



IN CONVERSATION WITH

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CIO

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How has the 5-year journey been for the Mirae Asset Hybrid Equity Fund?

Over the last five years, there has been unprecedented dislocation and volatility in macro-economic parameters – both, domestic and global. These include events like demonetization, GST implementation, elections, and now the Covid-19 pandemic which unprecedented it terms of its scale and impact. There have been several junctures rife with reasons to be sceptical about the prospects of Indian equities – yet, we continue to be resolute in our faith in India's growth prospects. At the crux of our optimism is our investment philosophy, which maintains that a good investment on a bottom-up basis is ultimately about businesses delivering superior earnings growth despite macroeconomic volatility, as returns over time converge with earnings growth.

Can you share the investment process and framework for Mirae Asset Hybrid Equity Fund?

About 72% (+/- 3%) is invested in equities, and the rest in fixed income. The investments in equities are predominantly in large cap companies. Our investment orientation is mainly towards growth businesses with a focus on capital efficiency and quality management. We follow a bottom-up approach in our investing. We prefer businesses with large growth opportunities, good returns on invested capital, competent management, and importantly, reasonable valuation. With regard to portfolio construction, we seek to construct a diversified portfolio, which could handle mistakes and deliver decent risk-adjusted returns.

Our debt strategy is largely divided in two parts. The core is managed on a relatively static basis and is typically invested in government securities and corporate bonds. The second part is more tactical, for which we adopt a more active strategy with appropriate changes in duration, in line with the outlook on interest rates. Thus, the broad strategy ensures the consistent benefit of directional returns in line with underlying market environment and an active management strategy.

What has helped Mirae Asset Hybrid Equity Fund create a decent track record? Can you share your insights?

At the outset, I would like to emphasize that our approach is team and process-oriented, and the performance result is primarily driven by the research analyst team. Overall, a disciplined approach to investing, with a focus on "quality up to a reasonable price", has helped us deliver a satisfactory track record. To iterate, our focus is on stock selection through a bottom-up approach in growth companies available at reasonable valuations. Our attribution analysis suggests that at an aggregate level, alpha generation has been from stock selection, rather than on sectoral calls. In the fixed income space, investing in high quality debt instruments with active duration management in an easing interest rate cycle, has led to a debt portion adding to the performance of the fund.

You have been managing the equity portion of the fund since inception. The AMC has added Harshad Borawake and Vrijesh Kasera on the equity side. Can you share the teamwork process of the investment team?

At Mirae Asset, we adopt a team-based approach towards investment management. The fund inducted Harshad Borawake and Vrijesh Kasera as lead managers since April 2020. Harshad is our Head of Research and Vrijesh is Fund manager for the Mirae Asset Healthcare Fund. The duo also manages the equity portion of Mirae Asset Equity Savings Fund, which is another hybrid product in our portfolio. The strengthening of the fund management team will bring more focus on the fund management.

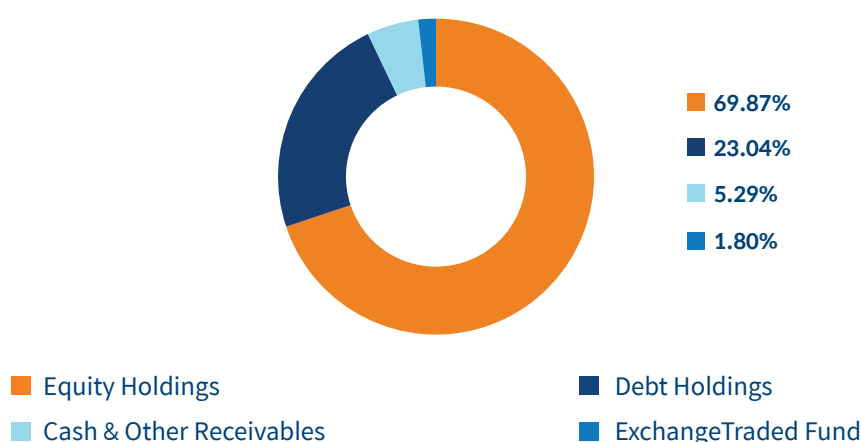
What should be an investor's strategy be in such markets?

The ongoing pandemic will determine the timeline of recovery, which remain uncertain in the near term. However, we have stable macros with respect to low interest rates, forex reserves, the current account situation, recovery in rural markets, etc. The interest rate remains an important lever for recovery as it impacts equity markets in three ways (a) it helps improve demand in rate-sensitive sectors, (b) it helps improve cash flows, and (c) P/E multiples improve with the fall in interest rates.

Also, an important aspect is that while doing DCF valuation for any stock, the fall in intrinsic value of many businesses is much lower than the stock price correction during a pandemic – this is based on the simple premise that the pandemic will impair cashflows for say 1-2 years. Any price correction exceeding value correction provides investment opportunity.

Overall, we believe that market valuations are reasonable from a long-term perspective, i.e., 3-yr horizon, considering low interest rates. Investors should continue with SIP during the ongoing volatility.

OVERALL ASSET ALLOCATION

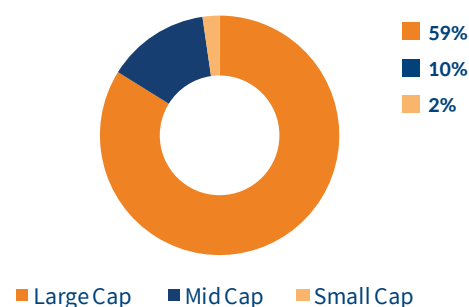


Equity Portfolio - Top Holdings

Portfolio Top 10 holdings	% Allocation
Reliance Industries Limited	6.91%
HDFC Bank Limited	6.51%
ICICI Bank Limited	4.14%
Infosys Limited	3.36%
Axis Bank Limited	2.87%
Tata Consultancy Services Limited	2.82%
Larsen & Toubro Limited	2.81%
ITC Limited	2.70%
State Bank of India	2.63%
NTPC Limited	1.87%

Concentration	% Allocation
Top 3 Equity Holding	17.55%
Top 5 Equity Holding	23.79%
Top 10 Equity Holding	36.62%
Total Equity Holding	57

Market Cap Allocation



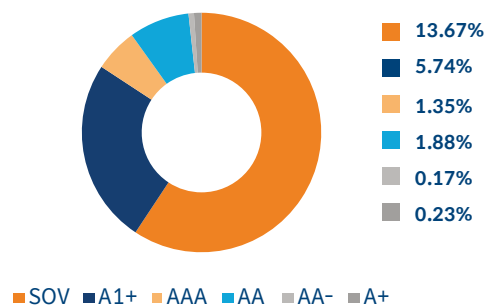
Source: Above data as on, 30th June, 2020. *Portfolios may or may not change. The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same.

Debt Portfolio & Quants - Top Holdings

Portfolio Top 10 holdings	% Allocation
6.45% GOI (07/10/2029)	6.18%
5.79% GOI (11/05/2030)	3.29%
HDFC Securities Ltd (15/07/2020)	2.88%
Reliance Jio Infocomm Ltd (05/08/2020)	2.16%
6.19% GOI (16/09/2034)	2.01%
7.27% GOI (08/04/2026)	1.72%
9% Muthoot Fin Ltd (19/04/2023)	0.78%
9.75% Muthoot Finance Ltd (27/02/23)	0.74%
ICICI Bank Ltd (18/12/2020)	0.71%
7.74% Tamilnadu (22/02/2024)	0.31%
7.70% REC Ltd (10/12/2027)	0.30%
8.90% Aadhar Housing Fin Ltd (26/03/2021)	0.29%
Edelweiss Rur & Corp ServLtd (15/04/2021)	0.23%
9.1899% Indostar Cap Fin Ltd (27/03/21)	0.17%

Debt Ratio	% Allocation
Weighted Average Maturity	5.38 Years
Modified Duration	3.94 Years
Macaulay Duration	4.18 Years
Yield to Maturity	5.43%

Rating Profile



Source: Above data as on, 30th June, 2020. *Portfolios may or may not change. The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same.

Mirae Asset Hybrid Equity Fund

Aggressive Hybrid Fund - An open ended hybrid scheme investing predominantly in equity and equity related instruments.

Mirae Asset Hybrid Equity Fund is suitable for investors who are seeking*

- Capital appreciation along with current income over long term
- Aggressive hybrid fund investing predominantly in equities & equity related instruments with balance exposure to debt & money market instruments

*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

Mirae Asset Equity Savings Fund

Equity Savings Fund: An open ended scheme investing in equity, arbitrage and debt

Mirae Asset Equity Savings Fund is suitable for investors who are seeking*

- Capital appreciation and income distribution
- Investments in equity and equity related instruments, arbitrage opportunities and debt & money market instruments

*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

Mirae Asset Healthcare Fund

Sectoral/Thematic: An open ended equity scheme investing in healthcare and allied sectors.

Mirae Asset Healthcare Fund is suitable for investors who are seeking*

- To generate long term capital appreciation
- Investments in equity and equity related securities of companies benefitting directly or indirectly in Healthcare and allied sector in India

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

The Fund features may undergo a change from time to time, for more details, please visit www.miraeassetmf.co.in

Riskometer



Investors understand that their principal will be at Moderately High Risk

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

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