

LIC MF aims to increase assets under management to Rs 30,000 cr this fiscal

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The fund house from LIC plans to launch three new funds, including one this month.

"We closed FY22 with around Rs 17,500 crore in Assets Under Management (AUM). We want to growth this by over 70 per cent to around Rs 30,000 crore by the end of this fiscal," LIC Mutual Fund's Managing Director and Chief Executive Officer T S Ramakrishnan told PTI on Thursday.

He said the optimism is based on the still strong fund inflows which should help garner around Rs 10,000 crore from new fund launches and another Rs 3,000 crore from the merger of IDBI Mutual Fund.

The merger of IDBI Mutual Fund with the company is expected to be completed over the next three to four months post-regulatory approvals.

Except from Sebi, [LIC Mutual Fund](#) has received all the approvals for the merger.

LIC Mutual Fund's Executive Director and Business Head Nityanand Prabhu said IDBI Asset Management Company has 20 funds, out of which 10 will be retained and the rest would be merged with the existing schemes as Sebi does not allow multiple schemes in the same segment.

The merger will also get [LIC Mutual Fund](#) 3 lakh more retail customers, which will boost its retail base of 5.5 lakh.

LIC Mutual Fund, which been stuck with fixed income schemes for long, has filed for three new schemes in the debt equity and money market spaces.

Sebi had imposed a three-month ban on new fund launches from April 1 in order to implement the new norms around pooling of funds. The ban ended on July 1 and since then many fund houses, including LIC MF, has filed new schemes.

In the past, new fund launches have helped fund house garner inflows. For instance, in the second half of 2021 alone, the industry mobilised more than Rs 12,000 crore from new funds, of which half came in just two months.

Ramakrishnan said the company has 26 schemes running now and has already got the approval for its new money market fund from which it hopes to garner at least Rs 1,000 crore during the primary sale period which will begin later this month.

Prabhu said they expect to collect only around Rs 500 crore from the new multicap equity fund given the volatility in the market. It is awaiting Sebi nod for the fund.

He said the current [AUM](#) of Rs 17,500 crore is led by over Rs 10,000 crore in debt funds, Rs 5,000 crore in equity funds and Rs 2,500 crore in ETF (Exchange Traded Funds), of which around Rs 1,000 crore is in G-Secs and SDLs (State Development Loans).

According to the officials, the objective is to take the fund mix 50:50 when it comes to equity and debt funds.

The 43-player domestic fund market closed June with a negative flow of Rs 69,853 crore almost ten times from the previous month when it was only Rs 7,532 crore. Debt funds alone bled a whopping Rs 92,248 crore in June, almost three times of Rs 32,722 crore in May.

The massive outflow pulled down the average [AUM](#) of the industry to Rs 36.98 lakh crore at the end of June from Rs 37.37 lakh crore at the end of May, according to data from industry body Amfi.

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