



Mutual Funds Business Update

November 2023



Strong Foundation. Sustainable Growth.

Industry & Opportunity

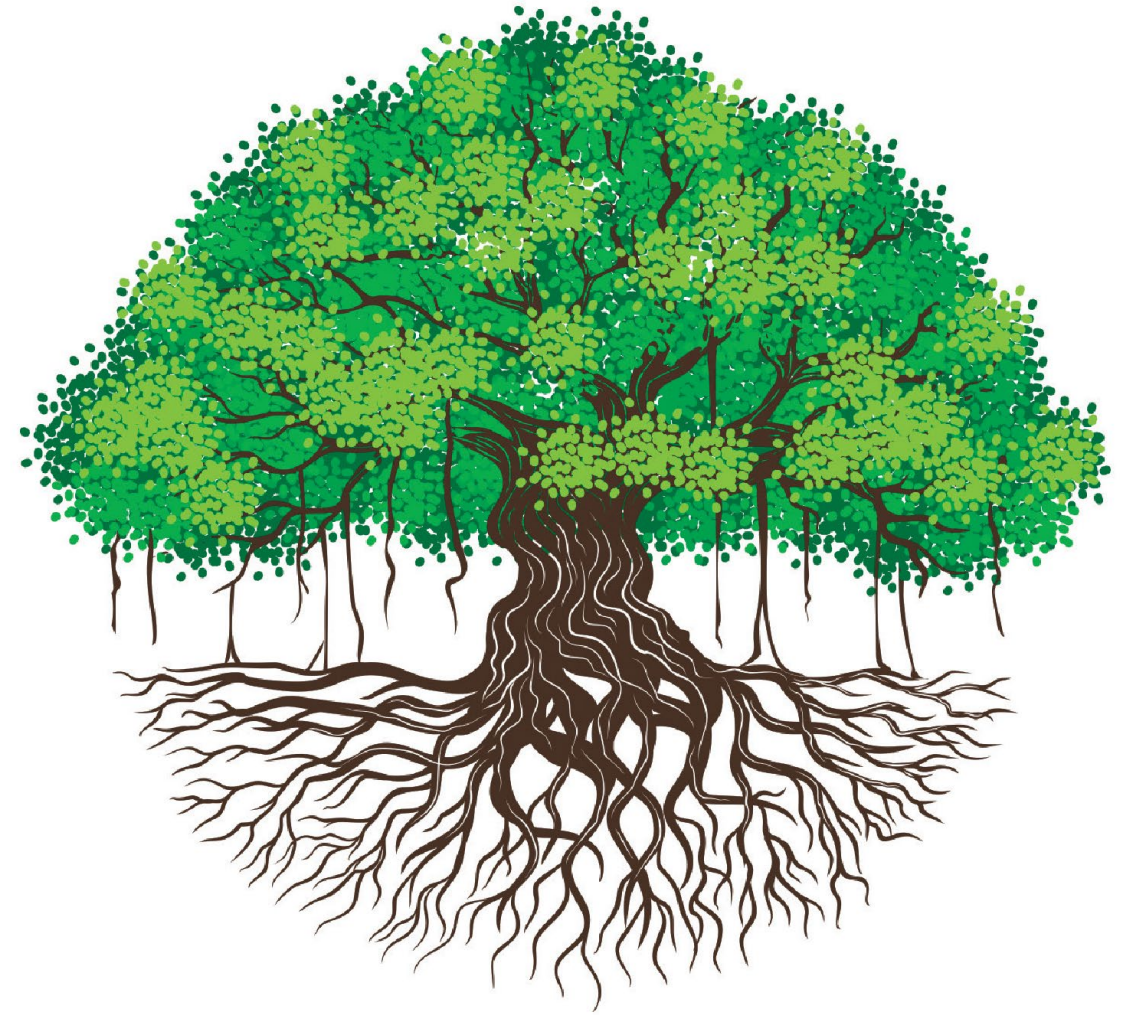
01

Our Journey

02

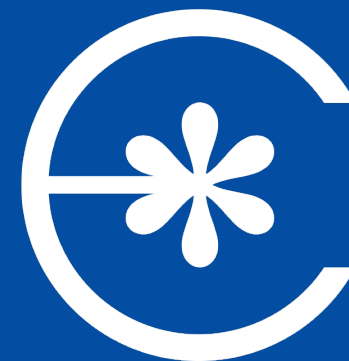
Way Forward

03



Strong Foundation. Sustainable Growth.

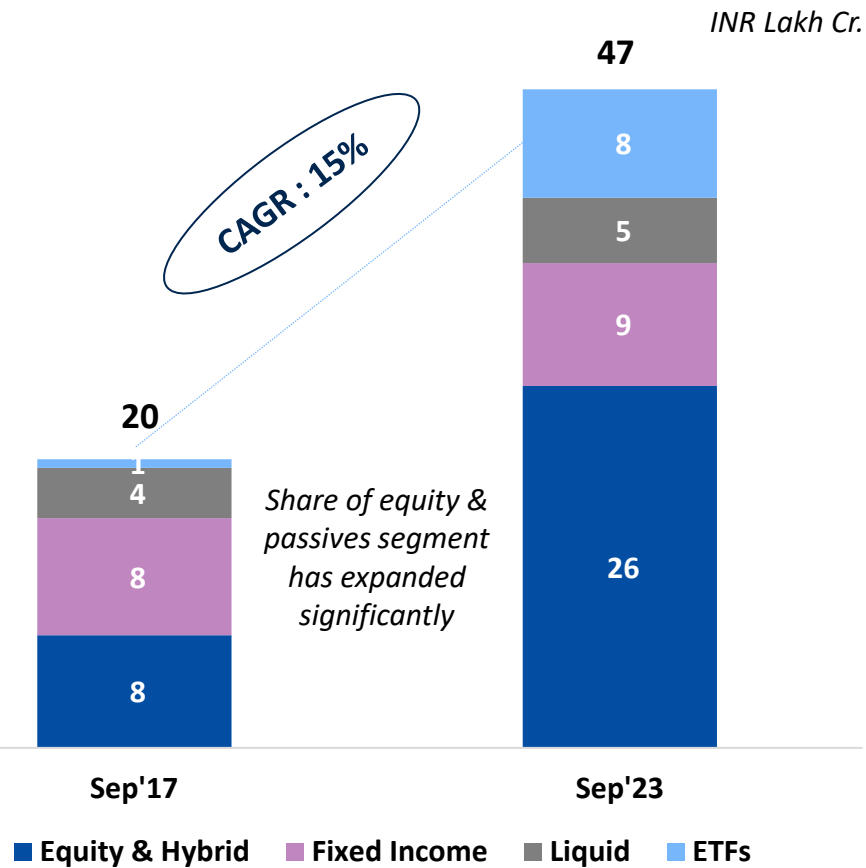
Industry & Opportunity



The MF Industry will continue to see structural growth

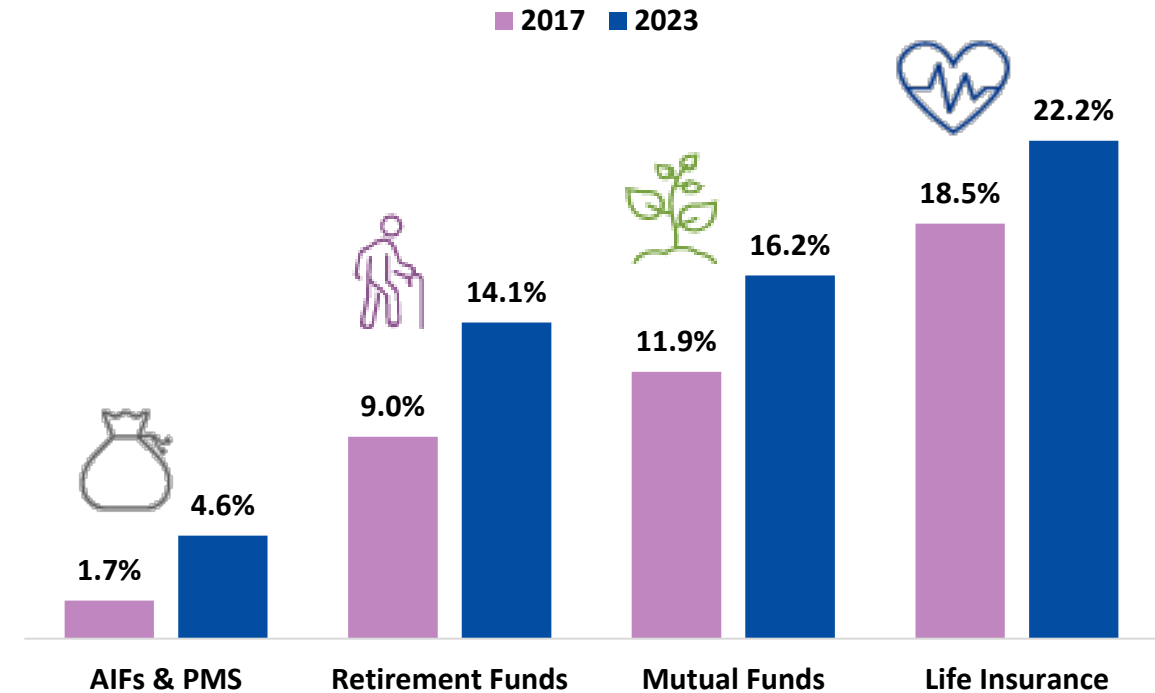


MF Industry assets are growing



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 (INR Cr.)			Rank	
	Sep'17	Sep'23	CAGR %	Sep'17	Sep'23
Mirae	11,044	1,38,918	53%	22	9
Edelweiss	8,129	1,10,972	55%	26	13
PPFAS	821	45,608	95%	35	19
Quant	247	31,748	125%	39	21
Industry	20,95,736	46,99,975	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

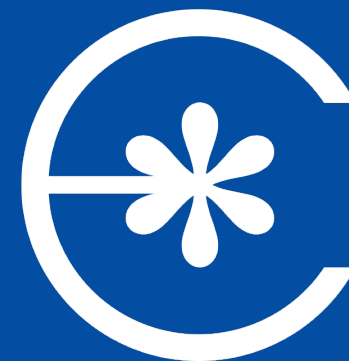
Helios

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



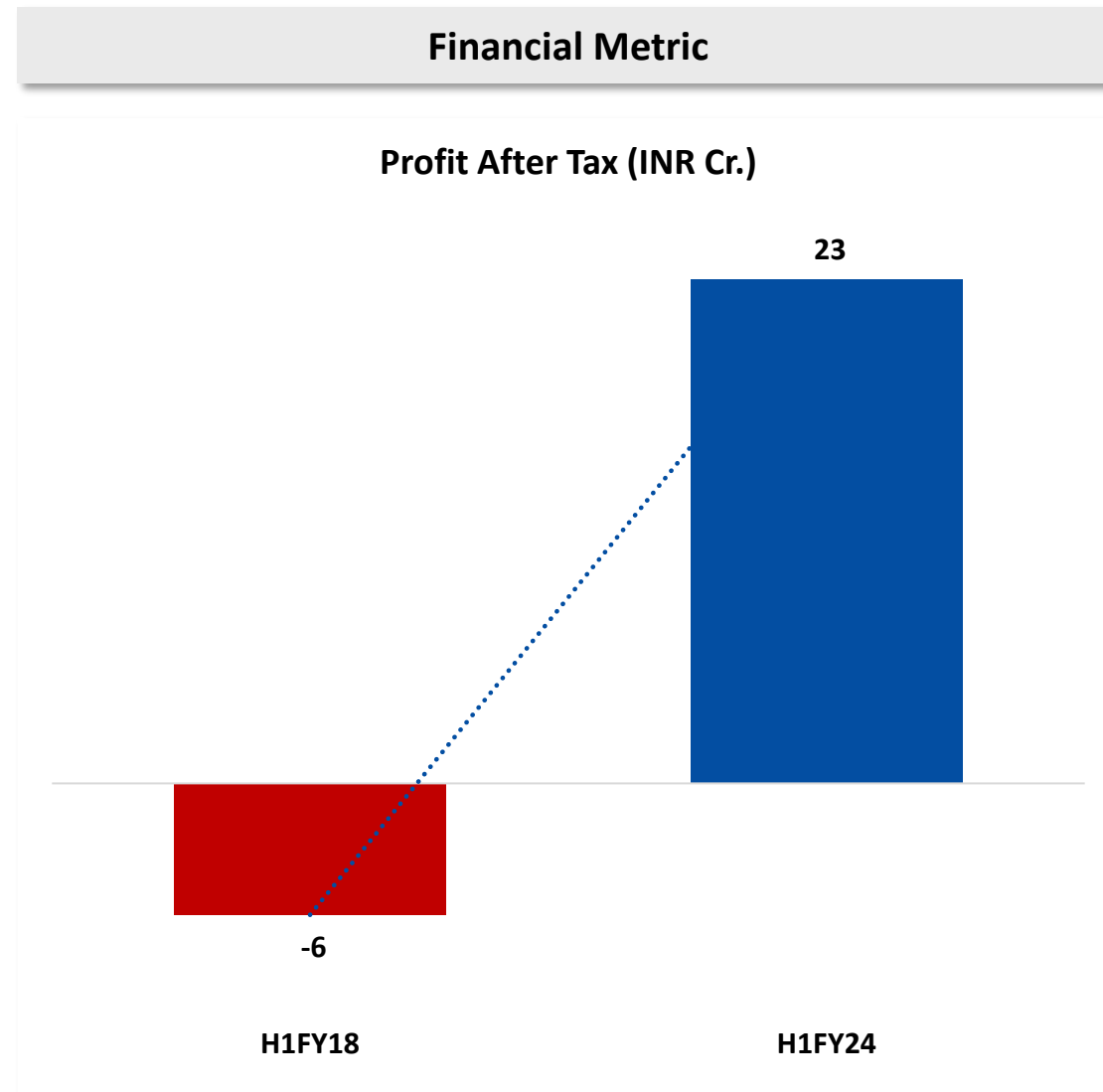
Business Metrics			
Particulars	Sep'17	Sep'23	Absolute Growth
Edelweiss MF AuM (INR Cr.)	8,600	1,12,300	13x
MF AuM Market Share (%)	0.4%	2.4%	6x
Edelweiss Equity & Hybrid AuM (INR Cr.)	5,100	34,200	7x
Equity & Hybrid AuM Market Share (%)	0.6%	1.3%	2x
#Rank on total assets	26	13	-
Folios (in lakhs)	0.9	12.4	13x

Edelweiss AuM refers to closing AuM (Total AuM including Alternatives stand at ~INR 1,14,000 Cr.)

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

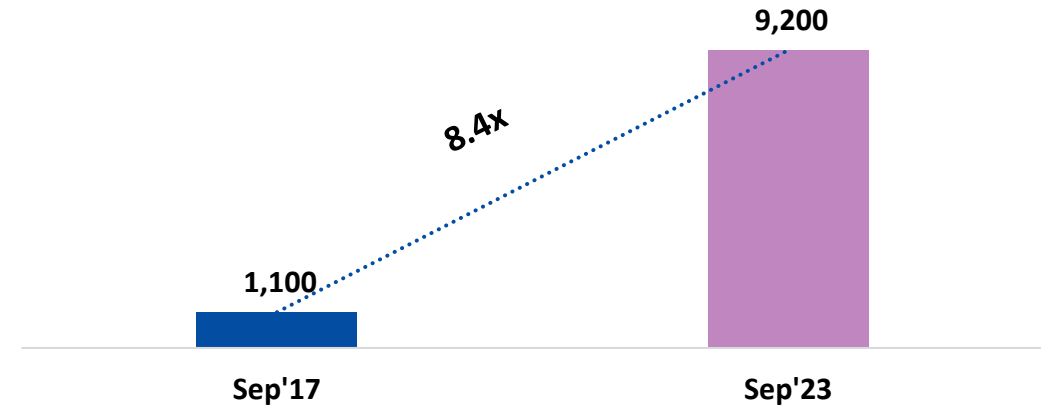
We focused on building the foundation for a strong retail franchise (3/4)

Expanding capacity & *deepening retail distribution*

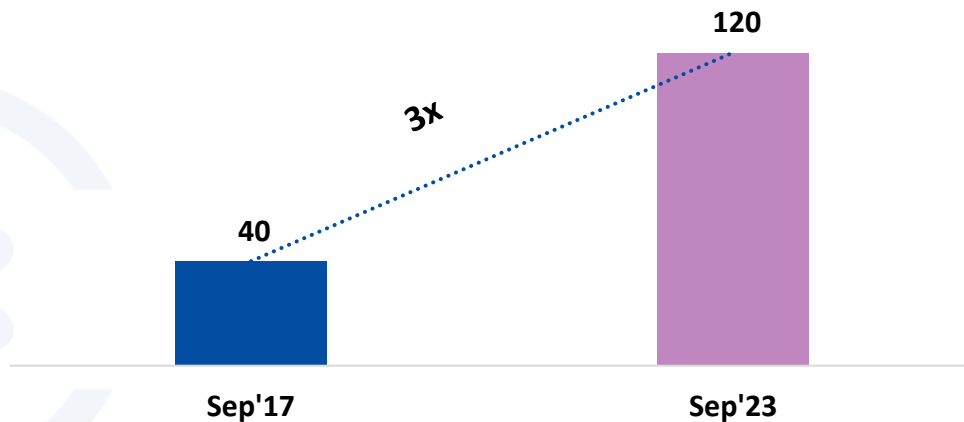
#Branch Presence



#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



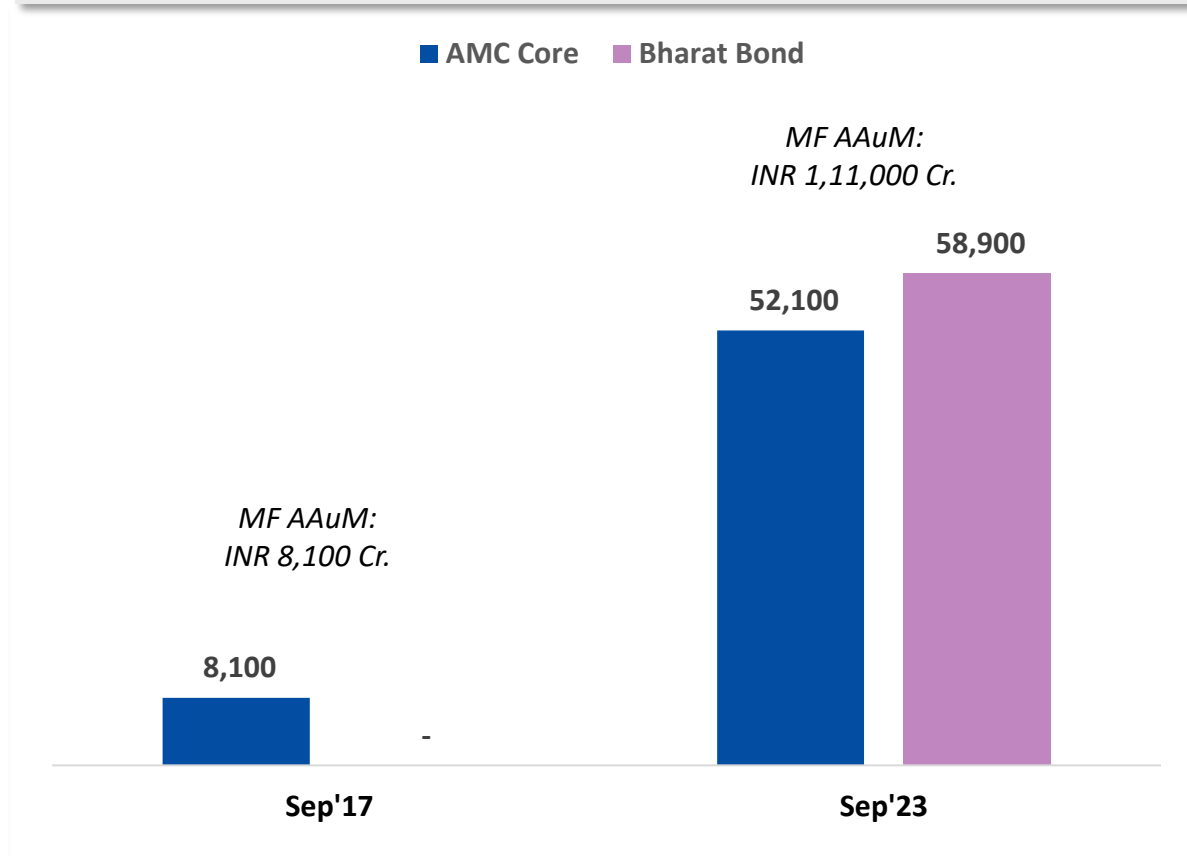
SWIFT

Digital platform for
investments in Alternative
investment funds

Our AUM has witnessed significant growth



Edelweiss MF AAuM Distribution

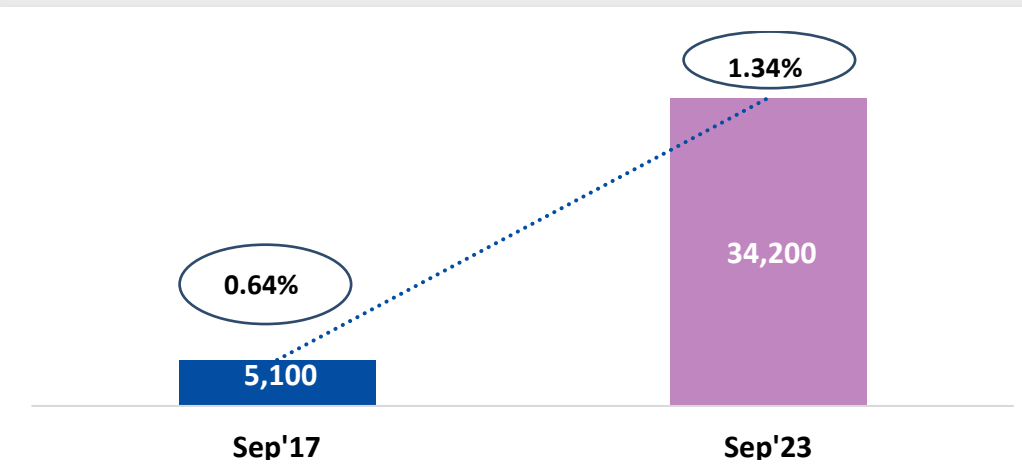


Particulars	CAGR %
AMC Core AAuM	36%
Total MF AAuM	55%
Industry AAuM	14%

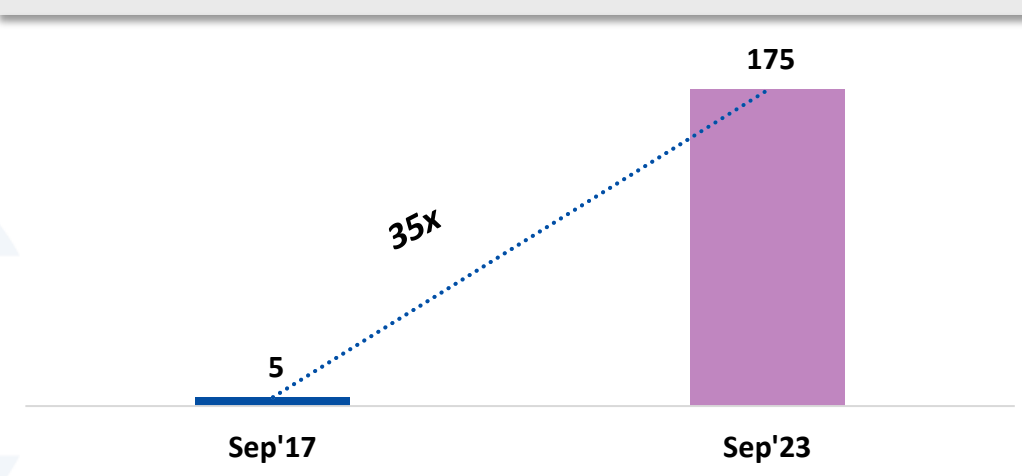
Figures in INR Cr., Data Source : AMF India; Figures are rounded to nearest 100

And a high-quality equity book

Equity & Hybrid AuM (INR Cr.) & Market Share (%)

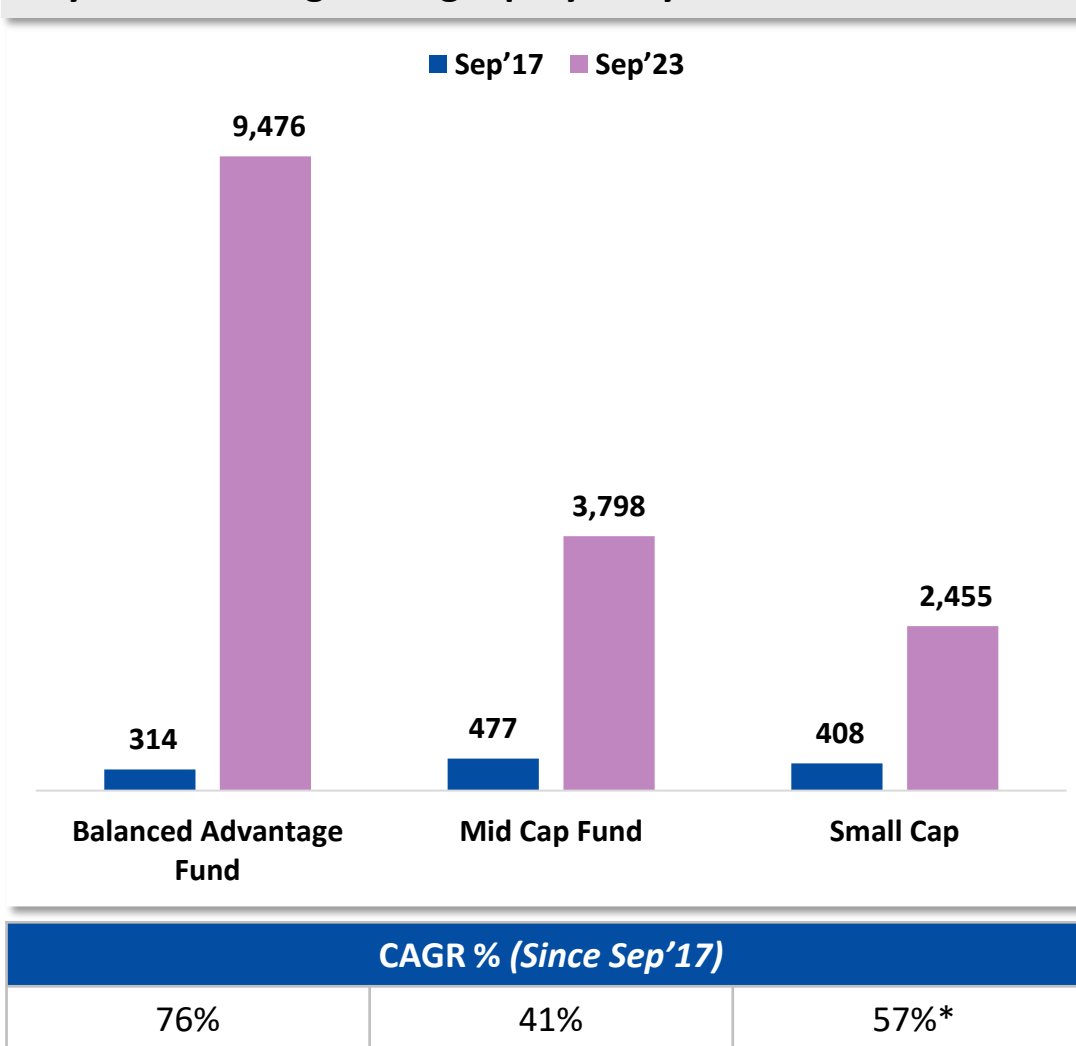


Monthly SIP book (INR cr.)



Figures are rounded to nearest 100., SIP Book includes all SIPs and excludes STPs
Data Source : Internal

Key Funds Strengthening Equity & Hybrid AuM



* 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*

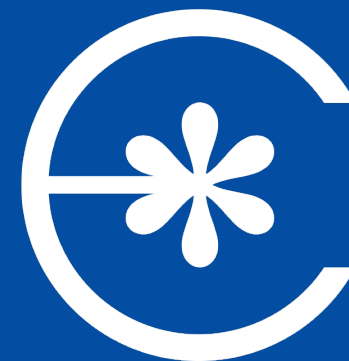
Distribution

- ✓ *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

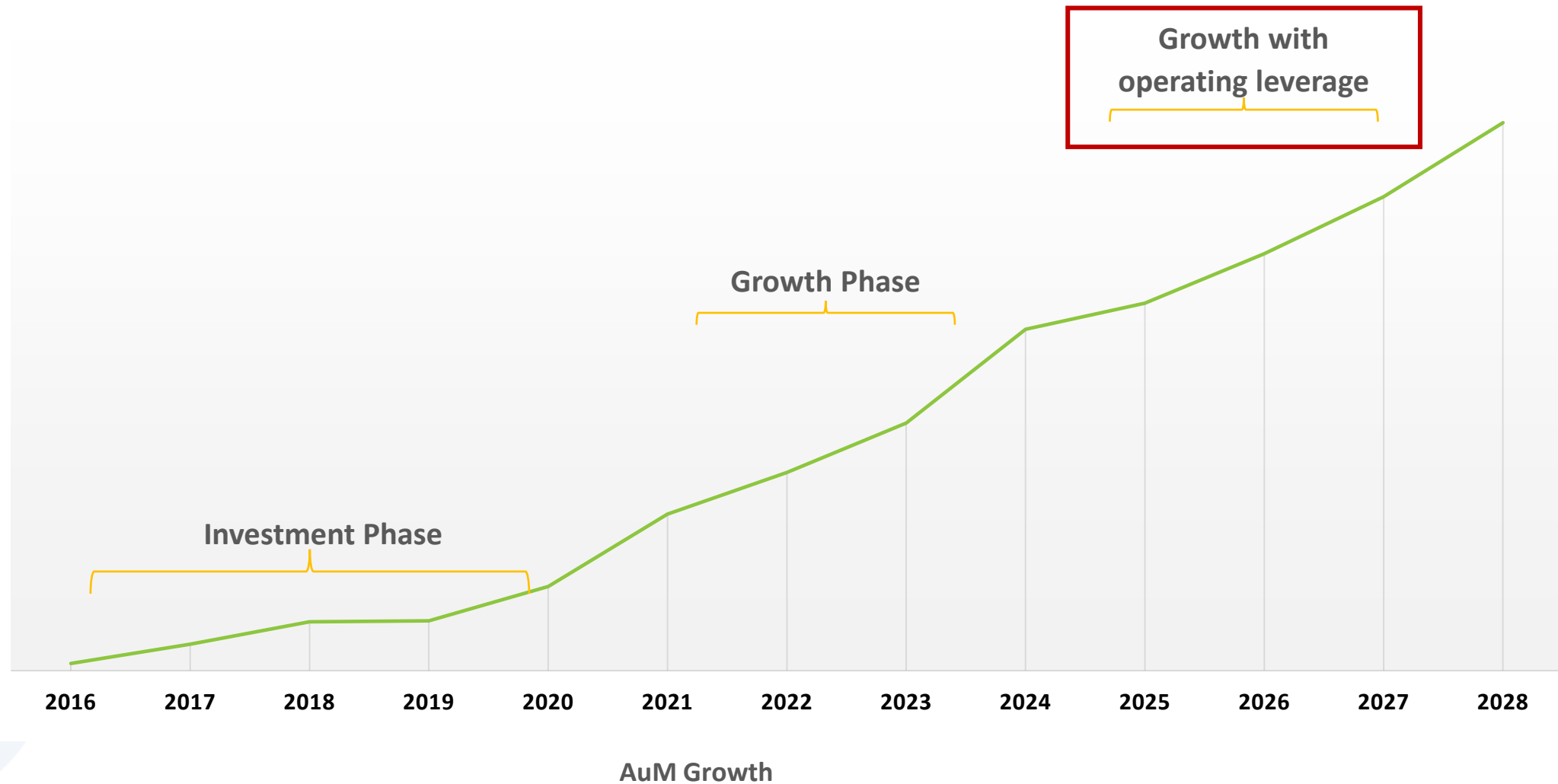
4

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	11,500	1,03,000	1,12,300
	PAT	-19	18	23
	Net Worth	112	200	224

AuM figure refers to closing MF AuM; Figures in INR Cr; 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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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.