

# MIRAE ASSET FOCUSED FUND

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)

September 2021

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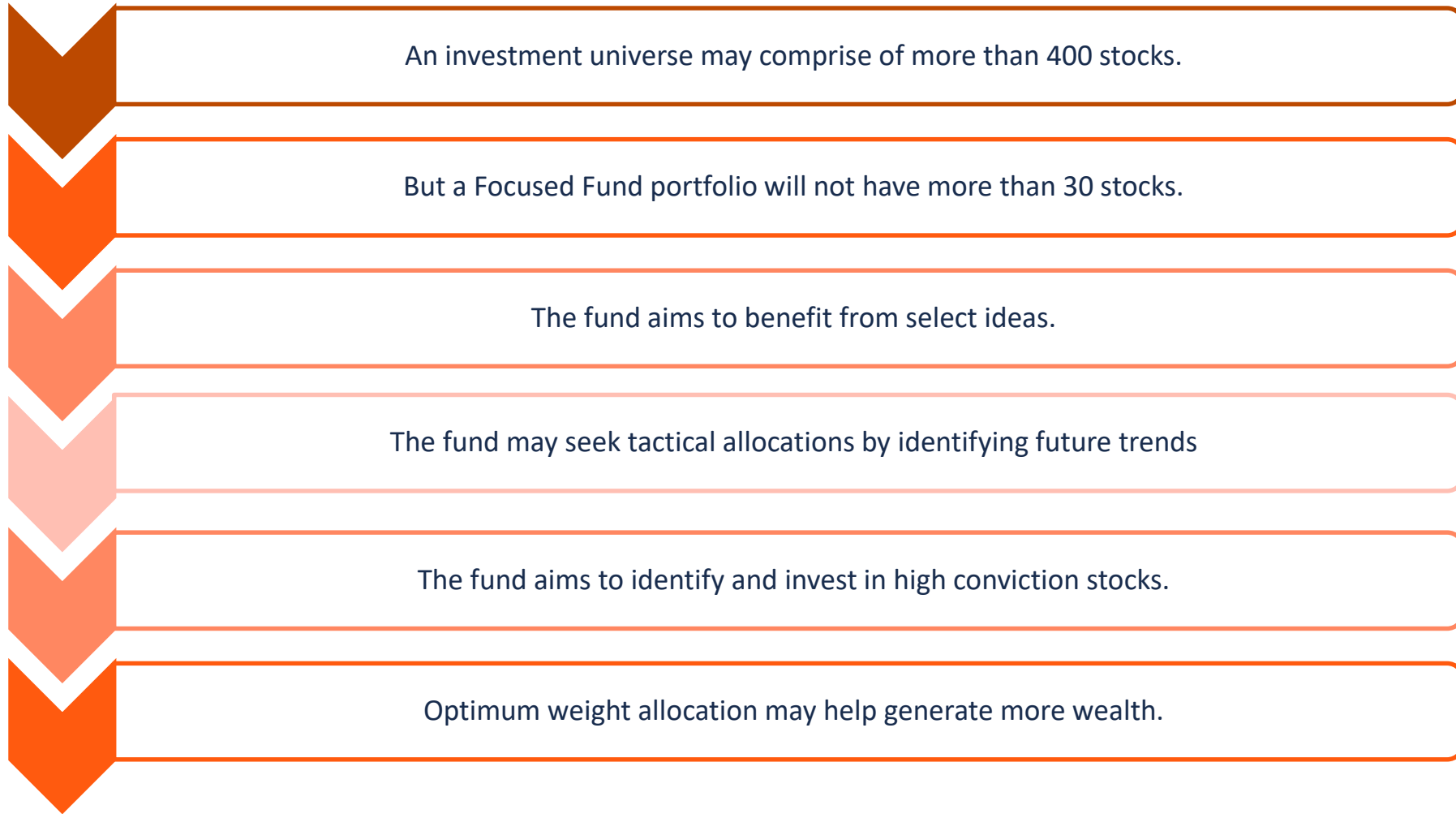
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- I. Understanding Focused Fund
- II. The Case For Investing In Focused Fund
- III. About Mirae Asset Focused Fund(MAFF)
- IV. Investment Process
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# Understanding Focused Fund

Aims to identify and stay with long term wealth creators

## How Does A Focused Fund Aim To Generate Wealth ?



# 1. Aims to Identify High Conviction Stocks Ideas

Top Performers in NIFTY 200 Index (5 year Absolute Returns)	
Top 10 Performers	Absolute Returns (In%)
Adani Enterprises Ltd	1,171.69
Mindtree Ltd	854.75
Jubilant Foodworks Ltd	739.98
Adani Total Gas Ltd	732.90
Adani Transmission Ltd	711.09
Info Edge India Ltd	656.23
Bajaj Finance Ltd	612.65
Mphasis Ltd	586.52
Srf Ltd	507.25
Tata Consumer Products Ltd	499.10

Top Underperformer in NIFTY 200 Index (5 year Absolute Returns)	
Top 10 Underperformers	Absolute Returns (In%)
Reliance Power Ltd	-94.76
Reliance Infrastructure Ltd	-93.91
Future Retail Ltd	-92.00
Reliance Capital Ltd	-90.10
Tata Motors Ltd-a-dvr	-87.79
Dewan Housing Finance Corp	-85.22
Dish Tv India Ltd	-78.29
Mangalore Refinery & Petro	-76.92
Yes Bank Ltd	-76.25
Vodafone Idea Ltd	-75.71

NIFTY 200 Index consisting of 200 stocks gave absolute returns 115.9% of in last 5 years. But that may not be the case with the top 10 stocks. Similar is the case with the bottom 10 stocks.

Past performance may or may not remain the same.

Source: Bloomberg. Data as on 2Q 2021. The 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).

## 2. 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 usually pays in the long run

Illustration to highlight that higher weight allocation to stocks with higher returns will help portfolio to generate higher returns. Above is for illustration purpose only

## 2. Optimum Weight Allocation May Generate More Wealth

Returns by Top 30 stocks in Nifty 200 TRI Index (5 year Period)\*

Parameter	Returns in Nifty 200 TRI	Weight in Nifty 200 TRI(%)	Returns at 100% Weightage	Alpha over Fund**
Nifty 200 TRI Total Returns(Absolute)	115.9			
Returns Generated By Top 30 Stocks	54.89	23.27	352.82	297.94
Returns Generated by Top 20 + Bottom 10 Stocks	31.05	13.85	243.41	212.36
Returns Generated by Top 10 + Bottom 20 Stocks	5.15	4.42	65.87	60.72

Focus and Conviction to identify and stay with long term wealth creators with higher allocation usually pays

\*Top stocks are chosen based on return contribution in Nifty 200 TRI Index. Returns and Weights are average for the analysis period. Past Performance may or may not sustain in future

Source: AceMF, Data as on 30<sup>th</sup> Sept, 2021 . Returns are Absolute Returns.\*Top stocks are chosen based on return contribution in Nifty 200 TRI Index during previous 5 years period

\*\* Proportionate increase in weights. Past performance may or may not be sustained in future

### 3. Tactical Allocations By Identifying Future Trends

Performance Across Market Cap Varies Across Time Frame

Market Cap Segment*	YTD	CY21	CY 20	CY19	CY18	CY17	CY16	CY15	CY14	CY13	CY12
Large Cap	28%	59%	15%	10%	1%	32%	4%	-3%	32%	6%	30%
Mid Cap	47%	81%	22%	-4%	-14%	51%	6%	11%	58%	-4%	36%
Small Cap	55%	89%	21%	-9%	-24%	56%	2%	2%	57%	-15%	37%

Flexibility to invest across market caps usually pays.

Source: AceMF, Data as on 30<sup>st</sup> September 2021. Large Cap: Nifty 100 TRI, Midcap: Nifty Midcap 100 TRI, Small Cap: Nifty Small Cap 250 TRI. Pat performance may or may not remain the same.



### 3. Tactical Allocations By Identifying Future Trends

Performance Across Sectors Varies Across Time Frame

Sectoral Indices	YTD	CY 21	CY 20	CY19	CY18	CY17	CY16	CY15	CY14	CY13	CY12
Nifty Auto	17%	36%	11%	-11%	-23%	31%	11%	0%	57%	9%	42%
Nifty Commodities	52%	86%	11%	0%	-16%	35%	25%	-10%	17%	-9%	19%
Nifty Consumption	23%	46%	19%	-1%	-2%	45%	-2%	8%	30%	10%	37%
Nifty Energy	38%	56%	6%	11%	1%	39%	20%	-1%	9%	0%	14%
Nifty Financial Services	21%	73%	4%	26%	11%	41%	5%	-5%	57%	-7%	52%
Nifty Infra	39%	66%	12%	3%	-13%	34%	-2%	-9%	23%	-4%	22%
Nifty IT	46%	79%	55%	8%	24%	12%	-7%	0%	18%	58%	-2%
Nifty Metal	75%	154%	16%	-11%	-20%	49%	45%	-31%	7%	-14%	18%
Nifty Pharma	13%	24%	61%	-9%	-8%	-6%	-14%	9%	43%	27%	32%

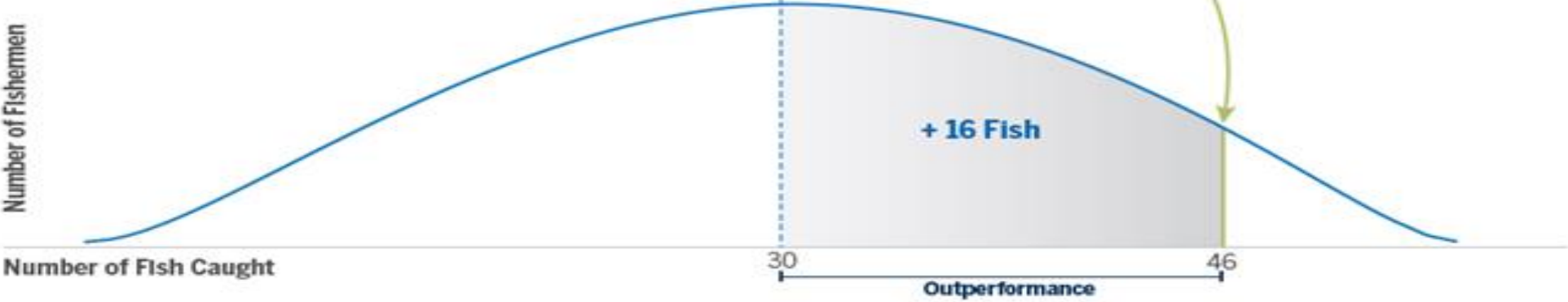
Flexibility to invest across sectors usually pays

4. Outperformance = Opportunity x Skill.

EXAMPLE A:



EXAMPLE B:



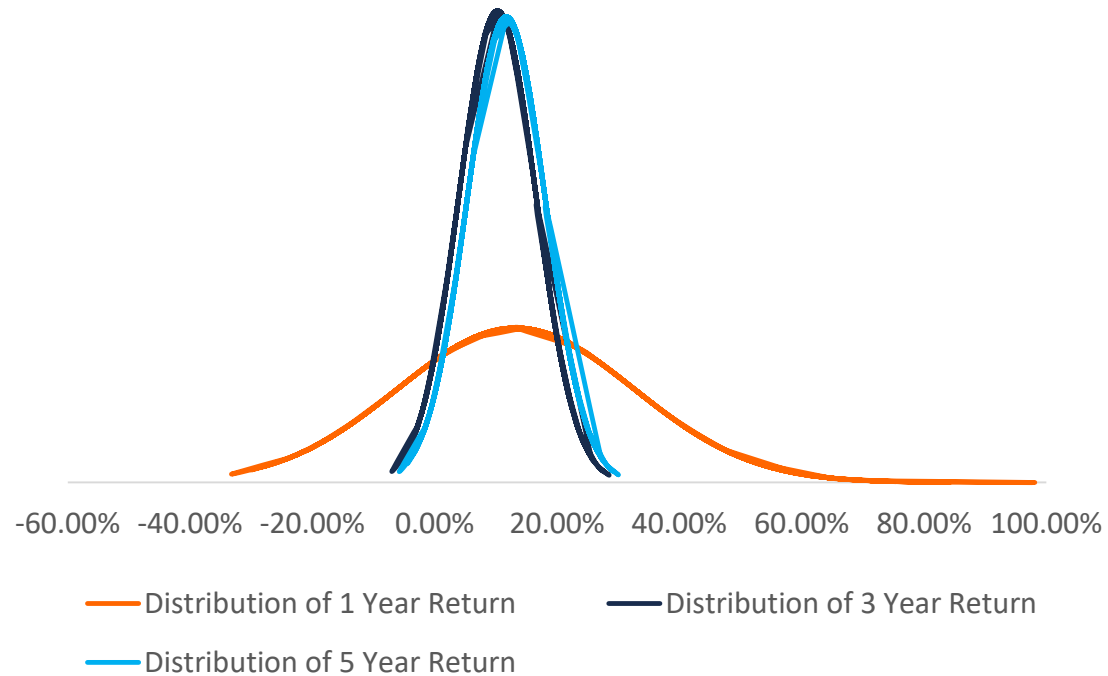
Skilled performer in large opportunity pool have better chance to generate higher results in the long run. Thus a Focused Fund investing across market cap can generate potentially higher returns.

Source: Data for illustration purpose only.

## Investing in Focused Stocks During Crisis

How Large Caps Have Behaved Post Crisis				
Time Period	Date of Investment	Crisis Scenario	Next 1 Year Returns (Nifty 50)	Next 1 Year Returns (Top 30 Stocks of Nifty 200)
2001	30/09/2001	Attack on World Trade Centre US	11%	23%
2002-2003	30/06/2003	SARS Outbreak	31%	47%
2003	30/06/2003	Iraq War	31%	53%
2004	31/05/2004	BJP Unexpectedly Loosing Elections	28%	41%
2008	31/12/2008	Global Financial Crisis	70%	130%
2011-12	31/12/2011	European Debt Crisis	27%	51%
2013	28/02/2013	Taper Tantrum	7%	18%
2016	30/06/2016	BREXIT Announcement	16%	29%
2020	30/03/2020	Corona Virus	80%(Till 30 <sup>th</sup> Sept 2021)	62%

# Nifty 200 TRI Returns Distribution – Rolling Return



Rolling Return Distribution (%CAGR)

	1 Year Returns	3 Year Returns	5 Year Returns
Minimum	--33.02%	-6.97%	-5.75%
Maximum	98.12%	28.53%	30.06%
Negative Returns	22.05%	5.74%	3.92%
Positive Returns	77.95%	94.26%	96.08%
Median Returns	10.57%	10.75%	12.19%

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

Source: AceMF, Data as on 30<sup>st</sup> September 2021. Data From 1<sup>st</sup> October 2011 to 30<sup>st</sup> September 2021. Past performance may or may not sustain in future. The return are of Nifty 200 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 return generated in the Nifty 200 TRI Index. The positive and negative returns represents the percentage times the Nifty 200 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) – Multi cap approach of investments



Aims to build a portfolio of strong growth companies, reflecting most attractive investment ideas

# Mirae Asset Focused Fund

Fund Manager

## Investments in Fund

Invest across market cap in large cap, mid cap and small cap category (i.e., Multi-cap)

## Investment Framework

- I. Follows a focused investment strategy investing in a maximum of 30 stocks.
- II. Aim to build a portfolio of strong growth companies, reflecting our most attractive investment ideas.

## Why Mirae Asset Focused Fund ?

Multicap strategy with focus on only high quality stocks



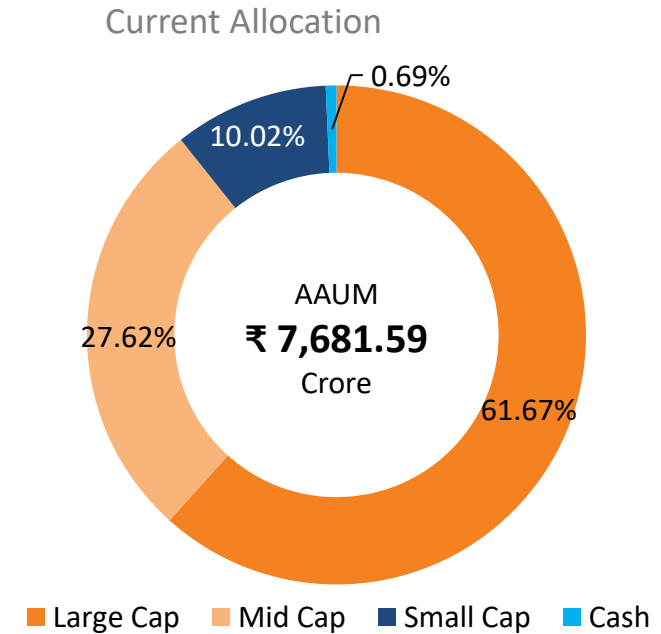
Mr. Gaurav Misra  
(Since Inception)

Fund Inception	Benchmark	
14 May 2019	Nifty 200 Index (TRI)	
Goal	Ideal Investment Horizon	Risk Profile
 Wealth Creation	 3-5 Years	 Very High

# Portfolio Psychographics

Portfolio Top 10 holdings	% Allocation
HDFC Bank Limited	8.45%
Infosys Limited	7.99%
ICICI Bank Limited	7.75%
Reliance Industries Limited	6.07%
State Bank of India	5.43%
Axis Bank Limited	5.40%
Bharti Airtel Limited	3.79%
Sona BLW Precision Forgings Limited	3.56%
Bharat Electronics Limited	3.27%
Voltas Limited	3.25%
Other Equities	44.34
Equity Holding Total	99.31
Cash & Other Receivables	0.69
<b>Total</b>	<b>100.00%</b>

Concentration	% Allocation
Top 10	54.97%
Top 20	82.00%
Top 30	99.31%





## Sector Allocation

Portfolio Top 10 Sectors^	% Allocation
Banks	27.03%
Software	13.14%
Petroleum Products	7.60%
Auto	6.11%
Consumer Durables	5.82%
Pharmaceuticals	5.01%
Insurance	4.67%
Telecom – Services	3.79%
Auto Ancillaries	3.56%
Consumer Non Durables	3.28%
Other Sectors	19.28%
Sectoral Holding Total	99.31%
Cash & Other Receivables	0.69%
Total	100.00%

Sector Allocation	% Allocation
Top 5	59.71%
Top 10	80.03%
Top 15	93.78%

Source: Internal, Data as on 30<sup>th</sup> September 2021.. \*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).

## Mirae Asset Focused Fund – SIP Report Card

	Since Inception	7 Years	5 Years	3 Years	1 Year
Total Amount Invested	3,00,000	NA	NA	NA	1,20,000
MKT Value	4,47,345	NA	NA	NA	1,54,150
Fund Return (%)	43.91%	NA	NA	NA	56.81%
Nifty 200 Index (TRI)	37.64%	NA	NA	NA	52.02%
S&P BSE Sensex (TRI)	35.55%	NA	NA	NA	49.59%

Past Performance may or may not be sustained in future.

The above table shows performance since inception for Mirae Asset Focused Fund - Regular Plan - Growth Option.

For computation of since inception returns (%) the allotment NAV has been taken as Rs. 10.00. The data is as on 30<sup>th</sup> September 2021

The SIP returns are calculated by XIRR approach assuming investment of Rs. 10,000/- on the 1st working day of every month.

# Investment Process

# Investment Team Structure

## Equity Investment Team

**Neelesh Surana**

Chief Investment Officer

**Gaurav Misra**

Co-Head – Equity

**Harshad Borawake**

Head of Research  
Energy, Metals

**Ankit Jain**

Fund Manager  
Consumer Staples

**Vrijesh Kasera**

Fund Manager  
Healthcare

## Research

**Bharti Sawant**

Associate Fund  
Manager and  
Research Analyst  
Infra & New commerce

**Jignesh Rao,  
Jigar Sethia**

Fund Manager's &  
Dealer's

**Gaurav  
Khandelwal**

Fund Manager &  
Research Analyst  
IT, Automobile &  
Cement

**Siddhant  
Chhabria**

Fund Manager and  
Research Analyst  
Consumer Discretionary

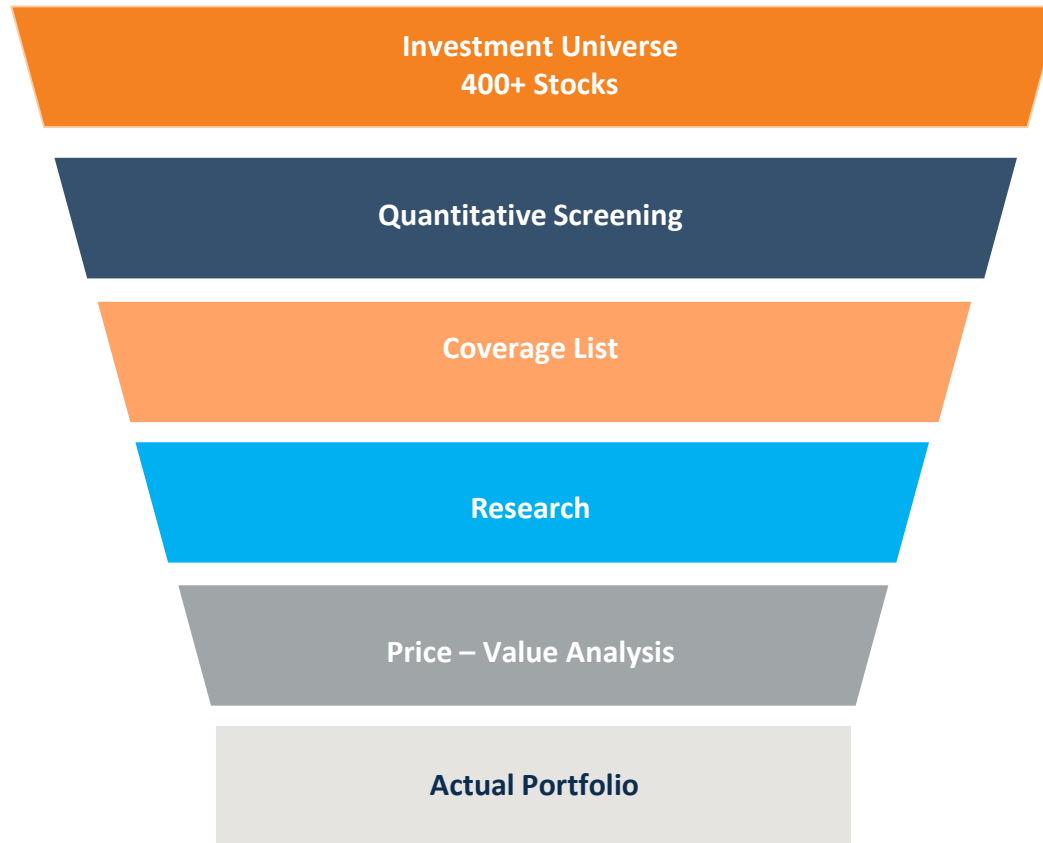
**Gaurav Kochar**

Fund Manager and  
Research Analyst

**Tanmay Mehta**

Research Analyst  
Chemicals

# Investment Process – Equity



## Quantitative Screening

- Management Quality
- Earnings Growth
- Return on Investment
- Size, Liquidity and Benchmark

## Extensive Primary Research

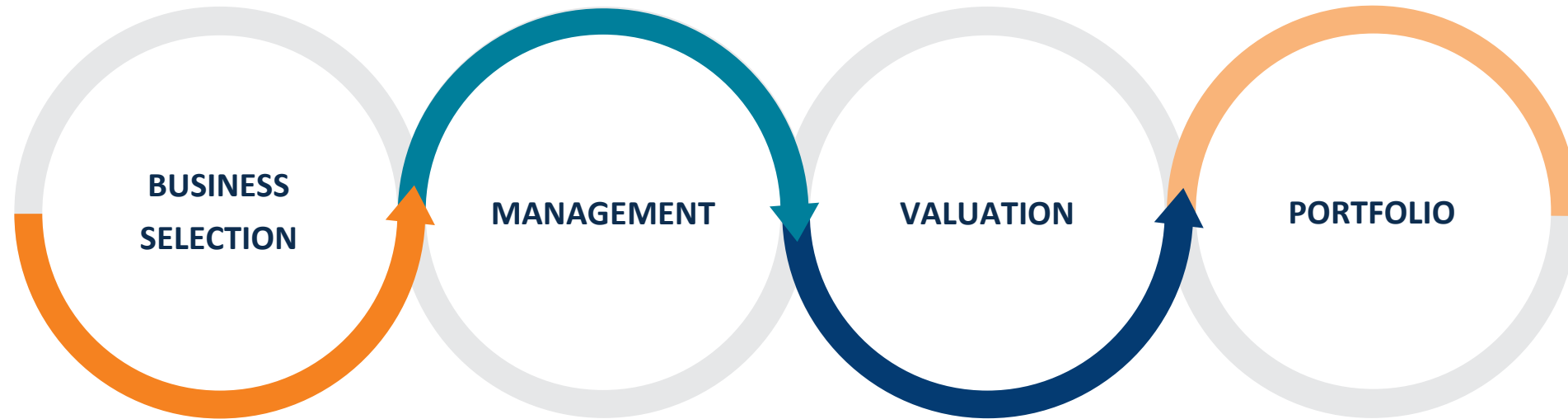
- Management Meetings
- Detailed financial models
- Market intelligence: Dealer checks, Plant visits, industry experts
- Broker Support

## Considerations for Portfolio Construction

- Analyst recommendation
- Valuation screener
- Benchmark, Liquidity, etc..
- Risk Parameters

Our focus is on extensive 'Primary research'

## Investment Philosophy – Stock Selection



- **Growth**

Large Market Opportunity

- **Capital Efficiency**

Sustainable Competitive Advantage and ROI

- Corporate Governance & **Thought Leadership**

- **“Margin of Safety”**

(Value > Price)

- Growth-at-reasonable-price (*GARP*).

- Diversified Portfolio

- Core and Tactical Approach

Our portfolio strategy is centered around participating in high quality growth businesses, upto a reasonable price and holding the same over an extended period

# Annexure

## Mirae Asset Focused Fund – Lumpsum Report Card

Period	Returns(%)		
	MAFF	Nifty 200 TRI	S&P BSE Sensex TRI
Last 1 Year	63.89	61.08	56.96
Last 3 Years	NA	NA	NA
Last 5 Years	NA	NA	NA
Since Inception	32.23	23.44	22.82
Value of Rs. 10000 invested (in Rs.) Since Inception*	19,463	16,518	16,323
NAV (as on Sept 30 <sup>th</sup> , 2021)	19.46		
Index Value (as on Sept 30 <sup>th</sup> , 2021)	Index Value of Scheme benchmark is 11,898.5 and S&P BSE Sensex (TRI) is 88,090.42		
Date of allotment	14 <sup>th</sup> 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 incep



## Performance of other funds managed by the same fund manager

### Lump sum Investment

	Fund AUM/Date of Allotment	1 Year (Return in %)	3 Year (Return in %)	5 Year (Return in %)	Since Inception (Return in %)	Value of Rs. 10000 invested (in Rs.) Since Inception
Mirae Asset Large Cap Fund		54.31	18.62	16.82	16.59	79,380
Nifty 100 Index (TRI)*	4 <sup>th</sup> April, 2008	58.51	18.34	16.49	12.26	47,642
S&P BSE Sensex (TRI)**		56.96	19.03	17.60	12.06	46,490

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) and \*Scheme Benchmark \*\*Standard benchmark prescribed as per the applicable SEBI circular.

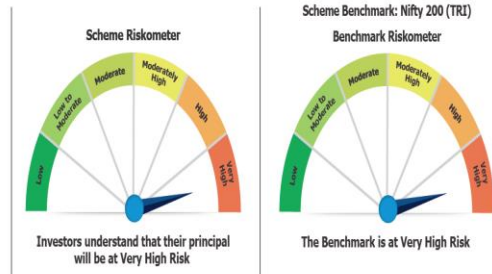
# Product Label and Disclaimer

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

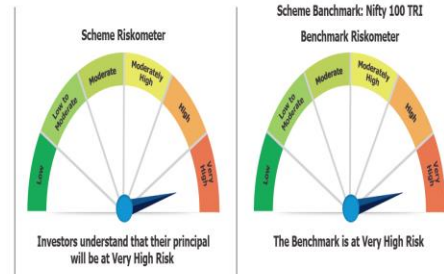


## PRODUCT LABELLING

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 advisers if they are not clear about the suitability of the product.



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

Please consult your financial advisor before investing

**THANK YOU**