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October 30, 2025

BSE Limited

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

National Stock Exchange of India Limited

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

Dear Sir/ Ma'am,

Sub: Transcript of the Earnings Conference Call for the quarter and half year ended September 30, 2025

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference Call on Unaudited Financial Results for the quarter and half year ended September 30, 2025, held on Friday, October 24, 2025.

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

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

Thanking you.

Yours sincerely,

For **Aditya Birla Sun Life AMC Limited**

Prateek Savla

Company Secretary and Compliance Officer
ACS 29500

Encl: as above

Aditya Birla Sun Life
AMC Ltd.



“Aditya Birla Sun Life AMC Limited
Q2 & H1 FY26 Earnings Conference Call”

Friday, 24th October 2025

MANAGEMENT TEAMS:

- **MR. A BALASUBRAMANIAN – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – ADITYA BIRLA SUN LIFE AMC LIMITED**
- **MR. PRADEEP SHARMA – CHIEF FINANCIAL OFFICER – ADITYA BIRLA SUN LIFE AMC LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Aditya Birla Sun Life Asset Management Company Limited Q2 & H1 FY26 Earnings Conference Call hosted by Rik Capital.

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

I now hand the conference over to Ms. Richa Singh from Rik Capital. Thank you, and over to you, ma'am.

Richa Singh: Thank you. Good evening, everyone. I welcome you all to Aditya Birla Sun Life Asset Management Company Limited for their Q2 and H1 FY26 Earnings Conference Call.

Along with us, from the management, we have Mr. A. Balasubramanian – MD and CEO, Mr. Pradeep Sharma – CFO.

We are thankful to the Management for allowing us this opportunity. I would now like to hand over the call to Mr. Balasubramanian for his opening remarks. Thank you, and over to you, sir.

A. Balasubramanian: Thank you, Richa. Let me begin by extending my Diwali greetings and a prosperous New Year to everyone. And good evening to everyone, and thank you for joining us in the call today.

I am sure all of you would have had a chance to review our earnings presentation, which is accessible on both the stock exchanges and on our company website.

Let me begin with a quick commentary on the economic outlook and an update on the mutual fund industry.

The global economy, as you all know, continues to show resilience despite trade tensions and policy uncertainties. And global growth remains stable at around 3%, with the trade expanding significantly in the first half of 2025. However, tariff-related volatility has prompted countries to reassess supply chains and trade alliances.

India, of course, stands at a pivotal moment, transitioning from merely participating in the global growth to becoming a pivotal force in shaping the world's economic future. The economy grew by about 6.5% in FY25, with growth accelerating to 7.8% in Q2 FY26, the highest in five quarters. For FY26, the RBI projects GDP growth at 6.5%, maintaining India's position as one of the fastest-growing major economies globally.

Inflation has moderated significantly, with CPI falling by 1.5% in September 2025, the lowest in the last 99 months. The CPI inflation forecast for FY26 has been revised down to 2.6%, with inflation expected to remain below the RBI's target for most of the year.

Key policy initiatives, including GST 2.0 and the RBI's accommodative stance with the repo rate at 6.25% underscore the focus on stability-led growth, while India's fiscal position remains solid and on track to meet the deficit targets. Merchandise exports grew by 6.75% year-on-year in September 2025, while services exports surged 14% in Q4 FY25, driven by IT and business services, reinforcing India's strengthening global competitiveness and emergence as a service hub.

Indian equity markets are positioned for sustained momentum over the medium term. With recent corrections, valuation of large-cap stocks and the broader markets are now closer to their long-term averages, with earnings growth in the medium term estimated in the range of 12% - 15%. Strong domestic flows continue to support the markets, making up for outflows from international investors, with the domestic mutual funds' ownership share reaching new highs. India's long-term structural themes, including advanced manufacturing, infrastructure investment, rising discretionary spending, and digitalization, position the economy well for sustained growth and emerging investment opportunities.

Coming to the mutual fund industry update:

The quarterly average AUM of the mutual fund industry as of 30th September 2025 stood at Rs. 77.13 lakh crores as compared to Rs. 66.21 lakh crores as of 30th September 2024, growing by 16% year-on-year. The industry SIP flows for September 2025 stood at Rs. 29,361 crores, growing by 8% quarter-on-quarter. The total number of mutual fund folios stood at 25.7 crores as of 30th September 2025. The industry saw a total NFO collection in Q2 FY26 of around Rs. 35,200 crores, coming from both equity and some debt fund launches, with the equity side primarily driven by sectoral/thematic and multi-allocation funds. Individual average AUM for September 2025 grew by 12% year-on-year, from Rs. 42.11 lakh crores to Rs. 47.21 lakh crores, contributing around 60.7% of the total AUM. B30 cities, with an average AUM of Rs. 14.5 lakh crores, accounted for 18.6% of the total AUM.

Coming to the ABSLAMC performance highlights:

At ABSLAMC, I am pleased to announce that we have sustained and crossed the remarkable milestone of Rs. 4.25 lakh crores in average AUM. This achievement is a testament to our team's dedication and commitment to growth. Our overall average assets under management, including alternate assets, stood at Rs. 4.61 lakh crores, growing by 15% on a year-on-year. Our mutual fund quarterly average AUM reached Rs. 4.25 lakh crores, growing by 11% year-on-year. The quarterly equity average AUM crossed Rs. 2 lakh crores, including alternate assets.

Our SIP contribution for September 2025 is about Rs. 1,100 crores, with 39 lakh folios contributing to SIP accounts. Our SIP AUM contributed around 44% of our total equity AUM, reflecting the stickiness of our assets. The total number of investor folios for September 2025 stood at 1.07 crore, witnessing 5% year-on-year growth. Our consistent investment performance and improvements are driving robust momentum across our Focused funds, along

with Fixed income and Arbitrage funds, highlighting the diversification and strength of our product suite.

We continued our engagement with our distribution partners by hosting Growth Summits across India during the quarter, to strengthen our market positions and drive sustained growth. And these strategic events showcase our investment philosophy and thought leadership, while empowering our distribution partners and expanding our market footprint. In fact, this engagement at ground level has enhanced the flows in our focused equity funds that we are promoting as part of the push, compared to the last few quarters.

Our Alternate business represents a cornerstone of our growth story. We have built a high-calibre team with deep-domain expertise, underscoring our commitment to building future-ready capabilities. The Equity segment of our Alternatives platform has gained significant momentum, complemented by our expanding suite of credit offerings. We continue to refine our PMS and AIF products across Equity and Fixed Income to address the sophisticated requirements of HNIs and family offices.

Our results demonstrate the success of this strategic focus. PMS and AIF assets grew significantly from Rs. 3,852 crores in Q2 FY25 to Rs. 30,250 crores in Q2 FY26, representing an increase of about 8 times. The ESIC mandate accounted for about Rs. 25,800 crores as of September 30, 2025, while our PMS and AIF AUM, excluding ESIC, has achieved a strong 15% year-on-year growth, reflecting solid organic momentum in our core alternatives business. In fact, we are seeing increased participation coming from MFDs to sell our PMS products.

I am delighted to announce that we have been selected by the EPFO to manage its debt portfolio over the next five years, as disclosed by the Central Board of Trustees during their press conference. We are currently awaiting the formal confirmation letter from the EPFO office. And this is a significant milestone that reinforces the trust placed in our capabilities.

We successfully completed the first close of ABSL Structured Opportunities Fund II during the quarter and are preparing to launch ABSL India Equity Innovation Fund. Our real estate business has built significant momentum and gained traction, driven by strong investors' interest and a robust pipeline of opportunities. Our real-estate book has grown by ~23% YoY and we are on track of doubling our book size by the end of this financial year, backed by the strong performance and track record that we have created of giving back the money to the investors and the experience that we are creating gives us the confidence that real estate business of us will also continue to see a growth momentum.

We are focused on scaling this vertical by deepening our stakeholders' engagement and leveraging strategic partnerships to drive execution excellence. And these collective efforts aim to build a resilient, high-quality alternative platform, positioning us for sustained growth and a well-diversified product portfolio across the alternatives space. With new leadership and dedicated teams now in place, we are well-equipped to elevate our Alternative business, broadening our product suite and deepening investor engagement.

Our Offshore Average AUM stood at Rs. 4,795 crores for Q2 FY26. During the quarter, we have witnessed withdrawals from a few customers, in view of the portfolio restructuring, more in favour of other Emerging Market economies, compared to India. Under the GIFT City platform, we have a fundraising underway for the India ESG Engagement Fund, ABSL Flexi Cap Fund and ABSL Global Blue-chip Fund, which are created for outward remittance as well as for inward remittance into domestic mutual funds.

On the Passive front, during the quarter, we have launched ABSL BSE 500 Momentum 50 Index Fund and ABSL BSE 500 Quality 50 Index Fund, with the aim of building our passive AUM. As of September 30, 2025, our total Passive Quarterly Average Assets reached Rs. 36,000 crores, growing by 20% year-on-year, and the customer base reached 13.5 lakh folios. Our current product suite comprises 53 distinct offerings designed to meet varied investment needs.

Coming to the financial performance:

Q2 FY26 revenue from operations stood at Rs. 461 crores, up 9% year-on-year. Q2 FY26 operating profit stood at Rs. 270 crores, up 13% year-on-year. Profit Before Tax for Q2 FY26 is at Rs. 316 crores, and Profit After Tax stood at Rs. 241 crores. Our H1 FY26 revenue from operations stood at Rs. 909 crores, up by 12% year-on-year. And H1 FY26 Operating Profit stood at Rs. 525 crores, up by 17% year-on-year. H1 FY26 Profit After Tax stood at Rs. 518 crores, up by 8% year-on-year.

At ABSLAMC, we will remain committed to leading this transformation by building innovative products, robust platforms, and strategic partnerships. Backed by a dynamic team, we continue to drive momentum that democratises wealth creation and empowers investors to achieve their financial goals.

With this, I would like to open the floor for any questions. I will be joined by Pradeep Sharma, who is our CFO, to take some of the questions as we feel appropriate. Thank you.

Moderator:

Thank you. We will now begin the question-and-answer session. The first question comes from the line of Dipanjan Ghosh with Citi. Please go ahead.

Dipanjan Ghosh:

Good evening, Sir. A few questions from my side. First, if we were to see your SIP flow trajectory, despite the improvement that we are seeing in some of your schemes, the SIP market share has been kind of declining. Just two questions on this front. One is, if you can give colour on your overall flow trajectory, that will give us some understanding of your redemption and lump sum trends on the equity side of things. And secondly, if I were to dissect this SIP market share decline, let's say, over the last 12 to 18 months across channels, which channel has been the biggest drag out there?

My next question is on the ESOP expense, if you can quantify the number for the first half. And with this ESOP 2025 scheme, assuming it gets approved, what can be the ESOP cost rate over the next, let's say, FY2027-2028?

And the third question is on the other expense that has been controlled quite well. So, is there any one-off out there, or is this the normal run rate that we should think of?

And lastly, a data-keeping question: if you can give the SIP AUM for the quarter.

A. Balasubramanian:

Coming to your first question on SIPs, of course we have been seeing while we have been adding new registrations; that month-on-month our new registrations have been rising. That is one area of focus that we have. Of course, given the fact that SIP growth for the whole industry has been quite very, very strong, and also given the fact that we have always been one of the large players in the SIP book, and overall share look slow, but otherwise we have been maintaining close to about 1,180 crores. And a clear focus has been brought in to drive the SIPs across our channel partners. In fact, one of the targets that we have set for the entire sales team is to increase their focus on SIP numbers by way of increasing registration. We are seeing month-on-month improvement on that.

In fact, the largest contributor to the SIPs is coming from the online platform, then second is MFDs, third is the NDs, and fourth is the banks, and then direct. An online platform largely based on the basis of the funds coming as part of the recommendation. In fact, the one or two quarters before we had reasonably good flows coming from the online platform. And with the improvement of the performance that we are seeing across our equity schemes, our products are also coming as part of the recommendation list of some of our partners. In fact, a few of our banking partners have approved our products, such as Flexi Cap and Frontline Equity, as well as a few of our other products, which are coming as a focus product. That is reflecting today on our net sales improvement coming from products like Frontline Equity, Flexi Cap, GenNext Fund, and Conglomerate Fund. Even in smaller mid-cap too, we are seeing some kind of flows, which I see is a trend reversal compared to the last 2-3 quarters. Therefore, that focus is there. Even for employees, we have rolled out incentive plans to step up the focus on SIPs, and therefore, the overall numbers should get better. So, clearly, I am seeing some turnaround on this. And also given the large size that we have built in the past, definitely the SIPs expiries also come along the way. That's something we cannot help. At the same time, we continue to focus on building our book. And the silver lining would come by way of the performance improvement. Now it's reflecting on a two-and three-year basis, which ultimately should help us in getting recognition of this improvement in performance coming in the form of numbers as well. That we are already seeing it in the Focused Equity product.

In fact, where we have seen significant redemptions in the past due to a variety of reasons, we have seen declining redemptions on all those schemes, given the improved performance they are seeing. I think both combinations should go well. On the expenses part, I'll ask Pradeep to answer.

- Pradeep Sharma:** So, Dipanjan, just to add, you also asked SIP AUM, which is around Rs. 82,000 crores. Which is around 44% of our total equity AUM. As far as expenses are concerned, you asked for other expenses. By and large, this depends on the various engagement activities we undertake in the market. So, a few crores here and there on quarter-to-quarter, volatility would be there. But this is normal, and there is nothing one-off case in this quarter. Employee count is around 1,719 people for the quarter.
- Dipanjan Ghosh:** Also, the question on ESOP expense for the first half of the year and how it will be for the next two years.
- Pradeep Sharma:** So, in the current quarter, there is no major ESOP expense because the last ESOP scheme got over last year. Today in the Board Meeting, our Board has approved a new ESOP scheme, which is subject to the shareholders' approval, maybe in the next three to four months. And then once it is approved, we may have the impact, and we will communicate with you.
- A. Balasubramanian:** Dipanjan, we will come back once it is approved.
- Dipanjan Ghosh:** Got it. Thank you and all the best.
- Moderator:** Next question comes from the line of Harshit Toshniwal from Premji Invest. Please go ahead.
- Harshit Toshniwal:** Thank you Sir. Happy Diwali. I have two questions. One is on the SIP piece itself. So, I got some part of your explanation, but if I look at the SIP just in terms of the market share, then we see a sharp dip versus last quarter. It has moved from 4.1% - 4.2% to 3.6% - 3.7%. Now, it's probably the older, the redemptions might be lower, but do you think that in the newer SIPs getting created, our market share is negligible compared to the 3.5% we have on the overall flow? What can that be done to address that? Because despite the performance has started to improve, but that reflection in the SIP number is not there.
- The second one was on the yield, sir. On a like-to-like basis, if I look at the equity yields, then probably I think we would assume that, around at least, back calculations suggest around 2 to 3 basis points yield decline. If you can help us know that, is there anything particular which has changed in the distributor commission or the slabs which has led to that number? So, these two questions.
- A. Balasubramanian:** As far as the SIP is concerned, we did have some maturities of SIPs which have come in the form of STP form, largely on account of that. Otherwise, SIPs coming from retail continue to show a strength. And again, SIP new registration, something which we keep track of. Wherever incremental market share is coming from SIP registration has also have been on the rise. But sometimes when we get SIPs by way of an STP, which largely come into fixed income, and then they do an equity STP, we have seen that something is getting expired. But this thing, in any way, is quite common. And that's something that doesn't make me worry. At the same time, the renewed focus that we are bringing in terms of driving the numbers on the improved performance on one side, with the product getting approved by the leading channel partners on the banking side. So, all of them should only help in terms of improving it. But overall, gross

volume market share has been improving. But ultimately, this will lead to improvement in the overall numbers.

In fact, we even have a focus on existing SIP investors and how we can increase the ticket size from the existing SIP investors. By way of drive to the existing SIP investors, increase the number of products for customers from 1.42 to 1.56. That's something we are actually doing, a drive. All such initiatives should only help in improving the numbers.

In fact, even from the industry point of view, while the numbers, I keep tracking it. Again, some of the accounting, which I think comes at different channel partners, even daily SIPs have grown, that also gets counted. And different types of SIPs are being driven by different sets of people, also being counted. As long as we are present in those segments, for example, daily SIP, we are not fully present, given the cost of acquisition of customers on these pies is high, and at the same time, ticket sizes are low. Those are some of the things which we keep evaluating on a time-to-time basis. And then we will, of course, push it as we see merit for pushing our SIP growth.

Harshit Toshniwal: Sir, if I can just ask one thing on this. If I understand correctly, you are saying that on a gross basis, our share is improving, but there are certain redemptions which have been keeping the net share low. If I can also ask, are these redemptions from, say, more than a 5-year holding category, or are these redemptions from any particular channel? I am just trying to see that; do you see a sunset period by which, probably that higher redemption class will lower?

A. Balasubramanian: Largely, it is coming from the digital platform, Harshit. I think on a digital platform where we also had significant volume pick-up, and there are also experts that generally there. But this is a function of every market. We have to switch from one to another, because the digital platform is generally low. Otherwise, MFDs and traditional banking channels are high, but some of the partners with whom we have enjoyed a high market share in the past and they all have signed up for a good number of years, and that's something which we also see as SIPs getting expired; more than cancellation, it get expired, we have to win them back. So, there is a separate strategy called SIP win-back, through the proactive communications, and also predicting that which are the customers are the potential to redeeming, and this exercise that is being carried out, all should ultimately add to the overall improvement of the numbers.

Harshit Toshniwal: Sir, if I may ask, like I think two Quarters back, we got a significant bump-up in SIP because of the digital platform.

A. Balasubramanian: Yes.

Harshit Toshniwal: Will it be right to say that what we got at, say, half year back, that is only creating redemption, and in that case, if you can also give some colour on the mix which is coming through these online channels, say if I take Groww, Zerodha, Angel, these three-four large direct online channels, how much of our SIP would be incrementally coming from these channels?

A. Balasubramanian: Roughly about 34% of the new SIP subscriptions is coming from digital channels.

- Harshit Toshniwal:** This 34% would be on the volume term?
- A. Balasubramanian:** It is on the SIP amount.
- Harshit Toshniwal:** 34% of the incremental is from these online platforms.
- A. Balasubramanian:** In the online platform. Sometimes, of course, as I mentioned, these channels are very dynamic. Within the online platform, there are platforms that are more ERM-based platforms, where we are seeing an improvement in the numbers. I think it is quite mixed. We can't generalize it by saying that online platforms everything is getting everything cancelled or giving volume. Some give volume. Somebody else, of course, increases the market share. This is a moving number, Harshit.
- Harshit Toshniwal:** Got it. And any online marketing or online promotion of our performance, does that help in retention? Because I am trying to understand that if on the gross basis, we have been continuously improving, and if I look at our performance also, that has picked up a lot in the last 2-3 quarters. But just wanting to see that, probably a place where we can maintain that 4% SIP flow share and grow from there on a net basis, is where I am thinking that, is there a timeline which we should look to? Or it is very difficult to predict that way.
- A. Balasubramanian:** One thing is that it remains a high-focus area. I think that something is there. And whatever we ought to do on an ongoing basis, either through engagement, through the communications, or highlighting our product improvement on performance and making it a part of the recommendation list, so that is a continuous exercise. And wherever, of course, we have to spend money in terms of promotion. For example, we are already rolling out a drive called SIP Sabse Important Plan drive that we drew last quarter. And this quarter, too, we have already planned some more initiatives to drive the SIP across India. And this will remain as an ongoing regular exercise, rather than that we ought to do it once time. From a sales team point of view, of course, while they have been improving their overall productivity, which is what I mentioned about gross sales market share, has been showing an improvement. At the same time, improving the overall SIP subscription in terms of adding a new customer base will remain one of the keys. That something is also being driven by way of encouraging through the incentive plan to the sales team. So, this is going to be an ongoing exercise, Harshit. Coming to your question on the margin, yields.
- Pradeep Sharma:** Yields for equity are in the range of 64-65 basis points. Yes, there is a drop of around 1-2 basis points. That is from earlier quarters because of the telescoping prices mainly. Because our equity AUM has grown from around Rs. 1,80,000 crores to around Rs. 1,92,000 crores. So, I think going forward, it should remain in the same range, around 64-65 basis points in equity.
- A. Balasubramanian:** And then the marginal drop is on account of the offshore AUM dip that has led to a 0.4 basis points kind of drop.
- Harshit Toshniwal:** And one last thing on the EPFO debt money, which we plan to manage. Do you think this will be a profitable thing altogether, or this will it be a marginally loss-making business?

- A. Balasubramanian:** I would say cost-neutral. I'll not say loss-making neither profit-making. It's a cost-neutral. We have a team dedicated for managing a large pool of money across different segments. The team's strength will be leveraged to manage this money. I think we also need to look at it. This is a prestigious mandate and improve the overall credentials of our existence of 30 years in managing money. Ultimately, this will have a rub-off effect as we move forward.
- Harshit Toshniwal:** Got it. Thanks a lot Sir.
- Moderator:** Next question comes from the line of Mohit Mangal from Centrum.
- Mohit Mangal:** Thanks for the opportunity. My first question is on the employee expenses. If I look, employee expenses grew 6% YoY in Q2. And if I look at Q1, the YoY growth rate was around 4%. And you said that the ESOP won't ideally come this year. Do you think it will remain in single digits at around 6% - 7% or will it grow in higher double digits for the entire year?
- Pradeep Sharma:** So Mohit, in this quarter, we had some reversals of around Rs. 6 crores on our payroll provision of last year after we disbursed all the amounts based on the employee's performance. So, if you see on a normalized basis, it should be higher by around 12% instead of 6%.
- Mohit Mangal:** Understood. So, for the entire year, basically 10%-12% is something that we can expect, right?
- Pradeep Sharma:** Yes.
- Mohit Mangal:** My next question is in terms of the new pipeline of schemes that can be expected in H2.
- A. Balasubramanian:** We have one product approval already in place for us. And that's something we've been debating when to launch it, given the fact that too many holidays are there. We want to plan it carefully so that we have a good number of working days for us to have the NFO within the mutual fund space. And second, we also planned a launch of a new product under the alternate AIF side, which is on the PMS side. Plus, on the GIFT City, we also have a product which is currently running for investing overseas markets. And then the last piece, of course, we are preparing ourselves for the SIF launch. We already got approval from SEBI for the brand, which is called Apex. We already filed two products with SEBI for launching them, which is the Arbitrage Plus kind of product. That's something we will start with that to begin with. We will start with Arbitrage Plus, a kind of product. And then, as we finish the first launch, we will go for a long short once we have a talent in place, which we are currently in the process of getting on board. Once it is done, then we will go for a long-short fund product also.
- Mohit Mangal:** Understood. So basically, we have a team in place for this SIF, and we will basically be there in the financial year 2026. We could see some impact of that in P&L, right?
- A. Balasubramanian:** Yes. The only thing, a team we don't have in the long short. Though we have a team, but they have not been in a position to manage the long short fund using the derivatives big time, only to generate alpha over the index. That's something we thought we will have one dedicated person to drive that. That's something that should be in place, maybe within about 1-1½

months' time. Otherwise, the rest of the product, like a hybrid kind of product, they already have internal capability.

Mohit Mangal: Understood. And Sir my last question is towards AUM. With that, we have seen a lot of growth, although sequentially there was a degrowth, but in terms of yield, do we make around 0.6% on average AUM on this?

Pradeep Sharma: Actually, our average is around 0.8%.

A. Balasubramanian: We get roughly about 80 basis points we get. In fact, in the last 2-3 Quarters, we are seeing the contribution coming from PMS to the overall revenue. We are seeing an upward trend. In fact, I must also mention in addition to Equity PMS and AIF, we are also seeing the Credit Opportunities Fund and Real Estate Credit Fund, both have not only stabilized, they have also now done the first closure. And investments have also been more or less done. With this, the revenue from contributions coming from this segment will also keep improving.

Mohit Mangal: So, out of this Rs. 461 odd crores, how much would be the PMS and AIF for this thing?

Pradeep Sharma: So, this would be around Rs. 31 -32 crores.

Mohit Mangal: Thanks and Wish you all the best.

Moderator: Next question comes from the line of Amit Singh with Investmate Insights Private Limited.

Amit Singh: Congratulations Sir. And thank you for giving me the opportunity. My question is on the growth of the Arbitrage Fund. Last quarter, you mentioned that it was behind the industry. So, how has this segment performed in this quarter, and what are the changes in your strategy to improve this performance?

A. Balasubramanian: Of course, this is one of the funds where we felt that we can grow a little faster than the industry. In fact, we had reasonably good AUM growth, going above about 20% rate of growth compared to the industry. In order to improve the performance, of course, we have done a good mix of generating a little higher return by increasing the focus on one on the fixed income space between the selection of securities in the fixed income space for the respective maturities adding about 700 basis points total return and also the efficiency that we have brought in terms of the identifying opportunities wherever it's available to improve the overall return. That's why I think the performance of the Arbitrage Fund has also been supporting the overall growth momentum.

Amit Singh: The second question is, as you mentioned in the last quarter, the mid-cap and small-cap segments does not have a large presence. So, what progress has been made since then and what are the strategies are being implemented to improve the market share in this segment?

A. Balasubramanian: In fact, we have seen reasonably good performance with respect to the mid-cap fund, and the smaller mid-cap is also now part of the overall performance improvement strategy that we

have. We recruited a gentleman almost about a year back, and we gave him some time to settle down and start focusing on building the performance of these two schemes and also the multi-cap fund, so that we will be able to actually get our due market share in this space. We are already seeing the silver line coming in the form of improvement in performance. In fact, our flows in both the mid-cap and small-cap is positive, though it's not to the extent of what the industry is getting. But definitely, this will probably help as we move forward to get our due market share in this space.

Moderator: Next question comes from the line of Divij Punjabi with Banyan Tree Advisors. Please go ahead.

Divij Punjabi: My question was around the offshore AUM. That has declined sequentially. Can you just maybe share the yield on that and also the reason for the decline?

A. Balasubramanian: The offshore, largely, of course, we have been managing a few mandates from some of the large funds that invest in India. As you know that India exposure by most of the FIIs has been on the reduction side. And having managed the money for almost 14-15 years, very successfully generating more than 2% alpha over the MSCI index. But due to the allocation chain that we had, that has moved out. But however, the impact of that is about 0.2%, which is roughly about 0.4 basis point roughly, is the impact on the contribution coming from the offshore asset. Nothing significant, but definitely because of the reduction that the FIIs generally have been having on India exposure, and our money also had moved out. I am sure, given our strong track record that we have given them over 14-15 years, and some of them may even come back as they gain confidence on the India coming back.

Divij Punjabi: I just have one more question around the debt fund. Can you just talk about what is driving the growth in the debt segment year-on-year and quarter-on-quarter, and seeing decent growth? So, which are the segments over there? And longer term, also, what is our strategy around active versus passive funds?

A. Balasubramanian: As far as the debt fund is concerned, largely the fixed income team have been having a very bullish view on interest rates, especially calling the RBI move on cutting the interest rates. In fact, all the moves of the RBI our team has been predicting is quite well ahead of time and positioning the portfolio to benefit investors by running a duration portfolio. That's something that helped us in building a fixed income size. And second, within the fixed income hybrid funds, which is the equity cum fixed income fund, which is a new category, we could also add assets, given the tax benefit that accrues to investors. At the same time, the way we consecutively manage between equity and fixed income both of them have helped. And that's where the money has come. A large segment of people have come from both the HNIs and corporate treasuries, as well as MSMEs.

And active versus passive, of course, passive is something we have seen some good momentum by way of launching a new product. In fact, we launched 2-3 funds last year, like the defence fund we launched, and it has done exceedingly well. We have seen flows coming into the segment. We have positioned some of the product launches in the passive side, which are more

like unique. Something you can consider as a fund that can help in investors to diversify by choosing funds like the Quality 50 Fund and Momentum Index Fund. That's something we continue to drive in our product innovation and structuring products.

And third, we have also seen flows coming into our Silver Fund and Gold Fund. In fact, our Silver Fund crossed a size of about Rs. 2,000 crores. And in the last two weeks, when the market turned volatile, even we also had to close the fund for subscription for some days. Of course, we are now coming back in terms of opening the fund for subscription. One good thing is, given the fact that we had the product in place, when the time was favourable for getting flows in this fund, we could get some good flows both in the Silver and Gold Fund as well. So, this is an ongoing exercise, rather than an ongoing push that we are giving in terms of our passive funds. Active, continues to remain a focus area, no doubt, both in building SIPs as well as growing our size. At the same time, passives will also remain as an asset allocation fund from the investors' point of view. That continues to be driven by a separate team of people to keep a focus. And lastly, we are also trying to give some of these broking firms so that our product becomes part of their daily trading that they can do on ETF while creating some kind of buying behaviour in the exchange platform. These are some of the initiatives we are taking, and hopefully, it should help in terms of increasing the number of customers. In fact, as I speak, we have about 13.5 lakh customers in the ETF platform. I think that will continue to remain a focus area for building this asset class.

Divij Punjabi:

Sure. Thank you.

Moderator:

Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of the question-and-answer session. I would now like to hand the conference over to the management for closing comments.

A. Balasubramanian:

Thank you, everyone, for joining the call. And with this, we conclude our Q2 FY26 earnings call. Thank you.

Moderator:

Thank you. On behalf of Aditya Birla Sun Life AMC Limited, we would like to formally conclude this Q2 and H1 FY26 earnings conference call. We sincerely appreciate your participation in this event, and we kindly request that you now disconnect your lines. Thank you for your time and engagement.

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