

MF folio count rises 21 lakh to around 5 crore in August end

This follows an addition of 59 lakh folios or investor accounts in the preceding FY (2015-16) and 22 lakh in the FY 2014-15

Press Trust of India | New Delhi September 12, 2016 Last Updated at 14:59 IST



Showing a growing traction for mutual funds among investors, the number of folios has surged by over 21 lakh in the first five months of the ongoing financial year (FY) to around 5 crore, mainly on account of strong

participation from retail investors.

This follows an addition of 59 lakh folios or investor accounts in the preceding FY (2015-16) and 22 lakh in the FY 2014-15.

Folios are numbers designated for individual investor accounts though one investor can have multiple accounts.

According to the Securities and Exchange Board of India data on investor accounts with 42 active fund houses, the number of folios jumped to 4,97,96,459 at the end of August from 4,76,63,024 at the end of the last FY, a gain of 21.33 lakh.

Growing participation from retail investors and huge inflows in equity schemes have helped in increasing the folio counts, experts said.

Inflows in equity schemes can be attributed to a slew of factors like well spread monsoon, better corporate results, smooth progress on Goods and Services Tax Bill and positive data coming from the US economy, Bajaj Capital Group CEO and Director Anil Chopra said.

Besides, monthly SIP (systematic investment plans) book has crossed 1 crore and monthly net contributions through SIP alone is over Rs 3,000 crore leading to higher positive net inflows in equity markets, he added.

The equity folios climbed by over 11 lakh to 3.71 crore, while investor accounts for debt-oriented schemes surged by 7.5 lakh to 9.07 crore, during the period under review.

Mutual funds have reported net inflows of over Rs 2.2 lakh crore in schemes in the first five months (April-August) of the current FY. Of this, equity funds have seen an infusion of Rs 18,490 crore.

The latest inflow has pushed the assets under management of equity mutual fund to a record high of Rs 15.63 lakh crore at the end of August from Rs 15.2 lakh crore in July-end.

Mutual funds are investment vehicles made up of a pool of funds collected from a large number of investors. The funds are invested in stocks, bonds and money market instruments, among others.