

Ref/No/HDFCAMC/SE/2019-20/101

Date - January 28, 2020

National Stock Exchange of India Limited Exchange Plaza, Plot C/1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400051 <b>Kind Attn: Head – Listing Department</b>	BSE Limited Sir PJ Towers, Dalal Street, Mumbai – 400001 <b>Kind Attn: Sr. General Manager – DCS Listing Department</b>
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**Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”)**

Dear Sir/Madam,

Pursuant to the aforesaid Regulations, please find below the schedule of investor/analyst meeting/conference made by the Company.

Schedule of the Investor/Analyst Meet/Conference:

Date	Name	Venue	Type of Meeting
January 27, 2020	Bay Capital Investment Managers Pvt Ltd	Mumbai	In Person
January 27, 2020	Ambit Capital Pvt Ltd	Mumbai	In Person

A copy of the investor presentation is enclosed for your reference and the same is placed on the Company website.

This is for your information and records.

Thank You,

Yours faithfully,

For HDFC Asset Management Company Limited



**Simal Kanuga**  
**Chief Investor Relations Officer**

Encl: a/a



# HDFC Asset Management Company Limited

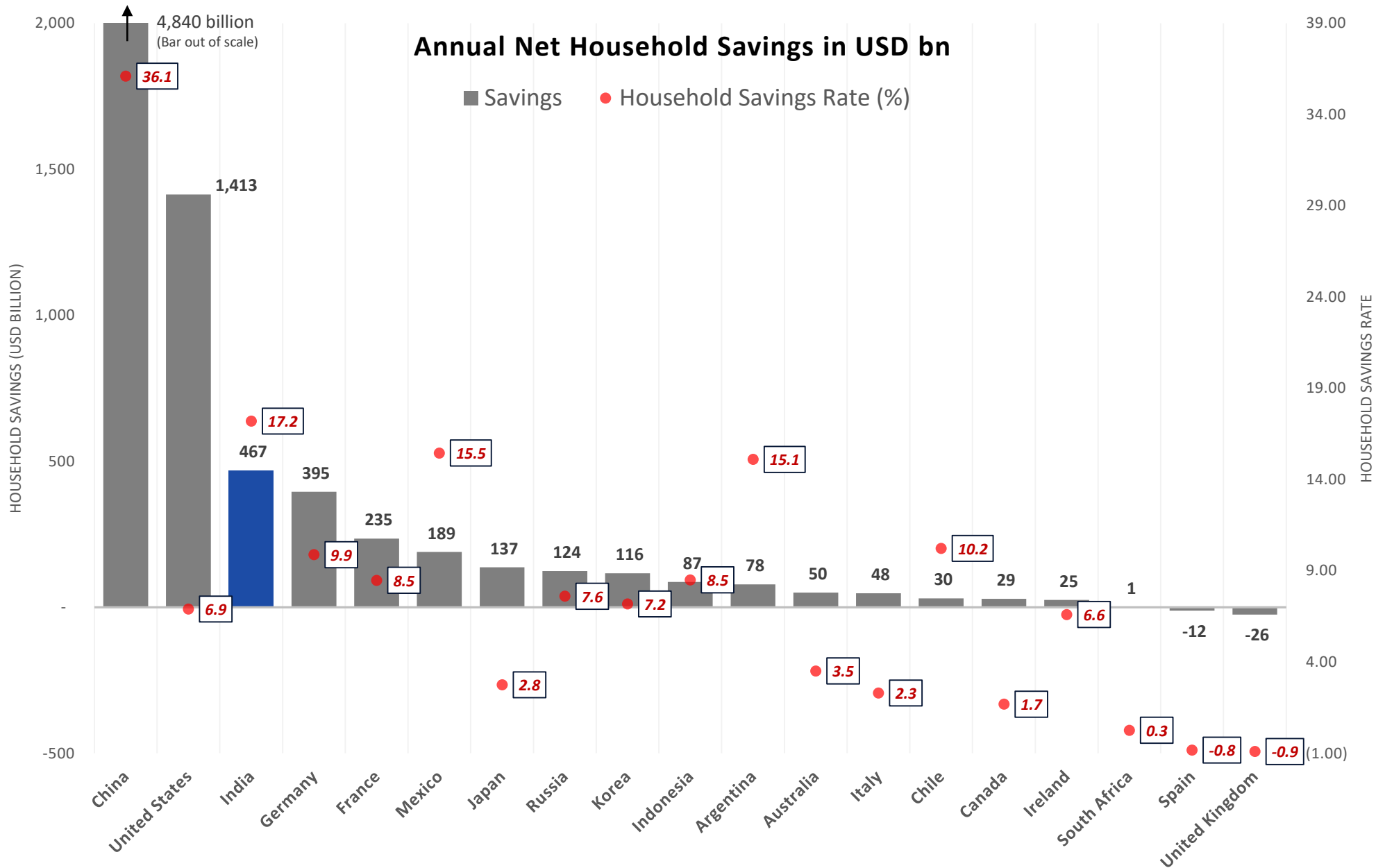
Presentation – January 2020

# Background and Opportunity





# India – the third largest in household savings globally

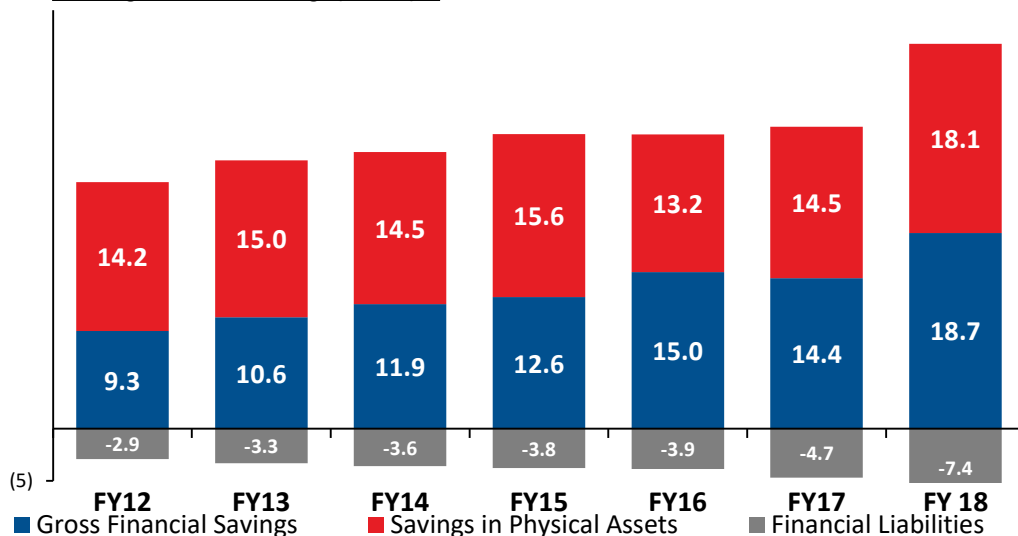


Source: OECD, FRED, RBI, IMF

# Indian Household Savings pattern

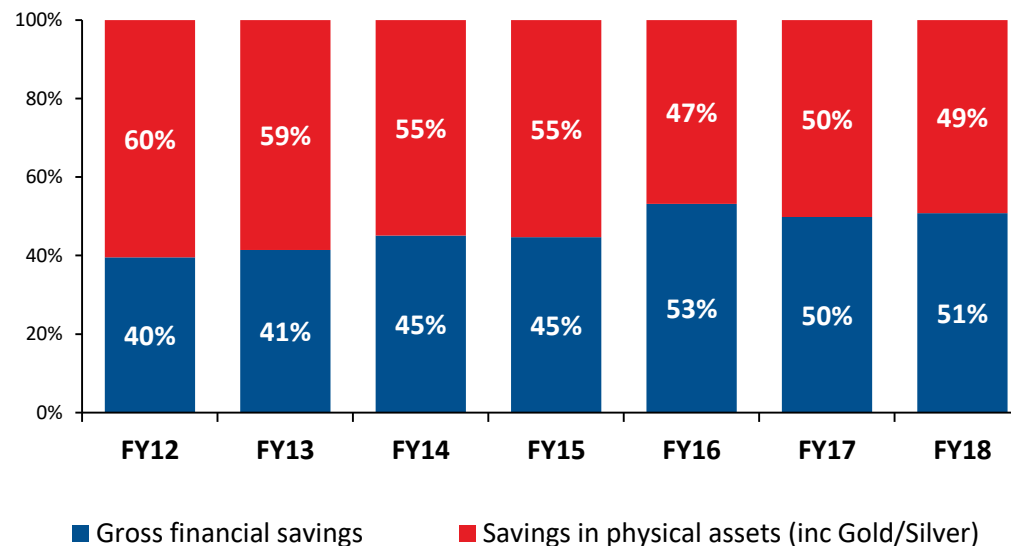
## High Savings Culture...

Growing Household Savings (INR Tn) <sup>(1)</sup>



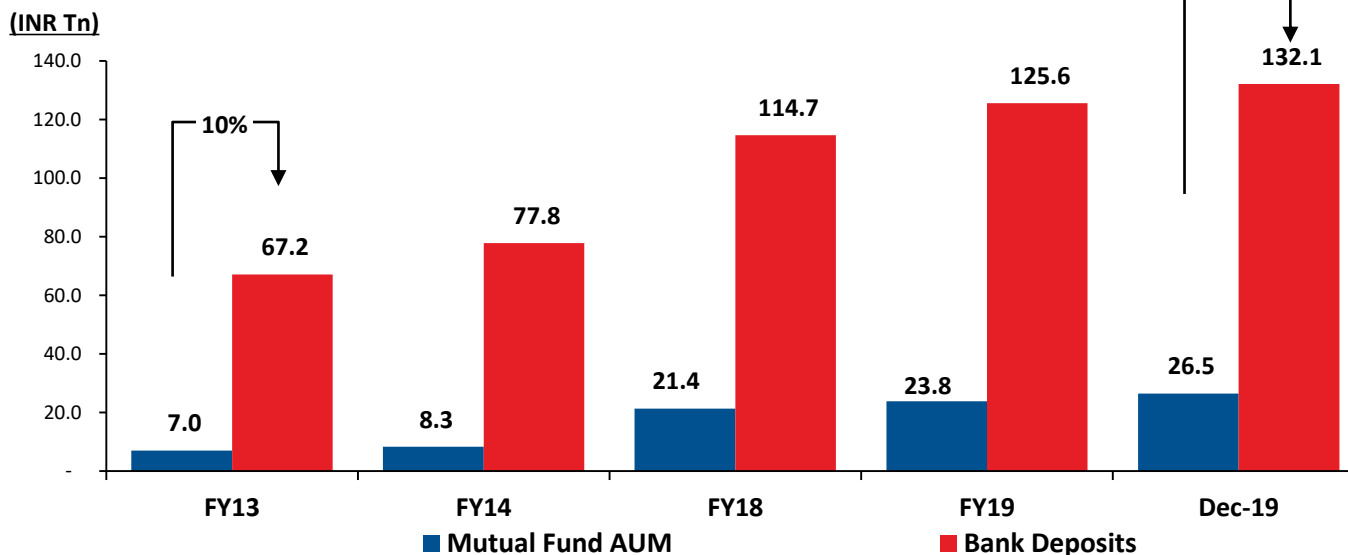
## ..Shift to Financial Assets..

% of Gross Household Savings<sup>(1)</sup>



## ...With Increasing Preference for Mutual Funds

Mutual Fund AUM Reducing the Gap with Bank deposits<sup>(2)</sup>

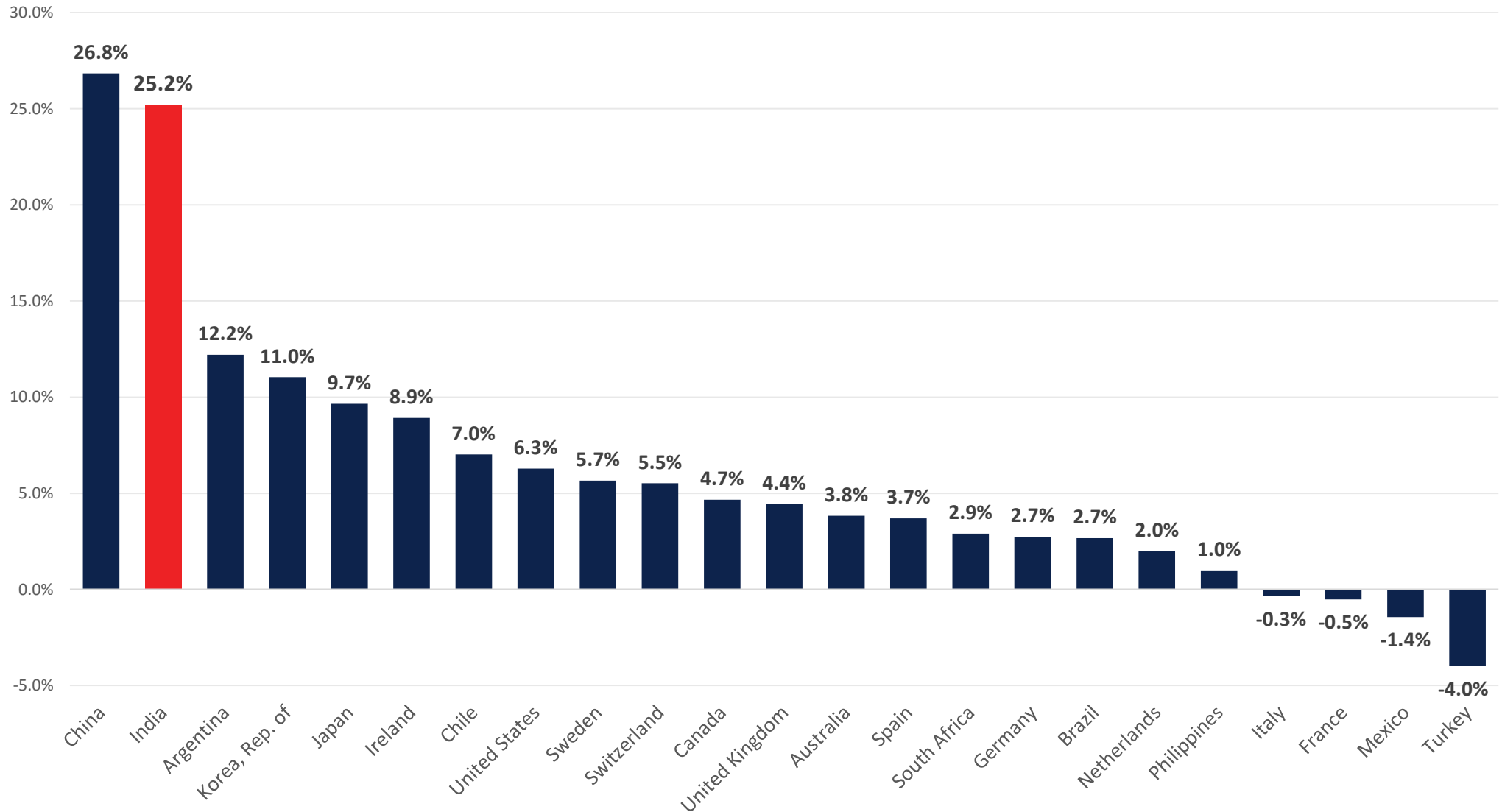


**Mar-13 to Dec-19 CAGR:**  
**Mutual Fund AUM: 22%**  
**Bank Deposits: 11%**

(1) Source: RBI, CRISIL Research; (2) Source: AMFI, RBI, CRISIL Research. Dec-2019 Deposits as per RBI provisional numbers

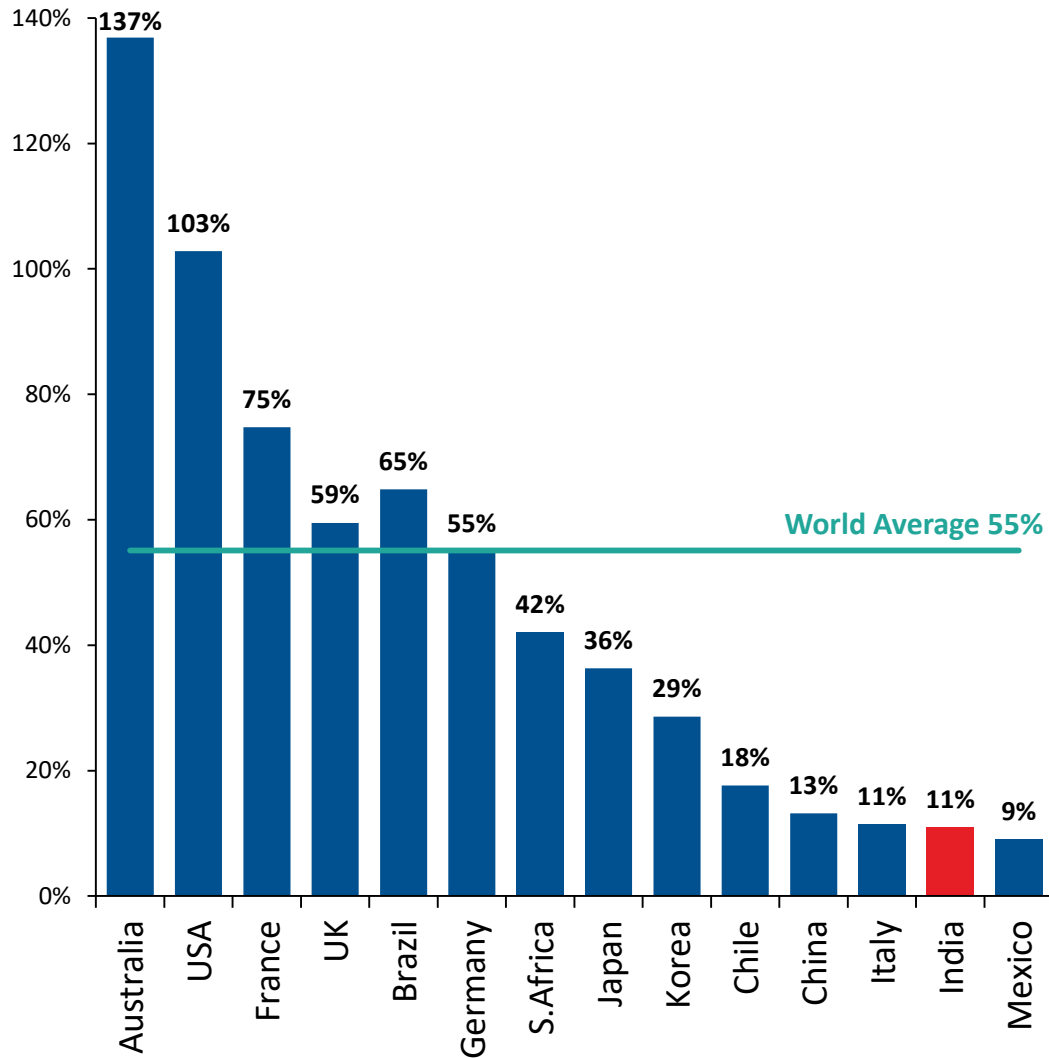
# Mutual Fund AUM Growth – India vs World

### 5 year CAGR growth in MF AUM

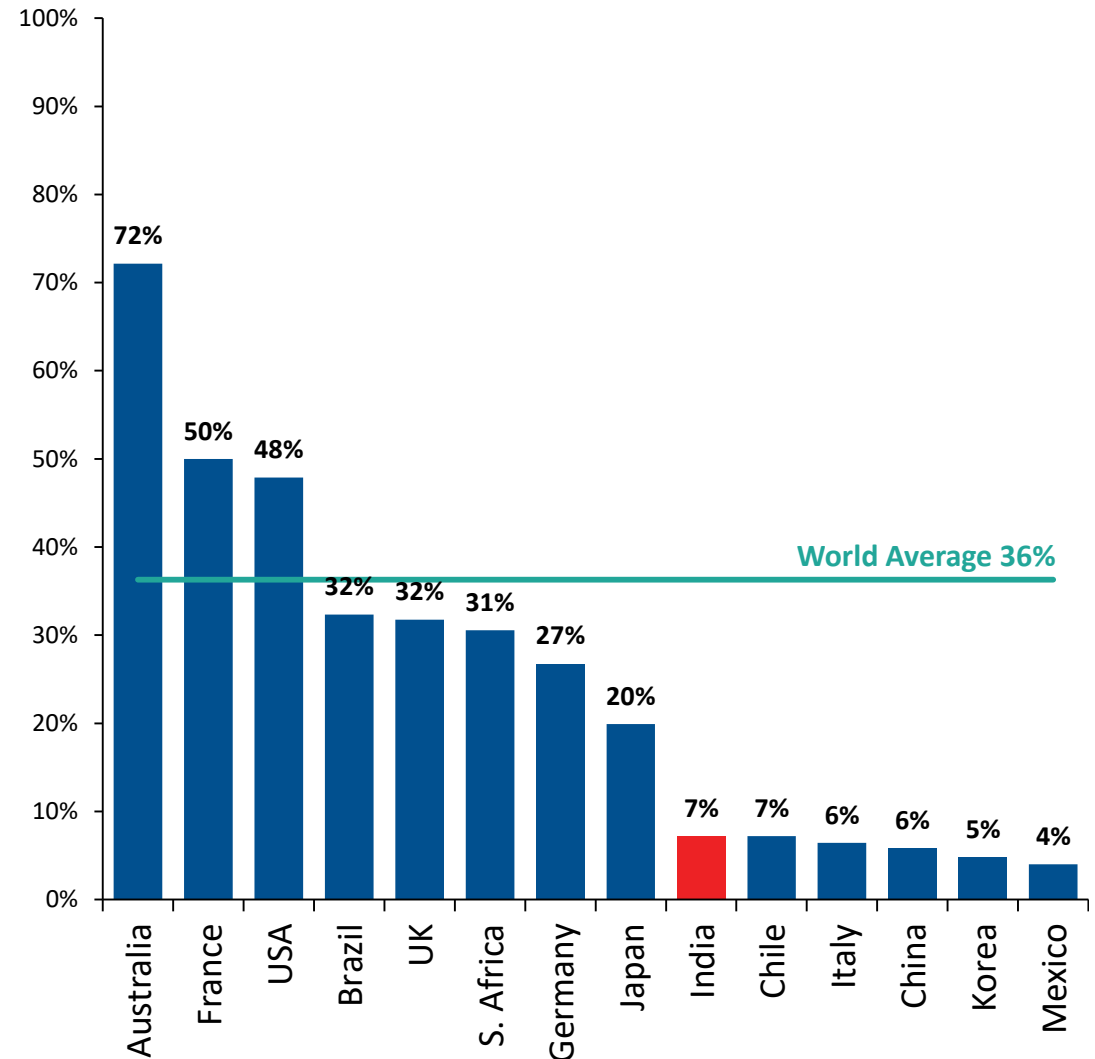


Source: IIFA (as of 31 March 2019)

## AUM as % of GDP



## Equity AUM as % of Market Cap



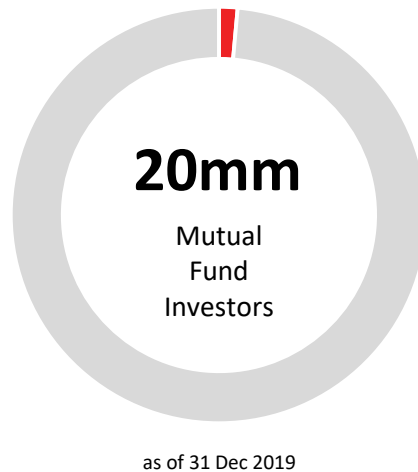
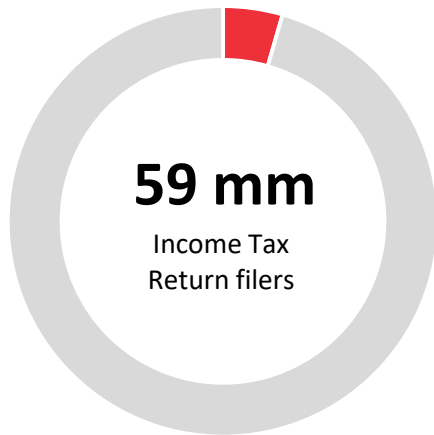
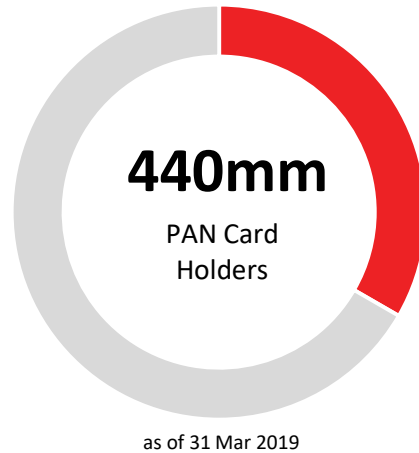
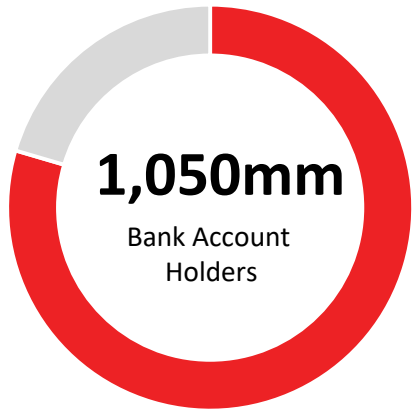
Source: IMF (GDP, CY 2018), IIFA (MF AUM, CY 2018:Q4); Bloomberg (Market-Cap CY 2018:Q4). Balanced/mixed funds are assumed to be composed of 70% equity. Only open-ended funds have been considered.

USD Trillion	India	World	India Share (%)
<b>Mutual Fund Assets</b>	<b>0.37</b>	<b>50.4</b>	<b>0.73%</b>
Equity-oriented	0.13	25.2	0.53%
Market Cap	2.08	69.4	3.00%
<b>Equity AUM as % of MCap</b>	<b>6.4%</b>	<b>36.3%</b>	
GDP	2.72	84.74	3.21%
<b>AUM as % of GDP</b>	<b>13.5%</b>	<b>55.1%</b>	

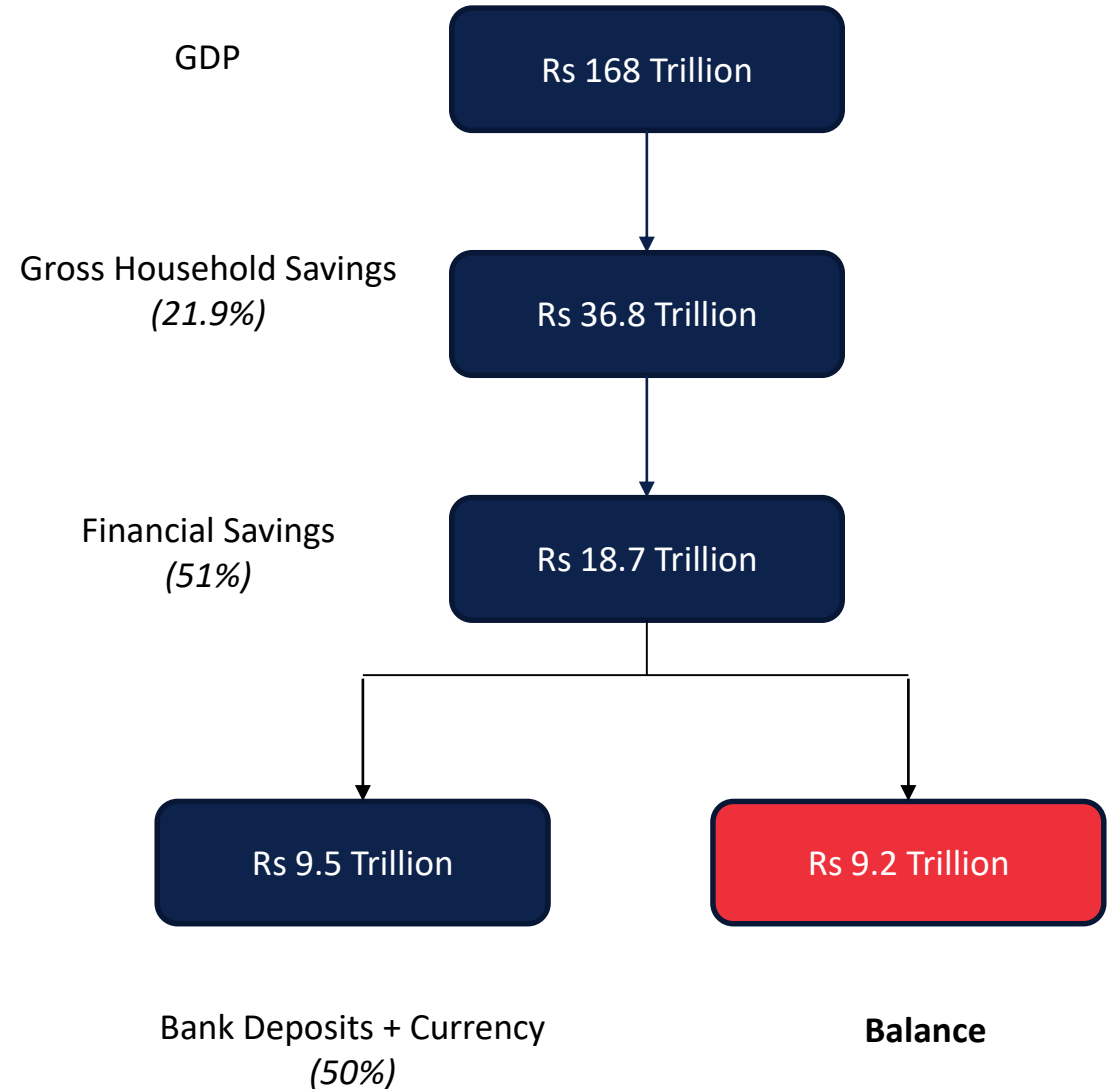
- India's share of global GDP and Market Cap is in excess of 3%, however its share in Mutual Fund Assets is 0.73%
- India's equity-oriented AUM as a % of Market Cap is 6.4% as against the global average of 36.3%
- India's AUM as a % of GDP is 13.5% as against a global average of 55.1%



## India Population: 1,320 mm



## The opportunity size

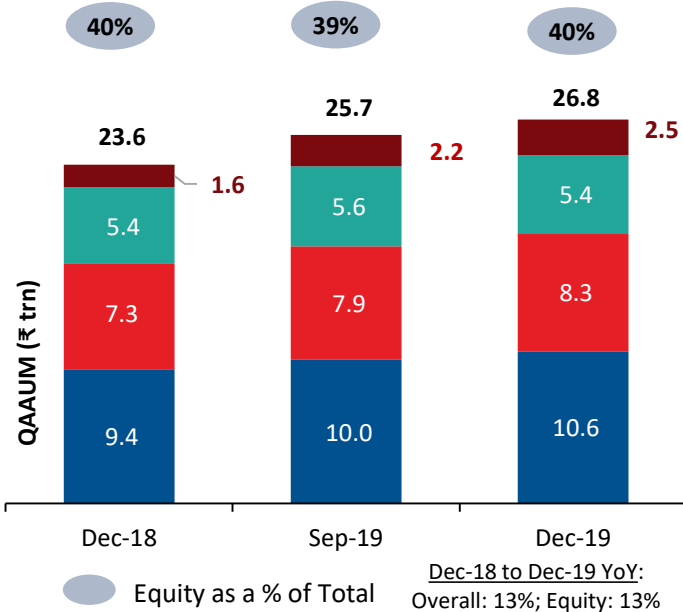


# Mutual Fund Industry and HDFC AMC

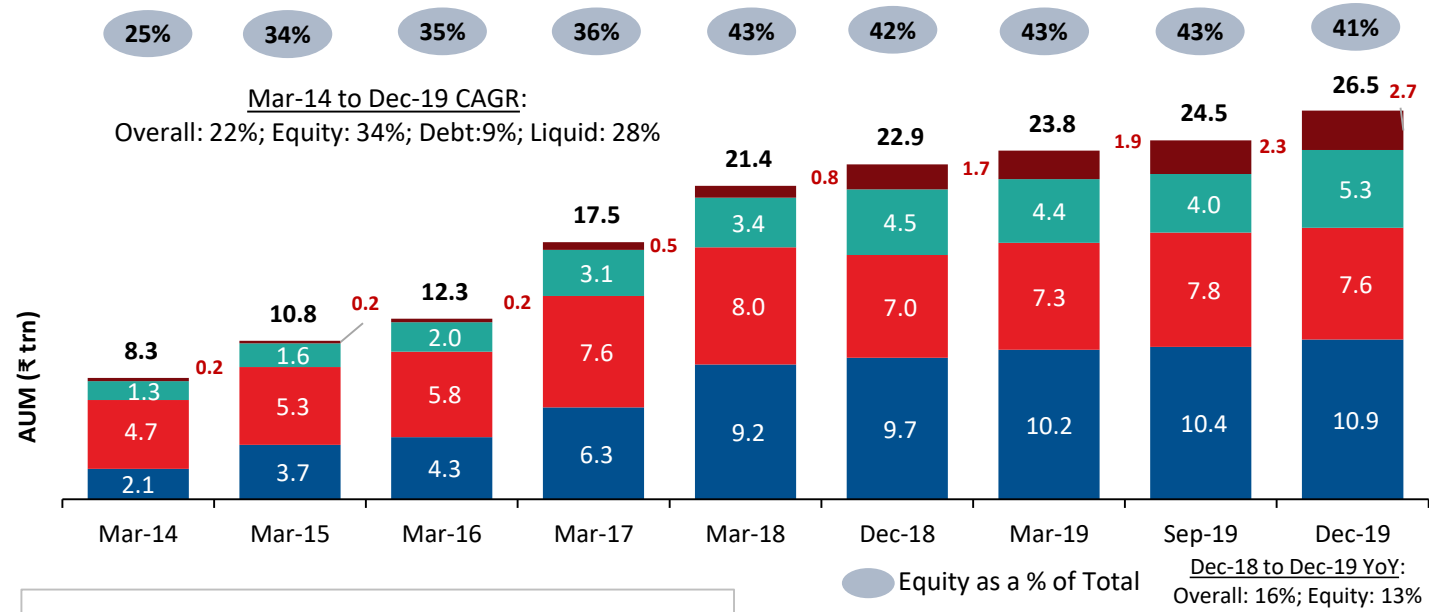


# Industry - AUM and Net Sales

## Quarterly Average AUM

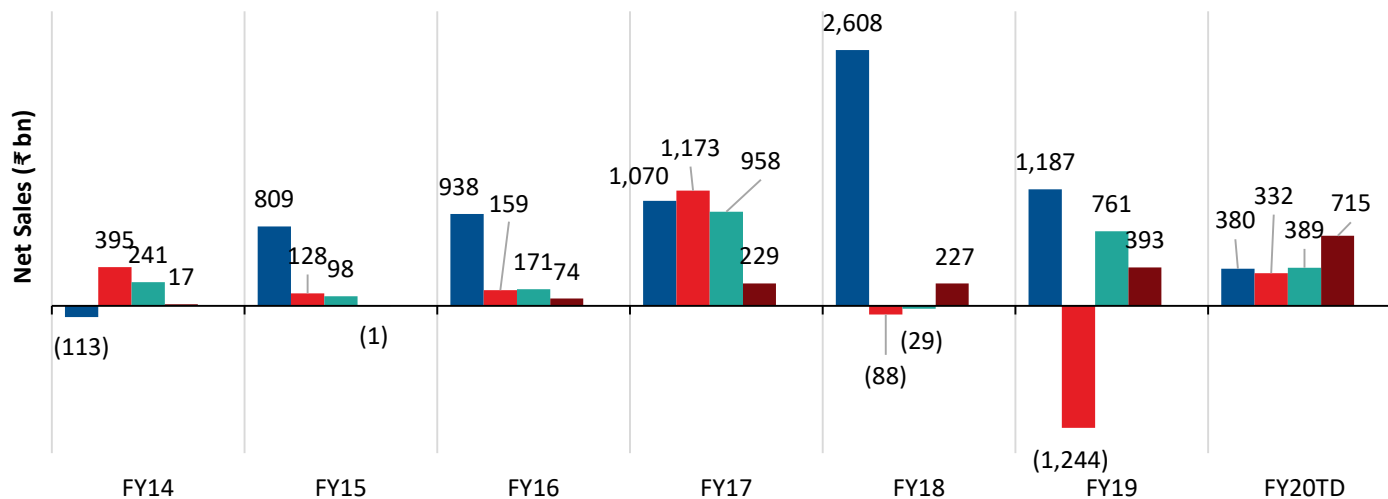


## Closing AUM

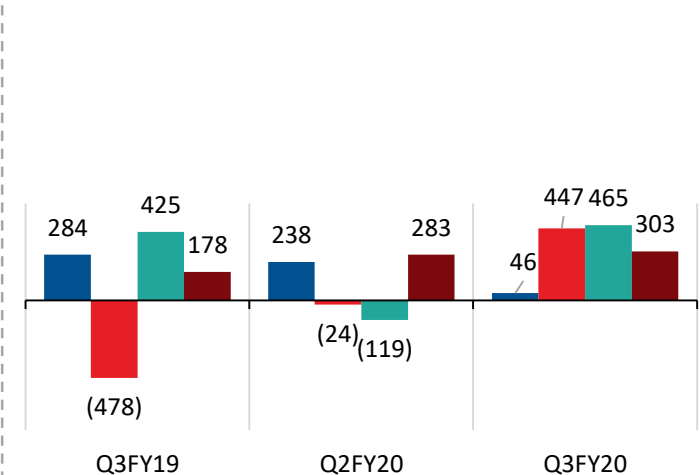


Equity Debt Liquid Others

## Yearly net sales



## Quarterly net sales

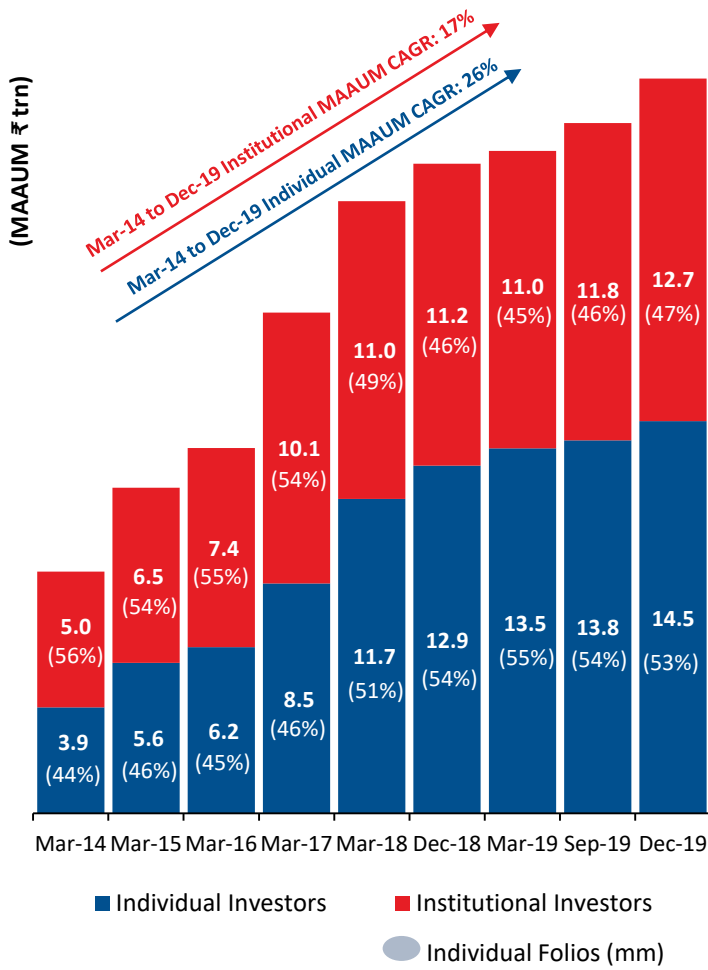


Source: AMFI  
 AUM excluding FOF – domestic; equity includes equity-oriented hybrid funds; 'Other' includes Gold ETFs, other ETFs and FOF – investing overseas. From April 2018, Arbitrage is included in 'Other' category, except for computation of CAGR of equity-oriented AUM.

# Individual / Institutional MAAUM, SIP Flows, B-15/B30

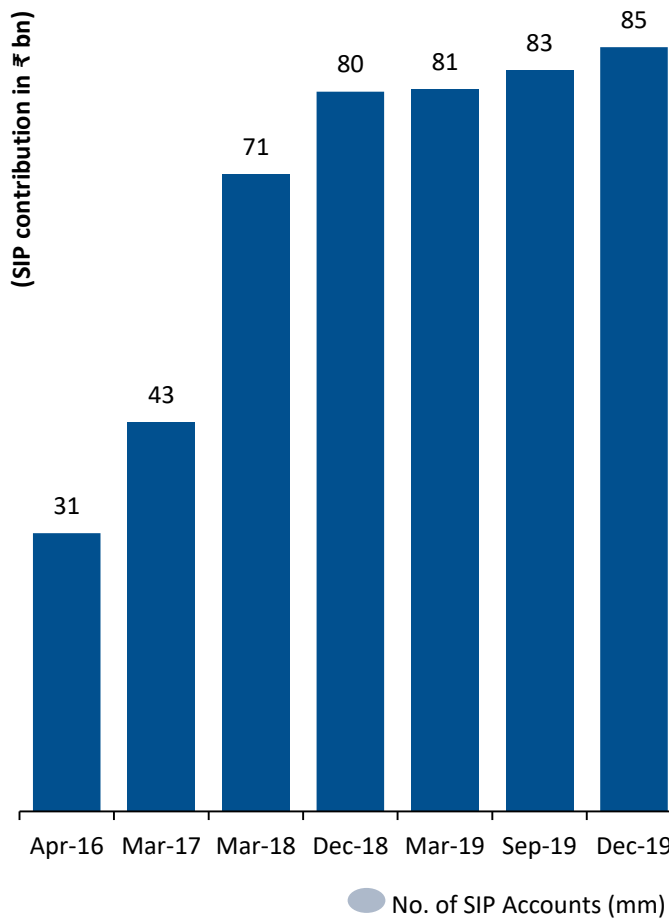
## MAAUM of Individual Investors<sup>(1)(2)(3)</sup>

39.2 41.4 47.2 54.8 70.9 79.8 82.1 85.2 86.6



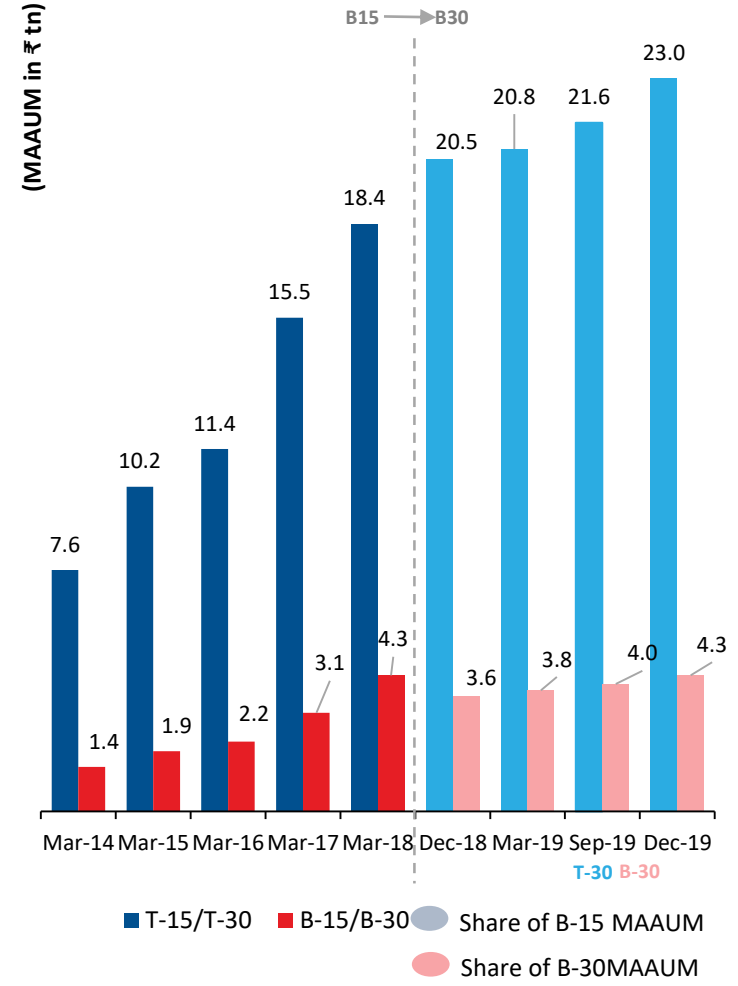
## SIP Flows<sup>(1)</sup>

10.1 13.5 21.1 25.4 26.2 28.4 29.8



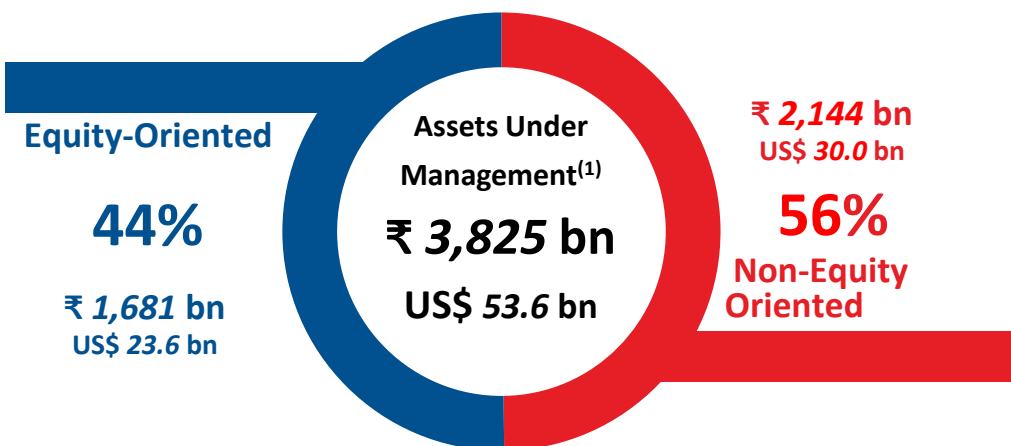
## MAAUM of B-15/B-30<sup>(1)(2)</sup>

16% 16% 16% 17% 19% 15% 15% 16% 16%

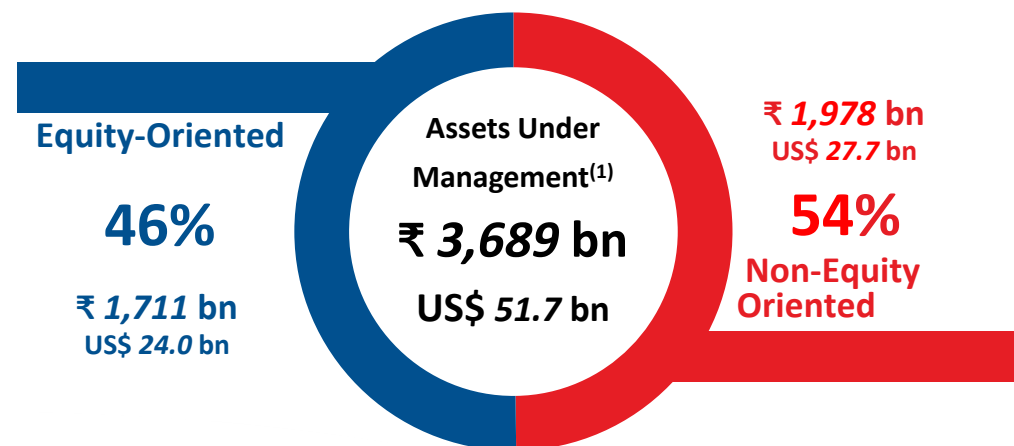


(1) Source: AMFI, (2) Based on monthly average AUM (3) Percentages in brackets denote % share of total

## Quarterly Average AUM



## Closing AUM



**9.4 mm**  
Live Accounts<sup>(1)</sup>



**₹ 116 bn**  
PMS & SMA AUM<sup>(1) (3)</sup>

**220 Branches<sup>(1)(2)</sup>;**  
**70k+ Empaneled**  
Distribution Partners

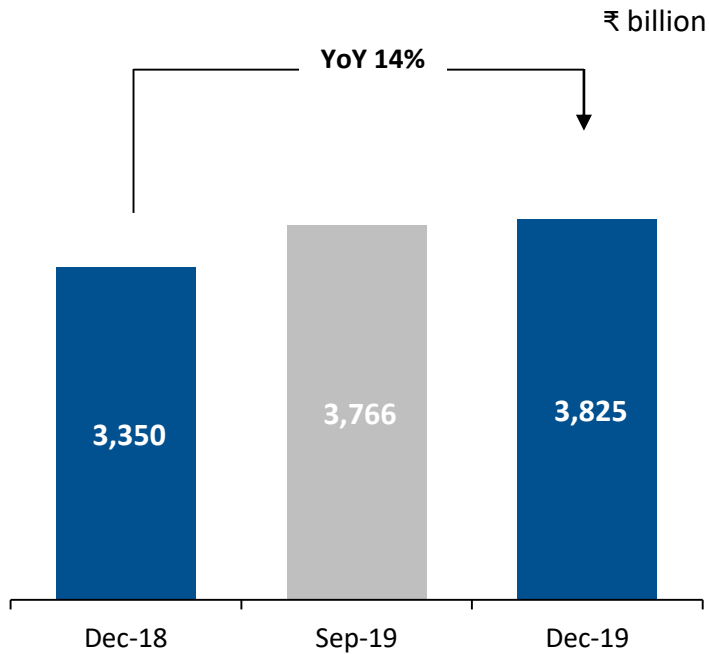
**₹ 2,274 bn**  
Individual MAAUM<sup>(1)</sup>

**1,221 Employees<sup>(1)</sup>**

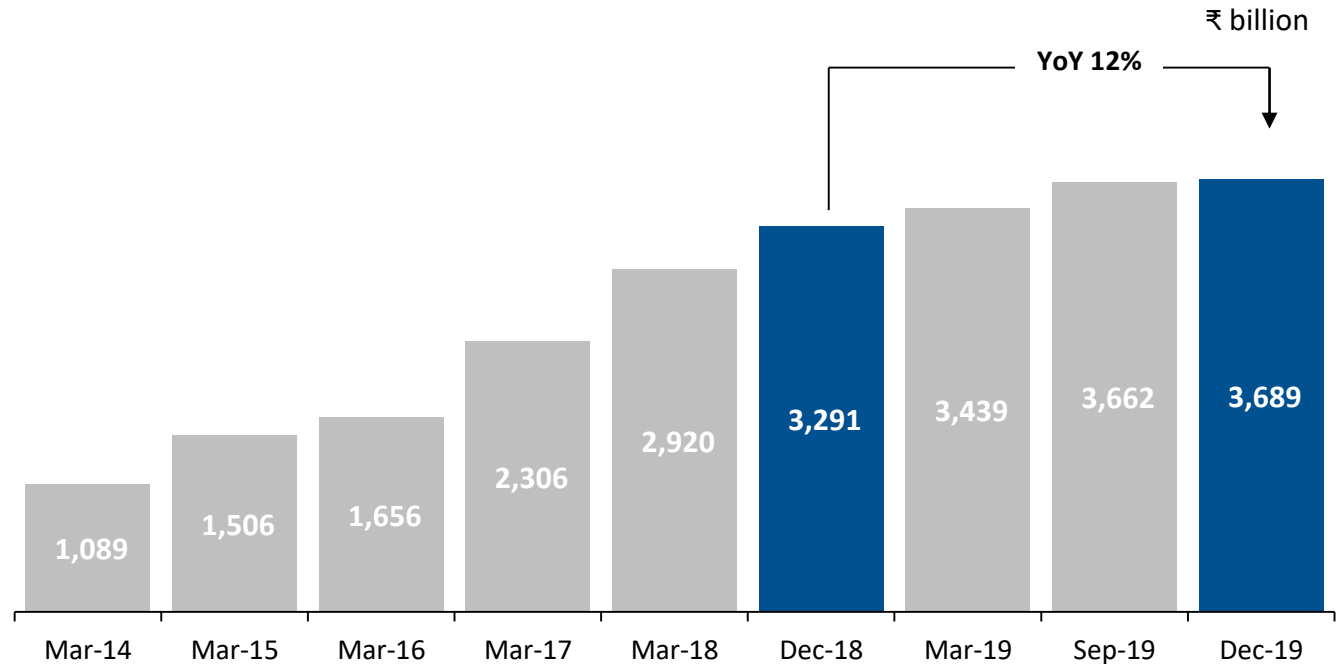
(1) As of Dec 31, 2019 / for Dec 2019; (2) Includes one representative office in Dubai; (3) Includes advisory mandates  
 (2) Source: Internal. USD/INR conversion rate: ₹ 71.3800

# Total AUM and Market Share

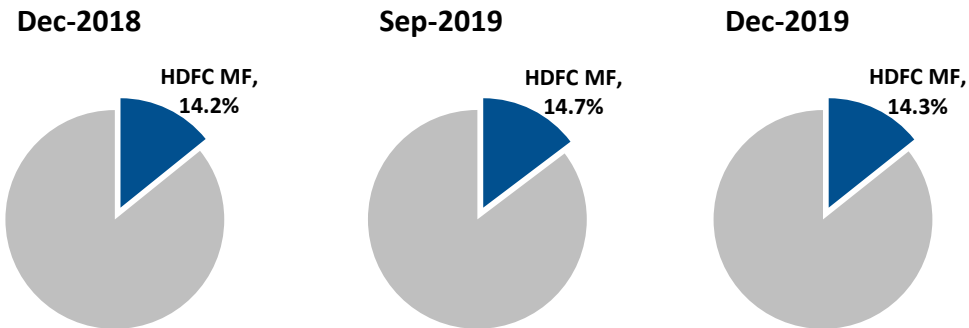
## Quarterly Average AUM



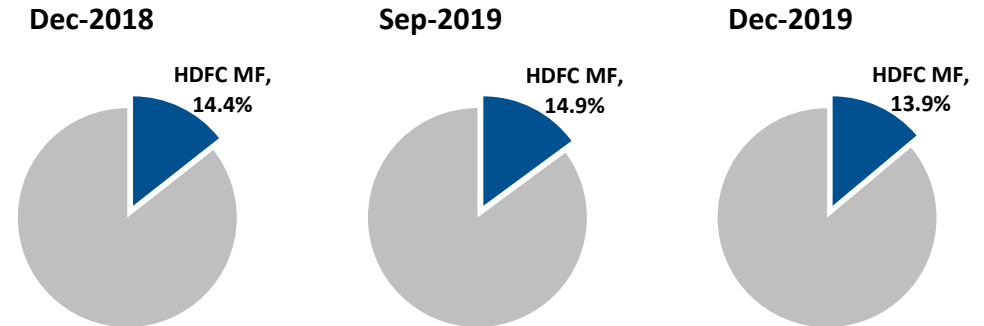
## Closing AUM



## Market Share – Quarterly Average AUM



## Market Share – Closing AUM

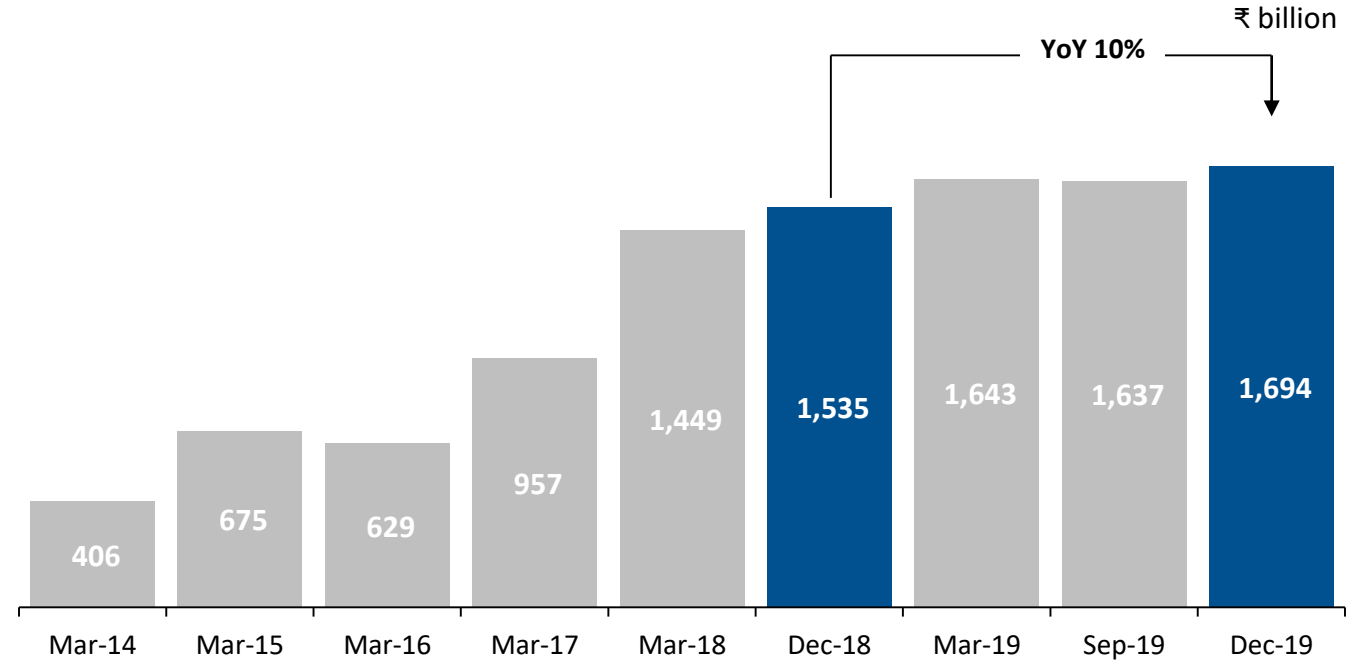
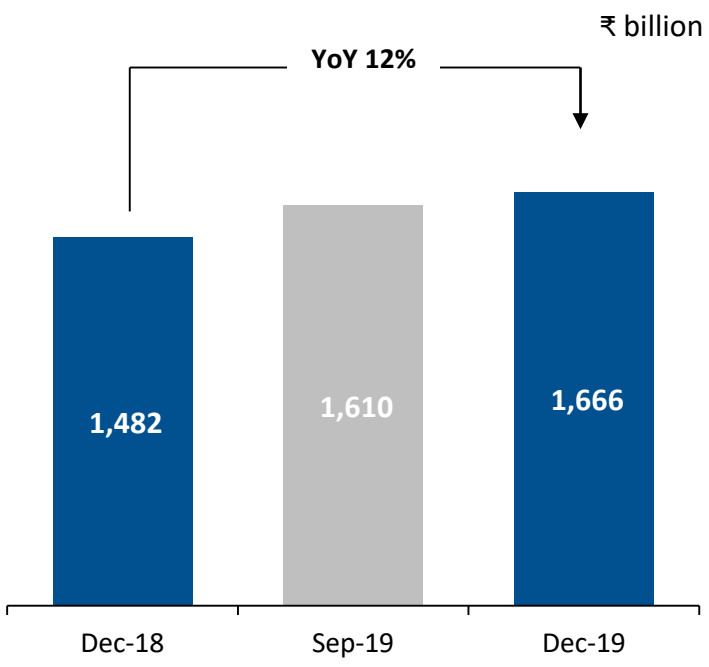


# Actively Managed Equity-oriented AUM and Market Share



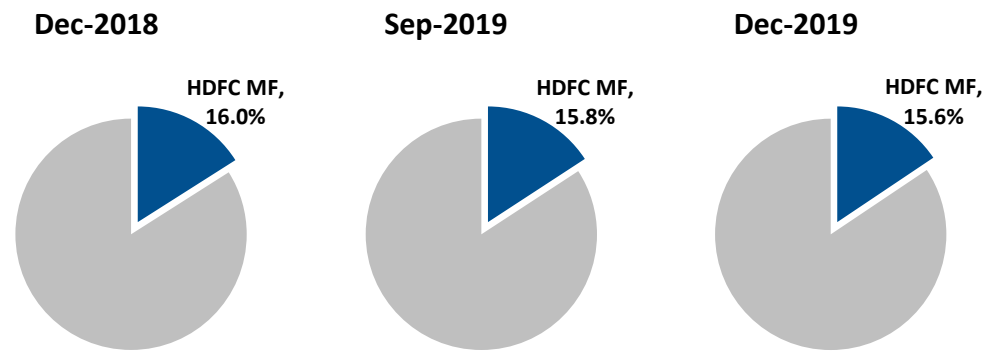
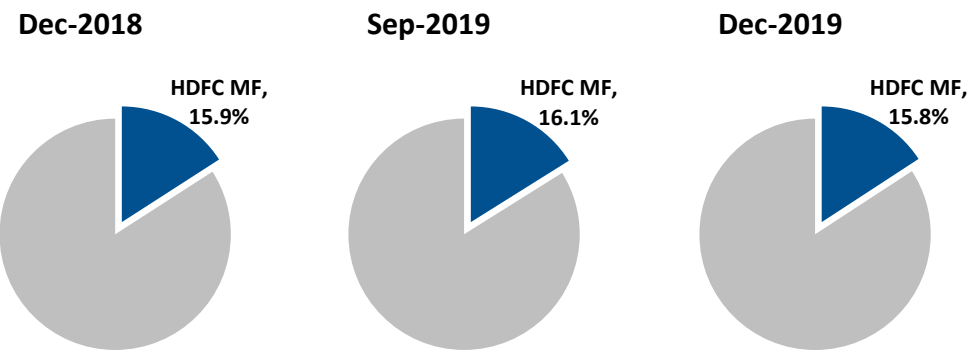
## Quarterly Average AUM

## Closing AUM



## Market Share – Quarterly Average AUM

## Market Share - Closing AUM



Source: Internal, AMFI

# AUM by Segment – HDFC AMC and Industry

## Quarterly Average AUM

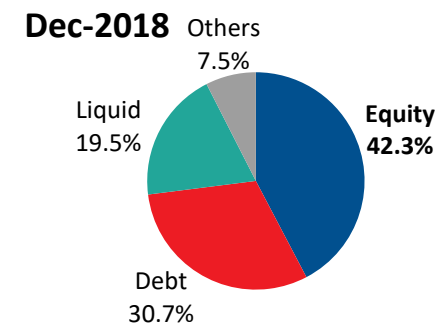
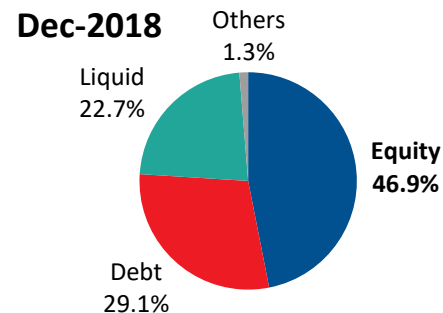
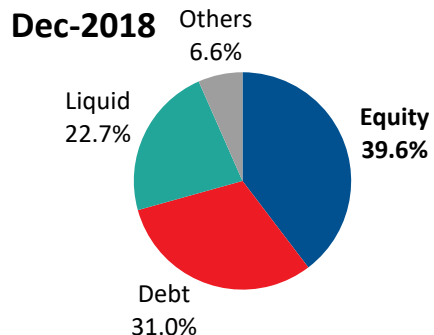
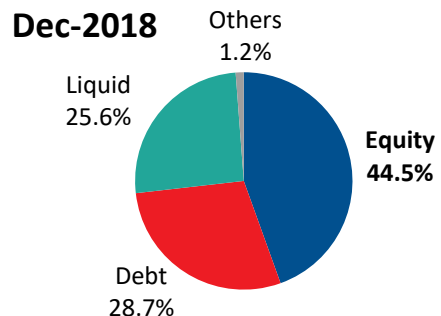
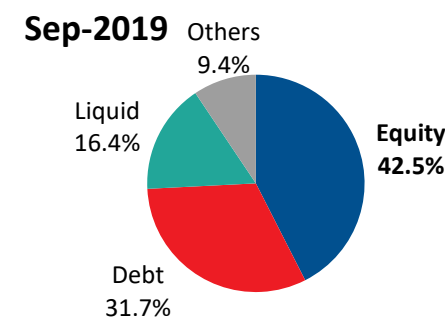
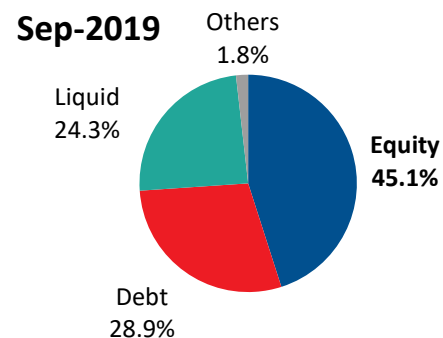
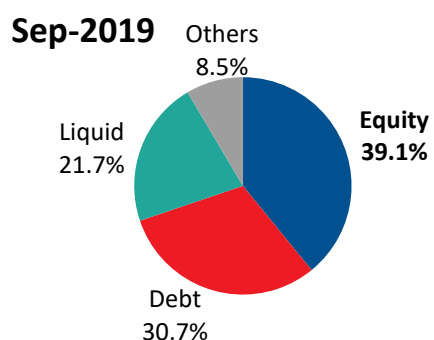
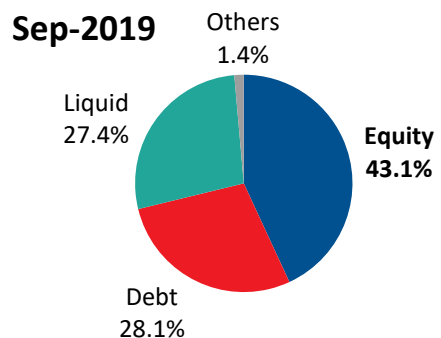
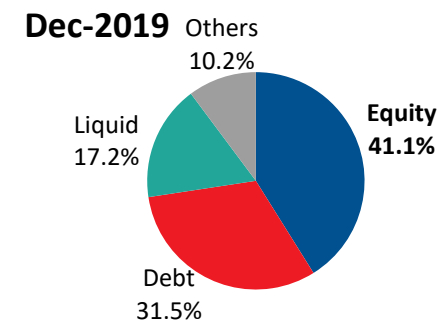
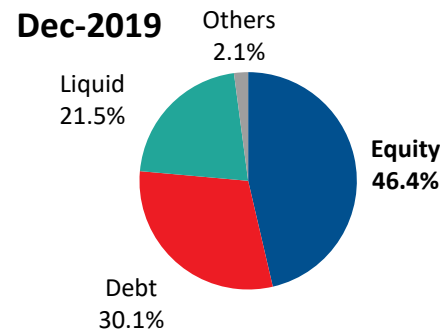
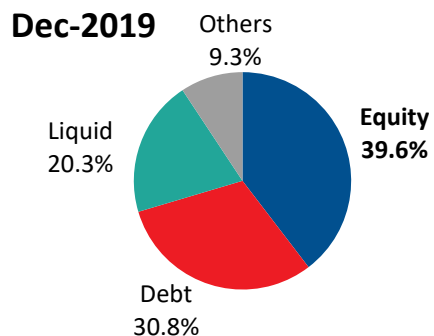
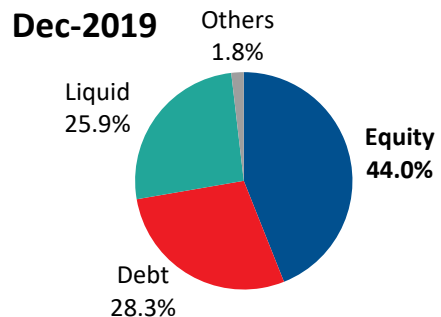
## Closing AUM

### HDFC MF

### Industry

### HDFC MF

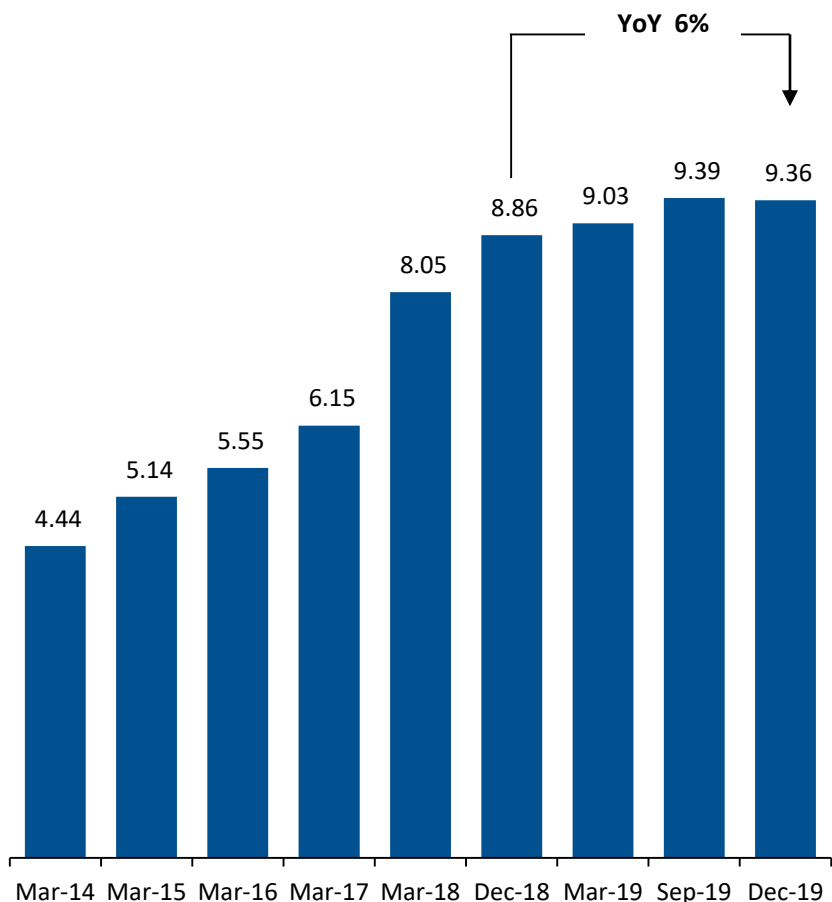
### Industry



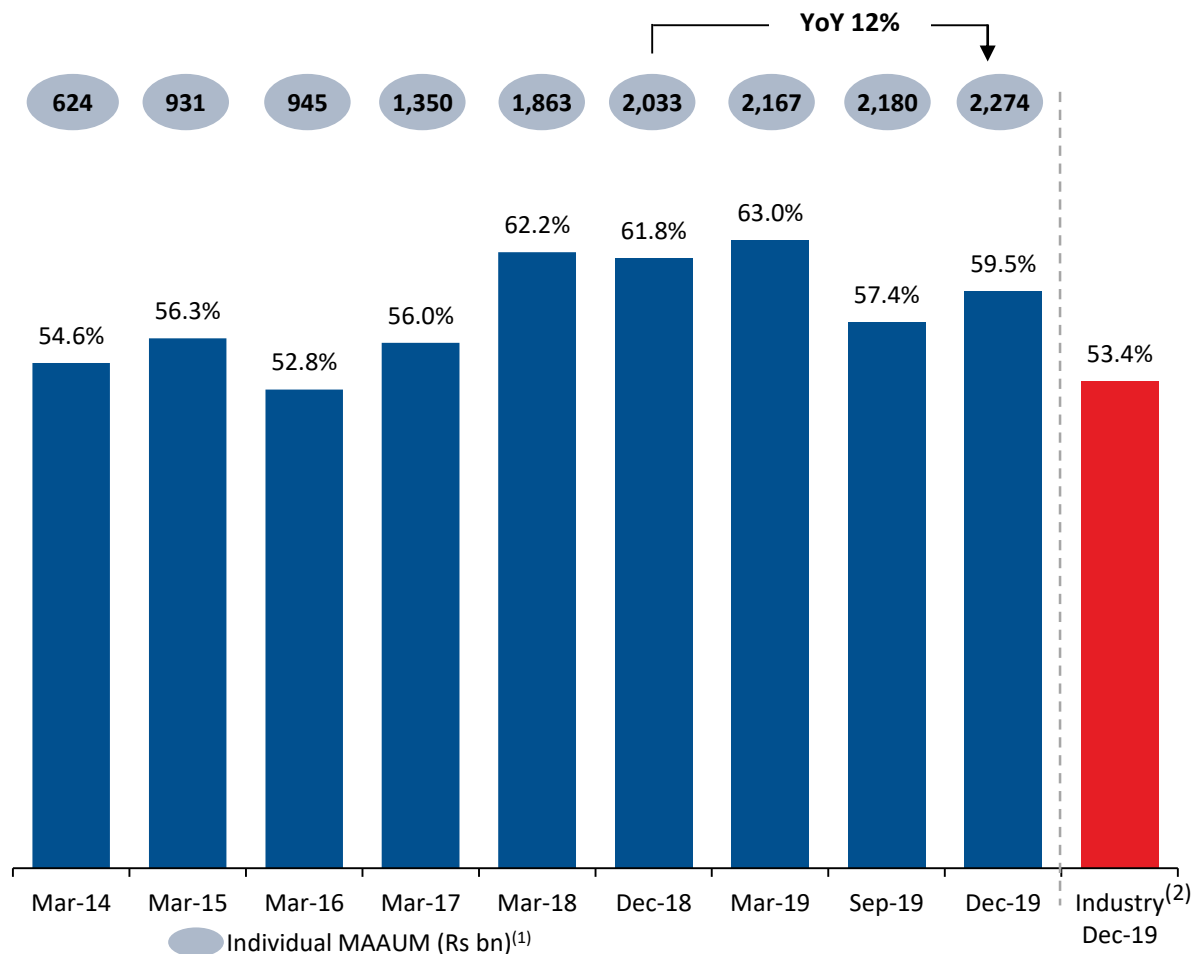


# Individual Investors – no of Accounts & MAAUM

**Number of Live Individual Accounts (in millions)**



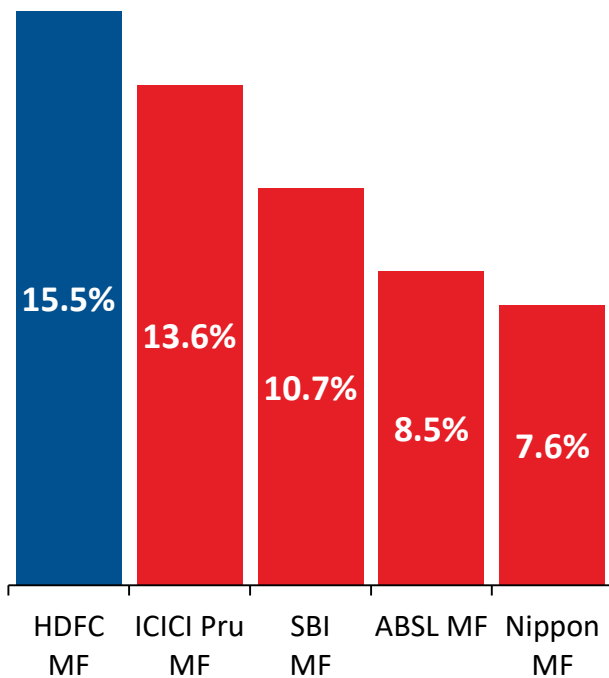
**Individual MAAUM % of Total**



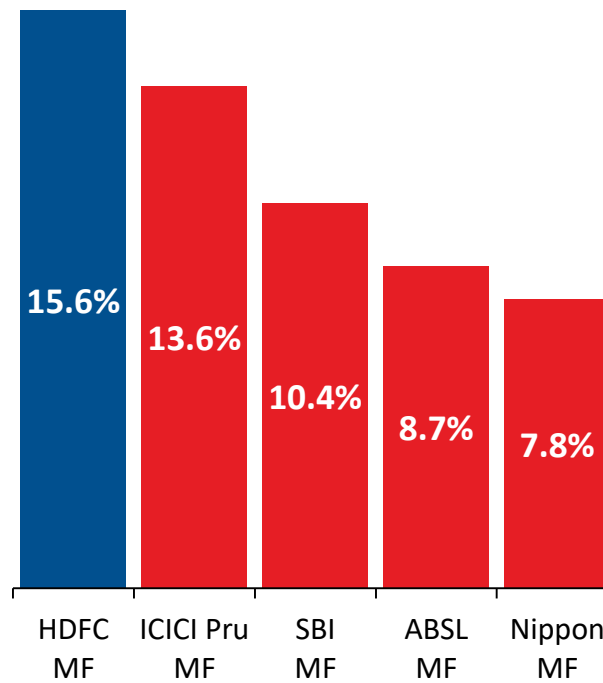
**Individual customer prefer equity-oriented schemes and stay invested for longer periods**

# Most Preferred Choice of Individual Investors

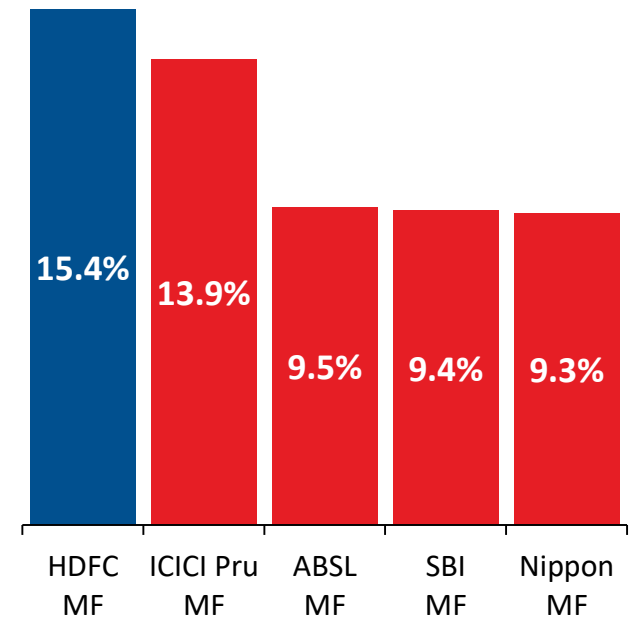
Individual Assets Market Share (Dec-19)



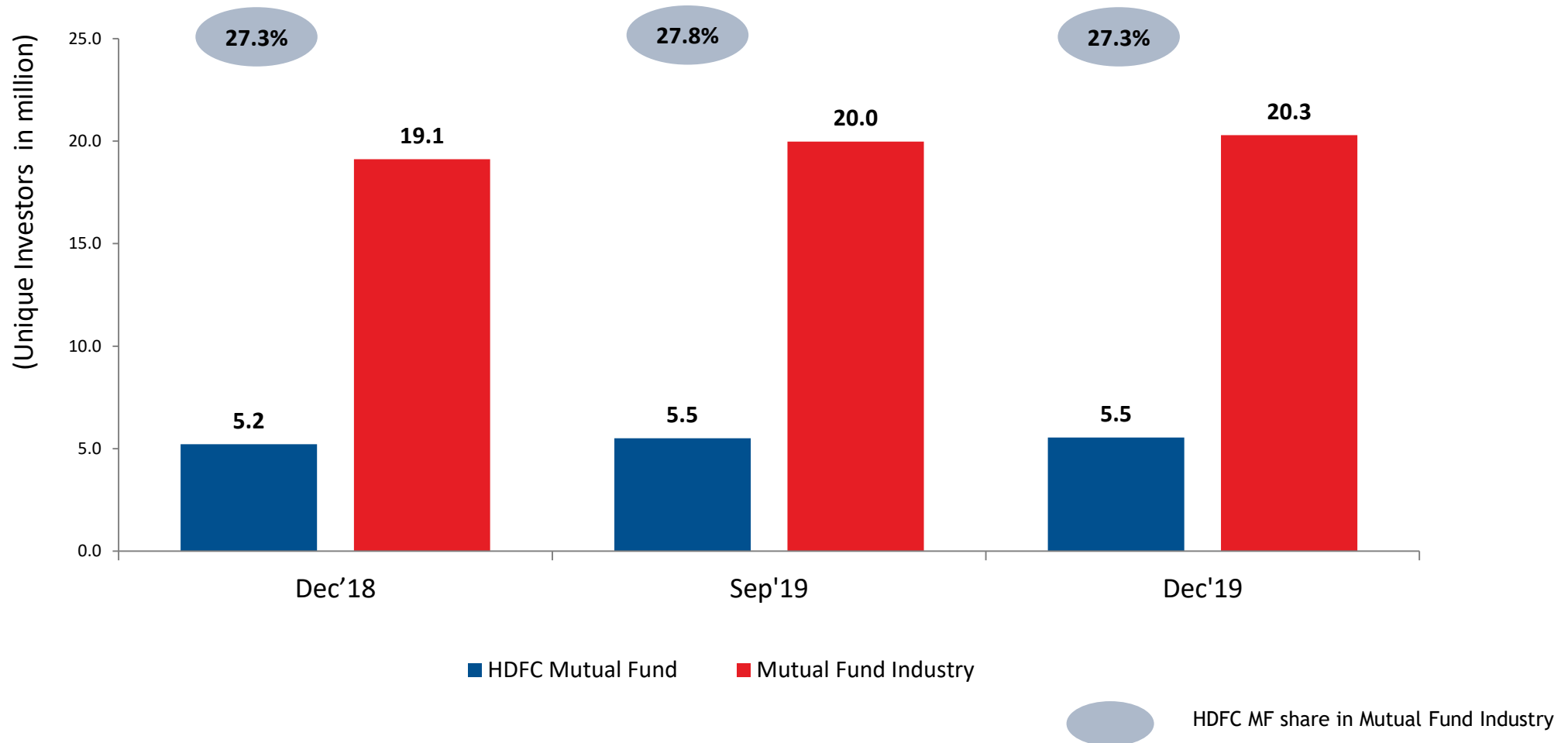
Individual Assets Market Share (Sep-19)



Individual Assets Market Share (Dec-18)

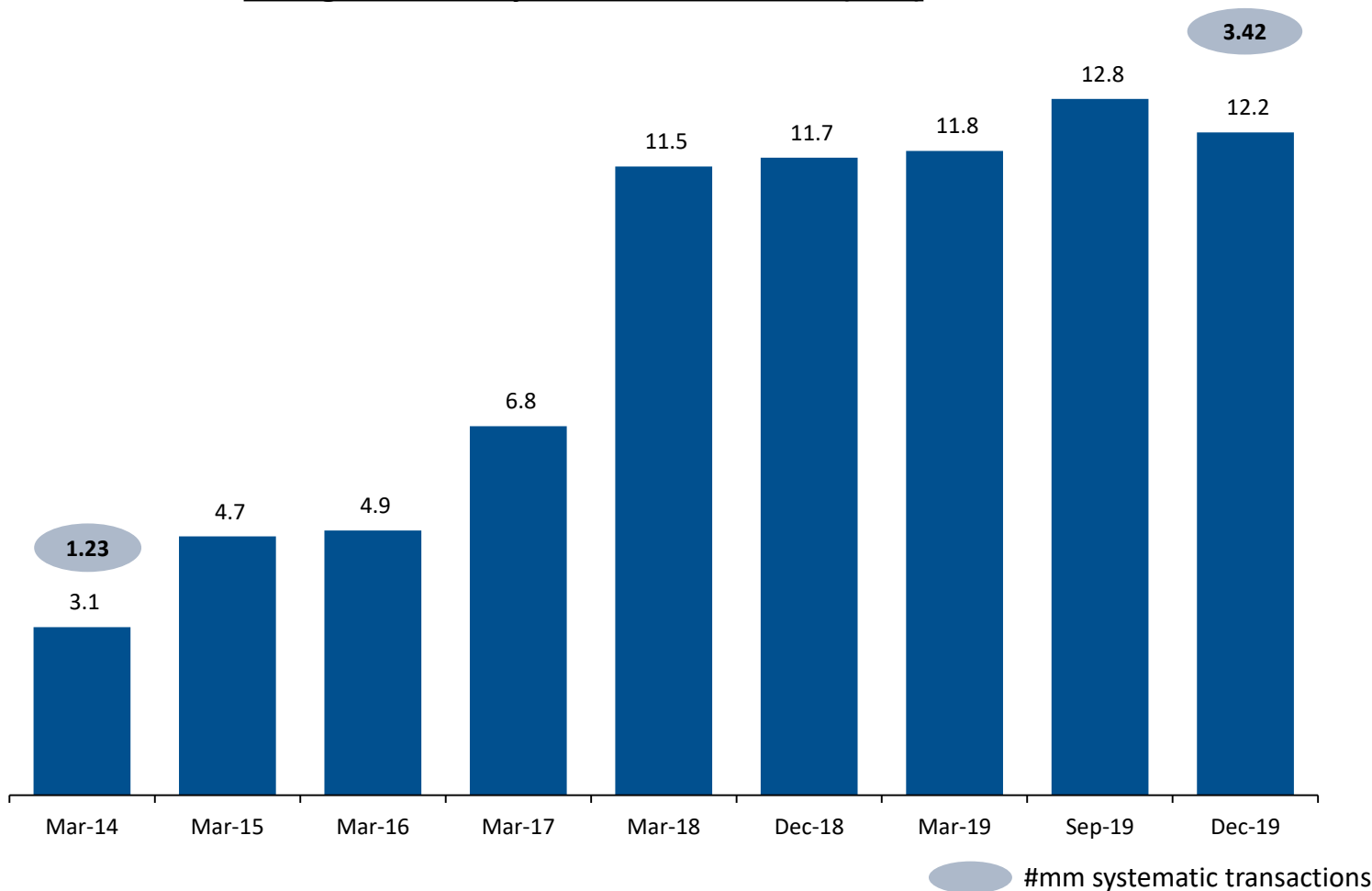


## Unique Investors- HDFC AMC vs MF Industry

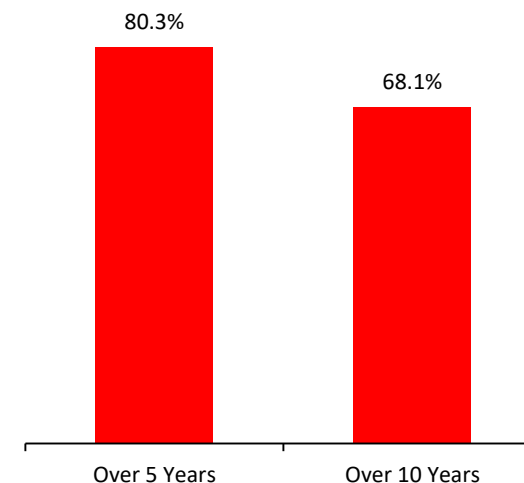


## Quality Long-term Inflows Through Systematic Transactions

**Strong Growth in Systematic Transactions (₹ bn)**



**Long Tenure SIP Book<sup>(1)</sup>**



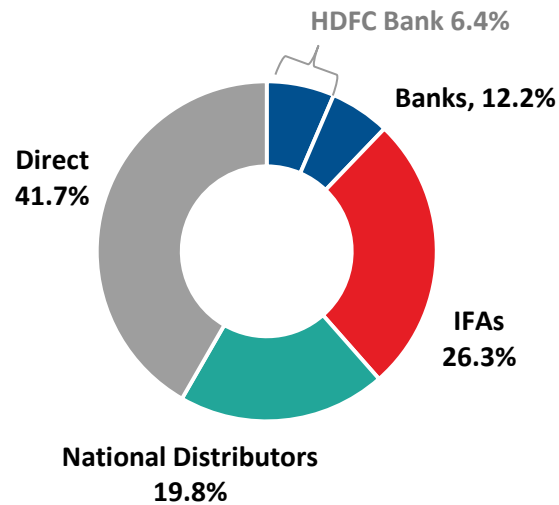
**Strong and growing  
“Order Book” to provide  
predictable flows**

Source: Internal

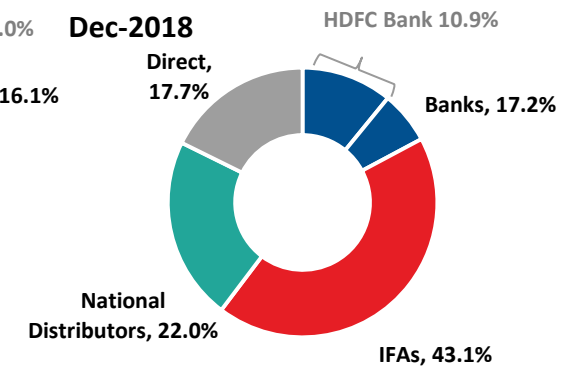
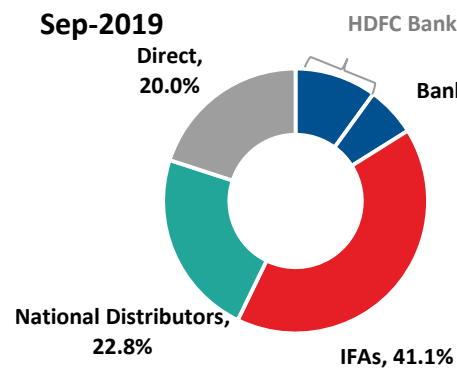
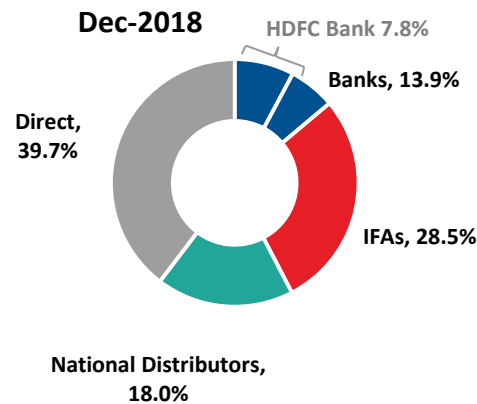
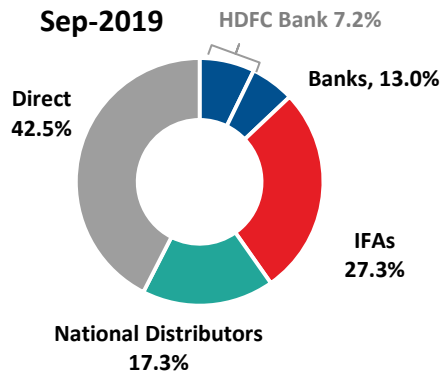
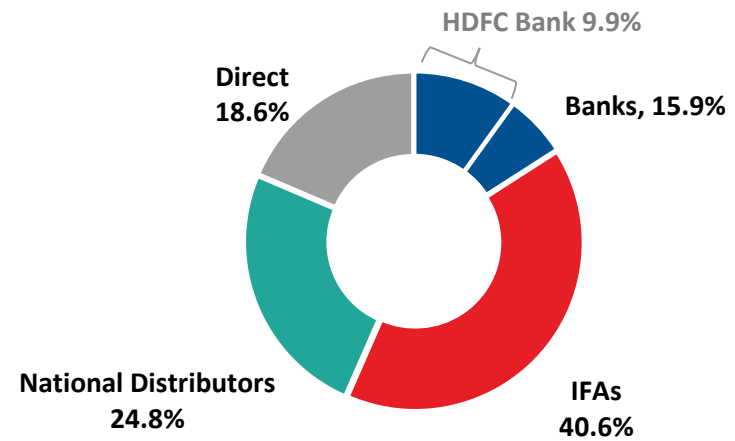
(1) Based on tenure at the time of registration of all live SIPs during Dec-19

## Well Diversified Distribution Channel

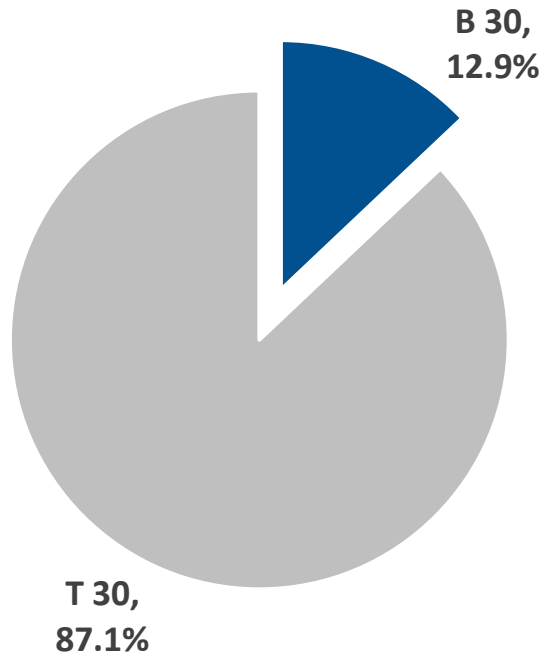
**Total AUM (Dec-19)**



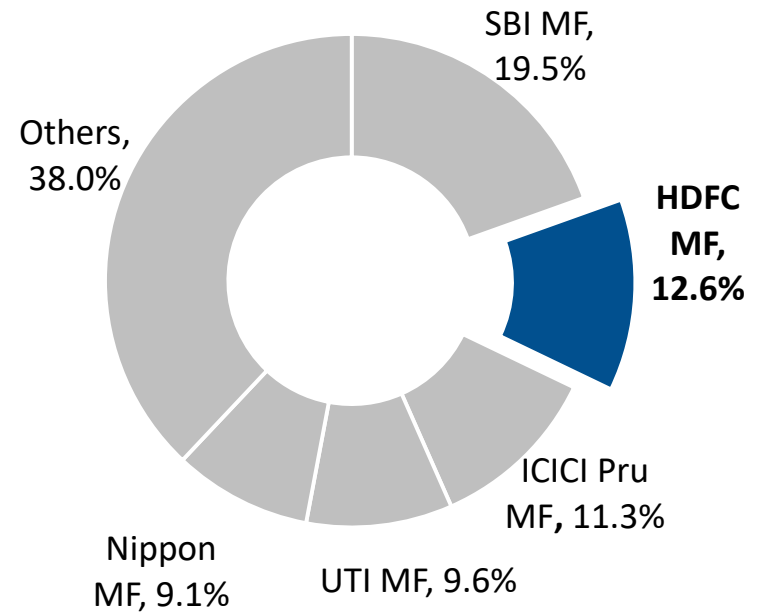
**Equity-oriented AUM (Dec-19)**



## Total MAAUM by T30 and B30 cities<sup>(1)</sup>



## #2 Player in B-30 Markets<sup>(1)</sup>



**Network of 220 branches with 144 in B-30 cities<sup>(2)</sup>**

**c. 70k+ empaneled distribution partners**

(1) Source: Internal

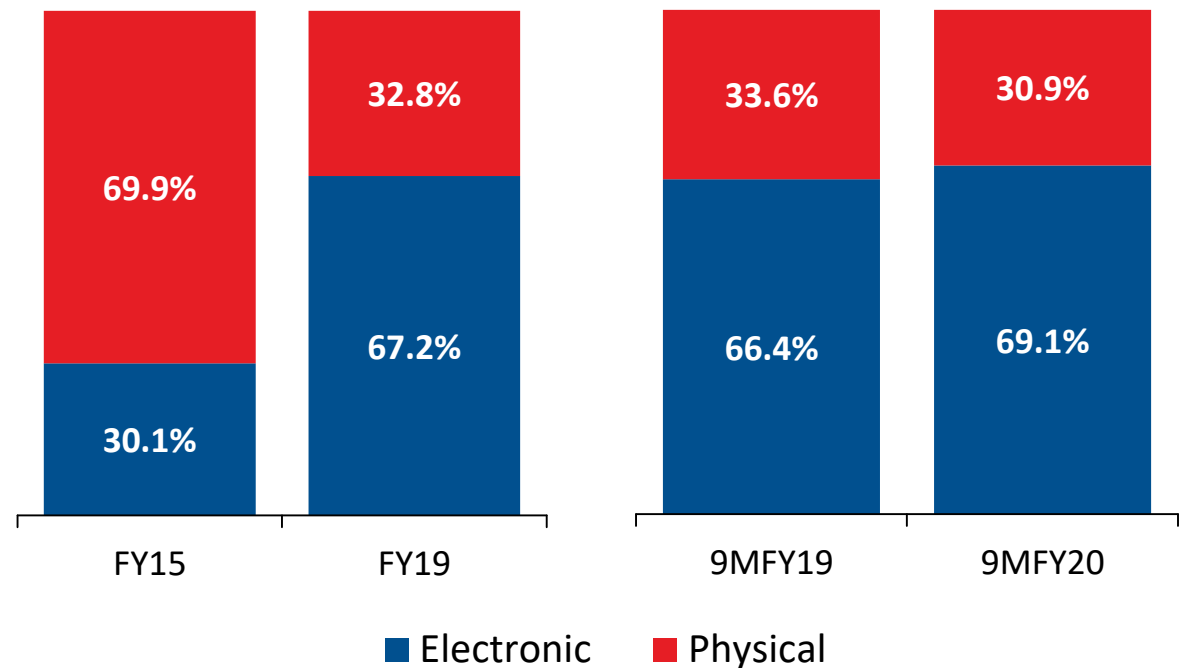
(2) As of Dec 31, 2019. Includes one representative office in Dubai;

# Strong Digital Presence

## Supported by Integrated Online Platform



Electronic and Physical Transaction as % of Total Transactions



- Strong online presence - dedicated separate digital platforms distribution partners and customers
- FY15-19 CAGR of 42% for electronic transactions
- 17.2% transaction during FY19 were through HDFC MF Online and mobile application

# Financials





# Financials Summary – Nine Months Earnings

(₹ mm)

Particulars	9ME FY20	9ME FY19	Change
<b>Income</b>			
Revenue from Operations	15,271	14,287	7%
Other Income	1,667	1,204	38%
<b>Total Income</b>	<b>16,938</b>	<b>15,491</b>	<b>9%</b>
<b>Expenses</b>			
Finance Costs	68	-	-
Fees and Commission Expenses	193	2,104	-91%
Impairment on Financial Instruments	-	302	-
Employee Benefit Expenses	1,716	1,587	8%
Depreciation and Amortization Expenses	370	94	294%
Other Expenses	1,357	1,803	-25%
<b>Total Expenses</b>	<b>3,704</b>	<b>5,890</b>	<b>-37%</b>
<b>Profit before tax</b>	<b>13,234</b>	<b>9,601</b>	<b>38%</b>
<b>Tax Expenses</b>	<b>3,109</b>	<b>3,057</b>	<b>2%</b>
<b>Profit after tax</b>	<b>10,125</b>	<b>6,544</b>	<b>55%</b>
Other Comprehensive Income (net of tax)	(36)	(7)	
<b>Total Comprehensive Income</b>	<b>10,089</b>	<b>6,537</b>	<b>54%</b>

Particulars	9ME FY20	9ME FY19	Change
Revenue from Operations	15,271	14,287	7%
Total Expenses*	3,704	5,588	-34%
<b>Operating Profit from core AM business</b>	<b>11,567</b>	<b>8,699</b>	<b>33%</b>

\*Adjusted for non recurring expenses

# Financials Summary – Quarterly Earnings

(₹ mm)

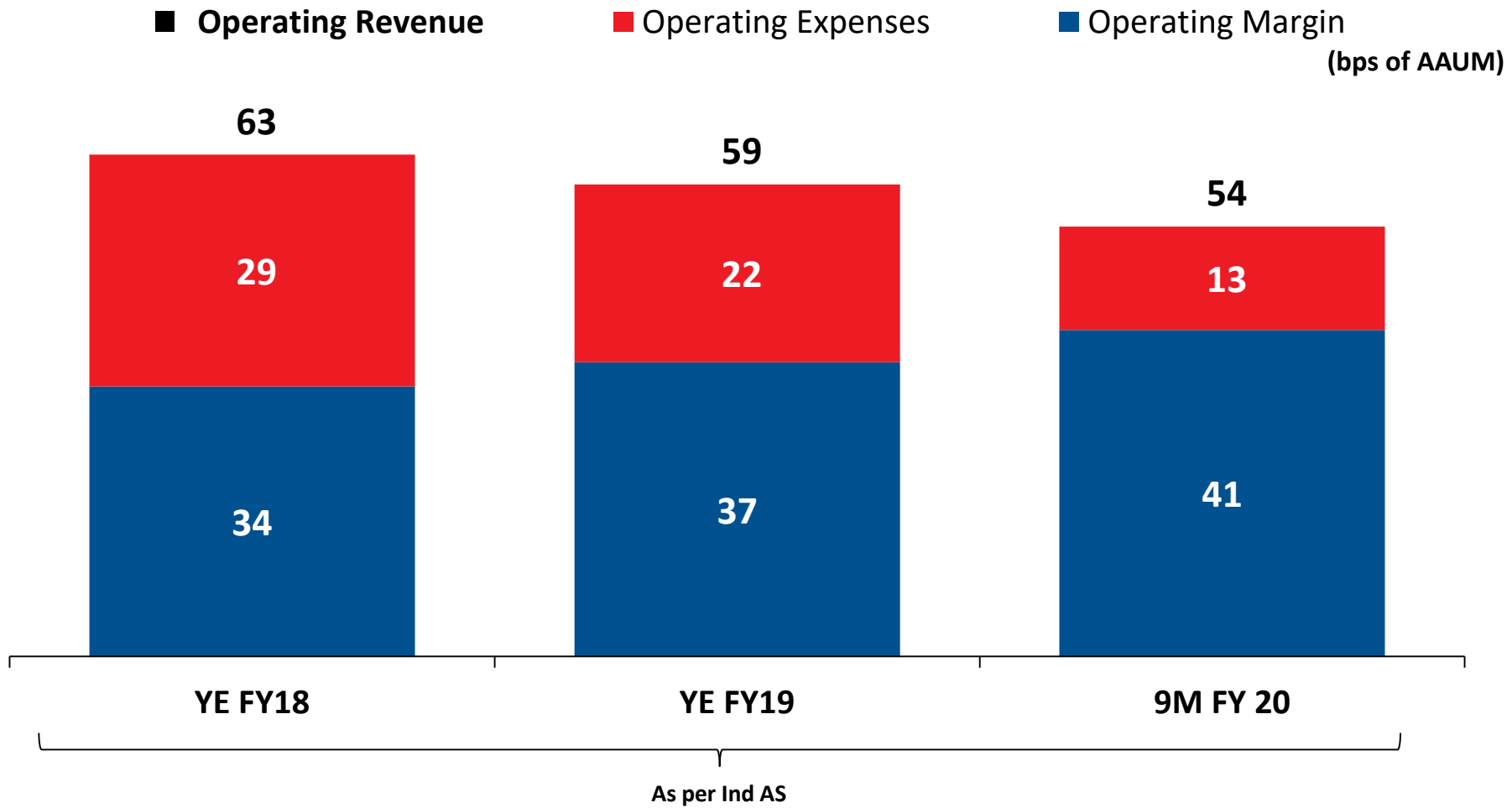
Particulars	Q3 FY20	Q3 FY19	Change
<b>Income</b>			
Revenue from Operations	5,247	4,771	10%
Other Income	673	556	21%
<b>Total Income</b>	<b>5,920</b>	<b>5,327</b>	<b>11%</b>
<b>Expenses</b>			
Finance Costs	22	-	-
Fees and Commission Expenses	71	530	-87%
Impairment on Financial Instruments	-	90	-
Employee Benefit Expenses	571	505	13%
Depreciation and Amortization Expenses	127	37	243%
Other Expenses	469	482	-3%
<b>Total Expenses</b>	<b>1,260</b>	<b>1,644</b>	<b>-23%</b>
<b>Profit before tax</b>	<b>4,660</b>	<b>3,683</b>	<b>27%</b>
<b>Tax Expenses</b>	<b>1,135</b>	<b>1,250</b>	<b>-9%</b>
<b>Profit after tax</b>	<b>3,525</b>	<b>2,433</b>	<b>45%</b>
Other Comprehensive Income (net of tax)	4	(9)	
<b>Total Comprehensive Income</b>	<b>3,529</b>	<b>2,424</b>	<b>46%</b>

Particulars	Q3 FY20	Q3 FY19	Change
Revenue from Operations	5,247	4,771	10%
Total Expenses*	1,260	1,554	-19%
<b>Operating Profit from core AM business</b>	<b>3,987</b>	<b>3,217</b>	<b>24%</b>

\*Adjusted for non recurring expenses

1. The Company holds certain Non Convertible Debentures (NCDs) that are secured by a pledge of listed equity shares. These NCDs are classified as financial assets at fair value through profit and loss. Hence, any changes in their fair value on the reporting date is reflected as a part of 'Other Income'.  
On fair valuation of the said NCDs as at December 31, 2019, the unrealized loss recognized in the results for the nine months ended December 31, 2019 stands at ₹ 251.07 mm as compared to ₹ 249.73 mm for the half year ended September 30, 2019. The carrying value of these NCDs as at December 31, 2019 was ₹ 1,231.85 mm. The value of the collateral as at December 31, 2019 is ₹ 1,505.61 mm.
  
2. The Company has elected to exercise the option of a lower tax rate provided under Section 115BAA of the Income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company had recognised provision for income tax for the half year ended September 30, 2019 and re-measured its deferred tax assets basis the rate provided in the said section. The full impact of above mentioned change, amounting to approximately ₹ 667 mm had been recognised in the result for the half year ended September 30, 2019, out of which, approximately ₹ 343 mm pertains to quarter ended June 30, 2019.
  
3. Effective April 01, 2019, the Company has adopted 'Ind AS 116 - Leases' and applied it to all lease contracts existing on April 01, 2019 using the modified retrospective method. Consequently, the cumulative adjustment has been taken to retained earnings on the date of initial application i.e. April 01, 2019. Based on the same and as permitted under the specific transitional provisions in the standard, the Company is not required to restate the comparative figures. The effect of this adoption is not material to the profit for the period and earnings per share.

# Operating Profit Margin



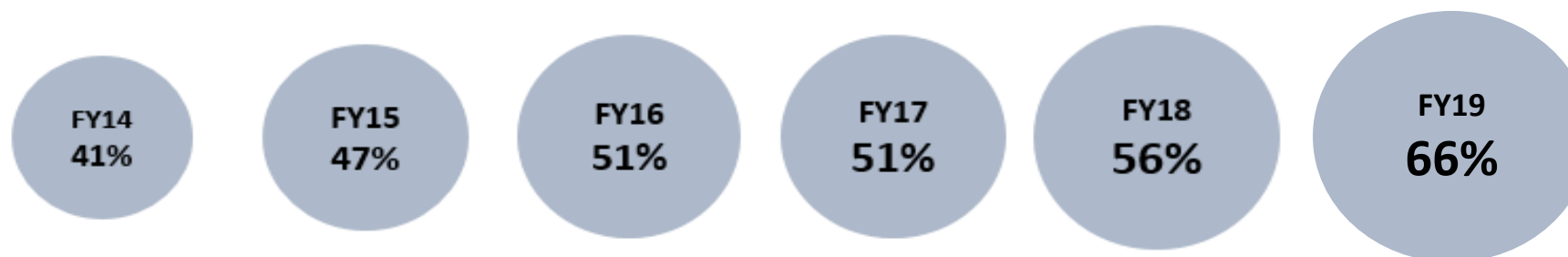
## Return on Equity<sup>(1)</sup>



\*Return on Equity has reduced in FY 19 due to substantial increase in average networth

Return on Equity from FY15 to FY18 was under Previous GAAP whereas for FY19, it is under Ind AS

## Consistently improving Dividend Payout Ratio<sup>(2)</sup>



(1) Calculated as Profit After Tax divided by average Net Worth

(2) Including dividend distribution tax. FY19 includes interim dividend of Rs. 12 paid in March 2019 and a final dividend of Rs. 12 proposed by the board on 26th April 2019 and approved by the shareholders at the Annual General Meeting held on July, 16, 2019.

# Thank You



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## Definitions

AUM refers to Assets Under Management as on end of any given month/period

MAAUM refers to a given month’s average Assets Under Management

QAAUM refers to a given quarter’s average Assets Under Management

AAAUM refers to a given year’s average Assets Under Management

Unless otherwise stated, the above definitions are used for Mutual Fund Assets under management