

Published Date:	10 Jan 2025	Publication:	The Telegraph [Kolkata]
Journalist:	Bureau	Page No:	6
Circulation:	25,000		

Investors make beeline for thematic funds

A STAFF REPORTER

1 Calcutta: A total of 34 new fund offers garnering ₹13,852 crore kept inflows into equity funds buoyant as debt fund outflows pulled down the assets under management of the mutual fund industry to ₹66.93 lakh crore in December from ₹68.08 lakh crore in November.

The assets under management in December 2023 were ₹50.77 lakh crore. While equity funds saw an inflow of ₹41,155.91 crore, largely led by sectoral, small-cap and midcap funds, there was an outflow of ₹1,27,152.63 crore from debt funds, primarily in overnight, liquid and

money market funds. Of the 34 new fund offers during December 2024, 13 were in sectoral/thematic funds, which mobilised ₹11,402 crore.

"The NFO momentum has remained robust in December, with thematic funds leading the charge, attracting inflows both through ongoing investments and new NFOs," said Deepak Ramaraju, senior fund manager, Shriram AMC.

"Sectoral funds continue to shine with NFOs driving the bulk of the flows. Debt inflows have been negative across categories, primarily due to quarter-end outflows and tax payments," said Anand Vardarajan, chief business officer,

TRENDLINE

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Tata Asset Management.

"Midcap and smallcap schemes continued their upward trajectory, attracting significant investments for the fifth consecutive month.

This highlights the growing confidence in the ability of these segments to outperform, particularly as investors seek opportunities in less saturated, high-growth areas of the market. Sectoral and thematic funds saw a sharp rise in inflows signalling heightened interest in targeted opportunities with industries like technology, infrastructure and green energy," said Arvind Kothari, the founder of Nive-shaay.

"Gold ETFs also seem to be gathering momentum as outlook is favourable and with no new SGBs announced by the RBI," said Juzer Gabajiwala, director, Ventura Securities.

SIPs grow

AMFI, which released the industry data on Thursday, said that the number of new SIPs registered in December 2024 was 54,27,201 with the SIP contributions at ₹26,459.49 crore in December against ₹25,319.66 crore in November.

"Despite volatile market conditions, equity-oriented schemes continued to see strong inflows, reflecting investors' confidence and commitment to stay invested for the long term. The SIP contribution reached an all-time high of ₹26,459.49 crore in December," said Venkat Chalasani, chief executive, AMFI.