

ADITYA BIRLA SUN LIFE AMC

RESULT UPDATE

KEY DATA

Rating	HOLD
Sector relative	Neutral
Price (INR)	831
12 month price target (INR)	950
52 Week High/Low	912/556
Market cap (INR bn/USD bn)	240/2.7
Free float (%)	25.8
Avg. daily value traded (INR mn)	280.9

SHAREHOLDING PATTERN

	Sep-25	Jun-25	Mar-25
Promoter	74.85%	74.88%	74.90%
FII	6.18%	5.52%	5.32%
DII	10.30%	10.80%	10.92%
Pledge	%	%	%

FINANCIALS

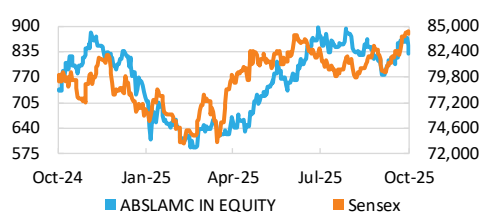
(INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	16,848	18,271	19,966	22,563
EBITDA	9,890	10,869	11,758	13,618
Adjusted profit	9,466	10,325	10,907	12,509
Diluted EPS (INR)	32.8	35.8	37.8	43.4
EPS growth (%)	21.4	9.1	5.6	14.7
RoAE (%)	27.5	26.6	26.0	27.3
P/E (x)	25.3	23.2	22.0	19.2
EV/EBITDA (x)	20.5	18.4	16.7	14.1
Dividend yield (%)	288.8	302.0	319.0	339.7

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY26E	FY27E	FY26E	FY27E
Revenue	18,271	19,966	(3.4)	(4.7)
EBIT	10,440	11,310	(4.2)	(6.4)
Adjusted profit	10,325	10,907	(5.0)	(5.2)
Diluted EPS (INR)	35.8	37.8	(5.0)	(5.2)

PRICE PERFORMANCE



Cost control drives profitability

ABSLAMC's Q2FY26 equity QAAUM grew just 6.8% QoQ (HDFCAMC at 7.5%). This led to 3.1% QoQ revenue growth despite blended yields remaining flat QoQ. A decrease in admin and other expense (-4.3% YoY/-8.2% QoQ) to INR692mn drove core earnings up 13.0% YoY/6.3% QoQ to INR2.71bn. Sluggish equity markets dragged down other income (-52.9% YoY/-61.7% QoQ) leading to APAT reduction of 6.6% YoY/12.9% QoQ to INR2.4bn. The slide in equity market share persisted: down 40bp YoY/4bp QoQ to 4.2%.

We are lowering FY26E/27E/28E NOPLAT by 4.3%/6.4%/3.3% and roll forward valuation to Sep-27E, yielding a TP of INR950 i.e. FY27E P/E of 25.1x (45% discount to HDFCAMC, earlier TP INR990); retain 'HOLD'.

Equity AUM growth disappoints; lower costs support profits

ABSLAMC's equity QAAUM grew 6.5% YoY/6.8% QoQ as equity markets delivered muted returns in Q2FY26 (Nifty 50: -3.6% and Nifty midcap 150/Nifty small cap 250 down 4.3%/6.2%). Blended yields fell 2bp YoY/flat QoQ to 40bp as share of equity QAAUM decreased 339bp YoY/improved 107bp QoQ to 41.7% (45.7% of closing AUM). Total QAAUM grew 15.2% YoY/4.0% QoQ; but decline in blended yields resulted in revenue growth of just 8.7% YoY/3.1% QoQ to INR4.61bn. Controlled cost (pre-EBITDA expenses grew 2.9% YoY/-1.5% QoQ) resulted in core operating profit growth of +13.0% YoY/+6.3% QoQ to INR2.71bn. Choppy equity markets dragged other income by 52.9% YoY/61.7% QoQ to INR452mn. This resulted in APAT growth of -6.6% YoY/-12.9% QoQ to INR2.41bn. Management highlighted that mid-cap and small-cap funds are posting an improved performance and positive inflows. ABSLAMC has also won the mandate for EPFO debt portfolio management for the next five years; formal confirmation of which is expected. It is preparing to launch SIF products starting with an Arbitrage Plus fund followed by a long-short strategy.

Losing market share across key operating metrics

Equity market share has decreased 40bp YoY/4bp QoQ to 4.2% as net flow market share continues to be below its AUM market share. ABSLAMC also clocked a decline of 22.8% YoY/3.5% QoQ growth in monthly SIP contribution to INR11.0bn. Contributing SIP account market share fell 132bp YoY/25bp QoQ to 4.2%. Management remains focused on improving performance, SIP registrations and building its alternates business. This is also visible, as the decrease in market share has started to reduce: Q2FY26 equity market share decreased 4bp QoQ versus Q4FY25/Q1FY26 decline of 12bp/4bp QoQ and Q3FY25 decrease of 20bp QoQ.

Financials

Year to March	Q2FY26	Q2FY25	% Change	Q1FY26	% Change
Net Revenue	4,613	4,242	8.7	4,474	3.1
EBITDA	2,826	2,504	12.8	2,660	6.2
Adjusted Profit	2,413	2,584	(6.6)	2,771	(12.9)
Diluted EPS (INR)	8.4	9.0	(6.6)	9.6	(12.9)

Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	16,848	18,271	19,966	22,563
Gross profit	0	0	0	0
Employee costs	3,652	3,897	4,426	4,831
Other expenses	3,306	3,505	3,782	4,114
EBITDA	9,890	10,869	11,758	13,618
Depreciation	398	429	448	478
Less: Interest expense	57	58	61	63
Add: Other income	3,010	3,161	3,197	3,492
Profit before tax	12,445	13,542	14,446	16,569
Prov for tax	2,979	3,218	3,539	4,059
Less: Other adj	(160)	0	0	0
Reported profit	9,306	10,325	10,907	12,509
Less: Excp.item (net)	160	0	0	0
Adjusted profit	9,466	10,325	10,907	12,509
Diluted shares o/s	288	288	288	288
Adjusted diluted EPS	32.8	35.8	37.8	43.4
DPS (INR)	24.0	25.1	26.5	28.2
Tax rate (%)	23.9	24.5	24.5	24.5

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue as bp of AAUM	42.8	40.2	39.6	39.5
Core Op. Profit as bp of AAUM	24.0	22.8	22.3	22.9
NOPLAT as bp of AAUM	17.9	17.1	16.7	17.1
EBITDA margin (%)	58.7	59.5	58.9	60.4
Net profit margin (%)	56.2	56.5	54.6	55.4
Revenue growth (% YoY)	24.5	8.4	9.3	13.0
EBITDA growth (% YoY)	30.0	9.9	8.2	15.8
Adj. profit growth (%)	21.3	9.1	5.6	14.7

Assumptions (%)

Year to March	FY25A	FY26E	FY27E	FY28E
GDP (YoY %)	6.0	6.2	7.0	7.0
Repo rate (%)	6.0	5.0	5.0	5.0
USD/INR (average)	84.0	82.0	81.0	81.0
Core Op. Profit (INR mn)	9,435.0	10,381.3	11,249.6	13,077.1
NOPLAT (INR mn)	7,057.4	7,765.2	8,414.7	9,781.7
NOPLAT YoY growth (%)	30.9	10.0	8.4	16.2
AAUM (INR mn)	3,936.3	4,550.5	5,040.3	5,714.0
AAUM growth (%)	19.2	15.6	10.8	13.4
Equity as a % of AAUM	43.9	41.5	42.6	44.0

Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	25.3	23.2	22.0	19.2
Price/BV (x)	6.4	5.9	5.5	5.0
EV/EBITDA (x)	20.5	18.4	16.7	14.1
Dividend yield (%)	288.8	302.0	319.0	339.7

Source: Company and Nuvama estimates

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	1,442	1,442	1,442	1,442
Reserves	35,826	38,924	42,196	46,574
Shareholders funds	37,269	40,366	43,638	48,016
Minority interest	0	0	0	0
Borrowings	681	749	779	810
Trade payables	1,606	1,502	1,641	1,855
Other liabs & prov	1,589	1,662	1,752	1,871
Total liabilities	41,144	44,279	47,810	52,552
Net block	487	523	534	562
Intangible assets	580	700	739	798
Capital WIP	14	16	17	19
Total fixed assets	1,081	1,238	1,291	1,379
Non current inv	0	0	0	0
Cash/cash equivalent	1,034	1,070	1,242	1,445
Sundry debtors	579	501	547	618
Loans & advances	188	201	215	230
Other assets	37,094	40,054	43,251	47,565
Total assets	41,144	44,279	47,810	52,552

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	9,306	10,325	10,907	12,509
Add: Depreciation	398	429	448	478
Interest (net of tax)	57	58	61	63
Others	(3,010)	(3,161)	(3,197)	(3,492)
Less: Changes in WC	183	(11)	123	198
Operating cash flow	6,933	7,641	8,341	9,757
Less: Capex	(352)	(586)	(501)	(566)
Free cash flow	6,581	7,055	7,840	9,191

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	27.5	26.6	26.0	27.3
RoCE (%)	26.9	26.1	25.5	26.8
Inventory days	0	0	0	0
Receivable days	13	10	10	10
Payable days	15	15	15	15
Working cap (% sales)	7.0	6.4	6.5	6.6
Gross debt/equity (x)	0	0	0	0
Net debt/equity (x)	(1.0)	(1.0)	(1.0)	(1.0)
Interest coverage (x)	167.7	178.8	186.2	208.0

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	21.4	9.1	5.6	14.7
RoE (%)	27.5	26.6	26.0	27.3
EBITDA growth (%)	30.0	9.9	8.2	15.8
Payout ratio (%)	7,311.3	7,000.0	7,000.0	6,500.0

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Exhibit 1: Revenue grows 8.7% YoY in Q2; core operating profit clocks 13.0% YoY growth

P&L (INR mn)	Q2FY26	Q2FY25	YoY(%)	Q1FY26	QoQ(%)	H1FY26	H1FY25	YoY(%)	FY26E	FY27E	FY28E
Revenue	4,613	4,242	8.7	4,474	3.1	9,087	8,108	12.1	18,271	19,966	22,563
Staff cost	951	894	6.4	926	2.7	1,877	1,786	5.1	3,897	4,426	4,831
Admin & other opex	692	723	(4.3)	753	(8.2)	1,445	1,390	3.9	2,965	3,202	3,490
Fees and commission expenses	145	121	20.2	135	7.6	280	225	24.2	540	580	624
Total Expenses	1,788	1,738	2.9	1,814	(1.5)	3,602	3,401	5.9	7,402	8,208	8,945
EBITDA	2,826	2,504	12.8	2,660	6.2	5,486	4,707	16.5	10,869	11,758	13,618
Depreciation	108	98	10.7	103	5.6	211	189	11.6	429	448	478
EBIT	2,717	2,407	12.9	2,557	6.3	5,274	4,518	16.7	10,440	11,310	13,140
Other income	452	958	(52.9)	1,179	(61.7)	1,630	1,907	(14.5)	3,161	3,197	3,492
Finance cost	13	14	(8.6)	13	(2.3)	26	28	(8.5)	58	61	63
PBT	3,156	3,351	(5.8)	3,723	(15.2)	6,879	6,396	7.5	13,542	14,446	16,569
Tax	743	767	(3.2)	952	(22.0)	1,695	1,455	16.4	3,218	3,539	4,059
APAT	2,413	2,584	(6.6)	2,771	(12.9)	5,184	4,941	4.9	10,325	10,907	12,509
Adjustment:	0	(160)	NM	0	NM	0	(160)	NM	0	0	0
RPAT	2,413	2,423	(0.4)	2,771	(12.9)	5,184	4,781	8.4	10,325	10,907	12,509
FD EPS	8.4	9.0	(6.6)	9.6	(12.9)	18.0	16.6	8.4	35.8	37.8	43.4
Core operating profits	2,705	2,393	13.0	2,544	6.3	5,249	4,490	16.9	10,381	11,250	13,077
NOPLAT	2,024	1,790	13.0	1,903	6.3	3,927	3,359	16.9	7,765	8,415	9,782
Margin and tax rate (%)											
Core operating profit	58.6	56.4	223bp	56.9	176bp	57.8	55.4	239bp	42.5	42.1	43.4
NOPLAT	43.9	42.2	167bp	42.5	132bp	43.2	41.4	179bp	74.1	72.4	73.4
Tax rate	22.6	22.9	(31)bp	25.6	(297)bp	24.6	22.8	188bp	24.5	24.5	24.5
QAAUM / AAAUM (INR bn)											
Equity	1,924	1,806	6.5	1,802	6.8	1,863	1,714	8.7	1,890	2,146	2,516
Debt	1,332	1,106	20.4	1,242	7.2	1,287	1,085	18.6	1,303	1,412	1,533
Liquid	637	621	2.6	636	0.2	637	584	9.1	606	610	657
Others	357	171	108.8	398	(10.3)	378	161	134.5	381	438	504
Total	4,612	4,004	15.2	4,433	4.0	4,523	3,840	17.8	4,550	5,040	5,714
As % of QAAUM (bp)											
Revenue	40.0	42.4	(2.4)bp	40.4	(0.4)bp	20.1	21.1	(1.0)bp	40.2	39.6	39.5
Total expenses	15.5	17.4	(1.9)bp	16.4	(0.9)bp	8.0	8.9	(0.9)bp	16.3	16.3	15.7
EBIT	23.6	24.0	(0.5)bp	23.1	0.5bp	11.7	11.8	(0.1)bp	22.9	22.4	23.0
Operating profits	23.5	23.9	(0.4)bp	23.0	0.5bp	11.6	11.7	(0.1)bp	22.8	22.3	22.9
NOPLAT	17.5	17.9	(0.3)bp	17.2	0.4bp	8.7	8.7	(0.1)bp	17.1	16.7	17.1
PBT	27.4	33.5	(6.1)bp	33.6	(6.2)bp	15.2	16.7	(1.5)bp	29.8	28.7	29.0
APAT	20.9	25.8	(4.9)bp	25.0	(4.1)bp	11.5	12.9	(1.4)bp	22.7	21.6	21.9

Source: Company, Nuvama Research

Exhibit 2: Equity share in QAAUM at 41.7% (-339bp YoY/107bp QoQ)

Closing AUM (INR bn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (% / bp)	QoQ (% / bp)
Equity	1,837	1,731	1,669	1,889	1,860	1.3	(1.5)
Debt	1,090	1,154	1,125	1,270	1,288	18.2	1.4
Liquid	496	459	461	549	565	13.9	2.9
ETF	301	316	347	364	361	19.9	(0.8)
Total	3,724	3,660	3,602	4,072	4,074	9.4	0.0
Closing AUM mix (%)							
Equity	49.3	47.3	46.3	46.4	45.7	(367)bp	(73)bp
Debt	29.3	31.5	31.2	31.2	31.6	235bp	43bp
Liquid	13.3	12.5	12.8	13.5	13.9	55bp	39bp
Other	8.1	8.6	9.6	8.9	8.9	78bp	(8)bp
Total	100	100	100	100	100		
QAAUM (INR bn)							
Equity	1,806	1,795	1,691	1,802	1,924	6.5	6.8
Debt	1,106	1,155	1,184	1,242	1,332	20.4	7.2
Liquid	621	581	611	636	637	2.6	0.2
ETF	300	309	332	356	363	20.8	2.0
Alternate and offshore- equity	161	162	153	141	87	(46.0)	(38.3)
Alternate and other offshore	10	8	86	257	270	2,600.0	5.1
Total	4,004	4,009	4,056	4,433	4,612	15.2	4.0
QAAUM share (%)							
Equity	45.1	44.8	41.7	40.6	41.7	(339)bp	107bp
Debt	27.6	28.8	29.2	28.0	28.9	125bp	86bp
Liquid	15.5	14.5	15.1	14.3	13.8	(170)bp	(54)bp
ETF	7.5	7.7	8.2	8.0	7.9	37bp	(16)bp
Alternate and offshore- equity	4.0	4.0	3.8	3.2	1.9	(213)bp	(129)bp
Alternate and other offshore	0.2	0.2	2.1	5.8	5.9	560bp	6bp
Total	100	100	100	100	100		

Source: Company, Nuvama Research

Exhibit 3: NOPLAT as percentage of QAAUM falls 0.3bp YoY/improves 0.4bp QoQ

Particulars	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (% / bp)	QoQ (% / bp)
Operating profits (INR mn)	2,393	2,615	2,331	2,544	2,705	13.0	6.3
NOPLAT (INR mn)	1,790	1,956	1,744	1,903	2,024	13.0	6.3
Margins (%)							
Operating profits	56.4	58.7	54.4	56.9	58.6	223bp	176bp
NOPLAT	42.2	44.0	40.7	42.5	43.9	167bp	132bp
APAT	60.9	50.4	53.2	61.9	52.3	(859)bp	(963)bp
As % of QAAUM (bp)							
Revenue	42.4	44.4	42.3	40.4	40.0	(2.4)bp	(0.4)bp
Total expenses	17.4	17.0	18.2	16.4	15.5	(1.9)bp	(0.9)bp
EBIT	24.0	26.3	23.1	23.1	23.6	(0.5)bp	0.5bp
Operating profits	23.9	26.1	23.0	23.0	23.5	(0.4)bp	0.5bp
NOPLAT	17.9	19.5	17.2	17.2	17.5	(0.3)bp	0.4bp
PBT	33.5	29.9	30.1	33.6	27.4	(6.1)bp	(6.2)bp
APAT	25.8	22.4	22.5	25.0	20.9	(4.9)bp	(4.1)bp

Source: Company, Nuvama Research

Exhibit 4: Direct share in equity distribution mix remains flat YoY at 17%; MFDs remain dominant in equity distribution mix

Particulars	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (% / bp)	QoQ (% / bp)
Distribution							
Share in total AUM (%)							
Direct	42	42	43	42	44	200bp	200bp
MFDs	33	33	32	34	32	(100)bp	(200)bp
National Distributors	17	17	17	16	16	(100)bp	-
Bank	8	8	8	8	8	-	-
Total	100	100	100	100	100		
Share in equity AUM (%)							
Direct	17	17	17	17	17	-	-
MFDs	54	54	54	54	53	(100)bp	(100)bp
National Distributors	20	20	20	20	20	-	-
Bank	9	9	9	9	10	100bp	100bp
Total	100	100	100	100	100		

Source: Company, Nuvama Research

Exhibit 5: Sep-25 SIP contribution at INR11.0bn (-23.1% YoY/-3.5% QoQ)

Particulars	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (% / bp)	QoQ (% / bp)
SIP contribution (INR bn)	NA	NA	11.7	11.4	11.0	(23.1)	(3.5)
Monthly SIP contribution market share (%)	NA	NA	4.5	4.2	3.7	(209)bp	(43)bp
SIP new registrations in QTR (000s)	1,155.0	670.0	543.0	583.0	582.0	(49.6)	(0.2)
Contributing SIP accounts (mn)	NA	NA	3.9	3.9	3.9	(9.1)	1.0

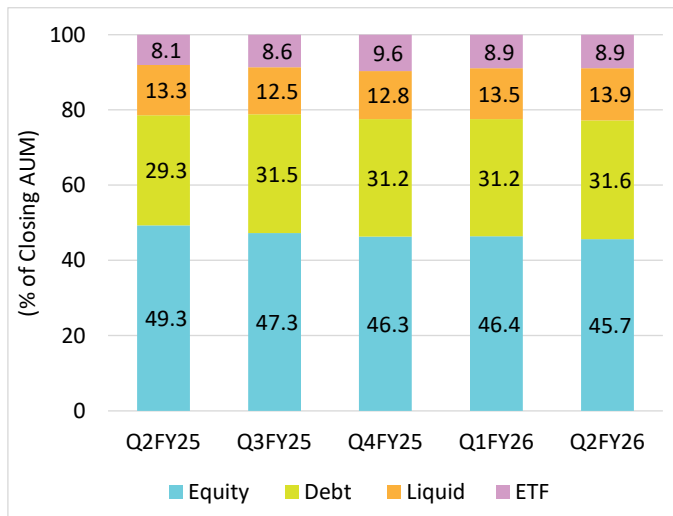
Source: Company, Nuvama Research

Exhibit 6: Individual MAAUM market share decreases 45bp YoY to 4.4%

Other operating metrics	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (% / bp)	QoQ (% / bp)
Individual MAAUM (INR bn)	2.0	2.0	1.8	2.0	2.1	1.6	1.4
Individual MAAUM market share (%)	4.8	4.6	4.6	4.5	4.4	(45)bp	(11)bp
Institutional MAAUM (INR bn)	1,836	1,857	1,940	2,108	2,207	20.2	4.7
Institutional MAAUM market share (%)	7.1	6.9	7.3	7.2	7.2	15bp	7bp
B-30 MAAUM (INR bn)	711	690	645	722	749	5.3	3.7
B-30 market share (%)	5.6	5.4	5.3	5.2	5.2	(48)bp	(7)bp

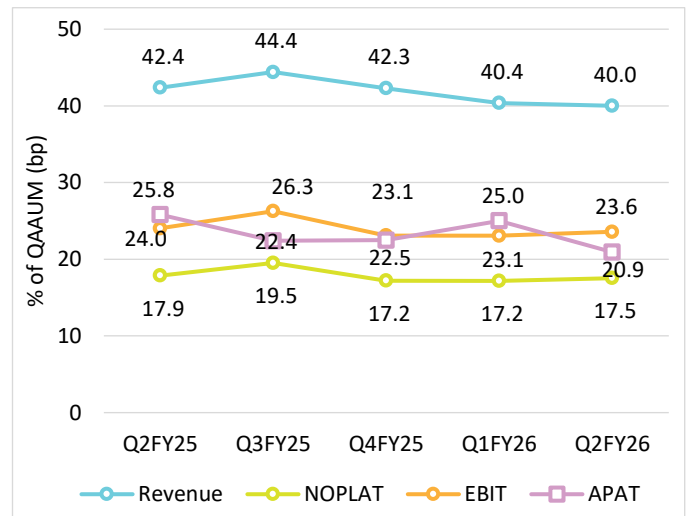
Source: Company, Nuvama Research

Exhibit 7: Equity share decreases 367bp YoY in closing AUM



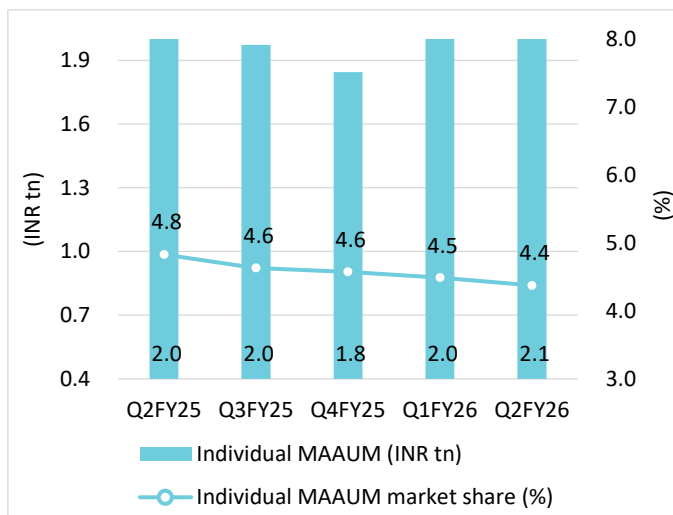
Source: Company, Nuvama Research

Exhibit 8: NOPLAT yield at 17.5bp (-0.3bp YoY)



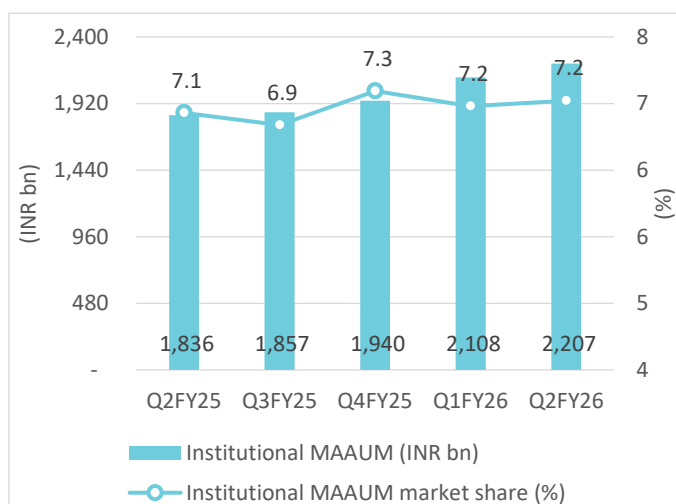
Source: Company, Nuvama Research

Exhibit 9: Individual MAAUM MS falls 45bp YoY to 4.4%



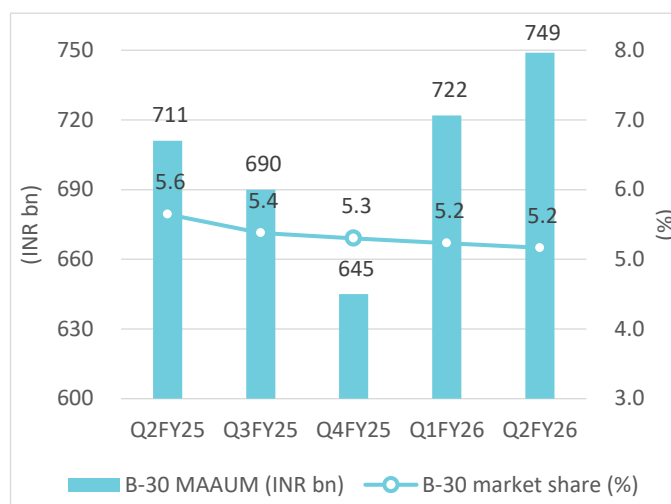
Source: Company, Nuvama Research

Exhibit 10: Institutional MAAUM MS improves to 7.2%



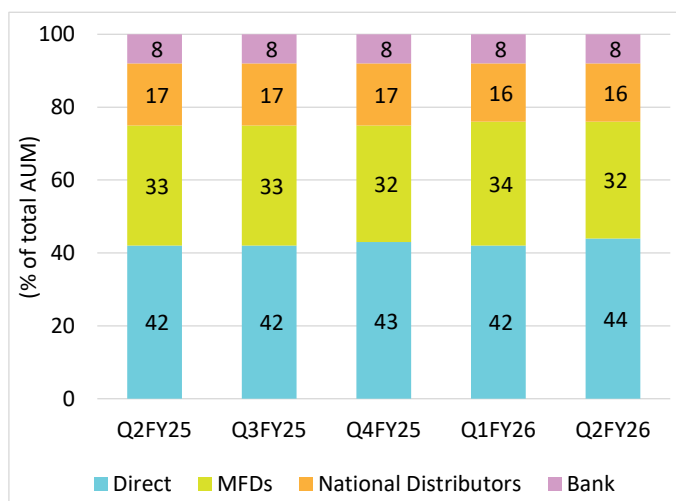
Source: Company, Nuvama Research

Exhibit 11: B30 market share decreases 48bp YoY to 5.2%



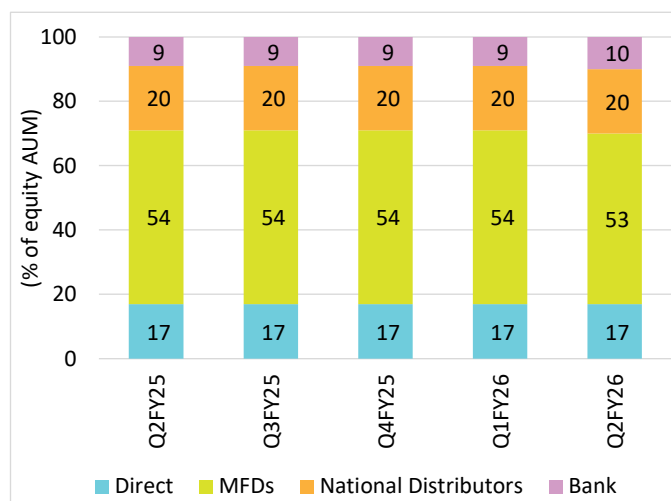
Source: Company, Nuvama Research

Exhibit 12: Direct channel leads in total AUM distribution mix



Source: Company, Nuvama Research

Exhibit 13: MFDs lead in equity AUM distribution mix



Source: Company, Nuvama Research

Exhibit 14: Estimate changes

	Earlier			Revised			Change (%/bps)		
(INR mn)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Equity AUM	2,074	2,452	2,879	1,973	2,318	2,715	(4.9)	(5.5)	(5.7)
Revenues	18,922	20,943	23,308	18,271	19,966	22,563	(3.4)	(4.7)	(3.2)
EBIT	10,903	12,082	13,580	10,440	11,310	13,140	(4.2)	(6.4)	(3.2)
EBIT margin (%)	57.6	57.7	58.3	57.1	56.6	58.2	(48)bp	(104)bp	(3)bp
NOPLAT	8,111	8,992	10,111	7,765	8,415	9,782	(4.3)	(6.4)	(3.3)
NOPLAT margin (%)	42.9	42.9	43.4	42.5	42.1	43.4	(37)bp	(79)bp	(3)bp
APAT	10,867	11,505	12,865	10,325	10,907	12,509	(5.0)	(5.2)	(2.8)
EPS	37.7	39.9	44.6	35.8	37.8	43.4	(5.0)	(5.2)	(2.8)
ROE (%)	27.9	27.2	27.8	26.6	26.0	27.3	(134)bp	(126)bp	(53)bp
Target Price (INR)	990			950			(4.0)		
Rating	HOLD			HOLD					

Source: Company, Nuvama Research

Q2FY26 earnings call: Key highlights

ESOP: No major ESOP expenses happened in the current quarter as the previous scheme ended last year. The Board has approved a new ESOP 2025 scheme, pending shareholder approval within the next three–four months.

Expense: Management clarified that other expenses remained at normal levels this quarter with no one-off items. Quarter-to-quarter fluctuations are typically due to marketing and distributor engagement activities, but the overall trend is stable. Payroll provision reversals of about INR60mn from the prior year were recognised this quarter, leading to a one-time boost in profitability.

SIP: SIP AUM was INR840bn, forming 44% of total equity AUM. While SIP market share has declined marginally, management emphasised that new registrations are steadily rising. Roughly 30–35% of SIP subscriptions come from digital platforms such as Groww, Zerodha and Angel One. Redemptions were mainly from digital channels where SIPs expired rather than being cancelled. A company-wide campaign “SIP – Sabse Important Plan” was launched to improve SIP penetration.

EPFO: ABSLAMC has also won the mandate for EPFO debt portfolio management for the next five years; formal confirmation of which is likely.

Debt AUM: The company’s debt AUM growth was driven by a bullish duration strategy on the back of expectations of rate cuts by the RBI. Hybrid (equity + debt) funds have reported healthy inflows due to tax efficiency and balanced risk-return positioning. Debt inflows came in primarily from corporates, treasuries and MSMEs.

Alternatives: The company completed the first close of ABSL Structured Opportunities Fund 2 and plans to launch the India Equity Innovation Fund. The real estate book surged 23% YoY and is likely to double by year-end, supported by strong performance and investor trust. The GIFT City platform continues to raise funds for ESG and Global Blue Chip funds. The company is preparing to launch SIF products starting with an Arbitrage Plus fund, followed by a long-short strategy. Offshore AUM decreased due to FII reallocation to other emerging markets though management expects flows to return given their long-term outperformance.

Other funds: Mid-cap and small-cap funds are reporting an improved performance and positive inflows. The company’s arbitrage fund grew more than 20%, aided by better fixed income selection and efficiency gains.

Company Description

Aditya Birla Sun Life AMC (ABSLAMC) is the largest non-bank affiliated AMC and the sixth largest AMC in India in terms of total mutual fund AUM. It has total AUM of INR 3.6tn under its suite of mutual fund as on Mar-25. It also operates in alternatives segment - portfolio management services, offshore and real estate offerings. With INR 645bn of MAAUM the company has a significant presence in B-30 cities with an extensive distribution network consisting of 300 branches, 90 banks, 330 ND, 130 digital partners and 89,000 MFD. ABSLAMC is a joint venture between Aditya Birla Capital (ABCL) and Sun Life AMC. Together, they hold ~75% stake in the company. ABCL is a listed non-operating holding company of the financial services businesses of the Aditya Birla Group, a Fortune 500 global conglomerate. Sun Life Financial, the holding company of Sun Life AMC, is a leading international financial services organisation that provides insurance, wealth and asset management solutions to individuals and corporate clients.

Investment Theme

ABSLAMC has a strong distribution network across channels – MFDs, NDs, banks, and digital partners. With MFDs contributing ~32% to AUM, the company derives sticky granular AUM. SIP market share is at 5.1% in Q4FY25. Equity share in ABSLAMC's AUM mix has grown 24% from FY17 to 42% in FY25. The company is a tightly run ship operating with low running costs. ABSLAMC's total expenses as bp of AAAUM is 17.7bp in FY25.

Key Risks

- Protracted weakness in equity markets may blunt inflows and revenues.
- Regulatory changes such as increased taxation or further reduction in TERS threshold may dampen inflows and revenues.
- Shift towards ETFs/index funds may hurt revenues as this segment commands much lower fees, or any rise in AUMs on the alternatives side, which may result in cannibalisation of revenues and growth prospects.
- Increased offtake of insurance and alternative investment products (AIFs, PMS, etc), particularly ULIPs and NPAR products, may result in lower-than-anticipated revenues.
- Intense competition as several new fin-techs and alternate investment houses are eying huge retail assets, both existing and potential.
- Any significant underperformance of the schemes of any fund house.
- Any exit of key management personnel such as CEO, CIO and fund managers.
- Reduction or exit of stake by any large shareholder.

Additional Data

Management

CEO	A Balasubramanian
CRO	Hari Babu. B
CFO	Pradeep Sharna
Auditor	M/s. S.R. Batliboi & Co. LLP

Holdings – Top 10*

	% Holding		% Holding
Nippon Life In	3.24	UTI AMC	0.83
Nippon Life In	3.24	ICICI Prudentia	0.55
Norges bank	2.52	HDFC AMC	0.44
Life Insurance	2.30	IDFC Mutual Fun	0.31
Vanguard Group	1.03	Bajaj Finserv M	0.21

*Latest public data

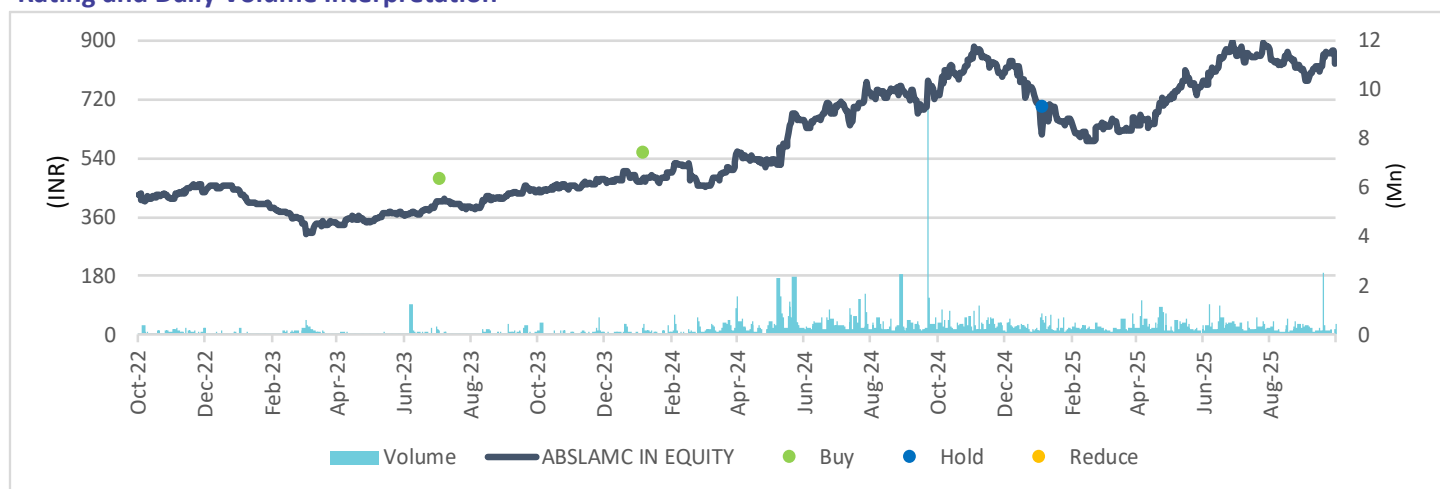
Recent Company Research

Date	Title	Price	Reco
24-Jul-25	Net flow trend improving; <i>Result Update</i>	876	Hold
28-Apr-25	Net flow trends improving; <i>Result Update</i>	642	Hold
28-Jan-25	Yield improves; metrics remain soft; <i>Result Update</i>	770	Hold

Recent Sector Research

Date	Name of Co./Sector	Title
18-Oct-25	UTI AMC	Market share continues to slide; <i>Result Update</i>
15-Oct-25	HDFC AMC	Core business strength sustains; <i>Result Update</i>
10-Oct-25	Other services financial	Sep-25: SIPs scale new highs; <i>Sector Update</i>

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	205
Hold	<15% and >-5%	68
Reduce	<-5%	37

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Abneesh Roy

Head of Research Committee

Abneesh.Roy@nuvama.com
