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"PRESENT SCENARIO OF VARIOUS TYPES OF MUTUAL FUNDS AND THEIR ASSET UNDER MANAGEMENT"

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Abstract: -

The Indian common asset industry has made some amazing progress since its origin in 1963. The business saw adequate development on all boundaries - the quantity of asset houses, the quantity of plans, reserves assembled, resources under administration, and so forth Given the basic part of diverting family reserve funds, the inquiry is - has the Indian shared industry prevailing with regards to accomplishing its objective? This investigation tends to this worry. The definite idea of the current investigation proposes that the shared asset industry has recorded critical advancement on all fronts yet it has not had the option to use its expected fully.Moreover, the business faces various difficulties like low infiltration proportion, absence of item separation, absence of financial backer mindfulness and capacity to convey worth to clients, absence of premium of retail financial backers towards common assets and developing nature of the business. In light of the investigation the examination proposes some suggestion to address these difficulties.

Key words: -mutual funds, investment, asset under management

Introduction: -

A common asset is a kind of monetary vehicle comprised of a pool of cash gathered from numerous financial backers to put resources into protections like stocks, securities, currency market instruments, and different resources. Shared assets are worked by proficient cash administrators, who allot the asset's resources and endeavor to deliver capital additions or pay for the asset's financial backers. A common asset's portfolio is organized and kept up to coordinate with the venture goals expressed in its outline.Shared finances pool cash from the contributing public and utilize that cash to purchase different protections, generally stocks and bonds. The estimation of the shared asset organization relies upon the presentation of the protections it chooses to purchase. Along these lines, when you purchase a unit or portion of a shared asset, you are purchasing the exhibition of its portfolio or, all the more decisively, a piece of the portfolio's worth. Putting resources into a portion of a common asset is not the same as putting resources into portions of stock. Dissimilar to stock, common asset shares don't give its holders any democratic rights. A portion of a shared asset addresses interests in a wide range of stocks (or different protections) rather than only one holding.

Meaning of mutual fund

A mutual fund is a professionally operated investment scheme that brings together a group of people and invests their money in stocks, bonds, and other securities. It is normally administered by an asset management firm.

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History of mutual funds

- First phase - 1964-1987

The unit trust of india was founded by the government of india under an act of parliament in 1963, and the history of the mutual fund industry in india can be traced back to that year. The rbi was in charge of the regulatory and administrative aspects of uti's launch. The reserve bank of india handed over regulatory and administrative power of uti to idbi in 1978. (industrial development bank of india).The unit scheme was the first mutual fund scheme launched by uti in india (1964).

- Second phase - 1987-1993 (entry of public sector funds)

By the end of 1988, uti had rs. 6,700 crores in assets under management.Public sector banks like state bank of india, Punjab national bank, canara bank, and other non-uti segments like general insurance corporation of india (gic) and life insurance corporation of india (lic) entered the market and formed public sector mutual funds in 1987. The funds introduced by public sector banks are listed below in chronological order:

• canbank mutual fund
• sbi mutual fund
punjab national bank.
• mutual fund of indian bank
• mutual fund of the bank of india
• mutual fund of bank of Baroda

- Third phase - 1993-2003 (entry of private sector funds)

Private sector funds have been developed in the mutual fund industry since 1993. In the same year, india enacted mutual fund regulations, requiring all mutual funds, with the exception of uti, to register. The Kothari pioneer fund was the first private sector mutual fund to be registered, and it later merged with franklin templeton. The mutual fund regulations were enacted in 1996.The unit trust of india act 1963 was repealed in 2003, and the uti mutual fund, funded by punjab national bank, state bank of india, life insurance corporation of india, and bank of baroda, was split into two separate entities: the uti mutual fund and the specified undertaking of the unit trust of india. From February 2003, the bifurcation was in place.

- Fourth phase - since February 2003

Changes are happening in whole mutual fund industry.
Present figures of mutual fund industry in india taken from AMFI’s march 2021 sheet

- Total Net Assets Under Management as on March 31, 2021 (INR in crore)

1)Open ended Schemes - 29,96,552.56
2)Close ended Schemes - 1,47,911.31

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Review of literature

1) Chavan &Patil, 2019 - Chavan and CA Patil investigated the capital asset pricing model using the S&P BSE Sensex index as a case study. With relation to the S&P BSE Sensex Index from 2011 to 2015, the research empirically checked the validity of the CAPM model in the Indian stock market. Since the true market portfolio cannot be calculated, the analysis concludes that CAPM cannot be checked.
2) (Chawla, 2014) - They've looked at different mutual fund schemes. The Sharpe and Treynor ratio is used in the study. Also compared are beta, standard deviation, and coefficient of determination. According to the report, 62 percent of schemes are less risky than the industry in terms of standard deviation. And all of the schemes have a beta of less than one. Seven of the eight funds have outperformed the benchmark.
3) S. M. Tariq Zafar, 2015 - Sharpe's, Treynor's, and Jenson's ratios have also been studied by scholars. In addition, the analysis examines the interdependence of funds and the Index. The study concludes that each fund performs differently and is ranked accordingly. The same fund may be the best in one criterion and the worst in the other. It was also discovered that, under SEBI regulations, mutual funds in India have a promising future.
4) Arathy B, 2015 - Factors influencing mutual fund investment are investigated in a paper written by Arrathy, Aswathy, Anju, and Pravitha. Tax benefits, high returns, price, and capital appreciation are all major factors affecting retail investors' investment decisions, according to the report. Furthermore, equity-based plans are favored.

Growth and development of mutual funds in india

The mutual fund industry, which began operations in the country in 1963, has grown to become one of the most significant components of the financial sector. In terms of goods and services provided, regulatory mechanisms, and the proliferation of a large number of private sector companies, the industry has seen ample expansion and standardization. Both domestic and international funds are available. The reality is that the country's fund market has progressed beyond offering simple mutual funds from basic equity and debt funds to a wide range of items like Gold Funds (GF) and Exchange Traded Funds (ETFs), there's something for everyone. (ETFs), as well as capital-protection funds and even native funds (Fozia, 2013). True, the country's mutual fund industry has come a long way, but the question is whether it has completely realized its potential. In order to address this question, we must critically examine its development. For this reason, the growth that the mutual fund industry has experienced over time is described in the following paragraphs. The following parameters have been examined: (a) the amount of funds available, (b) the fund schemes available; (c)mobilization of funds; d) assets under management; e) household savings mobilized; and f) efficiency of the organization in terms of profits and profitability, AMCs are the most profitable.

Objectives of the paper

1) To know about types of various mutual fund schemes present in india.

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2) To know about investors holdings and aum in different types of funds

Research design

This is description study taken from various websites, journals and rbi published data. association of mutual funds in india(AMFI) provides various types of current data relating to mutual funds.

Types of mutual fund schemes

1) By investment object -

a) equity funds

Since equity funds mainly invest in stocks, they are also known as stock funds. They invest the money raised by a variety of investors with a variety of backgrounds in various companies' shares/stocks. The gains and losses associated with these funds are solely determined by how the invested shares perform in the stock market (price increases or decreases). Furthermore, over time, equity funds have the ability to produce large returns. As a result, the risk associated with these funds is typically higher.

b) debt funds: -

Debt funds mainly invest in fixed-income products like bonds, shares, and Treasury securities. They invest in Fixed Maturity Plans (FMPs), Gilt Funds, Liquid Funds, Short-Term Plans, Long-Term Bonds, and Monthly Income Plans, among other fixed income instruments. Since the investments have a set interest rate and maturity date, they can be a good choice for passive investors looking for consistent income (interest and capital appreciation) with low risk.

c) Hybrid funds: -

Hybrid funds (Balanced Funds), as the name implies, are an optimal combination of bonds and stocks, bridging the difference between equity and debt funds. The ratio may be either fixed or variable. In a nutshell, it combines the best features of two mutual funds by allocating 60% of assets to stocks and 40% to bonds, or vice versa. Hybrid funds are appropriate for investors who want to take more risks in exchange for the gain of "debt plus returns" rather than sticking to lower but more consistent income schemes.

d) Money market funds: -

In the stock market, investors buy and sell securities. Investors may also invest in the money market, which is also known as the capital market or cash market. The government manages it in collaboration with banks, financial institutions, and other businesses by issuing money market instruments such as bonds, T-bills, dated securities, and certificates of deposit. The fund manager invests your money and pays you dividends on a regular basis. Choosing a short-term plan (no longer than 13 months) will significantly reduce the risk of investing in such funds.

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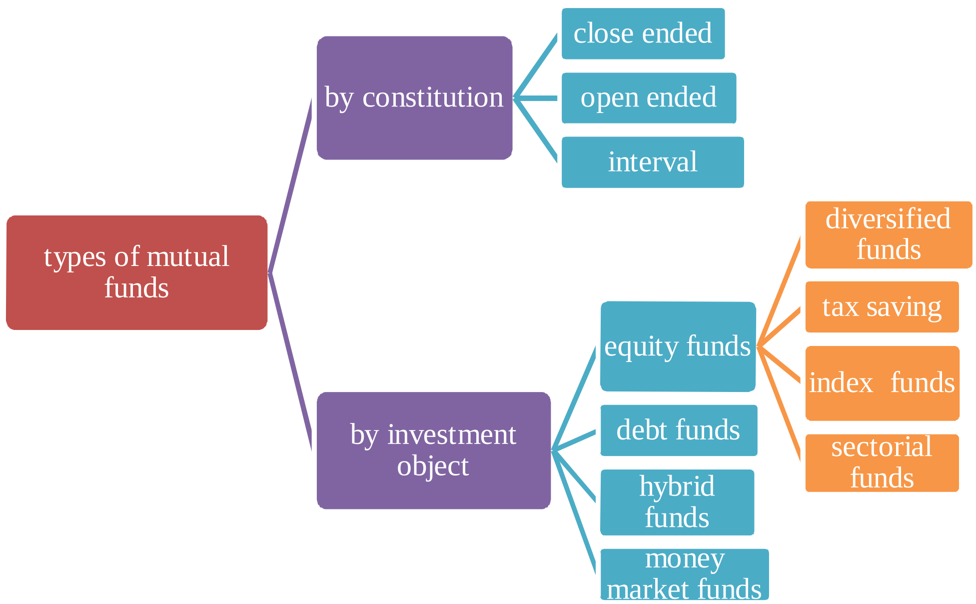

2) Based on structure: -

a) Open ended funds: -

There are no restrictions on open-ended funds, such as a time limit or the number of units that can be traded. These funds allow investors to exchange funds whenever they want and exit when they need to at the current NAV (Net Asset Value). This is the only explanation why the unit capital fluctuates as new entrants and exits occur. If an open-ended fund does not want to accept new investors, it will decide to avoid doing so (or cannot manage significant funds).

b) Close ended funds: -

The unit capital to invest in closed-ended funds is pre-determined. That is, the fund company is not allowed to sell more than the agreed-upon number of units. Some funds have a New Fund Offer (NFO) duration, during which you must purchase units by a certain date. NFOs have a pre-determined maturity period, and fund managers may choose any fund size. As a result, SEBI has mandated that investors have the choice of repurchasing the funds or listing them on stock exchanges to exit the schemes.

c) Interval funds

The characteristics of both open-ended and closed-ended funds can be seen in interval funds. These funds are only available for purchase or redemption at fixed intervals (determined by the fund house) and are otherwise locked. In addition, for at least two years, no transactions will be allowed. These funds are best for investors who want to put aside a large sum of money for a short-term financial target, such as a vacation in 3-12 months.

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Growth in number of funds

TABLE 1 ASSET UNDER MANAGEMENT AND FOLIOS - CATEGORY WISE - AGGREGATE - AS ON December 31, 2020

Types of Schemes	Investor Classification	AUM (Rs. Cr)	% to Total	No of Folios	% to Total
Liquid Fund/Money Market Fund/ Floater Fund	Corporates	457748.97	78.53	72209	2.44
	Banks/FIs	214422.26	3.68	1443	0.05
	FIIs	27.4	0	13	0
	High Networth Individuals*	91653.8	15.72	614018	20.79
	Retail	120209.06	2.06	2266256	76.72
	Total	**582901.48**	**100.00**	**2953939**	**100.00**
Gilt Fund/ Gilt Fund with 10-year constant duration	Corporates	10710.83	53.02	3558	1.26
	Banks/FIs	275.71	1.36	73	0.03
	FIIs	59.93	0.3	7	0
	High Networth Individuals*	7606.92	37.66	38191	13.48
	Retail	1546.87	7.66	241403	85.23
	Total	**20200.26**	**100.00**	**283232**	**100.00**
Remaining Income/ Debt Oriented Schemes	Corporates	554276	59.73	132767	2.44
	Banks/FIs	20419.18	2.2	2571	0.05
	FIIs	999.56	0.11	74	0
	High Networth	319884.42	34.47	1843342	33.88

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	Individuals*				
	Retail	32401.69	3.49	3462041	63.63
	Total	**927980.85**	**100.00**	**5440795**	**100.00**
Growth/ Equity Oriented Schemes	Corporates	85042.38	9.07	441399	0.68
	Banks/FIs	699.1	0.07	981	0
	FIIs	3440.64	0.37	393	0
	High Networth Individuals*	334318.66	35.65	3963943	6.08
	Retail	514212.67	54.84	60842362	93.25
	Total	**937713.45**	**100.00**	**65249078**	**100.00**
Hybrid Schemes	Corporates	43492.83	13.73	75463	0.81
	Banks/FIs	218.63	0.07	165	0
	FIIs	821.02	0.26	35	0
	High Networth Individuals*	199412.34	62.97	1822495	19.67
	Retail	72719.39	22.96	7368202	79.52
	Total	**316664.21**	**100.00**	**9266360**	**100.00**
Solution Oriented Schemes	Corporates	41.09	0.18	253	0
	Banks/FIs	0.06	0	2	0
	FIIs	0	0	0	0
	High Networth Individuals*	6068.1	27.23	67551	1.24
	Retail	16173.53	72.58	5364982	98.75
	Total	**2228**	**1**	**543**	**1**

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		2.77	**00.00**	**2788**	**00.00**
Index Funds	Corporates	4544.35	29.78	5237	0.65
	Banks/FIs	0.55	0	4	0
	FIIs	0	0	0	0
	High Networth Individuals*	6405.59	41.98	56698	6.99
	Retail	4308.62	28.24	748994	92.36
	Total	**15259.11**	**100.00**	**810933**	**100.00**
Gold ETF	Corporates	7496.71	52.89	7734	0.87
	Banks/FIs	8.07	0.06	6	0
	FIIs	0	0	0	0
	High Networth Individuals*	4920.44	34.71	37912	4.27
	Retail	1748.63	12.34	842196	94.86
	Total	**14173.85**	**100.00**	**887848**	**100.00**
ETFs (other than Gold)	Corporates	236564.85	92.32	39877	1.14
	Banks/FIs	3699.14	1.44	44	0
	FIIs	73.84	0.03	12	0
	High Networth Individuals*	12513.14	4.88	66914	1.92
	Retail	3386.22	1.32	3381776	96.94
	Total	**256237.19**	**100.00**	**3488623**	**100.00**
Fund of Funds investing Overseas	Corporates	1372.23	15.14	3873	0.74
	Banks/FIs	1.29	0.01	4	0

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FIIs	0.21	0	1	0
High Networth Individuals*	5509. 27 0.79	6 00	486 .31	9
Retail	2179. 22 4.05	2 404	469 9.94	8
Total	**9062. 21 00.00**	**1**	**521 882 00.00**	**1**
Grand Total	**3102 475.39**		**943 35478**	

* Defined as individuals investing Rs 2 lakhs and above
Source: AMFI REPORTS

This table shows that asset under management is tremendously increased. there are many types of investors who invested their money in mutual funds they are of like corporates, banks, FIIs, highNetworthindividuals, retails, etc.from the above table we can see that corporates are more likely interested to invest in liquid funds and ETFs whereas less interested to invest in overseas funds. HNIs are more likely invested their funds in equity oriented schemes. Banks are investing their more money in money market instruments and gilt-edge funds.

TABLE 2 - AGEWISE ANALYSIS OF ASSETS UNDER MANAGEMENT AS ON December 31, 2020 - AGGREGATE (Rs. in crores)

ypes of Schemes	nvestor Classification	-1 Month	to category	-3 Month	to category	-6 Month	to category	-12 Month	to category	2-24 Month	to category	24 Month	to category	otal
QUITY	orporates	6973.39	.46	4732.71	.84	0228.54	.36	2699.82	0.11	7761.52	1.51	29102.49	5.71	61498.47
	anks/ FIs	73.72	.02	4.96	.99	893.52	1.63	11.33	1.24	06.28	1.13	318.88	8.99	548.68
	IIs	7.62	.11	0.26	.64	1.77	.51	3.81	.26	57.89	5.38	425.02	0.09	276.36
	igh Netw	9629.19	.59	5083.52	.59	4762.35	.36	2373.65	6.91	09532.4	0.05	64955.6	8.5	46336.78

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	orth Individuals*									5		2		
	etail	4471.09	.43	4201	.07	3754.29	.68	7596.17	3.05	15253.28	9.38	29352.91	5.39	94628.75
	otal	**1395.02**	**.06**	**4132.44**	**.91**	**00660.47**	**.66**	**43234.78**	**6.09**	**03711.41**	**0.1**	**28154.92**	**8.18**	**511289.04**
ON-EQUITY	orporates	82016.87	7.03	25041.94	1.57	36685.77	3.1	17687.14	1.28	14770.45	1	67327.69	6.03	043529.86
	anks/FIs	6150.37	8.27	0251.06	4.29	544.86	0.77	340	2.65	477.43	.5	442.68	0.53	2206.41
	IIs	6.8	.87	28.37	1.47	3.73	.12	0.36	.18	97.32	2.34	12.08	0.02	118.66
	igh Networth Individuals*	2123.31	.32	7856.36	0.9	1158.12	3.93	6829.88	9.78	5444.69	9.46	25611.66	8.61	39024.03
	etail	571.61	.53	605.86	1.65	294.1	2.7	849.39	2.02	103.96	3.94	6882.47	1.16	5307.38
	otal	**35938.96**	**1.11**	**90883.59**	**8.28**	**10706.59**	**3.24**	**17786.77**	**3.69**	**11493.85**	**3.29**	**24376.57**	**0.39**	**591186.33**
	rand Total	**97333.98**	**2.81**	**65016.03**	**1.77**	**11367.06**	**0.04**	**61021.54**	**4.86**	**15205.26**	**6.61**	**052531.5**	**3.93**	**102475.37**

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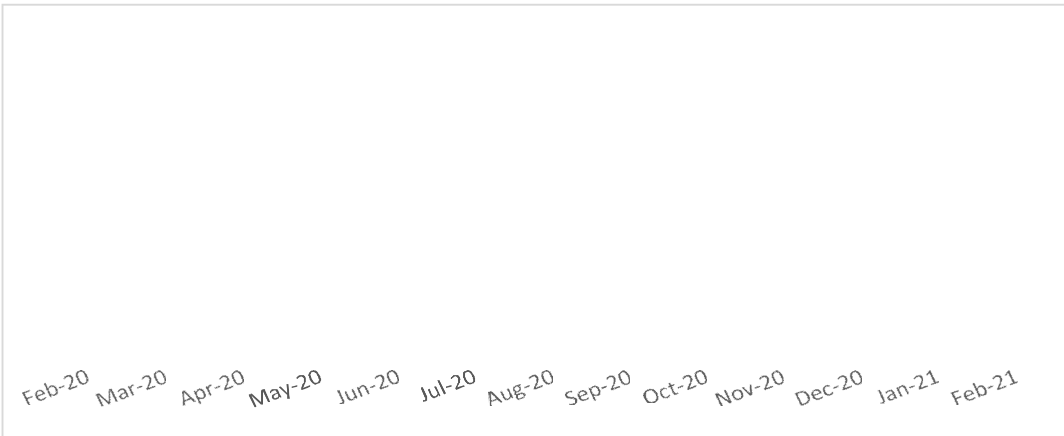
* Defined as individuals investing Rs 2 lakhs and above
Source: AMFI REPORTS



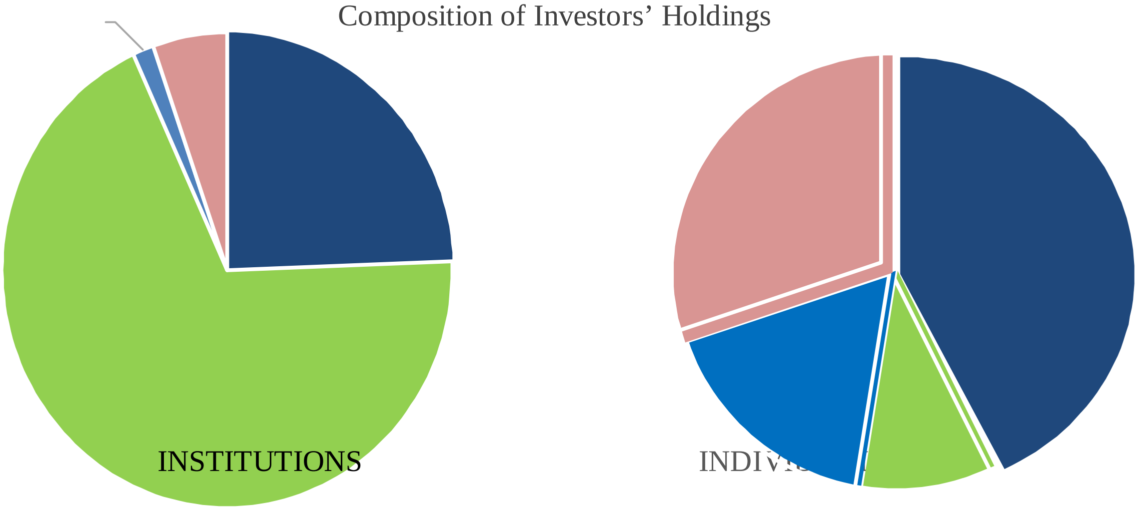
Investment of Total assets

Total Assets(Rs. Trillion)

Source: AMFI REPORTS Peak COVID -19 effect

mutual fund has grown its assets under management from Rs. 28.29 trillion in February 2020 to Rs. 32.30 trillion in February 2021. In comparison to February 2020, this reflects a 14.17 percent rise in assets.

Composition of Investors' Holdings



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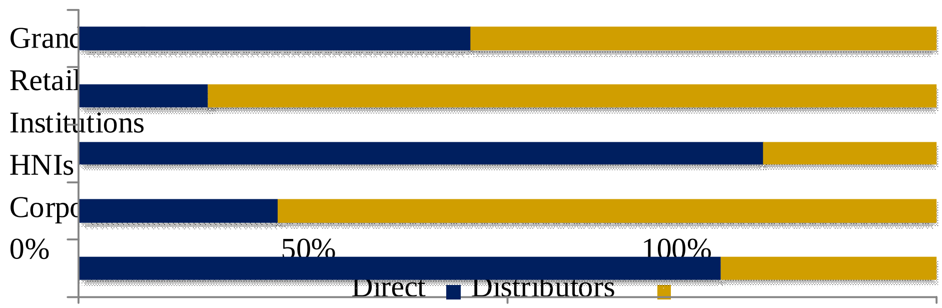
ETFs & FOFs liquid/ money mkt

Equity oriented schemes debt oriented schemes

Individual investors are more likely to invest in equity-oriented schemes, while institutions are more likely to invest in liquid and debt-oriented schemes. Specific investor funds are invested in equity-oriented schemes to the tune of 69%. Liquid / money market schemes and debt-oriented schemes account for 71% of an institution's assets.

Investor Type



Around 15% of retail investors chose to invest directly, while HNI funds were invested directly in 23% of cases. Direct investments accounted for 46% of the mutual fund industry's assets. A significant percentage of direct investments is made in non-equity-oriented schemes, which are dominated by institutional investors.

Conclusion: -

Despite the fact that the common asset industry has recorded critical advancement on all fronts, yet it has not had the option to use its potential completely. On practically on all boundaries, it is a long way behind the created economies and surprisingly the vast majority of the arising economies of the world. The business is faced with various difficulties like low entrance proportion, absence of item separation, absence of financial backer mindfulness and capacity to impart worth to clients, absence of premium of retail financial backers towards common assets and developing nature of the business. In this way, if the industry needs to use its potential completely, it needs to address these difficulties. To address these difficulties, the need is to infiltrate into the level II and level III urban communities which in addition to other things would require looking for more familiarity with the financial backers through essential activities and financial backer instruction drives. Aside from this, the common asset industry needs to consistently convey better danger changed returns than the financial backers. This would require the asset administrators, from one viewpoint, to show prevalent stock

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selectivity and market timing execution reliably and on the other hand to keep the asset costs under check. Conveying prevalent danger changed returns reliably will naturally make a specialty for the shared assets.

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