

Mirae Asset Hybrid Equity Fund (MAHEF)

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

MIRAE ASSET
Mutual Fund

PRODUCT UPDATE August 2021

IDEAL INVESTOR PROFILE



Goal:
Wealth creation
with lower volatility



Tax Efficiency



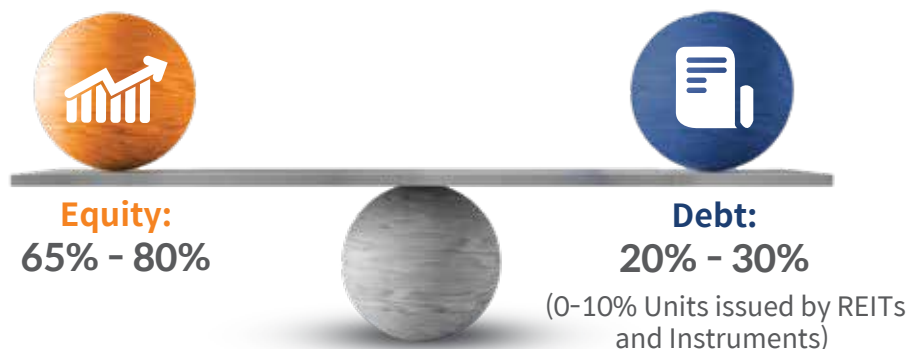
Regular Income:
Systematic Withdrawal
Plan provide effective
monthly Income

ABOUT THE FUND:

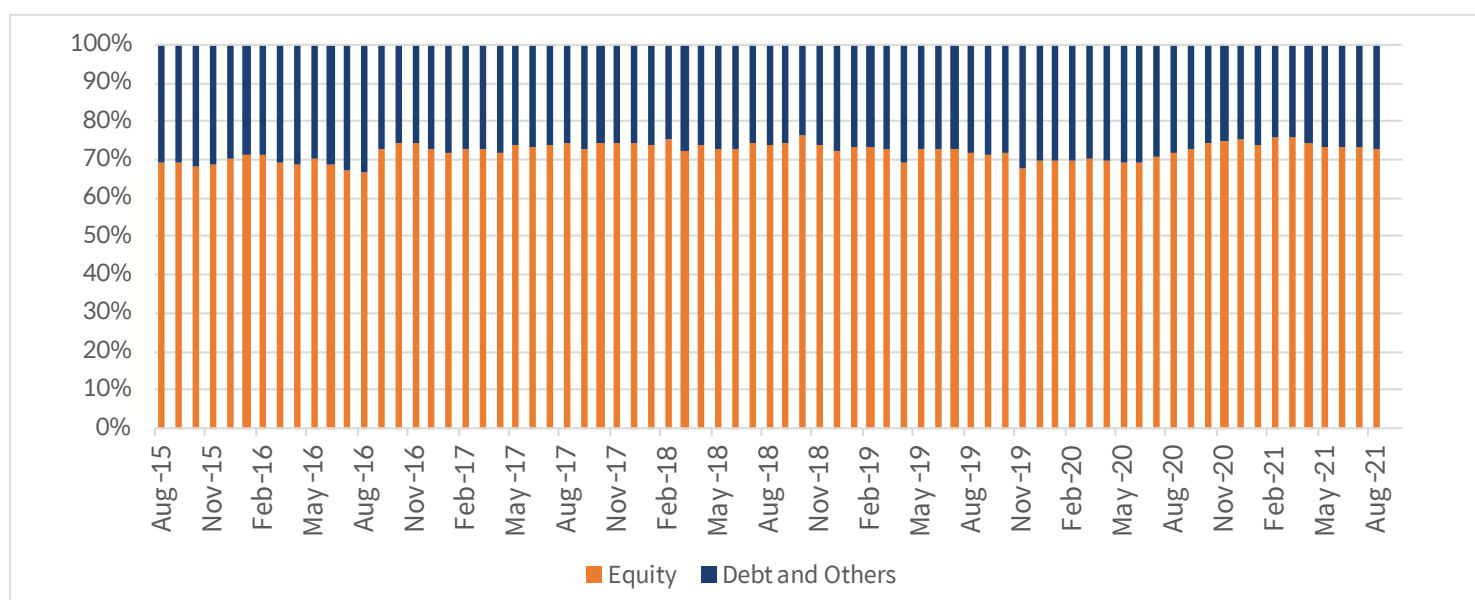
Mirae Asset Hybrid Equity Fund aims to generate capital appreciation along with current income from a combined portfolio of predominantly investing in equity and equity related instruments and balance in debt and money market instruments.

Ideally Equity allocation is managed within the range of **(+/-5%) from 72%.**

Allocation between Equity and Debt is a Function of **Market Valuations, Earnings Growth and Interest Rate Outlook**



HISTORIC EQUITY AND DEBT ALLOCATION



Source : Internal, data as on 31st August 2021.

EQUITY INVESTMENT FRAMEWORK:



The fund follows a strategy with equity within the range of (+/-5%) from 72% aiming to take advantage of market

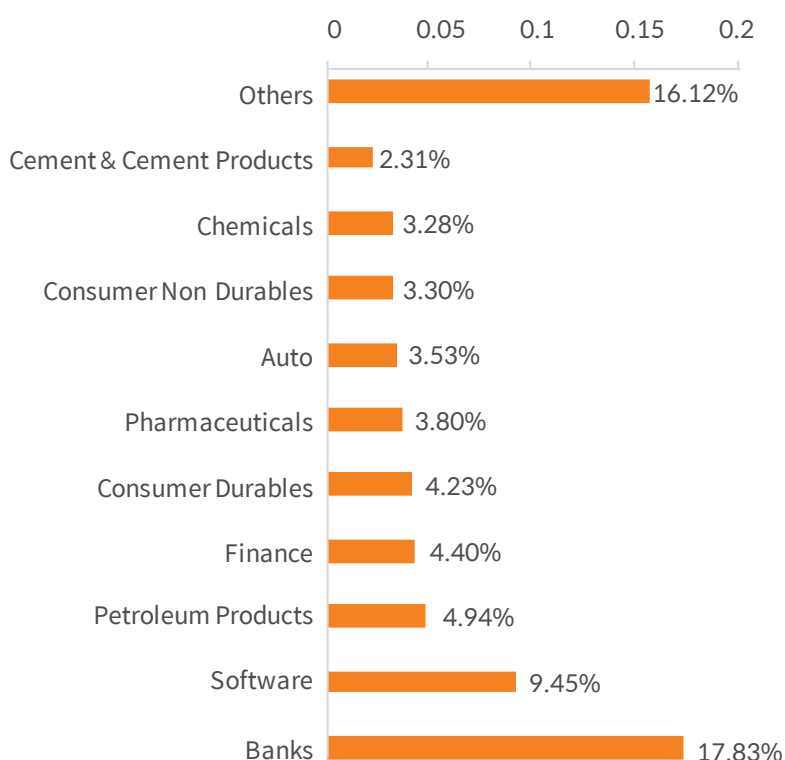


The portfolio aims to generate long term growth increasing the equity exposure based on market cycles and valuations



Portfolio is Large cap bias which helps in performing in all market cycles, more liquidate and are typically first to react to economic revival

EQUITY SECTOR ALLOCATION^{#^}



Source : Internal, data as on 31st August 2021.

[^]Industry wise classification as per AMFI Classification

PORTFOLIO UPDATE

	Aug' 2021	Jul' 2021
AUM	5949.49	5608.59
Net Equity %	73%	74%
No. of Stocks	59	61
Top 10 Stocks	35%	35%
Top 5 Sectors	41%	41%

Source: Internal, data as on 31st August 2021.

MARKET CAP ALLOCATION

	Aug' 2021	Jul' 2021
Large Cap	51.52%	53.11%
Mid Cap [§]	11.58%	11.62%
Small cap & Other [§]	10.08%	8.87%

[§]Market Cap classifications are according to the half yearly data provided by AMFI

Source: Internal, data as on 31st August 2021.

RISK RATIOS

	Aug' 2021	Jul' 2021
Beta	1.08	0.98
R-Square	0.98	0.97
Sharpe Ratio	0.67	0.56
Information Ratio	0.15	-0.07
Portfolio Turnover Ratio	0.83 times	0.95 times

Source: Internal, data as on 31st August 2021.

EQUITY OUTLOOK

- The ongoing 1QFY22 earnings season as expected is disrupted by Covid related lockdowns and commodity inflation. However, most sectors are already seeing a recovery as unlock started from June 2021 and the momentum continues into 2QFY22.
- While the near term challenges will always, persist, we believe that India is at a cusp of multi-year growth revival given multiple drivers which will lead to mean reversion in growth rates. This coupled with earlier reforms like GST, RERA, labour laws and recent focus on manufacturing exports are long term positive factors. Support from improving global economy, lower interest rate and likely normal monsoon, augurs well for the economic recovery and market from the medium term perspective.
- Sans, any disruption by third wave if any, we expect strong growth both in GDP as well as Profit / GDP in FY22 and FY23. Corporate Profit to GDP (%) at a consensus level is estimated to increase from 2.2% of GDP in FY20 to about 4 % of GDP in FY23E.
- The consensus estimates indicate ~22% earnings CAGR in FY20-24 period driven by financials, auto, pharma, metals, energy and IT sectors. Based on Bloomberg consensus estimates, Nifty now trades at 16.3x FY24.
- We would advise investors to not to time the market and invest in a disciplined way in equities for the long-term within their earmarked asset allocation (based on one's risk profile).

DEBT INVESTMENT FRAMEWORK:



Debt portion is managed with high quality debt instrument predominantly in AAA rated and Sovereign Bonds



The Fund broadly follows Buy and Hold Strategy



Debt Allocation seeks to generate regular income and lower portfolio risk

DEBT PORTFOLIO - ISSUER HOLDING

Debt Instrument	Rating	% Allocation
5.63% GOI (MD 12/04/2026)	SOVEREIGN	2.98%
6.18% GOI (MD 04/11/2024)	SOVEREIGN	2.53%
6.64% GOI (MD 16/06/2035)	SOVEREIGN	2.08%
6.1% GOI (MD 12/07/2031)	SOVEREIGN	1.08%
5.74% REC Ltd Sr 210 (MD 20/06/2024)	CRISIL AAA	0.85%
7.1% Muthoot Fin Ltd SrXXV Opt IV (MD 20/06/2024)	CRISIL AA+	0.85%
5.27% NABARD Sr 22A NCD (MD 29/04/2024)	ICRA AAA	0.85%
IIFL Wealth Prime Limited CP (MD 15/09/2021)	CRISIL A1+	0.84%
ICICI Securities Ltd CP (MD 10/12/2021)	CRISIL A1+	0.83%
6.22% GOI (MD 16/03/2035)	SOVEREIGN	0.80%

*Portfolio may or may not remain the same.
For complete monthly portfolio, please visit the website:
miraeassetmf.co.in/downloads/portfolio

CREDIT ALLOCATION

	Aug' 2021	Jul' 2021
SOV	10.07%	11.35%
AAA	4.19%	2.94%
A1+	2.81%	2.76%
AA+	1.77%	1.02%

Source: Internal, data as on 31st August 2021.

DEBT RATIOS

	Aug' 2021	Jul' 2021
Weighted Average Maturity	4.77 Years	4.97 Years
Modified Duration	3.59 Years	3.75 Years
Macaulay Duration	3.80 Years	3.98 Years
Yield to Maturity	5.42%	5.63%

Source: Internal, data as on 31st August 2021.

MATURITY PROFILE

Particulars	Allocation (%)
Upto 12 months	2.89%
1-3 yrs	5.62%
3-5yrs	6.19%
above 5 yrs	4.14%

Source: Internal, data as on 31st August 2021.

FIXED INCOME OUTLOOK

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.

INVESTMENT DETAILS



Allotment Date:
29th July, 2015



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 Hybrid 36+ 65 Aggressive Index



Fund Managers: Mr. Harshad Borawake (Equity Portion) (April 01, 2020), Mr. Vrijesh Kasera (Since April 01, 2020) and Mr. Mahendra Jajoo (Debt Portion) (Since September 8, 2016)



SIP Amount: 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.): ₹5949.49

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

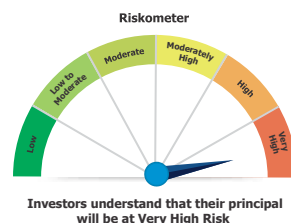
#The sector (s) / stock (s) / issuer (s) mentioned in this document do not constitute any research report/recommendation of the same.

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 advisors 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@miraeasset.com



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



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