

Press Clipping

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Rel MF first to cross Rs 1 lakh-cr average AUM mark in May

Our Bureau
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RELIANCE Mutual Fund, part of Anil Dhirubhai Ambani (ADAG) Group, has become the first mutual fund (MF) house in India to cross the Rs 1 lakh-crore mark in average asset under management (AUM) for a month. The firm recorded a 13% increase in average AUM for May to Rs 1.02 lakh crore compared with Rs 88,387.98 crore in April. The surge in May was primarily due to improving liquidity and strengthening stock market sentiment.

Reliance MF had earlier crossed the Rs 1 lakh-crore mark in total AUM for a few days in April 2008. This had subsequently dropped, as the stock market crash brought down the value of equity assets significantly. But this is the first time that the average AUM of Reliance MF for the whole month was above Rs 1 lakh crore, as per latest data released by the Association of Mutual Funds of India (AMFI).

Reliance MF's schemes are managed by Reliance Capital Asset Management, a subsidiary of listed Reliance Capital. Reliance Capital Asset Management CEO Sundeep Sikka said, "As against last year, we have seen the size of assets under debt schemes rise to around Rs 75,000 crore, while assets under equity schemes declined largely due to a drop in share prices." He, however, added, "We have lately seen an increasing interest from retail investors in equity funds, which is significant as the MF industry is highly underpenetrated. We have witnessed a 50% jump in the number of retail investors with investments of less than Rs 10,000 for May compared with May 2008."

Reliance MF is the largest fund house in the country, and has been topping the industry AUM charts for the past two years backed by strong inflows into equity, besides that in debt schemes. Other large fund houses include HDFC MF, ICICI Prudential MF, UTI MF and Birla Sun Life MF. Although some of these fund houses are yet to declare their AUM for May, HDFC MF, which was the second-largest player in April, reported an 18% growth in AUM to Rs 75,406 crore.



MUTUAL GAIN

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