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INITIAL PUBLIC OFFERING OF EQUITY SHARES ON THE MAIN BOARD OF BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE" AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") IN COMPLIANCE WITH CHAPTER II OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS").



(Please scan the QR code to view the Red Herring Prospectus, the Abridged Prospectus and addendum to the RHP and the abridged prospectus.)



SBI FUNDS MANAGEMENT LIMITED

(To be listed on the main board of BSE and NSE)

Our Company was originally incorporated as 'SBI Funds Management Private Limited' as a private limited company under the Companies Act, 1956, at Mumbai, Maharashtra, pursuant to a certificate of incorporation dated February 7, 1992 ("Original COI") issued by the Registrar of Companies, Maharashtra. Pursuant to an intimation made by our Company under Section 43A(2) of the Companies Act, 1956, our Company was converted to a public limited company and the name of our Company changed to 'SBI Funds Management Limited'. Consequently, the Original COI was amended by our name w.e.f. June 30, 1992. Following the subsequent deletion of Section 43A(2) of the Companies Act, 1956, our Company was converted to a private limited company pursuant to the resolutions of our Board and our Shareholders each dated May 16, 2001, and the name of our Company was changed to 'SBI Funds Management Private Limited'. Consequently, the Original COI was amended by the Registrar of Companies, Maharashtra to reflect such change in our name w.e.f. August 24, 2001. Subsequently, our Company was converted to a public limited company and the name of our Company changed to 'SBI Funds Management Limited' pursuant to a resolution of our Board dated October 22, 2021 and our Shareholders dated November 23, 2021, and a fresh certificate of incorporation dated December 16, 2021 was issued by the Registrar of Companies, Maharashtra at Mumbai. For further details, see "History and Certain Corporate Matters" beginning on page 275 of the Red Herring Prospectus dated July 8, 2026 (the "Red Herring Prospectus" or "RHP") filed with the Registrar of Companies, Mumbai-I at Mumbai ("RoC").

Registered Office: 9th Floor, Crescenzo, C – 38 & 39, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India; **Corporate Office:** 9th Floor and Unit No. 1002, 1003 and 1004 of 10th Floor, Crescenzo, C – 38 & 39, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India; **Tel:** +91 22 6179 3000; **Website:** <https://sbifunds.com/investor-relations>; **Contact person:** Vinaya Datar (Chief Compliance Officer, Company Secretary and Head Legal); **E-mail:** companysecretary@sbimf.com; **Corporate Identification Number:** U65990MH1992PLC065289

THE PROMOTERS OF OUR COMPANY ARE STATE BANK OF INDIA, AMUNDI INDIA HOLDING AND AMUNDI ASSET MANAGEMENT

INITIAL PUBLIC OFFERING OF UP TO 170,956,631 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF SBI FUNDS MANAGEMENT LIMITED ("THE COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF UP TO 99,501,649 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH AGGREGATING UP TO ₹ [●] MILLION BY STATE BANK OF INDIA AND UP TO 71,454,982 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH AGGREGATING UP TO ₹ [●] MILLION BY AMUNDI INDIA HOLDING (COLLECTIVELY REFERRED TO AS "PROMOTER SELLING SHAREHOLDERS", AND SUCH OFFER, THE "OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF UP TO 270,271 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH, AGGREGATING UP TO ₹ [●] MILLION (CONSTITUTING UP TO 0.01% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FOR SUBSCRIPTION BY ELIGIBLE SBIFM EMPLOYEES (THE "SBIFM EMPLOYEE RESERVATION PORTION"), A RESERVATION OF UP TO 2,987,076 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH, AGGREGATING UP TO ₹ [●] MILLION (CONSTITUTING UP TO 0.15% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FOR SUBSCRIPTION BY ELIGIBLE SBI EMPLOYEES (THE "SBI EMPLOYEE RESERVATION PORTION" AND COLLECTIVELY WITH SBIFM EMPLOYEE RESERVATION PORTION, THE "EMPLOYEE RESERVATION PORTION") AND A RESERVATION OF UP TO 13,055,629 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION (CONSTITUTING UP TO 7.64% OF THE OFFER SIZE), FOR SUBSCRIPTION BY ELIGIBLE SBI SHAREHOLDERS (AS DEFINED HEREINAFTER) ("SBI SHAREHOLDER RESERVATION PORTION"). THE OFFER LESS THE SBIFM EMPLOYEE RESERVATION PORTION, SBI EMPLOYEE RESERVATION PORTION AND SBI SHAREHOLDER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE 8.39% AND 7.59%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY.

DETAILS OF THE OFFER FOR SALE			
NAMES OF THE PROMOTER SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*
State Bank of India	Promoter Selling Shareholder	Up to 99,501,649 Equity Shares of face value of ₹ 1 each aggregating to ₹ [●] million	0.15
Amundi India Holding	Promoter Selling Shareholder	Up to 71,454,982 Equity Shares of face value of ₹ 1 each aggregating to ₹ [●] million	4.35

*As certified by Kirtane & Pandit LLP, Chartered Accountants (FRN: 105215W/W-100057), by way of their certificate dated July 10, 2026.
For further details, see "The Offer" beginning on page 72 of the RHP read with the addendum to the RHP and the abridged prospectus dated July 10, 2026.

PRICE BAND: ₹545 TO ₹574 PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH.

THE FLOOR PRICE IS 545 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 574 TIMES THE FACE VALUE OF THE EQUITY SHARES.

BIDS CAN BE MADE FOR A MINIMUM OF 26 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AND IN MULTIPLES OF 26 EQUITY SHARES OF FACE VALUE OF ₹1 EACH THEREAFTER.

THE PRICE TO EARNINGS RATIO ("P/E") BASED ON DILUTED EPS FOR FINANCIAL YEAR ENDED 2026 FOR THE COMPANY AT THE UPPER END OF THE PRICE BAND IS 38.16 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 36.24 TIMES.

A DISCOUNT OF ₹54 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION.

WEIGHTED AVERAGE RETURN ON NETWORTH FOR LAST THREE FISCAL YEARS IS 38.77%.

The details of the Offer for Sale and the post Offer market capitalization of the Company, each at the Floor Price and the Cap Price, are given below:

Particulars	OFFER SIZE AND MARKET CAPITALIZATION			
	At Floor Price of ₹545 per equity share		At Cap Price of ₹574 per equity share	
	Up to No. of Equity Shares of face value of ₹1 each	Up to Amount (₹ in million)	Up to No. of Equity Shares of face value of ₹1 each	Up to Amount (₹ in million)
Offer For Sale	170,956,631	92,995.47*	170,956,631	97,953.21*
Post Offer Market Capitalisation	2,036,827,612	1,110,071.05	2,036,827,612	1,169,139.05

*Offer size has been calculated considering the discount of ₹54 to eligible employees at floor price and cap price.

BID/OFFER PROGRAMME	BID/OFFER OPEN
	BID/OFFER CLOSING ON THURSDAY, JULY 16, 2026*

*The UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.

Our Company functions as the investment manager to SBI Mutual Fund and its core businesses include managing mutual funds (including Specialised Investment Funds), providing Portfolio Management Services, managing Alternative Investment Funds, and providing advisory services to offshore clients.

THE OFFER IS BEING MADE THROUGH THE BOOK BUILDING PROCESS IN ACCORDANCE WITH REGULATION 6(1) OF THE SEBI ICDR REGULATIONS.

THE EQUITY SHARES OF THE COMPANY WILL GET LISTED ON THE MAIN BOARDS OF BSE LIMITED AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED.

NATIONAL STOCK EXCHANGE OF INDIA LIMITED SHALL BE THE DESIGNATED STOCK EXCHANGE.

QIB PORTION: NOT MORE THAN 50% OF THE NET OFFER • NON-INSTITUTIONAL PORTION: NOT LESS THAN 15% OF THE NET OFFER • RETAIL PORTION: NOT LESS THAN 35% OF THE NET OFFER

SBIFM EMPLOYEE RESERVATION PORTION: UP TO 270,271 EQUITY SHARES OF FACE VALUE OF ₹1 EACH, AGGREGATING UP TO ₹ [●] MILLION

SBI EMPLOYEE RESERVATION PORTION: UP TO 2,987,076 EQUITY SHARES OF FACE VALUE OF ₹1 EACH, AGGREGATING UP TO ₹ [●] MILLION

SBI SHAREHOLDER RESERVATION PORTION: UP TO 13,055,629 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING UP TO ₹ [●] MILLION

IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ONLY ON THE INFORMATION INCLUDED IN THE RHP READ WITH THE ABRIDGED PROSPECTUS, EACH DATED JULY 8, 2026 AND THE ADDENDUM TO THE RED HERRING PROSPECTUS AND THE ABRIDGED PROSPECTUS DATED JULY 10, 2026 ("ADDENDUM") AND THE TERMS OF THE OFFER, INCLUDING THE RISKS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE OFFER AVAILABLE IN ANY MANNER. IN RELATION TO PRICE BAND, POTENTIAL INVESTORS SHOULD ONLY REFER TO THE PRICE BAND ADVERTISEMENT FOR THE OFFER AND SHOULD NOT RELY ON ANY MEDIA ARTICLES/ REPORTS IN RELATION TO THE VALUATION OF THE COMPANY AS THESE ARE NOT ENDORSED, PUBLISHED OR CONFIRMED EITHER BY THE COMPANY OR THE BOOK RUNNING LEAD MANAGERS TO THE OFFER ("BRLMS").

In accordance with the recommendation of a committee of Independent Directors of our Company, pursuant to their resolution dated July 8, 2026, the above provided price band is justified based on quantitative factors/ key performance indicators ("KPIs") disclosed in the "Basis for Offer Price" section on page 121 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, as disclosed in the "Basis for Offer Price" section beginning on the page 121 of the RHP and provided below in this advertisement.

Risk to Investors

For details, refer to section titled "Risk Factors" on page 24 of the RHP.

- We are subject to extensive and evolving regulatory requirements:** The key regulatory requirements and prudential norms applicable to our Company include net worth / capital adequacy, Total Expense Ratio ("TER") / Base Expense Ratio ("BER") restrictions, investment, valuation and portfolio norms, governance and trustee oversight, risk management, compliance and SEBI inspections, cybersecurity, data protection and technology resilience, KYC, AML and investor protection. Introduction of the BER framework and reduction in TER caps under the SEBI (Mutual Funds) Regulations directly reduce our management fee and TER income. Any changes to applicable laws, regulations or guidelines, or any adverse outcome from regulatory inspections, inquiries or investigations, including penalties, enhanced supervision may lead to suspension or cancellation of our registration, or reputational damage could have a material adverse effect on our business, financial condition, results of operations and cash flows.
- Scheme Underperformance Risk:** A significant number of our schemes have underperformed relative to benchmarks and peer schemes in the past three years. Underperformance relative to benchmarks in any given period may be driven by various factors and may persist across multiple periods. Any sustained underperformance of a significant number or proportion of our schemes, or the persistence of underperformance of existing bottom-quartile schemes, could result in increased investor redemptions, deterioration in our QAAUM, loss of market share, and reputational damage, each of which could have a material adverse effect on our business, results of operations, financial condition and prospects. The following table sets forth the number and percentage of our schemes (by category) that were ranked in the bottom quartile of their respective categories based on three-year returns, as at the relevant dates:

Period	Total Schemes	Bottom-Quartile Equity / Equity-Oriented Schemes	% of Equity / Equity-Oriented Schemes	Bottom-Quartile Debt Schemes	% of Debt Schemes	Bottom-Quartile Schemes (All Categories)	% of Total Schemes	AUM of Bottom-Quartile Schemes (₹ billion)	% of total ranked AUM
As at March 31, 2026	128	9	33.33%	2	10.53%	11	8.59%	941.09	12.69%
As at March 31, 2025	129	4	15.38%	-	-	4	3.10%	1,001.88	14.94%
As at March 31, 2024	122	5	21.74%	1	5.56%	7	5.74%	1,861.40	35.50%

- Revenue and Profitability is directly linked to QAAUM which could decline due to adverse market movements, redemptions:** Any decline in our QAAUM, whether due to market depreciation, investor redemptions, or other factors, directly reduces our management fee income. Investor redemptions in response to poor scheme performance, market volatility, or changes in investor preferences could result in a significant decline in our QAAUM. Large-scale redemptions, particularly by institutional investors or high-net-worth individuals, could create a compounding effect where redemptions force schemes to sell securities at unfavourable prices, resulting in further performance deterioration and additional redemptions.

The table below sets forth our management fees as a percentage of our total revenue from operations for Fiscal 2026, Fiscal 2025 and Fiscal 2024:

Particulars	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
Management fees (₹ million) (A)	42,344.92	34,377.87	26,101.82
Total revenue from operations (₹ million) (B)	43,894.88	35,977.57	26,905.58
Management fees as a percentage of total revenue from operations (C=A/B)%	96.47%	95.55%	97.01%

- Lower fees on Passive Investment Products:** We face risks relating to the growth of passive investment products, which typically have lower fees and could impact our actively managed QAAUM and reduce our profitability. The table

below sets forth our mutual fund QAAUM from passive products (i.e., ETFs and index funds) as at March 31, 2026, March 31, 2025, and March 31, 2024:

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
QAAUM from passive products (ETFs and Index Funds) (₹ billion) (A)	4,055.26	3,416.86	3,182.01
Total Mutual Fund QAAUM* (₹ billion) (B)	12,509.98	10,729.49	9,143.64
QAAUM from passive products as a % of total mutual fund QAAUM (C=A/B)%	32.42%	31.85%	34.80%

- Distribution Channel Dependence Risk:** We distribute our mutual fund schemes through multiple channels, including SBI's branch network and YONO banking platform, mutual fund distributors including 132,519 institutional and individual MFDs, which includes 122,460 independent financial advisors, 9,964 national distributors, and 95 banks (including SBI) as of March 31, 2026, digital channels and direct channels including our branches, website and InvesTap mobile application. Any disruption in distribution channels or deterioration in relationships with key distributors could adversely affect our ability to attract and retain investors.

The table below provides a split of our MAAUM generated from direct and third party distribution channels as at the dates

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