

EW/Sec/2023-24/206

November 10, 2023

<b>BSE Limited</b> P J Towers, Dalal Street, Fort, Mumbai - 400 001.  <b>Scrip Code: 532922</b>	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.  <b>Symbol: EDELWEISS</b>
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Dear Sir/Madam,

**Sub: Business Update on Mutual Fund Business**

Please find enclosed herewith the business update (in INR) of Edelweiss Asset Management Limited, a wholly owned subsidiary of the Company.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**For Edelweiss Financial Services Limited**

**Tarun Khurana**  
**Company Secretary**

Encl.: as above



# Mutual Funds Business Update

November 2023



**Strong Foundation. Sustainable Growth.**

Industry & Opportunity

01

Our Journey

02

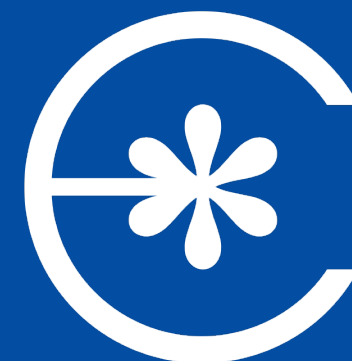
Way Forward

03



**Strong Foundation. Sustainable Growth.**

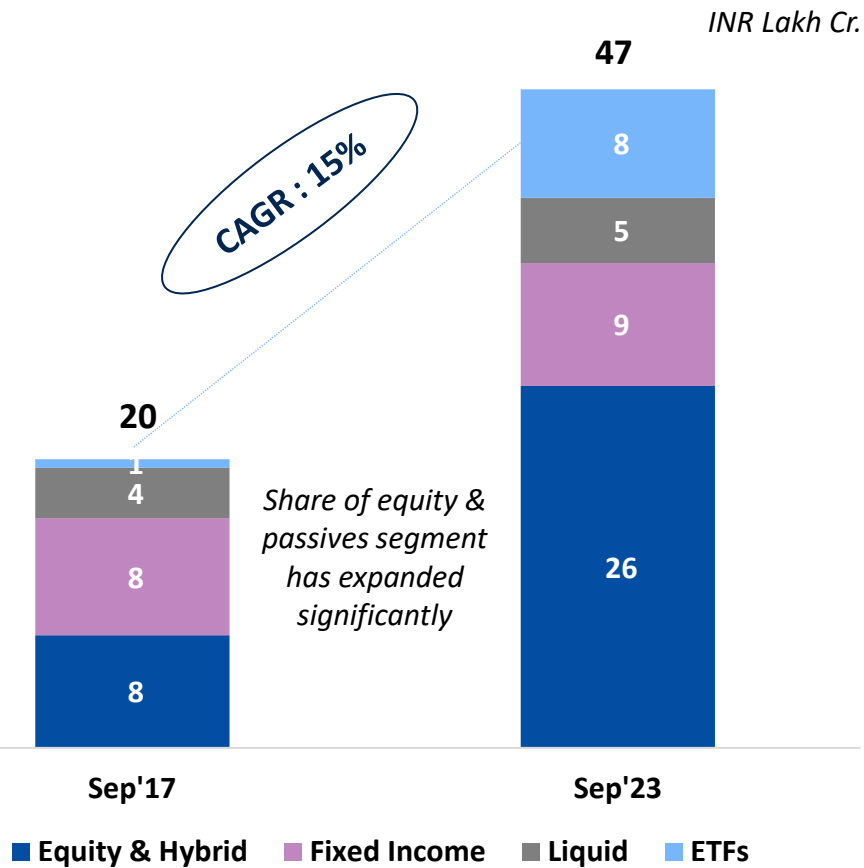
# Industry & Opportunity



# The MF Industry will continue to see structural growth

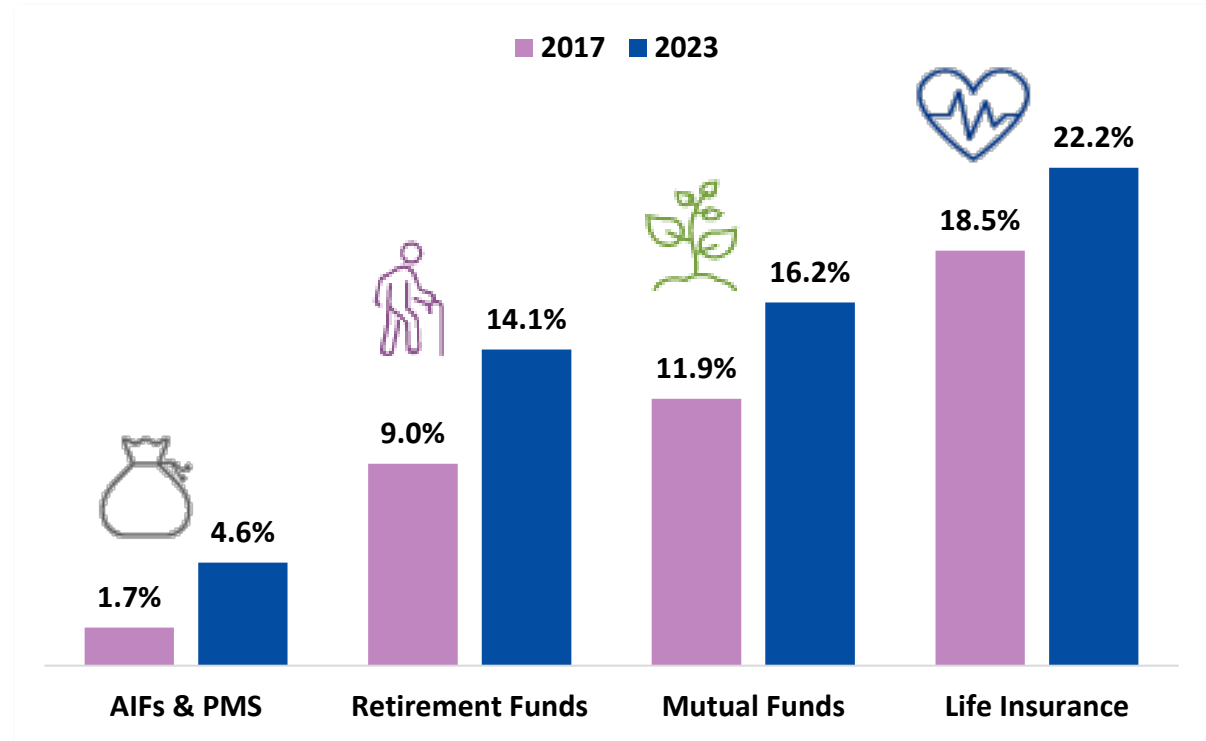


## MF Industry assets are growing



## 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
<b>Edelweiss</b>	<b>8,129</b>	<b>1,10,972</b>	<b>55%</b>	<b>26</b>	<b>13</b>
PPFAS	821	45,608	95%	35	19
Quant	247	31,748	125%	39	21
<b>Industry</b>	<b>20,95,736</b>	<b>46,99,975</b>	<b>14%</b>	-	-

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

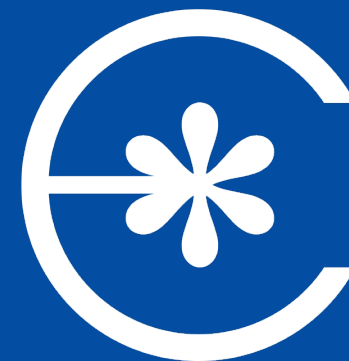
## New Entrants

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

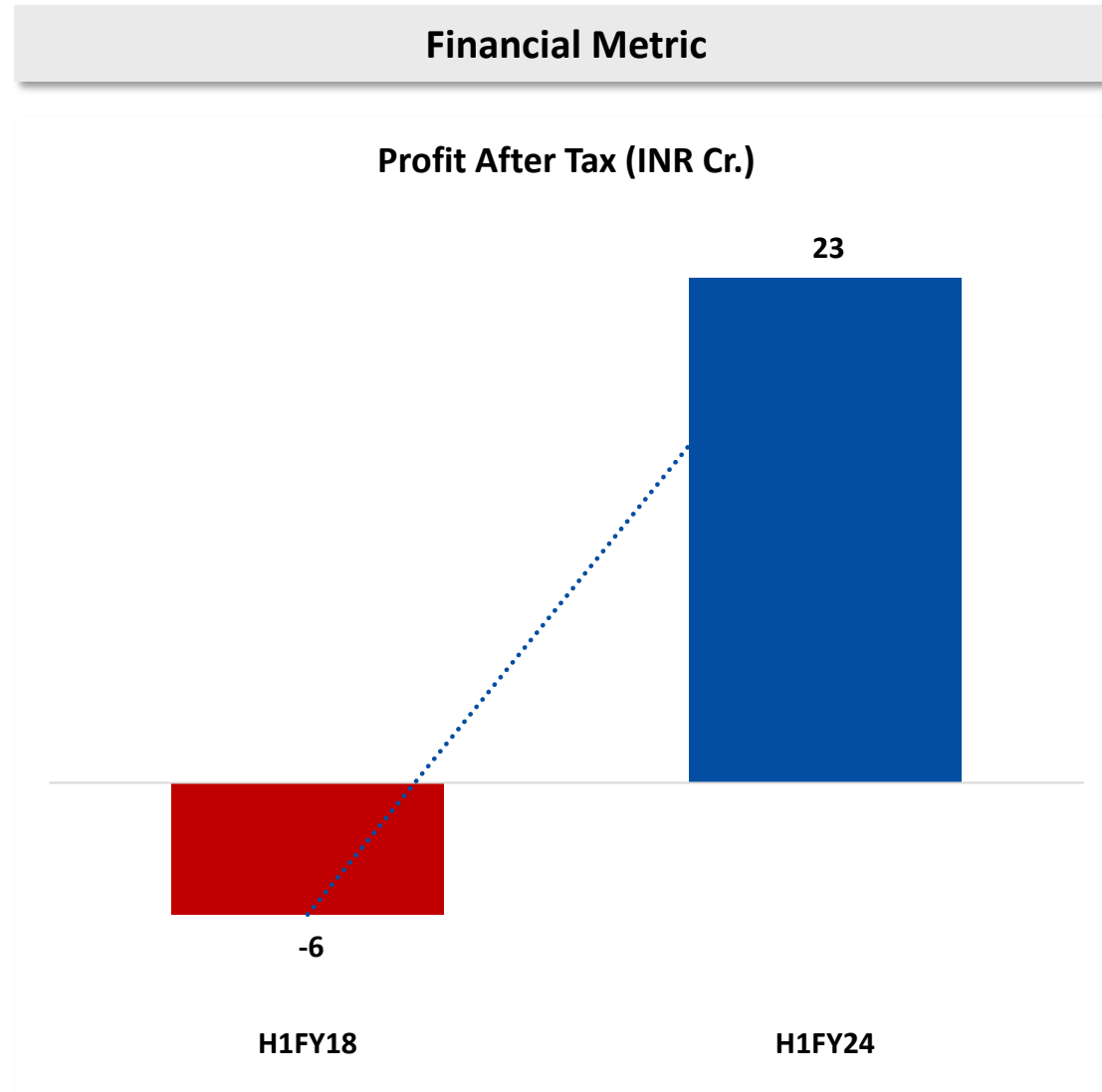
Particulars	Sep'17	Sep'23	Absolute Growth
Edelweiss MF AuM (INR Cr.)	8,600	1,12,300	13x
MF AuM Market Share (%)	0.4%	2.4%	6x
Edelweiss Equity & Hybrid AuM (INR Cr.)	5,100	34,200	7x
Equity & Hybrid AuM Market Share (%)	0.6%	1.3%	2x
#Rank on total assets	26	13	-
Folios (in lakhs)	0.9	12.4	13x

*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

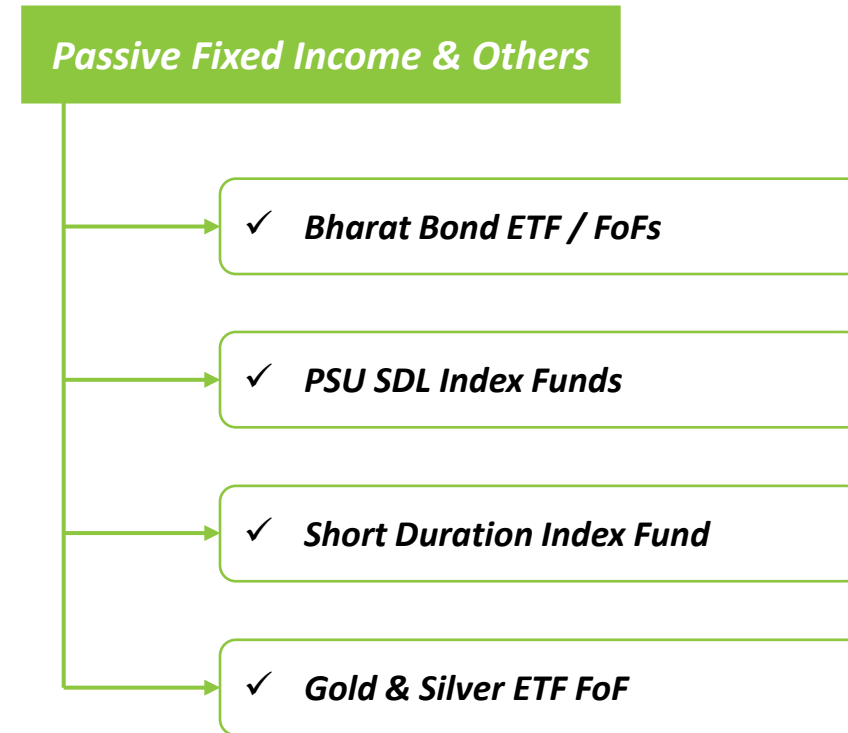
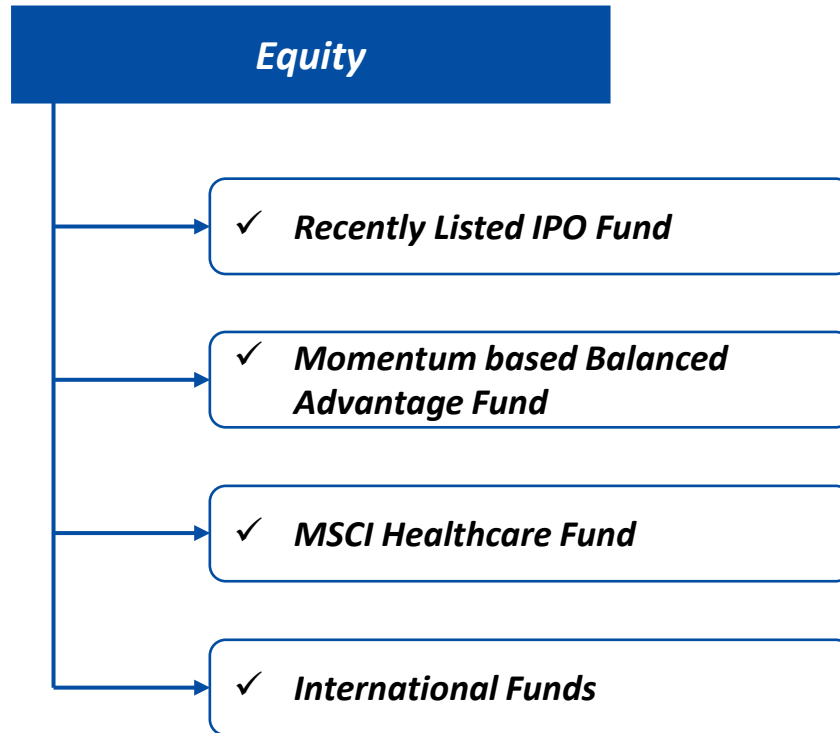
Building out a deep retail third-party distribution franchise

## 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*



# 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*

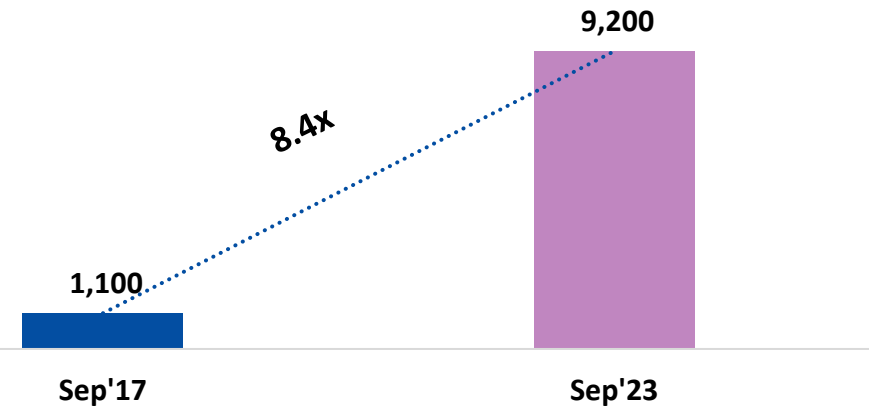
# We focused on building the foundation for a strong retail franchise (3/4)

Expanding capacity & deepening retail distribution

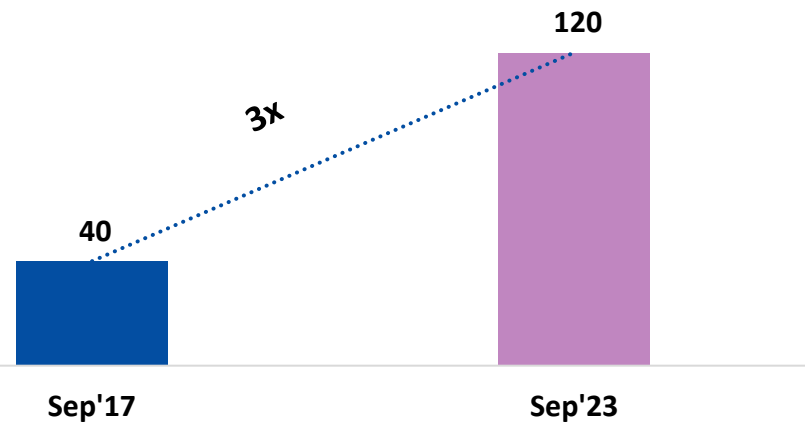
## #Branch Presence



## #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

Edelweiss MF Podcast

**~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



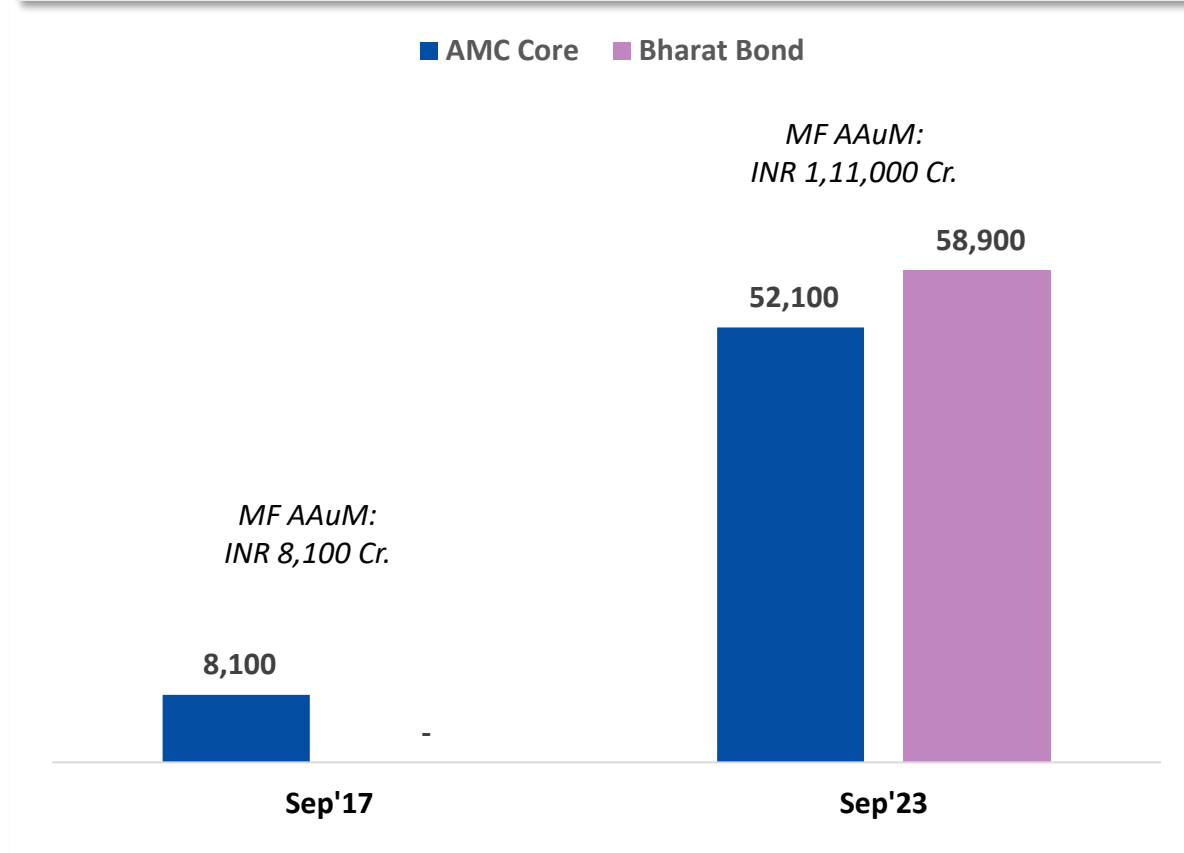
SWIFT

Digital platform for investments in Alternative investment funds

# Our AUM has witnessed significant growth



## Edelweiss MF AAuM Distribution



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

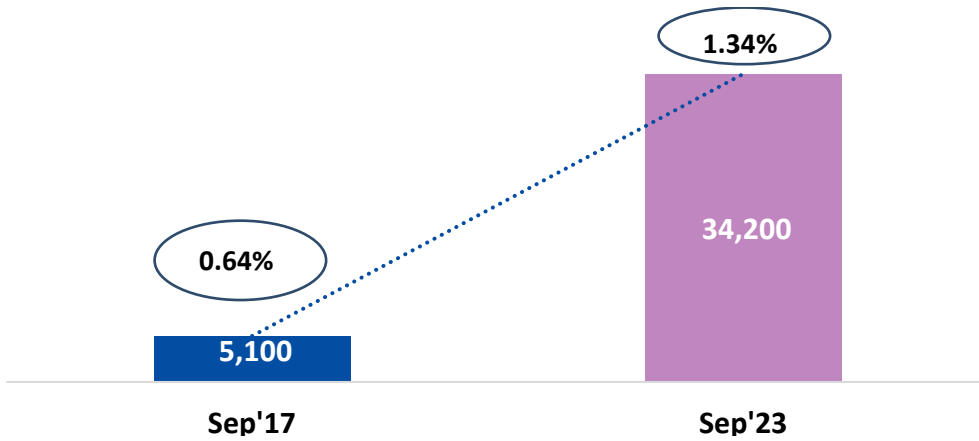
Particulars	CAGR %
AMC Core AAuM	36%
Total MF AAuM	55%
Industry AAuM	14%



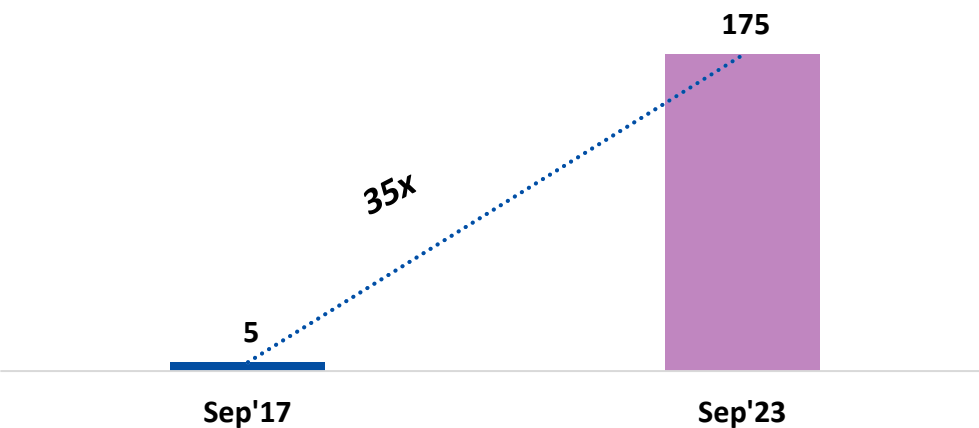
# And a high-quality equity book



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

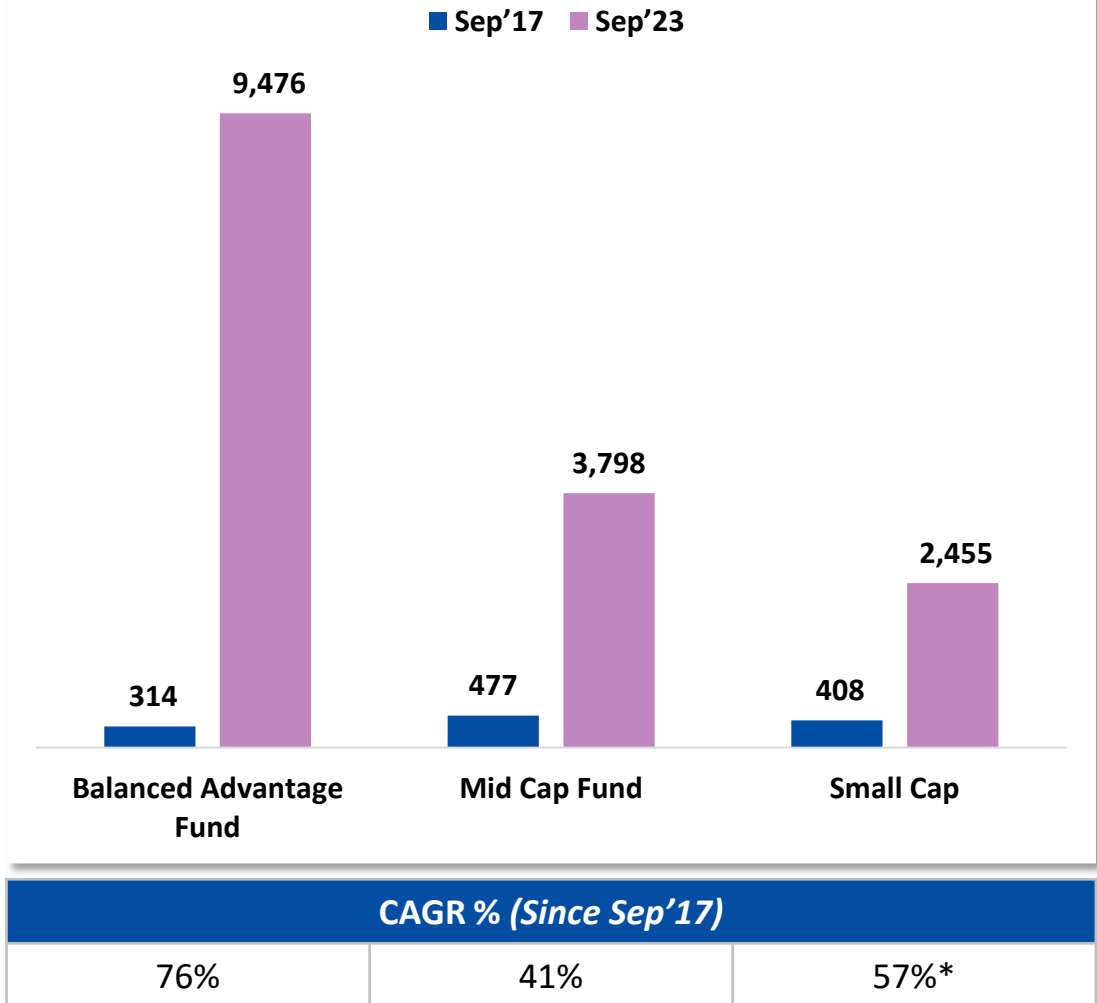


## Monthly SIP book (INR cr.)



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
- 1<sup>st</sup> 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

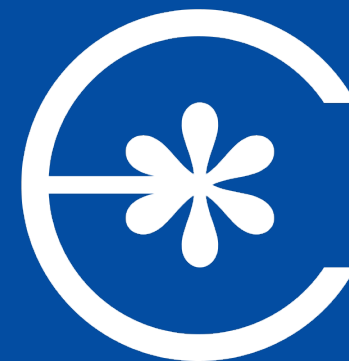
## Distribution

- ✓ 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

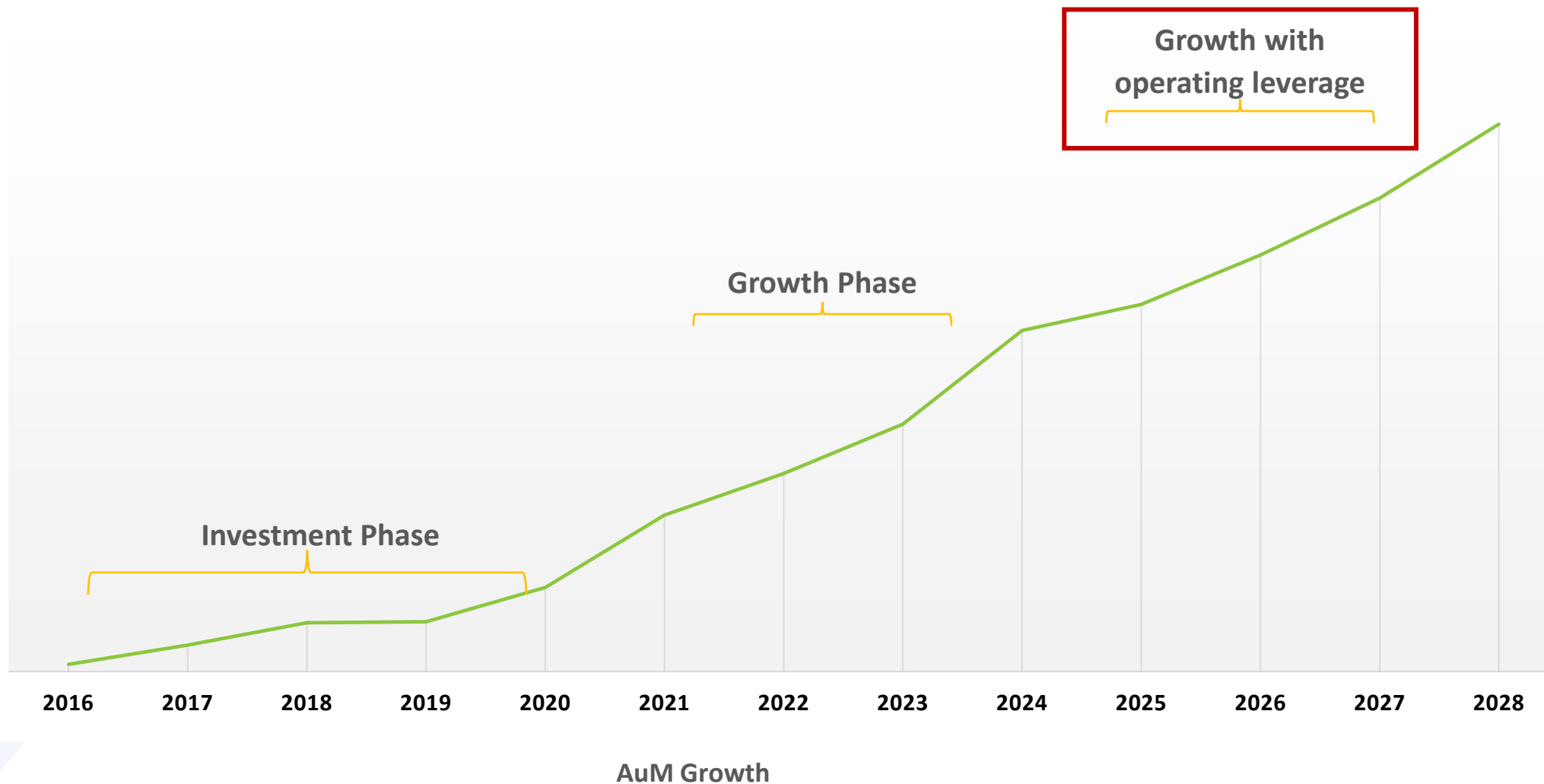
Widen distribution reach and deepen existing customer relationships

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

This document may contain certain forward - looking statements, which are tentative, based on current expectations of the management of Edelweiss Asset Management Ltd (“EAML”). The results in future may vary from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include, inter alia, the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the businesses of EAML as well as its ability to implement the strategy. EAML does not undertake any obligation to update these statements. The presentation relating to financial performance of various businesses of EAML herein is based on Management estimates. Certain numbers and figures may have been rounded off, re-casted, regrouped/reclassified in the interest of easier understanding, wherever required.

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## Notes:

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