

# Mirae Asset Dynamic Bond Fund (MADBF)

( Dynamic Bond Fund - An open ended dynamic debt scheme investing across duration)

## PRODUCT UPDATE June 2021

### MARKET OUTLOOK^

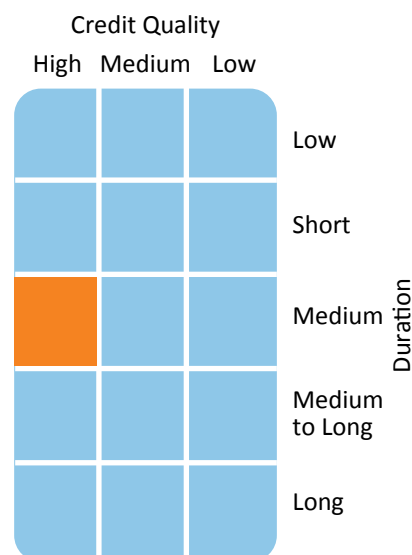
The major parameters for Indian economy to watch are – Recovery on Covid-19 and RBI policies and actions. Vaccinations ramped-up post Centre took control but only ~6% of India's adult population was fully inoculated & ~29% with the first dose. With fall in Covid cases, states eased restrictions by allowing restaurants to open with 50% capacity, longer working hours etc. However, Delta Plus variant posed a risk to phase-wise unlocking in some states.

Apart from improvement in COVID-19 cases, there are two major measures taken last month by Finance Minister and RBI to support the economy and boost the growth. RBI highlighted the ongoing growth concerns amidst a second wave of infections and retained policy rates and maintained accommodative stance until growth revival becoming sustainable. There were indications by some MPC members that they would be somewhat tolerant to inflation being at the upper end of their flexible target. It conducted third tranche of G-SAP 1.0 and announced the calendar of G-SAP 2.0 for the Q2FY22.

The inflation trajectory is likely to be shaped by uncertainties impinging on the upside and the downside. The rising trajectory of international commodity prices, especially of crude, together with logistics costs, pose upside risks to the inflation outlook. But with declining infections and easing restriction across states could ease gradually and mitigate disruptions to supply chains, reducing cost pressures inflation might remain in comfort zone of RBI. Strengthen global economy will improve trade and reduced cases and increased vaccination for 18 and above will improve the growth for India. With liquidity remaining easy and uncertain at the longer end and steepen yield curve at 7 years and 5 years, we expect Bond yields likely to remain range bound.

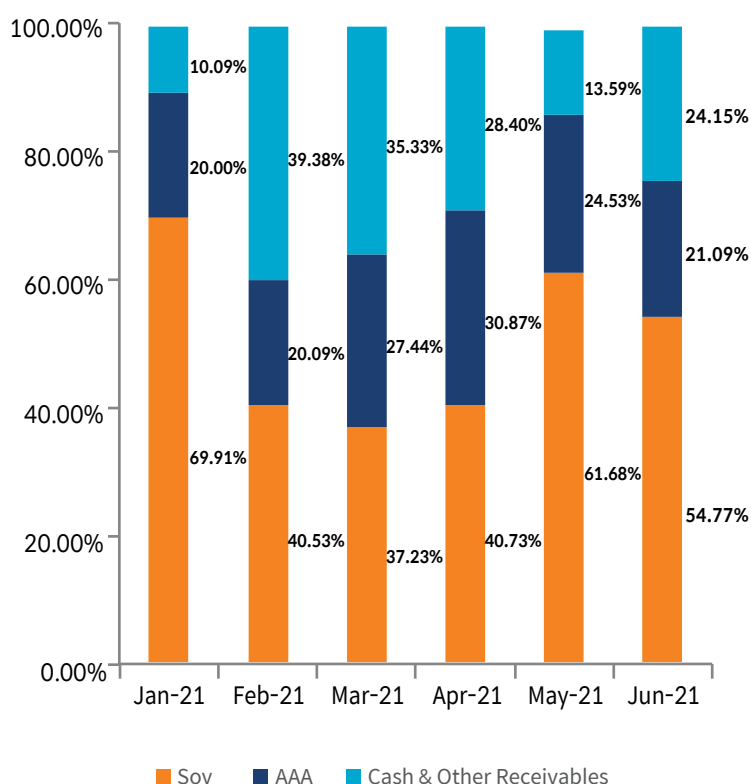
### FUND COMMENTARY

As yields are expected to be range bound with major attraction at lower end of curve, hence the current allocation is largely towards Short to medium term papers and fund will strategically invest in Government bonds and high quality AAA papers and fund duration is likely to remain in 2.00-5.00 range. In last Month, Fund has major investment shorter end of curve as that part is attractive and as calibrate approach 8% is towards longer end of curve.



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

### RATING ALLOCATION



	Jun' 2021	May' 2021
SOV	54.77%	61.88%
AAA	21.09%	24.53%
Cash & Other Receivables	24.15%	13.59%

### DEBT RATIOS

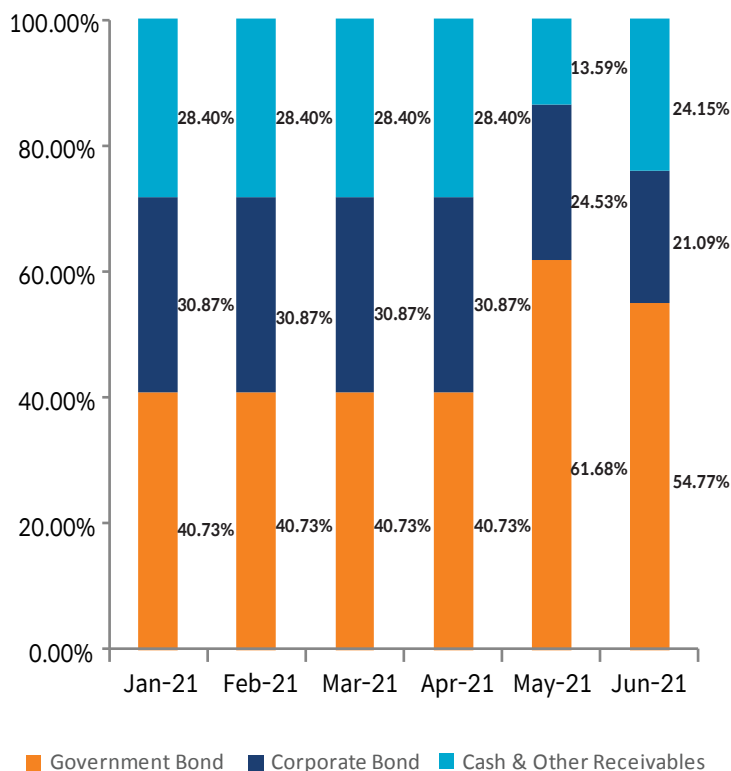
	Jun' 2021	May' 2021
Weighted Average Maturity	3.42 Years	4.64 Years
Modified duration	2.78 Years	3.63 Years
Macaulay duration	2.94 Years	3.84 Years
Yield to Maturity	4.90%	5.06%

## PORTFOLIO TOP HOLDINGS\*\*

Name of Instrument	Rating	Jun-21
5.63% Government of India (12/04/2026)	SOV	30.85%
6.18% Government of India (04/11/2024)	SOV	15.92%
6.98% National Bank For Agriculture and Rural Development (19/09/2022)	CRISIL AAA	7.09%
4.64% Oil & Natural Gas Corporation Ltd (21/11/2023)	ICRA AAA	6.85%
6.64% GOI (16/06/2035)	SOV	4.61%
8.25% Indian Railway Finance Corporation Ltd (28/02/2024)	CRISIL AAA	3.70%
5.35% National Housing Bank (12/02/2024)	CRISIL AAA	3.45%
5.85% GOI (01/12/2030)	SOV	3.39%

\* Portfolio may or may not remain the same.  
For complete monthly portfolio, please visit the website:  
[miraeassetmf.co.in/downloads/portfolio](http://miraeassetmf.co.in/downloads/portfolio)

## PORTFOLIO COMPOSITION



### IDEAL INVESTOR PROFILE



**Goal:**  
Aim for Income



**Investment Time Horizon:**  
3+ Years



**Risk Profile:**  
Moderate

### INVESTMENT FRAMEWORK



Portfolio composition mainly between government equities, corporate bonds and balance in money market instruments.



Portfolio will be managed across maturity bonds.



Portfolio rebalancing will be based on changes in interest rate outlook.

### WHY INVEST IN MIRAE ASSET DYNAMIC BOND FUND?



Scheme is based on duration model with an aim to maintain high duration when interest rates are high and maintain low duration when interest rates are low. This will help in capturing interest rate cycles from both sides over a longer period of time.



Fund had and endeavors to only invest in Government securities or high quality Corporate bonds.



In order to take advantage of changing interest rate cycle we have always recommended Systematic Investment Plan (SIP) in debt.

Source for Fund data in all debt product guides: Internal, data as on 30<sup>th</sup> June 2021.  
Source for Market Outlook: Internal views and Bloomberg as on 30<sup>th</sup> June 2021.

## INVESTMENT DETAILS



**Allotment Date:**  
24<sup>th</sup> March, 2017



**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^.



**Benchmark:** CRISIL Composite Bond Fund Index



**Fund Manager:**  
Mr. Mahendra Jajoo  
(24<sup>th</sup> March, 2017)



**SIP Amount: Monthly and Quarterly:**  
Minimum of ₹1,000/-  
(multiples of ₹1/- thereafter),  
minimum 5 installments



**Minimum Investment Amount:**  
₹5,000/- and in multiples of ₹1/-  
thereafter. Minimum Additional  
Application Amount: ₹1,000/- per  
application and in multiples of ₹1/-  
thereafter.



**Monthly Average AUM**  
(₹Cr.): ₹145.35

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

#The sector (s) / stock (s) / issuer (s) mentioned in this document do not constitute any research report/recommendation of the same.

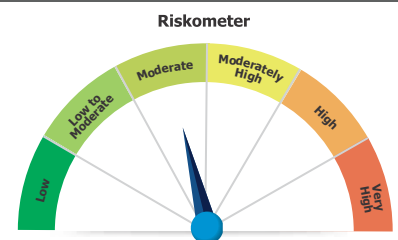
**Disclaimer** - ^The information contained in this document is compiled from third party and publically available sources and is included for general information purposes only. There can be no assurance and guarantee on the yields. Views expressed by the Fund Manager cannot be construed to be a decision to invest. The statements contained herein are based on current views and involve known and unknown risks and uncertainties. Whilst Mirae Asset Investment Managers (India) Private Limited (the AMC) shall have no responsibility/liability whatsoever for the accuracy or any use or reliance thereof of such information. The AMC, its associate or sponsors or group companies, its Directors or employees accepts no liability for any loss or damage of any kind resulting out of the use of this document. The recipient(s) before acting on any information herein should make his/her/their own investigation and seek appropriate professional advice and shall alone be fully responsible / liable for any decision taken on the basis of information contained herein. Any reliance on the accuracy or use of such information shall be done only after consultation to the financial consultant to understand the specific legal, tax or financial implications.

## PRODUCT LABELLING

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

- Optimal returns over short to medium term
- To generate optimal returns through active management of a portfolio of debt and money market instruments

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



Investors understand that their principal  
will be at Moderate Risk

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



**Email Us**  
customercare@miraeasset.com



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



**Internet**  
www.miraeassetmf.co.in



**Twitter**  
MiraeAsset\_IN



**Facebook**  
MiraeAssetIN



**Contact your financial  
advisor for details**



**Instagram**  
miraeassetindia