

Mirae Asset Short Term Fund (MASTF)

(Short Duration Fund - An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year to 3 years (please refer to page no. 28 of SID))

MIRAE ASSET
Mutual Fund

PRODUCT UPDATE June 2021

MARKET OUTLOOK^

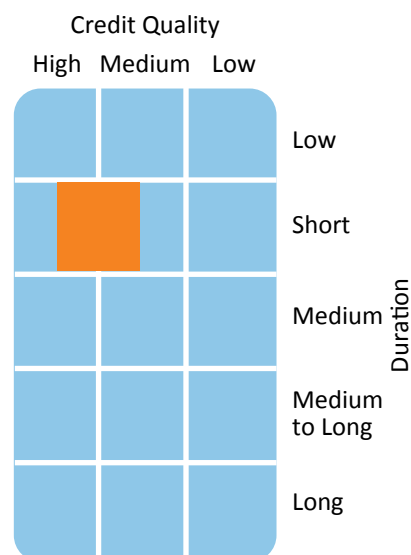
The major parameters for Indian economy to watch are – Recovery on Covid-19 and RBI policies and actions. Vaccinations ramped-up post Centre took control but only ~6% of India's adult population was fully inoculated & ~29% with the first dose. With fall in Covid cases, states eased restrictions by allowing 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.

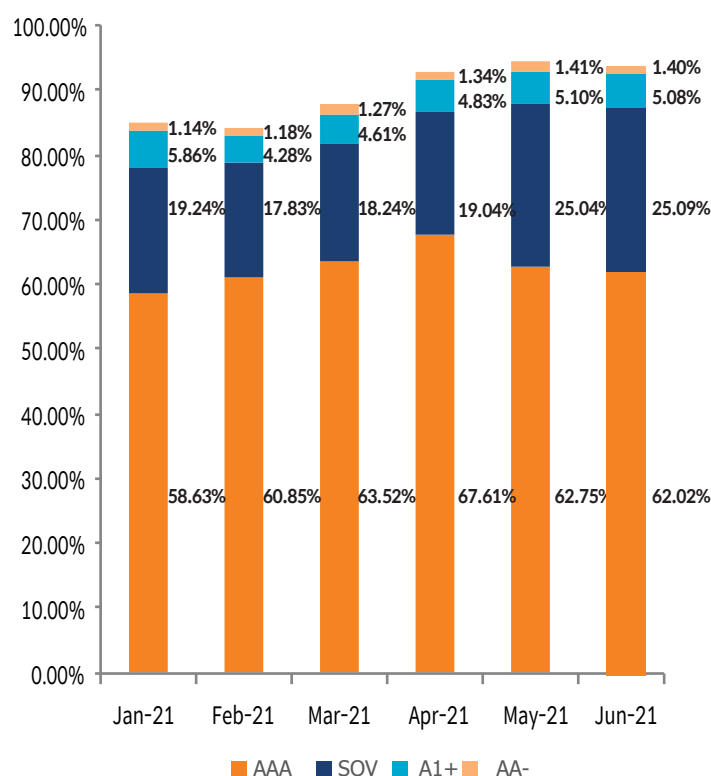
FUND COMMENTARY

We expect interest rate to remain range bound in near term with downside blocked by higher inflation and already low rates while any meaningful spike may be arrested by RBI intervention. And hence, fund duration is likely to remain in 1.75-2.25 range. Duration is managed by investing more towards shorter end of the curve and investing a part at longer end for high liquidity and improved yield.



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

RATING ALLOCATION



	Jun' 2021	May' 2021
AAA	62.02%	62.75%
SOV	25.09%	25.04%
A1+	5.08%	5.10%
AA-	1.40%	1.41%

DEBT RATIOS

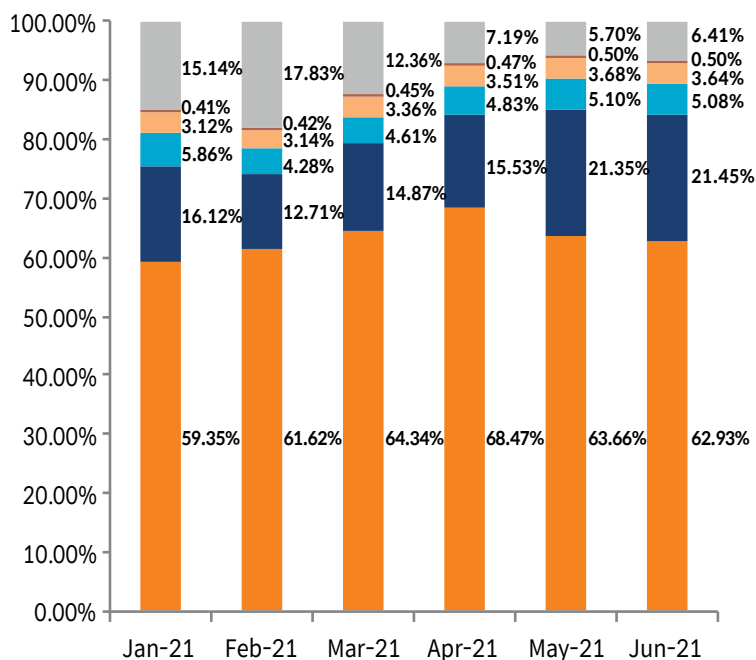
	Jun' 2021	May' 2021
Weighted Average Maturity	2.11 Years	2.38 Years
Modified duration	1.84 Years	2.03 Years
Macaulay duration	1.94 Years	2.13 Years
Yield to Maturity	4.83%	4.74%

PORTFOLIO TOP HOLDINGS**

Name of Instrument	Rating	Jun-21
Corporate Bond		
4.58% Small Industries Dev Bank of India (18/12/2023)	ICRA AAA	3.43%
6.8% Hindustan Petroleum Corporation Ltd (15/12/2022)	CRISIL AAA	2.86%
4.78% Housing & Urban Development Corporation Ltd (28/02/2024)	ICRA AAA	2.74%
7.7% Larsen & Toubro Ltd (28/04/2025)	CRISIL AAA	2.21%
Government Bond		
5.63% Government of India (12/04/2026)	SOV	6.21%
6.18% Government of India (04/11/2024)	SOV	3.92%
8.38% State Government Securities (31/10/2022)	SOV (SDL)	3.64%
7.37% Government of India (16/04/2023)	SOV	3.63%
Commercial Paper		
Aditya Birla Finance Ltd (31/12/2021)	ICRA A1+	3.40%
L&T Finance Ltd (21/02/2022)	CARE A1+	1.69%
Zero Coupon Bond		
Axis Finance Ltd (03/08/2022)	CRISIL AAA	0.50%

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

PORTFOLIO COMPOSITION



Corporate Bond Government Bond Commercial Paper
State Government Bond Zero Coupon Bond Cash & Other Receivables

IDEAL INVESTOR PROFILE



Goal:
Aim for Income



Investment Time Horizon:
1-3 Years



Risk Profile:
Moderately low

INVESTMENT FRAMEWORK



Primarily invest in short duration (1-3 year) debt and money market instruments



Predominantly invest in highly rated instruments



Endeavour to manage portfolio in line with yield curve

WHY INVEST IN MIRAE ASSET SHORT TERM FUND?



Fund strategy is to take duration call based on interest rate view.



Fund have not invested in any low-quality paper, hence, it has not been impacted either by poor credit scenario or by change in regulation of perpetual bonds.

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

INVESTMENT DETAILS



Allotment Date:
16th March, 2018



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 Short Term Bond Fund Index



Fund Managers:
Mr. Mahendra Jajoo
(since 16th March, 2018)



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.): ₹721.64

*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.

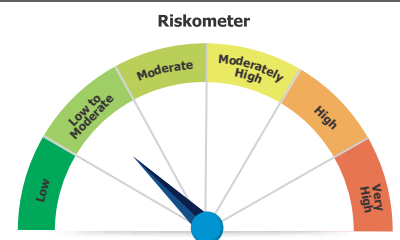
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PRODUCT LABELLING

Mirae Asset Short Term Fund is suitable for investors who are seeking*

- Optimal returns over short term
- Investment in an actively managed diversified portfolio of debt and money market instruments including REITs & InvITs

*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 Low to 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.



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