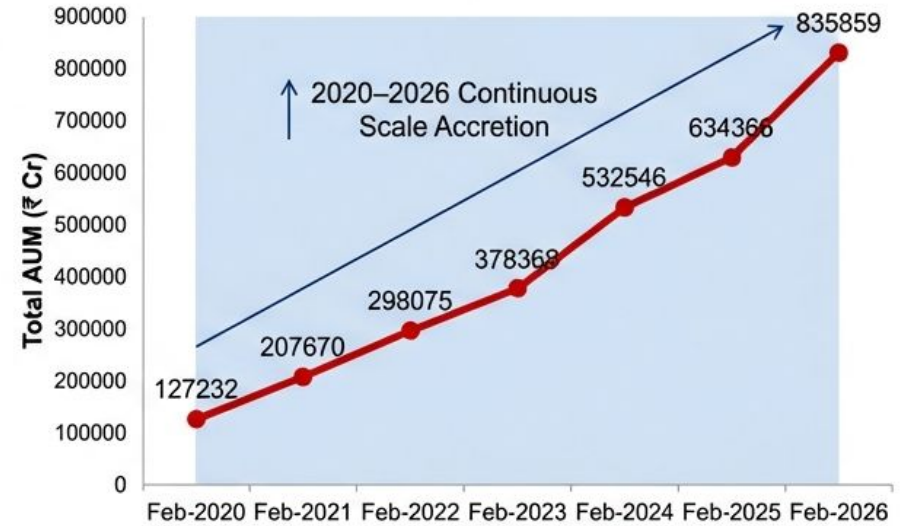
Source: AMFI | March 2025 - February 2026. SIP Contribution to Gross Sales is calculated by dividing Yearly SIP Contribution by Yearly Funds Mobilized as per AMFI Monthly Report. For Gross Sales, only open-ended Equity and Hybrid Schemes (excl. Arbitrage Fund) are considered.

Count of Schemes



Consistent year-over-year expansion in scheme offerings.

AUM (₹ Cr)

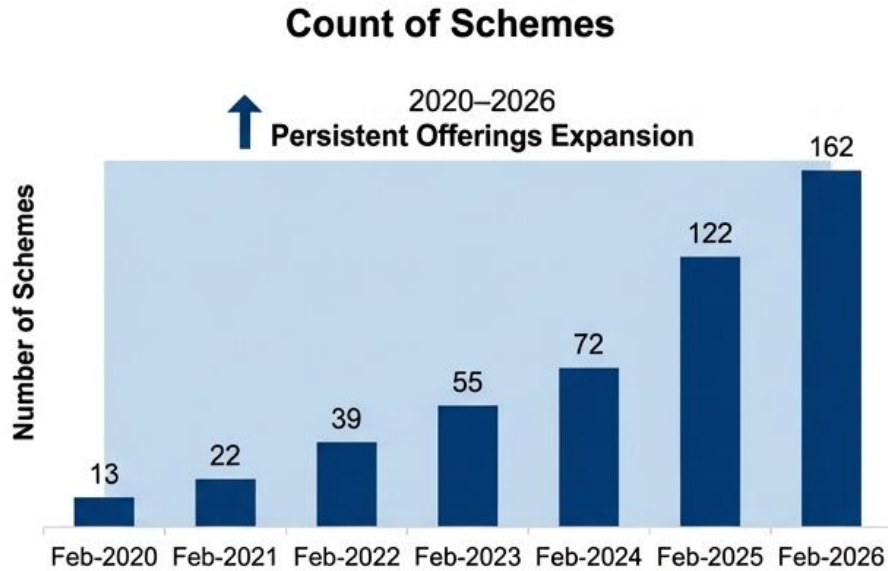


AUM demonstrates substantial, unbroken upward momentum across the measured timeframe.

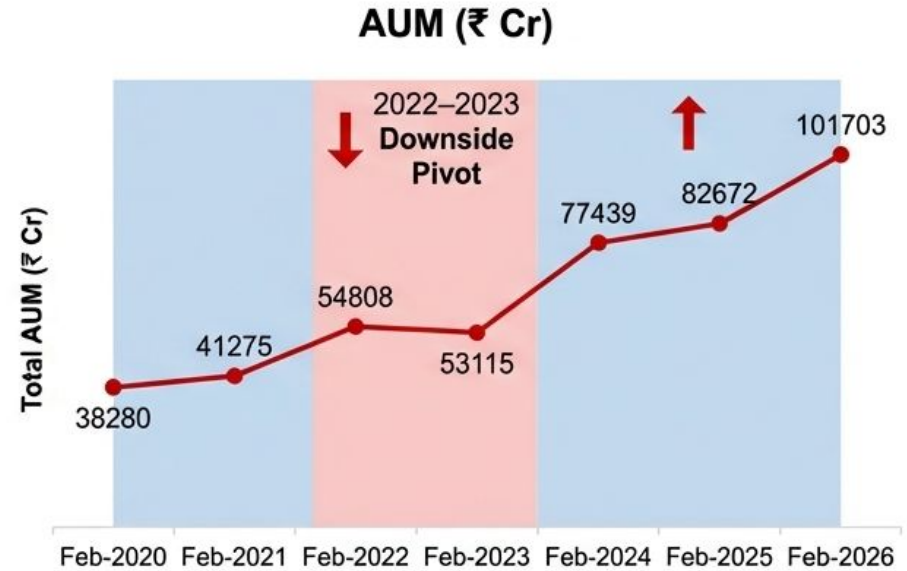
Key Highlights

- Broad Based strategies exhibit the largest absolute scale, with AUM maintaining strict positive growth year-over-year.
- The expansion in scheme count mirrors the AUM trajectory, indicating sustained market absorption without any periods of contraction.

Source: ICRA. AUM figures are as of month end. All regular open-ended schemes under the Passive Equity Broad-Based category have been considered. The Passive Equity Broad-Based category has been defined by selecting all regular open-ended equity-based schemes and classifying them based on Nifty's benchmark categorization.



Scheme launches remain insulated from the underlying AUM fluctuations.

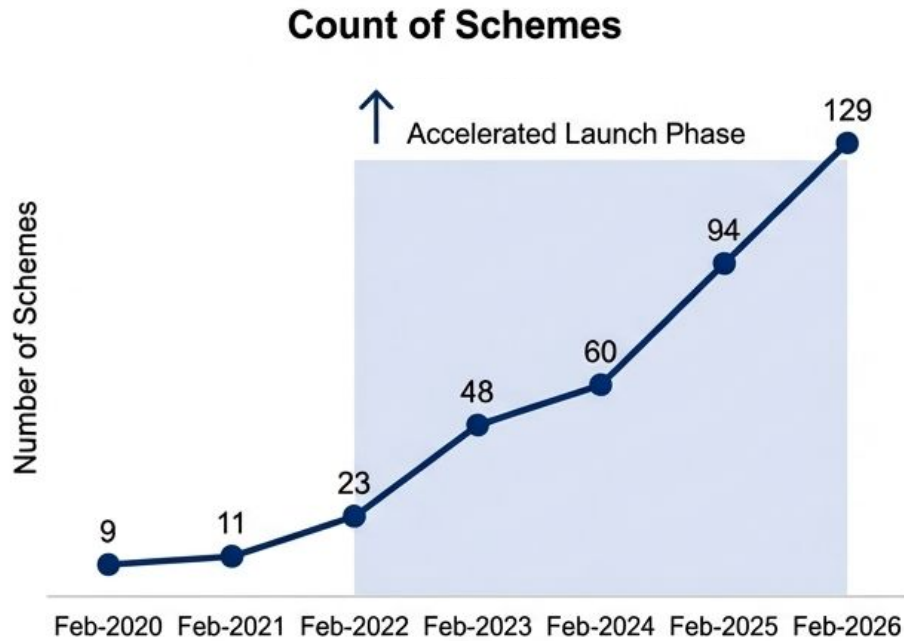


AUM experiences a distinct contraction in 2023 before resuming a steep recovery and growth trajectory.

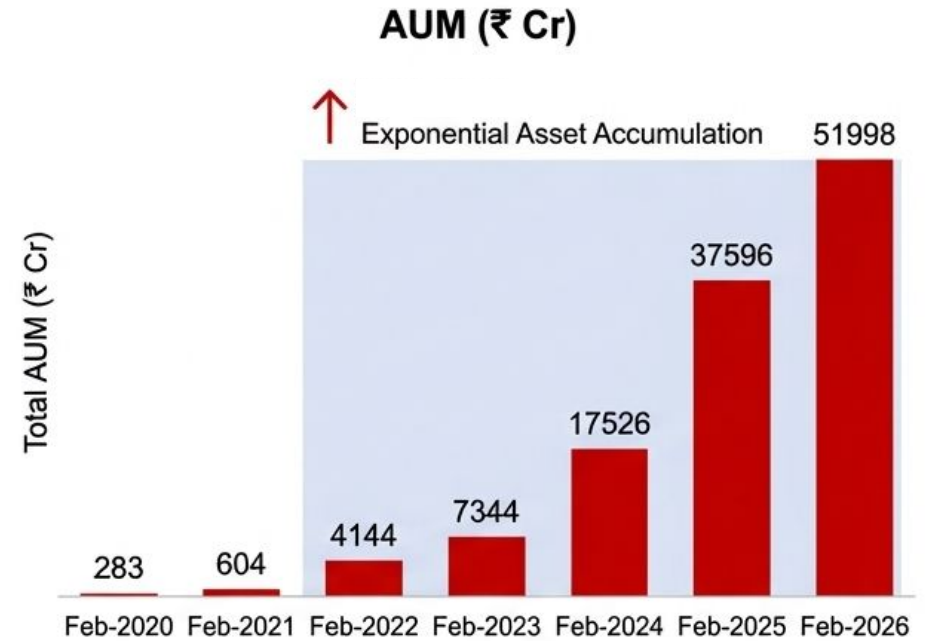
Key Highlights

- A clear divergence occurs in 2023: while the count of thematic schemes continued to rise, total AUM suffered a distinct negative decline period.
- Post-2023, the segment demonstrates resilient recovery, absorbing new highs in subsequent years.

Source: ICRA. AUM figures are as of month end. All regular open-ended schemes under the Passive Equity Sector/Thematic category have been considered. The Passive Equity Sector/Thematic category has been defined by selecting all regular open-ended equity-based schemes and classifying them based on Nifty's benchmark categorization.



Aggressive proliferation of strategic scheme counts beginning in 2022.



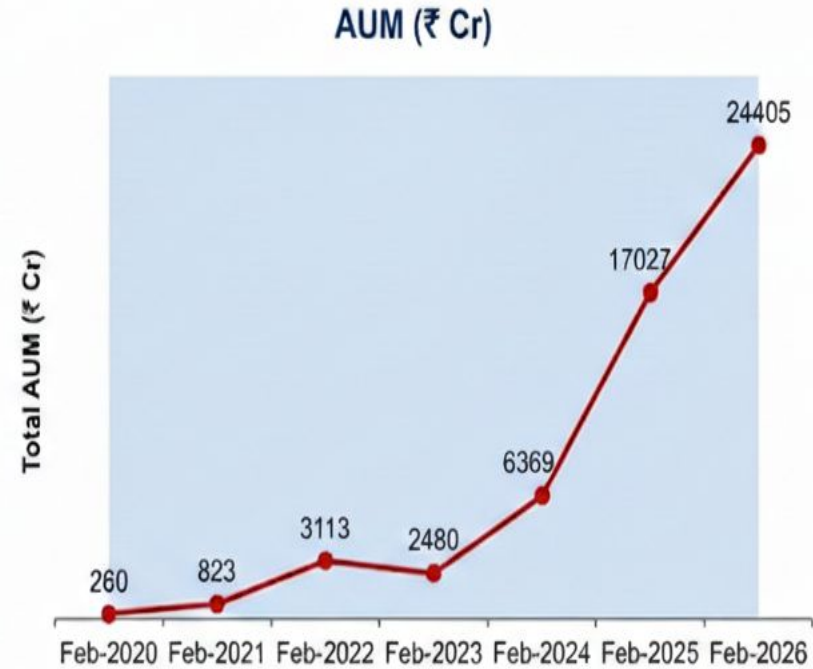
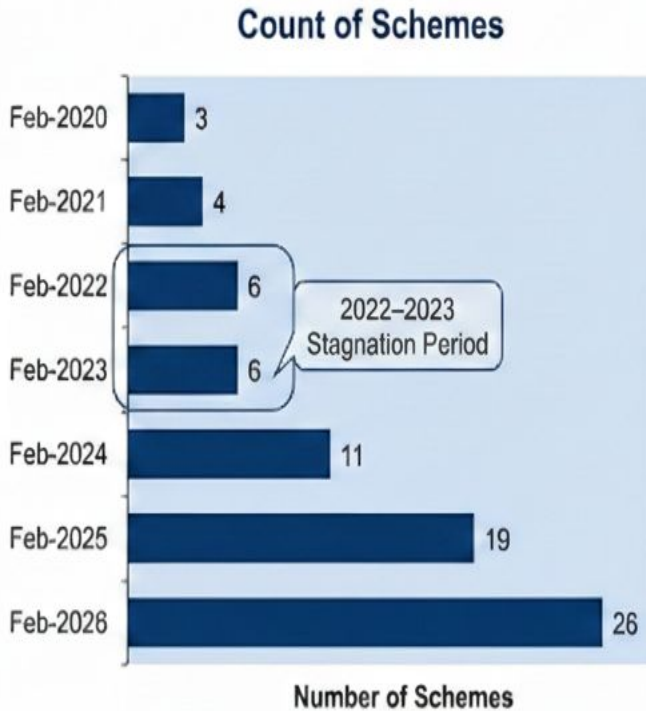
Asset base transitions from a nascent stage into significant institutional scale.

Key Highlights

- Strategic Schemes show exponential relative adoption, transitioning from single-digit scheme counts to triple digits.
- AUM tracks this rapid emergence, maintaining an unbroken positive trajectory from the dataset's inception through 2026.

Source: ICRA. Based on proprietary scheme classification of NJ Asset Management Pvt. Ltd. Only open ended Equity based active smartbeta funds have been considered. AUM figures are as of Month end.

Growth of Active Equity Smart Beta Schemes in India



Early stagnation followed by renewed momentum in scheme introductions.

High volatility profile evidenced by the sharp AUM decline in 2023.

Key Highlights

- Active Equity Smart Beta displays the most prominent volatility, marked by an acute AUM drop alongside zero new scheme launches during the 2022-2023 window.
- Despite interim declines, the long-term trend confirms robust adoption, with AUM accelerating significantly in the final periods.

Source: ICRA. Based on proprietary scheme classification of NJ Asset Management Pvt. Ltd. Only open ended equity-based active smartbeta funds have been considered. AUM figures are as of Month end.

	COMPOUNDING	Industry assets show relentless yearly compounding.
	RESILIENCE	Investors demonstrate strong buy-on-dip market momentum.
	FLEXIBILITY	Capital strongly favors flexible equity mandates.
	RETENTION	Regular plans ensure long-term client retention.
	TRANSITION	Massive structural shift toward passive vehicles.



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