Aditya Birla Sun Life AMC Ltd.

ADITYA BIRLA CAPITAL

ASSET MANAGEMENT

Ref. No.: ABSLAMCL/PS/122/2024-25

November 5, 2024

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street Mumbai - 400 001
Scrip Code: 543374

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Symbol: ABSLAMC

Dear Sir/ Ma'am,

Sub: Transcript of the Earnings Conference Call for the quarter and half year ended September 30, 2024

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference Call on Unaudited Financial Results for the quarter and half year ended September 30, 2024, held on Tuesday, October 29, 2024.

The above information is also available on the website of Company at https://mutualfund.adityabirlacapital.com/shareholders/financials.

We request you to kindly take the aforesaid information on record.

Thanking you.

Yours sincerely,

For **Aditya Birla Sun Life AMC Limited**

Prateek Mahesh Savla

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Company Secretary and Compliance Officer
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CIN- L65991MH1994PLC080811

"Aditya Birla Sun Life AMC Limited
Q2 & H1 FY25 Earnings Conference Call"

Tuesday, 29th October 2024

<u>MANAGEMENT TEAMS:</u>

- **MR. A BALASUBRAMANIAN – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – ADITYA BIRLA SUN LIFE AMC LIMITED**
- **MR. PRAKASH BHOGALE – HEAD, INVESTOR RELATIONS – ADITYA BIRLA SUN LIFE AMC LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Aditya Birla Sun Life Asset Management Q2 FY25 Earnings Conference Call hosted by InCred Equities.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference call is being recorded.

I now hand the conference over to Mr. Jignesh Shial from InCred Equities. Thank you, and over to you, sir.

Jignesh Shial: Yes. Thank you, Sidharth, and good evening, everyone. On behalf of InCred Equities, I welcome all to the Aditya Birla Sun Life AMC Q2 FY25 Earnings Conference Call.

We have along with us Mr. A. Balasubramanian – Managing Director and CEO, and Mr. Prakash Bhogale – Head of Investor Relations.

We are thankful to the Management for allowing us this opportunity. I would now like to hand it over to Mr. A. Balasubramanian – Managing Director and CEO of Aditya Birla Sun Life AMC for his opening remarks. Over to you, sir.

A. Balasubramanian: Yes. Thank you, Jignesh, for the introduction, and good evening, everyone, and thank you for joining us on today's Investor Call. I trust you all have had the chance to review our earnings presentation which is available on both the stock exchanges website and our own website.

Let me begin with the economic outlook and update on the mutual fund industry. The global economy continues to be resilient and is expected to grow by a healthy 3% in 2024. The global inflation has moderated in major economies, leading to the easing of monetary policies. We believe that this trend of easing of monetary policy will continue as we move forward, embraced by most central bankers.

In India, the macroeconomic outlook remains solid, with the consensus expectation of approximately 7% growth in FY25. Recent GDP data indicates a pickup in private consumption, supported by a pickup in the Agri economy. India continues to be the fastest-growing major economy in the world, supported by progressive economic policies and healthy macroeconomic stability parameters. The abundant and well-distributed monsoon rainfall has fostered a positive outlook for agricultural output, enhancing rural income, a stabilizing food inflation, which will contribute to a more resilient economy.

With the overall inflation momentum moderating, the RBI Monetary Policy Committee recently changed its stance from Withdrawal of Accommodation to Neutral, opening the door for a potential rate cut in the second half of the current fiscal year. The government's fiscal position remains robust, supported by strong revenue receipts. The external account continues to be stable marked by a low current account deficit and foreign exchange reserves scaling new heights.

The Indian market for the quarter ended September 24 was marked by a period of volatility and uncertainty. The resurgence of China with meaningful easing of policies has further added to the volatility in the Indian market. We have witnessed the FII flows being negative, and increased participation from domestic institutional investors and retail investors has brought in the much-needed stability in the market with the market moving in a narrow range. At the same time, if one goes by the current quarter corporate earnings, we might see a slight moderation in the overall growth expectation, therefore, reducing the expectation of returns in the time to come.

With respect to the mutual fund industry, as of 30th September 2024, the mutual fund industry quarterly average AUM reached ₹66.21 lakh crores as compared to ₹46.98 lakh crores as on 30th September 2023, growing 41% on a year-on-year basis. During the quarter, the mutual fund industry witnessed net equity sales, excluding Index Funds of around ₹1,43,000 crores through new fund offerings and inflows in existing funds. The total NFO collection in equity funds, in fact, was around ₹36,800 crores majorly coming from sectorial and thematic funds.

The industry SIP flows grew by 53% year-on-year from around ₹16,000 crores in September 2023 to ₹24,500 crores in September 2024. The total number of overall mutual fund portfolios stood at around 21 crores with a year-on-year increase of 34%. The individual average AUM grew by 50% year-on-year from ₹28.1 lakh crore to ₹42.1 lakh crore and contributed 62% of the total AUM. B-30 cities with an average AUM of ₹12.59 lakh crores accounted for 19% of the total AUM.

At Aditya Birla Sun Life AMC, our overall assets under management including alternate assets reached ₹4 lakh crores, reflecting 24% year-on-year growth. In fact, we just crossed ₹4 lakh crores for the first time ever in the history of the Aditya Birla Sun Life Mutual Funds. Our mutual fund quarterly average AUM reached ₹3.83 lakh crore, growing 23% year-on-year. The quarterly equity average AUM stood at ₹1.81 lakh crore, growing by 39% year-on-year. The SIP booked during the quarter crossed ₹1,400 crores a 47% year-on-year increase from ₹968 crores in September 2023 to ₹1,425 crores in September 2024. We also added around 11.55 lakh new SIPs, a 5x increase compared to the previous year. I am also happy to share that our total investor's folios have crossed 1 crore, with around 19 lakh new folios being added during the last quarter.

On the investment side, during the quarter we have witnessed an uptick in the performance of our equity funds. A higher number of funds are beating the respective benchmarks and also the peer averages in the respective categories. This has in fact created a positive perception, among our distribution partners and investors at large, leading to an increase in overall net promoter score. We are expanding our fund management team, which will enhance our capability of managing our core equity funds effectively further. I would also like to mention that the increased level of engagement at the ground level, supported by the return of strong investment performance is helping us narrow the dip in the equity market share on a quarter-on-quarter basis.

On the Fixed income front, we continue to deliver robust returns across most categories and be the preferred choice of investors. We have also taken some steps in offering products to meet the investors' expectations by planning to launch a number of target maturity funds as well as promote our duration funds. As interest rates start falling, duration funds also we believe will start picking up. As we have been highlighting about our commitment to building our Alternate Assets and Passive business, we are making good progress on this segment of our business vertical. The alternate segment, PMS and AIF remains a key focus. Our PMS /AIF assets grew by 66% from ₹2,300 crores to ₹3,900 crores in the current quarter. Our offshore assets also had witnessed some flows during the current quarter, which grew by about 31% from ₹9,700 crores to ₹12,700 crores.

Our Gift City operation, the gateway for inward and outward remittances has also gathered momentum. We will be closing soon our first emerging market products under the LRS scheme by February wherein we already have collected $50 million. The ESG fund created for inward remittance, we got the first collection of $25 million, and more fund raising is currently underway. On a similar line, we also created the ABSL Flexicap fund for inward remittance for NRI investors. Further, we also taken approval from the Gift city authorities to launch yet another product called the ABSL Global Bluechip Fund under the LRS scheme, ODI and OPI schemes.

During the quarter, we have also launched the Performing Private Credit Opportunity fund, under AIF. In order to build size in this category, both from domestic and global investors, we also committed our own capital to support growth of this funds out of our treasury portfolio. On this passive front, as of 30th September 2024, our assets total to approximately ₹30,000 crores. Our customer base has also grown to over 9.5 lakh folios, and we also have a diverse product portfolio of over 47 products. We are also planning to launch new funds in the coming quarters to expand our passive offering for investors.

I am also happy to share that during the quarter, we also won the ESIC mandate under the advisory route and documentation is under progress to get the actual funds into our account so that we can start managing the portfolio effectively very soon. In the current quarter on the people front, we have made a few changes to further strengthen our leadership team to drive some of our core support functions for growing our business. We have added a new Head of Digital and Data Analytics, and a new Head of Marketing. These strategic additions will drive innovation and enhance our customer engagement and service, helping us expand the customer wallet share as well as mind share, ensuring that we stay ahead in a rapidly evolving market.

Moving on to the Financials for the Quarter, our total revenue is about ₹520 crores versus ₹391 crores in the Q2 of FY24, up 33% year-on-year. Our profit after tax is at ₹242 crores versus ₹178 crores in Q2 FY24, up 36% year-on-year. And our first half of FY25, our total revenue was about ₹1,001 crores, up by 28% year-over-year, and profit after tax was at ₹478 crores, up 32% year-on-year.

With this, I would like to conclude and open the floor for any questions that you may have. I will be joined by Prakash to answer any of the questions that you may have related to the financials and other numbers that you may have. Thank you.

Moderator: Thank you, sir. We will now begin the question-and-answer session. Our first question is from the line of Dipanjan Ghosh from Citi. Please go ahead.

Dipanjan Ghosh: Hi Sir, good evening. So, first, a few data-keeping questions. One is if you can give the overall employees for the quarter as in the period ending, the second is SIP flows for the quarter. And third, is the revenue from the non-MF businesses since they have been doing quite well. And apart from the data-keeping question, I have two more questions which are, if I look at some of your peers, especially some of the leading ones, they have undergone certain changes or are undergoing certain changes in terms of the payout structure to the distributors, either on the back book or an incremental flow in certain cases. So, I just wanted to understand, have you taken any such exercise or envision taking any such exercise in the near future. And my second question is on the non-MF businesses, what sort of incremental investments be it on the investment team, sales team, or other teams that one should kind of factor in going ahead?

A. Balasubramanian: Sure. Overall employees including off-role**,** Prakash will answer this question in a while. In terms of SIPs, we have got ₹1,425 crores inflow per month. That is something we ended in the month of September. With respect to the alternate asset's revenue, how much is the increase?

Prakash Bhogale: So, Dipanjan, I will answer the data-keeping questions which you have asked. So, the number of employees as of September is around 1,552, our SIP flow for the quarter is around ₹4,171 crores, and the last question which you asked is alternate asset income for the quarter, it is in the range of around ₹44 crores.

Dipanjan Ghosh: Okay. So, SIP was of 1071 or 117?

Prakash Bhogale: ₹4,171 crores, for the quarter.

Dipanjan Ghosh: Yes, ₹4,171 crores.

A. Balasubramanian: For the full quarter, yes. The alternate asset revenue what is the incremental revenue?

Prakash Bhogale: It's around ₹25 crores to ₹26 crores incremental revenue we have got in this quarter because our AUM has increased in the alternate space, mainly in the PMS and AIF segments.

A. Balasubramanian: Yes. Okay, with respect to the question that you asked about commission structure which you referred to about competition. See, in our case, we keep evaluating it on an ongoing basis wherever we need to moderate keeping in mind the growth expectation that we have set, we have two tasks in our hands, one is growing the pie continuously, and that is on us high priority in terms of increasing our market share as well as increasing our overall equity assets and management. And given also the fact that we have been increasing, working towards improving overall employee productivity by increasing the sales. Therefore, keeping this in mind, whenever we feel the appropriate time for us to revisit this and looking at overall the corporate landscape, we will consider suitable steps at that point of time. As it stands today, right now we have not thought about anything or that kind of reduction. But anyway, there is an ongoing exercise that we keep doing is, looking at the overall profitability contribution combined with the growth expertise that we have.

With respect to the non-mutual fund, the sales team, of course with respect to the overall people management as far as investment is concerned, I have been highlighting for quite some time that change we have made. In fact, the last addition that we have done is getting one person on board with really good experience in managing mid-and-small cap domain of the market. So, he is coming on board by the middle of November. So, with that, we will complete the addition as per the investment concern. Given the fact that SEBI also has given the new idea of the new fund category created using the derivatives will build some capability, getting some talent pull on that space if at all we have to manage some assets in the same space, we will ask readymade talent pool available for that space.

The other areas where we will further beef up on the alternate space, of course with respect to selling alternate business as key sales people, we have roughly about some of our team across the country to coordinate the sales force. We will probably look at increasing that by whenever there is a need. At the same time, direct sales team we have roughly about 45 people currently and we keep thinking about that number can actually go up a little higher. This year, we have of course accounted for about 50 people in addition, which we have talked about out of this we currently have 45 people. And if we think that segment, we will have to improve further, we will probably beef up the team depending on which part of the year we must do it. And lastly, of course, to bring the overall alternate space to the next level, we are also of course evaluating people who could help us in building the alternate business, not just only in the domestic market, but in reaching out to global investors given the fact that we are also looking at seeing some kind of momentum coming in our offshore business. We will probably look at a talent pool who can actually work with both domestic investors, institutional investors and family offices as well as global investors, that is something we are on the process of finalizing somebody, and hopefully should come on board by January or February time.

Dipanjan Ghosh: Got it, sir. Sir, just one follow-up, if I look at your SIP discontinuance rate, that seems to have kind of gone up meaningfully whereas your overall quarter-wise SIP flows have been broadly stable or marginally improving. How should one really reconcile this?

A. Balasubramanian: Yes, the SIP cancellation generally what happens is, generally in the thumb rule for the industry is roughly about 40% to 50% kind of cancellation happens. Of course, it also gets reregistered. The way I look at is the registration number, if you look at our presentation, the SIP registrations numbers from 2.13 lakh to gone about 11.55 lakh number you see. That is one way to measure the success, I keep looking at the new customer additions that should actually help in improving the overall base. The 19 lakh new customer folio that we have added is all actually with the intention to increase the overall gross pie. While we have a great opportunity to retain customers, they have redemption stopping, etc. We actually formed a small set of teams given the fact that, we have strengthened our analytical capability, wherein we can create a predictive model basis, which we can withhold the customers before they are cancelling the SIPs, which you call a win back. So, we have put a separate team of people to drive the win-back initiatives as well as the people who are looking at market volatility, were redeeming unknowingly, therefore how to actually reach out to those customers instantaneously so that before the money gets credited to the account, we can highlight to the investors how important for them to stay invested for long term and how important is to continue the SIPs. Therefore, that is something we are driving into the service to sales RM activity that we have as well as the data analytic person who has come on board, he of course came on board from one of our ABC units only and who understands the entire customer behaviour using data analytics. He is also of course going to help us in terms of improving the return ratio by way of win-back strategy. So, that is the way we are looking at it. Of course, broadly, the way I look at it is the top-line number should keep improving which is one of our task. At the same time, returning of assets both should help simultaneously, we do it effectively, and should help in improving the overall momentum.

Prakash Bhogale: Dipanjan only one clarification the alternate asset which I had told you ₹34 crores, which was increased by around, was ₹21 crores last quarter same year.

Dipanjan Ghosh: So, ₹21 crores in 2Q 24, and this compares with for 1H, so you are telling 2Q of 1H?

Prakash Bhogale: No, I am telling last year same quarter was ₹21 crores. So, in the current quarter, it is ₹34 crores.

Dipanjan Ghosh: Okay. And then 1Q, 25 will be around the same number as in the previous quarter?

Prakash Bhogale: Yes, it is around ₹30 crores.

Moderator: Thank you. Our next question is from the line of Lalit Deo from Equirus Securities. Please go ahead.

Lalit Deo: Hi Sir, good evening. So, just two questions. So, I just wanted to ask if we exclude the revenues from the non-MF business, then broadly our yields have remained stable and at the same time, our share of equity AUM has slightly inched up. So, just wanted to understand the segment-wise revenue yields over there.

A. Balasubramanian: Sure. I will ask Prakash to answer this question.

Prakash Bhogale: So, Lalit, as you rightly pointed out, because of the increase in our mix, our yield has remained stable compared to last quarter. So, as you can see in our presentation, our mix has increased from around 42% to 47%. This is one of the reasons for maintaining the margin, even though the size in the equity assets has increased. So, on the asset class-wise yield in the case of equity, it is around 67 basis points. On the debt, it is around 24 to 25 basis points, and on liquids it is around 12 to 13 basis points.

Lalit Deo: Sure. Sir second question was that on, in the SIP flows, so while the industry has grown at a much faster pace and like we have grown on an absolute basis, but in terms of market share, we have lost some market share over there. And at the same time, where we are seeing some improvement in the scheme performance. So, what would be the reasons for us that is lower growth as compared to the industry growth in the SIP flows?

A. Balasubramanian: Yes, if you divide the SIP flows into two parts. One is the online digital platform sales; it currently contributes about 50% to 55% of the sales come from the segment. The traditional channels other than direct contribute roughly about 35%. In fact, in the traditional channels other than MFDs, there has been a bit of a slowdown in terms of the SIP contribution, with large contributions coming from the online channel customer additions. As you know online channels come in on the basis of the top three performances among the competition, in fact, we have seen some of our funds which are performing well, being part of the online channels wherein we have seen good momentum coming in, both in terms of SIP, the customer addition as well as the overall number of folios rising in that space, of course they don't contribute to the significant in terms of value. Most of the value comes from both the direct and as well as the traditional channel. I think that is one of the reasons why you would have seen our absolute number has been rising, our folio number has been rising, but the rate of growth in terms of value compared to the end of Q2, is marginally lower. But the way we look at it is, while that is the case so far, we also of course there is a separate target for each of the channels to measure the success of sales productivity and therefore focus on average ticket size sales coming from the traditional channel, which remains of course the key. The performance improvement that is being, which I mentioned about, and the general perception is also moving quite significantly on the upside. It should also lead to another getting a sufficient backup from the SIP ticket size is also rising. Of course, in terms of count is one part of it, ticket size also should come, we have increased participation coming from the traditional channel.

Lalit Deo: Right, sir. Sir just one clarification, when we say that 50% to 55% comes from the online channels, is it for us or is it for the overall industry are you talking over here?

A. Balasubramanian: No, it is for the industry as well. The industry also is more or less similar numbers for us also would be roughly about 45% to 50% will come from the online channels. And it can gain momentum in terms of giving new customer additions, it can definitely give you momentum. But of course, they all go by the whole industry, there are so many funds are there, they will collect only the top three - four on a base of one year - three years performance. There were some who will get, some will not get, that's why you look at the industry-wide, if you look at numbers, there has been a significant growth is coming from non-top 10 players as well. And this all thing is a function of this dynamics.

Lalit Deo: And just two data-keeping questions. One, could you give us the SIP AUM as of September 24? And just wanted to understand, that in this quarter we have seen some increase in our other expenditures, other OPEX. So, any particular reason for that?

Prakash Bhogale: SIP AUM is ₹83,900 crores as of September '24 and the increase in the other OPEX is mainly on account of the software charges, plus database research, there are some expenses on the

CSR and there is some increase in travelling cost. So, these are the main heads wherein the cost has increased.

Moderator: Thank you. Our next question is from the line of Abhijeet Sakhare from Kotak Securities. Please go ahead.

Abhijeet Sakhare: Hi good afternoon everyone. So, my question is again, coming back to flows, which funds are leading the revival inflows for us, if you could name the top three - four funds which are doing well last few months?

A. Balasubramanian: Yes, sure. So, one we are seeing increased traction in some of our key main funds, fuel on the back of the one is performance improvement as well as the general acceptance of these funds have got over the long years of track record, which is the frontline equity and flexi cap fund, multi asset allocation fund we are getting flows. Of course, till last month we used to get reasonably good flows from a thematic fund, especially in the PSU funds, we used to get the reasonably good flows till last month. Even this month too we have seen inflow, but there is a margin reduction given the fact that segment of the market has seen some bit of hit. We are also seeing some flows coming on the balance advantage fund, given the fact that this is one segment where we are seeing increased traction given the market volatility. And of course, arbitrage fund continues to see inflows they are also counted as an equity that continues to see inflows. Among the thematic category, of course, the quant fund, which we launched recently, we continue to see some flows coming in. As well as, we also see flows coming in the thematic fund which we launched about a year back which is the transportation logistics fund, also have seen flows.

Abhijeet Sakhare: And again, from a channel point of view, fairly direct will be most responsive to start with. But are you already seeing a response from some of the traditional channels like MFDs or IFAs or that is still to come through?

A. Balasubramanian: MFD I am seeing the improvement that I mentioned about the perception on performance improvement which I mentioned about, which largely is coming from the distributors' voice across the country, wherever the team has been travelling, I myself has been travelling at least there is an increased acceptance recognition. It is also leading to the activation number that I talked about, the IFA activation number that we are talking about is also a reflection of participation coming from MFD which is an additional channel, they are close to us, and we have a lot of loyal distribution community with whom we work with, in multiple areas and improving their knowledge levels, work closely with them, helping them improving our overall businesses. That is something we are seeing an uptick. Banking channel, of course one of the banking channels which is traditionally a large bank for us, of course we go by one or two products as part of the recommendation. While some of the products are on hold, one good thing that I am seeing, some of the products that are already a part of recommendation in some of these channels versus our product, we are already seeing some of our products are doing better than the product that are the part of the recommendations in these channels. And hopefully, as we review and revise, and as we start seeing our product getting incorporated with the cost of somebody else is going out should actually lead to an increase in contribution coming from this large banking channel.

Abhijeet Sakhare: And sir, again last one clarification on the banking channel. Is it true that that channel actually puts much more weightage on the three-year returns or one-year strong performance is good enough to drive flows there as well?

A. Balasubramanian: See, we look at both, weightages for one year's improvement performance and also CPR ranking is done well with 20% weightage for the one-year performance and balance is given for three-year performance, in the same order they rank. But at the moment, you see a similar and same line some of the funds that are already a part of recommendation as they move out, and then they bring in new funds that traditionally I have seen them doing this. And of course, definitely they recognize the improvement in performance in the one-year and 18-month periods. It helps them to put on the top of the consolidation to get them on board faster.

Moderator: Thank you. Our next question is from the line of Mohit from Centrum India. Please go ahead.

Mohit: Hi, thanks for the opportunity. My first question is, what are the NFOs that we are targeting over the next two to three quarters?

A. Balasubramanian: We have taken approval from SEBI, one diversified equity fund, with a thematic nature. That is something we will plan to launch sometime post this current festival season. Second, on the passive side, we also taken approval for launching one fund again on the thematic category resembles close to the sectors that drive the Indian economy. That is something we have taken approval. And these two funds we have, as part of the pipeline. On the fixed income side, of course, we have planned the launch of a few products, as I mentioned in my opening remarks, target maturity fund, a series of funds that we have planned, that is again a draft of some bit of market as well-fixed income goes down. On the Gift City side, we have of course taken approval and we already have a product in place for inward remittance, which is a Flexi cap fund that will fit into my existing funds. That is something we have already set it up, we should see some bit of momentum coming in that space, though the minimum ticket size is still higher, is not meant for retail, it is actually more than $100,000, somebody can put in from overseas. That is something we have set it up. We also have a plan to launch one fund for outward remittance, which we just mentioned about from India to overseas under the LRS, ODI and OPI. That is something also we have set it up and hopefully, that fund we should launch in sometime in the month of January or February, upon closing the existing funds, which is coming from a closure in the month of February. But these are the plans that we have. In addition to that, on the AIF side, we are in the process of fundraising on the private credit opportunities fund, which again I mentioned about in my remarks.

Mohit: Okay, that is great. And then basically, any idea as to how this NFO as in the size of NFOs maybe a lot more passive as well as on the fixed income and equity any indication on the size of that?

A. Balasubramanian: Too early to give you the size, Mohit given the fact that we have to play it as we start launching this fund. But definitely, our endeavor would be to create the high level of engagement that we have at the ground level, and add to the overall outcome of these funds in terms of collections.

Mohit : Thank you and wish you all the best.

Moderator: Thank you. Our next question is from the line of Bhavin Pande from Athena Investments. Please go ahead.

Bhavin Pande: Hi, would it be great if you could shed some light on how funds as a percentage of AUM are outperforming vis-à-vis the benchmarks and also in terms of bucket for three months, six months and one year.

A. Balasubramanian: Sure. So, Bhavin the way we keep looking, of course on a quarterly basis, and we keep reviewing it. Roughly about 60% to 65% of our funds today not only beating the benchmark, they are also performing better than the peer average in the respective category. We look at the peer average, both the funds that are comparable to us. Second, we also have to look at the broader, all funds are put together and both the categories and peer average of performance are roughly about 60% of our assets. The other good thing is the funds which generally, since we have many funds that we are managing it, the funds which of course sometimes for a variety of reasons, could be in the bottom of the quartile. In fact, we don't have any funds in the bottom of the quartile, which also changes in the overall improvement that I am saying. The number which I am saying is, it is both on the six-month and one-year basis. In fact, even on a three-year basis, the number of funds which is outperforming the index is almost now coming close to about 45% to 50% on a three-year basis, also reflecting on the overall improvement. As I always believe that as we start improving in a very short-term performance, moving from three to six, six to nine, nine to one, and one to one and a half years, naturally it pulls up the long-term performance as well. That is why we are seeing it happening.

Bhavin Pande: Okay. And you shed some light a bit on the digital channel mix. But if you look at the participants across the industry, everybody has seen robust flows of contribution via digital channels. So, when do you think, our digital channels would start picking up and would start contributing meaningfully?

A. Balasubramanian: See, we already started to see the momentum in the last two quarters, if you have listened to my earlier, some of the narratives that I have given. In the last six to eight months, we have seen started from the March quarter ending, and we have seen it sustaining in June as well as the current quarter. In terms of increased participation coming from our digital channel, both in terms of the fully getting added as well as new customer addition. And as I mentioned, with the current improvement and performance that we are seeing in the key categories, we would also of course take enough steps to ensure these products are being highlighted in this platform, and therefore, it comes as a part of the recommendation list. Therefore, we get some incremental AUM from this segment going forward in some of the product that we are confident of getting more money. But we are already seeing that the engagement that we have with the digital channel partners has been reflected in terms of momentum. In fact, the last few quarters improved traction that we are seeing on the SIPs. It is a combination of digital channels as well as MFD channels.

Bhavin Pande: Okay. And sir across channels, are we seeing that flow market share harder, it is higher than the stock market share? So, let's say we have XYZ market share in terms of AUM to the incremental flows, I am talking about that.

A. Balasubramanian: Flows market share , at this point in time, from industry market share flows versus us, we are of course below the industry shares. Attempt is of course to improve the number further, the way industries is also growing so fast as long as we get our deserving market share. Not necessarily it has to be higher than the market as long as we have deserving market share, which is what our attempt is, that itself will be sufficient to bring in incremental further growth.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

A. Balasubramanian: Yes. Thank you, everyone, for joining and with this we conclude our Q2 FY25 earning call, I will also take the opportunity to wishing you all a very Happy and Prosperous Diwali and do feel free to reach out to our IR Head, Prakash Bhogale for any queries that you may have. Thank you.

Moderator: On behalf of InCred Equities, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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