

Mirae Asset Flexi Cap Fund - Celebrating 1 Year



Fund Manager - MR. VRIJESH KASERA (Since 24th Feb 2023)

Mr. Vrijesh Kasera has professional experience of more than 16 years, and his primary responsibility includes Investment Analysis & Research. He has been associated with Mirae Asset Mutual Fund since 28-November-2016. Prior to this assignment, he was associated with Axis Capital Ltd. as an Equity Research Analyst. He has also been associated with Edelweiss Broking Ltd.

1) In the last one year, what has been your thought process behind shaping the portfolio?

Remaining true to label, Mirae Asset Flexi Cap fund focused on being flexible through emphasizing on bottom up stock picking. We have not maintained any strict boundaries rather have gone with the merit of businesses. Therefore, market cap allocation and sector weights are an end result of bottom up stock picking. The sectors we were overweight on at the start of the year rewarded us on a risk return basis. To name a few, Healthcare saw increase in net earnings of around 27% in last 12 months. In the same period, Industrials saw an increase of 112%. The portfolio has also not undergone high turnover as we have added businesses with medium to long term horizon. Having said that, certain changes were made wherever required.

Returns Contributed by Sectors

One Year Contribution to Return	MAFCF
Financials	8.3%
Industrials	5.5%
Consumer Discretionary	7.4%
Information Technology	2.5%
Health Care	3.4%
Materials	2.0%
Energy	2.3%
Consumer Staples	1.3%
Utilities	2.6%
Communication Services	1.1%

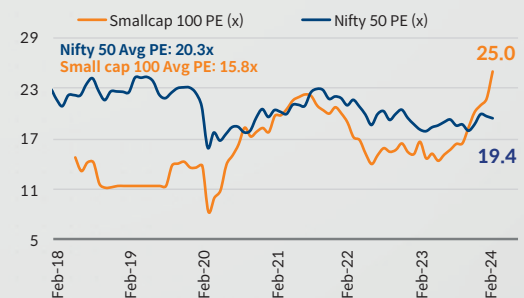
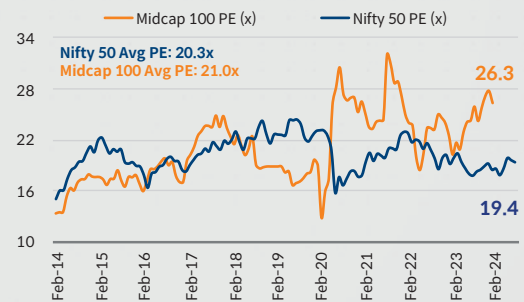
Source: Internal, Data as on 20th Feb 2024

Performance may or may not be sustained in the future

MAFCF: Mirae Asset Flexi Cap Fund, CTR is weighted total return of each sector in the portfolio

2) How have your views changed since NFO period till now w.r.t Market capitalization and Sectors?

In Feb 2023, the markets were still recovering from a subdued 2022 performance. No one would have thought that 2023 would be a complete contrast of the previous year. At that point the Mid & Small cap space looked relatively more attractive, and rightly so with the broad-based rally the segment saw afterwards. Currently, looking at valuations Large Cap space looks attractive. The P/E for both Nifty 50 & Nifty 100 is below their long-term average. Whereas, P/E for both Mid & small cap is above their long-term average and also at a 20% to 25% premium to large cap. Therefore, large cap is the more attractive market cap with select pockets of opportunities still present in Mid & Small cap space. In terms of sectors, financials still seem interesting, particularly banks because of their strong asset quality. Building materials considering real estate boom that is happening and scheduled delivery of housing projects inventory. Other than these healthcare, capital goods, power and auto are a few other sectors we continue to remain positive on.

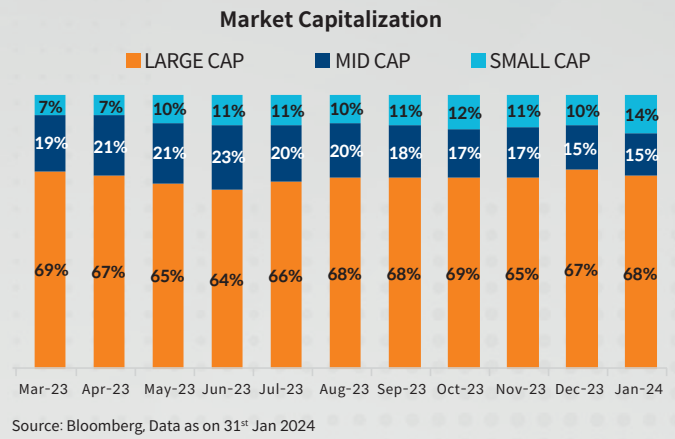


Source: Bloomberg, Data as on 22nd Feb 2024, Indices used: Nifty 50 Index, Midcap 100 Index, Small Cap 100 Index, Past Performance may or may not be sustained in the future.

Disclaimer: The sectors mentioned herein do not constitute any research report/recommendation of the same and the fund may or may not have any future position in these sectors. Views expressed by the Fund Manager cannot be construed to be a decision to invest. The statements contained herein are based on current views and involve known and unknown risks and uncertainties. Please consult your financial advisor or mutual fund distributor before investing.

3) How is the positioning of Mirae Asset Flexi Cap Fund across market cap in the current backdrop?

In the last one year, more than 60% of the portfolio has had a large cap tilt with adequate mid & small cap participation. On an average the fund has maintained 67% in Large cap, 19% in Mid cap and around 10% in small cap. Particularly, April 2023 onwards we increased our position in Mid & Small cap space from 27% to highest being 34% somewhere in mid of 2023. Currently, (as on 22-Feb-24) the fund has 71% in Large cap, 16% in Midcap and 13% in Small cap. While current valuations look in favor of large cap space over the remaining two, there is no yardstick for the fund which adheres it to specific allocation in market caps. Market cap allocation is a result of bottom up stock picking as mentioned earlier.



4) What segments could work in 2024?

2024 is quite an eventful year, both globally and domestically. It is an election year for some major economies like the USA & India. With elections, some volatility in the market is given. Infra spending could see a slowdown in the near-term considering pre-election time. This may make first half FY25 softer for infra & industrial names. Consumer spending so far has been mellowed. Particularly, broad-based consumption segments like FMCG & Auto. Rural spending has been slow so far and did not revive in 2023 against estimates. Thus, revival in consumption segment may be there post-election.

5) Why should an investor look at a Flexi Cap fund at this point in time?

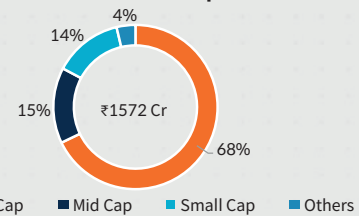
A Flexi Cap fund provides flexibility to move across market cap & sectors. For the time being, valuations have moved up rapidly for mid & small cap space and may remain high for a long period of time. In such a scenario, one has to look at pocket of opportunities within the overheated space. On the other hand, large cap valuations are benign. The fund is optimally positioned and may reap benefit of select opportunities in the mid & small cap space along with large cap acting as an anchor which may provide stability at benign valuations.

On the sectors side, we refrained from participating in a few names owing to discomfort on valuations, going forward we may re-look at those sectors albeit different names where growth could compensate valuation.

Fund Inception	Category	Benchmark
24 th Feb 2023	Flexi Cap	NIFTY 500 (TRI)
Goal	Ideal Investment Horizon	Risk Profile
Wealth Creation	5+ Years	Very High Risk



Net AUM & Market Cap of Fund



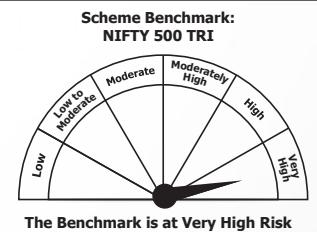
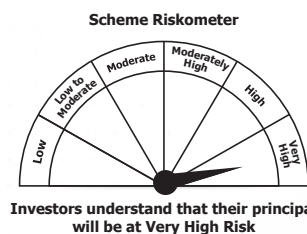
Pursuant to Clause 2.7 of Part IV of SEBI Master Circular dated May 19, 2023, the universe of "Large Cap" shall consist of top 100 companies, "Mid Cap" shall consist of 101st to 250th company, "Small Cap" shall consist of 251st and onwards companies in terms of full market capitalization. Source: Internal and AceMF, 31st January, 2024.

PRODUCT LABELLING

Mirae Asset Flexi Cap Fund (An open-ended dynamic equity scheme investing across large cap, mid cap, small cap stocks) **is suitable for investors who are seeking***

- To generate long term appreciation / income
- Investment in equity and equity related instruments across market capitalization spectrum of large cap, mid cap, small cap companies.

*Investors should consult their financial advisors if they are not clear about the suitability of the product.



Statutory Details: Trustee: Mirae Asset Trustee Company Private Limited; Investment Manager: Mirae Asset Investment Managers (India) Private Limited (AMC); Sponsor: Mirae Asset Global Investments Company Limited.

The sectors mentioned herein do not constitute any research report/recommendation of the same and the fund may or may not have any future position in these sectors.

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For further information about other schemes (product labelling and performance of the fund) please visit the website of the AMC: www.miraeassetmf.co.in

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.