

**Headline:** Equity ETF assets swell threefold

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# Equity ETF assets swell threefold

**New Delhi :** The asset base of equity exchange-traded funds (ETFs) on the National Stock Exchange (NSE) has grown nearly three times to Rs 43,234 crore at the end of last fiscal, mainly on account of increasing popularity of such products among retail investors.

The asset under management (AUM) stood at Rs 15,066 crore for ETFs, which cater to equity as underlying benchmark, at the end of March 2016, according to NSE.

The growth in asset base can be attributed to increasing popularity of ETFs among retail investors, investment by pension funds including Employees' Provident Fund Organisation in equity through ETF route and the government using the route for disinvestment.

The government had mobilised Rs 8,500 crore through CPSE ETF, which tracks the Nifty CPSE index, last fiscal.

Currently, there are 47 equity-based ETFs listed on the NSE. Out of this, 34 are benchmarked to the Nifty family of indices.

The AUM of equity ETFs tracking Nifty indices surged to Rs 36,803 crore at the end of March 2017 from Rs 12,865 crore in the preceding financial year.

"ETFs are increasingly becoming popular in India. Large institutional investors are also taking equity exposure via ETFs.

"In addition to interest in broad-based indices such as Nifty 50, we have also seen interest in sectoral indices such as Nifty Bank index and other factor-based indices. There is a good de-



## RISING POPULARITY

■ Increasing popularity of ETFs, investment by pension funds have led to the growth

■ There are 47 equity-based ETFs listed on the National Stock Exchange

mand for Nifty indices amongst ETF issuers in the international markets also," Mukesh Agarwal, CEO at IISL, said in a statement.

The number of retail investors trading in equity ETFs climbed 82% in 2016-17 over the previous financial year.

In the last 10 years, number of active clients trading in ETFs has increased by 38% annually. Investors from more than 580 cities, including tier-II and tier-III cities, are investing in ETFs.

ETFs are index funds listed and traded on bourses. It is a basket of stocks reflecting an index composition. Its trading value is based on the net asset value of the underlying stocks that it represents. —PTI