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## LIC MF chalks out growth path, aims for Rs 1 trillion AUM by 2026

*With new CEO at helm, fund house to focus on performance, distribution reach*



Ravi Kumar Jha, Managing Director and Chief Executive Officer at LIC Mutual Fund Asset Management Limited

Abhishek Kumar | [Mumbai](#)

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LIC Mutual Fund (MF) has set a target of Rs 1 trillion assets under management (AUM) by the end of 2026 and aims to make it to the top 10 fund house list in the next 5 years, said Ravi Kumar Jha, the managing director (MD) and Chief Executive Officer (CEO) of the asset management subsidiary of the state-owned behemoth Life Insurance Corporation of India (LIC).

LIC MF, which started operation in 1989, remains a mid-sized MF player with an AUM of around Rs 30,000 crore. As per the third quarter data, the fund house was placed at the 23rd spot in the 45-player MF industry in terms of AUM.

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Jha, who has got a three-year term at the helm of LIC MF, says the company has identified several areas for improvement and there will be concerted efforts to elevate the performance of equity schemes.

"One of the reasons we have struggled to scale up is the lack of consistent performance. Our endeavour will be to have all our schemes in the top two quartiles," said Jha, adding that the growth in equity AUM is crucial for the fund house both in terms of growth and profitability.

According to the CEO, the plan is to increase the strength of the equity team from 12 to 20 in the coming months.

As of January 2024, active debt schemes accounted for 50 per cent of the total AUM at Rs 14,550 crore. The rest of the assets were in equity, hybrid and passive funds. Equity schemes have a better margin vis-a-vis debt offerings owing to a significant differential in the expenses that fund houses charge in the two segments.

Apart from performance, the fund house will look to enhance its physical as well as digital presence. The fund house aims to raise the physical branch count from 35 at present to at least 50 by March 2025.

"Branches remain crucial even as digital penetration has gone up. Your perception improves when you have a physical office. People take you more seriously. On the digital side, we launched our application in November for investors. Another application for distributors is in the works," Jha said.

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In December 2023, LIC approved an infusion of Rs 25 crore share capital into LIC MF. The capital, as per the CEO, was put in keeping the Securities and Exchange Board of India's (Sebi's) new net worth criteria, pending payments to the IDBI MF acquisition, GST demands and other requirements.

"LIC is always willing to support but it also wants us to stand on its own feet. That's also what we aim for," he said.

On the sales side, the fund house plans to build better connections with distributors, while also training and bringing in more LIC agents into MF distribution.

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