360 ONE WAM Ltd. Earnings Call Q1 FY26 – July 17, 2025

- **Mr. Anil - Moderator, 360 ONE WAM Ltd:**
- Good evening, ladies, and gentlemen and welcome to 360 ONE WAM's Earnings Call for the quarter ended June 30, 2025. 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. Yatin Shah - CEO Wealth, 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:**
- Thank you, Anil, and a very good evening. Starting with the macros, Indian equities, after facing some sharp volatilities in last two quarters, witnessed a rebound in Q1 FY26. While geopolitical events could influence broader markets in the near term, structurally, we continue to remain bullish about India's long term growth story, which will act as a tailwind for India's wealth and asset management sector. The sectoral growth will also be supported by faster wealth creation outside traditional pockets and overall low penetration.

- Coming to the business and financial numbers - in Q1 the consolidated financials for the quarter include full quarter financials of ET Money, and post-acquisition financials of just over a month of B&K.

- Our total ARR AUM increased to Rs 2,87,317 Crs - up 30% YoY. This growth was supported by strong net flows at Rs 20,950 Crs. The flows also include ARR net flows of Rs 18,266 Crs as a result of the acquisition of B&K Securities.

- The growth in our client base continued to be very healthy. Presently, we have 4,200+ clients, with total AUM of 10 Crs+, who account for 95% of Wealth AUM (excl. custody). It includes approx. 700 corporate clients that have been onboarded as a part of the B&K transaction.

- Our ARR Revenue for the quarter grew by 35.9% YoY at Rs 511 Crs, led by strong growth in assets across business segments. Our ARR Revenue, as a % of total revenues from operations, stood at 77%.

- Retention on ARR AUM remains strong at 79bps overall and 70bps ex-carry.

- Total Revenue stood at Rs 725 Crs for Q1 FY26, driven by higher ARR revenue and other income

- Total Costs are up 32.7% YoY to Rs 351 Crs in Q1FY26. The cost-to-Income ratio stands at 48.4% as compared to 50.7% in Q4. FY25. As explained earlier, the costs for the quarter also include full quarter cost of ET Money, and post-acquisition cost, that is 35 days, of B&K. We expect gradual improvement in this metric over the coming quarters as we scale up and drive synergies from the new business initiatives and teams

- We are very happy to report that the Company recorded its highest ever quarterly PAT at Rs 287 Crs - an increase of 18% YoY

- Tangible RoE is at 19.6% in Q1 FY26. The ratio is expected to improve in the coming quarters as the additional capital deployed in our lending and alternate businesses in FY25 begin to reflect in the earnings profile. 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:**
- Thanks, Sanjay, and good evening, everyone. Taking Sanjay's comments on the overall business numbers ahead, I would like to share updates on our key strategic initiatives. As you are aware, in recent quarters, we undertook inorganic measures to strengthen our core business model as well as create future optionality. These initiatives are expected to enhance our core tenets and help us benefit from the significant wealth and asset market opportunity in India.

- Firstly, on B&K, we are happy to announce that the deal has been successfully consummated and, all requisite approvals were received on May 27, 2025. Post merger integration of people and processes has already begun. Mr. Saahil Murarka, promoter and MD of B&K Securities, has joined the 360 ONE leadership and will continue to spearhead the business along with Mr. Sanjeev Mohta and the high-calibre team at B&K. We are also excited as Saahil joins the 360 ONE WAM Board. With B&K, we are now better positioned to build out a robust, sustainable broking & transactional platform within our Wealth Management franchise.

- Secondly, our conviction on the HNI business continues to grow. With over 30 RMs, 250 clients and Rs 1,500 Crs of AUM tracking at over 90bps of retention, we are now well poised to drive see the scaling up happen over next few quarters and years. While 360 ONE's broader platform and core "client-centric" wealth management ethos will continue to effectively support the growth of the business, we are also excited to take numerous technological developments done for this segment to our UHNI clients and RMs.

- Thirdly, on our strategic collaboration with UBS, we are happy to share that we have received all required regulatory approvals to complete the transaction. As shared earlier, this strategic collaboration has three inter-related components viz. business collaboration across geographies and business segments, UBS AG's stake in 360 ONE and integration of UBS India's wealth management business with 360 ONE WAM. As we speak, supported by the top management from both firms, we are working towards a smooth migration and integration while creating "expressways" globally for a strong international collaboration. This collaboration brings together two visionary powerhouses in the space of wealth management, to create a platform that is truly without parallel. This exclusivity is guided by shared belief in values, ambition, and a client-first philosophy. This collaboration is expected to unveil newer opportunities for our teams as well as clients. UBS AG's global investment expertise, research, and access will improve our ability to serve the cross-border needs of our clients and enhance our wealth management proposition significantly

- Fourth, on ET Money, with the firm becoming part of 360 ONE WAM, we have jointly laid out an exciting strategic agenda to go deep into the mass affluent segment and drive growth and higher monetization of the rapidly expanding client base.

- On the Asset Management front, the continued focus on deepening our channel presence in the domestic market, specifically through MFDs, is delivering positive results. The pipeline of new funds across asset classes as well as new international institutional mandates remains strong. Global institutions are interested in exploring new investment strategies with us, driven by the India growth story and our ability to innovate. Such tailwinds, supported by 360 ONE Asset's strong track record in managing prestigious institutional clients, give us confidence towards the next phase of growth for the business. Also, we plan to extend our alternatives strategies to institutional client base in the coming quarters

- Lastly, we continue to take pride in the external recognitions received by our Wealth and Asset Management businesses. We are very proud to be recognised as "Great Place to Work 2025"

- I would take this opportunity to thank all our partners and stakeholders who have bestowed trust and confidence in us through our journey

- With that, I would like to hand over to Karan and Yatin for Q&A

– **Mr. Anil Mascarenhas - 360 ONE WAM:**

– Thank you, Anshuman. To ask your question, we request you to kindly signal on the raised hand icon. First in line, we have Mohit Mangal. Kindly unmute and ask your question. I invite Lalit Deo.

– **Mr. Lalit Deo - Participant:**

– So, my first question is on net flows. So basically, you have mentioned in your presentation that about Rs 18,000 Crs is basically coming from B&K. So just wanted to understand, basically, is it sitting only in the mutual fund distribution business number?

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

– Just to clarify, the Rs 18,000 Crs of net flows is relevant to the mutual fund business. And the rest of it, the TBR, which is the custody stocks and so on and so forth, is not deferred into this category. This is only for the ARR AUM.

– **Mr. Lalit Deo - Participant:**

– Only for the ARR AUM, okay. And so basically, how do we see the net flows for the entire financial year '26? I mean, you have given guidance on 30-35,000 odd Crs. Do we stick to that?

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

– We continue to be focused on our strategy of getting 12-15% of our net opening AUM as net flows for the year. We started out the year at around about Rs 1,65,000-1,70,000 Crs of opening ARR AUM. So around about 12-15% of that is what we would focus on getting as net flows.

– Quarter 1 has been quite robust in terms of flows. We have seen the asset management business do around about Rs 1,000 odd Crs of net flows. The wealth management business also had good flows. It was a little bit tempered with the Rs 1,700 Crs of flows because we had a little bit of net outflows coming from the departure of two of our teams. And that impacted the flows, broadly by around about Rs 3,500 to 4,000 Crs for the quarter. And this is the second quarter since the departure of the teams. We expect, between the two teams, as pointed out earlier, around about 5% to 6% of the AUM to be lost. With the induction of new teams, we had a good quarter of Rs 6,000 Crs of net flows. On the wealth management side, it sounds a little tempered for last quarter of being around Rs 1,700 Crs for that reason. In addition, asset management has seen Rs 1,000 odd Crs, plus the B&K. That broadly sums up the total of the net flow number.

– **Mr. Lalit Deo - Participant:**

– Understood. Second question is on the ET Money. So basically, we have seen that this business is bleeding. But I suppose that we have got good plans for this in 2026 as well as 2027. It will be like net positive for us in the bottom line as well.

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

– We have made a lot of progress on ET Money. When we took on the business, it was having a broad loss of around about Rs 5 Crs a month, about 50 to 60 Crs annually. Now it's down to around about 6 to 7 Crs a quarter. So, over the last 8 to 9 months, the business has made significant progress.

– We've also decided and charted out a very clear growth map and strategy which we are fairly confident about. Business continues to have three phenomenal moats, a) having technology to execute at scale, b) having focused only on financial advisory and wealth management as opposed to going down the brokerage path, c) and thirdly, it continues to be very rich in content and SIPs. So, how do we monetize that, is something which we've been working on over the last six months. And simultaneously, we've been able to get the burn down from about Rs 55-60 Crs a year to around about Rs 25 Crs.

– **Mr. Lalit Deo - Participant:**

– Understood. So lastly, on the yields, we had a very good quarter in terms of yields as well. But I believe that yield will go down, right, by one or two basis point maybe over the next two to three years. Is that a fair assumption?

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

– Yield will go down by 2-3 basis points. But I'm quite confident, like I've said earlier about the headline yields being maintained in different line items. But the mix of business will grow slightly differently. So, distribution will continue at that 75-80-85 basis points, advisory at that ballpark range of 30-35 basis points and discretionary broadly at 40-45 basis points and NBFC at, 350-400 basis points. But the contribution of each of these lines on a relative basis may change a bit.

– Advisory and discretionary might become slightly more, in percentage terms, than distribution. And therefore, effectively, that will cause a compression around about 2 to 3 basis points on the yield. So, while the headline yield numbers might not change dramatically, overall, on the wealth management ARR, we might see a little bit of compression of 2 to 3 basis points, basis the mix of business.

- On the asset management side, the only place where I see a little bit of reduction in the headline yield is on the asset management side on the listed piece. We've built a fairly robust business of nearly Rs 50,000 Crs of AUM. And we've been able to maintain nearly 60-62 basis points of blended yield. And that's a place where, as we incrementally add AUM relative to the mark-to-market, the yields might come down by 3 to 4 basis points. On the alternate side, the yields will continue to be in that ballpark range of 85-90 basis points to 95 basis points, including the carry income.

- So overall, on the asset management side, again, not a big compression yield, may be, 2 to 3 basis points, but more coming out of the listed side than the alternate side. And then obviously, it's a function of the mix of the business. Obviously, if you grow a little bit faster on the alternate side, there won't be any reduction in yields. On the other side, if you grow faster on the listed side, there may be a little bit of reduction in the yields.

- If I just look at the 6-7 main pillars of business, I don't see a reduction on the headline yields, but a mix of the business will result in a reduction of 2 to 3 basis points.

- **Mr. Lalit Deo - Participant:**

- Understood. So, my last question is in terms of attrition. You have mentioned very categorically that we have lost some bit of AUM. But we have hired from the competition as well, and so, the net impact should be low, right? In the next two to three quarters, we would see some a bump up in the AUM growth by hiring more from the competition.

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

- Yeah, so I won't say there's no impact, there's always impact of change that we have to recognize and at the end of the day, we are in the people business and people are our biggest assets. Having said that, obviously, a little bit of change in attrition is inevitable.

- And as a firm for the last 15 years, we've been able to really serve as a phenomenal platform for our people to grow. And we continue to work tirelessly, 24x7 to ensure that we provide the best platform for all our employees to take to clients. And while we are able to match ambitions and aspirations of most of our people, sometimes some people have to move on. And while we respect that, we've been able to retain more than 90-95% of our entire senior sales force, resulting in a fairly solid AUM growth, as well as a very low attrition number. It's the first time over the last one year we've seen some attrition and that's obviously led to, as I said earlier on about a 4-6% potential loss in AUM. Having said that, it's obviously opened up our eyes to all the talent which is got built up in the industry over the last 15-20 years.

- There's a lot of good talent out there and we've really worked hard over the last six-odd months to be able to attract the best talent. And we've been very successful. We spend a lot of time in meeting people. At least three or four very large teams have already joined us. And we are at the cusp of potentially seeing 3-4 more large teams joining us over the next three to six months. So, it's something which little bit continues here and there. Left to choice, I wouldn't want a single person to go. And if possible, we would recruit the entire wealth management industry, which obviously can't happen. And broadly around that, I wouldn't say we would want to lose anybody, but we're in a comfortable position in terms of a little bit of plus and minus. It's a stop and a go. And that has its own implications. But eventually, as you rightly pointed out, it becomes a bit of a rolling curve, and we should be able to add much more AUM than we potentially lose out of attrition in the short term.

- **Mr. Lalit Deo - Participant:**

- Understood. Thanks, and wish you all the best.

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

- Thank you.

- **Mr. Anil Mascarenhas - 360 ONE WAM:**

- Thank you. I request you to kindly restrict yourself to two questions each. Next in line we have Nidhesh Jain. Nidesh, kindly unmute yourself and ask your question.

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

- Hi, thanks for the opportunity. Yeah, I have 2-3 questions, actually. So, first question is net outflow that we are seeing of Rs 3,000 to 4,000 Crs, when do you think that will stabilize and neutralize in coming over next 2-3 quarters? There is also an increase in yields on the lending book and AIF in this quarter, so, any particular reason? And third is if you can give some color on the transactional based revenue for the quarter in terms of breakup in direct equity listed and B&K, that would be useful.

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

- Thank you. So, to start off, obviously the impact of AUM moving out is slightly front ended. Typically, I would split it between two to three quarters and as we speak a couple of quarters is gone. So, in our own assessment, we are towards the second half of the last quarter of net outflows. From a perspective of being able to predict it to perfect perfection, obviously very difficult, but it is fair to say that large majority of it is already done.

- In terms of the quality of the transaction income, we are working very hard to ensure that our transaction income is as close to being repetitive as possible as opposed to being cyclical. And as we work hard to grow our transaction income from around Rs 550-600 Crs to around about Rs 1,000 Crs over the next 2-3 years, in that respect, building a very strong research-based equity brokerage platform for both institutional corporates, family offices as a result ultra-high net worth individuals, is very important.

- Today, that number for us, if I add both B&K together with the ultra-high net worth brokerage platform is ~Rs 270 to 280 Crs. We hope to build and grow that by at least 20-25% every year for the next 3-4 years. In addition, we have got the other asset classes including fixed income, debt, bonds, unlisted equities, a little bit of real estate, insurance, which gives us the ability to add the remaining Rs 300-400 Crs of transaction income.

- So overall, while the transaction income has been super healthy over the last 3-4 years, our ability to diversify across asset classes and be able to toggle across multiple client segments will allow us to grow that in a responsible way. And we continue to work very hard to ensure that our transaction income can be on a steady state basis about the Rs 250 Crs number on a quarter-on-quarter basis over the next 2-3 years. And while we build that, we are also very conscious of the fact that we would like to maintain our transaction brokerage income at around about 20% of our total income. That's the broad principle of the transaction & brokerage side.

- In terms of the increase on the yields on the AIF and lending, obviously the lending has a little bit of an impact of the increase on yields on account of the capital raised last quarter. And that will come back, from a compression of yield perspective, as the book builds up.

- On the AIF side, yields have been fairly steady, nothing super phenomenal, just a mix of assets. A little bit more increase in yields largely on account of the larger amounts of commitments coming in on the alternate side. The drawdowns have started coming in and that's increased the yield a little bit.

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

- Sure. Just one follow up on TBR, what is the revenue from NSE, etc, in this quarter? NSE transaction?

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

– We don't really disclose revenue on a transaction basis, but there's nothing lumpy from an NSE or any of these. So, there's nothing lumpy from a TBR perspective. There's no single transaction which contributes more than 10 to 12% of our TBR revenue.

– **Mr. Nidhesh Jain - Participant:**

– Sure. Thank you. That's it for my side.

– **Mr. Anil Mascarenhas - 360 ONE WAM:**

– Thank you. Next in line, we have Prayesh Jain. Prayesh, can you unmute yourself?

– **Mr. Prayesh Jain – Participant:**

– Just on this outflow on the lending book, what was the reason for that?

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

– Nothing, nothing specific. Honestly, the lending book will come back this quarter. We had a couple of large loans against a few collaterals that got refinanced at slightly lower rates. And the loan book is steady. Very quickly it will come back to its own base.

– **Mr. Prayesh Jain - Participant:**

– And on the retention on the lending book, do you think that we would be back to something like 5.3 odd levels what we used to ...

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

– We will be 4.7/4.8 to 5-ish. We've also come off of a cycle where we were borrowing a little bit more expensive. We are able to borrow at substantially better rates now. And we also have ended up raising a bit of capital. Overall, we feel comfortable with that number. In the shorter end, obviously, a little bit of compression, but may not be 5.3, but definitely around that 4.8 to 5% ballpark.

– **Mr. Prayesh Jain - Participant:**

– Okay. And last question, B&K and UBS numbers would start getting reflected from 2Q onwards?

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

– So, B&K is reflected for one month, 35 days. So that will start getting reflected from the second quarter fully. On UBS, we've got all the approvals in over the last 2-3 days. There are certain other CPs to complete the transaction which in natural course will take another month or so. Effectively UBS not maybe this quarter, but the next quarter. B&K fully in this quarter.

– **Mr. Prayesh Jain - Participant:**

– But B&K entirely would be in transaction in this quarter? Is there anything else also?

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

– There are two elements of that.

– **Mr. Prayesh Jain - Participant:**

– Corporate Treasury.

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

– Yeah, Corporate Treasury. So Corporate Treasury also has again small two elements. It has an element of ARR which is on the mutual fund side. It has a very small amount of bond brokerage also. But B&K on the ARR side, out of its total revenue, would be adding around about 20-25% of ARR revenue of its total revenue.

– **Mr. Prayesh Jain - Participant:**

– Okay, got that. Thank you so much and with you all the best. Thank you.

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

– Thank you.

– **Mr. Anil Mascarenhas - 360 ONE WAM:**

– Next in line, we have Sanketh Godha. Sanketh, kindly unmute and ask your question.

– **Mr. Sanketh Godha - Participant:**

– Yeah, thank you for the opportunity. Karan, you said that Rs 1,750 Crs is the actual flow happened in the current quarter and, you said 12-15% is which translates into Rs 20-25,000 Crs for the full year. So, when you said Rs 20-25,000 Crs, it is like to like 1750, right? That's the way I need to see wealth ARR net flows to play out in the current year.

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

- So, as I said earlier, Rs 1,65,000-1,70,000 Crs into 12-15% would be Rs 20-25,000 Crs on the wealth management side. We opened the year at about Rs 75-80,000 Crs on the asset management side. So, take another 12-15% of that, which is effectively Rs 9-12,000 Crs. So, you add the two and you effectively end up at around about Rs 27-28,000 Crs to 34-35,000 Crs. That's the sum total of the ARR AUM that we aim to target. On the wealth management side, therefore, we need around Rs 5-5,500 Crs net flows on a quarterly run rate basis.

- As I was explaining earlier, we did on a normal course basis around ~Rs 6,000 odd Crs in net flows this quarter. It has got partially set off with gross net outflows of, I don't want to call it exceptional, but Rs 3,500-4,000 Crs of net outflows, with two teams moving out. And that stays max for another quarter. But hopefully quarter two, quarter three, quarter four, we do enough to be able to make up the Rs 7-8,000 Crs of incremental net outflows thanks to the hiring we've done. If we started out aiming to collect Rs 20-25,000 Crs on the wealth management side, like I'm saying we have to do Rs 7-8,000 Crs extra for the year. So, we have to do 27-28,000 to 35,000 to account for the 8,000 Crs of net outflows.

- **Mr. Sanketh Godha - Participant:**

- Perfect, perfect, this explains.

- And the other one I just wanted to check is that, out of that Rs 150 Crs of transaction income what you reported in the current quarter, how much would be B&K? That's one thing. And also, in the employee cost of 180 odd Crs, how much would be B&K related employee cost? Just to understand the color.

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

- So, we are not reporting entity wise, we are reporting segment wise. So, B&K largely gets reflected in the corporate and institutional bucket, which is effectively ~Rs 24 Crs for the previous quarter.

- Rs 24 Crs is 35 days.

- **Mr. Anil Mascarenhas - 360 ONE WAM:**

- Next in line we have Abhijit Sakhare. Abhijit, kindly unmute and ask your question.

- **Mr. Abhijit Sakhare - Participant:**

- Hey, I hope you can hear me.

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

– Hi, Abhijit. I can hear you.

– **Mr. Abhijit Sakhare – Participant:**

– Okay. So, first question is, when I look at the TL team, the TL base that we have, it seems like there's been a bit of a juniorization over the past 12-18 months. So how do you think about that in terms of ability to gather large mandates? I'm guessing some of it is because of the exits that we've seen. So, the five-year plus vintage data that we disclosed, that's come off a little bit over the 12 months. So, I mean, there's obviously a very severe intensity to go for good quality talent.

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

– Yeah, Abhijit, that'll change in 6-8 months with the recruitment. It's not really a permanent change or something. The loss of 8-10 bankers is showing up a little bit. But as soon as we do the recruitment and everybody comes in, that will change automatically.

– **Mr. Abhijit Sakhare - Participant:**

– Okay, got it.

– And then just in terms of the AUM that moves out with these exits, is it fair to say that the distribution assets have a higher tendency to move out compared to the advisory or there's really nothing across the segments when large teams move out?

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

– It's fair to say distribution assets will have a slightly more tendency to move out, followed by advisory and discretionary, because the interface of the firm is different in all the three mandates.

– Having said that, broadly speaking that number is, any number between 5-6%. I would be really surprised if it's a number dramatically higher than that. After that, the challenge and the opportunity are really to engage with the client and then there is business as usual. But logically speaking, you're right, distribution assets are more likely to get attrition faster.

– **Mr. Abhijit Sakhare - Participant:**

– Got it. That's all. Thank you so much.

- **Mr. Anil Mascarenhas - 360 ONE WAM:**
- Thank you. Next in line, we have Siddharth. Siddharth, kindly unmute and ask your question.
- **Mr. Siddharth Negandhi - Participant:**
- Hi. Thanks. Thanks for the opportunity. Two questions from my side. First up, is it possible, given this whole attrition piece, for you to share the gross flows, both on the wealth and the asset management side for the last five quarters?
- And the second one was to understand what was the institutional mandate addition net of the addition that may have come from B&K? Specifically, on that, if you could also additionally give an outlook on the asset management side on credit and private equity flows, which tend to be relatively higher yield.
- The last is an accounting question. Have we moved from accrual accounting on carry income? Because there seems to be a quarter-on quarter-variance. Last quarter, there was that carry income. So, have we moved back from accrual, or is that due to a difference in performance resulting in lower carry?
- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM:**
- Let's start with the second one first. There's no real change in the accounting of carry. It still continues to be on the same method. It's not a pure accrual method, it's slightly more conservative than that. The way we work on carry is we estimate the carry basis the NAV. And then once the funds are only 18 months away from maturity, that's the first time we start recognizing the carry. And then we distribute it over the six quarters, reaching towards the conclusion of the fund. So typically, if a fund is ending towards the closure, that's really when you'll see the carry fluctuate a bit. But outside of that, I wouldn't call it it's like on accrual, it's a conservative method of computing carry. It becomes calculable for carry only once the scheme is 18 months away.
- Specific to your question about carry from the last quarter to this quarter, we have a couple of institutional mandates where we charge carry once a year at the end of the year. And there was a Rs. 40 crore carry, which we had given out as a footnote last quarter of FY25. So, that's what is causing the variation. But outside of that, our normal carry calculation on our alternates is more or less in a straight line, unless and until, there's an entry of a big fund into the 18-month category.
- On the first question, in terms of net flows itself, like I said, broadly, without going into specific gross flow, net flow numbers for every quarter, generally speaking, in every

quarter, there would gross flows of Rs 4,500-5,000 Crs. As I pointed out, in the last two quarters, the gross flows have been slightly better. Instead of Rs 4,500-5,000 Crs, they've been closer to the Rs 6,000 odd Crs number. The gross outflows have been slightly higher, instead of being Rs 1,000-1,500 Crs, they have been Rs 3,500-4,000 Crs, which has resulted in the net flows of Rs 1,500-2,000 Crs

- As far as the asset management goes, no special mention of any flow specific to the last quarter. It's business as usual. We closed out a couple of new funds last quarter. We closed out the Healthcare Fund of Rs 1,000 Crs. Our pre-IPO fund, which got closed out two quarters back at Rs 4,500-5,000 Crs charges fee on a drawn down basis. So effectively, the AUM keeps increasing as we call for capital.

- And we continue to be focused on trying to do one strategy-based alternate scheme pretty much every quarter. As time goes by, both on the private equity side, as well as on the listed side, as well as on the real assets and the pre-IPO side, we will potentially see a fund close every quarter, maybe 4 or 5 funds through the year.

- We'll be potentially to reach our target of Rs 8,000 to 10,000 Crs. We need 4 or 5 new funds. And potentially the calling for the drawdown of the funds that you've already raised, will lead us to the Rs 8,000 to 10,000 Crs number.

- **Mr. Siddharth Negandhi - Participant:**

- Thank you. Just one part that got missed. On the institutional mandates, was there any addition that came in from the institutional mandates that are there with B&K, or are these flows completely organic?

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

- On the asset management side, they're completely organic.

- **Mr. Siddharth Negandhi - Participant:**

- Okay. Thank you. Thanks, Karan.

- **Mr. Anil Mascarenhas - 360 ONE WAM:**

- Thank you. May I remind you in case you wish to ask your questions, please click on the Raise-Hand icon. Next in line, we have Dipanjan Ghosh. Dipanjan, kindly unmute yourself and ask your question.

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

- Hey, hi, Karan. Good evening.

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

– Hi, how are you?

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

– All good. Just a few questions. So first again, I mean, in your presentation, the Corporate and Institutional segment, if I presume that majority of it is B&K, it seems that the run rate of maybe 35 days is like a month. So, let's say the monthly run rate, if I were to analyse it, it seems that B&K is broadly flattish to maybe a little bit better than last year run rate, both in terms of revenues and maybe PBT. So firstly, is that a fair assumption? And secondly, I mean, going into the year, probably we were expecting B&K's revenue, given a high base, probably to be a little bit tapered down. So how are you looking into it? That's the first question.

– Second obviously, during the start of the call, you mentioned that the institutional mandate pipeline is holding up. So out of the flow expectation that you've mentioned for the year, what sort of quantum are you building from the institutional mandates?

– And last question. In terms of the new hiring that you're doing on the team leadership side, obviously, you have on one hand seen attrition of flows from your clientele because of RM's leaving the organization. On the flip side, you're doing a significant amount of lateral hiring. So, what sort of flows do you expect because of this lateral hiring? And what can be the associated costs that goes into the P&L because of this?

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

– B&K is not flattish; it's actually done slightly better. Over the last year in question, it was around about Rs 16-17 Crs a month, which were disclosed last quarter. For the current quarter, it is ~Rs 21 Crs for the month. So, effectively, it's closer to the Rs 250-260 Crs number. Broadly, it seems like all things being equal, a 15 to 20% higher number than last year, which effectively, from a PBT perspective, will translate to a 10 to 14% higher PBT; all things being equal for the for the next four quarters. B&K is around about 20-25% growth.

– Coming to your question on the institutional mandate, we really don't end up building in something specific for a net flows number. We have to get to the net flow number, whether we get an institutional mandate or not. But we are always in touch on the institutional mandate side. And typically, cycle for institutional mandates is fairly long. We've got five of them as we speak today. And it would be fair to expect at least one of them coming through the course of the financial year.

- On the team, obviously, it adds to the cost. But our existing team was also extremely well compensated. So, the cost pretty much, like earlier, is part of the entire cycle. I don't expect it to disturb our cost to income ratios in any material way, unless we do decide to hire more people for growth. On a steady state basis, just the churn of the team members itself doesn't lead to a cost addition.

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

- So just one follow up question, Karan. I mean, the cost for the global offshore team, is there anything during this quarter, or is it completely…?

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

- No, it's there in the last quarter. It won't be there from this quarter.

- On the last quarter, Rs 14 to 15 Crs of cost would be there.

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

- Okay, sure. Thank you, Karan and the team, and all the best.

- **Mr. Anil Mascarenhas - 360 ONE WAM:**

- Thank you. Next in line, we have Siddharth, in case you wish to ask a question, kindly unmute yourself and ask your question.

- **Mr. Siddharth Negandhi - Participant:**

- Hi, thanks for the follow up opportunity. Just wanted to understand on the lending book, you mentioned that there was a specific reason for that sharp fall. How should we look at that going forward?

- Also, just a clarification on the overall net flows that we are looking at including the Rs 26,000 Crs that we would expect from the UBS acquisition and the Rs 18,000 Crs that came from B&K, broadly Rs 70,000 to 80,000 Crs addition in the ARR AUM. Is that a fair way to look at it?

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

- No, the UBS ARR AUM is substantially lower. It's not Rs 26,000 Crs. The entire AUM of UBS is Rs 26,000 Crs, not the ARR AUM. The Rs 18,000 Crs of B&K is fine. And we'll definitely aim to hit our Rs 30,000-35,000 Crs number. All put together, Rs 55,000 Crs and UBS will be a sub Rs 10,000 Crs number purely in terms of ARR AUM. That's the math. All three put together will be between the Rs 60,000 to 65,000 Crs.

- **Mr. Siddharth Negandhi - Participant:**
- Sure. And if you could clarify on the lending book, that fall of 1000 Crs this quarter?
- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM:**
- Nothing out of the ordinary of the lending book. It moved up sharply the last quarter also. In Q3 and Q4, there were two short-term loans, which got repaid. There's nothing else really from a lending book perspective. And there were loans of Q3, Q4, which got repaid. And our current quarter has seen a good uptick back in the loan book.
- **Mr. Siddharth Negandhi - Participant:**
- Got it. And one more on the HNI. This quarter, we've seen net flows of roughly around Rs 1,500 Crs, which seem to come from HNI. Is it fair to say that the ultra HNI book was pretty much all outflows being replaced by gross flows, and the entire net flow or large part of the net flow is coming from the HNI book?
- **Mr. Karan Bhagat - Managing Director & CEO, 360 ONE WAM:**
- Out of the Rs 1,100 Crs of AUM and HNI, ~500 is organic and ~500 is from B&K. So, if you take out the ~Rs 500 Crs of net flows from HNI, the ~Rs 1,700 Crs will become Rs 1,200 Crs.
- **Mr. Siddharth Negandhi - Participant:**
- Got it. Thank you.
- **Mr. Anil Mascarenhas - 360 ONE WAM:**
- In case there are any more questions, you could click on the Raise-Hand icon. Dipanjan, you have a question?
- **Mr. Dipanjan Ghosh - Participant:**
- Just one follow up. You know, now that the UBS tie up is broadly probably going to kick in in the next maybe quarter or two, just wanted to understand the thought process. You have worked with the UBS team, in terms of identifying the potential customer cohorts that you can tap into, or in terms of how the ecosystem will work, or some sort of colour that for us, investors or sell side, for us to understand what sort of an addressable market that in your mind, you think could be a potential AUM accretion possible that from this cohort… let's say over the next 3-5 years out there. Any sort of broader colour on that?

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

– Dipanjan, to be honest, we've not gone into defining exact specific numbers. We're clear on the five points of collaboration. That's really, we would like to keep it. UBS is also a very large engine with a lot of areas to work on and understand. We've obviously also got our own style and work working operations. First is for the transaction to close. Then we get into the collaboration agreements, which itself will take, a month, a couple of months to get done. But I'm quite confident, directionally, the four or five things will play out very well. It's too early to define a quantum, but I'll re-emphasize the four or five collaboration points.

– The first collaboration point, obviously, is our ability to feed into the UBS global products for the Resident Indian, LRS and GIFT City money. Second, is for our asset management products to come onto the UBS wealth management platform, and their ability to offer it to all their wealth managers to feed into our products in India. That itself also needs to go through the same product approval committees, like it would need for it to go through our side. Thirdly, obviously, are your Indian clients who've moved out or have built a very large LRS portfolio over a period of time, effectively referring them to UBS for the global wealth management relationship. And fourth, is UBS referring us to global NRIs who have an Indian resident NRO, NRE portfolio, which is still in India. These four are the main pillars of collaboration. And fifth, our ability to draw benefit out of learning from each other on way of doing business, how do the large global UHNIs get serviced, and so on and so forth.

– The first four will get quantified and lead to a certain number. Is it a certain target in our mind today? the answer is no. Our first target really is to get all products approved on each other's platforms and build the right alignment of interest and show it to Relationship Managers on both the platforms. Once that is done, the India story as well as the ability of people from India, in a limited way to diversify their assets, are both existent. No reason to believe why we can't see a certain percentage of the India AUM move into GIFT City, and similarly, a certain percentage of the entire global AUM on the UBS wealth side move into India, as a country.

– Too early to decide what that AUM percentage might be. It could be 1%, 2%, or maybe potentially 4% or 5% from here. But that's something which time will tell. And obviously, a lot of it will be in the execution of it.

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

– Got it, Karan. Thanks for the elaborate clarification.

– **Mr. Anil Mascarenhas - 360 ONE WAM:**

– Thank you. That's all we have time for this evening. Thank you for joining us on this conference call. Have a nice evening.

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

- Thank you, everybody. Thank you.