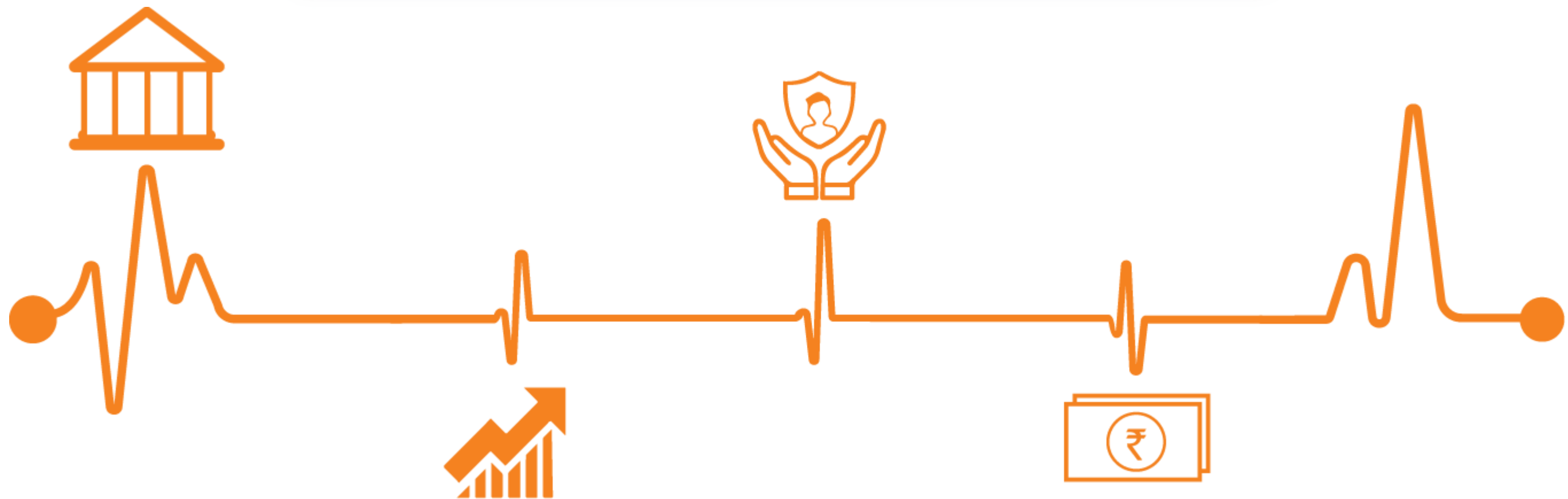


Mirae Asset Banking and Financial Services Fund (MABFSF)

An open ended equity scheme investing in Banking & Financial Services Sector.

Lifelines we may bank on



December 2022

- BFSI (Banking, Financial Services, and Insurance) – more than just banking
- Banking & Financial Services Sector – Medium term catalysts
- Fund Information & Investment Strategy
- Fund Performance & Risk-o-meter



BFSI (Banking, Financial Services, and Insurance) – more than just banking

Banking & Financial Services Sector - It is not just Banks

Banking



Financial Services



Public Sector
Banks



Private
Banks



Small Finance
Banks



Foreign
Banks



Regional
Rural Banks



Capital Markets: Asset Management, Broking, Exchanges, Rating agencies, Wealth Management

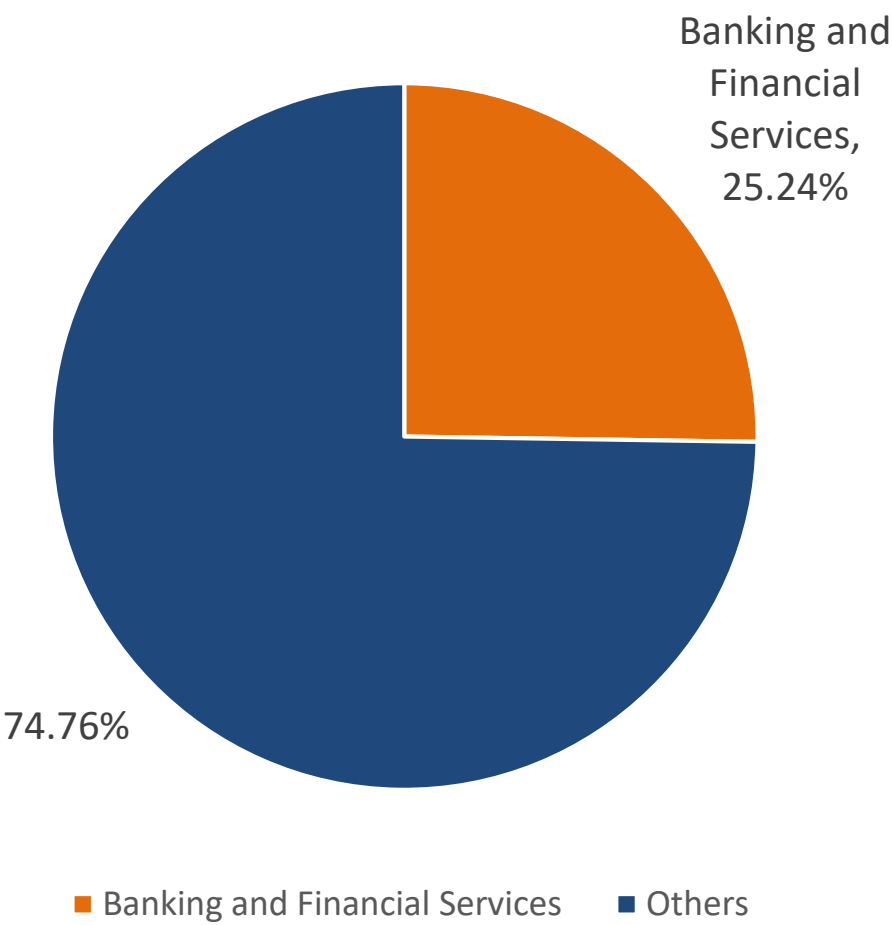
Insurance: Life / Non life Insurance

NBFCs: Housing, Vehicle, Gold, Consumer, Microfinance, Fintech

Banking and Financial Services account for a large weight and it is well diversified

- ▶ Financial companies account for 25.00% of the total market capitalization of top 250 companies
- ▶ The index also is well diversified into different segment of business

Financial Services Weight top 100 companies (%)



Source: SEBI Average Market Capitalization as on 31st December 2022.

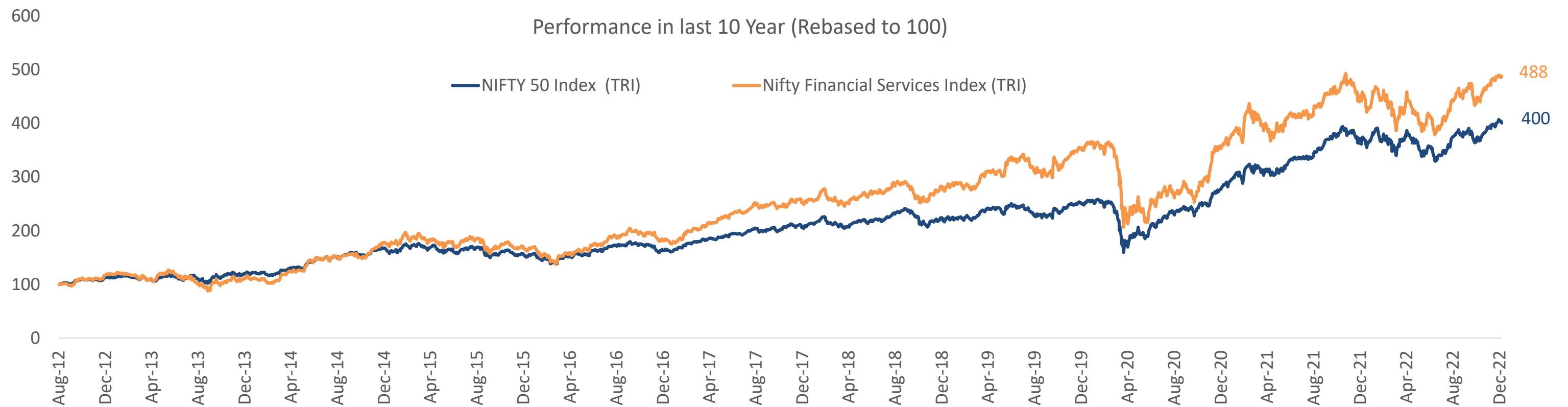
Financial Services Index Split (%)

Industry	%
Private Sector Bank	59.24%
Housing Finance Company	15.23%
Non Banking Financial Company (NBFC)	8.08%
Public Sector Bank	7.48%
Life Insurance	4.37%
Holding Company	2.56%
Financial Institution	1.08%
General Insurance	1.05%
Asset Management Company	0.56%
Exchange and Data Platform	0.35%

Source: NSE website, Data as on 5 January 20223

BFSI sector has been a driver for the markets

- ▶ Historically, Banking & Financial services sector has outperformed broad market indices when economy grows
- ▶ As economy has slowly opened up, it has shown some recovery from the March bottom levels



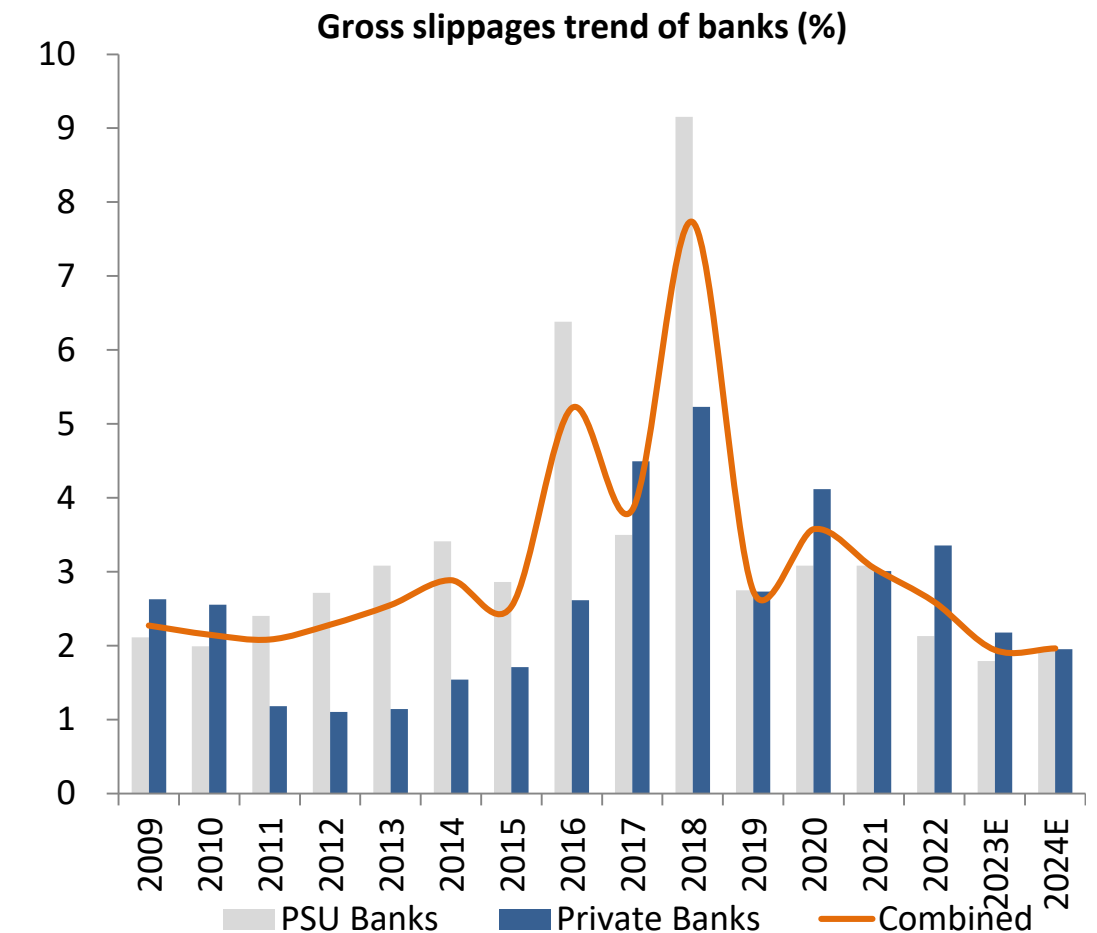
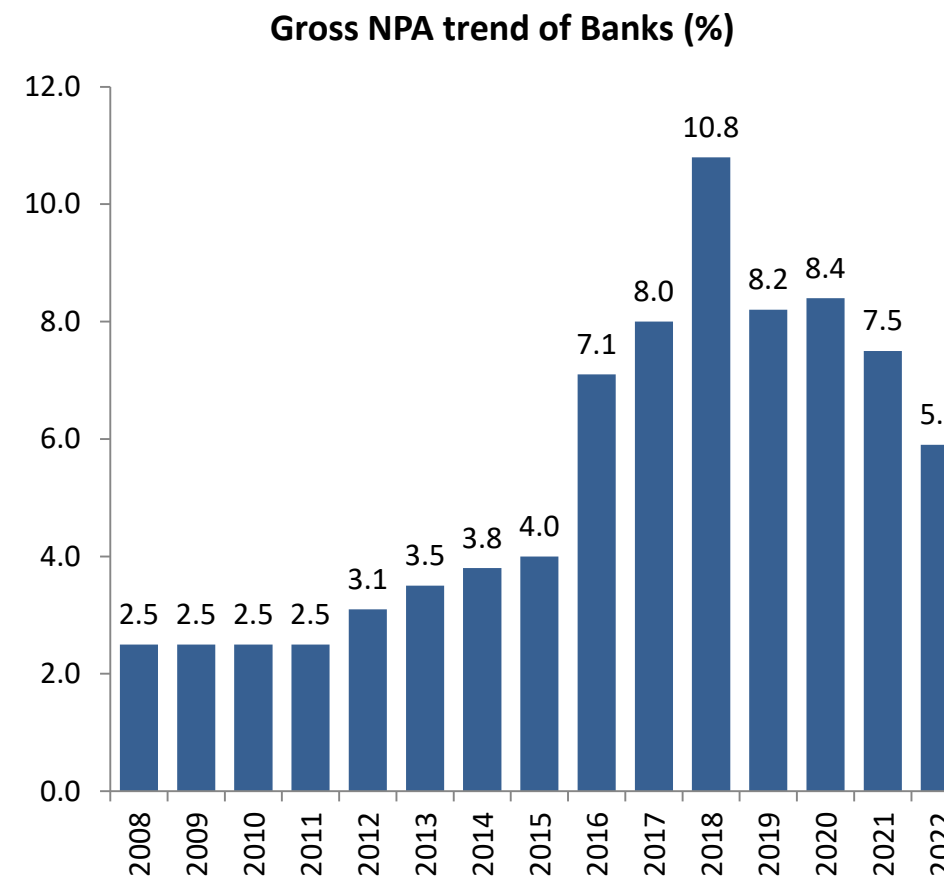
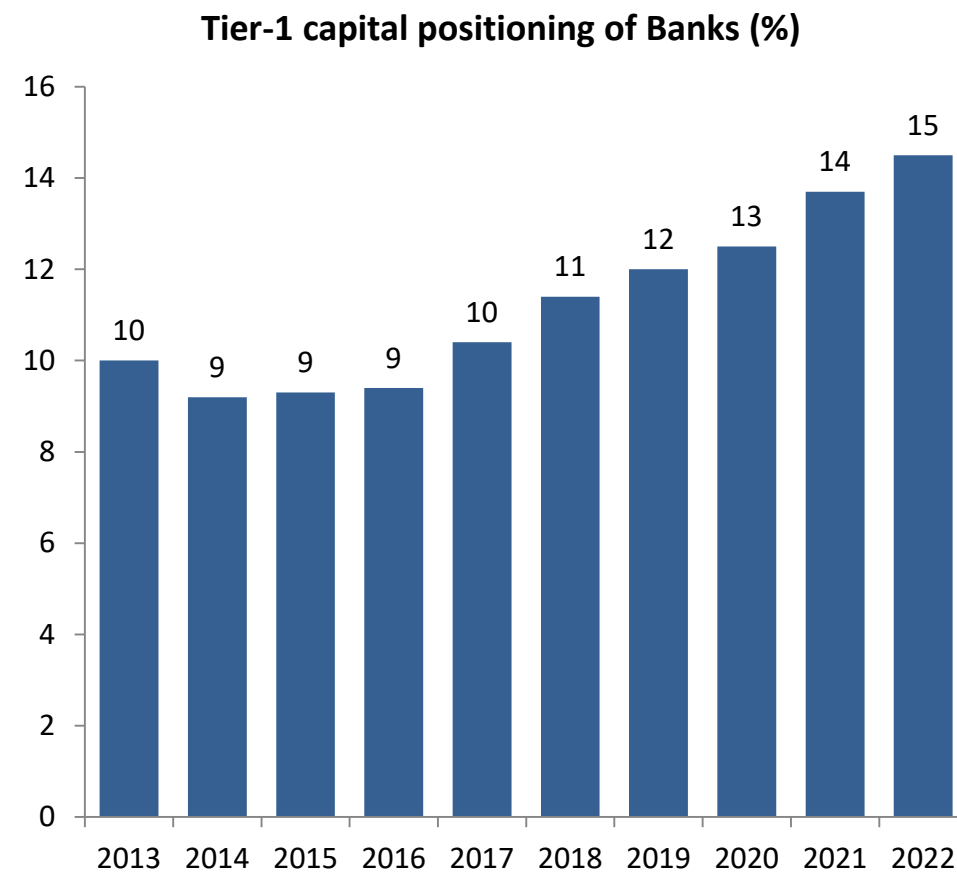
Returns (%)	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
NIFTY 50 Index (TRI)	-8.06	8.72	19.02	-8.85	20.55	27.85	11.76	16.40	-25.31	79.73	18.83
Nifty Financial Services Index (TRI)	-9.26	15.80	12.62	-13.65	34.07	45.85	17.85	23.56	-25.05	76.18	8.38



Banking & Financial Services Sector – Medium term catalysts

Banking – Well capitalised, Improving asset quality

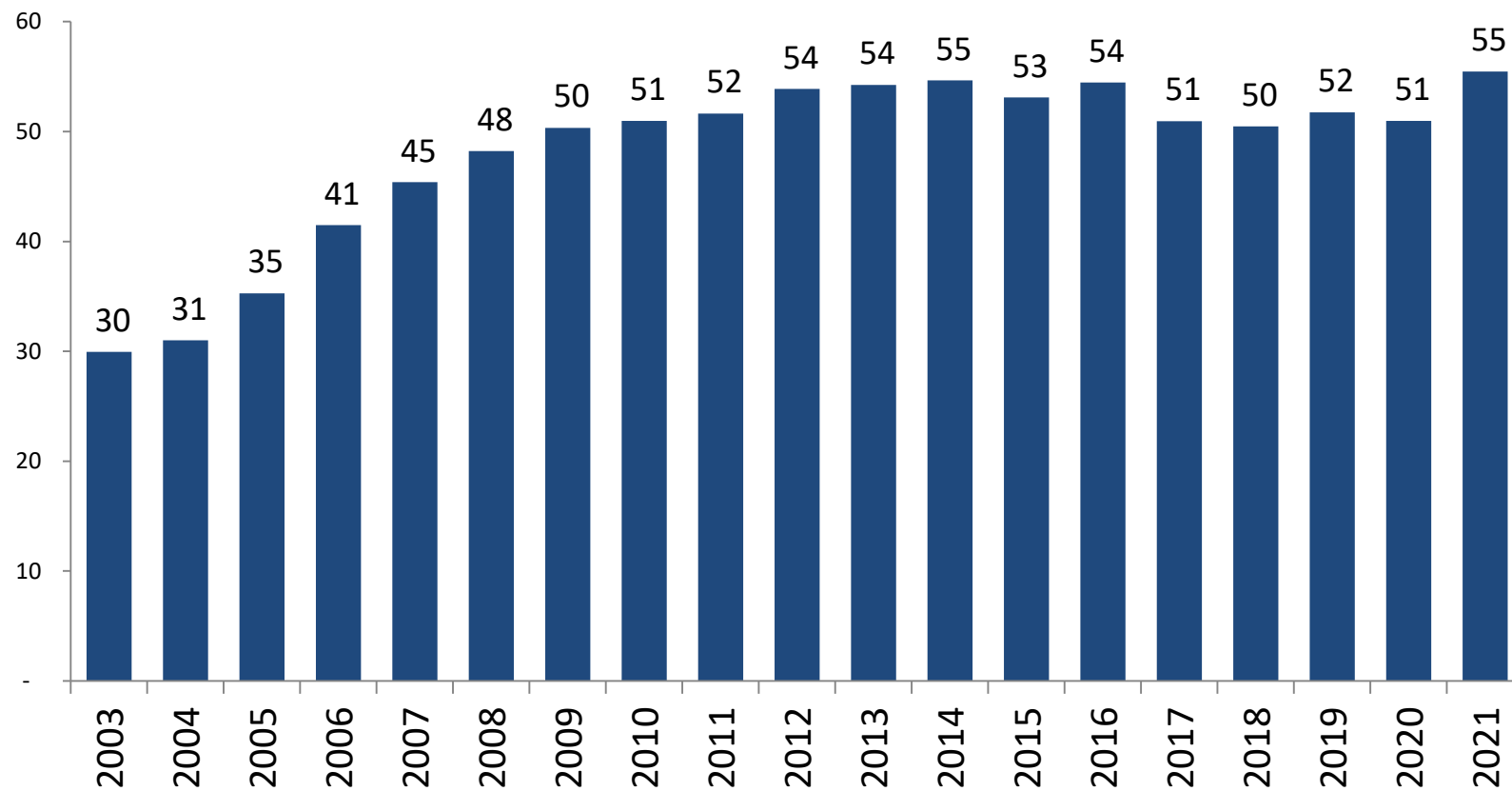
- ▶ Capital position of Indian banks have strengthened in the last few years with Tier 1 capital at ~15% in FY22, thereby fortifying their balance sheet
- ▶ Significant reduction seen in the Non-Performing Assets levels from the peak of 2018 and along with higher provisioning coverage of >65%. Asset quality held up despite 2 shock waves of COVID-19 pandemic, slippages & credit cost normalization underway



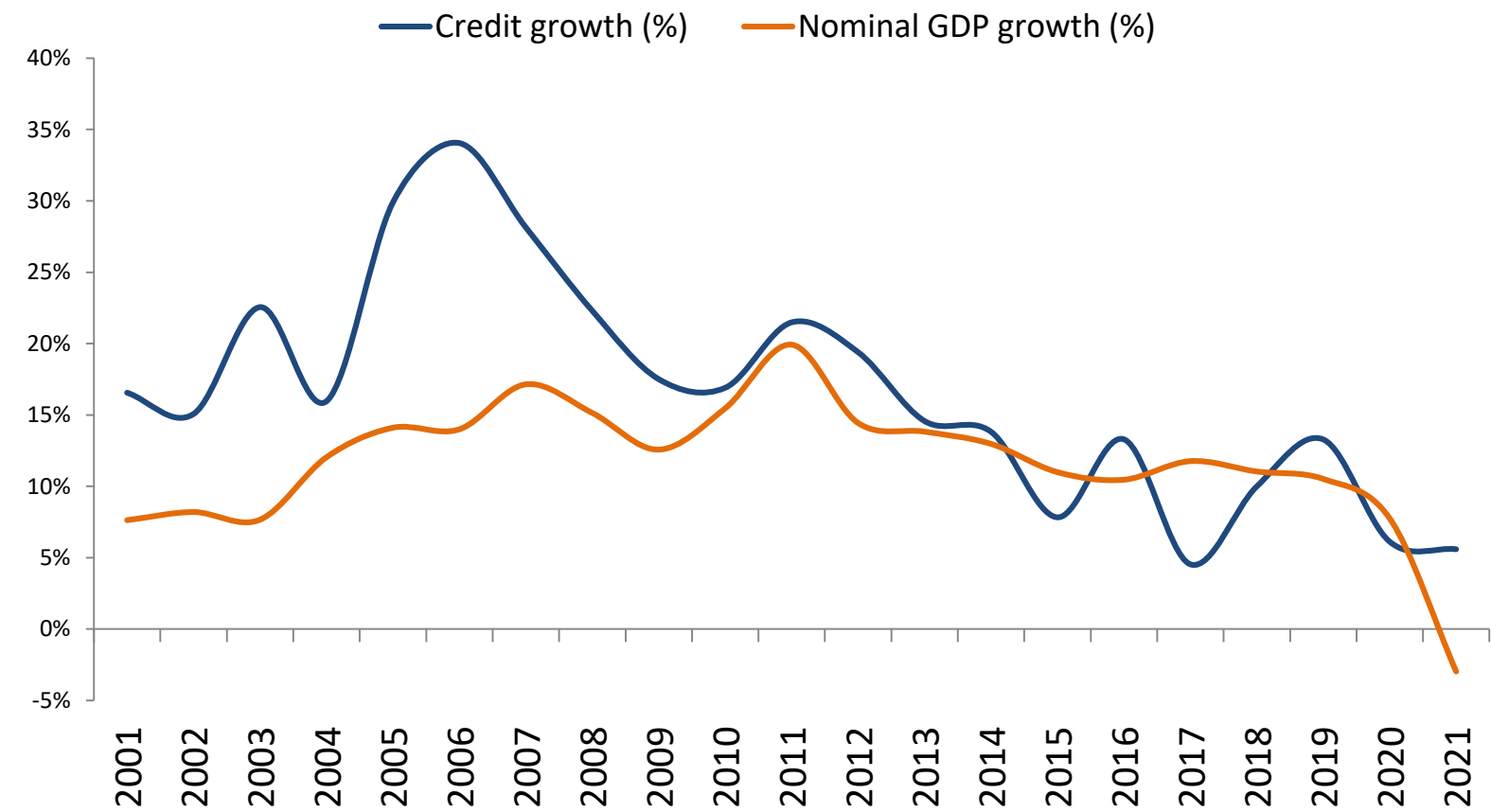
Credit in India – Growing fast as penetration improves

- ▶ Credit to GDP ratio has almost doubled in the last 2 decades
- ▶ Credit growth is a multiplier of Nominal GDP growth
- ▶ Private consumption has increased steadily in line with the retail credit growth
- ▶ Growth in household income and consumption promotes overall demand for credit

Credit to GDP Ratio in India (%)



Credit growth & Nominal GDP growth Trends



Retail Credit in India – Large headroom for growth

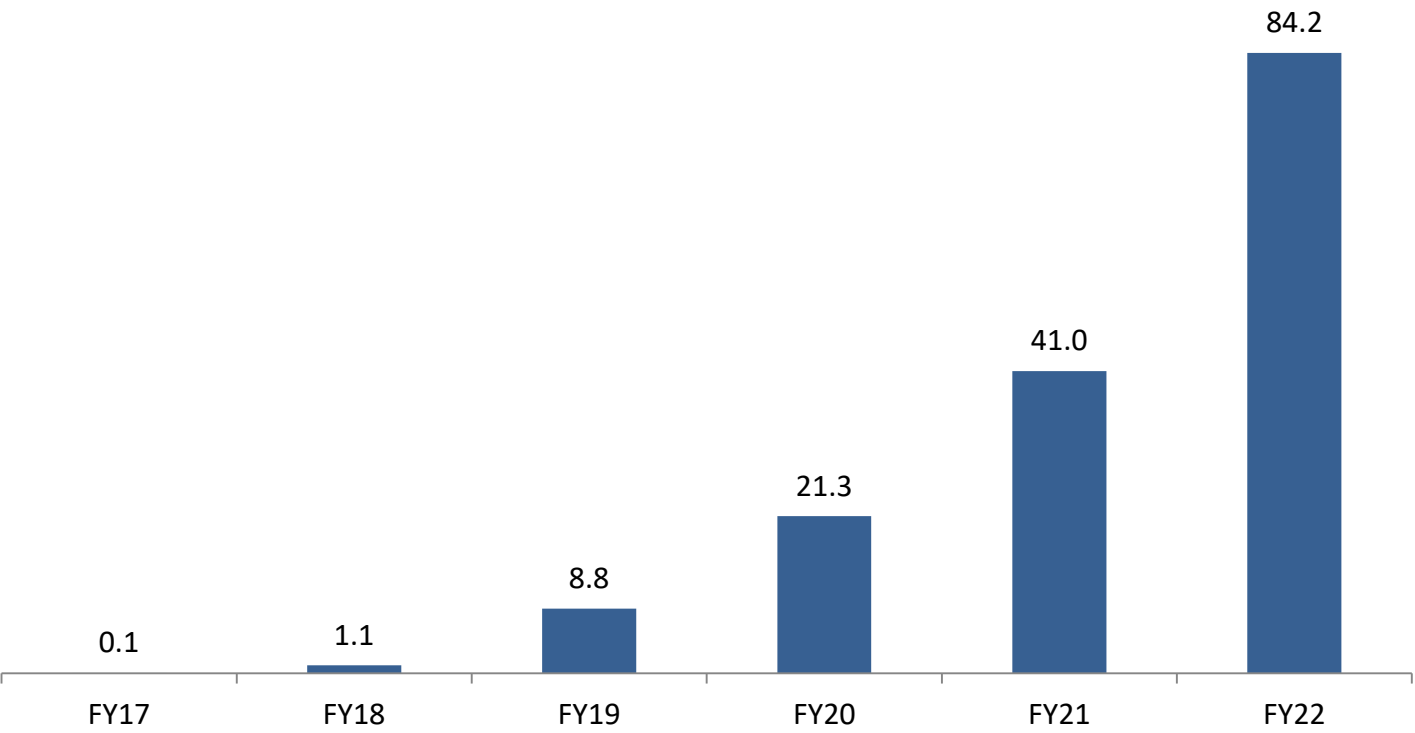
Country	2000	2005	2010	2015	2016	2017	2018	2019	2020	2021
Argentina	6.8	3.1	4.8	6.4	6.0	6.9	6.7	5.3	5.5	5.2
Australia	70.8	102.6	111.8	121.0	123.9	123.2	122.3	119.0	123.4	123.4
Brazil	14.3	13.9	22.8	28.5	30.8	31.2	31.6	32.9	36.8	36.6
Canada	60.7	71.6	93.9	99.7	103.2	102.6	102.3	102.7	111.9	110.8
China	-	-	27.3	38.9	44.2	48.1	51.5	55.5	61.7	61.3
France	34.2	41.8	53.8	56.1	57.1	58.4	59.8	61.5	68.1	68.1
Germany	71.2	68.1	59.5	53.7	53.4	52.9	53.2	53.9	58.3	58.9
Greece	14.9	40.3	61.9	62.8	61.2	58.2	58.8	56.3	59.4	59.3
Hong Kong SAR	57.9	55.0	59.3	67.1	67.6	70.8	72.7	81.6	91.2	91.4
India	-	-	36.7	33.3	32.9	34.1	34.4	34.5	37.7	38.4
Indonesia	-	11.7	13.6	16.8	17.0	17.0	17.0	17.0	17.8	17.8
Ireland	-	81.0	112.4	55.8	52.9	47.0	41.9	37.5	34.8	33.6
Italy	22.6	32.9	43.5	41.9	41.2	40.7	40.8	41.2	45.3	45.5
Japan	69.8	62.1	61.2	59.5	59.8	60.3	61.4	62.5	66.6	67.3
Korea	49.3	63.5	73.2	83.1	87.3	89.4	91.8	95.0	103.4	104.9
Malaysia	-	-	59.6	69.8	69.2	66.2	68.0	68.1	76.4	76.8
New Zealand	61.9	82.6	90.3	89.7	92.2	90.8	91.0	92.0	97.8	99.4
Portugal	58.8	79.8	90.9	77.0	72.6	69.2	66.0	63.7	68.4	69.4
Russia	0.6	5.7	10.3	16.0	15.6	16.3	17.2	19.2	22.0	22.1
Singapore	37.0	43.2	46.3	57.4	56.9	55.4	52.6	51.4	55.4	56.0
South Africa	-	-	40.1	37.7	35.5	34.8	34.8	35.3	36.8	38.2
Spain	45.4	70.8	84.4	68.0	64.5	61.2	58.9	56.9	62.5	62.8
Switzerland	100.6	108.7	106.9	120.9	122.3	124.5	123.2	124.5	132.0	133.4
Thailand	41.8	45.4	52.4	70.9	69.8	68.6	68.6	69.1	77.8	78.7
United Kingdom	63.7	86.2	93.3	85.0	85.3	85.2	85.1	83.8	90.0	91.2
United States	70.6	92.3	91.5	77.3	77.5	77.2	75.5	74.9	79.6	80.0
EM economies			29.1	34.2	38.0	42.1	41.6	45.4	53.9	52.8
DM economies	63.5	74.0	81.4	73.3	72.2	75.6	72.0	73.5	81.1	79.0

Note: This includes credit from all sectors (banks and others) to private households. It excludes credit to corporations or general government.

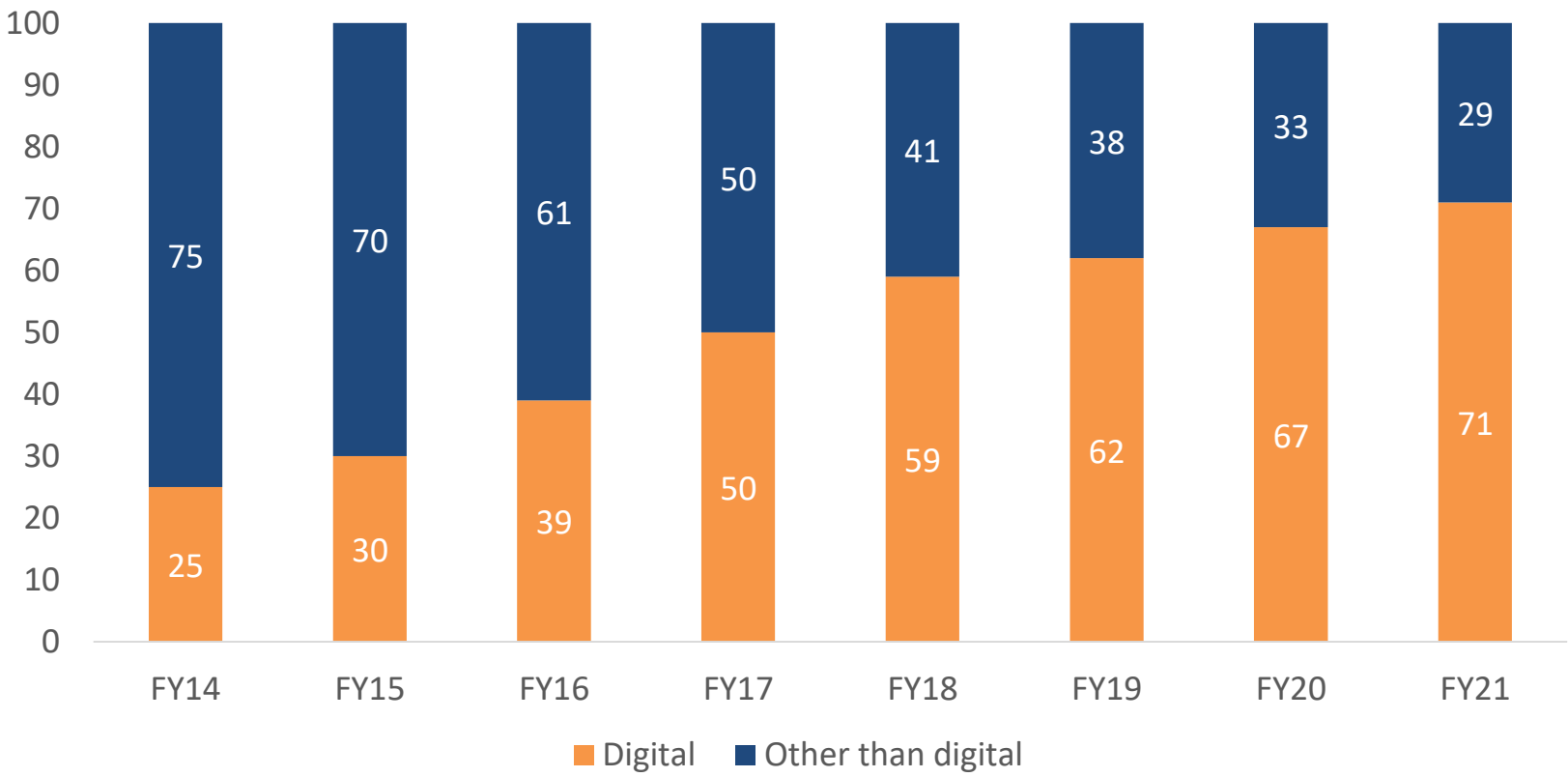
Banking – Digital & Fintech evolution gathering pace

- ▶ Digital banking services picked up in last five years promoting mobile based banking (UPI etc).
- ▶ Digital transformation has just begun with banks collaborating with Fintech to leverage technological gains.
- ▶ Banks profitability improvement will be driven by better cost efficiencies / productivity with shift from physical to digital.

Unified Payments Interface (Rs trn)



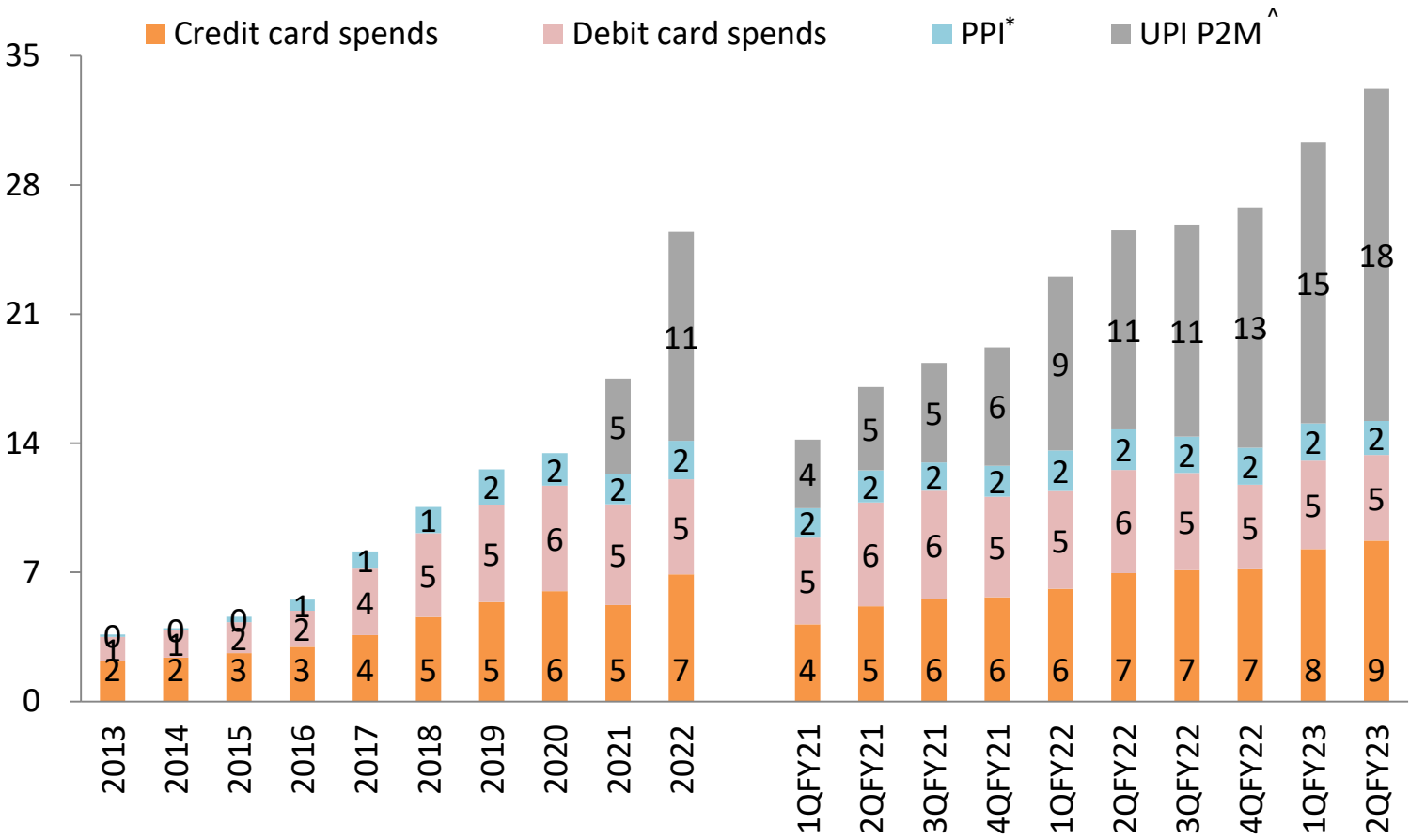
Share of digital transactions moving up



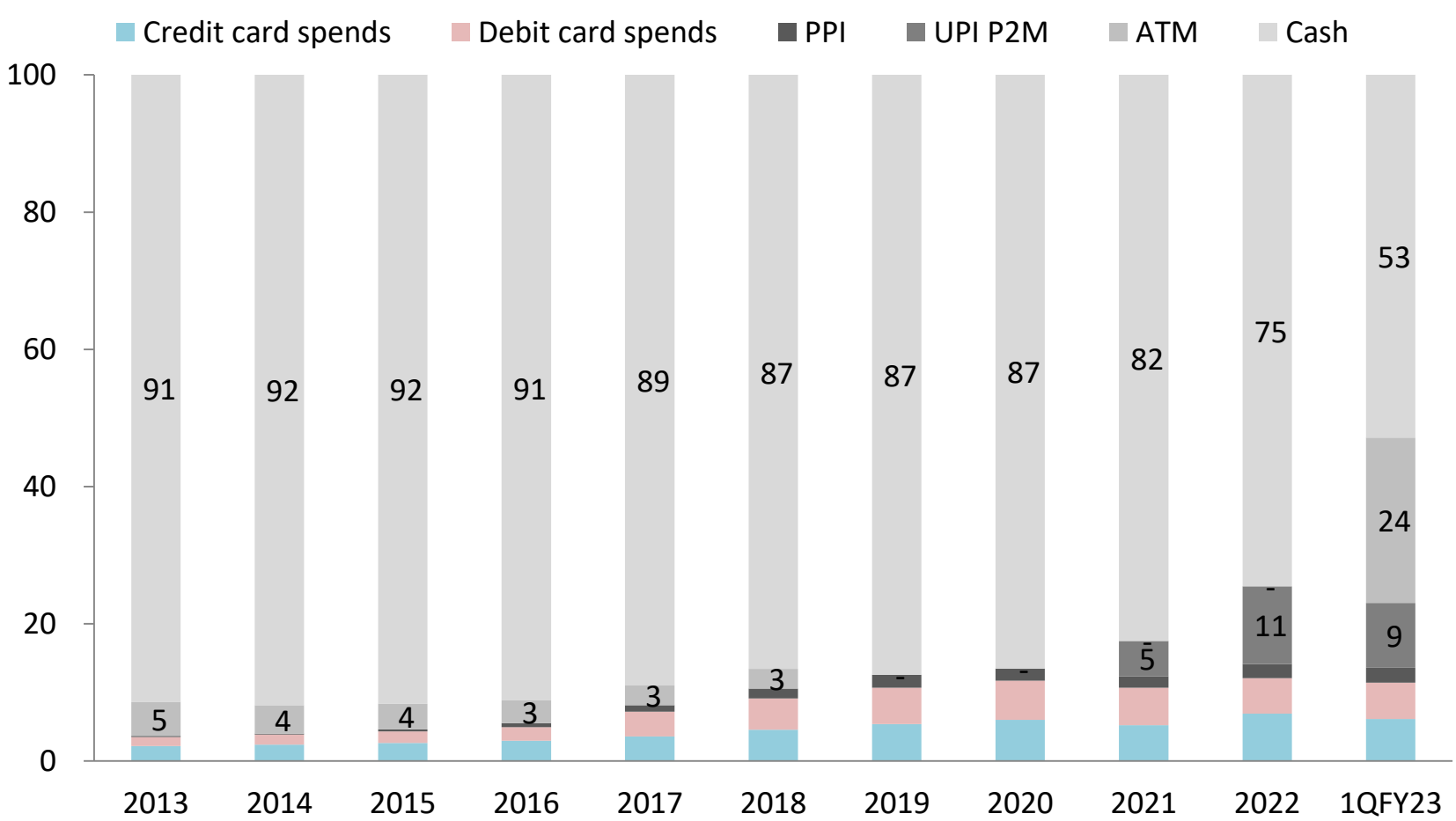
Banking – Digital transactions replacing cash

- ▶ Retail payments continue to grow rapidly with UPI P2M, credit cards picking up with increasing acceptance
- ▶ Share of cash in transaction mix has come down significantly over the last few years

Share of spends in total PFCE (Private final consumption expenditure) for India, March fiscal year-ends (%)



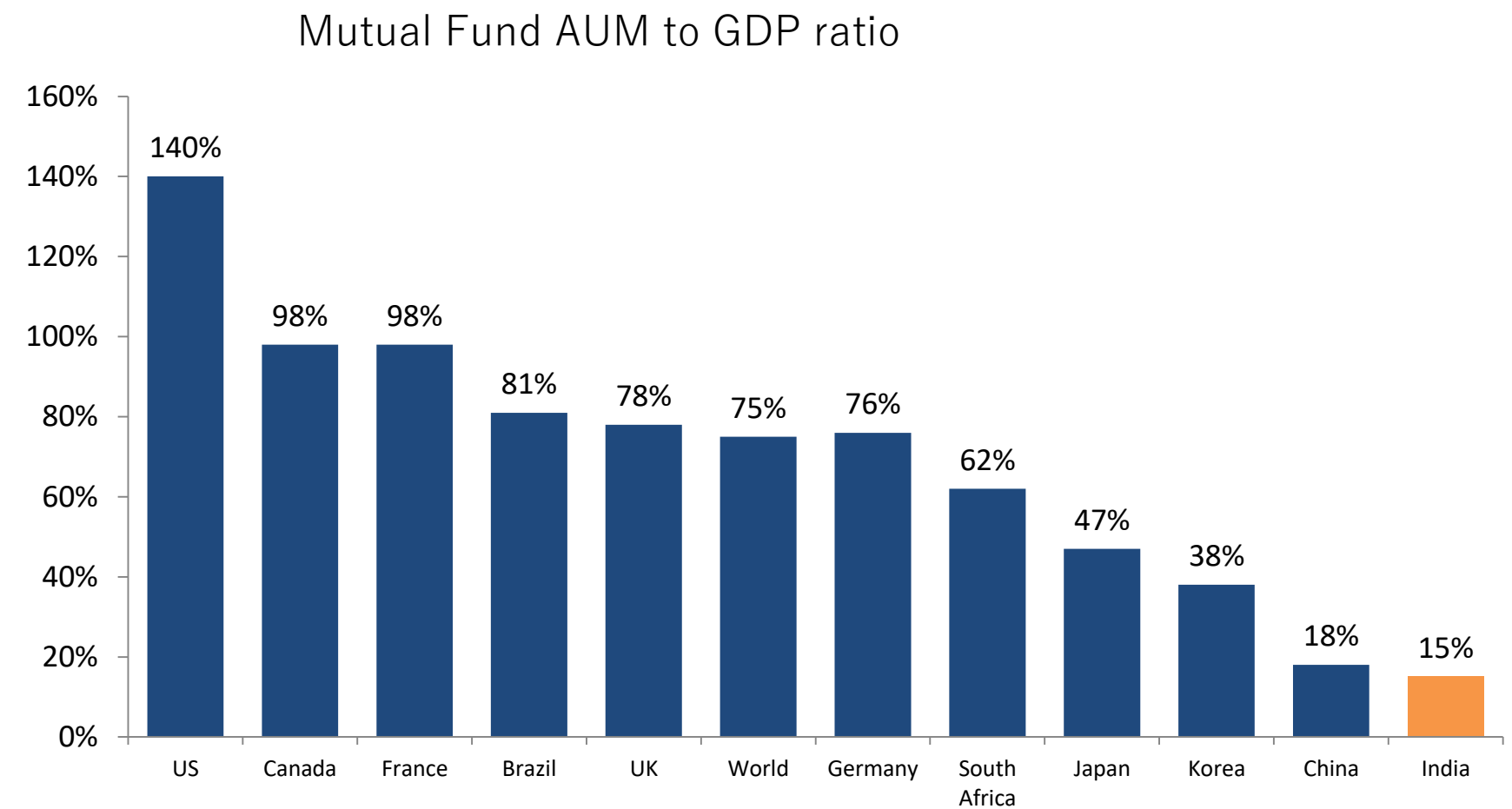
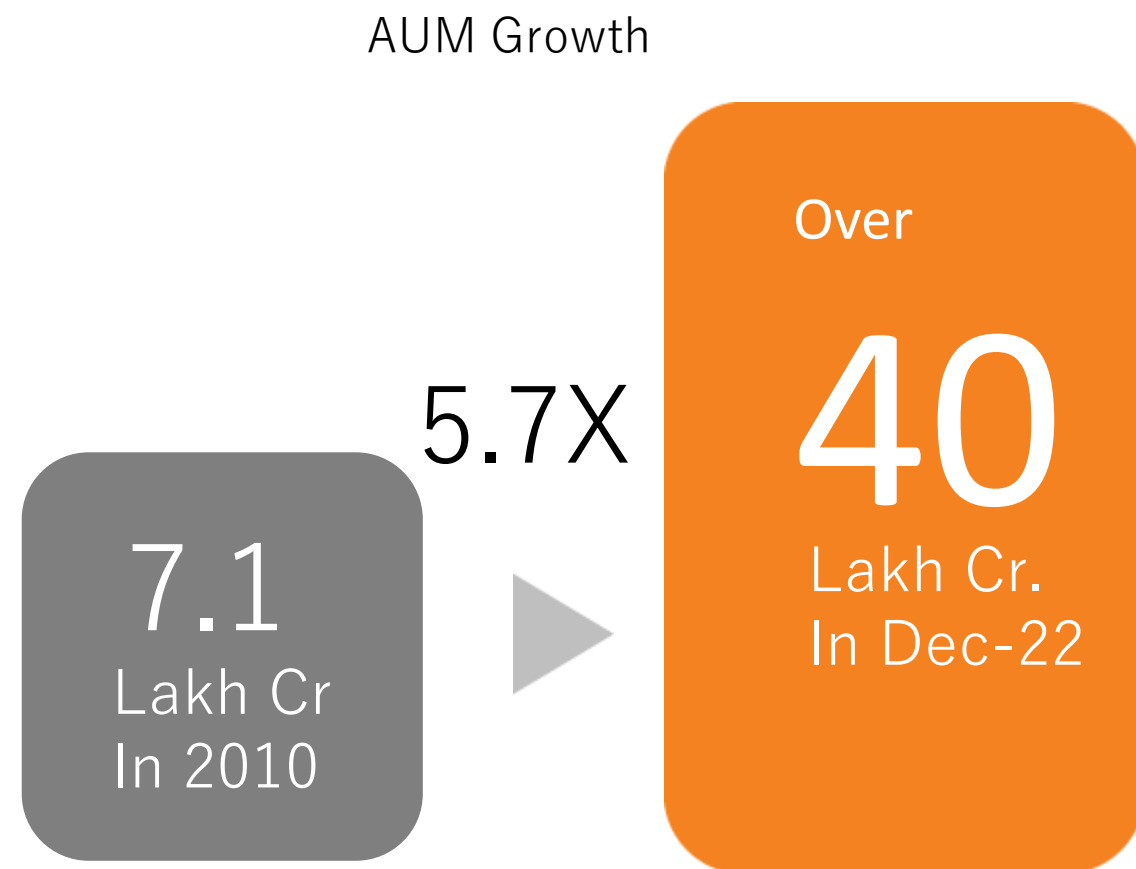
Share of digital transactions by value (%)



Source: RBI, NPCI, Data as on FY22. *PPI- Prepaid Payment Instruments ^UPI P2M- Unified Payments Interface Person-to-Merchant

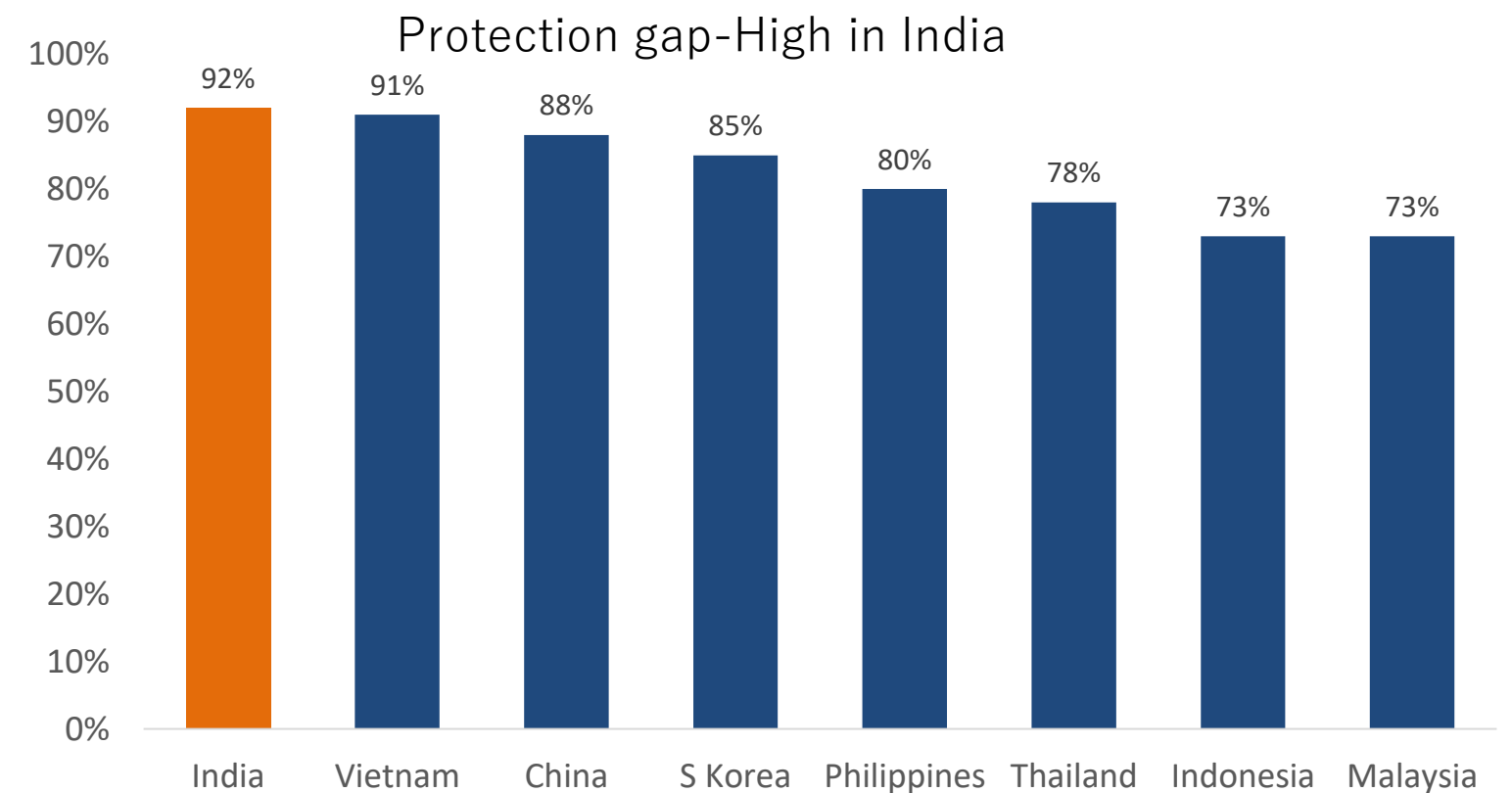
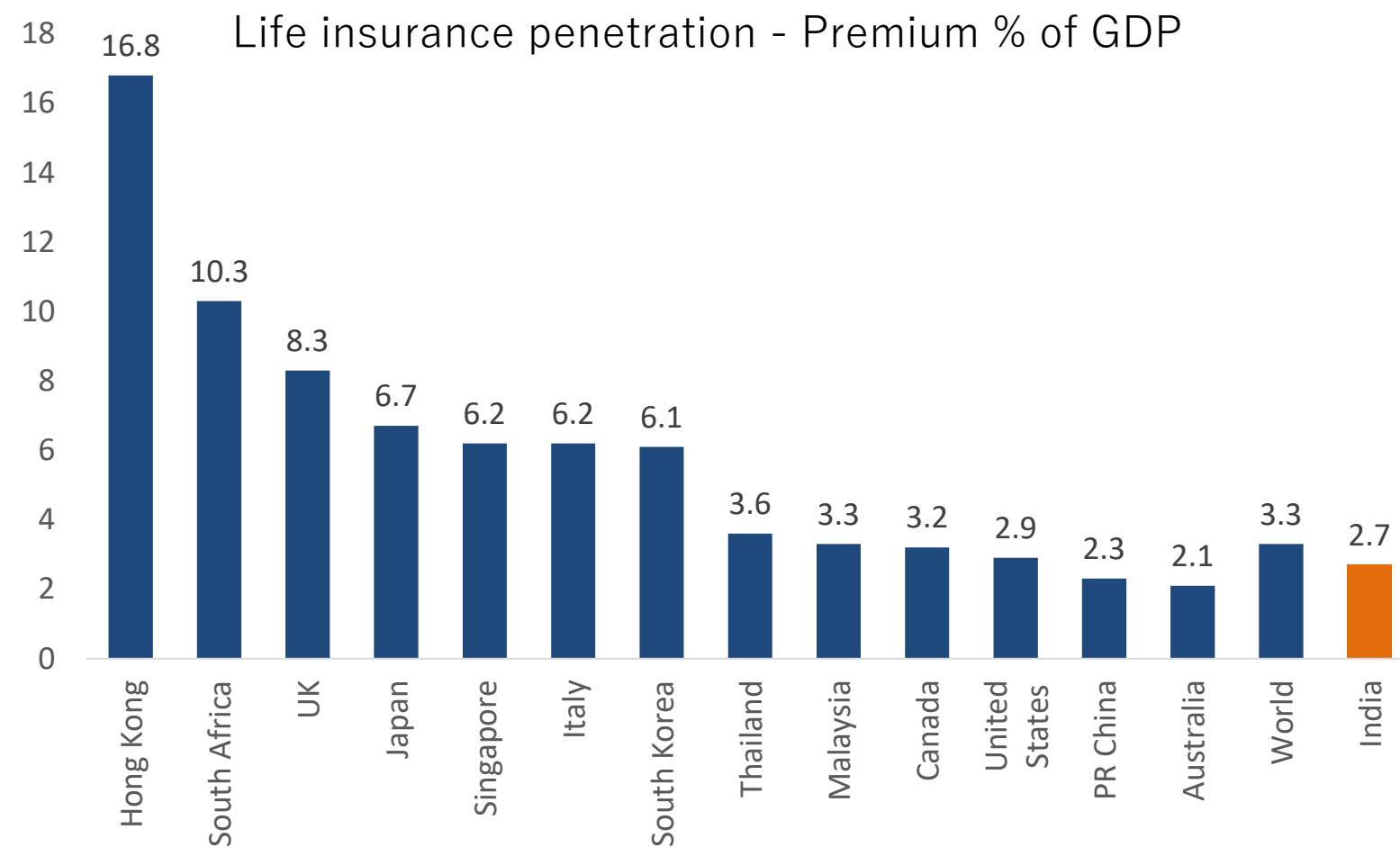
Mutual Fund – Growing rapidly, but hugely underpenetrated

- ▶ Mutual fund industry have been growing rapidly in last 10 years
- ▶ AUM to GDP ratio in India is ~15%, still below many other comparable peers










Life Insurance - Growing market demand, protection penetration low

- ▶ Development of various distribution channels including bancassurance tie-ups, online platforms and corporate partnerships has boosted current market growth in 5 years.
- ▶ Only 8% penetration in the protection product versus Asian peers
- ▶ However, low market penetration in India provides large room to grow



Market Penetration across financial products is very low

Country	Credit to GDP (%)	Mortgage Penetration to GDP (%)	Life Insurance Premium to GDP (%)	Mutual Fund AUM to GDP (%)
India 	56	12.4	2.7	15
Brazil 	74	17.1	3.9	68
South Africa 	73	21.4	10.3	48
China 	205	26.4	2.3	13
Korea 	198	47.5	6.1	58
USA 	150	62.6	2.9	121
UK 	164	67.0	8.3	67



Fund Information & Investment Strategy

Mirae Asset Banking And Financial Services Fund

(Sectoral / Thematic Fund - An open-ended equity scheme investing in Banking & Financial Services Sector)

Investments in Fund

Investment predominantly in equity and equity related securities of companies engaged in banking and financial services sector.

Investment Framework^

Invest minimum of 80% in equity and equity related instruments in the Banking and Financial Services Sector

Flexibility to invest across market capitalization

Build a portfolio of strong growth companies, reflecting our most attractive investment ideas

Why Mirae Asset Banking and Financial Services Fund?

Investing in stocks (across the market cap) benefiting either directly or indirectly from Banking and Financial sector growth.

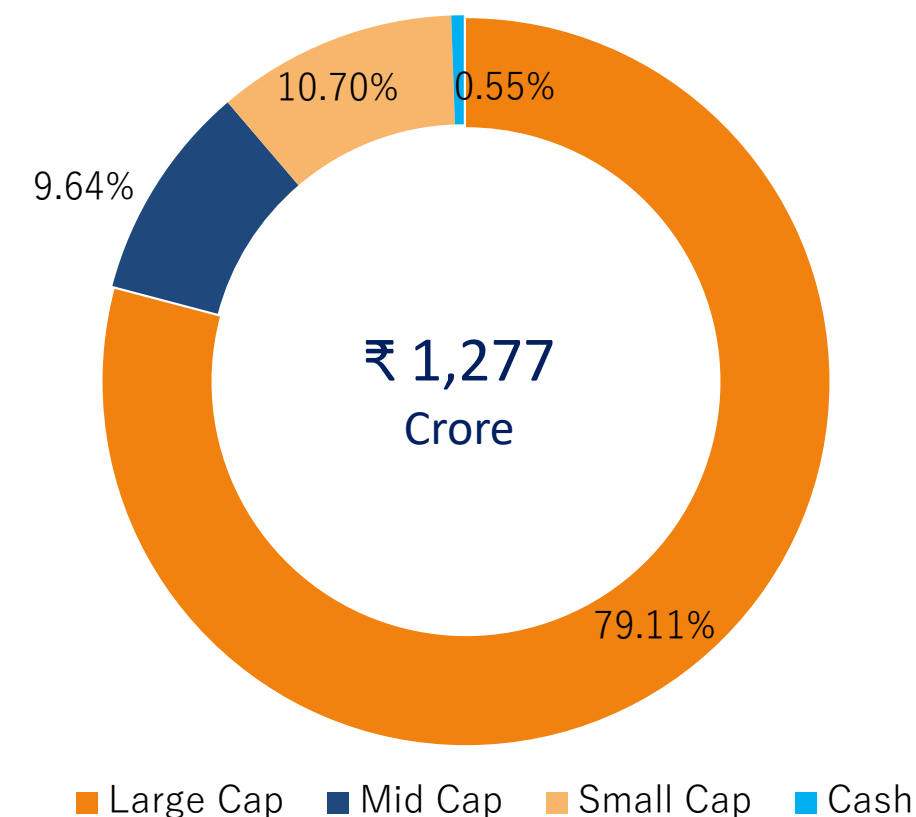
<u>Fund Inception</u>	<u>Category</u>	<u>Benchmark</u>
11 th Dec, 2020	Banking & Finance Fund	Nifty Financial Services Index (TRI)
<u>Goal</u>	<u>Ideal Investment Horizon</u>	<u>Risk Profile</u>
 Wealth Creation	 3+ Years	 Very High Risk

Fund Manager*



Mr. Gaurav Kochar

Net AUM of Fund

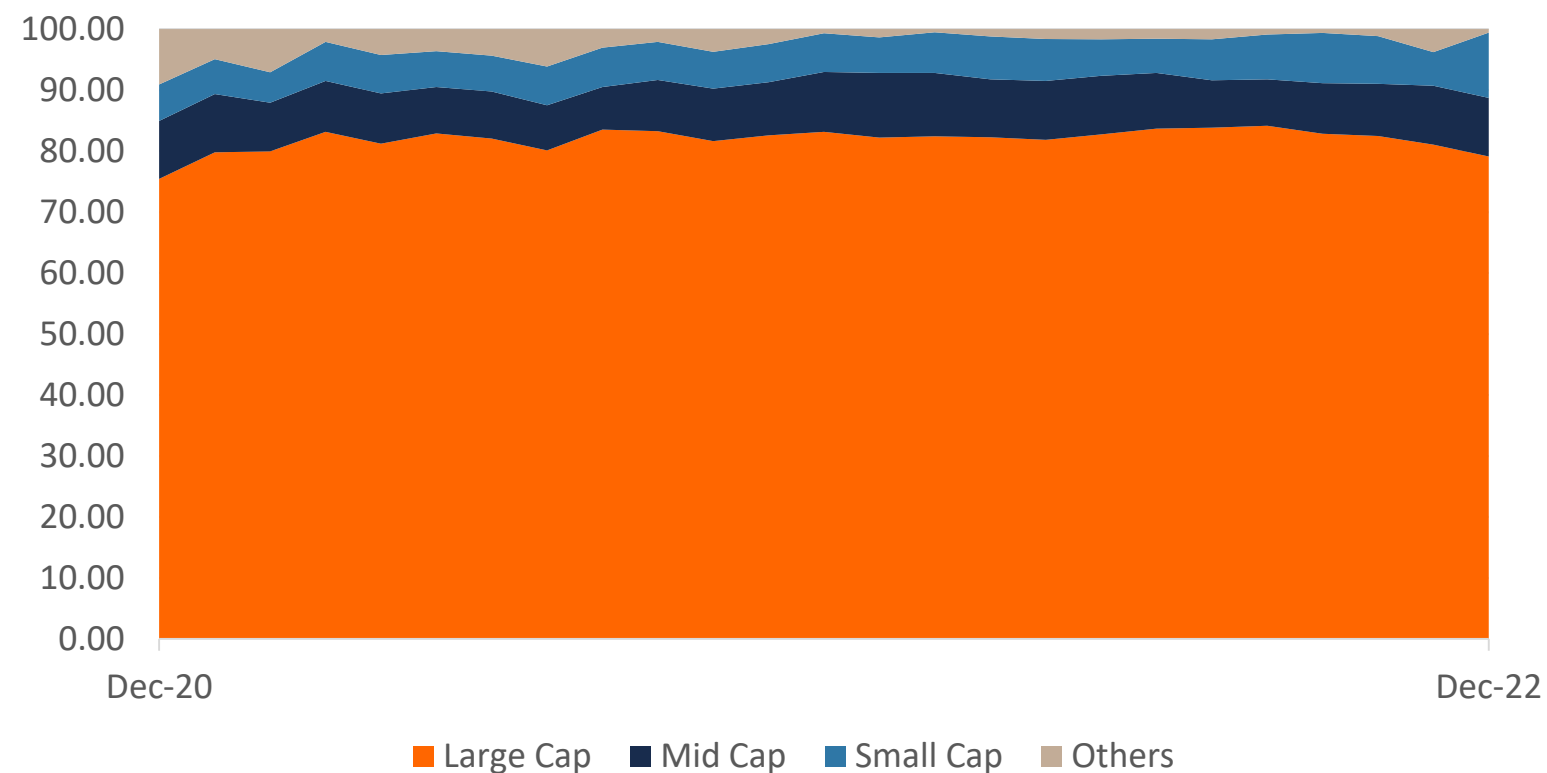


Source: Internal and AceMF, 31st December, 2022. *Note: Update in the fund manager wef August 16, 2022., please follow the [Link](#) for addendum.

^This is the current investment framework which may change in future without prior notice

Portfolio Attributes

Historical Market Cap Allocation^



Number of Stocks	26
Top 3 Sector Holdings	97.31%
Top 5 Sector Holdings	99.44%

Portfolio Top Holdings	% Allocation
HDFC Bank Limited	20.16%
ICICI Bank Limited	17.97%
Axis Bank Limited	10.26%
State Bank of India	9.32%
Housing Development Finance Corporation Limited	6.27%
Kotak Mahindra Bank Limited	3.96%
The Federal Bank Limited	3.63%
SBI Life Insurance Company Limited	3.53%
Shriram Finance Limited	2.84%
SBI Cards and Payment Services Limited	2.75%
Others	18.77%
Cash & Other Receivables	0.56%

Source : ACEMF Data as on 31st December, 2022.. Past performance and Portfolio may or may not be sustained in future

As per SEBI circular (SEBI/HO/IMD/DF3/CIR/P/2017/114) dated October 6th, 2017. The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same and the fund may or may not have any future position in these sector(s)/stock(s)/issuer(s) For complete portfolio of the scheme, please visit the website <https://www.miraeassetmf.co.in/downloads/portfolio>.

Investment Process

Investment Universe

Investment universe

- ▶ Predominantly BFSI universe – Banks, NBFCs, Insurance, AMCs, capital market players

Qualitative Filters

Qualitative Filters

- ▶ Portfolio Quality, Franchise strength and Management (Leadership & Governance)
- ▶ Primary research – Mgmt meetings, industry experts, branch visits

Quantitative Filters

Quantitative Filters

- ▶ Growth (Market Opportunity, Competitive positioning)
- ▶ Credit cost, Profitability – Return on Assets/Return on Equity (RoA/RoE)

Valuation

Valuation Screener

- ▶ Analyst recommendation, Absolute and relative valuation, Margin of Safety

Portfolio

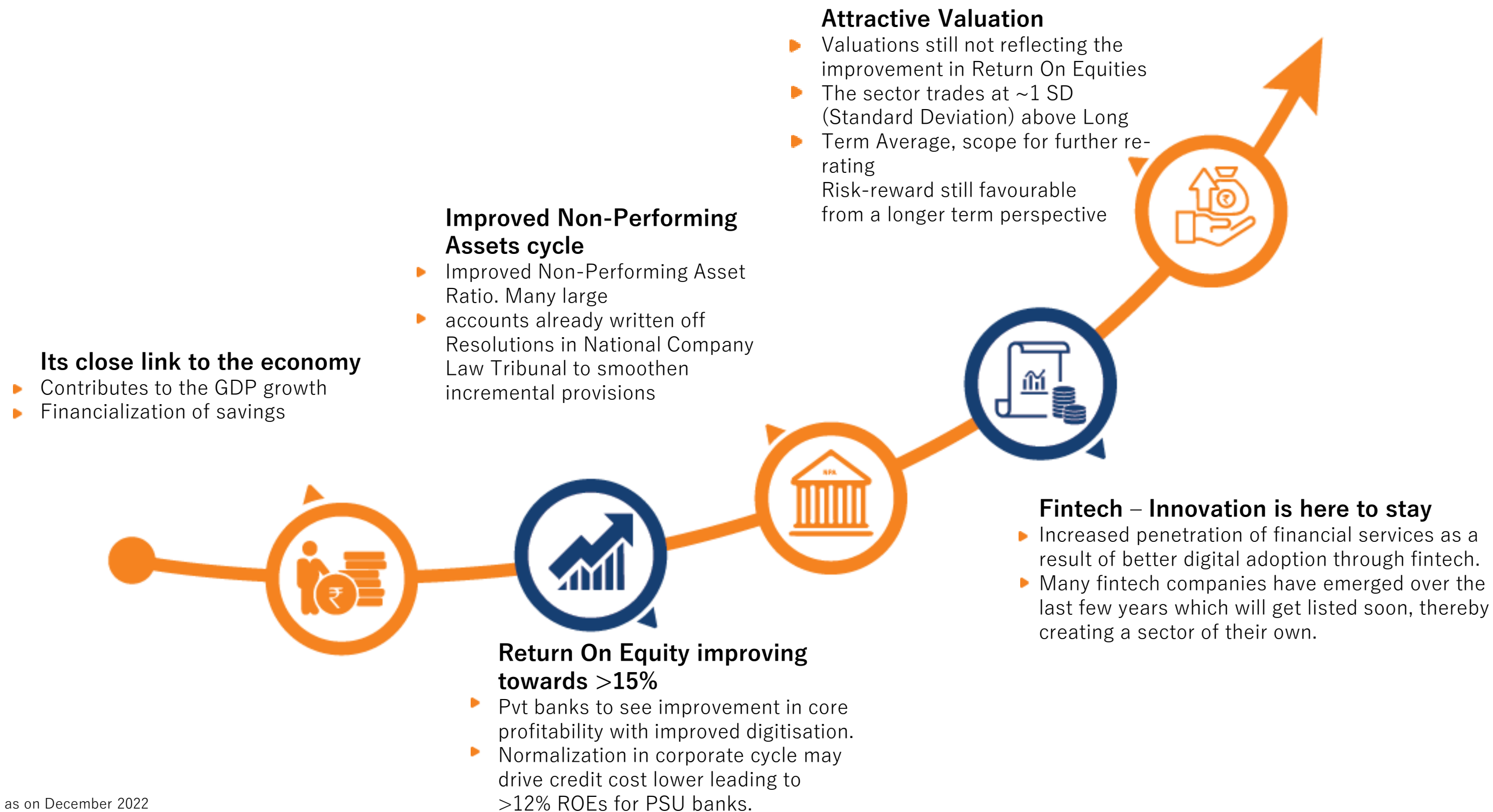
Portfolio Construction

- ▶ Benchmark, Liquidity, Risk parameters.

Views on Banking and Financial Services sectors

Private Banks	<ul style="list-style-type: none">• Well managed, Gaining market share in both credit and deposits• Strong capital and provision buffers – asset quality outlook benign• Digitization trends driving further business efficiencies.
Insurance	<ul style="list-style-type: none">• Market demand is improving, protection share set to improve aiding margins• Low market penetration provides further opportunity to grow and scale up
Capital Market	<ul style="list-style-type: none">• Number of investors are increasing along with market size (2x demats and 10x vols)• AMC well underpenetrated (Mutual Fund AUM to GDP at ~15%)
NBFCs	<ul style="list-style-type: none">• Strong liquidity buffers and improving asset quality, pressure on Net Interest Margin (NIM) given rising rate environment• Select NBFCs with better parentage and better liability profile to gain market share
PSU Banks	<ul style="list-style-type: none">• Improving asset quality, capital positioning improving• Improving ROE driven by credit cost moderation, but growth outlook weak

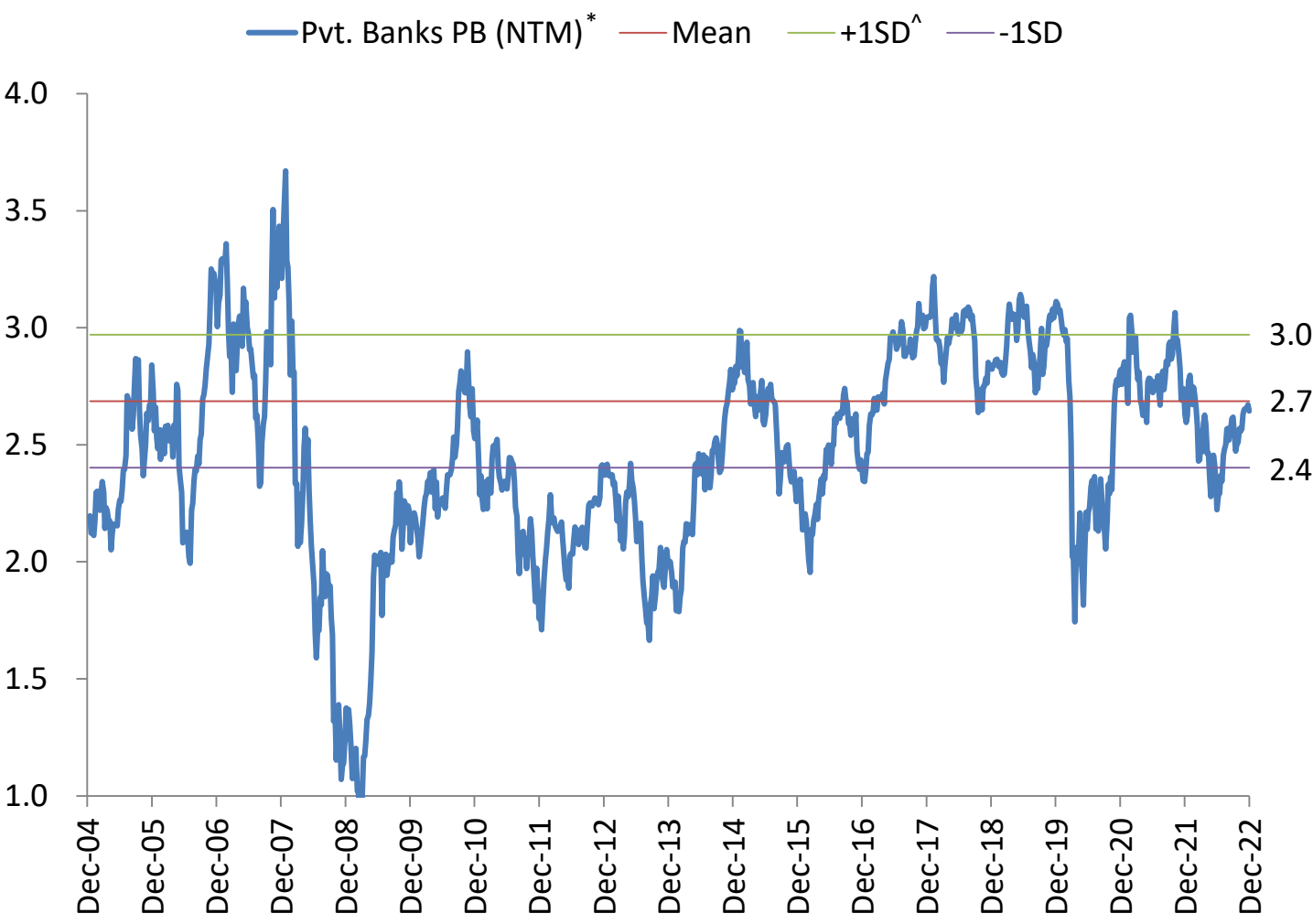
Why Banking & Financial Services Now?



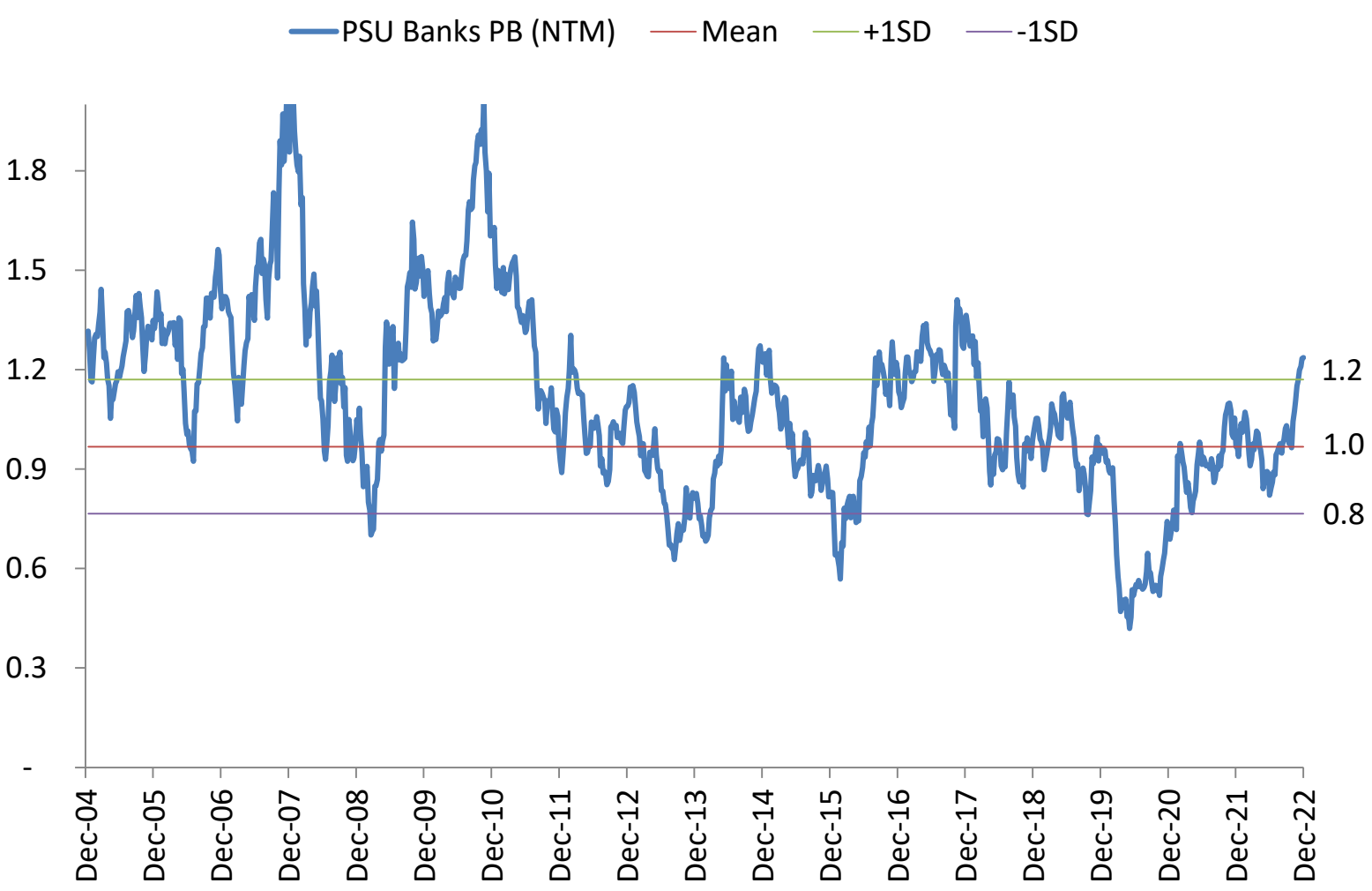
Valuation remains attractive from a longer term perspective

- ▶ Currently, private banks are trading at valuations that are close to its long term average while PSU banks are trading near 1SD above its long term average valuation.

Current Valuation of Private Bank Index



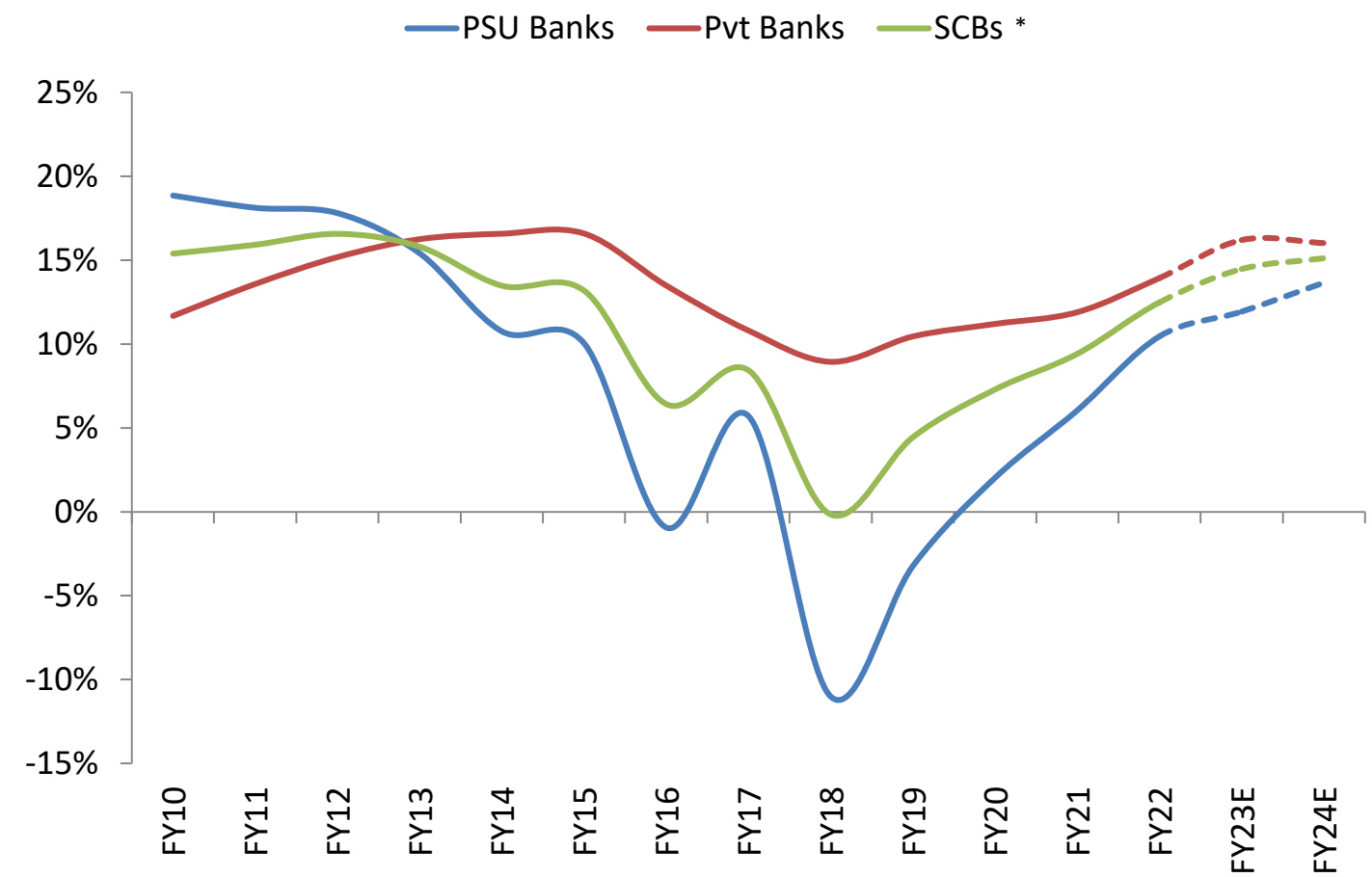
Current Valuation of PSU Banks Index



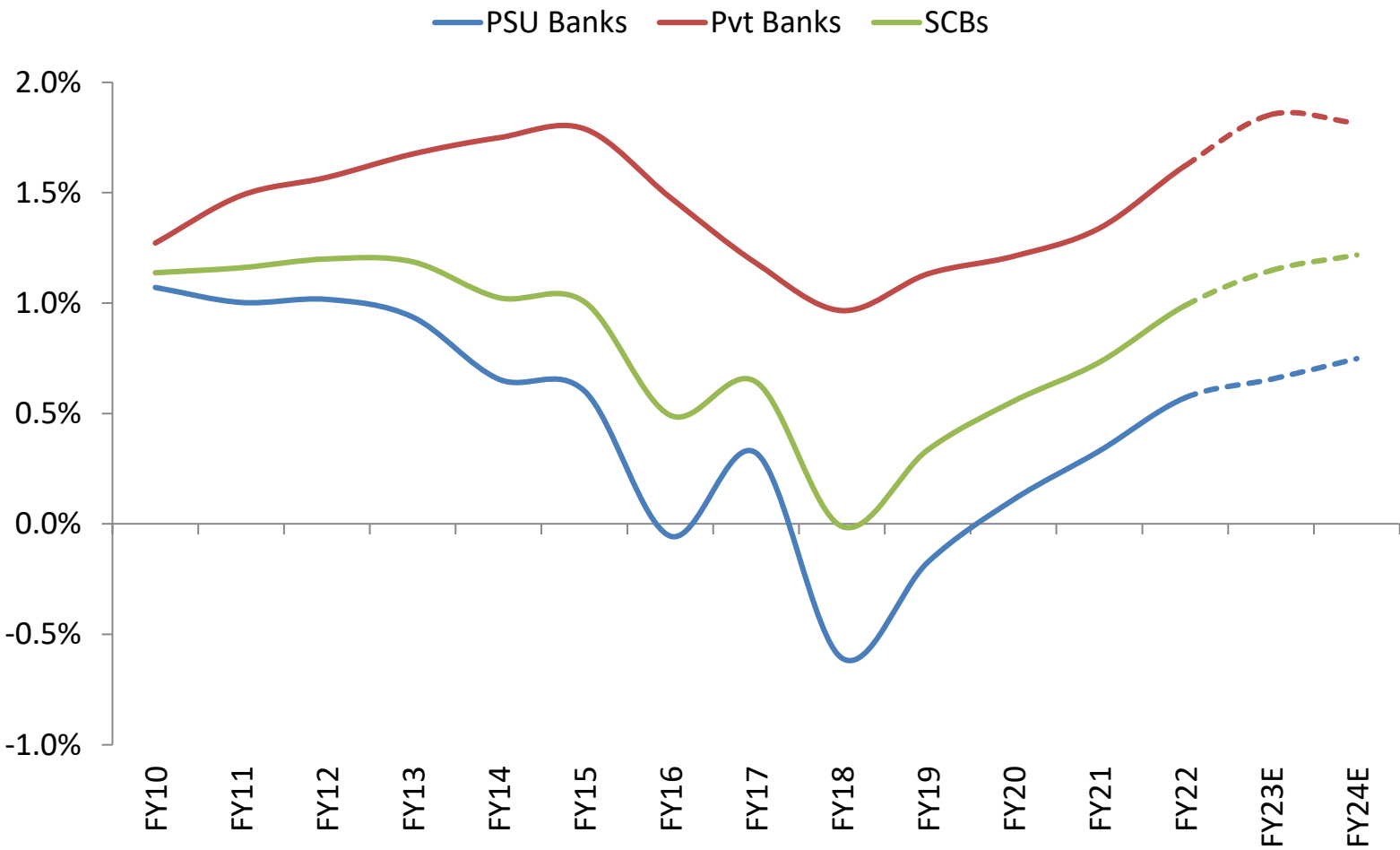
Valuation driven by improvement in ROA/ROE

- ▶ The valuations are also driven by underlying Return on Assets/Return on Equity (ROA/ROE) metrics that are suggesting significant improvement over the next few years vs a few years back for both Private and PSU banks.

ROE trajectory improving towards ~15% for banks



ROAs inching closer to 1.2% for the sector





Fund Performance & Risk-o-meter

Fund Performance

Period	MABFSF	Scheme Benchmark*	Additional Benchmark**
1 Year	12.98%	10.47%	5.80%
Since Inception	16.38%	14.79%	15.78%
Value of Rs. 10,000 invested (in Rs.) Since Inception	13,652	13,271	13,508
NAV as on 30 th December 2022	13.6520		
Index value as on 30 th December 2022	23,380.84		
	91,969.30		
Allotment Date	11-Dec-2020		
Scheme Benchmark*	Nifty Financial Services Index (TRI)		
Additional Benchmark**	S&P BSE Sensex (TRI)		

Fund manager : Mr. Gaurav Kochar since 11th December, 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. Note:1. Different Plans under the scheme has different expense structure. The reference and details provided here in are of Regular Plan - Growth Option

Source: AceMF, Internal, 31st December, 2022. Disclaimer: Past performance may or may not be sustained in the future. Note: Update in the fund manager w.e.f. August 16, 2022., please follow the [Link](#) for addendum.

Product Label and Disclaimer

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 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 Global Investments 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.

For further information about other schemes (product labelling and performance of the fund) please visit the website of the AMC: www.miraeassetmf.co.in

Please consult your financial advisor or mutual fund distributor before investing

PRODUCT LABELLING

Mirae Asset Banking and Financial Services Fund is suitable for investors who are seeking*

- To generate long term capital appreciation
- Investments predominantly in equity and equity related securities of companies in banking and financial services sector in India

*Investors should consult their financial advisers, 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.



MIRAE ASSET

Mutual Fund

