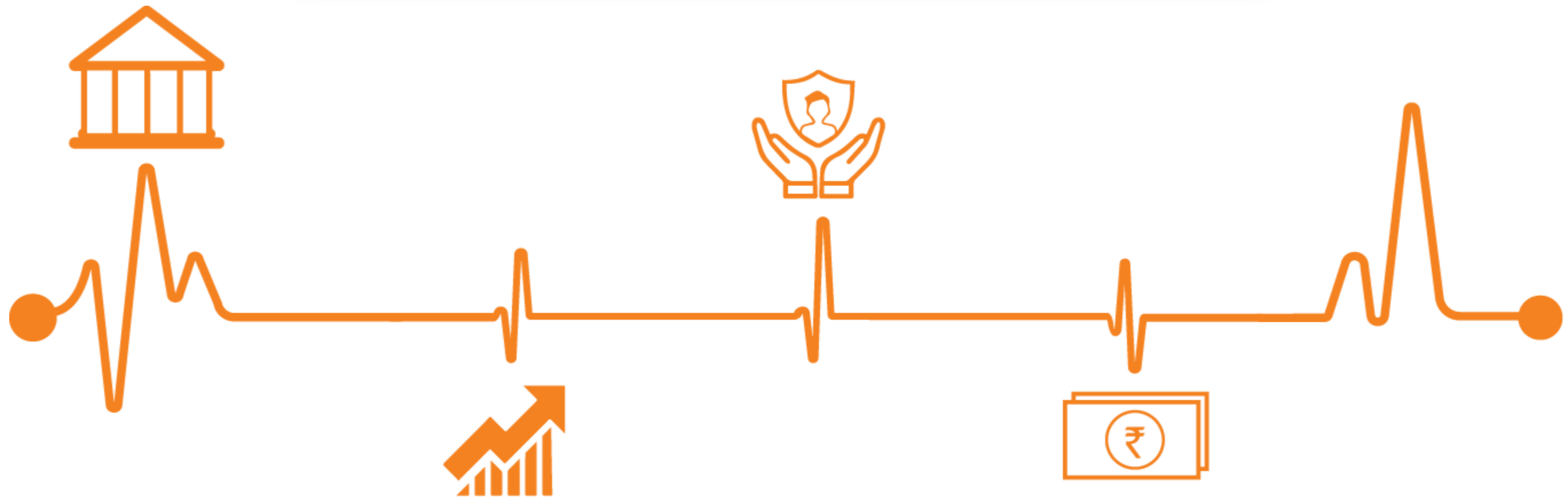


# Mirae Asset Banking and Financial Services Fund (MABFSF)

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

## Lifelines we may bank on



# Index

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



BFSI – more than just a 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

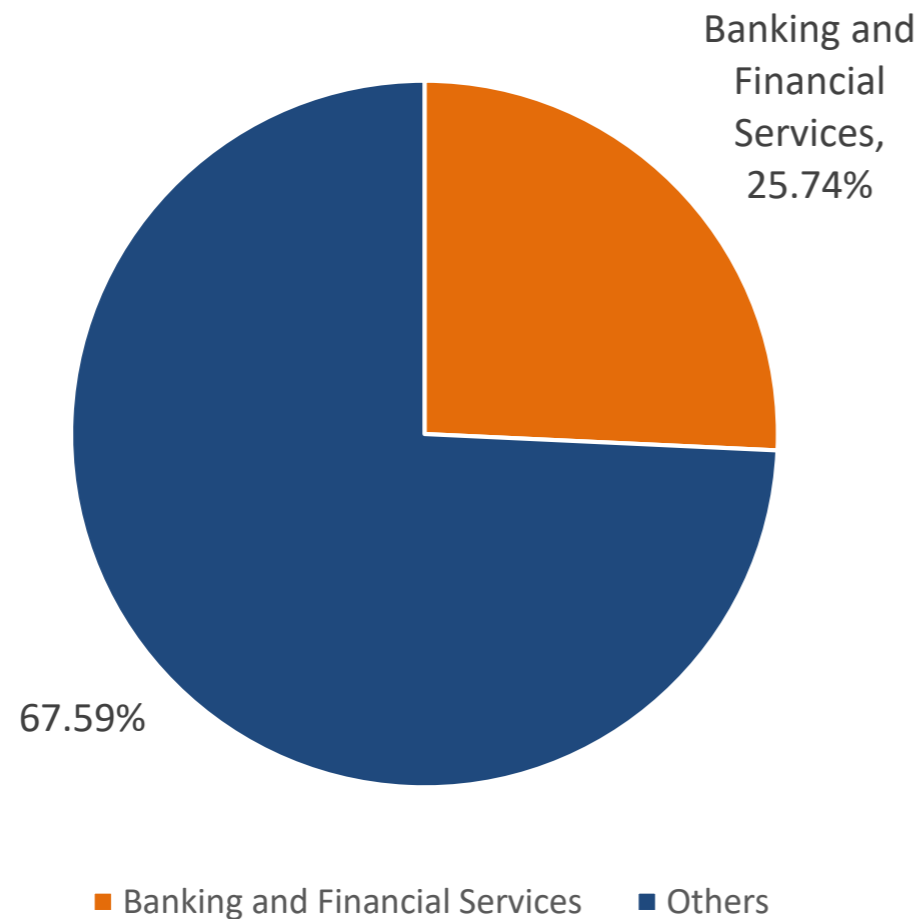
**Insurance:** Life / Non life Insurance

**NBFCs:** Housing, Vehicle, Gold, Consumer, Microfinance, Fintech  
Non-Banking Financial Company

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

- ▶ Financial companies account for 25.16% 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 30 June 2022.

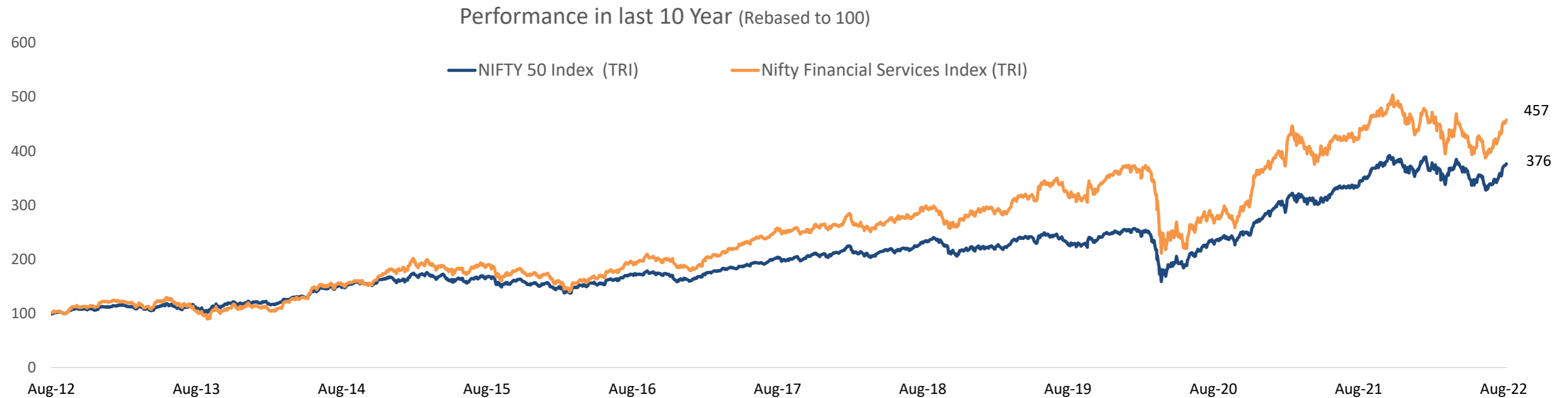
Financial Services Index Split (%)

Industry	%
Private Sector Bank	57.58%
Housing Finance Company	14.82%
Non Banking Financial Company (NBFC)	9.92%
Public Sector Bank	7.17%
Life Insurance	4.45%
Holding Company	3.18%
General Insurance	1.08%
Financial Institution	0.91%
Asset Management Company	0.46%
Exchange and Data Platform	0.44%

Source: NSE website, Data as on 3 August 2022.

# 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



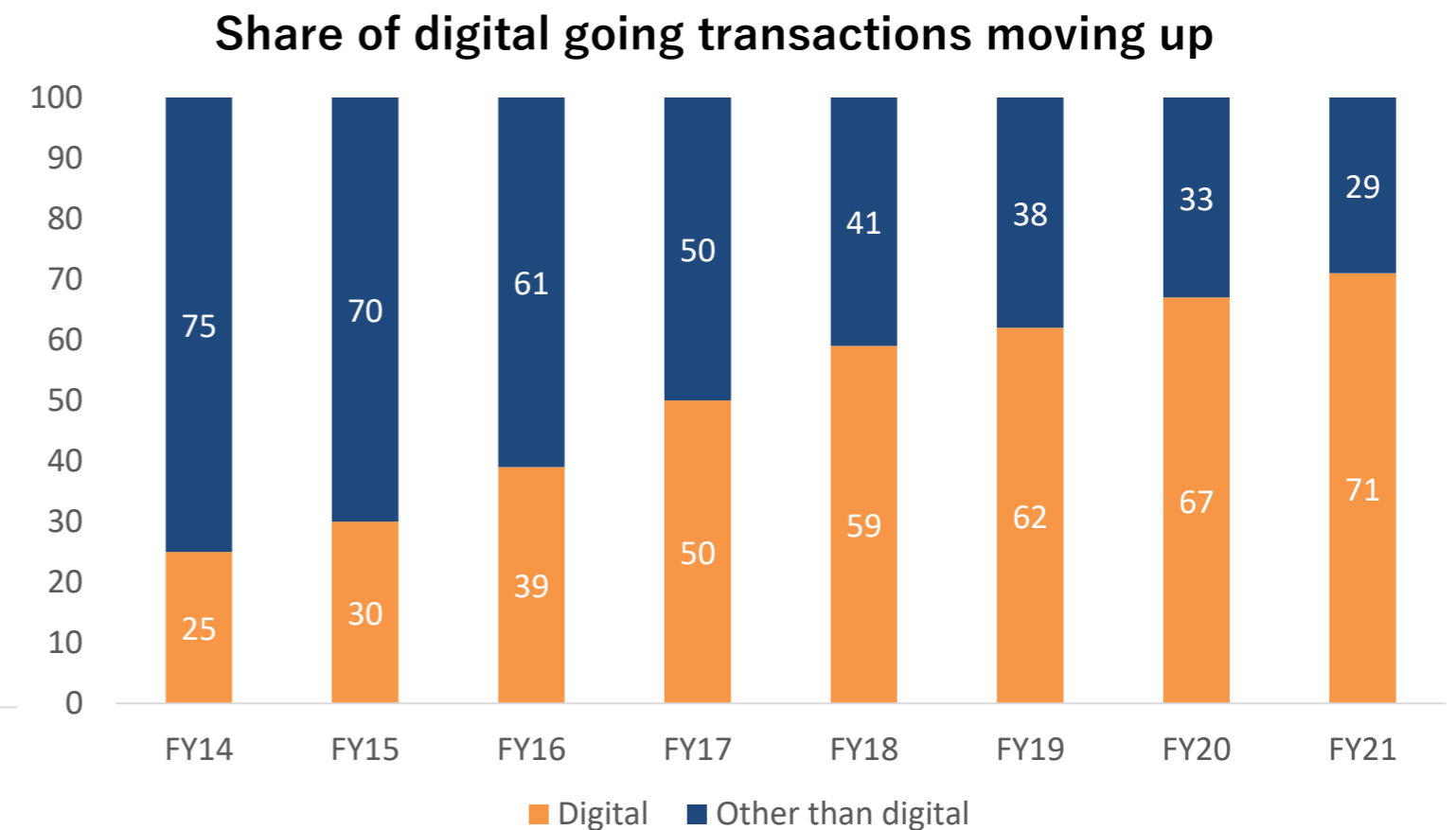
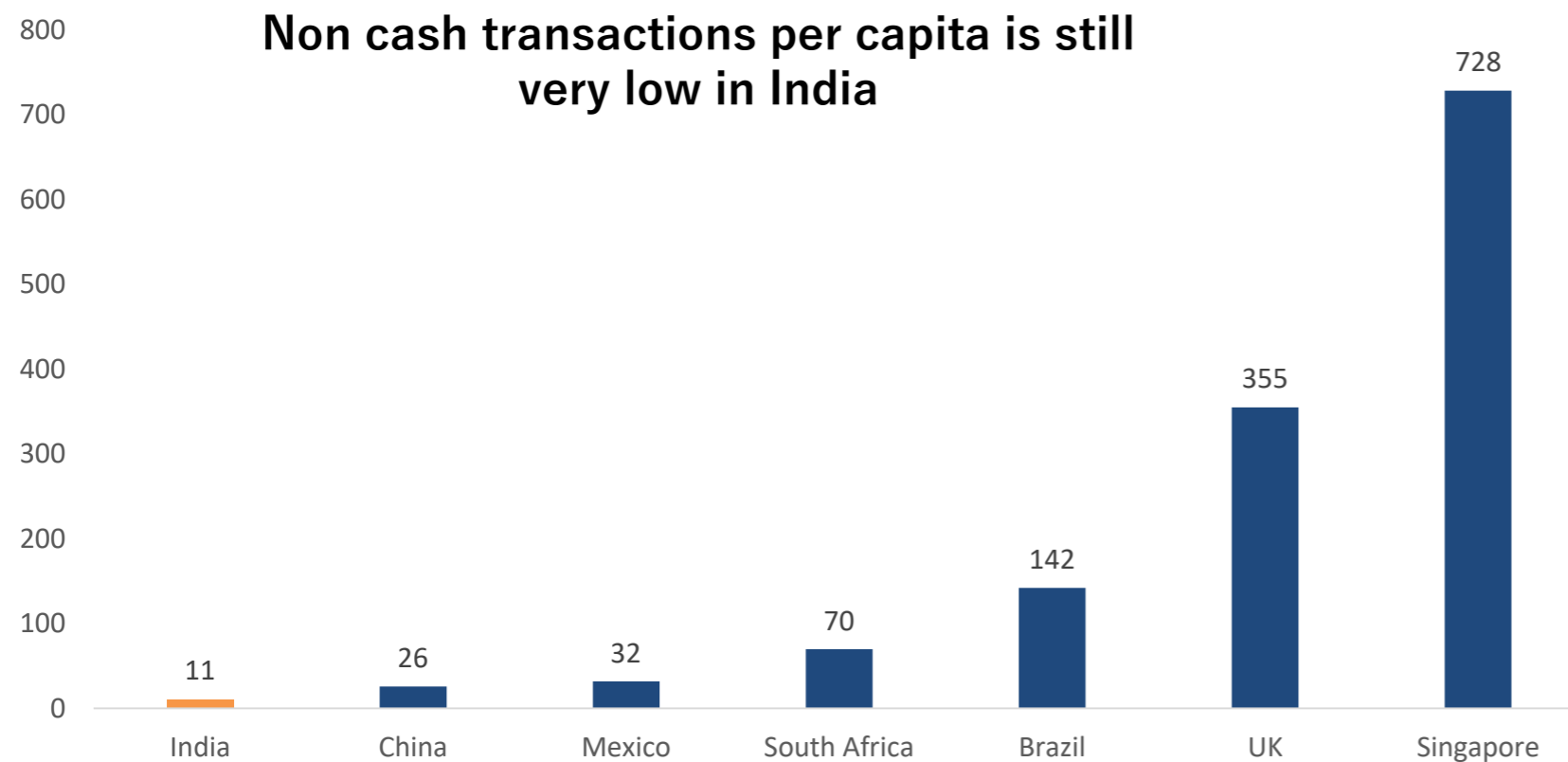
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
NIFTY 50 Index (TRI)	-8.06	8.72	19.02	-8.85	20.55	27.85	11.76	16.40	-25.31	79.73	18.83
Nifty Financial Services Index (TRI)	-9.26	15.80	12.62	-13.65	34.07	45.85	17.85	23.56	-25.05	76.18	8.38



# Banking & Financial Services Sector – Medium term catalysts

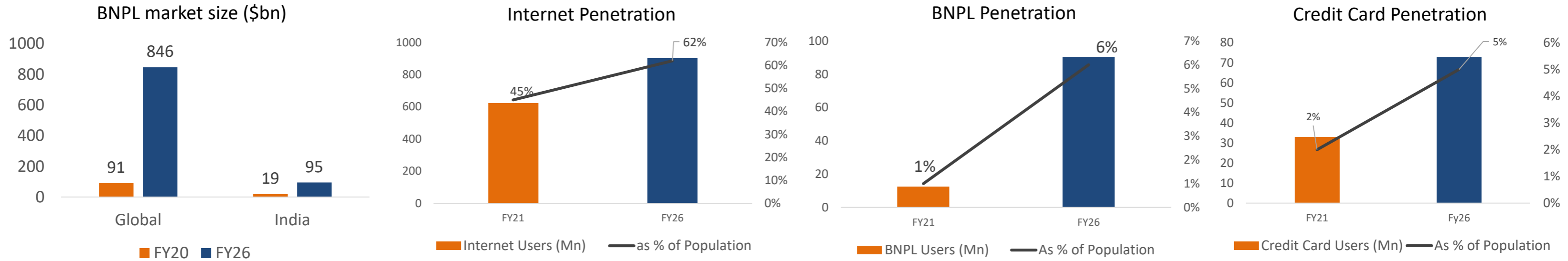
# Banking – Digital & Fintech evolution gathering pace

- ▶ 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.

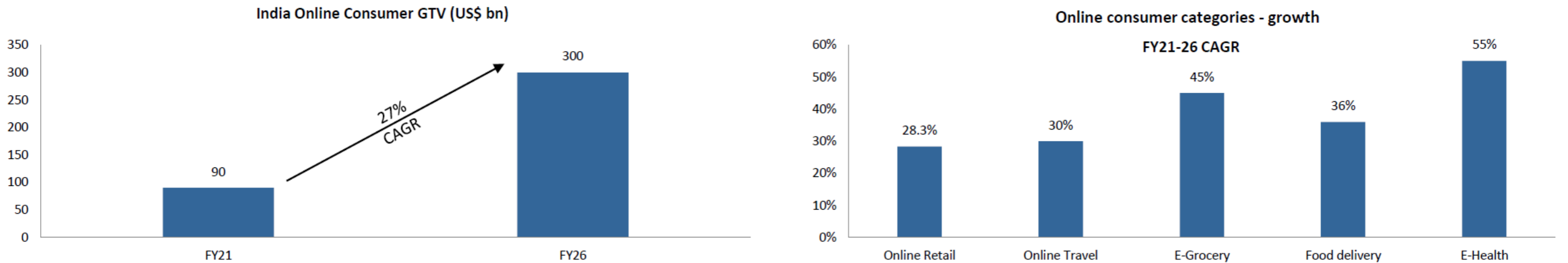




# BNPL – A new product ruling the digital world

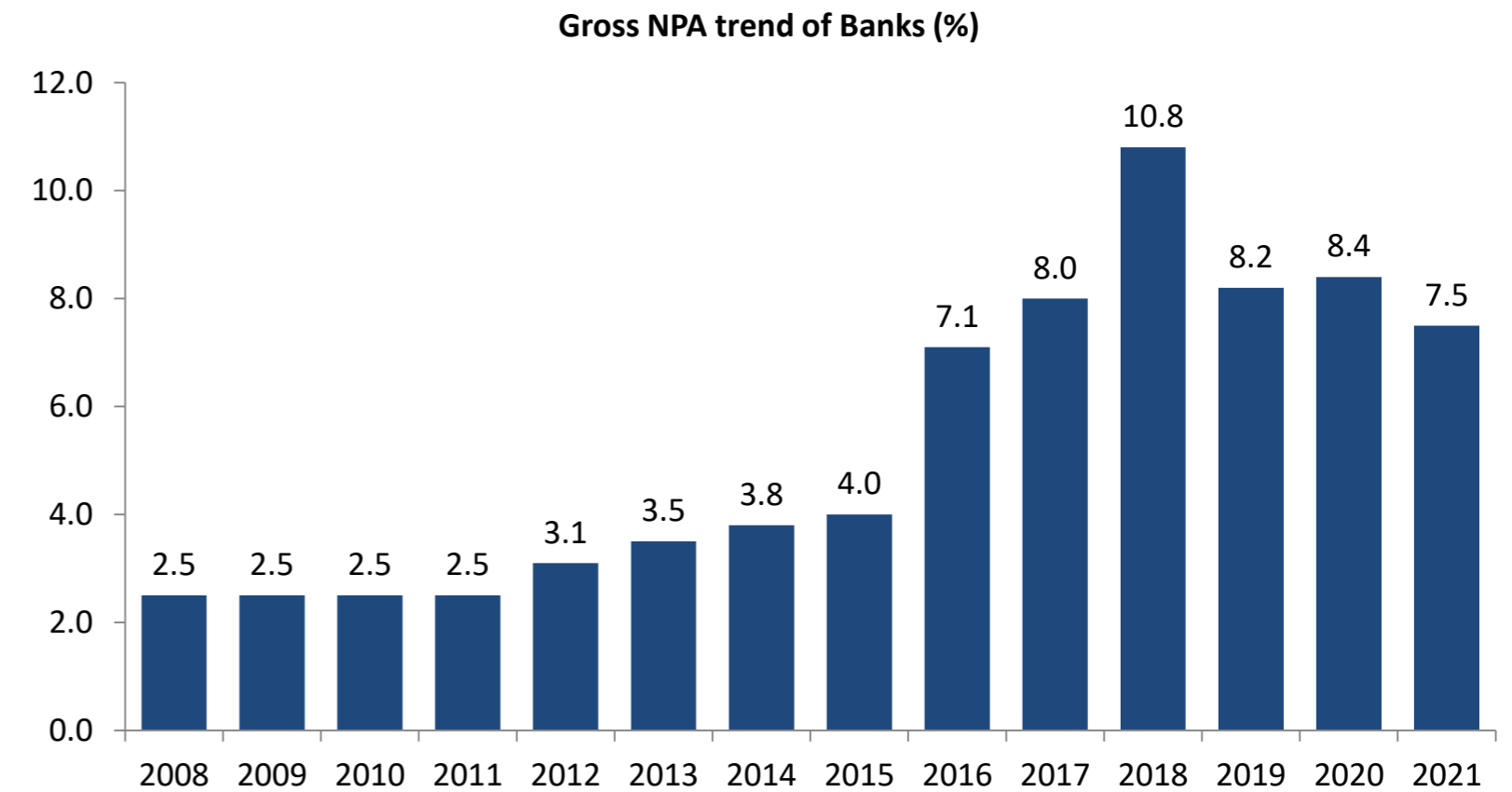
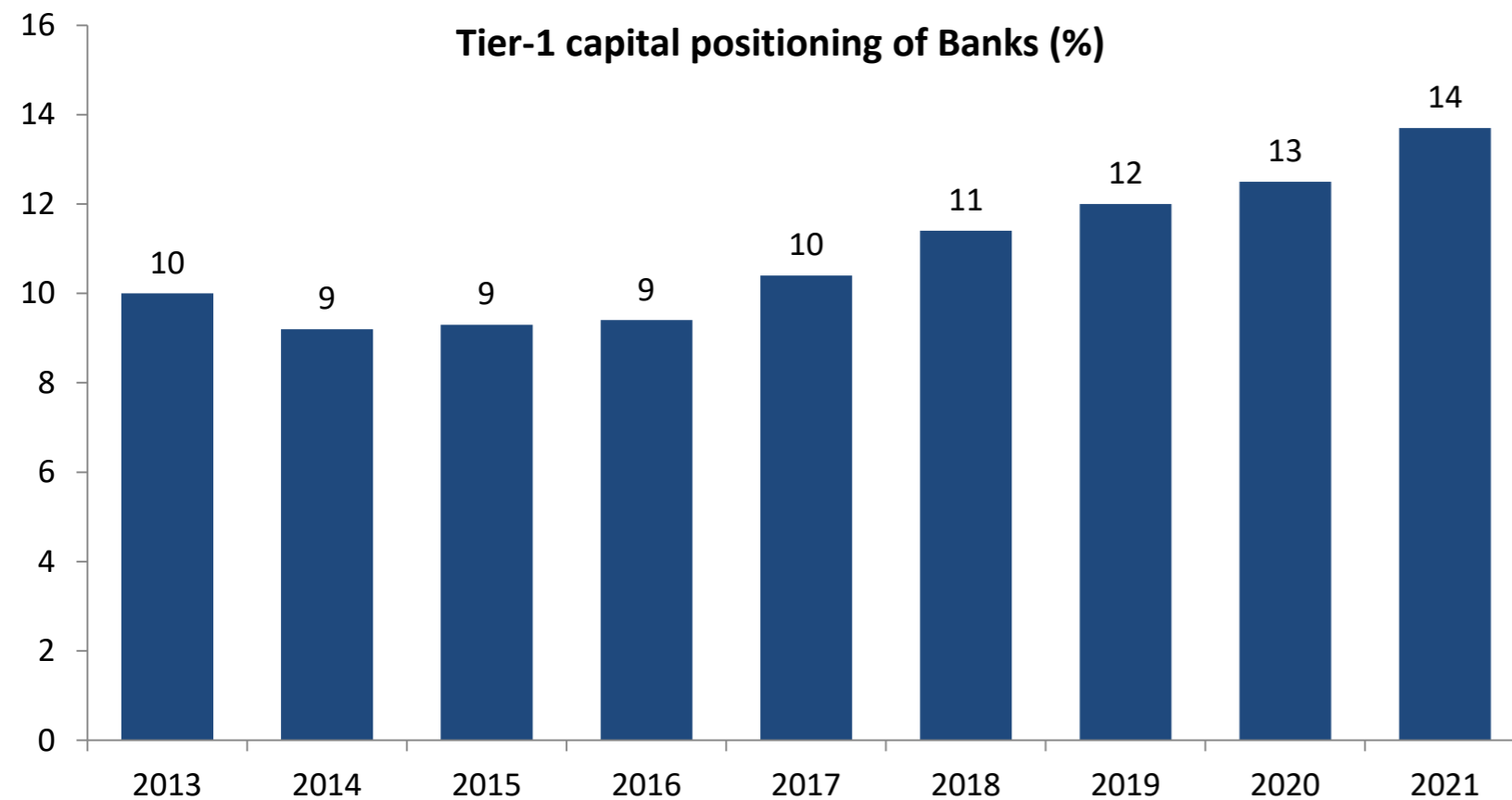


Indian e-commerce is expected to grow at a high pace resulting in a rapid increase in the online consumer count in the country



# Banking – Well capitalised, Improving asset quality

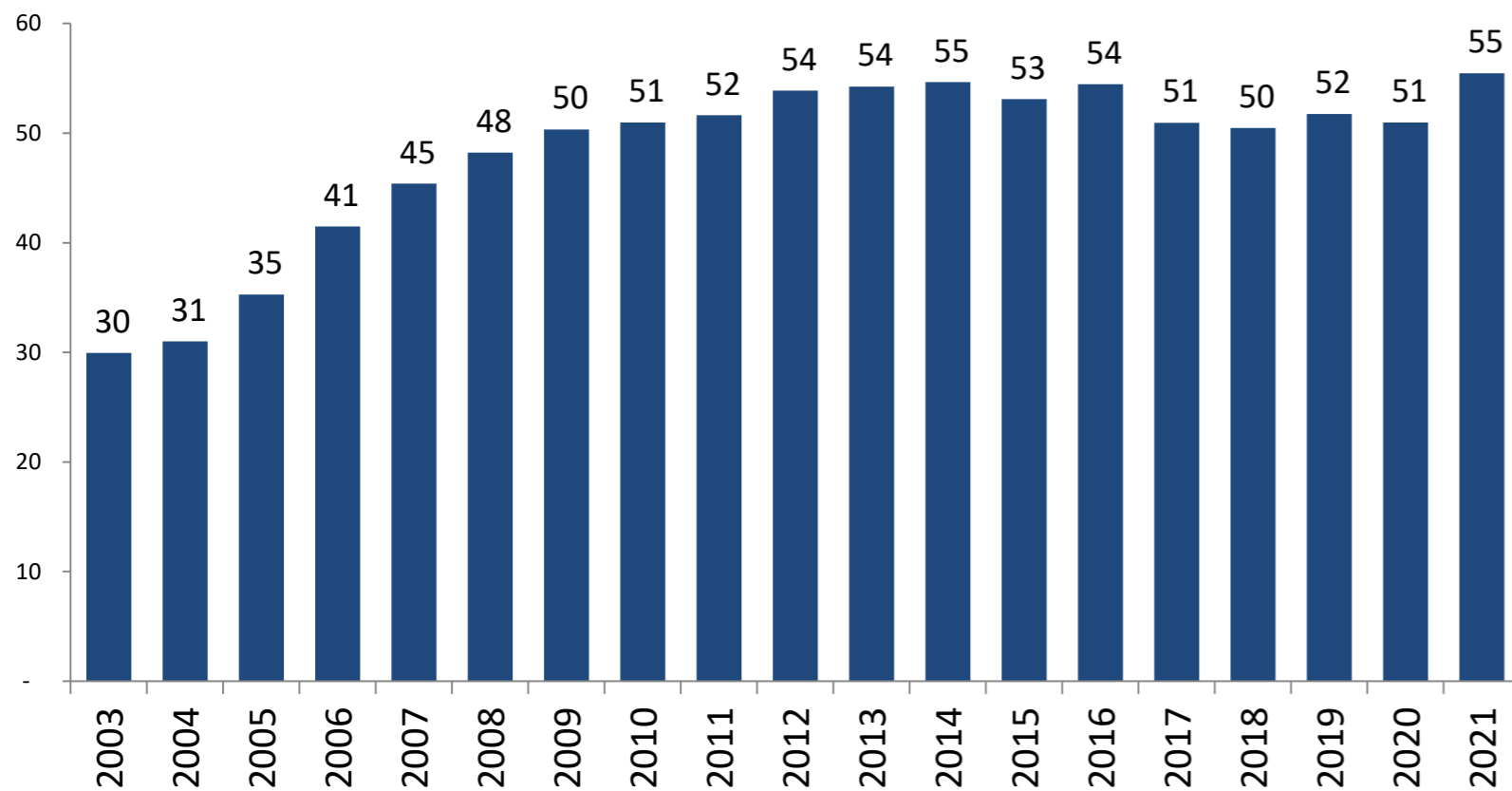
- ▶ Capital position of Indian banks have strengthened in the last few years with Tier 1 capital at 14% in FY21 (v/s regulatory 9.25%), thereby fortifying their balance sheet
- ▶ Significant reduction seen in the NPA levels from the peak of 2018 and also higher provisioning done on these bad loans.
-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



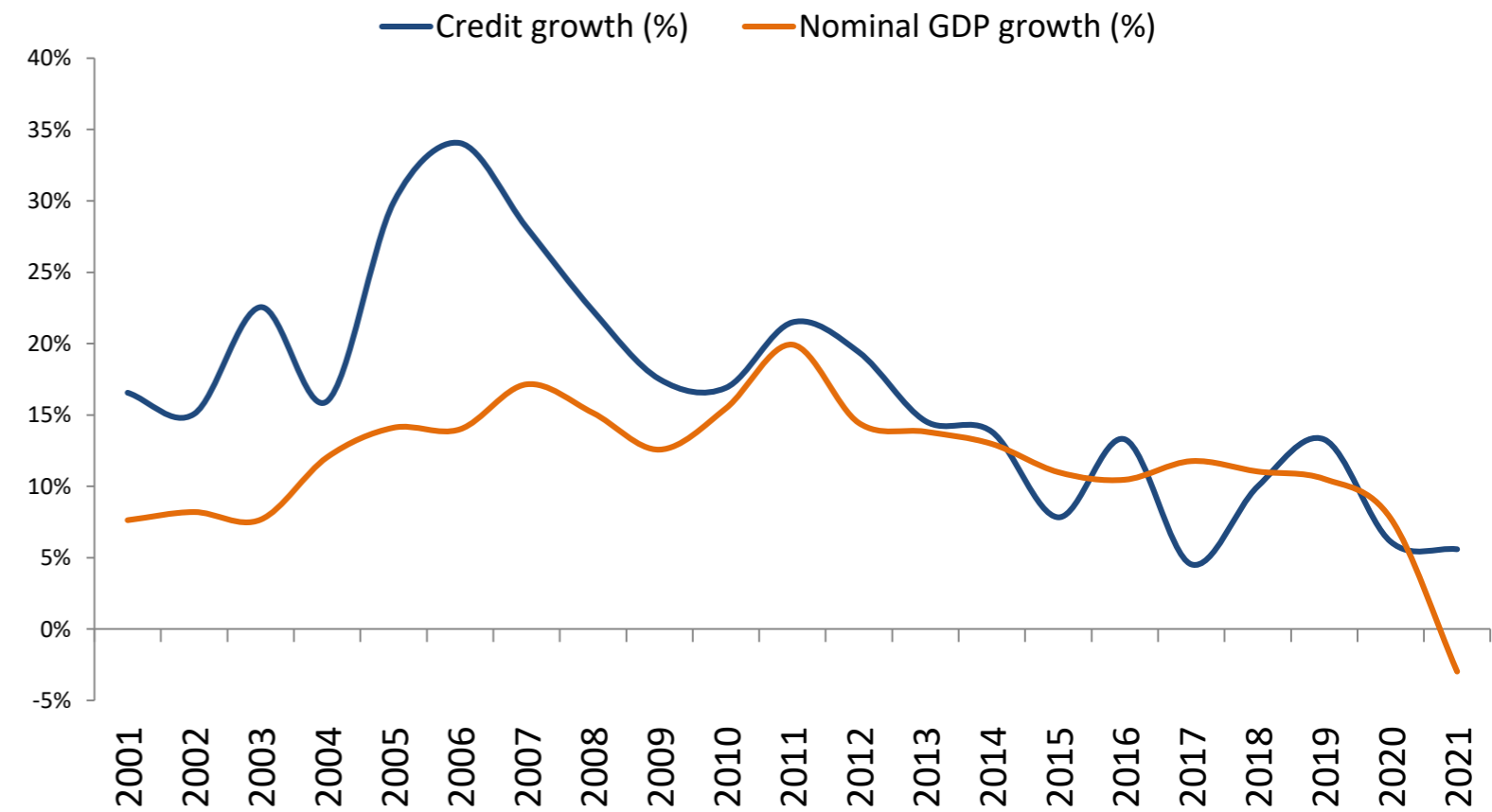
# Credit in India – Growing fast as penetration improves

- ▶ 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 (%)

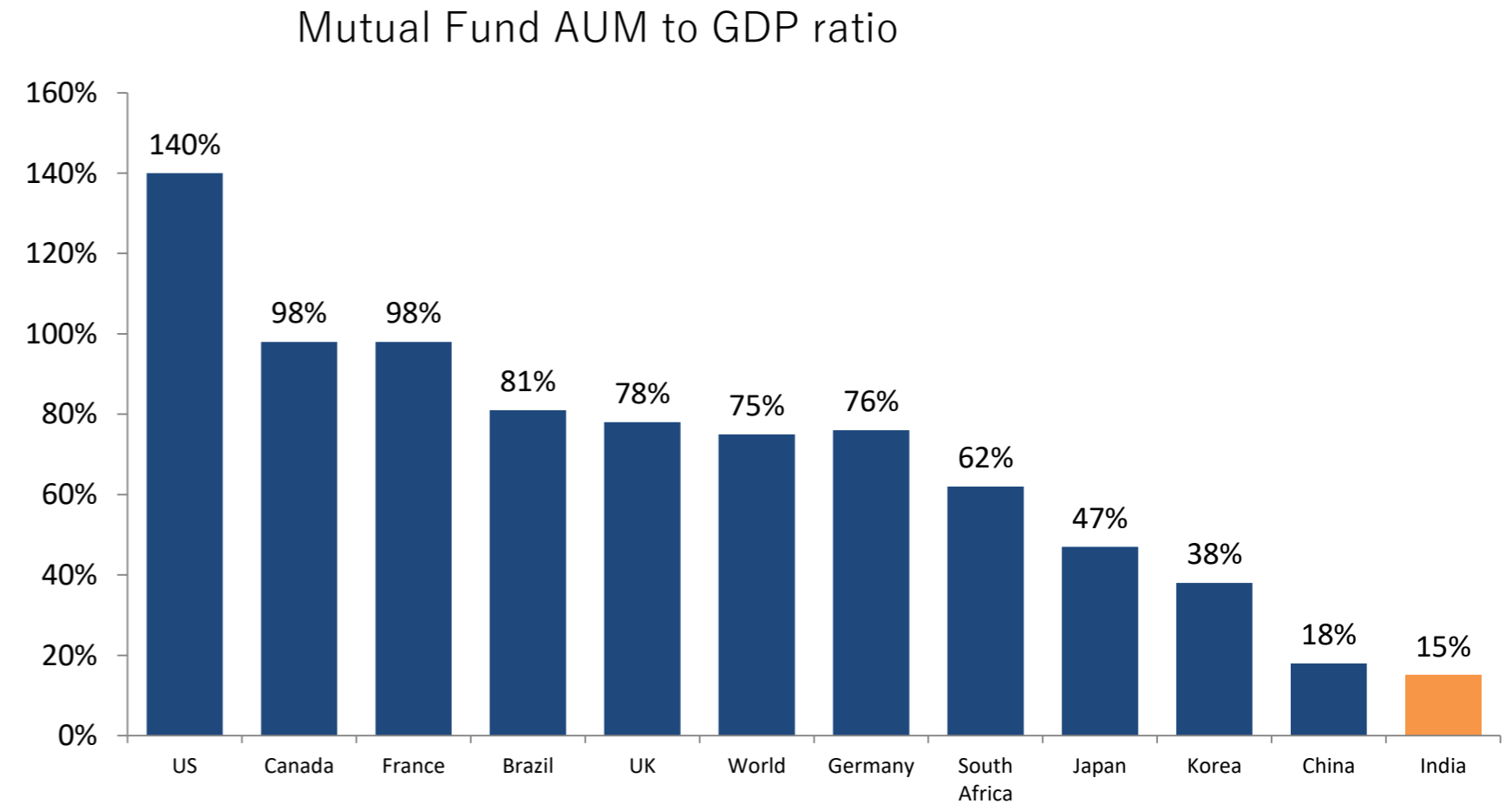
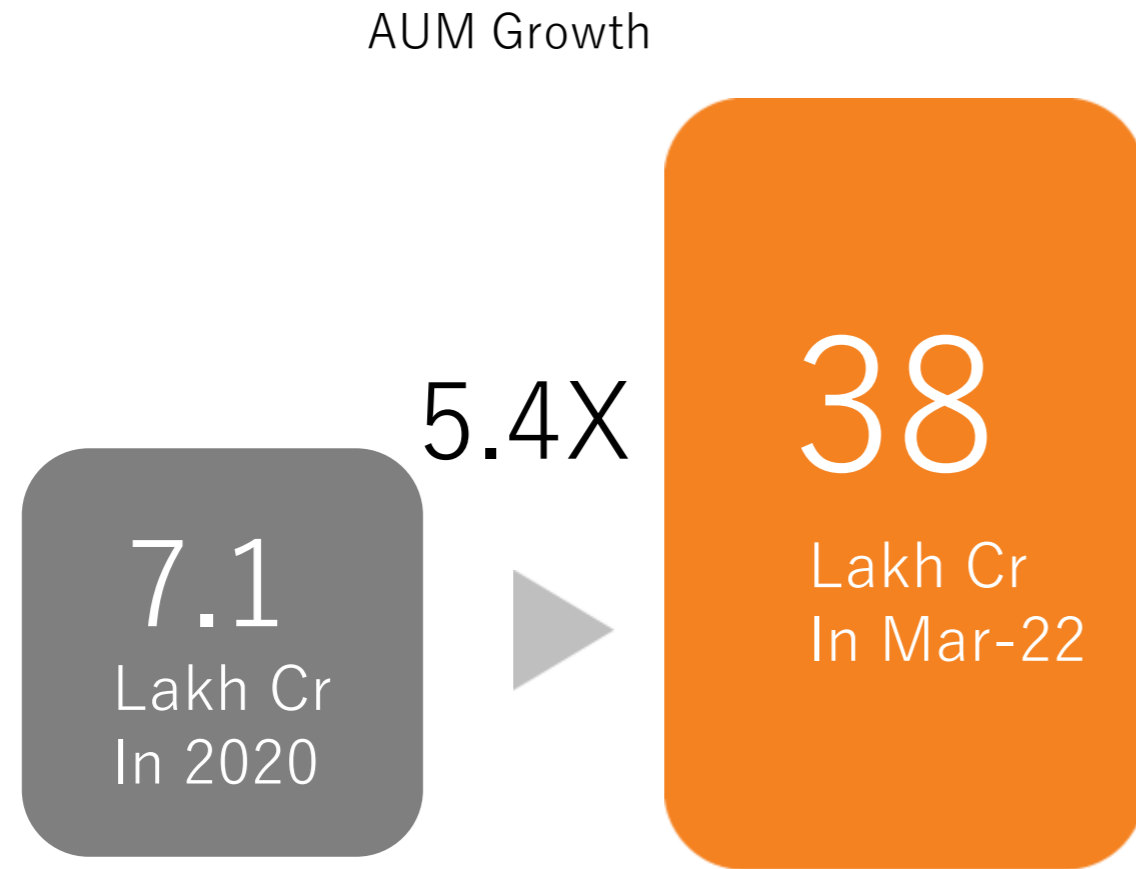


### Credit growth & Nominal GDP growth Trends



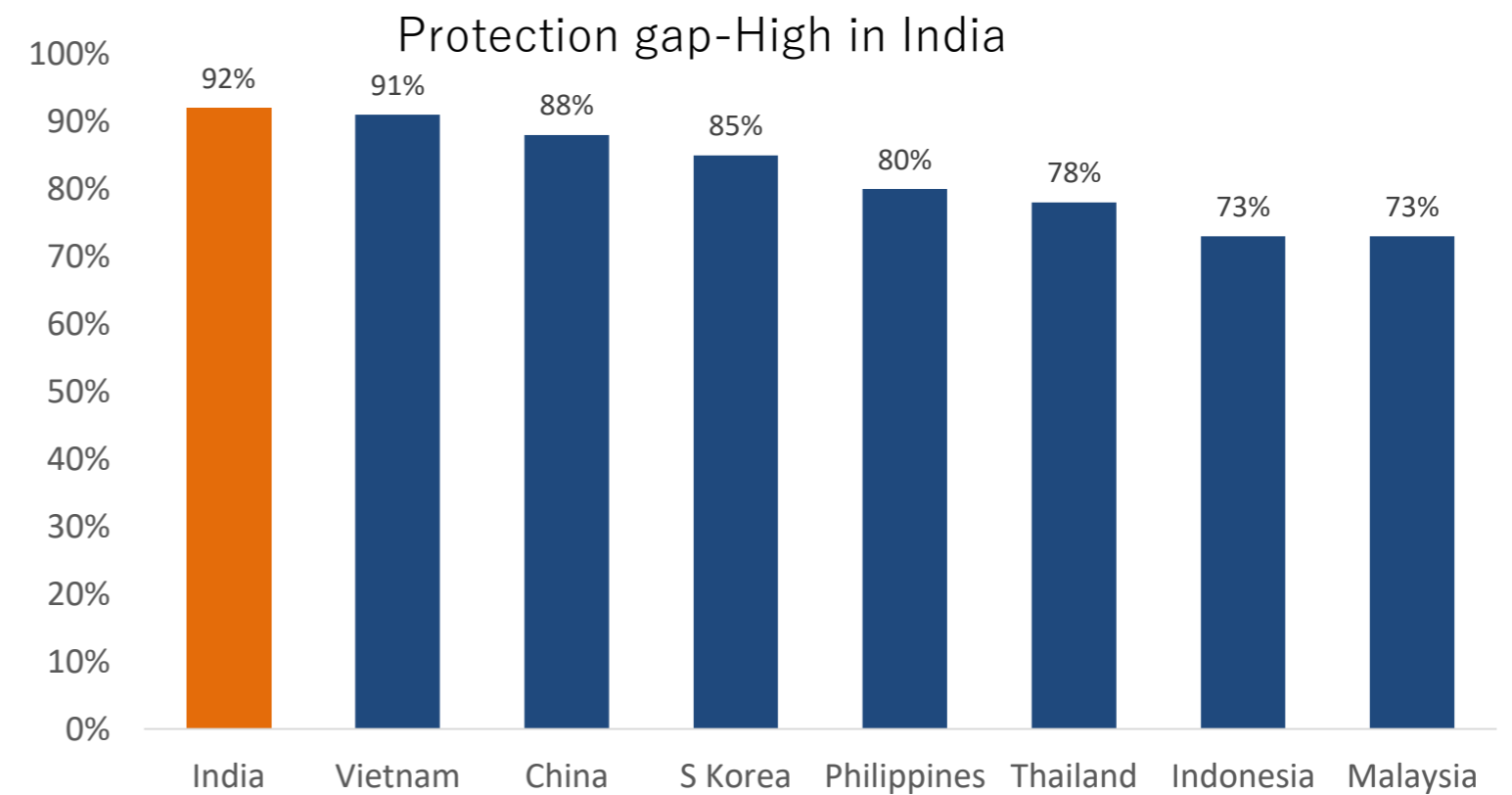
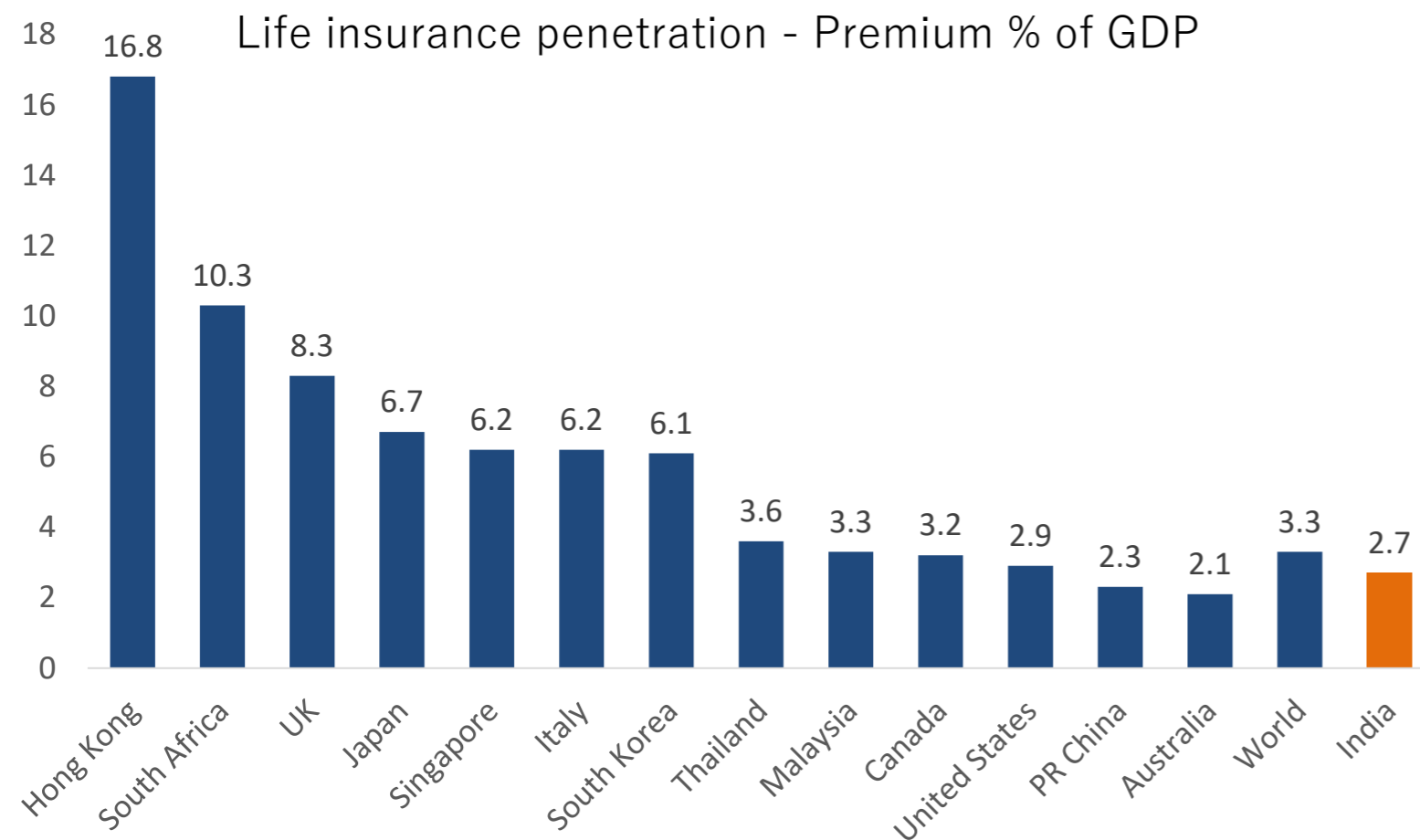
# Mutual Fund – Growing rapidly, but hugely underpenetrated

- ▶ 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

# 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 <sup>th</sup> 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



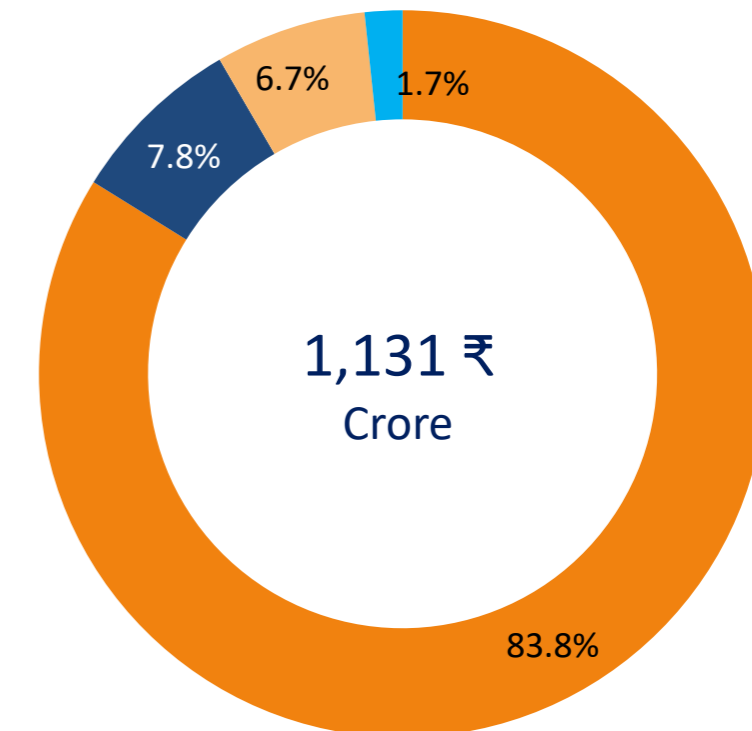
Very High Risk

## Fund Manager\*



Mr. Gaurav Kochar

## AUM of Fund

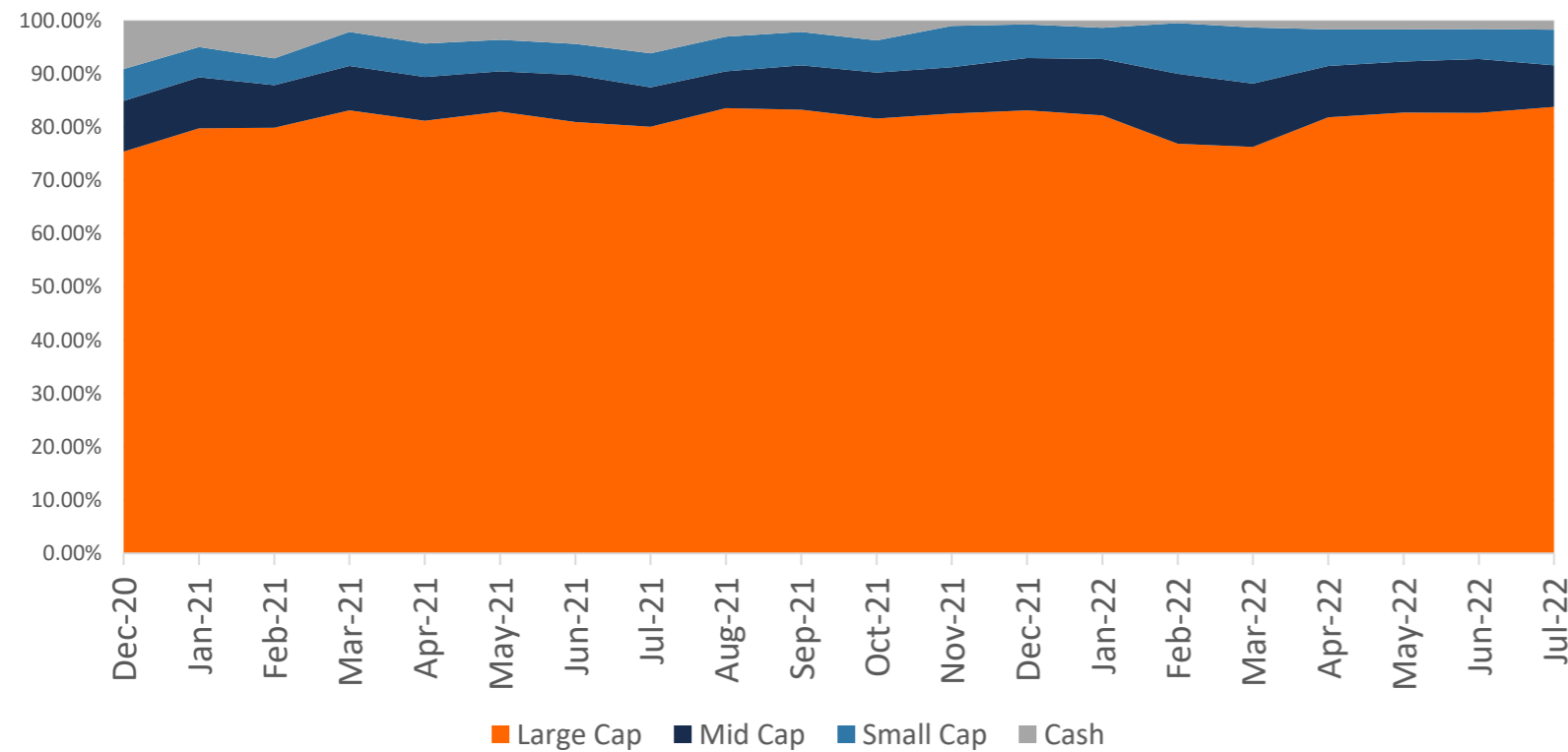


Large Cap Mid Cap Small Cap Cash

Source: Internal and AceMF, 29<sup>th</sup> July, 2022. \*Note: Update in the fund manager wef August 16, 2022., please follow the [Link](#) for addendum.

# Portfolio Attributes

## Historical Market Cap Allocation^



Number of Stocks	25
Top 3 Sector Holdings	96.79%
Top 5 Sector Holdings	98.33%

Portfolio Top Holdings	% Allocation
HDFC Bank Limited	19.96%
ICICI Bank Limited	19.55%
State Bank of India	9.85%
Axis Bank Limited	9.32%
Housing Development Finance Corporation Limited	6.91%
SBI Life Insurance Company Limited	4.07%
The Federal Bank Limited	4.07%
Kotak Mahindra Bank Limited	3.96%
SBI Cards and Payment Services Limited	2.93%
Bajaj Finserv Limited	2.76%
Others	14.95%
Cash & Other Receivables	1.67%

Source : ACEMF Data as on 29<sup>th</sup> July, 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>.





## Sector Allocation and Commentary

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- ▶ BFSI sector has always been considered as 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. (Refer Slide 5 & 6)

- ▶ 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?

- ▶ We believe banking sector is well past its asset quality issue and it is now primed to capture the economic growth in coming years.
- ▶ 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 underweight on NBFCs and prefer only a select NBFCs with strong parentage, access to capital and liabilities, available at reasonable valuations.
- ▶ The life insurance industry may see a steady progress over the next few years with FY22 already seen better growth in volumes (Annual Premium Equivalent) 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.



# Fund Performance & Risk-o-meter

# Fund Performance

Period	MABFSF	Scheme Benchmark*	Additional Benchmark**
1 Year	5.68%	6.71%	10.75%
Since Inception	14.00%	12.83%	15.99%
Value of Rs. 10,000 invested (in Rs.) Since Inception	12,381	12,175	12,736
NAV as on 29-July-2022	12.381		
Index value as on 29-July-2022		Nifty Financial Services Index (TRI)	21,449.71
		S&P BSE Sensex (TRI)	86,713.60
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

# Product Label and Disclaimer

Statutory Details: Trustee: Mirae Asset Trustee Company Private Limited; Investment Manager: Mirae Asset Investment Managers (India) Private Limited (AMC); Sponsor: Global Investments India (Private) 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](http://www.miraeassetmf.co.in)

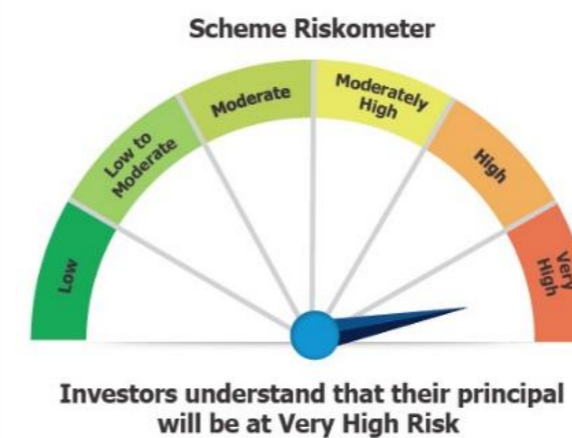
**Please consult your financial advisor or mutual fund distributor before investing**

## 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

