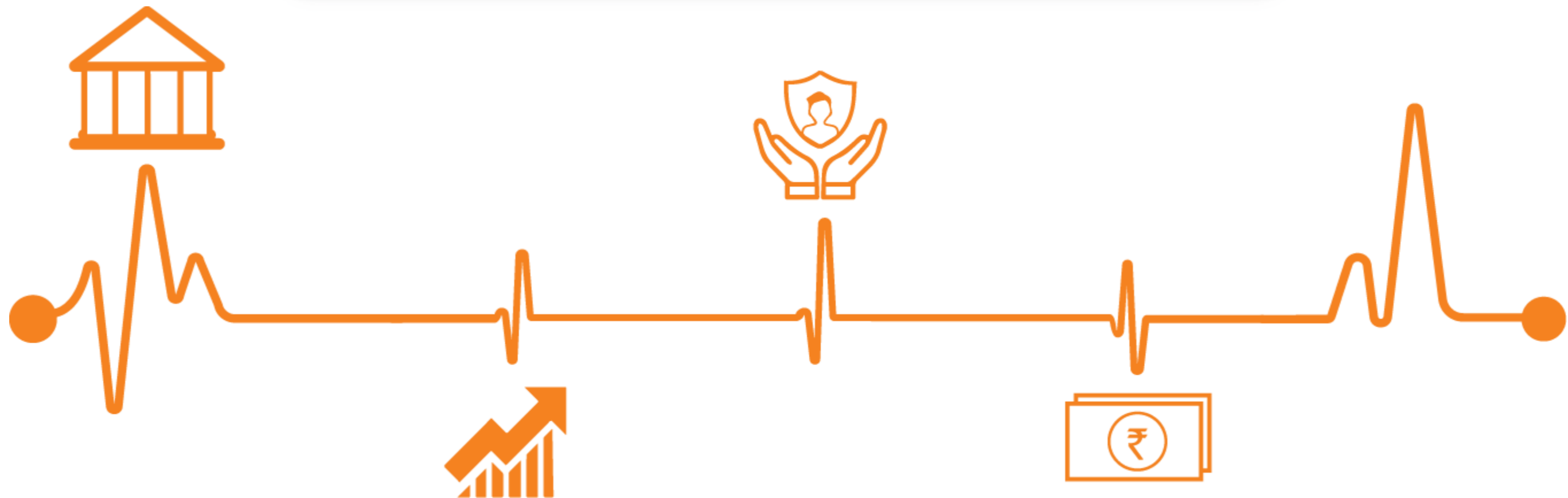


# Lifelines we may bank on



## Mirae Asset Banking and Financial Services Fund

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

# 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

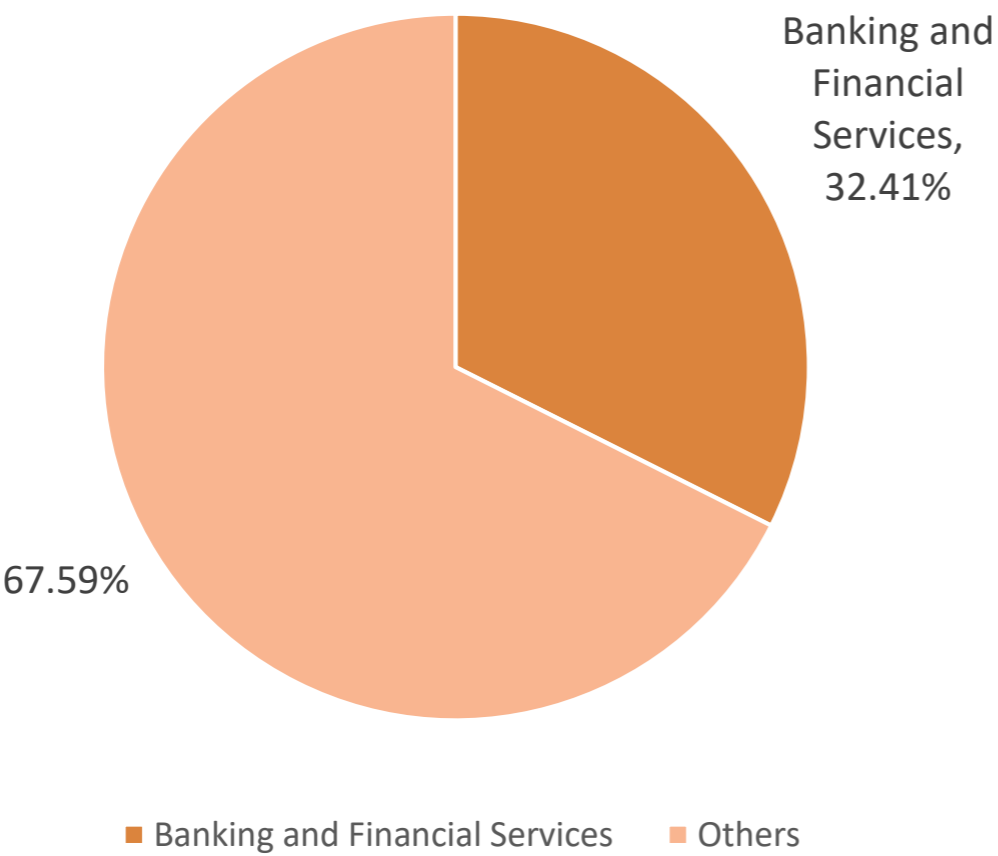
**Insurance:** Life / Non life Insurance

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

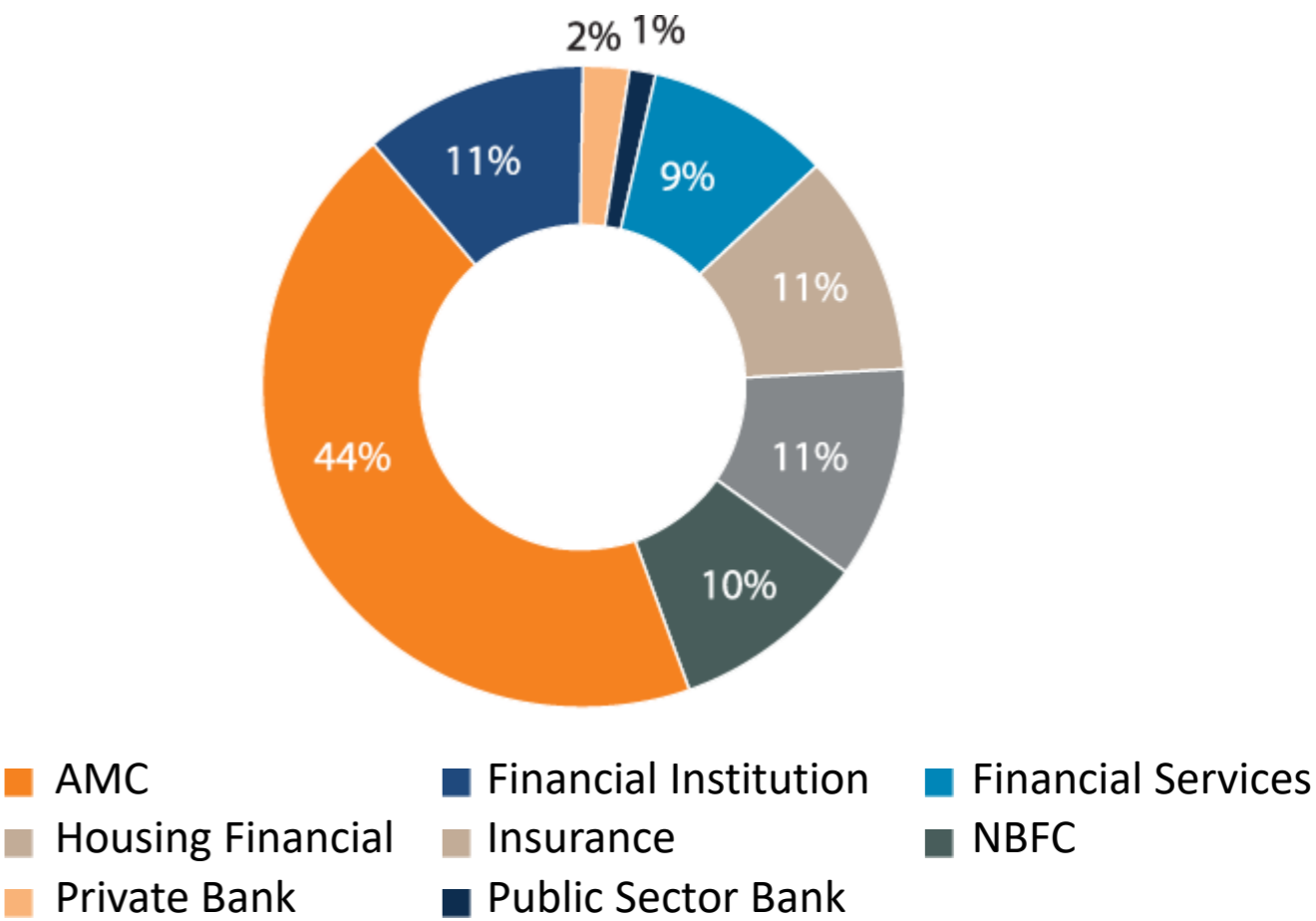
# Banking and Financial Services account for a large weight and it is well diversified

- ▶ Financial companies account for ~30% 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 (%)



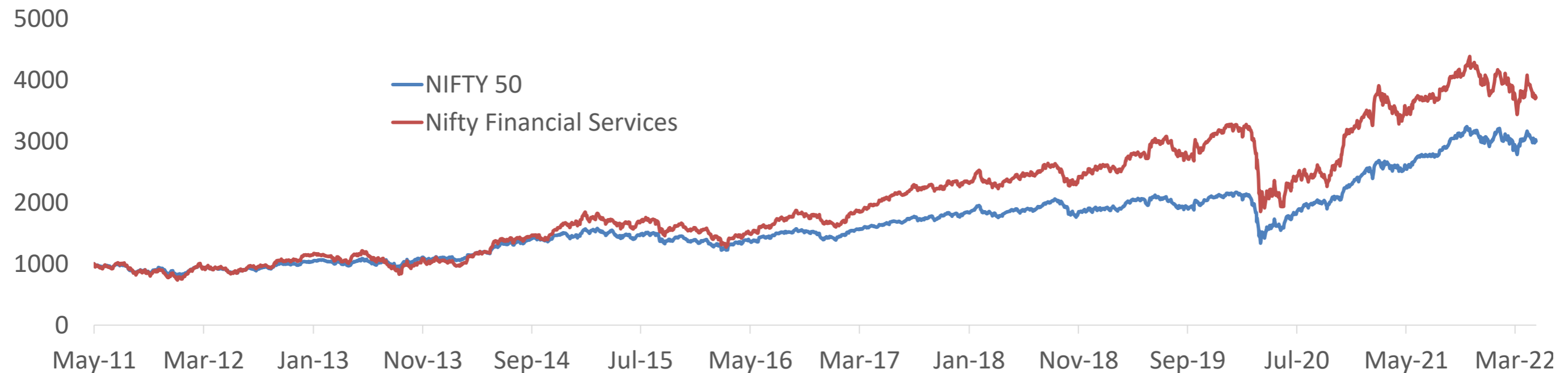
Financial Services Index Split (%)



# BFSI\* sector has always 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

Nifty Financial Service & Nifty 50 in last 10 Year (Rebased to 100)



	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
NIFTY 50	-9.23%	7.31%	17.98%	26.65%	-8.86%	18.55%	10.25%	14.40%	-25.69%	70.87%	18.88%
Nifty Financial Services	-10.49%	14.20%	11.44%	43.14%	-12.84%	32.75%	16.87%	22.21%	-25.31%	68.67%	9.11%

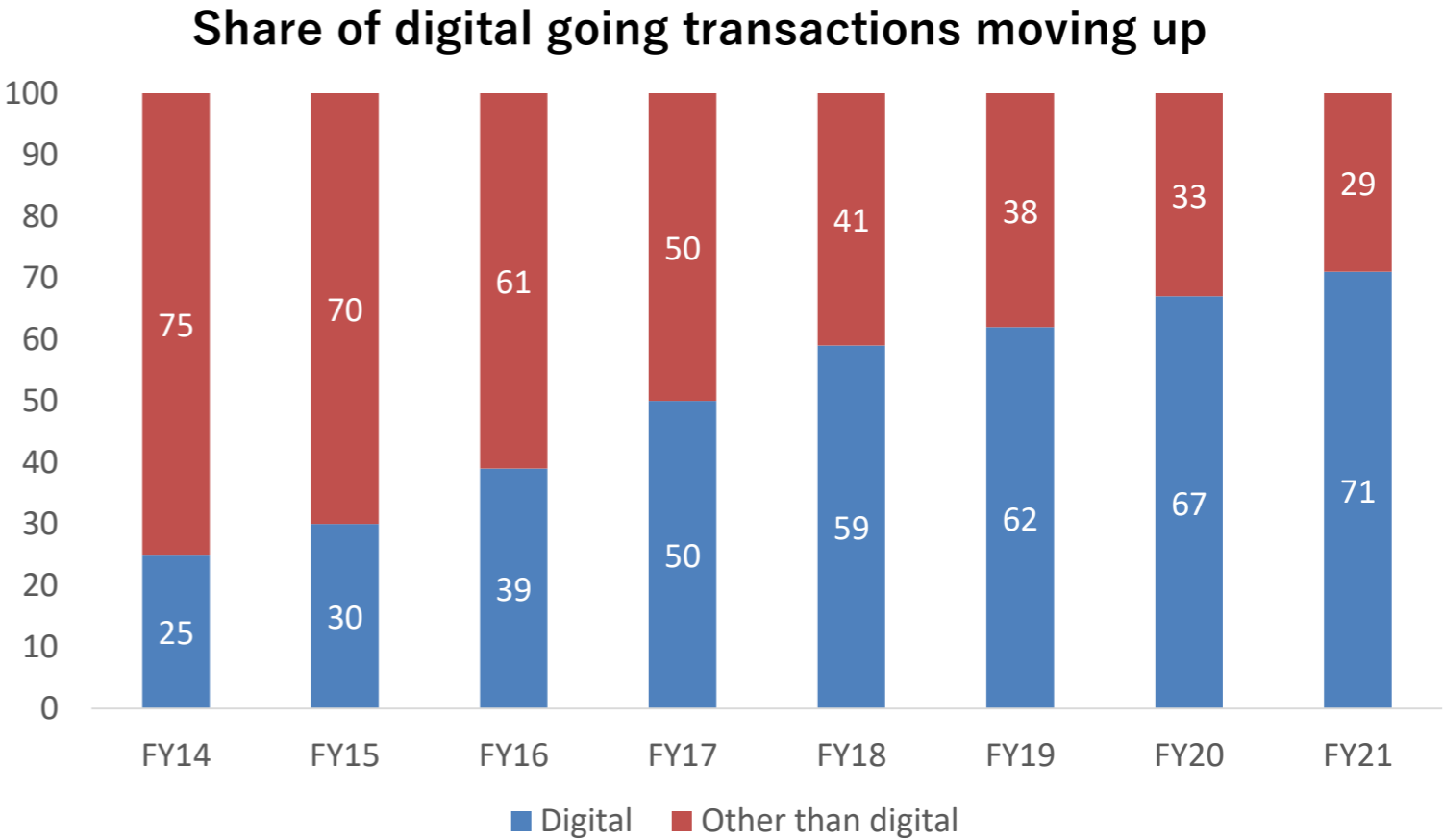
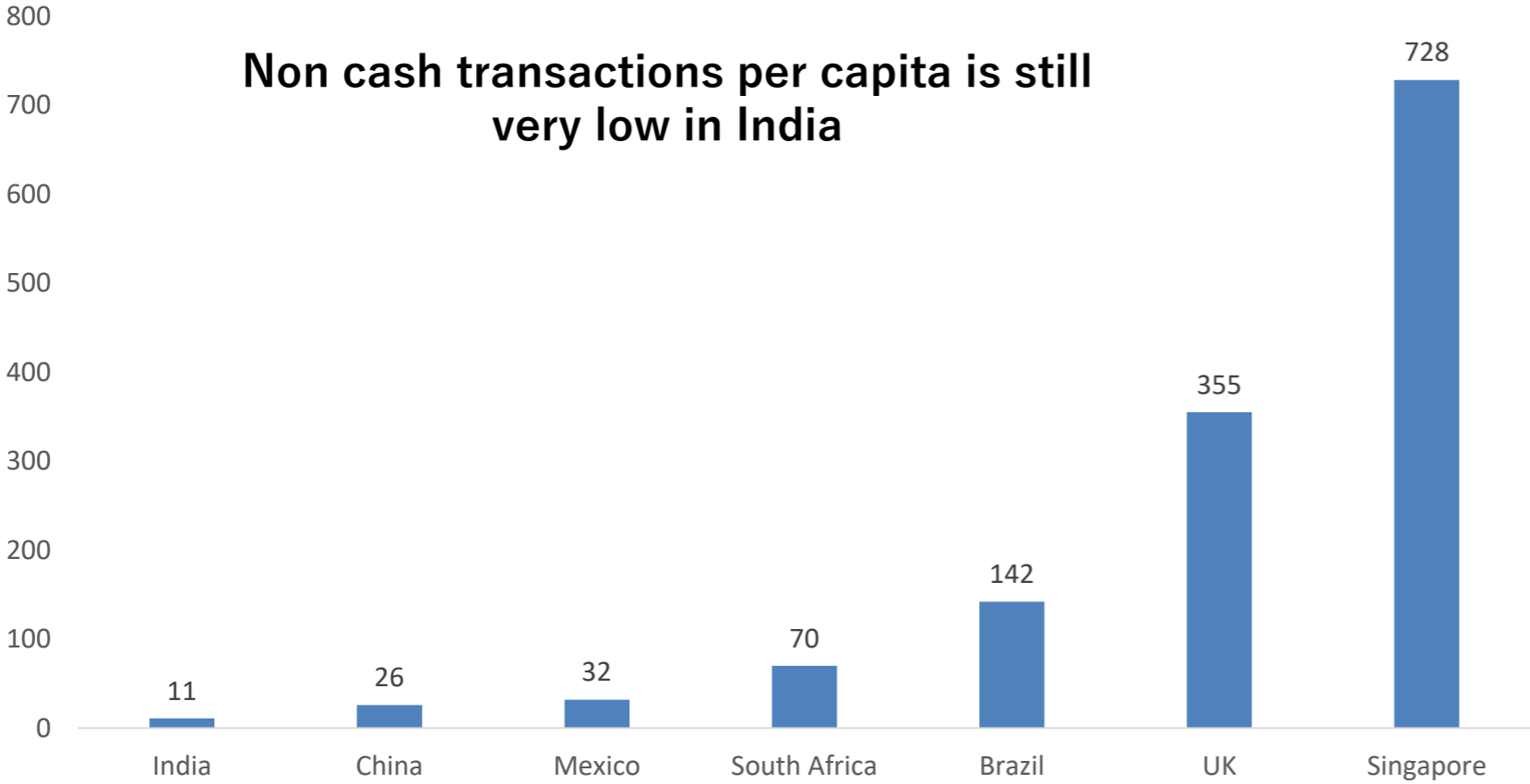
Source: Bloomberg, ACE Data as of 31st Mar2022. Past performance is no guarantee of future results

\*Banking, Financial Service and Insurance

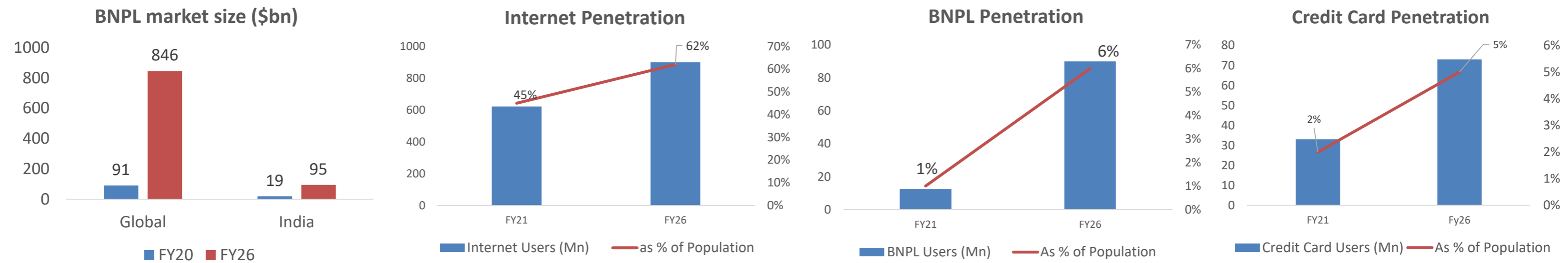
# Banking & Financial Services Sector – Medium term catalysts

# Banking – Digital & Fintech evolution gathering pace

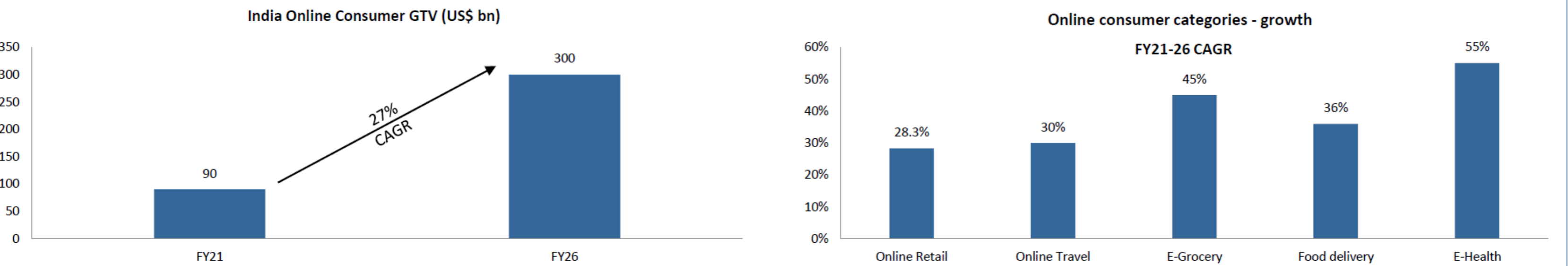
- ▶ Digital banking services picked up in last five years promoting mobile based banking (UPI etc).
- ▶ Digital transformation has just begun with banks collaborating with Fintech to leverage technological gains.
- ▶ Banks profitability improvement will be driven by better cost efficiencies / productivity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



# BNPL – A new product ruling the digital world

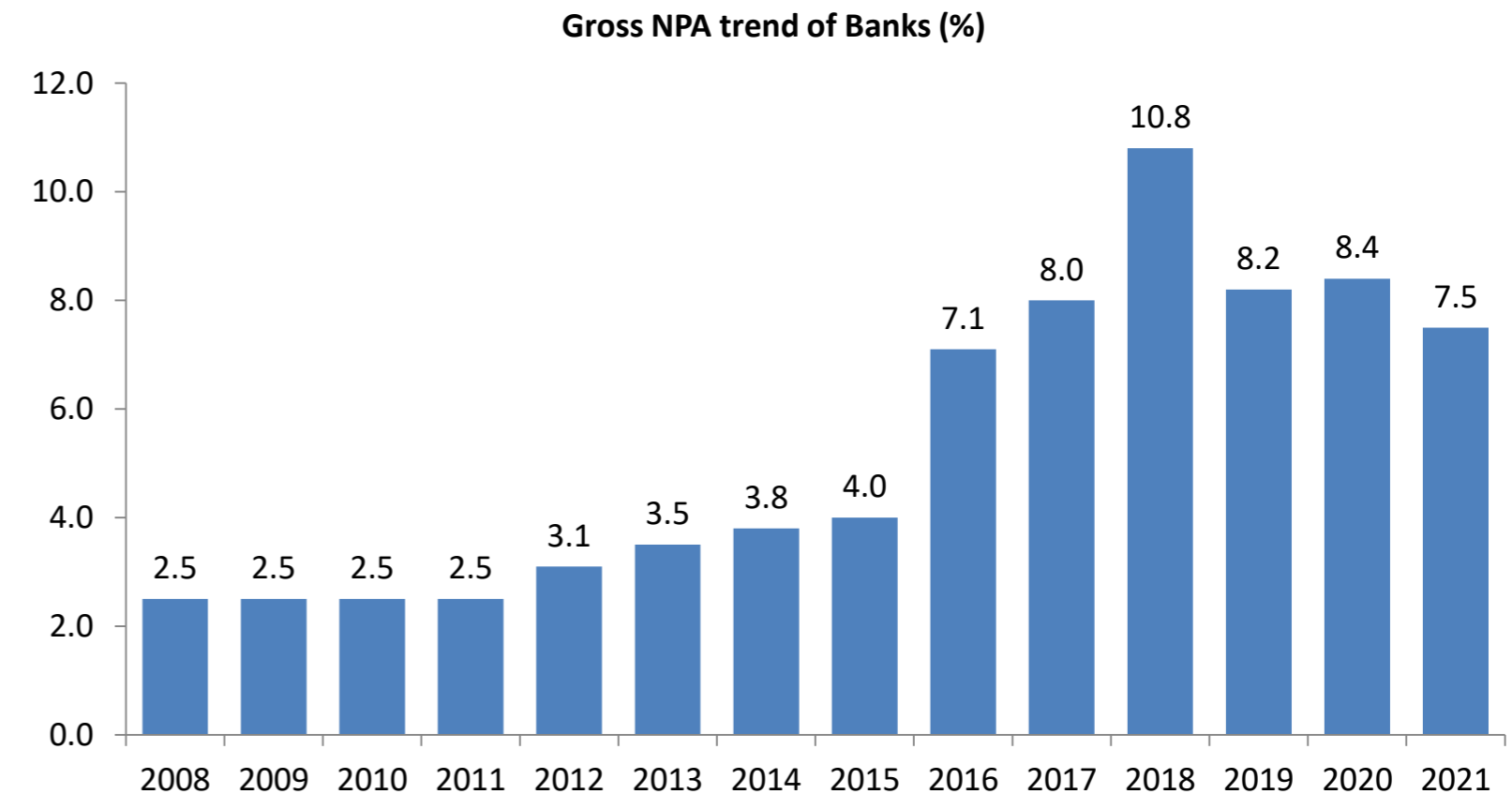
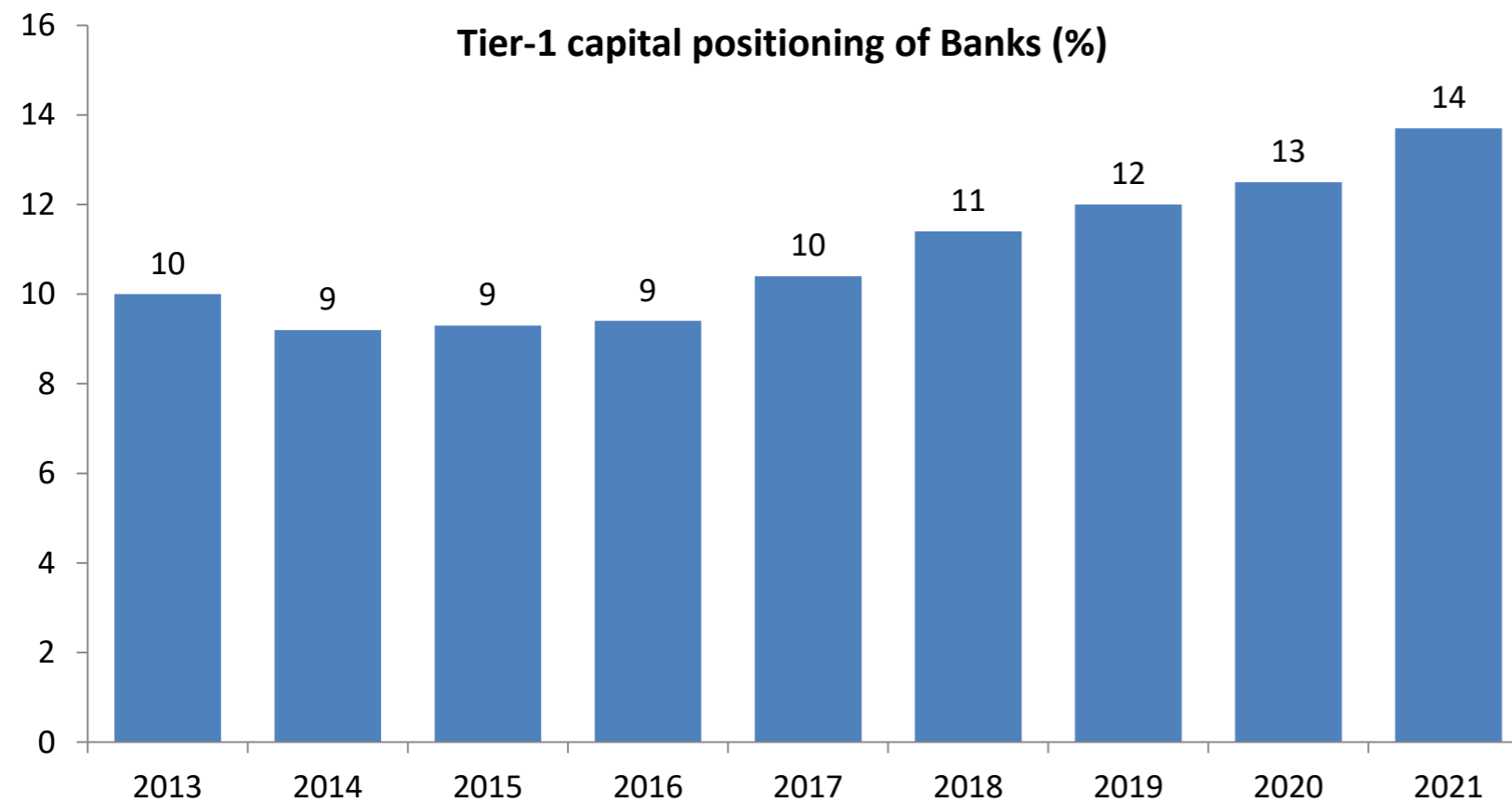


Indian e-commerce is expected to grow at a high pace resulting in a rapid increase in the online consumer count in the country



# Banking – Well capitalised, Improving asset quality

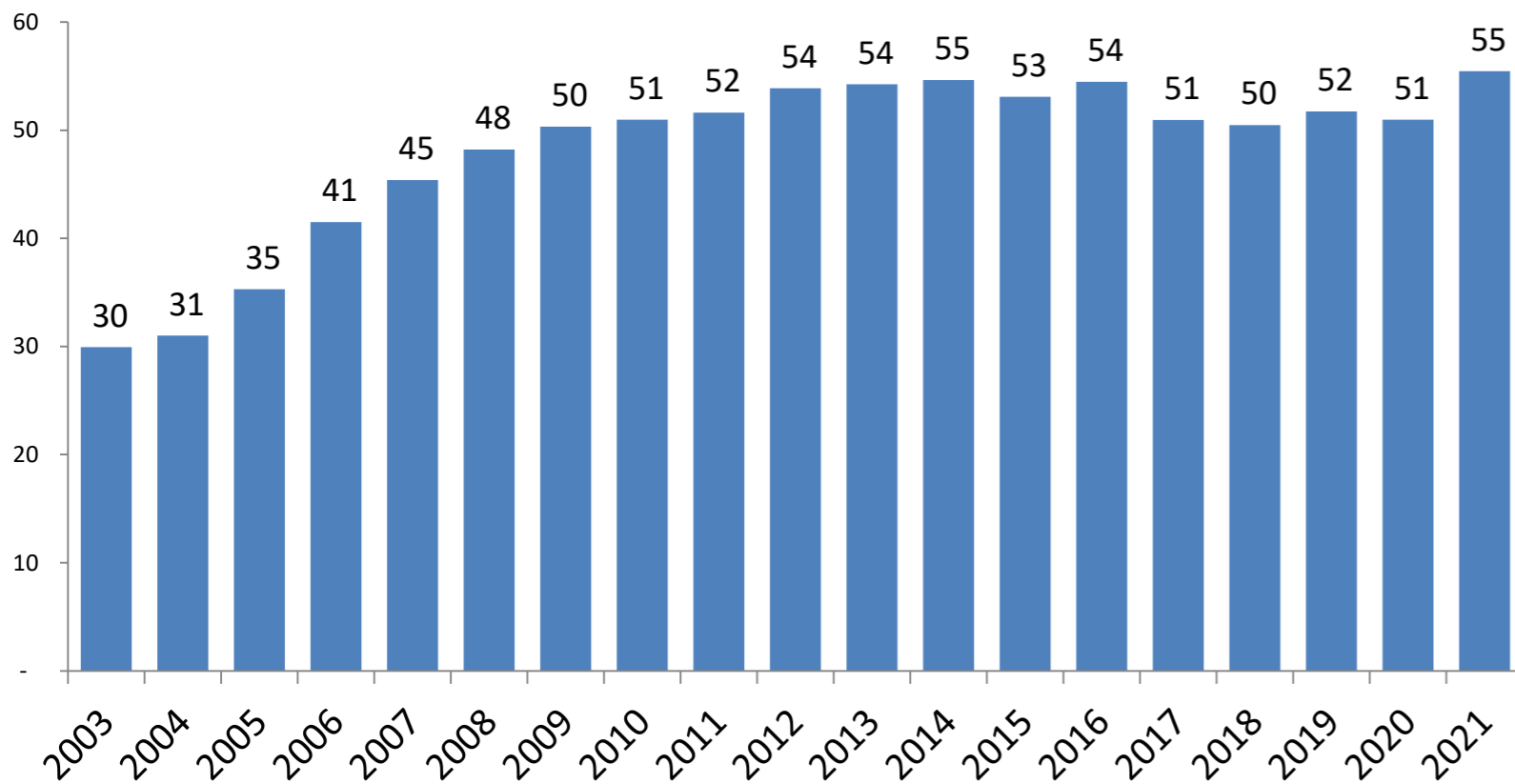
- ▶ Capital position of Indian banks have strengthened in the last few years with Tier 1 capital at 14% in FY21 (v/s regulatory 9.25%), thereby fortifying their balance sheet
- ▶ Significant reduction seen in the NPA levels from the peak of 2018 and also higher provisioning done on these bad loans.
- ▶ Asset quality held up despite 2 shock waves of COVID-19 pandemic, credit cost normalization underway



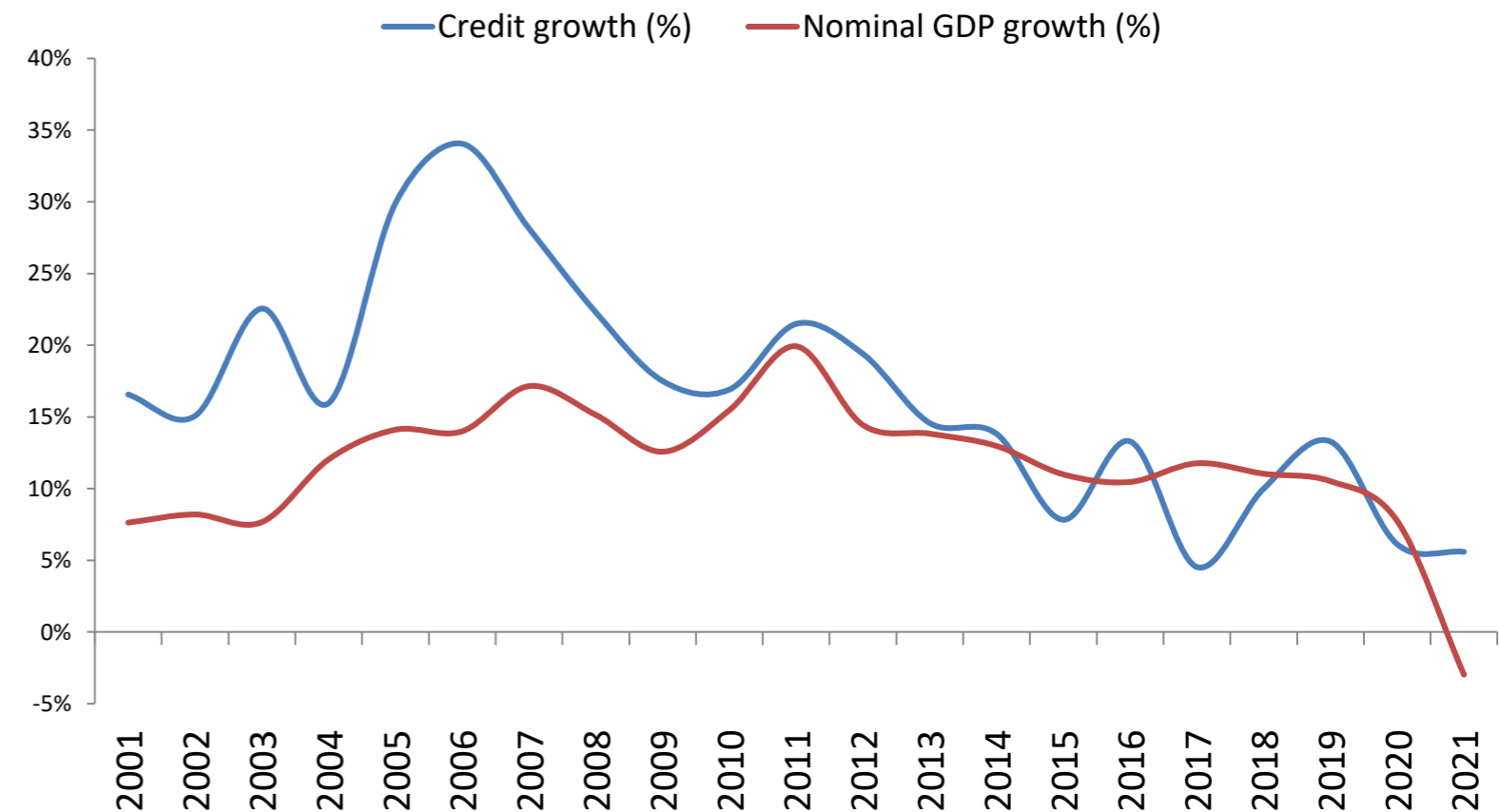
# Credit in India – Growing fast as penetration improves

- ▶ 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 (%)**

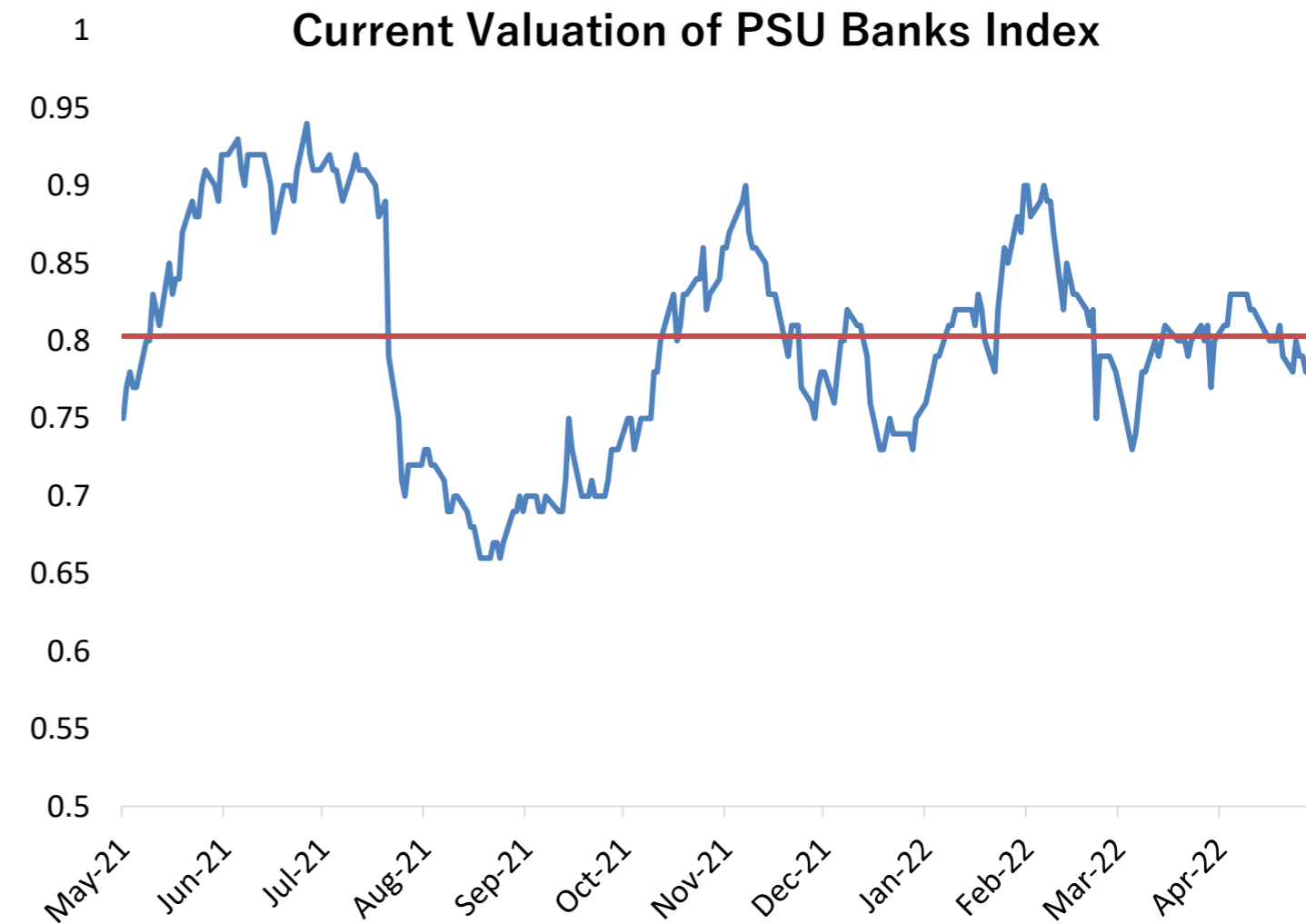
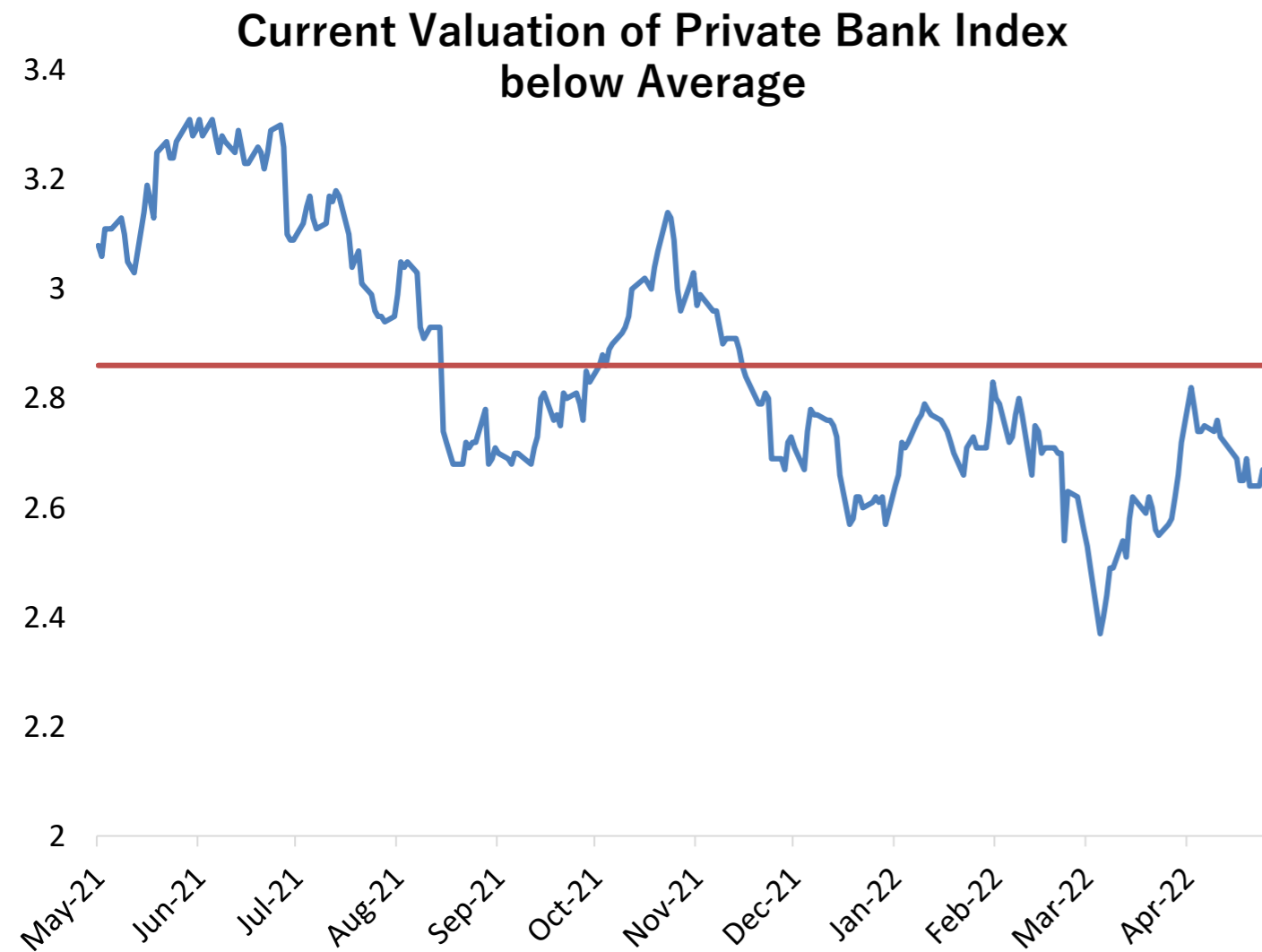


**Credit growth & Nominal GDP growth Trends**



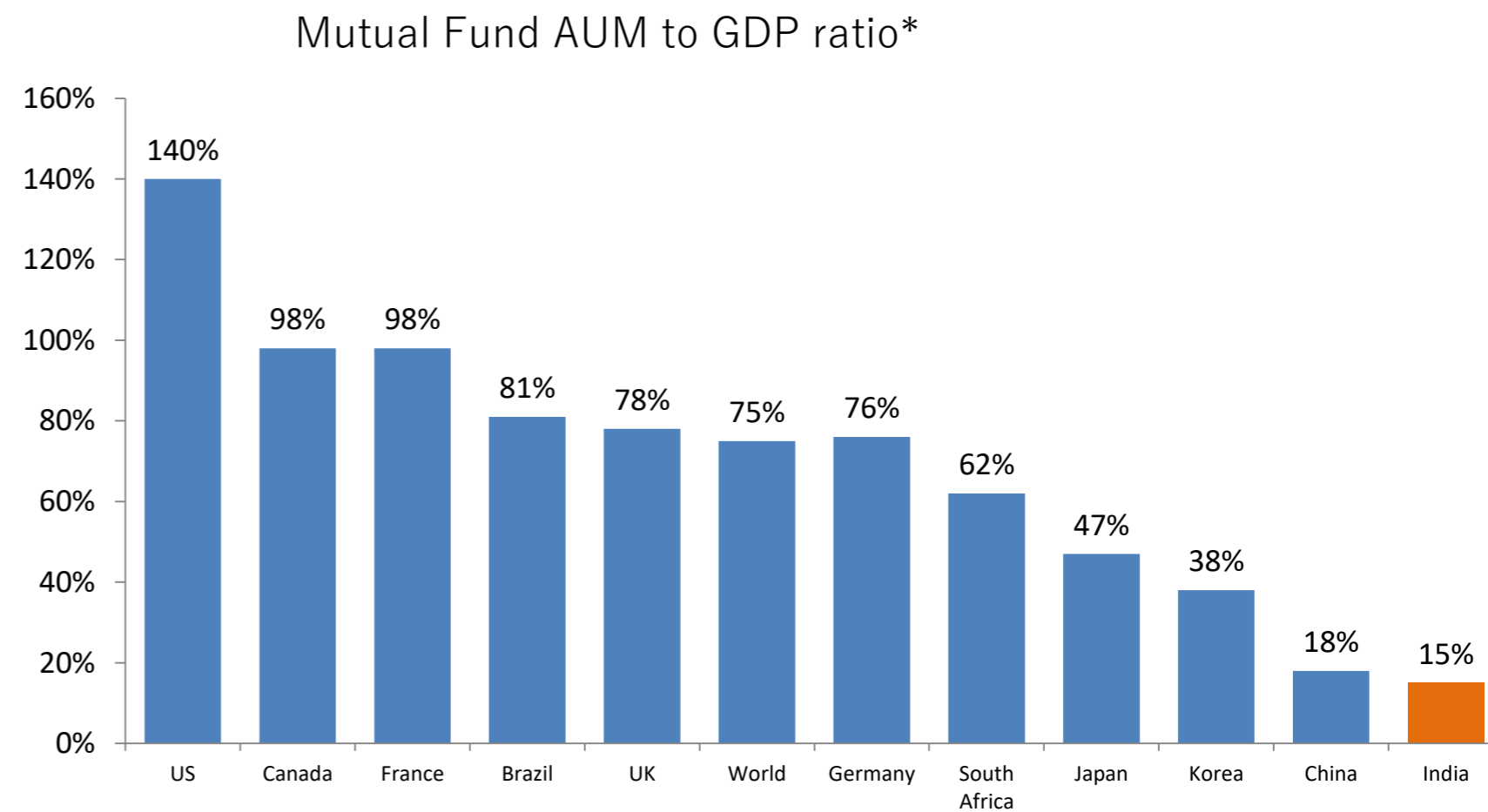
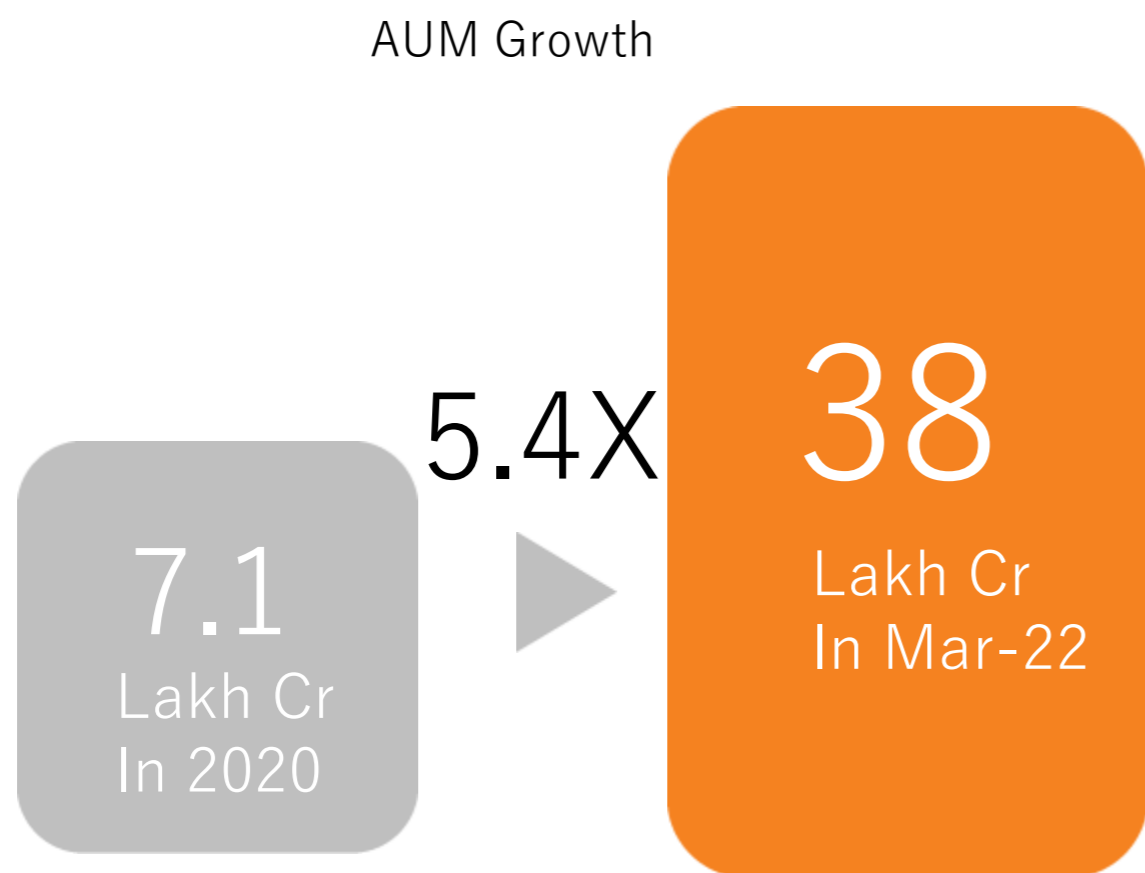
# Valuation remains attractive from a longer term perspective

- Currently, private banks on valuation front are trading marginally lower compared to one year average while PSU banks are trading slightly below one year average



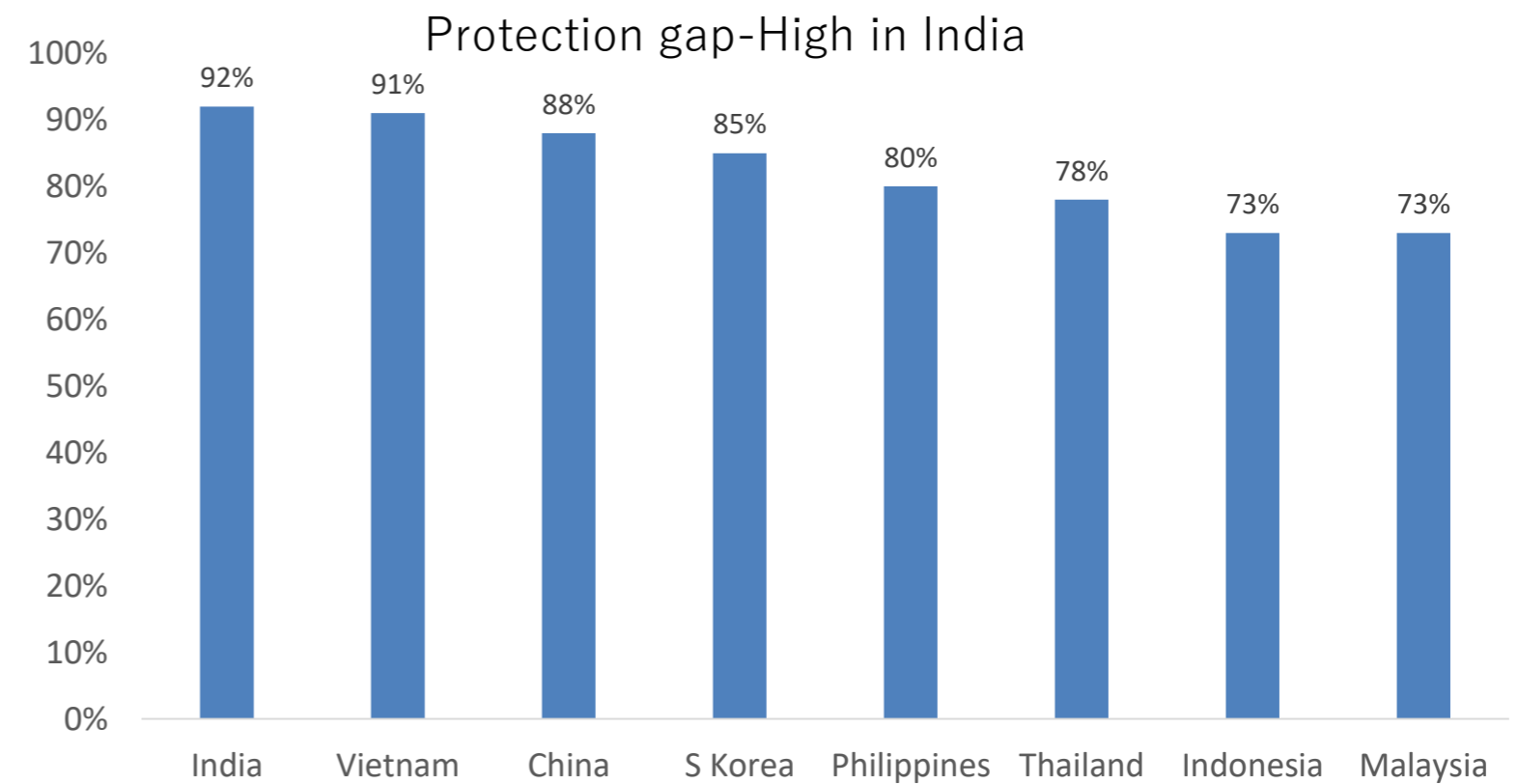
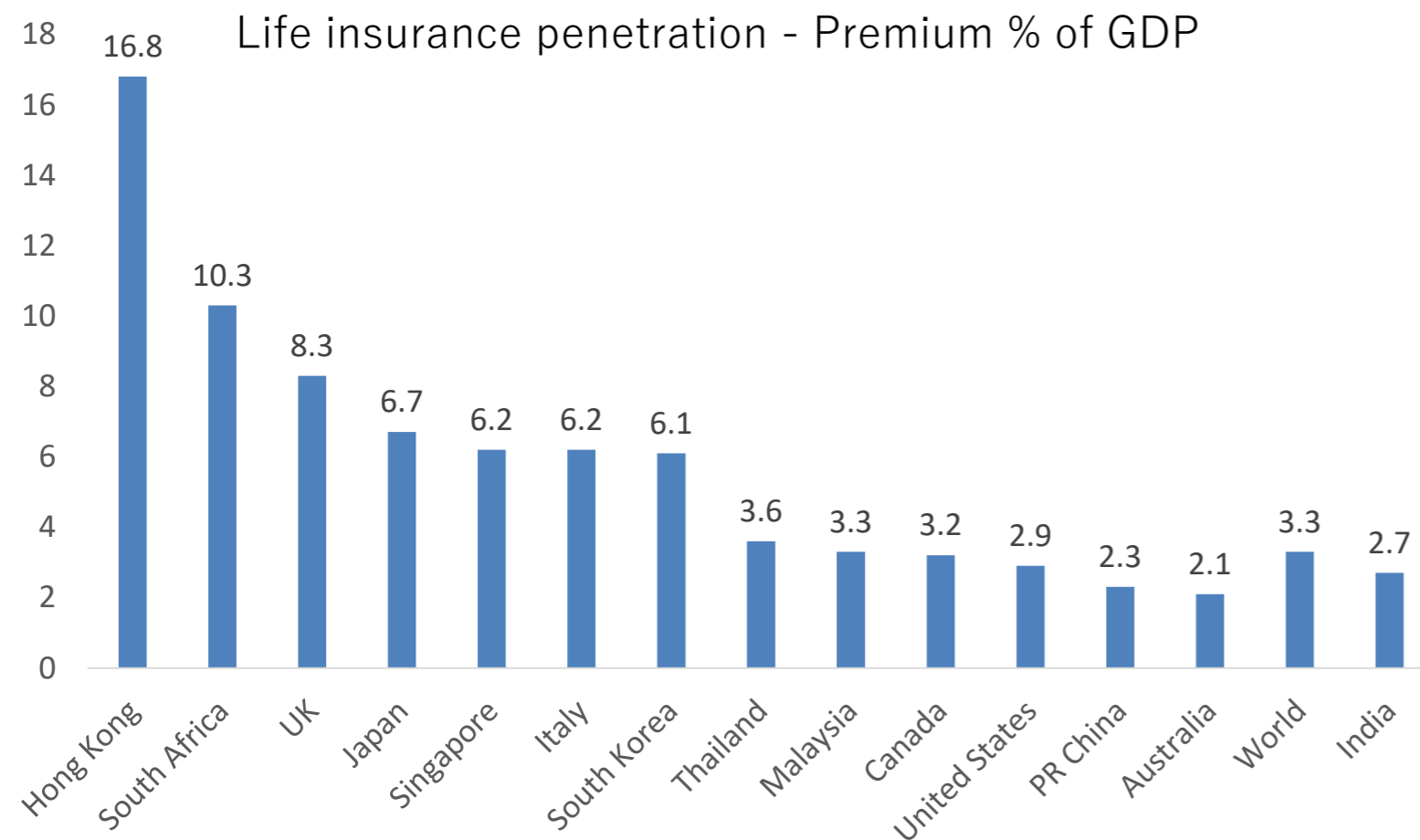
# Mutual Fund – Growing rapidly, but hugely underpenetrated

- ▶ Mutual fund industry have been growing rapidly in last 10 years
- ▶ AUM to GDP ratio in India as of Mar 2020 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



# Fund Information & Investment Strategy

# Fund 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.
- ▶ Aim to build a portfolio of strong growth companies, reflecting our most attractive investment ideas
- ▶ The Fund is managed using a fundamental, bottom-up approach that aims to identify growth companies which have high return ratios and possess sustainable competitive advantage
- ▶ The fund manager can also have the flexibility to follow a focused approach on the investments, but he will try to avoid liquidity risk.
- ▶ Typically fund holdings will range between 15–30 stocks



Stock Weight

Based on benchmark  
(Nifty Financial Services – TRI)



Cash Limit

Non-equity portion can be  
maximum 20% of the portfolio



Market Cap  
Exposure Limit

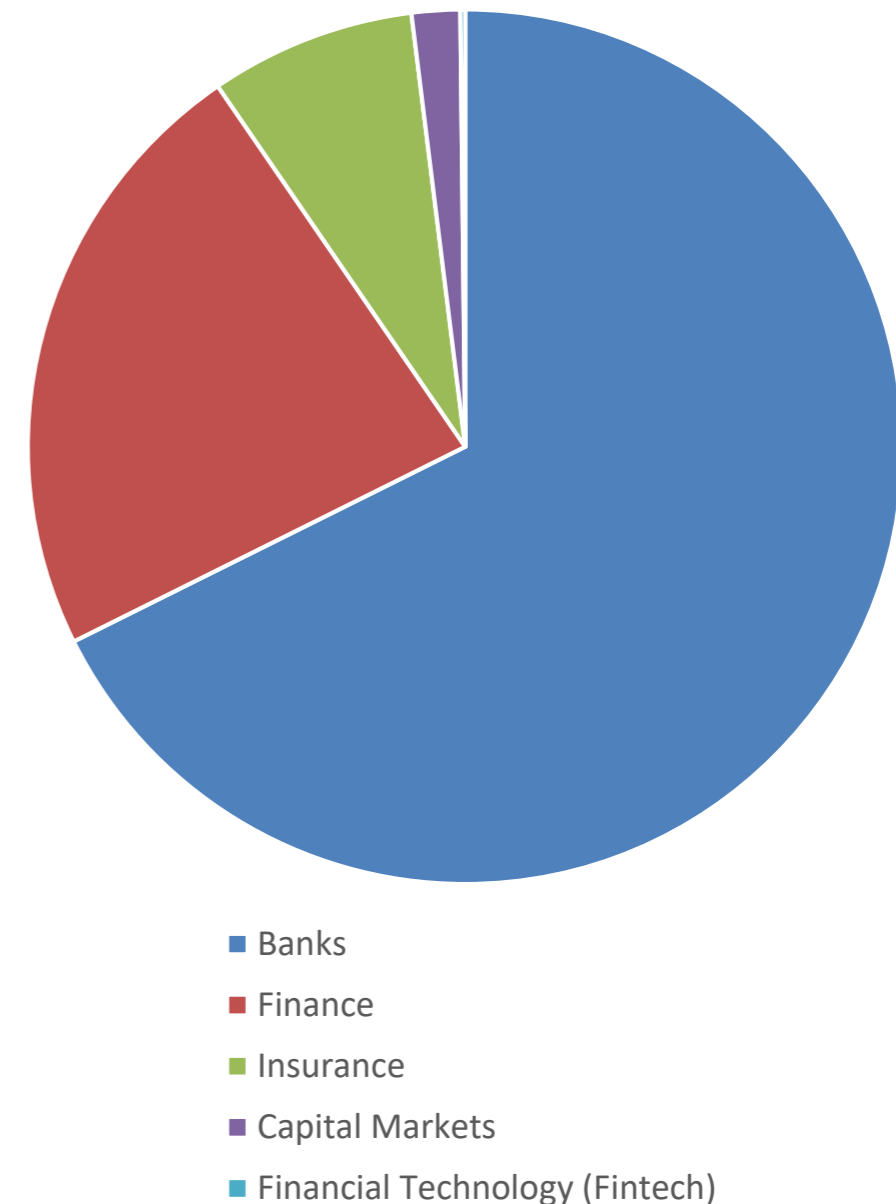
Market Cap agnostic

Note: This is the current investment framework, which may or may not change in future

# Portfolio Snapshot

Stocks	% Allocation
HDFC Bank Limited	19.68%
ICICI Bank Limited	18.14%
State Bank of India	9.62%
Axis Bank Limited	9.52%
Housing Development Finance Corporation Limited	8.14%
Kotak Mahindra Bank Limited	4.72%
The Federal Bank Limited	4.02%
SBI Life Insurance Company Limited	3.79%
Can Fin Homes Limited	2.19%
Bajaj Finserv Limited	2.07%

% Sector Allocation



Industry wise classification as recommended by AMFI. Source: Above data as on, 30<sup>th</sup> April 2022. \*Portfolios may or may not change. The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same. For Detailed portfolio click on [Get Mutual Fund Portfolio Details Online | Mirae Asset \(miraeassetmf.co.in\)](#)

# Sector Allocation and Commentary

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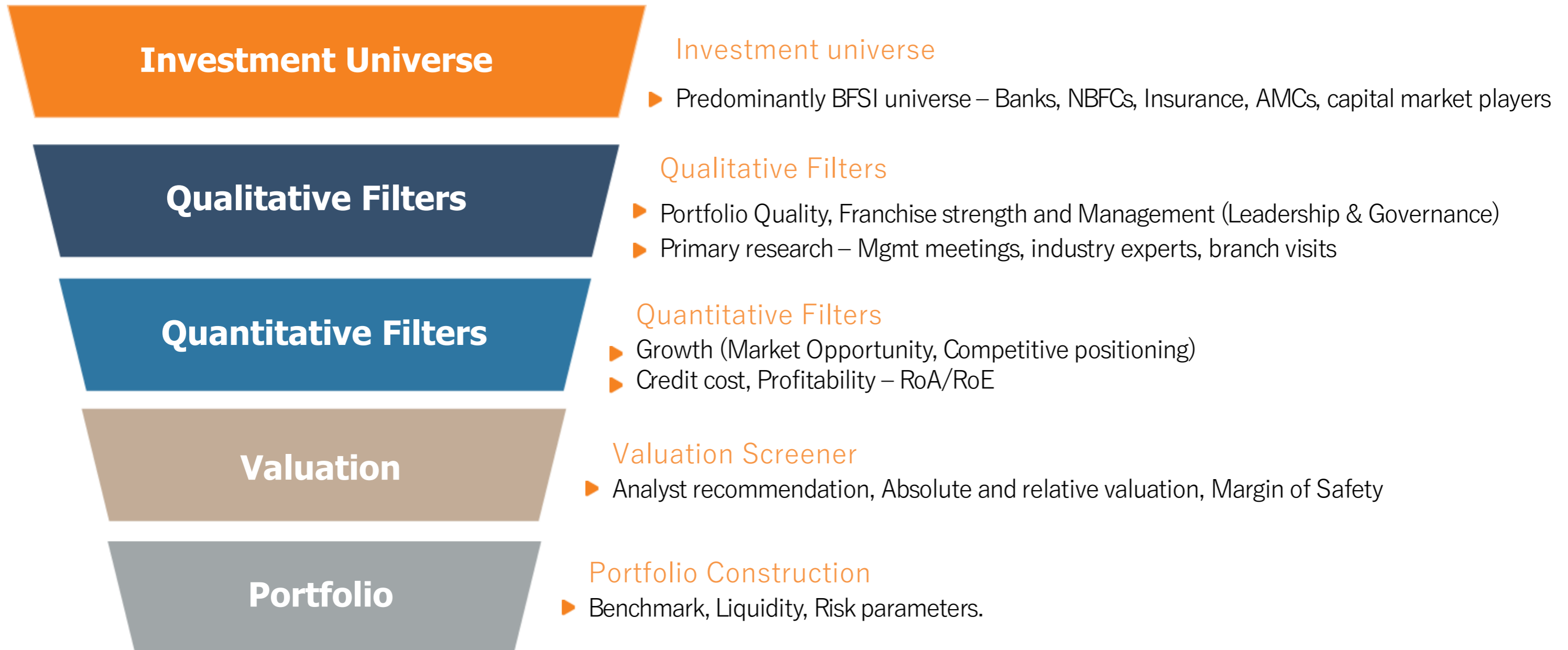
- ▶ BFSI sector has always been one of the driver for the market and as economy is in path of recovering post covid, this sector might get the maximum benefit out of it.
- ▶ In last 5 years, financial sector has shown one of the best performances as compared to other sectors. (Refer Slide 4)
- ▶ The fund endeavors to participate in the growth of this sector by investing primarily in companies within banking & financial services sector like banks, NBFCs (including HFCs), Insurance (Life & Non Life) companies, Capital market linked businesses – wealth management companies, investment banks, credit rating agencies, brokerages & AMCs etc.

# Why Banking & Financial Services Now?

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- ▶ We believe banking sector is well past its asset quality issue and is now primed to capture the economic growth in coming years.
- ▶ From a broader universe of private, PSU and small finance banks, we are overweight private names (large as well as smaller niche) financials and one large PSU name. All our invested banks are large well capitalized banks.
- ▶ We believe that a turning macro would aid the large well capitalized banks with better balance sheets and liability franchise to grab market share.
- ▶ At a broader level, we are UW on NBFCs and prefer only a select NBFCs with strong parentage with access to capital and liabilities, available at reasonable valuations.
- ▶ The life insurance industry should see a steady progress over the next few years with FY22 already seen better growth in volumes (APE) and improvement in VNB (Value of New Business) margins. Going forward also, there are lot of levers for the industry to improve margins.
- ▶ We have been very selective in capital markets. The sector may continue to benefit from improved digital penetration and also from financialization of household savings.

# Investment Process



# Fund Performance

Period	MABFSF	Scheme Benchmark*	Additional Benchmark**
1 Year	8.10%	7.50%	18.19%
Since Inception	12.62%	10.92%	17.76%
Value of Rs. 10000 invested (in Rs.) Since Inception	11,784	11,539	12,533
NAV as on 29-Apr-2022	11.784		
Index value as on 29-Apr-2022		Nifty Financial Services Index (TRI)	20,329.56
		S&P BSE Sensex (TRI)	85,330.82
Allotment Date	11-Dec-2020		
Scheme Benchmark	*	Nifty Financial Services Index (TRI)	
Additional Benchmark	**	S&P BSE Sensex (TRI)	

Fund manager : Mr. Harshad Borawake managing the scheme since 11th December, 2020 & 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

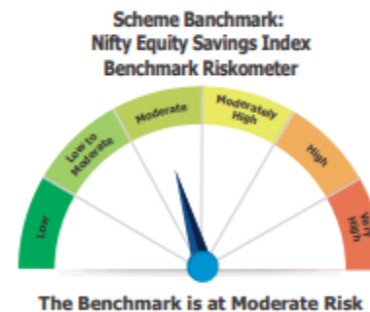
# Performance of other funds managed by same Fund Managers

Scheme	Inception Date	NAV /Index Value	Fund Manager	Performance				Value of Rs. 10000 invested^
				1 Year	3 Year	5 Year	Since Inception\$	
Mirae Asset Hybrid Equity Fund (MAHEF)	29th July, 2015	21.513	Mr. Vrijesh Kasera, Mr. Harshad Borawake and Mr. Mahendra Jajoo	13.95	13.14	12.02	12.01	21,513
CRISIL Hybrid 35+65 –AggressiveIndex*				13.95	14.21	12.27	11.77	21,208
S&P BSE Sensex (TRI)**				18.19	14.77	15.10	12.67	22,394
Mirae Asset Equity Savings Fund (MAHCF)	17 <sup>th</sup> Dec, 2018	14.507	Mr. Harshad Borawake , Mr. Vrijesh Kasera, Ms. Bharti Sawant (Equity portion) & Mr. Mahendra Jajoo (Debt portion)	9.69	11.80	-	11.68	14,507
Nifty Equity Savings Index *				9.04	9.42	-	9.88	13,735
CRISIL 10 Year Gilt Index **				-1.95	5.65	-	5.59	12,011

## 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.

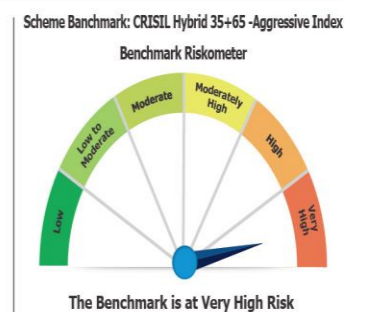
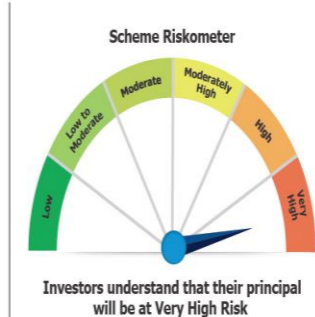


## PRODUCT LABELLING

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.



\$ For computation of since inception returns (%) the allotment NAV has been taken as Rs. 10.00 for the Schemes. 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 (%) for less than 1 year calculated on simple annualized basis.

The calculations of returns shall assume reinvestment of all payouts at the then prevailing NAV. CAGR - Compounded Annualised Growth returns. NAV (per unit) is at the end of the period. \*\*Standard benchmark prescribed as per the applicable SEBI circular. Load is not considered for computation of return.

^Value of Rs. 10000 invested (in Rs.) Since Inception

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

Source: ACEMF, 30<sup>th</sup> April 2022. \*\*Alternate Benchmark; Past performances may or may not sustain in future. Refer slide no 21 for more notes

# 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 Investment Managers (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](http://www.miraeassetmf.co.in)

**Please consult your financial advisor before investing**

## Notes for Slide 20

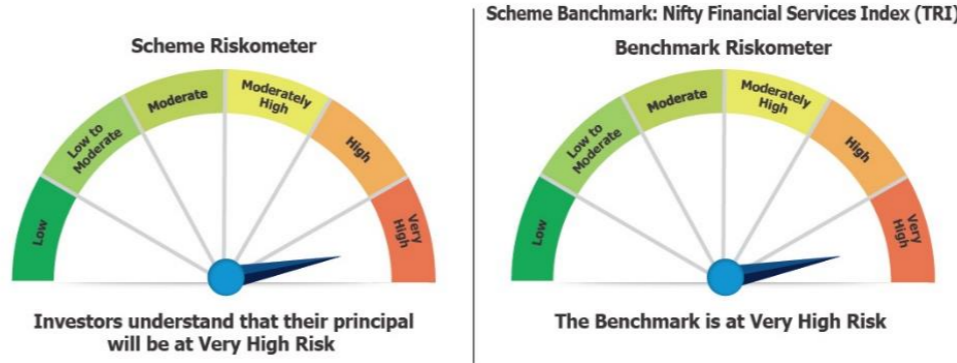
1. Fund managers MAESF : Mr.Vrijesh Kasera & Mr. Harshad Borawake managing since October 12,2019, Ms. Bharti Sawant managing since December 28, 2020 and Mr. Mahendra Jajoo ( (Debt Portion) since fund inception.
2. Fund managers MAHEF: Mr. Harshad Borawake (Equity Portion) (April 01, 2020), Vrijesh Kasera (Equity Portion) (Since April 01, 2020) & Mr. Mahendra Jajoo (Debt Portion) (since September 08, 2016

## 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.**

# THANK YOU

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