SBI Funds Management Ltd.

July 13, 2026

IPO Note

SBI FUNDS MANAGEMENT LIMITED

SBI Funds Management Limited is coming to market as India's largest asset manager by mutual fund QAAUM, with a differentiated combination of SBI's domestic distribution franchise and Amundi's global asset-management expertise. The IPO is structured entirely as an offer for sale, so the company receives no fresh capital; the investment case therefore rests on business quality, market leadership, earnings durability and post-listing valuation rather than balance-sheet strengthening.

Strong parentage support from SBI and Amundi

SBI is India's largest bank by advances, deposits and branch network, backed by over 200 years of operating history. As of March 31, 2026, it had total assets of ₹83,215.7 billion, 23,265 branches and over 530 million customers, and was ranked 45th in Asia by assets as of April 2026. Amundi SA, the parent company of Amundi India Holding, is Europe's largest asset manager headquartered in Paris and listed on Euronext Paris. SBI Mutual Fund benefits from the combined strengths of SBI's extensive domestic reach and Amundi's global asset-management expertise, product innovation capabilities and international best practices.

Investment Thesis: A Structural Proxy to India's Financialization

SBI Funds Management Limited offers exposure to India's financialization theme through a market-leading, diversified asset-management platform. Its SBI-backed distribution reach, Amundi partnership, strong B-30/SIP franchise, passive scale and high-return asset-light model support a premium positioning versus pure-play AMC peers.

1. Unmatched Parentage and Distribution Moat

SBIFM combines SBI's unmatched domestic reach with Amundi's global asset-management expertise.

- **SBI channel:** Captive access to SBI's branch network and YONO platform creates a low-cost, difficult-to-replicate acquisition funnel.
- **B-30 leadership:** B-30 cities contribute 22.82% of mutual fund AUM, supporting sticky SIP-led retail flows and better yield economics.

2. Dominant Scale with a Differentiated Institutional Base

Beyond mutual fund leadership, SBIFM has a large institutional AUM engine.

- **Scale of alternates:** PMS and advisory mandates account for ₹16,878.99 billion, or 57.29% of FY26 total QAAUM of ₹29,461.05 billion.
- **Revenue visibility:** Institutional and advisory assets add stickiness and reduce dependence on volatile retail redemptions.

3. "Barbell" Product Strategy Mitigating TER Compression

SBIFM balances low-cost passive scale with higher-yield active equity and hybrid assets.

- **Passive dominance:** With 27.9% passive market share, SBIFM is well placed to absorb TER compression better than sub-scale peers.
- **Active equity cushion:** Active equity and hybrid assets are 18.06% of total QAAUM but drive 75.29% of mutual fund management-fee income.

4. Asset-Light Model Driving Exceptional Capital Return

The AMC model delivers strong margins, cash conversion and return on capital.

- **Profitability:** FY26 revenue stood at ₹43,894.88 million, with PAT of ₹30,673.76 million.
- **Return metrics:** Net worth of ₹59,630.62 million and FY26 operating cash flow of ₹24,876.04 million support strong ROE, dividends and internal investments.

5. Strategic Optionality via Global and Alternative Channels

SBIFM has additional growth levers beyond domestic mutual funds.

- **Cross-border flows:** GIFT City and Mauritius platforms, supported by Amundi's network, can capture inbound FPI/NRI capital and outbound diversification demand.
- **SIF platform:** The Magnum SIF launch provides early exposure to high-yield alternative products for UHNI and accredited investors.

Key Risks

- **Regulatory pricing pressure:** SEBI's April 2026 BER changes may pressure fee realization and margins.
- **Institutional concentration:** Top schemes and large PMS/advisory mandates remain key risks if allocations are repriced or withdrawn.

Valuation

At the upper price band, the implied market capitalization is reported at roughly ₹1.17 trillion to ₹1.20 trillion. Using FY26 PAT of ₹30,673.76 million, the implied P/E is approximately 38x to 39x FY26 earnings. This is a premium valuation in absolute terms, but not unreasonable for a market-leading, high-ROE, cash-generative AMC if earnings growth remains durable.

The correct peer framework should include listed AMCs such as HDFC AMC, Nippon Life India AMC, UTI AMC and ICICI Prudential AMC, while adjusting for differences in AUM scale, equity mix, profitability, distribution strength, passive leadership and institutional mandate exposure. SBI Funds Management deserves a scarcity and scale premium, but a meaningful discount may be warranted if investors believe its lower-yield PMS/passive mix and regulatory fee pressure will constrain medium-term earnings growth.

Key Financial & Operating Metrics (Consolidated)

In INR mn	Revenue	YoY (%)	EBITDA	EBITDA %	PAT	EPS	ROE
FY24	26905	15.0	19832	73.7	20728	10.2	36.3
FY25	35977	33.7	27745	77.1	25402	12.5	34.0
FY26	43895	22.0	34718	79.1	30674	15.0	43.3

Issue Snapshot	
Issue Open	14-Jul-26
Issue Close	16-Jul-26
Price Band	INR 545-574
Issue Size (Shares)	20,37,09,239
Market Cap (mn)	INR 1169291

Particulars	
Fresh Issue (INR mn)	-
OFS Issue (INR mn)	INR 116929
QIB	50%
Non-institutionals	15%
Retail	35%

Capital Structure	
Pre Issue Equity	2,03,68,27,612
Post Issue Equity	2,03,68,27,612
Bid Lot	26 Shares
Minimum Bid amount @ 545	INR 13930
Maximum Bid amount @ 574	INR 14665

Share Holding Pattern	Pre Issue	Post Issue
Promoters	98.19%	88.19%
Public	1.81%	11.81%

Particulars	
Face Value	INR 1
Book Value	INR 29.28
EPS, Diluted	INR 15.04

Objects of the Issue	(Rs mn)
1. Offer for sale by Promoter	1,16,929

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Business Model and Revenue Drivers

SBI Funds Management earns primarily through asset-management fees across mutual fund schemes, PMS and advisory mandates, AIF/SIF offerings and international advisory platforms. The model is asset-light and highly scalable: incremental AUM growth can translate into operating leverage because research, technology, compliance and distribution infrastructure are largely fixed or semi-fixed.

The most valuable earnings pools remain active equity, equity-oriented and hybrid funds because fee yields are generally superior to passive, liquid or institutional mandate books. PMS and advisory mandates add scale and credibility, but the EPFO-linked institutional PMS base is lower-yielding. Therefore, future earnings quality depends on the mix shift toward higher-yield retail, active equity, alternatives, international advisory and HNI-focused solutions.

Industry Context

The Indian mutual fund industry remains structurally underpenetrated relative to household deposits, creating a long runway for market-linked savings. Industry growth is supported by rising income levels, young demographics, investor education, digital onboarding, SIP adoption and the gradual migration of savings from deposits and physical assets into professionally managed financial products.

Equity-oriented assets have gained prominence, while passive products are growing rapidly as institutional and cost-sensitive investors adopt ETFs and index funds. This creates a dual opportunity for SBI Funds Management: defend leadership in high-fee active strategies while using its passive scale to capture large-ticket institutional and retail flows. The trade-off is that passive AUM is structurally lower-yielding, making mix management a central profitability variable.

India's rising HNI, UHNI and family office base is accelerating the shift from traditional deposits to market-linked assets such as mutual funds and equities. While bank and non-bank deposits remain large at ₹12.5 trillion in FY25 versus ₹8.4 trillion in FY22, mutual fund savings grew faster—from ₹1.6 trillion to ₹4.7 trillion over the same period, implying a 42.6% CAGR.

Evolution in mix of financial savings in India (annual inflows of household savings into financial assets)

Value in Rs trillion	FY22	FY23	FY24	FY25	CAGR (FY22-25)
Deposits (bank and non-bank)	8.4	11.1	13.8	12.5	14.5%
Life insurance funds	4.9	5.5	6.5	5.3	3.2%
Provident and pension funds (including PPF)	5.5	6.2	7.2	7.9	12.8%
Currency	2.7	2.4	1.2	2.1	-8.1%
Mutual funds	1.6	1.8	2.4	4.7	42.6%
Equities	0.5	0.2	0.3	0.7	14.8%
Small savings schemes (excluding PPF)	2.4	2	3.1	2.3	-1.2%
Total household financial assets	26.1	29.3	34.7	35.6	10.9%

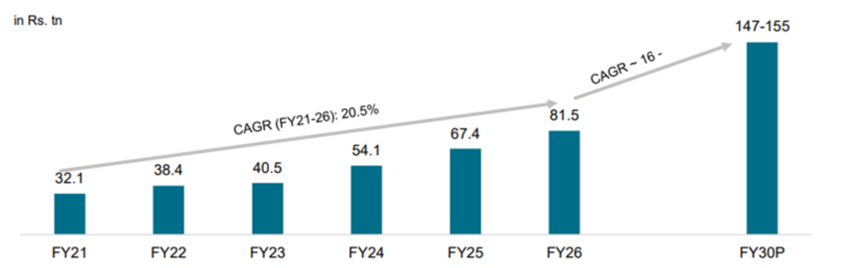
Source: RBI, Crisil Intelligence

Mutual fund AUM as a percentage of bank deposits has increased steadily, reflecting strong growth in mutual fund penetration relative to traditional bank savings. After a brief moderation in fiscal 2023, the ratio accelerated from fiscal 2024 onwards, indicating rising investor preference for market-linked investment avenues. SBI Mutual Fund market leadership is further supported by favourable industry tailwinds, including growing mutual fund penetration in household savings, favourable demographics with a young and increasingly financially literate population, rising income levels and savings rates, and increasing investor awareness driven by industry-wide investor education initiatives.

Robust growth in Indian mutual fund AUM

The Indian mutual fund industry has emerged as one of the fastest-growing segments within the financial services sector, driven by increasing financialization of household savings, rising retail participation, expanding SIP adoption, and growing investor preference for professionally managed investment products. This has resulted in industry QAAUM to grow at a CAGR of ~20.5% between March 2021 and March 2026, reaching Rs. 81.5 trillion as of March 2026. The growth has been underpinned by a structural shift in savings behaviour, with retail and HNI investors accounting for 60.1% of industry AUM in March 2026 compared with 53.9% in March 2021. Additionally, monthly SIP flows have remained stable with Rs. 3,495.8 billion in fiscal 2026, showcasing greater adoption of mutual funds as a long-term wealth creation vehicle amongst individual investors. Overall, the Indian mutual fund industry is poised for continued growth, driven by its resilience and the increasing participation of individual investors.

Mutual Fund QAAUM to grow at ~16-18% CAGR through fiscal 2030, sustaining historical growth momentum of 20.5% between fiscal 2021 and fiscal 2026



Note: Values in the above chart are based on quarterly average AUM for the latest quarter of the relevant fiscal year or period, P: Projected.
Source: AMFI, CRISIL Intelligence

Equity schemes have gained prominence in the last five years from 31.4% in fiscal 2021 to 43.7% in fiscal 2026

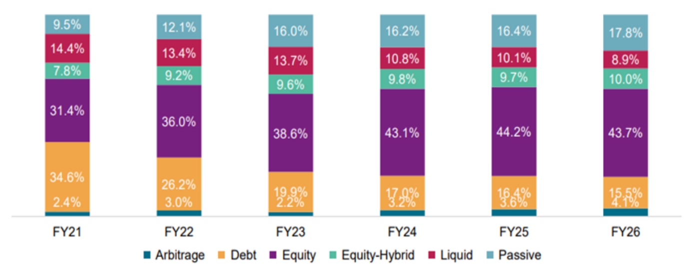
The composition of industry assets has shifted meaningfully toward equity-oriented products over the past five years. Equity schemes increased their share of industry QAAUM from 31.4% in fiscal 2021 to 43.7% in fiscal 2026, supported by strong equity market performance. Generally, equity and equity-oriented schemes have a higher fee structure compared to non-equityoriented schemes, on account of being actively managed and hence are more profitable for AMCs, Passive investing has also gained momentum, with passive products increasing their share from 9.5% in FY21 to 17.8% in FY26. This trend reflects rising investor awareness regarding low-cost investment products and increasing institutional participation in ETF-based strategies. The growing contribution of equity and passive products is strategically important for AMCs, as these categories generally contribute to higher operating leverage and support long-term profitability.

Market share of top 10 AMCs basis QAAUM

AMCs	Total QAAUM (Rs. Bn.)							
	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	CAGR (Mar 21-Mar 26)	Market Share on FY26
SBI AMC	5,044.6	6,470.7	7,171.6	9,143.7	10,729.5	12,480.0	19.9%	15.3%
ICICI Prudential AMC	4,054.1	4,682.0	4,996.3	6,831.0	8,794.1	11,037.5	22.2%	13.5%
HDFC AMC	4,155.7	4,320.8	4,497.7	6,129.0	7,740.0	9,274.5	17.4%	11.4%
Nippon India AMC	2,285.9	2,832.6	2,931.6	4,313.1	5,572.0	7,249.7	26.0%	8.9%
Kotak Mahindra AMC	2,337.8	2,846.2	2,893.4	3,810.5	4,825.4	5,809.5	20.0%	7.1%
Aditya Birla Sun Life AMC	2,692.8	2,958.0	2,752.0	3,317.1	3,817.2	4,358.7	10.1%	5.3%
UTI AMC	1,828.5	2,238.4	2,387.9	2,908.8	3,397.5	3,884.7	16.3%	4.8%
Axis AMC	1,965.5	2,598.2	2,414.1	2,742.7	3,215.1	3,596.0	12.8%	4.4%
TATA AMC	620.8	867.1	984.3	1,471.7	1,877.0	2,275.1	29.7%	2.8%
DSP AMC	973.3	1,078.0	1,146.5	1,480.1	1,873.1	2,254.0	18.3%	2.8%
Total AMC Industry	**32,105.4**	**38,378.8**	**40,510.8**	**54,131.1**	**67,422.6**	**81,539.7**	**20.5%**	

Source: AMFI, Crisil Intelligence

Equity and passive schemes have gained ground over the last few years (Basis QAAUM)



*Notes: Total may not add up to 100% due to rounding off. As per classification mentioned in **Annexure (Definition and Description)**, QAAUM indicates Quarterly Average AUM excluding fund of funds – Domestic but including Fund of Funds – overseas, for the latest quarter of the relevant fiscal year or period*

Source: AMFI, Crisil Intelligence

Monthly flow of mutual funds

Particulars (in Rs. Bn)	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Equity	242.7	190.1	235.9	427.0	334.3	304.2	246.9	299.1	280.5	240.3	259.8	404.5
Debt	2,191.4	(159.1)	(17.1)	1,068.0	(79.8)	(1,019.8)	1,599.6	(256.9)	(1,324.1)	748.3	421.1	(2,949.9)
Hybrid	142.5	207.7	232.2	208.8	152.9	94.0	141.6	133.0	107.6	173.6	119.8	(165.4)
Others	202.3	55.3	40.0	82.6	114.4	190.6	166.7	153.9	267.2	399.6	138.8	307.7

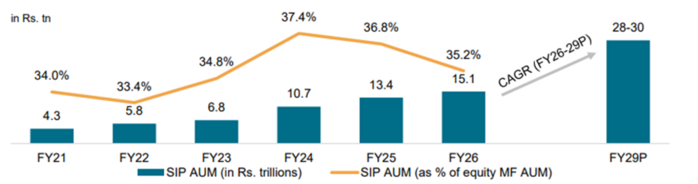
Systematic investment plans

Systematic Investment Plans (SIPs) have emerged as the cornerstone of retail participation in the Indian mutual fund industry, providing investors with a disciplined mechanism for long-term wealth creation while overcoming emotional biases during market uncertainty, the capacity to accumulate large investments from smaller amounts, and tax benefits. By promoting steady and diversified inflows, SIPs have contributed to the growth and stability of the market and reduced overall volatility.

In the fiscal year 2026, annual inflows through Systematic Investment Plans (SIPs) surged to ~Rs. 3.5 trillion. As on March2026, SIP assets totalled Rs 15.1 trillion, comprising over 20% of the industry's total assets. The number of SIP accounts also witnessed substantial growth, reaching nearly 104.5 million as of March 2026. Systematic investment plans have gained increased traction among individual investors and contributed approximately 60% of total equity and equity-hybrid fund flows in the Indian mutual fund industry during FY25. From April 2025 to March 2026, total SIP contribution stood at Rs. 3,495.9 billion with average monthly SIP contribution at Rs. 291.3 billion.

SIPs have primarily driven the growth in retail Assets Under Management (AUM), by enabling retail investors to invest small, manageable sums regularly, and are expected to grow at a Compound Annual Growth Rate (CAGR) of 25-27% from FY26 to FY29P, making SIPs an increasingly important component of overall AUM growth.

SIP AUM stood at Rs. 15.1 trillion as of March 2026

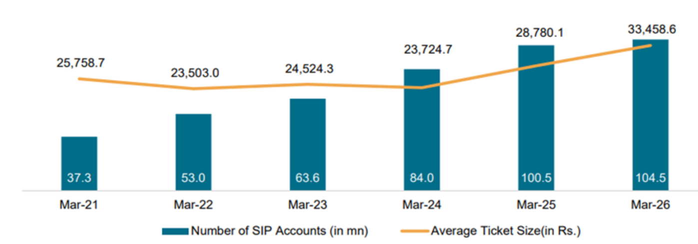


Note: Equity includes Equity and Equity-oriented schemes basis QAAUM. Source: AMFI, CRISIL Intelligence

Monthly SIP Contributions

Month (in Rs. bn)	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY2023-24	FY2024-25	FY2025-26
Total during FY	**1,000.8**	**960.8**	**1,245.7**	**1,559.7**	**1,992.2**	**2,893.5**	**3,495.9**
March	86.4	91.8	123.3	142.8	192.7	259.3	320.9
February	85.1	75.3	114.4	136.9	191.9	260.0	298.5
January	85.3	80.2	115.2	138.6	188.4	264.0	310.0
December	85.2	84.2	113.1	135.7	176.1	264.6	310.0
November	82.7	73.0	110.1	133.1	170.7	253.2	294.5
October	82.5	78.0	105.2	130.4	169.3	253.2	295.3
September	82.6	77.9	103.5	129.8	160.4	245.1	293.6
August	82.3	77.9	99.2	126.9	158.1	235.5	282.7
July	83.2	78.3	96.1	121.4	152.5	233.3	284.6
Jun	81.2	79.2	91.6	122.8	147.3	212.6	272.7
May	81.8	81.2	88.2	122.9	147.5	209.0	266.9
April	82.4	83.8	86.0	118.6	137.3	203.7	266.3

SIP average ticket size

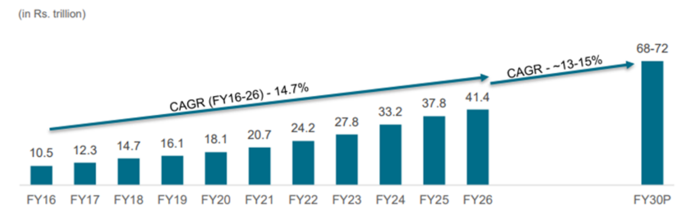


Note: Average Ticket Size calculated as Annual SIP contribution divided by Total number of outstanding SIP Accounts as on March of that Fiscal year. For March 2025, Average Ticket Size calculated as SIP contribution divided by Total number of outstanding SIP Accounts as of March 2026. Source: AMFI, CRISIL Intelligence

Portfolio management services in India

PMS are usually focused on customized discretionary, non-discretionary or advisory service offerings tailored to meet specific investment objectives through portfolio management services for stocks, cash, fixed income, debt, structured products and other individual securities. As of March 2026, according to SEBI, there were 504 portfolio managers registered under SEBI. Over the last ten years, the PMS industry has seen significant growth, with the market becoming more mature, increasing number of HNIs, greater need for customized asset allocation based on risk-return profiling, and growing awareness of PMS as a product. As of March 2026, the closing AUM of PMS asset managers stood at approximately Rs 41.4 trillion, reflecting a CAGR (FY16-FY26) of 14.7% over the last ten years meanwhile, Ex-EPFO AUM as of 31st March 2026 stood at Rs 8.0 trillion, growing at a CAGR (FY16-26) of 9.8%.

PMS closing AUM grew at a CAGR of 14.7% between March 2016 and March 2026, as of March 2026, closing AUM stood at Rs. 41.4 trillion



Source: SEBI, Crisil Intelligence

Top 10 PMS assets under management – As of March 2026

Closing AUM (in Rs billions)	Discretionary	Non – Discretionary	Advisory	Co-investment	Total	Market Share (%)
SBI Funds Management Limited	15,985.4	449.1	27.5	-	16,462.0	39.7%
Uti Asset Management Company Private Ltd	14,462.4	857.0	-	-	15,319.4	37.0%
Darshaw & Company Limited	51.2	0.2	1,492.2	-	1,543.6	3.7%
Nippon Life India Asset Management Limited	9.1	875.0	0.5	-	884.6	2.1%
Enam Asset Management Company Limited	311.3	0.0	58.5	0.0	369.8	0.9%
360 ONE Portfolio Managers Limited	108.5	233.3	0.0	0.0	341.8	0.8%
360 ONE Asset Management Limited	218.3	0.0	64.0	0.0	282.3	0.7%
ICICI Prudential Asset Management Company Ltd.	250.2	0.2	0.4	2.8	253.6	0.6%
Franklin Templeton Asset Management (India) Private Limited	0.0	0.0	234.1	0.0	234.1	0.6%
Abakkus Asset Manager Private Limited	185.8	0.0	8.4	0.0	194.2	0.5%

Source: SEBI, Crisil Intelligence

The PMS industry in India is structurally dominated by domestic institutional mandates, with the Employees' Provident Fund Organization (EPFO) emerging as the single largest capital pool within the segment. EPFO is not just an important client category, but the defining driver of scale in the institutional PMS ecosystem, accounting for roughly 80-90% of total PMS AUM among leading managers. This has a significant impact on competitive positioning, pricing structures and revenue dynamics. Within this framework, SBI MF stands out as the undisputed market leader with a total PMS AUM of Rs. 16,462 billion of which Rs. 15,121.8 billion is attributable to PF/EPFO mandates translating to 91.9% of its total PMS AUM. In 2019, the Employees' Provident Fund Organization ("EPFO"), India's largest pension fund, selected SBI Mutual Fund as one of its preferred fund managers to manage a portion of its equity investments, demonstrating institutional confidence in our investment capabilities.

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SBI MF's dominance in the EPFO PMS pool is evident with a 49.9% market share effectively controlling half of the entire EPFO-managed equity corpus within the PMS structure. This establishes SBI MF as the dominant manager of India's largest retirement fund allocations, reinforcing its credibility, execution capability, and institutional trust. The EPFO market is highly concentrated, with SBI MF and UTI AMC (47.7%) occupying the leadership positions. However, while SBI MF's AUM dominance is undeniable, it is essential to interpret this in the context of pricing and margin tiers across PMS segments. EPFO mandates operating at compressed fee structures, which moderates SBI MF's blended revenue yield. The firm's PMS franchise reflects a classic scale-versus-yield dynamic, benefiting from extremely large and sticky AUM, long-duration institutional mandates, predictable asset base, and strong operating leverage. When compared to other players, SBI MF's profile is more conservative, stable, and scale-oriented rather than yield maximizing. Players like 360 ONE, Franklin Templeton, or Enam have smaller PMS AUM but more tilted toward high-margin FPI or non-corporate mandates. The international PMS and advisory FPI segment appear underrepresented in the dataset, and a more comprehensive inclusion of offshore and advisory structures may improve the assessment of SBI MF's margin diversification. Strategically, SBI MF's PMS business should be viewed as a foundational institutional franchise anchored by EPFO dominance, creating high entry barriers for competitors. Going forward, incremental growth in retail PMS, international mandates and FPI advisory could meaningfully enhance blended yields without compromising scale stability

Top 10 PMS AUM Composition – March 2026

Closing AUM (in Rs billions)	Domestic Clients			Foreign Clients			Total	EPFO of Total AUM (%)	Market Share of EPFO
	PF/EPFO	Corporates	Non-Corporates	Non-Residents	FPI	Others			
SBI Funds Management Limited	15,121.8	1,321.6	11.9	0.6	6.0	0.0	16,462.0	91.9%	49.9%
UTI Asset Management Company Private Ltd	14,462.4	857.0	0.0	0.0	0.0	0.0	15,319.4	94.4%	47.7%
Darshaw & Company Limited	1,102.5	440.7	0.3	0.1	0.0	0.0	1,543.6	71.4%	3.6%
Nippon Life India Asset Management Limited	0.0	880.2	3.7	0.7	0.0	0.0	884.6	0.0%	NA
Enam Asset Management Company Limited	0.0	38.0	70.8	15.2	245.8	0.0	369.8	0.0%	NA
360 ONE Portfolio Managers Limited	3.2	125.5	195.9	17.3	0.0	0.0	341.8	0.9%	0.0%
360 ONE Asset Management Limited	0.0	12.3	38.4	3.6	227.9	0.0	282.3	0.0%	NA
ICICI Prudential Asset Management Company Ltd.	0.0	27.6	210.9	15.1	0.0	0.0	253.6	0.0%	NA
Franklin Templeton Asset Management (India) Private Limited	0.0	0.0	0.0	0.0	234.1	0.0	234.1	0.0%	NA
Abakkus Asset Manager Private Limited	0.0	33.9	118.2	6.5	35.6	0.0	194.2	0.0%	NA

Note: % may not add up to 100%. SEBI, Crisil Intelligence

SBI MF Leads in FPI Advisory

In terms of passive (ETF and index fund) QAAUM, SBI AMC is the largest, with a market share of 27.9% As of March 2026, SBI AMC is the largest AMC in terms of passive QAAUM, with assets of Rs 4,055.3 billion and a market share of 27.9%. The company leads the segment by a significant margin, with the second largest player holding an 18.0% share. This substantial gap underscores SBI AMC's strong franchise, product breadth, and sustained leadership in the passive investment space. SBI AMC also benefits from Amundi's expertise as Europe's largest ETF provider.

AMCs	Passive QAAUM (ETF and index funds; Rs billion)							
	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	CAGR (Mar 21- Mar-26)	Market share as of FY26
SBI AMC	1,450.5	2,023.6	2,588.6	3,182.0	3,416.9	4,055.3	22.8%	27.9%
ICICI Prudential AMC	190.2	358.9	503.8	822.6	1,241.8	1,841.7	57.5%	12.7%
HDFC AMC	76.8	133.5	217.7	362.3	546.4	874.9	62.7%	6.0%
Nippon India AMC	379.0	571.4	748.0	1,216.5	1,697.4	2,612.6	47.1%	18.0%
Kotak Mahindra AMC	102.7	130.8	188.3	245.6	332.4	527.0	38.7%	3.6%
Aditya Birla Sun Life AMC	9.8	57.5	224.8	270.9	310.7	360.3	105.6%	2.5%
UTI AMC	425.8	624.5	828.7	1,154.5	1,414.9	1,766.7	32.9%	12.2%
Axis AMC	8.5	26.0	60.7	86.6	118.4	196.0	87.3%	1.4%
TATA AMC	4.5	8.0	26.6	41.2	69.1	176.4	108.3%	1.2%
DSP AMC	3.8	8.6	30.2	73.1	141.6	195.3	119.9%	1.3%
AMC industry	**3,049.8**	**4,655.1**	**6,467.6**	**8,744.9**	**10,820.7**	**14,517.3**	**36.6%**	**100.0%**

For clients under discretionary services, SBI AMC is the largest portfolio manager

As of March 2026, SBI AMC is the largest portfolio manager under discretionary PMS, with a closing AUM of Rs 15,985.4 billion. It has sustained its leadership position from March 2023 to March 2026, with discretionary PMS AUM exhibiting a CAGR of 13.6%. SBI AMC's dominant scale in this segment reflects its strong institutional relationships, execution capabilities and established presence in managing large discretionary mandates. SBI AMC caters to high-net-worth clients with substantial ticket sizes. Furthermore, its CAGR is primarily an effect of its market leadership and a high historical base, making percentage-based growth appear more modest compared to smaller peers.

Closing AUM for discretionary PMS clients

AMCs	PMS AUM for clients under discretionary services (Rs billion)				CAGR (Mar-23 to Mar-26)
	Total				
	Mar-23	Mar-24	Mar-25	Mar-26	
SBI AMC	10,891.4	12,470.5	14,281.1	15,985.4	13.6%
ICICI Prudential AMC	45.8	139.6	217.1	250.2	76.1%
HDFC AMC	6.0	7.0	7.5	48.0	100.0%
Nippon India AMC	6.0	6.6	5.5	9.1	14.7%
Kotak Mahindra AMC	8.9	14.3	19.5	21.9	35.1%
Aditya Birla Sun Life AMC	14.1	18.8	268.3	319.2	182.9%
UTI AMC	9,932.6	11,551.6	13,007.1	14,462.4	13.3%
Axis AMC	11.6	13.9	15.7	112.1	113.0%
TATA AMC	8.1	15.0	16.2	39.1	68.9%
DSP AMC	NA	NA	NA	NA	NA
AMC industry	**23,307.1**	**27,652.3**	**31,772.1**	**35,121.5**	**14.6%**

SBIFM Business Overview: Market Leadership, Platform Strength and Financial Performance

Scale and market leadership: SBI Funds Management Limited is India's largest asset management company by mutual fund QAAUM, with ₹12,509.98 billion in mutual fund QAAUM and a 15.3% market share as of March 31, 2026. The company has maintained this leadership position since March 2021, reflecting the strength of its brand, distribution reach, product breadth and execution capabilities. Including PMS and advisory mandates, SBIFM's total platform QAAUM stood significantly higher at ₹29,461.05 billion, underlining its role as a diversified asset-management platform rather than a pure-play mutual fund manager.

Legacy franchise and passive leadership: SBIFM benefits from a long operating history. SBI Mutual Fund began operations in June 1987 as the first mutual fund entity outside the Unit Trust of India, while SBIFM was incorporated in 1992 and received SEBI approval to act as investment manager in 1993. The company has also built a dominant passive-investing franchise, with ETF and index fund QAAUM of ₹4,055.26 billion and a 27.9% market share as of March 31, 2026. This makes it India's largest passive asset manager and positions it well to capture the structural shift toward low-cost index and ETF products.

Parentage, distribution and product platform: SBIFM is promoted by State Bank of India, Amundi India Holding and Amundi Asset Management. This dual parentage gives the company a differentiated competitive advantage: SBI provides unmatched domestic distribution through its banking franchise, while Amundi contributes global asset-management expertise, product innovation capabilities and international investment practices. As of March 31, 2026, SBI had total assets of ₹83,215.7 billion, 23,265 branches and over 530 million customers, creating a powerful sourcing and cross-selling platform. Amundi, meanwhile, is Europe's largest asset manager and among the global top 10, with close to €2.4 trillion in AUM, over 200 million retail clients and operations across 34 countries. SBIFM uses this platform to manage 128 mutual fund schemes across equity, debt, arbitrage, ETFs, index funds, fund-of-funds, liquid and overnight products, along with PMS, advisory mandates, AIFs and SIFs.

Retail franchise, B-30 reach and SIP engine: SBIFM has built one of India's strongest retail mutual fund franchises, serving 17.95 million individual investors as of March 31, 2026. Individual investor mutual fund MAAUM stood at ₹5,818.20 billion, representing 47.89% of total mutual fund MAAUM. The company's B-30 mutual fund MAAUM was ₹2,772.77 billion, or 22.82% of total mutual fund MAAUM, highlighting deep penetration in tier 2 and tier 3 cities. SBIFM is also a leader in systematic investment plans, with 16.21 million live SIP accounts and an 11.4% market share by live SIP accounts. Its Jan Nivesh SIP facility, launched in February 2025, enables daily investments starting at ₹250 and supports first-time and small-ticket investors through InvesTap and the company website. This retail and SIP base enhances flow stability, customer stickiness and long-term AUM visibility.

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SBI AMC had the largest market share in B30 MAAUM at 19.2%

AMCs	B30 MAAUM (Rs billion)				CAGR (Mar-23 to Mar-26)	Share of B30 MAAUM as of Mar-26 (%)	Share of B30 MAAUM in AMC's total MAAUM as of Mar-26 (%)
	Mar-23	Mar-24	Mar-25	Mar-26			
SBI AMC	1,464.3	2,012.2	2,447.1	2,764.8	23.6%	19.2%	22.8%
ICICI Prudential AMC	770.6	1,122.7	1,387.1	1,648.8	28.9%	11.4%	15.4%
HDFC AMC	791.7	1,189.6	1,452.7	1,729.5	29.8%	12.0%	19.2%
Nippon India AMC	556.8	862.0	1,114.1	1,431.3	37.0%	9.9%	20.1%
Kotak Mahindra AMC	305.5	443.1	564.3	695.3	31.5%	4.8%	12.1%
Aditya Birla Sun Life AMC	448.5	578.2	645.3	719.2	17.0%	5.0%	17.1%
UTI AMC	525.8	662.7	670.2	717.4	10.9%	5.0%	19.0%
Axis AMC	426.6	536.4	607.0	653.3	15.3%	4.5%	18.8%
TATA AMC	169.4	244.1	313.8	351.8	27.6%	2.4%	15.7%
DSP AMC	167.4	232.2	281.8	333.2	25.8%	2.3%	15.1%
Total AMC Industry	**6,839.5**	**9,827.3**	**12,168.0**	**14,434.9**	**28.3%**	**100.0%**	**18.2%**

Note:
1. Players are arranged in the descending order based on mutual fund QAAUM as of March 2026
2. SIF AAUM data is excluded
3. Numbers are rounded off to one decimal
Source: Company reports, AMFI, Crisil Intelligence

Growth and asset-mix profile: SBIFM's AUM growth has been broad-based across total platform assets, mutual fund assets and higher-yielding equity-oriented categories. Between March 31, 2024 and March 31, 2026, total QAAUM grew at a 14.22% CAGR, mutual fund QAAUM grew at a 16.97% CAGR, and equity, equity-oriented and equity-hybrid QAAUM grew at a stronger 21.79% CAGR. This growth mix is important because active equity and hybrid assets generally carry superior fee yields compared with passive, liquid or institutional mandates. At the same time, the company's large passive and institutional books provide scale, visibility and operating leverage, creating a balanced but yield-sensitive asset-management model.

International and alternative-growth optionality: Beyond its domestic mutual fund franchise, SBIFM has built capabilities across PMS, advisory mandates, AIFs, SIFs and offshore India-focused strategies. The company manages and advises India-focused mandates for overseas investors and Amundi-linked UCITS and global emerging market strategies, while also offering outbound diversification products for Indian investors. This creates a two-way international opportunity: attracting global capital into Indian markets and enabling domestic investors to diversify overseas. The Amundi relationship strengthens this opportunity by giving SBIFM access to global distribution, product architecture and institutional relationships.

Financial performance and cash generation: The company has delivered strong operating and financial performance over FY24–FY26. Revenue from operations increased at a 27.73% CAGR from ₹26,905.58 million in FY24 to ₹43,894.88 million in FY26, driven by growth in asset-management fees. Profit after tax grew at a 21.65% CAGR from ₹20,727.85 million to ₹30,673.76 million over the same period, while PAT margin expanded from 60.50% to 61.65%. ROE remained strong at 43.02% in FY26, reflecting the asset-light and highly cash-generative nature of the AMC business. Basic EPS increased from ₹10.29 in FY24 to ₹15.08 in FY26, and operating cash flow rose to ₹24,876.04 million in FY26, representing 81.10% of PAT. This combination of growth, profitability and cash conversion supports dividend capacity and reinforces SBIFM's quality as a listed AMC candidate.

Growth Strategies
SBI Funds Management Limited (SBIFM) follows a multi-pronged approach focused on expanding its investor base, enhancing technological capabilities, diversifying its product offerings, and leveraging its global partnerships.
Detailed breakdown of the company's key growth strategies:

1. Deepening Retail Penetration in Underserved Markets
SBIFM aims to expand its reach beyond traditional urban centers (Top-30 or T-30 cities) by focusing heavily on **Beyond Top 30 (B-30) cities.**

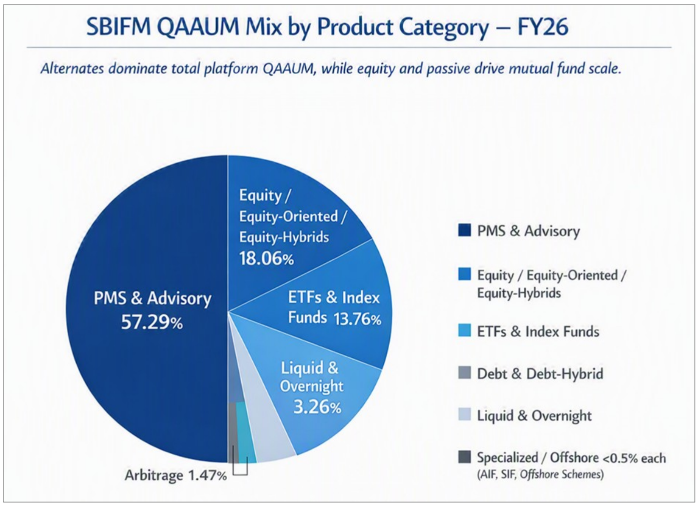
- **Targeted Products:** The company is utilizing initiatives like the Jan Nivesh SIP (a daily Systematic Investment Plan designed for first-time and low-ticket investors with a minimum of just ₹250 per day) to attract new-to-mutual-fund investors in lower-income brackets.
- **Multi-Channel Distribution:** Leveraging its extensive distribution network, including independent financial advisors (IFAs), mutual fund distributors, and State Bank of India's robust branch network, to capture household savings in these underserved markets.

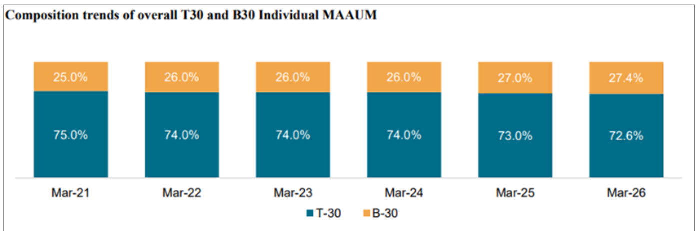
2. Strengthening Digital Capabilities
To enhance both investor engagement and operational efficiency, the company is heavily investing in its digital infrastructure.

- **Proprietary Platforms:** Enhancing platforms like the InvesTap mobile application and website, which already account for a significant portion of their Direct channel AUM.
- **Data Analytics:** Utilizing advanced data analytics to improve customer segmentation, fraud detection, and marketing efficiency.
- **Distributor Enablement:** Providing digital tools (Partner App and Partner Portal) to empower distributors and streamline their operations.

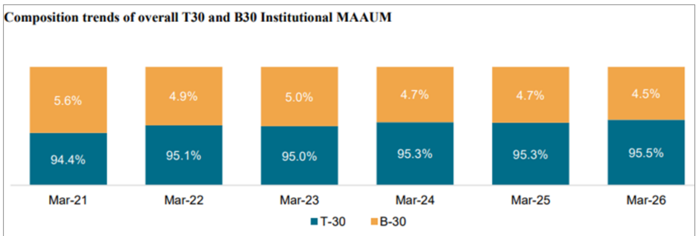
3. Expanding the Product Suite
SBIFM is actively diversifying its portfolio to address shifting investor preferences and regulatory changes, moving beyond traditional actively managed equity and debt funds.

- **Passive Products:** Capitalizing on the shift towards low-cost investing by expanding its suite of exchange-traded funds (ETFs) and index funds, including thematic and smart beta strategies.
- **Alternative Investments:** Scaling its presence in higher-margin, specialized categories such as Portfolio Management Services (PMS), Alternative Investment Funds (AIF), and the newly introduced Specialized Investment Funds (SIF) platform (e.g., Magnum SIF) targeted at accredited and high-net-worth investors.
- **Solution-Oriented Funds:** Developing products tailored to specific life goals, such as retirement and children's education funds.





Note: Based on monthly average AUM (MAAUM) including Fund of Funds Scheme (Domestic)
Source: AMFI, CRISIL Intelligence



Note: Based on monthly average AUM (MAAUM) including Fund of Funds Scheme (Domestic)

IPO Note

4. Capturing International Opportunities (Inbound & Outbound)

SBIFM is structurally positioned to pursue international market opportunities through a dual strategy, heavily supported by its joint venture partner, Amundi, which provides access to established global distribution networks across Europe, Asia, and the Middle East.

- **Inbound Strategy (Bringing Global Capital to India):** Expanding its presence in the Gujarat International Finance Tec-City (GIFT City) through its subsidiary, SBI Funds International (IFSC) Limited. This includes launching offshore investment products like the SBI India Equity Advantage Fund (IFSC) to cater to foreign institutional investors, Non-Resident Indians (NRIs), and global family offices seeking exposure to Indian markets.
- **Outbound Strategy (Global Diversification for Indians):** Capitalizing on regulatory frameworks like the Liberalised Remittance Scheme (LRS) and Overseas Portfolio Investment (OPI) framework to offer global diversification solutions to domestic investors, family offices, and institutions.

Financial Assessment

The company has delivered strong financial performance over FY24–FY26. Revenue from operations increased from ₹26,905.58 million in FY24 to ₹43,894.88 million in FY26, implying a CAGR of 27.73%. Profit after tax increased from ₹20,727.85 million in FY24 to ₹30,673.76 million in FY26, with reported PAT margin expanding to 61.65% in FY26. Return on equity remained robust at 43.02% in FY26, underlining the capital-light nature of the AMC model.

Operating cash generation is also strong: cash generated from operations stood at ₹24,876.04 million in FY26 versus ₹19,923.76 million in FY25 and ₹14,382.06 million in FY24. This cash conversion supports dividend capacity and reinforces the quality of earnings. However, investors should track whether growth in AUM continues to translate into fee income, because fee compression can weaken the link between AUM growth and revenue growth.

Financial Ratio Analysis

SBIFM's ratio profile is consistent with a high-quality, capital-light AMC franchise. Revenue and PAT growth indicate strong operating momentum, while the sustained PAT margin above 60% and FY26 ROE of 43.02% show exceptional profitability and efficient capital deployment. The improvement in operating cash-flow conversion from 69.39% in FY24 to 81.10% in FY26 is particularly important for public-market investors because it supports dividend capacity and reduces concerns around earnings quality. The key monitorable is whether fee-yield compression from passive products, direct plans, PMS mandates and regulatory changes narrows margins over the medium term.

Peer ratio takeaway: SBIFM screens favourably against listed AMC peers on growth, profitability and return profile. Its FY26 PAT margin of 61.65% and ROE of 43.02% place it above most listed peers except the highest-return bank-affiliated franchises. HDFC AMC remains the closest quality benchmark due to its strong retail-equity orientation and high profitability, while Nippon Life India AMC currently shows stronger market-share and revenue momentum. Aditya Birla Sun Life AMC and UTI AMC provide useful downside comparables, given their lower growth, lower return profile and weaker margin trajectory. Overall, SBIFM's peer-relative valuation should reflect its leadership and cash generation, but with a discount for lower blended revenue yield from passive, EPFO and institutional PMS mandates.

Peer Multiple Comparison

SBI Funds Management is not being offered at a headline premium to listed AMC peers despite being the largest AMC by mutual fund QAAUM and having a high FY26 return profile. The discount appears linked to asset mix: passive products and EPFO/PMS mandates create scale but dilute blended fee yield. SBI should be benchmarked closer to HDFC AMC and ICICI Prudential AMC for franchise quality, but with a discount to reflect lower revenue yield and higher institutional/passive exposure.

SWOT Analysis

Strengths	Weaknesses
Market leadership: Largest AMC in India by mutual fund QAAUM, with scale advantages across distribution, research, technology and operating cost absorption.	**Lower blended yield:** Large passive, PMS and EPFO-linked institutional mandates increase scale but dilute revenue yield versus higher-fee active equity products.
Parentage: Strong dual sponsorship from State Bank of India and Amundi creates credibility, domestic reach and global investment-management capability.	**OFS structure:** The IPO does not bring fresh capital into the company, so listing proceeds do not fund incremental growth initiatives.
Retail franchise: Large investor base, strong SIP presence and deep B-30 penetration support sticky, recurring flows.	**Concentration risk:** Top schemes and institutional mandates contribute meaningfully to AUM and revenue, increasing sensitivity to large-client repricing or outflows.
Passive leadership: Leading ETF and index-fund platform positions the company to capture low-cost investing and institutional allocation trends.	**Fee sensitivity:** Rising direct-plan share and regulatory scrutiny of expense ratios can pressure asset-management fees.
Cash generation: High PAT margin, strong operating cash conversion and high ROE reinforce the capital-light quality of the AMC business.	**Market-linked earnings:** Revenue and profitability remain exposed to equity-market levels, investor sentiment and debt-market cycles.
Opportunities	**Threats**
Financialization of savings: Continued migration from deposits and physical assets into mutual funds can expand the industry profit pool.	**Regulatory compression:** TER changes, commission rules or tighter fee caps could reduce industry revenue yields.
SIP expansion: Growth in monthly SIP flows, small-ticket SIPs and B-30 participation can improve flow visibility and retail stickiness.	**Competitive intensity:** Bank-backed AMCs, independent listed AMCs and passive specialists may compete aggressively on fees, distribution and product innovation.
Higher-yield products: Scaling active equity, hybrid, SIF, AIF, PMS for HNIs and international advisory can improve blended fee realization.	**Passive disruption:** Faster-than-expected migration to low-cost passive products may reduce blended revenue growth despite AUM gains.
Global and GIFT City platform: Amundi-linked distribution and IFSC structures can attract offshore capital and diversify revenue streams.	**Market downturn:** Equity or debt-market correction can reduce AUM, investor flows and earnings momentum.
Digital leverage: InvesTap, distributor tools and analytics-led acquisition can reduce servicing costs and improve operating leverage.	**Litigation and compliance risk:** Tax disputes, product governance issues or regulatory findings can create financial and reputational risk.

Valuation & Outlook:
SBI Funds Management is a high-quality financial-services franchise and one of the cleanest listed-proxy candidates for India's long-term financialization theme. The business combines market leadership in mutual fund QAAUM, a powerful SBI-led distribution moat, Amundi-backed global product capability, strong passive leadership, deep B-30 penetration and a highly cash-generative operating model. Its asset-light structure, high PAT margin, robust ROE and strong operating cash conversion support the case for premium valuation versus most financial-services businesses.

That said, the investment debate is valuation-sensitive. SBIFM's scale is impressive, but a meaningful portion of its total platform QAAUM comes from lower-yield PMS, advisory, EPFO-linked institutional mandates and passive products. Therefore, investors should not value the company only on headline AUM leadership; the correct framework should focus on fee-yield durability, active-equity mix, SIP-led retail growth, B-30 contribution, alternative-investment scale-up and the pace of international advisory monetization. In our view, SBIFM deserves a scarcity and leadership premium to most AMC peers, but the premium must be balanced against regulatory fee compression, passive-led yield dilution and institutional concentration risk.

Suggested rating framework: Long-term investors can consider participation if the IPO/listing valuation remains at a reasonable premium to listed AMC peers and does not fully price in the next leg of growth upfront. A constructive stance is justified where the market assigns value to SBIFM's leadership, SBI parentage, retail reach, passive scale and cash-generation profile, while still leaving room for upside from higher-yield active equity, AIF/SIF, PMS-for-HNI and offshore advisory growth. Conversely, a more cautious stance is warranted if listing gains push the stock materially above peer-adjusted fair value without clear evidence of sustained fee-yield improvement and continued growth in active-equity-led earnings.

Key monitorable: The most important variables to track post-listing are mutual fund market-share retention, net flows in equity and hybrid categories, SIP account growth, B-30 traction, passive AUM growth versus fee dilution, EPFO/PMS mandate stability, progress in AIF/SIF scale-up, international advisory contribution and the impact of SEBI's revised expense-ratio framework on management-fee realization. If SBIFM can sustain growth in higher-yield segments while retaining its scale advantage in passive and institutional mandates, earnings durability should remain strong and support premium valuation multiples.

Peer Comparison

Name of the company	Diluted EPS 2026 (₹)	Price as on July 210, 2026	P/E (x)
SBI FM	15.0	574	38.3
ICICI Pru AMC	66.0	3160	47.9
HDFC AMC	66.8	2761	41.4
Nippon Life India AMC	24.0	1213	50.5

Particulars FY26	SBI FM	ICICI Pru AMC	HDFC AMC	Nippon Life India AMC
Revenue from Operations (₹ mn)	43895	57646	41185	27087
EBITDA (₹ mn)	34718	45301	37961	20192
EBITDA Margin (%)	79.1%	78.6%	92.2%	74.5%
Profit After Tax (₹ mn)	30674	32983	28593	15281
RoE (%)	43.3%	87.0%	34.0%	35.5%

SBI Funds Management Ltd.

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IPO Note

Income Statement

Y/E (INR mn)	FY24	FY25	FY26
Revenue	26,905	35,977	43,895
Expenses:			
Scheme Expenses	488	645	717
Employee Cost	3,684	4,211	4,410
Total Expenses	7,073	8,232	9,177
EBITDA	19,832	27,745	34,718
EBITDA Margin %	73.7	77.1	79.1
Finance Cost	77	86	91
Depreciation	375	400	438
Other Income	7,355	6,384	5,866
PBT	26,735	33,643	40,055
PAT	20,728	25,402	30,674
EPS	10.2	12.5	15.0

Balance Sheet

Y/E (INR mn)	FY24	FY25	FY26
Source of funds			
Equity Share Capital	506	508	2037
Reserves	66972	82468	57594
Total Share holders funds	67478	82976	59631
Total Debt			
Curent Liabilities	1519	1747	1933
Total Non-Current Liabilities	2073	2996	2640
Total Liabilities	**71070**	**87719**	**64204**
Application of funds			
Fixed Assets	2592	2699	3910
Non current investments	65380	77463	41574
Cash and Bank	340	722	745
Current Assets	185	374	567
Trade Receivables	1077	1229	882
Total Assets	**71070**	**87719**	**64204**

Cash Flow

Y/E (INR mn)	FY24	FY25	FY26
Profit Before Tax	26735	33643	40055
Adjustment	-6586	-5565	-5055
Changes In working Capital	-482	-416	127
Cash Flow after changes in Working Capital	19667	27662	35127
Tax Paid	-5285	-7738	-10252
Cash From Operating Activities	14382	19924	24875
Cash Flow from Investing Activities	-13049	-9376	29745
Cash from Financing Activities	-1316	-10430	-54578
Net Cash Inflow / Outflow	17	118	42
Opening Cash & Cash Equivalents	20	37	155
Closing Cash & Cash Equivalent	37	155	197

Key Ratios

Y/E (INR mln)	FY24	FY25	FY26
Growth Ratio			
Net Sales Growth(%)	15%	33.7	22.0
EBITDA Growth(%)	10%	39.9	25.1
PAT Growth(%)	55%	22.5	20.8
Margin Ratios			
EBITDA	73.7	77.1	79.1
PBT	99.4	93.5	91.3
PAT	77.0	70.6	69.9
Return Ratios			
ROE	36.3	34.0	43.3
Turnover Ratios			
Working Capital Cycle (days)	0.15	0.13	0.13
Fixed Asset Turnover (x)	4.3	5.1	3.4
Solvency Ratios			
Debt/Equity(x)	0.0	0.0	0.0
Current Ratio(x)	0.1	0.2	0.3
Interest Cover(x)	348.2	392.2	441.2
Valuation Ratios			
P/E	-	-	38.2
P/B	-	-	20
EV/EBITDA	-	-	33.7
EV/Sales	-	-	26.6

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