

## 5 QUESTIONS FOR FUND MANAGER



### MIRAE ASSET MID CAP FUND

Midcap Fund - An open-ended equity scheme predominantly investing in mid cap stocks

Mirae Asset Mid Cap Fund aims to invest in high quality mid cap companies, which have the potential to be tomorrow's large caps. The fund aims to identify emerging companies which could benefit from strong earnings growth and P/E rerating.

#### Investment Strategy

Invest predominantly (>65%) into midcap equity and equity related instruments (101st -250th company in terms of full market capitalization). The fund may also participate in other Indian equities based on factors like relative valuations, liquidity, and market sentiments.

Aim to build a portfolio of companies having robust business models which have the potential to grow into tomorrow's large caps.

Diversified portfolio with participation across sectors.

The universe of stocks will comprise majorly of companies having robust business models, enjoying sustainable competitive advantages as compared to their competitors and have high return ratios.

Net AUM as on  
Dec 30, 2022

INR 9001.83 Crores

Benchmark

NIFTY Midcap  
150 (TRI)

Scheme Inception date

July 29, 2019



#### Fund Manager - ANKIT JAIN (Since Inception)

B. Tech (ICT), MBA (FINANCE)

Mr. Ankit Jain has professional experience of more than 10 years, and his primary responsibility includes Investment Analysis & Fund Management. He had joined the AMC as a Research Analyst since September 7, 2015. He was previously associated with Equirus Securities Pvt Ltd. and Infosys Ltd.

#### What will your broad overview about the midcap category in Indian equity markets, esp. in 2022?

- Calendar year (CY) 2022 was an eventful year with equity markets being volatile because of global macros caused by -
- Steep interest rate hikes across the world in response to combat inflation.



- Geo-political crisis resulting in high volatility in commodity prices led by energy basket.
- In that backdrop, performance of Nifty Midcap 150 index returns has been resilient with the index delivering 5.2% returns in CY 2022 in comparison to Nifty 100 index returns of 5.9%. Historically, midcaps under-perform large caps during periods of volatile macros, rising interest and economic uncertainty which was unlike in CY 2022. (Source: ACE MF)



### What can be the top three growth drivers for the midcap segment going into 2023?

- The midcap universe continues to increase in market capitalization as per the latest market cap data provided by Association of Mutual Funds of India (AMFI) as on Dec 2022. Currently, the largest midcap is at Rs. 48800 crores market cap which has seen significant growth in the last five years. The largest midcap was Rs. 29300 crores market cap as of Dec-2017. Similarly, bottom cut-off of the midcap market cap is at Rs. 16800 crores which was Rs. 8200 crores as of Dec 2017.
- The quality of stocks within midcap indices has improved with overall improvement in balance sheet and return metrics.
- We believe that improving business metrics, economic revival and lowering debt to profits could be key growth drivers for midcap segment going into 2023.



### What are the sectors/ themes within the Midcap 150 TRI which are on your watchlist and why?

- Nifty Midcap 150 index earnings growth has been resilient and delivered around 13.3% earnings growth as against 8.2% earnings growth for Nifty 100 index earnings on a trailing twelve-month basis in CY 2022. (Source: ACE MF) Going forward, earnings growth may be backed by capital expenditure and growth in order books of midcap companies. We would be cognizant of the midcap sectors like financials, consumer discretionary and healthcare to assess the further growth potential of the midcap category.
- We would be watchful of midcap companies on their future commentary on earnings in CY 2023 considering heightened interest rates and global macros.



### What has been the investment approach & fund positioning of Mirae Asset Midcap Fund?

- Overall portfolio strategy is based on bottom-up approach while identifying relative risk reward on individual stocks. We have considered a two-prong approach to investing in the midcap space. First is to consider high quality businesses and second is to participate in “deep in value” businesses.
- We continue to remain positive on sectors like financials and autos given cyclical up-tick in earnings coupled with attractive valuations. Incrementally, we have increased our overweight stance in pharmaceuticals sector.



## How could an investor's approach to midcap investing for the next 3 years & above?

- Overall, midcap category remains attractive and may potentially deliver resilient revenue and earnings growth over the longer term as seen in the past.
- Notwithstanding bouts of market volatility because of volatile global macros and relatively expensive valuations in historical context, investors may continue to remain constructive over longer investment tenure.

### MIRAE ASSET MIDCAP FUND

Top 5 Sector Allocation As on 30-Dec-22	Weightage in %
Banks	10.09%
Consumer Durables	9.26%
Pharmaceuticals	8.34%
Industrial Products	7.48%
Finance	6.42%



Data Source: Internal, ACE MF, Portfolio details as on 30-Dec-22. The market capitalization classification as per SEBI circular (SEBI/HO/IMD/DF3/CIR/P/2017/114) dated October 6th, 2017, the universe of "Mid Cap" shall consist of 101st to 250th company. Large Cap" shall consist of top 100 companies. Small Cap shall consist of 251st and onwards companies in terms of full market capitalization as prescribed by AMFI every six months. Past performance may or may not be sustained in the future.

Note: Investment strategy stated above may change from time to time without any notice and shall be in accordance with the strategy as mentioned in the Scheme Information Document. please read the offer document to know in detail about the asset allocation.

**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.

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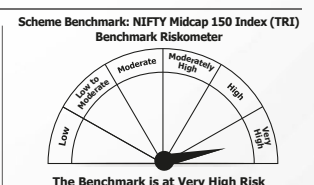
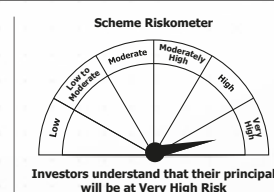
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## PRODUCT LABELLING

Mirae Asset Midcap Fund is suitable for investors who are seeking\*

- To generate long term capital appreciation/income
- Investments predominantly in equity and equity related securities of midcap companies

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



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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](http://www.miraeassetmf.co.in)

Please consult your financial advisor or mutual fund distributor before investing.

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