



**ASSET  
MANAGEMENT**

**BUILT ON RULES**

# Mutual Fund Industry Update

January 2026



## TOPIC

**INDUSTRY OVERVIEW & AUM GROWTH**

**NET INFLOWS & CATEGORY BREAKDOWN**

**NFO TRENDS & FUND MOBILIZATION**

**THE POWER OF SIPS & RETENTION**

**STRUCTURAL SHIFTS: ACTIVE VS. PASSIVE**



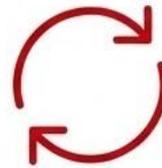
## MARKET GROWTH

Tracking AUM  
trajectory  
highs.



## INFLOW DYNAMICS

Analyzing  
investor  
category  
preferences.



## SIP RESILIENCE

Stability of  
recurring  
contributions.



## INVESTOR RETENTION

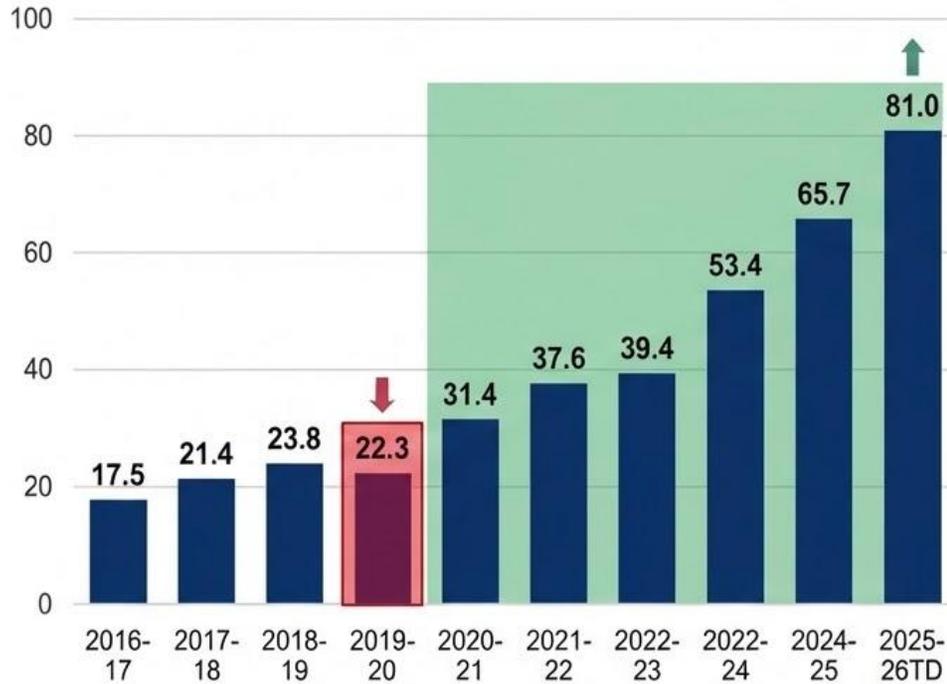
Direct vs  
Regular plan  
longevity.



## FUTURE TRENDS

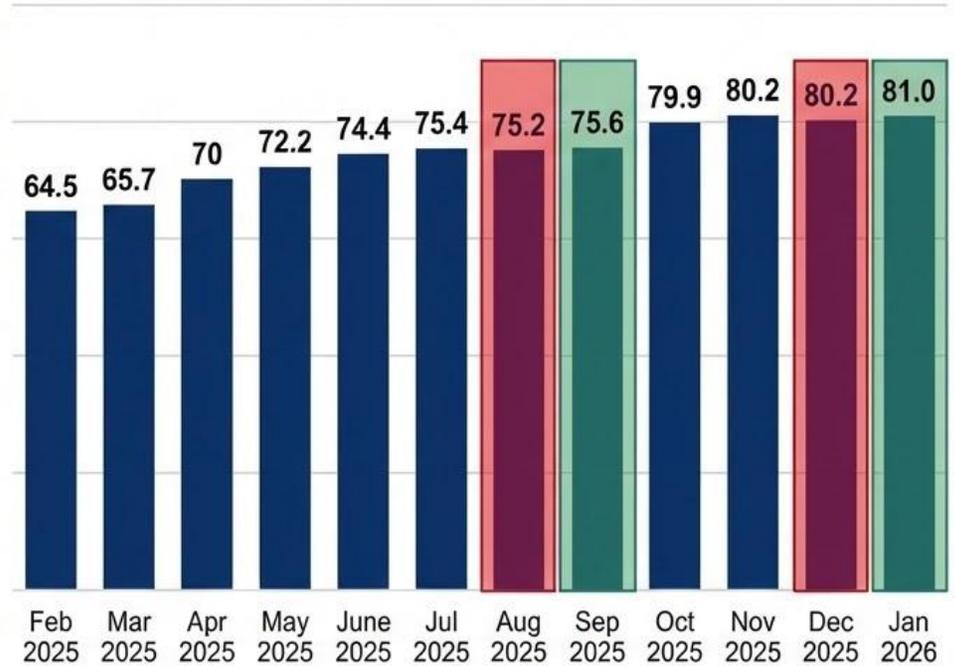
Shift toward  
Passive  
strategies.

### Net AUM Trend YoY (INR Lac Crores)



Consistent long-term capital accumulation with a sharp acceleration in asset gathering post-FY 2020-21.

### Net AUM Trend MoM (INR Lac Crores)



Sustained monthly run-rate stability, with AUM crossing and holding above the 80k Cr mark since Nov 2025.

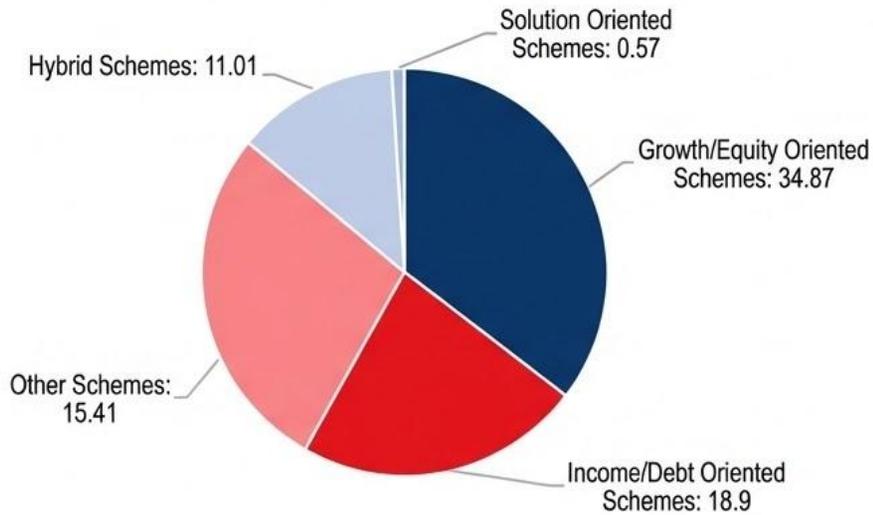
#### Key Highlights

- Net AUM has more than quadrupled since FY 2016-17 (17.5 to 81.0), demonstrating a robust long-term compound growth trajectory.
- Short-term volatility remains minimal with successful recovery from minor dips in Aug '25 and Dec '25 to hit a high of 81.0 INR Lac Crores in Jan 2026.

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

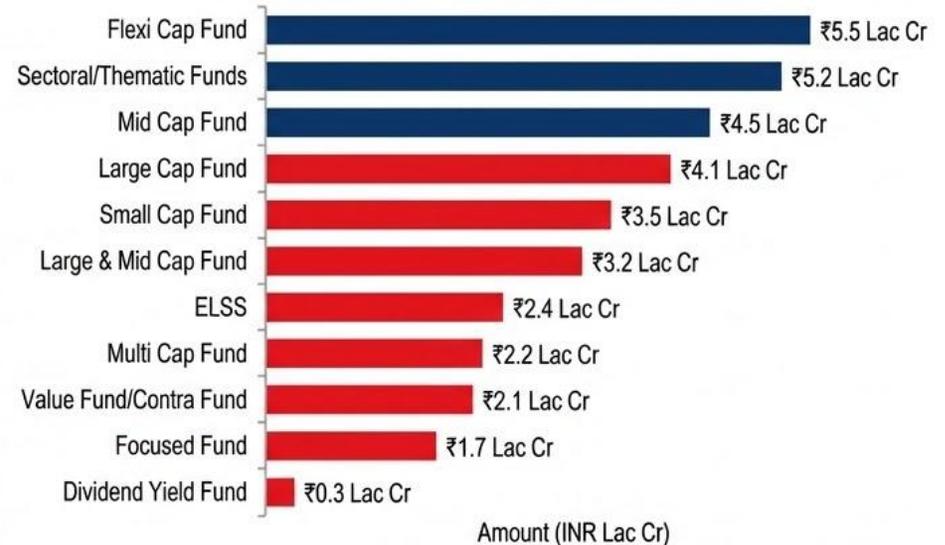
Source: AMFI | 28th February 2025 - 31st January 2026

## Category-wise Net AUM (INR Lac Crores)



Growth and Equity Oriented schemes constitute the largest share. (34.87 INR Lac Crores.)

## YTD Equity Schemes Net AUM (INR Lac Crores)



Investor preference is strongest in Flexi Cap and Sectoral/Thematic funds, which combined contribute over ₹10 Lac Cr.

### Key Highlights

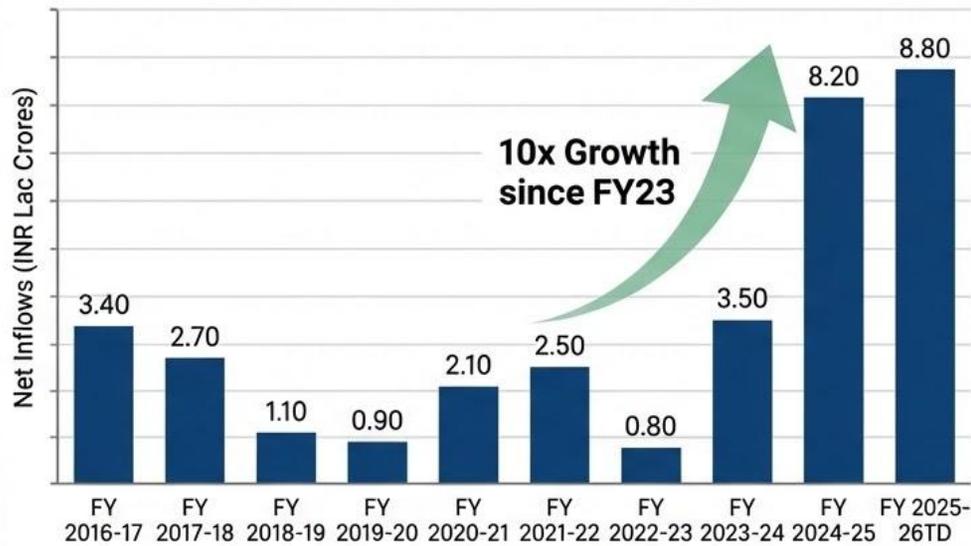
- The portfolio is heavily skewed toward Growth/Equity Oriented Schemes (34.87 Lac Cr), signaling strong risk appetite and capital appreciation focus.
- Within Equity, the Flexi Cap Fund (₹5.5 Lac Cr) and Sectoral/Thematic Funds (₹5.2 Lac Cr) are the dominant category leaders, outperforming traditional Large Cap allocations.

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

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# Net Inflow Trends: Historical & Monthly Performance

### Net Inflow Trend YoY (FY 2016-17 to FY 2025-26TD)



Current fiscal year-to-date inflows have reached a historic high of 8.80 INR Lac Crores, surpassing the previous full fiscal year.

### Net Inflow Trend MoM (Feb 2025 - Jan 2026)



While the overall trend is positive, specific volatility is observed in quarter-ending months (Mar, Sep, Dec) showing net outflows.

#### Key Highlights

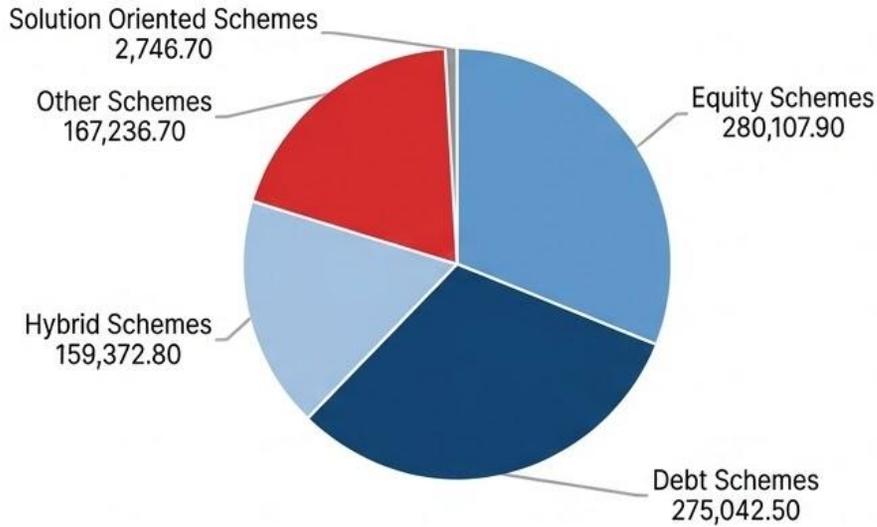
- **Structural Resilience:** FY 2025-26TD performance establishes a new baseline for inflow volume (8.80 Lac Cr), significantly outpacing the historical average.
- **Seasonal Volatility:** Despite record annual highs, monthly data reveals cyclical sensitivity, with consistent outflows occurring at quarter-ends (Mar: -1.64 Cr, Sep: -0.43 Cr, Dec: -0.67 Cr).

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

Source: AMFI | February 2025 - January 2026

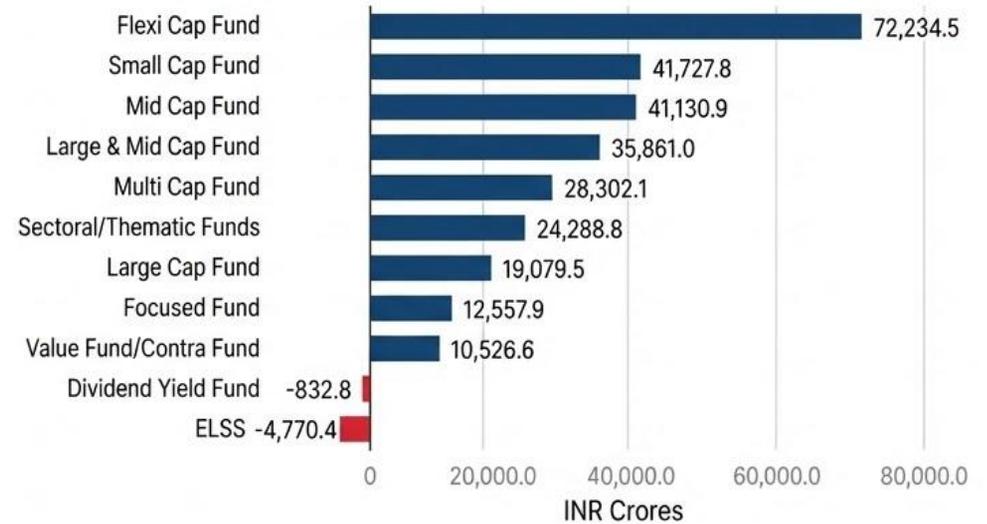
# Category-Wise & Equity Sub-Category Inflow Distribution

### YTD Category-Wise Net Inflow (INR Crores.)



Capital inflow is near-evenly distributed between broad Equity (31.6%) and Debt (31.0%) categories, indicating a balanced risk appetite.

### YTD Equity Schemes Net Inflows



Within Equity, Flexi Cap Funds capture the highest volume (₹72,234.5 Cr), significantly outperforming tax-saving instruments (ELSS) which saw net outflows.

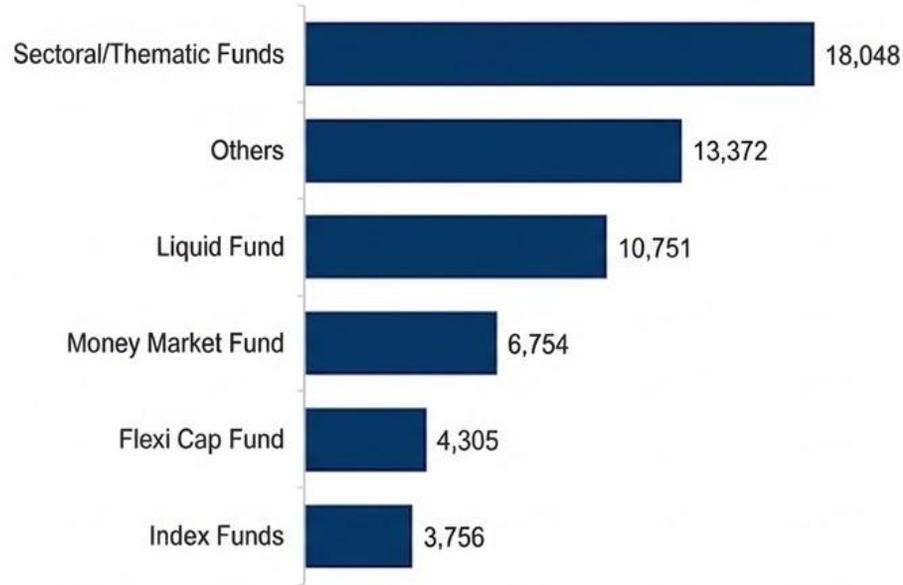
#### Key Highlights

- **Macro Balance:** Investors are maintaining a remarkably balanced portfolio approach, with Debt and Equity categories seeing nearly identical aggregate inflows (~2.8 Lac Cr each).
- **Micro Preference:** Despite the broad balance, specific equity preference is highly concentrated; Flexi Cap Funds alone attracted nearly double the capital of the next largest category (Small Cap), while ELSS faced significant redemption pressure.

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

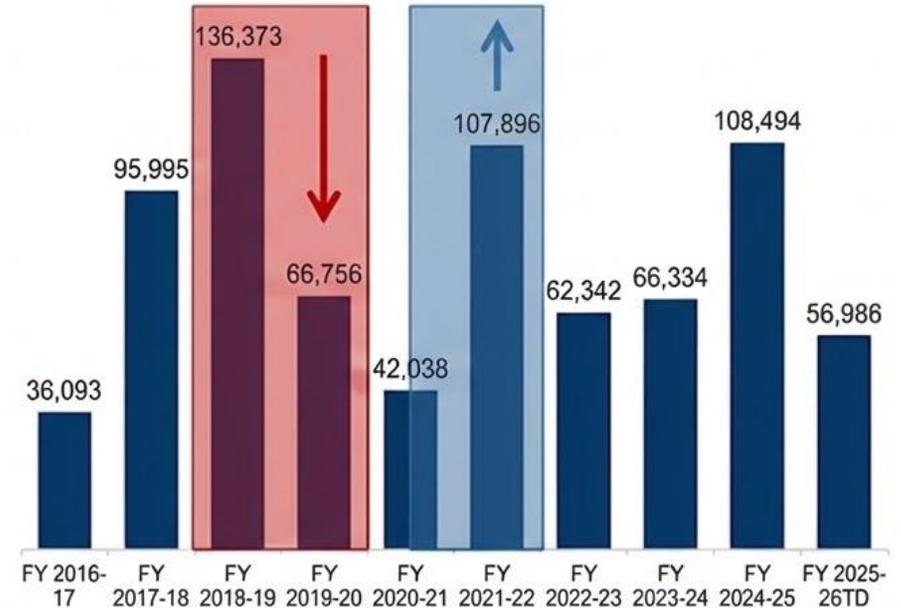
Source: AMFI | Data is for FY 2025-26TD, as of January 2026. Only open-ended schemes are considered. Yearly Net Inflows figure is calculated as the sum of Monthly Net Inflows figures.

### YTD Category-wise Fund Mobilization (INR Crores)



Sectoral/Thematic Funds dominate current inflows, surpassing the 'Others' category by over ₹4,600 Cr.

### NFO Trend YOY (INR Crores)



NFO collections show cyclical volatility, with a significant recovery in FY 2021-22 and FY 2024-25 following previous dips.

#### Key Highlights

- **Sectoral Dominance:** Sectoral/Thematic funds are the primary driver of current mobilization (₹18,048 Cr), significantly outperforming Liquid and Flexi Cap categories.
- **Resilient NFO Flows:** Despite historical volatility (notably the FY 2020-21 dip to 42,038), recent trends show robust collection capabilities, with FY 2024-25 reaching 108,494 INR Crores.

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

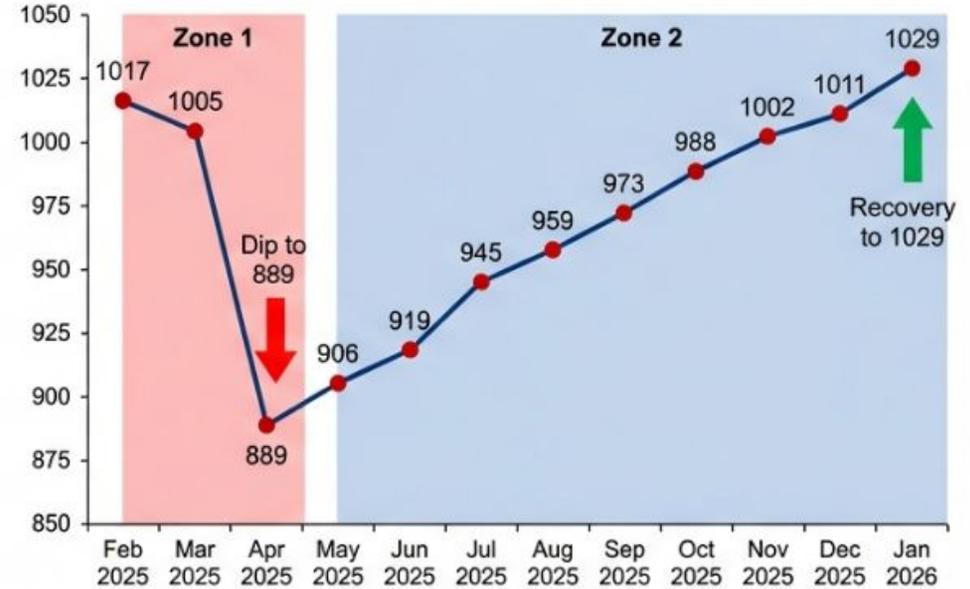
Source: AMFI | Data is for FY 2025-26TD, as of January 2026.

### No. of Folios (in Cr.)



Steady monthly accumulation in folio count indicates sustained investor interest.

### No. of Outstanding SIP Accounts (Lakhs)



SIP accounts showed volatility in Q1 but established a strong recovery trend through Jan 2026.

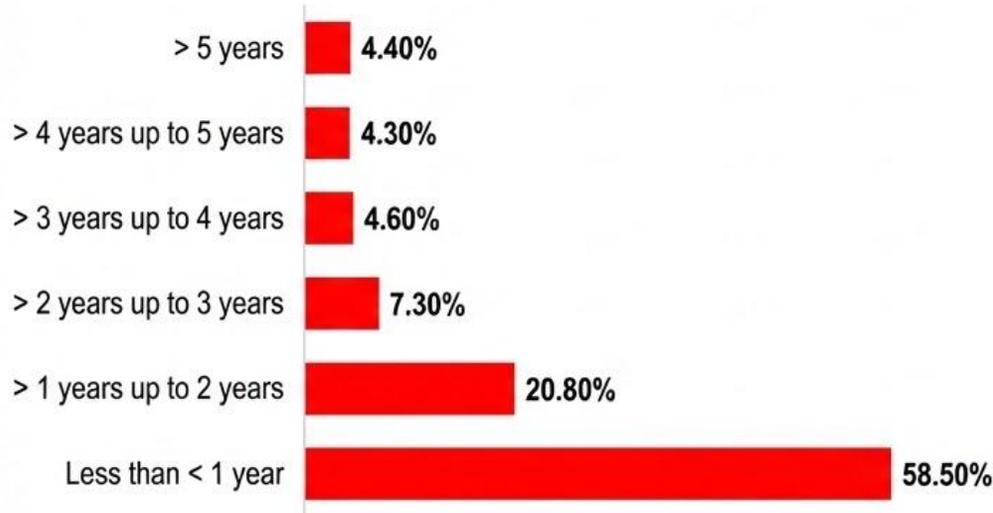
## Key Highlights

- Total Folios demonstrate an unbroken upward trajectory, growing from 23.2 Cr to 26.6 Cr.
- SIP accounts displayed resilience, recovering from an April low of 889 Lakhs to peak at 1029 Lakhs in January.
- The correlation suggests that despite temporary SIP consolidation, overall market participation remains robust.

Source: AMFI | February 2025 - January 2026

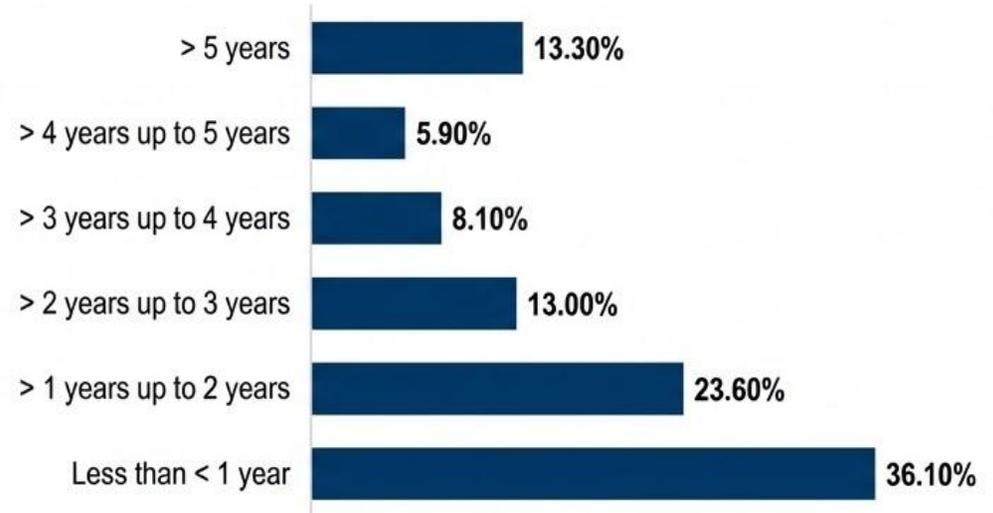
Source: AMFI | February 2025 - January 2026

## Tenure of SIP Accounts - Direct Plan (%)



Direct Plans suffer from extreme churn, with the majority of accounts failing to mature beyond the first year.

## Tenure of SIP Accounts - Regular Plan (%)



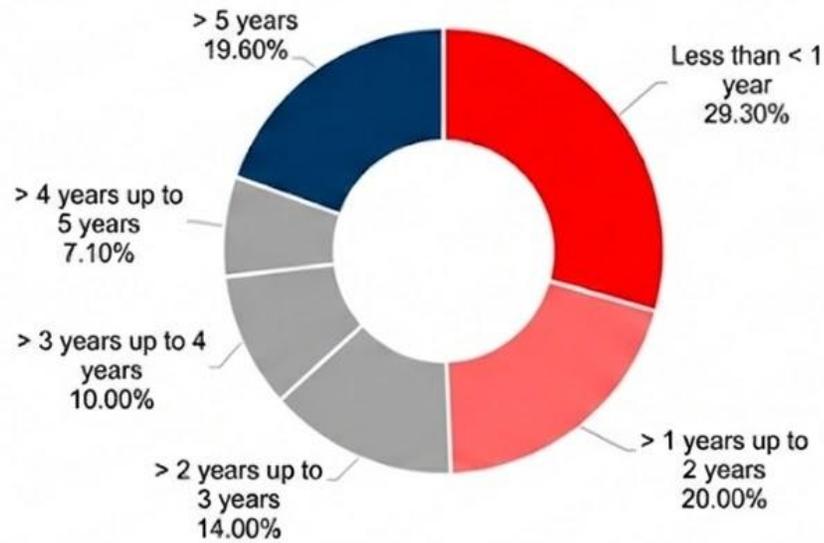
Regular Plans display superior account longevity, with a significantly more balanced distribution across tenure buckets.

### Key Highlights

- **High Attrition in Direct:** Behavioral data indicates 58.50% of Direct Plan SIP accounts are less than one year old, pointing to rapid investor churn.
- **Longevity in Regular:** Regular Plans drive stickiness, with 13.30% of accounts retained for over 5 years—more than 3x the retention rate of Direct Plans (4.40%).

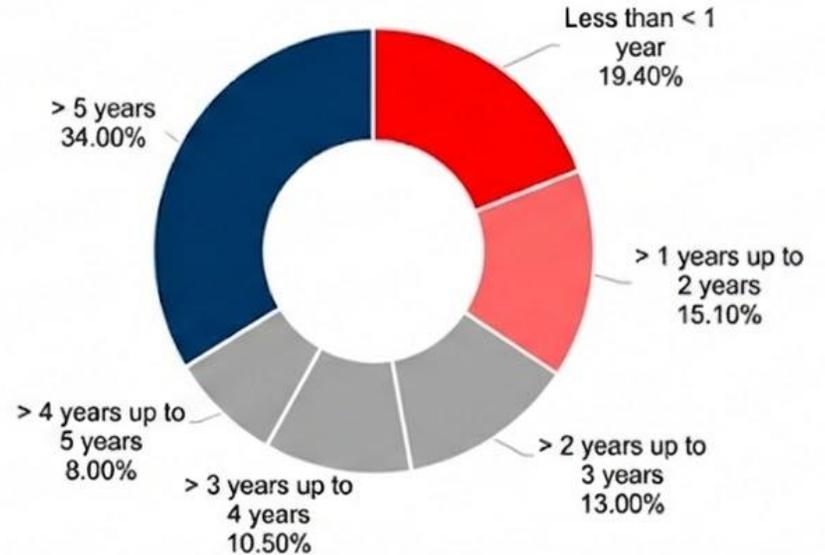
Source: AMFI | Data is for the period January 2026

### SIP AUM Distribution - Direct Plan (%)



Nearly 30% of Direct Plan assets are 'new money' (<1 year), posing a higher risk of capital flight.

### SIP AUM Distribution - Regular Plan (%)

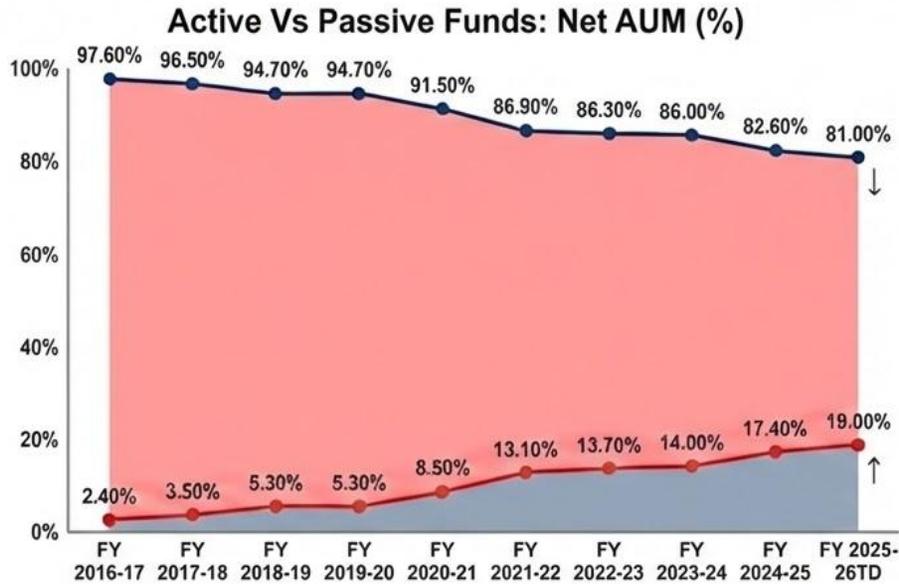


One-third of Regular Plan assets have been invested for over 5 years, providing a stable, long-term asset base.

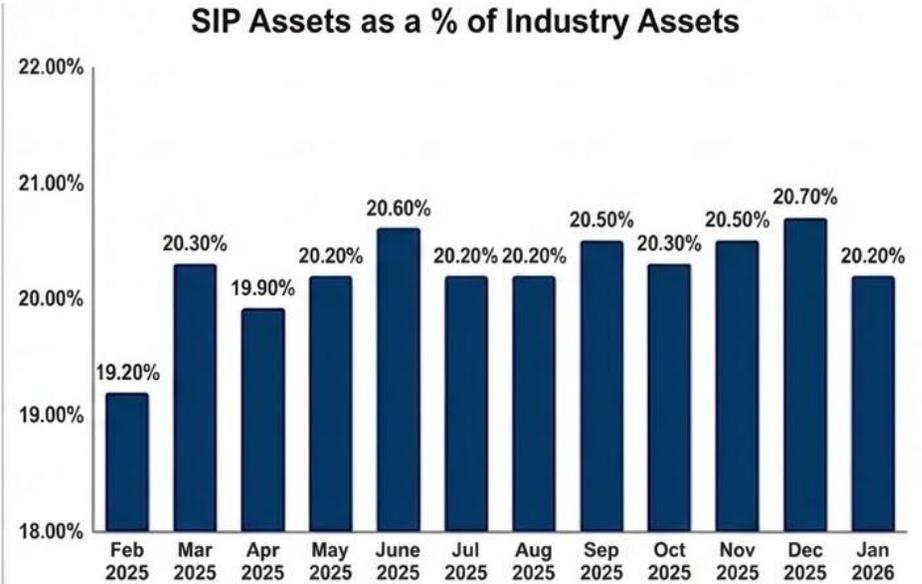
#### Key Highlights

- **Value Retention:** Regular Plans successfully convert time into value, with 34.00% of total AUM held in vintage accounts (>5 years).
- **Asset Volatility:** In contrast, Direct Plans are weighted towards fresh inflows, with 29.30% of AUM sitting in accounts with less than 1 year of vintage.

Source: AMFI | Data is for the period January 2026



Long-term data reveals a consistent convergence: Passive funds gain market share annually while Active funds recede from peak dominance.



Despite market volatility, SIP contributions remain range-bound and stable, consistently representing ~20% of total industry assets.

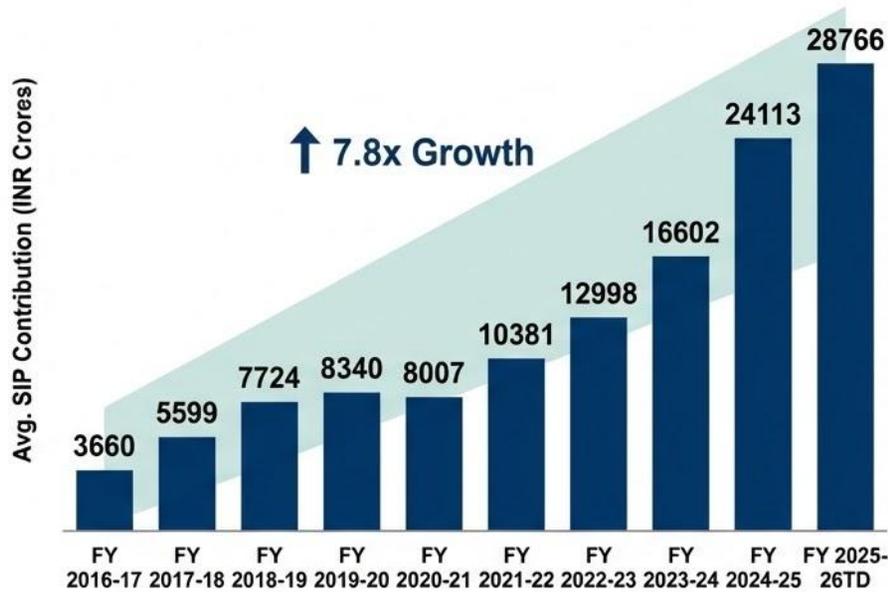
#### Key Highlights

- **Structural Shift:** A clear decade-long trend shows Passive fund market share expanding significantly from 2.40% to 19.00%, eroding Active fund dominance.
- **Systemic Stability:** Irrespective of broader fund shifts, SIPs demonstrate resilience, maintaining a steady contribution corridor between 19.20% and 20.70% of industry assets over the last 12 months.

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

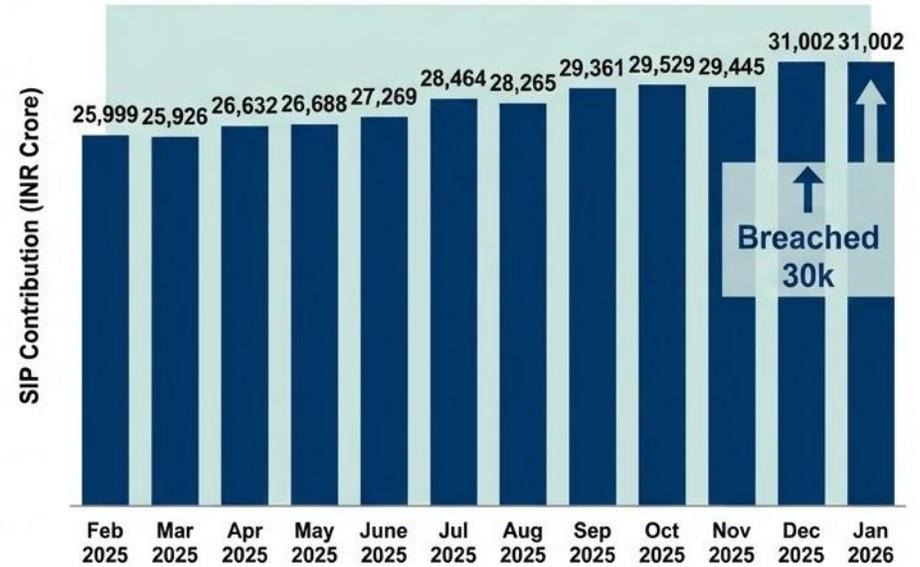
Source: AMFI | February 2025 - January 2026

### 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 consistently rising and crossing the **31,000 Crore** threshold in late 2025.

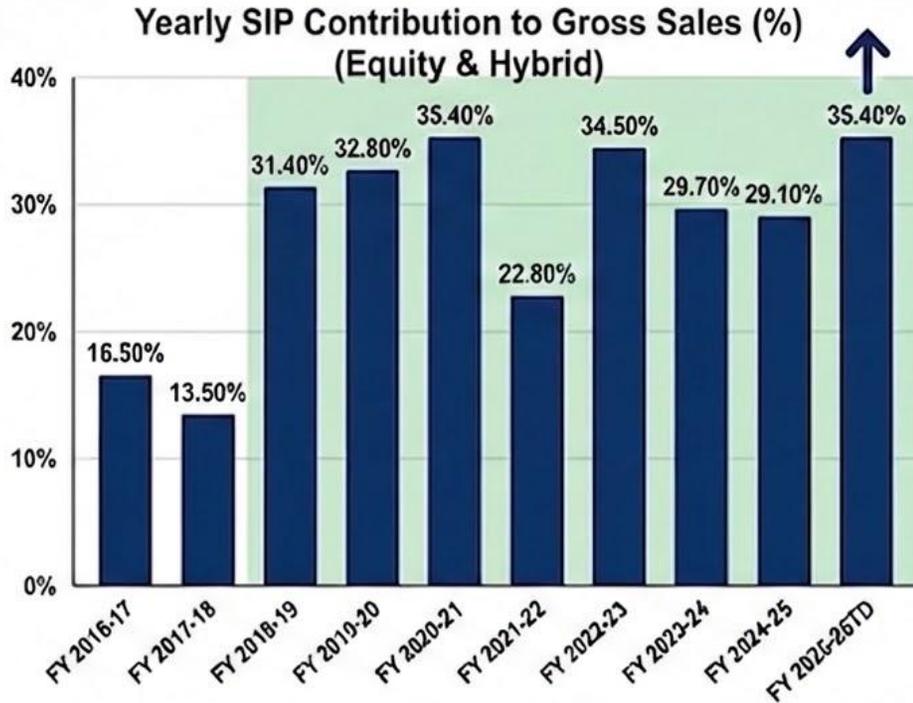
#### Key Highlights

- **Long-term structural shift confirmed:** Average book size has grown from ~3.6k Crores to ~28.7k Crores.
- **Immediate momentum is accelerating:** Monthly run-rate has stabilized above 25k Crores and recently breached 31k Crores.

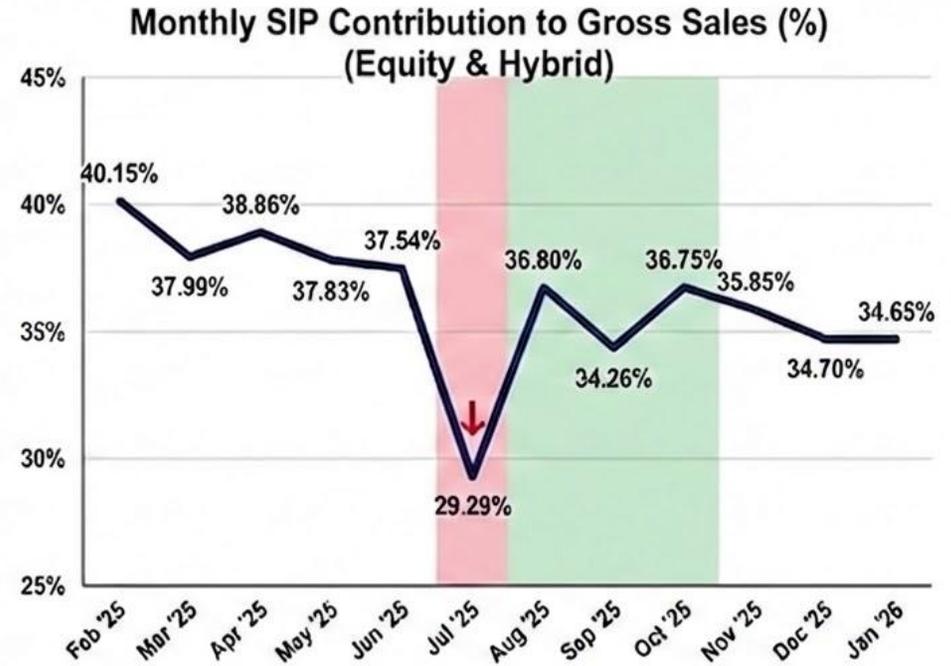
Source: AMFI | FY 2016-17 - FY 2025-26TD. FY 2025-26TD data is as of January 2026. Average SIP Contribution is calculated by dividing yearly SIP Contribution by the number of months.

Source: AMFI | February 2025 - January 2026

# SIP Contribution to Gross Sales (Equity & Hybrid)



Structural shift in sales mix, with SIPs now contributing over one-third of Gross Sales (Equity & Hybrid).



High contribution stability (~34-40%) observed, despite a temporary seasonal dip in July.

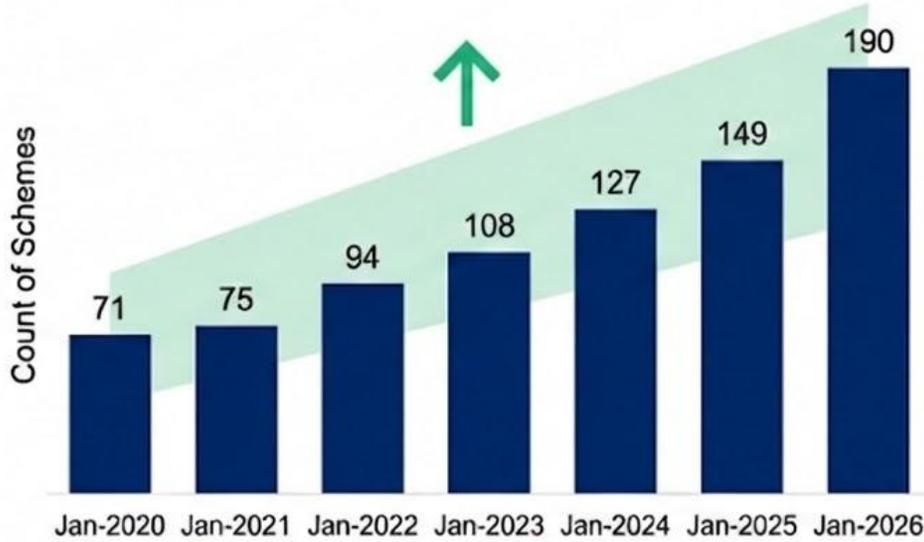
#### Key Highlights

- SIP contribution to gross sales has more than doubled from 16.50% in FY 2016-17 to 35.40% in FY 2025-26TD.
- Short-term trends demonstrate resilience; despite a sharp dip in July 2025 (29.29%), contribution levels quickly rebounded to ~35-36% in subsequent months.

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

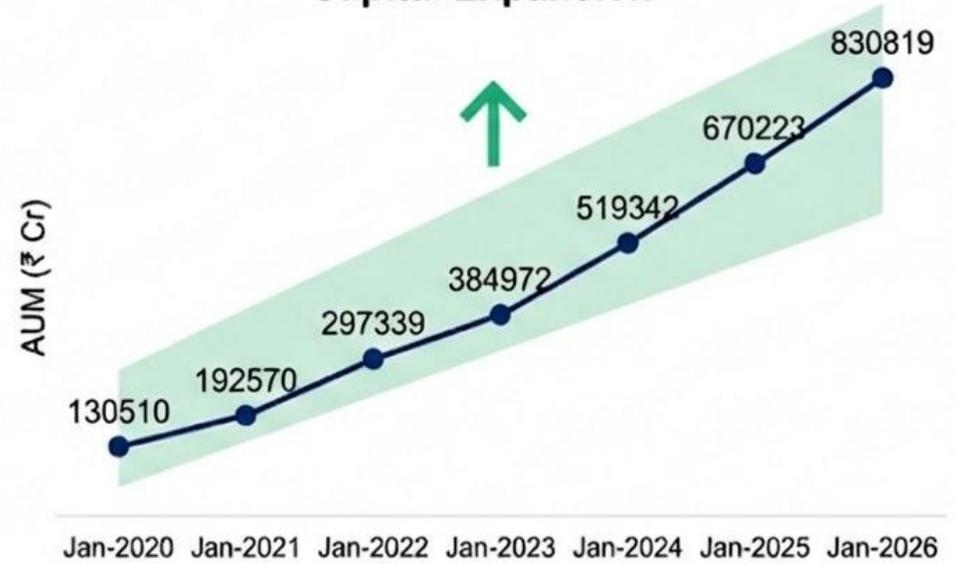
Source: AMFI | February 2025 - January 2026. SIP Contribution to Gross Sales is calculated by dividing Yearly SIP Contribution by Yearly Funds Mobilized as per AMFI Monthly Report. For Gross Sales, only open-ended Equity and Hybrid Schemes (excl. Arbitrage Fund) are considered.

## Scheme Volume Growth



Consistent addition of schemes reflects sustained issuer confidence, nearly tripling from 71 to 190.

## Capital Expansion



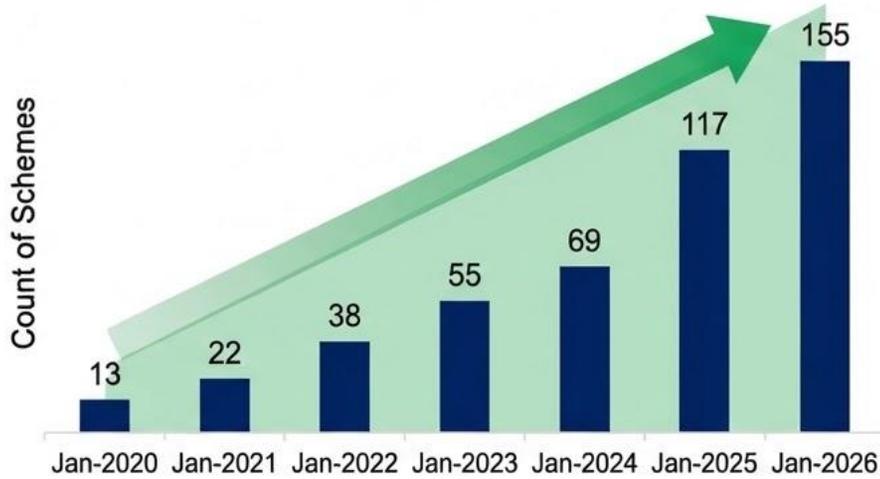
AUM has grown over 6x, rising steadily from ₹130,510 Cr to ₹830,819 Cr without interruption.

### Key Highlights

- Broad Based schemes represent the core growth engine, showing zero volatility dips in this timeframe.
- Capital flow is robust, adding over ₹700,000 Cr in value over the six-year period.
- Growth in scheme count accelerated significantly between Jan-2024 and Jan-2026.

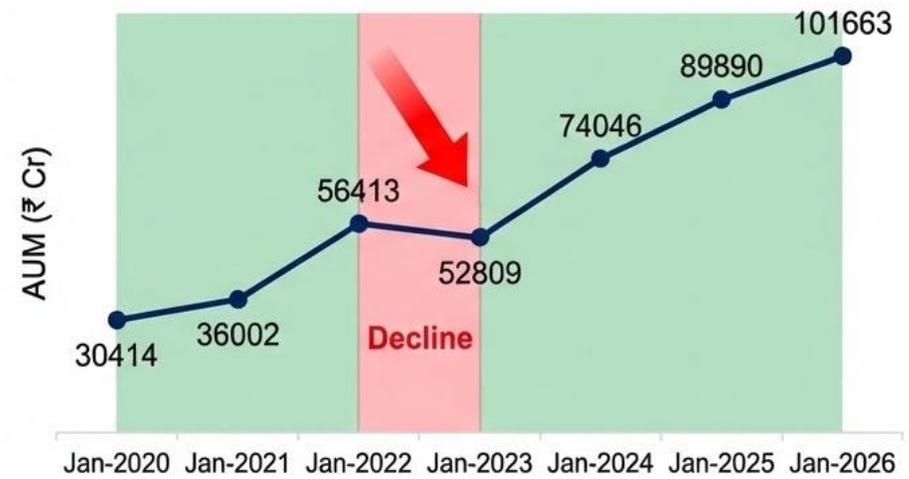
Source: ICRA. AUM figures are as of month end. All regular open-ended schemes under the Passive Equity Broad-Based category have been considered. The Passive Equity Broad-Based category has been defined by selecting all regular open-ended equity-based schemes and classifying them based on Nifty's benchmark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

## Scheme Volume Growth



Scheme launches remained aggressive, jumping from 13 to 155, irrespective of short-term market dips.

## Capital Expansion & Volatility



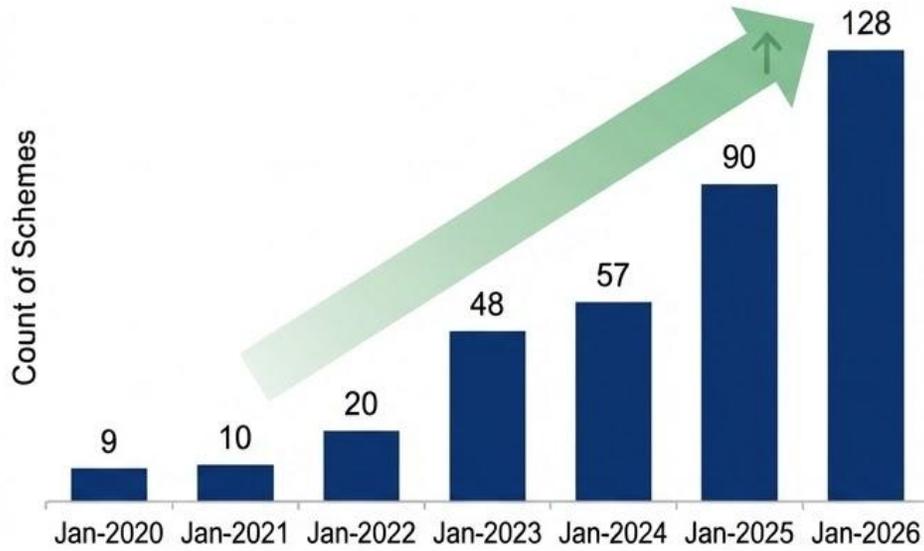
AUM experienced a specific contraction in 2023, dropping to ₹52,809 Cr before recovering strongly.

### Key Highlights

- Sectoral schemes show divergence: Product supply increased linearly while asset value faced market corrections.
- The period between Jan-2022 and Jan-2023 marks the only decline phase, highlighting thematic sensitivity.
- Post-correction recovery was strong, nearly doubling AUM from the 2023 low to Jan-2026.

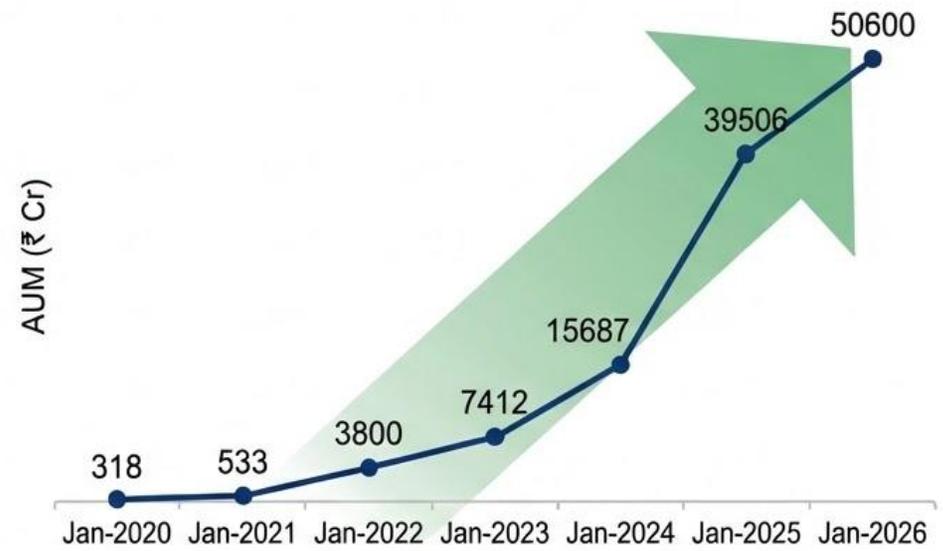
Source: ICRA. AUM figures are as of month end. All regular open-ended schemes under the Passive Equity Sector/Thematic category have been considered. The Passive Equity Sector/Thematic category has been defined by selecting all regular open-ended equity-based schemes and classifying them based on Nifty's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

## Scheme Volume Growth



Rapid product proliferation occurred post-2022, with count more than doubling from 20 to 48 in one year.

## Capital Expansion



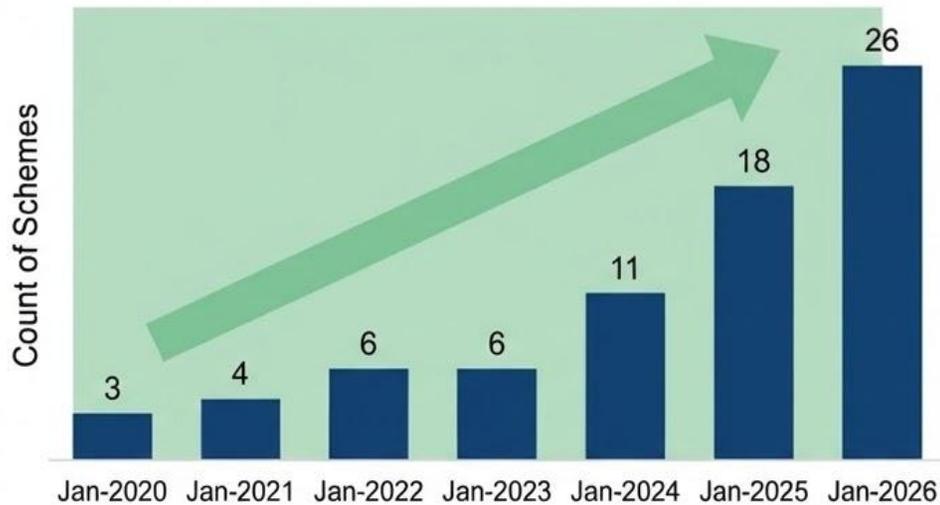
Exponential capital adoption saw AUM skyrocket from a mere ₹318 Cr to ₹50,600 Cr.

### Key Highlights

- Strategic schemes represent the steepest growth curve in the dataset, evolving from a niche testbed to a major category.
- The massive jump in scheme count in 2023 (20 to 48) indicates a shift in issuer strategy.
- AUM growth has been exponential, particularly the surge from ₹15,687 Cr (2024) to ₹39,506 Cr (2025).

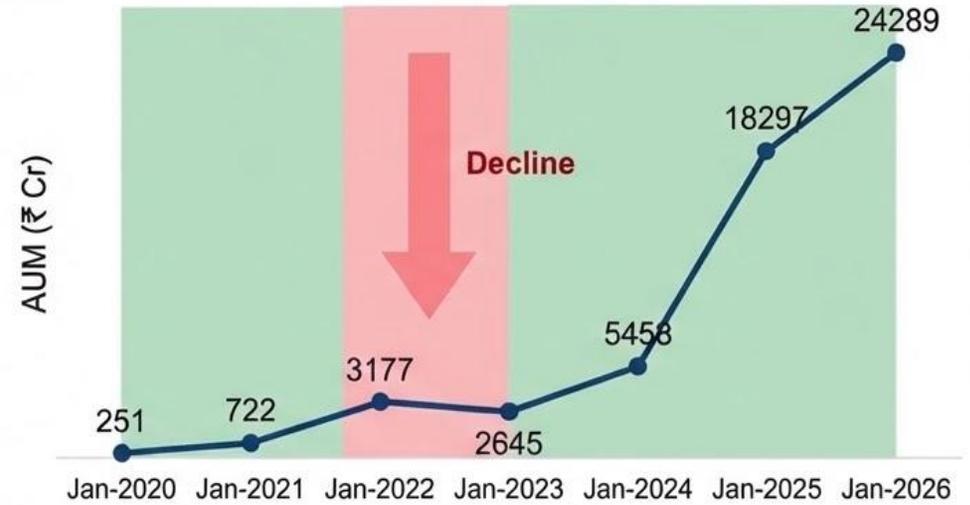
Source: ICRA. Based on proprietary scheme classification of NJ Asset Management Pvt. Ltd. Only open ended Equity based active smartbeta funds have been considered. AUM figures are as of Month end.

## Scheme Volume Growth



A niche segment showing gradual acceptance, growing slowly from 3 schemes to 26.

## Capital Expansion & Volatility



Asset values faced a correction in 2023 (₹3,177 Cr to ₹2,645 Cr) before surging over 9x by 2026.

### Key Highlights

- Smart Beta remains a specialized category with lower volume but high recent traction (2025-2026).
- Like the Sectoral category, it was vulnerable to the 2023 downturn, registering a clear decline in AUM.
- The recovery has been sharp, with AUM growing from ₹5,458 Cr to ₹24,289 Cr in the final two years.

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**



## **STABILITY**



## **RETENTION**



## **SHIFT**



## **FOCUS**

- Net AUM quadrupled; trajectory remains robust.
- SIPs provide critical stability during volatility.
- Regular Plans show superior long-term retention.
- Passive funds steadily gaining market share.
- Strong preference for Sectoral and Thematic funds.
- Annual inflows surpass previous historic records.



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