

## Monthly Update: Mirae Asset NYSE FANG+ ETF and Mirae Asset NYSE FANG+ ETF Fund of Fund



### Market Summary

In last one month US markets and particularly growth stocks have left the risk of inflation behind their stock performance and clearly emerged as the winners outperforming S&P 500 Index. The large-cap S&P 500 Index ended modestly higher for the month while the tech indices remained in positive and were in good momentum territory for the month. Also, economically sensitive securities got a boost from the news of an agreement on a bipartisan infrastructure deal.

The start of the month was greeted by the inflation figures of 5% (highest in last 13 years) but the contributors of inflation, as expected, seems to be transitional in nature risen due to supply chain bottleneck and faster than expected recovery. Market continued to focus more on growth data and recovery. President Joe Biden also announced that a bipartisan group of 10 Senators had agreed on a plan for roughly USD 1 trillion in infrastructure spending over the next

five years. IHS Markit's gauge of June manufacturing activity beat expectations and climbed to a record 62.6 (with readings above 50 indicating expansion).

Major event was Fed policy meeting in Mid-June and markets were keen on the tone which committee will take in face of rising inflation. While Fed raised the inflation expectation for this year and moved expected interest rate hike to 2023 instead of 2024, it also raised the GDP growth forecast to 7% from 6.5% earlier. NASDAQ-100 Index reversed its previous month losses and closed higher by 6.4% whereas S&P 500 closed on modest gain of 2.3%. The FANG+ Index outperformed both by delivering a return on 9.7% in June.

The strong rally in the US Dollar vis-à-vis other currencies added to the return of foreign portfolio investors investing into the US market and Rupee denominated FANG+ Index gave a return of 12.6% in the month of June aided by 2.5% depreciation of INR v/s USD

Particular	1 Week	1 Month	3 Month	YTD	1 Year	3 Year	5 Year
NYSE FANG+ TRI (USD)	3.1%	9.7%	12.3%	15.2%	76.8%	36.4%	44.2%
NASDAQ 100 TRI (USD)	2.0%	6.4%	11.4%	13.3%	44.4%	28.6%	28.3%
S&P 500 TRI (USD)	1.3%	2.3%	8.6%	15.3%	40.8%	18.7%	17.7%
NYSE FANG+ TRI (INR)	3.1%	12.6%	13.6%	17.2%	74.0%	40.1%	47.0%
NASDAQ 100 TRI (INR)	1.9%	9.1%	12.7%	15.4%	42.1%	32.1%	30.7%
S&P 500 TRI (INR)	1.3%	5.0%	9.8%	17.3%	38.6%	21.9%	19.9%
NIFTY 50	0.3%	2.3%	7.5%	13.2%	54.6%	15.0%	15.1%
INR/USD	0.0%	2.6%	1.1%	1.8%	-1.6%	2.7%	1.9%

Source: Bloomberg data as on June 30, 2021; Exchange rate of FBIL are used for conversion of index value from USD to INR. Past performance may or may not sustain in future. The index returns are in Total Return Variant. The data shown above pertains to the Index and does not in manner indicate performance of any scheme of the Fund. Positive INR/USD implies that INR has depreciated v/s USD and has added to the returns of the funds.

### NYSE FANG+ Index: Movers and Draggers

Movers and Draggers						
Movers and Draggers	Weight	1 Week	1 Month	3 Month	YTD	1 Year
Alibaba Group	10.1%	5.6%	6.0%	0.0%	-2.6%	5.1%
Alphabet Inc.	9.6%	0.0%	3.6%	18.4%	39.3%	72.2%
Amazon.com Inc.	9.3%	-1.8%	6.7%	11.2%	5.6%	24.7%
Apple Inc.	9.9%	2.4%	9.9%	12.1%	3.2%	50.2%
Baidu Inc.	10.3%	7.8%	3.9%	-6.3%	-5.7%	70.1%
Facebook Inc.	9.9%	2.1%	5.8%	18.1%	27.3%	53.1%
Netflix Inc.	9.9%	3.0%	5.1%	1.3%	-2.3%	16.1%
Nvidia Corp	10.1%	5.0%	23.1%	49.9%	53.2%	110.6%
Tesla Inc	10.3%	3.5%	8.7%	1.8%	-3.7%	214.7%
Twitter Inc	10.6%	3.5%	18.6%	8.1%	27.1%	131.0%

Source: Bloomberg data as on June 30, 2021; Past performance may or may not sustain in future. The index returns are in Total Return Variant (USD). The data shown above pertains to the individual stocks and does not in manner indicate performance of any scheme of the Fund

## What moved NYSE FANG+ Index?

For the month of June 2021, in INR terms, NYSE FANG+ Index closed 12.6% higher compared to May 2021. During the same period NASDAQ-100 Index generated return of 9.1% and S&P 500 generated return of 5%.

All the constituents of FANG+ Index moved in green territory for the month of June 2021. While most were hovering in the range of 4% - 10%, notable positive exceptions being Nvidia and Twitter which increased by 23.1% and 18.6% respectively contributing to the performance of NYSE FANG+ Index.

Nvidia Corp. sharp rise was largely on backdrop of company best reported quarterly result and in anticipated of continued shortage of semi-conductor chips across the globe. Twitter Inc. closed higher as their subscription-based model has been rolled out in Canada and Australia.

Planned launch of VR headset with some AR functionality by 2022 from Apple Inc. provided positive boost to the stock along with opening of apple podcast subscription across the globe. The working of Alibaba and provincial government in China together on an acquisition, has started to indicate that the tussle between the company and government is on the verge of subsidizing. This resulted into positive sentiment for the stock.

## What moved the market?

The Federal Reserve considerably raised its expectations for inflation this year and brought forward the time frame on when it will next raise interest rates (two hikes in 2023 instead of expected hike in 2024). However, the central bank gave no indication as to when it will begin cutting back on its aggressive bond-buying program, though it is expected to start doing it in later part of this year. Even with the raised forecast for this year, the committee still sees inflation trending to its 2% goal over the long run and inflation to abate. GDP

expectations were raised to 7% from 6.5% earlier.

Further, Fed Chairman Jerome Powell largely downplayed inflation concerns in testimony before Congress. Powell said he continues to believe that the recent spike in consumer prices will eventually ease, although he did acknowledge economic uncertainty will persist as pandemic restrictions are lifted providing boost to the growth and tech stocks.

Further, strong buying and continued recovery of the US economy vis-à-vis other developed economies boosted the appetite for the US stocks across the globe. Further, rise in persistent US dollar prices in previous month resulted into repatriation of some of the fund flowing into emerging economies back to the US which boosted overall the market sentiments and investment.

## What to watch out for?

In the coming weeks second quarter result of most of the tech stocks will be starting to get revealed and investor will be watching out cautiously towards the earnings growth and trajectory along with management commentary.

Ahead of the mid-July start of quarterly earnings season, nearly twice as many companies that have issued guidance prior to their earnings releases raised their expectations compared with the number that lowered their forecasts. Sixty-six companies in the S&P 500 Index had issued positive guidance as of Friday July 25th 2021, while 37 had issued negative guidance, according to FactSet.

However, that said, risk of inflation continued to loom on the head of tech stocks as the Federal Reserve considerably raised its expectations for inflation this year and brought forward the time frame on when it will next raise interest rates. Lastly, the potential for higher U.S. taxes, coupled with regulatory risks is expected to weigh in on US equities in the near term.

### Fundamental Data

Particular	P/E (12M Forward)	EPS Growth (3 Yr. Consensus)
Alibaba Group Holding Ltd	23.4x	54.3%
Alphabet Inc.	25.0x	151.6%
Amazon.com Inc.	49.7x	113.7%
Apple Inc.	26.9x	70.2%
Baidu Inc.	22.6x	50.0%
Facebook Inc.	23.5x	85.2%
Netflix Inc.	49.1x	110.9%
Nvidia Corp	49.5x	98.3%
Tesla Inc	135.6x	265.6%
Twitter Inc	83.1x	277.5%
FANG+ Index	35.00x (+3%)*	101.4%
NASDAQ-100 Index	29.62x (+20%)*	63.9%
S&P500 Index	22.69x (+13%)*	65.0%

\*Above/Below past 3 years average (Red colour denotes the said security is expensive relative to its historical valuation). Source: Bloomberg data as on June 30, 2021; Past performance may or may not sustain in future. The data shown above pertains to the individual stocks and does not in manner indicate performance of any scheme of the Fund

### Product Update:

Product	Allotment Date	Allotment Price (in Rs.)	Last NAV	Average Trading Volume*
Mirae Asset NYSE FANG+ ETF (MAFANG)	06-05-2021	48.590	54.27	2.86 Cr
Mirae Asset NYSE FANG+ ETF Fund of Fund	10-05-2021	10	11.634	-

Source: National Stock Exchange Limited (NSE), data as on June 30, 2021. Average Daily Trading volume is computed since May 11, 2021. Past performance may or may not sustain in future. The data shown above pertains to the data on exchange and does not in manner indicate performance of any scheme of the Fund.

## Annexure: Stock Commentary

### Alibaba

A consortium led by Alibaba Group Holding Ltd. and the Jiangsu provincial government are in talks to buy a stake in the retail arm of Suning empire, Suning.com, one of the China's biggest retailers of appliances, electronics and another consumer good. The company had market value of USD 8Bn before the trading halted on Jun 16." Alibaba Cloud has been consistently ranked No. 1 in the public cloud IaaS (Infrastructure as a Service) and PaaS (Platform as a service) market with 42.1% market share. In addition, Alibaba Cloud has served tens of thousands of government customers across 26 ministries and commission and 31 provinces/municipalities/autonomous region in China. Expansion of the government and enterprise cloud market will become an important revenue driver for Alibaba Cloud. Further, Alibaba's offline push could help expand its market beyond the 25% of China retail conducted online and capture customer consumption data, despite potentially lower margins. The company is investing in physical retail assets, building local services and delivery networks and launching smart supermarket chains across China.

### Alphabet

AT&T has agreed to ship all of its phone with Google's message app as the sole app for doing Rich Communication Services (RCS) messaging. RCS is expected to be future of plain text messaging replacing standard SMS text messages. Alphabet Inc.'s (GOOG) announced additional safety measures to protect against financial fraud in the United Kingdom. The company said that these measures would safeguard the interests of users and genuine advertisers and protect against scammers making use of Google platforms. Alphabet's (GOOG) Wing has made its drone flyer app, Open Sky, available in the U.S. for the first time. With Open Sky, recreational or commercial drone flyers can check FAA airspace information to see where they can and cannot fly, request an authorization from the FAA where it's required, and manage and log their flights and permissions to their pilot profile.

### Amazon

Amazon has continued to maintain its large lead in the market for cloud infrastructure, which rents computing, storage and networking capability to users. In 2020, Amazon Web Services, the tech giant's cloud computing arm, generated more than twice the cloud infrastructure revenue as No. 2 player Microsoft Corp. Further, Swisscom AG, the Swiss communications and information-technology services company, selected Amazon Web Service (AWS) as its preferred public cloud provider for its enterprise IT. Also, Amazon recently announced its plans to open its first Amazon robotics fulfilment centre. The new robotics fulfilment centre, set to launch in 2022, is more than 600,000 square feet and will be used to pick, pack and ship small items to customers such as books, electronics, and toys. Lastly, Amazon has added 14 renewable energy projects in the U.S. and Canada, Finland and Spain, positioning it as the largest global corporate buyer of renewable energy.

### Apple

Apple is expected to announce the next generation of iPhones just three months from now. June-quarter results may be better than the Street fears, driven by strong iPhone, Mac, and iPad demand, and that the uptick that started during the pandemic will be durable. Further, Apple announced that Apple Podcasts<sup>(R)</sup> Subscriptions, the global marketplace for premium podcast subscriptions, is now available. Listeners in more than 170 countries and regions can purchase subscriptions for individual shows and groups of shows through channels, ad-free listening and early access, directly on Apple Podcasts. Apple's streaming service, which launched in November 2019, has bought a button on the Roku remote — a surprise tie-up with the popular streaming-stick maker that Apple hopes will expand its customer base. Apple Inc. is said to be developing a VR headset with some AR functionality for a possible release in 2022.

### Baidu

Baidu partnering with BAIC Group's EV brand ARCFOX to jointly release Apollo Moon, a new generation of robo-taxis that are set to be mass-produced with a per unit manufacturing price of RMB 480,000. Remarkably only one third of the cost of average L4 autonomous vehicles, Apollo Moon is a monumental milestone in the large-scale commercialization of fully autonomous ride-hailing services in the smart transportation industry. In eight years, Baidu Apollo has gone from being a pioneer to becoming a dominant force that is spearheading the entire autonomous driving sector. China's Baidu Inc aims to build a rob taxi fleet of 3,000 vehicles in two years, with total users expected to reach 3 million in 30 cities by 2023.

### Facebook

A federal court dismissed the Federal Trade Commission's antitrust lawsuit against Facebook Inc. that would have split up the social-networking giant, as well as a similar suit from 48 state attorneys general. The federal court, however, ruled the FTC failed to prove that Facebook commands monopoly power in the domestic social-networking market. Facebook shares climbed 4% in trading, closing with a market cap above \$1 trillion for the first time. Facebook's bet on virtual reality is likely bigger than anticipated. Facebook is on track to sell more than eight million Oculus Quest 2 virtual reality headsets in their first year. Quest 2 would be "the first mainstream virtual reality headset". Further, Facebook has said it expects iOS changes pertaining to privacy, to begin to have an impact on its business in the current quarter. Lastly, Facebook Inc. vowed to not take a cut of revenue from creators who make money on its social-media platforms until 2023.

### Netflix

Stronger launch slate over the coming months could help the company better engage and tempt users. A recent Credit Suisse survey of U.S. consumers found appreciation for Netflix's original programming, exclusive content, and easy-to-use platform, who



noted that only 8% of respondents cited issues with pricing or value. Subscriber growth is expected to normalize starting in the 2021 fourth quarter. A strong slate of content between August to December period, is expected to increase the subscriber base and estimated revenue for the company. Further, Steven Spielberg's production company Amblin Partners has signed a deal to make several movies for the streaming giant in the coming years. This deal could be another source of unique and attractive content for the streaming giants who intends to spend more than \$17 billion on content this year.

### Nvidia

Nvidia Corp. broke several quarterly sales records and forecast revenue growth by as much as \$1 billion above Wall Street estimates for the first quarter of 2021, as the gaming and data-centre chip company faces continued demand amid a chip shortage. Revenue soared to a record \$5.66 billion, up 84% from \$3.08 billion in the year-ago quarter. For the fiscal second, or current, quarter, Nvidia forecast revenue of \$6.17 billion to \$6.43 billion, while analysts surveyed by FactSet have forecast revenue of \$5.47 billion on average.

### Tesla

Analysts polled by FactSet expect Tesla to report the sale of 207,000 vehicles in the second quarter, including 114,000 Model 3 sedans and 78,000 Model Y

compact SUVs, with the remainder roughly split between Model S luxury sedan and Model X luxury SUV vehicles. The numbers would compare with the delivery of 184,800 vehicles in the first quarter of 2021. The company delivered 91,000 vehicles in the second quarter of 2020. Investors will focus on company comments about demand in China, updates about the company's autonomous driving push and the factories going up in Berlin, Germany, and Austin, and the planned "AI Day." The most detailed report forecasting on EV sales till 2040, pointed out that Electric Vehicle takeover of the global automotive industry will be complete in 19 years. Tesla will have a 10.1% market share by 2040, selling about 8.2 million vehicles a year. Tesla sold 500,000 vehicles in 2020.

### Twitter

Twitter Inc. is beginning the rollout of its new subscription offering, which will give users the ability to better organize bookmarks and correct mistakes in tweets shortly after finalizing them. The new Twitter Blue subscription plans will be available in Canada and Australia to start as the social-media company experiments with ways to charge for enhanced features. The subscription offering will cost C\$3.49 (\$2.88) or AUD\$4.49 (\$3.44) per month.

Sources: Data as on June 30, 2021, Bloomberg, NSE, ICE Data Services.

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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 before investing

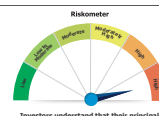
#### PRODUCT LABELLING

Mirae Asset NYSE FANG + ETF is suitable for investors who are seeking\*

- Returns that are commensurate with the performance of NYSE FANG + Total Return Index, subject to tracking error and foreign exchange movement.

- Investments in equity securities covered by NYSE FANG + Total Return Index

\*Investors should consult their financial advisers, if they are not clear about the suitability of the product.  
(An open-ended scheme replicating/tracking NYSE FANG+ Total Return Index)



#### PRODUCT LABELLING

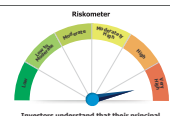
Mirae Asset NYSE FANG+ ETF Fund of Fund is suitable for investors who are seeking\*

- To generate long term capital appreciation/income

- Investments predominantly in units of Mirae Asset NYSE FANG + ETF

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

(An Open-ended fund of fund scheme predominantly investing in Mirae Asset NYSE FANG+ ETF)



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