

Asset Management Companies

Subdued but improvement expected

While increased volatility and active equity outflows of Rs 204.8bn in FY21TD have dented the performance of AMCs, we do expect a more benign environment as markets are near all-time high levels and 4QFY21 will see ELSS inflows. Performance at most listed fund houses except for UTIAMC continued to disappoint as a higher percentage of rated active equity AUM slipped to underperforming. Despite weak performance, HDFCAMC continues to be the largest active equity fund manager with a market share of 13.9%. We also note that ETF/Index funds continue to gain traction as individual folios have grown at an FY15-FY21TD (Sep-20) CAGR of 64.8% to 3.6mn while assets have increased to Rs 213bn (CAGR of 59.0%). Lastly, we observe that blended equity commissions for most fund houses have increased after 3QFY20. We expect AMC performance to improve from hereon as market conditions stabilise and inflows return.

- **Performance tracker.** Performance deteriorated for HDFCAMC as underperforming AUM (as % of rated AUM) increased 687bps (vs. Mar-20) to 96.2%. For NAM/UTIAMC, performance improved as outperforming AUM improved to 16.8/40.6% (+488/1,285bps vs. Mar-20). MOAMC recorded a large slip in performance as MO Multicap 35 scheme (66.3% of rated AUM) slipped down one notch to 3 stars, driving an increase of 7,338bps to 83.1% for the company.
- **Market-share.** In the equity segment, HDFCAMC continues to lead despite 233bps lower market share since Mar-18 to 13.9%. The company has done well in the liquid segment where it gained a market share of 780bps over FY18. UTIAMC's market share has improved marginally (+55bps) in the past six months to 7.6% after declining 49bps over FY18-FY20. Unlisted peers such as SBIAMC/AXISAMC continue to gain market share +597/103bps over FY18 to 14.5/6.1%.
- **Flows.** FY21TD ETF net inflows continue to be robust at Rs273.1bn, while active equity assets continued to witness outflows of Rs204.8bn. Gross SIP flows have declined 9.7% since Mar-20 to Rs 78.0bn (Oct-20) as uncertain markets tested investors' nerves. We expect flows to improve as markets stabilise and individuals invest in tax savings schemes over 4QFY21.
- **Passive (ETF + index funds) gaining traction.** Passive funds individual AUM has displayed phenomenal growth at FY15-FY21TD (Sep20) CAGR of 59.0% to Rs 213bn. Strong traction from individual investors has resulted in a robust folio growth (CAGR of 64.8%). We continue to keenly watch this space as any sustained growth in this segment can dent profitability.
- **Commissions tracker.** Most large asset managers have increased distributor commission payouts post 3QFY20. Equity commission payouts are highest for MOAMC at 101bps in Sep-20, while the same has risen sharply to 63bps (+6.1bps vs. Mar-20) for UTIAMC.

| Company | MCap (Rs bn) | CMP (Rs) | Reco. | TP (Rs) |
|---------|-----------------|-------------|--------|------------|
| HDFCAMC | 544 | 2,550 | NR | NR |
| MOFS | 90 | 609 | ADD | 700 |
| NAM | 182 | 290 | REDUCE | 295 |

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Companies:

- **NAM:** We retain our REDUCE rating on Nippon Life India Asset Management (NAM) with a target price of Rs 295 (36x Sep-22E NOPLAT + cash and investments). We appreciate the recent ownership change with Nippon Life buying out a stake, and believe that the current management team has the ability to regain market share, although the same is not easy. At CMP of Rs 290, the stock trades at an FY21E/22E P/E of 46.4/36.9x.
- **MOFS:** We retain our ADD rating on MOFS with TP of Rs 700. We like MOFS' differentiated business model and unique client franchise. There are headwinds in the near term in the form of a difficult fundraising environment due to regulatory changes and challenging market conditions. We are also concerned about changing regulations and increased competition in broking. Lastly, MOHL too needs to display scalability. Having said the above, we believe valuations are compelling- at CMP of Rs 609 MOFS (ex. MOHL) trades at FY21E/22E P/E of 12.0/17.1x.

Fund House Performance Tracker

- MOAMC reported the most massive slip as ~7,340bps (vs. Mar-20) of rated AUM slipped from outperforming to underperforming, resulting in only ~16.9% of AUM retaining position as outperforming. Slippage has been mainly the result of MO Multicap 35 scheme's (66.3% of rated AUM) rating slipping down one notch to 3 stars.
- NAM reported an improvement in market share of 490bps (vs. Mar-20), and now ~16.8% of AUM is rated as outperforming.
- HDFCAMC witnessed a drop in AUM rating as an additional 690bps (vs. Mar-20) of AUM slipped to underperforming; now only ~3.8% of rated AUM is categorised as outperforming.
- Performance improved for UTIAMC with 40.6% of AUM in outperforming, i.e. +1,290bps since Mar-20. Of the listed players, UTIAMC's performance has been the best. We expect the company to consolidate market share on the back of good performance.
- Value research indicates that with 50.1% of AUM in outperforming (4 stars plus rated) schemes, SBI MF ranks the highest amongst the large mutual funds in the country. Having said that, we believe that, for SBIAMC, ~10.9% of rated AUM slipped down to underperforming.
- ABSLAMC has displayed maximum improvement in performance as outperforming AUM at 35.8%, i.e. +2,090bps vs. Mar-20.

Performance comparison of top AMCs

| Fund Houses / (%) | ABSL | HDFC | IPRU | MO | NAM | SBI | UTI |
|--------------------------|------------|------------|------------|------------|------------|------------|------------|
| Total Equity AuM (Rs bn) | 784 | 1,428 | 1,304 | 175 | 711 | 1,100 | 523 |
| Rated AUM | | | | | | | |
| 5 Star | - | - | - | - | - | 17.8 | - |
| 4 Star | 35.8 | 3.8 | 48.3 | 16.9 | 16.8 | 32.4 | 40.6 |
| 3 Star | 14.7 | 54.5 | 49.0 | 73.1 | 21.9 | 37.3 | 33.5 |
| 2 Star | 40.8 | 34.5 | 2.7 | 9.9 | 3.4 | 12.6 | 25.9 |
| 1 Star | 8.8 | 7.3 | - | - | 57.8 | - | - |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

As % of total equity AUM (%)

| | | | | | | | |
|---------------|------|------|------|------|------|------|------|
| - Rated AUM | 87.2 | 72.6 | 80.4 | 95.3 | 87.3 | 90.5 | 74.1 |
| - Unrated AUM | 12.8 | 27.4 | 19.6 | 4.7 | 12.7 | 9.5 | 25.9 |

| Oct-20 | ABSL | HDFC | IPRU | MO | NAM | SBI | UTI |
|---------------------|-------------|-------------|-------------|-----------|------------|------------|------------|
| Rated AuM (Rs bn) | 684.1 | 1,037.1 | 1,048.8 | 166.5 | 620.7 | 995.5 | 387.4 |
| Total rated AuM (%) | 87.2 | 72.6 | 80.4 | 95.3 | 87.3 | 90.5 | 74.1 |

As a percentage of Rated AUM

| | | | | | | | |
|---|-------------|------------|-------------|-------------|-------------|-------------|-------------|
| Outperforming Schemes- 4 star plus (%) | 35.8 | 3.8 | 48.3 | 16.9 | 16.8 | 50.1 | 40.6 |
| Underperforming Schemes- 1 to 3 star (%) | 64.2 | 96.2 | 51.7 | 83.1 | 83.2 | 49.9 | 59.4 |

| Mar-20* | ABSL | HDFC | IPRU | MO | NAM | SBI | UTI |
|---------------------|-------------|-------------|-------------|-----------|------------|------------|------------|
| Rated AuM (Rs bn) | 547.8 | 855.4 | 887.5 | 137.5 | 501.5 | 755.2 | 292.1 |
| Total rated AuM (%) | 87.4 | 69.6 | 80.8 | 95.7 | 89.5 | 90.8 | 72.2 |

As a percentage of Rated AUM

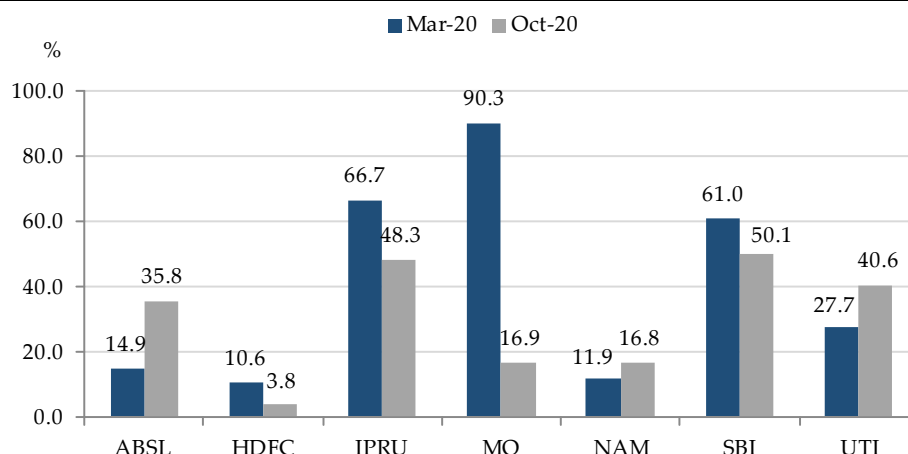
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|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Outperforming Schemes- 4 star plus (%) | 14.9 | 10.6 | 66.7 | 90.3 | 11.9 | 61.0 | 27.7 |
| Underperforming Schemes- 1 to 3 star (%) | 85.1 | 89.4 | 33.3 | 9.7 | 88.1 | 39.0 | 72.3 |

| | | | | | | | |
|---|-------------|--------------|---------------|---------------|------------|---------------|-------------|
| Increase / (decrease) in outperforming AUM (%) | 20.9 | (6.9) | (18.3) | (73.4) | 4.9 | (10.9) | 12.9 |
|---|-------------|--------------|---------------|---------------|------------|---------------|-------------|

*Mar-20 has been restated to exclude arbitrage, ETF and index funds.

Source: NAV India, Value Research, HSIE Research

Outperforming AUM as a % of rated AUM



Source: NAV India, Value Research, HSIE Research

Market share Tracker

Equity schemes

- Overall top 5 fund houses have gained 41 bps market share since Mar-18. Top 10 fund houses have gained 247bps market share since Mar-18.
- HDFC AMC's market share dropped 329bps from 17.2% in Mar-15 to 13.9% in Sep-20. Since FY18 HDFC AMC has lost 233bps. The company, however, continues to remain the market leader. Having said this, we believe pressure on market share would continue, given weak performance.
- UTI AMC's market share dipped 15bps since Mar-18 to 4.4% in Mar-20. Since Mar-20, the company's market share has stabilised and improved to 4.7% in Sep-20. The performance of funds has improved, and the company is paying higher commissions (see commissions) – this should result in higher market share over time.
- NAM's market share continues to remain under pressure at 7.2% (-413bps vs. Mar-15) but the decline accelerated since FY18 where the fund house's share dropped 195bps.
- The market shares of AXIS AMC/SBI AMC improved significantly from 2.1/5.6% to 7.5/10.2% (+536/456bps) over Mar-15 to Sep-20. Strong performance and banca partnership of respective parents has been a key for the companies gaining market share consistently.

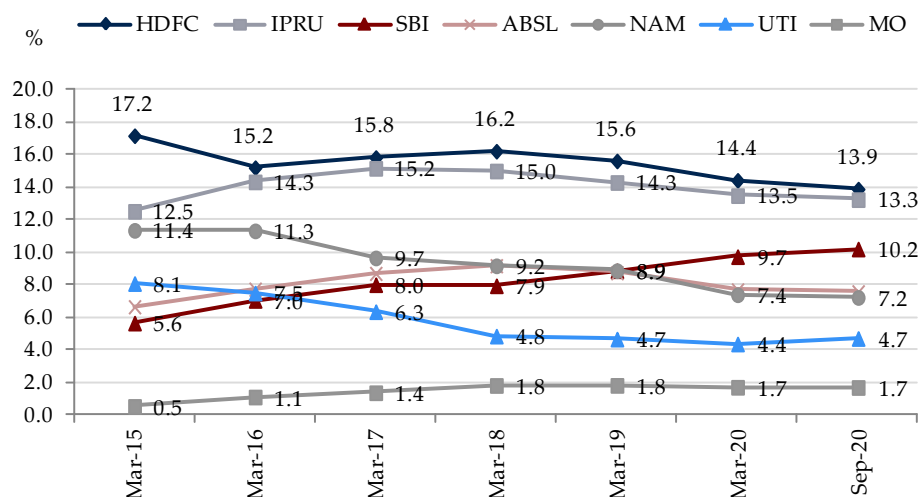
Equity market share across major AMCs

| (%) | Mar-15 | Mar-16 | Mar-17 | Mar-18 | Mar-19 | Mar-20 | Sep-20 |
|-------|--------|--------|--------|--------|--------|--------|--------|
| HDFC | 17.2 | 15.2 | 15.8 | 16.2 | 15.6 | 14.4 | 13.9 |
| IPRU | 12.5 | 14.3 | 15.2 | 15.0 | 14.3 | 13.5 | 13.3 |
| SBI | 5.6 | 7.0 | 8.0 | 7.9 | 8.9 | 9.7 | 10.2 |
| ABSL | 6.7 | 7.7 | 8.7 | 9.2 | 8.8 | 7.7 | 7.6 |
| AXIS | 2.1 | 3.1 | 3.3 | 3.6 | 4.6 | 6.8 | 7.5 |
| NAM | 11.4 | 11.3 | 9.7 | 9.2 | 8.9 | 7.4 | 7.2 |
| Kotak | 2.3 | 3.2 | 3.7 | 4.8 | 5.1 | 6.4 | 6.6 |
| UTI | 8.1 | 7.5 | 6.3 | 4.8 | 4.7 | 4.4 | 4.7 |
| Mirae | 0.4 | 0.7 | 1.2 | 1.5 | 2.2 | 3.5 | 4.2 |
| DSP | 11.3 | 3.8 | 4.4 | 4.4 | 3.9 | 3.9 | 4.0 |
| MO | 0.5 | 1.1 | 1.4 | 1.8 | 1.8 | 1.7 | 1.7 |

Note: Equity includes balanced, growth and arbitrage funds.

Source: NAV India, HSIE Research

Equity market share of major AMCs



Note: Equity includes balanced, growth and arbitrage funds.

Source: NAV India, HSIE Research

Debt schemes

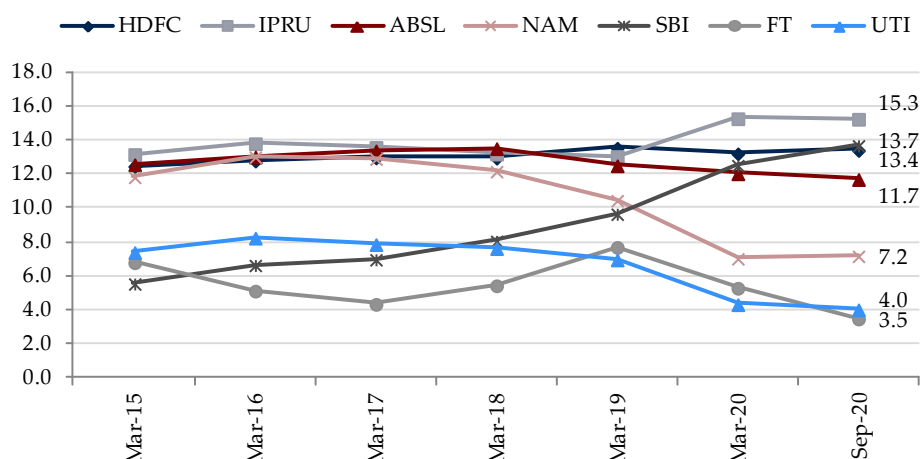
- HDFCAMC's market share has remained in the range 12.5-13.6% over Mar-15 to Sep-20.
- NAM and UTIAMC have ceded 465/337bps over Mar-15 to Sep-20 to now end up with market shares of 7.2/4.0%. These two asset managers have suffered due to investments in troubled corporates/groups. Gaining market share in this segment for UTIAMC and NAM will be difficult and most probably come at higher commission payouts or lower direct TERs.
- IPRU is the market leader with a 15.3% share as of Sep-20 (+208bps vs. Mar-15).
- SBIAMC's debt funds have gained significant traction resulting in its market-share improving to 13.7% as of Sep-20 vs. 5.6% as of Mar-15 (814bps over Mar15-Sep-20).

Debt market share of major AMCs

| (%) | Mar-15 | Mar-16 | Mar-17 | Mar-18 | Mar-19 | Mar-20 | Sep-20 |
|-------|--------|--------|--------|--------|--------|--------|--------|
| HDFC | 12.5 | 12.8 | 13.0 | 13.0 | 13.6 | 13.2 | 13.4 |
| IPRU | 13.2 | 13.8 | 13.6 | 13.2 | 13.1 | 15.3 | 15.3 |
| ABSL | 12.6 | 13.0 | 13.4 | 13.5 | 12.5 | 12.1 | 11.7 |
| NAM | 11.8 | 13.0 | 12.9 | 12.2 | 10.5 | 7.0 | 7.2 |
| SBI | 5.6 | 6.6 | 7.0 | 8.1 | 9.7 | 12.5 | 13.7 |
| FT | 6.8 | 5.1 | 4.4 | 5.5 | 7.7 | 5.3 | 3.5 |
| Kotak | 4.2 | 4.8 | 5.2 | 5.8 | 7.1 | 7.8 | 8.1 |
| UTI | 7.4 | 8.3 | 7.9 | 7.6 | 7.0 | 4.3 | 4.0 |
| IDFC | 5.1 | 5.0 | 4.3 | 4.5 | 5.4 | 8.1 | 9.0 |
| DSP | 8.0 | 2.7 | 3.1 | 3.3 | 3.1 | 2.7 | 2.7 |
| AXIS | 2.2 | 2.3 | 2.6 | 2.3 | 2.3 | 4.2 | 4.8 |

Source: NAV India, HSIE Research

Debt market share of major AMCs



Source: NAV India, HSIE Research

Liquid Schemes

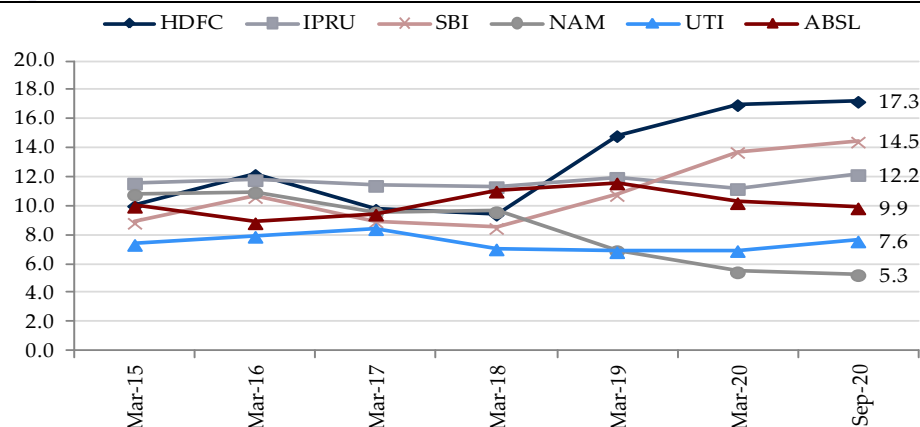
- An intense corporate default environment where HDFCAMC's funds have performed better meant that the company gained significant market share-improved 780bps (over Mar-18) to 17.3% (in Sep-20).
- NAM has lost 435bps since Mar-18 whereas UTIAMC's share improved marginally by 55bps, and their market shares now stand at 5.3/7.6% in Sep-20. These two asset managers have suffered due to investments in troubled corporates/groups.
- SBIAMC continues to see significant market share gain even in liquid assets. SBIAMC's market share improved to 14.5 in Sep-20 vs 8.5% in Mar-18.

Liquid market share across major AMCs

| (%) | Mar-15 | Mar-16 | Mar-17 | Mar-18 | Mar-19 | Mar-20 | Sep-20 |
|-------|--------|--------|--------|--------|--------|--------|--------|
| HDFC | 10.0 | 12.2 | 9.8 | 9.4 | 14.9 | 17.0 | 17.3 |
| IPRU | 11.6 | 11.8 | 11.4 | 11.4 | 12.0 | 11.2 | 12.2 |
| ABSL | 10.0 | 8.9 | 9.5 | 11.0 | 11.6 | 10.2 | 9.9 |
| SBI | 8.9 | 10.6 | 8.9 | 8.5 | 10.8 | 13.7 | 14.5 |
| Kotak | 4.0 | 5.3 | 6.8 | 5.9 | 7.1 | 7.4 | 7.7 |
| NAM | 10.8 | 11.0 | 9.6 | 9.6 | 6.9 | 5.5 | 5.3 |
| UTI | 7.4 | 7.9 | 8.4 | 7.1 | 6.9 | 6.9 | 7.6 |
| AXIS | 2.6 | 3.8 | 4.6 | 5.0 | 4.8 | 5.9 | 6.1 |
| TATA | 3.8 | 3.3 | 4.0 | 3.8 | 4.2 | 3.3 | 3.7 |
| LT | 2.2 | 2.3 | 2.6 | 3.1 | 2.7 | 2.1 | 1.6 |

Source: NAV India, HSIE Research

Liquid market share of major AMCs



Source: NAV India, HSIE Research

Flows

FY21TD (until Oct-20) active equity saw net outflows of Rs 204.8bn (-159.7% YoY). ETFs, on the other hand, have seen strong traction with net inflows of Rs 273.1bn (+17.0% YoY) in FY21TD.

Equity

- During FY21TD, active equity (ex. arbitrage and ETF) witnessed outflows of Rs 204.8bn (-159.7% YoY).
- Gross SIP inflows averaged a healthy Rs 79.5bn (until Oct-20). In Mar-20, the same was at highest ever level of Rs 86.4bn; however, SIP flows have been on a declining trend since then and have just stabilised in Oct-20 at Rs 78.0bn (+0.2% MoM).
- Low-cost AUM: In FY20, for the first time since FY16, ETF net inflows at Rs 664.4bn beat net equity inflows of Rs 582.9bn. We continue to witness a similar trend during FY21TD with ETFs attracting net inflows of Rs 273.1bn vs. active equity net outflows of Rs 204.8bn.
- While flows to ETFs and index funds have continued, we observe that most of the assets are still held by institutions and corporates. HNI and retail investor assets have grown, but the overall amounts are still relatively low.
- Additionally, on an AUM/folio basis, we do not see very material growth. Although given the growth in the number of folios ETFs and index funds are becoming part of investor allocations.
- FY21TD arbitrage inflows are at Rs 146.8bn vs. Rs 16.8bn in FY20.
- Total equity inflows (incl. arb and ETFs) for FY21TD was at Rs 215bn (-74.9% YoY).

Debt/Liquid

- After a redemption phase witnessed towards the end of FY20 (till Apr-20), post-Franklin Templeton MF debt crisis, debt schemes saw a return of flows. For FY21TD net inflows are at Rs 1.56tn vs. outflows of Rs 327bn in FY20.
- Inflows were primarily in safer schemes such as banking and PSU debt funds and short-duration funds. Credit risk funds continue to see outflows.
- Liquid schemes recorded net inflows of Rs 657bn.

Note: As AMFI has changed reporting, we have clubbed liquid, money market and overnight funds in liquid.

View

- Despite markets improving (Nifty50 index returning 41.1%) over Apr-Oct-20, outflows have continued. It seems that investors are not convinced of the macro and continue to redeem funds. This is also retail behaviour, given that category of investors have experienced a difficult 7-8 months.
- ETF flows gaining traction vs. active equity flows remains a key monitorable. Any significant and sustained shift towards ETFs will impact the business model of asset managers adversely. Having said this, we are not seeing any material shift in AUM/folio for retail and HNI customers.
- Amidst the current debt crisis and a series of defaults, investors continue to prefer high-quality short-duration fixed-income assets.

Net Inflows

| (Rs bn) | FY16 | FY17 | FY18 | FY19 | FY20 | FY21TD | YoY (%) |
|-------------------|----------------|----------------|----------------|----------------|--------------|----------------|-------------|
| Equity | 937.7 | 1,027.8 | 2,608.3 | 1,187.2 | 582.9 | (204.8) | (159.7) |
| Equity(arbitrage) | - | - | - | (38.9) | 16.8 | 146.6 | (47.9) |
| Debt | 159.0 | 1,672.2 | (87.9) | (1,244.1) | (327.3) | 1,556.8 | NM |
| Liquid | 171.1 | (18.4) | 79.9 | 760.9 | (75.6) | 656.9 | (38.6) |
| ETFs | 78.2 | 202.7 | 231.2 | 429.4 | 664.4 | 273.1 | 17.0 |
| Total | 1,346.0 | 2,884.3 | 2,831.5 | 1,094.5 | 861.2 | 2,428.6 | 28.7 |

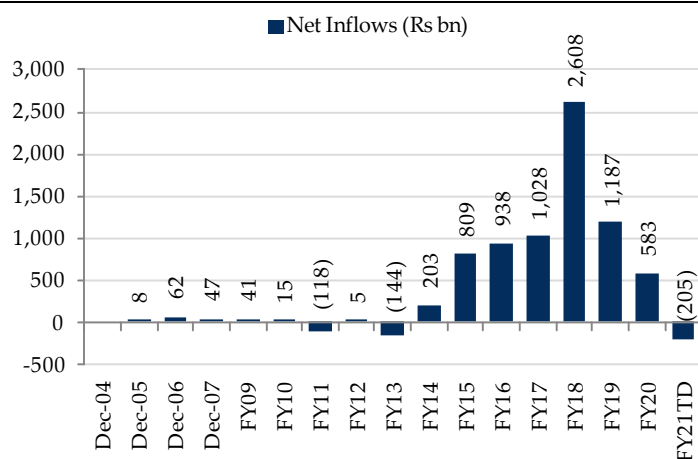
Note: Arbitrage funds inflows data is available beginning Apr-18. Before Apr-18, the same has been clubbed in equity. Source: AMFI, HSIE Research

AUM

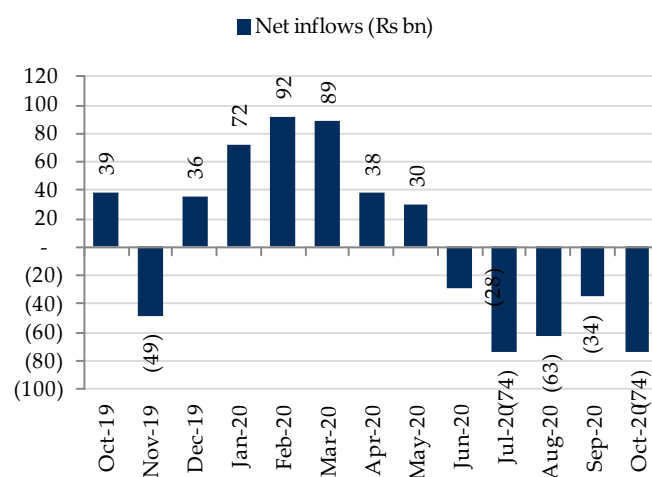
| (Rs bn) | FY16 | FY17 | FY18 | FY19 | FY20 | FY21TD | YoY (%) |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|
| Equity | 4,255 | 6,283 | 9,219 | 10,207 | 8,286 | 10,564 | 27.5 |
| Equity(arbitrage) | - | - | - | 521 | 522 | 638 | 22.3 |
| Debt | 5,835 | 7,606 | 7,994 | 7,297 | 7,082 | 9,070 | 28.1 |
| Liquid | 1,994 | 3,141 | 3,355 | 4,362 | 4,719 | 5,515 | 16.9 |
| ETFs/FoF | 224 | 499 | 777 | 1,391 | 1,625 | 2,373 | 46.0 |
| Total | 12,309 | 17,529 | 21,346 | 23,778 | 22,235 | 28,162 | 26.7 |

Note: Arbitrage funds inflows data is available beginning Apr-18. Before Apr-18, the same has been clubbed in equity.

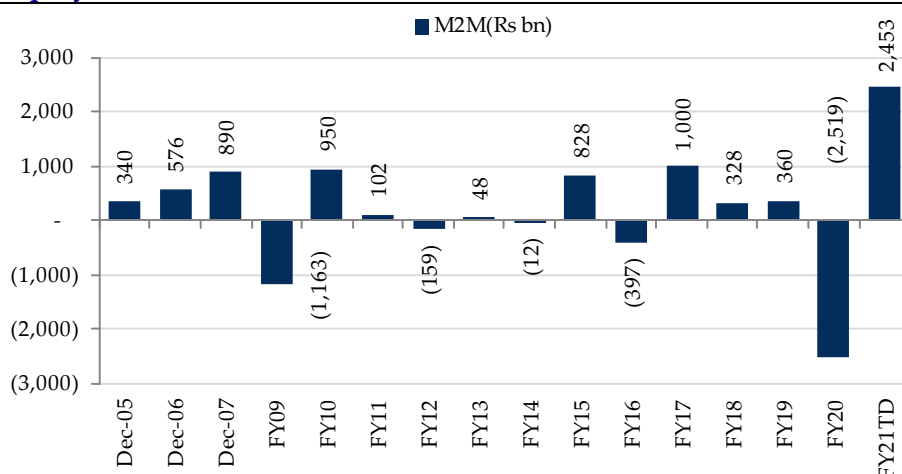
Source: AMFI, HSIE Research

FY21TD equity inflows are down 159.7% YoY.

Source: AMFI, HSIE Research

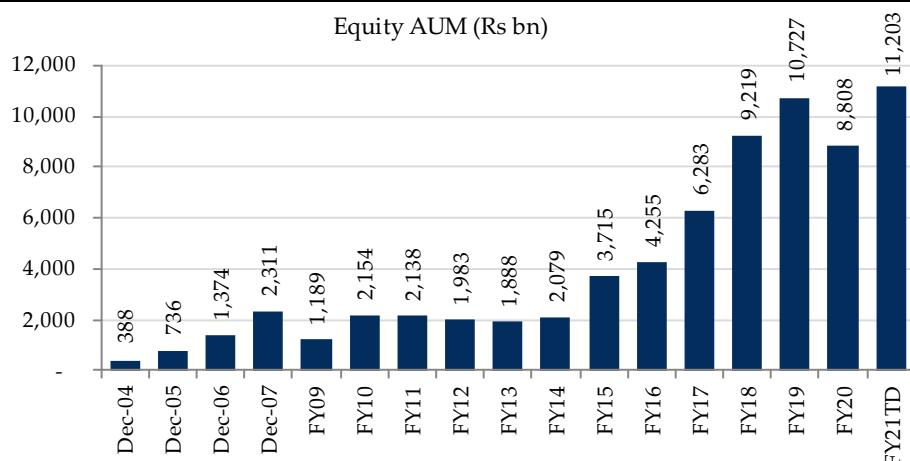
Negative Equity inflows in the past 5 months

Source: AMFI, HSIE Research

Equity AUM MTM

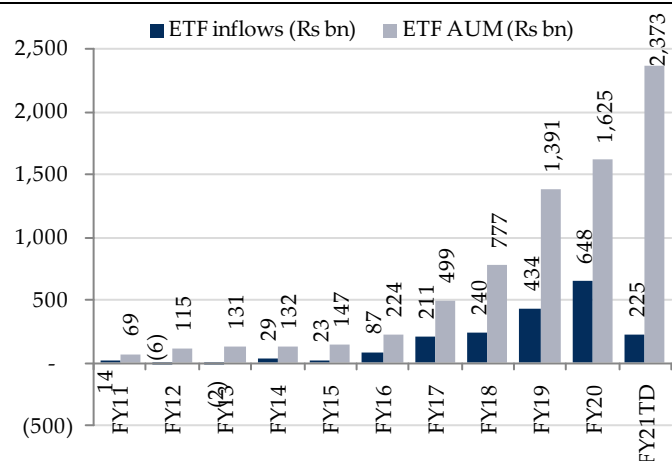
Source: AMFI, HSIE Research

Equity AUM



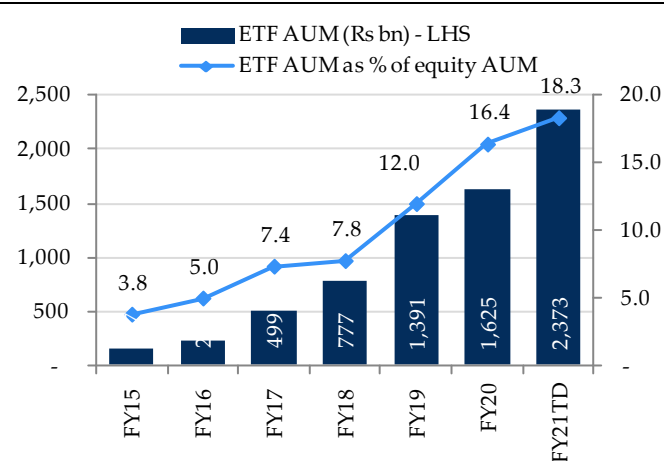
Source: AMFI, HSIE Research

ETFs attracting flows



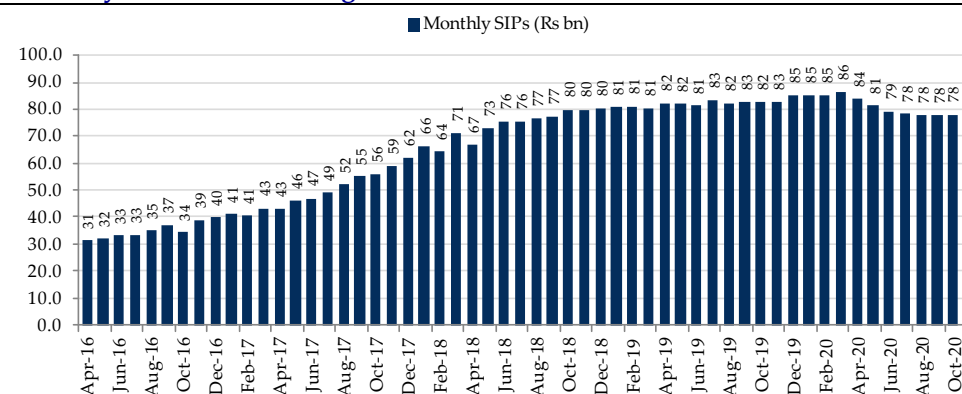
Source: AMFI, HSIE Research

ETF AUM as % of Equity AUM



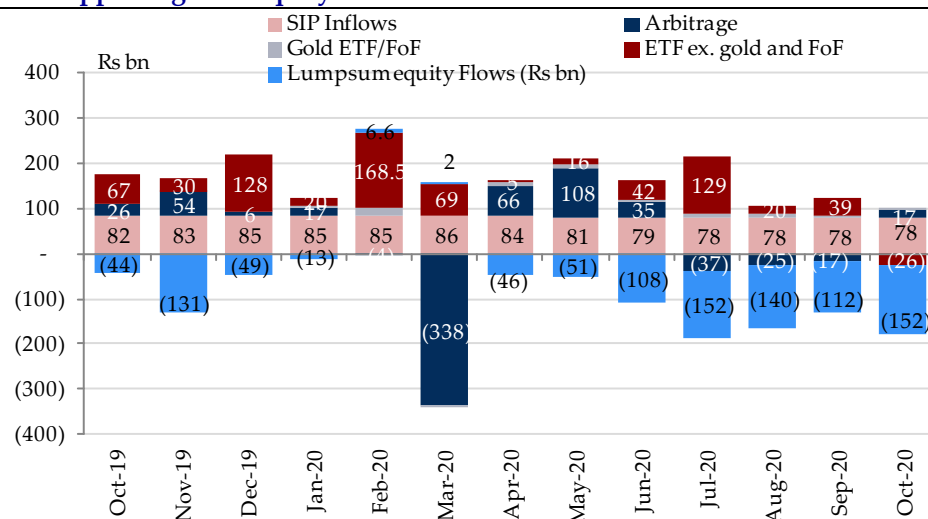
Source: AMFI, HSIE Research

Monthly SIPs remain strong



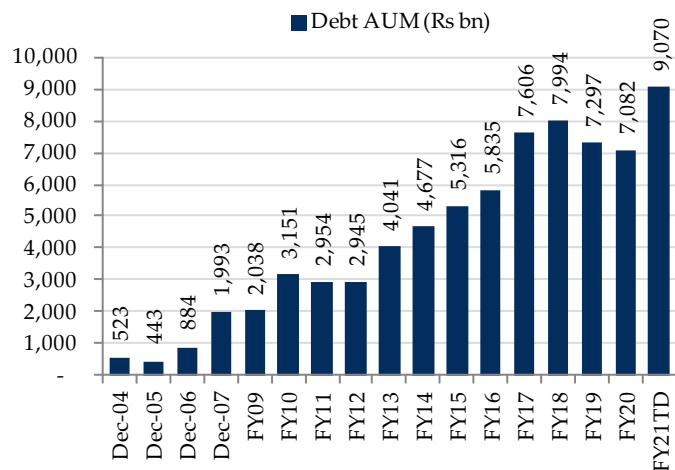
Source: AMFI, HSIE Research

SIP supporting total equity flows



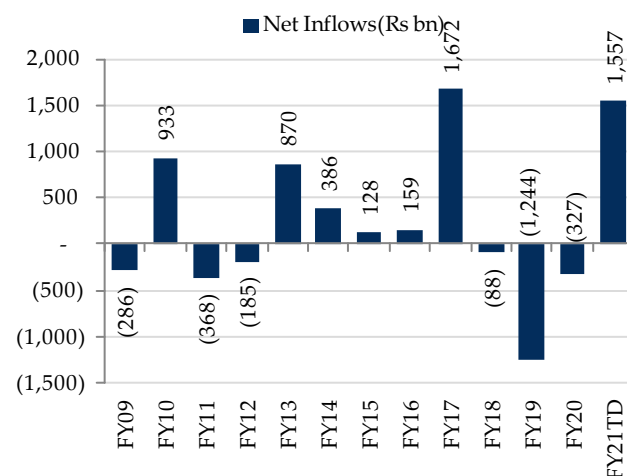
Source: AMFI, HSIE Research

Debt AUM



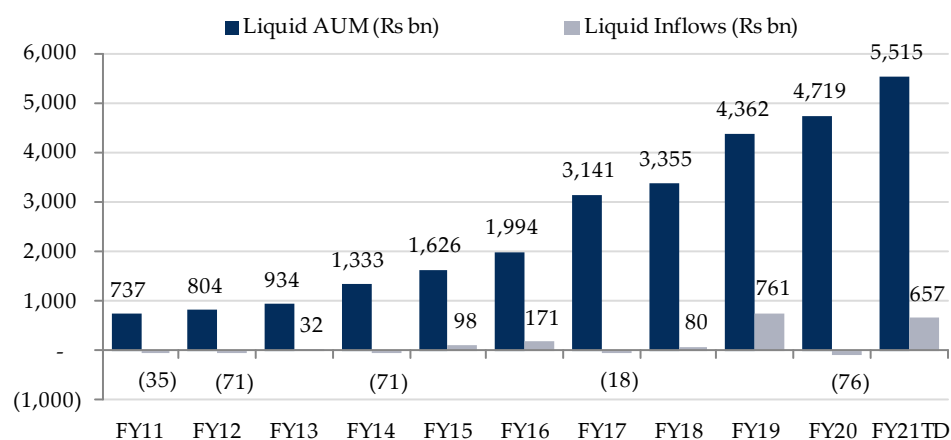
Source: AMFI, HSIE Research

Debt inflows continue to remain strong



Source: AMFI, HSIE Research

Liquid AUM sees healthy flows



Source: AMFI, HSIE Research

Passives: ETF and Index funds gaining ground

- Total Passive (ETF (excluding gold ETFs) and index fund) AUM has grown at an FY15-FY21TD (Sep-20) CAGR of 82.1% to touch Rs 2.2tn in AUM. The share of this asset class in total equity AUM has increased by 1,457bps (vs. FY15) to 16.7%.
- During this period, Individual passive AUM (Retail + HNI) has grown at an FY15-FY21TD (Sep-20) CAGR of 59.0% to touch Rs 213bn. This indicates that the category is fast gaining traction with retail investors. The number of individual folios has increased at a CAGR of 64.8% in this period to 3.6mn.
- The average assets per folio for individuals declined to ~Rs 0.06mn (-3.5% CAGR FY15-FY21TD {Sep-20}).
- We continue to watch this segment as strong growth here could derail earnings of asset managers.

Passive funds: Individual AUM and folios

| | Mar-14 | Mar-15 | Mar-16 | Mar-17 | Mar-18 | Mar-19 | Mar-20 | Sep-20 |
|--------------------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| AUM (Rs bn) | | | | | | | | |
| HNI | 6.1 | 9.8 | 10.0 | 16.5 | 19.7 | 46.6 | 105.1 | 148.2 |
| Retail | 4.9 | 6.8 | 8.5 | 27.0 | 29.8 | 81.2 | 60.6 | 64.3 |
| Total Individual | 11.0 | 16.6 | 18.5 | 43.5 | 49.5 | 127.8 | 165.7 | 212.5 |
| Folios (in '000s) | | | | | | | | |
| HNI | 3 | 4 | 5 | 7 | 9 | 32 | 95 | 103 |
| Retail | 195 | 224 | 260 | 533 | 733 | 1,339 | 2,323 | 3,458 |
| Total Individual | 198 | 228 | 265 | 540 | 742 | 1,371 | 2,418 | 3,562 |
| AUM/Folio (Rs mn) | | | | | | | | |
| HNI | 1.96 | 2.41 | 2.20 | 2.41 | 2.14 | 1.45 | 1.10 | 1.43 |
| Retail | 0.03 | 0.03 | 0.03 | 0.05 | 0.04 | 0.06 | 0.03 | 0.02 |
| Total Individual | 0.06 | 0.07 | 0.07 | 0.08 | 0.07 | 0.09 | 0.07 | 0.06 |

Note: ETFs exclude gold ETFs.

AUM = ETFs + Index funds.

Source: AMFI, HSIE Research

Commissions Tracker

- Our study on commissions reveals that, since 3QFY20, most asset managers have increased payouts to distributors.
- Commissions troughed around Jun-19 after the TER cut and asset managers passing on the TER reductions to distributors. However, as the proportion of new flows has increased, the proportion of commissions has gradually increased.
- Commission payout is highest for MOAMC at 101bps in Sep-20, while the same has risen sharply even for UTIAMC.
- Commission payouts have relatively been more stable for ABSLAMC and IPRUAMC.

Commission tracker

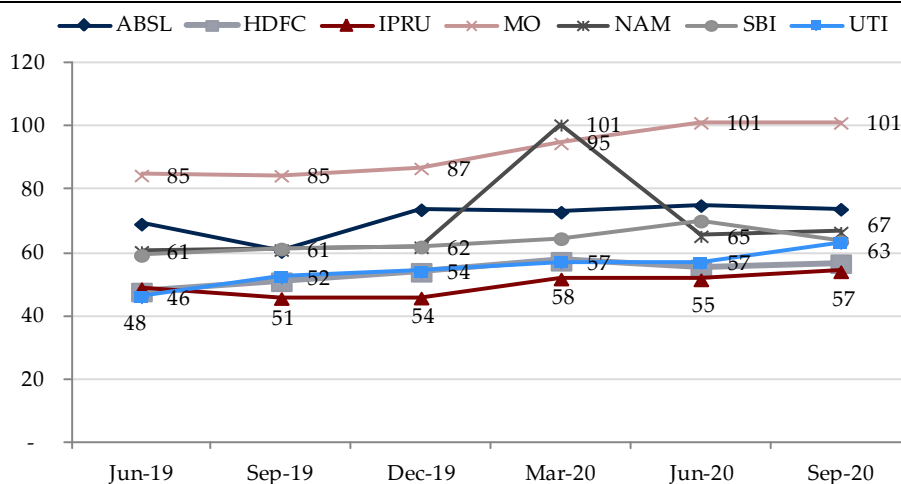
| Fund House | Commissions (bps) | | | | | | |
|------------|-------------------|--------|--------|--------|--------|--------|--------|
| | Mar-19 | Jun-19 | Sep-19 | Dec-19 | Mar-20 | Jun-20 | Sep-20 |
| ABSL | 86 | 69 | 61 | 74 | 73 | 75 | 74 |
| HDFC | 66 | 48 | 51 | 54 | 58 | 55 | 57 |
| IPRU | 77 | 49 | 46 | 46 | 52 | 52 | 54 |
| MO | 95 | 85 | 85 | 87 | 95 | 101 | 101 |
| NAM | 78 | 61 | 61 | 62 | 101 | 65 | 67 |
| SBI | 68 | 59 | 61 | 62 | 65 | 70 | 64 |
| UTI | 53 | 46 | 52 | 54 | 57 | 57 | 63 |

Note: Our derived commission rates are the difference between regular and direct TER charged.

Above numbers capture the TERs of the top 5 equity schemes of each fund house.

Source: Companies, HSIE Research

Commissions across AMCs



Note: Our derived commission rates are the difference between regular and direct TER charged.

Above numbers capture the TERs of the top 5 equity schemes of each fund house.

AMC Valuation Comps

| Bloomberg Ticker | | HDFCAMC | | | | MOAMC | | | | NAMC | | | |
|-----------------------------|---------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Rating | | NR | | | | NA | | | | REDUCE | | | |
| Current market price | Rs | 2,550 | | | | NA | | | | 290 | | | |
| Market Capitalisation | (Rs bn) | 544 | | | | NA | | | | 182 | | | |
| Target price/FV | Rs | NR | | | | 298 | | | | 295 | | | |
| Upside/(Downside) | % | NR | | | | NA | | | | 1.7 | | | |
| | | FY20 | FY21E | FY22E | FY23E | FY20 | FY21E | FY22E | FY23E | FY20 | FY21E | FY22E | FY23E |
| Financials | | | | | | | | | | | | | |
| Revenue | (Rs bn) | 20.0 | 17.5 | 20.5 | 23.3 | 5.6 | 4.5 | 5.6 | 6.2 | 12.0 | 10.2 | 11.7 | 12.8 |
| Operating profit (PBT-OI) | (Rs bn) | 15.1 | 13.5 | 16.2 | 18.8 | 2.1 | 1.6 | 2.0 | 2.3 | 5.7 | 4.5 | 5.5 | 6.1 |
| NOPLAT | (Rs bn) | 11.6 | 10.3 | 12.3 | 14.3 | 1.6 | 1.2 | 1.5 | 1.7 | 4.2 | 3.4 | 4.2 | 4.6 |
| PBT | (Rs bn) | 16.5 | 17.2 | 19.6 | 23.0 | 2.3 | 2.1 | 1.6 | 2.0 | 5.6 | 7.0 | 7.6 | 8.4 |
| APAT | (Rs bn) | 12.6 | 13.1 | 14.9 | 17.5 | 1.6 | 1.2 | 1.5 | 1.7 | 4.2 | 5.3 | 5.8 | 6.3 |
| Growth | | | | | | | | | | | | | |
| Revenue | (%) | 4.6 | -12.6 | 17.3 | 13.4 | -3.2 | -19.1 | 24.3 | 10.4 | -18.6 | -15.0 | 14.3 | 9.5 |
| Operating profit (PBT-OI) | (%) | 22.7 | -11.0 | 20.4 | 16.2 | -10.2 | -20.9 | 23.8 | 11.6 | 7.7 | -21.4 | 23.9 | 9.6 |
| NOPLAT | (%) | 37.2 | -11.3 | 20.1 | 16.2 | 6.8 | -24.2 | 23.8 | 11.6 | 15.0 | -20.2 | 23.9 | 9.6 |
| PBT | (%) | 16.8 | 4.0 | 13.9 | 17.5 | 36.6 | -10.2 | -20.9 | 23.8 | -20.1 | 24.4 | 9.7 | 9.8 |
| APAT | (%) | 30.7 | 3.7 | 13.6 | 17.5 | 6.8 | -24.2 | 23.8 | 11.6 | -14.5 | 26.3 | 9.7 | 9.8 |
| Margins | | | | | | | | | | | | | |
| Operating profit (PBT-OI) | (%) | 75.5 | 76.8 | 78.9 | 80.8 | 37.2 | 36.4 | 36.3 | 36.7 | 47.3 | 43.8 | 47.4 | 47.4 |
| NOPLAT | (%) | 57.7 | 58.6 | 59.9 | 61.4 | 28.8 | 27.0 | 26.8 | 27.1 | 35.2 | 33.0 | 35.8 | 35.8 |
| PBT | (%) | 82.5 | 98.2 | 95.4 | 98.9 | 37.2 | 36.4 | 36.3 | 36.7 | 46.5 | 68.1 | 65.3 | 65.5 |
| APAT | (%) | 63.1 | 74.8 | 72.5 | 75.1 | 28.8 | 27.0 | 26.8 | 27.1 | 34.6 | 51.3 | 49.3 | 49.4 |
| As a % of AAUM (bps) | | | | | | | | | | | | | |
| Revenue | bps | 54.0 | 48.3 | 46.3 | 45.1 | 162.6 | 133.7 | 137.6 | 131.2 | 57.7 | 52.2 | 47.8 | 45.9 |
| Total expenses | bps | 13.0 | 10.9 | 9.6 | 8.4 | 101.3 | 84.2 | 87.0 | 82.5 | 28.5 | 27.0 | 23.4 | 22.7 |
| EBITDA | bps | 42.4 | 38.7 | 37.9 | 37.4 | 61.3 | 49.5 | 50.6 | 48.8 | 29.2 | 25.2 | 24.4 | 23.2 |
| Operating profit (PBT-OI) | bps | 40.8 | 37.1 | 36.5 | 36.5 | 60.6 | 48.7 | 49.9 | 48.1 | 27.3 | 22.9 | 22.7 | 21.8 |
| NOPLAT | bps | 31.2 | 28.3 | 27.7 | 27.7 | 46.8 | 36.1 | 36.9 | 35.6 | 20.3 | 17.2 | 17.1 | 16.4 |
| PBT | bps | 44.6 | 47.4 | 44.1 | 44.6 | 60.6 | 48.7 | 49.9 | 48.1 | 26.8 | 35.6 | 31.2 | 30.1 |
| APAT | bps | 34.1 | 36.1 | 33.6 | 33.9 | 46.8 | 36.1 | 36.9 | 35.6 | 19.9 | 26.8 | 23.6 | 22.7 |
| Return Ratios | | | | | | | | | | | | | |
| RoE | (%) | 35.6 | 29.9 | 29.2 | 29.6 | 27.5 | NA | NA | NA | 16.1 | 19.7 | 20.1 | 20.2 |
| Core RoCE | (%) | 1,428.4 | 1,155.0 | 1,048.3 | 1,180.8 | 240.3 | NA | NA | NA | 140.9 | 135.4 | 166.0 | 188.0 |
| RoCE | (%) | 35.0 | 29.1 | 28.5 | 28.9 | 27.5 | NA | NA | NA | 16.1 | 19.7 | 20.1 | 20.2 |
| Closing AUM | | | | | | | | | | | | | |
| Equity | (Rs bn) | 1,222 | 1,639 | 1,982 | 2,331 | NA | NA | NA | NA | 654 | 890 | 1,018 | 1,154 |
| Debt | (Rs bn) | 1,047 | 1,040 | 1,218 | 1,362 | NA | NA | NA | NA | 474 | 634 | 733 | 835 |
| Liquid | (Rs bn) | 868 | 1,288 | 1,502 | 1,672 | NA | NA | NA | NA | 278 | 453 | 504 | 561 |
| ETFs | (Rs bn) | 54 | 93 | 113 | 137 | NA | NA | NA | NA | 229 | 304 | 354 | 416 |
| Total | (Rs bn) | 3,191 | 4,059 | 4,816 | 5,502 | 160 | 203 | 253 | 303 | 1,635 | 2,281 | 2,609 | 2,966 |
| Growth | | | | | | | | | | | | | |
| Equity | (%) | -26.1 | 34.1 | 21.0 | 17.6 | NA | NA | NA | NA | -29.5 | 36.1 | 14.4 | 13.3 |
| Debt | (%) | 4.9 | -0.6 | 17.2 | 11.8 | NA | NA | NA | NA | -36.7 | 33.8 | 15.6 | 14.0 |
| Liquid | (%) | 16.8 | 48.4 | 16.6 | 11.3 | NA | NA | NA | NA | -29.7 | 62.9 | 11.3 | 11.3 |
| ETFs | (%) | 21.3 | 70.8 | 22.1 | 21.0 | NA | NA | NA | NA | 6.7 | 32.7 | 16.6 | 17.6 |
| Total | (%) | -7.2 | 27.2 | 18.6 | 14.3 | -20.0 | 27.2 | 24.2 | 19.8 | -28.2 | 39.5 | 24.9 | 14.0 |

| Bloomberg Ticker | | HDFCAMC | | | | MOAMC | | | | NAMC | | | |
|------------------|---------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | FY20 | FY21E | FY22E | FY23E | FY20 | FY21E | FY22E | FY23E | FY20 | FY21E | FY22E | FY23E |
| MF AAAUM | | | | | | | | | | | | | |
| Equity | (Rs bn) | 1,636 | 1,430 | 1,811 | 2,157 | 296 | 377 | 436 | 505 | 891 | 772 | 954 | 1,086 |
| Debt | (Rs bn) | 1,058 | 1,043 | 1,129 | 1,290 | NA | NA | NA | NA | 603 | 554 | 684 | 784 |
| Liquid | (Rs bn) | 956 | 1,078 | 1,395 | 1,587 | NA | NA | NA | NA | 316 | 365 | 478 | 533 |
| ETFs | (Rs bn) | 60 | 73 | 103 | 125 | NA | NA | NA | NA | 276 | 266 | 329 | 385 |
| Total | (Rs bn) | 3,710 | 3,625 | 4,437 | 5,159 | 296 | 377 | 436 | 505 | 2,086 | 1,958 | 2,445 | 2,788 |
| | | | | | | | | | | | | | |
| Growth | | | | | | | | | | | | | |
| Equity | (%) | 4.5 | -12.6 | 26.6 | 19.1 | -11.1 | 129.9 | 15.6 | 15.8 | -1.1 | -13.4 | 23.6 | 13.8 |
| Debt | (%) | 8.9 | -1.4 | 8.2 | 14.3 | -83.5 | NM | NM | NM | -24.1 | -8.2 | 23.3 | 14.7 |
| Liquid | (%) | 55.9 | 12.8 | 29.4 | 13.7 | NM | NM | NM | NM | -20.0 | 15.7 | 30.9 | 11.3 |
| ETFs | (%) | 263.6 | 21.6 | 40.1 | 21.5 | 276.5 | NM | NM | NM | 44.8 | -3.4 | 23.5 | 17.1 |
| Total | (%) | 17.2 | -2.3 | 22.4 | 16.3 | -10.3 | 117.4 | 15.6 | 15.8 | -8.6 | -6.2 | 24.9 | 14.0 |
| | | | | | | | | | | | | | |
| Share | | | | | | | | | | | | | |
| Equity | (%) | 44.1 | 39.5 | 40.8 | 41.8 | 100.0 | 100.0 | 100.0 | 100.0 | 42.7 | 39.4 | 39.0 | 39.0 |
| Debt | (%) | 28.5 | 28.8 | 25.4 | 25.0 | NA | NA | NA | NA | 28.9 | 28.3 | 28.0 | 28.1 |
| Liquid | (%) | 25.8 | 29.7 | 31.4 | 30.8 | NA | NA | NA | NA | 15.1 | 18.7 | 19.6 | 19.1 |
| ETFs | (%) | 1.6 | 2.0 | 2.3 | 2.4 | NA | NA | NA | NA | 13.2 | 13.6 | 13.5 | 13.8 |
| Total | (%) | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| | | | | | | | | | | | | | |
| Valuation | | | | | | | | | | | | | |
| At CMP | | | | | | | | | | | | | |
| EV/(PBT-OI) | x | 33.4 | 37.0 | 30.3 | 25.6 | NA | NA | NA | NA | 27.8 | 35.0 | 27.8 | 24.9 |
| EV/NOPLAT | x | 43.6 | 48.6 | 39.9 | 33.7 | NA | NA | NA | NA | 37.4 | 46.4 | 36.9 | 33.0 |
| P/E | x | 43.1 | 41.5 | 36.6 | 31.1 | NA | NA | NA | NA | 43.7 | 34.6 | 31.5 | 28.7 |
| P/BV (x) | x | 13.5 | 11.5 | 10.0 | 8.6 | NA | NA | NA | NA | 7.0 | 6.6 | 6.1 | 5.5 |
| P/Equity AUM | % | 44.5 | 33.2 | 27.5 | 23.3 | NA | NA | NA | NA | 27.8 | 20.4 | 17.8 | 15.7 |
| P/AUM (x) | % | 17.1 | 13.4 | 11.3 | 9.9 | NA | NA | NA | NA | 11.1 | 8.0 | 6.4 | 5.6 |
| | | | | | | | | | | | | | |
| At TP | | | | | | | | | | | | | |
| EV/(PBT-OI) (x) | x | NA | NA | NA | NA | 21.3 | 26.9 | 21.8 | 19.5 | 28.3 | 35.7 | 28.4 | 25.4 |
| EV/NOPLAT | x | NA | NA | NA | NA | 27.6 | 36.4 | 29.4 | 26.4 | 38.1 | 47.4 | 37.6 | 33.7 |
| P/E (x) | x | NA | NA | NA | NA | 27.6 | 36.4 | 29.4 | 26.4 | 44.4 | 35.2 | 32.1 | 29.2 |
| P/BV (x) | x | NA | NA | NA | NA | NA | NA | NA | NA | 7.1 | 6.7 | 6.2 | 5.6 |
| P/Equity AUM | % | NA | NA | NA | NA | 14.9 | 11.7 | 10.1 | 8.7 | 28.2 | 20.8 | 18.1 | 16.0 |
| P/AUM (x) | % | NA | NA | NA | NA | 14.9 | 11.7 | 10.1 | 8.7 | 11.3 | 8.1 | 6.5 | 5.7 |

Source: Company financials and disclosures, NAV India, HSIE Research

AMC Operating Comps

| Bloomberg Ticker | | ABSLAMC | | | | | HDFCAMC | | | | | IDFC AMC | | | | |
|---|---------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|--------------|
| Rating | | NR | | | | | NR | | | | | NR | | | | |
| Current market price | Rs | NA | | | | | 2,550 | | | | | NA | | | | |
| Market Capitalisation | (Rs bn) | NA | | | | | 544 | | | | | NA | | | | |
| Target price/FV | Rs | NR | | | | | NR | | | | | NR | | | | |
| Upside/(Downside) | % | NA | | | | | NR | | | | | NA | | | | |
| | | | | | | | | | | | | | | | | |
| | | FY17 | FY18 | FY19 | FY20 | FY21E* | FY17 | FY18 | FY19 | FY20 | FY21E* | FY17 | FY18 | FY19 | FY20 | FY21E* |
| AUM by investor wise | | | | | | | | | | | | | | | | |
| Retail | (Rs bn) | 286 | 440 | 530 | 414 | 494 | 546 | 735 | 844 | 608 | 716 | 70 | 97 | 112 | 87 | 104 |
| HNI | (Rs bn) | 558 | 717 | 721 | 653 | 623 | 788 | 1,103 | 1,247 | 1,330 | 1,654 | 150 | 189 | 237 | 350 | 422 |
| Institutions (Banks/FIs/FIIs/FPIs/Corporates) | (Rs bn) | 1,136 | 1,296 | 1,227 | 1,189 | 1,294 | 1,065 | 1,154 | 1,370 | 1,446 | 1,329 | 370 | 391 | 373 | 543 | 630 |
| Total AUM | (Rs bn) | 1,980 | 2,453 | 2,478 | 2,256 | 2,411 | 2,399 | 2,993 | 3,461 | 3,384 | 3,698 | 591 | 677 | 722 | 981 | 1,155 |
| | | | | | | | | | | | | | | | | |
| MAAUM by geography | | | | | | | | | | | | | | | | |
| B30 | (Rs bn) | 270.5 | 401.6 | 333.2 | 336.1 | 392.0 | 385.7 | 541.2 | 462.3 | 459.9 | 523.5 | 51.3 | 73.9 | 50.0 | 60.6 | 79.5 |
| Growth in B30 | (%) | 55.5 | 48.5 | -17.0 | 0.8 | NA | 41.3 | 40.3 | -14.6 | -0.5 | NA | 5.9 | 44.1 | -32.4 | 21.2 | NA |
| B30 share in total AUM | (%) | 13.7 | 16.4 | 13.4 | 14.9 | 16.3 | 12.4 | 12.7 | 12.2 | 11.9 | 14.2 | 8.7 | 10.9 | 6.9 | 6.2 | 6.9 |
| | | | | | | | | | | | | | | | | |
| Total MF AUM share | | | | | | | | | | | | | | | | |
| IFA | (%) | 22.0 | 25.0 | 27.0 | NA | NA | NA | 27.6 | 27.5 | 23.4 | 24.8 | NA | NA | NA | NA | NA |
| ND | (%) | 13.0 | 13.0 | 11.0 | NA | NA | NA | 21.0 | 20.0 | 18.1 | 17.8 | NA | NA | NA | NA | NA |
| Banks | (%) | 23.0 | 19.0 | 17.0 | NA | NA | NA | 17.3 | 14.2 | 10.7 | 10.0 | NA | NA | NA | NA | NA |
| Direct | (%) | 42.0 | 43.0 | 45.0 | NA | NA | NA | 34.1 | 38.3 | 47.8 | 47.4 | NA | NA | NA | NA | NA |
| Total | (%) | 100 | 100 | 100 | NA | NA | NA | 100 | 100 | 100 | 100 | NA | NA | NA | NA | NA |
| | | | | | | | | | | | | | | | | |
| Equity MF AUM share | | | | | | | | | | | | | | | | |
| IFA | (%) | 40.0 | 42.0 | 45.0 | 47.0 | 50.0 | NA | 39.2 | 40.6 | 40.3 | 41.2 | NA | NA | NA | NA | NA |
| ND | (%) | 19.0 | 17.0 | 14.0 | 13.0 | 12.0 | NA | 24.2 | 24.6 | 24.8 | 24.4 | NA | NA | NA | NA | NA |
| Banks | (%) | 24.0 | 22.0 | 22.0 | 20.0 | 20.0 | NA | 19.1 | 16.6 | 15.7 | 14.9 | NA | NA | NA | NA | NA |
| Direct | (%) | 17.0 | 19.0 | 19.0 | 20.0 | 18.0 | NA | 17.5 | 18.2 | 19.2 | 19.5 | NA | NA | NA | NA | NA |
| Total | (%) | 100 | 100 | 100 | 100 | 100 | NA | 100 | 100 | 100 | 100 | NA | NA | NA | NA | NA |
| | | | | | | | | | | | | | | | | |
| Market share | | | | | | | | | | | | | | | | |
| Total AUM | (%) | 10.6 | 10.8 | 10.1 | 9.2 | 8.7 | 12.9 | 13.2 | 14.1 | 13.7 | 13.3 | 3.2 | 3.0 | 2.9 | 4.0 | 4.2 |
| Equity AUM | (%) | 8.7 | 9.2 | 8.8 | 7.7 | 7.6 | 15.8 | 16.2 | 15.6 | 14.5 | 13.9 | 2.2 | 2.0 | 2.2 | 2.6 | 2.3 |
| Debt AUM | (%) | 13.4 | 13.5 | 12.5 | 12.1 | 11.7 | 13.0 | 13.0 | 13.6 | 13.2 | 13.4 | 4.3 | 4.5 | 5.4 | 8.1 | 9.0 |
| Liquid AUM | (%) | 9.5 | 11.0 | 11.6 | 10.2 | 9.9 | 9.8 | 9.4 | 14.9 | 17.0 | 17.3 | 2.8 | 2.5 | 1.9 | 1.7 | 2.4 |
| ETF AUM | (%) | 1.1 | 0.6 | 0.4 | 0.3 | 0.5 | 1.6 | 1.0 | 0.6 | 0.9 | 1.4 | 0.5 | 0.3 | 0.2 | 0.1 | 0.1 |
| Retail AUM | (%) | 7.4 | 8.2 | 8.2 | 8.7 | 8.9 | 14.2 | 13.7 | 13.1 | 13.1 | 12.9 | 1.8 | 1.8 | 1.7 | 1.8 | 1.9 |
| HNI AUM | (%) | 11.8 | 11.3 | 10.1 | 8.3 | 7.0 | 16.7 | 17.4 | 17.5 | 16.1 | 15.0 | 3.2 | 3.0 | 3.3 | 4.2 | 4.8 |
| Institutional AUM | (%) | 11.3 | 11.7 | 11.1 | 10.0 | 9.7 | 10.6 | 10.5 | 12.4 | 12.3 | 12.4 | 3.7 | 3.5 | 3.4 | 4.6 | 4.7 |
| B30 AUM | (%) | 8.7 | 9.4 | 8.8 | 8.7 | 8.8 | 12.4 | 12.7 | 12.2 | 11.9 | 11.8 | 1.7 | 1.7 | 1.3 | 1.6 | 1.8 |
| | | | | | | | | | | | | | | | | |
| AUM composition | | | | | | | | | | | | | | | | |
| Mutual Fund | (Rs bn) | 1,980 | 2,453 | 2,478 | 2,256 | | 2,306 | 2,920 | 3,439 | 3,191 | | 591 | 666 | 722 | 979 | |
| PMS | (Rs bn) | NA | NA | NA | NA | | 59 | 65 | 98 | 85 | | NA | NA | NA | NA | |
| Offshore | (Rs bn) | NA | NA | NA | NA | | NA | NA | NA | NA | | NA | NA | NA | NA | |
| Retirement Solutions | (Rs bn) | NA | NA | NA | NA | | NA | NA | NA | NA | | NA | NA | NA | NA | |
| Alternative Investment Funds | (Rs bn) | NA | NA | NA | NA | | NA | NA | NA | NA | | NA | NA | NA | NA | |
| Total | (Rs bn) | 1,980 | 2,453 | 2,478 | 2,256 | | 2,365 | 2,985 | 3,537 | 3,276 | | 591 | 666 | 722 | 979 | |

*Refers to FY21TD (Sep-20).

Source: Company financials and disclosures, NAV India, HSIE Research

| Bloomberg Ticker | | LT AMC | | | | | MOAMC | | | | | NAMC | | | | |
|---|---------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|
| Rating | | NR | | | | | NA | | | | | REDUCE | | | | |
| Current market price | Rs | NA | | | | | NA | | | | | 290 | | | | |
| Market Capitalisation | (Rs bn) | NA | | | | | NA | | | | | 182 | | | | |
| Target price/FV | Rs | NR | | | | | 298 | | | | | 295 | | | | |
| Upside/(Downside) | % | NA | | | | | NA | | | | | 1.7 | | | | |
| | | | | | | | | | | | | | | | | |
| | | FY17 | FY18 | FY19 | FY20 | FY21E* | FY17 | FY18 | FY19 | FY20 | FY21E* | FY17 | FY18 | FY19 | FY20 | FY21E* |
| AUM by investor wise | | | | | | | | | | | | | | | | |
| Retail | (Rs bn) | 84 | 165 | 211 | 156 | 189 | 26 | 56 | 75 | 69 | 86 | 527 | 736 | 903 | 450 | 528 |
| HNIIs | (Rs bn) | 115 | 241 | 259 | 234 | 237 | 39 | 81 | 83 | 72 | 86 | 365 | 393 | 364 | 465 | 470 |
| Institutions (Banks/FIs/FIIs/FPIs/Corporates) | (Rs bn) | 203 | 248 | 241 | 246 | 215 | 21 | 41 | 38 | 38 | 50 | 1,245 | 1,280 | 1,019 | 940 | 1,009 |
| Total AUM | (Rs bn) | 402 | 655 | 711 | 636 | 641 | 87 | 179 | 196 | 179 | 222 | 2,137 | 2,409 | 2,286 | 1,855 | 2,006 |
| MAAUM by geography | | | | | | | | | | | | | | | | |
| B30 | (Rs bn) | 43.3 | 84.3 | 74.1 | 69.8 | 79.5 | 9.8 | 22.8 | 22.9 | 18.7 | 26.0 | 413.8 | 515.2 | 452.5 | 323.1 | 365.7 |
| Growth in B30 | (%) | 54.6 | 94.8 | -12.2 | -5.8 | NA | 123.6 | 131.7 | 0.5 | -18.4 | NA | 29.1 | 24.5 | -12.2 | -28.6 | NA |
| B30 share in total AUM | (%) | 10.8 | 12.9 | 10.4 | 11.0 | 12.4 | 11.4 | 12.8 | 11.7 | 10.4 | 11.7 | 19.3 | 21.4 | 19.8 | 17.4 | 18.2 |
| Total MF AUM share | | | | | | | | | | | | | | | | |
| IFA | (%) | NA | NA | NA | NA | NA | 13.0 | 24.5 | 26.5 | 26.0 | 25.0 | NA | NA | NA | NA | 25.4 |
| ND | (%) | NA | NA | NA | NA | NA | 23.0 | 19.0 | 18.0 | 18.0 | 23.0 | NA | NA | NA | NA | 9.4 |
| Banks | (%) | NA | NA | NA | NA | NA | 26.0 | 25.0 | 21.0 | 18.0 | 14.0 | NA | NA | NA | NA | 12.2 |
| Direct | (%) | NA | NA | NA | NA | NA | 38.0 | 31.5 | 34.5 | 38.0 | 38.0 | NA | NA | NA | NA | 53.0 |
| Total | (%) | NA | NA | NA | NA | NA | 100 | 100 | 100 | 100 | 100 | NA | NA | NA | NA | 100 |
| Equity MF AUM share | | | | | | | | | | | | | | | | |
| IFA | (%) | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| ND | (%) | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Banks | (%) | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Direct | (%) | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Total | (%) | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Market share | | | | | | | | | | | | | | | | |
| Total AUM | (%) | 2.2 | 2.9 | 2.9 | 2.6 | 2.3 | 0.5 | 0.8 | 0.8 | 0.7 | 0.8 | 11.5 | 10.6 | 9.3 | 7.5 | 7.2 |
| Equity AUM | (%) | 2.7 | 3.8 | 3.9 | 3.3 | 3.3 | 1.4 | 1.8 | 1.8 | 1.7 | 1.7 | 9.7 | 9.2 | 8.9 | 7.4 | 7.2 |
| Debt AUM | (%) | 1.7 | 1.9 | 2.1 | 2.6 | 2.2 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 12.9 | 12.2 | 10.5 | 7.0 | 7.2 |
| Liquid AUM | (%) | 2.6 | 3.1 | 2.7 | 2.1 | 1.6 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 9.6 | 9.6 | 6.9 | 5.5 | 5.3 |
| ETF AUM | (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.1 | 0.2 | 0.5 | 1.2 | 27.1 | 16.7 | 16.3 | 15.9 | 12.1 |
| Retail AUM | (%) | 2.2 | 3.1 | 3.3 | 3.3 | 3.4 | 0.7 | 1.0 | 1.2 | 1.5 | 1.5 | 13.8 | 13.7 | 14.0 | 9.5 | 9.5 |
| HNI AUM | (%) | 2.4 | 3.8 | 3.6 | 2.8 | 2.7 | 0.8 | 1.3 | 1.2 | 0.9 | 1.0 | 7.8 | 6.2 | 5.1 | 5.6 | 5.3 |
| Institutional AUM | (%) | 2.0 | 2.2 | 2.2 | 2.1 | 1.6 | 0.2 | 0.4 | 0.3 | 0.3 | 0.4 | 12.4 | 11.6 | 9.2 | 8.0 | 7.6 |
| B30 AUM | (%) | 1.4 | 2.0 | 1.9 | 1.8 | 1.8 | 0.3 | 0.5 | 0.6 | 0.5 | 0.6 | 13.3 | 12.1 | 11.9 | 8.3 | 8.2 |
| AUM composition | | | | | | | | | | | | | | | | |
| Mutual Fund | (Rs bn) | 402 | 655 | 711 | 636 | | 93 | 182 | 200 | 160 | | 2,036 | 2,261 | 2,278 | 1,635 | |
| PMS | (Rs bn) | NA | NA | NA | NA | | 105 | 150 | 160 | 117 | | 26 | 32 | 35 | 39 | |
| Offshore | (Rs bn) | NA | NA | NA | NA | | NA | NA | NA | NA | | 19 | 28 | 31 | 89 | |
| Retirement Solutions | (Rs bn) | NA | NA | NA | NA | | NA | NA | NA | NA | | 1,425 | 1,643 | 1,878 | 830 | |
| Alternative Investment Funds | (Rs bn) | NA | NA | NA | NA | | 24 | 28 | 19 | 23 | | 0 | 0 | 0 | 0 | |
| Total | (Rs bn) | 402 | 655 | 711 | 636 | | 222 | 359 | 379 | 300 | | 3,506 | 3,964 | 4,222 | 2,593 | |

*Refers to FY21TD (Sep-20).

Source: Company financials and disclosures, NAV India, HSIE Research

| Bloomberg Ticker | | UTIAMC | | | | | IPRUAMC | | | | |
|---|---------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Rating | | NR | | | | | NR | | | | |
| Current market price | Rs | 547 | | | | | NA | | | | |
| Market Capitalisation | (Rs bn) | 69.4 | | | | | NA | | | | |
| Target price/FV | Rs | NR | | | | | NR | | | | |
| Upside/(Downside) | % | NR | | | | | NA | | | | |
| | | | | | | | | | | | |
| | | FY17 | FY18 | FY19 | FY20 | FY21E* | FY17 | FY18 | FY19 | FY20 | FY21E* |
| AUM by investor wise | | | | | | | | | | | |
| Retail | (Rs bn) | 460 | 553 | 647 | 377 | 441 | 404 | 548 | 637 | 456 | 558 |
| HNIIs | (Rs bn) | 181 | 155 | 145 | 245 | 257 | 845 | 1,155 | 1,221 | 1,341 | 1,415 |
| Institutions (Banks/FIs/FILs/FPIs/Corporates) | (Rs bn) | 746 | 769 | 749 | 719 | 879 | 1,233 | 1,345 | 1,367 | 1,496 | 1,684 |
| Total AUM | (Rs bn) | 1,387 | 1,478 | 1,542 | 1,341 | 1,577 | 2,482 | 3,048 | 3,225 | 3,293 | 3,658 |
| MAAUM by geography | | | | | | | | | | | |
| B30 | (Rs bn) | 386.5 | 437.1 | 403.2 | 346.6 | 386.1 | 387.4 | 532.2 | 415.1 | 446.8 | 519.2 |
| Growth in B30 | (%) | 29.0 | 13.1 | -7.7 | -14.1 | 0.0 | 47.4 | 37.4 | -22.0 | 7.6 | NA |
| B30 share in total AUM | (%) | 27.9 | 29.6 | 26.2 | 25.8 | 24.5 | 15.6 | 17.5 | 12.9 | 13.6 | 14.2 |
| Total MF AUM share | | | | | | | | | | | |
| IFA | (%) | 29.1 | 31.1 | 31.6 | 29.9 | 28.6 | NA | NA | NA | NA | NA |
| ND | (%) | 9.9 | 9.2 | 8.4 | 7.1 | 6.9 | NA | NA | NA | NA | NA |
| Banks | (%) | 6.6 | 5.3 | 5.5 | 4.0 | 3.3 | NA | NA | NA | NA | NA |
| Direct | (%) | 54.4 | 54.5 | 54.6 | 59.0 | 61.2 | NA | NA | NA | NA | NA |
| Total | (%) | 100 | 100 | 100 | 100 | 100 | NA | NA | NA | NA | NA |
| Equity MF AUM share | | | | | | | | | | | |
| IFA | (%) | 57.1 | 61.0 | 62.6 | 60.1 | 60.3 | NA | NA | NA | NA | NA |
| ND | (%) | 7.1 | 5.9 | 5.6 | 5.8 | 5.5 | NA | NA | NA | NA | NA |
| Banks | (%) | 4.3 | 3.6 | 4.5 | 4.5 | 4.3 | NA | NA | NA | NA | NA |
| Direct | (%) | 31.5 | 29.5 | 27.3 | 29.6 | 29.9 | NA | NA | NA | NA | NA |
| Total | (%) | 100 | 100 | 100 | 100 | 100 | NA | NA | NA | NA | NA |
| Market share | | | | | | | | | | | |
| Total AUM | (%) | 7.4 | 6.5 | 6.3 | 5.4 | 5.7 | 13.3 | 13.4 | 13.1 | 13.3 | 13.2 |
| Equity AUM | (%) | 6.3 | 4.8 | 4.7 | 4.4 | 4.7 | 15.2 | 15.0 | 14.3 | 13.5 | 13.3 |
| Debt AUM | (%) | 7.9 | 7.6 | 7.0 | 4.3 | 4.0 | 13.6 | 13.2 | 13.1 | 15.3 | 15.3 |
| Liquid AUM | (%) | 8.4 | 7.1 | 6.9 | 6.9 | 7.6 | 11.4 | 11.4 | 12.0 | 11.2 | 12.2 |
| ETF AUM | (%) | 5.8 | 11.0 | 12.5 | 11.2 | 11.4 | 2.6 | 8.5 | 8.4 | 9.4 | 8.1 |
| Retail AUM | (%) | 12.0 | 10.3 | 10.0 | 8.1 | 7.9 | 10.5 | 10.2 | 9.9 | 9.7 | 10.0 |
| HNI AUM | (%) | 3.8 | 2.4 | 2.0 | 3.0 | 2.9 | 17.9 | 18.2 | 17.2 | 16.2 | 16.0 |
| Institutional AUM | (%) | 7.4 | 7.0 | 6.8 | 6.1 | 6.6 | 12.3 | 12.2 | 12.4 | 12.7 | 12.7 |
| B30 AUM | (%) | 12.5 | 10.2 | 10.6 | 8.9 | 8.7 | 12.5 | 12.5 | 10.9 | 11.5 | 11.7 |
| AUM composition | | | | | | | | | | | |
| Mutual Fund | (Rs bn) | 1,282 | 1,360 | 1,423 | 1,178 | | 2,482 | 3,048 | 3,225 | 3,293 | |
| PMS | (Rs bn) | 992 | 1,159 | 1,333 | 6,891 | | NA | NA | NA | NA | |
| Offshore | (Rs bn) | 218 | 188 | 119 | 158 | | NA | NA | NA | NA | |
| Retirement Solutions | (Rs bn) | 520 | 695 | 937 | 1,222 | | NA | NA | NA | NA | |
| Alternative Investment Funds | (Rs bn) | 5 | 6 | 8 | 11 | | NA | NA | NA | NA | |
| Total | (Rs bn) | 3,017 | 3,406 | 3,819 | 9,459 | | 2,482 | 3,048 | 3,225 | 3,293 | |

*Refers to FY21TD (Sep-20).

Source: Company financials and disclosures, NAV India, HSIE Research

Rating Criteria

BUY: >+15% return potential
 ADD: +5% to +15% return potential
 REDUCE: -10% to +5% return potential
 SELL: > 10% Downside return potential

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