IPO Note

SBI FUNDS MANAGEMENT LIMITED

JUL 14th, 2026

Jul 14th, 2026

Details of the Issue	
Price Band	₹ 545 - ₹ 574
Issue Size	₹ 11,693 Cr
Market Cap	₹ 1,16,913.90 Cr
Face Value	₹ 1
Bid Lot	26
Listing on	BSE,NSE
Investment Range	₹ 14,170 - ₹ 14,924

Important Indicative Dates (2025)	
Opening	14 - Jul
Closing	16 - Jul
Basis of Allotment	17 - Jul
Refund Initiation	20 - Jul
Credit to Demat	20 - Jul
Listing Date	21 - Jul

Lead Manager
ICICI Securities Ltd
Axis Capital Ltd
BofA Securities India Ltd
HSBC Securities and Capital Market (India) Pvt Ltd
Jefferies India Pvt Ltd
JM Financial Ltd
Motilal Oswal Investment Advisor Ltd
SBI Capital Market Ltd
Kotak Mahindra Capital Company Ltd

Offer Details	
Offer Size	₹ 11,693 Cr
Fresh Issue	-
OFS	₹ 11,693 Cr

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	5,847	102	107	50
NII	1,754	30.56	32.18	15
Retail	4,093	71.30	75.09	35
Employ.	-	-	-	-
Total	11,693	204	215	100

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Company Profile

SBI Funds Management Ltd, incorporated in 1992, is India's largest asset management company (AMC) by AUM and manages the flagship SBI Mutual Fund. The company is a joint venture between State Bank of India and Amundi and offers a comprehensive suite of investment solutions, including equity, debt, hybrid, ETF, index, arbitrage, liquid, overnight, and overseas fund-of-funds, along with PMS. As of 2025, it manages assets worth approximately ₹16.32 lakh crore, accounting for nearly 15.5% of India's total mutual fund AUM, and serves over 16.05 million investors across retail and institutional segments through a diversified portfolio of 126 mutual fund schemes. The company also has a strong global footprint, managing India-focused institutional mandates in Japan, Australia, and Korea with AUM of approximately ₹23,209 crore, sponsoring UCITS India-focused funds through Amundi with AUM of around ₹8,682 crore across Europe, the Middle East, South America, and Southeast Asia, and providing advisory services for Amundi's Global Emerging Markets funds, overseeing India-related assets of approximately ₹14,584 crore.

GEPL's Insights & Investment Thesis:

- SBI Funds Management Ltd is India's largest AMC by AUM, managing ₹16.32 lakh crore, accounting for nearly 15.5% of India's total mutual fund AUM, and serves over 16.05 million investors across retail and institutional segments.
- The company has delivered healthy financial performance over the period FY24-FY26 with the revenue growing at a CAGR of 17.7% whereas PAT grew at a CAGR of 13.9%.
- Based on the FY26 earnings, relative to the company's paid-up capital, the issue is priced at a P/E ratio of 38x. The issue is fairly valued compared to its peers, reported healthy financial performance, largest market share in the AMC business, deepening SIP penetration in the market, we recommend a "**Subscribe**" rating for issue.

Business Highlights & Services

SBI Funds Management Ltd presents a compelling long-term investment opportunity, supported by its leadership as India's largest asset management company with a 15.3% mutual fund QAAUM market share as of March 2026. The company's scale provides significant operating efficiencies, reflected in the lowest operating expense ratio among the top 10 AMCs, while its robust in-house research platform covering over 450 companies and 250 fixed-income issuers strengthens investment capabilities. It is well positioned to benefit from structural industry tailwinds, including rising financialization of household savings, increasing SIP penetration, growing retail participation, favorable demographics, and rising income levels, which continue to drive mutual fund adoption.

The company has delivered strong AUM growth, with mutual fund QAAUM and equity-oriented assets growing at CAGRs of 16.97% and 21.79%, respectively, during FY24–FY26, supported by a diversified product portfolio across mutual funds, PMS, AIFs, ETFs, SIFs, and overseas mandates. Its revenue base remains well diversified, limiting dependence on any single scheme, while its dominant institutional franchise including leadership in PMS, a fast-growing AIF business, a leading position in the SIF segment, and long-standing relationships with provident funds, pension funds, insurance companies, and foreign institutional investors provides stable and recurring fee income.

Backed by the trusted SBI brand, strong execution capabilities, and favourable industry dynamics, SBI Funds Management is well positioned to sustain long-term growth in assets under management, profitability, and shareholder returns.

SBI Funds Management Ltd has market-leading SIP franchise, differentiated dual-parentage model, and robust investment platform. As India's largest SIP manager with 16.21 million live SIPs, the company benefits from recurring inflows, strong investor retention, and deep retail penetration through SBI's extensive branch network and the 100+ million-user YONO platform. Its partnership with Amundi enhances global investment expertise, international distribution, product innovation, and institutional relationships, strengthening its global presence. The company follows a disciplined, process-driven investment approach supported by an experienced team of 71 investment professionals, comprehensive research capabilities, and a proven track record of consistent fund performance across market cycles. Coupled with continuous product innovation, a diversified investment portfolio, and strong brand equity from SBI, the company is well positioned to capitalize on the structural growth of India's asset management industry and deliver sustainable growth in AUM, earnings, and shareholder value.

SBI Funds Management's diversified multi-channel distribution network and technology-driven platform provide a strong competitive advantage, enabling scalable growth and reducing reliance on any single distribution channel. The company has a pan-India presence through over 132,000 distributors, 95 banking partners, direct digital platforms, and SBI's extensive branch network, covering 98% of India's PIN codes and maintaining the largest B-30 AUM among the top 10 AMCs. Its rapidly expanding digital ecosystem, led by the InvesTap platform, supports high investor engagement, with 94.25% of transactions executed digitally, while advanced analytics, AI-driven investor insights, and personalized engagement tools have strengthened SIP persistence and customer retention. Backed by secure, scalable technology infrastructure, cloud-enabled operations, robust cybersecurity standards, and continuous digital innovation, the company is well positioned to capitalize on India's accelerating digital adoption, expand its retail investor base, enhance operating efficiency, and drive sustainable long-term growth in assets under management and profitability.

SBI Funds Management's growth strategy is focused on deepening retail penetration, accelerating digital adoption, and strengthening distributor productivity, positioning it to capture India's long-term mutual fund growth opportunity. The company aims to expand its presence in underpenetrated Tier-II, Tier-III, and rural markets by leveraging SBI's extensive banking network, its large distributor ecosystem, and targeted investor education initiatives to drive first-time investor acquisition and increase SIP adoption. Simultaneously, it is enhancing distributor capabilities through digital training platforms, advanced analytics, and productivity tools to improve customer acquisition and retention. The company is also investing in AI-powered digital platforms, seamless onboarding, personalized investment recommendations, predictive analytics, and enhanced self-service capabilities to deliver a superior customer experience and improve investor engagement. By combining its extensive physical distribution network with technology-driven digital capabilities and data-driven personalization, SBI Funds Management is well positioned to expand its retail franchise, increase wallet share, strengthen customer retention, and deliver sustainable long-term growth in assets under management and profitability.

SBI Funds Management's growth strategy is centered on expanding its high-margin product portfolio and strengthening its international presence, positioning the company to capture evolving investor preferences and diversify its revenue streams. The company plans to broaden its offerings across passive products, ETFs, PMS, AIFs, Specialized Investment Funds (SIFs), and institutional advisory services, enabling it to serve retail, HNI, and institutional investors across a wider spectrum of investment needs. Leveraging its market-leading PMS franchise, expanding alternatives platform, and early leadership in the SIF segment, the company is well positioned to benefit from the rising demand for sophisticated investment solutions. Additionally, its strategic partnership with Amundi and presence in GIFT City (IFSC) provide a strong platform to capitalize on both inbound global capital into India and outbound investments by Indian investors. By combining global distribution access, cross-border product capabilities, and SBI's strong domestic franchise, the company is expected to accelerate international expansion, diversify fee income, and drive sustainable long-term growth in assets under management, profitability, and shareholder value.

Segment Wise Quarterly Average AUM (QAAUM) details

Particular (INR in Bn)	FY26	FY25	FY24	CAGR%
Equity-Oriented and Equity-Hybrids (ex- arbitrage and overseas fund)	5,321	4,630	3,587	21.79%
Debt and debt-hybrid	1,713	1,469	1,246	17.25%
ETFs and Index Funds	4,055	3,417	3,182	12.89%
Arbitrage	432	318	271	26.33%
Liquid and Overnight Schemes	959	896	858	5.73%
SIF	30	NA	NA	NA
Total Mutual Fund QAAUM (A)	**12,510**	**10,729**	**9,144**	**16.97%**
PMS and Advisory	16,879	15,490	13,395	12.25%
AIF	66	51	39	29.18%
Alternates QAAUM (B)	**16,945**	**15,541**	**13,434**	**12.31%**
Offshore Schemes (c)	**6**	**6**	**5**	**13.18%**
Total QAAUM (A+B+C)	**29,461**	**26,276**	**22,583**	**14.22%**

Revenue from Top 10 Schemes

Particular (INR Cr)	FY26	FY25	FY24
Revenue from top 10 schemes in terms of MF QAAUM	1,954	1,644	1,321
Revenue generated from MF schemes in terms of MF QAAUM	4,207	3,425	2,600
Revenue from top 10 schemes as a % of revenue generated from MF schemes	46.40%	48.00%	50.80%

SIP Growth Metric

Particular (INR Cr)	FY26	FY25	FY24
Fresh SIPs Added (mn)	9	8.8	5.6
B - 30	6.1	6	3.6
T - 30	2.9	2.8	1.9
New Investors Added (mn)	5.3	6.3	4
Market share of Industry SIP Inflows (%)	11.40%	12.50%	12.90%
SIP Registered Persistency - 0-12 months (mn)	0.1	0.2	0.1
SIP Registered Persistency - 13-24 months (mn)	0.1	0.1	0.1
SIP Registered Persistency - 25-36 months (mn)	0.2	0.2	0.2
SIP Registered Persistency - 37 months and more (mn)	15.9	14.4	11.2

Distribution Channel Mix

Particular	FY26		FY25		FY24	
	INR (Cr)	% of Total MAAUM	INR (Cr)	% of Total MAAUM	INR (Cr)	% of Total MAAUM
Direct	7,00,712	58%	5,98,242	56%	5,36,179	58%
Third Parties	5,14,220	42%	4,63,747	44%	3,93,577	42%
Total MAAUM	**12,14,932**	**100%**	**10,61,989**	100%	**9,29,756**	**100%**

Geography wise MAAUM breakup

Particular (INR Cr)	FY26	FY25	FY24
Top-30 Cities MAAUM (Rs cr)	9,37,655	8,17,280	7,28,534
% of Total MAAUM	77.20%	77.00%	78.40%
B-30 Cities MAAUM (Rs cr)	2,77,277	2,44,709	2,01,222
% of Total MAAUM	22.80%	23.00%	21.60%
B-30 Equity MAAUM (Rs cr)	1,55,817	1,39,008	1,02,478
Pin Codes Reached	98.20%	97.80%	97.70%

Peers Comparison

Name of the company	Face Value (₹)	Total Revenue (₹ Cr)	EPS	NAV (₹)	P/E (x)	ROE(%)
SBI Fund Management Ltd	**1**	**4,390**	**15.04**	**29.28**	**NA**	**43.02%**
Peers Group						
ICICI Pru Asset Management Ltd	1	5,765	66.73	84.39	49.38	85.80%
HDFC Asset Management Ltd	5	4,122	66.50	215	41.71	32.90%
Nippon Life India Asset Management Ltd	10	2,709	23.63	73.01	51.10	34.50%
Aditya Birla Sun Life Asset Management Ltd	5	1,845	33.63	140	34.46	25.53%
UTI Asset Management co Ltd	10	1,698	31.41	351	31.57	11.22%

Company's Competitive Strength

- Largest asset management company in India in terms of mutual fund assets under management (Source: CRISIL Report), benefitting from strong operating leverage driven by scale and growth.
- India's largest portfolio management services provider by PMS and advisory assets under management, with a 39.7% market share in the PMS segment, and one of India's largest Specialized Investment Fund platforms, with an AUM of ₹29.95 billion representing a 28.2% market share of the SIF segment as of March 31, 2026.
- Market-leading SIP franchise with a 15.5% market share by live SIP count (Source: CRISIL Report) and strong investor stickiness.
- Dual Parentage - Integration of State Bank of India's domestic franchise with Amundi's global expertise.
- Process-driven investment framework with demonstrated track record of product innovation and consistent investment performance.
- Well-diversified, Pan-India multi-channel distribution infrastructure.
- Disciplined governance and risk management underpinning long-term stewardship.

Key Strategies Implemented by Company

- Deepen retail penetration in underserved markets by leveraging wide distribution network.
- Strengthen digital capabilities to enhance investor engagement and operational productivity.
- Expansion of product offerings and investment solutions.
- Capture international opportunities through structurally advantaged global positioning.

Particular (INR in Cr)	FY26	FY25	FY24
Investment Management Fees	4,234	3,438	2,610
PMS and Advisory Fees	155	160	80
Revenue From Operation	**4,389**	**3,598**	**2,691**
OPEX	918	823	707
Core Operating Income	**3,472**	**2,775**	**1,983**
Profit Before Tax	**4,005**	**3,364**	**2,674**
Profit After Tax	**3,067**	**2,540**	**2,073**
Equity Capital	204	51	51
Reserves and Surplus	**5,759**	**8,249**	**6,697**
Net Worth	5,963	8,300	6,748
ROA (%)	40.4%	32.0%	34.3%
ROE (%)	43.0%	33.8%	36.1%

Notes

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