Q4 FY24 Earnings Call - 360 ONE WAM Limited

- **Mr. Anil - Moderator, 360 ONE WAM Ltd:**

- Good afternoon, ladies, and gentlemen and welcome to 360 ONE WAM's Q4 FY24 Earnings Call. As a reminder, all participant lines will be in listen only mode. There will be an opportunity for you to ask questions after the management shares their thoughts. Should you require assistance during the conference, kindly signal the host by tapping on the 'Raise Hand' icon. Please note this conference is being recorded.

- On the call today we have with us Mr. Karan Bhagat - Managing Director & CEO, Mr. Anshuman Maheshwary - Chief Operating Officer and Mr. Sanjay Wadhwa - Chief Financial Officer.

- I now hand it over to Sanjay to take this conference ahead. Thank you.

- **Mr. Sanjay Wadhwa - Chief Financial Officer, 360 ONE WAM Ltd:**

- Thank you, Anil, and a very good afternoon. Indian equities witnessed one of the most upbeat market cycles supported by robust economic momentum, financialisation of assets, and global flows. Strong GDP growth and capital markets expansion is accelerating the pace of wealth creation in India. As per the industry and company's internal estimates, the financial assets of UHNI households at $ 915-935 bn and for HNI households at $ 230-240bn. We expect them to grow at 13-14% CAGR over next 3-4 years. Overall, we believe India's Wealth & Asset Management sector is poised for structural growth phase in coming years, supported by faster wealth creation outside traditional pockets and overall low penetration

- Now, coming to our business - The growth in our client base has been very healthy for FY24. For this year, we have onboarded over 400 new clients with Rs 10 Crs+ ARR AUM. Clients, having total AUM of 10 Crs+, stood at 2,750+ and account for 93% of Wealth AUM (excl. custody)

- During FY24, at the Partner & above level, 35+ new hires are being onboarded in the Wealth Sales teams allowing us to significantly expand our market coverage and penetration.

- Before we deep dive into financials, we would like to highlight that the Board has approved the first interim dividend of Rs 3.5 per share for FY25

- Coming to the business and financial numbers; in line with our focus on ARR assets, total ARR AUM increased to Rs 2,27,879 Crs - up 36.3% YoY. This growth was driven by strong net flows at Rs 26,915 Crs during the year. Further, the overall active ARR AUM stood at 1,99,606 Crs

- Our Wealth ARR AUM stood at Rs 1,55,631 Crs - up 43% YoY, while AMC ARR AUM stood at Rs 72,248 Crs - up 24% YoY

- Our ARR Revenues for the full year grew by 13.6% YoY at Rs 1,331 Crs, led by growth in assets across business segments and healthy retentions on Active ARR AUM. Our ARR Revenues, as a % of total revenues from operations, stood at 72%. As mentioned in our previous calls, our focus would continue to increase this.

- Total Revenue from Operations is up 17.9% YoY at Rs 1,846 Crs for FY24. The year also witnessed higher transactional / brokerage Income, mainly driven by opportunities in the private markets. Our large UHNI client base allows us to capitalise on such opportunities, creating value for the clients and the firm.

- Total Revenues are up 25.3% YoY at Rs 1,965 Crs for FY24, also supported by higher other income

- Total Costs are up 33.1% YoY to Rs 956 Crs in FY24 due to addition of multiple large teams in the wealth segment and investment in the HNI and Global business segments

- The employee costs rose by 36.3% YoY, on account of additional headcount, including certain senior level hires and Cost-to-Income ratio stood at 48.7%. We expect this ratio to gradually settle down over the next few quarters as the new business initiatives / new teams start generating revenues. The overall C/I ratio, without the expense attributable to the new initiatives, was 44.4 %.

- We are very happy to report our highest ever PAT on both quarter and full year basis. Q4 PAT stood at Rs 241 Crs while the full year PAT stood at Rs 802 Crs

- Tangible RoE is at 30.1% in FY24 vis-à-vis 26.7% in FY23

- Importantly, our tangible RoE (i.e., RoE excluding goodwill & intangibles) was robust at 30.1% for the quarter. This is a result of prudent capital management and regular dividend payout

- With that, I would like to hand it over to Anshuman to cover key business and strategic highlights

- **Mr. Anshuman Maheshwary - Chief Operating Officer, 360 ONE WAM Ltd:**

- Thanks Sanjay and good afternoon, everyone. As covered by Sanjay in his initial comments on the industry, we are confident about the significant opportunity for Indian wealth and asset managers. India witnessed more than 150+ OFS / IPOs and 600+ stake sales in FY24, unlocking ~USD 27 billion in value while the data from top 50 cities suggest there are ~150k folios with ticket size more than Rs 1 Cr. Robust growth of 12-15%+ CAGR in high-ticket financial assets class such as AIF, PMS and unlisted equity further strengthens this thesis. Annual growth projection of 13-15% over the next 3-5 years for UHNI and HNI clients indicates a higher level of wealth creation in these segments as compared to the average economic growth estimates.

- As a firm, we have always believed in defining sharp strategic focus areas, creating deep competitive moats, and giving disproportionate attention to execution. This has allowed us to take the right capital allocation decisions, significantly invest in talent, platform & technology, and drive innovation on products & proposition. We believe we are even better positioned today to sustain all of this, while scaling up to meet the requirements of larger client segments and new business engines.

- While our financial performance for the year remains extremely strong, I am taking this opportunity to present our performance across the overarching strategic themes we had defined for ourselves 4 years ago as well as our key strategic agenda for the next few years:

    - Firstly, 360 ONE pioneered the recurring revenue business model, with the transition transforming us into a far more resilient business model, both from a client and shareholder perspective. Our ARR AUM stands at upwards of Rs 225K Crs from a base of 62K crs four years ago. Further, our active ARR is at ~200K (88% of our total ARR AUM) operating at healthy yield of 77bps. Total growth in Active ARR AUM over the last year has been close to Rs 50K Crs and we believe this momentum can be sustained through the coming few years.

    - Secondly, we had identified two growth business segments - the Advisory proposition for our Wealth clients and the Alternates-focused AMC business. AUMs for both these strategic thrust areas have increased by 3.5-4x over the last four years and, today are at ~Rs 72k Crs each. Today, we have the most comprehensive advisory proposition, covering discretionary & non-discretionary mandates and includes areas of family office, tax & estate planning. On the AMC front, apart from listed equities, we have the largest & scale offering of alternates strategies which cover seed to pre-IPO, Credit, Real Estate, and Infrastructure.

      Going forward, we see our strategic thrust on four key areas: 1. Geographic deepening for our core UHNI Wealth clients; 2. Extending our core to be the Wealth Manager of choice for the HNI segment; 3. Building a robust proposition for the Global Indian; 4. Driving growth in our asset management business through expansion in institutional relationships and new fund strategies

    - Thirdly, we had called out our focus on cost and capital efficiency. Our business-as-usual cost-to-income has come down to 44.4% for FY24, with an additional 400+bps for investments in new growth engines. With the new business areas starting to accrue revenues, we would expect our overall cost-to-income to also reduce to the 44% level over next 2-3 years.

      On Capital Efficiency, our tangible ROE has moved from 7.7% to 30% over the last 4 years. This has been a result of a prudent release of additional capital as well a continued dividend distribution approach. We expect this ROE to sustain while we continue to invest in future growth areas.

- Lastly, we have sustained our pole position as being the employer of choice for our business areas. This is specifically evidenced by the addition of significant number of senior private bankers as well as the deep, experienced investment professionals we have added over the last 12-24 months. Our employee retention also continues to be industry leading, with voluntary attrition at only 5.4% for FY24.

  We will continue to selectively add talent in specific business growth areas as well as maintain our strategic focus on Technology and Data.

- Additionally, we continue to take pride in the external recognitions received by our Wealth and Asset Management businesses. We are very proud to be awarded the Best Private Banker at both Euromoney and Asian Private Bank for last year.

- Lastly, we are very excited by the path-breaking work being done by the 360 ONE Foundation. Over the last few years, we have transformed the traditional grant giving to a catalytic approach towards CSR, leveraging outcome-based & blended financing to unlock additional pools of capital and driving exponential impact for the end beneficiaries. We look forward to sharing more on the Foundation work over the course of the year.

- With that, I would like to hand over to Karan and open the session for Q&A.

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- Thank you, Sanjay. Thank you, Anshuman. Good afternoon, everybody. Before we get into questions and answers, I'll take two minutes to potentially summarize what the last year has been for us. For me last year has been a good year but most importantly, for us, it's been a year where we've seen a combination of growth and consolidation and both of those words are very, very important for us.

- From a growth perspective, we've seen our ability to digress into three new areas. First, we've established and set up our team and technology for the High-Net-Worth business. Secondly, we've recruited an excellent team to set up our global platform. And, thirdly and most importantly, we've been able to expand our sales force on the Ultra-High-Net-Worth side, especially with a focus on increasing our geographical spread. As we go forward, we are sure that these three levers, though they have a short term impact on cost, will lead to the right set of results over a period of 2-3 years.

- The expansion in the local geographical areas will start paying dividends over the 18-month period itself. The global business and the HNI business, over a 24-30-month period, will start becoming profitable and paying the right set of dividends. As we look back at the last year and look at these three components, each of these have contributed approximately Rs 25-30 Crs of cost incrementally to us over the last 12 months adding to around about Rs 80-90 Crs of cost over the last 12 odd months leading to approximately 4%-4.5% increase on Cost-to-

Income ratios. But this is really an investment for increasing and consolidating our pole position across these three businesses.

- Second, is our entire focus on consolidation. And when I say consolidation, it's very important to continuously improve the quality of our core business, both on the Ultra-High-Net-Worth Wealth Management side, as well as on the Asset Management side. We've really spent a lot of time over the last 6-9 months on improving the quality of business. And, therefore, we've internally divided our ARR AUM into active and passive. And as we speak every day, we are undergoing a transformation to ensure that the clients who are onboarded with us either on 360 ONE PLUS, either on discretionary, non-discretionary or advisory are onboarded on the right platform with the right fee structure. And as we go through that change, we expect a little bit of turbulence on our inactive ARR and some clients potentially moving from inactive to potentially a distribution model. But, overall, we expect most of our clients to move from inactive to active and very soon, most of that portfolio will get consolidated in the right manner. And as we go forward, the way we are looking at it is our active ARR will effectively in some ways be like the equity AUM of any Asset Management firm where we are charging AUM based fees and the passive ARR will be more like practically passive ETFs and so on and so forth, which at a point in time will move on to the active bucket.

- So, I think, our focus will continuously be on the consolidation on the Ultra-High-Net-Worth side to increase the number of families as well as ensure that our segmentation and engagement with the client is absolutely on the right side.

- On the Asset Management side, while the net flow number for the year is a muted number, it was a very exciting year for us. In 2018-19, we raised our first private equity fund and we are both fortunate as well as we had a good idea to have raised a lot large amount of money at that point of time. In that one year itself we had raised close to around $700-$750 million in our pre-IPO funds, Series 1-7. All of that came up for redemption over the last one year and potentially a little bit is left over the next six odd months.

- We've actually had a very good year in alternates in terms of Gross Sales. We were nearly close to around Rs 6,500-6,700 Crs of Gross Sales on alternates, which in some ways has got set off by this one-time activity of a block of funds getting redeemed this year. It's unlikely to continue ever again. Over the next 6-8 months, you'll have a little bit Rs 1500 Crs. After that, all redemptions are pretty much on an equi-weighted basis and part of regular business over the next 5-10 years. So, both on the Asset Management side and the Wealth Management side, it's also a period of consolidation for us. We are fairly excited to have added a net flow number of Rs 5,800-5,900 Crs on the active side. And while we continue to see a little bit of plus and minus on the inactive ARR AUM, we are fairly confident we'll be able to add around about Rs 15,000-20,000 Crs on a yearly basis on the active ARR AUM side. And that aided together with the mark-to-market will effectively help us increase our ARR AUM base on the Wealth Management side.

- So, with that, I covered the two main thoughts on growth and consolidation. This year was backed by a huge stability of revenues and obviously aided by a little bit of increase in capital market activity, which has led us to have an extra of Rs 100-150 Crs of transaction income as compared to what we would have every year.

- So, overall, I would like to put FY23-24 as a year of growth and consolidation across businesses with stability of revenues, a very strong focused strategy and incrementally aided by a little bit of incremental activity on the capital market side. Thank you.

- With this, we'll open it up for questions and answers.

- **Mr. Anil Mascarenhas - Senior Executive VP Communications, 360 ONE WAM Ltd.:**

- Thank you, Karan. We now open up for Q&A. Request you to kindly tap on the 'Raise Hand' icon to ask your question. We'll just give it a minute before we start the questions.

- First in line we have Mohit Mangal. Mohit, kindly unmute yourself and ask your question.

- **Mr. Mohit Mangal - Participant:**

- Thanks for the opportunity and congratulations on an excellent set of numbers.

- **Mr. Mohit Mangal - Participant:**

- Yeah. So, Sir, thanks for the opportunity and congratulations on an excellent set of numbers. So, to start off, nonrecurring revenue was unusually high in Q4. So, what were the major reasons driving that?

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- We had three or four transactions. We had a large block of placement of National Stock Exchange shares which essentially led to around about Rs 75-80 Crs incremental transactional and brokerage revenue. And, we also had another placement of shares which effectively led to another Rs 30-40 Crs. So, that was the incremental Rs 100-110 crores which got added in the last quarter.

- And, otherwise, of the Rs 216 odd Crs, Rs 115-120 Crs was business as normal. Another Rs 95-100 Crs was extra transaction brokerage in the last quarter.

- **Mr. Mohit Mangal - Participant:**

- Right, got it. So, flows-wise, the AMC had witnessed some outflows and then that was expected but 360 ONE also this quarter saw some outflows. I mean, any color on that?

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- No, overall, the active flows are better. It's around Rs 5,850 Crs for the current quarter. On the overall ARR AUM, we've gone back to most of our large clients, especially clients who had some bit of monetization over the last 12-18 months, to either move into our Advisory fee structure at the right fees or effectively get remapped back as distribution clients. So, really, those assets are not in some ways lost in the system. They've really moved out from the Advisory side to the TBR side.

- **Mr. Mohit Mangal - Participant:**

- Alright. So, now that we have, you know, completed the year with Rs 800 Crs PAT, as you had guided earlier, so now going over the next 2-3 years if you could give some guidance as to how should we see the business and even in the flow side as well, that would be great.

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- So, from a guidance perspective, broadly speaking we expect to add around 12%-15% of our ARR active net flows. We would like to focus on that number. So, our current number is obviously Rs 200,000 Crs of active ARR AUM because that has a clean translation into a retention of 68-70 bps and, therefore, the clean translation into the ARR revenue.

- So, on the active ARR, we would definitely want to grow it at 20%-25%. Obviously, that includes the mark-to-market element. So, if you take a normalized mark-to-market of around about 8 to 9%, the remaining 15-17% we would like to add from net flows every year.

– **Mr. Mohit Mangal - Participant:**

– All right. And on the profitability side for the next two years?

– **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

– From a cost perspective, last year has been an interesting year for more reasons than one. There's an incremental investment of around Rs 90 odd Crs in the three new businesses we started. Of the Rs 90 Crs, around Rs 20 Crs is one-time, because they are sign-on bonuses and so on and so forth to a large team coming in. Rs 70 crores is obviously going to continue as business costs for these businesses over the next 2-3 years. From a salary cost perspective and an employee cost perspective, I expect broadly around a 4 to 5% potential increase next year on the full block, because we are obviously going to have a little bit of efficiency improvement over the next 12 odd months. We'll obviously have a salary hike for the existing set of members, plus we're obviously not going to have the Rs 20-25 Crs one-time bonuses paid to these three teams over the last one year. On admin and tech cost, approximately, we'll see a broad increase around about 10 to 12% largely driven by tech and marketing. Those are the two aspects where we'll end up investing a little bit.

- So, if I look at the cost itself, you broadly got a cost around about Rs 955-960 Crs for the current year. Of that, you take out Rs 20-25 Crs, which is exceptional. And from there on, you should have an increase of around 7 to 8%, in terms of cost. So, I would expect the cost on a gross overall basis, increase by 5 to 6%, but that would actually translate to an 8 to 10% cost of increase after removing the one-time exceptional items.
- **Mr. Mohit Mangal - Participant:**
- All right and basically the newer businesses, the HNI and the international, would constitute around 10 to 15% of the total, over the next 2-3 years?
- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**
- Over the next 3 years, yes. Not over the course of the current financial year. In the current financial year, the mid-market business will start giving us revenues. The global business we will be launching on 1st October. So, the revenue contribution of that business for the current financial year will not be large, but it will start from October. The mid-market business should be, approximately for the current year, maybe 2 to 2.5% of our overall revenues, and that number would steadily move to around 2.5% to 10%-odd over the next 3 years.
- So, from a profitability perspective, a lot of different set of variables, but we will continue to keep retentions tight, grow the AUM at the number I spoke about earlier. The transaction brokerage income, I see it, more or less, in a steady course, and causing a moderate increase between 6 to 8%. So that's broadly 6 to 8% at the headline level. But at the base level, around 9 to 10%. So that's the combination which will lead to profitability growth.
- **Mr. Mohit Mangal - Participant:**
- All right. Thanks, and wish you all the best for FY24.
- **Mr. Anil Mascarenhas - Senior Executive VP Communications, 360 ONE WAM Ltd.:**
- Thank you. Next in line, we have Jayanth Kharote. Jayanth, kindly unmute yourself and ask your question.
- **Mr. Jayant Kharote - Participant:**
- Thank you for the opportunity, and congratulations on a great set of numbers. So, just picking your brains on the Rs 15,000 to 20,000 Crs active ARR AUM guidance that you mentioned. First of all, in the last couple of years, it seems we've been adding in that range of Rs 18,000 Crs on the active ARR AUM on the wealth side, excluding the AMC business. Isn't this guidance a bit conservative, given that the base has grown quite a bit, almost doubled in the past 3 years, client base has also expanded. So how are you thinking about it?
- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

– Well, from an AUM based perspective right now, obviously in our guidance, we've not fully factored in our mid-market and global businesses. That should add its own levers over the next 2-3 years. And also, the geographical expansion should come through in a more measured way. You're right, the number of families also, we had a good year last year. We've had 400-425 families which have incrementally added minimum of Rs 10 Crs with us. So honestly, numbers may look better, but on a steady state basis, assuming tougher capital markets for some time during the next 3-4 years, if I take an average over a 3-4, 5 year time period, a net flow growth of round about 15% to 20% is broadly where I would feel very, very comfortable with. Obviously, if we end up doing substantially higher, it would be great. But a 15% growth in AUM due to net flows would be great.

– Obviously, we've got a certain addition, which will also come through on the mark-to-market side. And obviously, if you can get a little bit of operating leverage on cost, it leads to a fairly healthy growth in profitability. But we will have levers, like you're rightly pointing out, to maybe potentially do slightly better.

– **Mr. Jayant Kharote - Participant:**

– Thank you. And if I could just squeeze in one more question, how do you think about the yields right now? You've had a very strong quarter this quarter on AIF PMS in the managed accounts. So, can this momentum be sustained? Is this a pocket that you identified for this quarter?

– **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

– Not too worried on the yields, honestly. The yields are fine. You might see a little bit of distortion on the inactive ARR AUM as we request clients to decide their engagement with us, whether they want to be advisory and discretionary clients, or they want distribution clients. So, I don't see a massive distortion in yields. We are unlikely to onboard advisory clients and non-discretionary or discretionary clients at 5-10 basis points. We may have them as distribution clients rather than advisory clients at 5-10 basis points. So, that might lead to a little bit of volatility in the inactive ARR AUM flows. But, otherwise, on the active ARR AUM flows, which I am forecasting to grow at that percentage, I think yields will not be a big challenge.

– The mix of the revenue on the yields is important. For us to continuously maintain our 68-70 basis points, we need to have a good, diversified base of clients. We can't have only large clients, above $30-40 million. Then the yields start going slightly lower. The engagement has to be slightly more discretionary as compared to only purely advisory and non-discretionary.

– And third, obviously, the NIM or the net interest margin should be less than 20% or maximum 21-22% of the overall revenue. If I combine all of these three, our retentions and our yields will be in the continued region between that 68-72 basis points. That I am comfortable with. And on the TBR side also, that broad number between Rs 350-400 crores to Rs 550-600 crores is what we'll end up with, depending on how the capital markets are looking, every year.

– **Mr. Jayant Kharote - Participant:**

– Thank you. Thank you. And congratulations once again.

– **Mr. Anil Mascarenhas - Senior Executive VP Communications, 360 ONE WAM Ltd.:**

– Thank you. Next in line, we have Prayesh Jain. Prayesh, kindly unmute yourself and ask your question.

– **Mr. Prayesh Jain - Participant:**

– Yeah. Hi, Karan. Congrats, on a great number. Firstly, on the transaction bit, you mentioned that you would want to maintain the rate. So, should we look at the annual rate to be maintained, or this was an exceptional quarter, and we should strip off that and look at a current rate, which is more of a nine-monthly run rate that we've seen, that to be maintained? Because for some time we've been mentioning about transaction revenues to be… I am happy that we're still getting a good volume from there. But, eventually, how do we look at the mix between transaction and ARR? Whether we go back to increasing ARR trajectory? That would be my first question.

– **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

– No. I can honestly tell you how I look at the business and that can give you a bit of a perspective. But for us, honestly, I think the way we look at the business is, it's active ARR EOM multiplied by the retention. That's pretty much the first parameter. So just to maybe break up last year's numbers our last year closing ARR number is round about Rs 2 lakh Crs. Our average would be about Rs 1,80,000-1,85,000 Crs, which would have a retention of 71-72 basis points, leaving us with ARR revenue of round about Rs 1,330 Crs for last year. So that's the first component. And what can this 2 lakh number grow to next year is the most important, because that has the highest amount of operating leverage and also has a little bit of a mark-to-market element, which keeps these 2 lakh crores growing. So, the first line item really to look at is these 2 lakh crores and to 70 basis points, which becomes the starting ARR revenue for us for, let's say, 1st April FY24 onwards.

– Then obviously, you add the transaction and brokerage income, which now we've been seeing different set of markets from 2016-17, all the way to now. It's fair to say that at our current base, current set of clients, current set of transactions across fixed income, listed equity, unlisted equity, everything put together, Rs 85-90 Crs number on a quarterly basis is pretty much the base. Typically, it can get pushed to Rs 125 to 150 Crs on the higher side. So, the way I would look at transaction brokerage revenue is, any number between Rs 400 to 600 Crs. It's a little bit of the function of the markets. So, that's the way to look at that.

– And then obviously, you add Rs 60 to 100 Crs of other income. So, these are the three components of the business. So effectively, it's the ARR AUM into the yield, plus the transaction brokerage revenue, plus the other income.

– **Mr. Prayesh Jain - Participant:**

– Yeah, that's pretty helpful. Secondly, just looking at the cost, the variable pay significantly jumped up in this quarter. Was there any linkage to the transaction jump? And secondly, even on the admin cost, we have seen a sharp jump. Now, if I divide the admin cost as percentage of ARR AUM, that would really be very high. So, how do we see that? are there any one-offs in those numbers?

– **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

– Yeah, so on the employee cost, like I pointed out before, the incremental bonus is broken up into two parts. The first half of it is really a function of the increase in transaction revenue. So, it's directly proportional to that. About Rs 100 Crs increase in transaction revenue, extra transaction revenue adds round about Rs 17 to 18 Crs of bonus extra. So, it's around about 17 to 18% is that addition.

– Of the Rs 23-24 Crs sign-on bonuses for new joinees, we've got round about Rs 11-12 Crs coming through in this quarter. So, those are the two one-offs in Q4, which has led to an increase in the bonus.

– On the admin cost, we've had a little bit of incremental spend on legal marketing and tech. On the tech side, we’ve accelerated a little bit of the spend on the mid-market side. So, it's unlikely to repeat in every quarter. But directionally, marketing and tech will be slightly higher. So what we've seen typically Rs 60 Crs a quarter over the last two quarters, potentially round about 57-58 crores in the quarters prior to that. Over the next couple of years, we'll head towards the Rs 70 Crs number, and then consequently towards Rs 75 Crs number. So from admin and all other costs put together, rent and so on and so forth, I would be comfortable around that Rs 70 Crs number with an incremental bias towards marketing and technology.

– **Mr. Prayesh Jain - Participant:**

– And another question is on retentions. While you mentioned that retentions are broadly okay. I know one piece that I've been asking every quarter, I think, is on the non-discretionary element of 360 ONE Plus, which is still at 17 basis points for the past three quarters. When do we see a recovery there? And secondly, there is the lending book, which has also seen a dip in the net interest margin at around 5.16% as compared to 5.75% in the previous quarter. What drove that and how do we see it next year?

– **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

– So, on the non-discretionary side, I would encourage you to try and look at the active ARR. I think that's where the retentions would come through. And as we make it sharper and sharper over the next 2-3 quarters and bridge the divide between active and inactive fully and we will see a retention between the 30 to 35 basis points. I am currently closer to the 20-29 basis points. We’ll move that towards the 30-35 basis points.

– On the second question, sorry, what was the second question?

– **Mr. Prayesh Jain - Participant:**

– Lending book.

– **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

– Yeah, we saw a slight spike in lending costs in Quarter 4. Nearly 60-70% of that is passed on, but it's passed on effective 1st April. We typically don't do it in the middle of the quarter. We wait for the quarter to end to pass it on to clients. So, it's not something which is not normal. We'll be back to, more or less, similar spreads, because the cost of borrowing, generally speaking, has also come down back again substantially over what it was in February and March. And we have also done a small public issue in the month of January. So, we had some money unutilized also for 30 to 45 days, which has also led to a little bit of a spike in cost.

– **Mr. Prayesh Jain - Participant:**

– Got that, got that. And last question, the global business, and the mid-market segment. You mentioned that they would be scaling up, say, in 18-20 months, start contributing in 18-20 months and possibly break even in about, or start making some profits in around 30 months onwards. But from my side, to look at it from a 5-year perspective rather than just looking at a 2-year or 3-year perspective, would you say that the Ultra HNI segment would be somewhere around 60% and these two would be contributing 20% each? And that would be the top line. And would that also mean that the profitability mix of these would also be similar, or would it be different?

– **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

– Profitability will be slightly different. I am comfortable with your headline number of 60-20-20, maybe 65-20-15, maybe a better representative. But it's broadly in the right range, let's put it this way. I am not quite exactly sure on the exact percentages. But I think it's fair to say about two thirds of the business would still continue to come from the two existing businesses we have, which is the Ultra HNI and the asset management businesses. Around 25 to 30% could potentially come out of these two businesses, with a slightly larger bias to the mid-market business.

– So, if I look at the overall whole business, including asset management, global will end up being around about 8% to 10% of the business, mid-market around about 15% odd to 17% of the business.

– **Mr. Prayesh Jain - Participant:**

– Got that. Thank you so much.

– **Mr. Anil Mascarenhas - Senior Executive VP Communications, 360 ONE WAM Ltd.:**

– Thanks, Prayesh. In the interest of time, request you to limit yourself to two questions.

– Next in line, we have Anirudh Agarwal. Anirudh, kindly unmute yourself and ask your question.

– **Mr. Anirudh Agarwal - Participant:**

– Thanks for the opportunity and congrats on a great set of results. First question, Karan, was on the flows' guidance of Rs 15,000-20,000 Crs. How do you think about the mix of these flows going ahead? So, I mean, last year, we've seen that a large part of the flows essentially came in the advisory business, which has its own implications on yields and so on. And distribution seemed to be slightly weaker after a while. So, any thoughts on how you think about that?

– **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

– I think that's a great question. Honestly, the mix of that Rs 20,000 Crs will finally dictate the yield. So, on an ideal basis, as I said earlier, having a slightly bigger bias to discretionary and alternates, those two obviously will have the highest yield, followed by the public markets and then followed by pure advisory. So, that's the broad descending order of retentions. So, for our Rs 20,000 Crs to maintain the right retention, we have to have the right mix of all the four.

– And we were quite happy with our discretionary, the way it's panned out for the last 12 to 18 months. Even there, though we report everything under active, we've had our own set of consolidation points. We had one client with nearly Rs 1,300 Crs with very, very low yield, which we've got him down to round about now close to Rs 400 odd Crs. So, his Rs 1,000 Crs of redemptions are actually knocking off Rs 1,000 Crs of new flows in that segment. But we're quite excited about our discretionary piece. It's coming out very well. Performance is extremely good. Relationship managers are fairly excited about that platform. So, I am expecting that to do substantially better over the course of the next 2-3 years, and be a much more integral part of this Rs 20,000 Crs, as compared to what it has been over the last couple of years.

– And second, on the alternate side, with regular redemptions coming through every year, if we can repeat our performance of last year, where we had gross flows round about Rs 6,500-6,600 Crs. And we've got a really good product pipeline, including a product which we launched in February-March. I think that Rs 6,500-7,000 Crs will also incrementally add a lot.

– So, these two out of the 20,000 obviously add the highest retention, followed by the third-party product distribution, and then followed by advice. This would be the sequence. While I don't have an exact breakup of that 20,000 Crs of net flows, but directionally speaking, these are the four places where we should be able to get the right mix.

– **Mr. Anirudh Agarwal - Participant:**

– Got that. Thanks. My second question was on the team. So, you've clearly gone out aggressive after a while and hired the senior hires. But the RMs number seems to be flattish. So, is there any disconnect there wherein you've added a substantial number of team leads, but RMs not hired? Any thoughts on that?

– **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

– Yeah, that's a planned strategy, actually. That's by intent and not by default. As we've gone on to the advisory side of the business and gone a little slow on the pure distribution business, and even our method of acquiring clients is more on the advisory and the platform and the solution side as opposed to the product side. I think, on that business, just increasing the number of relationship managers really doesn't help. We really need the right set of senior bankers or partners to be able to onboard the clients.

– The model is really going to be a senior banker, and along with him, maybe potentially one or one and a half. And I am just cutting across designations here, and I am just using it loosely. There'll be one senior banker or team leader combined with one, one and a half junior bankers. So that's really what you're seeing as the representation of the team right now. You've got about 120 odd - 95 senior partners, we've got 20-25 partners, and about 85 - 90, or maybe 100 relationship managers. So, that's the broad setup of the team. All the 95 senior partners obviously are, in a sense, supporting the remaining 120. But we've got a further 25 partners who are very, very close to moving towards senior partners over the next 12 to 18 months. And we've got another 100 relationship managers. So, the relationship manager strength will be, more or less, double the senior partner strength over a period of time. So, let's assume 100 senior partners, you'll have another 100 relationship managers very broadly. That's what it will look like.

– **Mr. Anirudh Agarwal - Participant:**

– Got it. Thanks. Final question. The NSE shares that you had on your own books, if you can just update on the status of that? I am assuming some part of it was sold in the recent launch

– **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

– No, we don't have any NSE shares on our books as such. We try and do it as simultaneously as possible. Obviously, whatever we have a lot of exposure to NSE through the investments we've made in our funds. That's a larger exposure to NSE. But we may have, at the end of the quarter, not more than $12-13 million of NSE. So, approx. Rs 100 Crs of NSE, everything else is sold.

- **Mr. Aniruddha Agarwal - Participant:**

- Understood. Got it. Thanks, and all the best.

- **Mr. Anil Mascarenhas - Senior Executive VP Communications, 360 ONE WAM Ltd.:**

- Thanks. Next in line we have Gaurav Jain. Gaurav, kindly unmute yourself and ask your question.

- **Mr. Gaurav Jain – Participant:**

- Hi, thank you for taking my question. First is on the cost side, Karan, this 10%-12% growth expectation that we have on other expenses and 8% to 9% on the adjusted employee cost etc., this is building in the launch of midmarket global that we have in this year and also are there more RMs or team leads required to be recruited for these businesses?

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- For the current year, it's well factored and there is a little bit of productivity efficiency on the current relationship manager strength, and if you look at our launch of our midmarket business, today for this for the current year, we have the ecosystem of - broadly if you look at our client based today, we are round about 3000 odd families with Rs 10 Crs with us. We've got another potentially 3500-4000 families with between a 1 Cr to 10 Crs with us and that will really in some senses be the starting point of our high network business. Secondly, when we look at these 3000 clients who have Rs 10 Crs with us, they themselves around them have an ecosystem where they are connected at least to minimum of four to five clients in their immediate ecosystem, it could be their office, it could be their friends, it could be peers or colleagues they are working in effectively who would have at least 4-5 clients we can touch base through them. The idea in the first year really is to do three things. First obviously, we brought these 3000-4000 clients who were already onboarded in their system over the last 8 to 10 years. Second, you got a very, very strong circle of influence of these high-network existing 3000 families and third like we discussed earlier, you know out of the 230 and 240 relationship managers we have, we have some 40-50 really good relationship managers who have moved from different banks to us and enjoy and also fit in potentially the HNI business a little bit more because they enjoy acquisition, they enjoy product sales, and they want to onboard a lot many more clients and spend a little bit more of their time on man management. We see the initial 30-40 people also move out from or rather move from the ultra-high network business to the high network business and we'll end up recruiting potentially another 8 to 10 people as we build out the business over the course of this year.

- On the global side, our recruitment ambitions this year will be fairly moderated after recruiting the initial team of 12 to 15 people, which are relatively fairly senior people. So, we will launch our business in October. We expect to recruit another 3 to 5 people both on the investment side as well as on the sales side. We'll try and get to our first 500 million or billion by the end of this financial year and once you've really tested the platform out and we know exact right to win, it's only then we'll go out and invest massively in building out people. In the current year, you know both these costs have been well factored in and a large part of the platform costs are already incurred or being incurred and part of that salary, cost of salary, cost of Rs 720 Crs for the last year.

- **Mr. Gaurav Jain - Participant:**

- Got it. Second is on NIM yield. So, NIM yield has basically fallen to 5.16% for the quarter from a run rate of 5.75, 5.8 that we used to enjoy. So, what exactly has led to this drop and is it the new run rate that we should be building in FY25 onwards? And is it also linked to the lower dividend that we have announced for this year, I mean from a 4-4.5 run rate, we have announced 3.5, so is it that we are wanting to conserve more capital while I understand we payout policy 70% to 80% and this is in that range, but the past two years

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- The NIM is pretty much similar to what I explained in the question before, a little bit because of cost of funds and a lot of it is a most of it is going to get translated to clients this quarter. In terms of building the new long-term average for them, it will be somewhere between last quarter and what it was before. That's really where we end up. Going forward, in terms of why the dividend payout ratio is slightly lower, right, we've obviously got a fairly good growth in the loan book of nearly Rs 8,000 odd Crs and we've just decided to keep a little bit extra capital for that and also as we're raising new funds on the side just trying to ensure that we have a good amount of capital to put in a sponsor though we though we don't need to put in a large amount of capital now, but we are ensuring that we have the right amount of capital to put into this. We will therefore be towards the lower end of the range on the 70% to 80% this time.

- **Mr. Gaurav Jain - Participant:**

- Got it. Thank you and all the best.

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- Thank you.

- **Mr. Anil Mascarenhas - Senior Executive VP Communications, 360 ONE WAM Ltd.:**

- Thank you. Next in line we have Nidhesh Jain. Nidhesh, kindly unmute yourself and ask your question.

- **Mr. Nidhesh Jain - Participant:**

- So, last year we guided for around Rs 40,000 Crs of net flows on overall ARR assets and now we are guiding for around Rs 20,000 Crs of active net flows in ARR. So, why there is sharp reduction in the guidance on the net flows for next year despite adding manpower in the UHNI segment?

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- Rs 40,000 Crs of flows obviously in some senses on the ARR side included a little bit of active and inactive. To be fair Rs 40,000 Crs should represent about Rs 23,000-24,000 Crs of active ARR assets. So, really in that sense when I am saying Rs 20,000 Crs, I am not really being that exact. I think a fair number would be Rs 15,000 to 25,000 Crs, which is around about 10% to 15% of our current AUM, right. If you take our current AUM of 2 lakh crores, I am saying any number between 10% to 15% you should add as active net ARR flows, which is effectively Rs

20,000 to 30,000 Crs. That 20,000 to 30,000 plus should represent about 70% to 75% of the total flows.

- **Mr. Nidhesh Jain - Participant:**

- Okay, sure and if you can share that trend in active ARR net flows over last two to three years that will be useful for us to compare how the net flows

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- Yeah. We will do that from next quarter onwards we will break it up into active and passive ARR and we'll report it historically also.

- **Mr. Nidhesh Jain – Participant:**

- Okay, okay, and lastly if you look at the trend in NDPMS and discretionary PMS for last two years, last 8-9 quarters in the nondiscretionary PMS, the AUM has been stable despite the decent mark to market movement probably. So, what is happening there, why we are not able to scale that business?

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- The active NDPMS would have grown in line with both the flows in the market. The overall NDPMS numbers would have suffered from the same set of reasons which I described earlier whether the certain set of movement from active to inactive.

- **Mr. Nidhesh Jain - Participant:**

- Going forward, do you expect 360 ONE PLUS share in overall ARR AUM to go up or it should remain stable?

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- It will go up, it will go up, but as I said earlier, we would like the discretionary part of the 360 ONE PLUS also to move slightly faster than the overall.

- **Mr. Nidhesh Jain - Participant:**

- Okay, sure. That's it from my side. Thank you.

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- Thank you.

- **Mr. Anil Mascarenhas - Senior Executive VP Communications, 360 ONE WAM Ltd.:**

- Thank you. Next in line we have Dipanjan Ghosh. Dipanjan kindly unmute and ask your question.

- **Mr. Dipanjan Ghosh - Participant:**

- Hi. So, just two questions from my side. First on the institutional mandates in your AMC business, it seems there have been some outflows or redemptions. So, just try to get some sense of how the pipeline is stacking up and in terms of your family office, the distribution engine, how that is really going out, because if I look at the AUM on the institutional mandates on quarter-on-quarter basis, it seems to be down by around 4 billion sort of a number on the PMS and traditional mandate side from 184 billion to 180 billion? So, that was the first question. Second, now in terms of your new client acquisitions or active client acquisitions that has been quite strong during the quarter or even for the year. So, just wanted to get some sense of you know what is the capacity to really milk these new customers who have come into your ecosystem and how do you see in terms of overall volumes from these new customers who have been onboarded in let's say the next last 12 to 18 months out there?

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- Great. No, the first one is basically an institutional mandate which is around about $ 550-600 million with us. They've redeemed around about close to $ 170-180 million, which is around about 20% largely driven by a need to reduce or they wanted to reduce India exposure a bit. So, nothing extraordinary there. It was matched by $100-125 million mandate we got 2-3 months back, but that came into our mutual fund. So, effectively it’s grouped differently, it’s grouped in the mutual fund side as compared to the institutional mandates. Going forward, we are running, we are fairly close potentially to looking at 2 to 3 mandates this year. We are in the final shortlist and diligent stage. So, hopefully that will show a better outcome over the next two odd quarters. On the people’s side, I think it's a great question. You would like to divide the clients into two parts really. 1st is the ability to onboard new clients and 2nd is obviously to you know do better and do more business with the existing set of new families we have outboard. So, the answer to the first question, the way we look at it is, we have approximately 110 to 115 senior bankers, right. We have got 95 senior bankers and another 25 in the waiting. So, let's say there are about 120 odd senior bankers plus around 100 relationship managers. I think from a capacity perspective, you know each of these bankers ideally should be able to do at least manage 45 to 50 families along with one junior banker and if you're honestly see from a capacity perspective today we are well equipped with among the best set of bankers in the country to manage 5,500 to 6,000 active families with more than Rs 10 Crs with us of which today we have brought about 3,000 odd families. So, actually if you see from a capacity utilization perspective, there's a lot of roadway available for us to do much more. Except without the need to add too many people, obviously we will add people if you get new resources, if you get good resources, but the current set of 120 people can really service double the number of clients which we are servicing today and on utilizing the new family which you got added into the system, we have one slide in the presentation, I don't remember the number, but the proportionality of the tenure of the client and the tenure of the RM to the quantum of business from the client is phenomenally correlated and quite exponential in if you look at one-year, three years, and five years. As the client goes through the one-year, three-year, five-year journey along with the RM, the potential to utilize our client becomes substantially higher if I am not wrong at least volumes increased by at least 2.70 to 2.8 times over a 3-5-year as compared to the one year period. Can we make that 2.70 to 2.83 3.5 times, I think the answer is yes. It needs to be supported by a combination of sometimes the same relationship manager servicing the client. The real exponentiality comes when you have the same relationship manager and the same client over a length of time. In that sense there will be a combination of both; our ability to increase the number of active families from 3,000 to 6,000 and also potentially do more with the clients we onboard.

- **Mr. Dipanjan Ghosh - Participant:**

- Just one data keeping question. When you mentioned the active expected flows of around 15,000 to 20,000 crore for FY25, you're not incorporating the midmarket or whatever the six-month of global flows in that or did you incorporate

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- I will just correct that statement again. I was talking, Rs 15,000-20,000 Crs on the wealth management side. Overall, we expect 10% to 15% of the Rs 200,000 Crs. So, of the Rs 200,000 Crs active ARR AUM, we are saying Rs 20,000 to 30,000 Crs of Active flows for the next year. Of that Rs 20,000-30,000 Crs potentially around about Rs 15,000-16,000 Crs from the core wealth management side, Rs 6,000 to 9,000 Crs coming from the asset management side and potentially Rs 4000 to 6000 Crs coming from the midmarket and the global business, that's really the breakup of the Rs 30,000 Crs.

- **Mr. Dipanjan Ghosh - Participant:**

- Got it, Karan. Thanks for the detailed explanation. Thank you and all the best.

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- Thank you.

- **Mr. Anil Mascarenhas - Senior Executive VP Communications, 360 ONE WAM Ltd.:**

- Thank you. Next in line, we have Anusha Raheja. Kindly unmute yourself and ask your question.

- **Ms. Anusha Raheja - Participant:**

- Yeah, thanks for taking my question. Sir, you said that some amount of passive inactive flows are likely to move to transactional AUMs, so if you can just quantify how much that number could be because I believe this quarter was somewhere close to around Rs 6000 to 7000 odd Ces?

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- No, I think we're not really losing AUM. Even when we are having this discussion with clients to either get on with us on the advisory mandate with the right fee structure or potentially state distribution, I don't think so, we are necessarily losing clients. So, it's safe to say 90% of the AUMs remaining within the ecosystem. Some clients are obviously absolutely happy to move and get onboarded at the right retention on the advisory and discretionary side. Not more than 10% to 12% of the AUM moves out of the system. It's potentially moving out of the ARR bucket, but it's not going to move out of the system.

- **Ms. Anusha Raheja - Participant:**

- Okay. So, if I can get it correct, you said that close to around 30,000 of new flows and that will include HNI as well, right?

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- Rs 30,000 Crs of active ARR flows.

- **Ms. Anusha Raheja - Participant:**

- Active ARR and HNI are parts of that. So, if I add mark to market you know on that, so you know we can see somewhere close to upwards of 30,000 odd crore of flows in FY25?

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- I will just repeat that once again. The way we look at our business is 10% to 15% of the opening stock. The opening stock for us is around Rs 200,000 Crs right now, 10% to 15% of the opening stock to come in as net flows. So, if I quantify the 10% to 15% of the Rs 200,000 Crs, it will be approximately Rs 20,000 to 30,000 Crs of net flows plus the mark to market on the Rs 200,000 Crs, that's the way to look at it.

- **Ms. Anusha Raheja - Participant:**

- Okay and Sir one thing is on why there is a scale down on the new flows and plus even on the HNI flows as well as compared to what you had discussed in the last quarter, some scale down on the new flows?

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- So, as I said earlier, I am looking at - there is a little bit of scale down especially on the asset management side. The flows are slightly muted given the redemptions, but on the wealth management side, as I said, it's a little bit more of consolidation than rundown of flows. If you see the net flows on the active side, it's good. It's just a little bit more on the website, I would say it's a little bit more consolidation. On the asset management side, the flows have been a little bit muted and could have been better if you could have looked at it slightly more if the redemption was slightly more spread out as opposed to being as patchy as they were.

- **Ms. Anusha Raheja - Participant:**

- Okay and also the deployment of the funds, this quarter it was somewhere close to around Rs 6,000-7,000 odd Crs and still I believe there is a lot of room for deployment to happen. So, can you just elaborate more on that because that is also one of the reasons that retention from the nondiscretionary side is closed around 18 basis points. So, some just color on more you know with respect to the deployment of the funds in FY25?

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- Deployment just a function of the time and the money came and part of that would have come towards the second half of the quarter that's why it's getting deployed, nothing else. There's really no other reason for the deployment not to happen and the deployment will happen as a matter of natural course takes around about two to three months to happen. So, part of the money would have come in the second half of the last quarter.

- **Ms. Anusha Raheja - Participant:**

- Okay and I mean retention yields in managed accounts have dropped, I believe close to around 10 to 15 basis points. So, some color there, what is the result in the drop?

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- It is a little bit of mix of assets. Also, we had a bit of a private equity fund redemption as I said earlier on the asset management side. So, that would have a little bit of an impact on the retrocession commissions to the wealth management business because the overall yields would have come off because we need reduction on the alternate side, but overall, I think the yields have remained steady, not really too much of a change.

- **Ms. Anusha Raheja - Participant:**

- Okay and just one last thing on this HNI strategy, we just give some thought over it in the next three to five years' time, how do you see the AUM build up in this midmarket and global side?

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- It's still a fairly, I think global obviously is a bit of a blue-sky planning situation right now. I wouldn't really want to get into commenting on numbers, but as I said earlier I think our first block in the in the current financial year is to build out around about a billion dollars of AUM there and on the midmarket side we would also want to take it step by step and the first goal would really be to reach Rs 10,000 Crs and then set our next site on Rs 25,000 and 50,000 Crs over a reasonable period of time.

- **Ms. Anusha Raheja - Participant:**

- Okay. Thank you, Sir.

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- Thank you.

- **Mr. Anil Mascarenhas - Senior Executive VP Communications, 360 ONE WAM Ltd.:**

- Abhinav, in case you are online, kindly unmute yourself and ask your question.

- **Mr. Abhinav – Participant:**

- Yeah. Hi, Karen. Congratulations.

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- Hi, Abhinav. Thank you.

- **Mr. Abhinav - Participant:**

- I have just one bookkeeping question, how much is in the custody assets in the wealth management business approximately?

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- Can you check once again? around about 1,25,000 crores.

- **Mr. Abhinav – Participant:**

- 125 and if you could, I think you have touched upon, if you could briefly touch upon it, how do you see the managed account in the distribution wealth management business, the yields changing, not changing because I think quarterly there has been some change, but on an annual basis it doesn't change much. So, just qualitative view on that?

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- I don't see changing much to be honest. The yields are not going to change, but what may happen sometimes especially on a quarterly basis, the mix changes then it has a little bit of an impact on the yield and again in descending order obviously alternates have the highest distribution yield on the priority equity side then alternates on the credit side then then obviously you've got PMS and managed accounts on listed equity. After that, you have equity mutual funds and then debt mutual funds. So, that's really the descending order and the mix is a sum total of all of these all of these five. Obviously, debt mutual funds could go as low as 15-20 basis points, equity funds mostly would be in the region of 60 to 80 basis points. Private equity could be 90-100 basis points. So, it's going to be a mix of these four or five and you know I think overall it will represent more or less a similar number, but a little bit of change depending on the mix of this will have a little bit of impact, but I don't see too much of a change on the managed account side.

- **Mr. Abhinav - Participant:**

- Thanks. That's all from my side.

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- Thank you.

- **Mr. Anil Mascarenhas - Senior Executive VP Communications, 360 ONE WAM Ltd.:**

- Thank you, Karan. I think that's all we have time for. On behalf of 360 ONE, thank you for joining us this afternoon. We look forward to hosting you next quarter.

- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM Ltd.:**

- Thank you everybody.