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Multi asset funds secure inflows on good returns

28 funds manage assets worth ₹1.13 lakh crore in India

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Multi asset funds (MAFs) are attracting robust inflows among hybrid mutual funds category as their return continues to be attractive with all asset classes doing well especially gold's bull run with gold price having doubled from 2022 level.

The MAFs are open ended schemes investing in equity, debt and gold (mainly through gold exchange-traded funds). With gold and debt assets doing well in last few months, these funds are attracting inflows from risk averse investors.

The top MAFs have given impressive returns be it one year, three year, five year or 10 year with equities and gold both doing well as investments.

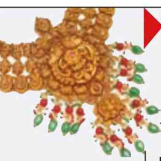
There are 28 MAFs in India with assets under management (AUM) of ₹1.13 lakh crore as on March 31. Last year at end of March, MAFs AUM was ₹67,280 crore.

The top multi asset funds in terms of asset under management include ICICI Prudential Multi-Asset Fund (₹55,360 crore), SBI Multi Asset Allocation Fund (₹7,673.98

LOWERING RISKS

MAFS ARE OPEN ENDED SCHEMES INVESTING IN EQUITY, DEBT AND GOLD (MAINLY THROUGH GOLD EXCHANGE-TRADED FUNDS)





10-15% of MAFs go to debt investment and 15-20% gold and other asset classes like REITs and InvITs.

TOP MAFs have given impressive returns be it 1-yr, 3-yr, 5-yr or 10-yr with equities and gold both doing well as investments.

MOST MAFs have exposure to equities to avail taxation benefits like an equity fund.

BY DIVERSIFYING investments across asset classes, MAFs mitigate the risk of being heavily dependent on performance of single asset class.

IN MARCH, hybrid category multi asset allocation funds received maximum inflows of ₹1,670.34 cr attracting highest share of net inflows.

crore), Nippon India Multi Asset Allocation Fund (₹5,330 crore), UTI Multi Asset Allocation Fund (₹5,285 crore), Tata Multi Asset Opportunities Fund (₹3,554 crore).

Most multi asset funds have 65 per cent or more exposure to equities to avail taxation benefits like an equity fund, 10-15 per cent goes in debt investment and 15-20 per cent in gold and other asset classes like REITs and InvITs.

In March month among the hybrid category multi asset allocation funds received maximum inflows of ₹1,670.34 crore attracting highest share of net inflows compared to balanced advantage fund (₹776.12 crore), balanced hybrid fund (₹293.71 crore) and outflows seen in arbitrage funds, conservative hybrid fund and equity savings fund.

MAFs inflows were even higher in February (₹2,228.45 crore) and January (₹2,122.85 crore).

By diversifying investments across asset classes, these funds mitigate the risk of being heavily dependent on the performance of a single asset class. This helps to make up losses in one asset class as it is balanced by gains in another. Recently gold and debt outperformance made up for equities decline.