PARTNER CONNECT

MIRAE ASSET
Mutual Fund

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LET'S UNITE FOR
THE PERFECT **PARTNERSHIP**

THE BIG LEAP

AN INITIATIVE FEATURING PARTNER STORIES

Your Success, Your Experiences, Your Big Leap!

We, as an AMC, believe we are on the threshold of taking the jump into the next level of growth. This is only possible if we work together with our partners through transparent communication. Keeping this in mind, we present to you **"The Big Leap"**.

We'd like to partner with our financial advisors in sharing their experiences through engaging videos, and showcase their growth stories, their insights into business, building portfolios, and maintaining good investment and investor experiences.

In today's mutual fund industry, there are some incredible advisors across the country. We want to demonstrate some of the advisors who are successful in their side of work, ask them questions, share their views, give you the experiences as to how they have taken the Big Leap and share ideas for the next level of growth through this Series.

Happy Reading,
Swarup Mohanty

Mr. Raunak Roongta

Partner, Moneymatics Financial Services LLP
Mumbai

LEARNING FROM BIG LEAP EPISODES

TIPS FOR BIG LEAP

- Decision-making should be guided by Client First Policy
- Ask for references from existing investors
- Complete transparency with your investors during risk profiling stage
- Digitize your business to make your business cost effective

CLICK HERE

Mr. Nilesh Karkare

Pune

- Don’t spend too much on marketing, client references & word of mouth publicity could be adequate
- Investing in Investor: dedicating time, effort, trust & energy in your investors & encourage them for a better investment journey
- Continue to upgrade your skills & educate yourself
- Ignore the noise & have a disciplined approach

CLICK HERE

WALL OF FAME

MY MUTUAL FUND JOURNEY

Mr. Alok Agarwal

Managing Director
Bodevision Finsec Consultants Pvt Ltd.

My father's gift – A career in Mutual Funds

My father established a small distribution of mutual fund business in the decade of 1990, and I joined this business in 1992, at the age of 18. Managing my studies and work was a struggle. After doing my B.Com, I directed all my attention towards my mutual funds career as a distributor. The work was a little tough, as the area of my work was Kanpur, which is a small town. In 2008, I managed a total corpus of 35 Cr, which was 100% in Equity. After the Global meltdown, however, my AUM abruptly dropped down to 20 Cr in 2009. After that, I changed my approach to one that is more customer-centric—our growth lies in helping our customers grow.

This involves:

GOAL-BASED PLANNING: An asset-allocation strategy that meets the investor's objectives, investing interests, and time horizon—is crucial. I assess the clients' financial situation, their risk appetite, and make recommendations accordingly. Clients may have short-term or long-term goals. For example, one of my younger clients wanted to plan a family holiday in the near future and was willing to take higher risks, so I recommended plans accordingly.

TRANSPARENCY: The more transparent I am, the more my customers will grow, and consequently, the more willing they are to place their trust in me. Ensuring that my clients are aware of the underlying investments of their portfolio and disclosing relevant information about product categories helps them make more educated investment decisions, which in turn, helps my business.

CONTINUOUS MONITORING: Keeping a close eye on how my clients' schemes are performing helps me render advisory-aid more effectively. The market fluctuations help me predict possible fund performance and reduce risks in the future. Implementing these methods persistently got me the desired trust of my investors. I make my decisions on the basis of the years of experience in this industry, due to which, the faith of my investors has increased. My investors not only returned for advice but recommended me to their friends and family. Their trust in me made me feel even more responsible towards them and added to my motivation to deliver efficiently.

I have completed more than a decade with 70 crore plus Equity AUM with Mirae Asset and all of my investors are very satisfied due to their Ethical Fund Management Approach. I want to associate with them for a long period of time and wish them for a great future ahead.

LESSONS FROM BLOCKBUSTER

"MEDALIST PEDH PE NAHI UGHTE . . . UNHE BANANA PADTA HAI . . . PYAR SE, MEHNAT SE, LAGAN SE"

The wrestler has a dream—to get India a gold medal on international platforms. However, due to financial circumstances, he is forced to pursue other means of livelihood. But that does not make him give up on his vision for the country. When he realizes how feisty his daughters are, he decides to train them to be wrestlers and implements an intense training schedule for them. Similarly, investors need a financial advisor who understands who they are, what they need, their investment appetite, and then guide them accordingly.

The wrestler's method was harsh, including grueling early morning workouts and short haircuts, but it surely kept them on track. Find a financial solution that helps your investors stay focused on their goal — invest in mutual funds, based on their goals and time horizon. Despite facing a backlash from the villagers, he goes ahead with training his daughters. Staying consistent in your mutual fund investment journey & meeting your investors' expectations, inspite of market volatility, can be the key to success.

One of the daughters goes on to win championships at the state and national level before winning the gold in Commonwealth Games. Stick to your tenures of goals, both short term and long term, & encourage them to persist for a better investment journey. Like in the movie, you need to spend time and train & educate your investors, so that one day, with your advice & hard work, they may achieve their goals.

EXCHANGE TRADED FUNDS
NIFTY NEXT 50

Mr. Siddharth Srivastava
AVP - ETF.

Exchange Traded Funds, popularly known as ETFs, have been a permanent topic of discussion in the investment industry for the last 3 decades. The never-ending debate of active v/s passive investments, Mutual Funds v/s ETFs have raged on since the first ETF was launched in Canada in the early 90's. Now, after almost 3 decades, the argument has reached India.

ETFs belong to the passive investment school of thought, which assumes that outperforming the market is difficult, under the premise that all securities in the market are priced correctly. Therefore, ETFs abandon the attempt to outperform the market benchmarks (generate alpha) and aim to generate the index returns by investing in the underlying index portfolio. Due to this simple index replication approach, ETFs are a very low-cost product, plus as the name suggests, they can be traded on exchange, just like stocks, at prices around the real-time NAV, without any exit load.

The Indian market-share is becoming increasingly efficient, especially in the large cap space. It is getting increasingly difficult for the fund manager to consistently outperform a low cost ETF product post expenses, which is 2.2% on an average for large cap funds v/s just 0.15% for Large cap ETFs. Currently, the primary premise of discussion on ETFs have centred around NIFTY 50, Sensex and Bank ETFs due to recent outperformance of these benchmarks, vis-à-vis Mutual Funds and CPSE ETFs due to the disinvestment drive by the Indian Govt.

ETF's should also be looked at by investors as a portfolio allocation tool whereby investors can take a targeted exposure towards the desired segment of the market, with an aim for the desired risk return profile over the long term. One such ETF product, which investors may evaluate in current market, is NIFTY Next 50. NIFTY Next 50 consists of 50 large cap companies which are part of NIFTY 100 Index, but aren't part of the NIFTY 50 Index. Essentially, it consists of smaller large cap companies based on M-Cap. The obvious question now is, why NIFTY Next 50?

The current market rally in NIFTY 50/Sensex has been driven by few stocks and industries, which has made the market very polarized. The Large cap Mutual Funds and ETFs based on NIFTY 50 and Sensex ETFs have higher exposure to these stocks and industries like banks, and are trading near historical highs. The NIFTY Next 50 on the other hand, offers an alternate exposure to the large cap space with a much diversified portfolio ^(Top 5 stocks have weights of 20% v/s 41% in NIFTY 50) and higher exposure to different sector and industries like Consumer Goods, Insurance, Pharma v/s Banks, IT and Energy in Large cap MF's and NIFTY 50/Sensex ETFs.

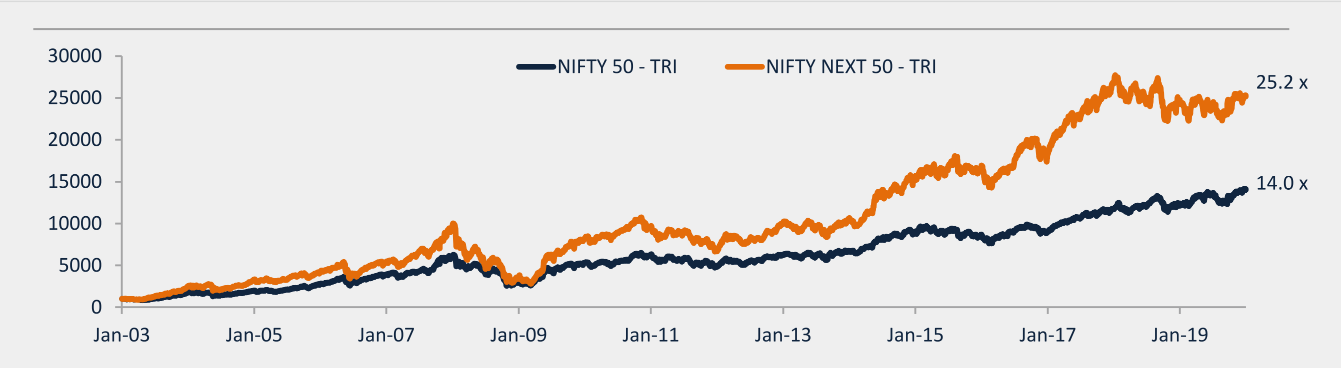
It's not only the diversified portfolio with alternate industry exposure in large cap space which makes NIFTY Next 50 an interesting product in current scenario. Over the decades, NIFTY Next 50 has delivered better performance with similar return-to-risk profile to NIFTY 50 index on a longer horizon (5,7,10 year period), and consistently better performance and return-to-risk profile than Midcap 100 index across all major horizons (6M, 1 ,2,3,5,7,10 year period). Since 2003, the NIFTY Next 50 has created 25.2x wealth as compared to 14.0x by NIFTY 50 (Refer Chart 1). The longer term performance of NIFTY Next 50 is also backed by the fact that NIFTY Next 50 has outperformed 78% of Large cap Mutual Funds*[1] in the last 5,7 years period by an average CAGR of around 1%. Investors though must note that, this though, has been achieved with higher volatility than NIFTY 50 Index.

Thus, an investor seeking to take an alternate yet diversified exposure in large cap space, which is backed by performance on the longer horizon historically, may explore investing in

NIFTY Next 50 ETFs.

Mirae Asset is launching NIFTY Next 50 ETF (an open scheme replicating / tracking Nifty Next 50 total return index.) with NFO starting on 13th Jan and ending on 21st Jan 2020, where the investor may apply for a minimum amount of Rs 5,000. The application can be made at AMC branch offices, AMC Website, RTA offices and channel partners.

Chart 1: NIFTY Next 50: Potential for long term wealth creation



*All data mentioned above is pertaining is as on December 31, 2019 from ACE MF, as on Dec 31, 2019 unless mentioned otherwise and does not in any manner constitute performance of any scheme of Mirae asset Mutual Fund. Past performance may or may not sustain in future.

*1 based on top 10 Large cap mutual funds as on November 30, 2019. The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same.

INVESTING AT MARKET PEAKS

Mr. Vaibhav Shah

Head - Product,
Marketing & Corporate Communications

Don't get deterred by peaks, equity investing is a long term game:

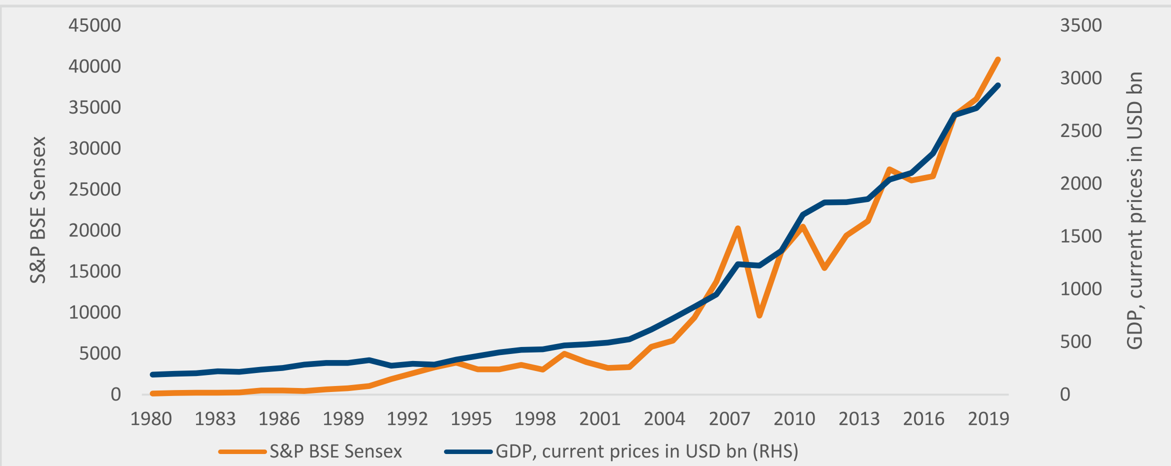
The Indian stock market is on a roll with the S&P BSE Sensex hitting its record closing high of 41,000. While the rising streak creates a pretty hunky dory picture of the market for investors, it might also have made them worried whether the index has peaked and will it start to decline now. With memories still fresh of the sharp decline they saw in 2008 after the Global Financial Crisis started, it is only natural that they have such a concern now. But there is one fact they tend to overlook – that the index value has doubled from 2008 peak of around 20000 points for the Sensex.

The lesson here is that markets usually reward investors who exhibit patience. This article is an attempt to break the myth that investors should not enter the market when it is at a peak. We also hold that the formula which may generate greater wealth over the long term is not timing the market but rather investing in it systematically.

Market peaks are superseded in the long term:

The capital markets have superseded every high in the long term. A look at the graphic will show you that many such pinnacles have come and gone in Indian stock market. The markets rise is in line with the economic growth. They are a barometer of the growth in a country's gross domestic product (GDP). The growth is mirrored in the long-term movement of the market (see Chart 1).The graph makes it clear that investing in equities for the long term has been positive and that investors need not bother about the cyclical downturns in the market. Being one of the fastest developing economies, India certainly presents a case for this.

Chart 1: Capital markets have mirroredeconomic growth in the long term:

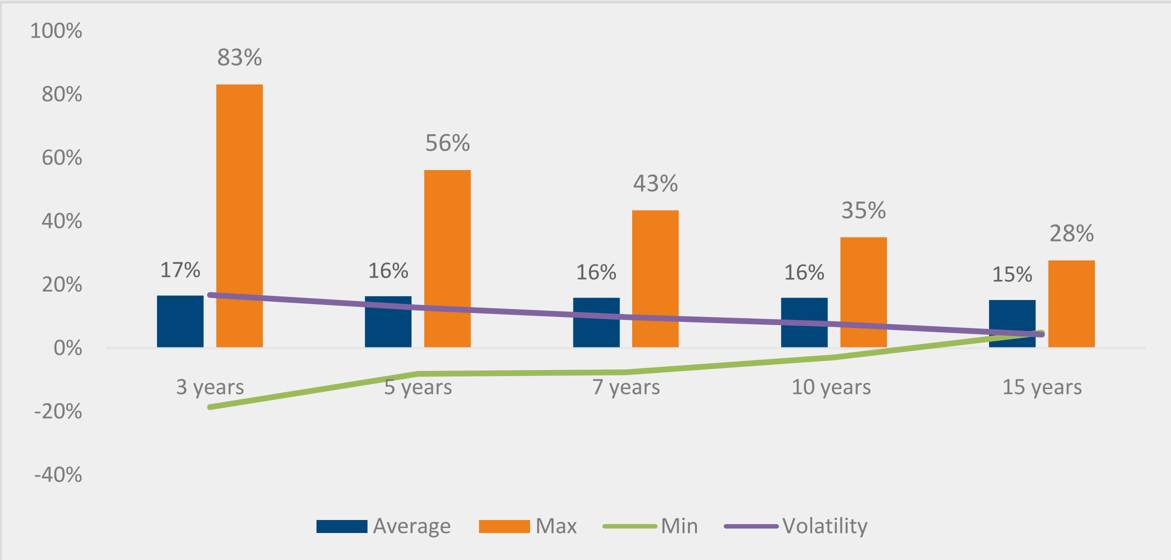


Source: BSE, IMF as on December 31st 2019.

Long-term investment is most beneficial:

That equity investment is a long-term game is a primary understanding any equity investor should have. Longer horizons tend to reduce the risks associated with timing the market. Analysis shows that equity has the ability to generate stable positive returns over the long term. For a fact, the S&P BSE Sensex has not given negative return in any 15-year period. Moreover, its volatility (denoted by standard deviation) is nearly 4% over such a horizon, much lower than nearly 17% over a three-year horizon.

Chart 2: Returns have stabilized, volatility has reduced over the long term:



Source: BSE, IMF as on December 31st 2019.

Summing up:

Investors thus should not get dissuaded by market peaks, instead when investing in equity, have a long term investment horizon and invest systematically in a disciplined manner so that you may derive better returns from the asset class. As British-born American investor, economist and investor says "The best way to measure your investing success is not by whether you're beating the market but by whether you've put in place a financial plan and a behavioral discipline that are likely to get you where you want to go."

TAKE A BREAK
FLAUNT YOUR SKILLS

CHALLENGE YOURSELF

And get featured in the Wall of Fame!

QUIZ

CLICK TO PARTICIPATE!

HELP US HELP YOU!
SHARE YOUR FEEDBACK

YOUR FEEDBACK MATTERS.

To help us improve, we would like to ask you a few questions about your experience so far.

CLICK HERE

Mirae Asset NIFTY Next 50 ETF is suitable for investors who are seeking*

- Returns that are commensurate with the performance of the NIFTY Next 50, subject to tracking errors over long term
- Investment in equity securities covered by the NIFTY Next 50

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

RISKOMETER

Investors understand that their principal will be at Moderately High Risk

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

* Securities and Exchange Board of India (“SEBI”) vide its letter dated November 20, 2019 bearing reference no. SEBI/HO/IMD/DF5/OW/P/2019/30719/1 (“SEBI NOC”) had granted their non-objection to transfer the AMC Business from 'Mirae Asset Global Investments (India) Pvt Ltd' to 'Mirae Asset Investment Managers (India) Private Limited'. Kindly refer notice cum addendum no. AD/28/2019 dated November 25, 2019 for further details.

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

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