

Mirae Asset Corporate Bond Fund (MACBF)

(An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds)

PRODUCT UPDATE October 2021

MARKET SNIPPET

In the last Month, growth momentum seemed to be decelerating globally with pent up demand tapering off. Markets are expecting the central banks to start removing accommodation sooner to deal with sticky inflation. Also, the combination of persistent bottlenecks in the global supply chain and booming energy prices drove concerns around prolonged inflationary pressures. All these are causing yield curves to flatten, causing long term real rates to bounce back from multi year lows.

YIELD REACTION

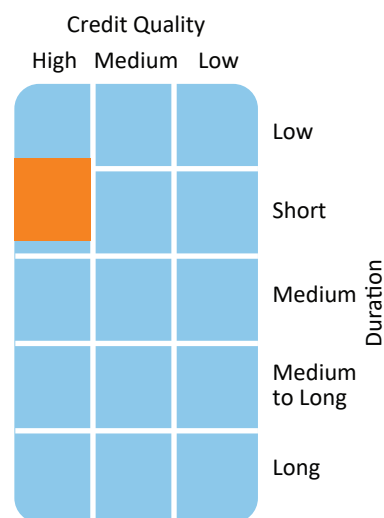
During the Month, yields increased gradually. With RBI discontinuing with GSAP auctions and with oil prices hitting 7 year high of appx \$86/bl. Benchmark 10Y g-sec yield ended the month at 6.38%, almost an 18 month high. Corporate bond spreads widened at shorter end but narrowed at mid/long end. SDL spreads widened slightly.

Long term rates may also inch up slightly but as H2 borrowing plan is lower than H1 there is a certain optimism regarding fiscal number remaining within projected limit and that the long end has already priced in some negativity, so movement may be more stable here henceforth. Considering this yield curve mat flatten further.

DEBT RATIOS

	Oct' 2021	Sep' 2021
Weighted Average Maturity	2.05 Years	4.69 Years
Modified duration	1.80 Years	1.64 Years
Macaulay duration	1.90 Years	1.72 Years
Yield to Maturity	4.96%	4.69%

STYLE BOX



We endeavour to maintain the high credit quality and duration will change based on interest rate outlook

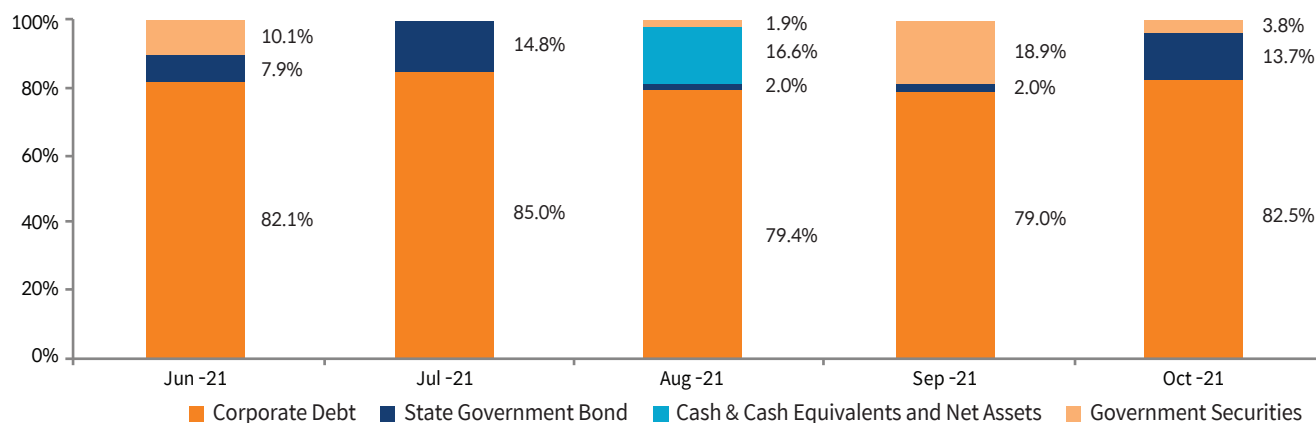
PORTFOLIO APPROACH

- Fund followed the strategy of investing in high quality papers majorly.
- It has reduced its allocation in above 5 years papers and increased allocation 3 to 5 years maturity.
- Fund will continue with the strategy of maintaining duration between 1.50 – 2.00 years and in order to keep the performance and improve the yields will look for opportunity in State Development Loans
- Fund Risk score reduced from 1.78 to 1.36, but fund remains in Low to Moderate risk category.

Instrument Type	In	Out
G-sec	3.84%	-
Corporate Bond	3.84%	-
SDL	-	2.05%

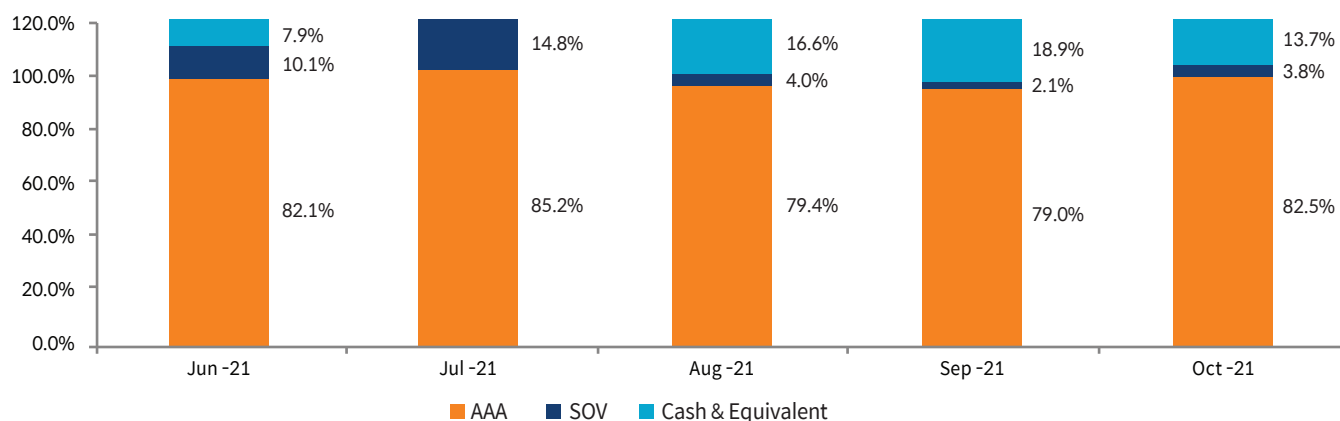
This strategy is based on current market evaluation and may change in case of change in dynamics or major event.

ASSET TYPE ALLOCATION



Fund has reduced its allocation in SDL

RATING ALLOCATION



Fund has always invested in high quality papers only and endeavors to continue the same.

IDEAL INVESTOR PROFILE



Goal:
wealth creation



Investment Time Horizon:
3 Years



Risk Profile:
Moderate

INVESTMENT FRAMEWORK



Instrument Profile:
Investment shall primarily be made in the AAA /AA+ corporate bonds along with some exposure to G-Sec and T-bills.



Risk Management:
Robust risk management process.



Duration Management:
Investment across the yield curve but target Modified Duration will be within range of 2-5 years.



Active Management:
Active Portfolio management based on flexible interest rate strategy.

WHY INVEST IN MIRAE ASSET CORPORATE BOND FUND?



Fund follows active management strategy based on interest rate view.



It has clear strategy of investing primarily in the AAA /AA+ corporate bonds along with some exposure to G-Sec and T-bills



Credit storm is not yet over and regulators are coming with new regulation to ensure safety of investors capital. Hence, it is important to choose fund with quality portfolio. Fund has always invested in G-sec, AAA and A1+ papers only, hence there was no impact of any regulatory change on it and it has not seen any downgrades/defaults.

Source for Fund data in all debt product guides: Internal, data as on 31st October 2021.

Source for Market Outlook: Internal views and Bloomberg as on 31st October 2021.

INVESTMENT DETAILS



Allotment Date:
17th March 2021



Minimum Investment Amount:
₹5,000/- and in multiples
of ₹1/- thereafter.



**Monthly Average AUM
as on October 31, 2021
(₹Cr.): ₹129.42**



Benchmark Index:
NIFTY Corporate Bond Index



Fund Manager:
Mr. Mahendra Jajoo
(Since Inception)



SIP Amount: Monthly and Quarterly:
₹1,000/- (multiples of ₹1/- thereafter),
5 installment for monthly and
3 for quarterly duration.



Plans and options: Regular Plan and Direct Plan with
Growth and Payout of income Distribution cum Capital
Withdrawal option/Reinvestment of income Distribution
cum Capital Withdrawal option^.

^Pursuant to Notice cum addendum dated March 27, 2021 the nomenclature of dividend option has been changed w.e.f. April 01, 2021.

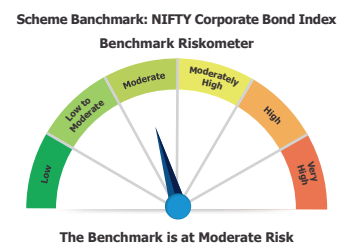
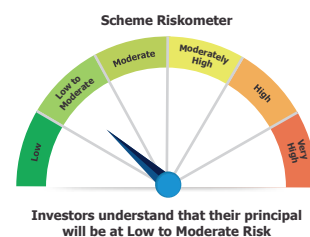
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PRODUCT LABELLING

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 advisers, if they are not clear about the suitability of the product.



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



Email Us
customercare@miraeeasset.com



Call Us
1800-2090-777 (Toll Free)
Mon-Sat: 9 a.m. to 6 p.m.



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