

RISING POPULARITY OF PASSIVE FUNDS HAS BEEN SPECTACULAR THE THE LAST TWO DECADES

Over the last two decades, passive investing as a strategy has become highly popular globally. For example in the US, from managing about 5% of the total equity assets in 1995, by 2005 passive funds were managing about 16% of the total assets which has now grown to about 35% now. By 2024, it is estimated that passive funds will manage more money than active funds. In India, currently assets managed by passive funds is just a tad over 10% of the total assets managed by equity funds.



PASSIVE INVESTING: WILL INDIA REPLICATE THE GLOBAL RISE?



REASONS FOR THE RISE

THE MAIN REASONS FOR THE POPULARITY OF PASSIVE INVESTING WERE:

Investors' disappointment with non-performing active fund managers; and

The savings from lower fund management costs in passive funds add up substantial amount of money to the investor's corpus over the long run.

In the US, there were several law suits against active fund managers for showing below-average performance over several years

ILLUSTRATION: SACHIN VARADKAR

INDIAN SCENE

- In India, passive investing is just picking up. Starting in 2002, currently passive funds manage about 10% of the total assets managed by all equity funds, aggregating about Rs 79,000 crore.
- One of the reasons for the rise in assets of passive funds in India is the decision by the EPFO to invest in the equity market through the passive investing route.

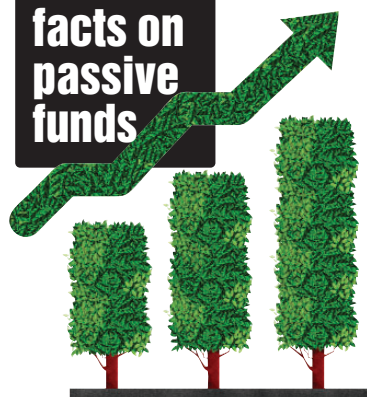


Scan this QR Code to know more about about Passive Investing

STEPS TO DOWNLOAD AND SCAN A QR CODE

- Download QR code app on your phone
- Run app and scan the QR code
- Your smartphone will read the code & navigate to the destination

Some facts on passive funds



In the US, passive funds manage more than a third of the total assets managed by equity funds

In 2005, passive funds managed about 16% of the total assets managed by all equity funds

It is expected that by 2024, passive funds will manage more than half of total US equity assets

In India a little over 10% of equity assets is managed by passive funds

In India passive investing got a strong boost in August 2016 after government-run pension funds decided to start investing in stocks through index funds

MUTUALFUNDS

THE CHAMPIONS OF TOMORROW ARE AWAITING SELECTION

INVEST IN UTI NIFTY NEXT 50 INDEX FUND.

NFO OPENS 8th June, 2018 NFO CLOSES 22nd June, 2018

Contact your mutual fund distributor or give a missed call on 8655019940.



uti
UTI Mutual Fund
Haq, ek behtar zindagi ka.

UTI NIFTY NEXT 50 INDEX FUND

Good can become better with time! Here's your opportunity to invest in a bunch of winners that may make it bigger in the future. We introduce the UTI Nifty Next 50 Index Fund, a hassle-free form of investment.

SMS "UTINNI" to 5676756 | Visit www.utimf.com

UTI Nifty Next 50 Index Fund = An open-ended scheme replicating/tracking the Nifty Next 50 Index

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

UTI Nifty Next 50 Index Fund

This product is suitable for investors who are seeking*:

- Capital growth in tune with the index returns
 - Passive investment in equity instruments comprised in Nifty Next 50 Index
- *Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

