Assets Under Management (AUM)

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Assets Under Management Latest News

The asset under management (AUM) of India’s mutual fund (MF) industry was estimated at ₹74.40 lakh crore, marking a more than sevenfold growth in 10 years, according to a recent report.

About Assets Under Management

- AUM is a crucial metric in the financial industry, particularly in mutual funds.
- AUM refers to the **total market value of the assets** that a **financial institution** or investment company **manages on behalf of its clients.**
- These assets can **include stocks, bonds,** and **other financial investments.**
- AUM is **affected by:**
    - **Market fluctuations**
    - Net **investor inflow**s (new investments)
    - **Redemptions** or withdrawals
    - **Dividend reinvestments**

- AUM is an essential **measure of the size and success of a mutual fund**, as it provides investors with **insight into the fund's popularity** and **credibility**.
- It also **indicates the financial institution's expertise** and ability **to attract and retain clients.**
- Additionally, investors often **use AUM to assess** the **fund's liquidity and stability.**
- The **larger the AUM**, the **more resources and diversification potential the fund may have**, which can attract investors seeking long-term growth and stability.
- A mutual fund's AUM can have a large **impact on the fees** that an investor usually pays to invest in the mutual fund. For example, **some larger funds** might have a very **high minimum investment.**

Source: TH
