

# Mirae Asset Equity Allocator Fund of Fund

(An open ended fund of fund scheme investing in units of domestic equity ETFs)

MIRAE ASSET INVESTMENT MANAGERS (INDIA) PVT. LTD

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## Executive Summary

- Mirae Asset Equity Allocator Fund of Fund ('Fund') aims to provide long-term capital appreciation from a portfolio investing predominantly in units of domestic equity ETFs. There is no assurance that the investment objective of the Scheme will be realized.
- **The fund aims to provide returns corresponding to Large and Midcap segment by taking passive exposure through ETFs and then manage the underlying asset allocation in ETFs, based of valuation attractiveness in a range bound manner.**
- Mirae Asset Equity Allocator Fund of Fund has on an average allocation of 71.4% to Nifty 50 Index and 10.6% to Nifty Next 50 Index. The total combined exposure to large-cap segment is around 82% akin to the one provided by on an average actively managed large-cap funds. (Data as on June 30, 2023 source: ACE MF)
- **In the past two year, 75% of active large cap funds (Regular plan – Growth Option) have underperformed in Mirae Asset Equity Allocator Fund of Fund** (Performance for the same has been shown in Page 5 Table 2)
- **At a TER of around 3 bps (Direct Plan) and 14 bps (Regular Plan), and underlying scheme cost of around 7 bps only, the fund may be considered to be a low-cost vehicle which continues to carry equity taxation** (TER as on 30.6.2023)

## Product Information

Particular	Description
Launch Date	21 <sup>st</sup> September 2020
Name	Mirae Asset Equity Allocator Fund of Fund
# Underlying Securities	Three (3) ETFs
Weighing	Range bound allocation as per relative valuation attractiveness calculated as per 12-month forward P/E
Current Underlying Constituents	Mirae Asset Nifty 50 ETF, Mirae Asset Nifty Next 50 ETF and Mirae Asset Midcap 150 ETF ( As on June 30, 2023)
Plan	Regular and Direct
Option	Growth and Income Distribution Cum Capital Withdrawal
NAV as on Launch Date	Rs. 10.000/-
NAV as on June 30, 2023	Rs. 17.749/- (Regular Plan – Growth Option)
Taxation	Equity
Fund Manager	Ms. Bharti Sawant (managing since September 21, 2020)
Exit Load	If redeemed or switched out within 5 calendar days from the date of allotment: 0.05%; if redeemed or switched out after 5 days from date of allotment: Nil
Benchmark Index	Nifty 200 Index (TRI)
Expense Ratio #	14 bps (Regular)/ 3 bps (Direct). Underlying ETFs TER ~ 7 BPS
Minimum Investment	Rs. 5,000/- and in multiples of Re.1/- thereafter. Minimum Additional Application Amount:Rs.1,000/- per application & in multiples of Re.1/- thereafter

Investors may note that they will bear recurring expenses of the underlying scheme in addition to the expenses of this scheme.

## Key Benefit

- Seeking to get exposure to 250 stocks forming part of large and midcap segment with low cost ETFs\* as underlying. *(Large Cap & Mid Cap companies as per AMFI classification # Large Cap companies: 1st-100th company in terms of full market capitalization# Mid Cap companies: 101st-250th company in terms of full market capitalization) Investors may note that they will bear recurring expenses of the underlying scheme in addition to the expenses of this scheme. The TER of underlying scheme i.e Mirae Asset Nifty 50 ETF is 0.05% , Mirae Asset Nifty Next 50 ETF is 0.15% and Mirae Asset Nifty Midcap 150 ETF is 0.05%*
- Fund through Large & midcap segments represents more than 85% of free-float Market cap. of NSE.**
- Aims to enjoy the benefit of equity taxation**
- Aims to enjoy the benefit of ETFs without the need for DEMAT account or transacting on exchange directly**
- Reasonably seeks to avoid under performance risk of active mutual funds by investing in ETFs.
- Asset allocation is based on a range bound manner to seek to generate additional alpha without deviating much from market performance
- Reduces and absorbs the cost and tax associated with portfolio rebalancing directly by the investor**

## How does Fund allocate assets in underlying ETF's?

The allocation in selected ETFs at all-time shall be reflective of the market condition. The allocation at no time shall change much from the current Market capitalization based weightage of the market cap segment/ ETF. The base case of the allocation is the free float market cap-based representation of NIFTY 50 Index, NIFTY Next 50 Index and Nifty Midcap 150 Index in Large and Midcap space. The over and under allocation is done in a range bound manner to preserve the fundamentally passive nature of the scheme.

The current limit of the over and under allocation is based +/- 10% of NIFTY 50 Index representation, which is then proportionally distributed between Nifty Next 50 Index and Nifty Midcap 150 Index also. As on June 30, 2023, NIFTY 50 Index had 69.9% representation in Large cap space and hence maximum allocation allowed to NIFTY 50 Index is 78.4% (71.2 % + 7.2%) and minimum allocation allowed is 65% (72.3% - 7.2%).

Parameters	NIFTY 50 Index	NIFTY Next 50 Index	NIFTY Midcap 150 Index
Index weight as per Free float M-cap(base case)	71.2%	11.7%	17.1%
Maximum Deviation allowed	+/- 7.1	+/- 3.1	+/- 4.0
<b>Scheme weight (As on June 30, 2023)</b>	<b>71.4%</b>	<b>10.6%</b>	<b>18.2%</b>

*\*Source: Mirae Asset Internal Research Data as on June 30, 2023;*

## Market Cap Exposure Comparison with Active Funds

- Actively managed large-cap funds on an average provide exposure of 87.5% to large cap stocks and 7.2% exposure to the midcap stocks. Further actively managed schemes have around 2.6% of their portfolio deployed in small-cap stocks.
- Mirae Asset Equity Allocator Fund of Fund has on an average allocation of 73.1% to Nifty50 Index and 10.6% to Nifty Next 50 Index.. It also provides exposure to the extent of 16.1% to Nifty Midcap 150 stocks and has no allocation towards small cap stocks.

### Combined Exposure of Actively managed Large cap Fund (\*)

Name	Large Cap	Midcap	Small Cap	Other
<b>Average allocation of Large Cap Funds</b>	<b>87.5</b>	<b>7.2</b>	<b>2.6</b>	<b>4.0</b>

*(Source: ACE MF; Data as on May 31, 2023)*

### Exposure through Mirae Asset Equity Allocator Fund of Fund

Month	Mirae Asset Nifty 50 ETF	Mirae Asset Nifty Next 50 ETF	Large cap	Mirae Asset Nifty Midcap 150 ETF	Others
Oct-20	73.1%	11.0%	84.1%	13.8%	2.1%
Nov-20	74.2%	10.6%	84.8%	13.8%	1.3%
Dec-20	75.5%	10.5%	86.0%	14.0%	0.0%
Jan-21	75.0%	10.3%	85.3%	14.3%	0.4%
Feb-21	75.0%	10.8%	85.8%	14.4%	-0.2%
Mar-21	75.9%	10.6%	86.5%	14.5%	-1.0%
Apr-21	74.7%	10.2%	84.9%	15.8%	-0.7%
May-21	74.6%	9.6%	84.2%	15.6%	0.2%
Jun-21	73.0%	10.1%	83.1%	15.8%	1.2%
Jul-21	73.3%	10.5%	83.8%	16.5%	-0.3%
Aug-21	74.4%	10.3%	84.7%	15.8%	-0.5%
Sep-21	74.2%	10.1%	84.3%	16.2%	-0.6%
Oct-21	71.6%	11.6%	83.1%	16.5%	0.4%
Nov-21	72.2%	12.0%	84.2%	16.8%	-1.1%
Dec-21	72.0%	11.9%	83.9%	16.7%	-0.7%
Jan-22	68.4%	11.2%	79.6%	15.8%	4.6%
Feb-22	72.7%	11.6%	84.3%	16.2%	-0.6%
Mar-22	72.2%	11.4%	83.6%	16.7%	0.2%
Apr-22	72.3%	11.6%	83.9%	16.2%	0.0%
May-22	74.0%	10.5%	84.5%	15.8%	-0.3%
Jun-22	74.0%	10.5%	84.5%	15.8%	-0.3%
Jul-22	72.5%	11.0%	83.5%	16.8%	-0.2%
Aug-22	72.0%	10.7%	82.6%	16.9%	0.5%
Sep-22	72.3%	10.0%	82.3%	16.7%	1.0%
Oct-22	72.9%	9.6%	82.5%	16.5%	1.0%
Nov-22	72.9%	10.0%	82.9%	15.7%	0.5%
Dec-22	73.0%	9.6%	82.6%	17.3%	0.1%
Jan-23	73.3%	9.5%	82.8%	17.1%	0.0%
Feb-23	72.9%	9.6%	82.5%	17.6%	0.0%
Mar-23	74.1%	9.9%	83.9%	16.1%	0.2%
Apr-23	69.9%	10.8%	80.8%	19.3%	-0.1%
May-23	69.9%	10.9%	80.9%	19.1%	0.0%
June-23	71.4%	10.6%	81.6%	18.2%	-0.1%
<b>Average</b>	<b>73.0%</b>	<b>10.6%</b>	<b>83.6%</b>	<b>16.2%</b>	<b>0.2%</b>

\*Source: ACE MF: Data as on June 30, 2023 .Past performance may or may not sustain in future. Past performance may or may not sustain in future/ The Large cap category is considered as per the SEBI Circular on categorization. 31 large cap funds (Regular Plan – Growth Option) have been considered for calculating the combined exposure. The exposure shown are the average exposure of the Mutual Fund category and does not in any way indicate the exposure of a particular scheme of mutual fund. Large cap funds are defined as minimum investment in equity & equity related instruments of large cap companies-80% of total assets

## Performance Comparison

Since Inception, the fund has outperformed on an absolute return basis, 21 of the large-cap actively managed scheme (78%) out of 27 large cap schemes (Regular plan – Growth Option).

### Return comparison of Mirae Asset Equity Allocator Fund of Fund (Regular Plan)

Return Comparison	3 Months	1 Year	2 Years	Since Inception
Mirae Asset Equity Allocator FoF-Reg(G)	12.7%	24.4%	8.1%	23.0%
Average Actively Managed Large Cap – Fund	11.6%	22.6%	7.1%	21.0%
# Funds underperforming Mirae Asset Equity Allocator FOF	25	24	21	21
Total Active Funds Considered	31	29	28	27
% Funds underperforming Mirae Asset Equity Allocator FoF	80.6%	82.8%	75.0%	77.8%

\*Funds having history of greater than 1 Year are only considered. Source: ACE MF: Data as on June 30, 2023. Past performance may or may not sustain in future. The returns shown are the average return of the Mutual Fund category and does not in any way indicate the returns of a particular scheme of mutual fund. The Large cap (Regular Plan – Growth Option) category is considered as per the SEBI Circular on categorization. Large cap funds are defined as minimum investment in equity & equity related instruments of large cap companies-80% of total assets Since Inception being 21<sup>st</sup> Sep 2020. Returns greater than 1 year are CAGR returns and less than 1 year are absolute returns;

### Return comparison of Mirae Asset Equity Allocator Fund of Fund (Direct Plan)

Return Comparison	3 Months	1 Year	2 Years	Since Inception
Mirae Asset Equity Allocator FoF-Reg(G)	12.7%	24.4%	8.2%	23.1%
Average Actively Managed Large Cap – Fund	11.9%	23.9%	8.0%	22.3%
# Funds underperforming Mirae Asset Equity Allocator FOF	25	16	15	17
Total Active Funds Considered	31	29	28	27
% Funds underperforming Mirae Asset Equity Allocator FoF	80.6%	55.2%	53.6%	63.0%

\*Funds having history of greater than 1 Year are only considered. Source: ACE MF: Data as on June 30, 2023. Past performance may or may not sustain in future. The returns shown are the average return of the Mutual Fund category and does not in any way indicate the returns of a particular scheme of mutual fund. The Large cap (Regular Plan – Growth Option) category is considered as per the SEBI Circular on categorization. Large cap funds are defined as minimum investment in equity & equity related instruments of large cap companies-80% of total assets Since Inception being 21<sup>st</sup> Sep 2020. Returns greater than 1 year are CAGR returns and less than 1 year are absolute returns;

### Performance in SEBI Approved Format

Performance Report	Mirae Asset Equity Allocator Fund of Fund (Regular Plan – growth option)	Scheme Benchmark	Additional Benchmark
Last 1 Year	24.4%	23.1%	23.7%
Since Inception	23.0%	23.2%	22.6%
Value of 10,000 invested in (Rs.) Since Inception	17,749	17,857	17,588
NAV as on June 30, 2023	₹ 17.749		
Index Value as on June 30, 2023	Index Value of benchmark: 13,152.79 S&P BSE Sensex (TRI): 98,623.85		
Allotment Date	21 <sup>st</sup> September 2020		
Scheme Benchmark	Nifty 200 (TRI)		
Additional Benchmark	S&P BSE Sensex(TRI)		

Source: ACE MF; Data as on June 30, 2023; Fund Manager: Bharti Sawant managing the scheme since inception 21<sup>st</sup> Sept'2020. Note: Returns below or for 1 year are absolute returns, returns above 1 year are CAGR- Compounded Annualized Growth returns. For computation of since inception returns (%) the allotment NAV has been taken as Rs. 10.00. The performance of other funds managed by the same fund manager is given on page 6

## Sectorial/Industrial Exposure Comparison

Mirae Asset Equity Allocator Fund of Fund continues to provide investor with relatively similar sectorial exposure as provided or offered by actively managed large-cap schemes.

### Sectorial comparison Mirae Asset Equity Allocator Fund of Fund

Top 15 Sectors	Average of all Large Cap Funds	Mirae Asset Equity Allocator Fund of Fund
Bank	25.0	21.6
IT	11.2	11.3
Finance	7.6	9.4
Crude Oil	7.0	8.7
FMCG	7.2	8.5
Automobile & Ancillaries	7.3	7.1
Healthcare	4.8	4.7
Chemicals	2.7	4.0
Infrastructure	3.8	2.4
Power	2.6	2.4
Telecom	2.6	2.2
Construction Materials	2.8	2.0
Iron & Steel	0.9	1.9
Capital Goods	2.5	1.8

Source: ACE MF: Data as on June 30, 2023 for Equity Allocator FOF and May 31, 2023 for Large Cap Funds .Past performance may or may not sustain in future. The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same The exposure shown are the average exposure of the Mutual Fund category and does not in any way indicate the exposure of a particular scheme of mutual fund. The Large cap category ( Regular- Growth Option) is considered as per the SEBI Circular on categorization. 301 Large Cap Funds have been considered for the above table Large cap funds are defined as minimum investment in equity & equity related instruments of large cap companies-80% of total assets.

## Conclusion:

Since Inception, Mirae Asset Equity Allocator Fund of Fund (ending June 30, 2023) has generated CAGR return of 23.0% (Regular Growth). Mirae Asset Equity Allocator Fund of Fund may continue to provide the investor exposure relatively akin to the actively managed large cap fund in terms of both market cap exposure as well as sector/industry exposure. At a Total Expense Ratio (TER) of around 3 bps (Direct Plan) and 14 bps (Regular plan) and cost of underlying ETFs close to 7 bps, the scheme provides a unique opportunity to take low cost, rule based, passive exposure in the entire large and midcap segment, providing with exposure similar to the large cap along with relatively stable volatility.

**Performance of schemes co - managed the by the Fund Manager: Ms. Bharti Sawant**

Mirae Asset Equity Savings Fund	Returns (in%)		
Period	Scheme – Regular Plan – Growth option	Scheme Benchmark	Additional Benchmark
Last 1 Year	13.27	12.14	9.28
Last 3 Years	14.17	11.62	3.10
Since Inception	10.82	9.40	5.98
Value of Rs. 10,000 invested in (Rs.) Since Inception	15,935	15,034	13,013
NAV as on June 30, 2023	₹ 15.9350		
Index Value as on June 30, 2023	Index Value of Benchmark is 5,106.40 CRISIL 10 Year Gilt Index is 4,325.84		
Date of Allotment	17 <sup>th</sup> Dec 2018		
Scheme Benchmark	Nifty Equity Savings Index (TRI)		
Additional Benchmark	CRISIL 10 Year Gilt Index		

Note: Past Performance may or may not be sustained in future. 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 18, 2018) Returns below or for 1 year are absolute returns, returns above 1 year are CAGR- Compounded

Annualized Growth returns, or computation of since inception returns (%) the allotment NAV has been taken as Rs.10.00 Different Plans under the scheme has different expense structure. The reference and details provided here in are of Regular Plan - Growth Option. 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.

## Disclaimers

**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.

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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)

**Please consult your financial advisor or mutual fund distributor before investing**

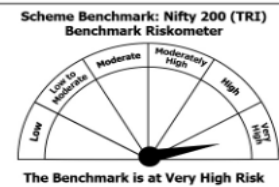
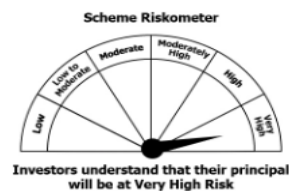
**Mutual fund investments are subject to market risks, read all scheme related documents carefully.**

## PRODUCT LABELLING

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

- To generate long term capital appreciation/income
- Investments predominantly in units of equity Exchange Traded Funds

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



## 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 advisors if they are not clear about the suitability of the product.

