PL Capital
PRABHUDAS LILLADHER
INSTITUTIONAL EQUITIES

INITIATING COVERAGE
September 2026

# Aditya Birla Sun Life AMC (ABSLAMC IN)

## At an inflection point

Rating: BUY | CMP: INR 988 | TP: INR 1,200


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September 28, 2026

| Key Data | ADIE.BO \| ABSLAMC IN |
|---|---|
| BSE Code | 543374 |
| NSE Code | ABSLAMC |
| 52-W High / Low | INR 1,224 / INR 708 |
| Face Value | 5 |
| Sensex / Nifty | 72,772 / 22,780 |
| Market Cap | INR 286 bn / $ 2,979 mn |
| Shares Outstanding | 289.38 mn |
| 3M Avg. Daily Value | INR 325.68 mn |

### Shareholding Pattern (%)

| | |
|---|---|
| Promoters | 87.59 |
| FIIs | 2.40 |
| Mutual Funds | 5.13 |
| Domestic Institution | 2.06 |
| Public & Others | 2.82 |
| Promoters Pledge (INR bn) | - |

### Stock Performance (%)

| | 1M | 3M | 6M | 12M |
|---|---|---|---|---|
| Absolute | (5.7) | (13.4) | 9.4 | 27.1 |
| Relative | 0.1 | (8.3) | 10.7 | 40.5 |

### Key Financials - Standalone

| Y/e Mar | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|
| Revenue (INR mn) | 18,307 | 19,695 | 22,617 | 26,079 |
| Opex (INR mn) | 7,648 | 8,976 | 9,782 | 10,828 |
| Employee (INR mn) | 3,804 | 4,622 | 4,863 | 5,252 |
| Others (INR mn) | 3,398 | 3,926 | 4,469 | 5,104 |
| Core Inc. (INR mn) | 10,660 | 10,718 | 12,835 | 15,251 |
| PAT (INR mn) | 9,857 | 10,409 | 12,276 | 14,402 |
| Core PAT (INR mn) | 8,238 | 8,146 | 9,755 | 11,591 |
| Core EPS (INR) | 28.5 | 28.2 | 33.8 | 40.1 |
| *Gr. (%)* | *17.4* | *(1.1)* | *19.8* | *18.8* |
| AAuM (INR bn) | 4,270 | 4,583 | 5,261 | 6,085 |
| *Growth (%)* | *13.7* | *7.3* | *14.8* | *15.7* |
| *Core RoE (%)* | *30.2* | *28.0* | *30.9* | *33.7* |
| P/Core EPS (x) | 23.0 | 29.5 | 24.1 | 19.8 |

## At an inflection point

### Quick Pointers

- Equity performance improving in 1-year/3-year buckets
- Net equity flow market share gradually seeing an uptick
- We expect a core PAT CAGR of ~19% over FY27-29E

**We initiate coverage on ABSLAMC with a 'BUY', valuing the stock at 27.5x on Sep'28 core EPS to arrive at TP of INR1,200. We are optimistic about its business prospects given the (1) improving equity performance, which is driving up net equity flow market share (1.2% FY27TD, 0.3% in FY26) (2) superior equity/debt/liquid yield at 70/25/14bps due to lower distributor payouts; and (3) focus on increasing non-MF revenue (3.1% in FY26), which has seen a healthy 24% CAGR over FY22-26. We expect equity AAuM growth of ~18% over FY27-29E that may translate to core earnings CAGR of ~20% (highest among listed peers). The stock is trading at 24/20x on Sep'28 core EPS (15% discount to HDFCAMC & 38%/35% discount to ICICIAMC/NAM). Initiate with 'BUY'.**

**Improving performance driving net flows:** ABSLAMC's equity performance is improving, with 1-year weighted alpha rank enhancing from 12 in Oct'25 to 2 in Aug'26. 50% of its AuM was in Q1 and Q2 in Aug'26. This superior performance is also risk-efficient due to lower scheme concentration as top 5 schemes accounted for 50% of equity MAAuM (54-72% for some listed peers), while SMID exposure stood at ~40%, below its peers. AMC's net equity flow market share improved from -2.9% in FY24 to 1.2% in 5MFY27 with decline in stock equity market share being arrested. As superior 1-year performance translates into the 3-year meaningfully, net equity flows may improve sharply.

**Superior yields driven by lower payouts:** Despite having higher ND/MFD share in equity distribution mix of 19.7%/52.3%, ABSLAMC maintains one of the highest equity yields of 71bps due to lower distributor payout at 55.4% (FY26) in equity (NAM: 60%, Kotak: 76%, Mirae: 73%, Axis: 65%). We would prefer the company to have a slightly higher equity payout that would aid net flows. Debt yield at ~25bps (FY26) is superior to most players, except ICICIAMC, HDFCAMC and SBIFUNDS. Liquid yield at 13.7bps remains the best-in-class vs average ~12bps for large peers, while distribution payout at ~45% is lower.

**Banca channel to aid flows; focus on diversifying revenue**: Major banks that had disapproved ABSLAMC's schemes due to weak 3/5-year returns, have approved flagship schemes due to improving equity performance; this would support net equity flows. ABSLAMC's alternates QAAuM in Q1FY27 was INR2,002bn, with PMS/AIF at INR47bn, real estate at INR7bn, offshore at INR50bn, and EPFO at INR1,898bn. Non-MF revenue share was 3.1% in FY26 and 24% CAGR over FY22-26. All non-MF segments are growing at a healthy rate of >20%, which the AMC is confident of sustaining.

**AAuM CAGR to outpace industry over FY27-29E:** Blended MF yields at 40bps is superior to SBIFM and NAM. Opex/AAuM at 16.4bps (excl. commission) is higher than large peers, due to lack of scale-based operational efficiency benefits, which can accrue to ABSLAMC led by healthy AAuM growth. While core earnings growth in FY27E could be weak (-1.1%), we expect equity AAuM growth of ~18% over FY27-29E, which would translate into core earnings CAGR of ~20% that would be highest among listed peers.


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**Exhibit 1: Comparison of listed AMCs**

| Company | CMP | MCap (INR bn) | MAAuM (INR bn) | MCap/ MAAuM | Revenue (INR bn) | | | | Core income (INR bn) | | | | Core EPS | | | | Core P/E | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | FY26 | FY27E | FY28E | FY29E | FY26 | FY27E | FY28E | FY29E | FY26 | FY27E | FY28E | FY29E | FY26 | FY27E | FY28E | FY29E |
| ICICIAMC | 3,215 | 1,574 | 11,476 | 13.7 | 53.5 | 60.1 | 69.0 | 79.4 | 41.7 | 46.4 | 53.8 | 62.6 | 63.1 | 70.3 | 81.7 | 95.1 | 39.6 | 44.4 | 38.0 | 32.5 |
| HDFCAMC | 2,302 | 1,020 | 9,612 | 10.6 | 41.2 | 44.4 | 51.0 | 58.8 | 32.1 | 34.3 | 40.1 | 46.8 | 57.8 | 61.6 | 72.0 | 84.1 | 41.1 | 33.3 | 28.0 | 23.5 |
| SBIFUNDS* | 523 | 1,082 | 13,124 | 8.2 | 43.9 | 46.7 | 53.5 | 61.7 | 34.2 | 36.2 | 41.6 | 48.4 | 12.8 | 13.4 | 15.4 | 18.0 | 40.8 | 36.6 | 31.5 | 26.8 |
| NAM | 1,094 | 741 | 7,749 | 9.6 | 27.1 | 30.8 | 35.6 | 41.0 | 17.5 | 19.7 | 23.3 | 27.2 | 21.2 | 23.6 | 27.8 | 32.4 | 35.5 | 43.5 | 36.7 | 31.2 |
| **ABSLAMC** | **988** | **294** | **4,438** | **6.6** | **18.3** | **19.7** | **22.6** | **26.1** | **10.7** | **10.7** | **12.8** | **15.3** | **28.5** | **28.2** | **33.8** | **40.1** | **23.0** | **29.5** | **24.1** | **19.8** |
| UTIAMC | 894 | 116 | 4,034 | 2.9 | 15.4 | 15.7 | 17.5 | 19.4 | 4.8 | 6.2 | 7.3 | 8.3 | 29.1 | 37.7 | 44.1 | 50.5 | 28.9 | 14.1 | 11.7 | 9.6 |
| CRAMC | 225 | 46 | 1,239 | 3.7 | 4.2 | 4.7 | 5.3 | 6.1 | 2.4 | 2.6 | 2.9 | 3.3 | 9.1 | 9.8 | 10.6 | 12.1 | 26.6 | 18.5 | 16.2 | 13.4 |

*Source: Company, PL. *For SBIFUNDS, estimates are basis Bloomberg consensus*

**Exhibit 2: Peer comparison basis FY26 financials**

| Particulars (FY26) | ICICI | HDFC | SBIMF | NAM | KOTAK | AXIS | ABSL | MIRAE* | PPFAS | DSP | UTIAM | CRAMC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Financials (INR mn) | | | | | | | | | | | | |
| **Revenue** | **53,454** | **41,185** | **43,895** | **26,304** | **15,911** | **13,911** | **18,307** | **6,904** | **5,707** | **8,853** | **15,389** | **4,249** |
| MF fees | 48,414 | 41,032 | 42,195 | 24,784 | 15,350 | 12,970 | 17,153 | 6,687 | 5,707 | 8,613 | 12,290 | 4,069 |
| Others | 5,040 | 154 | 1,700 | 1,520 | 561 | 941 | 1,154 | 218 | 0 | 240 | 3,099 | 180 |
| **Opex** | **11,749** | **9,071** | **9,706** | **8,828** | **5,842** | **6,801** | **7,648** | **2,505** | **1,341** | **4,576** | **9,536** | **1,800** |
| Employee | 6,376 | 4,809 | 4,410 | 5,053 | 2,833 | 3,671 | 3,804 | 1,390 | 884 | 2,452 | 5,527 | 1,071 |
| Others | 5,372 | 4,262 | 5,296 | 3,775 | 3,009 | 3,130 | 3,844 | 1,114 | 457 | 2,124 | 4,009 | 729 |
| **Core income** | **41,705** | **32,114** | **34,189** | **17,476** | **10,069** | **7,110** | **10,660** | **4,400** | **4,366** | **4,277** | **4,765** | **2,449** |
| Other income | 2,363 | 4,987 | 5,866 | 2,243 | 1,620 | 1,614 | 2,132 | 2,455 | 262 | 679 | 1,751 | 297 |
| PBT | 44,068 | 37,102 | 40,055 | 19,720 | 11,689 | 8,724 | 12,791 | 6,855 | 4,628 | 4,956 | 6,516 | 2,746 |
| Tax | 11,086 | 8,508 | 9,524 | 4,438 | 2,872 | 2,177 | 2,906 | 1,547 | 1,165 | 1,247 | 1,792 | 708 |
| PAT | 32,982 | 28,593 | 30,674 | 15,281 | 8,818 | 6,546 | 9,857 | 5,308 | 3,463 | 3,708 | 4,724 | 2,038 |
| **Core PAT** | **31,214** | **24,750** | **26,059** | **13,543** | **7,595** | **5,335** | **8,238** | **3,407** | **3,267** | **3,200** | **3,735** | **1,818** |
| | | | | | | | | | | | | |
| DuPont (bps) | | | | | | | | | | | | |
| **Revenue** | **48.2** | **46.2** | **36.3** | **40.2** | **28.5** | **39.5** | **42.9** | **33.7** | **41.8** | **41.4** | **40.1** | **36.1** |
| MF fees | 46.8 | 46.1 | 34.9 | 36.8 | 27.5 | 36.9 | 40.2 | 32.7 | 41.8 | 40.2 | 32.0 | 34.6 |
| Others | 4.5 | 0.2 | 1.4 | 3.4 | 1.0 | 2.7 | 2.7 | 1.1 | 0.0 | 1.1 | 8.1 | 1.5 |
| **Opex** | **10.6** | **10.2** | **8.0** | **14.3** | **10.5** | **19.3** | **17.9** | **12.2** | **9.8** | **21.4** | **24.8** | **15.3** |
| Employee | 5.8 | 5.4 | 3.6 | 7.5 | 5.1 | 10.4 | 8.9 | 6.8 | 6.5 | 11.5 | 14.4 | 9.1 |
| Others | 4.8 | 4.8 | 4.4 | 6.8 | 5.4 | 8.9 | 9.0 | 5.4 | 3.3 | 6.6 | 10.4 | 6.2 |
| Core income | 37.6 | 36.1 | 28.3 | 25.9 | 18.1 | 20.2 | 25.0 | 21.5 | 31.9 | 20.0 | 12.4 | 20.8 |
| PAT | 29.8 | 32.1 | 25.4 | 22.7 | 15.8 | 18.6 | 23.1 | 25.9 | 25.3 | 17.3 | 12.3 | 17.3 |
| **Core PAT** | **28.2** | **27.8** | **21.5** | **20.1** | **13.6** | **15.2** | **19.3** | **16.6** | **23.9** | **15.0** | **9.7** | **15.4** |
| **RoE (%)** | **85.8** | **32.9** | **43.0** | **34.4** | **26.5** | **21.7** | **25.5** | **36.6** | **46.4** | **20.2** | **9.8** | **30.3** |
| | | | | | | | | | | | | |
| Dividend (%) | 98.7 | 80.9 | 179.8 | 89.8 | 20.3 | 0.0 | 74.7 | 0.0 | 7.2 | 0.0 | 108.8 | 29.4 |
| Cash + Inv (INR bn) | 40.0 | 83.0 | 66.1 | 36.1 | 38.9 | 34.1 | 37.8 | 17.8 | 8.8 | 20.3 | 44.3 | 6.0 |
| | | | | | | | | | | | | |
| **AAuM (INR bn)** | **10,349.9** | **8,907.2** | **12,092.6** | **6,739.5** | **5,574.6** | **3,518.4** | **4,269.8** | **2,046.8** | **1,366.7** | **2,140.3** | **3,837.8** | **1,176.6** |
| **MAAuM (Jul'26 INR bn)** | **11,476.1** | **9,612.4** | **13,124.3** | **7,749.2** | **6,098.8** | **3,748.4** | **4,438.0** | **2,319.1** | **1,682.8** | **2,386.9** | **4,033.5** | **1,238.5** |
| Equity (%) | 36.8 | 43.1 | 32.0 | 41.0 | 40.4 | 54.3 | 33.5 | 71.5 | 91.6 | 49.8 | 25.5 | 79.3 |
| Balanced (%) | 19.6 | 18.0 | 12.7 | 4.0 | 8.4 | 2.8 | 5.8 | 7.1 | 4.0 | 11.0 | 8.8 | 12.2 |
| Debt (%) | 18.6 | 19.3 | 12.3 | 13.7 | 21.5 | 20.6 | 31.7 | 3.7 | 0.0 | 15.0 | 10.6 | 2.6 |
| Liquid (%) | 6.4 | 8.9 | 7.7 | 6.3 | 8.5 | 14.7 | 15.4 | 7.6 | 3.0 | 11.1 | 8.7 | 5.9 |
| ETF (%) | 11.3 | 3.3 | 29.2 | 30.0 | 4.9 | 1.9 | 2.4 | 7.7 | 0.0 | 3.9 | 32.8 | 0.0 |
| Index (%) | 4.3 | 4.8 | 2.7 | 2.7 | 2.9 | 2.5 | 5.6 | 0.6 | 0.0 | 4.3 | 11.0 | 0.0 |
| Arbitrage + FoF (%) | 3.0 | 2.5 | 3.3 | 2.3 | 13.4 | 3.2 | 5.3 | 1.8 | 1.4 | 4.9 | 2.4 | 0.0 |
| **Jul'26 MAAuM MS** | | | | | | | | | | | | |
| Equity MS (%) | 13.9 | 12.8 | 12.5 | 7.5 | 6.6 | 4.4 | 3.7 | 3.8 | 3.2 | 3.1 | 2.8 | 2.4 |
| Overall MS (%) | 13.3 | 11.1 | 15.2 | 9.0 | 7.1 | 4.3 | 5.1 | 2.7 | 1.9 | 2.8 | 4.7 | 1.4 |

*Source: Company, PL   *Financials are for CY25 for MIRAE*

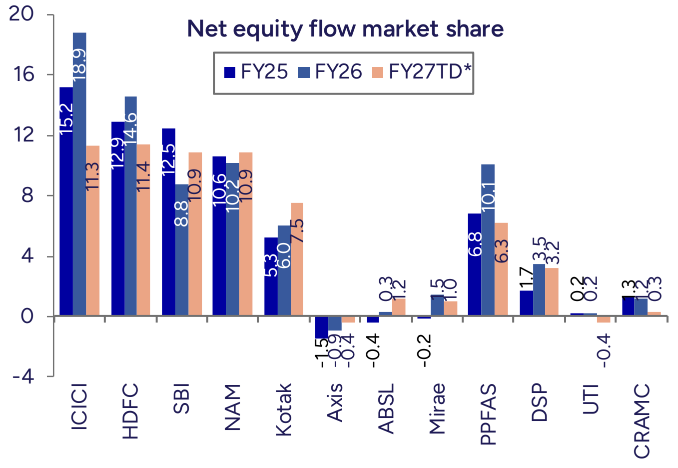
## Story in Charts

**Exhibit 3: ABSLAMC's equity alpha (%) consistently improving**

| Fund | Mar' 24 | Sep' 24 | Mar' 25 | Sep' 25 | Mar' 26 | Apr'26 | May'26 | Jun'26 | Jun' 26 | Aug' 26 |
|---|---|---|---|---|---|---|---|---|---|---|
| ICICI | 2.9 | 2.1 | 1.8 | 3.3 | 1.7 | 0.5 | 0.4 | 1.2 | 0.5 | -0.1 |
| HDFC | 4.7 | 2.4 | 2.0 | 2.5 | 0.0 | -1.3 | -1.3 | -0.1 | -0.3 | -0.6 |
| SBI | -3.8 | -3.1 | 2.1 | 1.5 | 0.4 | 0.8 | 1.6 | 1.4 | 1.1 | 1.6 |
| NAM | 0.6 | 0.9 | 1.1 | 0.8 | 1.0 | 1.3 | 1.0 | 1.5 | -0.7 | -0.7 |
| Kotak | -7.8 | 0.0 | 2.3 | 1.7 | 1.8 | 2.2 | 0.4 | 1.8 | 0.4 | 0.4 |
| Axis | -6.6 | -2.6 | 0.8 | 0.9 | -0.8 | -1.5 | -0.8 | 0.7 | 0.1 | 1.7 |
| Mirae | -7.6 | -5.5 | 0.1 | 1.1 | 0.7 | 0.7 | 0.7 | 1.4 | 0.4 | 1.0 |
| **ABSL** | **-3.0** | **-2.2** | **0.8** | **-0.4** | **0.3** | **0.4** | **0.9** | **1.2** | **1.6** | **3.3** |
| PPFAS | -0.7 | -1.7 | 7.5 | 8.4 | 1.3 | -0.5 | -0.8 | -2.4 | -4.2 | -6.3 |
| DSP | -7.8 | -0.5 | 6.4 | 0.7 | -0.2 | -0.1 | -1.0 | 0.7 | -0.2 | 0.9 |
| UTI | -9.0 | -3.4 | 2.9 | -0.9 | -2.8 | -3.7 | -3.3 | -2.7 | -2.1 | -2.1 |
| CRAMC | -8.2 | -0.8 | 1.5 | 0.9 | -0.8 | -2.1 | -3.3 | -1.9 | -1.9 | -1.1 |

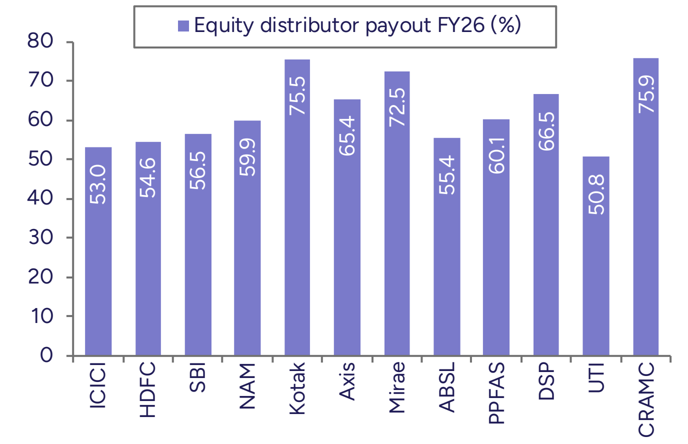
*Source: AMFI, PL*

**Exhibit 4: Higher equity yields (FY26) due to lower distributor payout**



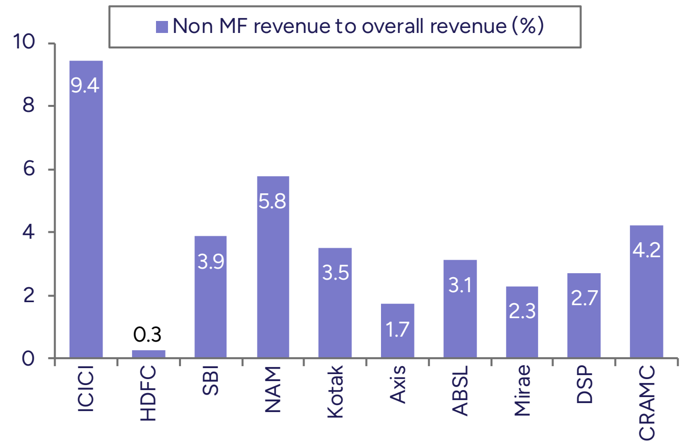

*Source: Company, PL. *Apr-Aug'26*

**Exhibit 5: Higher equity yields (FY26) due to lower distributor payout**



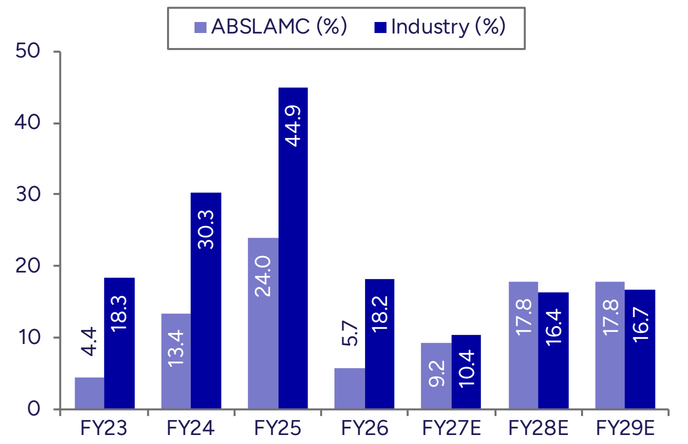

*Source: Company, PL*

**Exhibit 6: Non-MF net revenue share at 3.1% of overall for FY26**



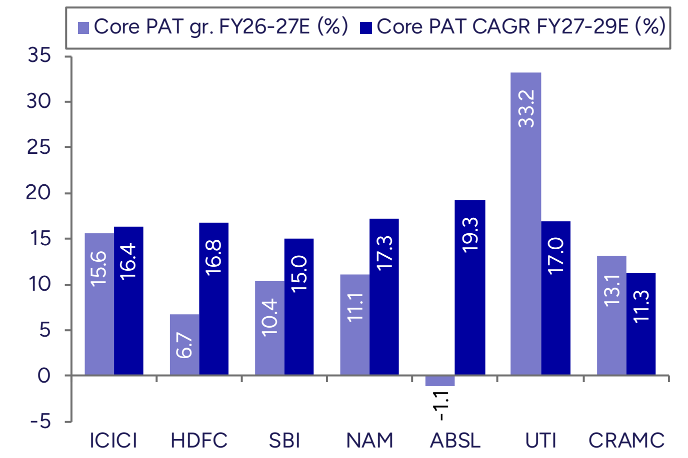

*Source: Company, PL*

**Exhibit 7: Equity AAuM FY27-29E growth higher than industry**




*Source: Company, PL*

**Exhibit 8: Higher ESOP cost to drag FY27 PAT; may rebound in FY28/29**




*Source: Company, PL*

## Company Overview

### ABSLAMC: Proxy play on Indian equities

Incorporated in 1994 as Birla Capital International AMC Ltd, Aditya Birla Sun Life AMC Ltd (ABSLAMC) acts as the investment manager to Aditya Birla Sun Life Mutual Fund. The company is promoted by Aditya Birla Capital Ltd (ABCL) and Sun Life (India) AMC Investments Inc. Besides MFs, ABSLAMC offers PMS, AIF, offshore and real estate investment solutions, while also operating an international platform through its GIFT City subsidiary. The company has one of the largest distribution networks in the industry with 95,000+ MFDs, 360+ national distributors, 90+ bank partners and presence across 310+ locations covering over 19,000 pin codes.

ABCL is the holding company for Aditya Birla Group's financial services businesses, offering lending, investments, insurance & payments solutions. As of Mar'26, ABCL and its subsidiaries managed AuM of INR5.9trn and are part of the US$67bn Aditya Birla Group. Sun Life Financial Inc, through its wholly owned subsidiary Sun Life (India) AMC Investments Inc, is a leading global financial services company with total AuM of US$1.58trn as of Mar'26.

ABSLAMC is the 6th largest AMC in India by QAAuM, with MF QAAuM of INR4.28trn and overall QAAuM of INR6.28trn as of Jun'26. Equity AAuM stood at INR1.70trn, accounting for 40% of MF AuM. The company has built a diversified alternatives franchise spanning PMS/AIF (INR1.95trn), real estate (INR7bn) and offshore investments offerings (INR50bn). ABSLAMC has serviced 11mn investor folios as of Jun'26.

**Exhibit 9: New equity schemes launched by ABSLAMC during last 4 FYs**

| Fiscal/Period | Sub-segment | Scheme |
|---|---|---|
| FY22 | Thematic<br>Multi-cap | Aditya Birla Sun Life Business Cycle Fund<br>Aditya Birla Sun Life Multi-Cap Fund |
| FY23 | Hybrid | Aditya Birla Sun Life Multi Asset Allocation Fund |
| FY24 | Thematic | Aditya Birla Sun Life Transportation and Logistics Fund |
| FY25 | Thematic | Aditya Birla Sun Life Conglomerate Fund<br>Aditya Birla Sun Life Quant Fund |

*Source: Company, PL*

## Investment Arguments

### Improving equity performance driving net flows

Our analysis of the top-20 MFs in terms of weighed equity alpha at the fund level, shows that ABSLAMC's performance in the 1- and 3-year buckets has been consistently improving post Oct'25. The AMC's 1-year weighted alpha improved from -1.0% in Oct'25 to +3.3% in Aug'26, while that in the 3-year bucket improved from -0.7% in Feb'26 to +0.4% in Aug'26. It ranked among the top 3 in 1-year bucket in Jul and Aug'26. The improvement in performance is attributable to the management's efforts during FY26 toward strengthening the investment team, sharpening portfolio construction and re-building its investment framework.

**Exhibit 10: 1-year weighted average equity performance to benchmark improving for ABSLAMC post Oct'25 (%)**

| Fund | Mar'25 | Apr'25 | May'25 | Jun'25 | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Feb'26 | Mar'26 | Apr'26 | May'26 | Jun'26 | Jul'26 | Aug'26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ICICI | 1.8 | 2.5 | 2.3 | 2.7 | 3.1 | 3.8 | 3.3 | 2.1 | 3.1 | 3.5 | 2.3 | 1.4 | 1.7 | 0.5 | 0.4 | 1.2 | 0.5 | -0.1 |
| HDFC | 2.0 | 1.5 | 0.2 | 1.0 | 1.7 | 2.6 | 2.5 | 0.8 | 0.5 | 0.1 | 1.3 | 0.7 | 0.0 | -1.3 | -1.3 | -0.1 | -0.3 | -0.6 |
| SBI | 2.1 | 1.4 | 0.7 | 1.0 | 1.6 | 2.1 | 1.5 | 0.3 | 0.3 | 0.1 | -0.4 | -0.6 | 0.4 | 0.8 | 1.6 | 1.4 | 1.1 | 1.6 |
| Nippon | 1.1 | 0.5 | -0.7 | -0.8 | 0.0 | 1.2 | 0.8 | -1.1 | -1.3 | -1.5 | -0.3 | 0.7 | 1.0 | 1.3 | 1.0 | 1.5 | -0.7 | -0.7 |
| Kotak | 2.3 | 1.0 | -0.9 | -0.3 | 0.9 | 2.0 | 1.7 | 0.1 | -1.7 | -2.0 | 0.6 | 3.1 | 1.8 | 2.2 | 0.4 | 1.8 | 0.4 | 0.4 |
| Axis | 0.8 | 2.3 | 1.4 | 1.4 | 3.0 | 2.7 | 0.9 | -0.1 | -1.0 | -3.0 | -2.3 | -1.8 | -0.8 | -1.5 | -0.8 | 0.7 | 0.1 | 1.7 |
| Mirae | 0.1 | -0.2 | 0.4 | 0.3 | 0.9 | 0.9 | 1.1 | 1.0 | 0.0 | 0.6 | 1.1 | 1.5 | 0.7 | 0.7 | 0.7 | 1.4 | 0.4 | 1.0 |
| **ABSL** | **0.8** | **0.7** | **1.1** | **0.4** | **0.7** | **0.6** | **-0.4** | **-1.0** | **-0.7** | **-0.7** | **0.4** | **-0.1** | **0.3** | **0.4** | **0.9** | **1.2** | **1.6** | **3.3** |
| PPFAS | 7.5 | 6.8 | 5.3 | 6.9 | 9.3 | 9.5 | 8.4 | 3.4 | 1.7 | 0.0 | -2.1 | -6.7 | 1.3 | -0.5 | -0.8 | -2.4 | -4.2 | -6.3 |
| DSP | 6.4 | 3.6 | 2.7 | 1.7 | 1.8 | 1.5 | 0.7 | -1.9 | -1.4 | -1.4 | 0.2 | 0.5 | -0.2 | -0.1 | -1.0 | 0.7 | -0.2 | 0.9 |
| UTI | 2.9 | 2.8 | 1.6 | 0.7 | 0.6 | 0.3 | -0.9 | -2.0 | -3.2 | -3.4 | -3.8 | -5.0 | -2.8 | -3.7 | -3.3 | -2.7 | -2.1 | -2.1 |
| CRAMC | 1.5 | 2.3 | 1.3 | 1.1 | 2.0 | 2.1 | 0.9 | -0.8 | -2.1 | -3.3 | -1.9 | -1.9 | -1.1 | -1.8 | -2.5 | -1.7 | -2.0 | -1.7 |
| Franklin | 1.9 | 2.2 | 0.1 | -0.7 | 1.2 | 1.1 | 0.2 | -1.0 | -2.0 | -3.2 | -2.0 | -2.9 | -1.3 | -3.5 | -3.1 | -2.1 | -3.6 | -3.3 |
| Bandhan | 2.5 | 2.3 | 2.5 | 2.1 | 2.8 | 1.5 | 1.1 | 0.7 | 0.4 | -0.3 | -0.3 | -0.5 | 2.0 | 2.4 | 2.4 | 2.9 | 1.8 | 2.6 |
| Motilal | 8.3 | 6.3 | 8.6 | 6.4 | 6.5 | 6.1 | 0.6 | -1.3 | -6.5 | -13.3 | -7.4 | -10.6 | -7.0 | -4.3 | -5.8 | -4.1 | -3.2 | 0.7 |
| Tata | -0.6 | -1.7 | -2.0 | -2.4 | -0.5 | -0.8 | -1.3 | -3.4 | -3.5 | -3.2 | -2.4 | -2.6 | -2.3 | -2.2 | -1.5 | -0.6 | -2.3 | -1.8 |
| HSBC | 0.4 | -1.5 | -1.7 | -2.1 | -0.4 | -0.2 | -0.2 | -3.0 | -4.7 | -6.2 | -0.5 | 2.6 | 2.6 | 5.0 | 5.1 | 5.5 | 2.9 | 7.1 |
| Invesco | 6.5 | 6.0 | 5.9 | 5.7 | 6.9 | 5.4 | 2.7 | 1.2 | -0.7 | -4.2 | -2.1 | -0.8 | -1.1 | -0.9 | 0.1 | 2.1 | 1.3 | 3.3 |
| Edelweiss | 2.6 | 1.6 | 0.6 | 0.6 | 0.2 | -0.2 | -0.6 | -1.4 | -2.0 | -2.1 | 0.0 | 0.6 | 1.0 | 0.9 | 2.0 | 1.1 | 1.4 | 2.2 |
| Sundaram | 0.3 | 0.9 | 0.2 | 0.2 | 1.4 | 1.0 | 0.0 | -0.9 | -1.4 | -2.4 | -1.1 | -0.7 | -0.7 | -1.0 | -0.7 | 0.4 | -0.2 | 1.0 |

*Source: AMFI, PL*

**Exhibit 11: ABSLAMC among top 3 in 1-year weighted average equity performance in Jul & Aug'26**

| Fund | Mar'25 | Apr'25 | May'25 | Jun'25 | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Feb'26 | Mar'26 | Apr'26 | May'26 | Jun'26 | Jul'26 | Aug'26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ICICI | 12 | 6 | 6 | 4 | 4 | 4 | 2 | 2 | 1 | 1 | 1 | 4 | 4 | 8 | 9 | 8 | 7 | 13 |
| HDFC | 10 | 12 | 14 | 10 | 9 | 6 | 4 | 5 | 3 | 4 | 2 | 6 | 11 | 14 | 15 | 14 | 13 | 14 |
| SBI | 9 | 13 | 11 | 9 | 10 | 8 | 6 | 7 | 5 | 3 | 10 | 11 | 9 | 6 | 4 | 6 | 6 | 7 |
| Nippon | 14 | 17 | 17 | 18 | 18 | 12 | 11 | 14 | 10 | 9 | 8 | 5 | 6 | 4 | 5 | 5 | 14 | 15 |
| Kotak | 8 | 14 | 18 | 16 | 14 | 9 | 5 | 8 | 13 | 10 | 4 | 1 | 3 | 3 | 8 | 4 | 9 | 12 |
| Axis | 16 | 9 | 8 | 7 | 5 | 5 | 10 | 9 | 9 | 13 | 17 | 14 | 14 | 15 | 13 | 11 | 10 | 6 |
| Mirae | 19 | 18 | 13 | 14 | 13 | 15 | 7 | 4 | 6 | 2 | 3 | 3 | 8 | 7 | 7 | 7 | 8 | 8 |
| **ABSL** | **15** | **16** | **10** | **13** | **15** | **16** | **17** | **12** | **7** | **7** | **5** | **9** | **10** | **9** | **6** | **9** | **3** | **2** |
| PPFAS | 2 | 1 | 3 | 1 | 1 | 1 | 1 | 1 | 2 | 5 | 16 | 19 | 5 | 11 | 12 | 18 | 20 | 20 |
| DSP | 4 | 4 | 4 | 6 | 8 | 11 | 12 | 17 | 12 | 8 | 6 | 8 | 12 | 10 | 14 | 12 | 11 | 10 |
| UTI | 5 | 5 | 7 | 11 | 16 | 17 | 19 | 18 | 17 | 17 | 19 | 18 | 19 | 19 | 19 | 19 | 16 | 18 |
| CRAMC | 13 | 7 | 9 | 8 | 7 | 7 | 9 | 10 | 16 | 16 | 13 | 15 | 16 | 16 | 17 | 16 | 15 | 16 |
| Franklin | 11 | 10 | 16 | 17 | 12 | 13 | 14 | 13 | 15 | 14 | 14 | 17 | 17 | 18 | 18 | 17 | 19 | 19 |
| Bandhan | 7 | 8 | 5 | 5 | 6 | 10 | 8 | 6 | 4 | 6 | 9 | 10 | 2 | 2 | 2 | 2 | 2 | 4 |
| Motilal | 1 | 2 | 1 | 2 | 3 | 2 | 13 | 15 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 18 | 11 |
| Tata | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 18 | 15 | 18 | 16 | 18 | 17 | 16 | 15 | 17 | 17 |
| HSBC | 17 | 19 | 19 | 19 | 19 | 18 | 16 | 19 | 19 | 19 | 11 | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| Invesco | 3 | 3 | 2 | 3 | 2 | 3 | 3 | 3 | 8 | 18 | 15 | 13 | 15 | 12 | 10 | 3 | 5 | 3 |
| Edelweiss | 6 | 11 | 12 | 12 | 17 | 19 | 18 | 16 | 14 | 11 | 7 | 7 | 7 | 5 | 3 | 10 | 4 | 5 |
| Sundaram | 18 | 15 | 15 | 15 | 11 | 14 | 15 | 11 | 11 | 12 | 12 | 12 | 13 | 13 | 11 | 13 | 12 | 9 |

*Source: AMFI, PL*

**Exhibit 12:** 3-year weighted average equity performance to benchmark improving since Feb'26 (%)

| Fund house | Mar'25 | Apr'25 | May'25 | Jun'25 | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Feb'26 | Mar'26 | Apr'26 | May'26 | Jun'26 | Jul'26 | Aug'26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ICICI | 3.7 | 3.6 | 3.0 | 2.4 | 3.3 | 3.8 | 3.5 | 3.0 | 3.2 | 3.0 | 2.6 | 2.2 | 2.4 | 2.4 | 2.4 | 2.4 | 2.0 | 2.0 |
| HDFC | 5.6 | 5.0 | 4.5 | 4.2 | 4.3 | 4.5 | 4.3 | 3.7 | 3.3 | 3.1 | 3.1 | 2.8 | 2.3 | 1.8 | 1.7 | 1.5 | 1.4 | 1.5 |
| SBI | 0.7 | 0.6 | 0.1 | -0.3 | 0.1 | 0.3 | -0.2 | -0.2 | 0.3 | 0.3 | 0.3 | 0.0 | 0.1 | 0.1 | 0.3 | 0.3 | 0.2 | 0.2 |
| Nippon | 3.0 | 3.1 | 2.9 | 2.0 | 2.2 | 2.6 | 1.8 | 1.5 | 1.7 | 1.5 | 1.3 | 1.3 | 1.2 | 1.5 | 1.1 | 0.8 | 0.3 | 0.2 |
| Kotak | -0.1 | -0.3 | -0.4 | -0.6 | 0.0 | 0.3 | 0.2 | -0.2 | -0.1 | -0.3 | -0.2 | -0.4 | -0.4 | -0.2 | -0.3 | 0.3 | 0.3 | 0.5 |
| Axis | -3.9 | -3.1 | -3.1 | -3.4 | -3.3 | -2.7 | -3.0 | -2.6 | -2.0 | -2.2 | -2.0 | -2.2 | -1.6 | -2.0 | -2.4 | -1.6 | -0.6 | 0.3 |
| Mirae | -2.4 | -2.3 | -2.5 | -2.8 | -1.8 | -1.1 | -1.2 | -1.0 | -1.2 | -1.1 | -1.5 | -1.8 | -1.6 | -1.5 | -1.2 | -0.9 | -0.9 | -0.9 |
| **ABSL** | **-1.3** | **-1.0** | **-1.0** | **-1.0** | **-0.4** | **-0.1** | **-0.4** | **-0.3** | **-0.2** | **-0.2** | **-0.2** | **-0.7** | **-0.3** | **-0.1** | **0.0** | **0.1** | **0.2** | **0.4** |
| PPFAS | 3.0 | 3.5 | 2.7 | 2.6 | 4.4 | 5.0 | 5.2 | 4.4 | 4.8 | 5.3 | 3.6 | 2.0 | 2.9 | 1.4 | 0.7 | 0.8 | 1.1 | 0.5 |
| DSP | 0.2 | 0.2 | 0.0 | -0.5 | -0.3 | 0.4 | -0.1 | -0.3 | 0.4 | 0.4 | 0.2 | -0.1 | 0.3 | 0.1 | -0.2 | 0.4 | 0.0 | 0.2 |
| UTI | -2.5 | -2.3 | -2.6 | -2.9 | -2.6 | -2.1 | -2.7 | -2.5 | -2.2 | -2.1 | -2.3 | -2.9 | -2.2 | -2.3 | -2.6 | -2.4 | -1.7 | -1.7 |
| CRAMC | -1.6 | -1.0 | -1.5 | -1.9 | -1.5 | -0.9 | -1.4 | -1.7 | -1.4 | -1.7 | -1.7 | -2.2 | -1.9 | -1.8 | -2.0 | -1.6 | -1.1 | -0.6 |
| Franklin | 2.3 | 2.6 | 1.8 | 1.4 | 1.9 | 2.2 | 1.3 | 1.1 | 1.2 | 1.1 | 0.9 | 0.0 | 0.0 | 0.0 | -0.3 | -0.1 | -0.4 | -0.4 |
| Bandhan | 1.7 | 2.3 | 2.0 | 1.6 | 2.3 | 2.6 | 2.2 | 2.6 | 3.3 | 3.1 | 2.9 | 2.6 | 3.0 | 3.8 | 3.6 | 3.5 | 3.7 | 3.7 |
| Motilal | 5.9 | 4.6 | 4.9 | 4.8 | 4.8 | 5.3 | 3.1 | 3.3 | 3.0 | 2.1 | 1.1 | -0.5 | 0.6 | 1.4 | 0.7 | 1.4 | 2.7 | 3.6 |
| Tata | 0.6 | 0.6 | 0.1 | -0.7 | 0.3 | 0.0 | -0.5 | -0.7 | -0.9 | -0.9 | -1.1 | -2.0 | -2.1 | -2.0 | -2.0 | -1.6 | -1.9 | -1.6 |
| HSBC | 0.9 | 1.0 | 1.4 | 1.2 | 1.5 | 1.9 | 1.5 | 1.4 | 1.7 | 1.4 | 1.6 | 1.1 | 0.9 | 2.0 | 2.5 | 2.8 | 2.1 | 3.2 |
| Invesco | 2.4 | 3.5 | 3.3 | 3.3 | 3.8 | 4.0 | 3.2 | 3.1 | 3.6 | 3.0 | 2.3 | 2.2 | 2.2 | 2.8 | 3.0 | 4.4 | 4.8 | 5.4 |
| Edelweiss | 0.9 | 0.8 | 0.6 | 0.8 | 0.5 | 0.9 | 0.6 | 0.5 | 0.9 | 1.3 | 1.3 | 0.8 | 1.0 | 1.1 | 1.0 | 1.2 | 1.2 | 1.8 |
| Sundaram | -0.4 | 0.0 | -0.3 | -0.7 | -0.2 | 0.0 | -0.5 | -0.3 | -0.1 | -0.2 | -0.2 | -0.5 | -0.4 | -0.2 | -0.3 | 0.0 | 0.1 | 0.5 |

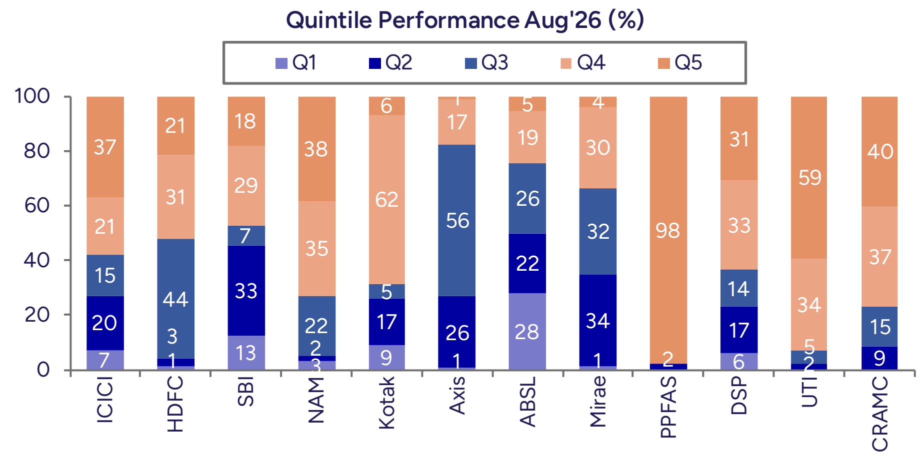
*Source: AMFI, PL*

**Exhibit 13:** ABSLAMC's rank in 3-year bucket improves from 15-18 to 12-14 since Feb'26

| Fund house | Mar'25 | Apr'25 | May'25 | Jun'25 | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Feb'26 | Mar'26 | Apr'26 | May'26 | Jun'26 | Jul'26 | Aug'26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ICICI | 3 | 3 | 4 | 5 | 5 | 5 | 3 | 5 | 5 | 5 | 4 | 4 | 3 | 3 | 4 | 4 | 5 | 5 |
| HDFC | 2 | 1 | 2 | 2 | 3 | 3 | 2 | 2 | 3 | 2 | 2 | 1 | 4 | 5 | 5 | 5 | 6 | 7 |
| SBI | 11 | 12 | 12 | 11 | 12 | 12 | 13 | 11 | 12 | 12 | 11 | 10 | 11 | 10 | 10 | 12 | 12 | 13 |
| Nippon | 4 | 6 | 5 | 6 | 7 | 6 | 7 | 7 | 7 | 7 | 7 | 6 | 6 | 6 | 6 | 8 | 10 | 14 |
| Kotak | 14 | 15 | 15 | 13 | 13 | 13 | 11 | 12 | 13 | 15 | 13 | 12 | 15 | 15 | 14 | 11 | 9 | 10 |
| Axis | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 19 | 20 | 19 | 19 | 17 | 19 | 19 | 19 | 16 | 12 |
| Mirae | 18 | 19 | 18 | 18 | 18 | 18 | 17 | 17 | 17 | 17 | 17 | 16 | 16 | 16 | 16 | 16 | 17 | 18 |
| **ABSL** | **16** | **17** | **16** | **16** | **16** | **16** | **14** | **15** | **15** | **13** | **14** | **15** | **13** | **13** | **11** | **13** | **11** | **11** |
| PPFAS | 5 | 4 | 6 | 4 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 5 | 2 | 8 | 9 | 9 | 8 | 9 |
| DSP | 13 | 13 | 13 | 12 | 15 | 11 | 12 | 14 | 11 | 11 | 12 | 11 | 10 | 11 | 12 | 10 | 14 | 15 |
| UTI | 19 | 18 | 19 | 19 | 19 | 19 | 19 | 19 | 20 | 19 | 20 | 20 | 20 | 20 | 20 | 20 | 19 | 20 |
| CRAMC | 17 | 16 | 17 | 17 | 17 | 17 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 17 | 18 | 18 | 18 | 17 |
| Franklin | 7 | 7 | 8 | 8 | 8 | 8 | 9 | 9 | 9 | 10 | 10 | 9 | 12 | 12 | 15 | 15 | 15 | 16 |
| Bandhan | 8 | 8 | 7 | 7 | 6 | 7 | 6 | 6 | 4 | 3 | 3 | 2 | 1 | 1 | 1 | 2 | 2 | 2 |
| Motilal | 1 | 2 | 1 | 1 | 1 | 1 | 5 | 3 | 6 | 6 | 9 | 13 | 9 | 7 | 8 | 6 | 3 | 3 |
| Tata | 12 | 11 | 11 | 14 | 11 | 14 | 15 | 16 | 16 | 16 | 16 | 17 | 19 | 18 | 17 | 17 | 20 | 19 |
| HSBC | 9 | 9 | 9 | 9 | 9 | 9 | 8 | 8 | 8 | 8 | 6 | 7 | 8 | 4 | 3 | 3 | 4 | 4 |
| Invesco | 6 | 5 | 3 | 3 | 4 | 4 | 4 | 4 | 2 | 4 | 5 | 3 | 5 | 2 | 2 | 1 | 1 | 1 |
| Edelweiss | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 9 | 8 | 8 | 7 | 9 | 7 | 7 | 7 | 6 |
| Sundaram | 15 | 14 | 14 | 15 | 14 | 15 | 16 | 13 | 14 | 14 | 15 | 14 | 14 | 14 | 13 | 14 | 13 | 8 |

*Source: AMFI, PL*

**Exhibit 14: 50% of AuM for ABSLAMC in Q1 & Q2 as of Aug'26**



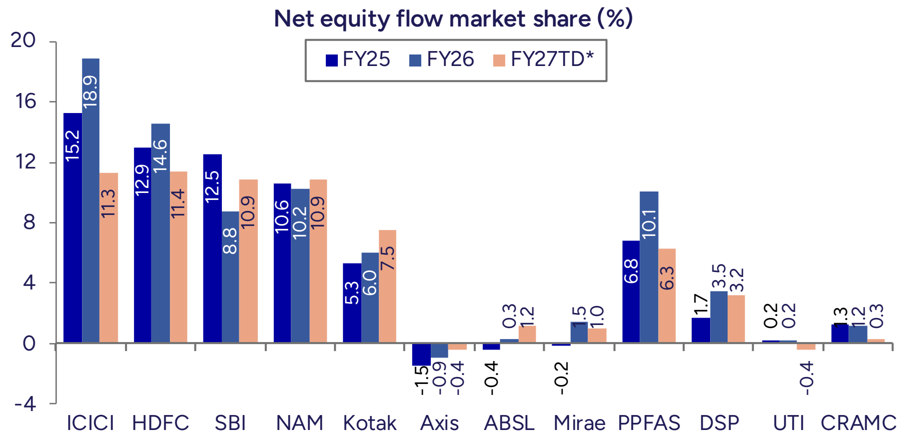

*Source: AMFI, PL*

In terms of quintile performance, ABSLAMC is one of the best performing AMCs as 50% of its active equity AuM was in Q1 and Q2 as of Aug'26 (vs. 27%/4%/46%/5% of equity AuM for ICICI/HDFC/SBI/NAM).

Driven by superior performance in the 1- and 3-year buckets, market share in net equity flows (ex-NFOs) is gradually increasing; it consistently improved from -2.9% in FY24 to 1.2% in 5MFY27. Though its net equity flow market share (1.2% for YTDFY27) remains below its stock market share of 3.7%, sustained superior performance in the 3-year bucket could drive further increase in net flow market share.

The management is channelling improved performance into focused sales push. Flagship funds (flexi-cap, balanced advantage, multi-asset allocation, small-cap, multi-cap & midcap) remain its focus schemes across sales verticals. ABSLAMC is witnessing MoM improvement in flows across these flagship schemes, as better track record aids sales team's confidence in approaching distributors.

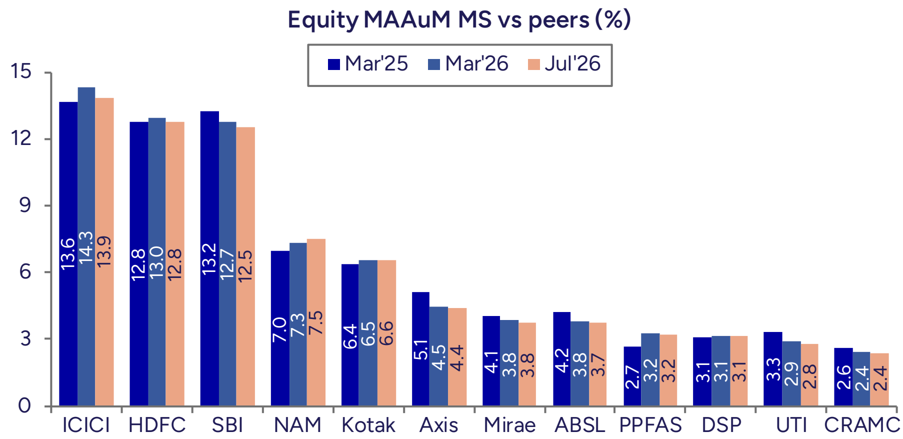
**Exhibit 15: Market share in net equity flows improves from 0.3% in FY26 to 1% in Apr-Jul'26**




*Source: AMFI, PL. *Apr-Aug'26*

The management is focused on arresting erosion in market share and then regaining it; the market share decline has been narrowing since Q4FY26. The AMC may also witness sustainable improvement in flows aided by recent bank/wealth platform listings. ABSLAMC's SIP book saw a marginal dip in Q1FY27 (Jun'26 SIP contribution of INR10.85bn vs. INR12.04bn in Mar'26), which was attributable to SIP attrition in ELSS schemes, while SIP registrations and SIP flows in the core schemes are improving.

Exhibit 16: **Pace of decline in equity AuM market share declines to 3.7% as of Jul'26**



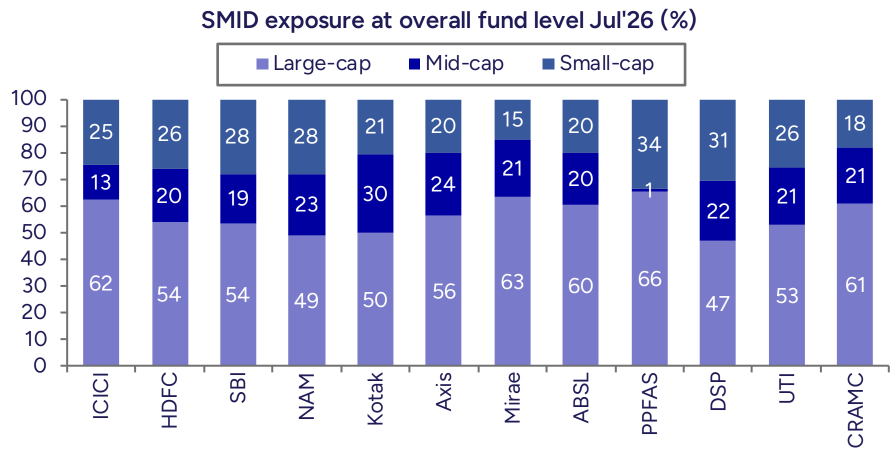

*Source: AMFI, Company, PL*

## Risk-efficient performance with lower concentration & SMID exposure

Notably, ABSLAMC's performance has been improving since Oct'25, despite taking lesser risk. It has been more risk efficient than peers on account of its lower concentration risk and SMID exposure. AMC's SMID exposure is the lowest in the industry, at 40% (20% mid-cap, 20% small-cap), which is commendable.

As of Jul'26, its top 3/5 schemes contributed to 40%/50% of active equity MAAuM (incl. balanced) vs. 32%/47% for SBIAMC, 37%/53% for ICICIAMC, 52%/66% for HDFCAMC, and 53%/71% for NAM.

Exhibit 17: **SMID exposure for ABSLAMC, at 40%, lower than Peers**

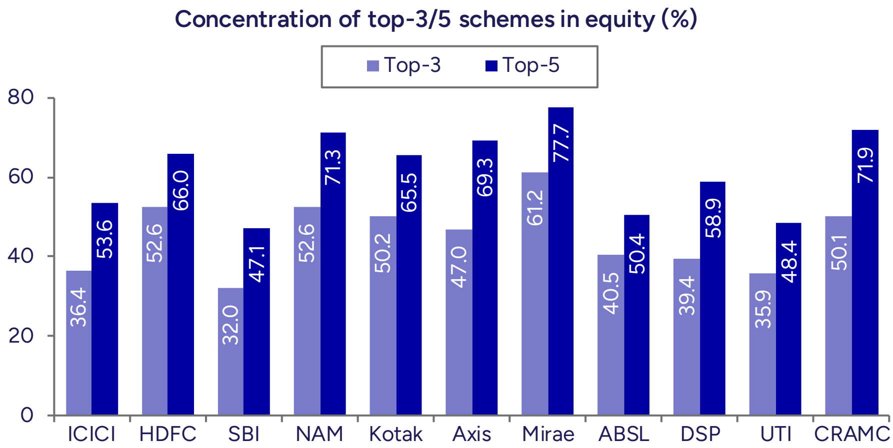



*Source: Company, PL, ACE MF*

Within SMID too ABSLAMC has a lower exposure to small-cap at 20% compared to peers (range 21-34%). Also, mid-cap exposure is not very high at 20% (highest is Kotak AMC at 30%). Strategy of lower SMID and higher large-cap exposure could bode well when the cycle reverses.

Past ~2 years large cap as a category has underperformed with small-cap and mid-cap categories seeing healthy flows despite which ABSLAMC has seen improving performance. When large-cap as category would start to outperform, the quantum alpha generated for ABSLAMC could be much larger.

**Exhibit 18: Share of ABSLAMC's top 5 schemes lower at 50% of active equity MAAuM**

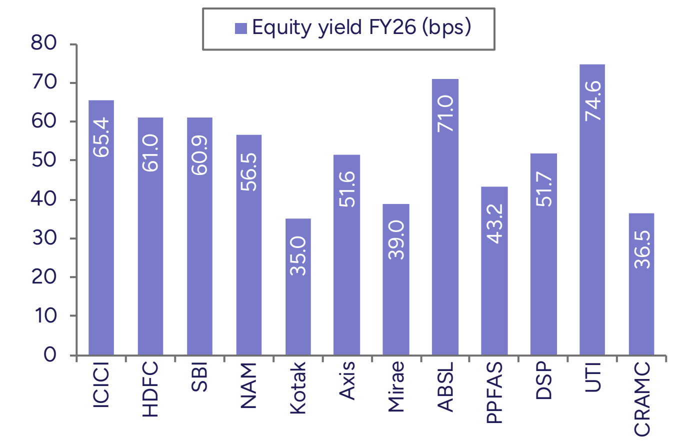



*Source: Company, PL*

## Superior yields driven by lower payouts

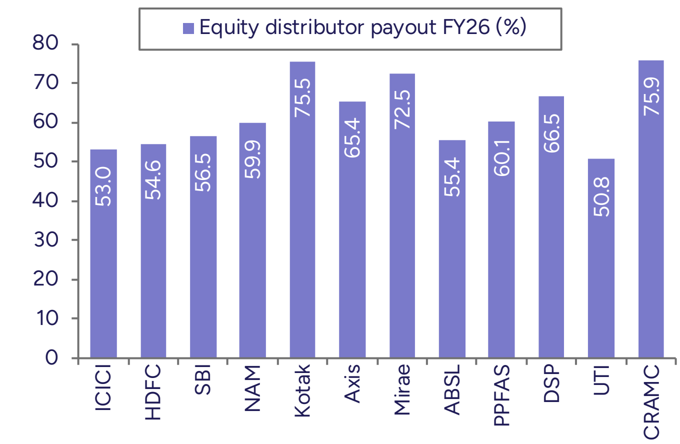
Despite higher ND/MFD share in equity distribution mix of 19.7%/52.3%, ABSLAMC maintains one of the highest equity yields of 71bps due to lower equity distributor payout of 55.4%, which was higher only to ICICIAMC at 53% and HDFCAMC at 54.6%. New TER framework has been implemented with a complete pass-through, keeping profitability neutral. Blended yield guided to decline by 1-2bps led by telescopic pricing and product mix.

**Exhibit 19: Equity yield at 71bps – One of the highest among peers**




*Source: Company, PL*

**Exhibit 20: Equity distributor payout lower than NAM/SBI/CRAMC**



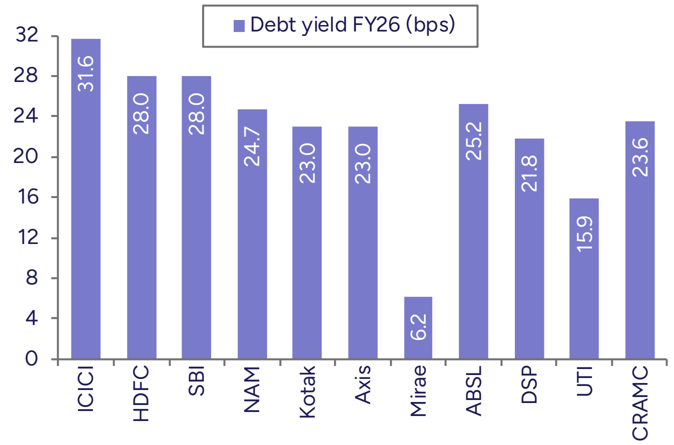

*Source: Company, PL*

ABSLAMC's commission payout for active equity has fallen from 56.2% for FY23 to 55.4% for FY26, which is lower than NAM/SBI/CRAMC at 59.9%/56.5%/75.9%. ABSLAMC's brokerage level is a little above the industry, which could limit the impact of TER change and provides cushion to pass on 2-3bps. Commission structures are flexible and competitive, which is adjusted based on business potential. With improved performance, the company can increase distributor payout which in turn can drive up its net equity flow market share.

Debt yield for FY26 at 25.2bps, is lower only to ICICIAMC (31.6bps) and HDFCAMC/SBIFUNDS (28bps). Despite having higher debt AuM, ABSLAMC's yields are better than peers like NAM, Kotak and Axis, due to lower debt payout, at ~60%, as compared to NAM, Kotak, Axis and Mirae.

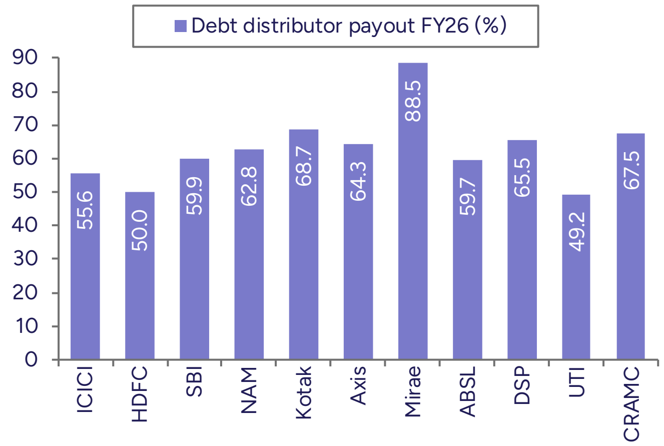
At 13.7bps, ABSLAMC's yields for liquid schemes remain the best-in-class vs. average ~12bps for large peers, while distributor payout at ~45% remains comparable to ICICIAMC (44%) and NAM (48%).

**Exhibit 21: Debt yields at 25bps, higher than NAM, Kotak & Axis**



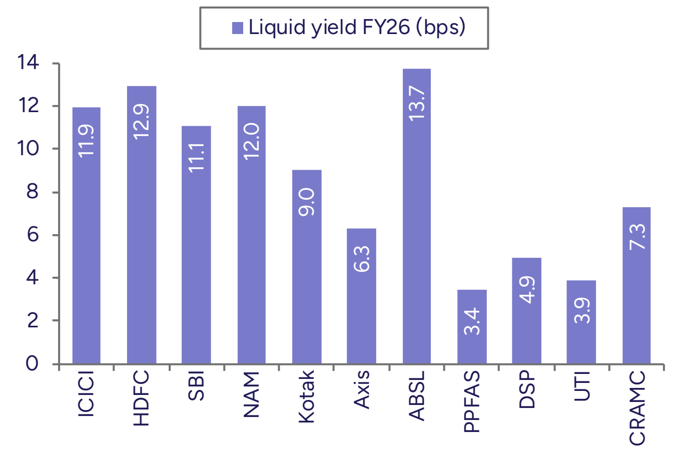

*Source: Company, PL*

**Exhibit 22: Debt payout at ~60%, lower than NAM, Kotak & Axis**



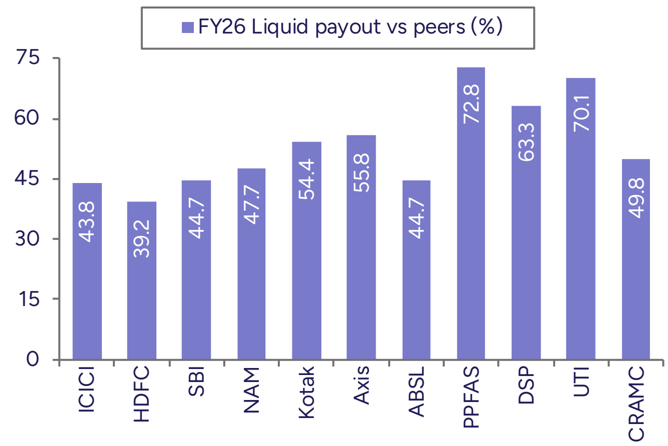

*Source: Company, PL*

**Exhibit 23: Liquid yield remains highest at 13.7bps**




*Source: Company, PL*

**Exhibit 24: Liquid distributor payout comparable to ICICIAMC/NAM**




*Source: Company, PL*

ABSLAMC has 30 active equity products, suggesting more thematic schemes that have lower AuM, leading to lesser concentration risk; this also allows it to charge higher TER. The product shelf is being expanded selectively. Having launched Apex-SIF Hybrid Long-Short 6 months back, ABSLAMC is gearing up for 2 more launches (Equity Long-Short & Equity Ex-Top 100 Long-Short), supported by hiring of experts in long-short and derivative strategies. It is also evaluating lifecycle funds and REIT/InvIT funds.

**Exhibit 25: ABSLAMC's equity product offering remains competitive vs. peers**

| No. of schemes | Equity | Thematic | Balanced | Others | Total |
|---|---|---|---|---|---|
| ICICI | 10 | 25 | 6 | 1 | 44 |
| HDFC | 10 | 12 | 6 | | 28 |
| SBI | 10 | 15 | 6 | 1 | 32 |
| NAM | 9 | 11 | 5 | | 25 |
| Kotak | 10 | 17 | 5 | | 32 |
| Axis | 9 | 8 | 5 | | 22 |
| ABSL | 10 | 15 | 5 | | 30 |
| UTI | 9 | 9 | 6 | 1 | 25 |
| CRAMC | 9 | 4 | 4 | | 17 |

*Source: Company, PL*

## Sizable market share in debt; falling market share could reverse

ABSLAMC is the 5th largest in the debt segment with QAAuM of INR1.25trn in Q1FY27. It has a QAAuM market share of ~11% in debt, which remains significantly above its overall AuM market share of 5.0%-5.5%.

It has consistently featured among the top 5 in the 3-year bucket in terms of weighted average alpha for debt schemes, which is attributable to strong underwriting, robust risk management, interest rate risk management and strong macro research, enabling effective navigation of credit and liquidity cycles.

However, performance has been moderating in the 1-year bucket, which has resulted in loss of market share. Since ABSLAMC is a mainstream debt player, as performance improves, market share loss could be arrested.

**Exhibit 26: 1-year debt performance rank moderating post Mar'26**

| Fund house | Sep'24 | Dec'24 | Mar'25 | Jun'25 | Sep'25 | Dec'25 | Mar'26 | Jun'26 | Aug'26 |
|---|---|---|---|---|---|---|---|---|---|
| ICICI | 11 | 8 | 6 | 4 | 2 | 2 | 1 | 2 | 2 |
| HDFC | 7 | 3 | 5 | 7 | 6 | 5 | 7 | 5 | 5 |
| SBI | 9 | 10 | 12 | 12 | 7 | 8 | 4 | 8 | 4 |
| NAM | 4 | 2 | 2 | 5 | 5 | 6 | 8 | 7 | 8 |
| Kotak | 1 | 1 | 4 | 6 | 8 | 7 | 9 | 9 | 10 |
| Axis | 10 | 12 | 3 | 2 | 3 | 3 | 3 | 3 | 3 |
| **ABSL** | **6** | **4** | **1** | **3** | **4** | **4** | **6** | **6** | **7** |
| UTI | 2 | 7 | 11 | 10 | 9 | 10 | 10 | 11 | 9 |
| DSP | 3 | 6 | 10 | 11 | 11 | 11 | 12 | 10 | 11 |
| HSBC | 12 | 11 | 7 | 1 | 1 | 1 | 2 | 4 | 6 |
| Tata | 5 | 5 | 9 | 9 | 12 | 12 | 11 | 12 | 12 |
| Bandhan | 8 | 9 | 8 | 8 | 10 | 9 | 5 | 1 | 1 |

*Source: AMFI, PL*

**Exhibit 27: ABSLAMC ranks 5th in the 3-year bucket**

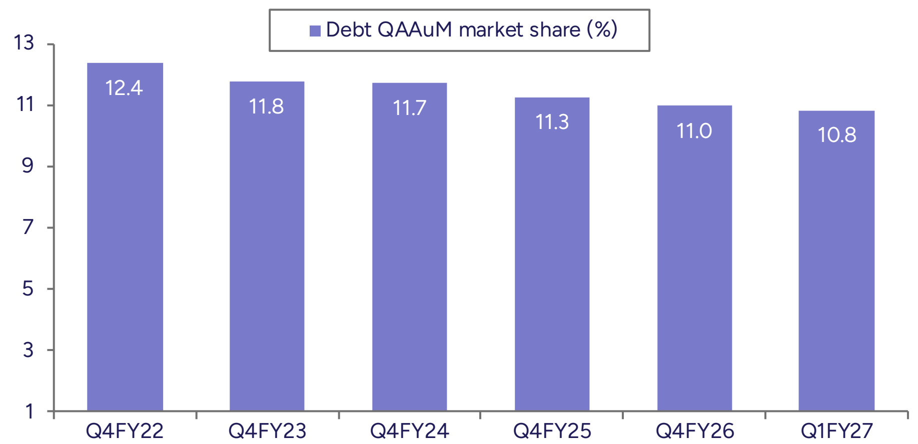
| Fund house | Sep'24 | Dec'24 | Mar'25 | Jun'25 | Sep'25 | Dec'25 | Mar'26 | Jun'26 | Aug'26 |
|---|---|---|---|---|---|---|---|---|---|
| ICICI | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| HDFC | 8 | 7 | 7 | 5 | 7 | 6 | 5 | 5 | 7 |
| SBI | 3 | 5 | 8 | 8 | 8 | 8 | 6 | 8 | 8 |
| NAM | 7 | 6 | 4 | 3 | 5 | 5 | 7 | 7 | 6 |
| Kotak | 4 | 3 | 5 | 4 | 6 | 7 | 8 | 9 | 9 |
| Axis | 6 | 8 | 3 | 7 | 4 | 2 | 2 | 2 | 2 |
| **ABSL** | **1** | **2** | **2** | **2** | **2** | **3** | **3** | **3** | **5** |
| UTI | 5 | 4 | 6 | 9 | 9 | 9 | 10 | 10 | 10 |
| DSP | 9 | 9 | 9 | 11 | 11 | 12 | 11 | 11 | 11 |
| HSBC | 12 | 12 | 12 | 6 | 3 | 4 | 4 | 6 | 3 |
| Tata | 10 | 10 | 10 | 10 | 10 | 11 | 12 | 12 | 12 |
| Bandhan | 11 | 11 | 11 | 12 | 12 | 10 | 9 | 4 | 4 |

*Source: AMFI, PL*

ABSLAMC's robust risk management process ensures that risk associated with duration and credit is managed appropriately. Hence, the company could manage the credit crises effectively. It managed liquidity risk well during the pandemic, which helped to improve fixed income allocation materially post-pandemic.

Pedigree in the debt segment has resulted in entrenched relationships with some large corporates. While ABSLAMC's recent performance has been weak as it was affected by liquidity crunch led by unfavourable yield movement and geopolitical conditions, which has led to market share loss. We expect the company to recoup its lost market share on the back of its strong corporate relationships.

**Exhibit 28: Debt QAAuM market share at ~11%**




*Source: Company, PL*

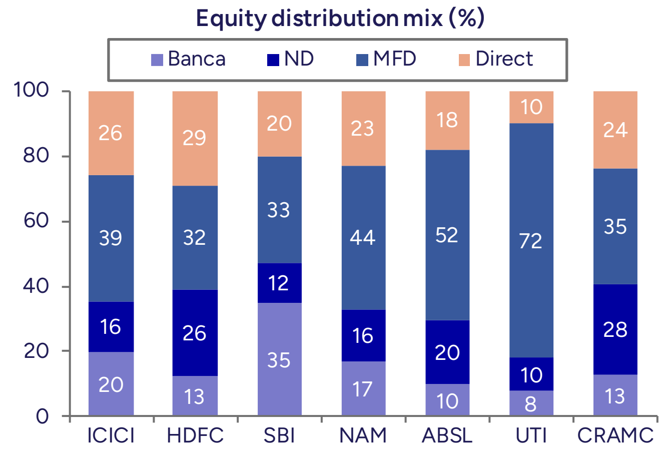
## Focused on MFDs & banca distribution

MFDs constitute 52% of ABSLAMC's equity distribution mix, which is one of the highest amongst peers. Despite a smaller AuM, the AMC has a strong network of more than 95,000 distributors.. For MFDs, it runs next-generation development programs (Legacy Leap, Fulcrum) and hosted ~400-distributor conference in Hyderabad in Apr'26, and the CEO has recently undertaken a multi-city 'Yatra' to meet partners.

MFD volumes are gradually picking up led by better performance. ABSLAMC is also investing in direct HNI and PF/trust teams, with institutional STP flows into equity beginning to come through. On the digital front, it has launched a new distributor/investor app, WhatsApp-enabled servicing and a GenAI chatbot, and plans to add several new locations in FY27 in addition to its 19,000+ pin code presence.

Sales from banca channel can scale up, since flows that had fallen materially due to ABSLAMC's products not being preferred, have been added to recommended lists. Two ABSLAMC products featured on the list of 2 large banks, with further additions by YES Bank, Standard Chartered, LGT Wealth, Ask Wealth and IndusInd Bank. Hence, ABSLAMC expects a lift in both flows/SIPs from this channel.

**Exhibit 29: MFD share for ABSLAMC at 52% in equity distribution mix**




*Source: Company, PL*

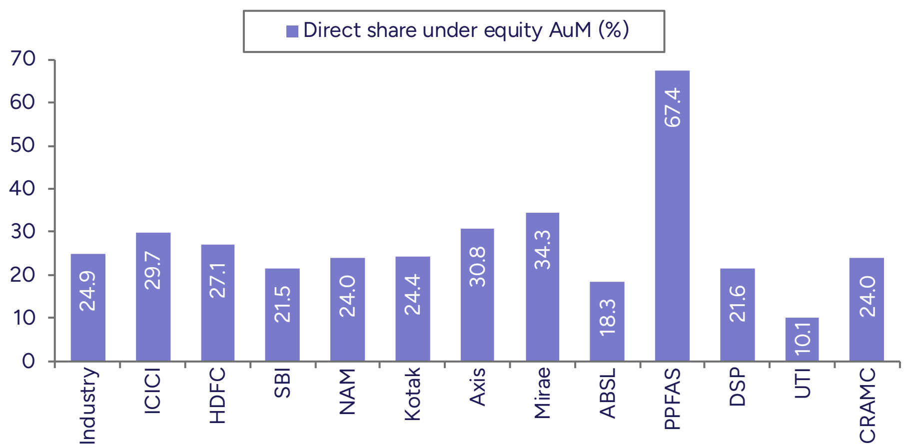
**Exhibit 30: MFD base at 95,000; equity MAAuM at INR 1,488bn**

| Fund house | No. of MFDs | Indirect equity MAAuM (INR bn) |
|---|---|---|
| ICICI | 1,16,000 | 4,606 |
| HDFC | 1,10,000 | 4,406 |
| SBI | 1,34,000 | 4,425 |
| NAM | 1,24,900 | 2,781 |
| Kotak | 99,000 | 2,343 |
| Axis | 85,000 | 1,476 |
| **ABSL** | **95,000** | **1,488** |
| PPFAS | 57,604 | 526 |
| UTI | 99,276 | 1,177 |
| CRAMC | 56,819 | 882 |

*Source: Company, PL*

Equity-oriented AuM sourced through the direct channel stands at 18.5%, below the industry level of 24.5%, Company expects improvement led by dedicated HNI team, enhanced digital capabilities & ABG ecosystem. With improved performance, the AMC can increase distributor payout and in turn its net flow market share.

**Exhibit 31: ABSLAMC's penetration through direct sources remains one of the lowest among peers**

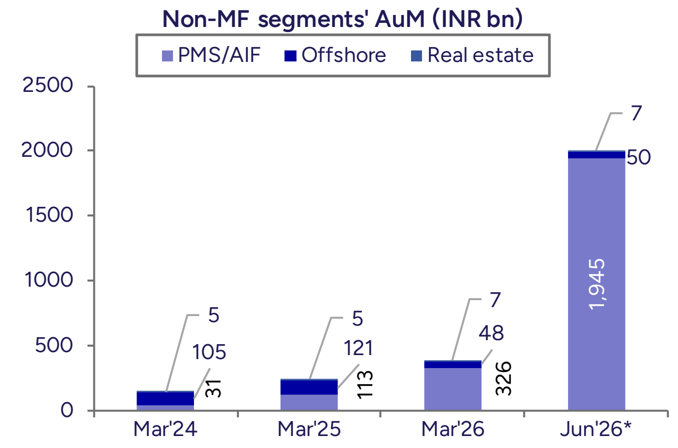



*Source: Company, PL*

## Diversified revenue stream to reduce dependence on MF income

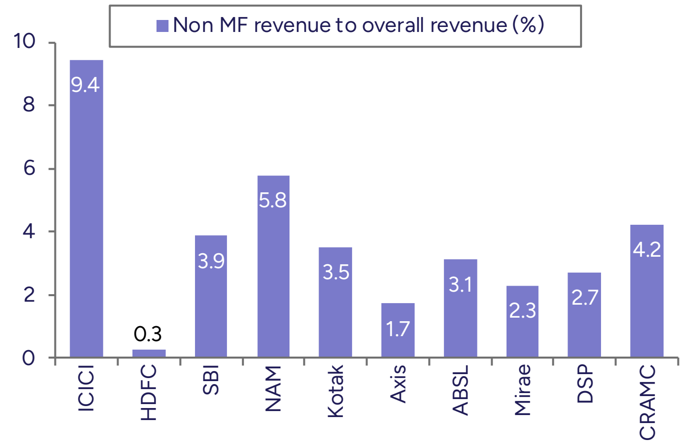
ABSLAMC has decent share of non-MF revenue that is higher than HDFC, Axis and Mirae. Its alternates QAAuM as of Jun'26 totalled INR2,002bn, of which PMS/AIF was INR1,945bn, real estate was INR7bn, and offshore AuM was INR50bn. The AMC won EPFO and ESIC mandate in Q1FY27 amounting to INR6,080bn, which would reflect from Q2FY27. Further, its alternates business has a healthy pipeline, with 4 funds in PMS/AIF as of Jun'26 while fund raising underway for ABSL Flexi Cap Fund (IFSC) under the offshore route and Real Estate Credit Opportunities Fund (series II) under real estate segment.

**Exhibit 32: Non-MF AuM at ~INR2,002bn incl. INR1.9trn EPFO mandate**




*Source: Company, PL * EPFO mandate of INR6,080bn received during Q1FY27*

**Exhibit 33: Non-MF revenue share for ABSLAMC at 3.1% for FY26**



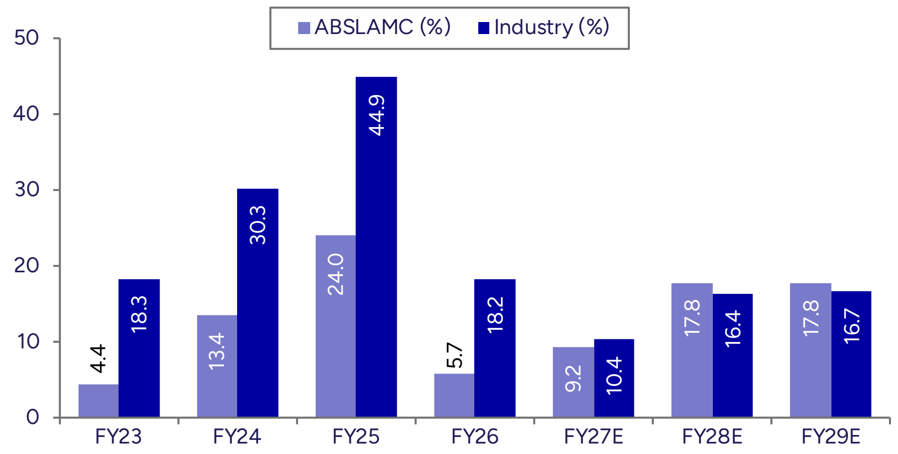

*Source: Company, PL*

Diversified revenue stream further enhances ABSLAMC's revenue profile and reduces dependence on traditional MF income. PMS/AIF + advisory net revenue stood at 3.1% of overall revenue for FY26 (higher than HDFC, Axis, Mirae). With the new EPFO/ESIC mandate and faster growth in PMS/AIF + advisory net revenue, as seen in the past (CAGR of 24% over FY22-26), non-MF revenue share is likely to increase over the medium term.

## Equity market share gain to drive healthy AAuM growth

Driven by superior equity performance, net equity flow market share might enhance further for ABSLAMC, which would lead to overall market share gains. Hence, we expect higher equity AAuM CAGR of 17.8% over FY27-29E compared to 16.6% for the industry.

**Exhibit 34: Equity AAuM growth for ABSLAMC likely to be higher than industry in FY28/29E**

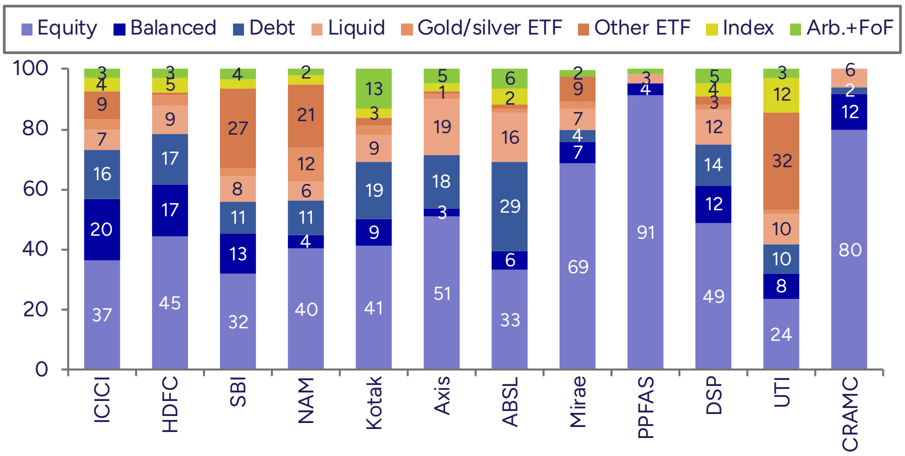



*Source: Company, PL*

ABSLAMC's blended yields of 40bps for FY26 is lower than ICICIAMC (47bps) and HDFCAMC (46bps), which can be attributed to its higher debt + liquid mix at 47% (vs. ICICIAMC's 25%, HDFCAMC's 28% and SBIFUNDS' 20%), and lower equity mix for ABSLAMC at 39%. However, ABSLAMC's blended yields remain superior to SBIFM (35bps), NAM (37bps), UTIAM (32bps) & CRAMC (35bps), due to lower passive share (ETF + index) at 8%.

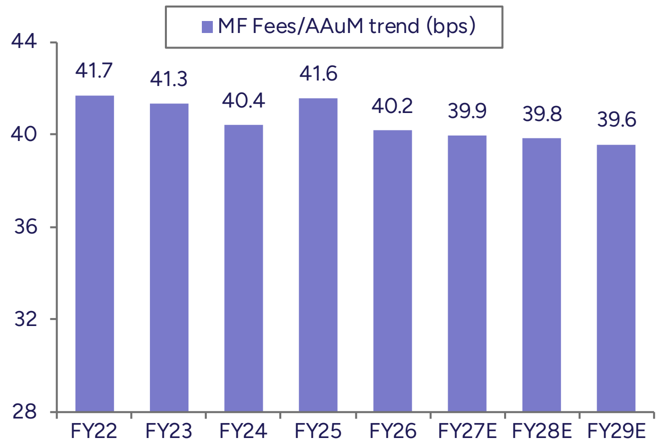
Management remains optimistic on passive business growth, supported by Mr. Hemen Bhatia's recent appointment, which is expected to drive product innovation and bolster investment capabilities.

**Exhibit 35: Debt+liquid constitutes 47% for ABSLAMC in AuM mix, highest among peers**



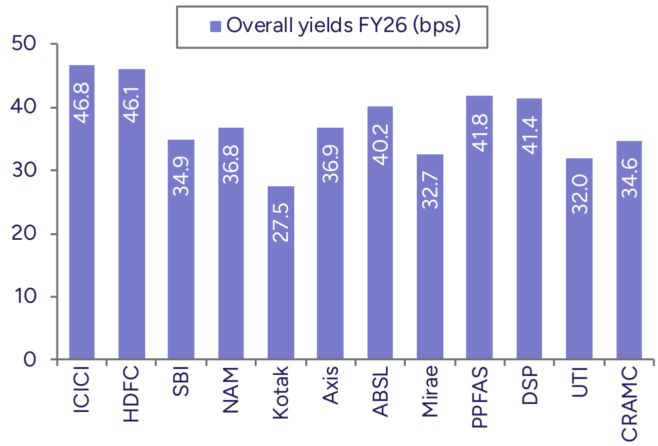

*Source: Company, PL*

**Exhibit 36: Yields to be range bound at ~40bps over FY26-29E**




*Source: Company, PL*

**Exhibit 37: Blended yields at 40bps, lower than ICICIAMC & HDFCAMC**



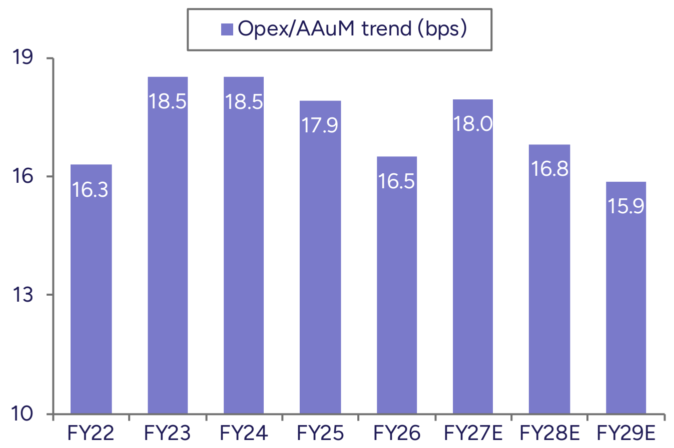

*Source: Company, PL*

Adjusting for commission related to PMS/AIF business, opex/AAuM for ABSLAMC is higher at 16.5bps compared to large peers, which is attributable to lack of scale-based operational efficiency. Hence, further operating leverage benefits may accrue to ABSLAMC led by healthy AAuM growth.

Employee cost rose in Q1FY27 mainly due to the new ESOP plan with incremental charge of INR150mn per quarter, which is expected to be sustainable, while other opex should grow in line with normal inflation, with no one-offs expected. Headcount was 1,638 at Jun'26 (1,650 at Mar'26); incremental hiring is focused on the passive team and SIF specialists, and the management is targeting productivity gains through technology solutions.

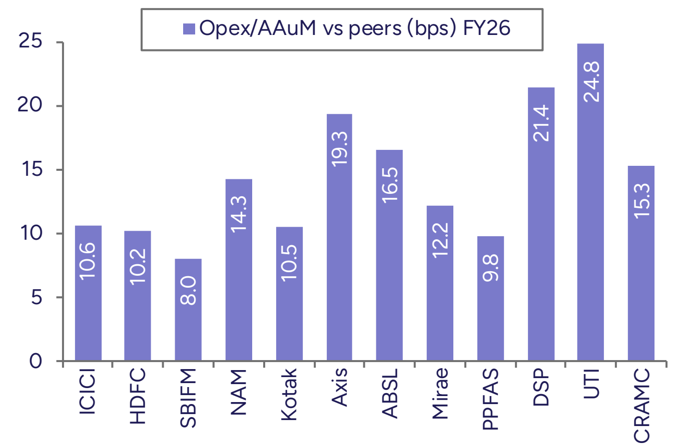
We expect opex to increase at ~12% CAGR over FY26-29E with staff cost (ex-ESOP) likely to grow by 11% and other expenses likely to grow by ~12%.

**Exhibit 38:** Opex/AuM likely to increase in FY27 due to ESOP cost



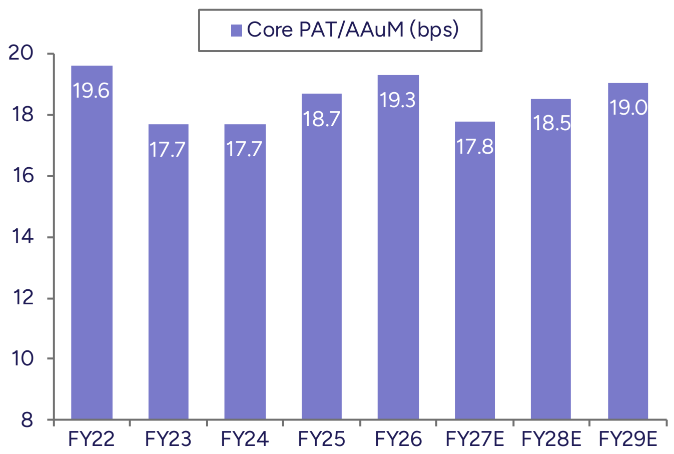

*Source: Company, PL*

**Exhibit 39:** Opex/AAuM at 16.5bps for ABSLAMC for FY26



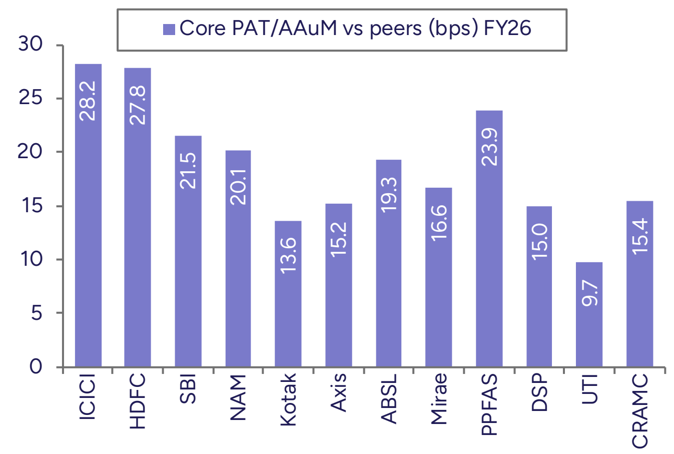

*Source: Company, PL*

**Exhibit 40:** Core PAT/AuM est at ~19bps in FY28/29E




*Source: Company, PL*

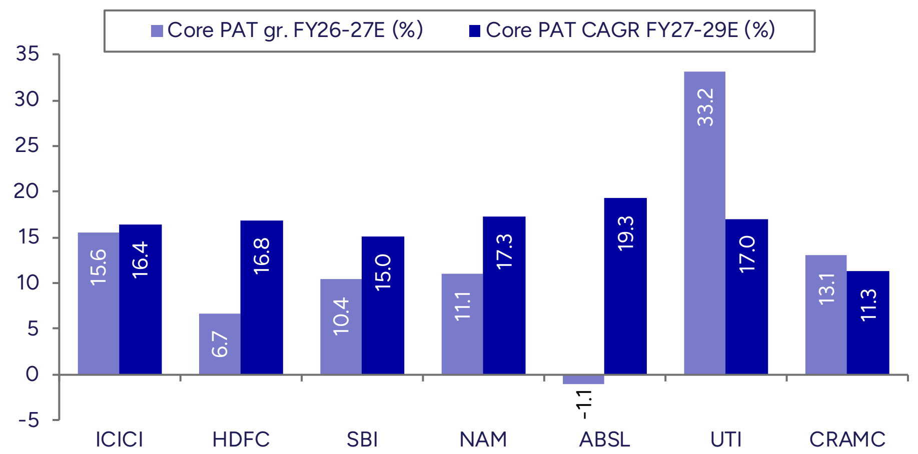
**Exhibit 41:** Core PAT/AAuM at 19.3bps for ABSLAMC in FY26




*Source: Company, PL*

We expect revenue CAGR of ~13% over FY26-29E and opex CAGR of ~12.0% led by overall/equity AAuM CAGR of 12.5%/14.8%. While earnings growth in FY27 may be weak due to MTM, we see core PAT CAGR of ~20% over FY27-29E, best amongst listed peers. Translation of better performance into net flows is a key monitorable.

**Exhibit 42:** Core PAT CAGR over FY27-29E better than peers




*Source: Company, PL*

# Valuation & Risks

## Valuation

We are optimistic on ABSLAMC as: (i) superior equity performance in the 1-/3-year buckets may drive healthy net equity inflows and pace of decline in equity AuM market share has been arrested; (ii) lower scheme concentration and SMID exposure would protect the AMC against market volatility, supported by its broader product basket; (iii) it is the 5th largest player in the debt segment with market share of ~11%; (iv) superior equity yield supported by lower distributor payout is driving up profitability; (v) it has a healthy distribution network and entry into banks' recommendation list could further drive flows as well as SIPs; (vi) higher share of non-MF revenue at 3.1% reduces dependence on MF income; and (vii) equity AAuM growth is likely to outpace industry over FY27-29E, supported by operating leverage, and sustained yields could protect profitability.

Over FY26-29E, we expect ABSLAMC to clock 15%/13% CAGR in equity/overall AAuM compared to 16.6%/14% for the industry, which would translate into revenue/opex/core income CAGR of 13%/12%/14%. Core PAT to AAuM should range at 18-20bps (similar to SBIFM/NAM). The stock is valued at ~24/20x on FY28/29E core EPS, which suggests a discount of ~15% to HDFCAMC, ~38% to ICICIAMC and 35% to NAM. We assign a multiple of 27.5x on Sep'28 core EPS to arrive at TP of INR1,200. Initiate coverage with 'BUY'.

## Key Risks

- **Market volatility:** Elevated market volatility may weigh on investor sentiment, potentially impacting equity inflows and overall AuM growth.
- **Intense competition:** Better equity performance and net flows of smaller players could lead to potential loss of market share.
- **Performance risk:** Underperformance in key schemes, particularly within the equity segment, may adversely affect investor retention.
- **Regulatory risk:** Any adverse regulatory changes, especially around TER cap, commission structure, etc., could impact profitability across AMCs.

## Experienced Management & Investment Team

**Exhibit 43:** Management and investment team

| Name | Designation | Brief Profile |
|---|---|---|
| A Balasubramanian | MD & CEO | An MBA graduate from GlobalNxt University, he holds a bachelor's degree in science (mathematics) and has completed advanced management programs from IIM Bangalore & Harvard Business School. He has over 3 decades of experience. Prior to assuming the role of CEO, he served as CIO in the company. Previously, he has worked with GIC MF, Canbank Financial Services and Pandit & Co. He has also served as the Vice-Chairman (2015-16) & Chairman (2016-18 & 2021-23) of AMFI, and currently, he is the Chairman of AMFI's Equity CIO Committee & member of the Fund Management Advisory Committee of IFSCA. |
| Harish Krishnan | CIO - Equity | He holds a bachelor's degree in engineering from the Government College, Trichur, and has completed PGDBM from IIM Kozhikode. He is also a CFA, with experience of over 21 years in the asset management industry (domestic & international). Previously, he was associated with Kotak MF as Senior FM - Equity. He has also worked at Kotak Mahindra (UK) Ltd, where he managed offshore funds based out of Singapore and Dubai. |
| Kaustubh Gupta | CIO - Fixed Income | A CA and CFA (Level 2) by qualification, he has over 20 years of extensive investment experience having worked in treasury finance, liquidity management and fund management. Prior to joining the company in 2009, he worked with ICICI Bank for around 5 years in the ALM team. |
| Pradeep Sharma | CFO | A CA and CS with 30 years of experience in the finance function, he has been associated with group since 1996. He has also served as the CFO of Aditya Birla Money Ltd and Aditya Birla Money Mart Ltd. He has also worked in the Corporate Finance Division of UltraTech Cement |
| Sunaina da Cunha | Co-CIO – Debt | A CFA charter holder and an MBA (FMS) from the University of Delhi, she has over 20 years of experience in fixed income fund management with expertise in structuring bond solutions and credit transactions. She has been part of the Aditya Birla Group since 2004, having started as a management trainee. |
| Sameer Narayan | Head - Offshore & Alternate Investment Equity | He holds an MMS degree from NMIMS, Mumbai, and a BE (Production Engineering) degree from KJ Somaiya College of Engineering, Mumbai. He has over 25 years of experience in Indian equity markets with significant alpha generation track record. Previously, he has worked with Invesco Asset Management - India, Adani Advisory LLP, BNP Paribas Investment Partners, SSKI Securities Pvt Ltd, Enam Securities Pvt Ltd, and Motilal Oswal Securities Ltd. He has extensive experience in managing mandates across growth and value strategies. |
| Hemen Bhatia | Head - Passives | He holds an MMS (Finance) degree from Mumbai University. He is a seasoned asset management professional with over 20 years of experience in the Indian MF industry with expertise in ETFs and passive business. Previously, he served as ED & CEO of Angel One AMC, where he headed the buildout of passive business. Prior to that, he was Head - ETF Business at NAM. He was also part of the core team at Benchmark AMC and Goldman Sachs AMC. He has been an active member of AMFI's ETF Committee and part of the SEBI Working Group for developing MF Lite framework for passive schemes. |
| Karan Dave | Head Alternate Investments – Fixed Income | An MBA from IIM Bangalore and rank holding CA, he brings over 19 years of experience across corporate lending, structured finance and project finance, managing over INR150bn of investments. He was part of ABCL's wholesale lending business, which scaled up to US$4bn AuM. |
| Akshat Pandya | Head - Real Estate | He is a commerce graduate from Mumbai University and holds an MMS degree from NMIMS. He has been associated with the company for more than 11 years. He was previously associated with ENAM, Lehman Brothers & HDFC Ltd. |
| Kamayani Aniruddh Nagar | Head - Retail Sales | A gold medalist from IIM Indore, she holds a PGDM degree from the esteemed institute, a PG in journalism and mass communications and a bachelor's degree from Delhi University. She has over 23 years of experience in the BFSI industry where she worked with Citibank, ICICI Bank, IDBI, Bandhan Bank and Bajaj Capital, handling multiple roles across branch banking and wealth management. |
| Vikas Mathur | Head – Inst. Sales | He holds a bachelor's degree in electronics and communication engineering from Madras University, a PGDBEM from IIP&M and an MBA from the International Management Institute. He comes with a rich experience of nearly 2 decades and has been a part of the organization since Aug'08. Vikas has previously worked at HBL Global Pvt Ltd and at IPru Life Insurance Co Ltd. |
| Nikesh Gupta | Chief Operations Officer | He holds a BBA from Delhi University and an MBA from IMT Ghaziabad, and possesses over 32 years of experience in operations and customer service. Previously, he served as COO of ABCL (NBFC). He has also worked with Citibank, KMB, DBS Bank and Bank of America. |
| Hari Babu. B | Chief Risk Officer | He has over 2 decades of experience in risk management, portfolio research and analysis, among others. Prior to joining the company, he has worked with UTI Mutual Fund. |
| Parth Makwana | Chief Compliance Officer | He is a law graduate and member of ICSI, India, and has experience of 12 years in the compliance function of the MF industry. Prior to joining the company, he was associated with HDFC AMC, NAM and IDBI AMC. |
| Prasad Kakkat | Head - HR and Administration | He holds a PGDPM from National Institute of Personnel Management and a bachelor's degree in commerce. He has over 24 years of experience in the HR function and has been associated with the group since 14 years. Before joining the group, he has been associated with V-Guard Industries, Hindustan Coca-Cola Beverages and Samsung India Electronics. |

*Source: Company, PL*

## Quarterly Financials

| Y/e Mar | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | Q4FY26 | Q1FY27 |
|---|---|---|---|---|---|---|---|---|
| **Income Statement (INR mn)** | | | | | | | | |
| **Revenue** | **4,176** | **4,384** | **4,226** | **4,419** | **4,584** | **4,752** | **4,552** | **4,555** |
| **Expenses** | **1,790** | **1,787** | **1,899** | **1,874** | **1,843** | **1,981** | **1,979** | **2,102** |
| Employee | 852 | 847 | 953 | 895 | 907 | 1,037 | 994 | 1,118 |
| Others Expenses | 843 | 831 | 851 | 880 | 830 | 831 | 858 | 860 |
| Depreciation | 95 | 109 | 95 | 100 | 105 | 114 | 126 | 124 |
| **Core Income** | **2,387** | **2,598** | **2,327** | **2,545** | **2,742** | **2,771** | **2,574** | **2,453** |
| Other Income | 954 | 380 | 716 | 1,176 | 448 | 840 | (332) | 1,622 |
| **PBT** | **3,341** | **2,978** | **3,043** | **3,721** | **3,190** | **3,611** | **2,242** | **4,075** |
| Tax | 928 | 754 | 770 | 952 | 743 | 888 | 324 | 962 |
| **PAT** | **2,413** | **2,224** | **2,273** | **2,769** | **2,447** | **2,724** | **1,917** | **3,114** |
| **Core PAT** | **1,724** | **1,940** | **1,738** | **1,894** | **2,103** | **2,090** | **2,202** | **1,874** |
| **QAAuM** | **3,833,046** | **3,838,960** | **3,818,610** | **4,034,720** | **4,250,969** | **4,432,157** | **4,361,538** | **4,276,222** |
| Equity | 1,444,792 | 1,423,804 | 1,322,841 | 1,389,072 | 1,439,188 | 1,473,120 | 1,427,039 | 1,428,616 |
| Balanced | 225,712 | 225,264 | 216,159 | 225,914 | 242,114 | 255,830 | 264,857 | 271,219 |
| Debt | 1,119,888 | 1,176,579 | 1,203,923 | 1,272,221 | 1,368,076 | 1,429,394 | 1,349,718 | 1,250,572 |
| Liquid | 620,302 | 581,330 | 612,154 | 635,977 | 635,994 | 670,822 | 685,740 | 702,769 |
| ETF | 75,329 | 76,853 | 77,127 | 84,084 | 88,493 | 107,888 | 129,336 | 123,216 |
| Index | 205,927 | 208,149 | 233,669 | 244,308 | 239,151 | 236,991 | 231,076 | 227,169 |
| Arbitrage | 129,814 | 135,749 | 141,375 | 172,558 | 226,348 | 246,060 | 262,275 | 260,299 |
| FoF overseas | 11,282 | 11,232 | 11,364 | 10,586 | 11,606 | 12,050 | 11,496 | 12,362 |
| **Market share (%)** | | | | | | | | |
| Equity | 4.9 | 4.7 | 4.5 | 4.4 | 4.3 | 4.2 | 4.1 | 4.0 |
| Balanced | 3.1 | 3.0 | 3.0 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 |
| Eq+Bal | 4.6 | 4.4 | 4.2 | 4.1 | 4.0 | 3.9 | 3.9 | 3.8 |
| Debt | 11.1 | 11.0 | 11.3 | 11.0 | 10.8 | 11.0 | 11.0 | 10.8 |
| Liquid | 9.9 | 8.9 | 9.0 | 9.3 | 9.3 | 9.7 | 9.5 | 8.8 |
| ETF | 0.9 | 0.9 | 1.0 | 1.0 | 1.0 | 1.0 | 1.1 | 1.1 |
| Index | 8.0 | 7.7 | 8.5 | 8.3 | 7.8 | 7.4 | 7.2 | 6.8 |
| **QAAuM Growth (%)** | **8.7** | **0.2** | **(0.5)** | **5.7** | **5.4** | **4.3** | **(1.6)** | **(2.0)** |
| Equity | 12.7 | (1.5) | (7.1) | 5.0 | 3.6 | 2.4 | (3.1) | 0.1 |
| Balanced | 5.0 | (0.2) | (4.0) | 4.5 | 7.2 | 5.7 | 3.5 | 2.4 |
| Eq+Bal | 11.6 | (1.3) | (6.7) | 4.9 | 4.1 | 2.8 | (2.1) | 0.5 |
| Debt | 4.0 | 5.1 | 2.3 | 5.7 | 7.5 | 4.5 | (5.6) | (7.3) |
| Liquid | 13.6 | (6.3) | 5.3 | 3.9 | - | 5.5 | 2.2 | 2.5 |
| ETF | 7.7 | 2.0 | 0.4 | 9.0 | 5.2 | 21.9 | 19.9 | (4.7) |
| Index | 2.1 | 1.1 | 12.3 | 4.6 | (2.1) | (0.9) | (2.5) | (1.7) |
| Arbitrage | 5.9 | 4.6 | 4.1 | 22.1 | 31.2 | 8.7 | 6.6 | (0.8) |
| FoF overseas | (3.1) | (0.4) | 1.2 | (6.8) | 9.6 | 3.8 | (4.6) | 7.5 |
| **Dupont (bps)** | | | | | | | | |
| Revenue yield | 43.6 | 45.7 | 44.3 | 43.8 | 43.1 | 42.9 | 41.8 | 42.6 |
| Opex to AuM | 18.7 | 18.6 | 19.9 | 18.6 | 17.3 | 17.9 | 18.1 | 19.7 |
| Staff cost | 8.9 | 8.8 | 10.0 | 8.9 | 8.5 | 9.4 | 9.1 | 10.5 |
| Other opex | 8.8 | 8.7 | 8.9 | 8.7 | 7.8 | 7.5 | 7.9 | 8.0 |
| Core income/AuM | 24.9 | 27.1 | 24.4 | 25.2 | 25.8 | 25.0 | 23.6 | 22.9 |
| PAT/AuM | 25.2 | 23.2 | 23.8 | 27.5 | 23.0 | 24.6 | 17.6 | 29.1 |
| Core PAT/AuM | 18.0 | 20.2 | 18.2 | 18.8 | 19.8 | 18.9 | 20.2 | 17.5 |
| **Profitability (%)** | | | | | | | | |
| Staff cost/revenue | 20.4 | 19.3 | 22.6 | 20.2 | 19.8 | 21.8 | 21.8 | 24.5 |
| Other opex/revenue | 20.2 | 19.0 | 20.1 | 19.9 | 18.1 | 17.5 | 18.8 | 18.9 |
| Core income/revenue | 57.1 | 59.3 | 55.1 | 57.6 | 59.8 | 58.3 | 56.5 | 53.9 |
| Tax rate | 27.8 | 25.3 | 25.3 | 25.6 | 23.3 | 24.6 | 14.5 | 23.6 |
| PAT margin | 57.8 | 50.7 | 53.8 | 62.7 | 53.4 | 57.3 | 42.1 | 68.4 |
| Core PAT margin | 41.3 | 44.2 | 41.1 | 42.9 | 45.9 | 44.0 | 48.4 | 41.2 |

*Source: Company, PL*

## Financials

| Y/e Mar | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|
| **Profit & Loss (INR mn)** | | | | |
| **Revenue** | **18,307** | **19,695** | **22,617** | **26,079** |
| Investment mgmt. | 17,153 | 18,310 | 20,956 | 24,086 |
| PMS / Advisory | 1,154 | 1,385 | 1,662 | 1,994 |
| **Expenses** | **7,648** | **8,976** | **9,782** | **10,828** |
| Employee | 3,804 | 4,622 | 4,863 | 5,252 |
| Other Expenses | 3,398 | 3,926 | 4,469 | 5,104 |
| Depreciation | 445 | 429 | 450 | 473 |
| **Core Income** | **10,660** | **10,718** | **12,835** | **15,251** |
| Other Income | 2,132 | 2,977 | 3,317 | 3,699 |
| **PBT** | **12,791** | **13,696** | **16,153** | **18,950** |
| Tax | 2,906 | 3,287 | 3,877 | 4,548 |
| **PAT** | **9,857** | **10,409** | **12,276** | **14,402** |
| **Core PAT** | **8,238** | **8,146** | **9,755** | **11,591** |
| **Dividend** | **7,364** | **7,911** | **9,453** | **11,234** |
| **Growth ratios (%)** | | | | |
| **Revenue** | **10.3** | **7.6** | **14.8** | **15.3** |
| **Opex** | **6.2** | **17.4** | **9.0** | **10.7** |
| Employee | 8.6 | 21.5 | 5.2 | 8.0 |
| Others | 2.7 | 15.5 | 13.8 | 14.2 |
| **Core income** | **13.5** | **0.6** | **19.8** | **18.8** |
| PAT | 6.6 | 5.6 | 17.9 | 17.3 |
| **Core PAT** | **17.5** | **(1.1)** | **19.8** | **18.8** |
| **DuPont analysis (%)** | | | | |
| **Revenue** | **0.43** | **0.43** | **0.43** | **0.43** |
| **Expenses** | **0.18** | **0.20** | **0.19** | **0.18** |
| Employee | 0.09 | 0.10 | 0.09 | 0.09 |
| Others | 0.08 | 0.09 | 0.08 | 0.08 |
| **Core Income** | **0.25** | **0.23** | **0.24** | **0.25** |
| Other Income | 0.05 | 0.06 | 0.06 | 0.06 |
| **PBT** | **0.30** | **0.30** | **0.31** | **0.31** |
| Tax | 0.07 | 0.07 | 0.07 | 0.07 |
| **PAT (RoAAuM)** | **0.23** | **0.23** | **0.23** | **0.24** |
| **Core RoAAuM** | **0.19** | **0.18** | **0.19** | **0.19** |
| ROE | 25.5 | 24.5 | 26.0 | 27.3 |
| Core RoE | 30.2 | 28.0 | 30.9 | 33.7 |
| **Other Ratios (%)** | | | | |
| Staff cost/revenue | 20.8 | 23.5 | 21.5 | 20.1 |
| Other opex/revenue | 18.6 | 19.9 | 19.8 | 19.6 |
| **Core Income/revenue** | **58.2** | **54.4** | **56.8** | **58.5** |
| Other Income/revenue | 11.6 | 15.1 | 14.7 | 14.2 |
| Yield on Investments | 5.5 | 7.0 | 7.0 | 7.0 |
| Effective tax rate | 22.7 | 24.0 | 24.0 | 24.0 |
| PAT margin | 53.8 | 52.9 | 54.3 | 55.2 |
| **Core PAT margin** | **48.0** | **44.5** | **46.6** | **48.1** |
| **Dividend payout (%)** | **74.7** | **76.0** | **77.0** | **78.0** |

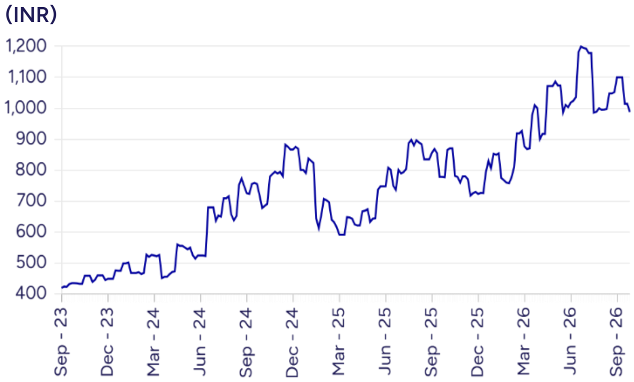
*Source: Company, PL*

| Y/e Mar | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|
| **Balance Sheet (INR mn)** | | | | |
| **Net Worth** | **40,166** | **44,725** | **49,854** | **55,602** |
| Capital | 1,444 | 1,444 | 1,444 | 1,444 |
| Reserves | 38,722 | 43,281 | 48,410 | 54,158 |
| Employee benefit | 895 | 939 | 986 | 1,035 |
| Other liabilities | 2,745 | 2,857 | 2,973 | 3,095 |
| **Total Liabilities** | **43,806** | **48,521** | **53,814** | **59,732** |
| Cash and Bank | 383 | 394 | 406 | 418 |
| Investment | 40,251 | 44,820 | 49,959 | 55,717 |
| Fixed assets | 1,184 | 1,244 | 1,306 | 1,371 |
| Other assets | 1,988 | 2,064 | 2,144 | 2,226 |
| **Total Assets** | **43,806** | **48,521** | **53,814** | **59,732** |
| **AuM Data (INR bn)** | | | | |
| **AAuM** | **4,270** | **4,583** | **5,261** | **6,085** |
| Equity | 1,432 | 1,547 | 1,823 | 2,151 |
| Balanced | 247 | 287 | 338 | 394 |
| Debt | 1,355 | 1,414 | 1,564 | 1,761 |
| Liquid | 657 | 635 | 678 | 730 |
| ETF | 102 | 129 | 164 | 205 |
| Index | 238 | 273 | 311 | 354 |
| Arb & FoF | 238 | 299 | 384 | 492 |
| **Mix (%)** | | | | |
| Equity | 33.5 | 33.8 | 34.7 | 35.3 |
| Balanced | 5.8 | 6.3 | 6.4 | 6.5 |
| Debt | 31.7 | 30.8 | 29.7 | 28.9 |
| Liquid | 15.4 | 13.9 | 12.9 | 12.0 |
| ETF | 2.4 | 2.8 | 3.1 | 3.4 |
| Index | 5.6 | 5.9 | 5.9 | 5.8 |
| Arb & FoF | 5.6 | 6.5 | 7.3 | 8.1 |
| **Growth (%)** | | | | |
| **Overall** | **13.7** | **7.3** | **14.8** | **15.7** |
| Equity | 4.7 | 8.0 | 17.8 | 18.0 |
| Balanced | 12.1 | 16.1 | 17.6 | 16.6 |
| Debt | 18.4 | 4.4 | 10.6 | 12.6 |
| Liquid | 11.4 | (3.4) | 6.8 | 7.6 |
| ETF | 36.9 | 26.1 | 27.2 | 24.6 |
| Index | 12.0 | 14.6 | 14.0 | 14.0 |
| **Valuations** | | | | |
| **EPS (INR)** | **34.1** | **36.0** | **42.5** | **49.9** |
| **Core EPS (INR)** | **28.5** | **28.2** | **33.8** | **40.1** |
| CPS (INR) | 140.7 | 156.6 | 174.4 | 194.4 |
| DPS (INR) | 25.5 | 27.4 | 32.7 | 38.9 |
| Dividend yield (%) | 3.2 | 2.8 | 3.3 | 3.9 |
| BVPS (INR) | 139.1 | 154.9 | 172.6 | 192.5 |
| P/B (x) | 5.7 | 6.4 | 5.7 | 5.1 |
| P/E (x) | 23.4 | 27.4 | 23.2 | 19.8 |
| **P/core EPS** | **23.0** | **29.5** | **24.1** | **19.8** |

*Source: Company, PL*

## Notes

## Price Chart




## Recommendation History

| No. | Date | Rating | TP (INR) | Share Price (INR) |
|---|---|---|---|---|

## Analyst Coverage Universe

| Sr. No. | Company Name | Rating | TP (INR) | Share Price (INR) |
|---|---|---|---|---|
| 1 | Axis Bank | BUY | 1550 | 1329 |
| 2 | Bank of Baroda | Accumulate | 280 | 246 |
| 3 | Canara Bank | BUY | 150 | 127 |
| 4 | Canara Robeco Asset Management Company | HOLD | 285 | 267 |
| 5 | City Union Bank | BUY | 250 | 229 |
| 6 | DCB Bank | BUY | 215 | 190 |
| 7 | Federal Bank | BUY | 400 | 357 |
| 8 | HDFC Asset Management Company | BUY | 2850 | 2440 |
| 9 | HDFC Bank | Buy | 950 | 720 |
| 10 | ICICI Bank | BUY | 1850 | 1444 |
| 11 | ICICI Prudential Asset Management Company | BUY | 3550 | 3206 |
| 12 | Indian Bank | BUY | 1000 | 843 |
| 13 | IndusInd Bank | Accumulate | 1150 | 1069 |
| 14 | Karur Vysya Bank | BUY | 345 | 301 |
| 15 | Kotak Mahindra Bank | BUY | 480 | 390 |
| 16 | Nippon Life India Asset Management | BUY | 1250 | 1172 |
| 17 | Prudent Corporate Advisory Services | Accumulate | 3175 | 2851 |
| 18 | State Bank of India | BUY | 1200 | 1097 |
| 19 | Union Bank of India | Accumulate | 190 | 172 |
| 20 | UTI Asset Management Company | Hold | 975 | 904 |

## PL's Recommendation Nomenclature (Absolute Performance)

**BUY** : > 15%
**Accumulate** : 5% to 15%
**Hold** : +5% to -5%
**Reduce** : -5% to -15%
**Sell** : < -15%
**Not Rated (NR)** : No specific call on the stock
**Under Review (UR)** : Rating likely to change shortly

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