

# MIRAE ASSET HEALTHCARE FUND (MAHCF)

Sectoral/Thematic Fund - An open ended equity scheme investing in healthcare and allied sectors

March 2022

# Contents

---

1. Healthcare, Close to our lives
2. Healthcare : A growing opportunity
3. Benchmark journey
4. About Mirae Asset Healthcare Fund
5. Annexure

Healthcare, Close to our life

## Main Health Issues

### Hyper tension

Healthcare is most important in modern society **Every 4<sup>th</sup> individual** in India aged above 18 years has hypertension

### Obesity

Age standardized obesity prevalence **increased by 22%** in the past 4 years

### Diabetes

India has the **worlds 2nd highest number** of diabetic patients

### CVD\* Death Rate

Cardiovascular diseases account **for 45% of all NCD\* Deaths**

### 4 Major non-communicable diseases (NCDs)

Cardiovascular Disease	Diabetes	Chronic Respiratory Disease	Cancer
---------------------------	----------	-----------------------------------	--------

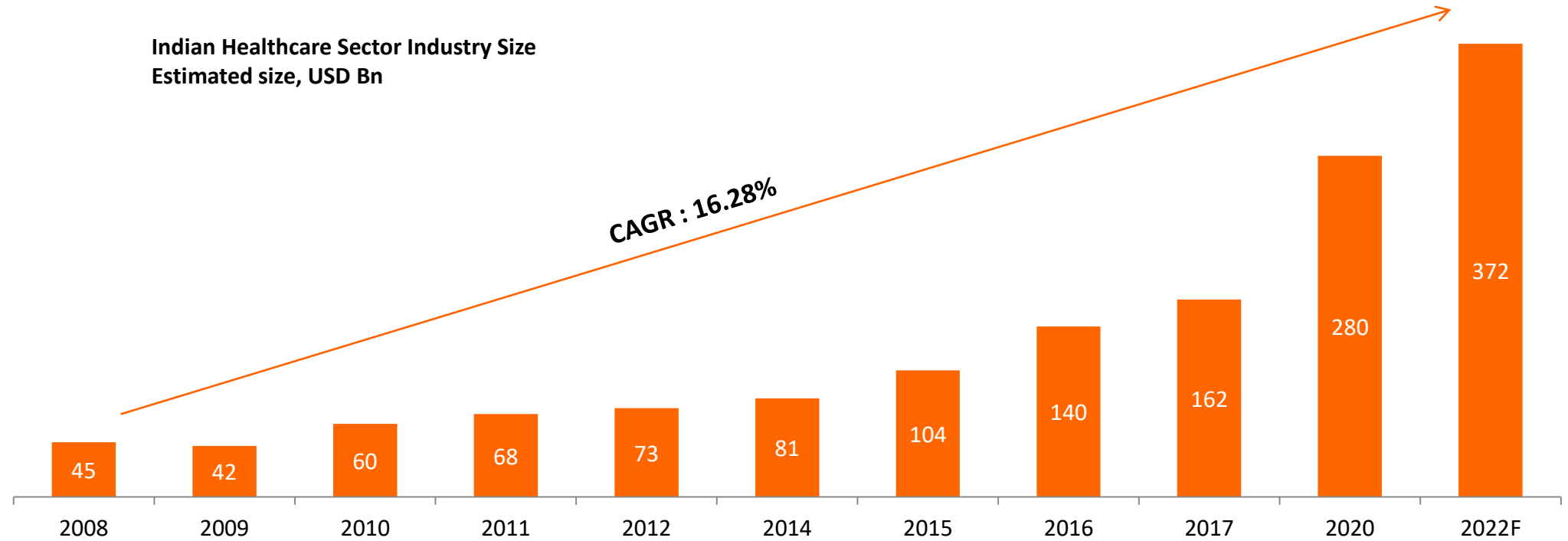
### Non Communicable Disease toll

The probability of **dying from NCDs** between ages 30 and 70 years is **26%**

I. \*CVD – Cardiovascular diseases; NCD – Non Communicable diseases

II. Source: WHO report on Indian Health Statistics, International Diabetes Federation Report 2015, (latest available report and that no further report has been published after 2015)

# India: Healthcare sector growth expected to accelerate



Note: F – Forecast,

Source: Investment Opportunities in India's Healthcare Sector 2021, NITI Ayog Past Performance may or may not be sustained in future.

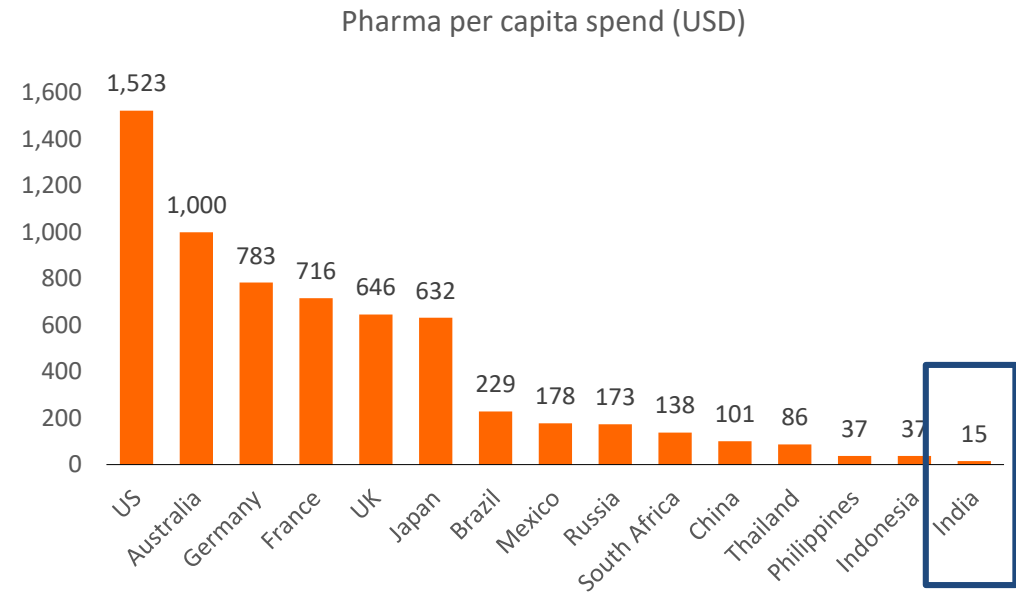
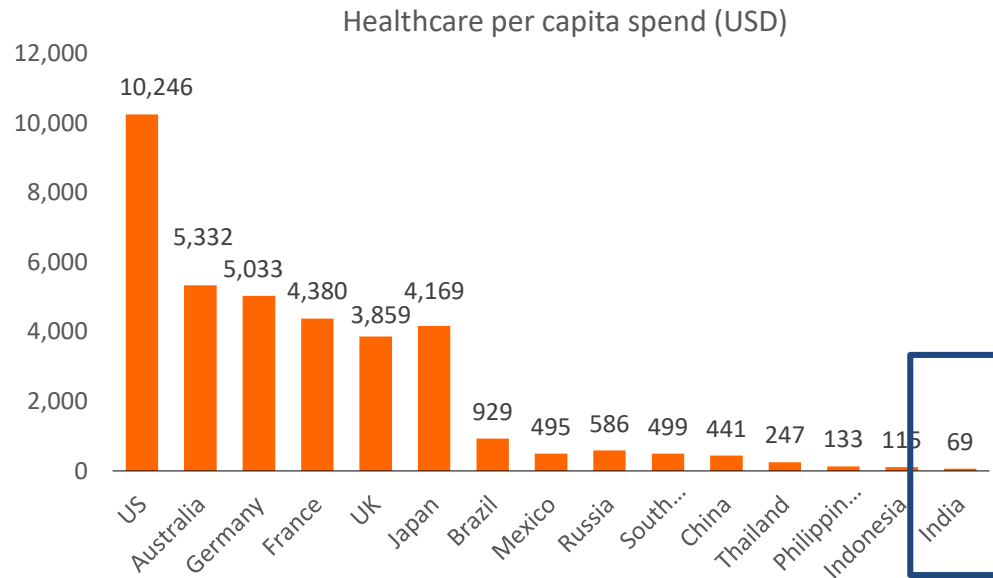
# Healthcare : A Growing Opportunity

# Growth Driver of Indian Healthcare Market

<p><b>US Market</b></p>	<p><b>Major export market of India</b></p> <ul style="list-style-type: none"> <li>• US is the major export market for Indian pharma companies</li> <li>• US market sales and FDA regulation impacts earnings of the healthcare sector directly</li> <li>• Indian companies has been increasing its market share in various product range in US</li> <li>• Current eased regulatory framework of US provides another momentum to grow</li> </ul>
<p><b>Domestic Market</b></p>	<p><b>Growing fast with increasing awareness and demand</b></p> <ul style="list-style-type: none"> <li>• There is large room for growth in healthcare industry in India</li> <li>• Large Indian healthcare companies have been gaining its size through consolidation and it provides competitiveness to grow in domestic market</li> </ul>
<p><b>R&amp;D</b></p>	<p><b>Increasing investment</b></p> <ul style="list-style-type: none"> <li>• Complex generics, will be the next frontier for growth and margin expansion</li> <li>• Indian generic players have doubled investment in R&amp;D of sales over the last 3 years</li> <li>• Limited competition products will offer a more profitable and sustainable revenue pool</li> </ul>

## Large room for growth

- Compared to other countries, India's per capita spend in healthcare is comparatively low
- With growing household income, healthcare per capita spend is expected to double by 2025
- Indian government's flagship universal healthcare scheme Ayushman Bharat to also fuel the consumption

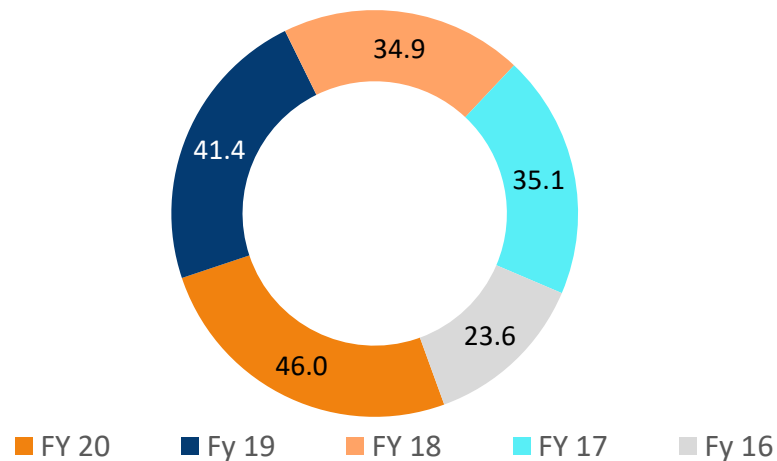








## Growing expenditure of government

- The Government of India aims to increase healthcare spending to 3% of the Gross Domestic Product (GDP) by 2022
- The Indian Government is planning to introduce credit incentive programme worth Rs 500 billion (US\$ 6.8 billion) to boost County's Healthcare Infrastructure
- Healthcare market in India is expected to reach US\$ 372 billion by 2022, driven by rising income, better health awareness, lifestyle diseases and increasing access to insurance

Government Expenditure on Health in India  
(US\$ billion)



### Government Initiatives

-  Strong support to industry growth  
- Build Pharma Park, R&D Centre
-  Encourage FDI Investment
-  Credit incentives for healthcare infrastructure
-  Vision 2035 : Public health surveillance in India

## Sectoral Drivers - Pharmaceutical

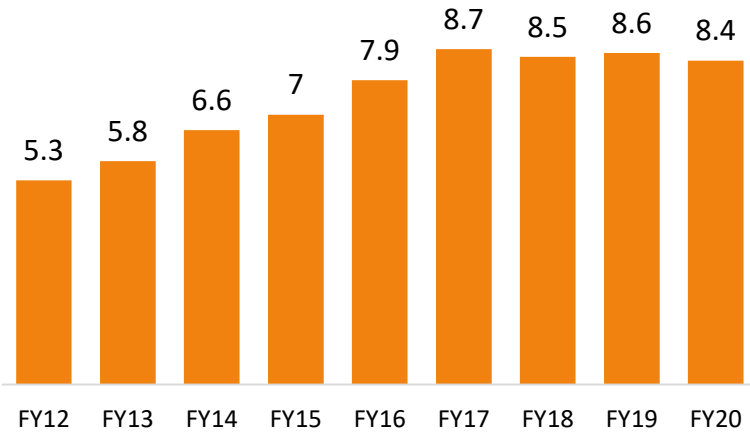
Indian Industry Size  
By 2021  
**US\$ 42 bn**

Industry Likely to Grow by  
**3x** in current decade,

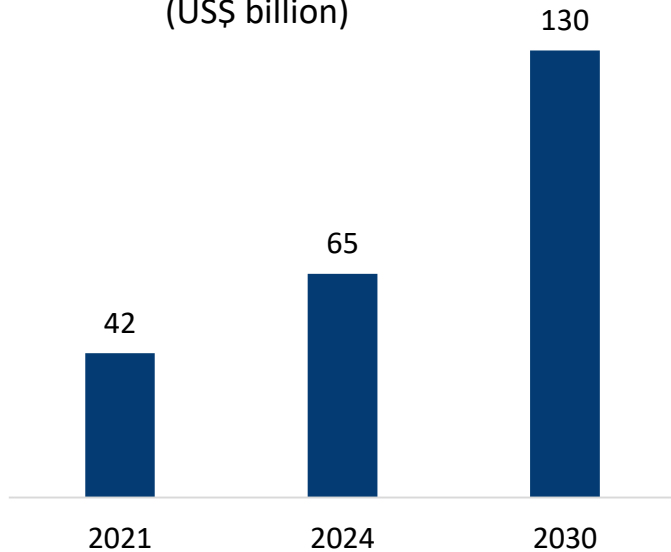
World largest Supplier of generics  
**20%** of Global Exports

Medicine spending in India is projected to grow by  
**9-12 %** By 2025

R&D Investment by Indian Pharma Companies\* (% of sales)

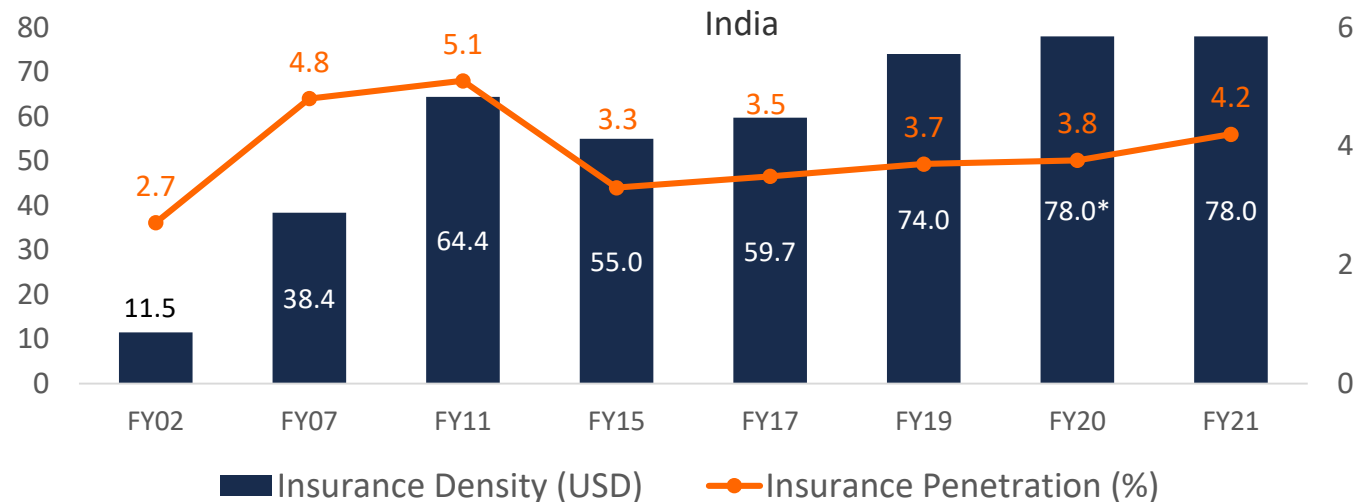
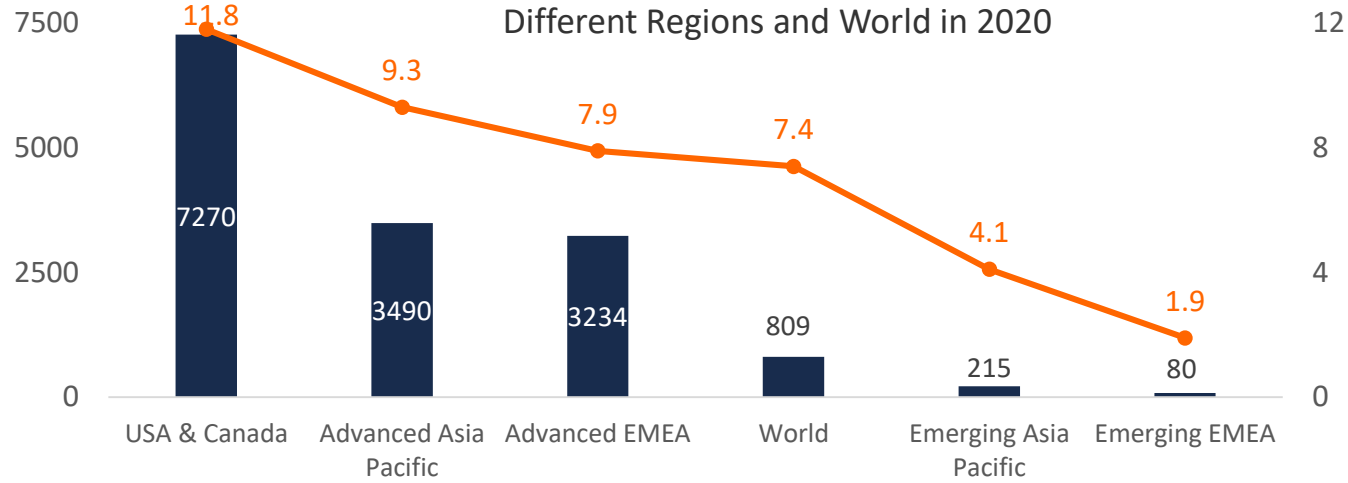


Indian Pharmaceutical Market (US\$ billion)



- According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade
- As of August 2021, CARE Ratings expect India's pharmaceutical business to develop at an annual rate of ~11% over the next two years to reach more than US\$ 60 billion in value

## Sectoral Drivers – Insurance



### Indian Insurance market

- Overall market size of the insurance sector is expected to US\$ 280 billion in 2020
- The life insurance industry is expected to increase at a CAGR of 5.3% between 2019 and 2023
- In FY21, with life insurance penetration at 3.2% and non-life insurance penetration at 1.0%
- In the first half of FY22, the life insurance industry recorded growth rate of 5.8% compared with 0.8% in the same period last year

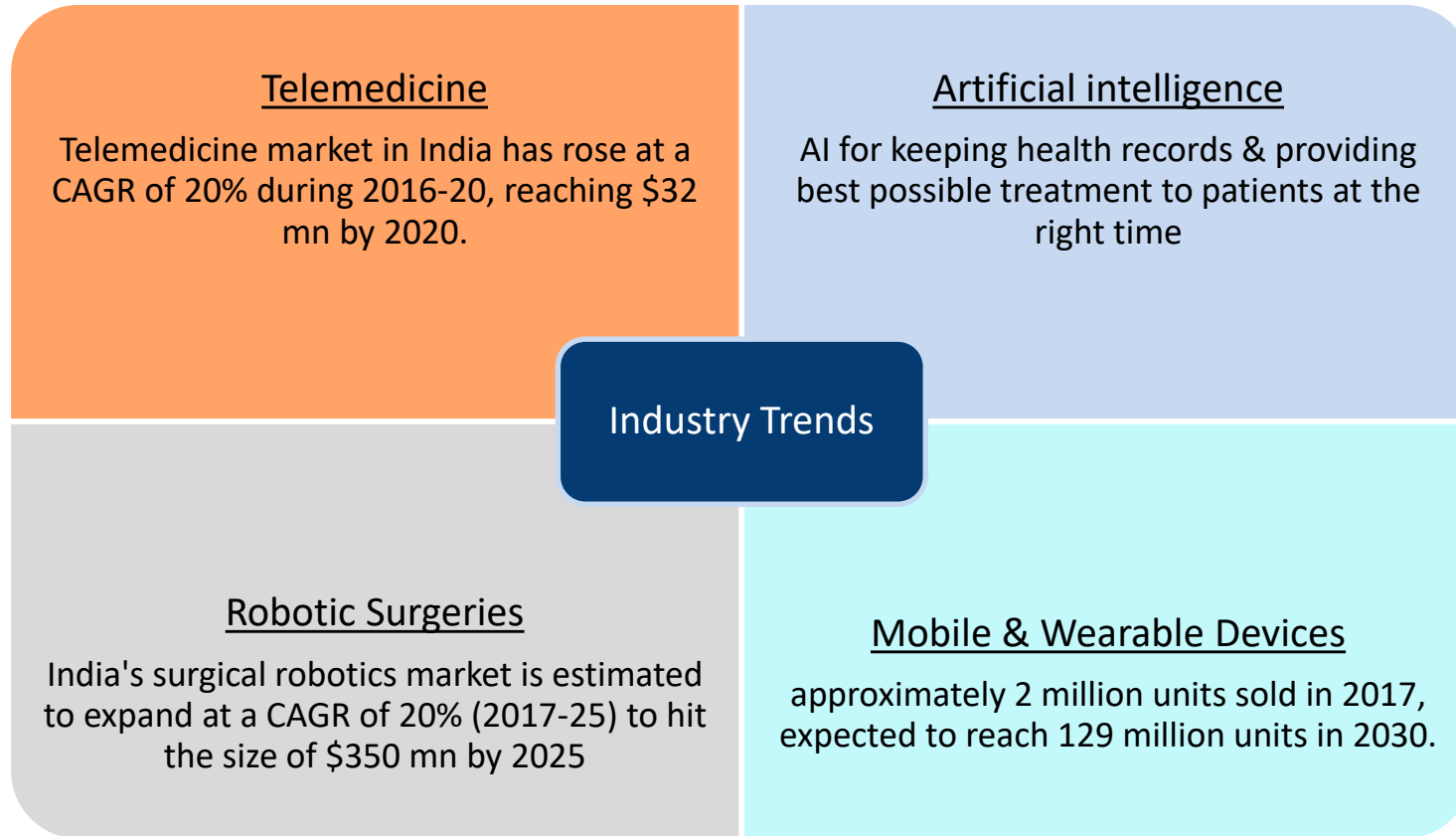
Source: IBEF Insurance Report 17 Dec 2021

**Note:**

- Insurance density is measured as ratio of premium to total population
- Insurance penetration is measured as ratio of premium to GDP

\*Rounding off difference    Source: IRDAI Annual report 2020-21.

## Sectoral Drivers – R&D, Digitalization



### Telemedicine

Telemedicine market in India has rose at a CAGR of 20% during 2016-20, reaching \$32 mn by 2020.

### Artificial intelligence

AI for keeping health records & providing best possible treatment to patients at the right time

### Industry Trends

### Robotic Surgeries

India's surgical robotics market is estimated to expand at a CAGR of 20% (2017-25) to hit the size of \$350 mn by 2025

### Mobile & Wearable Devices

approximately 2 million units sold in 2017, expected to reach 129 million units in 2030.

### R&D and Digitalization will lead to

- Creating extreme winners and losers by industry
- Radically reshaping consumer to company interactions
- Transferring value to the consumer
- Dramatically lowering the cost base driven by technology/labor trade-offs across “processes”
- Dislocating the “role of the worker”

## Sectoral Drivers – Health Tourism

The segment is expected to grow to USD 13 Billion by 2022.

In 2017, India ranked 7th in the top 20 wellness tourism markets globally and 3rd in the top 10 wellness tourism markets in Asia-Pacific

India's medical tourism sector's valuation was expected to be in the range of USD 9 Billion by 2020, prior to the COVID-19 outbreak



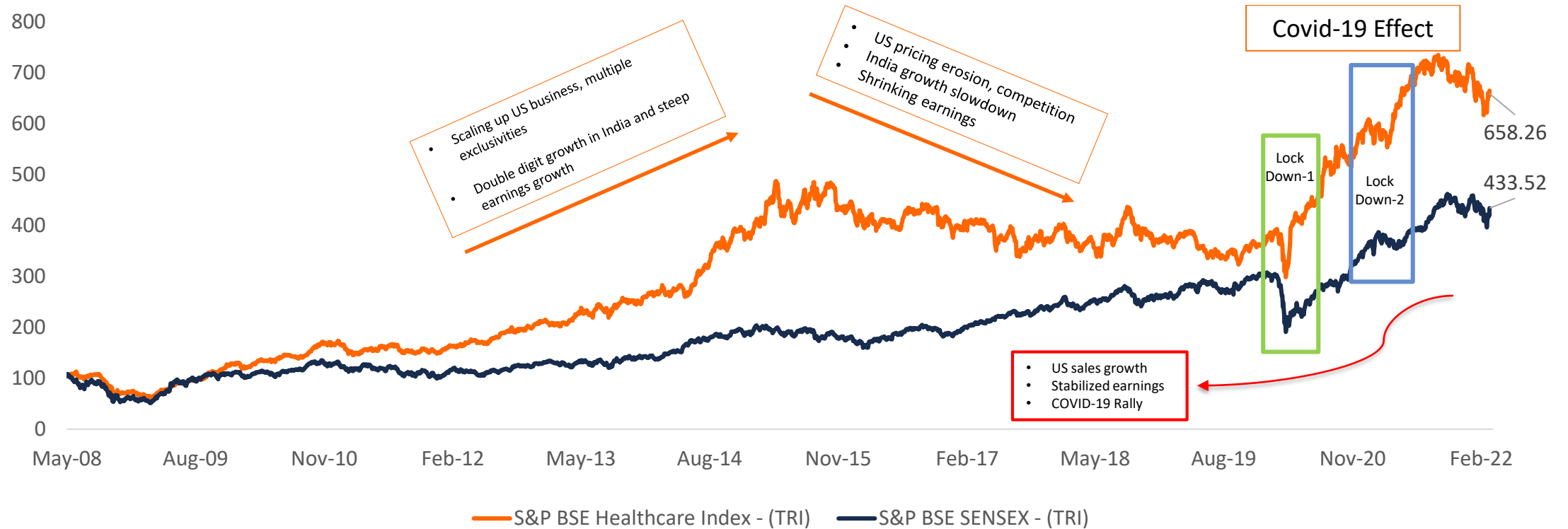
### Health Tourism in India

- presence of world-class hospitals and skilled medical professionals
- low treatment costs in comparison with other countries
- superior quality healthcare
- credibility in alternative systems of medicine

# Benchmark Journey

# S&P BSE Sensex & S&P BSE Healthcare Index

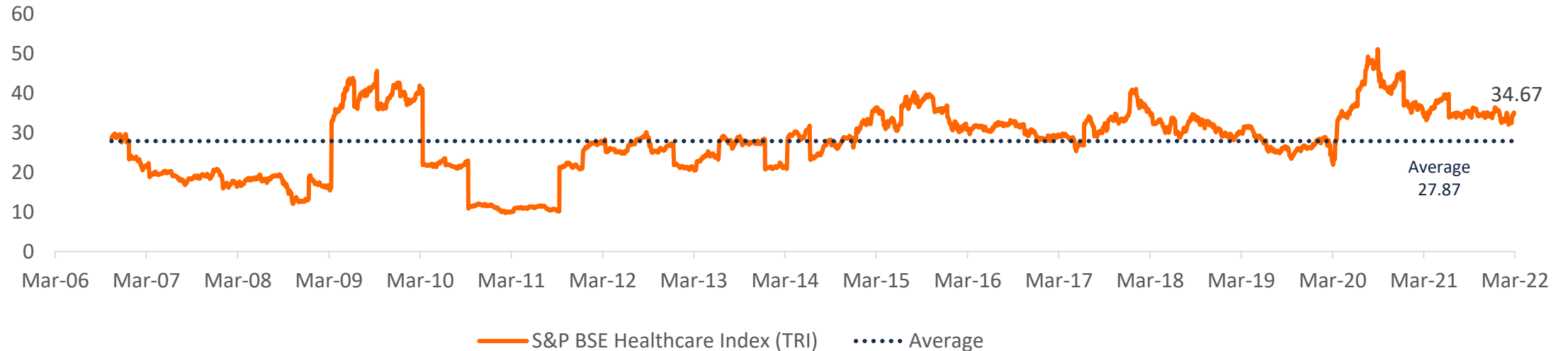
Different Phases of Healthcare Sector



S&P BSE Healthcare Index has outperformed S&P BSE Sensex since inception

## Secular growth at reasonable valuations

Healthcare Index P/E above 10 year average



- **2005-12 traded at 18-20x:** Companies ventured to global markets
- **2013-15 traded at 20-28x:** Possible Benefits accruing from investments in US and strong USD vs INR
- **2016-18 de-rated to 18-20x:** Challenges faced by the industry in the US
- **FY19-21 expected earnings growth to be ~26%** for the portfolio companies and trading at reasonable valuations of ~26x fwd estimates
- **Since FY 20-21 Benchmark has remained above 10 year Average**



# About Mirae Asset Healthcare Fund

# MIRAE ASSET HEALTHCARE FUND

(Sectoral/Thematic Fund - An open ended equity scheme investing in healthcare and allied sectors)

## Investments in Fund

At least 80% investments in Pharma, Healthcare and allied sectors




## Investment Framework

Flexibility to invest across market capitalization and style

Endeavour to maintain a concentrated portfolio of 30 – 40 stocks, in sectors like hospitals, diagnostics, specialty chemicals, medical equipment, insurance and other allied sub sectors

## Why Mirae Asset Healthcare Fund?

Investing in stocks (across the market cap) benefiting either directly or indirectly from health care sector growth

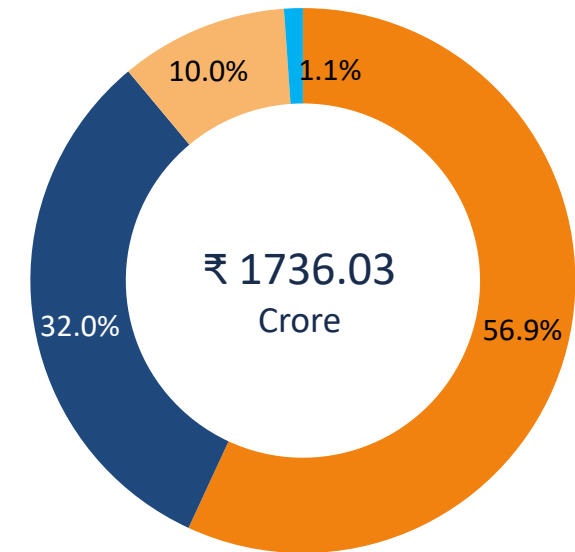
<u>Fund Inception</u>	<u>Category</u>	<u>Benchmark</u>
2 <sup>nd</sup> July 2018	Pharma & Healthcare Fund	S&P BSE Healthcare Index (TRI)
<u>Goal</u>	<u>Ideal Investment Horizon</u>	<u>Risk Profile</u>
 Wealth Creation	 5+ Years	 Very High Risk

## Fund Manager



Mr. Vrijesh Kasera

## AUM of Fund



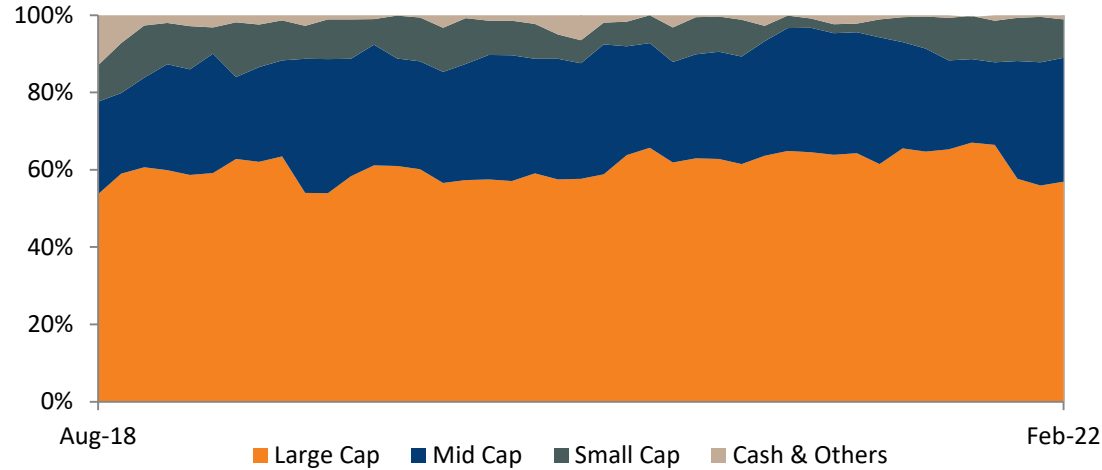
■ Large Cap ■ Mid Cap ■ Small Cap ■ Cash

Source: Internal and ACEMF, 28<sup>th</sup> Feb 2022.

Note - Large Cap: 1st -100th company in terms of full market capitalization. Mid Cap: 101st -250th company in terms of full market capitalization. Small Cap: 251st company onwards in terms of full market capitalization

# Portfolio Attributes

Historical Market Cap Allocation^



Ratios	
Beta	0.91
Alpha	7.88%
Treynor Ratio	0.27
Sharpe Ratio	1.17
Tracking Error	3.67%

Number of Stocks 29

Portfolio Top Holdings	% Allocation
Sun Pharmaceutical Industries Limited	15.14%
Dr. Reddy's Laboratories Limited	8.97%
Apollo Hospitals Enterprise Limited	8.58%
Cipla Limited	7.79%
Torrent Pharmaceuticals Limited	5.56%
IPCA Laboratories Limited	5.04%
Divi's Laboratories Limited	4.24%
Fortis Healthcare Limited	3.98%
Gland Pharma Limited	3.53%
Krishna Institute Of Medical Sciences Limited	3.29%

Sector Holdings	% Allocation
Pharmaceuticals	71.27%
Healthcare Services	19.45%
Insurance	4.52%
Chemicals	3.65%

Source : Internal Data as on 28<sup>th</sup> February 2022. Past performance and Portfolio may or may not be sustained in future  
 Large Cap: 1st -100th company in terms of full market capitalization. Mid Cap: 101st -250th company in terms of full market capitalization. Small Cap: 251st company onwards in terms of full market capitalization  
 ^Industry wise classification as recommended by AMFI.

Under normal circumstances, the asset allocation will be as follows:

Type of Instruments	Indicative allocation (% of total assets)		Risk Profile
Indian Equities and Equity Related Securities of companies that are likely to benefit either directly or indirectly from Healthcare and allied sectors.*	80%	100%	High
Other equities and equity related securities of companies in India*	0%	20%	High
Money market instruments / debt securities Instruments and/or units of debt/liquid schemes of domestic Mutual Funds	0%	20%	Low to Medium

\*Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives etc. The Indian equities & equity related securities of companies includes those securities listed on stock exchanges in India and includes ADRs & GDRs.

The scheme can invest up to 50% of Net Assets of Scheme into equity derivatives instruments for the purpose of trading, hedging and portfolio rebalancing. However, the aggregate gross exposure to equity, derivatives, debt instruments and money market instruments will not exceed 100% of the net assets of the scheme.

Investment in Securitized debt (excluding foreign securitized debt), if undertaken, would not exceed 20% of the net assets of the Scheme.

The Scheme may invest in repo/reverse repo in corporate bonds.

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

# Annexure

# Mirae Asset Healthcare Fund – Lumpsum Report Card

Period	Returns(%)		
	MAHCF	Scheme Benchmark*	Additional Benchmark**
Last 1 year (%)	17.62	12.54	15.65
Last 3 years (%)	28.00	20.13	17.49
Since Inception (%)	23.12	15.94	14.87
Value of Rs. 10,000 invested (in Rs.) Since Inception*	21,420	17,189	16,617
NAV (as on 28 <sup>th</sup> Feb, 2022)	21.420		
Index Value (as on 28 <sup>th</sup> Feb, 2022)	Index Value of Scheme benchmark is 26,467.37 and S&P BSE Sensex (TRI) is 84,075.57		
Date of allotment	02nd July, 2018		
Scheme Benchmark	*S&P BSE Healthcare Index (TRI)		
Additional Benchmark	**S&P BSE Sensex (TRI)		

Past Performance may or may not be sustained in future.

Note:1. Different Plans under the scheme has different expense structure. The reference and details provided herein are of Regular Plan - Growth Option

Fund manager : Mr. Vrijesh Kasera managing the scheme since July 02, 2018 Note: Returns below or for 1 year are absolute returns, returns above 1 year are CAGR-

For performance of schemes managed by Mr. Vrijesh Kasera refere slide no. 23.

Compounded Annualized Growth returns.

Source: Internal, Data as on 28<sup>th</sup> Feb 2022..

# Mirae Asset Healthcare Fund – SIP Report Card

	Since Inception	3 Year	1 Year
Total Amount Invested	4,30,000	3,60,000	1,20,000
MKT Value as on 28 <sup>th</sup> Feb, 2022	6,78,353	5,35,112	1,26,972
Fund Return (%)	26.31	27.60	-4.69
Benchmark^ Returns (%)	19.73	21.51	-8.80
Add. Benchmark* Return (%)	18.66	20.54	7.40

Past Performance may or may not be sustained in future.

The above table shows performance since inception for Mirae Asset healthcare Fund - Regular Plan - Growth Option.

^Benchmark: S&P BSE Healthcare index (TRI), \*Add. Benchmark: S&P BSE SENSEX (TRI)

For computation of since inception returns (%) the allotment NAV has been taken as Rs. 10.00.

The SIP returns are calculated by XIRR approach assuming investment of 10,000/- on the 1st working day of every month.

Source: ACEMF, Data as on 28<sup>th</sup> Feb, 2022.

## Performance of other funds managed by the same fund manager

	Fund NAV/Date of Allotment	1 Year (Return in %)	3 Year (Return in %)	5 Year (Return in %)	Since Inception (Return in %)	Value of Rs. 10000 invested (in Rs.) Since Inception
Mirae Asset Hybrid Equity Fund	21.216	13.30	15.10	12.79	12.09	21,216
CRISIL Hybrid 35+65 - Aggressive Index*	29 <sup>th</sup> July 2015	13.74	15.59	12.81	11.76	20,806
S&P BSE Sensex (TRI)**		15.65	17.49	15.73	12.76	22,064
Mirae Asset Equity Savings Fund	14.379	9.81	12.71	-	12.01	14,379
Nifty Equity Savings Index*	17 <sup>th</sup> Dec 2018	9.23	10.56	-	10.11	13,614
CRISIL 10 Year Gilt Index**		1.90	6.59	-	6.38	12,192

Past Performance may or may not be sustained in future. Note:1. Different Plans under the scheme has different expense structure. The reference and details provided herein are of Regular Plan - Growth Option, Source: Internal, Data as on 28<sup>th</sup> Feb 2022.

\*-Scheme Benchmark, \*\*- Additional Scheme Benchmark

For computation of since inception returns (%) the allotment NAV has been taken as Rs. 10. . In case, the start / end date of the concerned period is a non-business date (NBD), the NAV of the previous date is considered for computation of returns.

Returns below or for 1 year are absolute returns, returns above 1 year are CAGR- Compounded Annualized Growth returns

Fund manager: Mirae Asset Hybrid Equity Fund: Fund managers: Mr. Harshad Borawake (Equity Portion) (April 01, 2020), Vrijesh Kasera (Equity Portion) (Since April 01, 2020) & Mr. Mahendra Jajoo (Debt Portion) (since September 08, 2016)

Mirae Asset Equity Savings Fund: Fund managers : Mr. Harshad Borawake (since October 12, 2019), Mr. Vrijesh Kasera (since October 12, 2019), Ms. Bharti Sawant (since December 28, 2020) and Mr. Mahendra Jajoo (Debt Portion) (since December 17, 2018)

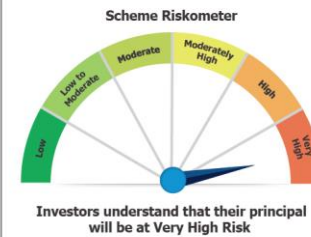


## PRODUCT LABELLING

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.



Scheme Benchmark: S&P BSE Healthcare Index (TRI)

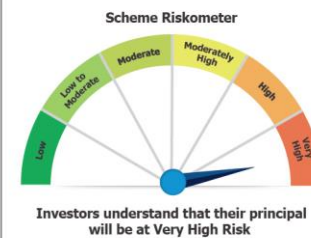


## PRODUCT LABELLING

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.



Scheme Benchmark: CRISIL Hybrid 35+65 -Aggressive Index

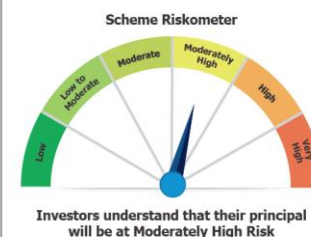


## PRODUCT LABELLING

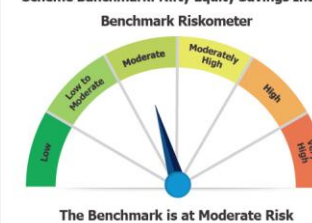
Mirae Asset Equity Savings Fund is suitable for investors who are seeking\*

- Capital appreciation and income distribution
- Investment 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.



Scheme Benchmark: Nifty Equity Savings Index



**Statutory Details: Trustee:** Mirae Asset Trustee Company Private Limited; **Investment Manager:** Mirae Asset Investment Managers (India) Private Limited (AMC); **Sponsor:** Mirae Asset Global Investments Company Limited.

The information contained in this document is compiled from third party and publicly 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 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 .

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

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)

# THANK YOU

Please consult your financial advisor or Mutual Fund Distributor before investing

---

Follow us

