



Mutual Funds Business Update

November 2023



Strong Foundation. Sustainable Growth.

Industry & Opportunity

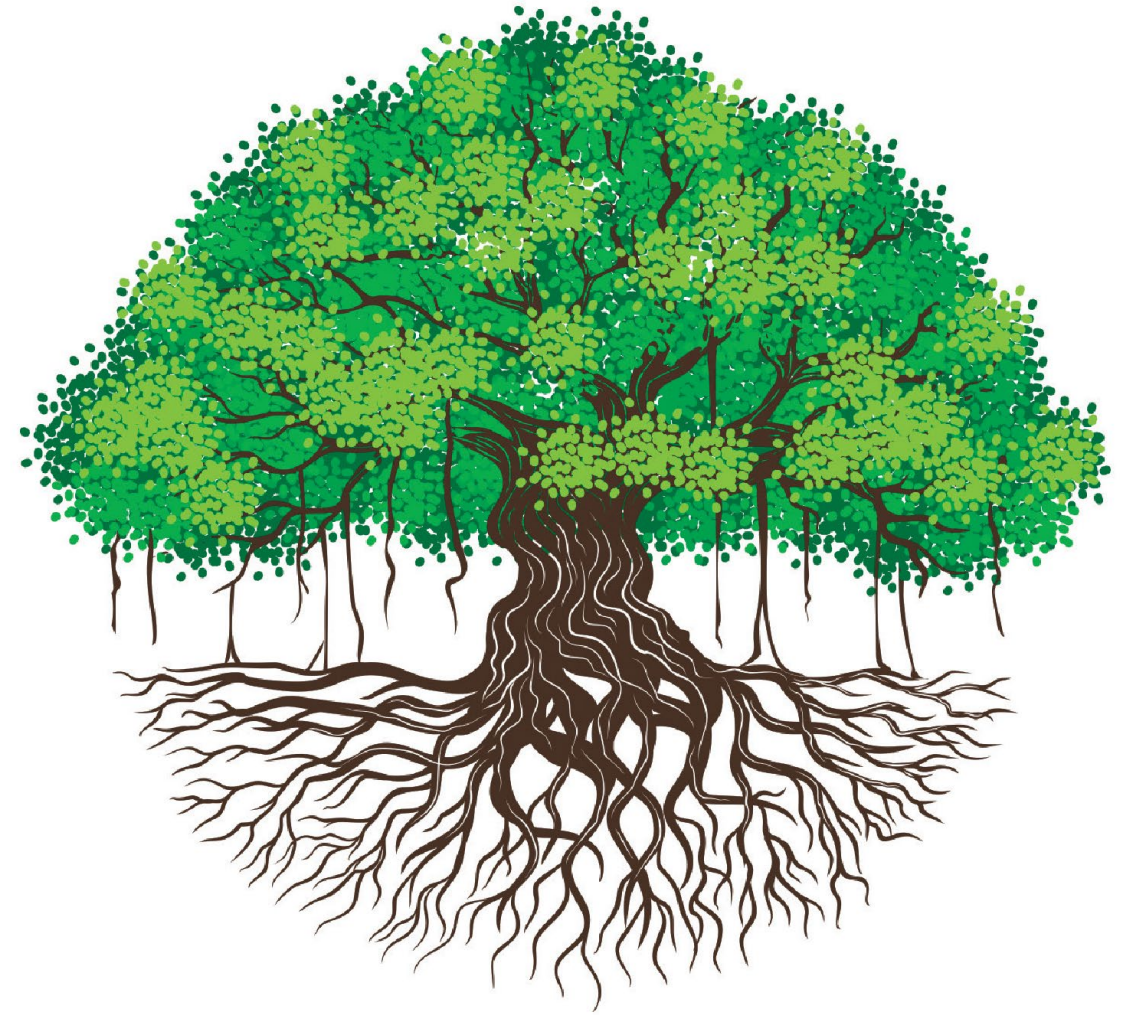
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Our Journey

02

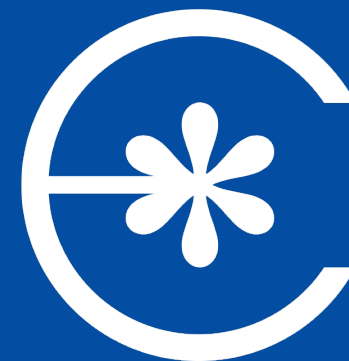
Way Forward

03



Strong Foundation. Sustainable Growth.

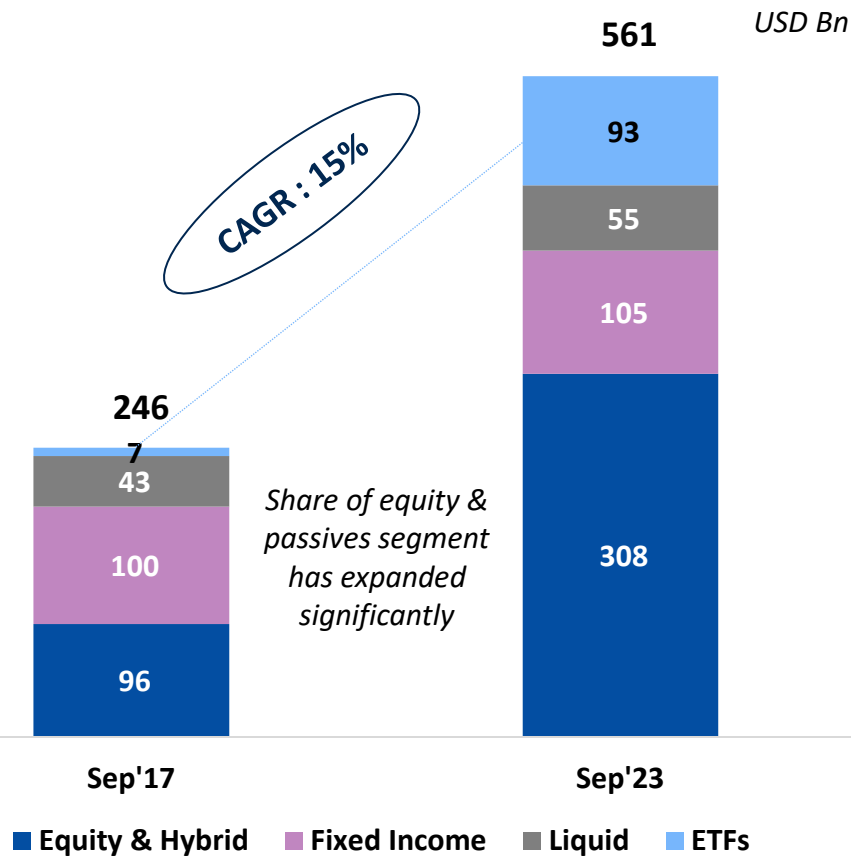
Industry & Opportunity



The MF Industry will continue to see structural growth

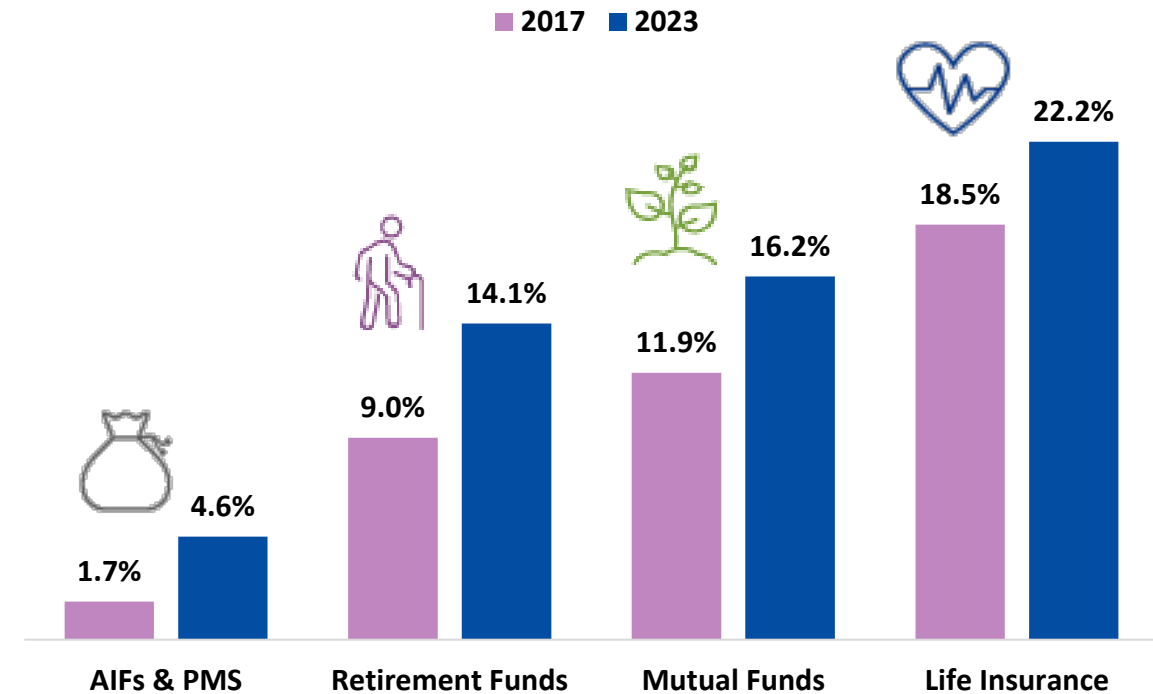


MF Industry assets are growing



Much more to be done to deepen the penetration

Size of individual investment avenues as a % of GDP



Share of Mutual funds among total investments stands at ~16%.

Bank Deposits account for ~52.3% of household savings vs **Mutual Funds** at ~9.7%

There is an opportunity for young players to see significant growth



AMC name	AAuM (USD Mn)			Rank	
	Sep'17	Sep'23	CAGR %	Sep'17	Sep'23
Mirae	1,330	16,725	53%	22	9
Edelweiss	979	13,361	55%	26	13
PPFAS	99	5,491	95%	35	19
Quant	30	3,822	125%	39	21
Industry	2,52,322	5,65,867	14%	-	-

Industry & Peers AAuM Source : AMF India,
Rank is calculated based on QAAuM for Q2FY18 & Q2FY24 – AMF India

New Entrants

WhiteOak

Groww

Bajaj Finserv

Samco

NJ

Navi

New Entrants in Pipeline

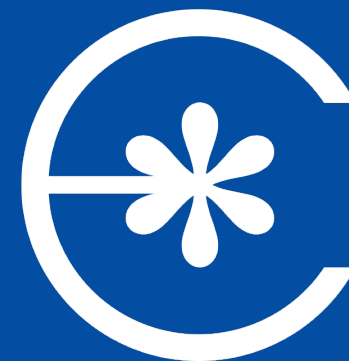
Helios

Angel One

Zerodha

BlackRock Jio

Edelweiss AMC – Our Journey so far





Our Journey started in 2017 with a unique vision

To provide investment solutions that deliver
enduring value for customers

In the last 5 years, we focused on achieving size & relevance



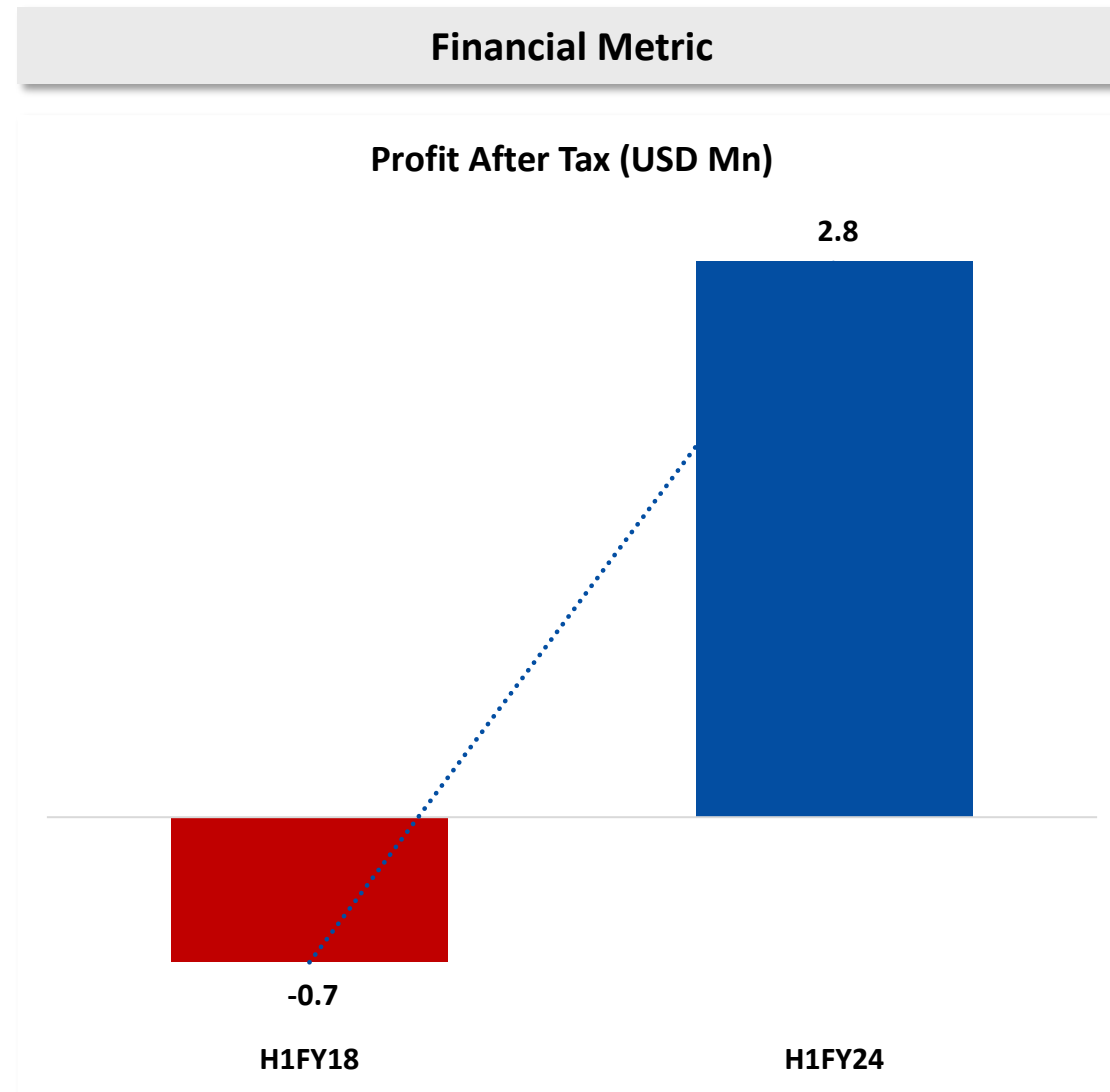
Business Metrics			
Particulars	Sep'17	Sep'23	Absolute Growth
Edelweiss MF AuM (USD Mn)	1,035	13,521	13x
MF AuM Market Share (%)	0.4%	2.4%	6x
Edelweiss Equity & Hybrid AuM (USD Mn)	614	4,118	7x
Equity & Hybrid AuM Market Share (%)	0.6%	1.3%	2x
#Rank on total assets	26	13	-
Folios (# in millions)	0.1	1.2	13x

Edelweiss AuM refers to closing AuM (Total AuM including Alternatives stand at ~ 13,687 USD Mn)

Figures are rounded to nearest decimal – Source : data as per RTA records;

Rank is calculated based on QAAuM for Q2FY18 & Q2FY24 – AMF India

And also built a profitable business



Data source : Internal

During this journey, we made some important choices



Innovation

Strategic product choice to win in Fixed Income by being a leader in Passive Debt (~50% market share)

Investments

Building an AMC driven by process not star fund managers, with a focus on consistent performance

Distribution

Building out a deep retail third-party distribution franchise

Product

Customer focused innovative product launches and distinctive communication

We focused on building the foundation for a strong retail franchise (1/4)

Innovative launches in line with our product philosophy

Equity

- ✓ *Recently Listed IPO Fund*
- ✓ *Momentum based Balanced Advantage Fund*
- ✓ *MSCI Healthcare Fund*
- ✓ *International Funds*

Passive Fixed Income & Others

- ✓ *Bharat Bond ETF / FoFs*
- ✓ *PSU SDL Index Funds*
- ✓ *Short Duration Index Fund*
- ✓ *Gold & Silver ETF FoF*

We focused on building the foundation for a strong retail franchise (2/4)

*A process driven AMC that delivers **consistency in performance***

Multi-Strategy Investment Capabilities

Strong team of **22+** professionals
Combined experience of more than **150+ years**

6 Distinct investment teams

**Equities, Fixed Income, Quant Funds,
Private Equity, Long-Short Funds & Credit**

Only MF Business to have a
dedicated team for Hybrid Funds

~70% of our Equity AuM is in 4–5-star rating bucket

Scheme Name	5 Year Performance	Value Research Rating
Edelweiss Balanced Advantage Fund	12%	★★★★
Edelweiss Aggressive Hybrid Fund	14%	★★★★
Edelweiss Arbitrage Fund	5%	★★★★★
Edelweiss Equity Savings Fund	9%	★★★★
Edelweiss Mid Cap Fund	20%	★★★★
Edelweiss Small Cap Fund	NA	★★★★
Edelweiss Large Cap Fund	14%	★★★★

Performance as on September 30, 2023, for Dir (G) plans. Returns calculated on CAGR basis

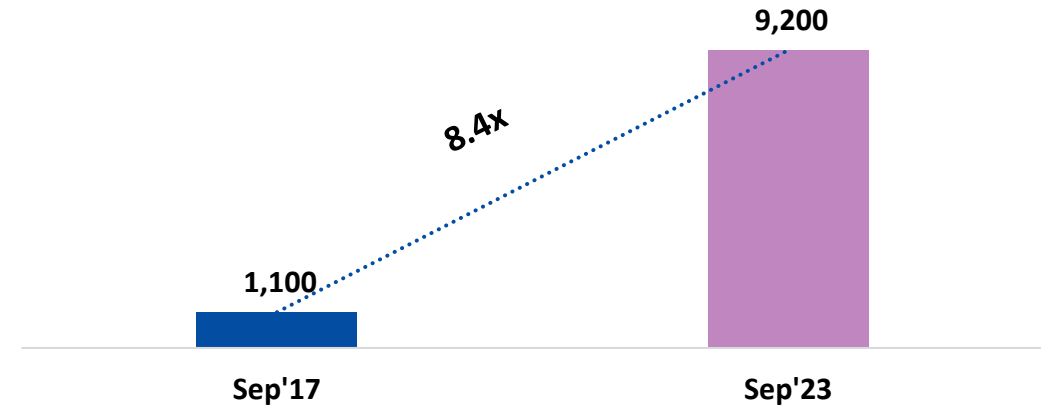
We focused on building the foundation for a strong retail franchise (3/4)

Expanding capacity & *deepening retail distribution*

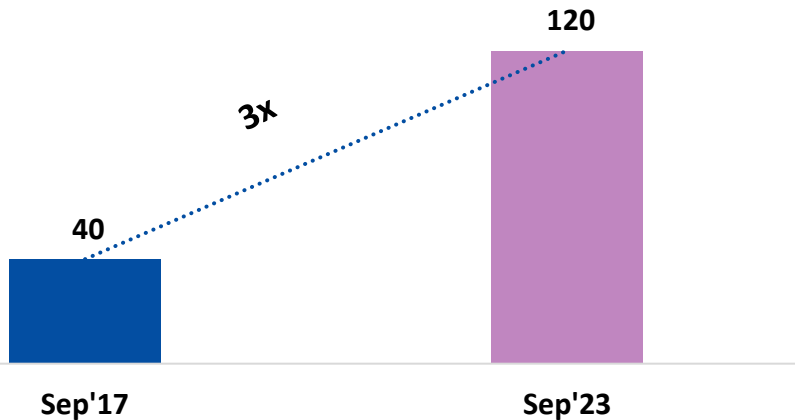
#Branch Presence



#Active Mutual Fund Distributors



#Sales Headcount



Key Distribution Partners



We focused on building the foundation for a strong retail franchise (4/4)

Engaging with customer; **building digital convenience** & driving customer satisfaction

Marketing Initiatives



360-degree SIP Campaigns to drive Brand Mindshare



Series & Podcasts with CEO & CIOs



Digital Konnect



Podcasts & Book Summaries

~1 million +

Average impressions on our Social Media Engagements

Data Source : Internal

Net Promoter Score



32%



**-5%
Q2FY18**



Q2FY24

Digital Properties



**Edelweissmf
Website**

Client onboarding
platform with the
shortest investor journey



GALAXY

Platform enabling
distributor-initiated
transactions



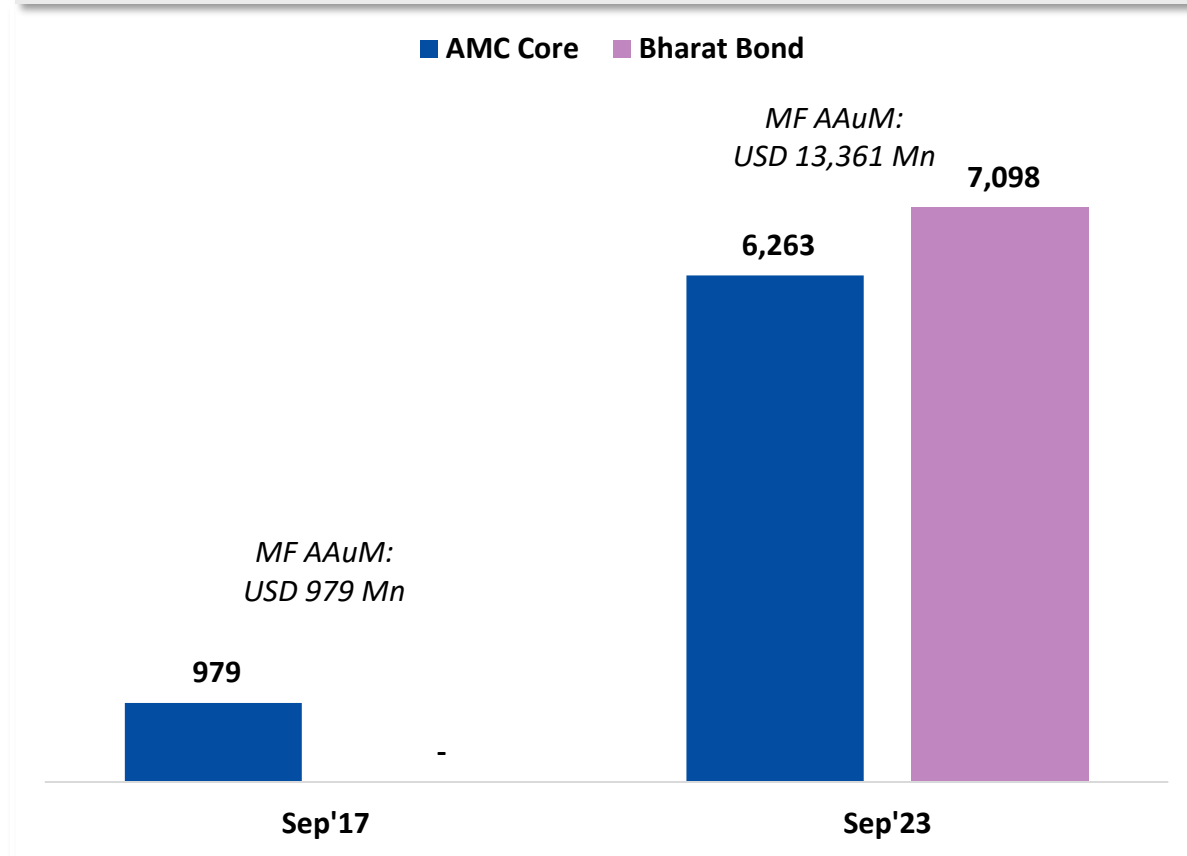
SWIFT

Digital platform for
investments in Alternative
investment funds

Our AUM has witnessed significant growth



Edelweiss MF AAuM Distribution

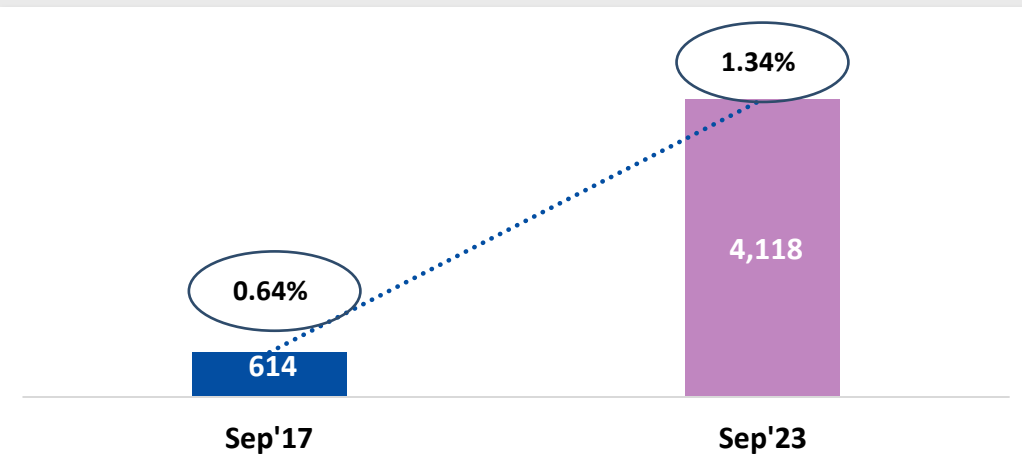


Figures in USD Mn, Data Source : AMF India; Figures are rounded to nearest decimal

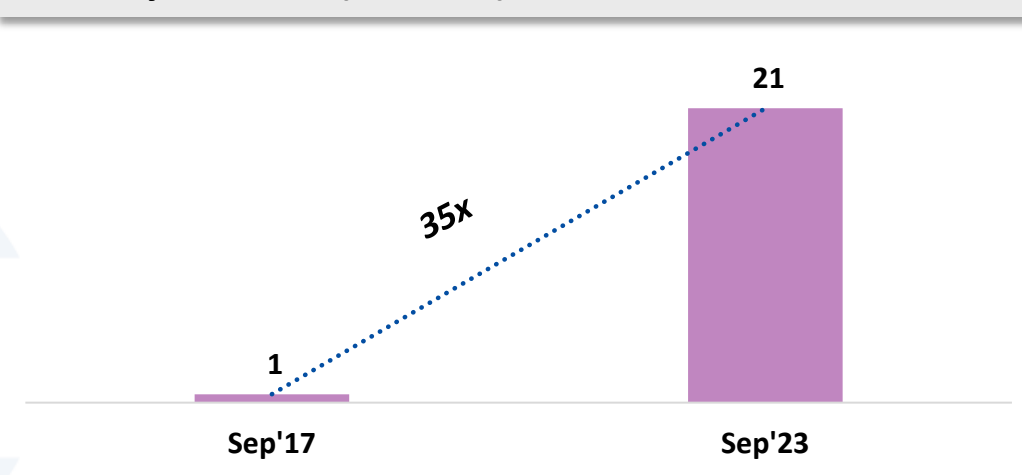
Particulars	CAGR %
AMC Core AAuM	36%
Total MF AAuM	55%
Industry AAuM	14%

And a high-quality equity book

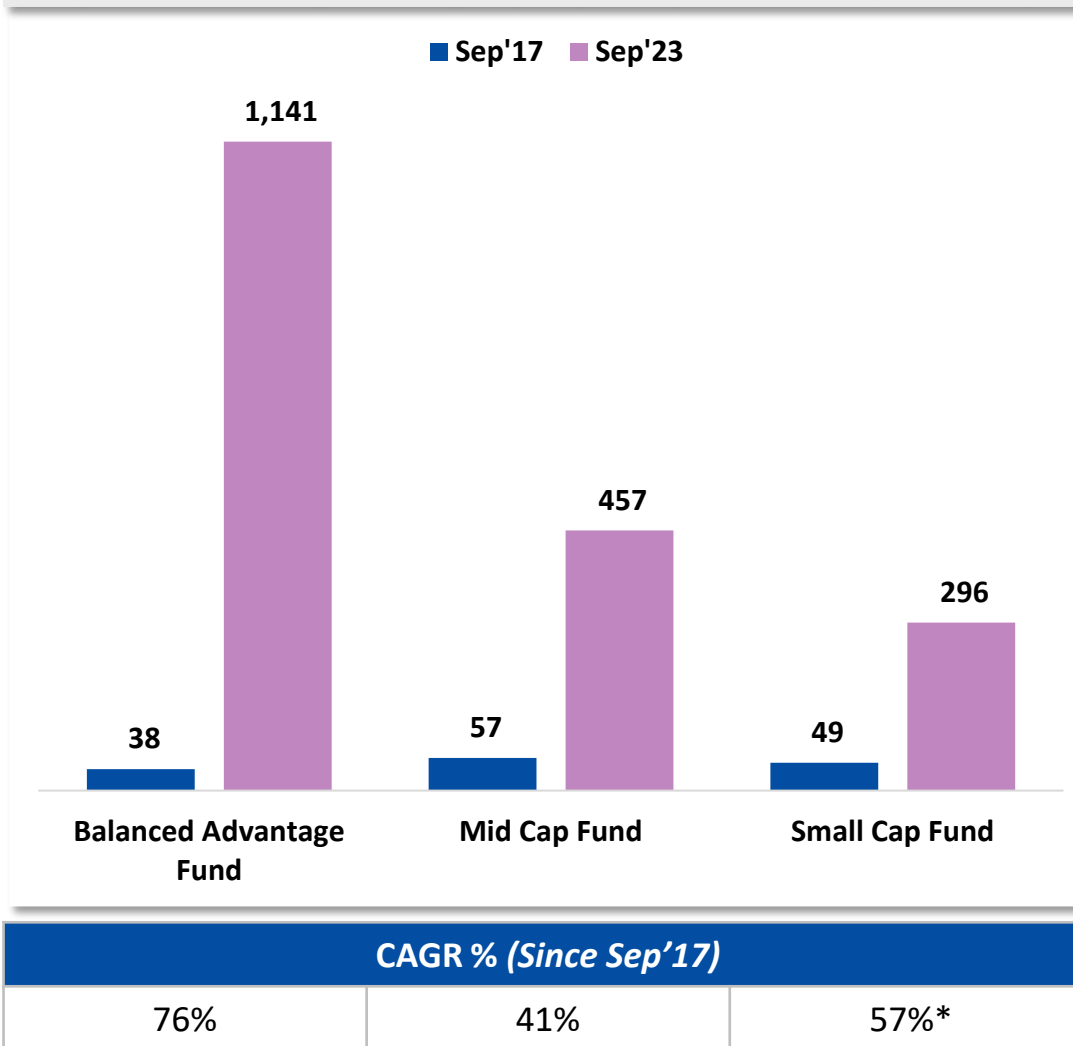
Equity & Hybrid AuM (USD Mn) & Market Share (%)



Monthly SIP book (USD Mn)



Key Funds Strengthening Equity & Hybrid AuM (USD Mn)



Figures are rounded to nearest decimal., SIP Book includes all SIPs and excludes STPs
Data Source : Internal

* Small Cap Fund data is as on Sep'19 since the fund was not launched in Sep'17

We have built a differentiated franchise



Product innovation

- ✓ *Ability to launch innovative first-to-industry products that solve customer problems*

E.g.

- *Momentum based Balanced Adv. Fund*
- *1st Gold & Silver FoF*
- *Debt Passives*
- *International Funds*

Investments

- ✓ *Investment franchise focused on process & principles, not star fund managers*
- ✓ *Co-Fund Manager model for all schemes*
- ✓ *Consistent Scheme performance despite people changes*

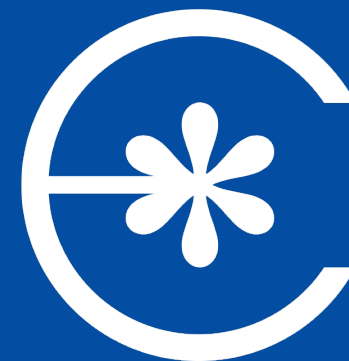
Distribution

- ✓ *Focused on building truly independent distribution despite no captive distribution channel*
- ✓ *No. of active MFDs has grown to 9,000 +*
- ✓ *Increasing market share in key NDs - NJ & Prudent*
- ✓ *Increasing acceptability of brand in Banks*

Culture

- ✓ *Young, agile & diverse leadership team that is highly engaged*
- ✓ *Employee Engagement Score – 77%;*
- ✓ *Employee NPS Score – 38%*
- ✓ *Gender Diversity – 32%*

Edelweiss AMC – Way Forward



Our focus was on size, scale & relevance | Over the next 5 years, our focus will be on building value



1

Focus on growing profitable AuM – Equities, Hybrids & Alternatives

2

Deepen investment capabilities in research & talent bench in Alternatives

3

Expand our branch network & optimize existing resources

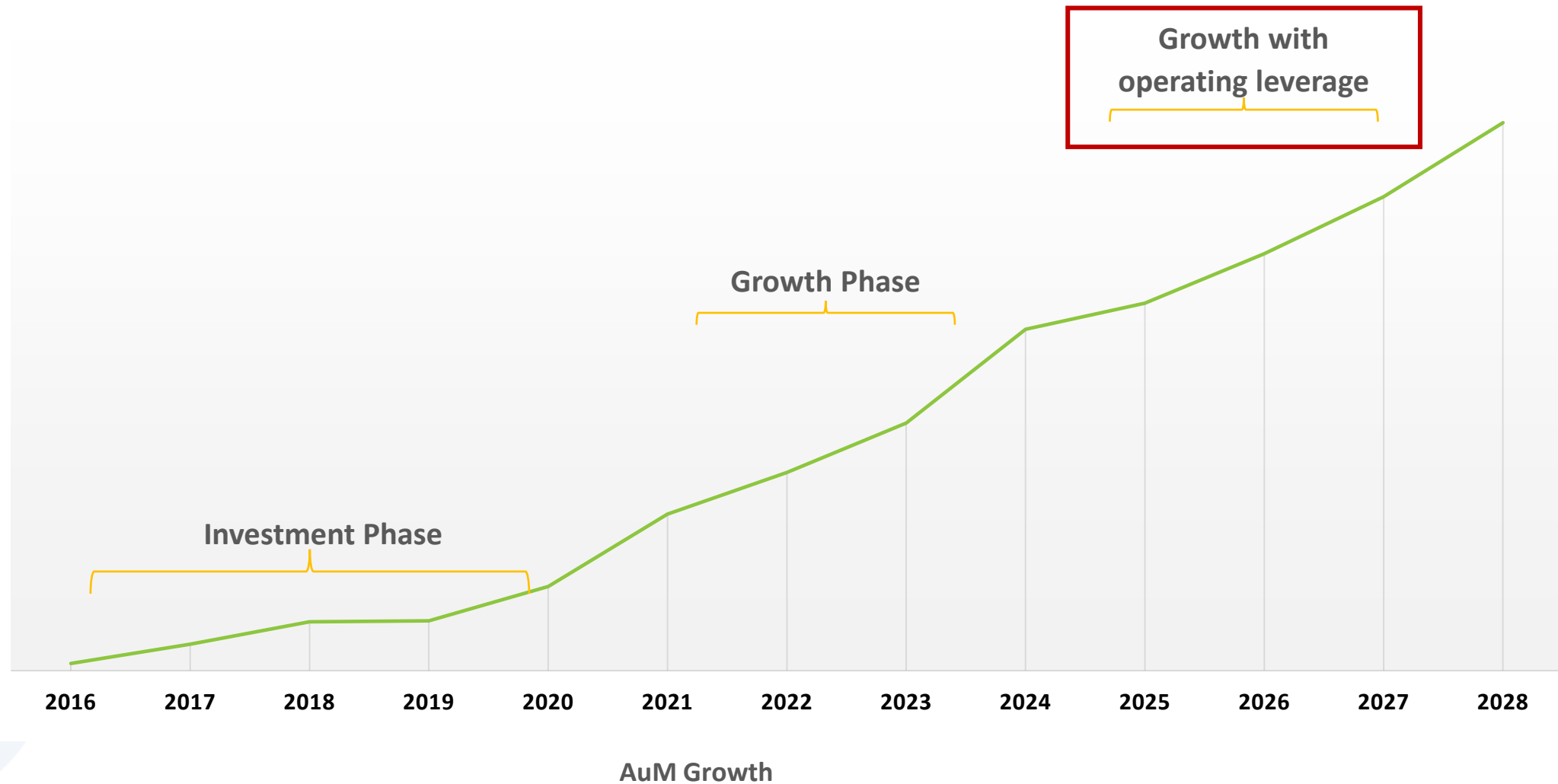
4

Widen distribution reach and deepen existing customer relationships

5




Strengthen Risk Management & Governance and build for scale

This is a phase where operating leverage will kick in



We are building a profitable high-quality franchise



	Particulars	2018	2023	H1FY24
	Edelweiss MF AuM	1,385	12,401	13,521
	PAT	-2.3	2.2	2.8
	Net Worth	13.5	24.1	26.9

AuM figure refers to closing MF AuM; Figures in USD Mn; H1FY24 refers to data as on September'23



Summary



- 1 MF industry in India is stated for structural growth and we will continue to be a significant player at scale
- 2 Build an AMC that is process focused with a strong track record and widening distribution network
- 3 Strong and independent approach towards risk and governance
- 4 Build a young , agile culture that is customer and innovation focused
- 5 While we focused on growth over the last 5 years, the next 5 years are about growth and significant profitability





Safe Harbour



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Currency conversion: Conversion rate of 1 USD equal to 83.0580 INR has been used. Values in the INR version of the Investor Presentation have been converted to dollar for convenience. Due to rounding off, numbers presented in this presentation may not add up to the totals provided and/or correlate with the growth and contribution percentages provided. Data provided in the INR version of the Investor Presentation shall prevail in case of disparity

Safe Harbour



Notes:

- Abbreviations** **MF** – Mutual Funds, **AMC** – Asset Management Company, **AAuM** – Average Assets under Management, **PAT** – Profit After Tax, **ETF** – Exchange Traded Fund, **FoF** – Fund of Fund, **SIP** – Systematic Investment Plan, **AMF India** – Association of Mutual Funds in India
- Slide -4** Industry AuM – Source : AMFI India; Penetration data as on December 2022 - Source : CRISIL Research, Reserve Bank of India.
- Slide -5** Rank is calculated based on Quarterly Average MF AuM; Source : AMF India.
- Slide -8** Edelweiss AuM refers to Closing AuM; Source : Data as per RTA records; Rank data refers to QAAuM – Source : AMF India.
- Slide -13** ‘Active mutual fund distributors’ refers to the one who has sold at least one of our products during the period (irrespective of the amount)
- Slide -15** Growth is calculated based on CAGR growth of AuM for the period Sep’17 to Sep’23 based on Average AuM; AMC Core refers to AuM ex. Bharat Bond ETF FoF; Total AuM includes Bharat Bond ETF FoF
- Slide -16** Growth is calculated based on CAGR growth of AuM for the period Sep’17 to Sep’23 based on Average AuM.