IPAMC/SE/38/26-27

July 16, 2026

To,
BSE Limited,
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
Scrip code: 544658

To,
National Stock Exchange of India Ltd.,
Listing Department,
Exchange Plaza, 5th Floor, Plot No. C/1,
G block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051
NSE Symbol: ICICIAMC

Dear Sir/Madam,

Sub: Transcripts of media call and earnings call for the quarter ended June 30, 2026

Pursuant to Regulation 30 read with Schedule III Part A Para A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations), we request you to please find enclosed herewith transcripts of the media call and earnings call with analysts and investors on the financial results of the Company for the quarter ended June 30, 2026.

The said transcripts are also available on the Company's website at www.icicipruamc.com in compliance with Regulation 46 of the SEBI Listing Regulations.

You are requested to kindly take the same on records.

For ICICI Prudential Asset Management Company Limited

RAKESH RAMESH SHETTY

Digitally signed by RAKESH RAMESH SHETTY
Date: 2026.07.16 19:00:17 +05'30'

Rakesh Shetty
Chief Compliance Officer & Company Secretary
Membership No.: A15506

Encl.: as above

ICICI Prudential Asset Management Company Limited
Corporate Identity Number: L99999DL1993PLC054135
Corporate Office: ICICI Prudential Mutual Fund Tower, Santacruz East, Mumbai – 400055 **Tel:** +91 22 6647 0200/2652 5000
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Central Service Office: 2nd Floor, Block B-2, Nirlon Knowledge Park, Western Express Highway, Goregaon (East), Mumbai – 400 063 , Tel No.: 022 26852000, Fax No.: 022-2686 8313
Registered Office: 12th Floor, Narain Manzil, 23, Barakhamba Road, New Delhi – 110 001

ICICI Prudential Asset Management Company Limited

Media Conference Call – Quarter ended June 30th, 2026

July 13, 2026

Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward looking statements'. These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those contemplated by the forward-looking statements. These risks and uncertainties include, but are not limited to, actions of regulatory authorities, regulatory changes pertaining to the industry in which we operate and our ability to respond to such changes, our ability to successfully implement our strategy, our growth and expansion in business, technological implementation and changes, the actual growth in demand for AMC's products and services, cash flow projections, our exposure to market risks, impact of competition; the impact of changes in accounting standards, tax and other legislations and regulations in the jurisdictions where the Company has operations or which affect global or Indian economic conditions as well as other risks detailed in the reports filed by ICICI Bank Limited, our holding company, with the United States Securities and Exchange Commission. ICICI Bank Limited and we undertake no obligation to update forward-looking statements to reflect events or circumstances after the date hereof.

Moderator: Ladies and gentlemen, good day and welcome to the ICICI Prudential Asset Management Company Limited's Media Conference Call for the Quarter Ended June 30th, 2026.

Joining us today on the call are Mr. Nimesh Shah, MD and CEO; Mr. Naveen Agarwal, Chief Financial Officer; Mr. Abhijit Shah, Chief Marketing and Digital Business Officer; Mr. Vipin Bhandari, senior member from business team; Mr. Harshil Sanghavi, Lead Investor Relations, who will be available to address your questions following the opening remarks.

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

I now hand the conference over to Mr. Nimesh Shah, MD and CEO of ICICI Prudential AMC Limited. Thank you and over to you.

Nimesh Shah: Welcome everybody. I trust that you have had the opportunity to review our earnings presentation and the investor material that have been shared on the stock exchange and our website.

If I talk about the industry, the industry's quarterly average AUM has grown by 15.4% year-on-year and 2% sequentially in Q1 27, reaching INR 83.28 lakh crores. The sequential growth in quarterly average AUM appears to be muted, but however, a comparison of closing AUM between the two quarters indicate a stronger momentum reflecting a growth of 11.6%. Just check the background, we had a correction in the market and the market was slightly subdued on March 31st than where it is today.

Equity and equity-oriented AUM was at INR 45.2 lakh crores. As the market sentiments improved during the quarter, equity market witnessed a broad-based recovery across segments, wherein the small-caps outperformed with a return of 24% followed by mid-caps at 17.2%, while the large-caps lagged behind delivering a recovery of only 8.9%.

With the quantum of AUM in the industry, this numbers become very important as to what will be -- because to that extent there is a mark-to-market growth or degrowth in the AUM numbers.

During the quarter, net flows for equity category was INR 1.14 lakh crores, which marked a reduction of INR 10,064 crores as compared to the previous quarter. Categories like mid-cap and small-cap were at the forefront of attracting highest amount of equity net flows and the categories like thematic and hybrids, specifically multi-asset fund, faced reduction in net flows when compared sequentially.

While the industry saw steep fall for the month of May 2026, net flows for the month of June 2026 rebounded by 26% month-on-month, coming back to pre-Middle Eastern crisis levels. June 2026 recorded SIP contribution of INR 31,781 crores. Monthly SIP inflow remained largely stable throughout Q1 Financial Year 27, despite volatile market conditions, demonstrating the resilience and stickiness of the retail investor participation. This stability underscores investor continued commitment to long-term wealth creation through systematic investing.

In the debt segment, quarterly average AUM stood at INR11.93 lakh crores. The quarter witnessed redemptions by institutions, investors amid tight liquidity conditions resulting in a sequential moderation of 6% in quarterly average AUM.

Passive quarterly average AUM grew by 25.3% year-on-year and 1.5% sequentially to INR14.73 lakh crores.

Industry continued to have positive new customer addition reaching 6.2 crores which represents an increase of 12.1% year-on-year.

I now hand over the call to Harshil for covering the performance of our company.

Harshil Sanghavi: Thank you Nimesh. Good evening, everyone. For the quarter ended June 2026, our total mutual fund quarterly average AUM reached to INR11.17 lakh crores, which is up 1.1% sequentially and 18.3% year-on-year, thereby maintaining our position as the second largest AMC with a market share of 13.4%.

In active schemes, we continue to maintain the highest market share of 13.5% with a quarterly average AUM of INR9.25 lakh crores. As of June 30th, 2026, we continue to maintain our leadership position in equity and equity-oriented schemes with a market share of 14% and a quarterly average AUM of INR6.31 lakh crores. This represents growth of 1.7% sequentially and on year-on-year basis, we outperformed the industry growth rate by 3.6% recording a growth of 19.8%.

It is important to note that in Q1 FY27, we continued to receive one of the highest net flows amongst the industry. The quarterly average AUM of our equity-oriented hybrid schemes grew to INR2.22 lakh crores. This represents the largest market share of 26.6% as of June 30th, 2026.

For the quarter ended June 2026, our margins on an annualized basis stands at 66 basis points for equity, 32 basis points for debt, 12 basis points for liquid, 12 basis points for passives, and 30 basis points for arbitrage.

There is no negative impact on account of changes in the TER regulations.

As of June 30th, 2026, we have a unique customer base of 1.73 crores. Notably in this quarter, we added every seven of 10 new customers from the industry.

In June 2026, our systematic transactions, which includes SIPs and Systematic Transfer Plans, moderated marginally to INR4,872 crores from INR5,104 crores in the month of March 2026. Similar to the industry trend, we saw a moderate dip in the first two months of the quarter followed by a rebound in June as compared to May 2026.

Our distribution mix of our mutual fund equity quarterly average AUM is as follows, wherein MFDs accounts for 36.2%, national distributors accounts for 15.9%, ICICI Bank share at 7.7%, other banks contributing 10.7%, and direct representing 29.5%.

Now coming to SIF. SEBI introduced Specialized Investment Fund under mutual fund, which is well positioned between traditional mutual funds and alternative investment products. iSIF is a distinct brand assigned to SIF launched by ICICI Prudential Mutual Fund.

There are seven investment strategies permitted, of which we have launched four investment strategies. iSIF Equity Ex Top 100 and iSIF Hybrid Long-Short Fund was launched in previous quarter, while iSIF Active Asset Allocator Fund and iSIF Equity Long-Short Fund in June 2026. Our quarterly average AUM of SIF is INR2,678 crores.

We believe the SIF category has long-term potential and the way these products are structured offers fund manager greater flexibility in portfolio construction, risk management, and implementation of differentiated investment strategies. Having said that, the category is still at early stage of evolution and we believe further expansion in investor awareness and advisor participation will be important for the category to scale meaningfully over time.

Coming to GIFT City, we had launched our first offering in GIFT City, the ICICI Prudential Smart Navigator Fund, which is an inbound fund. It is encouraging to see that the fund is gaining traction and witnessing growing investor interest.

Now let's move to our alternates business. Just to clarify, comparative data has been restated by considering the effect of acquired business of ICICI Venture.

Our alternates business comprise listed equity focused PMS and AIF, private credit, real estate, private equity, early stage private equity, and offshore advisory. For the June quarter end, our alternates quarterly average AUM stood at INR79,446 crores. Within alternates, our PMS quarterly average AUM grew by 8.1% sequentially to INR28,996 crores. Our AIF quarterly average AUM stands at INR22,737 crores.

For the quarter ended June 2026, on an annualized basis, the gross yield on our PMS and AIF business was 1.91% and the net yield, that is after reducing the fees and commission expenses attributable to PMS and AIF business, was 0.95%. Yields on assets under advisory stands at 30 basis points.

Now coming to AI. Our focus is to deliver value across three core pillars: customer and distributor experience, operational efficiency, and investment management. On customer and distributor experience, our goal is frictionless. Today, a customer can use our natural language search engine on our website, which has already processed over 5 million queries.

For our customers and partners, we have embedded an engine in our mobile apps and distribution portal that delivers a hyper-personalized prompts, which helps to engage better with the clients. On the operational efficiency front, 60% of our customer queries over email are replied using AI.

We are actively expanding such AI capability, like by transitioning outbound SIP renewal calling to an AI-driven process. In investment management, through a proprietary platform, we are building a conversational layer over our investment data. At present, we are using AI to generate summaries of reports, videos, DRHPs to suit our requirements. It enables faster processing of data and gives our investment professionals a head start so that they can focus on alpha generation and judgment. I now hand over the call to Naveen for covering the financial performance of the company.

Naveen Agarwal: Good evening, everyone. Let's cover the financial performance for the quarter and yields which are presented on annualized basis. Just to clarify, as was mentioned earlier also, comparative data has been restated by considering the effect of acquired business of ICICI Venture.

Our operating revenue stood at INR1,564 crores representing a growth of 17.6% year-on-year. Our operating net revenue mix from mutual fund was 90.02%, alternate 8.54%, and advisory business was 1.44%.

Other income of INR181 crores turned positive from negative on the back of positive mark-to-market as of June 30th as compared to March 31st.

Operating expenses amounted to INR464 crores which was an increase by 11.7% year-on-year and 14.3% quarter-on-quarter. The sequential increase was largely on account of employee expenses.

As we had mentioned in our previous call you would remember, the ESOP related expenses have started debiting from this quarter, while no such charge was there in the P&L in the last year. And also particularly in Q4 of FY26, the provisions that we had made related to employee expenses in the previous quarters were also reversed.

On operating profit before tax, which indicates the core profitability of our business, it reached INR1,100 crores. This represents a 20.2% increase on year-on-year basis.

Profit after tax stood at INR965 crores which is up by 23.1% on year-on-year basis. For the quarter ended June 2026, our gross yield and net yield on an annualized basis stood at 52.4 basis points and 48.3 basis points respectively. And as you note, net yield is arrived at after reducing fees and commission expenses on PMS and AIF business, which is shown as an expense item in the P&L.

For quarter ended June 2026, our operating margins stood at 36.9 basis points as compared to 36.1 basis points for the quarter ended June 25, which is the same quarter last year.

Thank you for your attention. I look forward to discussing our performance in more details and addressing any queries that you may have.

Moderator: Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We'll take our first question from the line of Anishaa Kumar from Moneycontrol. Please go ahead.

Anishaa Kumar: Hi Sir, just quick understanding with regards to this systematic numbers that is obviously we've seen a slight deceleration that's been there because of the way the markets have been. But do we have a breakup in terms of how much was STP, how much is

SWP, and what do you expect with regards to the trend going further? Because we've been seeing a slowdown in investor interest in SIPs, even though the number is positive.

Naveen Agarwal: So we have always given the number which is the systematic transaction, which is a summation of SIP as well as systematic transfer plan because that is what hits our equity AUM adds to our equity AUM on a monthly basis. If you look at the industry number vis-a-vis May, June number vis-a-vis May, there has been a rebound.

And frankly, I think even though while the market has been where it is, the numbers have been fairly resilient. I think one should not draw too much reference to two-three months number, but given the trend that the June number has shown better rebound as compared to May, that's a positive sign. And our numbers are in line with that of the industry.

Anishaa Kumar: Right, sir. Sir, also I wanted to if you could throw any light on any further GIFT City plans that you have going ahead.

Naveen Agarwal: On GIFT City, you know, as we mentioned, we already have one inbound fund and that is gaining traction. We are continuously evaluating more product opportunities, both inbound and outbound and we'll work on that and launch them in due course.

Anishaa Kumar: Right, sir. Thank you.

Moderator: Thank you. Next question is from the line of Ashokamithran T from The Hindu. Please go ahead.

Ashokamithran T: Hi, sir. I just wanted to ask.

Moderator: I am sorry can you use your handset mode please. Audio is not very clear.

Ashokamithran T: Yes, sure. Am I audible now?

Moderator: Yes please go ahead.

Ashokamithran T: I just wanted to ask a couple of very basic questions. First one in just I mean you might have explained it earlier in the call, but I just want you to repeat it for me. What really went well this time around in the first quarter despite all the geopolitics, the numbers are pretty good. What really helped you push the profit 23% up is my first question. I'll come back to second question if you could just tell me first?

Naveen Agarwal: If you look at the industry first and if you look at what has been the net inflow in the industry, what was the run rate for the last year, so that has pretty much held on. Again as a subset of the net flow, the SIP numbers at the industry level that has also -- that has seen a fall, but it is pretty much still there. In so far as the PAT number is concerned, if you see, I think you're referring to the growth on a Y-o-Y basis.

So on a Y-o-Y growth, obviously there was an impact both on account of sales as well as mark-to-market. And all the other factors that we mentioned, last year sales were also very resilient. The entire last year, I think on an overall basis, the net sales for the full of last year was in excess of INR4,60,000 crores.

So and that if you apply on a equity base, it is an upwards -- a number in upwards of 10% plus the mark-to-market that was received. So all of these have contributed to increase in the equity AUM, which effectively drives the profitability of us as well as the industry. Since these two numbers were resilient, that is effectively reflected in the PAT as well.

Ashokamithran T: Right, got it, sir. My second question is with regard to the small ticket SIPs, INR250 SIP. Have you seen it's been I think introduced in a handful of schemes? What has been the demand for it? It's been some time since you introduced it. Has it shown any signs of picking up? Can you -- if you can share some numbers on that?

Abhijit Shah: Yes, hi. As you know, this is a very new initiative on the small ticket...

Moderator: I am sorry, sir. You are sounding distant.

Abhijit Shah: Am I audible?

Moderator: Yes, sir.

Abhijit Shah: So the small ticket SIP or the Choti SIP which is introduced by the regulator is a very nascent initiative. We are investing in it through various partners. As you rightly pointed out, we have enabled it in a lot of our schemes right now. The traction that we are getting, especially, on products like daily SIP, that we have introduced , it's a very nascent and initial trend, but we are continuing to invest in it.

Ashokamithran T: Any you don't have any numbers to share, sir, on that? Because viability seems to be a problem across the industry. So my question was more on the lines of have you found it viable or has it started becoming viable?

Abhijit Shah: Very early, no, right now because in SIP, as you know, the 12 to 15 months is when we look into it

Ashokamithran T: Right, right. Got it, sir. Thank you so much.

Moderator: Thank you. We have a question from the line of Kundan Kishore from Outlook India. Please go ahead.

Kundan Kishore: Sir, actually I just wanted to check with you as we have reached in Tier 1 and Tier 2 cities, but what's your plan to reach to Tier 3 and 4 cities?

Nimesh Shah: See, on a regular basis, we are already present across 280 how many?

Management: About 300 plus.

Nimesh Shah: We are present anywhere around more than 300 towns of India. We are completely committed wherever we believe that there is a good scope for business and there are people who are ready to invest in mutual funds, we are happy to take a call and start offices over there. All these decisions are taken at a very regional level.

If the regional head of a state feels that he wants to increase, he keeps on increasing, the expansion happens at his discretion at the ground level. So we keep this is a very dynamic thing. Every year, the local offices will decide how much expansion we do.

Kundan Kishore: Okay.

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

Naveen Agarwal: Thank you, everyone. We appreciate the interest shown by the analyst. We wish you all a good evening. Thank you.

Moderator: Thank you. On behalf of ICICI Prudential AMC Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

ICICI Prudential Asset Management Company Limited

Earnings Conference Call – Quarter ended June 30th, 2026

July 13, 2026

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Moderator: Ladies and gentlemen, good day and welcome to the ICICI Prudential Asset Management Company Limited's Earnings Conference Call for the Quarter Ended June 30, 2026. Joining us today on the call are Mr. Nimesh Shah, MD and CEO; Mr. Naveen Agarwal, Chief Financial Officer; Mr. Abhijit Shah, Chief Marketing and Digital Business Officer; Mr. Vipin Bhandari, senior member from business team; Mr. Harshil Sanghavi, Lead Investor Relations, who will be available to address your questions following our opening remarks.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone. I now hand the conference over to Mr. Nimesh Shah, MD and CEO of ICICI Prudential Asset Management Company Limited. Thank you and over to you, sir.

Nimesh Shah: Good evening everyone. I trust you guys have had the opportunity to review our earnings presentation and the investor materials that have been shared on the stock exchange and our website. So I'll straight start with the industry and as you know, markets have behaved relatively where we were on March 31, 2026 till where we are on 30th June, there has been a positive movement in the markets and everything is a reflection whatever you see the numbers is a reflection of that.

Overall the industry quarterly average AUM grew by 15.4% year-on-year reaching INR83 lakh crores. The sequential growth in quarterly AUM appears to be muted, however a comparison of closing AUM between the two quarters indicates a strong momentum reflecting a growth of 11.6% and equity and equity-oriented AUM stood at INR45.2 lakh crores.

As the market sentiments improved during the quarter equity market witnessed a broad-based recovery across segments wherein small caps outperformed with a return of 24% followed by mid caps at 17.2% while large caps lagged behind delivering a recovery of only 8.9%. And as all analysts understand, a lot what happens to the P&L is dependent also on this particular numbers, the last line that I mentioned.

During the quarter net flows for equity category was more than INR1 lakh crore, categories like mid cap and small caps were at the forefront of attracting highest amount of equity net flows and categories like thematic funds and hybrid specifically multi-asset funds faced reduction in net flows when compared sequentially. While the industry saw steep fall for the month of May 2026, net flows for the month of June 2026 rebounded by 26% month-on-month coming back to the pre-Middle Eastern crisis levels.

June 2026 recorded SIP contribution of INR31,781 crores. Monthly SIP inflows remained largely stable throughout Q1 despite volatile market conditions demonstrating the resilience and stickiness of retail investor participation.

In the debt segment quarterly average AUM witnessed overall redemption by institutional investors amid tight liquidity conditions resulting in a sequential moderation of 6% in quarterly average AUM.

Passive AUM grew by 25.3% year-on-year to INR14.673 lakh crores. Industry continued to have a positive new customer addition reaching 6.2 crores which represents an increase of 12.1% year-on-year.

I now hand over the call to Harshil for covering the performance of our company.

Harshil Sanghavi: Thank you Nimesh. Good evening everyone. For the quarter ended June 2026, our total mutual fund quarterly average AUM stood at INR11.17 lakh crores which is up by 18.3% year-on-year, thereby maintaining our position as the second largest AMC with a market share of 13.4%. In active schemes, we continue to maintain the highest market share of 13.5% with a quarterly average AUM of INR9.25 lakh crores.

As of June 30, 2026, we continue to maintain our leadership position in equity and equity-oriented schemes with a market share of 14% and a quarterly average AUM of INR6.31 lakh crores. On year-on-year basis, we outperformed the industry growth rate by 3.6% recording a growth of 19.8%. It is important to note that in Q1 FY27, we continue to receive one of the highest net flows amongst the industry.

The quarterly average AUM of our equity-oriented hybrid schemes grew to INR2.22 lakh crores. This represents the largest market share of 26.6% as of June 30, 2026.

For the quarter ended June 2026, our margins on an annualized basis stands at 66 basis points for equity, 32 basis points for debt, 12 basis points for liquid, 12 basis points for passive and 30 basis points for arbitrage. There is no negative impact on account of changes in the TR regulations.

As of June 30, 2026, we have a unique customer base of 1.73 crores. Notably in this quarter, we added every seven of 10 new customers from the industry.

In June 2026, our systematic transactions which includes SIP and systematic transfer plans moderated marginally to INR4,872 crores from INR5,104 crores in the month of March 2026. Similar to the industry trend, we saw a moderate dip in the first two months of the quarter followed by a rebound in June 2026 as compared to May.

Our distribution mix of our mutual fund equity quarterly average AUM is as follows where MFDs accounts for 36.2%, national distributors accounts for 15.9%, ICICI Bank share at 7.7%, other banks contributing 10.7% and direct representing 29.5%.

SEBI introduced specialized investment fund under mutual fund which is well positioned between traditional mutual funds and alternative investment products. iSIF is a distinct brand assigned to SIF launched by ICICI Prudential Mutual Fund. We have launched four strategies, iSIF Equity Ex-Top 100 and iSIF Hybrid Long Short was launched in previous quarter while iSIF Active Asset Allocator Fund and iSIF Equity Long Short in June 2026. Our quarterly average AUM of SIF is INR2,678 crores.

Coming to GIFT City, we have launched our first offering in GIFT City, the ICICI Prudential Smart Navigator Fund which is an inbound fund. It is encouraging to see that the fund is gaining traction and witnessing growing investor interest.

Now let's move to our alternates business. Just to clarify, comparative data has been restated by considering the effect of acquired business of ICICI Venture. Our alternates business comprise listed equity focused PMS and AIF, private credit, real estate, private equity, early stage private equity and offshore advisory. For June quarter end, our alternates quarterly average AUM stood at INR79,446 crores. Within alternates, our PMS AUM grew to INR28,996 crores. Our AIF quarterly average AUM stands at INR22,737 crores.

For the quarter ended June 2026, on an annualized basis, the gross yield on our PMS and AIF business was 1.91% and the net yield that is after reducing the fees and commission expenses attributable to PMS and AIF business was 0.95%. Yield on assets under advisory was at 30 basis points.

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I now hand over the call to Naveen for covering the financial performance of the company.

Naveen Agarwal: Good evening, everyone. Let's cover the financial performance for the quarter and yields that are presented on annualized basis. As we mentioned earlier also, all the data have been restated by considering the effect of acquired business of ICICI Venture.

Our operating revenue stood at INR1,564 crores representing a growth of 17.6% year-on-year. Our operating net revenue mix from mutual fund was 90.02%, alternate 8.54% and advisory business 1.44%.

Other income of INR181 crores turned positive from negative vis-a-vis last quarter on the back of positive mark-to-market.

Operating expenses amounted to INR464 crores which was an increase by 11.7% year-on-year and 14.3% quarter-on-quarter. The sequential increase was largely on account of employee expenses and as you would recall we had mentioned in our previous con-call as well, the ESOP related expenses have been debited from this quarter while in the previous P&L last year P&L there was no such charge and also particularly in Q4 of FY26, any provision that we had made in the previous quarters of last financial year was also reversed.

Our operating profit before tax which indicates the core profitability of our business reached INR1,100 crores. This represents a 20.2% increase year-on-year. Profit after tax stood at INR965 crores which is up by 23.1% year-on-year.

For quarter ended June 2026, our gross yield and net yield on an annualized basis stood at 52.4 basis points and 48.3 basis points respectively. Net yield is arrived at after reducing fees and commission expenses on PMS and AIF business which is shown as an expense item in the P&L.

For quarter ended June 2026, our operating margins stood at 36.9 basis points as compared to 36.1 basis points for the quarter ended June 2025 which is a year back.

Thank you for your attention. I look forward to discussing our performance in more details and addressing any questions that you may have.

Moderator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and then 1 on their touchtone phone. If you wish to remove yourself from the question queue, you may press star and two.

Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Again, to register for a question, please press star and then one. Your first question comes from the line of Rahil Shah with HSBC. Please go ahead.

Rahil Shah: Hello. Yes, thank you for the opportunity. So, my first question is I just wanted to understand the drivers of change in market share both in terms of equity AUM and SIP flows. So, can you give more color on how much it's maybe driven by MTM difference and how much is actual change in net flows? So, something around net flow market share where you said that you are getting highest but sequentially is it higher or lower? So, some color on that would be helpful.

Naveen Agarwal: Rahil, if you look at it from a one quarter basis given the high base of equity AUM, the change in market share would predominantly be driven by mark-to-market. Net sales in one quarter would not make that much of a difference and as we mentioned in the beginning, mark-to-market that has been received in the industry is a function of how each of the segment has done whether it is small cap, mid cap and large cap.

So, the change in our market share has also been predominantly on account of mark-to-market. Just to reiterate what we mentioned with respect to the indices, small cap in this quarter showed a return of 24%, midcap 17.2% and large cap 8.9%. So that is what you would see reflected in the mark-to-markets and the respective AUMs as well.

Rahil Shah: Understood. And in terms of SIP flows?

Naveen Agarwal: So, SIP flows for the month of June has actually seen a rebound vis-a-vis May, while from March to June if you see there is a small fall

Nimesh Shah: Rahil, in this always see for the quarter because monthly there are a lot of changes that happen. So normally always look the numbers from a quarter point of view and not from month-on-month. Don't analyze too much month-on-month numbers because the numbers sometimes over a quarter gets stabilized.

Rahil Shah: So maybe if I can request to give the quarterly number because we don't have that. So that would be helpful for every one of us. And just a related question around if I see the distribution mix, I can see that the growth from banking channel including ICICI Bank, I mean there has been a sequential degrowth compared to a very healthy 3%, 4% growth for other direct and national distributors. So again, what explains this divergence? Is it something where banks have kind of slowed down selling mutual funds or it's again, I mean some clarity here would be helpful?

Naveen Agarwal: See again if you look at the distribution mix, it's spread across you know from a servicing perspective the distribution mix -- all the channels whether it is mutual funds or national distributors or ICICI Bank, we continue to serve all of them. Whether the small changes that you see for example if I look at what was the number for June quarter vis-a-vis let say, previous quarter, I do not see much change for example in mutual fund distributor category or on a bank on an overall basis. So there hasn't -- frankly the numbers have not really moved that much. June mix and March mix is pretty much in line.

Rahil Shah: So, I mean maybe from a mix point of view it's same but if I see in absolute terms, there has been 4%, 5% increase in AUM from direct or national distributor while for banks it's like flat to lower. So, what explains such divergence within a quarter? So, is there anything specific or to read into it?

Naveen Agarwal: Are you referring to the industry numbers?

Rahil Shah: No, no, your ICICI AMC numbers. I mean you give the mix number but I've just multiplied it with the AUM?

Naveen Agarwal: So, in our case as of June, the direct share was 29.5% of the equity AUM. So, you must see the equity AUM. I don't know if you're looking at the total...

Rahil Shah: I'm looking at equity. Maybe I'll take this offline.

Naveen Agarwal: Yes.

Rahil Shah: Thank you.

Moderator: Thank you. Your next question comes from the line of Piran Engineer with CLSA. Please go ahead.

Piran Engineer: Yes, hi team. Congrats on the quarter and thanks for taking my question. Firstly just some number keeping ones. Naveen, what was the ESOP cost in 1Q?

Naveen Agarwal: So we had indicated I think last year when the ESOPs were granted that for the full year ESOP cost would be between the range of INR125 crores to INR130 crores. And sorry, the...

Piran Engineer: Sorry, that was for three years, right?

Naveen Agarwal: Yes, yes, sorry, that was the three year cost of...

Piran Engineer: Correct. This year?

Naveen Agarwal: And for this financial year, the cost was indicated between INR64 crores to INR68 crores.

Piran Engineer: Correct. So will that come like equally each quarter or was it front-ended in 4Q -- in 1Q, sorry?

Naveen Agarwal: No, no, it would be in proportion. It would not be front-ended. I think that would be as per the Black-Scholes method. It is charged based on the total vesting period and it will not be front-ended.

Piran Engineer: Okay, understood. So this is the base to sort of model the employee opex on? Because last quarter we had some reversals before that we had another accounting method. So this INR200 crores quarterly opex is sort of a base to take as a thumb rule?

Naveen Agarwal: Correct.

Piran Engineer: Okay, fair enough. Secondly just going back to that SIP number on Slide 17, your SIPs for the month or is it the average for the quarter, like month?

Naveen Agarwal: No, that was the number for the month of June.

Piran Engineer: Okay, so April and May would have been even lower than 48 billion?

Naveen Agarwal: So that has been -- the trend has pretty much been in line with that of the industry. You know what happened in the industry is what we have witnessed in our number as well.

Piran Engineer: Okay. But then how do we think about it? Is it like the stoppage ratio has gone beyond 100 or is it just like the ticket size per customer has gone down? Like fewer people or lesser amount per person is what I'm trying to understand.

Naveen Agarwal: So Piran, you know effectively it's not that the new SIPs have not been coming. If you look at the industry level also, the new SIPs have come in. Obviously if the net if the SIP trigger number has fallen, that's obviously because the stoppages of the old SIPs have more been than the new SIPs.

Frankly the count wise it does not matter. No one should look at from a count perspective. It should be more from the perspective of if the new SIPs have come in and how much of the old SIPs have stopped. The net of it is reflected in the SIP trigger number.

Piran Engineer: Understood, understood. And just lastly, the industry and our debt AUM declined this quarter. Is it seasonal or is it simply because bond yields spiked and there was some uncertainty in the market?

Naveen Agarwal: Yes, so you rightly said there has been a reduction in the debt AUM. We understood it's largely on account of institutional investors redeeming amid tighter liquidity conditions.

Nimesh Shah: It's the liquidity that the corporates would be having where the corporates are investing because of the war situation where they're investing more in the working capital. And if they invest more in the working capital, their surplus liquidity decreases and to that extent investment in mutual fund decreases. So it's more liquidity in the system, nothing else.

Piran Engineer: Understood, understood. Okay, so it's nothing to do with seasonality, like in 1Q it goes down or anything like that?

Nimesh Shah: No, June to June I won't say seasonality. It is more of how are the corporates in India behaving.

Piran Engineer: Understood, understood. Okay, Yes, that's it from my end. Thanks and wish you all the best.

Moderator: Thank you. The next question comes from the line of Madhukar with JP Morgan. Please go ahead.

Madhukar: Hi sir, thank you for taking my question. Sir, on the fees and commission side also, we are seeing a increase in that number both on a Q-o-Q basis and on a year-over-year basis. Probably also because the assets under advice which have come right now also have some fee payment happening. You know it'll be good if you can explain that a little bit better.

Naveen Agarwal: So the fee and commission number as you see is a number which is effectively the distribution fees that we pay for alternate PMS and AIFs. Unlike mutual fund, any distribution fees that we paid for PMS and alternate, it's routed through the AMC and the increase that you see is because of the increase in the underlying business. So if the volumes of PMS and AIF go up, the underlying fee would also go up. So that is effectively a reflection of growth in the underlying business.

Madhukar: Got it, sir. Got it, sir. Thank you. I'll come back in the queue. Thanks.

Moderator: Thank you. The next question comes from the line of Piyush Kumar with Magnus Hathaway Investments. Please go ahead.

Piyush Kumar: Yes, am I audible?

Moderator: Yes sir, you're audible. Please go ahead.

Piyush Kumar: Yes, sir my question is regarding the SIP inflows this quarter. As we can see on the Slide number 9, the SIP inflows are down 1% Q-o-Q. So what could be the reasons for this? I mean...

Naveen Agarwal: See, we all know how the markets have behaved. In fact, we would say that if you look at the numbers over a longer term period, if you look at it vis-a-vis, let's say March of last year or even September, you would see the June quarter number showing an uptrend.

So and even when you compare on a very short-term basis what happened to this number vis-a-vis May, there has been a bit of a rebound. And as Nimesh mentioned a little while back, ideally you should see the number on a quarterly basis because there could be some adjustment in one month vis-a-vis the other month. So the numbers of 31,000 that we see at an industry level, 31,781, we would say it's still a very healthy number.

Piyush Kumar: Okay. And sir going forward which scheme are you most bullish on? I mean what do you see the trends in the Indian market and the Indian investors?

Naveen Agarwal: So from our perspective, as you know our AUM of the total equity AUM that we have, the hybrid AUM has a large component of that AUM. All our products are suitable for an investor on a long-term basis. We believe that if anyone stays in our product over a period of seven, eight years, he would obviously get a good return.

Nimesh Shah: See overall we are believers of a moderate return world. And that is where I sometimes feel it suits my business. The expectations the customer when he comes in is slightly skeptical. So this kind of environment the customer is also asking four questions and is not going by euphoria before investing. So that's a good environment.

We believe it's a moderate return world and the series of products that we have created on dynamic asset allocation, whether it is balance advantage fund or multi-asset fund or an asset allocator fund, I can go on there are a series of products that we have created which mix equity and debt in some proportion.

So the way I look at it, Indian customer is now feeling the pain of volatility and in those times it can be a good dynamic asset allocation. Look at what has happened in the last two years. In the last 2 years people I asked one of the -- I was in Patna and one of the distributors I asked him that since 2 years return has not been filed there might be pain. And his reply was it is good in your funds because he was referring to my dynamic asset allocation which has given a reasonable return to the customer anywhere between 10% and 20% over the last 2 years.

When the market has hardly given any return. So I think this dynamic asset allocation category overall. In addition to that we are very like the what SEBI is allowing us in SIF products. Though I agree the distribution is not very huge today vis-a-vis a mutual fund because you have to clear an exam and all, but the products are very beautifully constructed.

The use of derivatives can be much more over there. It can be used to hedge your position even if you have invested in mid cap small cap. We've got a midcap, small cap fund over there also, but where I can hedge the position if I feel that midcap small cap is too overvalued. So there are series of products.

So frankly we're a supermarket where I've got product for the common man, I've got product for HNIs, I've got product in the various asset classes and I believe that Indian customer and overall the family offices will move towards very different kind of products will go from the AMC including something like commercial real estate.

I believe that family offices in addition to looking at equity if somebody can give them in an organized way commercial real estate, which gets a good yield also for the customer as well as there are escalations possible. I think the entire product suite would work well for the customer.

Piyush Kumar: Okay sir, thank you so much for that.

Moderator: Thank you. Your next question comes from the line of Prayesh Jain with Motilal Oswal Financial Services Limited. Please go ahead.

Prayesh Jain: Hi, good evening everyone. Just some color on the SIP again, sorry to harp on that question. But just some color as to where are you seeing the pain or not pain exactly some slowdown whether the direct channel through brokerage platforms or through distributed route, probably some color on the ticket sizes whether the smaller ticket sizes are closing down more or the larger ticket sizes are closing down. That is point number one. Question number two would be on.

Nimesh Shah: You take the second question later. First you asked SIP, let me give my perspective before Naveen gives you the details. While I'll try to reply the question the way I look at SIPs. If a person continues what has happened in the market is there are various kind of distributors selling SIP.

There are various customers going on various platforms and buying SIPs also. So the responsible distributor would have given a long-term -- would have given a long-term outlook. So some of the customers where there is handholding, they would have come with a long-term outlook and their expectations of SIP would be more realistic.

There would be some other channels the customer might have self-selected based on past performance. I saw in a typical year in 2023 if somebody has looked at last 1 year return and entered into a SIP say he has entered into a small cap SIP or a PSU SIP or a various sector SIPs looking at only past returns, those kind of SIPs.

So I will I divide SIPs always responsible distribution or self-selected. So if the quality of sales is good, it will sustain. If the quality of sales is not good, it will not sustain. It has got nothing to do with the size of SIP. If after 2 years your portfolio is positive you'll continue the SIP, but after 2 years if your portfolio is negative you'll not continue the SIP. So it is more to the nature of quality of sales or quality of purchase which decides whether the SIP continues or not. And now Naveen can give you some number color or whatever you had asked.

Prayesh Jain: Sure, thank you sir.

Naveen Agarwal: The numbers I believe you already have.

Prayesh Jain: Got that.

ManagementNaveen Agarwal: You answered in the earlier question also the numbers so I believe numbers you already have.

Prayesh Jain: Sure.

Nimesh Shah: So second question, another question also.

Prayesh Jain: Yes, second question was on the expenses how do you think the full year is going to pan out for the expenses whether it's opex or whether it's the employee expenses, how do you think where are the investments that we are making or how should we see about the overall expense growth compared to say FY2026 what we had?

Naveen Agarwal: So we don't give guidance for future, but with respect to this quarter I think I explained if you look at it on a quarter-by-quarter basis, if you see specifically the employee expense that has shown a higher growth and this is on a quarter-on-quarter basis and the reason I explained which was also mentioned in the previous call.

But if you look at it from a overall perspective, see one thing is you must exclude when you look at our financials, our fee and commission numbers are also stated as part of the expenses and hence we also give you the net yield. So when you look at our expense base, you must remove that because.

Nimesh Shah: Fees and commission on PMS alternate.

Naveen Agarwal: Yes that should be removed from the expenses. You must look at the expense net of that and it's been pretty much in line whether it is on Q4 or on a Y-o-Y basis.

Prayesh Jain: Got it. Last question, what are the product launches that we can expect on mutual funds, AIFs, PMS across these categories that over the next 1 year or so?

Nimesh Shah: As you would have seen, there have been various approvals we have received. We came up with some SIFs in the first quarter. But see the whole idea of having a products in ICICI Prudential is that we are preparing an AMC for the future also. So when I've got four

SIFs, it's not that SIF is going to completely change my P&L tomorrow.

But I start creating a track record on those products. So one has to think from a long-term point of view. Balance advantage fund we started some years, for 3 years it was only a INR300 crores or something like that. And then after showing a track record, you start publicizing that. So don't look at irrespective of the nature of markets, whether the market is in a euphoric condition or the market is subdued.

We will come up with our launches. You'll see regular you must be seeing a lot of launches and you will see regular launches in the next 9 months and maybe Vipin can give some color on that, but it is more for creating a product bouquet for the future rather than don't look at the number alone, look at more from the capability to create a track record and then based on the track record it can lead to future.

Vipin Bhandari: The whole idea of launching ideas is to see opportunities available in market. There are multiple ideas which we are launching on MF side. Under MF we have products which we have launched currently running which is under fund of fund categories and then we are launching a new category which we are super excited about which is life cycle fund wherein we have got the approvals in near future we should be launching those ideas along with a contra category which has got approved. This is on MF side.

Equally we are excited on ETF. We have approvals in multiple ideas and this is under MF category. Then if I have to talk about ideas under SIF, we have already four out of seven which are approved and there is one more approval which we have which is under sector rotation SIF. This is on SIF side and equally excited we are on the entire alternate ideas. We have a successful idea which is running, which is commercial real estate which we will launch the next series of it and we have multiple ideas under real estate and also on the equity side.

Prayesh Jain: Got it. Thank you. This is super helpful.

Nimesh Shah: So this life cycle is a very interesting one. It will also have the year. So typically I will launch 2031, 2036, 2041. You're launching a year. The guy has got so much clarity. If you're retiring in 2041, you are collecting the money for 2041 or if your son's education is in 2006. So it will help a lot whether it is retirement or a person's son's education, daughter's education, whatever is the goal if it is in 2031, 2036 or 2041. So I think SEBI has introduced a brilliant category and we are I you'll see us launching those products in the year.

Prayesh Jain: Okay, thank you.

Moderator: Thank you. Your next question comes from the line of Dipanjan Ghosh with Citi. Please go ahead.

Dipanjan Ghosh: Hi, good afternoon everyone. So few questions from my side. First when I look at your PMS business, obviously it continues to do well and even when I compare with your overall mutual funds or equity mutual funds, it seems that the growth rate sequentially have been far better for the last few quarters.

Now I just wanted to or rather I would presume that this favorable growth in PMS would be a factor of relatively higher flow contribution as mark-to-market differential might not be that high. So just wanted to get some sense of the structural driver behind this flows in the PMS business and maybe some color on the distribution strategy or channel mix in that business. That was the first question. The second was on the advisory business...

Nimesh Shah: Dipanjan, let me first finish PMS then we'll go to the second question. See first of all your assumption that it may be more because of flows and not because of mark-to-market unlike in in PMS I've got a reasonably big pipe product also where the composition of mid-caps small caps would be higher to that extent the mark-to-market over there would be higher.

Having said that, in PMS or the overall alternates will not only have products like PMS AIF which will be a factor of mark-to-market as well as sales that happens. Also when you sell alternates, a part of the AUM will come when you actually call for that money. Right, even suppose commercial real estate, if I am I'm calling for 50% of the funds today and 50% of later in the AUM you'll see only 50%.

So whether it is private equity, whether it is any of the alternate products, you won't see the entire sales been reflected in the numbers per se because the client will give the money later also. But overall forget quarter or this one, it's a good business where you can take a better a different risk matrix than in the mutual fund.

Mutual fund I'm very clear that the retired school teacher is my target customer and the risk management is that much more strict in the mutual fund side. Here maybe we'll play with concentration risk. Right, we will in a mutual fund typically we'll have 50 plus stocks but in a PMS AIF I would be on an average you would have 30 stocks.

So that's what if I have to play concentration, if I have to play more slightly higher risk parameter, here the customer does understand that he's taking that incremental risk for the incremental return. So focus is on everything in mutual fund also on PMS also. We have segmented the market in different market segments we'll be focusing on different products.

Dipanjan Ghosh: Got it. No, sure, that's fair enough. No, just maybe one small follow-up on that would be that you know, you mentioned that on the alternates piece obviously the AUM that you're reporting is fee earning AUM and as and when you call their money you obviously the AUM kind of sees a jump. So I mean what's our trajectory let's say over the next 2 to 3 years and maybe previous participant's question you also mentioned you have a pipeline for commercial real estate and some real asset funds also. So how should one think of your aspirations in that segment?

Nimesh Shah: No, first let it become big no. Let it become that material otherwise we'll spend too much time discussing that where it is not I would rather first make it big so that it is material to discuss back. Today it is not that big vis-a-vis the overall P&L.

Dipanjan Ghosh: Got it. Fair enough. Second was on the advisory business. I mean the AUM in the advisory business has seen some moderation. So just wanted to get some idea on what are the drivers behind it?

Nimesh Shah: It is more of advisory is more of international business and international business you know there is a lot of FII selling that has happened overall in India and similar trend would have been reflected in my international -- advisory is essentially advising international outfits and to that extent there would have been redemptions and that is why you would have seen lesser flows or lesser AUM over there.

Dipanjan Ghosh: And last question was on the coming back to the SIP part. To the extent possible will it be I mean would it be possible to give some color of the SIP mix across some schemes or a broader mix let's say between hybrid, pure equity or anything that you can give some color on that part?

Naveen Agarwal: So, I think we've only put out the number which is on a total basis. We haven't given the breakup across the asset or across the schemes. But as you know -- which are the schemes in which we are bigger, the SIP numbers in those schemes obviously for us also go in that line itself.

Nimesh Shah: It will be more on equity funds, pure equity funds the SIP will be more towards that.

Vipin Bhandari: And luckily we have lot of investors who have varied requirement. So we see lot of SIPs coming in hybrid also. We see SIPs coming in multi-asset, SIPs coming in BAF wherein customer is looking at products which are less volatile and the goal is closer than what he needs in next three to five years. So it's mix of both.

So reply to your thing is we don't market SIP separately and mutual fund separately. We market our mutual funds. Some customer prefers to so it would be in line with what Naveen said. It would be in line with our AUMs only.

Dipanjan Ghosh: Got it. Thanks and all the best.

Nimesh Shah: The data is in front of me but it is too dispersed to tell you any it is spread across I can see some 20 on my screen in front of me I can see some 20 schemes. So there is no problem in sharing the data but it won't make it is spread across.

Dipanjan Ghosh: Got it. Sure. Thank you and all the best.

Moderator: Thank you. Your next question comes from the line of Shreyas Pimple with Nomura. Please go ahead.

Shreyas Pimple: Hello, thank you so much for the opportunity. I wanted to understand the color of investment book that we have, INR4,225 crores. The reason is for the quarter we have seen INR181 crores of other income which amounts to around 17% of annualized yield. I understand you highlighted that small cap, mid cap and large cap had different kinds of MTM gains in the quarter.

But I wanted to understand the color of this investment book. How much first of all you have highlighted mutual funds, AIF and corporate bonds as segmentation. How much of the 23.5% AIF other equity and REIT is subject to mark-to-market? So that was the first question. And second question on that was how much of the investment book would be around in large cap, mid cap and small cap if you can give the bifurcation?

Naveen Agarwal: So on a broad basis we mentioned earlier as well, if you look at our overall investment book, about 50% of the investment would be on account of seed capital and the seed capital is effectively you know most of it is driven by the SEBI formula. So to that extent it is largely driven by the mark-to-market as we get in the respective underlying asset classes.

Now vis-a-vis March to June, obviously as of March you would have you would have seen in our number there was a market fall as on the last two days of the month, last days of the quarter, hence there was a big mark-to-market loss and as of June towards the end of June on 30th June the markets were up, hence you know we had a mark-to-market gain. But 50% of the overall investment in seed money is what you should take as a ballpark number.

Shreyas Pimple: Got it. And just on that 23.5% is into AIF other equity and REIT. How much of it is subject to MTM?

Naveen Agarwal: We'll come back to you on the number separately but you know broadly if you see as I said the other way of looking at it is 50% seed and 50% non-seed.

Shreyas Pimple: Got it. Yes, that was the only question I had. Thank you so much.

Moderator: Thank you. Your next question comes from the line of Abhijeet Sakhare with Kotak Securities. Please go ahead.

Abhijeet Sakhare: Yes, good evening, everyone. So, my first question was on the opex. Now just from an accounting point of view when we have the salary hikes for the year, does that get spread out throughout the four quarters or there is a first quarter impact playing out there?

Naveen Agarwal: So, the salary hike you know would be on actual basis. So, whatever gets paid out on quarter on a month-on-month basis is what you would see as a reflection in the number.

Nimesh Shah: So, salary is increased only once in a year in April. So, it's pretty whatever is increased will be increased for the whole year.

Naveen Agarwal: And Abhijeet if you're looking at the number vis-a-vis the last quarter, I think I mentioned in my opening remark as well and we had mentioned in the last investor analyst call as well. In last year there was no charge on account of ESOP or similar head while this year it has come in and in Q4 specifically there was also a reversal of any such charge that we had provided for in the previous quarters. So, to that extent the numbers are looking elevated when you look at the total employee cost on a Q-on-Q basis.

Abhijeet Sakhare: Got it. So, looks like this is like the quarterly run rate. There is I mean ESOP point you had clarified earlier, but even from a salary hike or salary revision point of view, there is nothing in terms of one-off in the first quarter in terms of the normal seasonality as well.

Naveen Aagrwal: So, this is the monthly this is the quarterly run rate you're right and just to clarify obviously these quarter numbers and also the previous quarter numbers now include Venture as well from an expense perspective also.

Abhijeet Sakhare: Understood. And if is it possible to quantify the impact because of Ventures?

Naveen Agarwal: So that has not been really material. It's a small number as you know the entire business acquired. But run rate basis you must now take the June quarter number as the quarterly number.

Abhijeet Sakhare: Understood. Got it. That was the only question. Thank you so much.

Moderator: Thank you. Your next question comes from the line of Mohit Mangal with Centrum. Please go ahead.

Mohit Mangal: Yes, good evening and thanks for the opportunity. My first question is that you know in the opening remarks you said that there is no negative impact of you know account of changes in TR regulations. So fair to assume that you have passed on all to the distributors?

Naveen Agarwal: Yes.

Mohit Mangal: Okay. Thanks for the clarity. And my second question is towards the employees. So, we have seen that you know employee count has you know kind of increased 6% sequentially. So what was the reason for that?

Naveen Agarwal: So, if you look at it from a quarter-on-quarter basis, sometime the hiring happens in a particular month and the count increase is mainly on account of additions that we do at the sales level. Also, typically campus hirings happen in the Q1 the employees come in Q1 -- So sometime the Q1 number looks elevated, but I don't think you must read anything more than that in those numbers. And also, this is vis-a-vis there is also a small addition on account of employees that have come over from ICICI Venture as well.

Mohit Mangal: Understood, understood. Lastly in terms of debt, I think you know the growth kind of has come down sequentially and even on year-on-year basis it's in lower single digit. So any kind of color on the debt AUM?

Naveen Agarwal: So, I think Nimesh answered that a little while back. Effectively it's a reflective of what has been the behavior of the institutional customers who park money in the debt schemes. If they see the usage of that money more in their business and for their working capital purposes, you would see this money moving out of the debt liquid schemes into their respective businesses and I think that's what we have witnessed at the industry level in this quarter.

Mohit Mangal: Understood. This is helpful. Thanks, and wish you all the best.

Moderator: Thank you. Your next question comes from the line of Neeraj Toshniwal with UBS. Please go ahead.

Neeraj Toshniwal: Yes hi, on the alternates net yield of 95 basis points I just wanted to understand how the trajectory will kind of move forward because it has been quite volatile over the last couple of years. So just want the sense that how should one model it and what is the right way to think about it.

Management: Yes, so I think we mentioned it earlier also. What we have observed is that these yields in the net yield in the alternate business typically hovers between 90 to 100 basis point and the difference is also on account of the composition of the product mix. So, it's a function of that. It's pretty much in line with the larger range that we that we've seen over a period of time.

Neeraj Toshniwal: Sure. And on the new products which you mentioned like life cycle products and all, how is the mix are they more towards debt within that given small base and how you're thinking about it and what kind of yields we should be you know modeling in those products if any more color you can give because these are more like a insurance endowment kind of a product which is there in whole world.

So just wanted to get some sense whether it kind of conflicts with insurance products or it's totally you know a new way of building out the product as an asset allocation within that.

Naveen Agarwal: See of the alternate AUM if you look at we mentioned those in the numbers as well, the largest component is the PMS AUM which is long-only equity. You know any inflows that come in is from across clients and that is more equity linked. So is the case where we have a category three AIFs where again it is equity invested.

Only in the category two funds whether we have private credit or you know commercial real estate or you know any other funds, that is where it's more debt linked. The new launches whether it is the new scheme on the PMS or the AIF side or Cat 2 would be there in all categories

Neeraj Toshniwal: And this life cycle fund would be outside of this AUM or?

Vipin Bhandari: Life cycle is more on MF side and as per SEBI regulations they follow the expense structure which is predefined by SEBI.

Neeraj Toshniwal: But the mix asset mix what would be the likely asset mix in that?

Nimesh Shah: The way SEBI has structured this product is they start with more of equity initially and over suppose you have taken a 2041 product, initially it will be more of equity, less of debt. As the years go by and as you go near the redemption, the debt component of those funds will increase.

Neeraj Toshniwal: Okay more of like a NPS kind of a model.

Management: Yes.

Neeraj Toshniwal: Sure. Yes, got it. Yes, that's it from my side.

Moderator: Thank you. Your next question comes from the line of Pranav Tendulkar with Rare Enterprises. Please go ahead.

Pranav Tendulkar: Hi, thank you for the opportunity. Can you just tell me what kind of yields on an industry level you see for active equity funds? Are they holding up? That's one. Second is that, in your there are so many questions that are asked on SIP. So, do you see any structural change in investor behaviour of SIPs? That's it. Thanks a lot.

Nimesh Shah: So, there I'll take the SIP one the easier one first, that there is no I think SIP is the way India there is nothing new about SIP, this is how India saves. Even when there were no systematic investment plans by mutual fund, there was a recurring deposit with banks. So, customers always preferred every monthly it's the way India saves. So, there is nothing new or strategic new. I think SIP has been doing well because it is the customer needs because customers in India save monthly. So, nothing new about SIP. And what was the first question? It was about....

Pranav Tendulkar: Sustainable yields you see these sustainable yields will be around this range? So, barring whatever structural changes we are doing because of the real estate fund and other AIF etcetera, structural yields you see holding up, right?

Nimesh Shah: On the mutual fund side SEBI has done a very good job of regulating the expenses, and the expenses keep on coming down as the size of your fund increases. That is the best thing to happen because the customer it has become a very good product for the customer and from a push product 20 years back, it has become a pull product today where people sell mutual funds. So that the customer gets attracted to their website and then they can do other products. So, this transition has happened because the charge on the mutual fund is very less.

So, I think that's the best thing to happen so the probability of beating the benchmark increases to that extent. So, the mutual fund has become a pull product from a push product only because we charge less. So, I think SEBI has just changed the way we charge, and this structure, almost at 100 basis point he gets a product which is actively managed, the customer.

Pranav Tendulkar: Thank you, sir.

Moderator: Thank you. Your next question comes from the line of Divij Punjabi with Banyan Tree Advisors. Please go ahead.

Divij Punjabi: Hi, thanks for the opportunity. I have two questions. First is what is the current view on small and mid-cap valuations?

Nimesh Shah: In the investors call where I'm looking at, I am not getting into the market calls and all. Right, there are separate calls we do for the investors, on where we see the market and why, but overall, we have always believed that the way you position in the market. So, it will be more -- let's discuss this when we are talking to the investors call, not when you are my investor in the mutual fund, I will discuss that.

Divij Punjabi: Sure. No, I just wanted to understand from a sales point of view, some time ago, like, you were not pushing small and mid-cap because of the concerns around valuation. But sure. Second one is, around the passive...?

Nimesh Shah: After two years of mediocre performance, the situation is not the same as it was in September 2024.

Divij Punjabi: All right. Sure. Second one is around the growth in the passive, which has come out quite good. So, what is the driver of this growth?

Naveen Agarwal: So passive if you're looking at the numbers, we know, there was a lot of inflows especially in the categories of gold and silver at the industry level also. So that has also been one of the big drivers. Apart from that, the rest of the growth has been you know pretty much in line with the overall industry. There is passive effectively comprises of as you know ETF and Index funds.

On the on the Index fund side, you know the base is small of the total passive index base is small. ETF, there are also a lot of institutional investors who park money on the ETF side. So the growth numbers are also driven by their appetite or their change of focus. But barring the flow increase that we saw, if you look at it on a year-on-year basis vis-à-vis gold and silver, the numbers have been pretty much in line with overall industry.

Divij Punjabi: Okay, sure. Thanks.

Moderator: Thank you. Your next question comes from the line of Gaurav Jani with PL Capital. Please go ahead.

Gaurav Jani: Thank you. The first question is you know hopping back again on the staff cost. So, excluding the ESOP charge that would have been recognized in the quarter, I mean barring the appraisals which generally are chunky in nature or quarterly in nature, staff cost logically should rationalize, right, in the coming quarters?

Naveen Agarwal: No. I think, Gaurav I gave the explanation. If you're looking at it vis-à-vis last year, if you look at it on a Y-on-Y basis, our employee cost has gone up by 11%. And that is the right comparison that you should see.

If you're looking at it from a Q-on-Q basis, you would see a larger increase, but that is because of the one-time phenomenon that happened in last quarter of last year; wherein, I explained that earlier as well, there was some of the reversals that we had done in the previous quarters. So that's why the numbers are from a Q-on-Q basis is looking higher, but the base the number that you see now for this quarter is the right base to look at. This is the run rate for the quarter.

Gaurav Jani: No, I understand the base which you had anyway explained I think in the last quarter. What I'm trying to get at is after Q1 of 2026, right, there was a moderation in staff cost sequentially which I believe was related to the appraisals which happened in Q1. So, if you look at Q2, 2026 over Q1, 2026 or Q3 over Q2, so there was some there was some moderation?

Nimesh Shah: No, your first assumption itself is not in line with how this company functions. Whatever changes I had to make on the compensation would have happened from April 1st onwards. Right, so whatever is effective April 1st onwards and that will be accounted in that quarter itself, April, May, June.

So it does not happen that you do appraisal in April and the salary starts increasing sometime in the next quarter or something. It happens on 1st April itself, since the time the company has been in operation.

Naveen Agarwal: So it's effectively an annual performance appraisal cycle and the...

Nimesh Shah: Effective 1st April

Management: Compensation change happens in the month of April, effective 1st April.

Gaurav Jani: Understood. Sure. The second you know coming back on the SIP, just one thing I wanted to check with you guys. So for the industry, right, SIP on a quarterly basis has increased by 1%. I mean it's been a while since we've seen such a low growth 938.5 billion over 929.3, so translating to about 1%. So would we be in line with the industry in that sense or would we be kind of lower or higher?

Naveen Agarwal: Sorry, which is the number you're referring to SIP AUM...

Gaurav Jani: SIP flow for the quarter for the industry. So that has only been sequentially up about 1%, which has been a while. So such a low number. So, just want to check, are we in line with industry or lower or higher in terms of the quarterly growth in SIP flow?

Naveen Agarwal: Our numbers would trend that of the industry on a quarterly basis. You are adding April, May, June number for the industry...

Gaurav Jani: This is correct.

Naveen Agarwal: Our numbers also would be pretty much in line with that of the industry.

Gaurav Jani: Perfect, perfect. That is what I want to check. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I now hand the conference over to Mr. Naveen Agarwal for closing comments.

Naveen Agarwal: Thank you everyone. We appreciate the interest shown by the analyst and investor community. Thank you very much and wish you all a very good evening.

Moderator: Thank you. On behalf of ICICI Prudential Asset Management Company Limited, that concludes this conference. Thank you everyone for joining us and you may now disconnect your lines.