

# MIRAE ASSET FOCUSED FUND (MAFF)

An open ended equity scheme investing in a maximum of 30 stocks intending to focus in Large Cap, Mid Cap & Small Cap category (i.e., Multi-Cap)

**February 2023**

- I. Understanding Focused Fund
- II. The Case For Investing In Focused Fund
- III. About Mirae Asset Focused Fund (MAFF)
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# How Does A Focused Fund Aim To Generate Wealth?

Optimum weight allocation may help generate more wealth

The fund aims to identify and invest in **high conviction stocks**



The fund aims to benefit from **select ideas**



An **Investment Universe** may comprise of 500 stocks



The fund may seek **tactical allocations**



But a **Focused Fund Portfolio** will not have more than 30 stocks

# Optimum Weight Allocation May Generate More Wealth

		Portfolio A		Portfolio B		Portfolio C	
Stocks	Returns (%)	Equal Weights	Return	Weight	Return	Weight	Return
A	30%	20%	6.0%	35%	10.5%	5%	1.5%
B	15%	20%	3.0%	35%	5.3%	5%	0.8%
C	10%	20%	2.0%	20%	2.0%	20%	2.0%
D	3%	20%	0.6%	5%	0.2%	35%	1.1%
E	1%	20%	0.2%	5%	0.1%	35%	0.4%
Total Portfolio Return			12%		18%		6%

Higher allocation to conviction stocks may pay off in the long run

# Tactical Allocations and Past Performance

## Performance Across Market Cap Varies Across Time Frame (Returns in %)

<u>Market Cap*</u>	YTD23	CY22	CY21	CY 20	CY19	CY18	CY17	CY16	CY15	CY14	CY13	CY12
Large Cap	-6.35	4.94	26.03	15.97	11.44	3.39	32.88	4.66	-1.32	34.83	6.98	32.30
Mid Cap	-3.89	3.91	46.48	25.12	0.58	-12.49	55.73	5.47	9.28	61.78	-2.44	46.38
Small Cap	-5.75	-2.64	61.48	25.55	-7.59	-26.54	58.47	0.52	9.96	69.39	-7.64	40.13

Flexibility to invest across market caps within the 30 equity stocks.

Source: AceMF, Data as on 28<sup>th</sup> February, 2023. Large Cap: Nifty 100 TRI, Midcap: Nifty Midcap 150 TRI, Small Cap: Nifty Small Cap 250 TRI. Past performance may or may not sustain in the future.

\*Classification as per SEBI circular (SEBI/HO/IMD/DF3/CIR/P/2017/114) dated October 6th, 2017, Large Cap: 1st -100th company in terms of full market capitalization. Mid Cap: 101st -250th company in terms of full market capitalization. Small Cap: 251st company onwards in terms of full market capitalization

# Tactical Allocations and Past Performance

## Performance Across Sectors Varies Across Time Frame

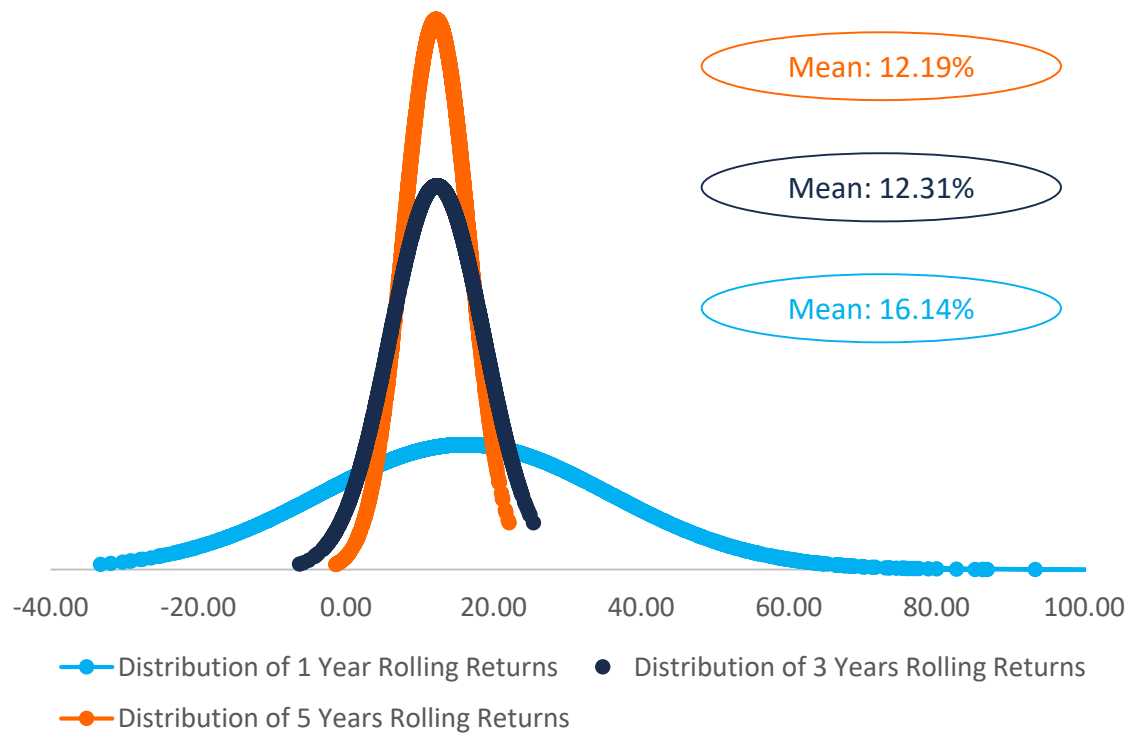
<u>Sectoral Indices*</u>	YTD23	CY22	CY21	CY20	CY19	CY18	CY17	CY16	CY15	CY14	CY13	CY12
Nifty Auto	1%	17%	19%	14%	-9%	-22%	33%	11%	0%	58%	10%	44%
Nifty Commodities	-10%	9%	49%	12%	2%	-13%	38%	27%	-8%	18%	-8%	21%
Nifty Consumption	-6%	9%	20%	21%	1%	0%	47%	-1%	-9%	31%	10%	39%
Nifty Energy	-16%	16%	38%	9%	13%	4%	42%	21%	1%	11%	2%	15%
Nifty Financial Services	-5%	10%	15%	5%	25%	12%	43%	6%	-4%	59%	-7%	54%
Nifty Infra	-4%	7%	37%	14%	4%	-11%	36%	-2%	-8%	23%	-4%	23%
Nifty IT	4%	-24%	61%	57%	11%	27%	15%	-5%	2%	21%	60%	0%
Nifty Metal	-22%	25%	73%	18%	-9%	-16%	54%	48%	-30%	8%	-14%	19%
Nifty Pharma	-6%	-11%	10%	62%	-9%	-7%	-6%	-14%	-10%	-44%	-27%	-33%

Flexibility to invest across various sectors within the 30 equity stocks.

\*All given indices are on TRI basis.

Source: AceMF, Data as on 28<sup>th</sup> February, 2023. Past performance may or may not be sustained in the future.

# Nifty 500 TRI Index Returns Distribution – Rolling Returns



Rolling Return Distribution (% CAGR)			
	1 Year Returns	3 Year Returns	5 Year Returns
Minimum	-33.27	-6.31	-1.40
Maximum	100.76	25.40	22.08
Negative Returns	16.18	4.89	1.19
Positive Returns	83.82	95.11	98.81
Median Returns	11.34	13.10	12.81

Over a Longer Term Horizon the disparity in positive and negative returns are mostly minimized. Staying Invested over a long time horizon may lead to better possibility of generating a positive return.

Source: AceMF, Data as on 28<sup>th</sup> February, 2023. Past performance may or may not sustain in future. The return are of Nifty 500 TRI Index.

The data represents 1 Year/3 years/5 years rolling returns since the inception of the benchmark. minimum and maximum returns denote the 1 Year, 3 Year or 5 Year CAGR returns generated in the Nifty 500 TRI Index. The positive and negative returns represents the percentage times the Nifty 500 TRI Index generated a positive or negative returns.

# About Mirae Asset Focused Fund

Portfolio Psychographics



## A Few Generic Advantages Of Focused Fund

- Focused approach on investments limited to maximum of 30 stocks.
- Aims to create a robust portfolio to avoid concentration risk and liquidity risk.
- Flexibility to invest across market capitalization. (Large, Mid and Small Cap)\* – Flexi cap approach of investments
- Aims to build a portfolio of strong growth companies, reflecting most attractive investment ideas

Source: Internal, Data as on 28<sup>th</sup> February, 2023. Past performance may or may not sustain in the future. For complete portfolio of the scheme, please visit the website <https://www.miraeassetmf.co.in/downloads/portfolio>

\*Classification as per SEBI circular (SEBI/HO/IMD/DF3/CIR/P/2017/114) dated October 6th, 2017, Large Cap: 1st -100th company in terms of full market capitalization. Mid Cap: 101st -250th company in terms of full market capitalization. Small Cap: 251st company onwards in terms of full market capitalization

# MIRAE ASSET FOCUSED FUND

(Focused Fund - An open ended equity scheme investing in a maximum of 30 stocks intending to focus in large cap, mid cap and small cap category (i.e., Multi-cap))

## Investments in Fund

An open-ended equity scheme investing in a maximum of 30 stocks intending to focus on large cap, mid cap and small cap category

## Investment Framework\*

Focused approach limited to maximum of 30 stocks.  
Flexibility to invest across market capitalization

## Why Mirae Asset Focused Fund?

To generate long term capital appreciation/income  
To create a robust portfolio to avoid concentration risk and liquidity risk

<u>Fund Inception</u>	<u>Category</u>	<u>Benchmark</u>
14th May 2019	Focused Fund	TIER 1: NIFTY 500 Index (TRI) TIER 2: NIFTY 200 Index (TRI)
<u>Goal</u>	<u>Ideal Investment Horizon</u>	<u>Risk Profile</u>



Wealth Creation



3+ Years



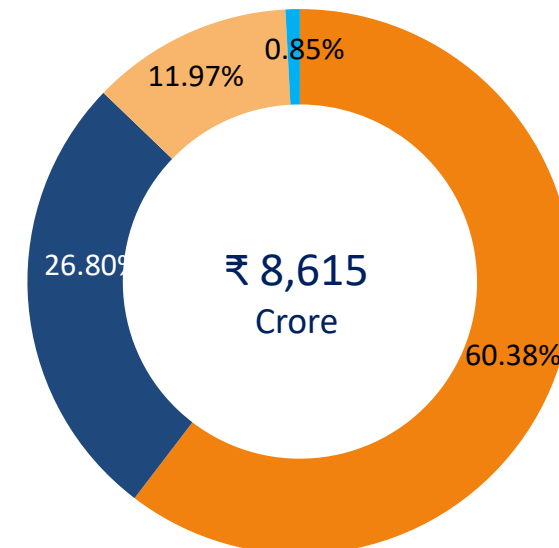
Very High Risk

## Fund Manager



Mr. Gaurav Misra

## Net AUM of Fund



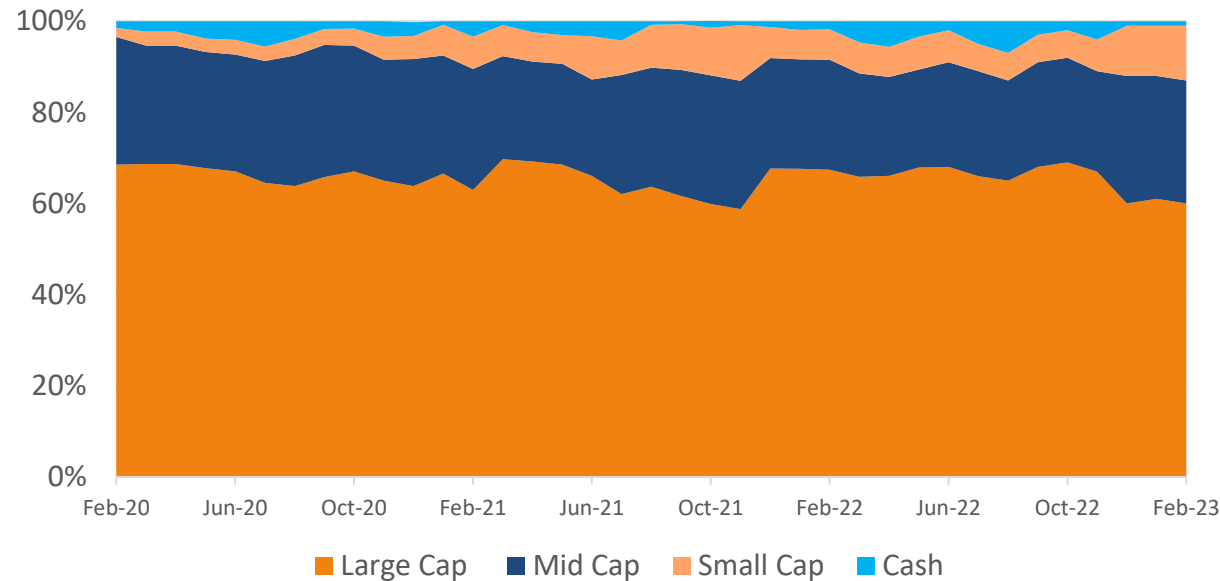
Large Cap Mid Cap Small Cap Cash

Source: Internal, 28<sup>th</sup> February 2023.

\*This is the current investment framework which may change in future without prior notice.

\*Classification as per SEBI circular (SEBI/HO/IMD/DF3/CIR/P/2017/114) dated October 6th, 2017, Large Cap: 1st -100th company in terms of full market capitalization. Mid Cap: 101st -250th company in terms of full market capitalization. Small Cap: 251st company onwards in terms of full market capitalization

Market Cap Allocation Since Inception



Diversified allocation of funds across Large Cap, Mid cap, & Small cap

Portfolio Top Sector Holdings	Allocation
Banks	27.22%
IT – Software	9.91%
Petroleum Products	6.21%
Consumer Durables	5.53%
Finance	4.77%
Telecom – Services	4.53%
Automobiles	3.67%
Pharmaceuticals & Biotechnology	3.58%
Healthcare Services	3.29%
Agricultural, Commercial & Construction Vehicles	3.13%
Others	27.32%
Total Equity	99.15%

Source: Internal, Data as on 28<sup>th</sup> February, 2023. \*Classification as per SEBI circular (SEBI/HO/IMD/DF3/CIR/P/2017/114) dated October 6th, 2017, the universe of "Mid Cap" shall consist of 101st to 250th company in terms of full market capitalization. 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).

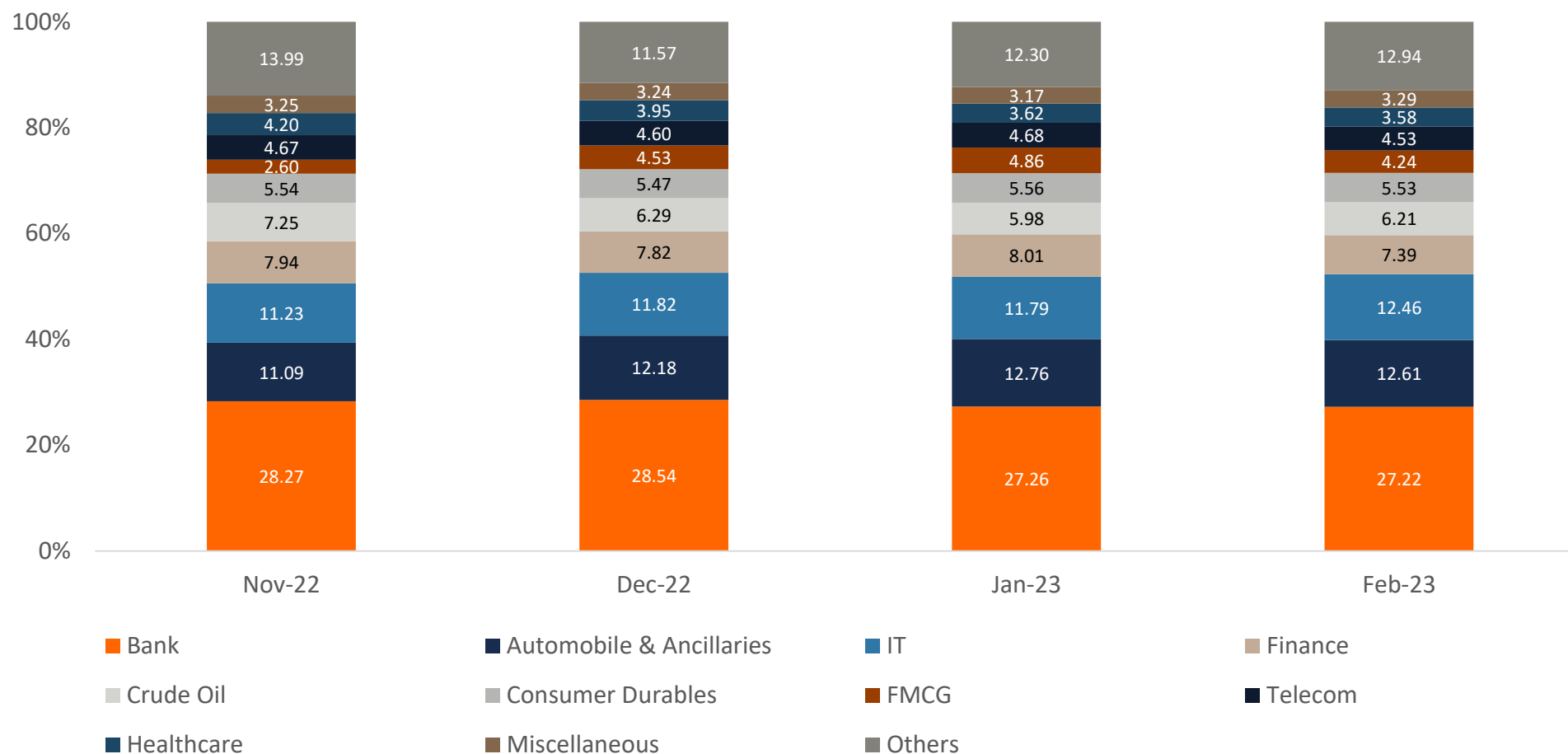
\*Portfolios may or may not change. For complete portfolio of the scheme, please visit the website <https://www.miraeassetmf.co.in/downloads/portfolio>.

## Fund Manager Comments

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- We will continue to follow our existing stock selection and portfolio construction approach within the ambit of flexicap strategy.
- Our stock selection process aims to identify high quality, robust businesses which are well run, preferably seeing long periods of structural growth & possible margin of safety.
- Our portfolio construction follows an approach where active weights could be high at the stock level while it could be relatively controlled at the sector level.
- Additionally, we endeavor to have sectoral diversification and at the portfolio level keep adequate representation of special situation/deep value plays wherever possible.
- Geopolitical developments in CY22 upended many assumptions across our holding companies.
- We believe the strength of the businesses in the portfolio and the opportunities they may address could help in operational recovery in the periods ahead.

# Historic Sector Allocation



Diversification across various sectors within investment limit of 30 stocks

Source: Internal, Data as on 28<sup>th</sup> February, 2023. 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).

\*Portfolios may or may not change. For complete portfolio of the scheme, please visit the website <https://www.miraeassetmf.co.in/downloads/portfolio>.

# Performance Analysis

## Average 1Y Daily Rolling Returns from 1st Jan 2020 to 31st Dec 2022 (Average %)

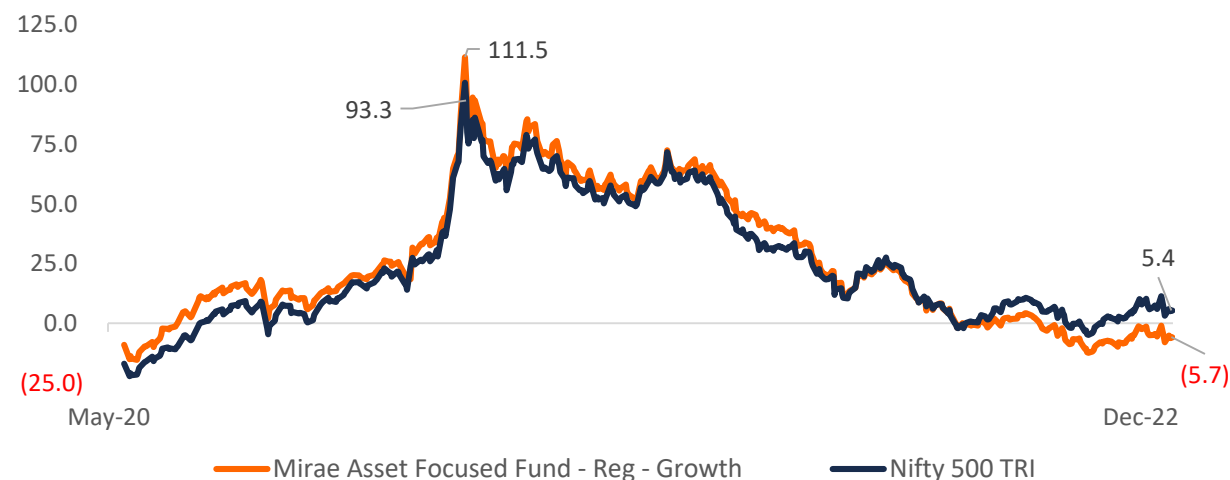
<b>Mirae Asset Focused Fund (15 May 2020 to 31 Dec 2022)</b>	<b>27.67</b>
<b>NIFTY 500 TRI Index</b>	<b>22.42</b>

The Rolling returns of the fund on an average 1 year (above) & on an average 3 years (below) shown in comparison with the Benchmark Nifty 500 TRI Index.

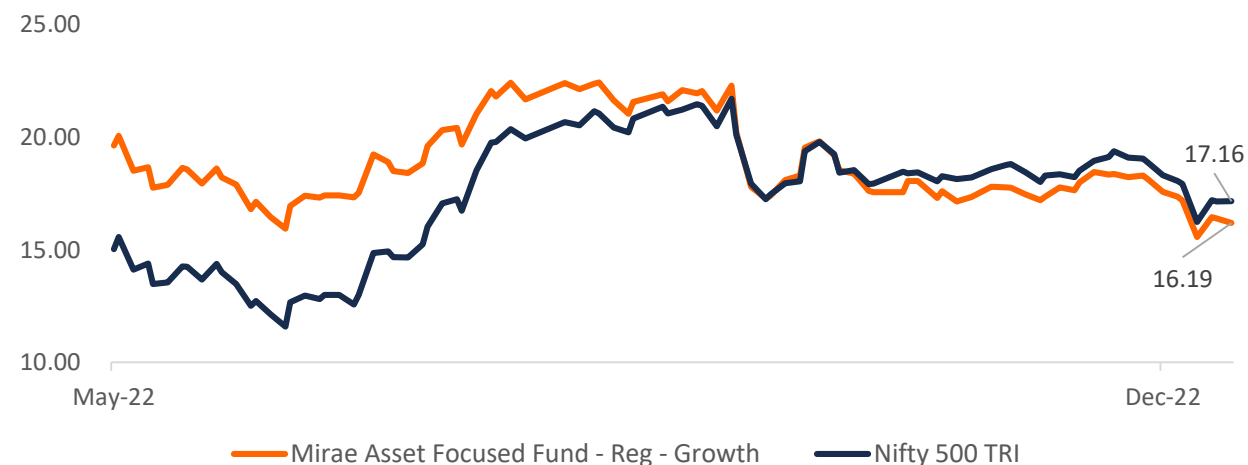
## Average 3Y Daily Rolling Returns from 1st Jan 2020 to 31st Dec 2022 (Average %)

<b>Mirae Asset Focused Fund (16 May 2022 to 31 Dec 2022)</b>	<b>18.83</b>
<b>NIFTY 500 TRI Index</b>	<b>12.09</b>

## 1Y Daily Rolling Returns (MAFF vs NIFTY 500 TRI Index)



## 3Y Daily Rolling Return (MAFF vs NIFTY 500 TRI Index)



Past performance may or may not sustain in the future.

Source: ACEMF. Data as on End of CY 2022.

14 May, 2019 is the fund's inception date so 1 year rolling return starts from 15 May, 2020 & 3 years rolling return starts from 16 May, 2022.

# Mirae Asset Focused Fund – Lumpsum Report Card

Period	Returns(%)			
	MAFF	Scheme benchmark (Tier 1)*	Scheme benchmark (Tier 2)**	Additional Benchmark^
Last 1 Year	-3.09	2.58	2.37	6.19
Last 3 Years	17.46	17.55	16.85	16.86
Since Inception (14 May, 2019)	16.98	14.21	13.43	14.18
Value of Rs. 10000 invested (in Rs.) Since Inception	18,132	16,461	16,137	16,544
NAV (as on 28 <sup>th</sup> February, 2023)	Rs. 18.1320			
Index Value (as on 28 <sup>th</sup> February, 2023)	Tier 1 Benchmark - Nifty 500 Index TRI ; 22,546.35 Tier 2 Benchmark - Nifty 200 Index TRI ; 11,623.83 Additional Benchmark - S&P BSE Sensex TRI ; 89,281.77			
Date of allotment	14th May, 2019			

Past Performance may or may not be sustained in future.

Note:1. Different Plans under the scheme has different expense structure. The reference and details provided herein are of Regular Plan - Growth Option

2. Fund manager :Mr. Gaurav Misra managing the scheme since inception

Source: Internal and AceMF, Data as on 28<sup>th</sup> February, 2023.

\*Tier 1 Benchmark: Nifty 500 Index TRI, \*\*Tier 2 Benchmark: Nifty 200 Index TRI, ^Additional Benchmark: S&P BSE Sensex TRI.

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 slide No.16

Returns below or for 1 year are absolute returns, returns above 1 year are CAGR- Compounded Annualized Growth returns.

# Mirae Asset Focused Fund – SIP Report Card

	1 Year	3 Years	Since Inception
Total Amount Invested	1,20,000	3,60,000	4,50,000
Fund Return (%)	-3.58	12.30	13.64
MKT Value as on, 28 <sup>th</sup> February, 2023	117.686	432,303	579,961
Tier 1 Benchmark Returns (%)*	-2.77	14.01	14.19
Tier 2 Benchmark Returns (%)*	-3.02	13.34	13.47
Additional Benchmark Returns (%)**	3.93	14.85	14.48

Past Performance may or may not be sustained in future.

Tier 1 Benchmark\*- Nifty 500 (TRI), Tier 2- Benchmark – Nifty 200 (TRI), Additional Benchmark\*\*- S&P BSE Sensex (TRI),

The SIP returns are calculated by XIRR approach assuming investment of Rs.10,000 on the 1st working day of every month. Source: AceMF, Data as on 28<sup>th</sup> February, 2023



# Performance of other funds managed by the same fund manager

Returns in %						
Lump sum Investment	Fund NAV in Rs./ Date of Allotment	1 Year	3 Year	5 Year	Since Inception	Value of Rs. 10000 invested (in Rs.) Since Inception
Mirae Asset Large Cap Fund		2.64	14.86	10.35	14.65	76,815
Nifty 100 Index (TRI)*	76.8150/ 4th April, 2008	1.56	16.03	10.79	10.83	46,332
S&P BSE Sensex (TRI)**		6.19	16.86	12.85	10.95	47,119

Past Performance may or may not be sustained in future.

Note:1. Different Plans under the scheme has different expense structure. The reference and details provided herein are of Regular Plan - Growth Option

Mirae Asset Large Cap Fund: Fund manager :Mr. Gaurav Misra (since January 31, 2019) and Mr. Gaurav Khandelwal(since October 18, 2021)

\*Scheme Benchmark \*\*Additional benchmark prescribed as per the applicable SEBI circular.

Source: Internal and AceMF, Data as on 28<sup>th</sup> February, 2023.

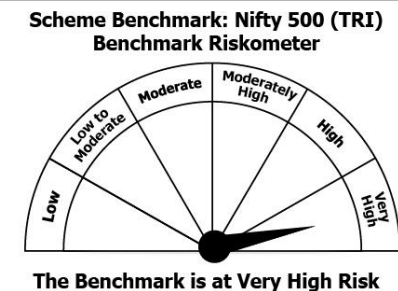
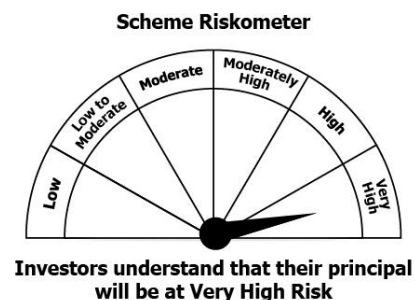
Returns below or for 1 year are absolute returns, returns above 1 year are CAGR- Compounded Annualized Growth returns.

## PRODUCT LABELLING

Mirae Asset Focused Fund is suitable for investors who are seeking\*

- To generate long term capital appreciation/income
- Investment in a concentrated portfolio of equity & equity related instrument of up to 30 companies across large, mid and small cap category

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

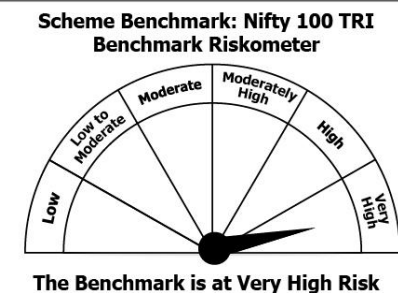
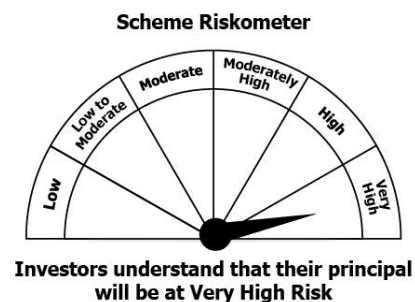


## PRODUCT LABELLING

Mirae Asset Large Cap Fund is suitable for investors who are seeking\*

- To generate long term capital appreciation / income
- Investment predominantly in Large Cap companies

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



For More Information, Visit Us At -

Our Funds: <https://www.miraeassetmf.co.in/mutual-fund-scheme>

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Please consult your financial advisor or Mutual Fund Distributor before investing

# Disclaimer

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

