



**ASSET
MANAGEMENT**

BUILT ON RULES

Mutual Fund Industry Update

March 2026



TOPIC

INDUSTRY OVERVIEW & AUM GROWTH

NET INFLOWS & CATEGORY BREAKDOWN

NFO TRENDS & FUND MOBILIZATION

THE POWER OF SIPS & RETENTION

STRUCTURAL SHIFTS: ACTIVE VS. PASSIVE



Asset Growth



Capital Inflows



Category Trends



SIP Power

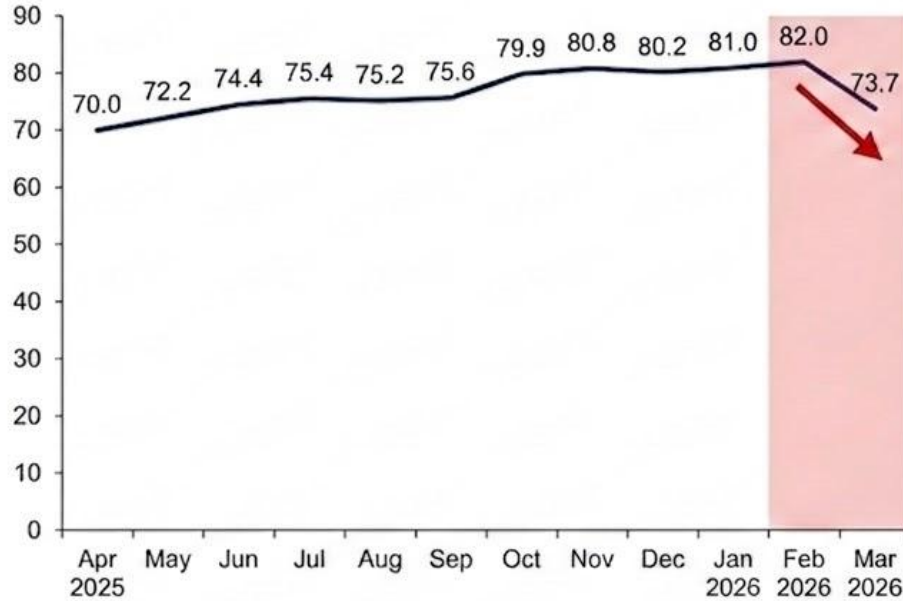


Client Retention

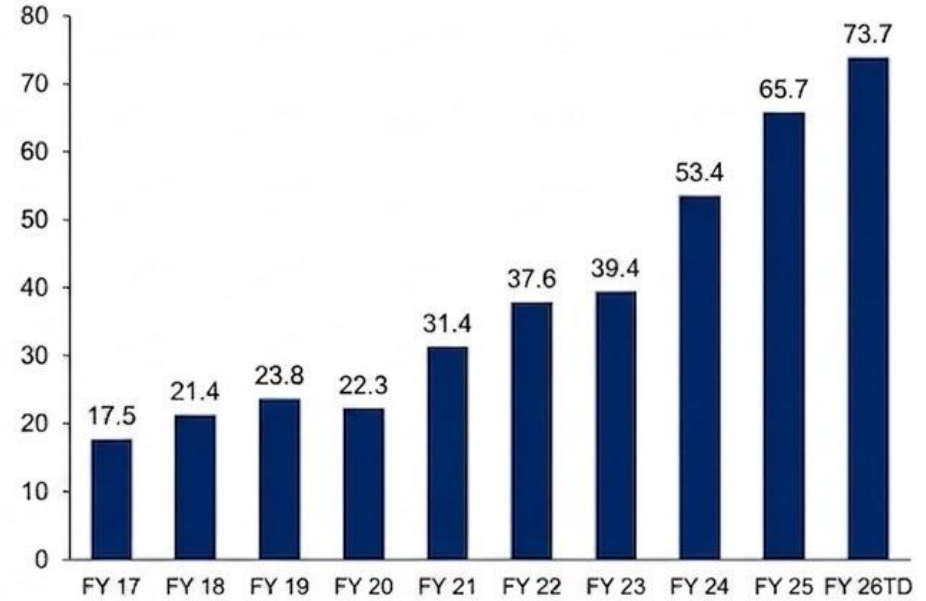


Passive Shift

Net AUM Trend MoM (INR Lac Crores)



Net AUM Trend YoY (INR Lac Crores)



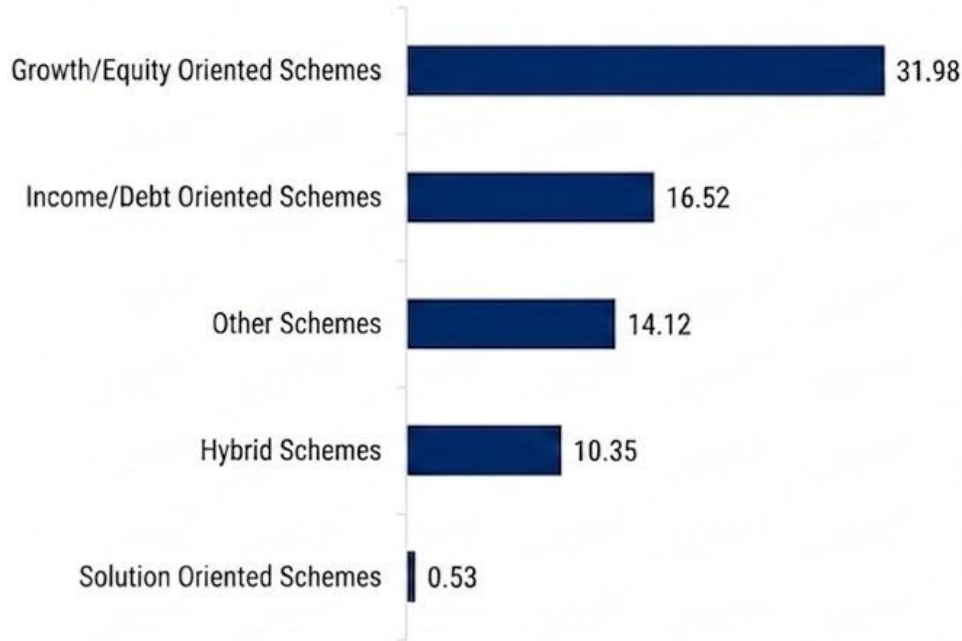
Key Highlights

- **Peak to Trough Volatility:** Industry AUM compounded steadily to an all-time peak of ₹82.0 Lac Cr in February 2026 before suffering a severe market correction, erasing ₹8.3 Lac Cr to close March at ₹73.7 Lac Cr.
- **Long-Term Intact:** Despite the violent March contraction, FY26TD AUM (₹73.7 Lac Cr) remains historically robust, demonstrating the structural compounding power of the asset class.

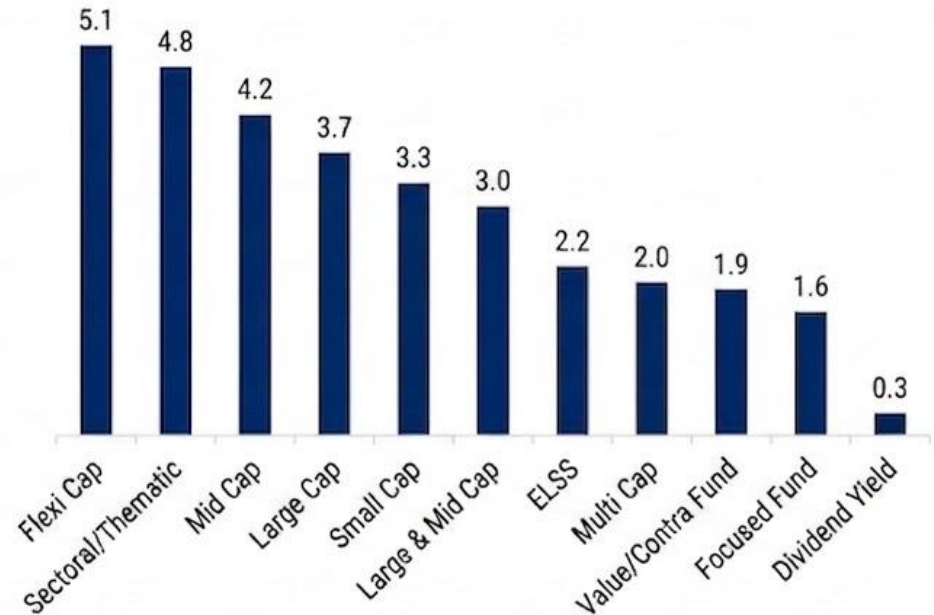
Source: AMFI | 30th April 2025 - 31st March 2026

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

Category-wise Net AUM (INR Lac Crores)



YTD Equity Schemes Net AUM (INR Lac Crores)



Key Highlights

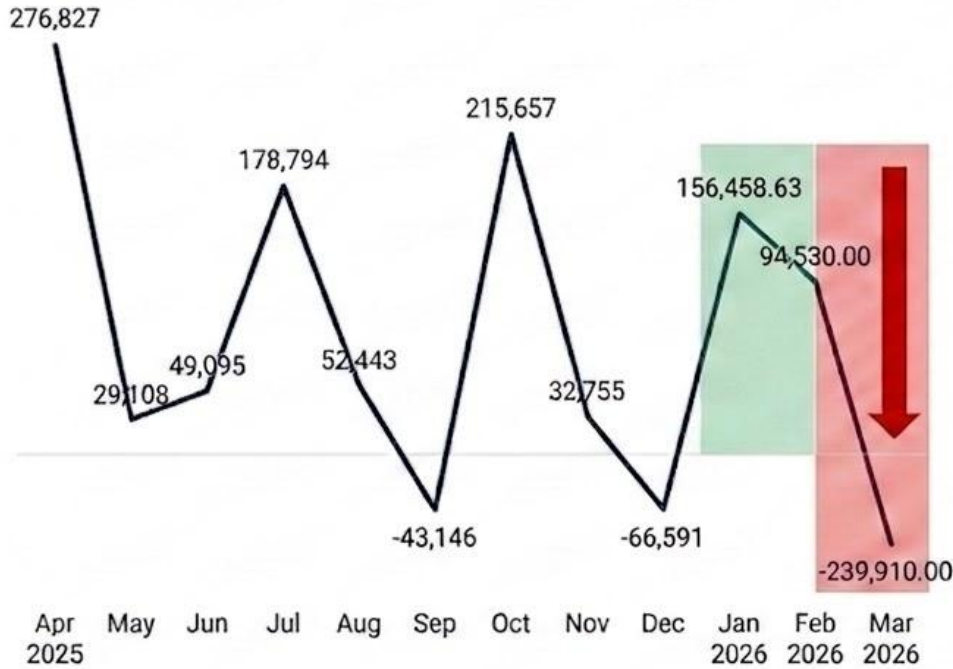
- **Equity Dominance:** Growth/Equity schemes remain the primary engine of industry assets, commanding a massive ₹31.98 Lac Cr, nearly double the size of the Income/Debt category.
- **Capital Concentration:** Within the equity space, investor capital remains heavily concentrated in highly flexible mandates like Flexi Cap (₹5.1 Lac Cr) and targeted Sectoral/Thematic funds (₹4.8 Lac Cr).

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

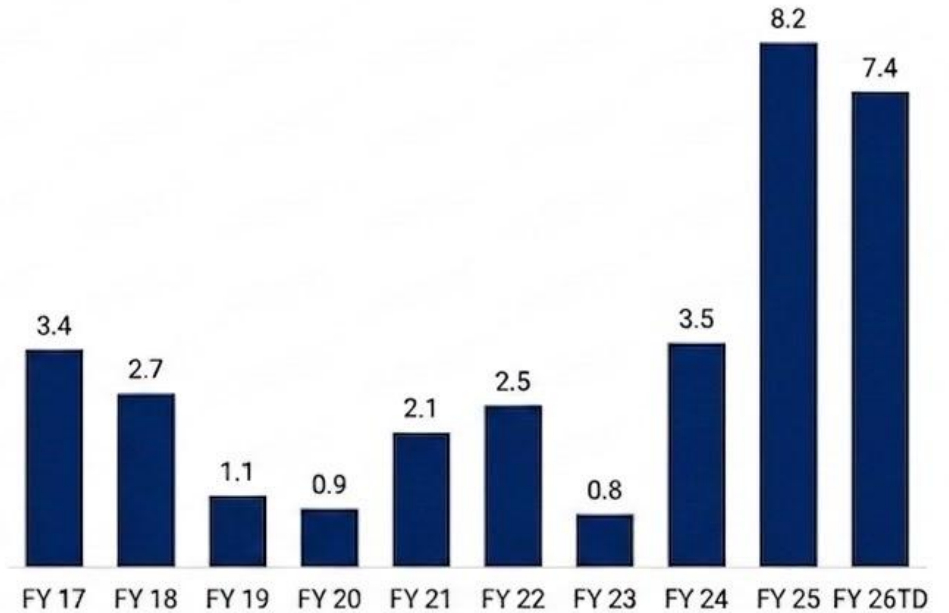
Source: AMFI | Data is as of March 2026. Only open-ended schemes are considered.

Net Inflow Trends: Historical & Monthly Performance

Net Inflow Trend MoM (INR Crores)



Net Inflow Trend YoY (INR Lac Crores)



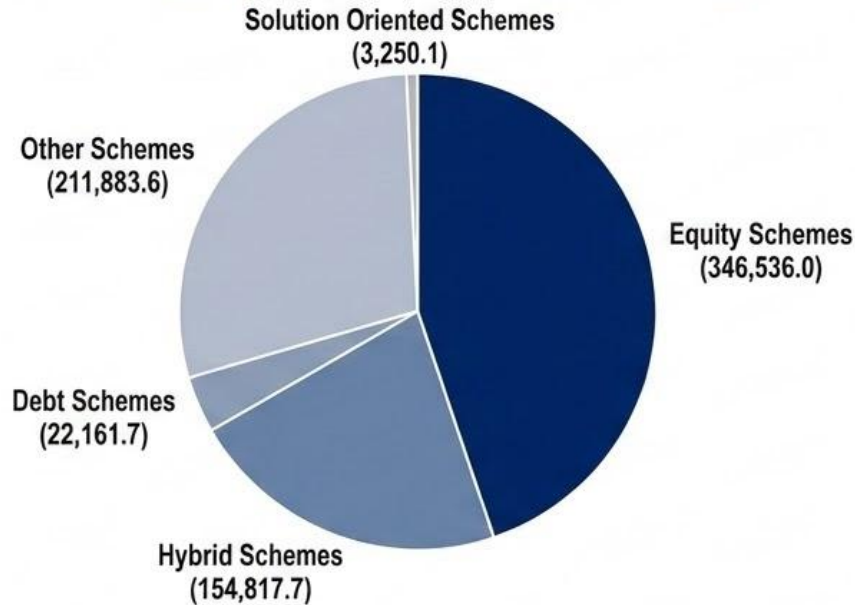
Key Highlights

- **The March Exodus:** After surging to immense positive liquidity in January (+₹1.56 Lac Cr) and February (+₹94K Cr), March suffered an unprecedented capital flight, recording extremely severe net outflows of -₹2.39 Lac Cr.
- **Annual Baseline:** Despite the extreme Q1 volatility and March drawdowns, total FY26TD net inflows remain historically strong at ₹7.4 Lac Cr, trailing only the FY25 peak.

Source: AMFI | April 2025 - March 2026

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

Category-wise Net Inflows (INR Crores)



YTD Equity Schemes Net Inflows (INR Crores)



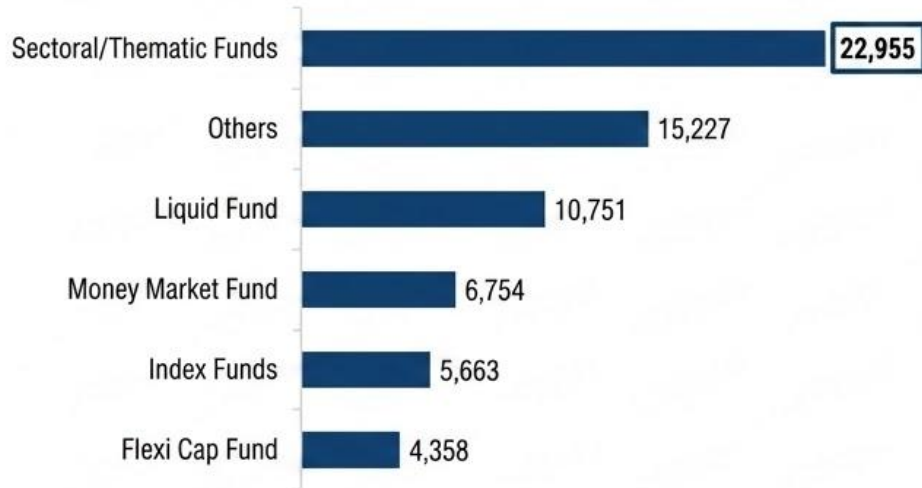
Key Highlights

- **Aggressive Risk Appetite:** Equity vehicles captured a staggering ₹3.46 Lac Cr in inflows YTD, completely dwarfing the ₹22K Cr allocated to Debt schemes.
- **Flight to Flexibility:** Investors aggressively abandoned locked-in or rigid constraints (ELSS: -₹5,857 Cr; Dividend Yield: -₹870 Cr) in favor of ultimate mandate flexibility, pouring a massive ₹89,213 Cr into Flexi Cap funds.

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

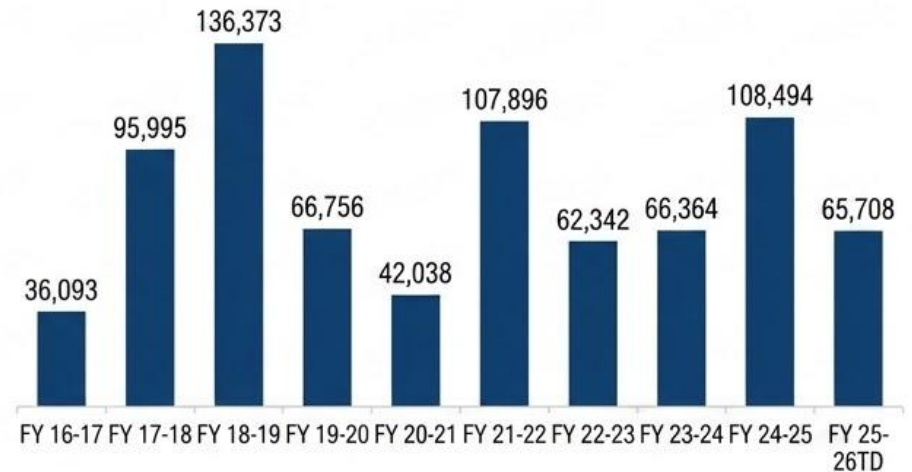
Source: AMFI | Data is for FY 2025-26TD, as of March 2026. Only open-ended schemes are considered. Yearly Net Inflows figure is calculated as the sum of Monthly Net Inflows figures.

Category-wise NFO Fund Mobilization (INR Crores)



Sectoral and thematic mandates are the primary drivers of new capital.

NFO Trend YoY (INR Crores)



Overall NFO mobilization normalizes to ₹65,708 Cr in FY26 TD.

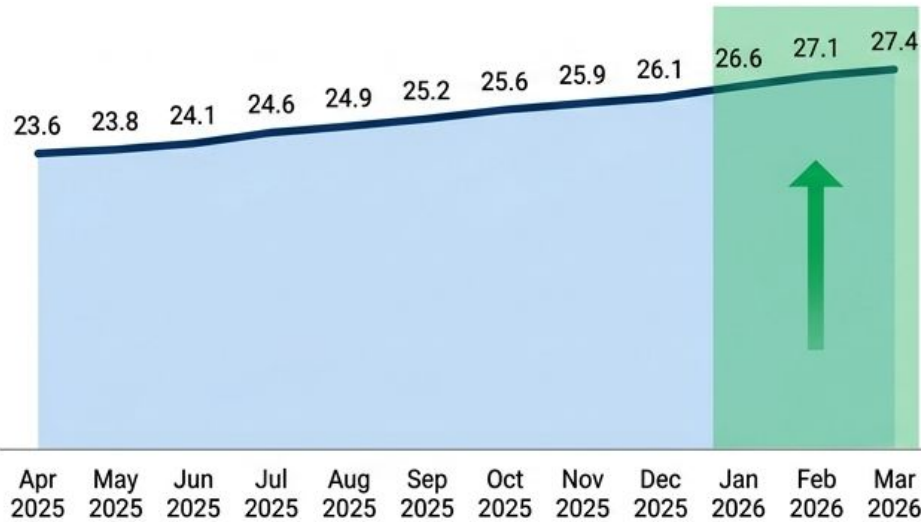
Key Highlights

- **Thematic NFO Dominance:** The industry mobilized **65,708 Cr** via NFOs, with Sectoral/Thematic funds single-handedly driving **22,955 Cr** (over **34%** of the total), signaling high investor appetite for niche growth stories.
- **Cooling NFO Fervor:** After the massive cyclical peaks of FY19 and FY25 (>**100,000 Cr**), overall NFO mobilization for FY26 TD has cooled, reflecting a market heavily reliant on existing continuous schemes.

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

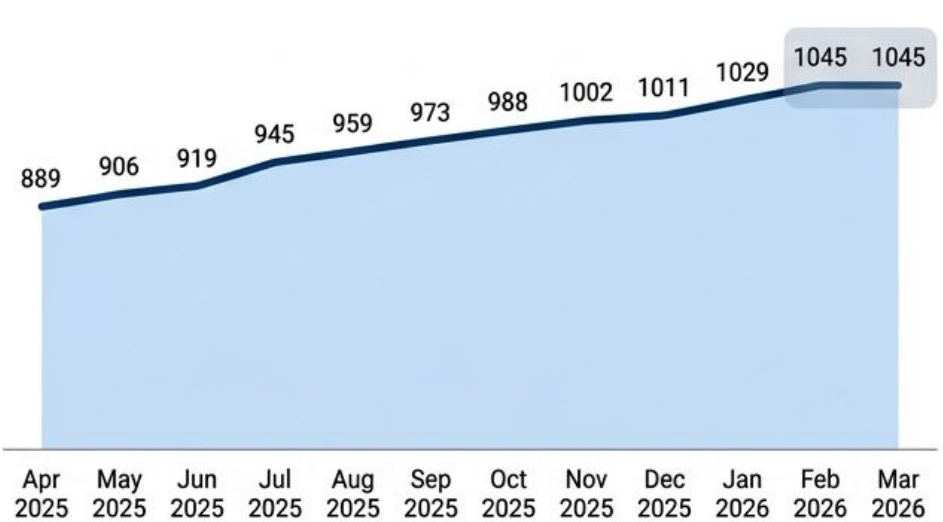
Source: AMFI | FY 2016-17 - FY 2025-26TD. FY 2025-26TD data is as of March 2026

No. of Folios (In Cr.)



Retail folios ignore AUM volatility, expanding continuously without a single month of contraction.

Total No. of outstanding SIP Accounts (in lakhs)



Systematic accounts hold the line perfectly, refusing to capitulate during the March sell-off.

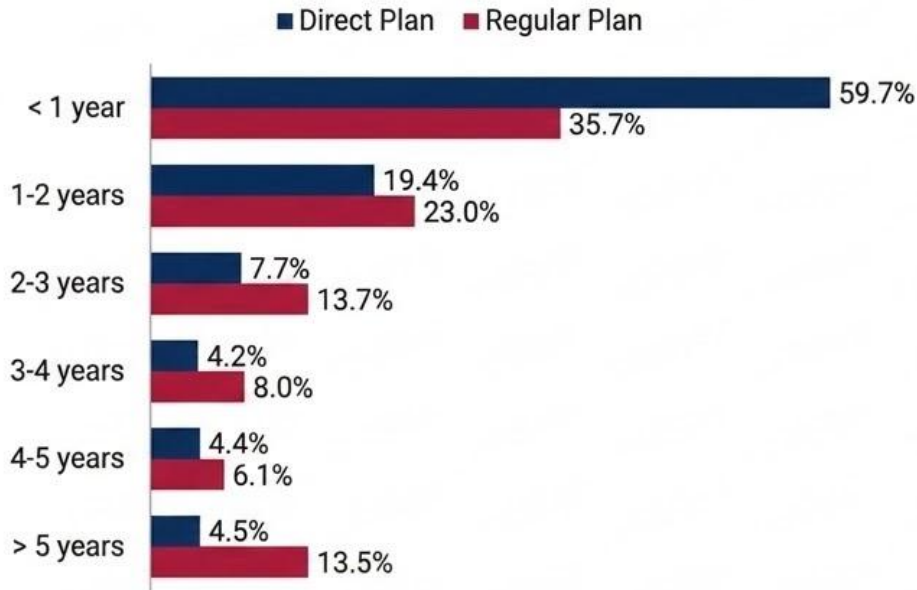
Key Highlights

- **The Ultimate Anchor:** While March saw a devastating -239k Cr outflow and an 8.3L Cr drop in AUM, the retail investor base did not panic. Total folios actually grew from 26.6 Cr in Jan to 27.4 Cr in March.
- **SIP Sticky Capital:** The systematic investment culture proved bulletproof against short-term volatility. Outstanding SIP accounts surged from 1029 lakhs in Jan to 1045 lakhs in Feb, and remained perfectly stable at 1045 lakhs through the severe March drawdown.

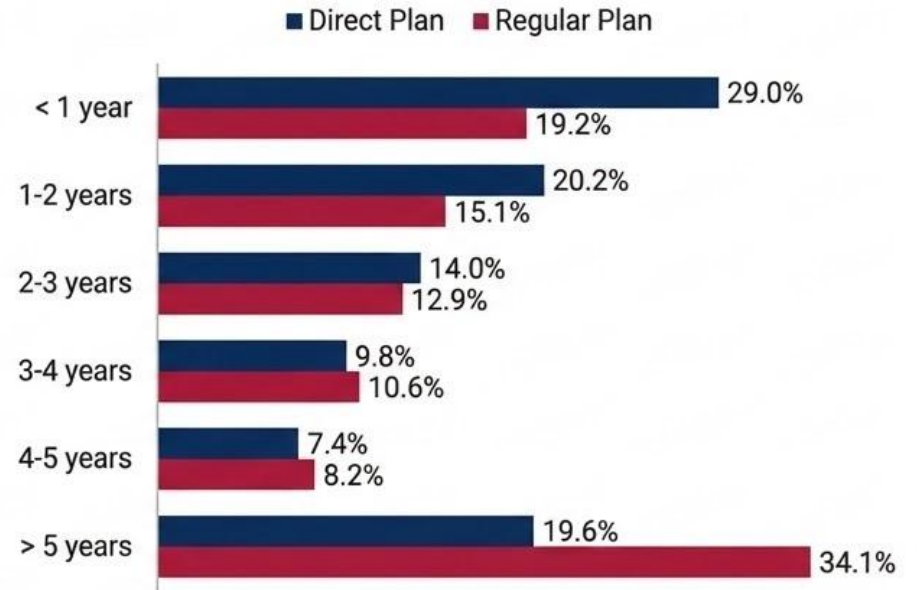
Source: AMFI | April 2025 - March 2026

Source: AMFI | April 2025 - March 2026

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



**SIP AUM:
Direct Plan vs Regular Plan (%)**

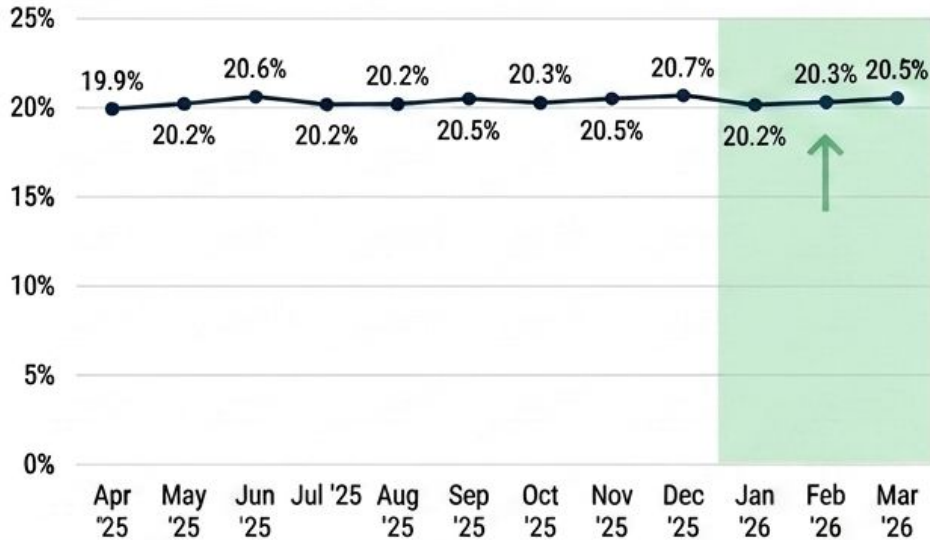


Key Highlights

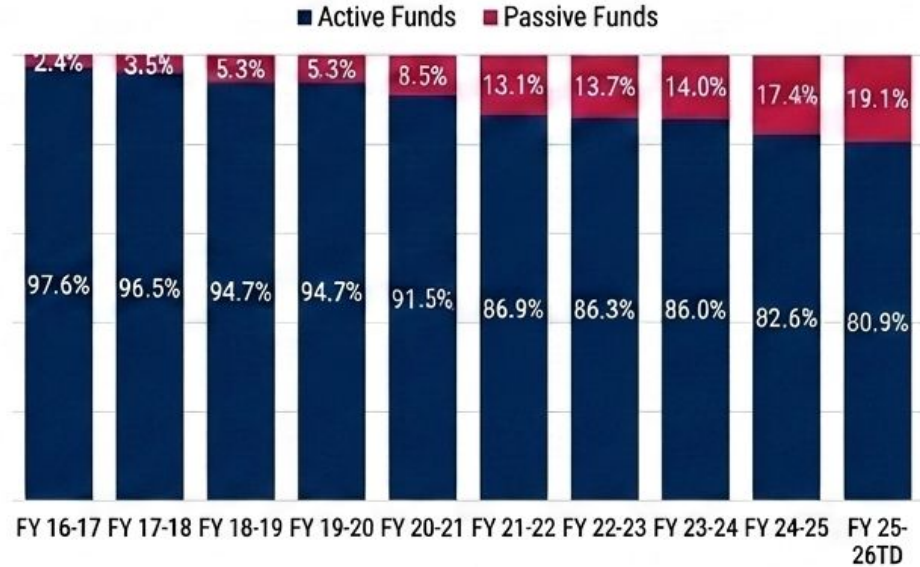
- While an overwhelming majority of Direct SIP accounts (59.7%) are less than 1 year old, the underlying AUM narrative highlights advisor value.
- A massive 34.1% of all Regular Plan SIP AUM sits in highly sticky accounts older than 5 years, proving the long-term retention value of advised channels.

Source: AMFI | Data is for the period March 2026

SIP assets as a % of industry assets



Active Vs Passive Funds: Net AUM (%)



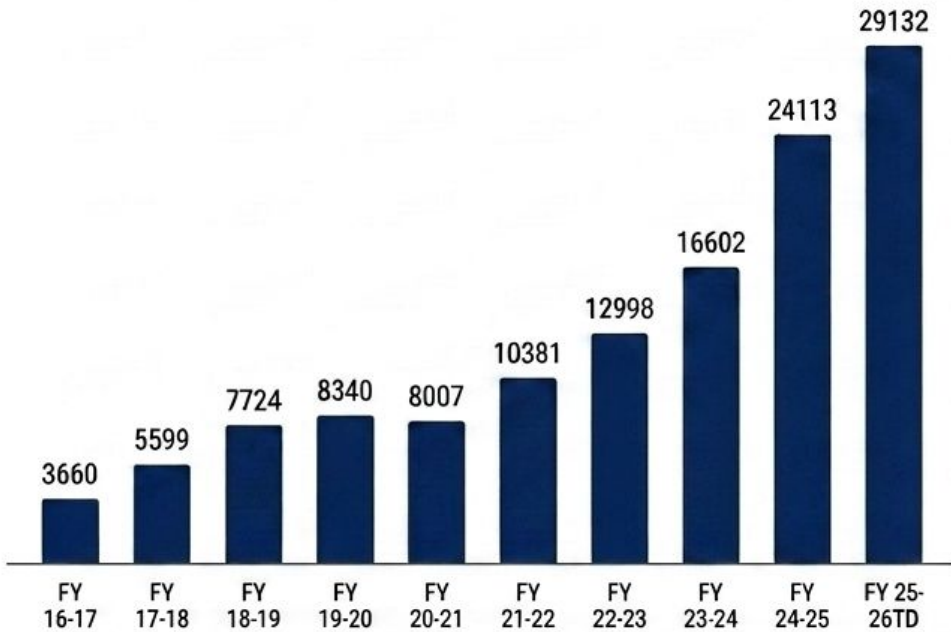
Key Highlights

- SIP asset share demonstrated a strict positive trajectory in Q1 2026, rising sequentially from 20.2% in Jan 2026 to 20.3% in Feb 2026, peaking at 20.5% in Mar 2026.
- This immediate SIP momentum anchors the industry as a long-term structural shift continues, with Passive Funds expanding to capture 19.1% of total Net AUM in FY26TD.

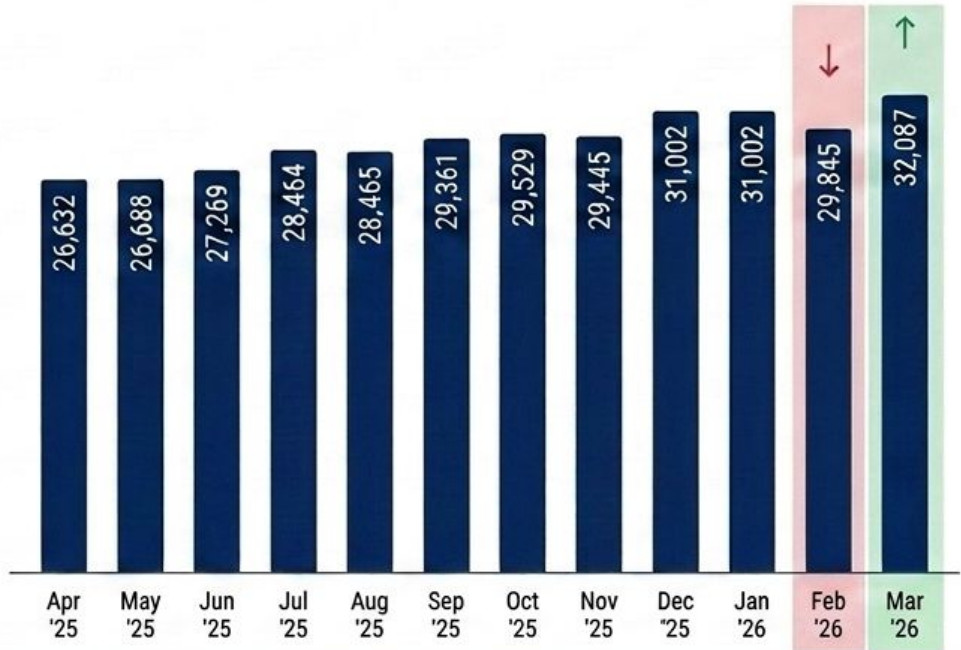
Source: AMFI | April 2025 - March 2026

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



Monthly SIP Contribution (INR Crores)



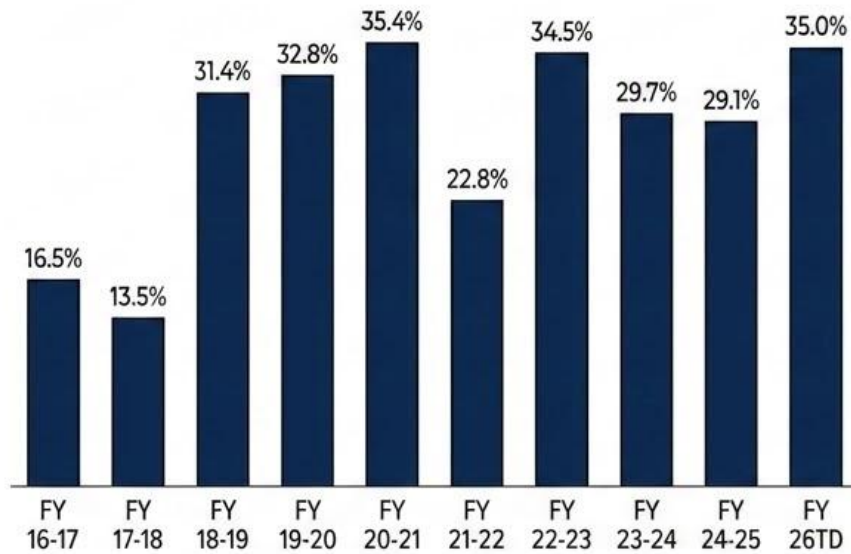
Key Highlights

- Short-term capital deployment experienced turbulence, with SIP contributions dipping to 29,845 Cr. in Feb 2026 from 31,002 Cr. in Jan 2026.
- However, investor conviction rapidly returned, driving a swift recovery to an all-time high of 32,087 Cr. in Mar 2026, pushing the FY26TD average SIP book to 29,132 Cr.

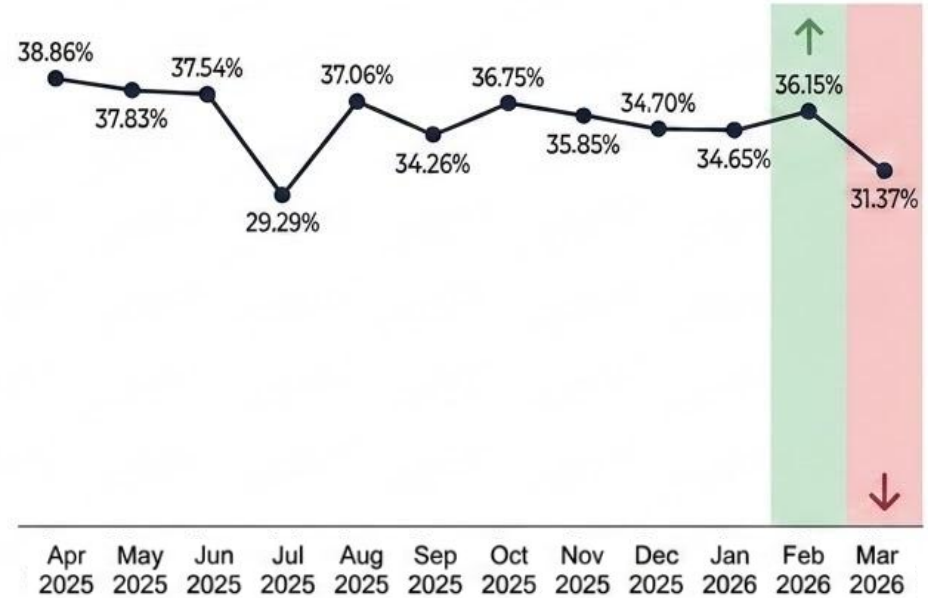
Source: AMFI | FY 2016-17 - FY 2025-26TD. FY 2025-26TD data is as of March 2026.
Average SIP Contribution is calculated by dividing yearly SIP Contribution by the number of months.

Source: AMFI | April 2025 - March 2026

Yearly SIP Contribution to Gross Sales (%)



Monthly SIP Contribution to Gross Sales (%)



Key Highlights

- SIP reliance spiked notably in Feb 2026, constituting 36.15% of Gross Sales, up from 34.65% in Jan 2026.
- In Mar 2026, while raw SIP inflow hit record highs, the SIP share of Gross Sales contracted to 31.37%, signaling a massive influx of lump-sum and non-SIP capital at the close of the financial year.

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



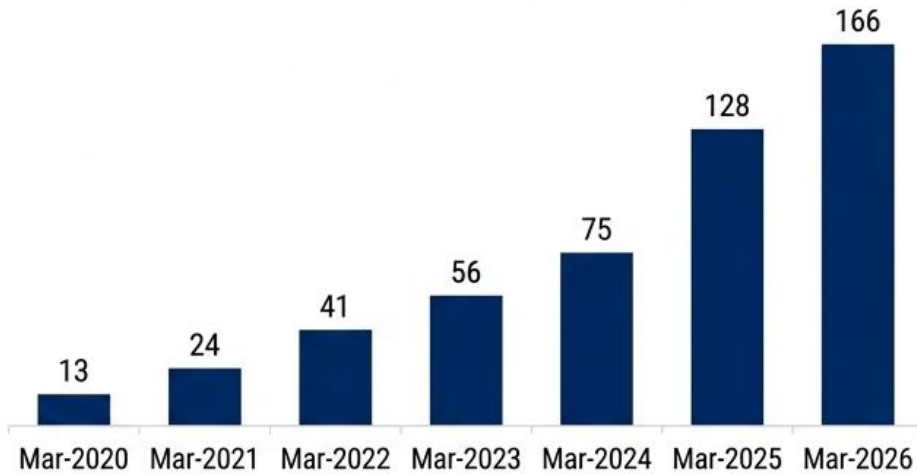
AUM demonstrates substantial, unbroken upward momentum across the timeframe.

Key Highlights

- Broad Based strategies exhibit massive absolute scale, with AUM reaching a historic 776,262 Cr in March 2026.
- The category demonstrates relentless YoY compounding, successfully launching 128 new schemes since Mar-2020.
- Scheme count expansion perfectly mirrors the AUM trajectory, indicating sustained market absorption without contraction.

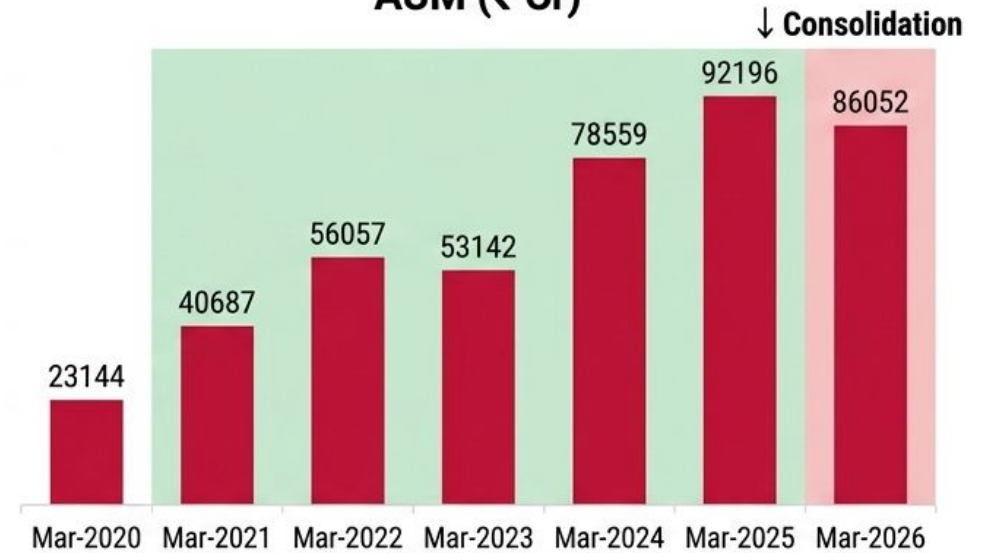
Source: ICRA. AUM figures are as of month end. All regular open-ended schemes under the Passive Equity Broad-Based category have been considered. The Passive Equity Broad-Based category has been defined by selecting all regular open-ended equity-based schemes and classifying them based on Nifty's benchmark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

Count of Schemes



Strong, uninterrupted proliferation of sector and thematic product offerings.

AUM (₹ Cr)



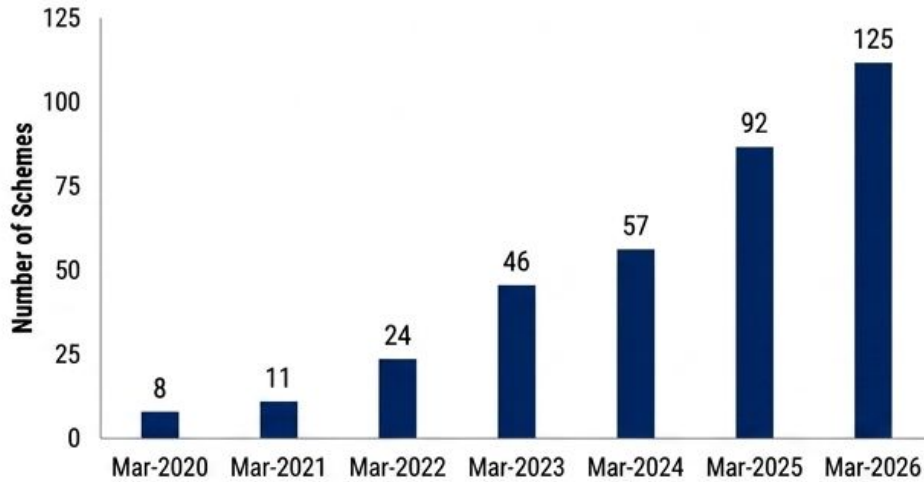
Overall high growth trend characterized by periods of occasional AUM consolidation.

Key Highlights

- Despite a minor AUM contraction from Mar-2025 to Mar-2026 (-6,144 Cr), product launches remain robust, reaching an all-time high of 166 schemes.
- The category displays cyclical AUM behavior, similar to the brief plateau seen between Mar-2022 and Mar-2023.
- Overall long-term trajectory remains highly positive, with AUM nearly quadrupling since Mar-2020.

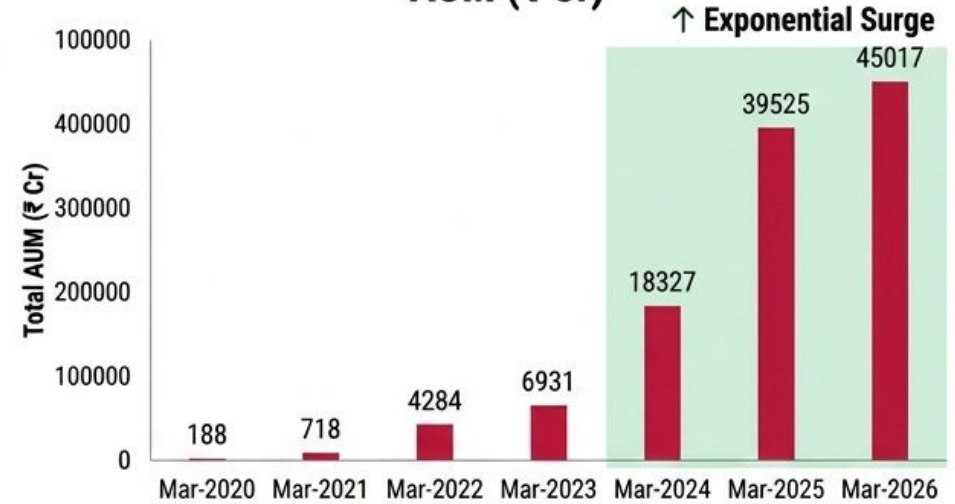
Source: ICRA. AUM figures are as of month end. All regular open-ended schemes under the Passive Equity Sector/Thematic category have been considered. The Passive Equity Sector/Thematic category has been defined by selecting all regular open-ended equity-based schemes and classifying them based on Nifty's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

Count of Schemes



Accelerated pace of new scheme launches, scaling rapidly over six years.

AUM (₹ Cr)



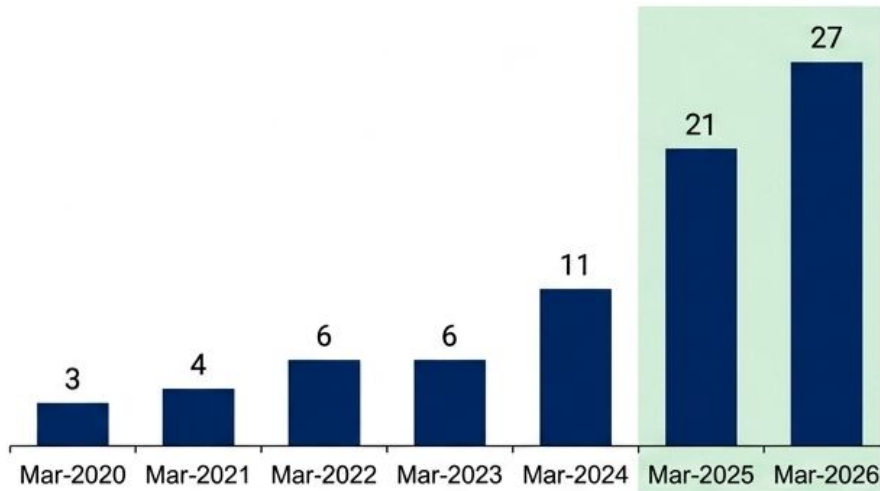
Exponential AUM growth trajectory, reflecting rising investor appetite.

Key Highlights

- Strategic passive AUM has experienced an exponential surge, growing from a nominal 188 Cr in 2020 to 45,017 Cr in 2026.
- The aggressive expansion in product availability (+117 schemes since 2020) highlights rapid innovation in this segment.
- The sharpest AUM acceleration occurred between Mar-2024 and Mar-2025, more than doubling the category size in a single year.

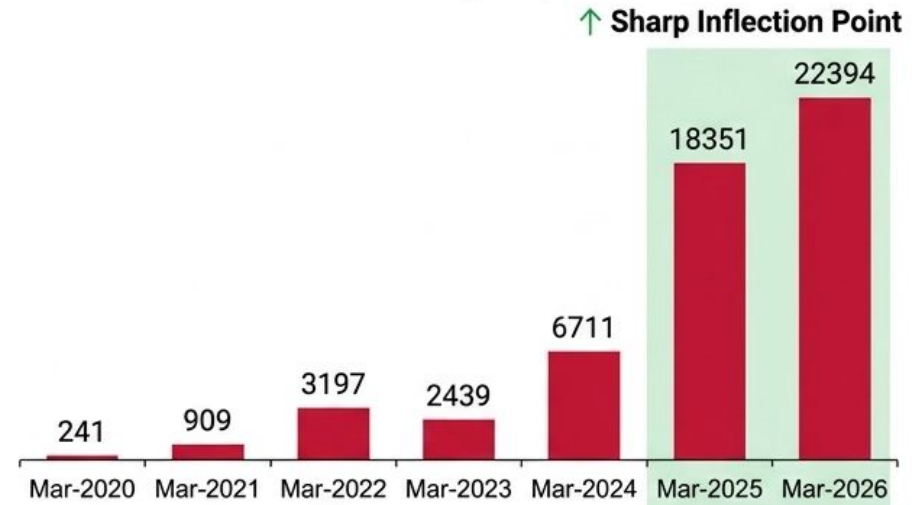
Source: ICRA. Includes all regular open-ended schemes classified under the Passive Equity Strategic category based on Nifty's benchmark categorization. AUM figures are as of Month end.

Count of Schemes



Steady but selective addition of strategies, with momentum building recently.

AUM (₹ Cr)



AUM displays sharp momentum over the last three years, successfully crossing 22,000 Cr.

Key Highlights

- Active Smart Beta is emerging as a fast-growing niche, with AUM multiplying dramatically from just 241 Cr in Mar-2020 to 22,394 Cr in Mar-2026.
- The category hit a clear inflection point post-2023, with AUM nearly tripling between Mar-2024 and Mar-2025 alone.
- Scheme count more than doubled over the last 24 months, indicating rising manufacturer confidence and distributor adoption.

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.

	Wealth Compounding	Industry assets show relentless yearly compounding.
	Market Resilience	Investors demonstrate strong buy-on-dip momentum.
	Ultimate Flexibility	Capital strongly favors flexible equity mandates.
	SIP Anchor	Systematic investments survive short-term market volatility.
	Advisor Retention	Regular plans ensure long-term client retention.
	Passive Transition	Massive structural shift toward passive vehicles.



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