

Ref/No/HDFCAMC/SE/2018-19/35

Date – November 16, 2018

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 meet made by the Company.

Schedule of the Investor/Analyst Meet:

Date	Investors	Venue	Type of Meeting
November 15, 2018	Grandeur Peak Advisors	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



✓✓  
**Sylvia Furtado**  
Company Secretary

Encl: a/a



# HDFC Asset Management Company Limited

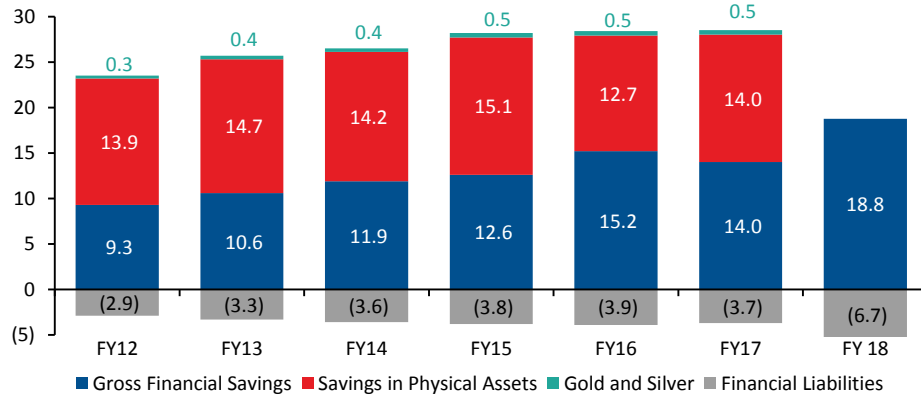
Company Presentation

September 2018

# Strong Macro Fundamentals and Industry Growth Enablers

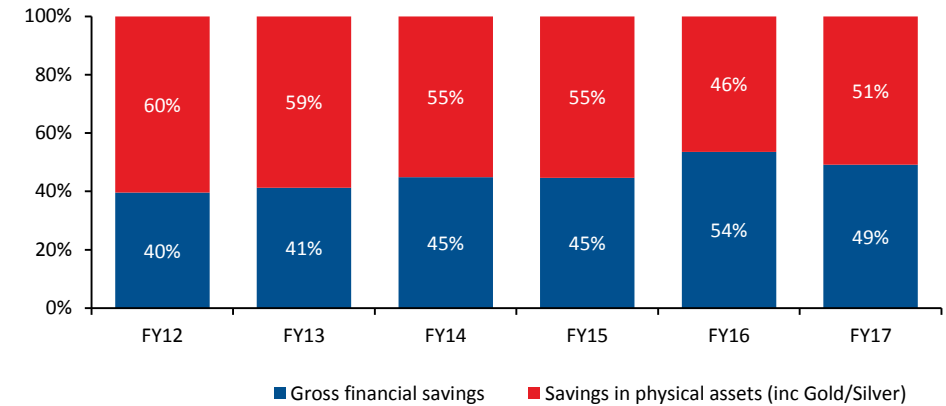
## High Savings Culture...

Growing Household Savings (Rs trn) <sup>(1)</sup>



## ..Shift to Financial Assets..

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

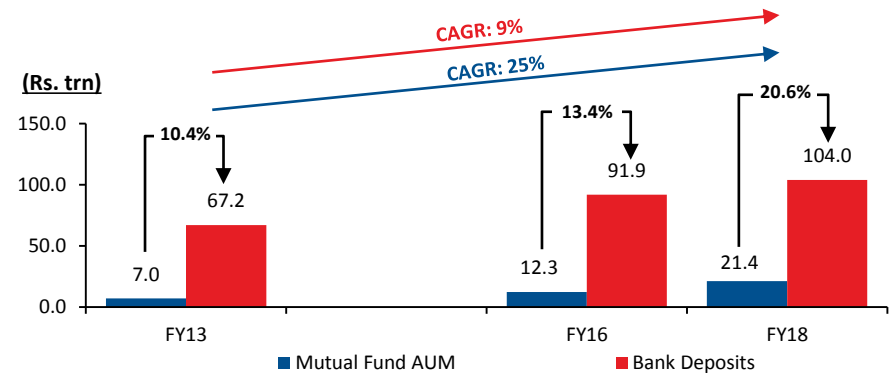


## ...With Increasing Preference for Mutual Funds

Financial Savings and Equity Inflows into Mutual Funds <sup>(2)</sup>

Rs. bn	Financial Savings			Equity-oriented MF Net Sales
	Currency Share (%)	Total Deposits' Share (%)	Total Financial Savings <sup>(3)</sup>	
FY12	11%	58%	9,282	5
FY13	11%	57%	10,609	(144)
FY14	8%	56%	11,859	(113)
FY15	11%	49%	12,531	809
FY16	13%	42%	15,167	938
FY17	(23%)	69%	14,005	1,070
FY18	25%	26%	18,767	2,608

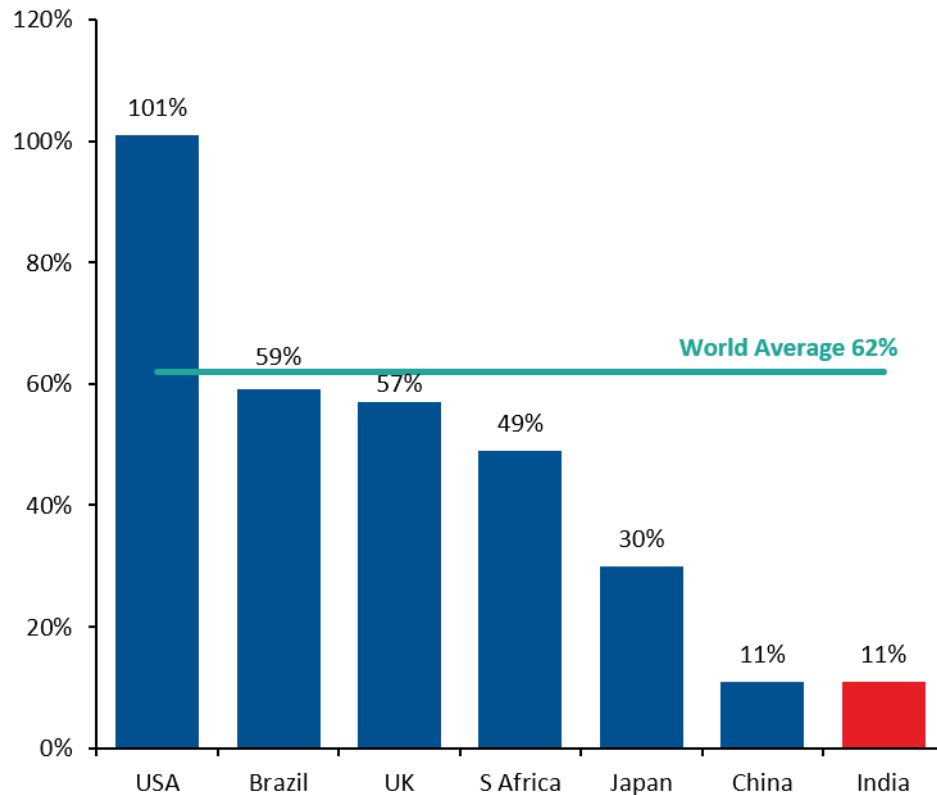
Mutual Fund AUM Reducing the Gap with Bank deposits<sup>(4)</sup>



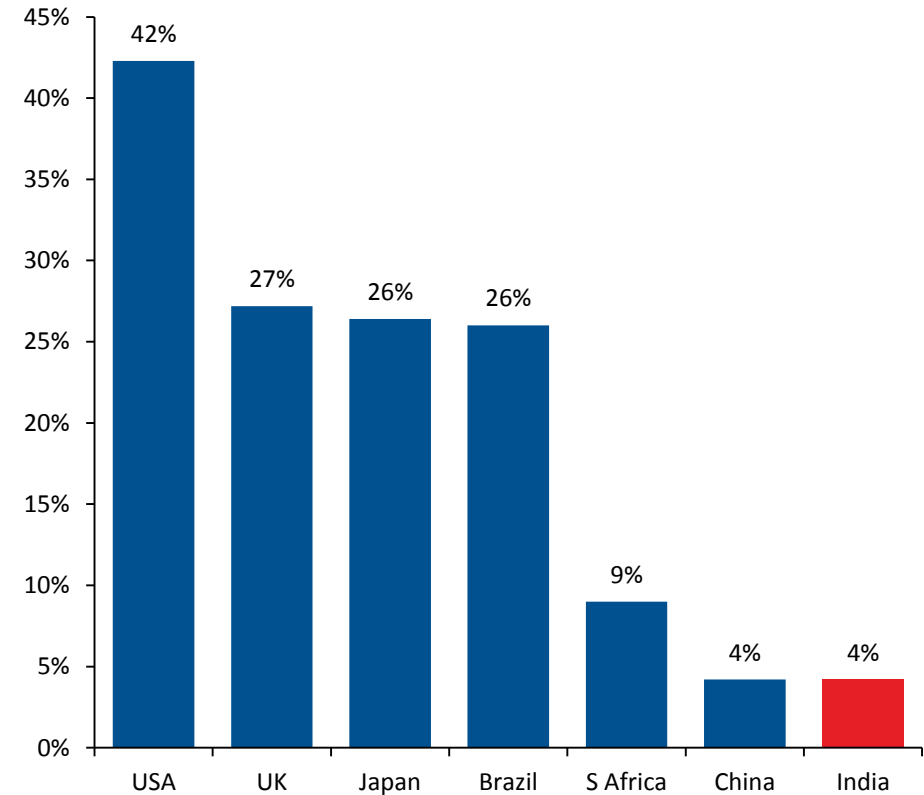
(1) Source: MOSPI, CRISIL Research; (2) Source: RBI, CSO, CRISIL Research; (3) Excluding Trade debt (Net); (4) Source: AMFI, RBI, CRISIL Research; Note: Bank deposits includes nationalised banks, private sector banks and foreign banks

# Strong Macro Fundamentals and Industry Growth Enablers

### Mutual Fund AUM as a % of GDP<sup>(1)</sup>



### Mutual Fund - Equity AUM as a % Market Cap.<sup>(2)</sup>



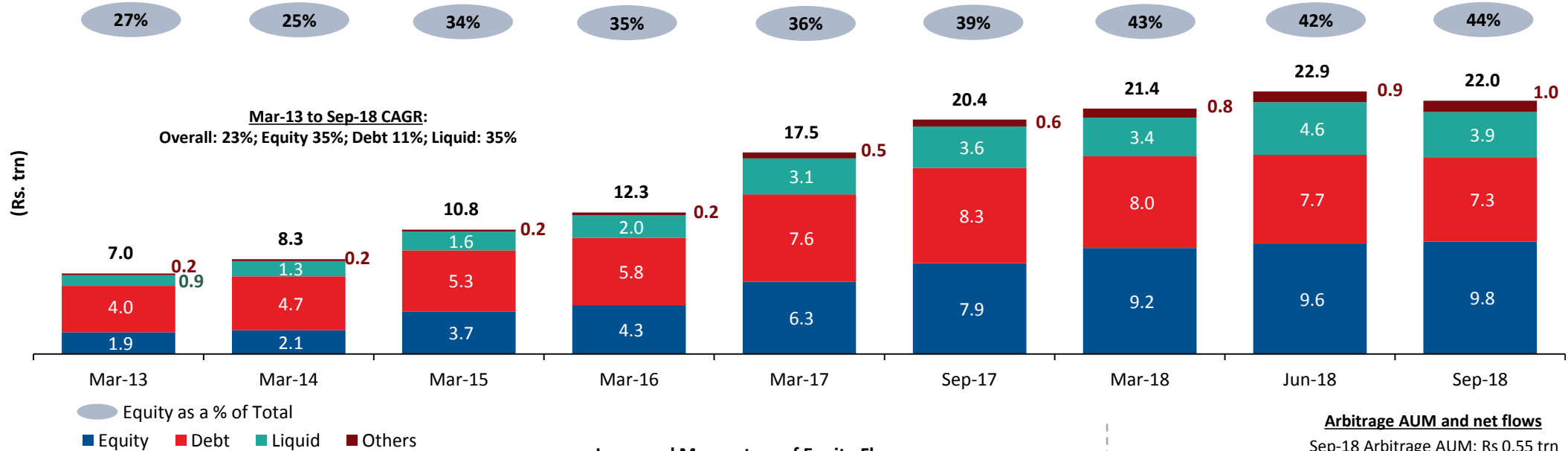
*Structural Shift in Savings Habit Supporting the Future Growth Runway for the Mutual Fund Industry*

(1) Source: IMF, IIFA, CRISIL Research; Note: data as of December 2016; FY17 GDP and AUM as of March 2017 used for India; only open-ended funds have been considered; (2) Source: IIFA, World Bank, London Stocks Exchange (LSE), Bank of England, CRISIL Research Note: Data as of December 2016; only open-ended funds have been considered; balanced/mixed funds are assumed to be composed of 70% equity and 30% debt. Market cap for UK pertains to LSE - Main Market

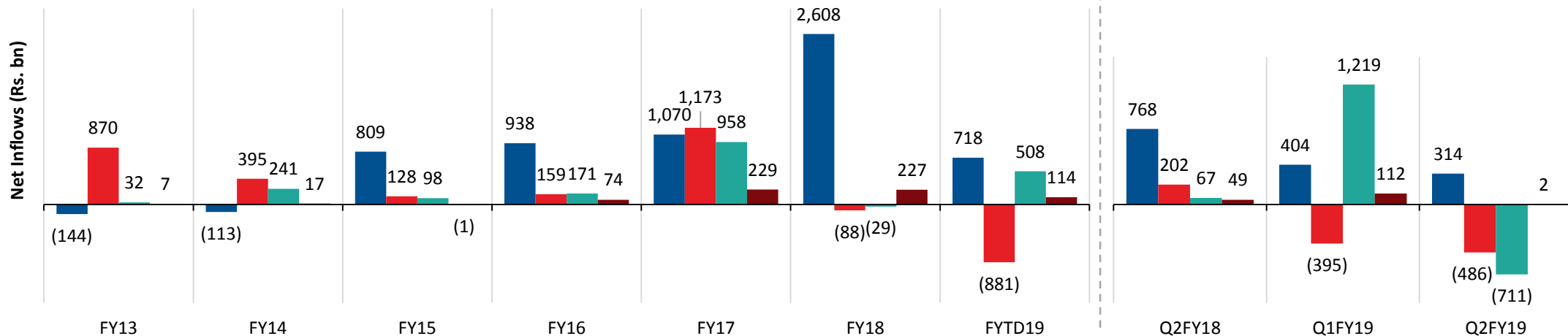
# Strong Inflows Led By Equity and Retail

## Two Decades of Intensive Efforts on Educating Investors Finally Bearing Fruit

Industry AUM Evolution



Increased Momentum of Equity Flows



**Arbitrage AUM and net flows**  
Sep-18 Arbitrage AUM: Rs 0.55 trn  
FYTD19 Arbitrage net flows: Rs (7.05) bn

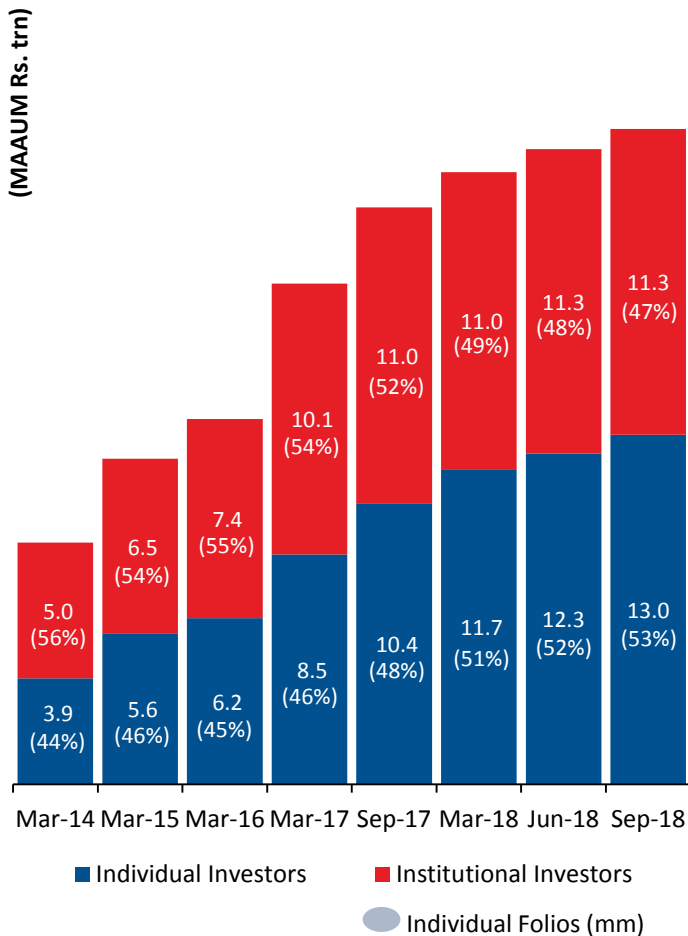
Source: AMFI

AUM excluding FOF – domestic; equity includes balanced funds; others include Liquid / Money Market, Gold ETFs, other ETFs and FOF – investing overseas (2) AUM does not include Gold ETFs and FOF

# Strong Inflows Led By Equity and Retail

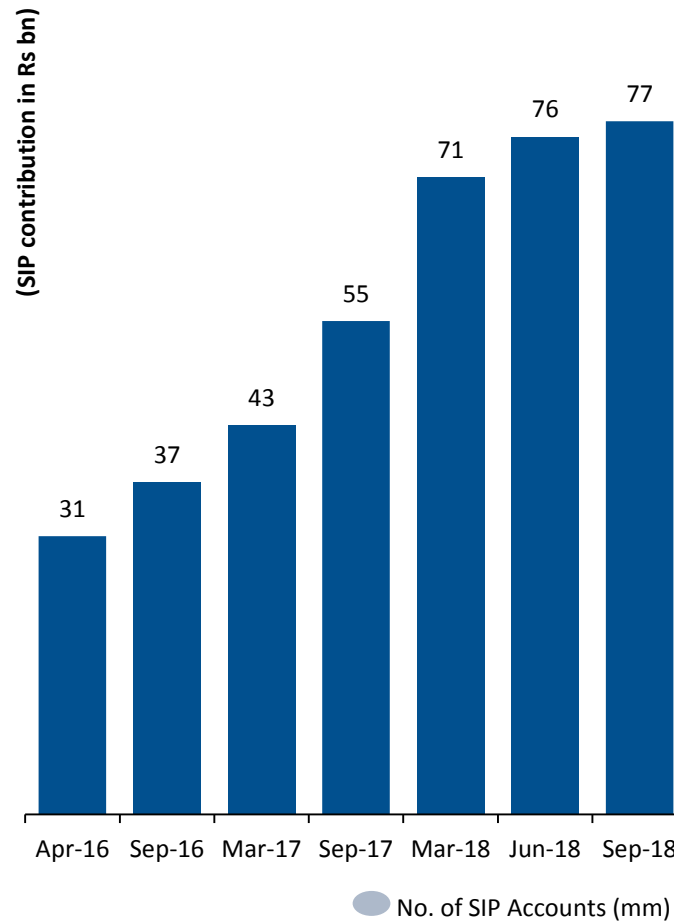
## Individual MAAUM on the Rise<sup>(1)(2)(3)</sup>

39.2 41.4 47.2 54.8 61.6 70.9 74.2 77.5



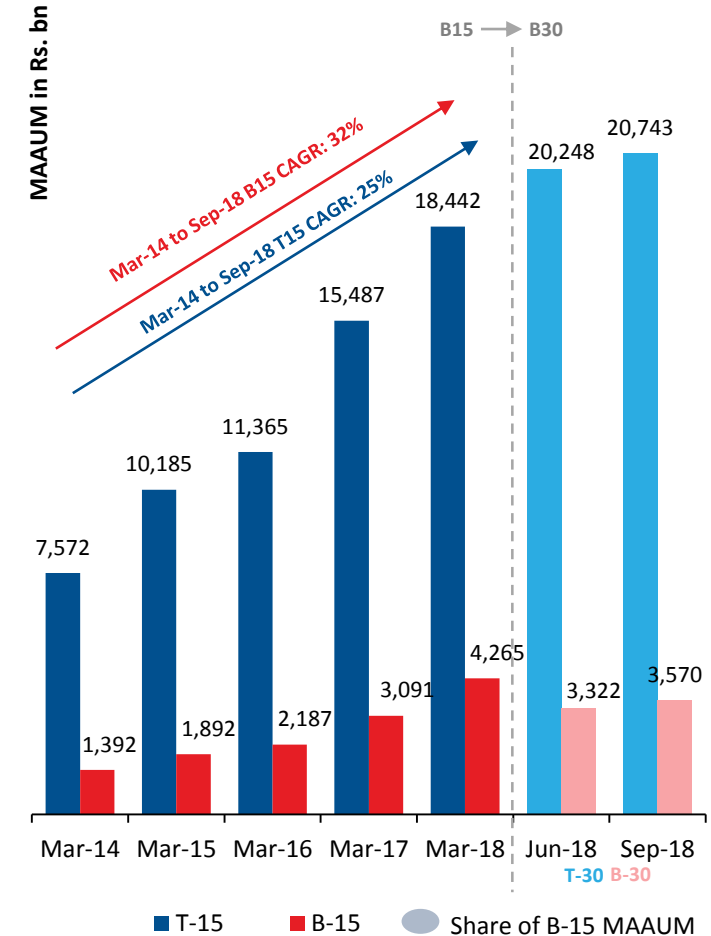
## SIP Flows: 2x in Less than 2 Years<sup>(1)</sup>

10.1 11.3 13.5 16.6 21.1 22.9 24.4



## Strong Focus on B-15<sup>(1)(2)</sup>

16% 16% 16% 17% 19% 14% 15%



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



**52%** Equity-Oriented Assets

**₹1519 bn**  
US\$20.9bn

Assets Under Management<sup>(1)</sup>  
**₹2,926 bn**  
US\$40.4bn

**48%** Non-Equity Oriented Assets

**₹1408 bn**  
US\$19.4bn

**8.7mm**  
Live Accounts<sup>(1)</sup>

**₹ 72.2 bn**  
PMS & SMA AUM<sup>(1) (3)</sup>

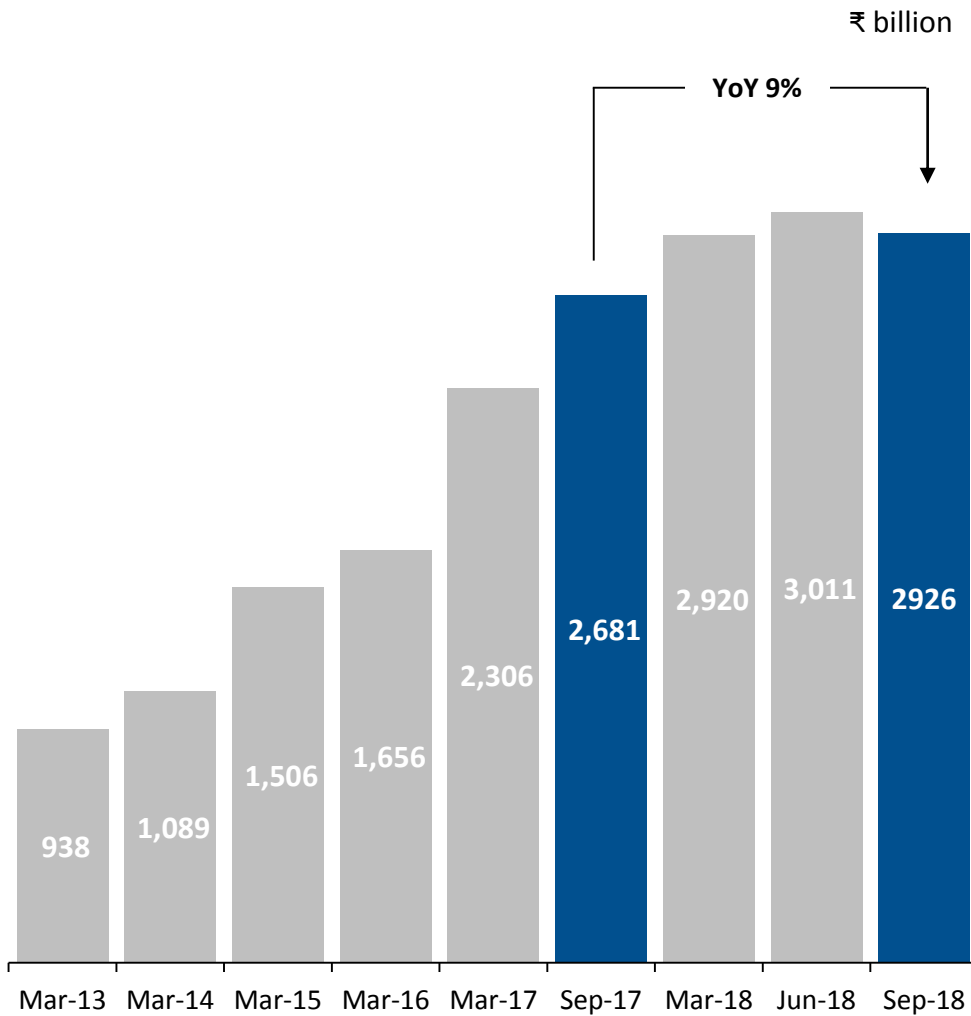
**210 Branches<sup>(1)(2)</sup>;**  
**65K+ Empaneled**  
Distribution Partners

**₹ 1,985 bn**  
Individual MAAUM<sup>(1)</sup>

**1,188**  
Employees<sup>(1)</sup>

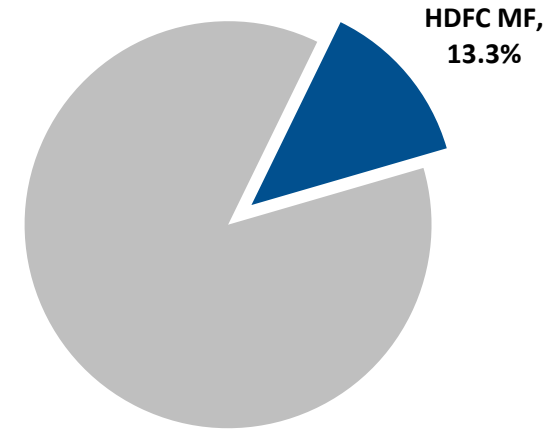
# Total AUM and Market Share

## Total AUM<sup>(1)</sup>

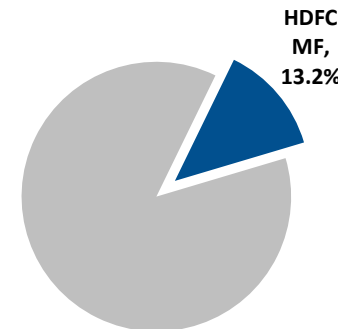


## Market Share in Total AUM<sup>(2)</sup>

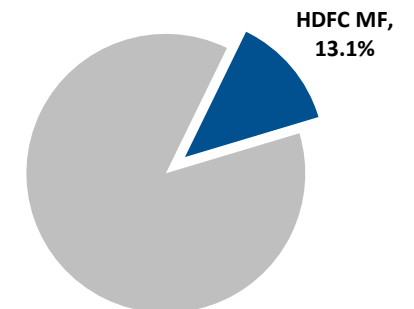
Sep-2018



Jun-2018



Sep-2017



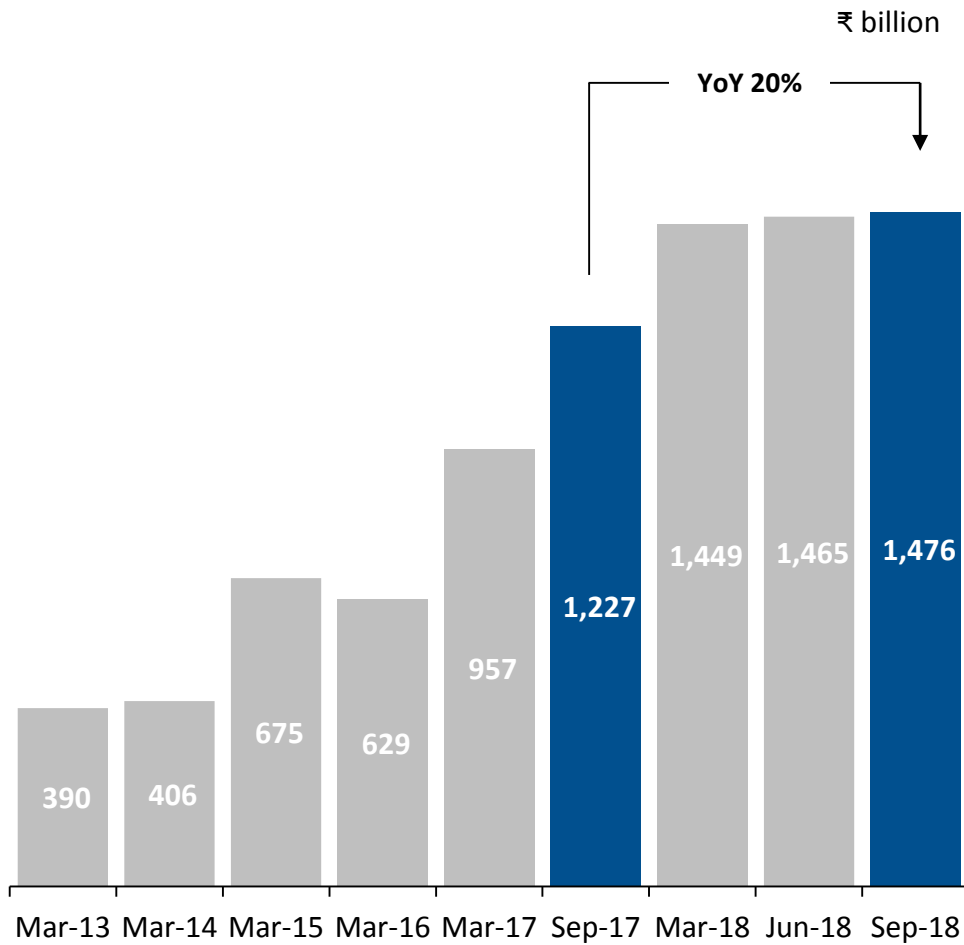
(1) Source: Internal

(2) Source: Internal, AMFI

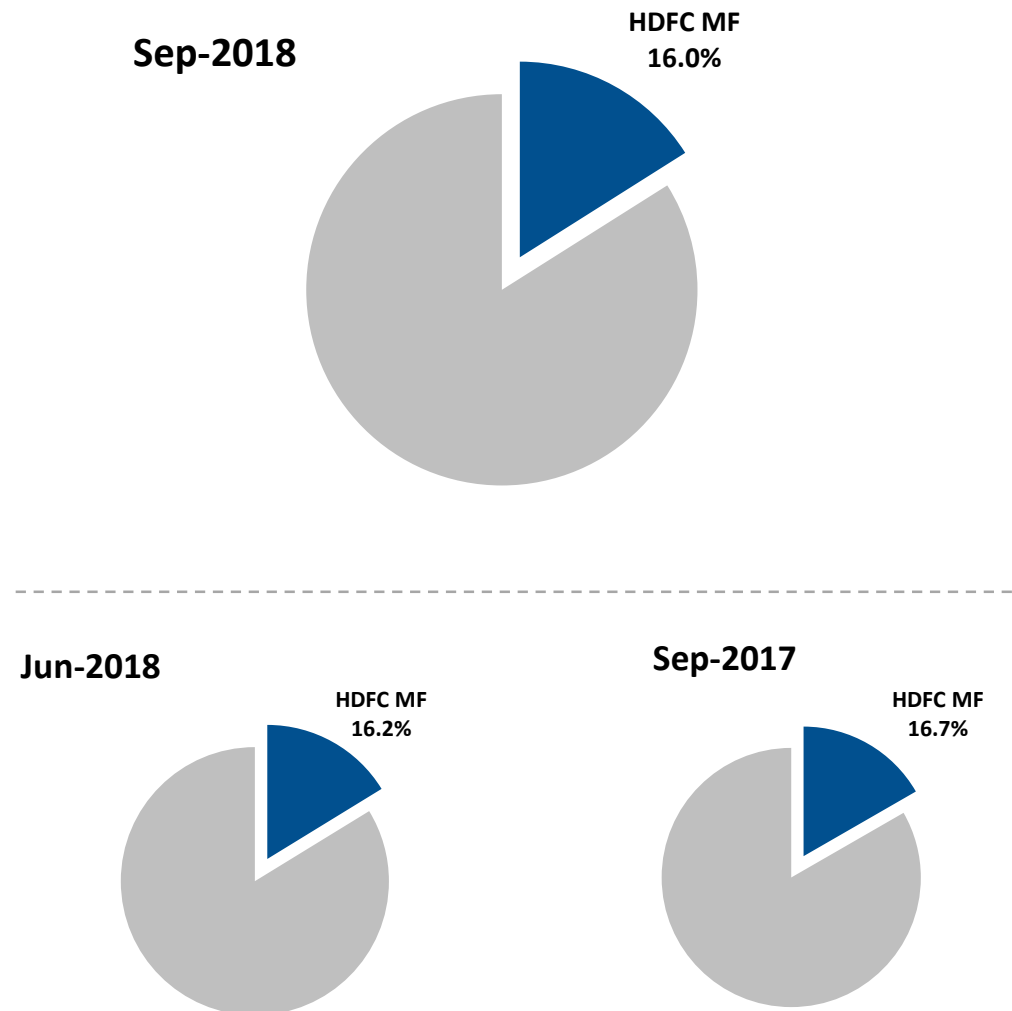


# Actively Managed Equity-oriented AUM and Market Share

## Actively Managed Equity-oriented AUM<sup>(1)</sup>



## #1 Market Share in Actively Managed Equity-oriented AUM<sup>(2)</sup>



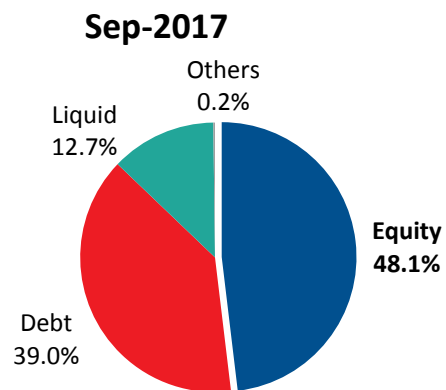
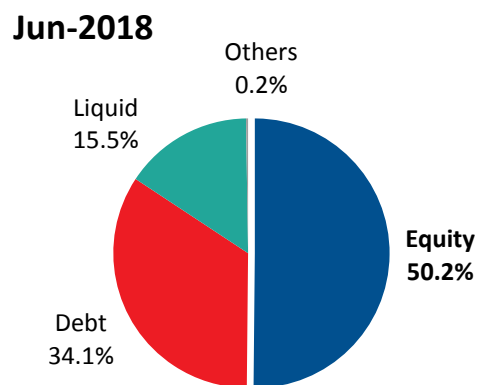
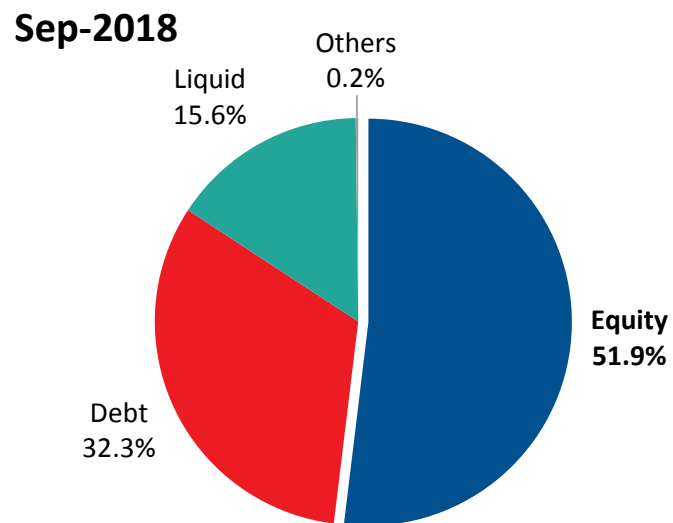
(1) Source: Internal

(2) Source: AMFI

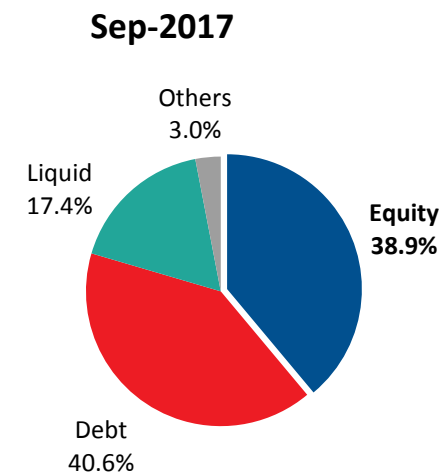
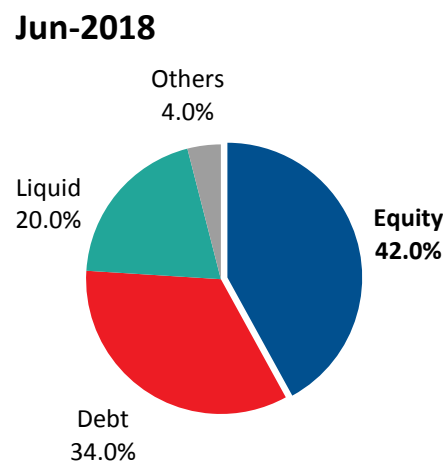
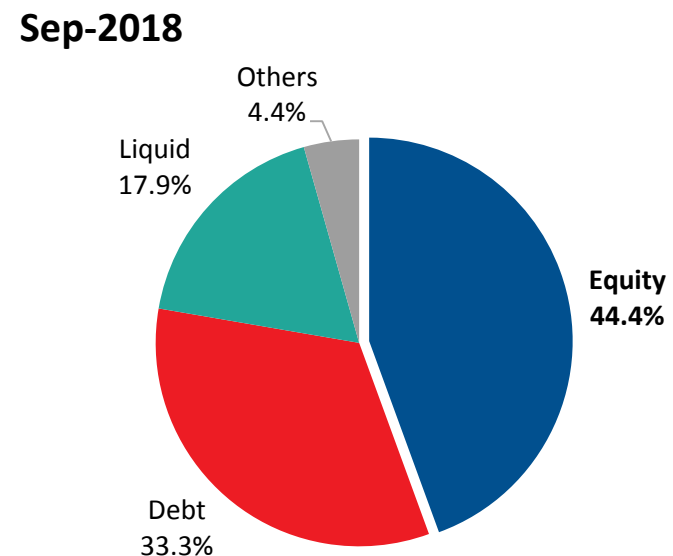
Actively managed equity-oriented AUM/QAAUM excludes index and arbitrage funds from equity-oriented funds

# AUM by Segment – HDFC AMC and Industry

## HDFC AMC MF AUM by Segment <sup>(1)</sup>



## Industry AUM by Segment <sup>(2)</sup>

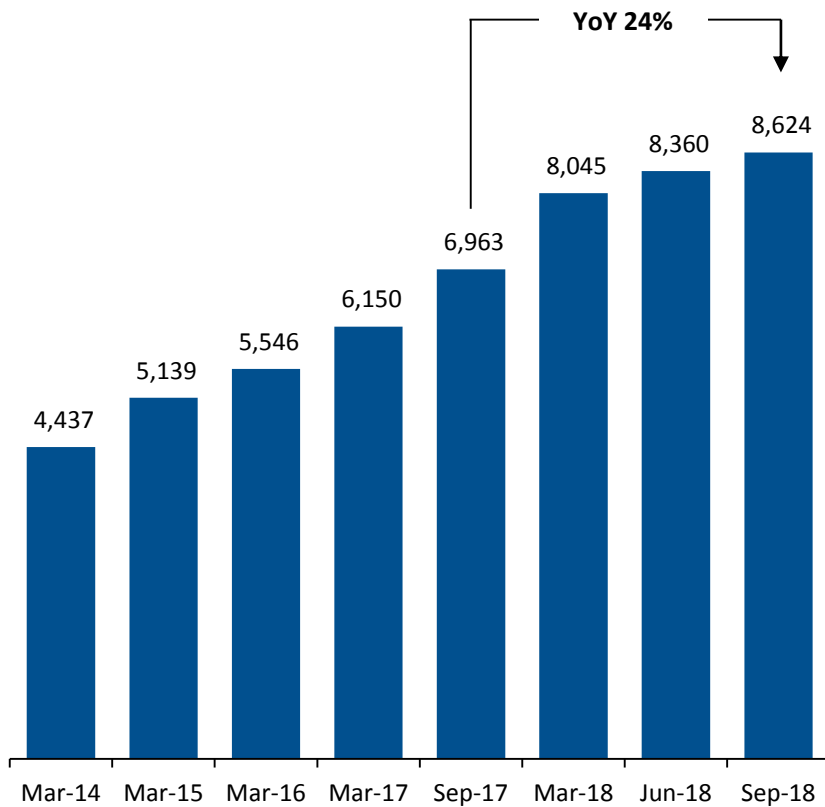


(1) Source: Internal

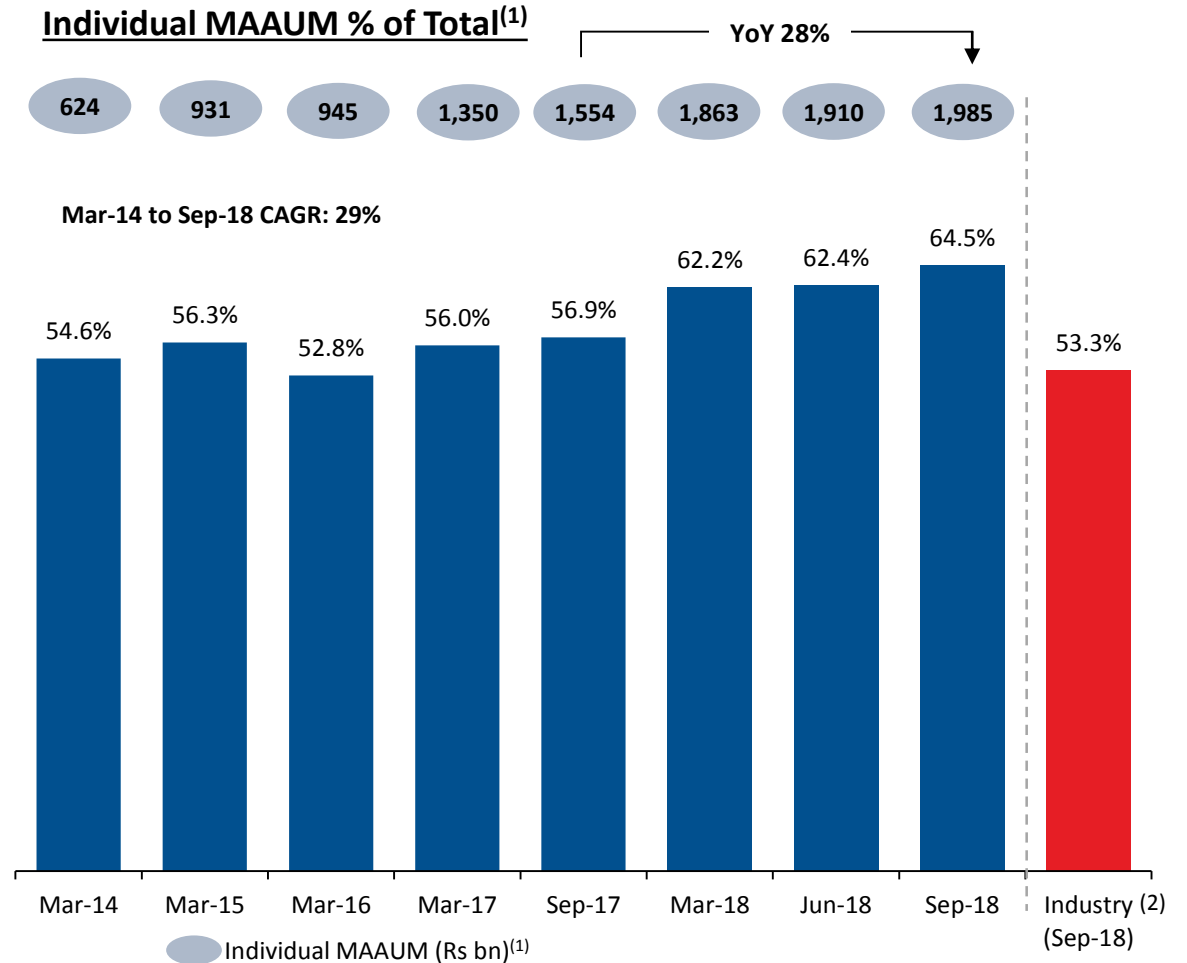
(2) Source: AMFI

# Focus on Individual Customers

**Number of Live Individual Accounts (in 000s) <sup>(1)</sup>**



**Individual MAAUM % of Total <sup>(1)</sup>**



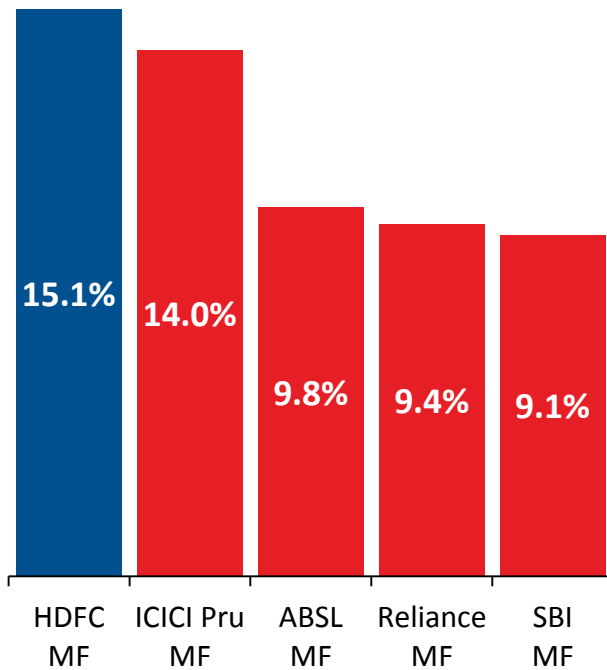
**Individual customer prefer equity-oriented schemes and stay invested for longer periods**

(1) Source: Internal

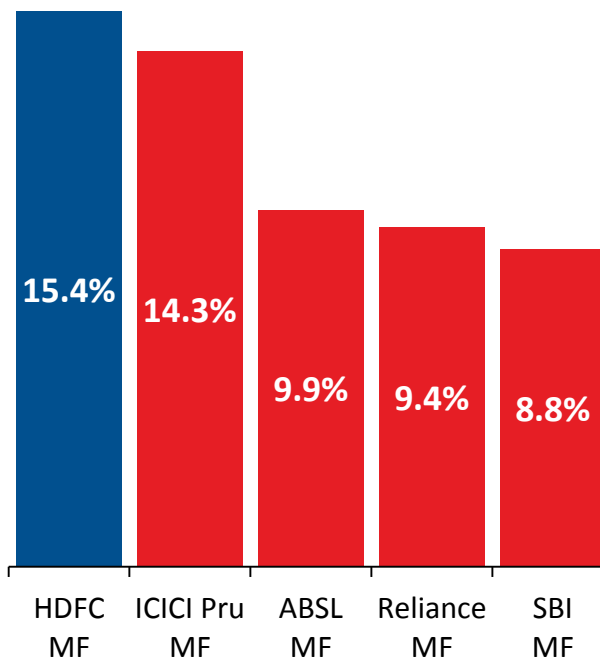
(2) Source: AMFI

# Most Preferred Choice of Individual Investors

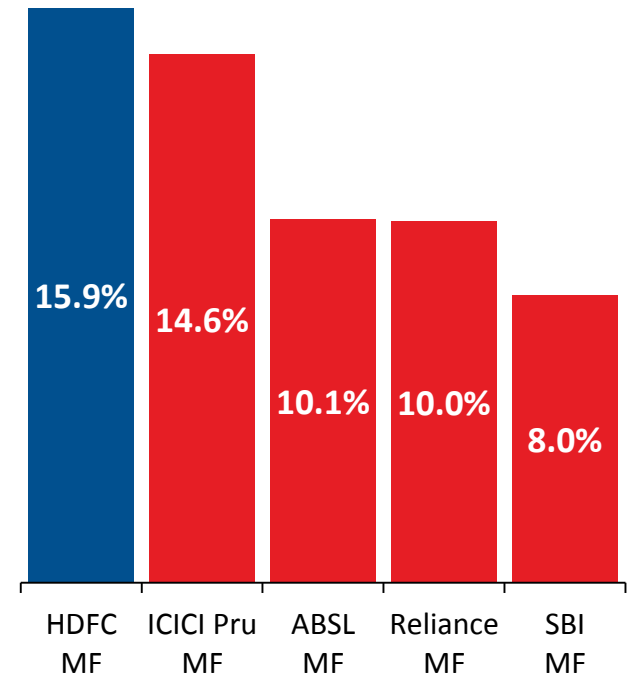
Individual Assets Market Share (Sep-18)



Individual Assets Market Share (Jun-18)



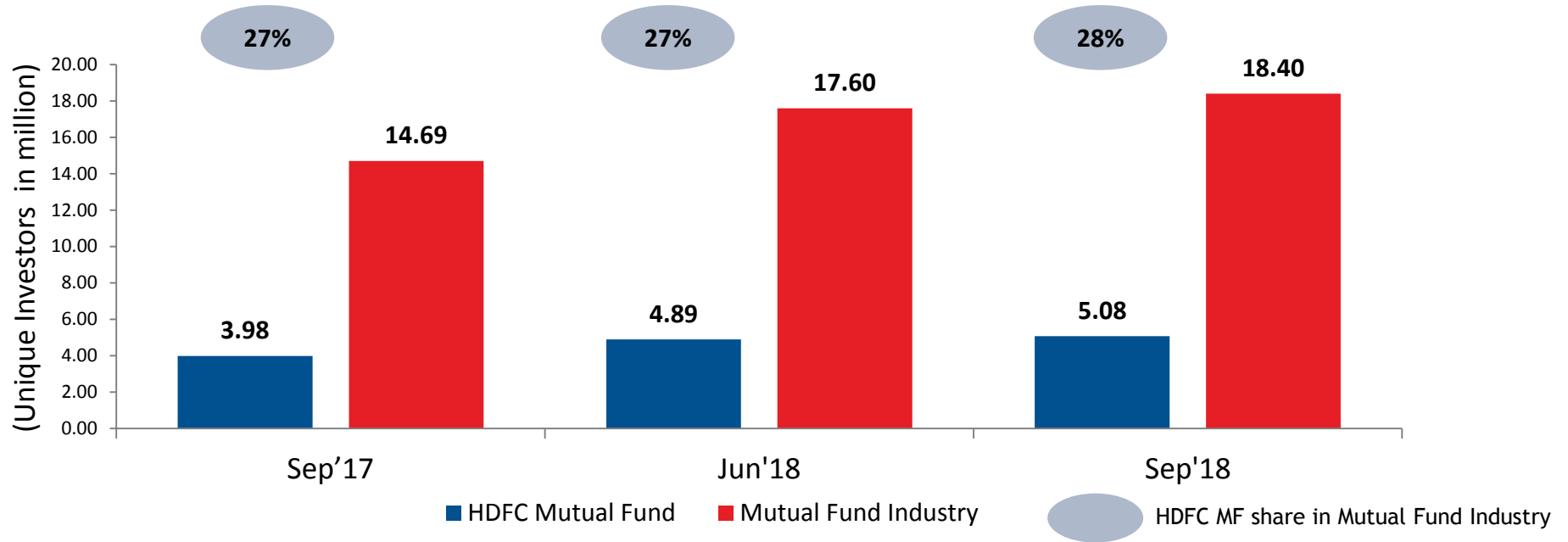
Individual Assets Market Share (Sep-17)



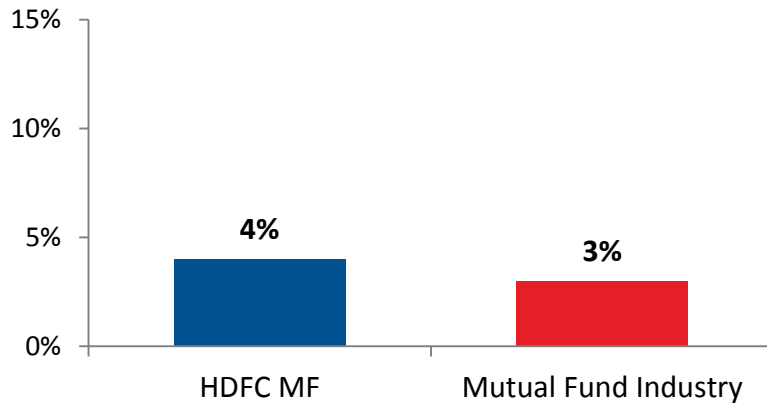
Source: AMFI, based on monthly average AUM

# Growth of Unique Investors

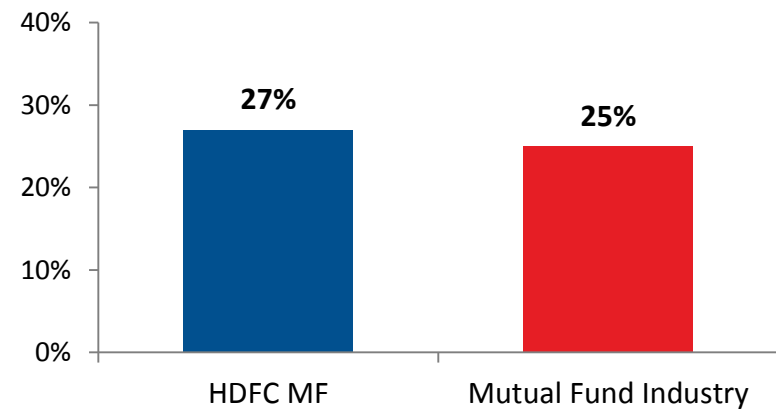
**Unique Investors- HDFC AMC vs MF Industry**



**Sep'18 over Jun'18**



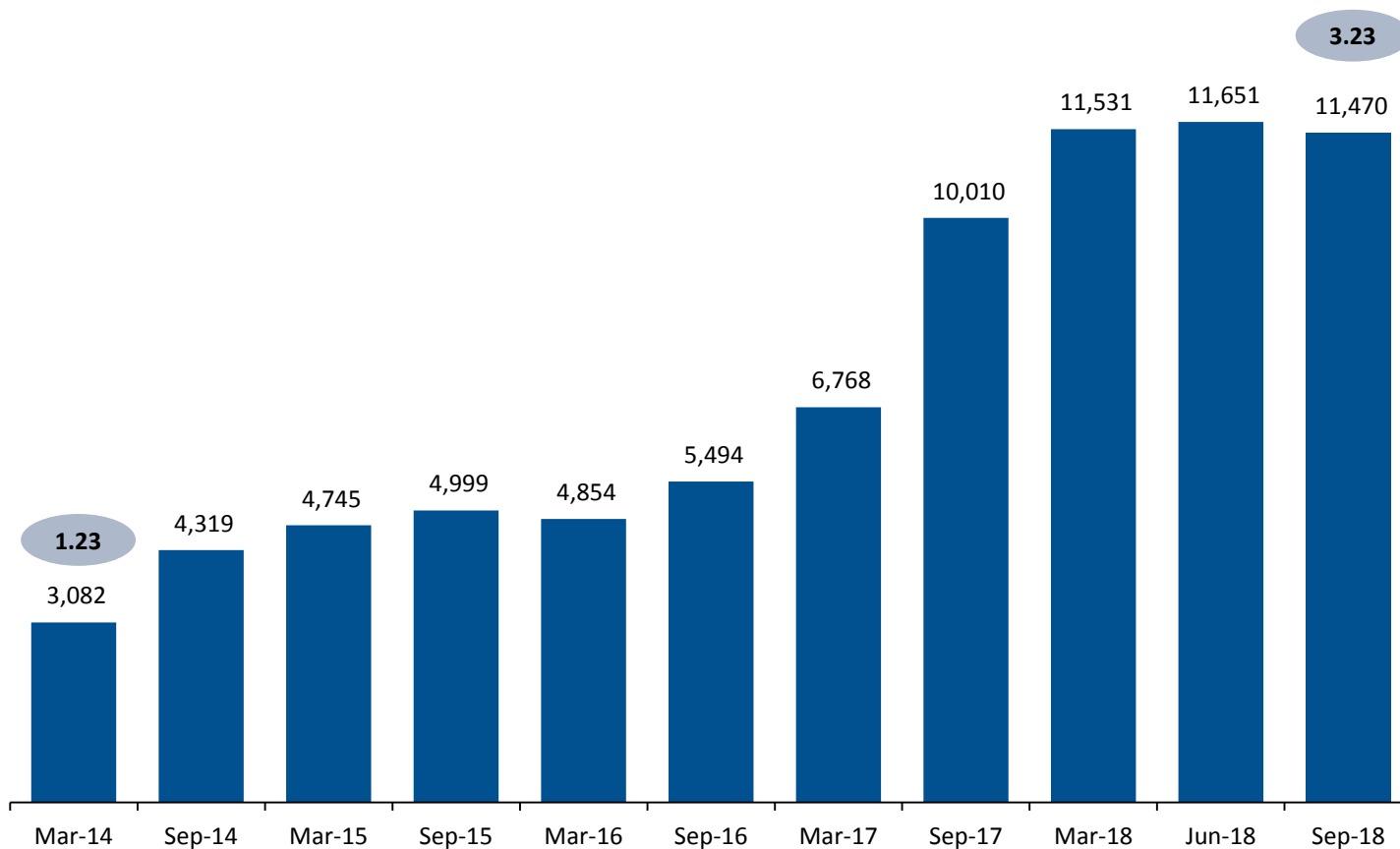
**Sep'18 over Sep'17**



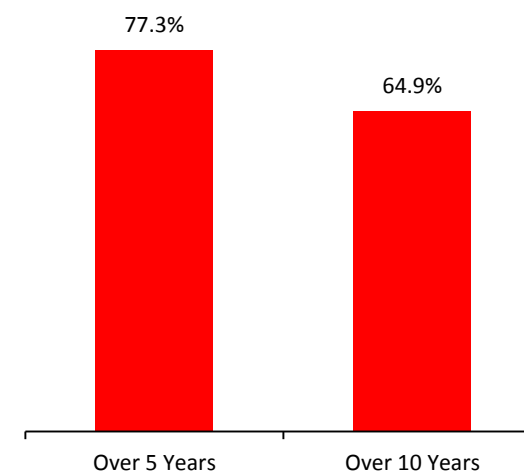
Source: CAMS. Note: Unique Investors include PANs/PEKRNs of all unit holders & Guardians

## Quality Long-term Inflows Through Systematic Transactions

**Strong Growth in Systematic Transactions (Rs mm)**



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



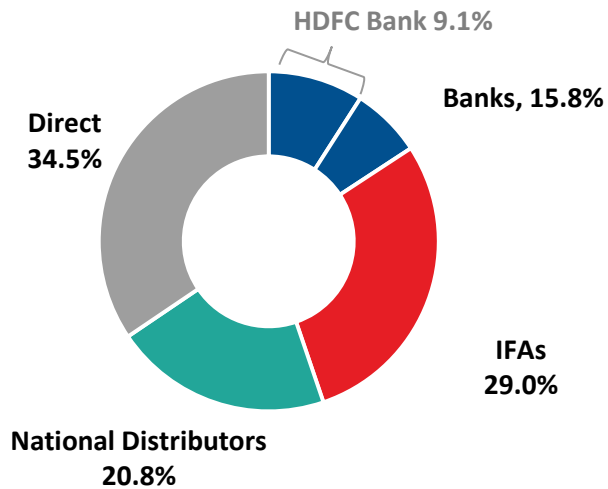
**Strong and growing  
“Order Book” to provide  
predictable flows**

Source: Internal

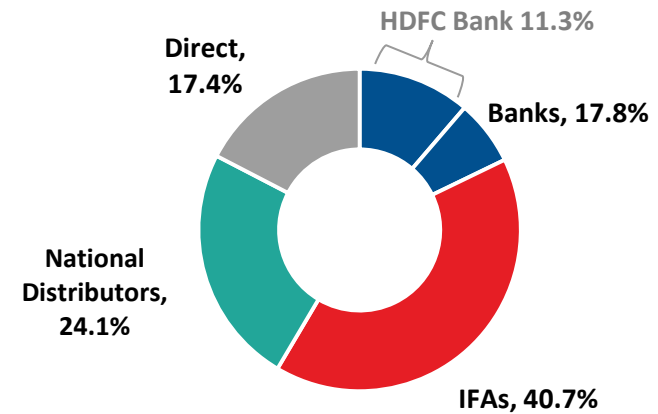
(1) Based on tenure at the time of registration of all live SIPs during Sep-18

## Well Diversified Distribution Channel

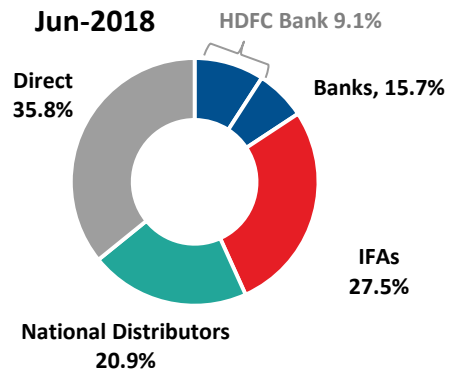
**Total AUM (Sep-18)**



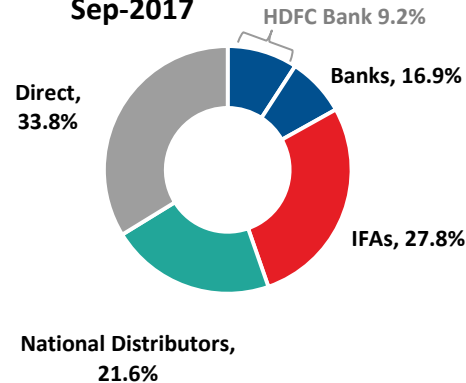
**Equity-oriented AUM (Sep-18)**



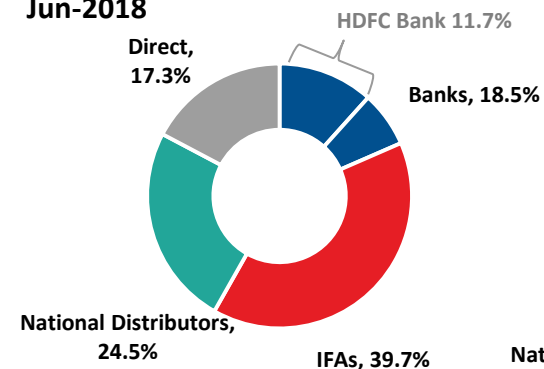
**Jun-2018**



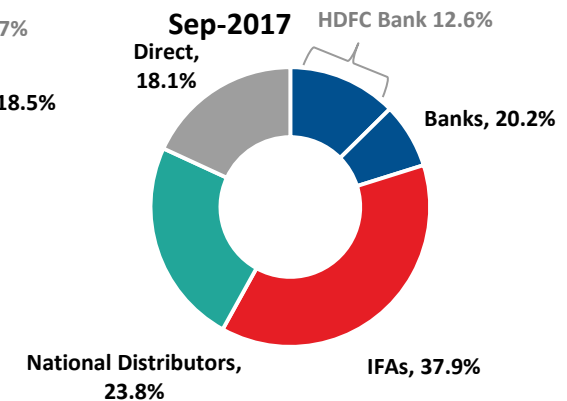
**Sep-2017**



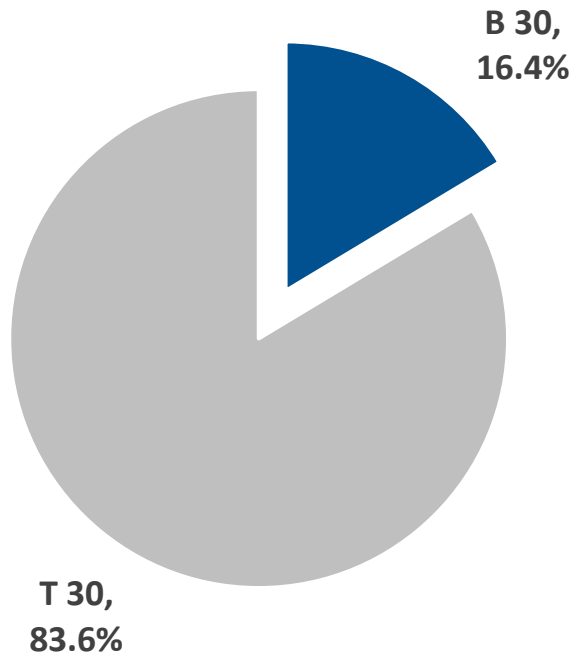
**Jun-2018**



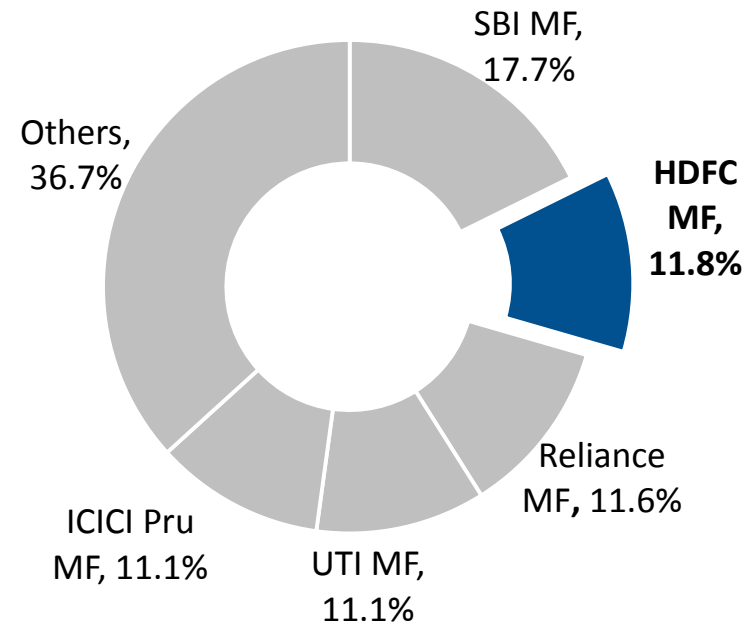
**Sep-2017**



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



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



**Network of 210 branches with 134 in B-30 cities<sup>(2)</sup>**

**c. 65,000 empaneled distribution partners**

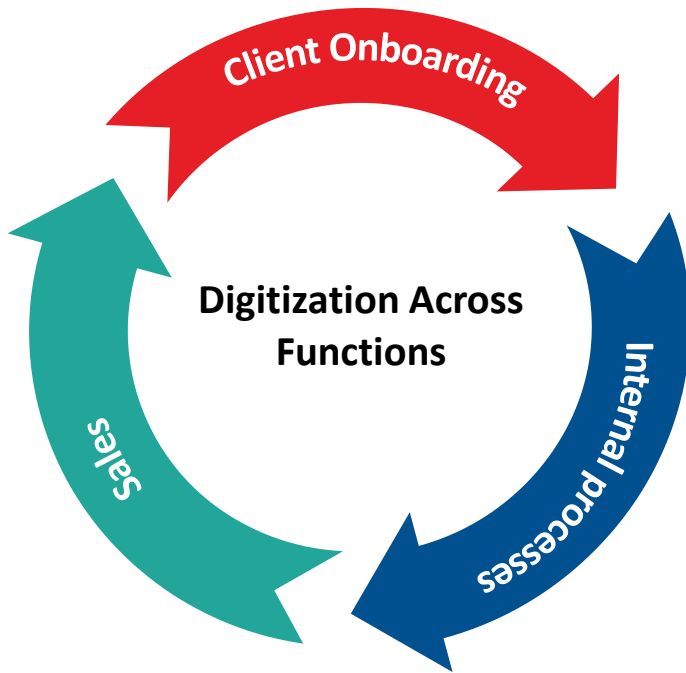
(1) Source: Internal

(2) As of Sep 30, 2018. Includes one representative office in Dubai;

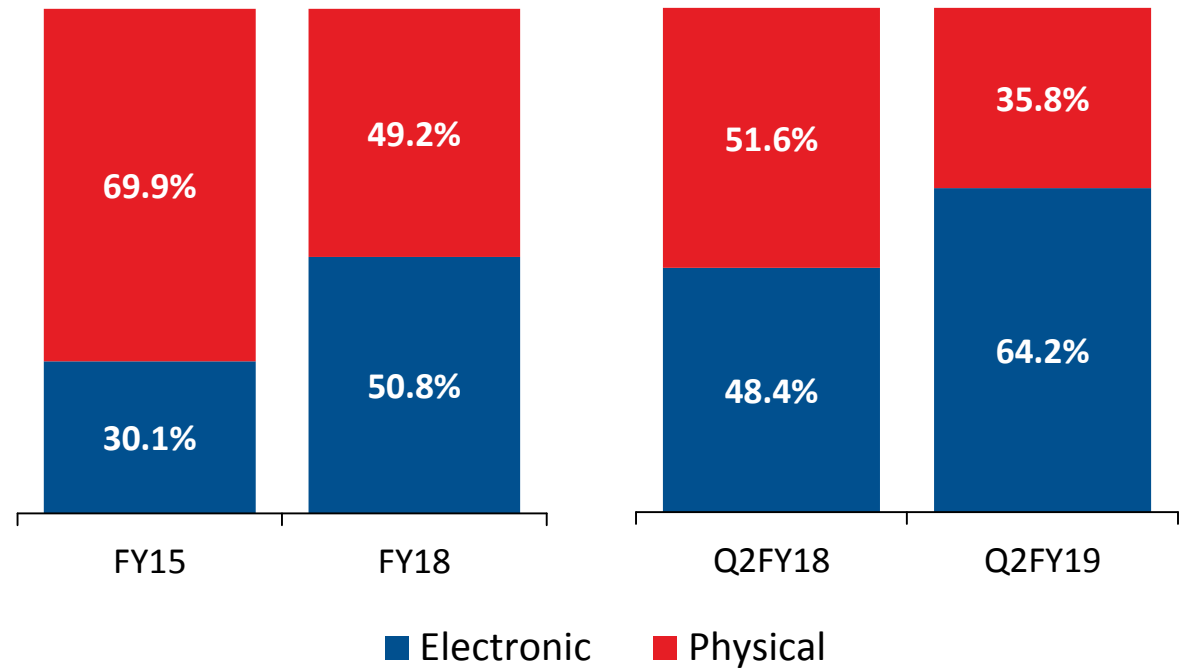


# Strong Digital Presence

## Supported by Integrated Online Platform



Electronic and Physical Transaction as % of Total Transactions



Strong online presence - dedicated separate digital platforms distribution partners and customers

FY15-18 CAGR of 46.2% for electronic transactions

17.4% transaction are through HDFC MFOnline and mobile application

# Recent Developments

## Industry update

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- Reduction of 15bps in TER (effective May 30, 2018) - entirely passed on to distributors
- SEBI circular dated October 22, 2018 – Key points
  - No upfront commissions to be paid except on SIPs
  - All schemes related expenses should be debited to the schemes' account and not the AMC account
  - B-30 expenses and commissions restricted to assets raised from individual customers only
- SEBI yet to notify on the reduction of TER
  - Weighted average impact on HDFC MF equity-oriented AUM at c. 24bps (our endeavour would be to pass this on by reduction of distribution commission)

## HDFC AMC update

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- We have recently won an international equity mandate of USD 450 million from a reputed foreign portfolio investor, of which approximately one third has got funded recently.

# Financials



- Adoption of Indian Accounting Standards (Ind AS) with effect from 1<sup>st</sup> April 2018.
- Results of Q2 FY19 & HYE FY19 are prepared as per Ind AS requirements.
- Accordingly figures for Q2 FY18 & HYE FY18 have been restated.

Key Changes	Remarks
<b>Investments</b>	Investments are fair valued through P/L except certain debt instruments which are valued at a amortised cost.
<b>Employee Stock Option Schemes (ESOS)</b>	Obligations under outstanding & unvested ESOS have to be fair valued and amortised as part of employee benefit expenses over the period of vesting.
<b>Others</b>	Interest free refundable security deposits are required to be measured at present value using an appropriate discount rate. Deferred Tax adjustments on GAAP differences (where required).

# PAT Reconciliation- Previous GAAP Vs Ind AS – Q2 FY 18

Particulars	(Rs. mm)
	Q2 FY 18
Net profit after tax as reported under Previous GAAP	1,677
<b>Adjustment increasing / (decreasing) net profit after tax as reported under Previous GAAP (net of tax):</b>	
Fair value change in investments	139
Fair valuation of employee stock options	(24)
Others	2
Actuarial (gain) / loss on employee defined benefit plan recognised in 'Other Comprehensive Income'	4
<b>Net Profit after tax as per Ind AS</b>	<b>1,798</b>
Other Comprehensive Income	(4)
<b>Total Comprehensive Income (net of tax) as per Ind AS</b>	<b>1,794</b>

# Financials Summary – Half Yearly Earnings

(Rs. mm)			
Particulars	HYE FY19	HYE FY18	Change
Revenue from Operations	9,516	8,204	16%
Other Income	648	542	20%
<b>Total Revenue</b>	<b>10,164</b>	<b>8,746</b>	<b>16%</b>
<b>Expenses</b>			
Employee Benefit Expense	1,081	919	18%
Depreciation and Amortization Expense	57	45	25%
Business Development and Other Expenses	3,107	2,821	10%
<b>Total Expenses</b>	<b>4,245</b>	<b>3,785</b>	<b>12%</b>
<b>Profit before tax</b>	<b>5,919</b>	<b>4,961</b>	<b>19%</b>
<b>Tax Expenses</b>	<b>1,807</b>	<b>1,517</b>	<b>19%</b>
<b>Profit after tax</b>	<b>4,112</b>	<b>3,444</b>	<b>19%</b>
Other Comprehensive Income (Net of Tax)	2	(7)	
<b>Total Comprehensive Income</b>	<b>4,114</b>	<b>3,437</b>	<b>20%</b>

Particulars	HYE FY19	HYE FY18	Change
Revenue from Operations	9,516	8,204	16%
Total Expenses*	4,033	3,785	7%
<b>Operating Profit from core AM business*</b>	<b>5,483</b>	<b>4,419</b>	<b>24%</b>

\*Adjusted for non recurring expenses

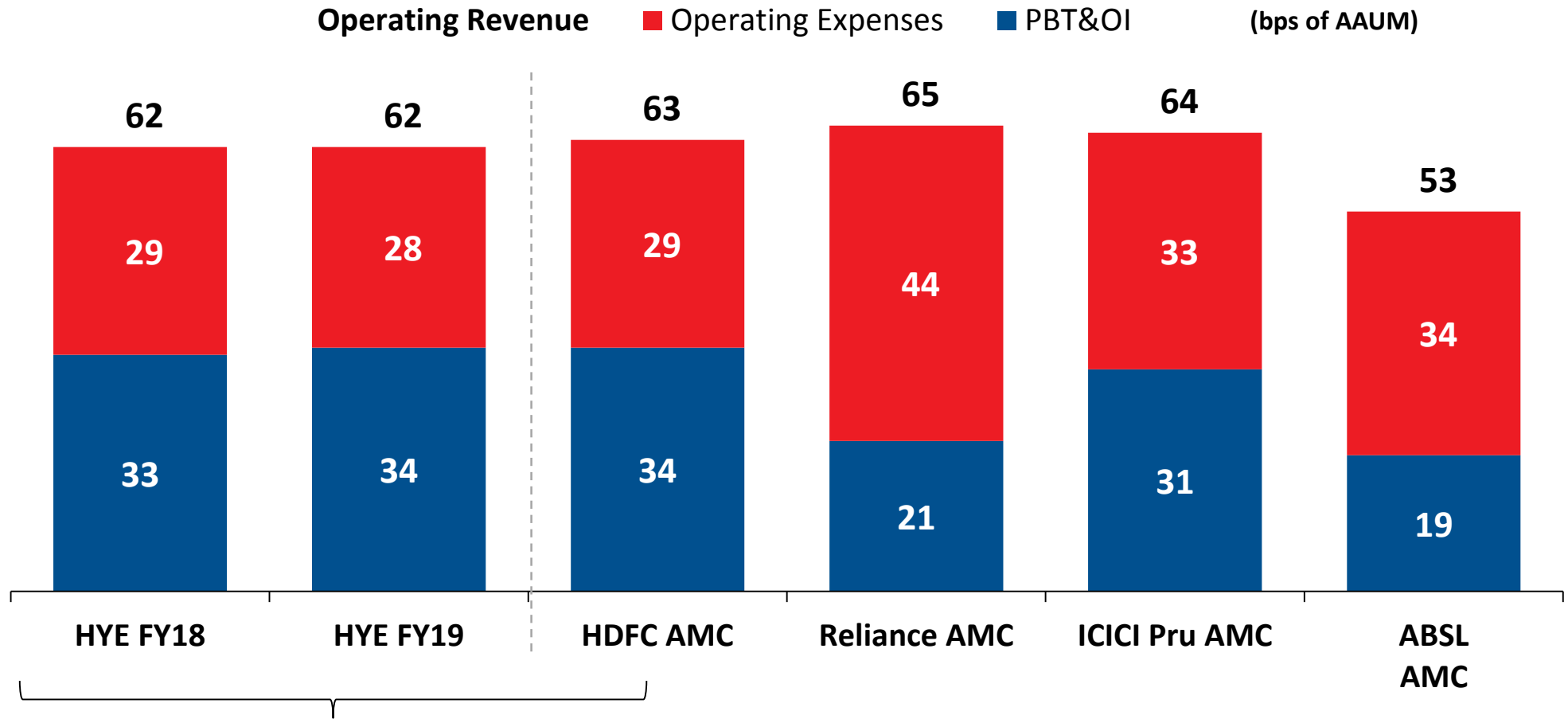
# Financials Summary – Quarterly Earnings

Particulars	(Rs. mm)		
	Q2 FY19	Q2 FY18	Change
Revenue from Operations	4,804	4,300	12%
Other Income	349	276	26%
<b>Total Revenue</b>	<b>5,153</b>	<b>4,576</b>	<b>13%</b>
<b>Expenses</b>			
Employee Benefit Expense	544	490	11%
Depreciation and Amortization Expense	31	23	33%
Business Development and Other Expenses	1,606	1,421	13%
<b>Total Expenses</b>	<b>2,181</b>	<b>1,934</b>	<b>13%</b>
<b>Profit before tax</b>	<b>2,972</b>	<b>2,642</b>	<b>12%</b>
<b>Tax Expenses</b>	<b>913</b>	<b>844</b>	<b>8%</b>
<b>Profit after tax</b>	<b>2,059</b>	<b>1,798</b>	<b>15%</b>
Other Comprehensive Income (Net of Tax)	3	(4)	
<b>Total Comprehensive Income</b>	<b>2,062</b>	<b>1,794</b>	<b>15%</b>

Particulars	Q2 FY19	Q2 FY18	Change
Revenue from Operations	4,804	4,300	12%
Total Expenses*	1,969	1,934	2%
<b>Operating Profit from core AM business*</b>	<b>2,835</b>	<b>2,366</b>	<b>20%</b>

\*Adjusted for non recurring expenses

# Operating Profit Margin



FY18 as per previous GAAP  
 HYE FY18 as per Ind AS  
 HYE FY19 as per Ind AS

FY18

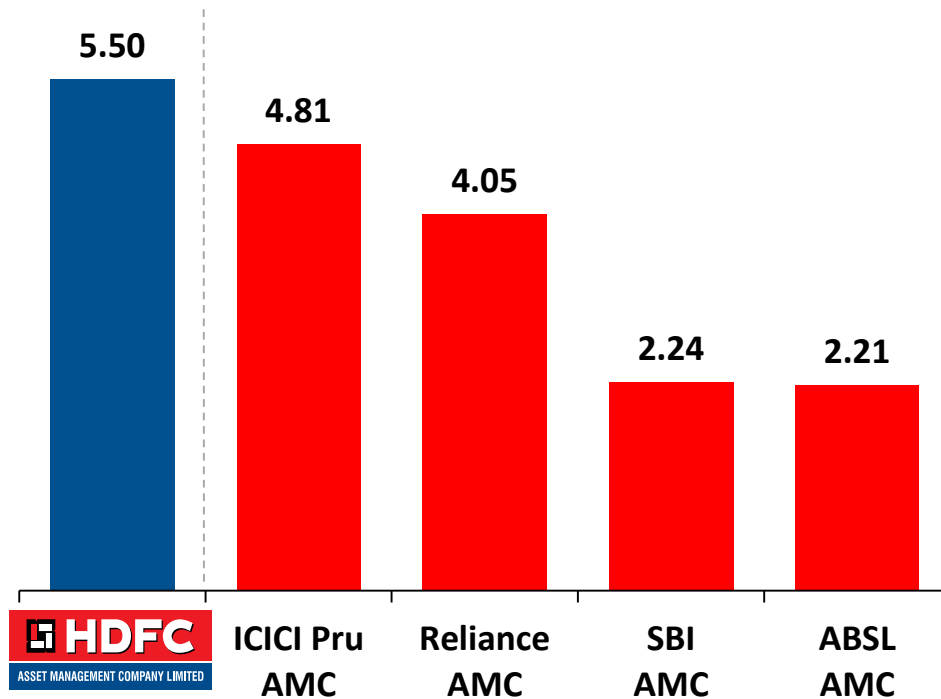


## Statement of Assets and Liabilities

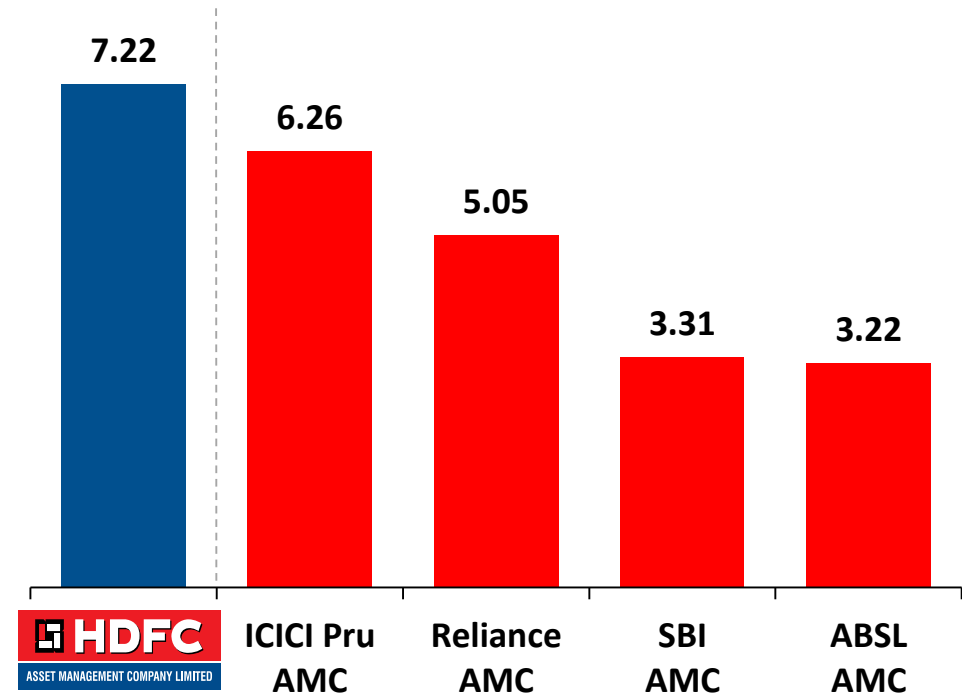
(Rs. mm)

Particulars	As at 30 September, 2018
<b>ASSETS</b>	
Property, Plant and Equipment and Intangible Assets	440
Investments	26,436
Non-current assets	759
Current assets	2,947
<b>TOTAL ASSETS</b>	<b>30,582</b>
<b>EQUITY AND LIABILITIES</b>	
Equity share capital	1,062
Other equity (Reserves & Surplus)	27,391
Non-current liabilities	10
Current liabilities	2,119
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>30,582</b>

**FY17 Profit after tax (Rs bn)**



**FY18 Profit after tax (Rs bn)**



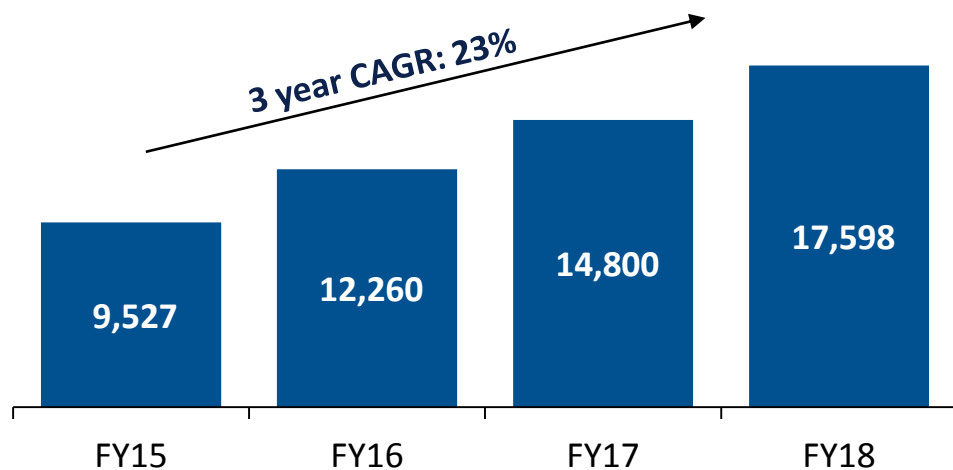
**Most profitable asset management company in India in terms of net profits since FY14**

Source: Annual reports, AMFI, CRISIL Research  
 Note- The above is as per previous GAAP.

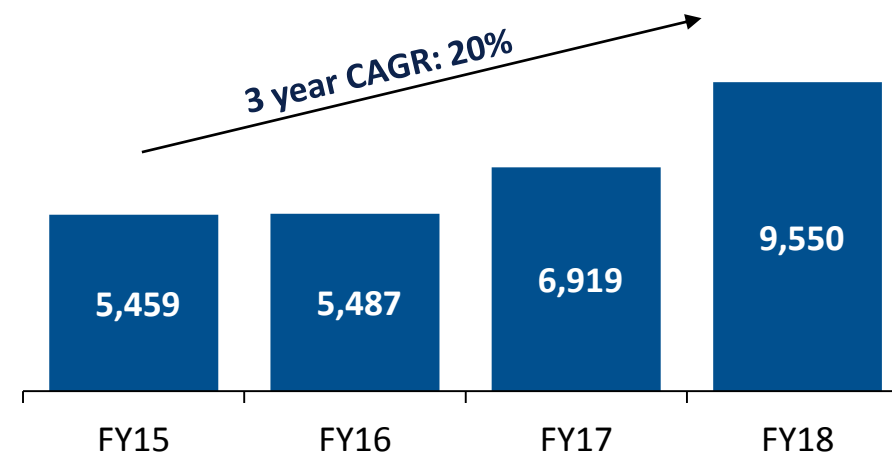
# Financials Summary – Historical Trends

Figures In Rs mm

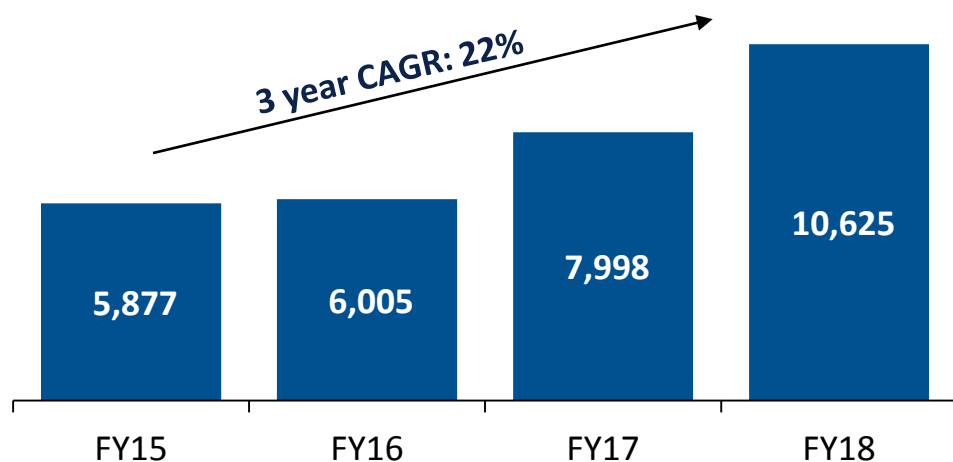
## Revenue from Operations



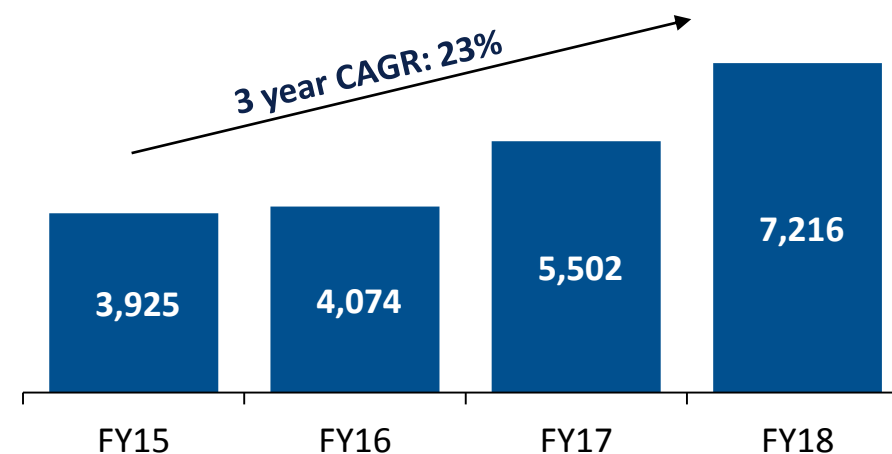
## Operating Profit



## Profit before tax

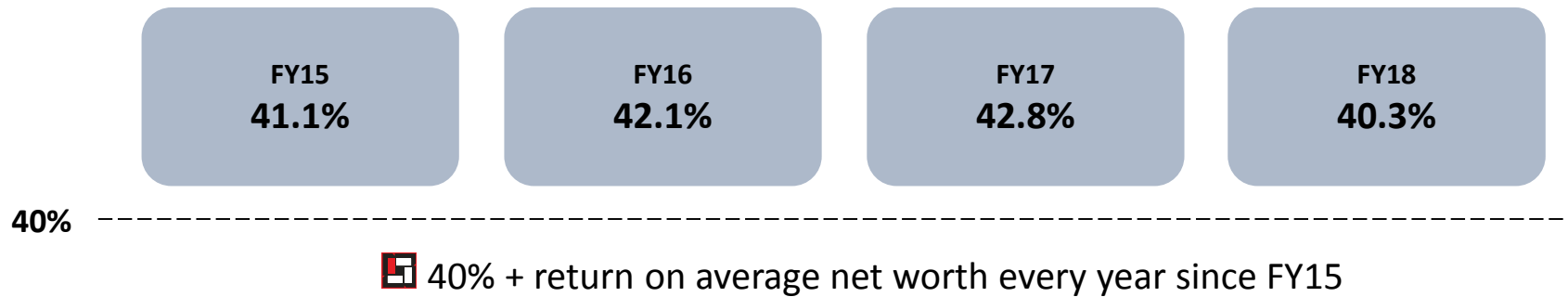


## Profit after tax



Note-The above is (Excluding REP Performance Fee). The preparation is as per previous GAAP.

## 40% + Return on Equity<sup>(1)</sup>



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



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

(2) Including dividend distribution tax

# 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