UTI Asset Management Company Limited

UTI Mutual Fund

Ref. No.: UTI/AMC/CS/SE/2026-27/0730 **Date:** 2nd November, 2026

National Stock Exchange of India Limited
Exchange Plaza Plot No. C/1
G Block Bandra – Kurla Complex
Bandra East Mumbai – 400 051.
Scrip Symbol: UTIAMC

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001.
Scrip Code / Symbol: 543238 / UTIAMC

Sub: Transcript of the earnings conference call on financial performance of the Company for the quarter and half year ended 30th September, 2026

Dear Sir / Madam,

Pursuant to Regulation 30 read with Schedule III Part A Para A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) and as per the relevant SEBI Circulars, we are forwarding the transcript of the earnings conference call held on Tuesday, the 27th October, 2026 at 1600 hrs IST on the financial performance of the Company for the quarter and half year ended 30th September, 2026.

The transcript of the aforesaid earnings conference call is also available on the Company's website at www.utimf.com in compliance with Regulation 46 of the SEBI Listing Regulations.

Thanking you,

For **UTI Asset Management Company Limited**

Arvind Bhagwan Das Patkar
Digitally signed by Arvind Bhagwan Das Patkar
Date: 2026.11.02 16:04:51 +05'30'

Arvind Patkar
Company Secretary and Compliance Officer
Membership No.: ACS 21577

Encl: As above

Information Classification: [illegible]

“UTI Asset Management Company Limited

Q2 & H1 FY27 Earnings Conference Call”

October 27, 2026

MANAGEMENT: **MR. VINAY LAKHOTIA – CHIEF FINANCIAL OFFICER AND HEAD CORPORATE STRATEGY**

MR. SANDEEP SAMSI – HEAD INVESTOR EXPERIENCE AND CORPORATE AFFAIRS

ADFACTORS PR – INVESTOR RELATIONS TEAM

Information Classification: UTI AMC - Private

Information Classification: UTI AMC - Confidential

Moderator: Ladies and gentlemen, good day, and welcome to the UTI Asset Management Company Limited Q2 and H1 FY '27 Earnings Conference Call. From the management, we have with us Mr. Vinay Lakhotia, Chief Financial Officer and Head of Corporate Strategy; and Mr. Sandeep Samsi, Head of Investor Experience and Corporate Affairs. We also have the Investor Relations team from Adfactors PR.

As a reminder, all participant lines will be in listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference, please signal for an operator by pressing star followed by zero on your touchtone telephone.

I now hand the conference over to Mr. Sandeep Samsi for opening remarks. Thank you, and over to you, sir.

Sandeep Samsi: Thank you, Farah. Good evening, everyone, and thank you for joining us today. Due to an urgent family exigency, Mr. Vetri Subramaniam, our MD and CEO, will not be able to join today's earnings call. I have Mr. Vinay Lakhotia, CFO, and Head of Corporate Strategy, along with me on this call.

Our financial results for the quarter and half year ended 30th September 2026, along with the investor presentation and press release, have been shared on the stock exchanges as well as on our website, and we trust you had the opportunity to review them.

Before we discuss our financial performance, I would like to cover three key areas. First, the macroeconomic environment and the broader mutual fund industry backdrop; secondly, the progress we have made against our strategic priorities during quarter two of FY '27 and in the first half of the financial year; and finally, why we remain confident in UTI AMC's long-term growth trajectory and opportunities ahead.

Speaking on the macroeconomic environment, quarter two of FY '27 witnessed resilient domestic activity, with quarter one GDP growth at 7.8%, supported by manufacturing and services sectors. However, West

Asia tensions and crude oil volatility heightened inflationary pressures, with retail inflation rising to 5.54% in September '26. This month, the RBI also raised the repo rate to 5.50% and projected FY '27 GDP growth at 7.1%.

Despite quarter-end market volatility, domestic investors' participation remained resilient. Equity-oriented schemes attracted Rs. 92,333 crores in quarter two of FY '27, taking the first half FY '27 inflows to Rs. 1.83 lakh crores. In September '26, the equity inflows stood at Rs. 38,307 crores, while the monthly SIP contribution reached a record Rs. 32,490 crores, with the SIP AUM being at Rs. 17.86 lakh crores for industry.

Small and mid-cap funds accounted for 44% of September's equity inflows, while flexi-cap, multi-cap, large and mid-cap, and large-cap funds accounted another 41%. Industry quarterly average AUM rose to Rs. 87.2 lakh crores from Rs. 83.1 lakh crores in quarter one of FY '27, with ETFs recording net inflows of Rs. 15,501 crores in September '26.

For UTI, the underlying message is encouraging. Even though short-term volatility is an inherent part of equity investing, the structural drivers of the mutual fund industry, including the economic growth, rising income, broader investor participation, and financialisation of household savings, remain intact.

Keeping these opportunities in mind, our focus remains on translating the industry's structural growth potential into substantial growth for UTI AMC and capturing a larger share of industry flows.

Under our Mission 2031, we are looking to work across five interconnected priorities:

- Accelerating AUM growth,
- Strengthening our SIP franchise,
- Expanding distribution reach,
- Deepening digital capabilities, and
- Delivering better outcomes for investors.

Turning to our business performance, our mutual fund quarterly average AUM for quarter two of FY '27 stood at Rs. 4.02 lakh crores, compared with Rs. 3.93 lakh crores in quarter one of FY '27, representing a market share of 4.61%. Our total group AUM stood at Rs. 16.28 lakh crores as of September 30th, 2026.

Equity-oriented assets across active and passive strategies accounted for 72% of our average mutual fund AUM, compared with approximately 70% in the previous quarter. Our SIP franchise remains resilient, with combined monthly SIP and STP inflows standing at Rs. 982 crores in September of '26.

Our SIP AUM stood at Rs. 45,572 crores as of September 30, 2026, broadly stable as compared with Rs. 45,595 crores in June of '26. This reinforces our focus on systematic investment as a driver of sustainable growth. The gross SIP inflows were Rs. 2,583 crores during this quarter and Rs. 5,085 crores during the half year of FY '27.

Furthermore, we registered 5.96 lakh new SIPs during quarter two of FY '27, of which 87% were sourced through digital channels. In quarter two of FY '27, our live folio base stood at 1.47 crores, and we added 3.6 lakh new investors as identified by their PAN. During the half year, we added 6.12 lakh investors.

UTI Mutual Fund's share of industry's new SIP registration by volume stood at 4.08% in quarter two. This is an encouraging indicator of our efforts to improve participation in new business. The next step is to build on this momentum consistently, strengthen conversions across distribution channels and digital platforms, and translate new investor acquisition into sustained SIP contribution and long-term partnerships.

On the financial performance: on the financial front, the consolidated core revenue from the sale of services stood at Rs. 398 crores for quarter two of FY27, compared to Rs. 390 crores in the corresponding quarter last year, while the core profit after tax was Rs. 131 crores.

For H1 of FY27, core revenues stood at Rs. 777 crores and core profit after tax at Rs. 263 crores. Our focus remains on growing the business while maintaining operating discipline and ensuring that growth translates into sustainable profitability. On strengthening investment capabilities and product propositions, the quality of our investment outcomes is highlighted through our experienced team, renewed talent base and stronger client-facing capabilities.

Our proprietary framework, the Score Alpha for equities and GIMS framework for fixed income, brings discipline to research, portfolio construction and risk management across market cycles. These capabilities are reflected in the depth of our research and investment evaluation.

During the first half of FY27, our equity research coverage expanded to 480 companies. We evaluated 36 IPOs and participated in six, while continuing to invest in research infrastructure and talent. These efforts deepen our understanding of business, strengthen investment decisions and support better outcomes for investors over the long term.

On our equity scheme performance, several of our funds have demonstrated an improvement in performance over the last quarter, with 51% of our equity and hybrid funds ranked in quartile one or quartile two on a three-month basis as of September '26. While on our fixed income schemes, 97% of our AUM, including liquid funds, were in the top two quartiles over a 3-month period, while 61% was in the top two quartiles over a 1-year period, reflecting performance of our fund management capabilities across different investment horizons.

We broadened our product offering across active and passive strategies. During quarter two of FY27, we launched the UTI Balanced Hybrid Fund and four passive products linked to the Nifty 500 and BSE India Sector Leaders indices. Our Nifty 500 Index Fund and the BSE India Sector Leader Index Fund established encouraging positions within the respective categories.

These developments expand the range of products available to our investors and distributors while strengthening our capability to participate across investment needs and market segments. Going forward, the focus will be on building awareness, improving product reach, and ensuring that product innovation contributes meaningfully to sustainable business growth.

On our additional growth engines, building diversified growth engines remains an important pillar of our long-term strategy. We have received SEBI approval for our Specialised Investment Fund - SIF initiative and will be launching the UTI Classif Hybrid Long Short Fund in quarter three of FY27.

In our alternatives business, the first investment for the late-stage private equity fund was signed, while SDOF IV crossed Rs. 1,000 crores. Our pension fund onboarded 169 new corporates between April '26 and October '26 and our international business continued to pursue product initiatives across markets, including the US, Singapore, UAE and GIFT City.

These initiatives broaden our opportunity set beyond the core mutual fund franchise. Expanding the distribution and strengthening the digital capabilities are the key to capturing a larger share of the industry growth. During the quarter two of FY27, 80.30% of our mutual fund AUM was contributed by the top 30 cities, while B30 accounted for 19.7% of the AUM.

We onboarded ten new Fintech partners and continued building digital infrastructure while advancing data analytics and automation to simplify investor journeys, improving investor service efficiency and strengthening conversion. Our fintech partners facilitated approximately 1 lakh transactions during the quarter two of FY27 and these partners have contributed 67% of the new investor acquisitions.

Operating efficiency remains the key to scaling our business. Process optimisation generated approximately Rs. 4.22 crores in savings, while automation is reducing manual intervention. As we invest in talent,

technology and distribution, our focus remains on improving productivity, maintaining cost discipline and strengthening operating leverage.

Our people remain central to our Mission 2031 initiative. We continue to invest in the organisational capability, with 10,690 training hours delivered to the sales team up to September of '26, while strengthening performance management and identifying critical talent for development and retention.

With that, I will now take you through the operational and financial performance of the company in greater detail.

The financial highlights for quarter two and half year of FY27 are as follows, beginning with the performance of quarter two.

On a standalone basis, the core income, which is the sale of service, amounted to Rs. 324 crores, up by 2% Y-o-Y and 5% Q-o-Q.

The core profit after tax for the quarter is Rs. 136 crores, up by 31% Y-o-Y and 14% Q-o-Q. The profit after tax stood at Rs. 143 crores, down by 14% Y-o-Y and 34% Q-o-Q.

On a consolidated basis, the core income, i.e. the sale of service amounted to Rs. 398 crores, up by 2% Y-o-Y and 5% Q-o-Q. The core profit after tax for the quarter is Rs. 131 crores, up by 22% Y-o-Y and 2% Q-o-Q. The profit after tax stood at Rs. 132 crores, up by 17% Y-o-Y and down by 55% Q-o-Q.

For the half year of FY27, the standalone core income amounted to Rs. 632 crores, up by 1% Y-o-Y. The core profit after tax for the half year is Rs. 253 crores, up by 14% Y-o-Y. The profit after tax stood at Rs. 361 crores, down by 5% Y-o-Y.

On a consolidated basis, the core income amounted to Rs. 777 crores, up by 1% Y-o-Y. The core profit after tax for H1 FY27 is Rs. 263 crores, up by 15% Y-o-Y. The profit after tax stood at Rs. 426 crores, up by 22% Y-o-Y.

For UTI Pension Fund Limited, our 100% owned subsidiary, UTI Pension Fund has recorded a year-on-year growth of approximately 10.97% in its AUM, reaching approximately Rs. 4.32 lakh crores as on 30th September 2026, as compared to Rs. 3.89 lakh crores as on 30th September 2025. It currently manages approximately 24.01% of the NPS industry's AUM.

UTI International, which represents our international business, has an AUM of USD1.67 billion, which is approximately Rs. 16,063 crores as on 30th September 2026. Our international clients are spread across more than 30 countries and are primarily institutions, pensions, insurance companies, banks, and asset managers.

UTI International is actively exploring strategic partnership opportunities with leading asset managers in key international markets, including East Asia and Latin America, as part of its broader strategy to strengthen its global distribution network, expand its international presence, and enhance access to Indian investment opportunities for investors worldwide.

UTI Alternatives' AUM has grown to approximately Rs. 4,045 crores, up 52% from Rs. 2,669 crores as on September of 2025. This AUM represents commitment for funds in the commitment period and net capital for funds in the post-commitment period. It also includes the co-investment portfolio managed by UTI Alternatives.

UTI SDOF IV has crossed the Rs. 1,000 crores milestone. Launched in quarter three of FY26 as the fourth fund in our SDOF series, the fund is planned as a Rs. 1,500 crores with a greenshoe option of Rs. 500 crores. It already has reached an AUM of Rs. 1,131 crores and is currently in raising and investing stage.

UTI Alternatives currently manages six active domestic funds across performing credit and multi-strategy themes, along with two GIFT City feeder funds. UTI Multi-Opportunity Fund I has an AUM of approximately Rs. 1,599 crores as of September '26 and is currently in investing stage. UTI Multi-Opportunity Fund II has a total commitment of Rs. 359 crores as of September and is currently in raising and investing stage.

UTI SDOF III, which has an AUM of Rs. 533.6 crores is in repayment stage. As we enter the second half of FY27, our priorities are clear: improve our participation in industry flows, strengthen our SIP franchise, deepen distribution productivity, maintain competitive investment capabilities, and build greater efficiency into our operations. Mission 2031 provides the direction. Our task is to translate that direction into sustained flows in AUM and inflows, stronger profitability, and better outcomes for our investors.

With this, we would like to open the forum for question-and-answer session. Thank you.

Moderator: Thank you very much, Sir. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Divij Punjabi from Banyan Tree Advisors. Please go ahead.

Divij Punjabi: Hi, thanks for the opportunity. I had two questions. First is on the net sales. Net sales in this quarter have - net outflow has gone up a lot, close to Rs. 800 crores in equity and Rs. 300 crores in hybrid. If you can just help us understand what has happened there, which schemes are seeing a lot of outflows? That is one. The other question is around the employee metrics. The employee base and the sales employee base also have come down to some extent in quarter two. Is this going to continue, or is this the stable rate that is going to be there going ahead?

Sandeep Samsi: Divij, thank you for the question. On the first part, I will answer, and then I will hand it over to Vinay for the second part on the employees. As we mentioned earlier, Flexi-Cap remains still the challenge for us. While we have seen some inflows in Flexi-Cap, there have been large outflows also in the fund, and that remains a fund which we are focusing on.

However, if you look at the last three months' performance, we are seeing that the fund performance has shown significant improvement, and now the Flexi-Cap fund is in the first quartile. And as we mentioned earlier, we have also identified some of the funds which we were positioning for the blend strategy, which is, you know, neither the quality nor the value strategy.

And there, two of our funds have shown very good performance, and they are now in the top half of the four quartiles, so they are in the first two quartiles. So, there again, we have you know, once the performance stabilises over a longer period of time, we feel that the Flexi-Cap fund, as well as these funds which are in the blend strategy, should be able to help us, you know, see progressively better inflows.

Vinay Lakhotia: And to answer your second question with respect to the number of employees, I think a few employees may be on the verge of joining in. But as far as our overall guidance number for the employee cost is, that we are maintaining that for the standalone, it is close to around Rs. 95 crores per quarter, and for the consolidated, it is close to around Rs. 130 crores per quarter. We are maintaining that guidance number for the full financial year as well.

Divij Punjabi: Sure. Thank you.

Moderator: Thank you. The next question is from the line of Anirudh Sharma from Ekaant Investments. Please go ahead.

Anirudh Sharma: Hi. Good evening. Am I audible?

Sandeep Samsi: Yes.

Moderator: Yes, Sir.

Anirudh Sharma: Yes. Hi, Sir. So, I have a couple of questions. So, first of all, the SIP flows across the industry remain strong. So, are we seeing UTI gain any meaningful share in new SIP registrations, or is the growth largely coming from existing investors? Also, how are the average SIP ticket sizes trending?

Sandeep Samsi: Yes. So, you know, Anirudh, on the good side, we have seen that, you know, we are getting a lot of new investors also, and we have improved our market share in the new SIP registration. Now, our new SIP registration is close to 4%. So, you know, that has seen an improvement, and many of these SIPs have been, you know, there with us and have seen stability. So, that is the good part. The ticket size has also increased over a period of

time. So, if I look at my current ticket size, it's about Rs. 3,100 overall, which has seen an improvement over a period of time.

Anirudh Sharma: Okay, Sir. Okay. So, Sir, I just wanted to -- I joined the call late, so I might have missed this. So, Sir, just wanted to check on the AUM growth reported this quarter. And could you help us understand how much came from net inflows and how much was driven by market appreciation?

Vinay Lakhotia: I think we have given our net sales number. For that particular quarter, it's close to around Rs. 5,720 crores. That net sales number are already there and AUM growth number on a quarterly average basis has improved from Rs. 3.92 lakh crores to around Rs. 4.02 lakh crores.

Anirudh Sharma: Okay. Yes. Continue, Sir.

Vinay Lakhotia: It's close to around Rs. 10,000 crores of average AUM growth rate, and almost around Rs. 5,720 crores is from net sales.

Anirudh Sharma: Okay, Sir. Understood. So, that is it from my side, sir. Thank you for the opportunity.

Sandeep Samsi: Thank you.

Moderator: Thank you. The next question is from the line of Meghna Luthra from InCred Equities. Please go ahead.

Meghna Luthra: Hi. Thank you for the opportunity. I had a few questions...

Moderator: I'm sorry, Meghna. Your line is breaking up. We are not able to hear you clearly.

Meghna Luthra: Hi. Is this better?

Moderator: No, it's not.

Meghna Luthra: Is this clear now?

Moderator: I'm sorry, Meghna, we are not able to hear you at all. Could you please return to the question queue?

Meghna Luthra: Yes.

Moderator: We will move on to the next question from the line of Lalit Mohan from Equirus Securities. Please go ahead.

Lalit Mohan: Hi, Sir. Good evening. So, just two questions. Firstly, on the systematic book, flows of around Rs. 980 crores, could you qualitatively indicate what would be the concentration of our Top 2 or 3 schemes in that flows, and how it has trended over the last 1 year? And secondly, like, in terms of the net outflows which we are seeing, so could you also give us some indication from a channel-wise perspective, like, which are the areas where we are seeing some improvement over there?

Sandeep Samsi: Yes. Sure. So, if you look at, you know, the SIP book that we have, in fact, Flexi-Cap remains one of the largest, you know, contributor to the SIP book. So, nearly 20% of our inflows are coming still in Flexi-Cap, and that has remained broadly at around the same level last year from last year also. Last year it was about 19.3%, now it is about 20.3%. So, apart from that, we have funds like the sectoral and thematic funds which are contributing 16%, the Mid-Cap also contributes 15%, and the Large & Mid-Cap contribute 12.7%. So, all of these funds are, you know, contributing on a regular basis. These are some of the larger contributors.

Lalit Mohan: Got that. And from a channel-wise perspective?

Sandeep Samsi: Yes. From a channel-wise perspective, we are seeing, you know, on the equity side redemptions are coming from banks as well as from the national distributors. There are some redemptions which are also seen from the MFDs, but banks, you know, and national distributors, we are seeing a higher amount of redemption on the equity side.

Lalit Mohan: Sure. And Sir, could you spell out the segment-wise yields for this quarter?

Vinay Lakhotia: Yes. So, equity is roughly at around 73 -74 basis points, equity and hybrid fund. ETF and index fund will be around 8 basis points, cash and arbitrage 11, and fixed income fund is around 20-21 basis points.

Lalit Mohan: Yes. Thank you so much, Sir.

Moderator: Thank you. The next question is from the line of Mohit Mangal from Centrum. Please go ahead.

Mohit Mangal: Yes, good evening, and thanks for the opportunity. My first question is towards UTI International. I understand the macroeconomic conditions are not that good, and our revenue from that division has kind of remained flat sequentially. Just wanted to know, are we launching any new schemes, or what is our strategy for that particular division?

Vinay Lakhotia: Mohit, we are launching a few products by the end of quarter three and quarter four. Hopefully, that should provide some traction of AUM and revenue growth in UTI International. But definitely, you will hear, either by the end of quarter three or quarter four, there are two new fund launches on the UTI International side.

Mohit Mangal: Okay. Understood. That's helpful. Secondly, you said that you'll be launching a new SIF fund. Just wanted to know what are our plans for the next two to three years in terms of SIF, any particular strategy or target in terms of AUM?

Sandeep Samsi: The first fund that we are planning to launch in quarter three is the Hybrid Long-Short Fund. There are five or six strategies which have been allowed by the Regulator, so depending on the market conditions and situations, we will look to launch funds. As of now, if you see in the industry, most of the funds which have been launched are on the hybrid side, and there are one or two which are on the equity side.

We are also beginning with the hybrid side, and once we assess the demand and how people are looking at the SIF funds, then we can decide over the next one or two years what kind of products we want to launch.

Mohit Mangal: Understood. One data-keeping question in terms of SIP gross sales, if you can give for the quarter?

Sandeep Samsi: Yes, sure. SIP gross sales in this quarter were Rs. 2,583 crores.

Mohit Mangal: Okay, fine. Thanks, and wish you all the best.

Sandeep Samsi: Thank you.

Moderator: Thank you. The next question is from the line of Shreyas Pimple from Nomura. Please go ahead.

Shreyas Pimple: Hi, good afternoon, and thank you for the opportunity. My first question was on the yields part. We have seen sequential increase in revenue yields in this quarter. Can you highlight the reason behind that?

Vinay Lakhotia: Some repricing based on the SEBI TER thing we have carried out. I don't see any sequential increase in the yield number. The yield numbers are more or less, at a weighted average level, flat at around 31 basis points. Marginal could be there because of the repricing part.

Shreyas Pimple: Sorry, sir. Repricing of what? Can you please explain that a little bit?

Vinay Lakhotia: The repricing of the commission pursuant to the SEBI TER regulation changes from TER to BER. Since there was an impact, we have passed on the impact to the intermediaries. Some marginal impact because of that, but otherwise, nothing material to highlight as such.

Shreyas Pimple: Sure. My second question was on industry flows as such. We have seen small-cap and mid-cap flows being very high in last quarter, even in September as well. What has been the trend in October that you are looking at for the industry, and how are we looking to navigate this scenario of higher inflows in smaller and mid-cap schemes for UTI AMC?

Sandeep Samsi: It might be too early to comment on the October numbers because we're still in the month of October, and data for the industry comes out by the 8th or the 10th of the month. Maybe October is not the right parameter to look at. However, given the market volatility and the kind of way investors' behavior has been, there has been some moderation in the flows of the small-cap and the mid-cap funds, and flows returning back to the flexi-cap style. That is one trend that has been seen even in the last quarter.

However, if you look at our funds, as I mentioned earlier in an answer, that we are getting good amount of flows in our SIPs into our small-cap as well as mid-cap. As I said, the numbers, which I will again repeat, in our small-cap fund, in this quarter, we got about 10.4% of the inflows coming into the fund. There is a good amount of flows which are coming into our small cap also.

Shreyas Pimple: Sure, Sir. Just a clarification, this 10.4% is a percentage of equity plus hybrid sales

Sandeep Samsi: No, only pure equity. I'm just talking about my data. I'm saying that if I'm getting Rs. 100 as inflows in SIPs in equity, what is the percentage that is coming from small-cap fund?

Shreyas Pimple: Sure. Could you highlight that, not just SIP, but overall equity inflows, how much is it for small-cap and mid-cap?

Sandeep Samsi: I don't have that number right now, but maybe we can share it offline with you.

Shreyas Pimple: Fair, Sir.. Those were my questions. Thank you so much.

Moderator: Thank you. The next question is from the line of Manoj Rajani from Rajani Family Office. Please go ahead.

Manoj Rajani: Hello, Sir, congratulations on the numbers. Sir, just wanted to ask, basically, as the passive AUM grows faster, but it carries a lower fee or yield than active equity. So how do we expect the next range overall impact on the revenue yield, if you could throw some light on that going forward?

Vinay Lakhotia: So yes, obviously, if passive grows at a higher rate than active, then there'll be some marginal dilution in the overall weighted average yield, and that trend we have seen over the last 2 to 3 years. But the good part about passive strategy is that whatever we earn, actually the top-line number straightaway gets added to the bottom line, because the teams and the processes are already being set up. Any incremental growth in AUM with respect to the passive strategy straightaway gets added to the

bottom line. So, there might be a marginal dilution as far as the revenue yields are concerned, but the PAT margin numbers should keep on improving it because there's no additional incremental cost to run these passive strategies.

Manoj Rajani: Okay, sir. Fair enough. That really explains my question quite well. That is it from my side.

Moderator: Thank you. The next question is from the line of Mehak from Emkay. Please go ahead.

Mehak: Hi, good evening. Thanks for the opportunity. So I just was looking for some clarification. So if I look at the equity distribution mix, the share of the direct channel has seen a dip on a sequential basis. And in the earlier questions, you mentioned that the banks and the MFD channel have seen some kind of redemptions. So, could you just help us with any read-through for the direct channel as well?

Sandeep Samsi: Sorry, you want to -- I didn't get your last part of your question. You want to...

Mehak: No. So if you could just help us with what resulted in the decline in the direct channel as such? Or maybe from another perspective, are you witnessing redemptions in the direct channel as well? Because largely what we have seen is that the persistency or the stickiness of flows is slightly lesser in the direct channels.

Sandeep Samsi: Yes so, what I was mentioning was that there have been outflows, which have come. They have come from different channels, including from the NDs - the national distributors, as well as the banks, and to some smaller effect from MFDs and from direct channel also. I mean, direct channel, the challenge that is there is that investors may invest through a fintech or through a platform, and there may not be enough guidance for them whenever there is a volatility which is there.

However, if you look at our SIP book, we see that a large part of our SIP book is of investors who have held it for a longer tenure. And even if you

look at our closure rate of SIPs in the last quarter, while industry was trending at around 80%, our SIP closure book was around 70%. So, we are better off than industry in terms of SIP closure.

So therefore, the point I was making was, if you look at the industry numbers and our numbers, our SIP book or the kind of trend that we are seeing in our SIP book is better off than what we see in the broader industry.

Mehak: Got it, sir. Thank you so much.

Sandeep Samsi: Thank you.

Moderator: Thank you. The next question is from the line of Jagannadham, an Individual Investor. Please go ahead.

Jagannadham: Thanks for the opportunity. Considering the revival of fund performance and hence getting the new AUM is a long-drawn process. Till that time, considering the current market cap and the valuations and so on, I think probably maybe it has to be taken a serious consideration about how you use the cash.

I appreciate the last two quarter-to-quarter con calls, investors have regularly asked, and it was maintained that they are looking for some M&A and so on. But you see, now currently, we are reaching almost 45% to 50% of market cap in terms of cash. So last time, it was said that we will increase the market cap so that the ratio will come down, but the reverse is proving to be right.

I think considering the senior people and the seasoned people who handle the portfolios, probably it's high time to think about the capital allocation and so on. Because if there is no utility for 50% of market cap in terms of cash, it will be better off if you're giving to the shareholders and they're putting it to the better use?

Vinay Lakhotia: So as of now, the board-level decision is that most of whatever the profit that we are generating, we will be distributing closer to 90 - 95% of that profit will be distributed as dividend. That dividend aggressive policy that

we have continued over the last three to four years, and that should continue.

As of now, there are no plans to distribute the incremental cash that is lying, because as we have highlighted in the past, we are a standalone entity, and we believe that this much of cash will be required to continue our operation going forward as well and considering the size of the industry growth as well as our growth rate also. No plans to distribute any special dividend as such, but the aggressive policy of paying a substantial portion of our profit as dividend, I think that will continue.

Moderator: Sir, do you have any further questions?

Jagannadham: No, I am good. Thank you.

Moderator: Thank you. We have a question from the line of Vikas Kasturi from Focus Capital. Please go ahead.

Vikas Kasturi: Good evening. Sir, I have just one question. When I ask some of my friends who are in the mutual fund distribution business about UTI Mutual Fund, one of the feedback that I got was that in terms of distributor outreach, we are somewhere behind our peers. Could you just highlight some of the measures that we are taking as far as reaching out to distributors is concerned?

Sandeep Samsi: In fact, in our previous call also, we had mentioned that we have launched a program called as YOUnited, where we are reaching out very aggressively to the distributors across the country. Last year, we have held these YOUnited programs across the country, and we had invited distributors to come for this, where we were explaining our investment strategy and what is the philosophy that we are following for our fund investment.

Apart from that, we have 255 branches across the country, and the sole task of the people who are there is sales. Their day-to-day KRAs or the KPIs that are given to them is to reach out to distributors and partners and talk

to them about how to engage better and how to ensure that whatever requirement that the distributor may have, those are taken care of.

I think there is a lot of effort which has gone in the last one, one and a half year to ensure that distributors are reached out to, so that if there is any challenge or any response that they need from UTI, that is provided to them quickly.

Vikas Kasturi: Got it, Sir. Thank you. That's the only question I had. Thank you.

Moderator: Thank you. The next question is from the line of Anirudh Sharma from Ekaant Investments. Please go ahead.

Anirudh Sharma: Hello, am I audible?

Moderator: Yes, Sir, you are. Please proceed.

Anirudh Sharma: Yes, hi. I just had a follow-up question. On the SIP front, you had told the SIP has been central to your strategy. Realistically, how much can it move the overall numbers for you?

Sandeep Samsi: SIP is a slow-gain process. In a month, even if we double our SIP number, it will not add very high numbers. We are looking at SIP flows, those are something which is sustained for the long term. When you look at an SIP book that grows over a period of time and sustains you for a longer period of time. But of course, the strategy is to get both lumpsum as well as SIP. SIP for the normal run rate and to increase the business, and getting lumpsum to give a boost to the AUM.

Anirudh Sharma: Okay. So, the UTI's SIP AUM has grown around 7.8% Y-o-Y, while digital purchase transactions have risen sharply. Why isn't this translating into faster overall market share gains?

Sandeep Samsi: As I mentioned, the new SIPs which you are seeing is only in this quarter. When an SIP comes, it's just maybe 1/12th or 1/24th of a part of the total AUM that the person wants to invest. In these three months, you will only see a smaller part of the gain. Over a period of time, that SIP keeps on

multiplying and keeps on growing. Right now, you will see a smaller part because this SIP has just started.

Anirudh Sharma: Okay, Sir. Understood. Yes, that is it from my side. Thank you.

Sandeep Samsi: Thank you.

Moderator: Thank you. As there are no further questions from participants, I now hand the conference over to Mr. Sandeep Samsi for closing comments.

Sandeep Samsi: Thank you so much. Thank you for joining this call. As I mentioned at the beginning, unfortunately, due to a personal emergency, Mr. Vetri Subramaniam was not able to join the call. However, we thank you for joining this call today. Thank you so much. Have a good day.

Moderator: Thank you very much, Sir. Thank you. On behalf of UTI Asset Management Company Limited, that concludes this conference. Thank you all for joining this conference call. In case of any queries, please feel free to connect with Adfactors Investor Relations team. You may now disconnect your lines. Thank you.