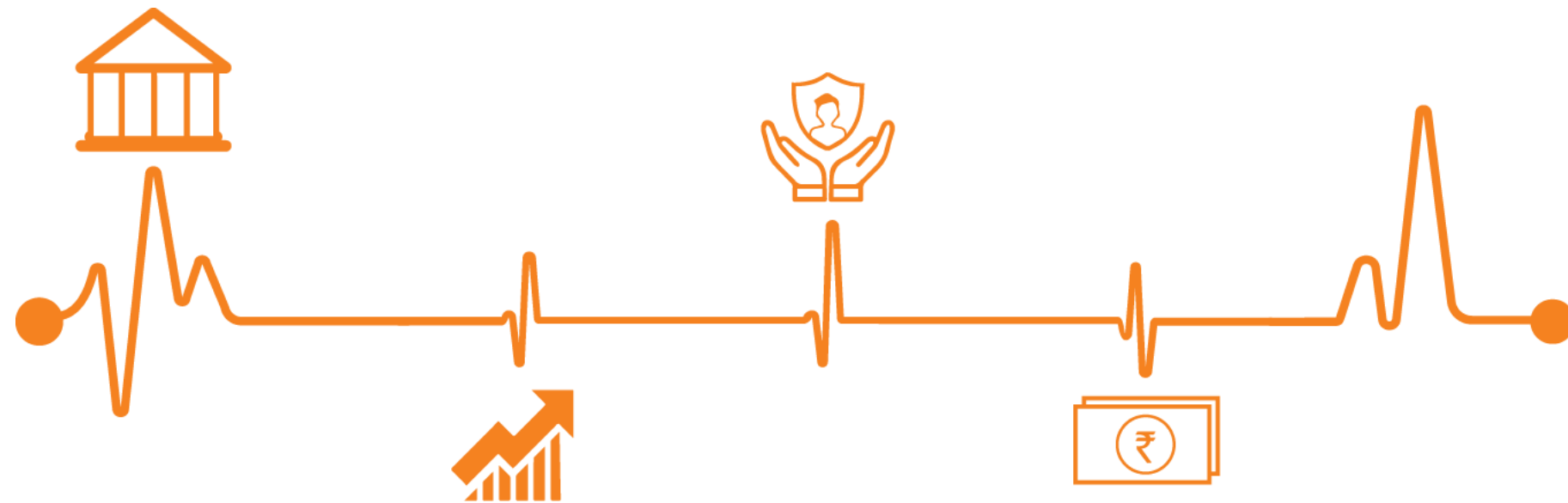


Mirae Asset Banking and Financial Services Fund (MABFSF)

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

Lifelines we may bank on



August 2023

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

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

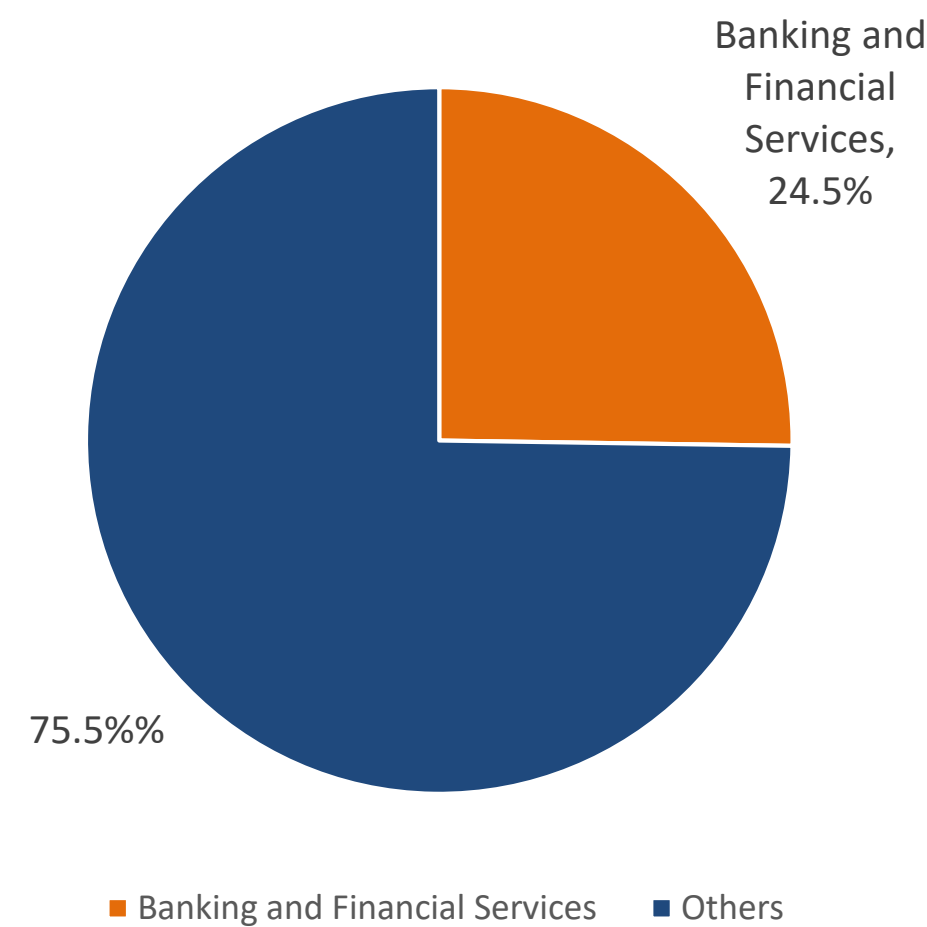
Insurance: Life / Non life Insurance

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 24.46% 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 30th June 2023

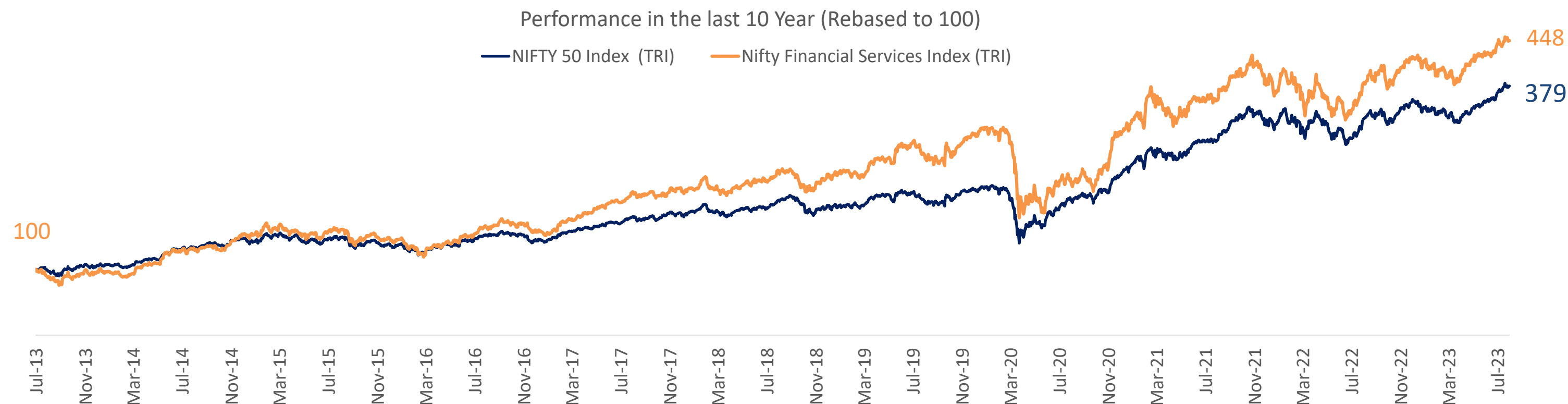
Financial Services Index Split (%)

Industry	%
Diversified Banks	77.64%
NBFC	10.42%
Life & Health Insurance	5.92%
Holding Company	2.64%
Financial Institution	2.01%
Asset Management Company	0.64%
Housing Finance Company	0.42%
Exchange and Data Platform	0.31%

Source: Bloomberg, Data as on 21st August 2023

BFSI sector has 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 2020 bottom levels



Returns (%)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
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	14.42
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	13.44

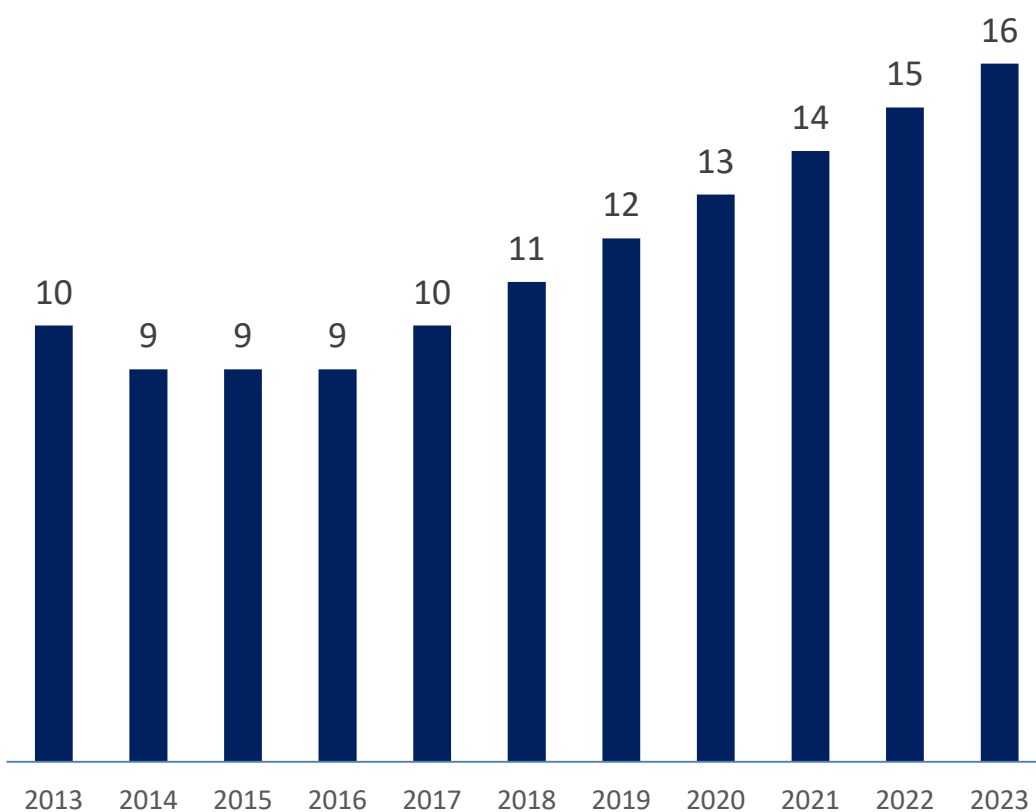


Banking & Financial Services Sector – Medium Term Catalysts

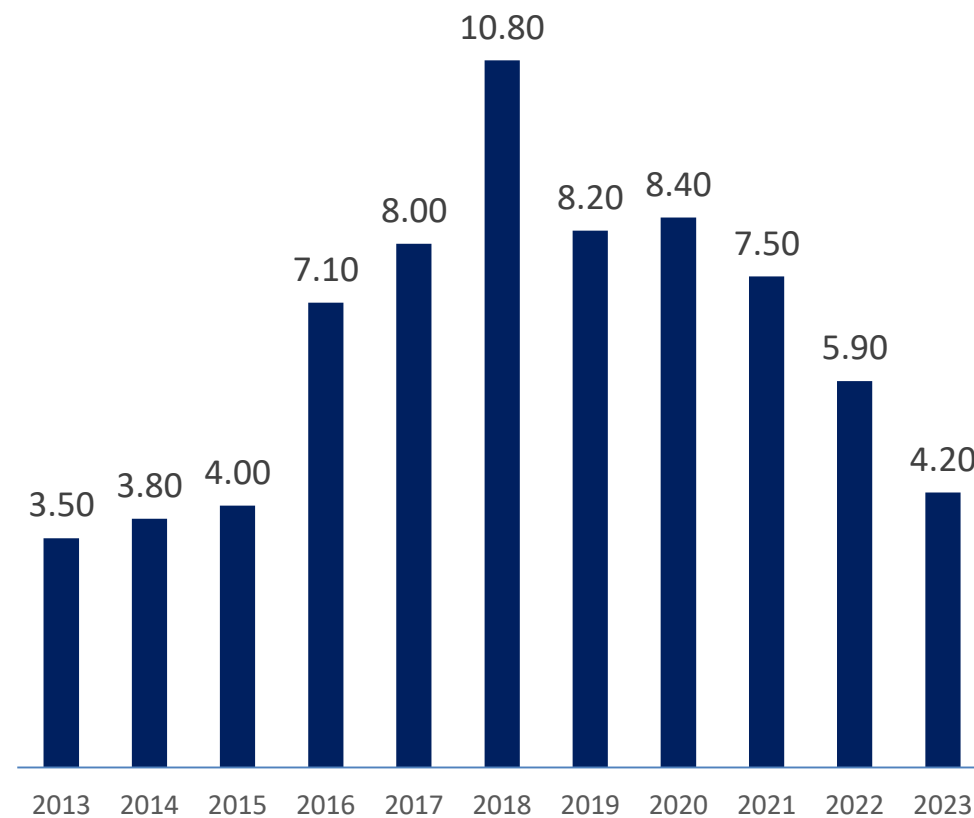
Banking – Well capitalised, Improving asset quality

- ▶ Capital position of Indian banks have strengthened in the last few years with Tier 1 capital at ~15% in FY22, 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

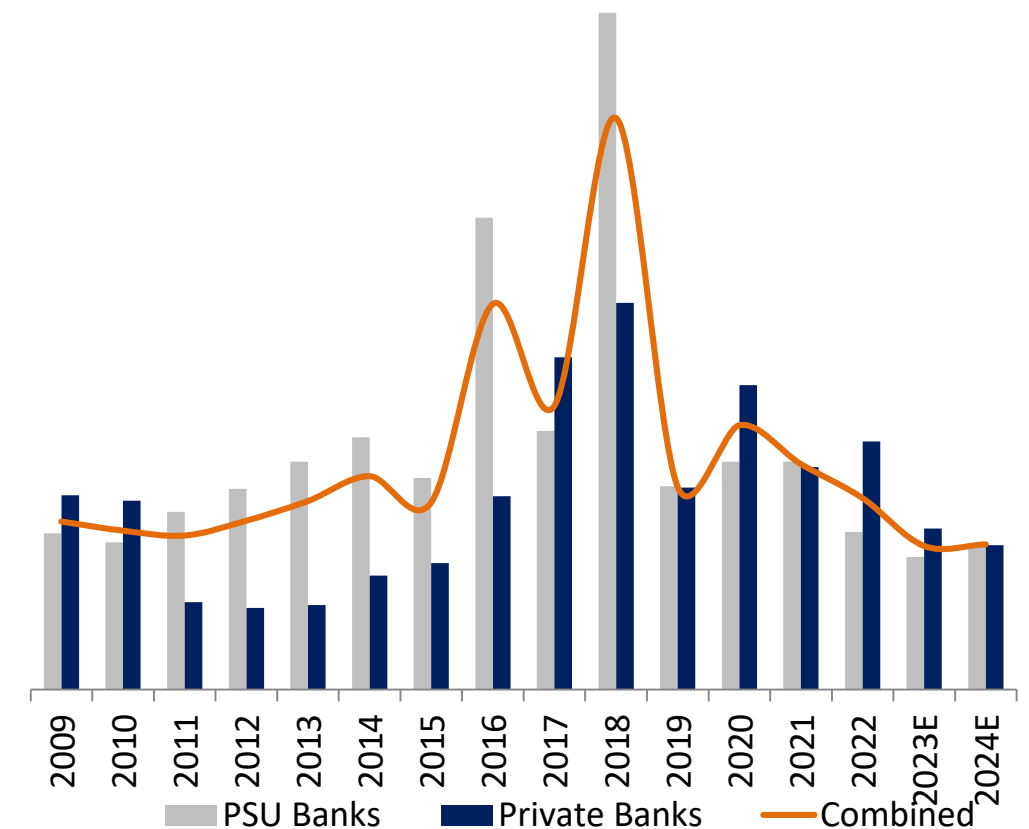
Tier-1 capital positioning of Banks (%)



Gross NPA trend of Banks (%)

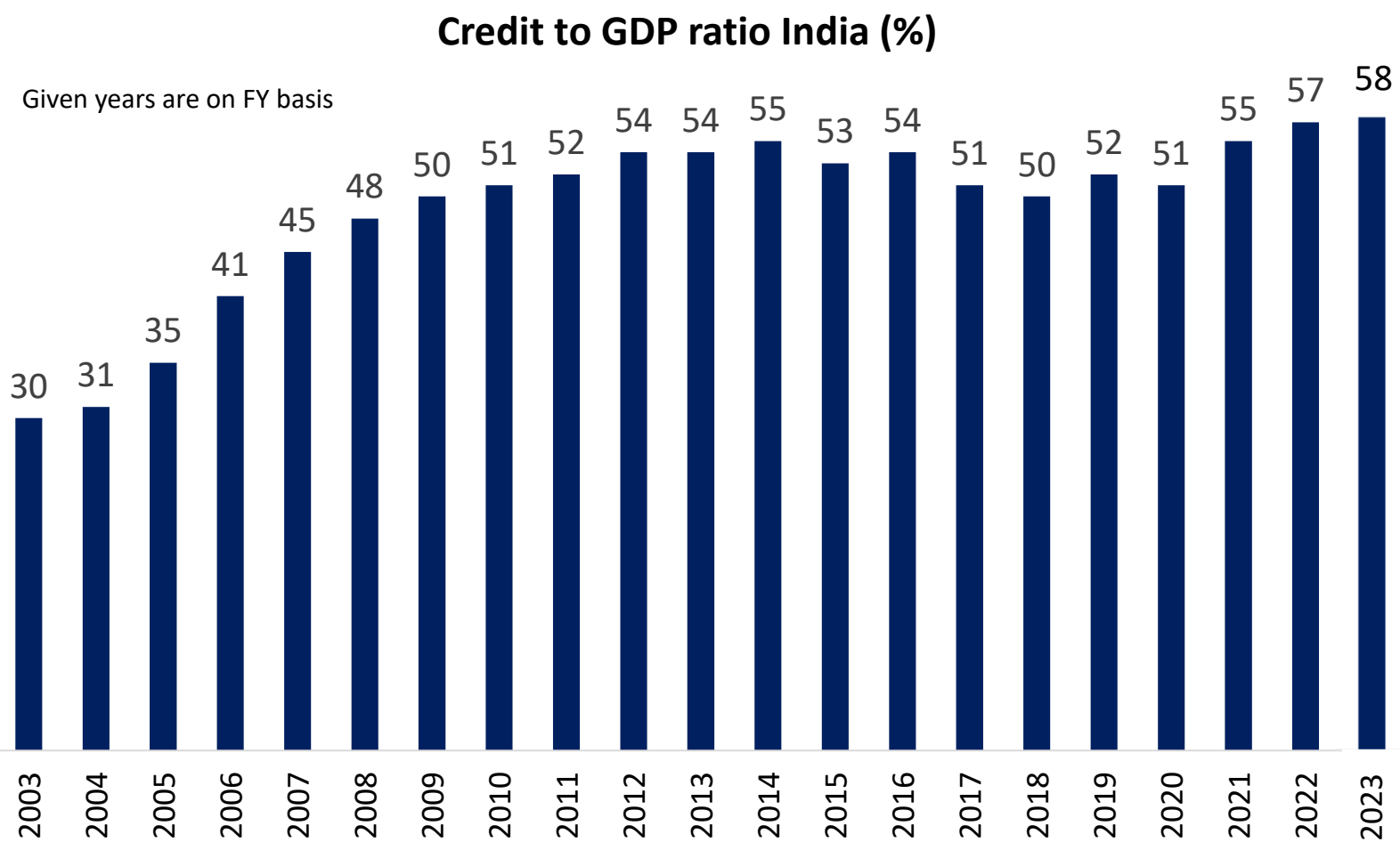


Gross slippages trend of banks (%)

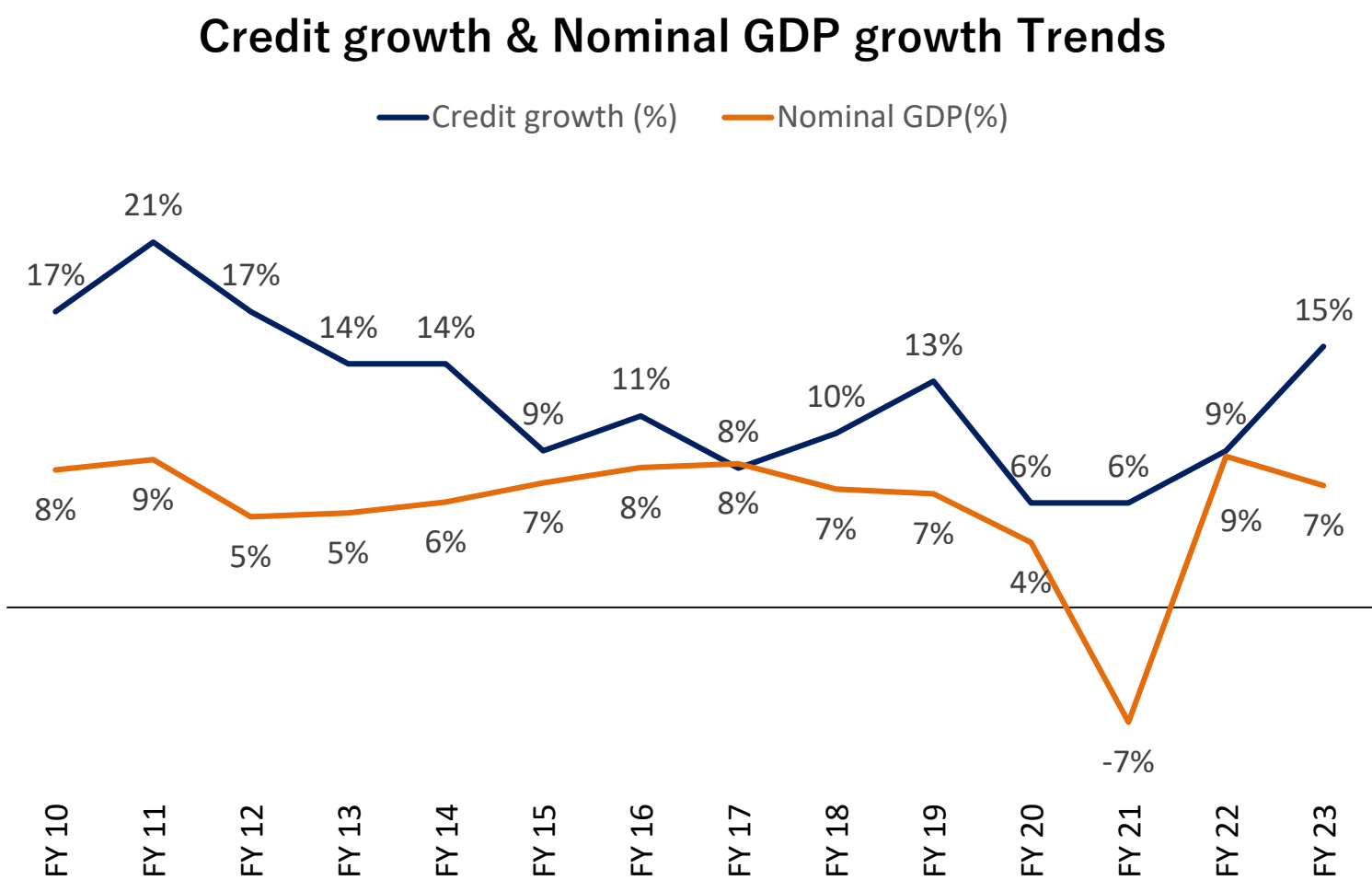


Credit in India – Growing fast as penetration improves

- ▶ 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

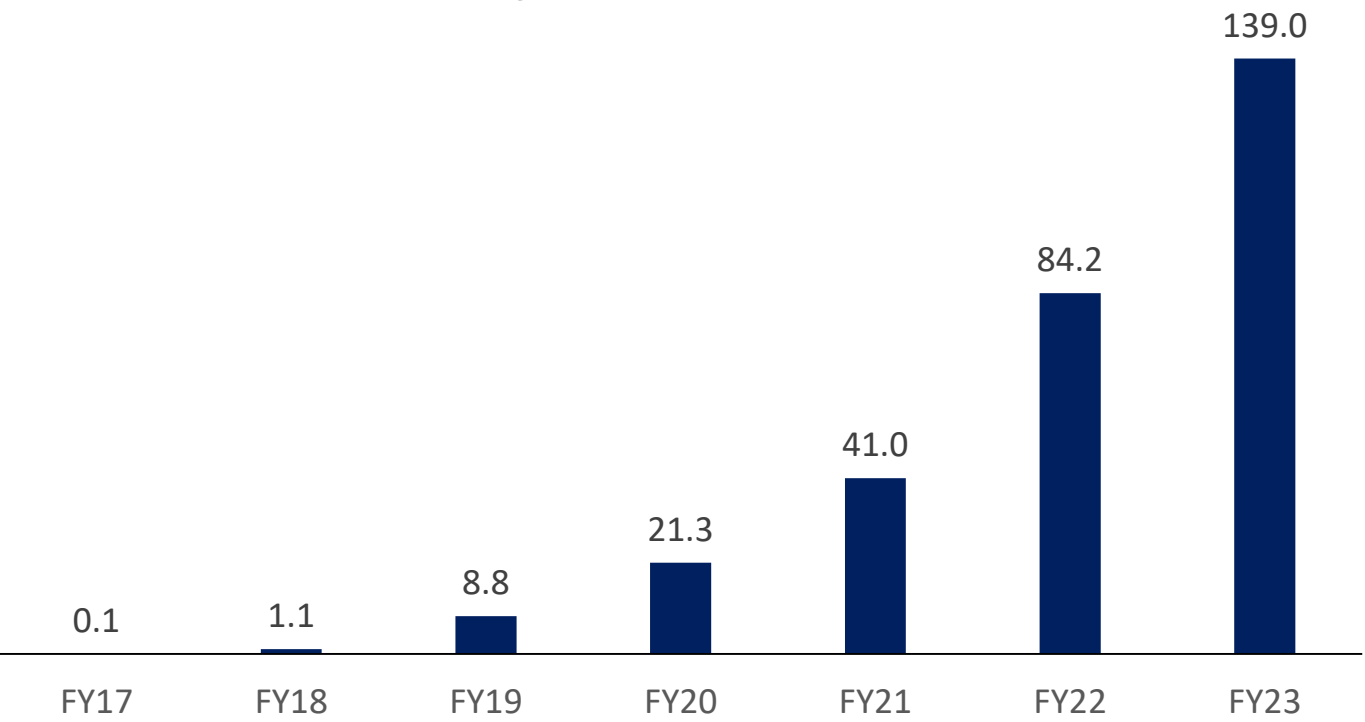


Source: RBI. Latest data available in April 2023 as on FY23 , FY23 from 01 April 2022 to 31 March 2023

Banking – Digital & Fintech evolution gathering pace

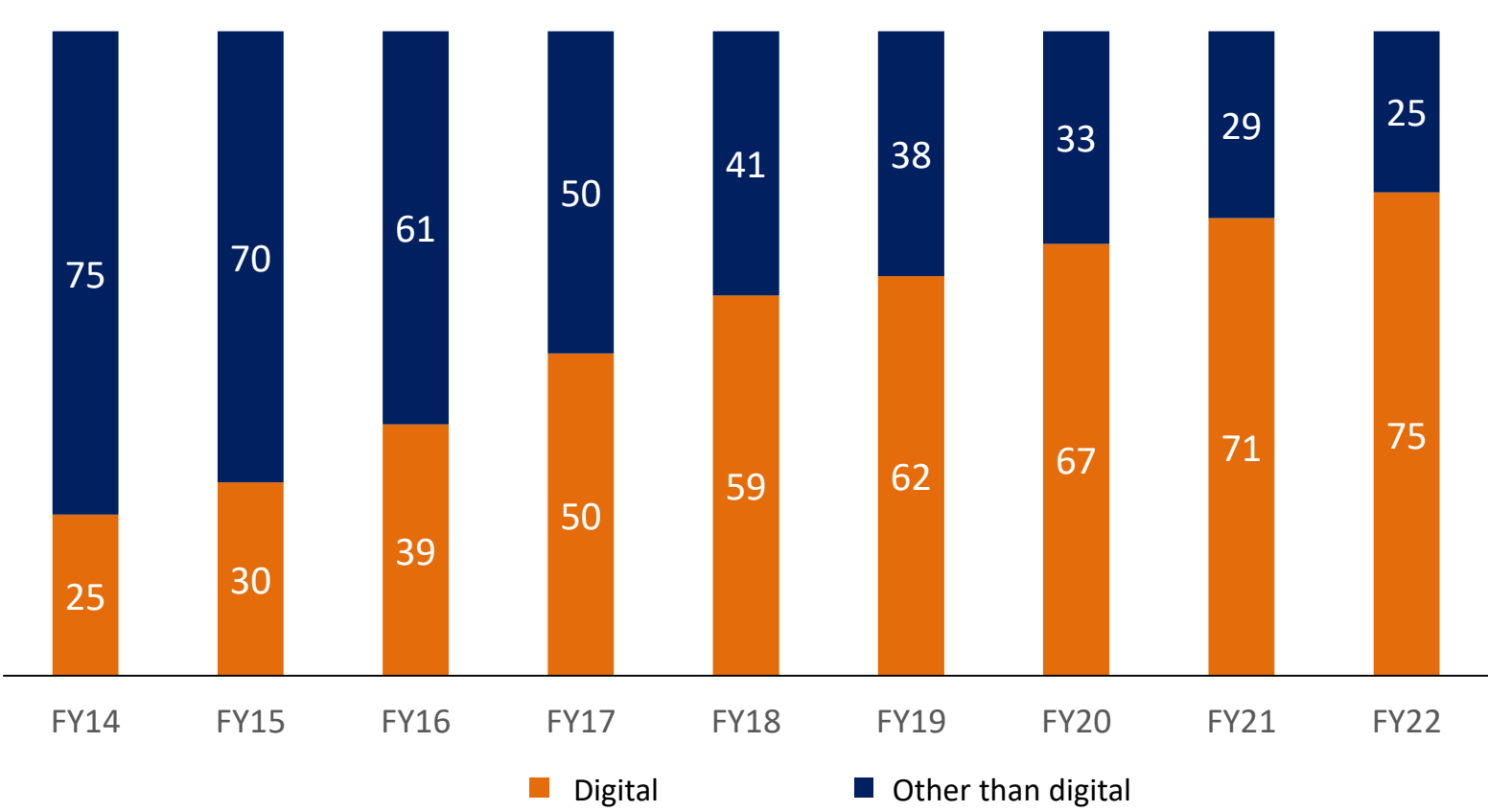
- ▶ Digital banking services picked up in last five years promoting mobile based banking (UPI etc).
- ▶ Digital transformation has just begun with banks collaborating with Fintech to leverage technological gains.
- ▶ Banks profitability improvement will be driven by better cost efficiencies / productivity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

Unified Payments Interface (Rs trn)



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

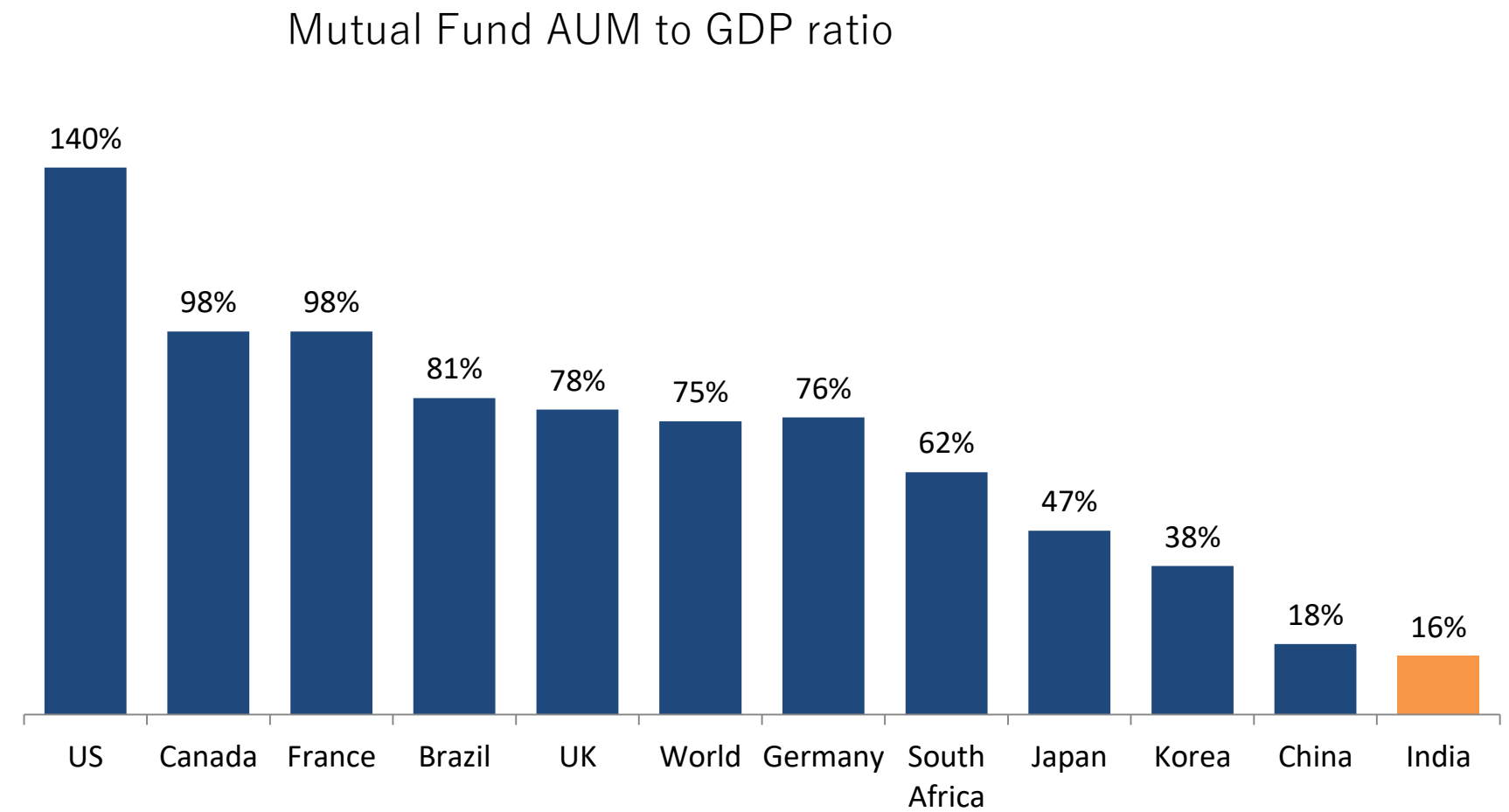
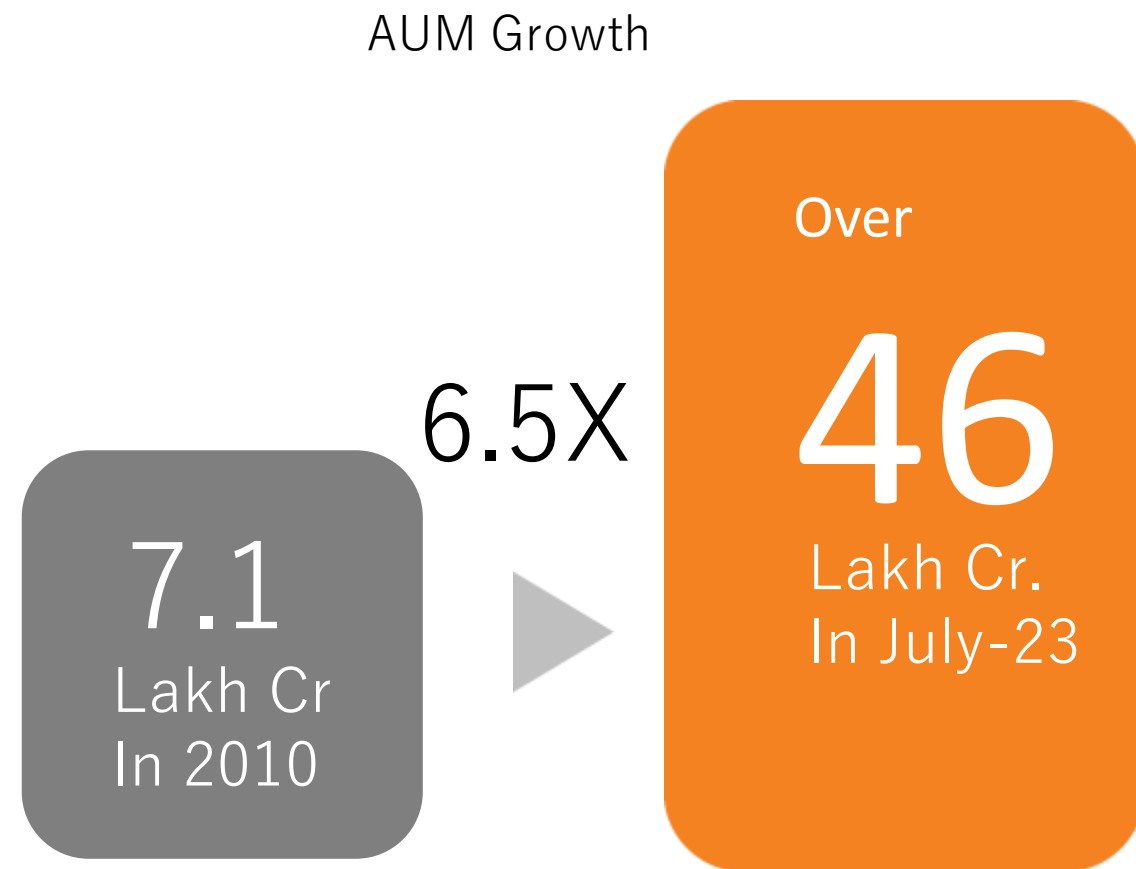
Share of digital transactions moving up



Source: RBI, NPCI, Latest data available in April 2023 as on FY22 , FY22 from 01 April 2021 to 31 March 2022
Values in %








Mutual Fund – Growing rapidly, but hugely underpenetrated

- ▶ Mutual fund industry has been growing rapidly in the last 10 years
- ▶ AUM to GDP ratio in India is ~16%, still below many other comparable peers



Source: Non Banking financial database, world bank. Data as of December 2022

Market Penetration across financial products is very low

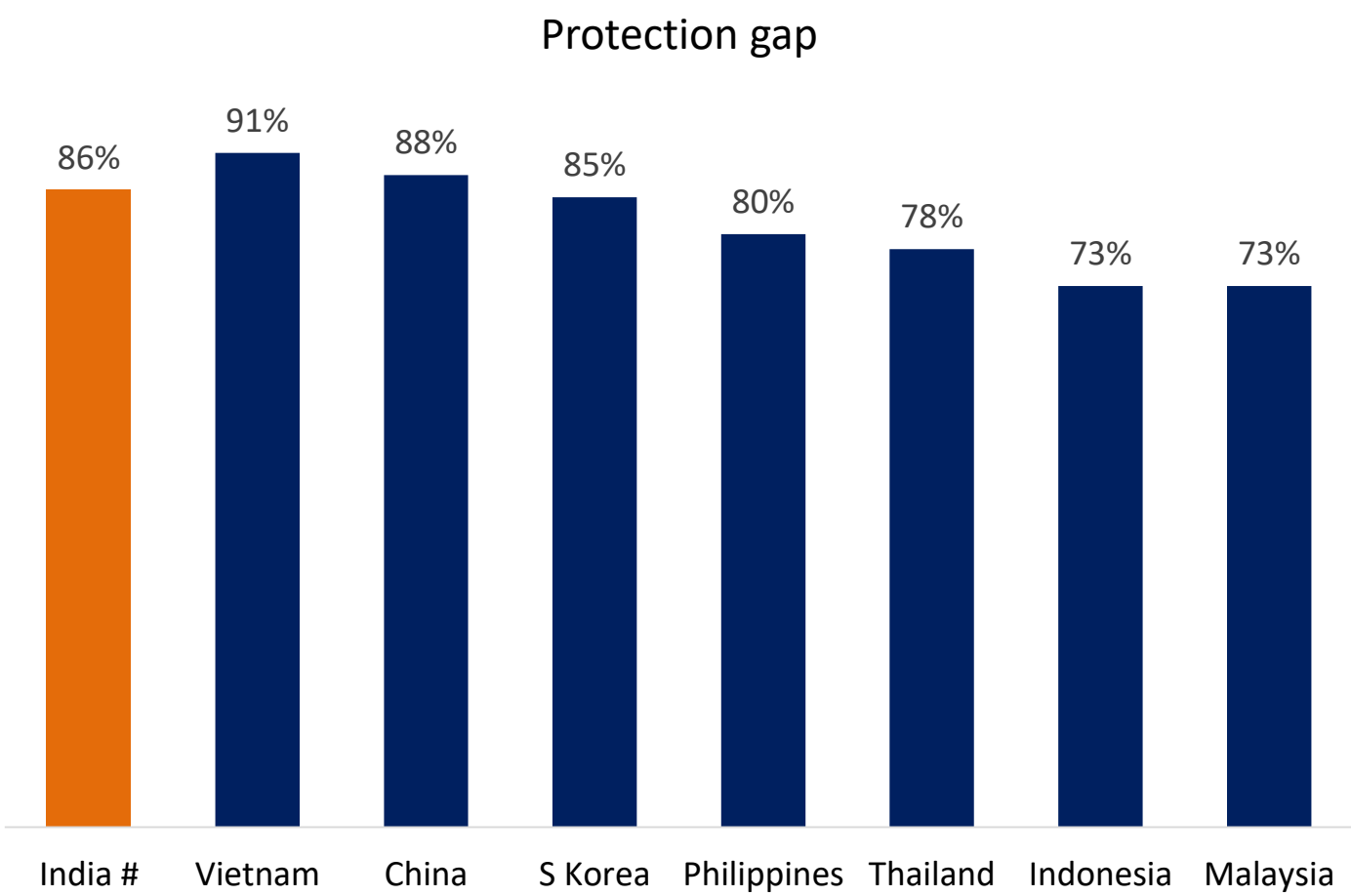
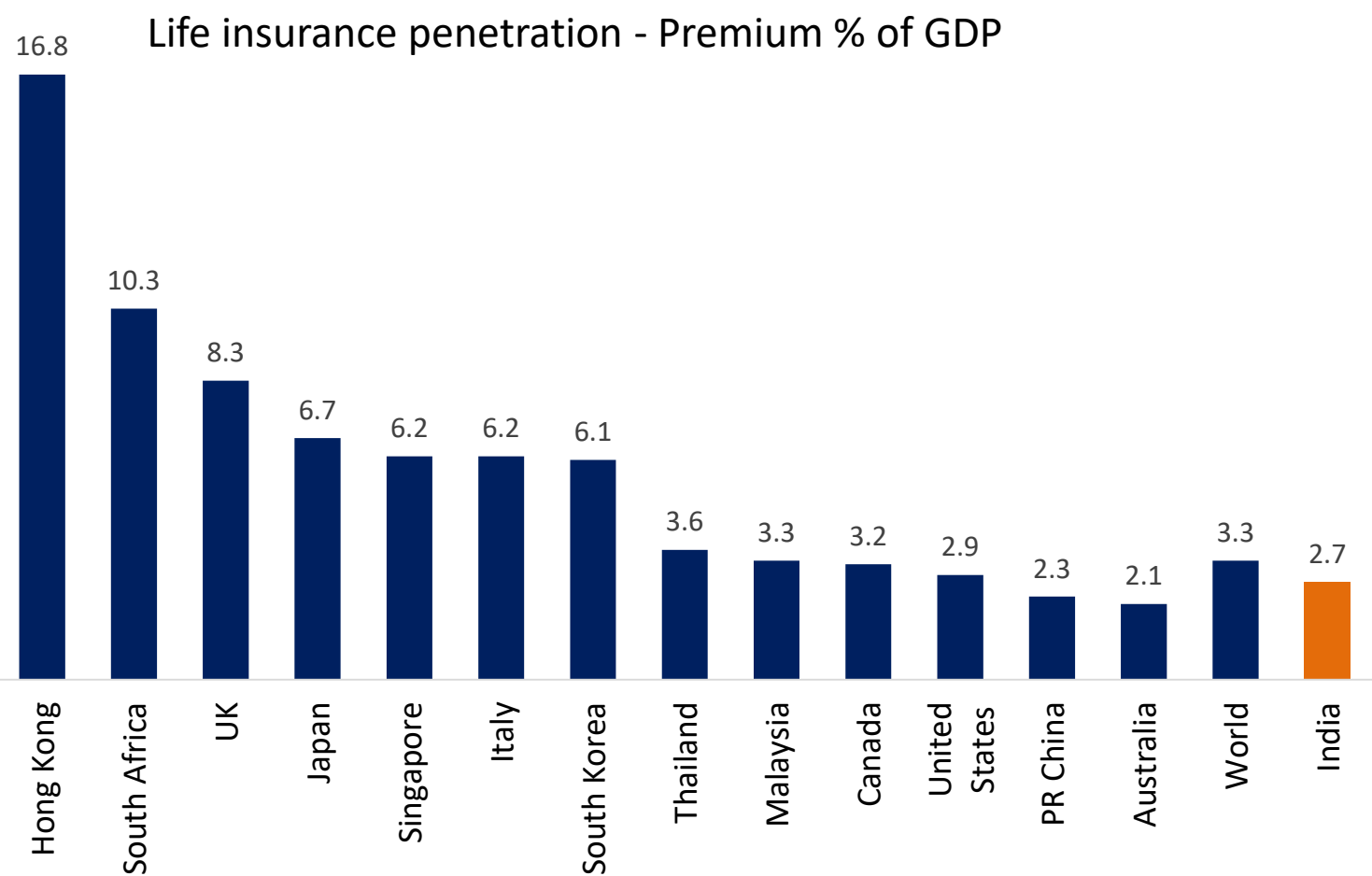
Country	Credit to GDP (%)	Mortgage Penetration to GDP(%)	Life Insurance Premium to GDP (%)	Mutual Fund AUM to GDP (%)
India 	56.7	11.0	3.2	15.8
Brazil 	87.0	NA	2.1	79.9
South Africa 	67.3	18.0	10.0	61.5
China 	219.7	18.0	2.1	18.0
Korea 	224.5	31.0	5.8	37.7
USA 	153.9	52.0	2.6	140.2
UK 	154.0	68.0	8.9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

Source: BIS as per September 2022, IRDAI , Mortgage penetration as per 3QFY23 HDFC Ltd presentation, World Bank as on CY20 3QFY23 from 01 October 2022 to 31 December 2022. CY20 from 01 January 2020 to 31 January 2020

The above data is as per the latest available data

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



Source: IRDAI, CEIC, CRISIL Research, Boston research, Latest data available in April 2023 as of FY22 , FY22 from 01 April 2021 to 31 March 2022

Source: IRDAI, CEIC, CRISIL Research, Boston research, Latest data available in April 2021 as of FY20 , FY20 from 01 April 2020 to 31 March 2021
Data pertains to FY22



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.

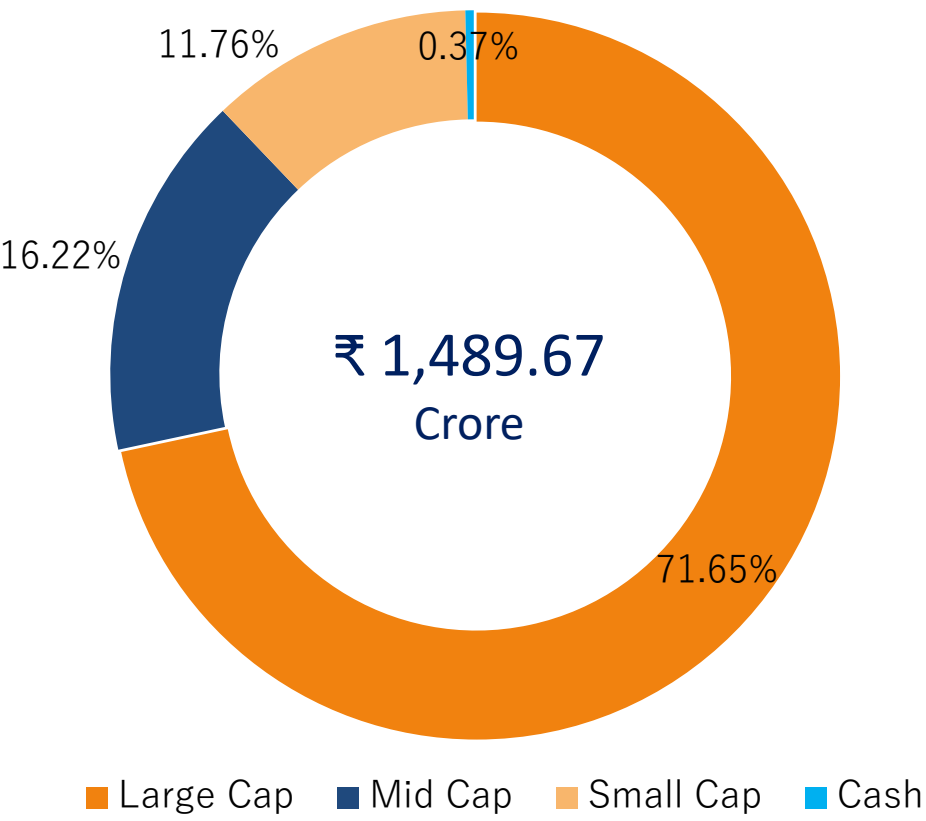
<u>Fund Inception</u>	<u>Category</u>	<u>Benchmark</u>
11 th Dec, 2020	Banking & Finance Fund	Nifty Financial Services Index (TRI)
<u>Goal</u>	<u>Ideal Investment Horizon</u>	<u>Risk Profile</u>
 Wealth Creation	 3+ Years	 Very High Risk

Fund Manager*



Mr. Gaurav Kochar

Net AUM of Fund

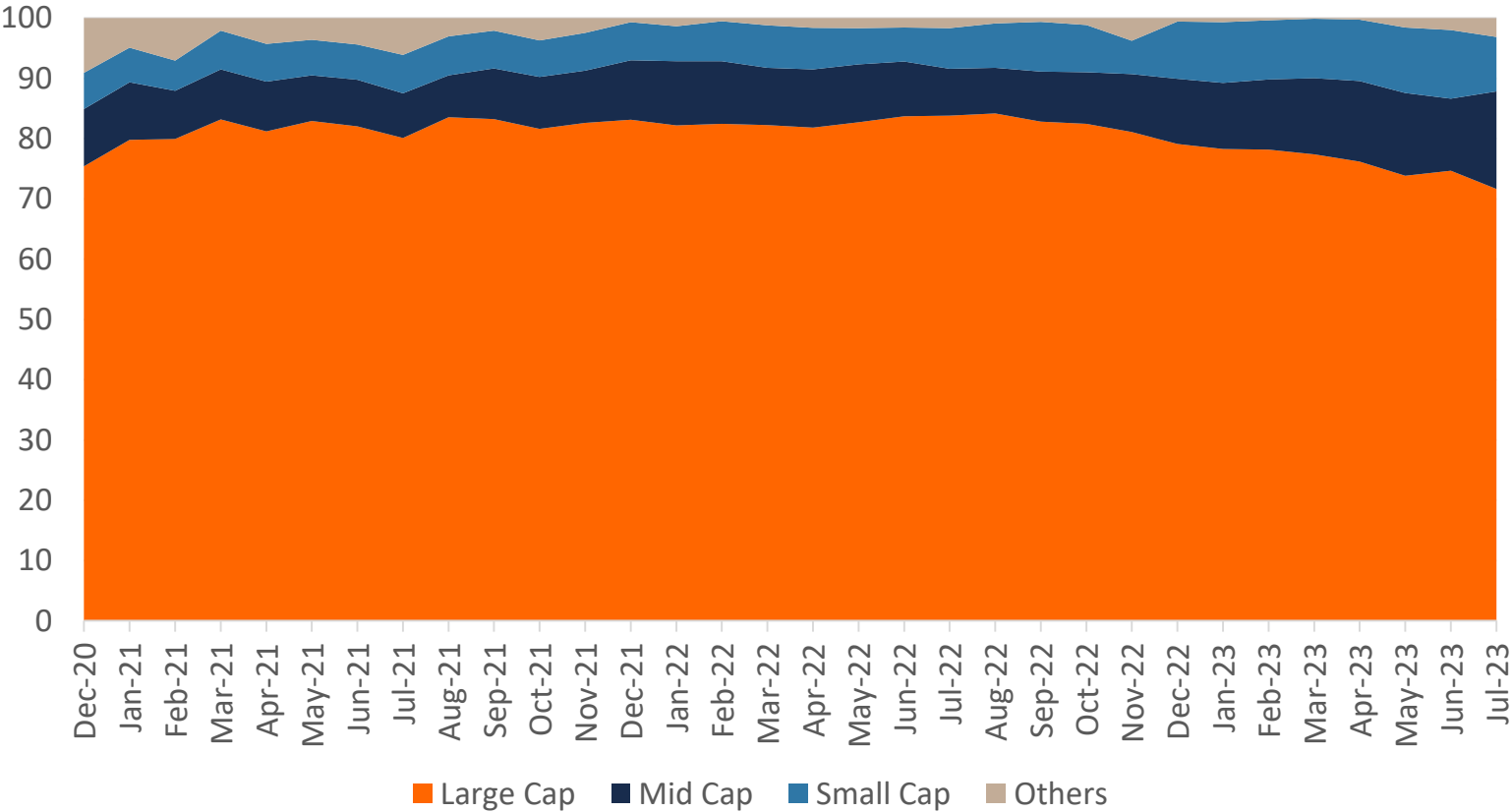


Source: Internal and AceMF, 31st July 2023

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

Portfolio Attributes

Historical Market Cap Allocation^



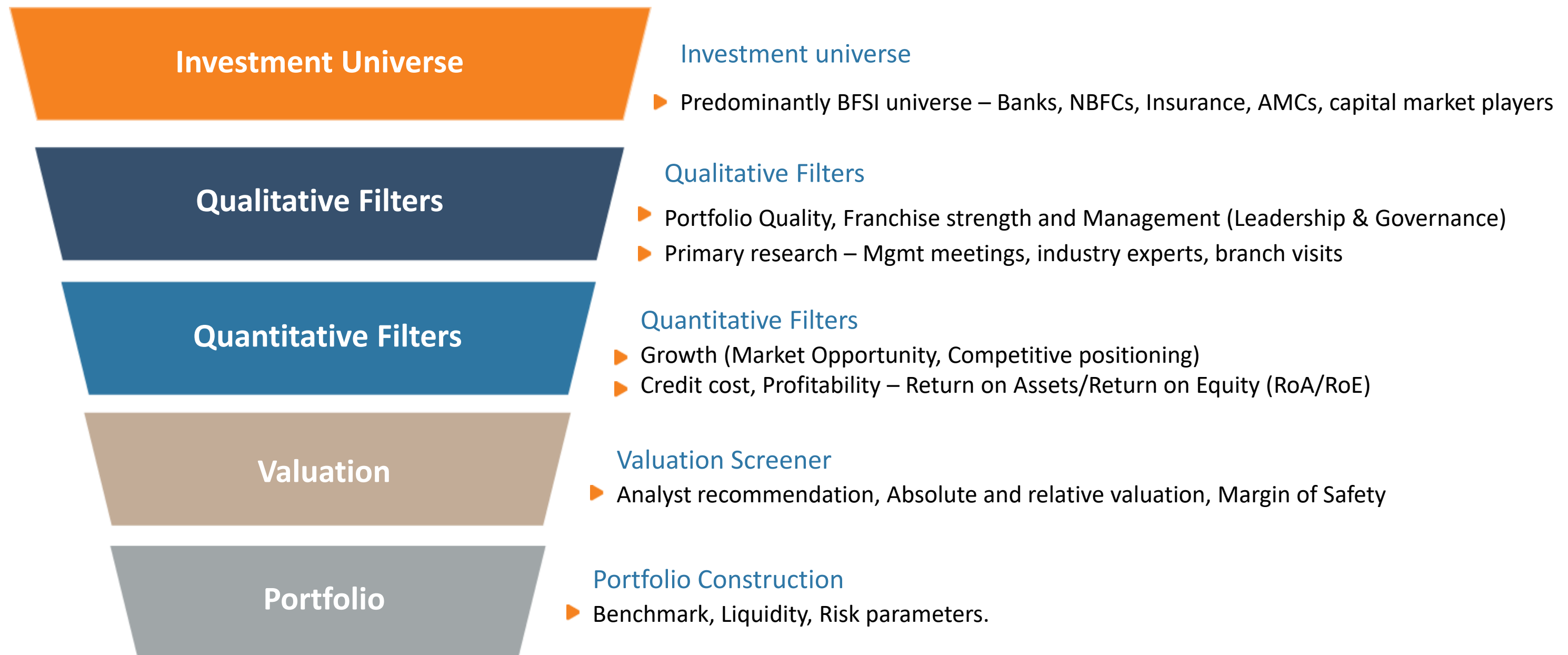
Number of Stocks	27
Top 3 Sector Holdings	98.42%
Top 5 Sector Holdings	99. 63%

Portfolio Top Holdings	% Allocation
HDFC Bank Limited	21.27%
ICICI Bank Limited	17.67%
State Bank of India	9.97%
Axis Bank Limited	7.71%
The Federal Bank Limited	4.89%
Fusion Micro Finance Limited	3.60%
Shriram Finance Limited	3.52%
SBI Life Insurance Company Limited	2.89%
Utkarsh Small Finance Bank Ltd	2.76%
Bajaj Finserv Limited	2.55%
Others	22.80%
Cash & Other Receivables	0.37%

Source : AceMF Data as on 31st July, 2023.. 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.

Investment Process

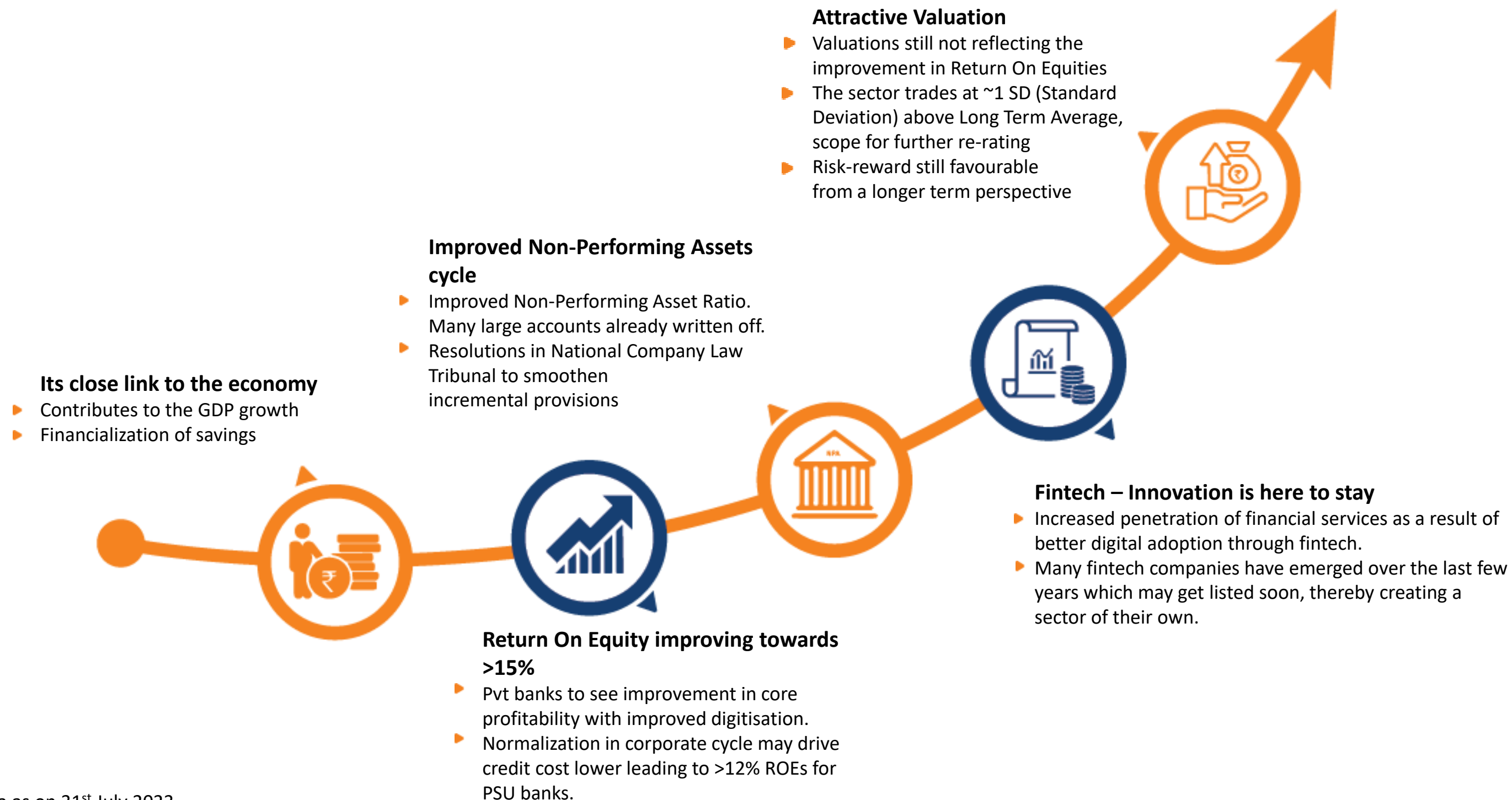




Views on Banking and Financial Services sectors

Private Banks	<ul style="list-style-type: none">• Well managed, gaining market share in both credit and deposits• Strong capital and provision buffers – asset quality outlook benign• Digitization trends driving further business efficiencies.
Insurance	<ul style="list-style-type: none">• Market demand is improving, protection share set to improve aiding margins• Low market penetration provides further opportunity to grow and scale up
Capital Market	<ul style="list-style-type: none">• Number of investors are increasing along with market size (2x demats and 10x vols)• AMC well underpenetrated (Mutual Fund AUM to GDP at ~15%)
NBFCs	<ul style="list-style-type: none">• Strong liquidity buffers and improving asset quality, pressure on Net Interest Margin (NIM) given rising rate environment• Select NBFCs with better parentage and better liability profile to gain market share
PSU Banks	<ul style="list-style-type: none">• Improving asset quality, capital positioning improving• Improving ROE driven by credit cost moderation, but growth outlook weak

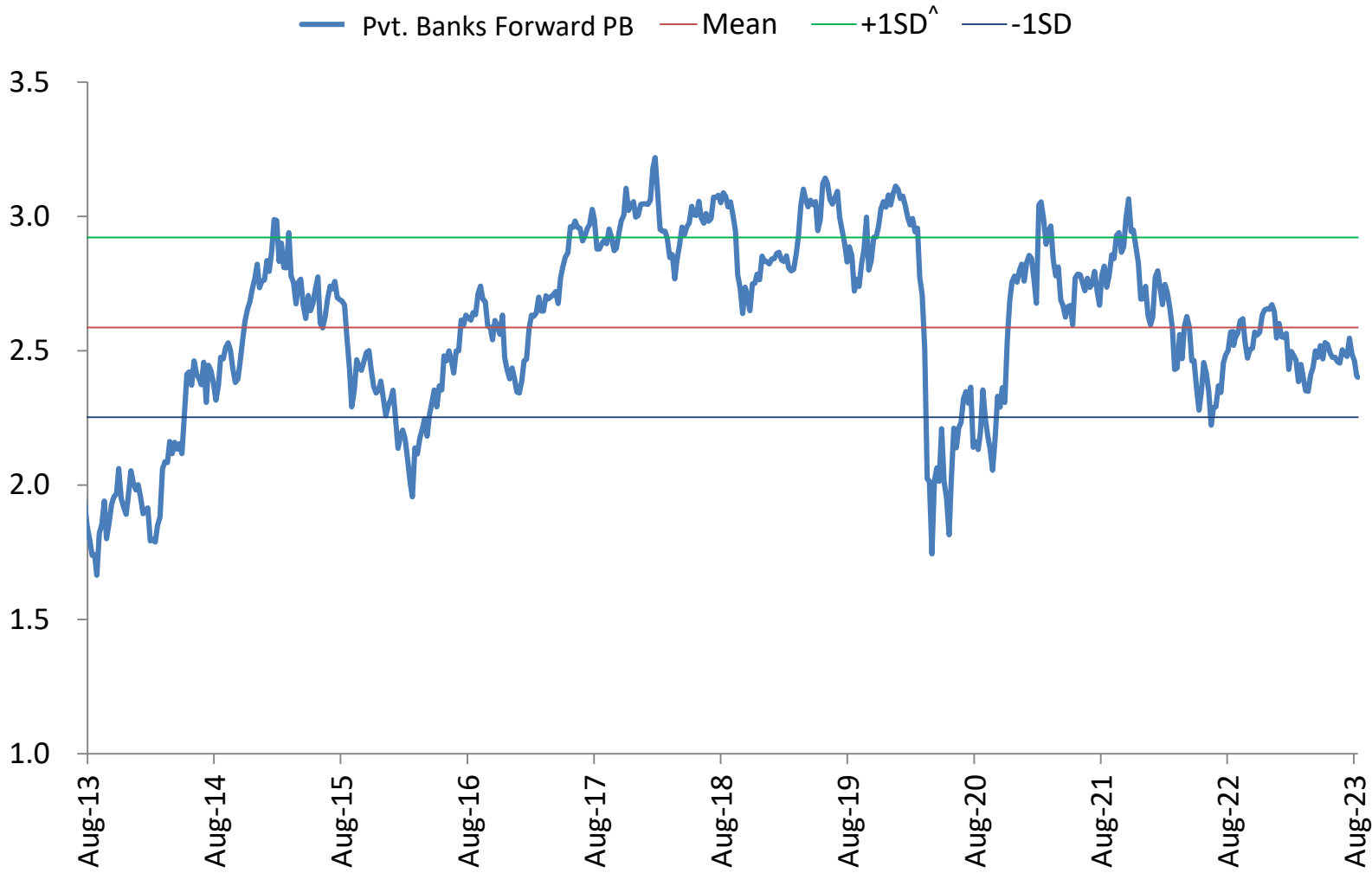
Why Banking & Financial Services Now?



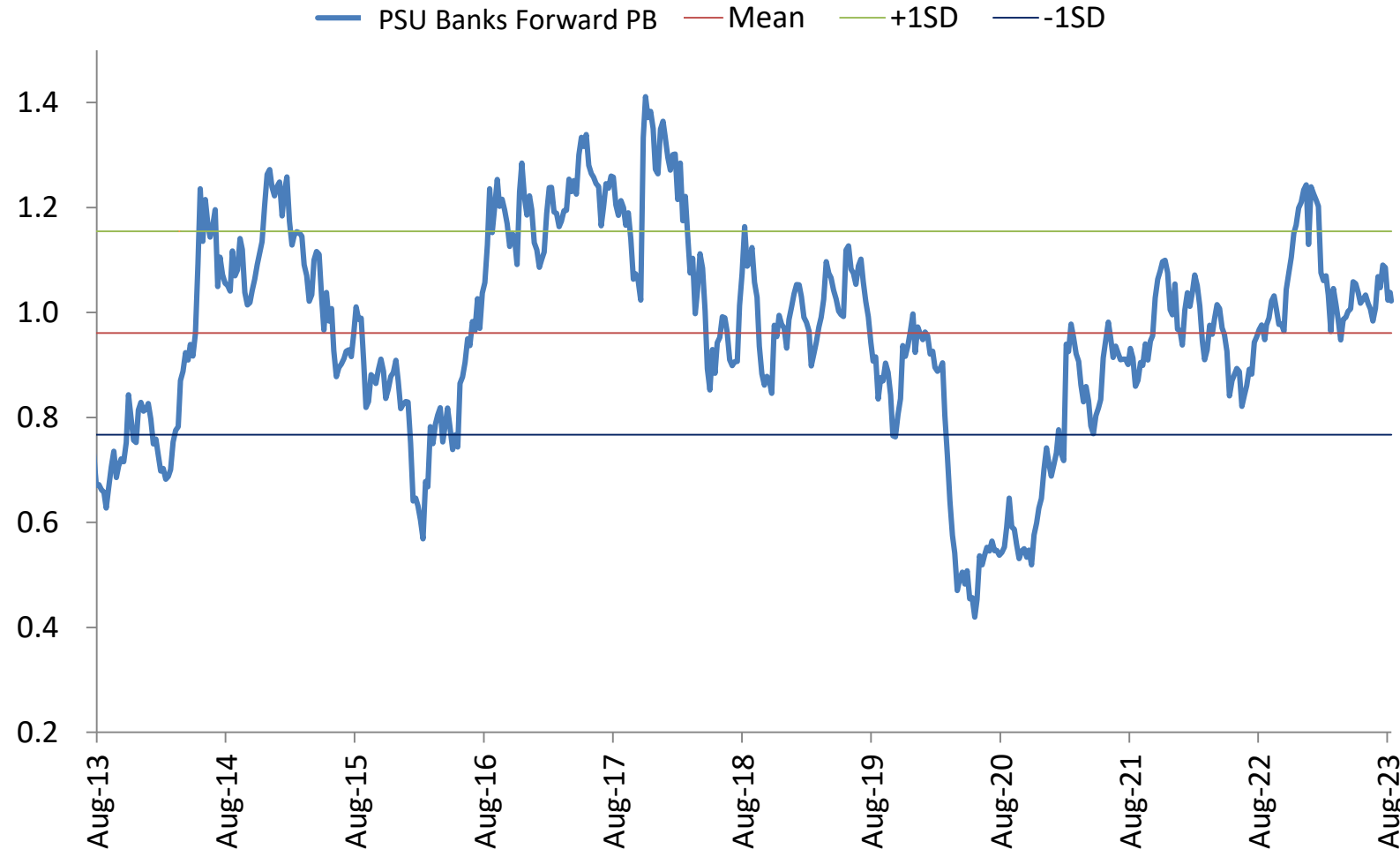
Valuation remains attractive from a longer term perspective

- Currently, both private banks and PSU Banks are trading at valuations that are close to its long term average; growth outlook momentum to drive stock performance

Current Valuation of Private Bank Index



Current Valuation of PSU Banks Index



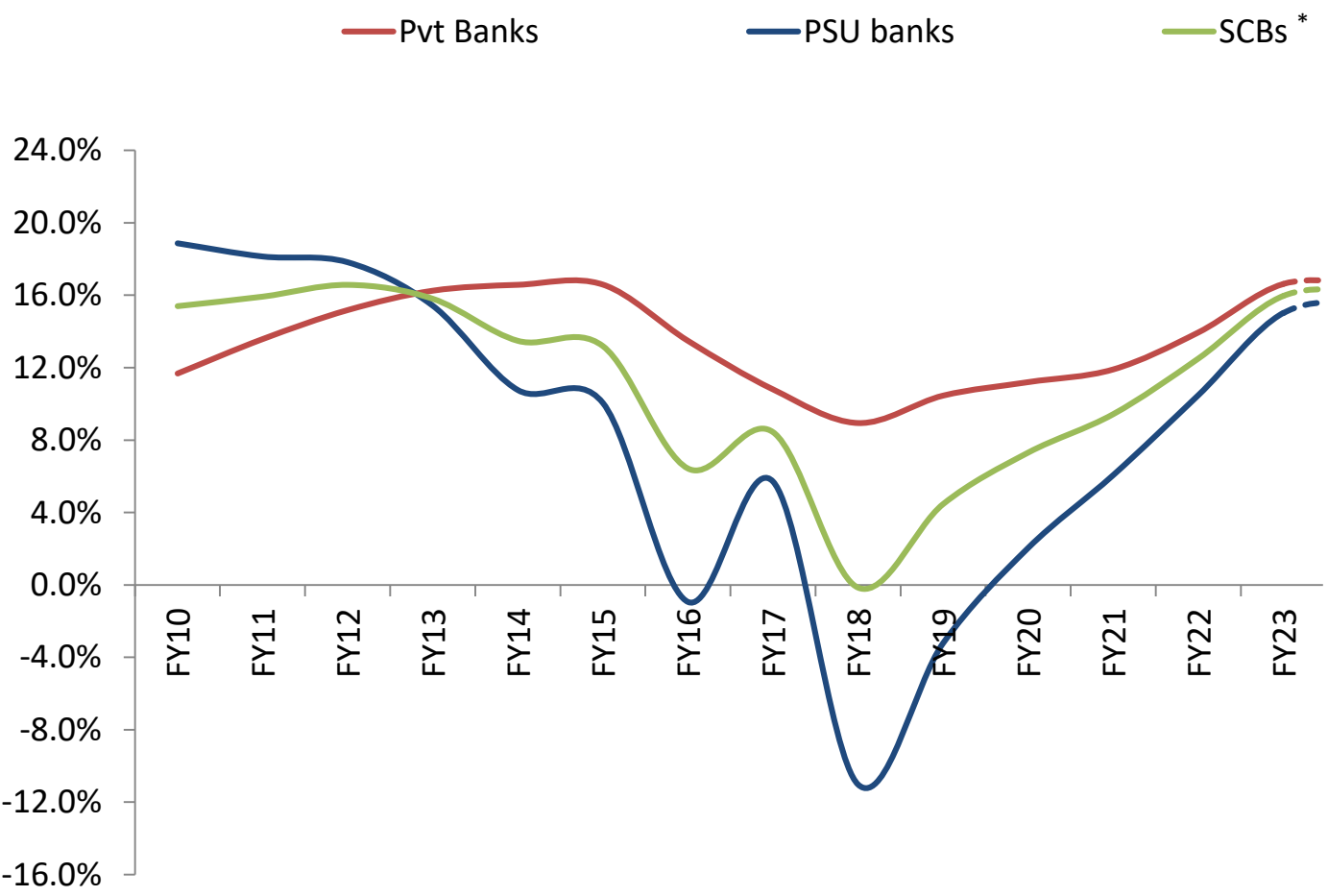
Source: Bloomberg. Data as of 22nd Aug 2023

^SD- Standard Deviation

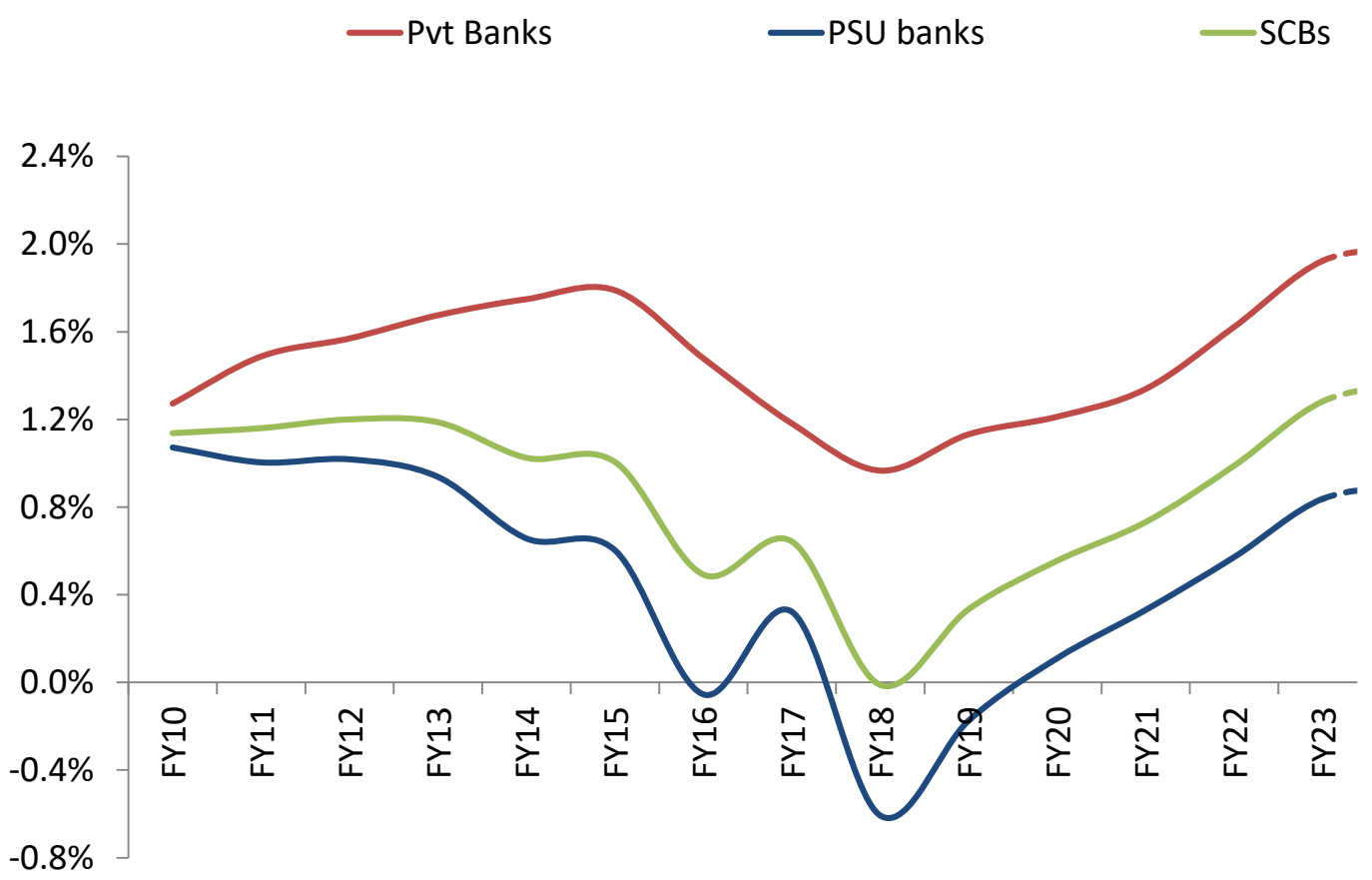
Valuation driven by improvement in ROA/ROE

- ▶ 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 PSU banks.

ROE trajectory improving towards ~16% for banks



ROAs inching closer to 1.4% for the sector



Source: (Bloomberg. Latest Data available in Aug 2023 - *SCB - Scheduled Commercial Banks



Fund Performance & Risk-o-meter

Fund Performance

Period	MABFSF	Scheme Benchmark*	Additional Benchmark**
1 Year	25.09	17.56	16.93
Since Inception	18.11	14.61	16.35
Value of Rs. 10,000 invested (in Rs.) Since Inception	15,507	14,325	14,905
NAV as on 31 st July 2023	15.5070		
Index value as on 31 st July 2023	Scheme Benchmark- 25,238.42		
	Additional Benchmark- 101,480,37		
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

Past performance may or may not be sustained in the future.
Source: AceMF, Internal, 31st July 2023.

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.

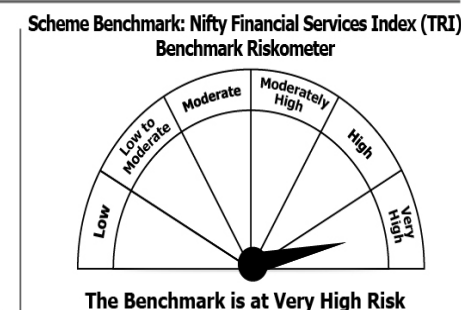
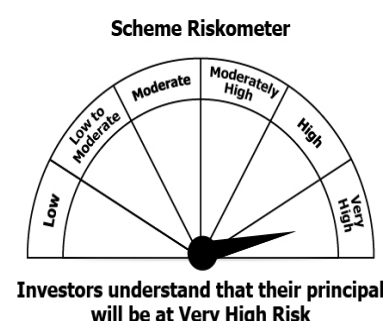
For further information about other schemes (product labelling and performance of the fund) please visit the website of the AMC: www.miraeassetmf.co.in

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

