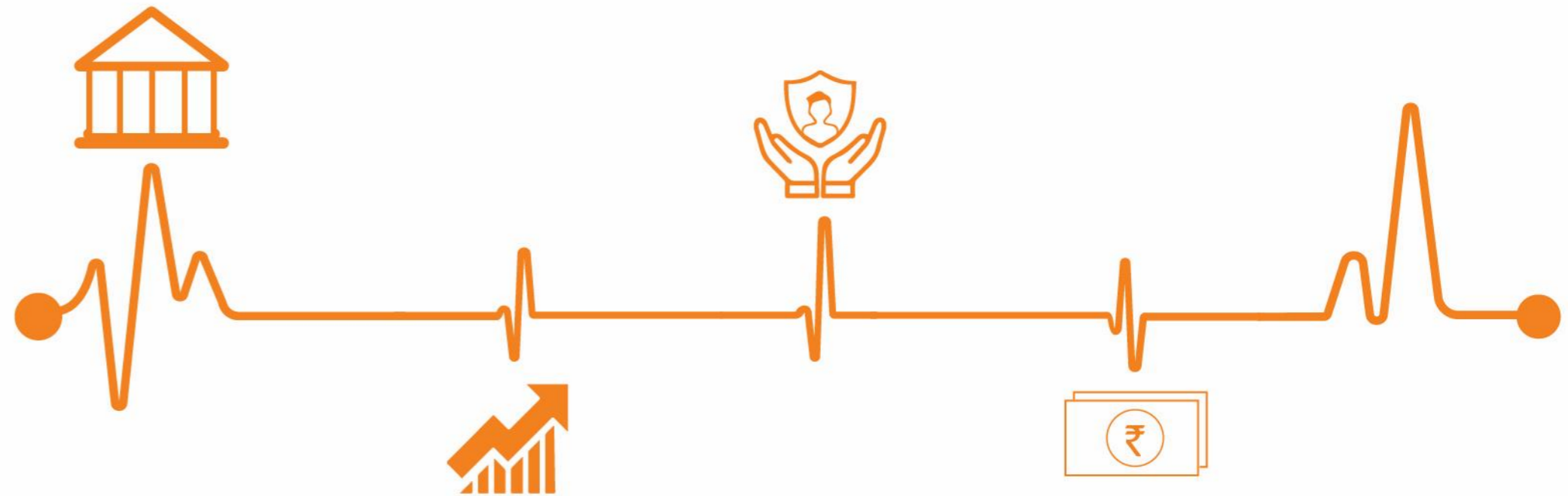


Mirae Asset Banking and Financial Services Fund

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

Lifelines
we may bank on

March 2024





What other sectors form part of the BFSI theme?

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

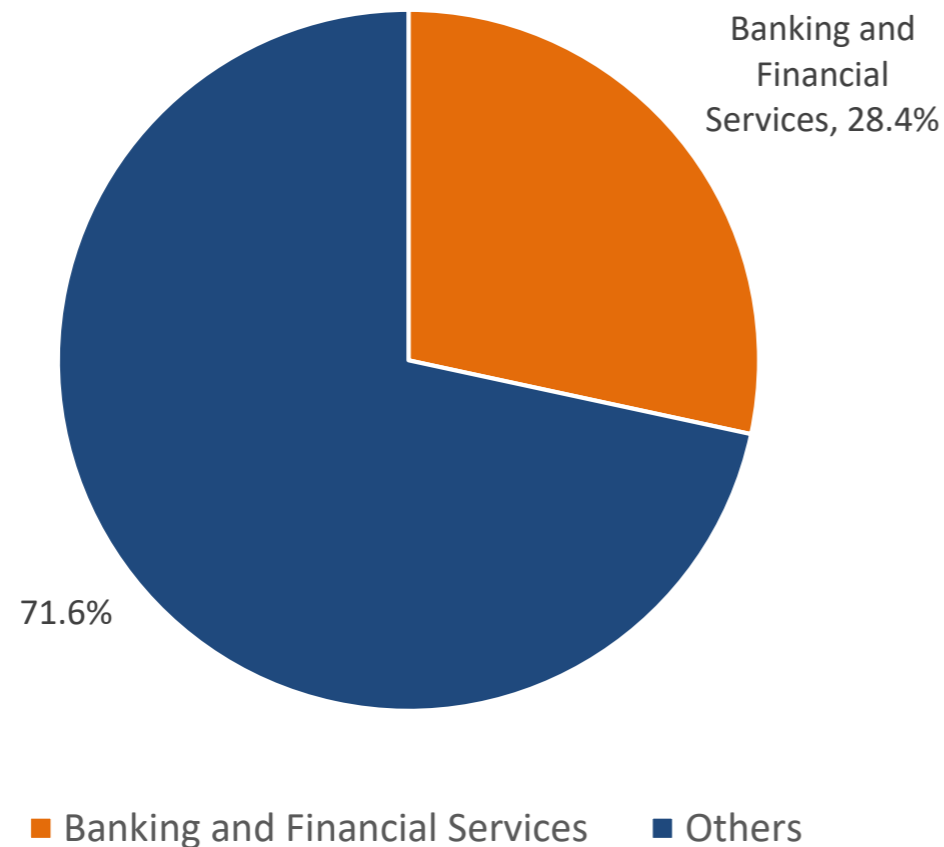
Insurance: Life / Non life Insurance

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 28.38% of the total market capitalization of top 100 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 2023, Latest Available data

Financial Services Index Split (%)

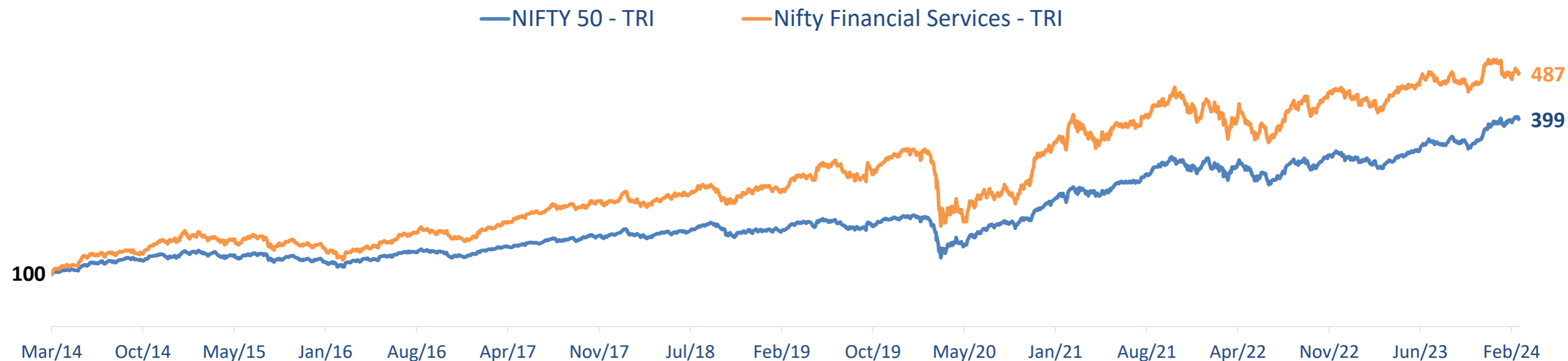
Basic Industry	Percentage
Private Sector Bank	67.45
Non Banking Financial Company (NBFC)	9.90
Public Sector Bank	8.67
Life Insurance	4.59
Financial Institution	3.41
Investment Company	2.61
General Insurance	1.32
Asset Management Company	1.14
Housing Finance Company	0.59
Exchange and Data Platform	0.33

Source: NSE, Data as on 29th February 2024

BFSI sector has been a driver for the markets

- ▶ Historically, Banking & Financial services sector has outperformed broad market indices when economy grows (please refer the below table)
- ▶ As economy has slowly opened up, it has shown some recovery from the March 2020 bottom levels

Performance in the last 10 Year (Rebased to 100)

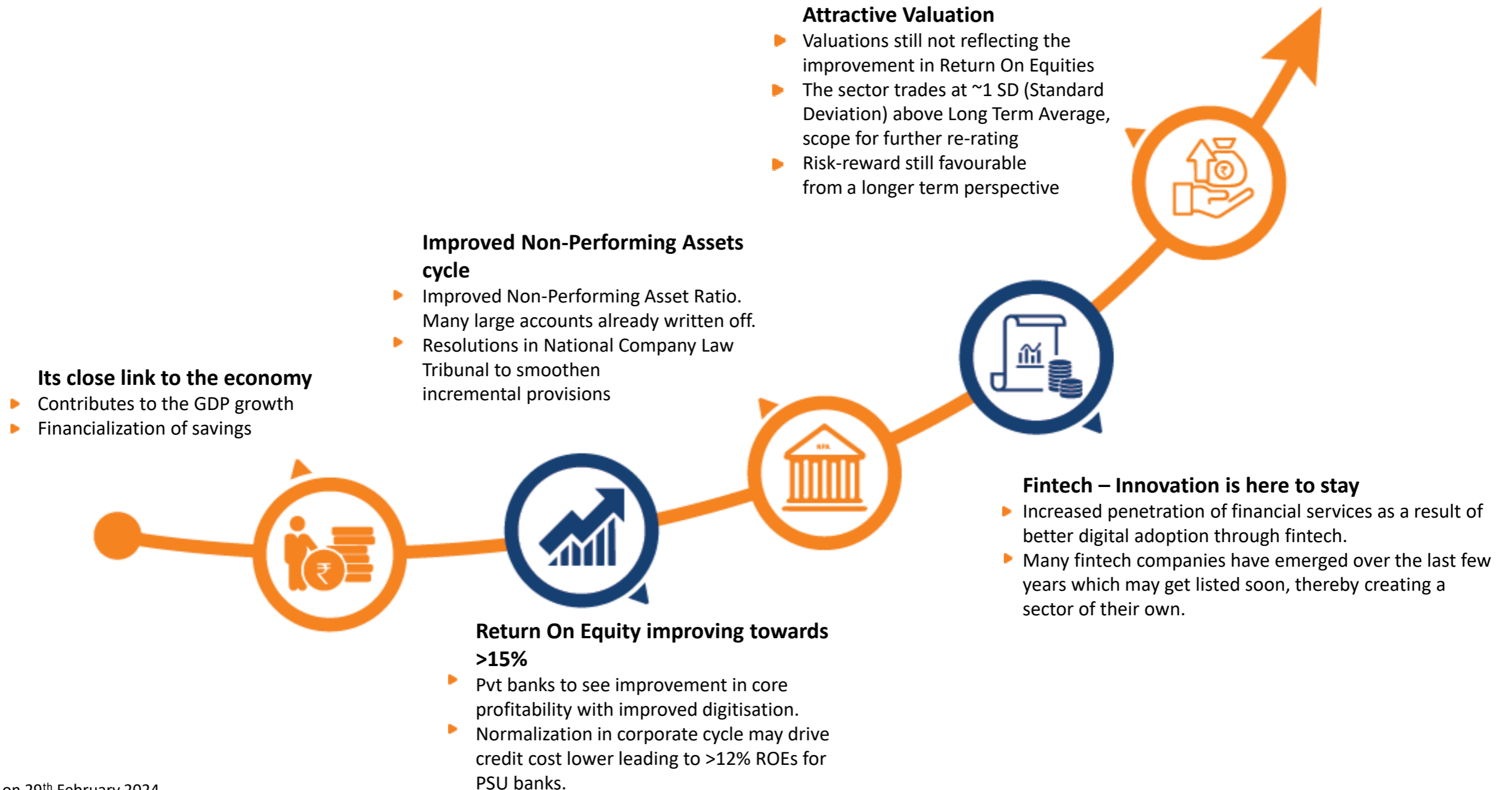


Returns (%)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FYTD 2024
NIFTY 50 Index (TRI)	8.72	19.02	-8.85	20.55	27.85	11.76	16.40	-25.31	79.73	18.83	-0.58	28.08
Nifty Financial Services Index (TRI)	15.80	12.62	-13.65	34.07	45.85	17.85	23.56	-25.05	76.18	8.38	4.24	14.12



Why should one look at investing in BFSI theme now?

Why Banking & Financial Services Now?



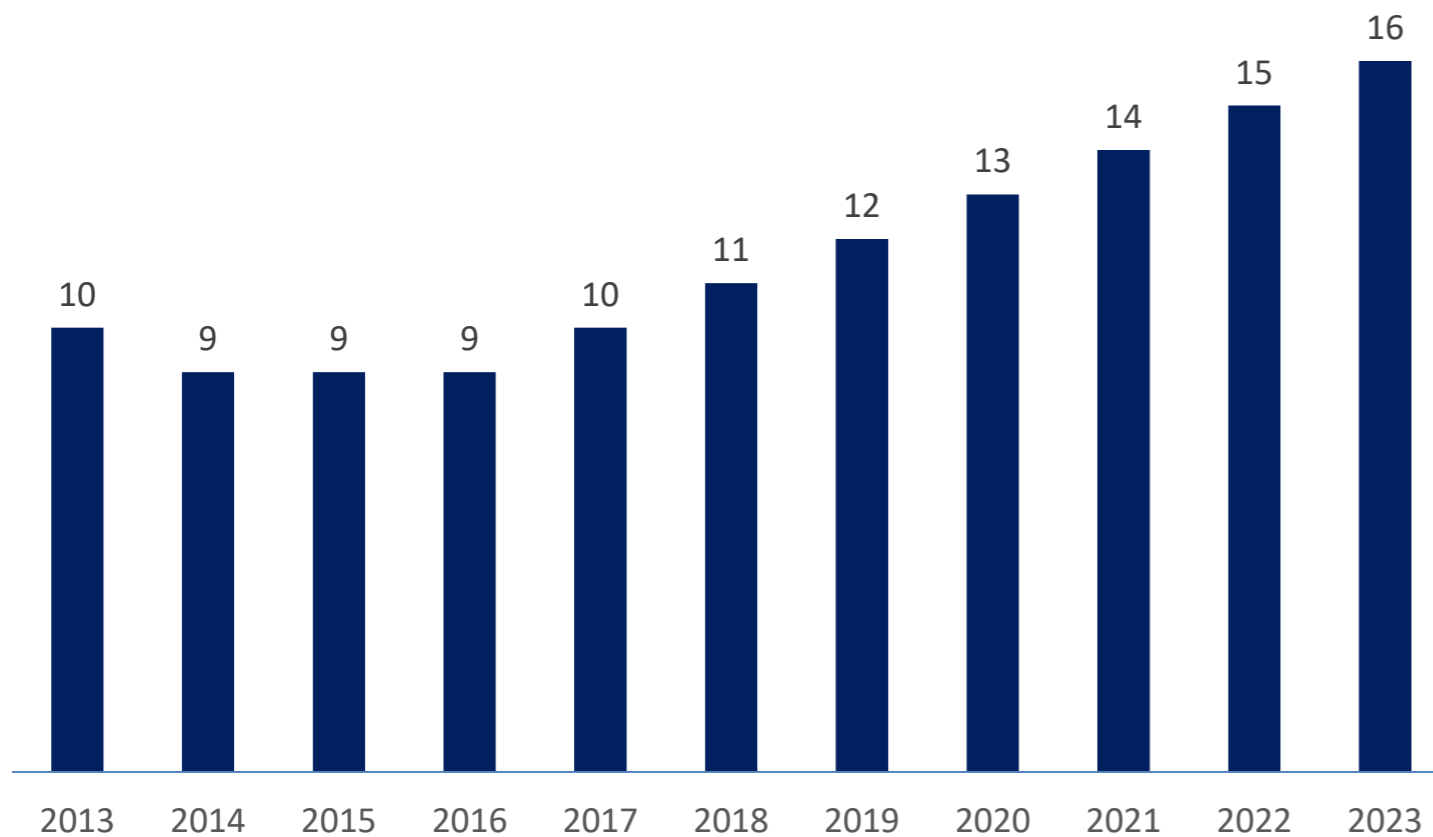


What are the long term drivers of the BFSI sector?

Banking – Well capitalised, Improving asset quality

- ▶ Capital position of Indian banks have strengthened in the last few years with Tier 1 capital at ~16% in FY23, 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

Tier-1 capital positioning of Banks (%)

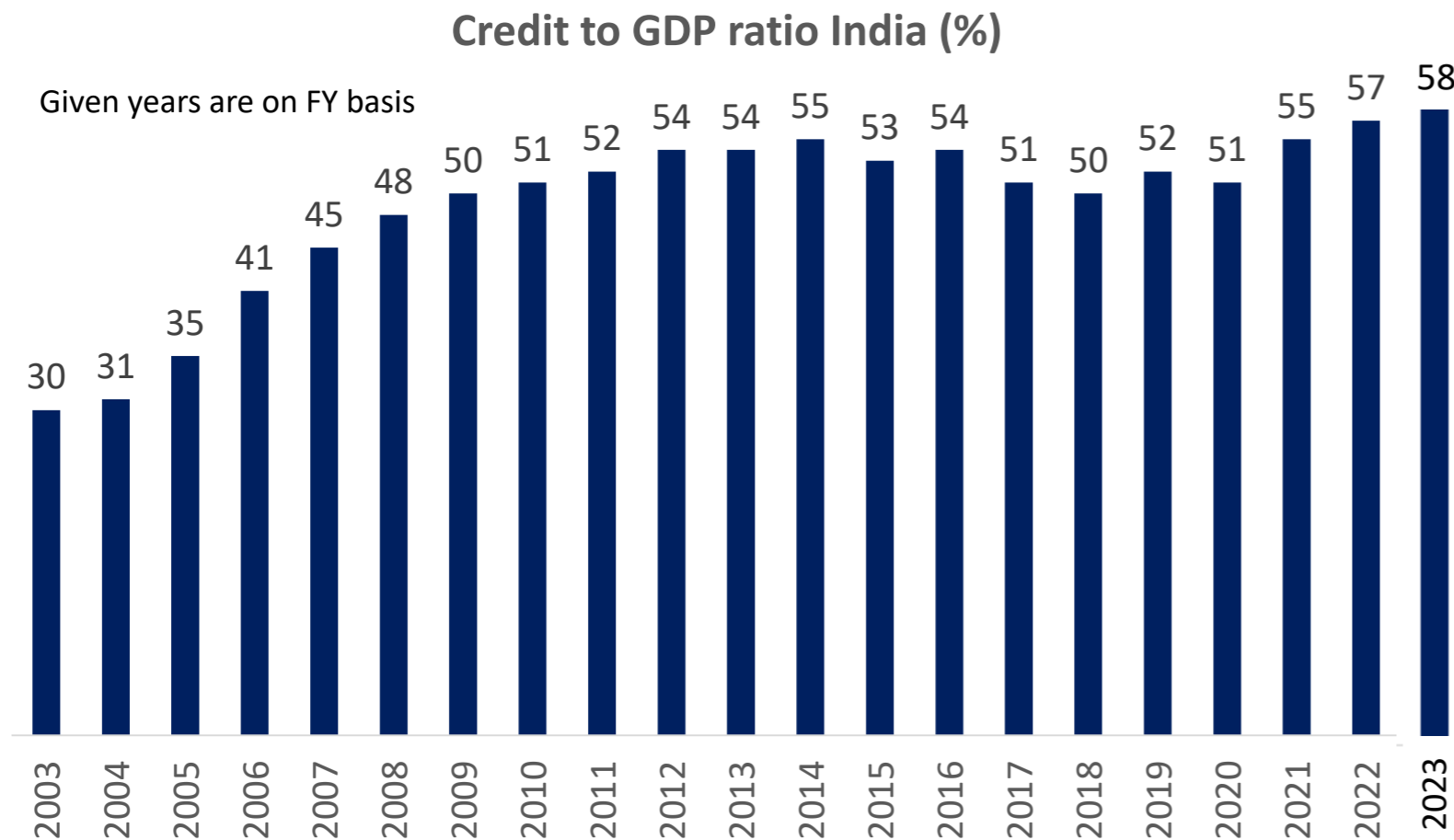


Gross NPA trend of Banks (%)

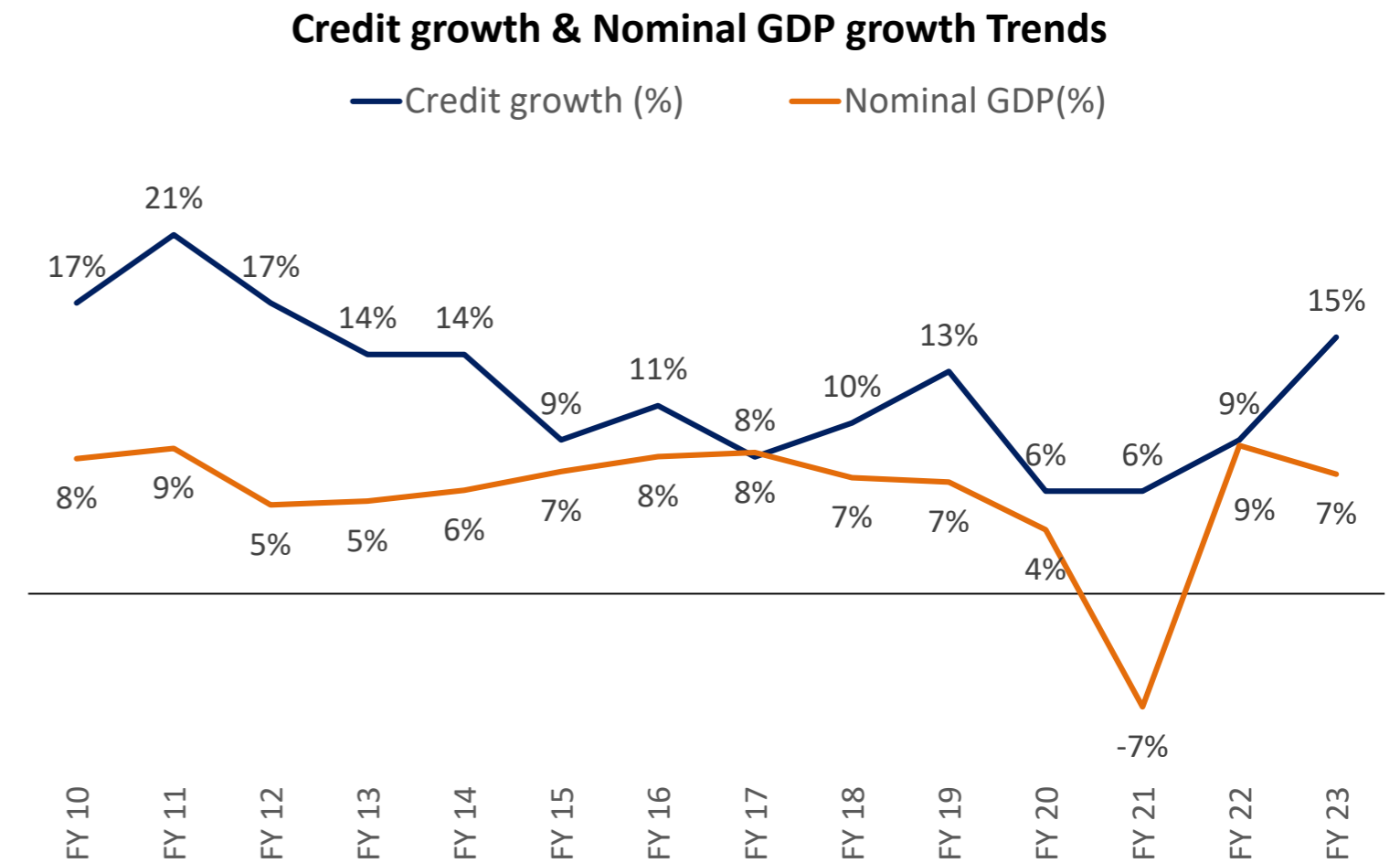


Credit in India – Growing fast as penetration improves

- ▶ 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










Source: BIS, SCO, RBI. Latest data available is for FY23, FY23 from 01 April 2022 to 31 March 2023.
Latest Available data



Source: RBI. Latest data available in April 2023 as on FY23 , FY23 from 01 April 2022 to 31 March 2023

Market Penetration across financial products is very low

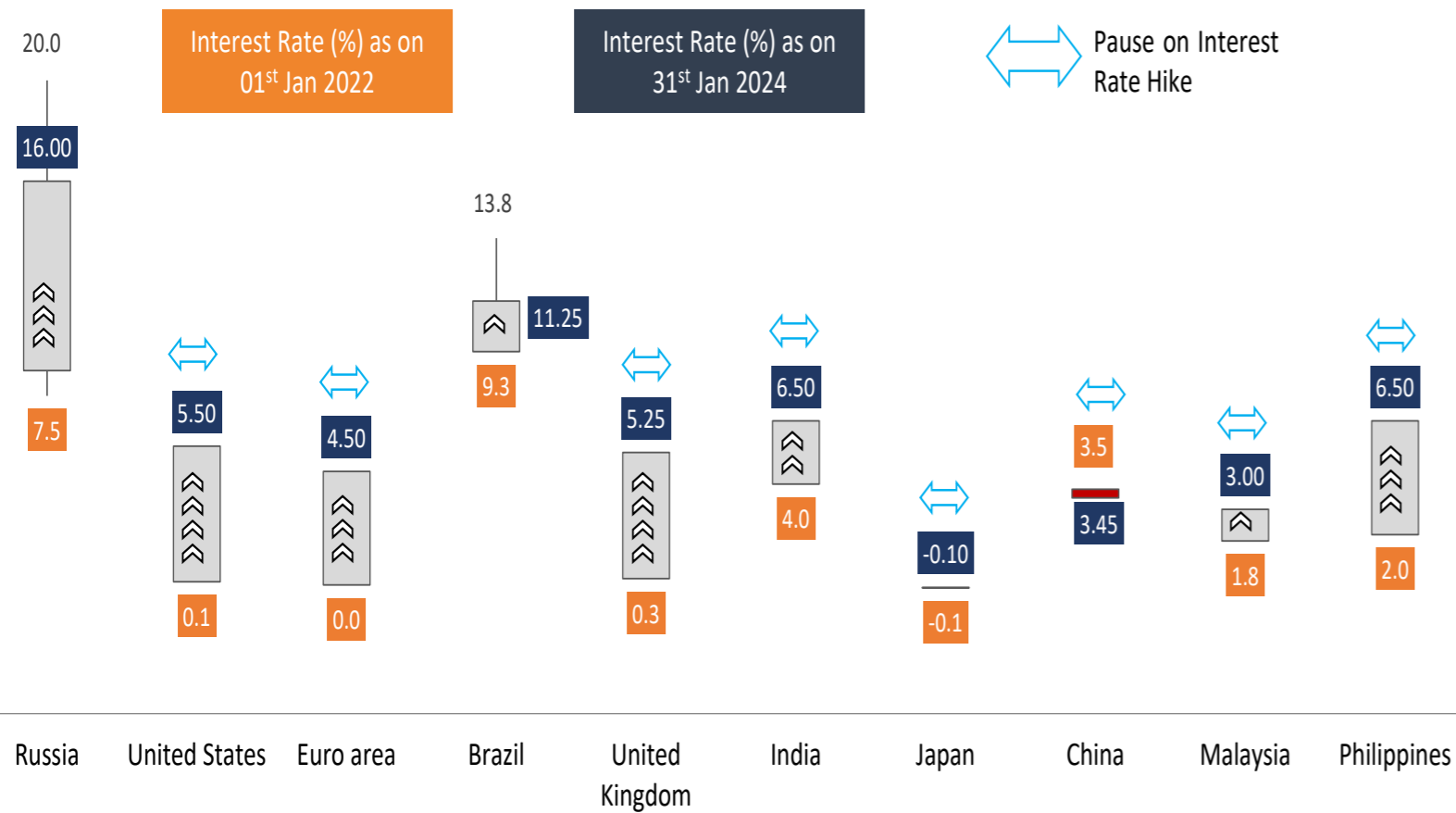
Country	Credit to GDP (%)	Mortgage Penetration to GDP(%)	Life Insurance Premium to GDP (%)	Mutual Fund AUM to GDP (%)
India 	56.7	11.0	3.2	15.8
Brazil 	87.0	NA	2.1	79.9
South Africa 	67.3	18.0	10.0	61.5
China 	219.7	18.0	2.1	18.0
Korea 	224.5	31.0	5.8	37.7
USA 	153.9	52.0	2.6	140.2
UK 	154.0	68.0	8.9	77.6



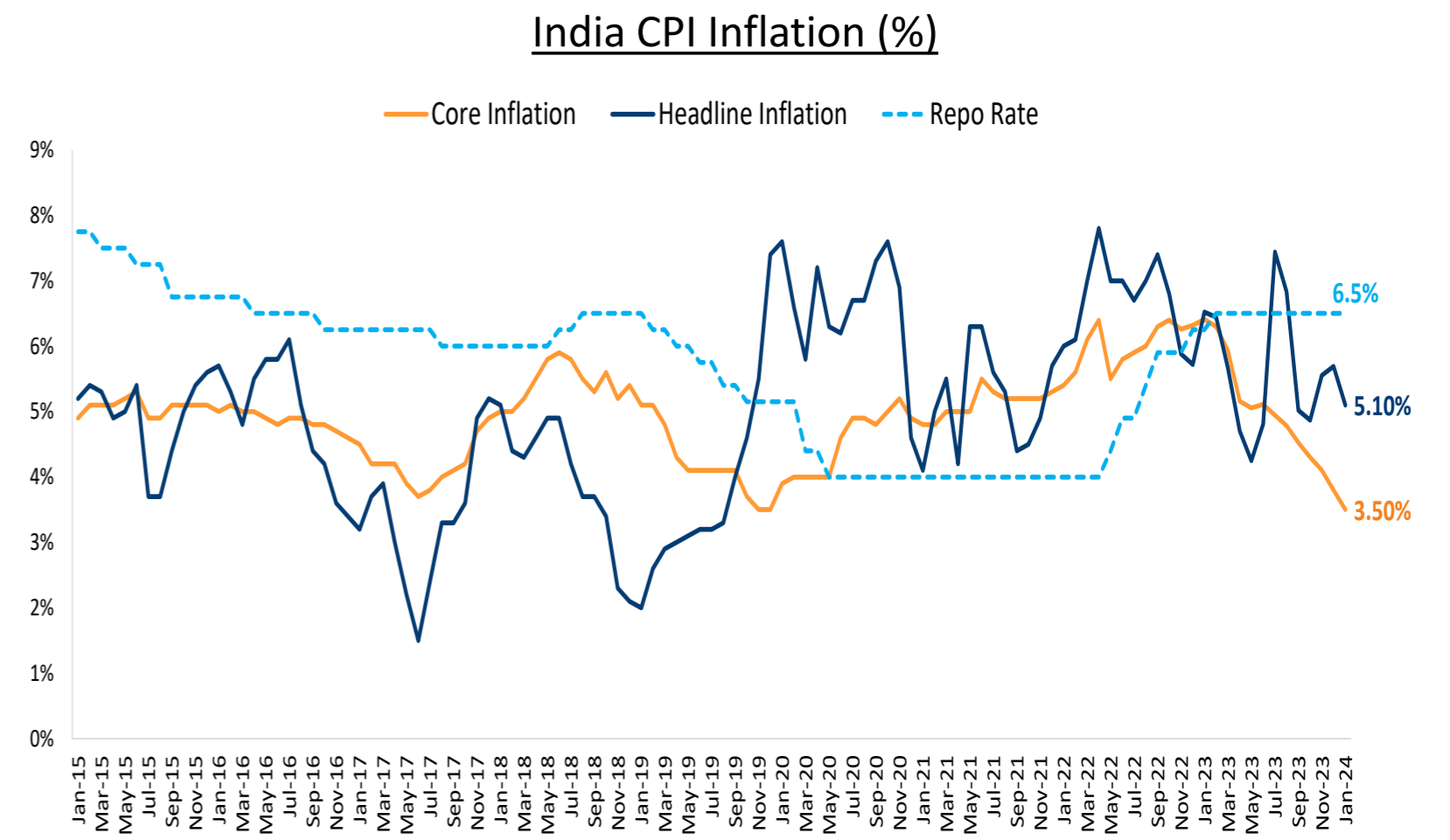
Outlook on interest rates from hereon?

Interest Rate Outlook

The steepest rate hikes ever – coming to an end



Improving Inflation trajectory – indicate supportive policy in 2024



Source: BIS, Euro Area is Eurozone defined as per the European Union, RBI MPC Data, Data as on Jan 2024, Latest available data

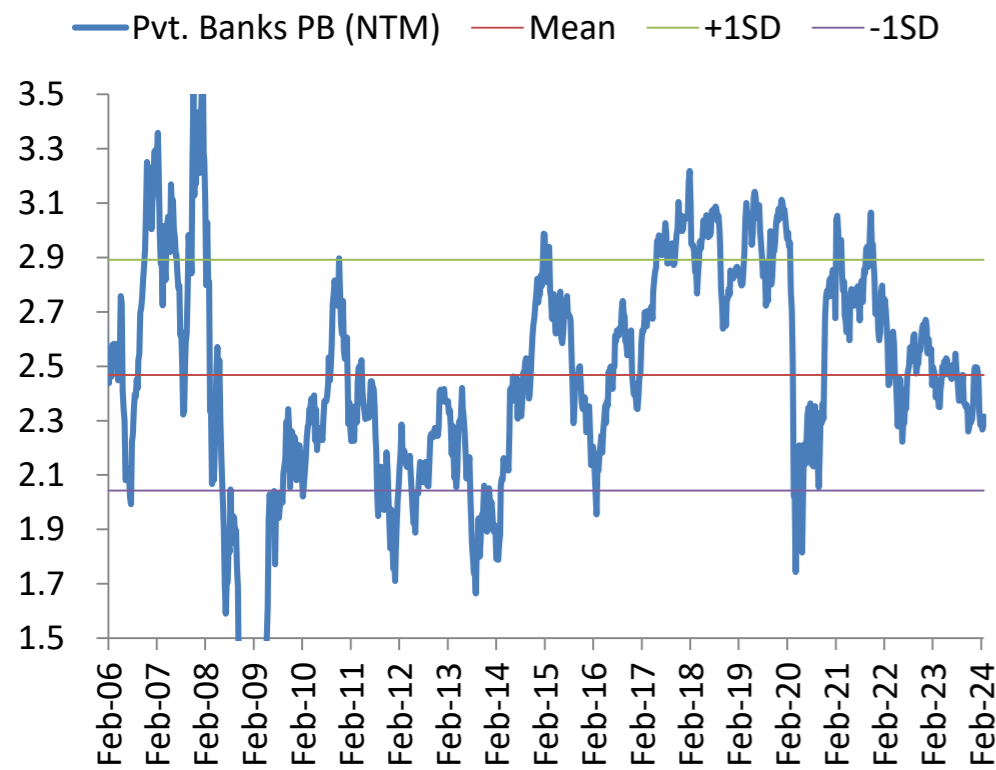


How are valuations vs historical average and what are the drivers?

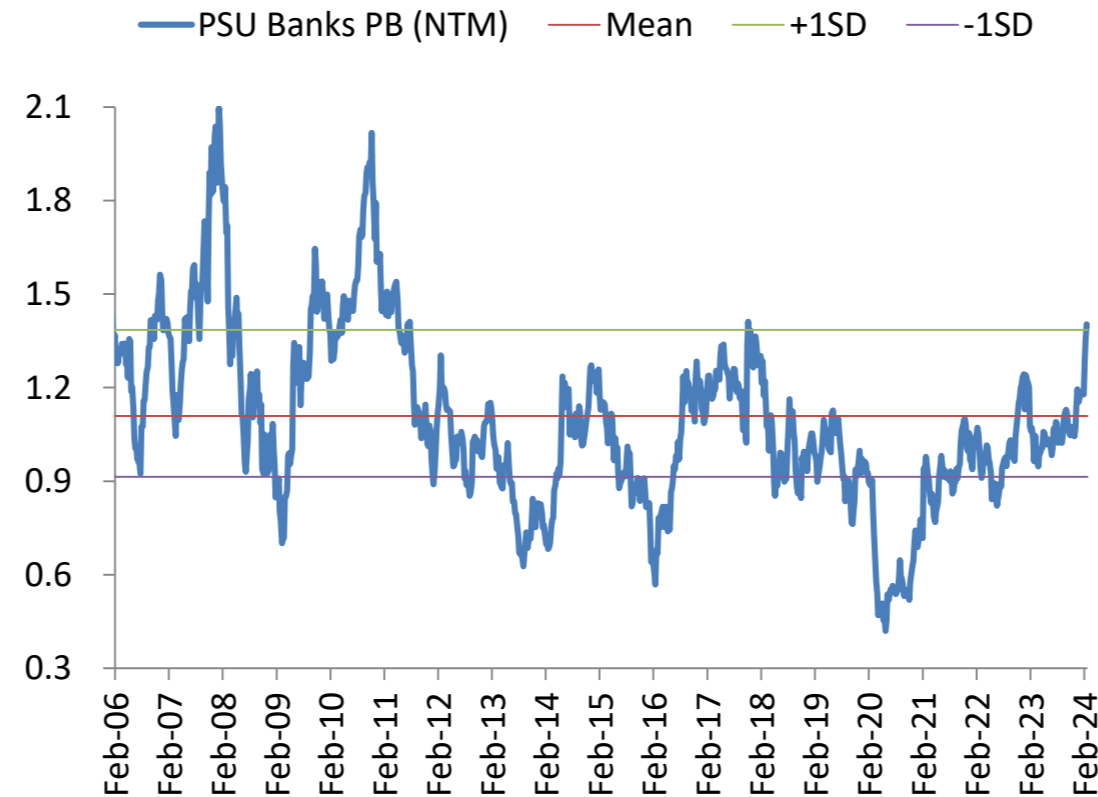
Valuation remains reasonable from a longer term perspective

- ▶ While Private banks are trading below their long term average valuations, PSU Banks are trading above their long term average valuations and NBFCs are trading very close to mean. From hereon, growth & earnings outlook will drive stock performance.

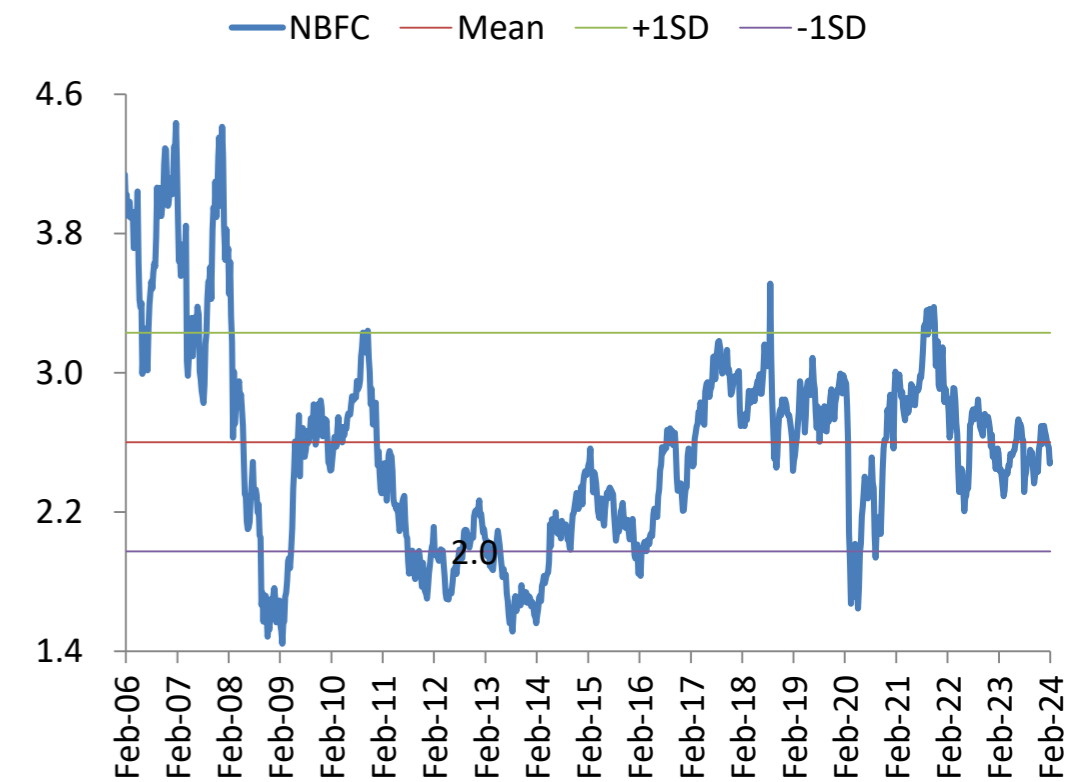
Current Valuation of Private Bank Index



Current Valuation of PSU Banks Index



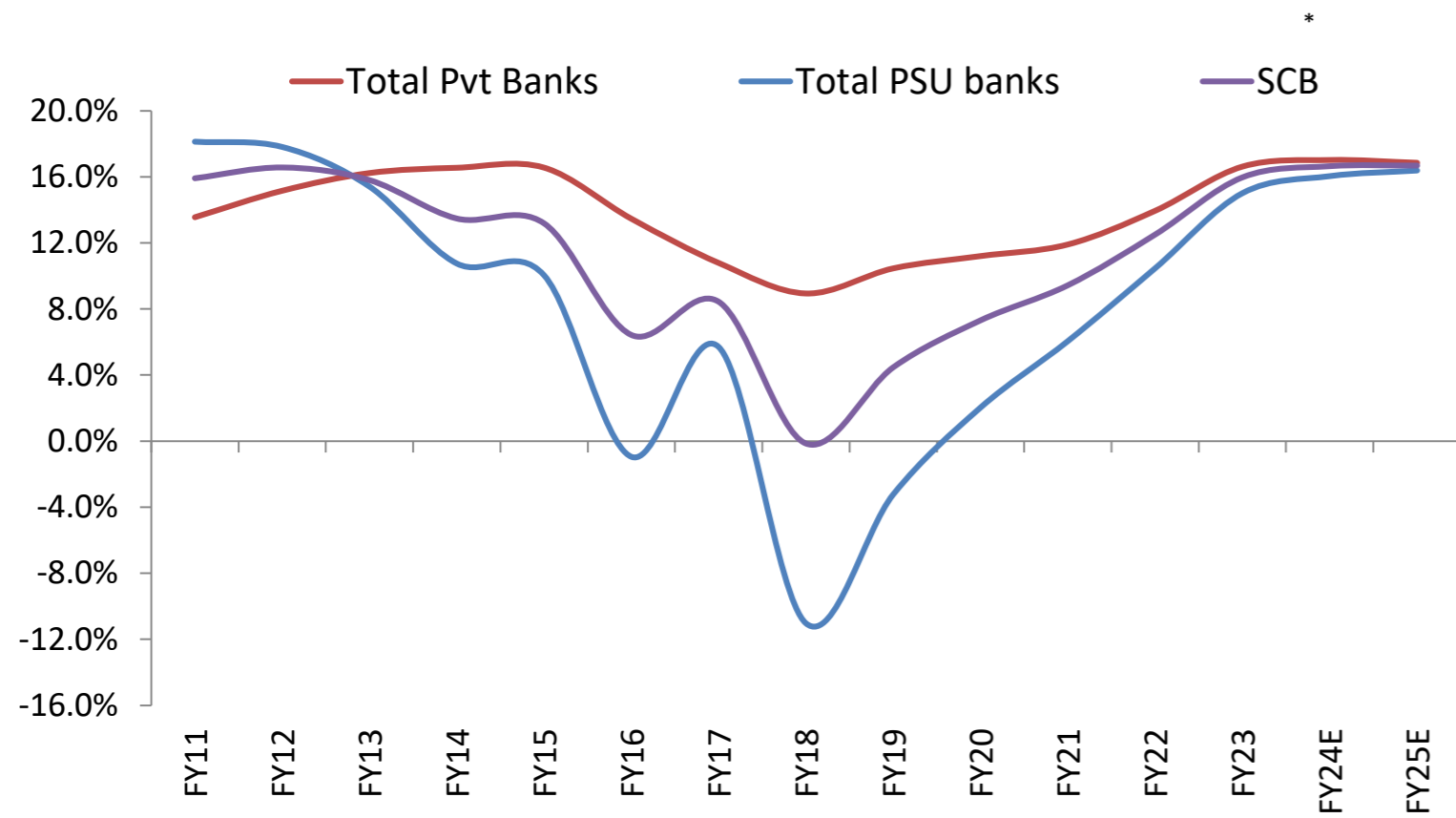
Current Valuation of NBFCs



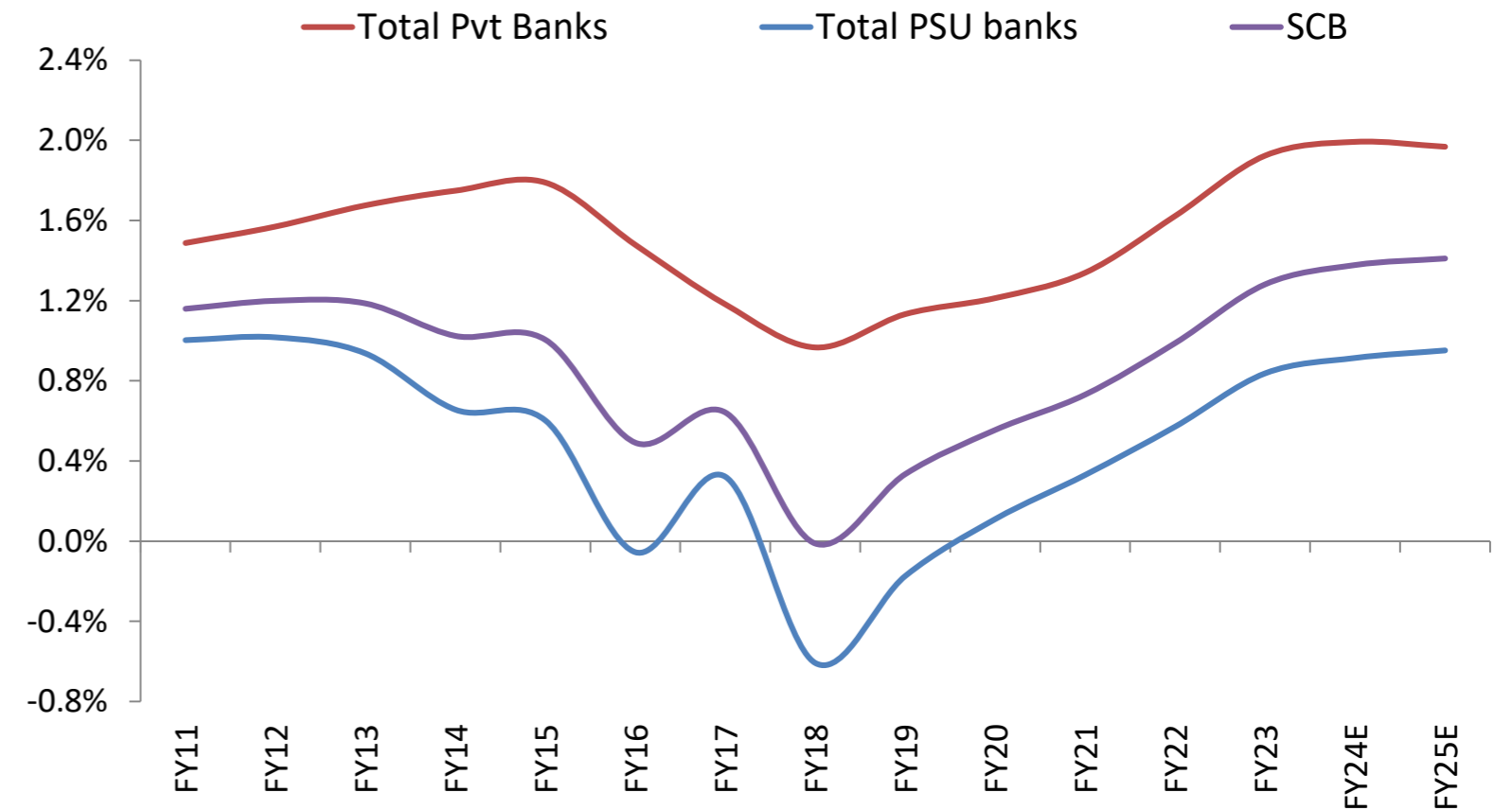
Valuation driven by improvement in ROA/ROE

- ▶ 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 Public Sector Undertaking (PSU) banks.

ROE trajectory improving towards ~17% for banks



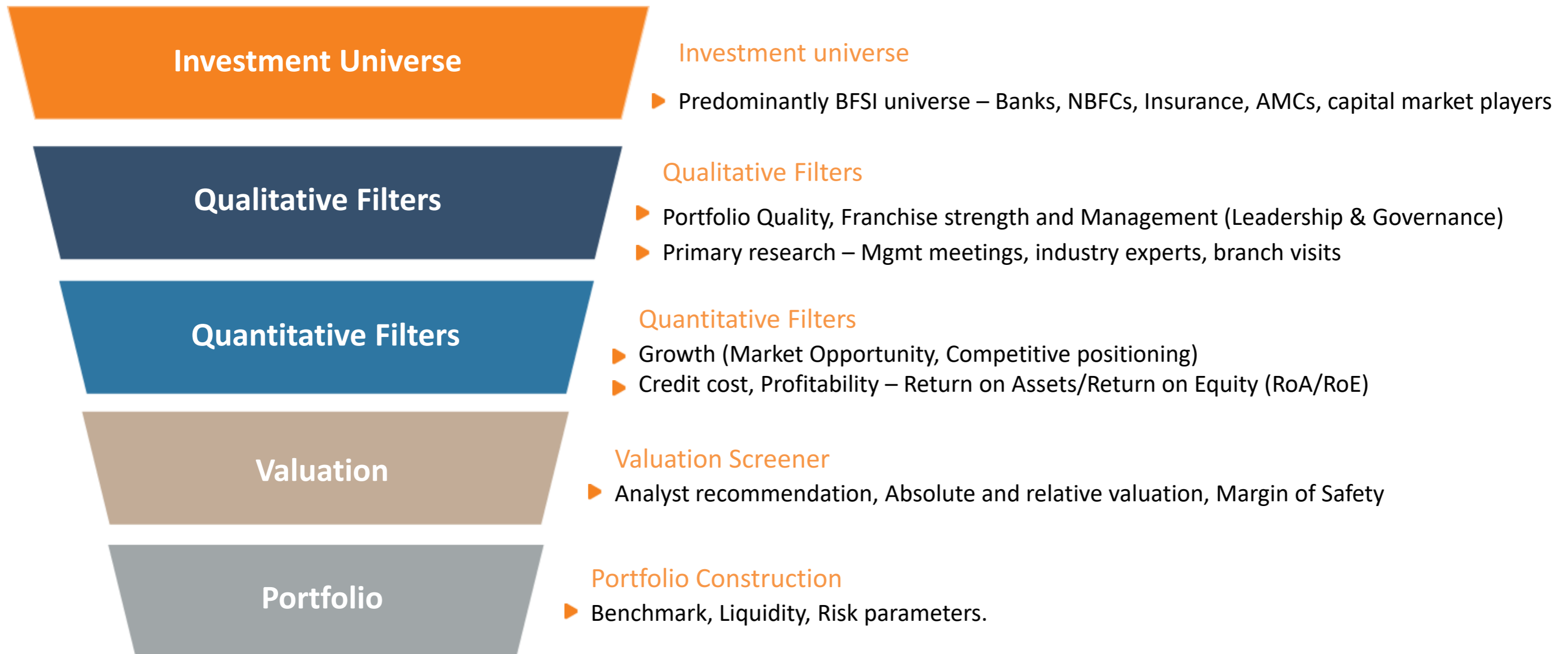
ROAs inching closer to 1.4% for the sector





Investment philosophy & process

Investment Process & investment philosophy





Portfolio construction & 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.

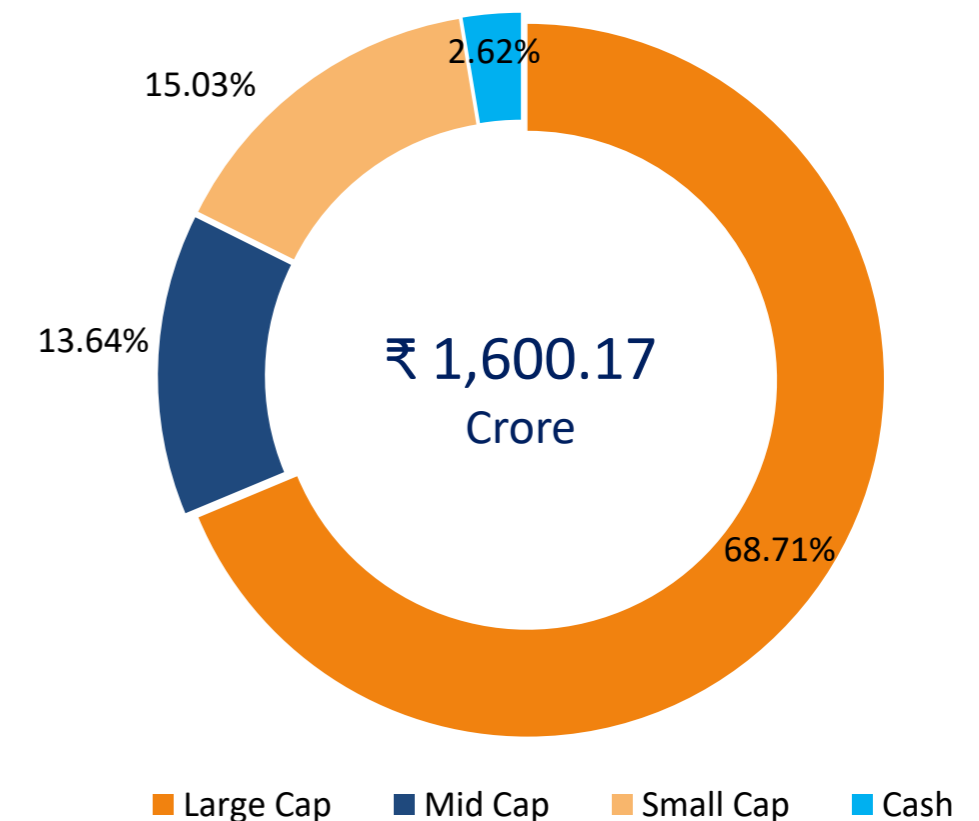
<u>Fund Inception</u>	<u>Category</u>	<u>Benchmark</u>
11 th Dec, 2020	Banking & Finance Fund	Nifty Financial Services Index (TRI)
<u>Goal</u>	<u>Ideal Investment Horizon</u>	<u>Risk Profile</u>
 Wealth Creation	 3+ Years	 Very High Risk

Fund Manager*



Mr. Gaurav Kochar

Net AUM of Fund

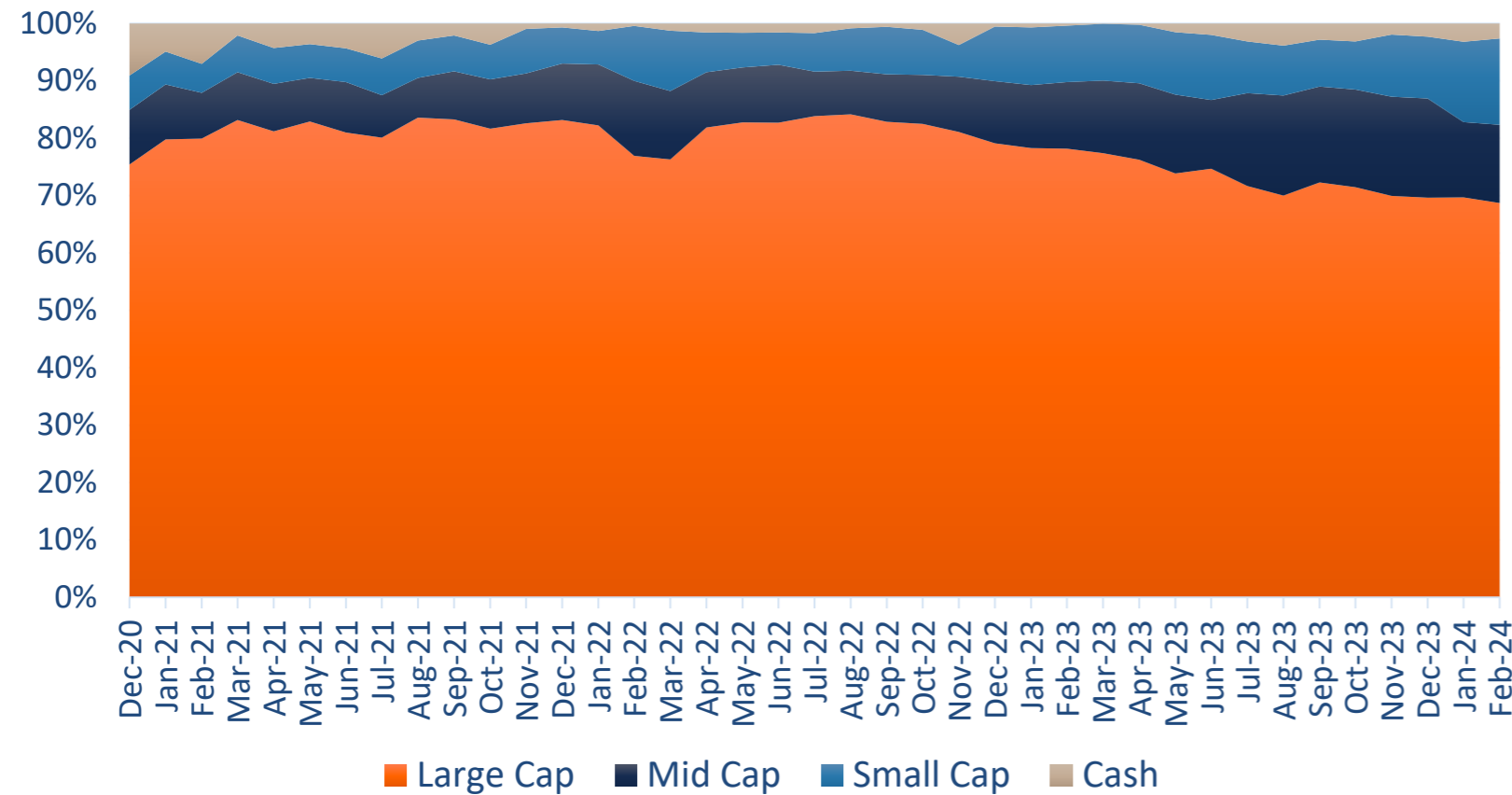


Source: Internal and AceMF, 29th February 2024

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

Portfolio Attributes

Historical Market Cap Allocation^



Number of Stocks	29
Top 3 Sector Holdings	92.01%
Top 5 Sector Holdings	97.38%

Portfolio Top 10 Holdings	% Allocation
ICICI Bank Limited	17.99%
HDFC Bank Limited	17.93%
State Bank of India	9.98%
Axis Bank Limited	7.15%
The Federal Bank Limited	5.61%
Shriram Finance Limited	3.60%
LIC Housing Finance Limited	3.27%
Fusion Micro Finance Limited	3.08%
SBI Life Insurance Company Limited	3.06%
Others	25.72%
Cash & Other Receivables	2.62%

Source : AceMF Data as on 29th February, 2024. Past performance and Portfolio may or may not be sustained in future.

^Pursuant to Clause 2.7 of Part IV of SEBI Master Circular dated May 19, 2023. the universe of "Large Cap" shall consist of top 100 companies, "Mid Cap" shall consist of 101st to 250th company, "Small Cap" shall consist of 251st and onwards companies in terms of full market capitalization.

Fund positioning & FM views on Banking and Financial Services sectors

Sector	Fund Positioning	Views on the sector
Private Banks	UW	UW only because of significant weight in the Benchmark. Fundamentally, we prefer Pvt Banks from a 2-3 years perspective due to better sustained growth and healthy return ratios
PSU Banks	OW	PSU banks have seen significant improvement in profitability (return ratios) along with stronger balance sheet (adequate capital and lower NPAs). Poised likely to deliver strong outcomes over near to medium term
NBFCs	OW	NBFCs may continue to grow much above industry growth on account of improving retail credit penetration especially in semi-urban and rural India where NBFCs have a distribution edge. Formalisation of economy also helping NBFC make better underwriting choices
Insurance	EW	Sector is underpenetrated and has a huge runway for growth over the coming years. The EW stance is largely on account of awaiting some clarity from regulator on a few topics under discussion. Expect growth and operational performance to be steady
Capital market	OW	The sector has done extremely well in the last 6-12 months and the valuations are significantly above long-term average. We may continue to remain selective in this space and maintain a margin of safety given cyclical nature of business

Source: Internal. Data, NSE, Data as on 29th February, 2024. UW: Underweight, OW: Overweight, EW: Equal Weight

The sector(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).

Disclaimers & Product Labelling

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.

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The information contained in this document is compiled from third party and publicly 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 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 .

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

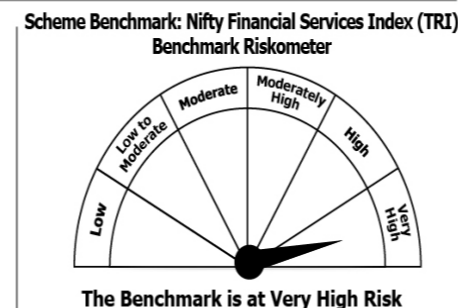
For further information about other schemes (product labelling and performance of the fund) please visit the website of the AMC: www.miraeassetmf.co.in

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





MIRAE ASSET

Mutual Fund

