

Ref/No/HDFCAMC/SE/2020-21/41

Date – July 23, 2020

National Stock Exchange of India Limited Exchange Plaza, Plot C/1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400051 Kind Attn: Head – Listing Department	BSE Limited Sir PJ Towers, Dalal Street, Mumbai – 400001 Kind Attn: Sr. General Manager – DCS Listing Department
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Sub: Outcome of Board Meeting

Dear Sir/Madam,

Further to our letter number Ref/No/HDFCAMC/SE/2020-21/40 dated July 23, 2020, please find enclosed herewith a copy of investor presentation along with press release on financial results for first quarter ended June 30, 2020.

Kindly take the same on records.

Thanking you,

Yours faithfully,

For **HDFC Asset Management Company Limited**



Sylvia Furtado
Company Secretary

Encl: a/a

HDFC Asset Management Company Limited

A Joint Venture with Standard Life Investments

CIN: L65991MH1999PLC123027

Registered Office : "HDFC House", 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai-400 020

Tel.: 022 - 6631 6333 Fax: 022 - 6658 0203 Website: www.hdfcfund.com

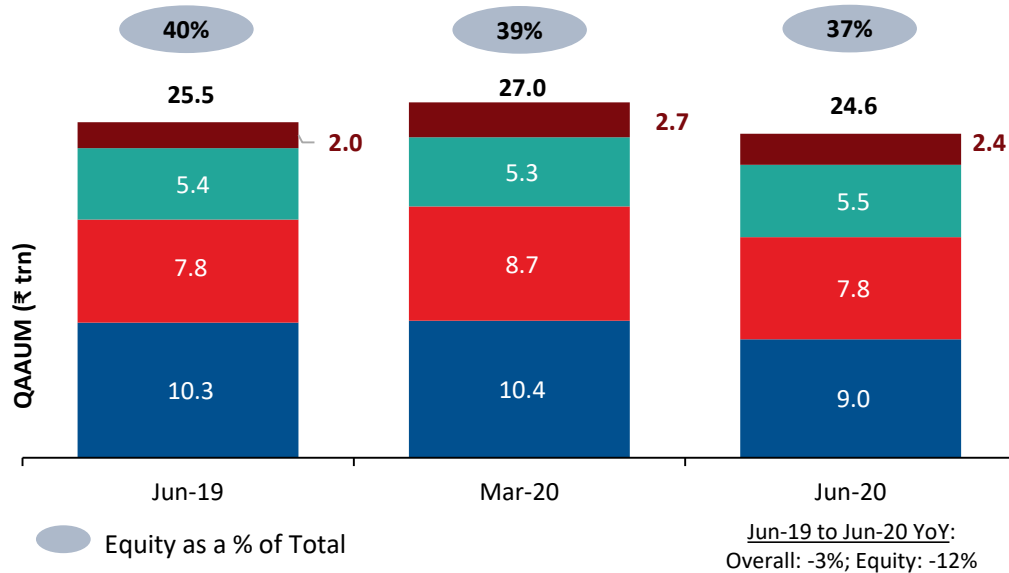


HDFC Asset Management Company Limited

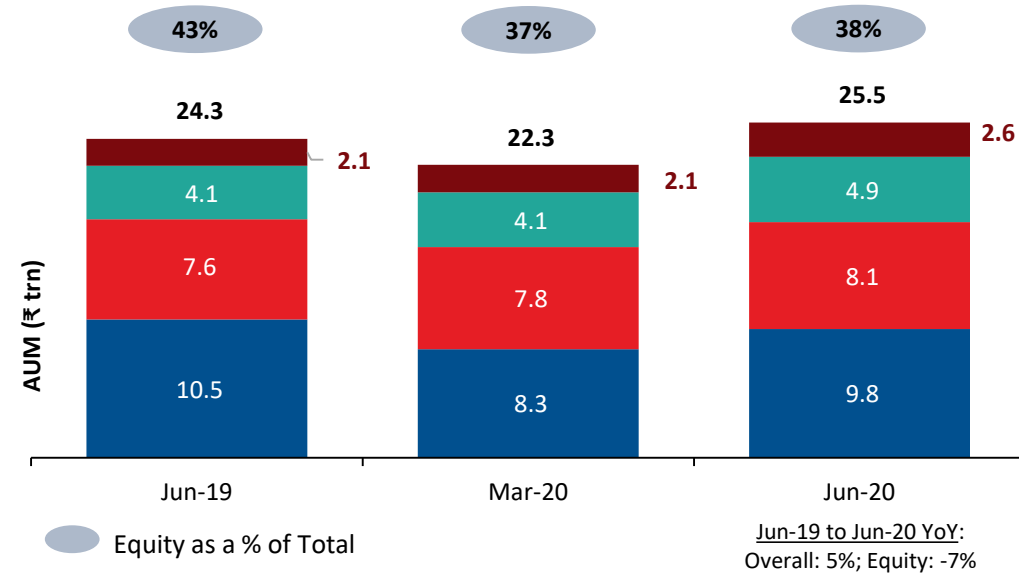
Q1 FY20-21

Industry - AUM and Net Sales

Quarterly Average AUM (QAAUM)

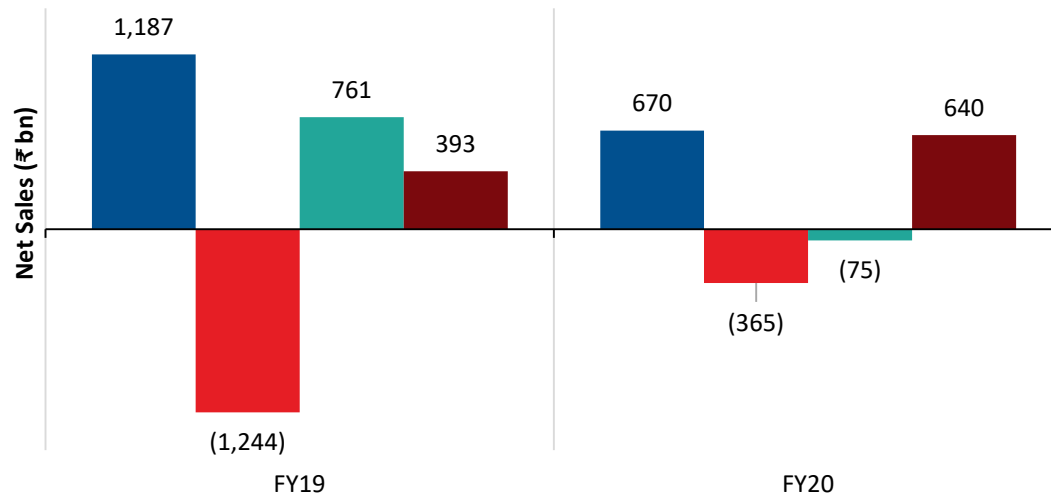


Closing AUM

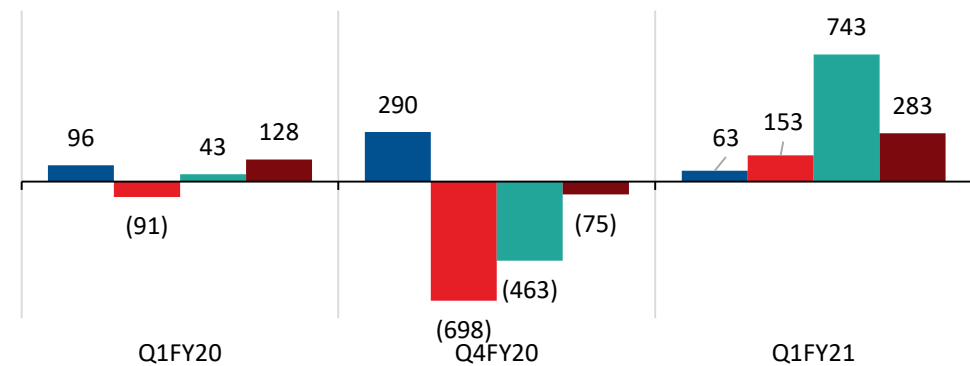


■ Equity ■ Debt ■ Liquid ■ Others

Yearly net sales

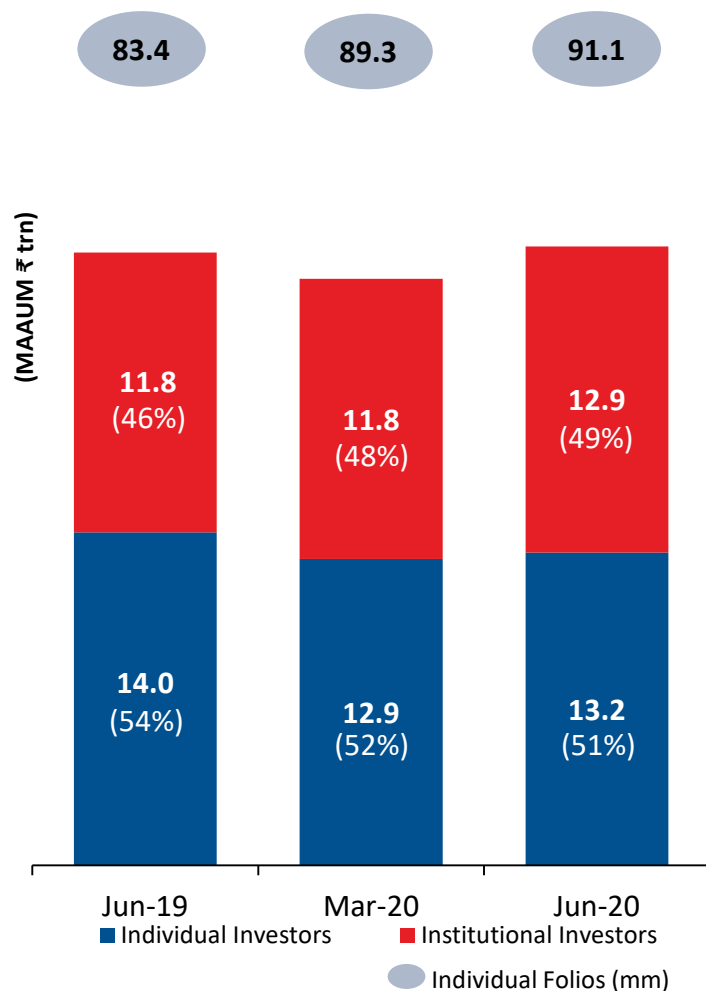


Quarterly net sales

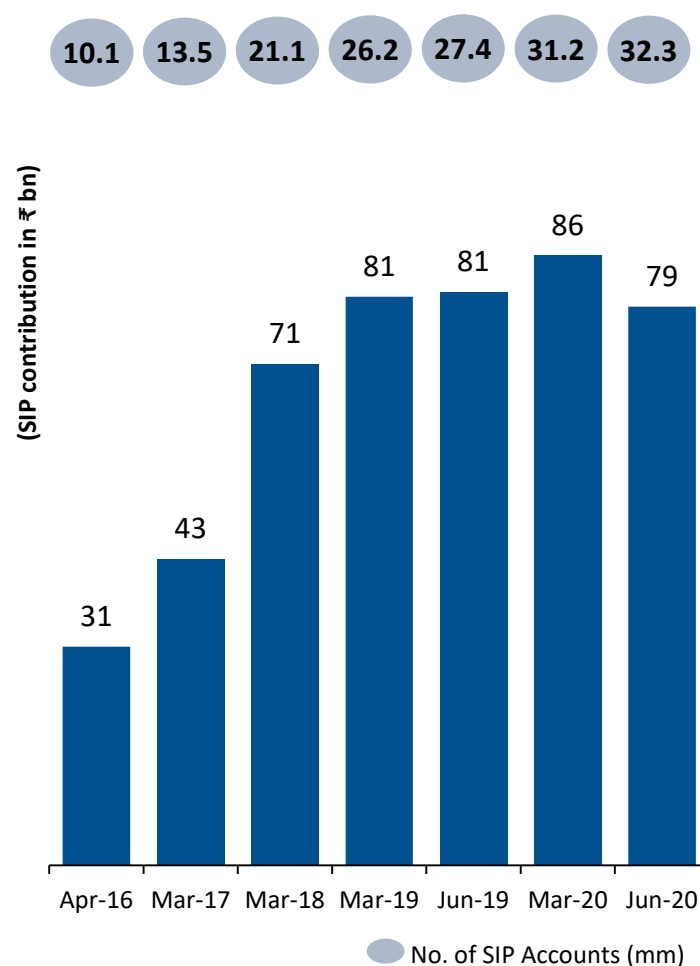


Individual / Institutional MAAUM, SIP Flows, B30

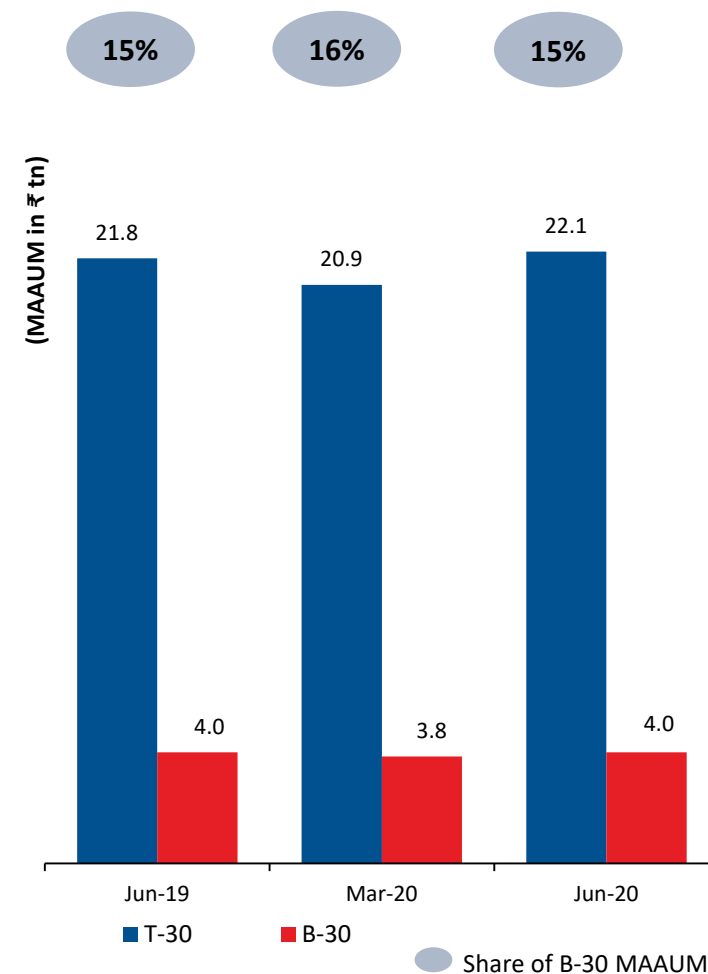
MAAUM by Investor category⁽¹⁾⁽²⁾⁽³⁾



SIP Flows⁽¹⁾

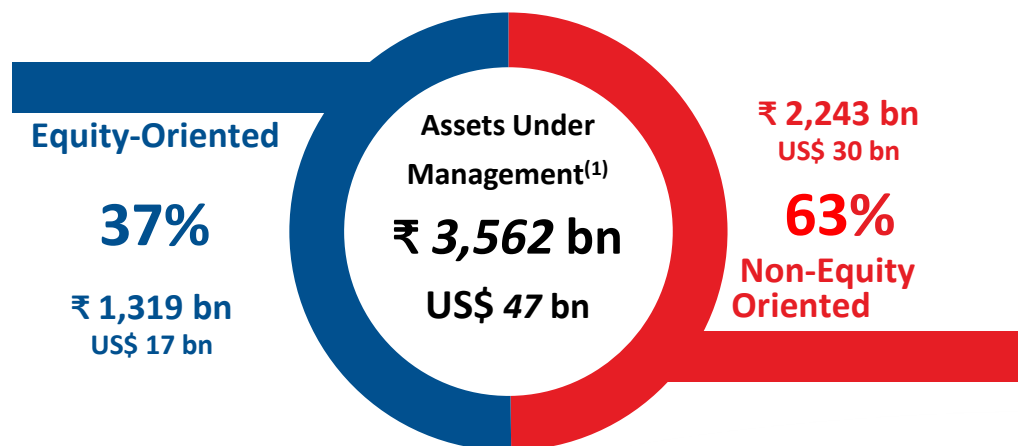


MAAUM of B-30⁽¹⁾⁽²⁾

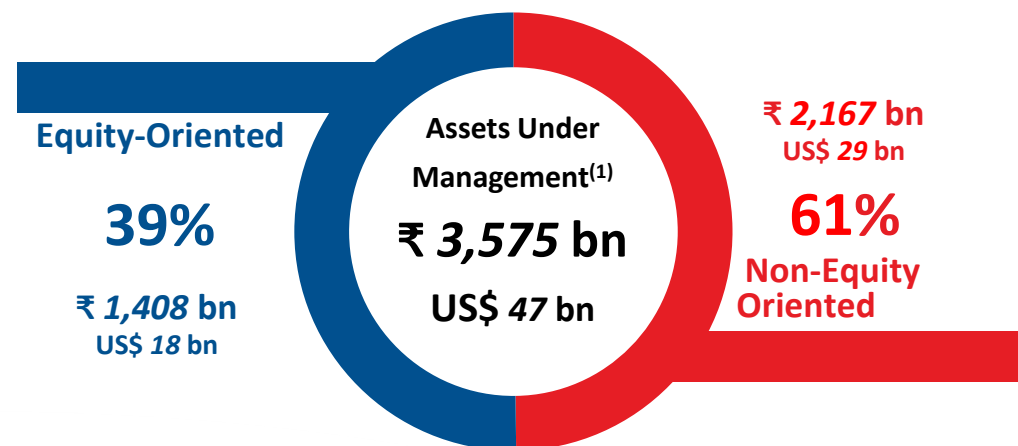


○ HDFC AMC at a glance

Quarterly Average AUM



Closing AUM



9.4 mm
Live Accounts⁽¹⁾

221 Branches⁽¹⁾⁽²⁾;
65k+ Empaneled
Distribution Partners



₹ 94 bn
PMS & SMA AUM^{(1) (3)}

₹ 1,924 bn
Individual MAAUM⁽¹⁾

1,192 Employees⁽¹⁾

(1) As of June 30, 2020 / for June 2020; (2) Includes one representative office in Dubai; (3) Includes advisory mandates

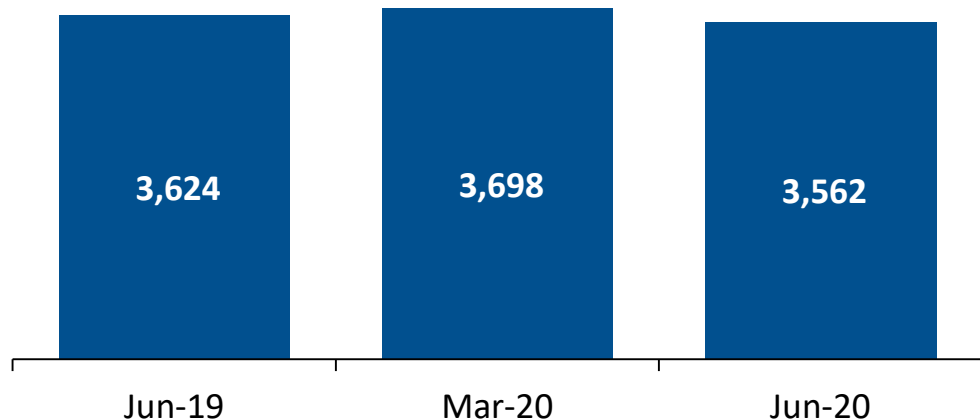
(2) Source: Internal. USD/INR conversion rate: ₹ 75.5075

○ Total AUM and Market Share

Quarterly Average AUM

₹ billion

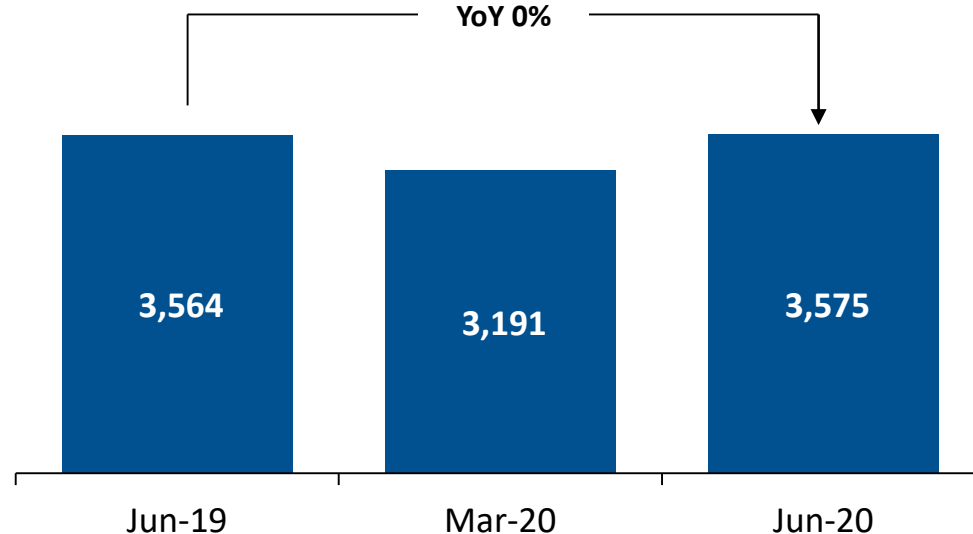
YoY -2%



Closing AUM

₹ billion

YoY 0%

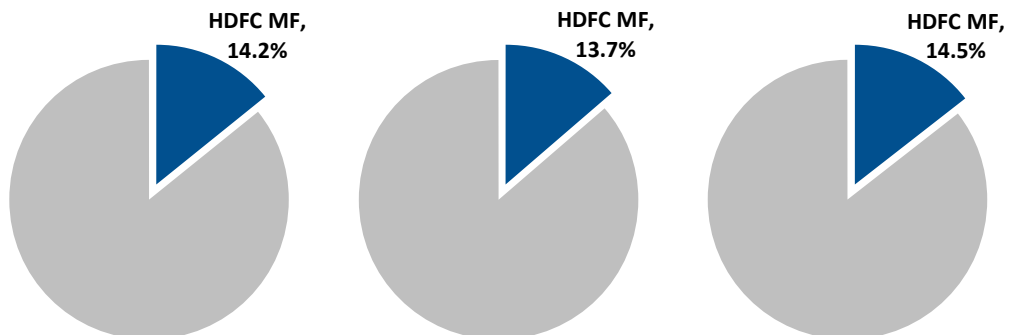


Market Share - Quarterly Average AUM

Jun-2019

Mar-2020

Jun-2020

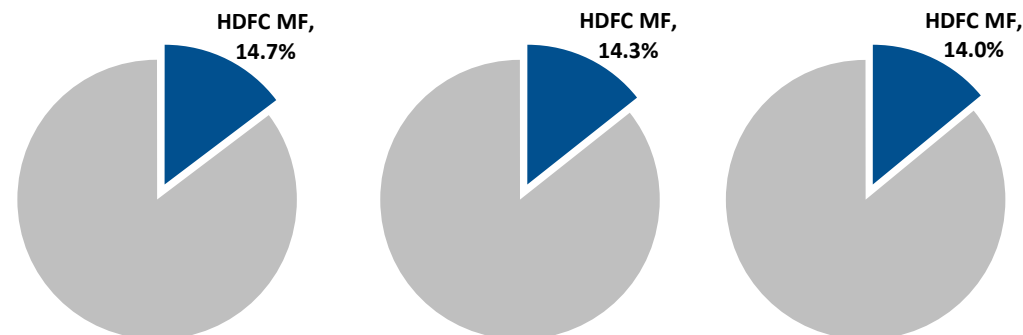


Market Share – Closing AUM

Jun-2019

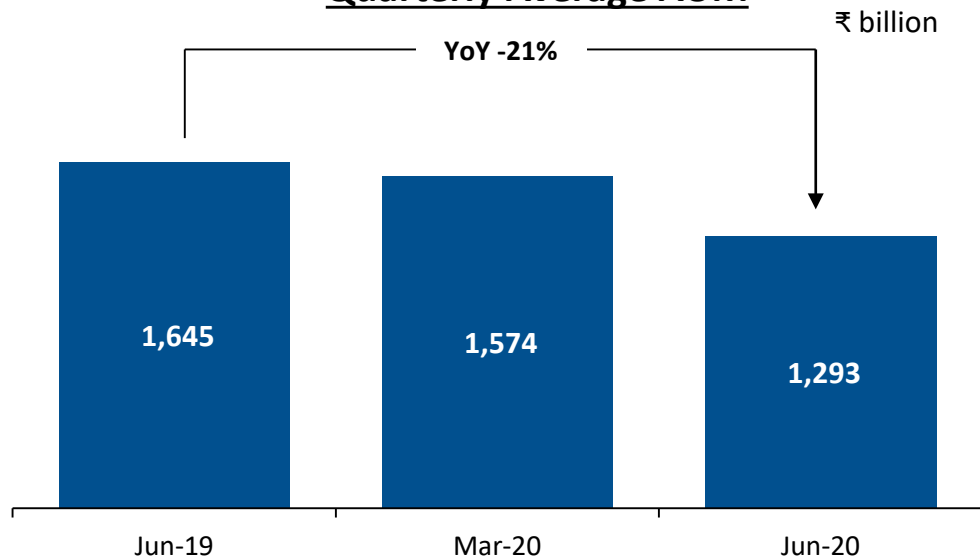
Mar-2020

Jun-2020

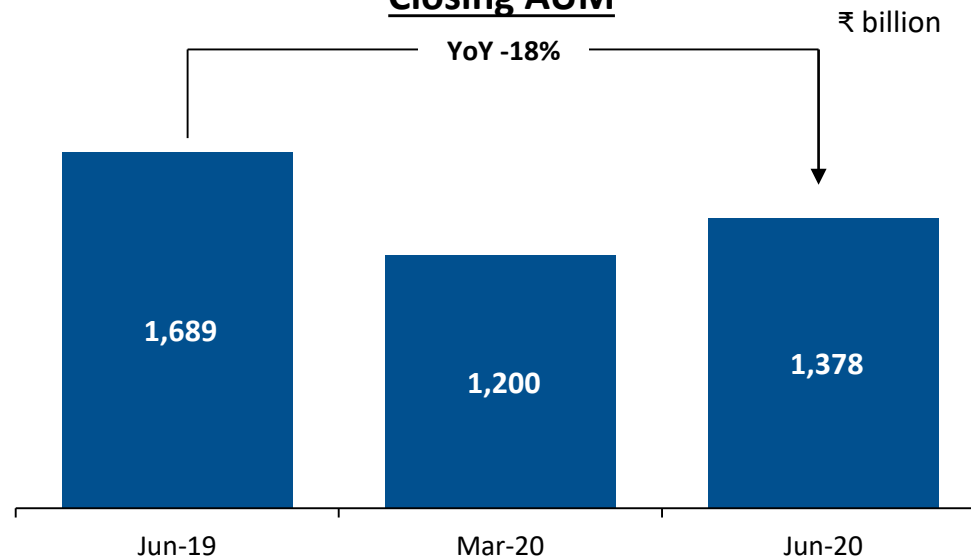


Actively Managed Equity-oriented AUM and Market Share

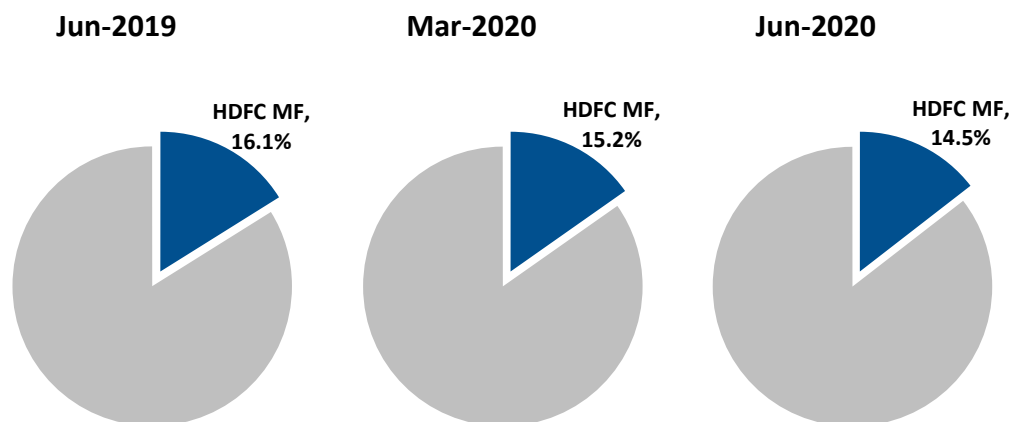
Quarterly Average AUM



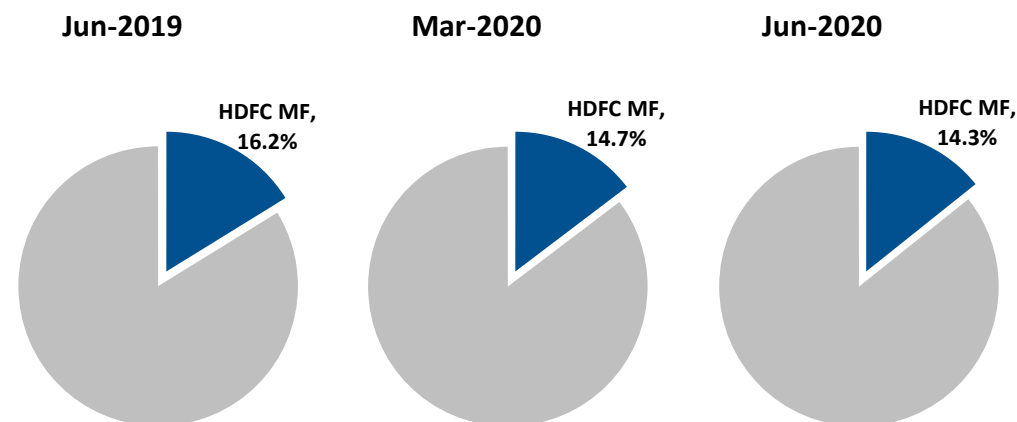
Closing AUM



Market Share - Quarterly Average AUM



Market Share – Closing AUM

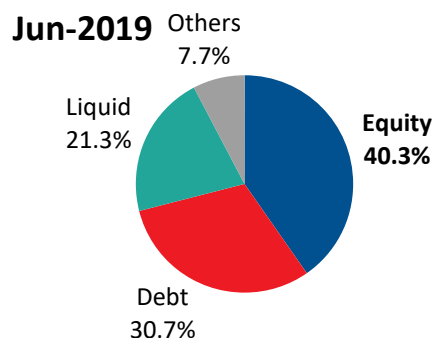
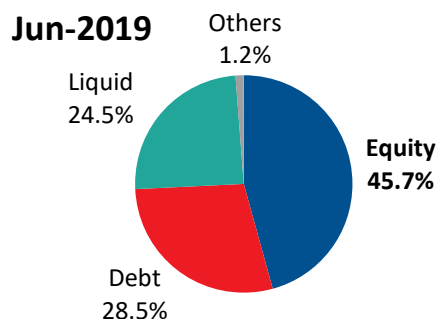
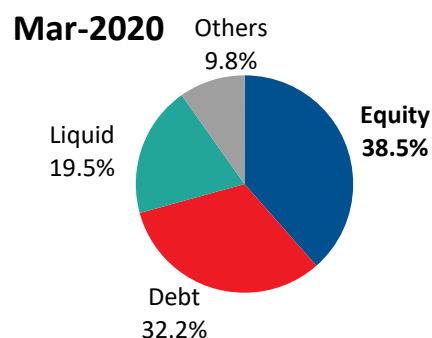
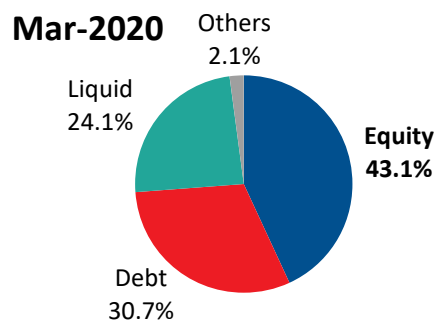
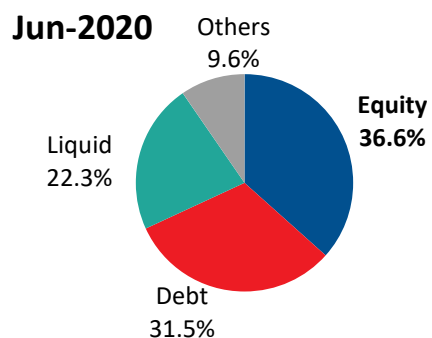
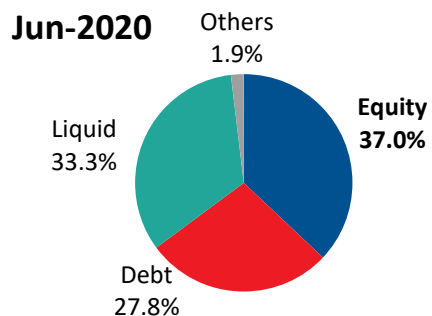


○ AUM by Segment – HDFC AMC and Industry

Quarterly Average AUM

HDFC MF

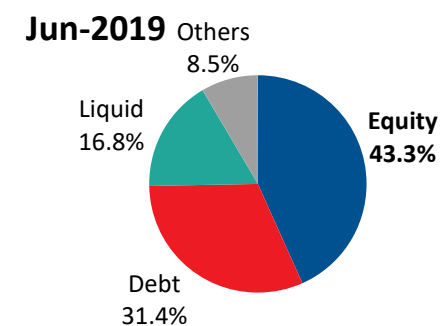
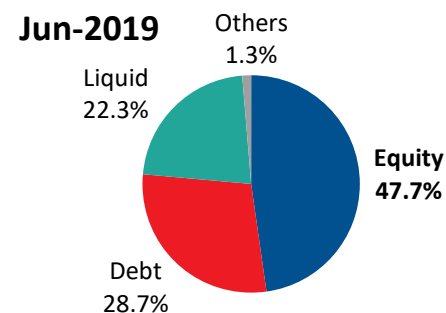
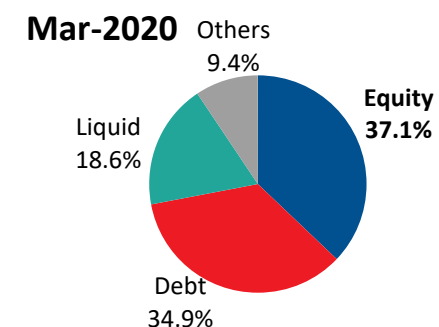
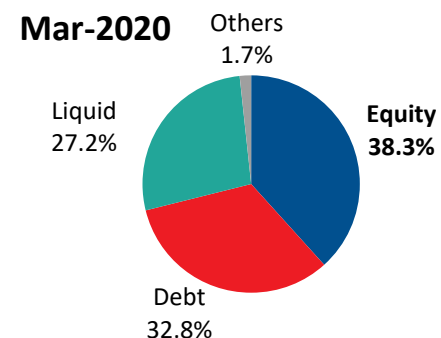
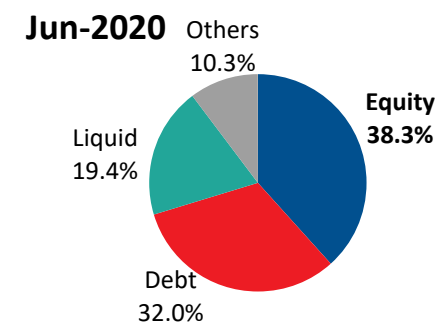
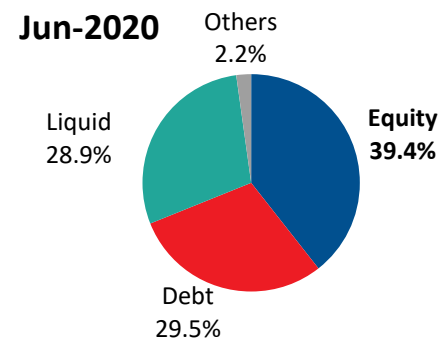
Industry



Closing AUM

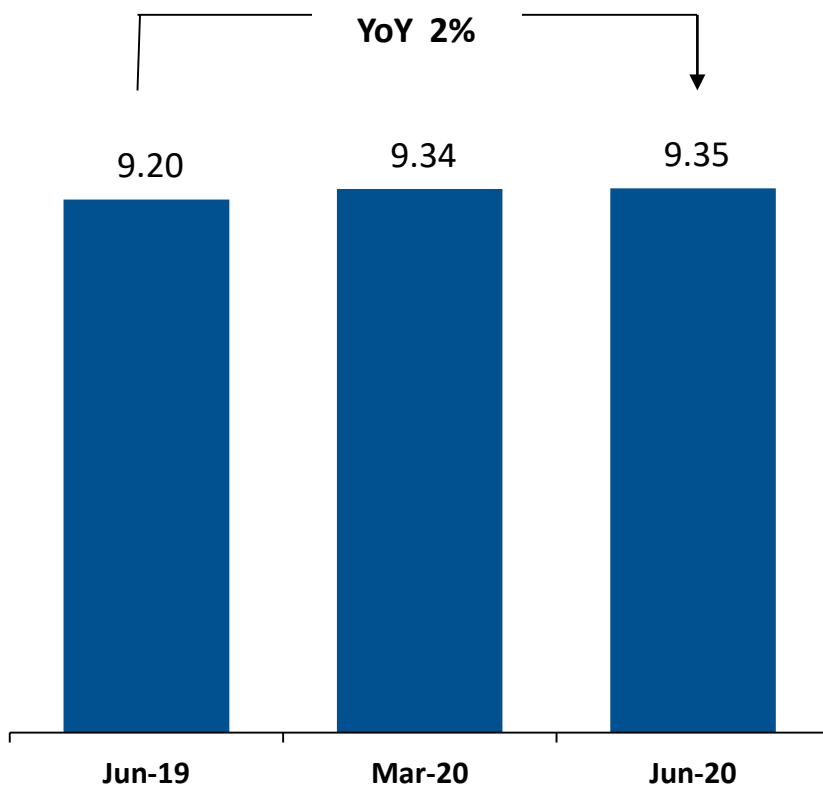
HDFC MF

Industry

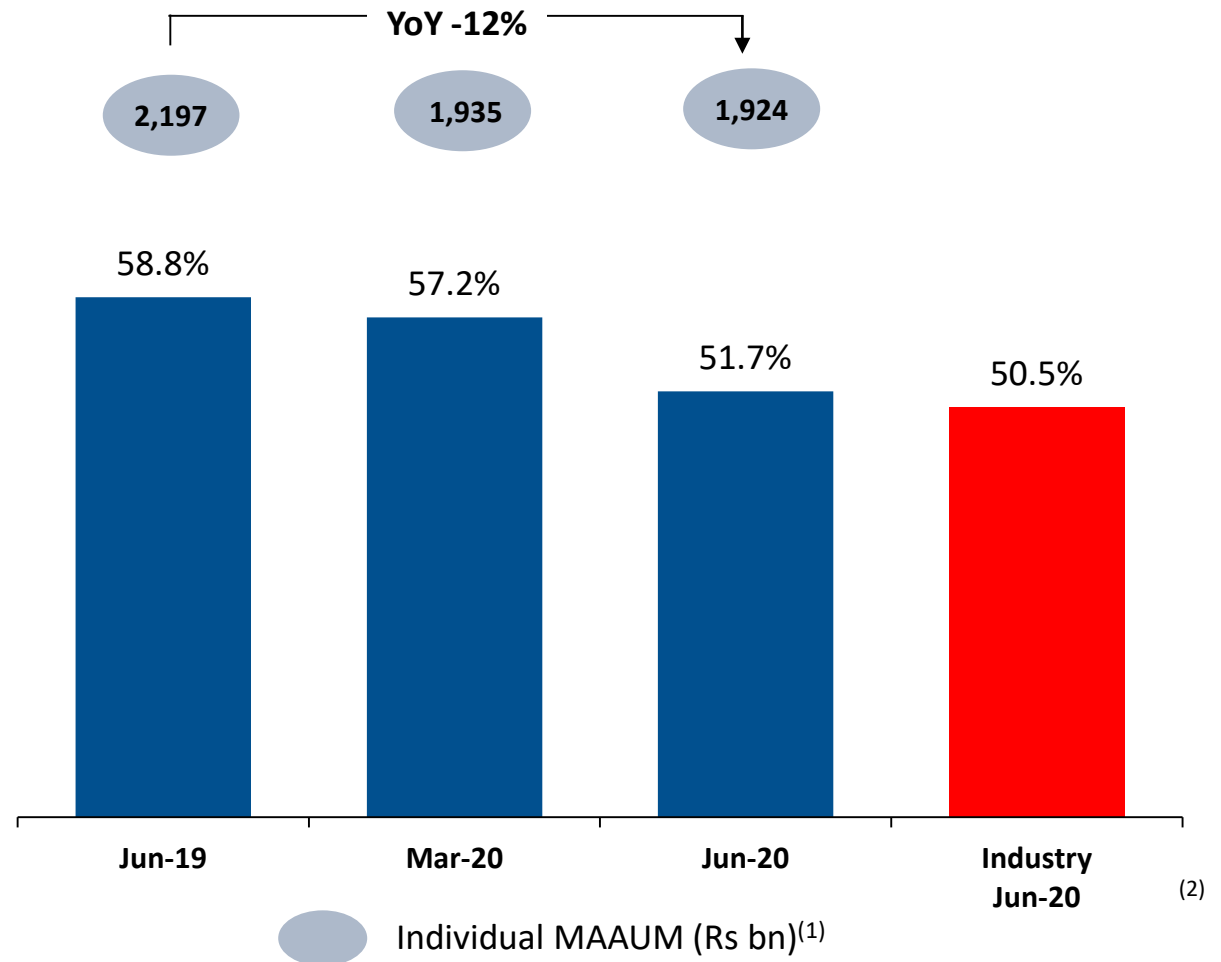


Individual Investors – no of Accounts & MAAUM

Number of Live Individual Accounts (in millions)



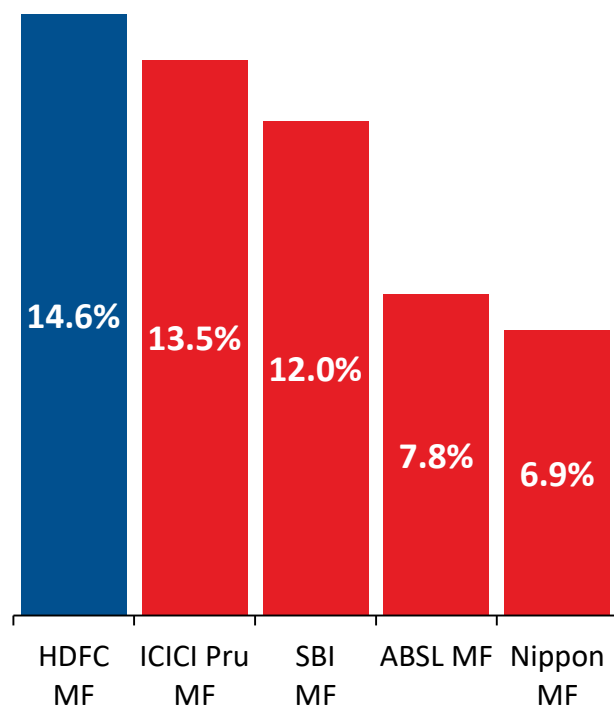
Individual MAAUM % of Total



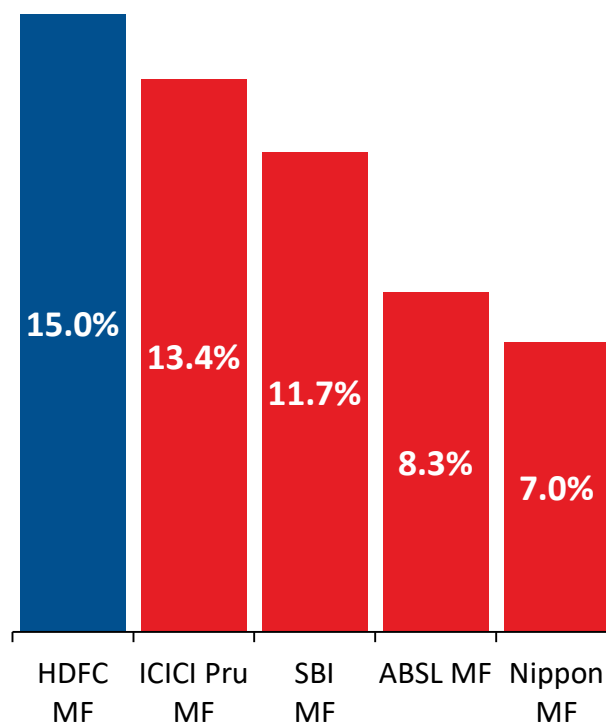
Individual customer prefer equity-oriented schemes and stay invested for longer periods

Most Preferred Choice of Individual Investors

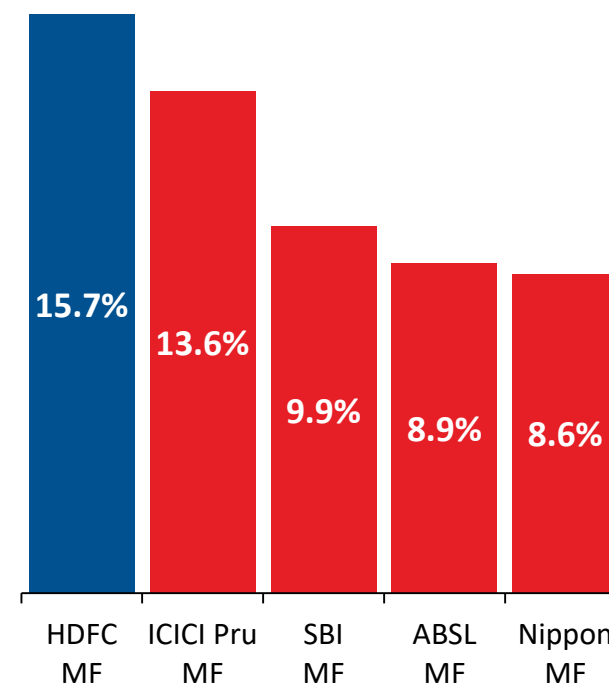
Individual Assets Market Share (Jun-20)



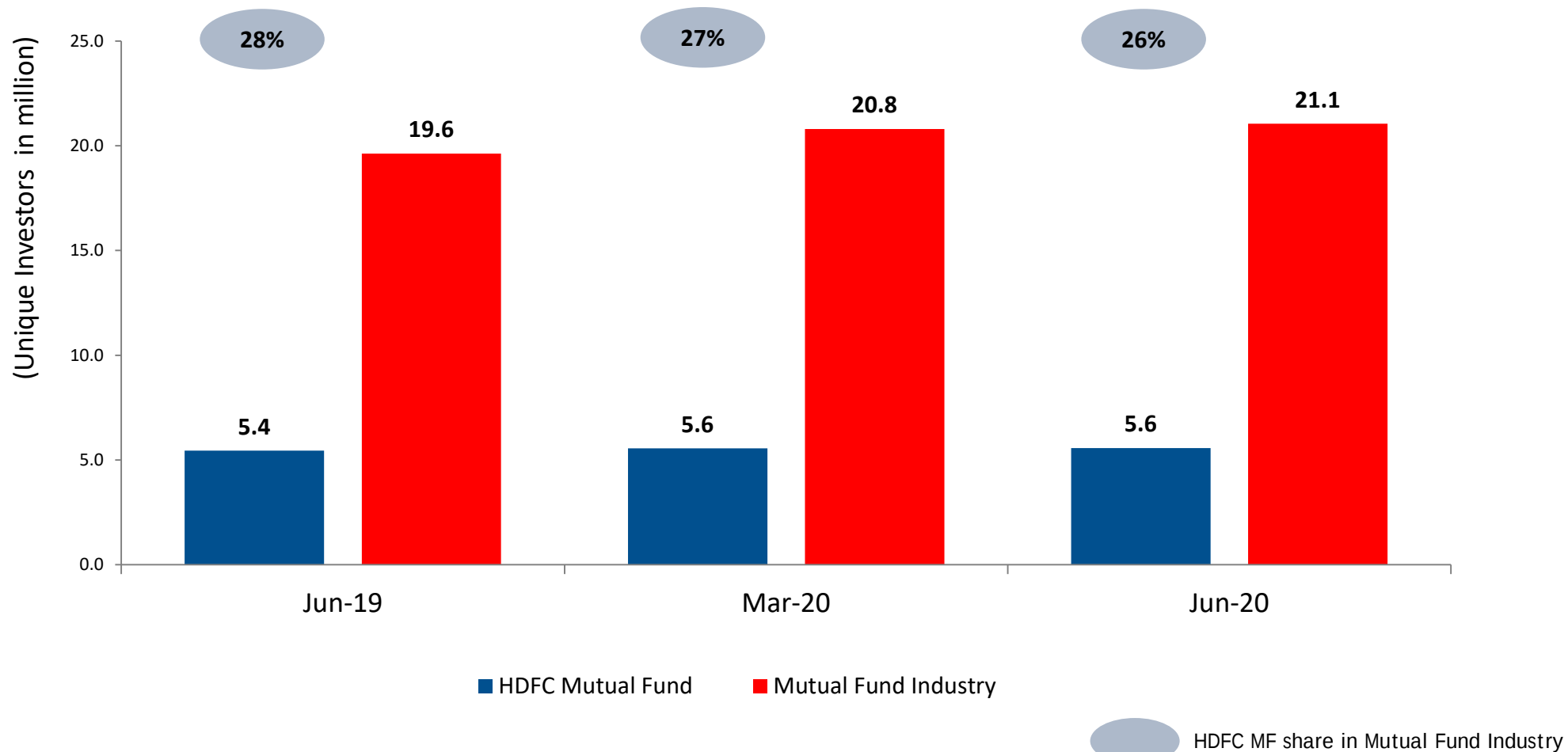
Individual Assets Market Share (Mar-20)



Individual Assets Market Share (Jun-19)

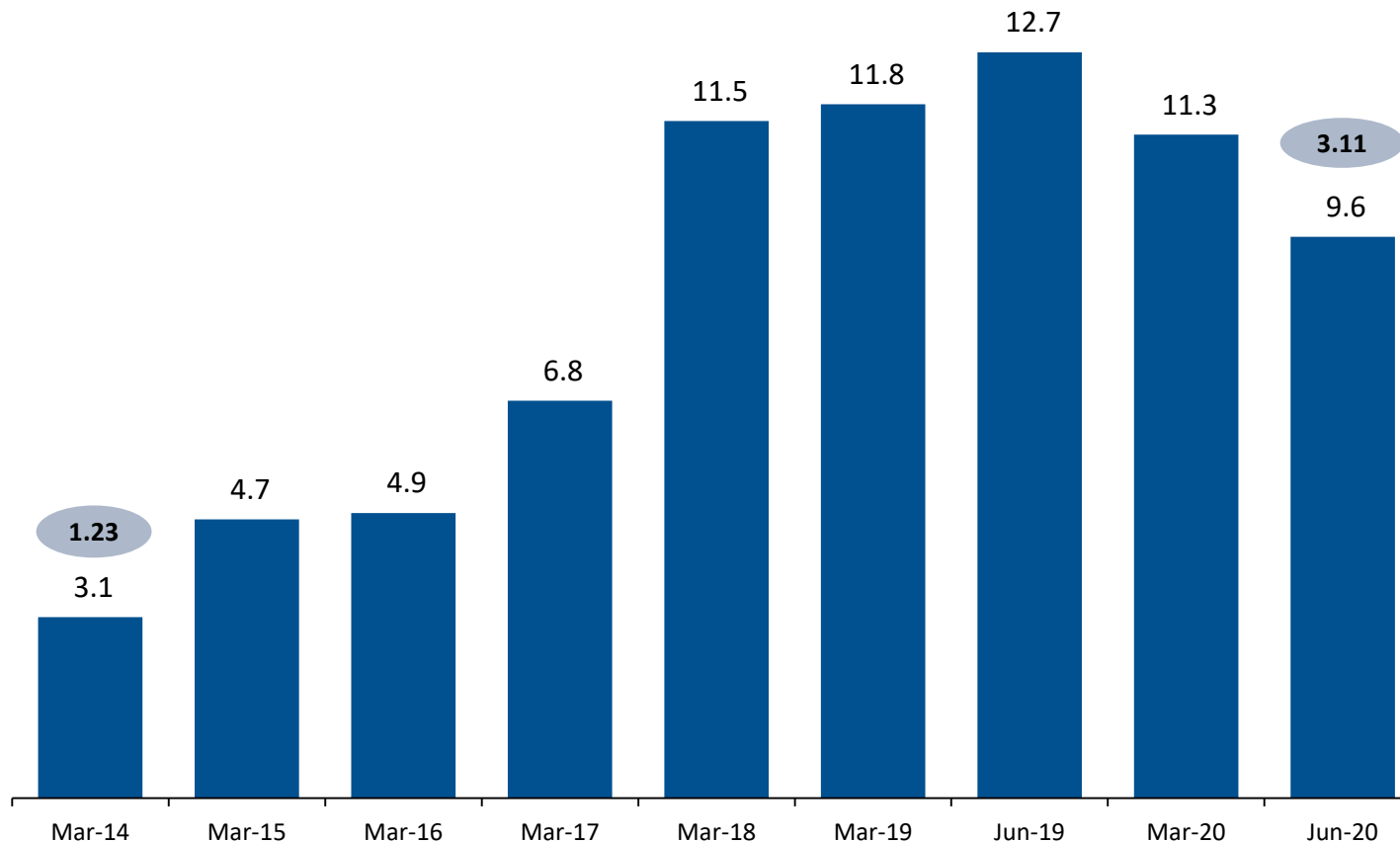


Unique Investors- HDFC AMC vs MF Industry



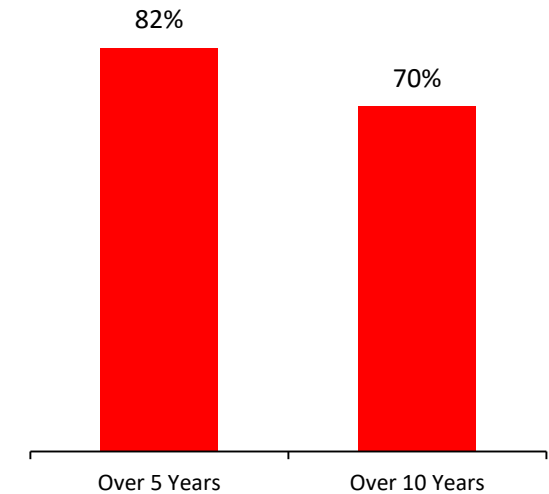
Quality Long-term Inflows Through Systematic Transactions

Systematic Transactions (₹ bn)



#mm systematic transactions

Long Tenure SIP Book⁽¹⁾



Strong and stable “Order Book” to provide predictable flows

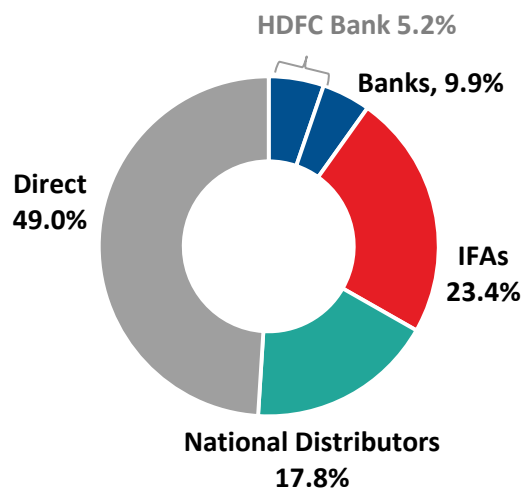
Source: Internal

(1) Based on tenure at the time of registration of all live SIPs during Jun-20

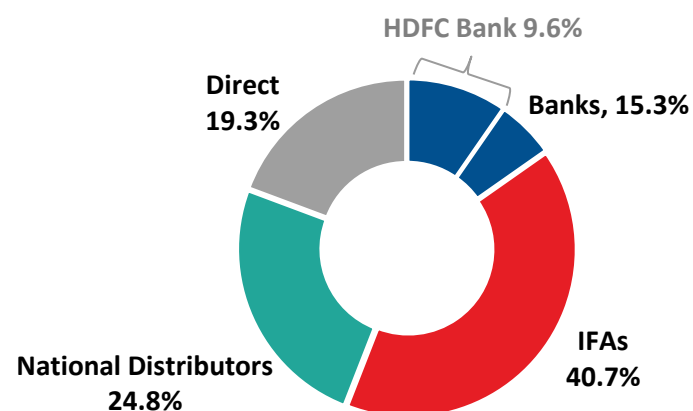
Multi-channel Distribution Network

Well diversified distribution channels

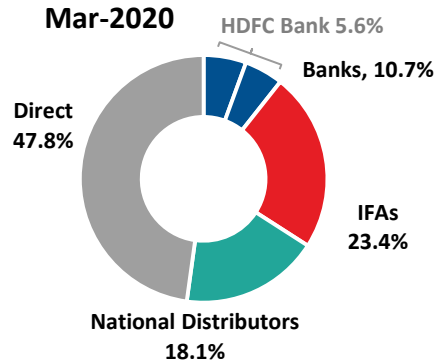
Total AUM (Jun-20)



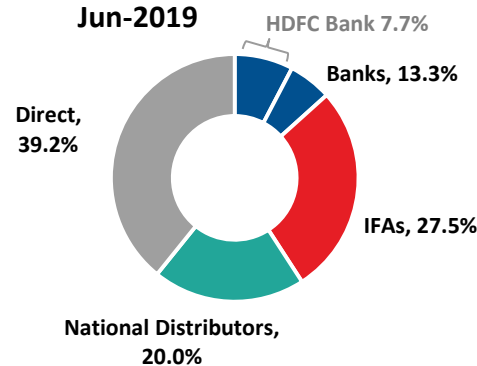
Equity-oriented AUM (Jun-20)



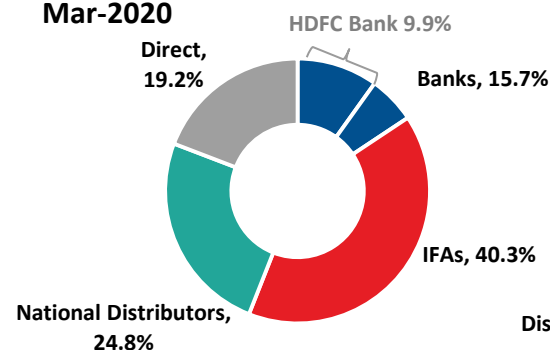
Mar-2020



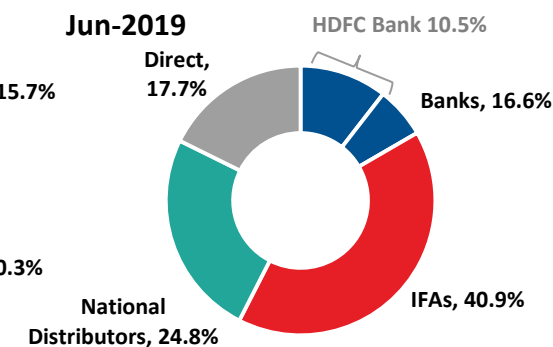
Jun-2019



Mar-2020



Jun-2019

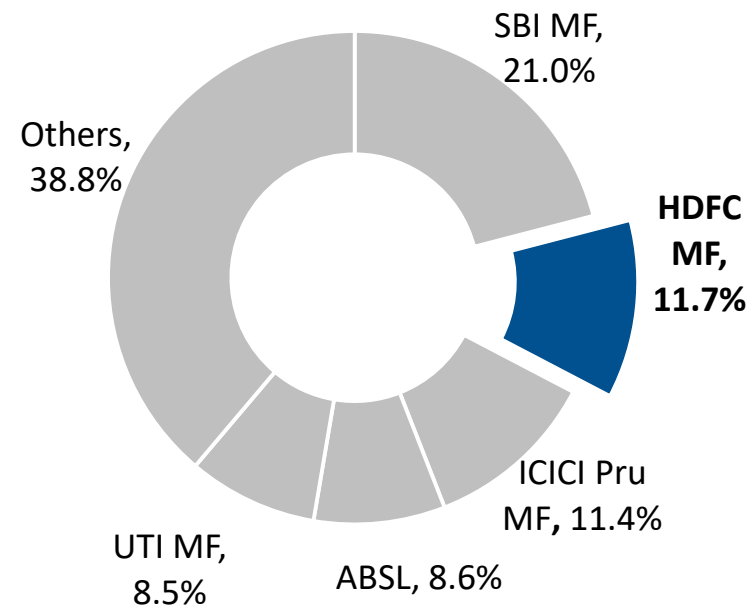


Geographic Spread

Total MAAUM by T30 and B30 cities⁽¹⁾



#2 Player in B-30 Markets⁽¹⁾



Network of 221 branches with 145 in B-30 cities⁽²⁾

c. 65k+ empaneled distribution partners

(1) Source: AMFI

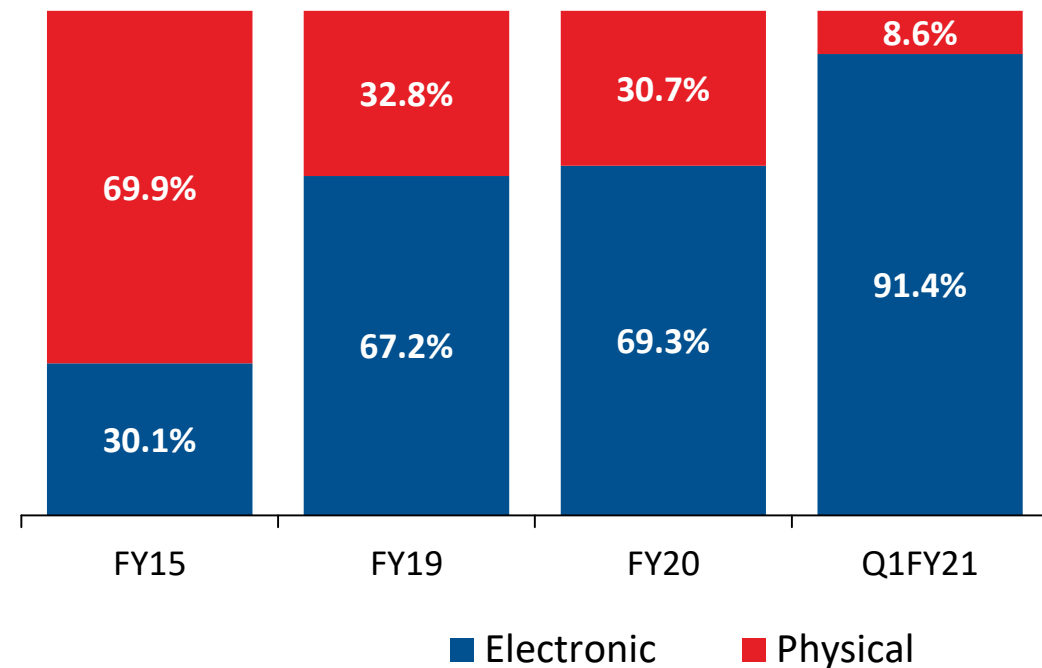
(2) As of June 30, 2020. Includes one representative office in Dubai;

Strong Digital Presence

Supported by Integrated Online Platform



Electronic and Physical Transaction as % of Total Transactions



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

■ FY15 to FY20 CAGR of 36% in electronic transactions, and CAGR of 15% in total transactions

■ 14% of all transaction during FY20 were through HDFC MF Online and mobile application



WhatsApp for Investors
for ease in communication

hdfcfund.com

Investors & Partners: Quick links for easy
online transactions, website landing page
assisting with digital transactions etc.



Videos to help investors and
partners in their Digital journey



Facility for internal employees to create
transactions on behalf of partners



Digital Marketing Education Series
IFA Webinars & personalized websites



Video KYC (E-KYC) ensuring
convenience and efficiency

10,000 + Partner Coverage

90,000 + total participants

**120+ programmes
organized**

**24 YouTube Videos
3,000 + views**

Financials

Financials Summary – Quarterly Earnings

(₹ mm)

Particulars	Q1 FY21	Q1 FY20	Change
Income			
Revenue from Operations	4,115	5,044	-18%
Other Income	798	484	65%
Total Income	4,913	5,528	-11%
Expenses			
Finance Costs	22	23	-4%
Fees and Commission Expenses	14	114	-88%
Employee Benefit Expenses	526	567	-7%
Depreciation and Amortization Expenses	137	119	15%
Other Expenses	410	406	1%
Total Expenses	1,109	1,229	-10%
Profit before tax	3,804	4,299	-12%
Tax Expenses	780	1,382	-44%
Profit after tax	3,024	2,917	4%

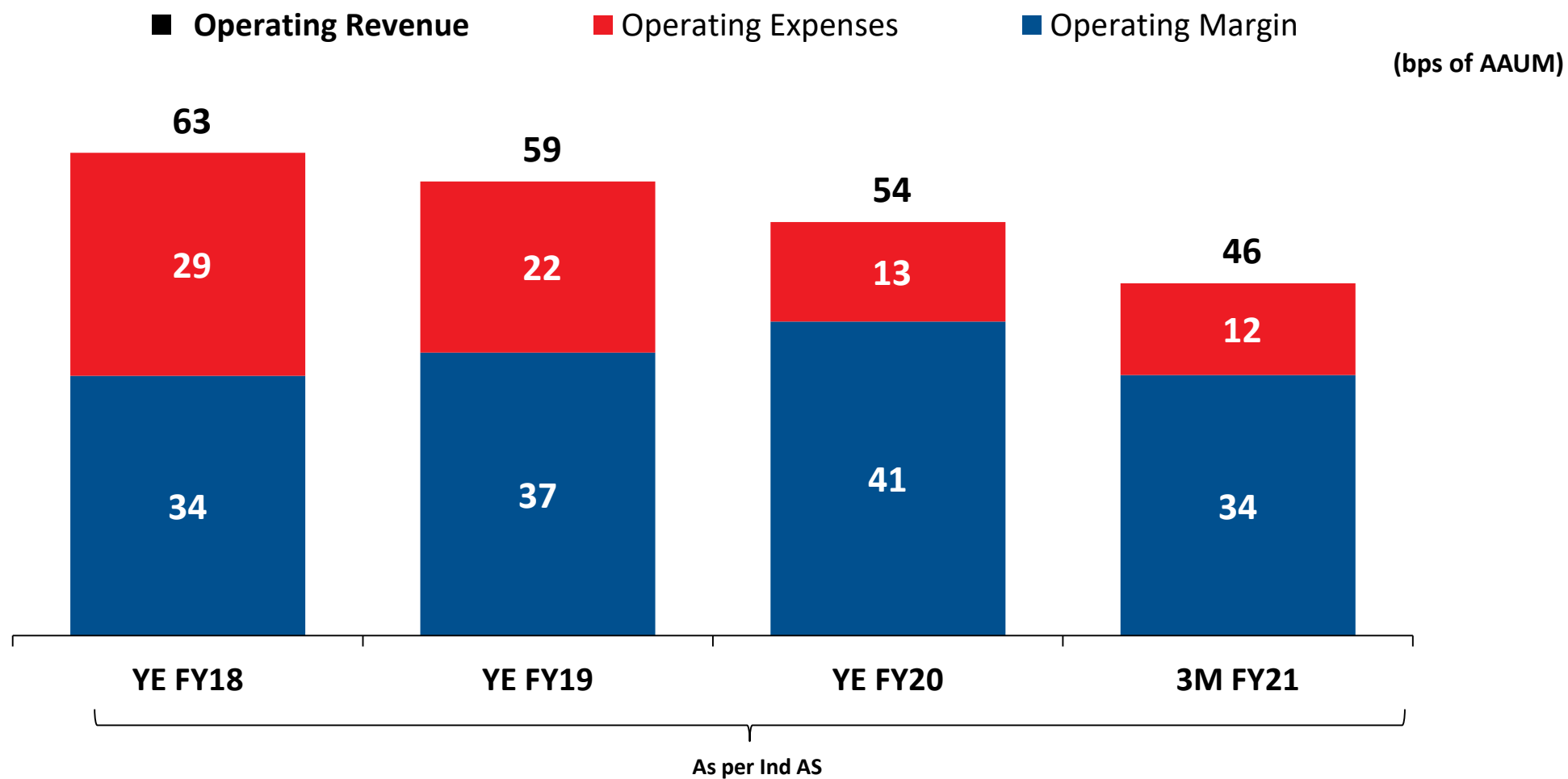
1. The rapidly expanding spread of Covid 19 across the world has forced various actions to be taken by government, statutory and regulatory authorities to deal with its fallout. This pandemic has led to a great deal of uncertainty and unpredictability in the business environment. For most of the quarter, authorities in India had imposed lock downs across large parts of the country. During these lock-downs, though most commercial enterprises across the nation were required to close, some establishments like securities market intermediaries including our Company were exempt and therefore functional. Over the quarter, there has also been a move to open up various commercial establishments in a graduated manner.

The Company has assessed the impact of the pandemic on its operations and its assets including the value of its investments and trade receivables as at June 30, 2020. The management does not, at this juncture, believe that the impact on the value of the Company's assets is likely to be material. However, since the revenue of the Company is ultimately dependent on the value of the Assets Under Management (AUM) it manages, changes in market conditions and the trend of flows into mutual funds may have an impact on the operations of the Company. Since the situation is still evolving and it seems likely that there will be a material impact on the economy, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company continues to closely monitor material changes in markets and future economic conditions.

Further, during the quarter ended June 30, 2020, there has been no material change in the controls or processes followed in the preparation of the financial results.

2. During the previous year, the Company had elected to exercise the option of a lower tax rate provided under Section 115BAA of the Income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company had recognised provision for income tax for the half year ended September 30, 2019 and re-measured its deferred tax assets basis the rate provided in the said section. The full impact of above mentioned change, amounting to approximately ₹ 667 mm. had been recognised in the result for the half year ended September 30, 2019, out of which, approximately ₹ 343 mm. pertained to quarter ended June 30, 2019.

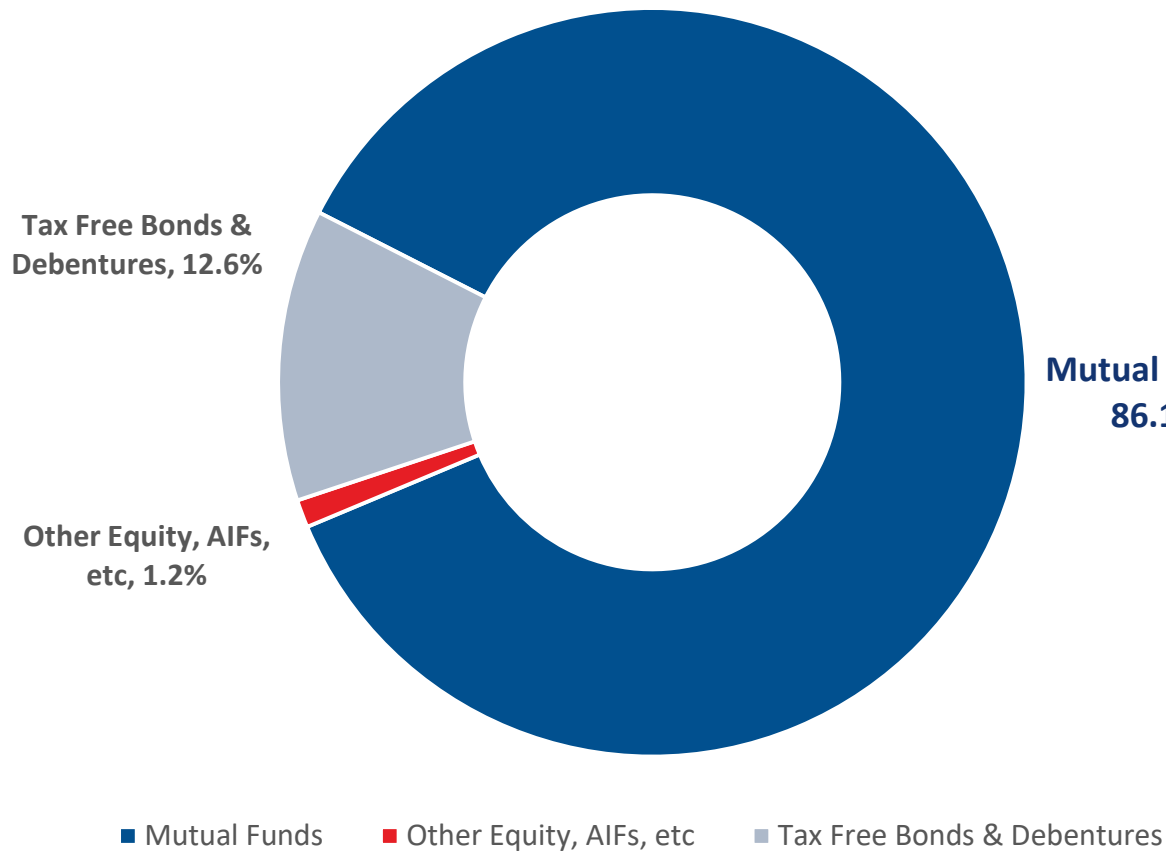
Operating Profit Margin



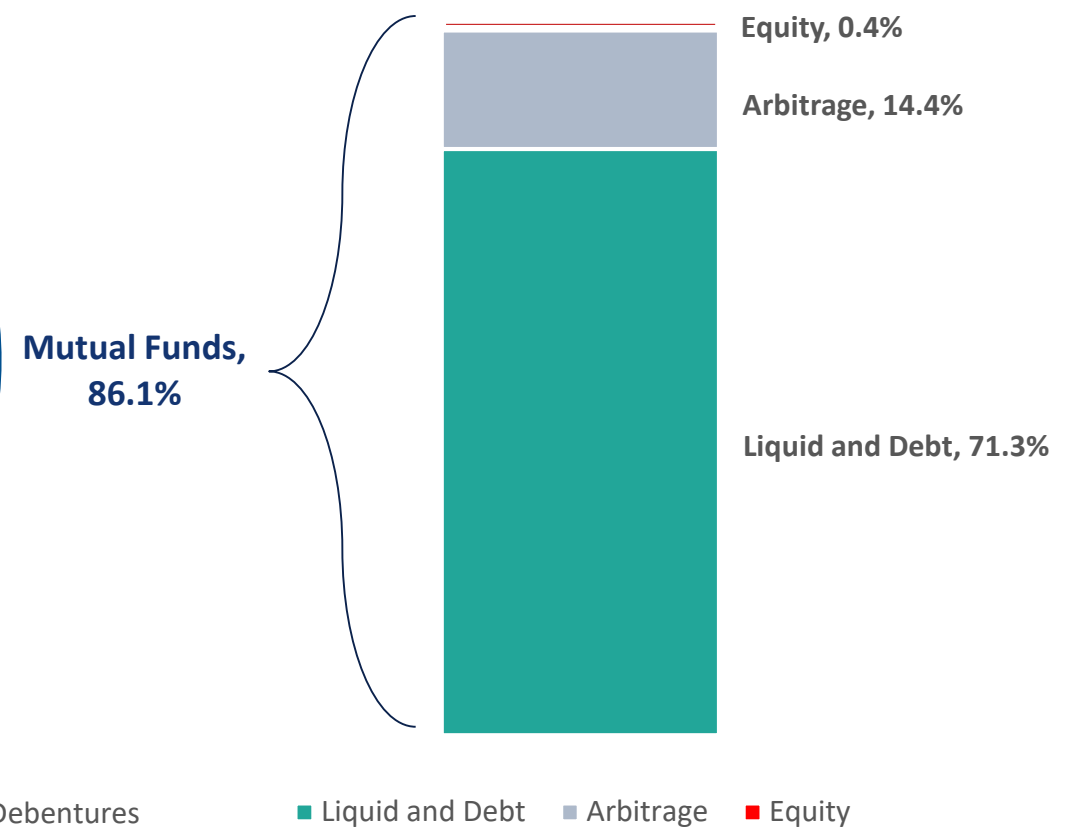
○ Breakup of Investments

Total Investments: ₹ 42,212 million

Breakdown of Total Investments



Breakdown of Mutual Fund Investments



○ Return On Equity and Dividend Per Share

Return on Equity⁽¹⁾

FY18
40.3%

FY19
35.0%

FY20
35.6%

Return on Equity has reduced in FY 19 due to substantial increase in average networth

Return on Equity of FY18 was under Previous GAAP whereas for FY19 onwards, it is under Ind AS

Dividend Per Share ⁽²⁾

FY 18
₹ 16

FY 19
₹ 24

FY 20
₹ 28

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

(2) For, FY20, a final dividend of Rs. 28 per equity share is proposed by the board on May 09, 2020 which is subject to shareholders' approval at the ensuing Annual General Meeting.

Thank You



This presentation is for information purposes only and does not constitute an offer or invitation to sell or the recommendation or solicitation of an offer or invitation to purchase any securities (“Securities”) of HDFC Asset Management Company Limited (the “Company”) in India, the United States, Canada, the People’s Republic of China, Japan or any other jurisdiction. This document has not been and will not be reviewed or approved by a regulatory authority in India or by any stock exchange in India.

The Company has prepared this presentation based on information available to it, including information derived from public sources that have not been independently verified. Please note that for ease of understanding and calculations purposes, figures are rounded off to the nearest number while presenting figures in trillion, billion and million. In view of the rounding off, any calculations representing growth in % may not tally as it is derived from the underlying number. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed herein. *The Company may alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify any person of such revision or changes. Past performance may or may not be sustained in future and should not be considered as, indicative of future results. The presentation may contain information about HDFC Mutual which has to be read and understood in the context of the Company’s business, its operations and performance, and should not be construed as any form of communication/advertisement of HDFC Mutual Fund.* The information contained in this presentation is strictly confidential and is intended solely for your reference and shall not be reproduced (in whole or in part), retransmitted, summarized or distributed to any other persons without Company’s prior written consent

This presentation may contain, words or phrases like will”, “aim” “believe”, “expect”, “will continue”, “anticipate”, “estimate” and similar expressions or variations of these expressions, that are “forward-looking statements that involve risks and uncertainties and are based on certain beliefs, plans and expectations of the Company. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Although the Company believes that such forward-looking statements are based on reasonable assumptions, it can give no assurance that such expectations will be met. Representative examples of factors that could affect the accuracy of forward-looking statements include (without limitation) the condition of, and changes in, India’s political and economic status, government policies, applicable laws, global capital markets, the mutual fund industry in India, and international and domestic events having a bearing on the Company’s business, and such other factors beyond the Company’s control. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current views of the Company’s management on future events. Further, nothing in this presentation should be construed as constituting legal, business, tax or financial advice or a recommendation regarding the securities. None of the Company or any of its affiliates, advisers or representatives accepts any liability whatsoever for any loss howsoever arising from any information presented or contained in this presentation. Before acting on any information you should consider the appropriateness of the information having regard to these matters, and in particular, you should seek independent financial advice.

Definitions

AUM refers to Assets Under Management as on end of any given month/period

MAAUM refers to a given month’s average Assets Under Management

QAAUM refers to a given quarter’s average Assets Under Management

AAAUM refers to a given year’s average Assets Under Management

Unless otherwise stated, the above definitions are used for Mutual Fund Assets under management

Press Release

23 July, 2020

HDFC AMC net profit for the Quarter ended June 30, 2020 is ₹3,024 million, a quarter on quarter increase of 4%.

Dividend per share increases to Rs 28, as against Rs 24 per share.

HDFC Asset Management Company Limited (HDFC AMC) declares financial results for the period ended June 30, 2020.

- One of India's largest mutual fund manager with QAAUM market share of 14.5% as on June 30, 2020.
- India's largest Actively Managed Equity Mutual Fund QAAUM, with market share at 14.5% as on June 30, 2020.
- Most preferred choice of individual investors, with a market share of 14.6% of the individual monthly average AUM as of June 2020.
- Profit after tax growth of 4% during the quarter ended June 30, 2020.

Mumbai, 23 July, 2020: HDFC Asset Management Company Limited today reported its financial performance for the quarter ended June 30, 2020.

CORPORATE HIGHLIGHTS

- QAAUM of ₹3,562 billion as of June 30, 2020 compared to ₹3,624 billion as on June 30, 2019, a fall of 2%. 14.5% market share in QAAUM of the mutual fund industry.
- QAAUM in actively managed equity-oriented funds i.e. equity oriented QAAUM excluding index funds stood at ₹1,293 billion as on June 30, 2020 with a market share of 14.5%. The AMC is the largest actively managed equity-oriented mutual fund manager in the country.
- The ratio of equity oriented AUM and non-equity oriented AUM is 39:61 compared to the industry ratio of 38:62.
- 3.11 million Systematic transactions with a value of ₹9.6 billion processed during the month of June 2020.
- Over 65,000 empaneled distribution partners across IFAs, National Distributors and Banks, serviced through a total of 221 branches of which 145 are in B-30 locations. The contribution of B-30 locations to our total monthly average AUM is 12.6%.
- As of June 30, 2020, 51.7% of the company's total monthly average AUM is contributed by individual investors compared to 50.5% for the industry.
- Market share of 14.6% of the individual monthly average AUM in the industry, making the company the most preferred choice of individual investors.
- Total Live Accounts stood at 9.4 million as on 30 June 2020. Unique customers as identified by PAN or PEKRN now stands at 5.6 million as on 30 June 2020 compared to 21.1 million for the industry.

FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDED JUNE 30, 2020

- The Operating Profit for the quarter ended June 30, 2020 was ₹3,006 million as compared to ₹3,815 million for the quarter ended June 30, 2019. This is a decrease of 21%.
 - Profit before tax for the quarter ended June 30, 2020 was down by 12% to ₹3,804 million as compared to ₹4,299 million for the quarter ended June 30, 2019.
 - Profit after tax for the quarter ended June 30, 2020 was ₹3,024 million as compared to ₹2,917 million for the quarter ended June 30, 2019 resulting in an increase of 4%.
-

About HDFC AMC

HDFC Asset Management Company Limited (HDFC AMC) is Investment Manager to HDFC Mutual Fund, one of the largest mutual fund in the country. It was incorporated under the Companies Act, 1956, on 10th December 1999 and was approved to act as an Asset Management Company for HDFC Mutual Fund by SEBI on 3rd July 2000. It has other SEBI licenses viz. PMS / AIF.

HDFC AMC has a diversified asset class mix across Equity and Fixed Income/Others. It also has a countrywide network of branches along with a diversified distribution network comprising Banks, Independent Financial Advisors and National Distributors.

For any media queries, contact:

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