

Monthly Newsletter

As we move into early 2026, the Indian mutual fund industry stands on a strong and steadily expanding foundation. The industry's total Assets Under Management (AUM) has crossed ₹80 lakh crore, reflecting a growth of approximately 20–21% year-on-year. Over the last decade alone, the mutual fund industry has expanded nearly seven times, underlining the increasing trust investors place in mutual funds for long-term wealth creation.



This growth has not been driven by speculation but by consistent participation from retail investors across income groups. Monthly investment contributions have remained strong through 2025 and early 2026, highlighting a disciplined approach toward investing. Such consistency has played a significant role in supporting market stability during different phases.

Equity markets entering 2026 reflect maturity rather than excess. Returns are increasingly influenced by corporate earnings, balance-sheet strength, and sustainable business models. This environment rewards investors who focus on quality and long-term fundamentals rather than short-term market movements.

Large-cap and quality-oriented equity funds continue to remain the backbone of long-term portfolios. These segments represent companies that contribute significantly to market earnings and economic growth. Over the years, large-cap funds have demonstrated their ability to deliver relatively stable performance across market cycles, making them suitable core holdings for most investors.

Mid-cap and small-cap funds also remain an important part of long-term wealth creation when used thoughtfully. Historically, these segments have delivered higher growth over longer periods, though with higher volatility. Investors allocating to these categories are encouraged to do so in line with income stability and long-term goals, ensuring that portfolio balance is maintained.



Hybrid and balanced advantage funds are seeing increasing adoption as investors look for smoother portfolio journeys. These funds dynamically manage exposure between equity and debt, helping investors stay invested across market phases. Their role becomes particularly relevant for investors approaching key financial milestones or preferring moderated volatility.

Debt mutual funds continue to strengthen their position in portfolios as tools for stability and predictability. Corporate bond funds and short-duration strategies help manage liquidity needs and provide balance against equity exposure. With interest-rate cycles stabilizing, debt funds are being used more strategically for portfolio diversification

A noticeable trend among investors is the focus on income-aligned investing. Rather than committing lump sums impulsively, investors are planning investments that comfortably fit within their monthly income. This approach improves consistency and ensures that long-term investing does not disrupt day-to-day financial stability.

Goal-based investing is becoming more structured and intentional. Investors are increasingly separating investments for retirement, children's education, and wealth creation. This clarity improves decision-making and helps track progress meaningfully over time.

The start of the year is also an ideal time for portfolio review and rebalancing. As incomes rise and responsibilities evolve, asset allocation must be adjusted accordingly. Regular reviews help ensure that portfolios remain aligned with both risk comfort and long-term objectives.

Tax planning remains a key component of overall financial planning. Thoughtfully chosen mutual fund investments can improve post-tax outcomes when aligned with long-term goals. Integrating tax efficiency into investment strategy adds meaningful value over time.

Regular investing continues to be one of the strongest contributors to long-term success. Over the past few years, systematic investments have helped investors navigate market volatility while steadily building wealth. Discipline, rather than timing, remains the most reliable factor in long-term returns.

Mutual Fund Market Growth Numbers (India)

The Indian mutual fund industry's total AUM crossed approximately ₹80 lakh crore by the end of 2025, a significant expansion from earlier years.

- Industry AUM rose by around 18 % in 2025, compared to 2024 figures — showing continued growth, albeit at a slightly slower pace than previous years.

- Over the past decade, India's mutual fund AUM has grown about seven-fold, illustrating strong long-term adoption among investors.

- The industry's average AUM has expanded at a robust ~21 % compound annual growth rate (CAGR) since FY 2014, outperforming many other financial segments.

- During 2025, the industry recorded net inflows of roughly ₹7 lakh crore, a reflection of steady investor interest in mutual funds.

- Systematic Investment Plan (SIP) contributions continued to be strong, with total monthly SIP flows often surpassing ₹26,000–₹29,000 crore through 2025.

Why you should be wary of AI chatbots for investment advice

While a great tool to learn concepts, trim choices or find options, risk lies in treating recommendations as advice

Investing in the age of AI

With billions of investment options, online robo-advisors and investment platforms are making it easier to invest. However, the danger lies in over-reliance on AI-generated recommendations.

How bots go into AI advisors

- AI chatbots use machine learning algorithms to analyze vast amounts of data, including market trends, economic indicators, and user behavior.
- They are trained on historical data to identify patterns and make predictions.
- AI advisors can provide personalized recommendations based on your risk profile and investment goals.

Why AI advisors are risky

- AI chatbots lack human judgment and emotional intelligence.
- They may not account for sudden market changes or geopolitical events.
- Over-reliance on AI can lead to herd mentality and increased volatility.

The regulatory gap

AI advisors often operate in a regulatory grey area, with limited oversight from financial regulators.

What should investors do?

- Use AI chatbots as a learning tool, not a sole source of advice.
- Consult with a financial advisor for personalized guidance.
- Stay informed about market news and economic indicators.

How different assets are taxed?

This table shows the post Budget 2024 capital gains tax treatment across different assets. As a uniform rule, LTCG on all assets except debt funds is now 12.5%, and STCG on assets where STT is paid is 20%, while assets without STT continue to be taxed at slab rates.



Asset Class	Holding period for LTCG	STCG tax rate	LTCG tax rate
Equity MFs, ETFs and stocks	>12 months	20%	12.5%*
Gold ETFs	>12 months	Slab rate	12.5%
REITs/InvITs	>12 months	20%	12.5%
Listed bonds	>12 months	Slab rate	12.5%
Debt MFs**			
Bought before 1 April 2023	>24 months	Slab rate	12.5%
Bought 1 April 2023 onwards	NA	Slab rate	Slab rate
Gold MFs*, physical gold, overseas MFs, FOFs	>24 months	Slab rate	12.5%
Foreign equity, international ETFs	>24 months	Slab rate	12.5%
Real estate	>24 months	Slab rate	Bought after 23 July 2024: 12.5% Bought before 23 July 2024: lower of 12.5% without indexation and 20% with indexation

The returns you never earned

The returns reported by mutual funds are much higher than those earned by investors. The solution is not complicated, but demands discipline.

Investors need to treat their SIPs as a long-term commitment. They need to stop wanting their portfolios frequently become an opportunity for speculative action. Data suggests that investors who started SIPs a decade ago and kept about it, would be substantially richer today than those who actively managed their investments.

Examining investor behaviour

Across every equity fund category we analysed, investors who started SIPs in 2014 saw a 100% increase in their SIP investments over the next decade. This is a testament to the power of discipline and long-term investing.

Why investors miss out on returns

Many investors start SIPs with a goal of wealth creation but often fail to stick to their investment plan. They frequently stop SIPs during market downturns or when they need the money for other purposes. This leads to lower returns compared to those who remain invested for the long term.

The solution: Stay disciplined

Investors should view their SIPs as a long-term commitment. They should avoid making impulsive decisions based on short-term market fluctuations. Consistent contributions and a long-term horizon are key to maximizing returns.

India's energy sector offers a \$500 bn opportunity: PM

India is moving towards energy independence as it has ensured energy security, said Modi

Prime Minister Narendra Modi said India is moving towards energy independence as it has ensured energy security. He highlighted the \$500 billion opportunity in the energy sector and the government's commitment to invest in this sector.

Key points from the speech:

- India has achieved energy security through a mix of coal, gas, and renewable energy.
- The government is investing heavily in renewable energy, particularly solar and wind.
- The energy sector offers a massive \$500 billion opportunity for growth and employment.
- India is committed to becoming a net-zero carbon economy by 2070.

Have questions or want a personalized plan? We're here to help Reach out anytime.

To your prosperity

Sushant Rajput
+919811365111

www.swasthmoney.com