

5 QUESTIONS FOR FUND MANAGER

Good coffee is brewed from high quality beans.



MIRAE ASSET CORPORATE BOND FUND

An open-ended debt scheme predominantly investing in AA+ and above rated corporate bonds.
A relatively high interest rate risk and moderate credit risk.

Investment Strategy

The investment objective of the scheme is to provide income and capital appreciation by investing predominantly in AA+ and above rated corporate bonds. The fund invests across the yield curve with active interest rate management considering the prevailing interest rate scenario with Macaulay Duration normally in the range of 2-5 years.

Net AUM
as on Apr 30, 2023

INR 59.35 Crores

Benchmark

CRISIL Corporate Bond BIII Index

Scheme Inception date

17th March 2021



Fund Manager - MAHENDRA KUMAR JAJOO

(Since Inception) CIO - Fixed Income

Mr. Mahendra Kumar Jajoo is the Head - Fixed Income of Mirae Asset Investment Managers (India) Private Limited. He has over 30 years of experience in the field of financial services. He is overall responsible for supervising all Debt schemes of the Mirae Asset Mutual Fund. Prior to this assignment, Mr. Jajoo was Director with AUM Capital Markets Ltd. He has also been associated with organizations like Pramerica Asset Managers Ltd., Tata Asset Management Ltd., ABN AMRO Asset Management Ltd and ICICI Group.



Fund Manager - BASANT BAFNA

(Since 16th January 2023) Senior Fund Manager

Mr. Basant Bafna has over 12 years of experience in the banking industry. Prior to this assignment, Mr. Basant Bafna worked as Chief Dealer and Assistant General Manager with Export-Import Bank of India.

The Mirae Asset Corporate Bond Fund has completed 2 years in 2023. What are the key milestones for the fund during this period?

The past two years have been significantly volatile for markets with coordinated ultra-accommodative central bank policies followed by an interest rate normalisation as inflation soared and COVID-19 fears receded. Additionally, geopolitical tensions around the Russia-Ukraine conflict resulted in a disruption in commodity markets. The recent banking sector developments in the US have also added to market volatility with financial stability concerns.

The Mirae Asset Corporate Bond Fund has weathered market volatility in a calibrated manner while maintaining high portfolio quality. Active interest rate and credit risk management have helped balance risk and returns in an otherwise volatile market.

Post the policy rate hikes of 2022 and the pause on hikes in 2023, what is the way forward for the corporate bond category?

Domestic inflation seems to have peaked with recent prints reinforcing a broad-based decline across categories. Even though inflation remains above target domestically as well as for advanced economies, broad market consensus remains towards lower inflation prints going forward. The pace of inflation rate decline may influence monetary policy actions going forward.

While benchmark yields have eased after the pause in policy rates by the Reserve Bank of India, corporate bond spreads are close to long period average. With markets factoring in present policy rates as a peak, the projected decline in inflation and the consequent interest rate trajectory coupled with prevailing corporate bond spreads may augur well for the corporate bond category.

This category is about choosing the right set of companies to invest in their debt instruments. Can you take us through your bond selection and allocation process?

The fund focuses on high quality credits predominantly rated AA+ and above along with active duration management. The fund has in place an in-house company rating model with a detailed coverage of quantitative (prevailing financial metrics, projections, industry performance, etc.) as well as qualitative parameters (management strength and commitment, group support, sectoral outlook, etc.) to pre-emptively identify and monitor credits.

Mirae Asset Corporate Bond Fund is a relatively small fund with a short track record. What are the key fund facts which the investor should know to invest in this fund?

The overall corporate bond category remains large with an established track record with the interest rate outlook reflecting in the recent relative performance for the category. Given that the fund predominantly invests in high quality credits which remains liquid, size does not constrain the fund in achieving the desired portfolio positioning.

The fund has maintained high credit quality and liquid portfolio with active interest rate and credit risk management in view of the prevailing interest rate outlook. As markets continue to consider the present pause in policy rates as a pivot along with the projected decline in inflation, real rates may increase going forward which remains positive for yields in the medium term.



For rest of 2023, what are the factors which would affect debt investments and within it, the corporate bond category?

Markets are expected to remain volatile in the near term with inflation continuing to remain above target for advanced economies along with withdrawal of liquidity by the US Federal Reserve. A stalemate on the US debt ceiling discussions has also added to market volatility. On the domestic front, liquidity is projected to decline going forward along with a relatively large borrowing calendar for the year acting as potential headwinds. As such markets may remain on tenterhooks in the near term with incoming data influencing yield movements.

On the other hand, inflation seems to have peaked and is projected to fall going forward. Domestically, real rates remain in a positive zone and is projected to improve further going forward as inflation approaches RBI's target. As a result, markets may begin pricing-in rate cut expectations over the medium term based on the expected pace of decline in inflation towards target levels.

Additionally, credit growth remains robust with expectations of private capex to follow. As a result, market issuances are expected to remain strong and consequently, corporate bond spreads are expected to remain range bound with active duration management allowing for the possibility of good investment experience for investors in the corporate bond segment.



About the Portfolio as on 30-Apr-2023

MIRAE ASSET CORPORATE BOND FUND - PORTFOLIO DETAILS AS ON END APRIL 2023

Rating Profile	% of total	Asset Allocation	% of total
AAA	73.79%	Corporate Bond	82.28%
SOV	9.81%	Government Bond	9.81%
AAA(CE)	8.49%	Cash & Other Receivables	7.92%
Cash & Other Receivables	7.91%		
Total	100.00%	Total	100.00%

Data Source: Internal, Bloomberg data, Portfolio details as on 30-Apr-23

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. The strategies/themes 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 strategies/themes.

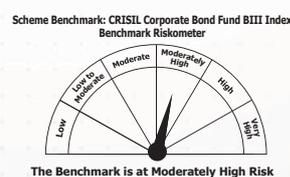
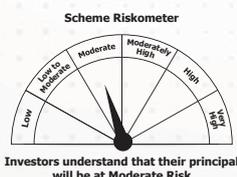
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PRODUCT LABELLING

Mirae Asset Corporate Bond Fund is suitable for investor who are seeking*

- To generate income over Medium to long term
- Investments predominantly in high quality corporate bonds

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



Potential Risk Class Matrix (PRC)

Credit Risk → Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)		B-III	

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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

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.