Mirae Asset CRISIL IBX Gilt Index – April 2033 Index Fund

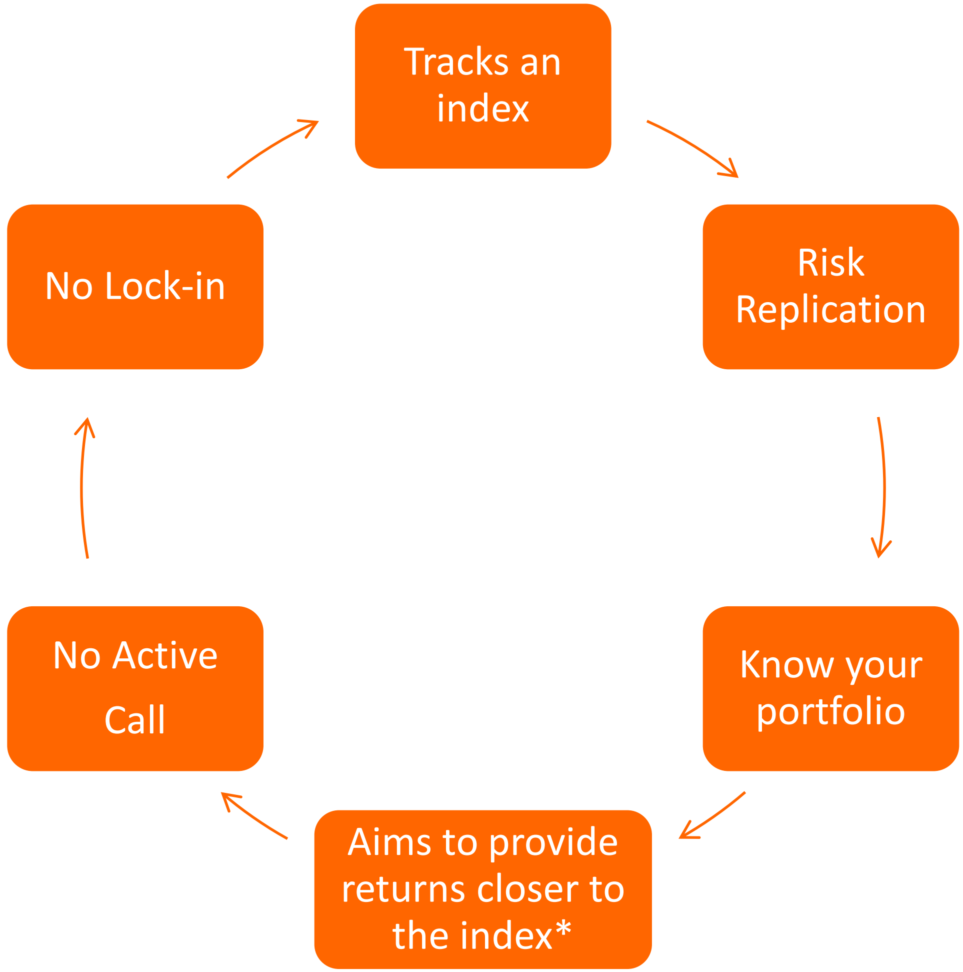
(An open-ended target maturity Index Fund investing in the constituents of CRISIL IBX Gilt Index – April 2033. A scheme with relatively high interest rate risk and relatively low credit risk)

New Fund Offer opens on: 10/10/2022
New Fund Offer closes on: 18/10/2022
Scheme re-opens for continuous Sale and Repurchase : 21/10/2022

MIRAE ASSET
Mutual Fund

What is target maturity passive debt product ?

What is passive debt product ?



Passive debt product like Index funds seeks to track an index and the aim of fund manager is to risk replicate the index in order to generate similar risk and return profile.

* Subject to tracking error

What is target maturity debt product ?

Target Maturity Index Funds are passive investments in debt securities that aims to replicate the composition of the underlying index and have a specified maturity date.

- Predictable Returns* & No Lock-in
- Relatively Low Cost
- Portfolio Transparency
- Low Fund manager risk
- Roll-Down Approach
- Option to transact anytime or hold till maturity

Target Maturity debt funds differentiates itself from open ended normal mutual funds by having a roll down approach with fixed maturity date making potential returns visible for investor

**Please note the predictability of return doesn't imply guaranteed return or protection of principal. Investments are still subject to credit and market risk. Further, returns will be potentially visible only if the investor continues to hold it till the maturity.*

Comparison of investment opportunity in fixed income products in India

Features	Target Maturity Fund	Open ended Debt Funds	Bank Deposits	Individual Bonds	Tax Free Bonds	Saving Schemes
Predictability of return*	✓	✗	✓	✓	✓	✓
Liquidity	✓	✓	✗	✗	✗	✗
Defined Maturity	✓	✗	✓	✓	✓	✓
Tax Efficiency-Indexation	✓	✓	✗	✗	✓	✗
Accessibility	✓	✓	✓	✗	✗	✓
No Lock in	✓	✓	✗	✓	✓	✗
Diversification**	✓	✓	✗	✗	✗	✗

Target Maturity Funds provides features of several traditional fixed income investments

**Please note the predictability of return doesn't imply guaranteed return or protection of principal. Investment are still subject to credit and market risks. Further, returns will be potentially visible only if the investor continues to hold it till the maturity. **Diversification for Target maturity funds would depend on the underlying Index. If the underlying Index is investing only in G-Sec then there is no diversification.*

Target maturity index funds has relatively higher tax-efficiency

Particular	Traditional Investment	Target Maturity Fund	Tax-Free Bonds
Investment Amount (A)	₹ 1,00,000	₹ 1,00,000	₹ 1,00,000
Return/Yield (Assumed)	5.65%	7.55%	5.76%
No. of Indexation	-	11	-
Maturity	April 2033	April 2033	April 2033
Assumed Inflation	-	6%	-
Value on Maturity (B)	₹ 1,78,861	₹ 2,15,977	₹ 1,80,841
Indexed Cost (C)	-	₹ 1,89,830	-
Taxable Amount (B-C)	₹ 78,861	₹ 26,148	-
Applicable Tax	₹ 23,658 *	₹ 5,230 **	-
Post Tax Value	₹ 1,55,203	₹ 2,10,748	₹ 1,80,841
Post Tax Return/Yield	4.24%	7.30%	5.76%

Target Maturity debt products tend to generate relatively higher post tax returns vis-à-vis traditional fixed income investment and tax-free bonds

Pre tax return/yield are as on 30th Sep 2022, For traditional investment horizon SBI domestic term deposit for non senior citizen up to 2 Cr is used. *Traditional tax rate investment assumed at the marginal rate of 30%. ** Long Term capital gain of 20% applied with indexation benefit. This above computation is merely for illustration purpose and please consult your tax advisor for any investment . Tax-free bond yield is based on India Infrastructure Finance Company Limited March 2033 paper. The investment horizon is 10.58 year

Why invest in target maturity fund ?

- Target maturity funds aim to offer investors **reasonable visibility of return** based on yield at the time of investment, provided that they stay till maturity of the fund*.

- Yields in the bond market are relatively quick to **reflect the market condition and compensate investor accordingly**, whereas the interest rate on fixed deposit may not increase adequately within stipulated time.

- Lack of **tax-efficiency** results in poor after tax return for investor in investment such as Fixed Deposits.

- **No lock-in** like Fixed Maturity Plans (FMP). Investor has the option to subscribe or redeem anytime during the lifecycle of the fund**

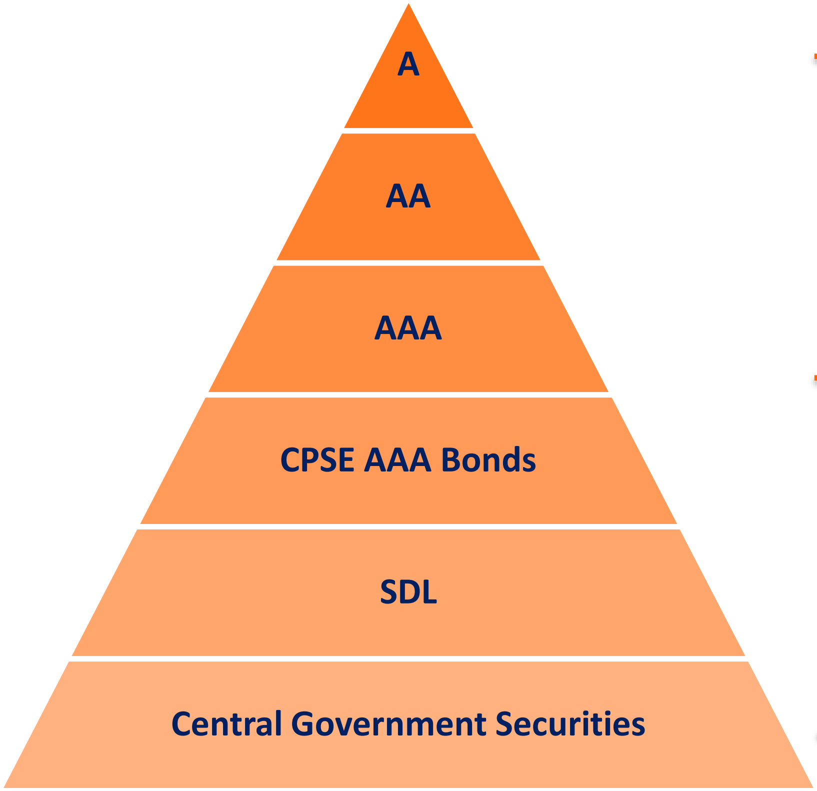
- Tracks an index providing **visibility to the underlying portfolio** constituents

**Please note that the visibility of return doesn't imply guaranteed return or protection of principal. Investment are still subject to credit and market risks. Further, returns will be potentially visible only if the investor continues to hold it till the maturity. **The last date for registration of fresh request for STP /SIP/SWP would be 31st July 2032 and the last execution date would be 31st January 2033. Please consult your tax advisor for any taxation impact on your investment. Past performance may or may not sustain in future*

Why invest in the fund ?

Mutual Fund

Central G-Securities carries no credit risk



Corporate bonds generally carry higher credit risk vis-à-vis SDL and AAA rated CPSE.

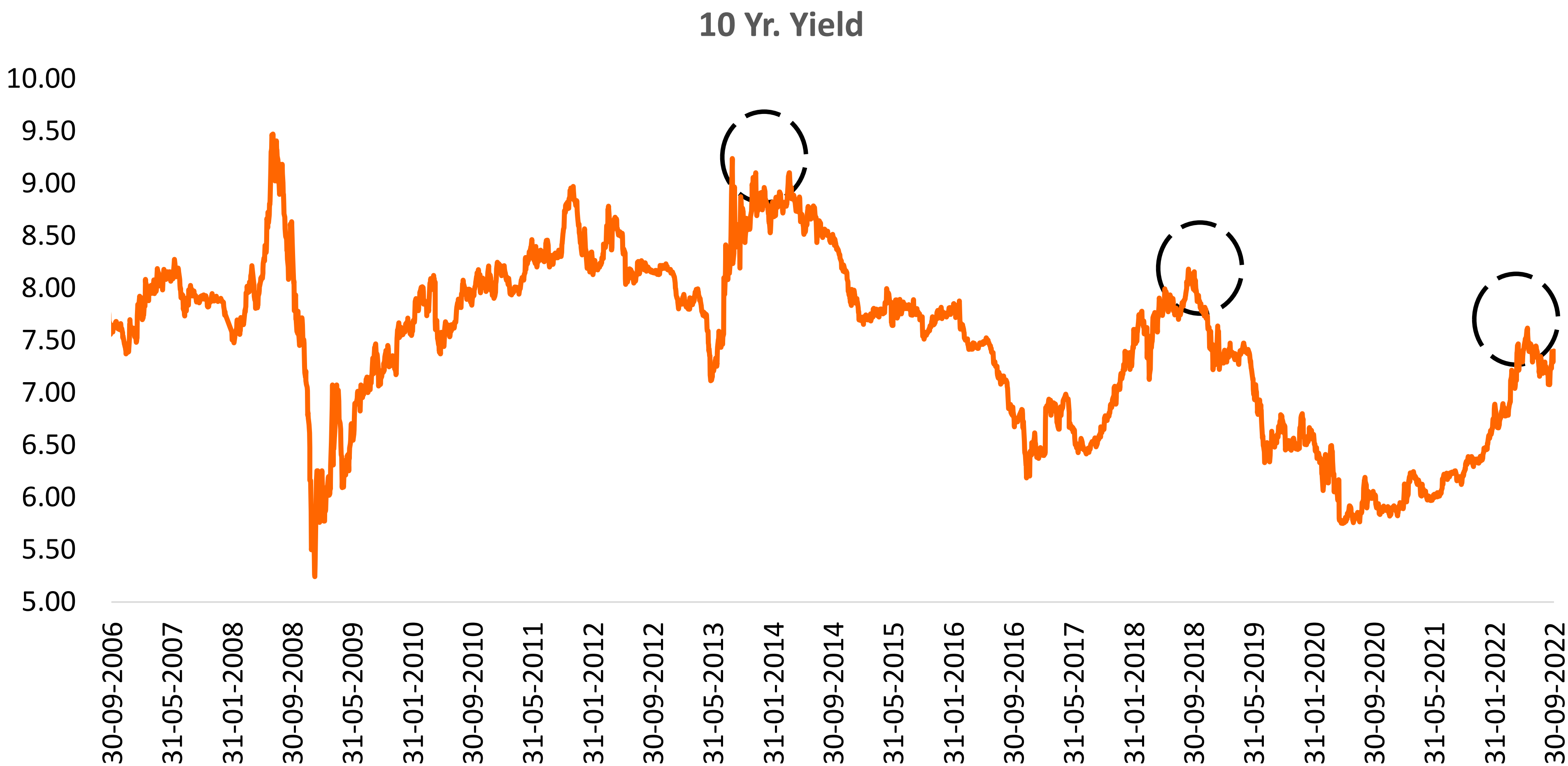
Carries no credit risk

Credit Safety Pyramid

Among all the fixed investment options available, central government dated securities carry no credit risk

Please note the investment in G-Sec securities doesn't imply guaranteed return . Further, AAA, AA and A are long term credit rating of the bond issuers.

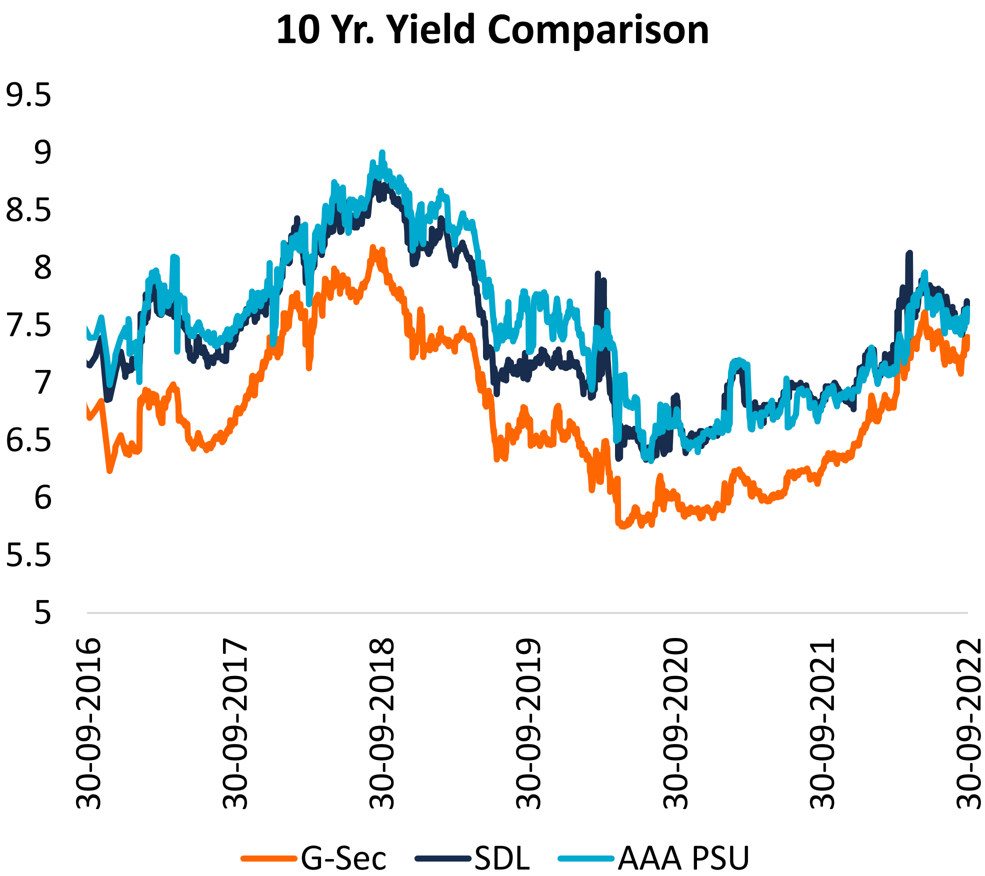
The 10 year yield is expected to be range bound with major hike already priced in

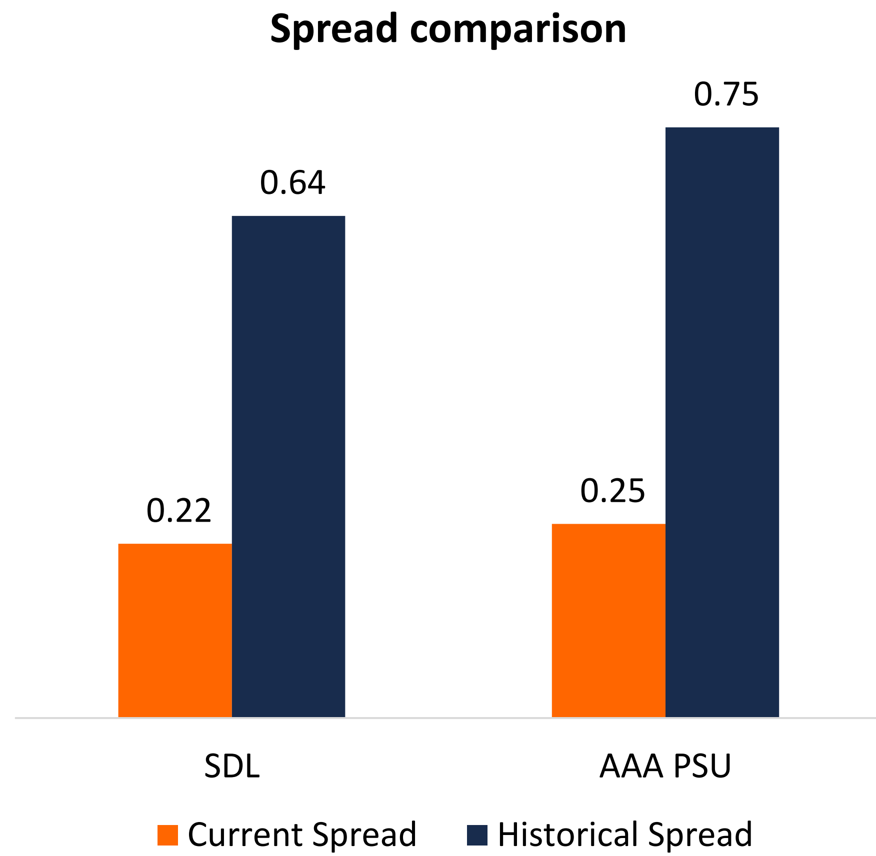


Going forward Indian 10 Yr. G-sec is expected to move in range bound manner if CPI remains in RBI tolerance limit and outlook to economic growth is not deterrent.

Source: Bloomberg , Data as on 30th September 2022 based on Bloomberg generic 10 Yr. Gilt Index, CPI : Consumer Price Inflation ; RBI : Reserve Bank of India

In 10 Yr. period G-Sec provides relatively higher compensation than other bonds





In longer maturity segment, G-Sec is relatively better placed than other available alternative such as SDL and AAA PSU Corporate Bonds.

Source: Bloomberg , Data as on 30th September 2022 based on Bloomberg generic 10 Yr. Gilt Index, Statement Development Loan (SDL) Index, AAA Public Sector Undertaking (PSU) Corporate bond index. Historical spread comparison from 08th Jan 2016. to 30th Sep 2022

Earning parity for Buy and Hold investor may be relevant

Period of Investment	10 Yr.	7 Yr.	5 Yr.	3 Yr.
Current Yield	7.40%	7.38%	7.32%	7.10%
Year 1	7.40	7.38	7.32	7.10
Year 2	7.40	7.38	7.32	7.10
Year 3	7.40	7.38	7.32	7.10
Year 4	7.40	7.38	7.32	-
Year 5	7.40	7.38	7.32	-
Year 6	7.40	7.38	-	-
Year 7	7.40	7.38	-	-
Year 8	7.40	-	-	-
Year 9	7.40	-	-	-
Year 10	7.40	-	-	-
Total Earning (A)	**74.00**	**51.66**	**36.60**	**21.30**
Required Residual Earnings (B)	-	22.34	37.40	52.70
Period Remaining to earn residual Earning (C)	-	3 Year	5 Year	7 Year
Expected Break-even Yield (B/C)		**7.45%**	**7.48%**	**7.53%**

Earning parity by investing in 10 Yr. vis-à-vis other shorter duration period requires that the yield continue to remain at level similar or higher than what they are today, which may or may not be the case

Source: Bloomberg , Data as on 30th September 2022 based on Bloomberg generic 10 Yr. Gilt Index, 5 Yr. , 3 Yr. and 7 Yr. Gilt Index, The data shown above pertains to the Index and does not in manner indicate performance of any scheme of the Fund. Past performance may or may not sustain in future

Why invest in 10 Yr. Target Maturity G-Sec ?

- If long-term yields are expected to move in range bound manner before it starts dropping, then buy and hold investor can potentially lock-in at higher Yield-to-maturity (YTM) now.

- Buy and Hold investor continues to be exposed to potential re-investment risk if investing for shorter maturity/duration specially if the market is nearing the peak of rate hike cycle.

- Central Government dated securities (G-Sec) with 10 year maturity is considered to be the most liquid Indian debt securities. Thus, ensuring closest proximation to the index it tracks

- The supply of 10 Yr. G-Sec i.e. the amount outstanding under 10 Yr. is relatively highest vis-à-vis other maturities thereby ensuring continuous availability of the instrument for investment and redemption compared to other debt securities

- Higher liquidity coupled with high outstanding will likely make yield leakage relatively lower for the investor in this segment where underlying is 10 Yr. G-Sec as compared to other combinations available in the longer segment

Suitable for investors with longer investment horizon who wants to potentially lock-in at prevalent yield, reduce re-investment risk, seeks no credit risk and potentially minimum yield leakage especially when other more risky instruments may not be compensating for risk adequately enough

Mirae Asset Debt Outlook

- Reserve Bank of India (RBI) has been steady on rate hikes and withdrawal of excess liquidity and tightening bias continues as inflation remains above the upper tolerance band of 6%.

- RBI is choosing to frontload its rate hike response to restrict inflation trajectory more swiftly and cushion the domestic economy from international currents. The factors are evenly balanced and may provide RBI with more comfort and cushion to pursue its inflation targeting objective.

- RBI's inflation projection for FY23 and FY24 remains largely unchanged in backdrop of the global concerns. Moreover it is basing its inflation projection on the assumption of crude at US$ 100 per barrel (p/b) (current Brent crude at $ 89 p/b)

- Rate hikes and gradual withdrawal of liquidity may continue to push the short term and money market rates upwards in days ahead. The curve remains pretty flat from 5 year onwards

- Longer end may likely to remain range bound, comforted by recent correction in global commodity prices; and analyst expectation of inflation having peaked (both globally and domestically). However, longer end is susceptible to volatility with upward biasness in anticipation of further rate hikes and liquidity withdrawal.

Source: Bloomberg as on 30th Sep 2022.

CRISIL IBX Gilt Index – April 2033

About the index

The index seeks to track the performance of gilt issuers near to the maturity date of the index i.e. April 29th 2033

- Only fixed coupon bearing central government dated securities will be considered.
- Surrogate bonds (namely Food Corporation of India bonds, Oil bonds, Fertilizer bonds and UTI Special Bonds), STRIPS and Floating rate bonds are excluded from eligible securities.
- All the central government dated securities maturing in 12 month prior to April 29th 2033 will form part of the index
- Weights to individual securities as evaluated on each rebalancing date and inception date will be calculated in the ratio of amount outstanding (30% weightage) and liquidity score (70% weightage).
- Liquidity score will be calculated based on the volume traded (70%), number of trades (15%) and days traded (15%) in the previous quarter. The index constituents will be reviewed on quarterly basis
- Proceeds from the maturity of bond but before the maturity of the index will be re-invested in remaining bond, followed by T-Bills and finally shall be re-invested in TREPS for subsequent days till the maturity of the index

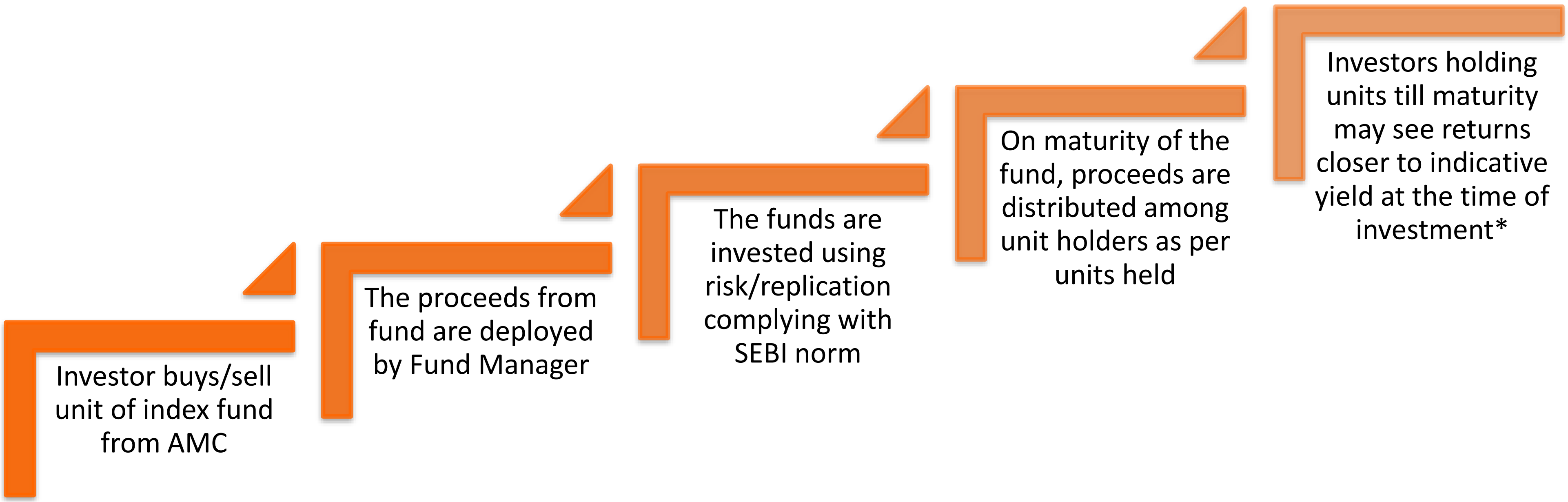
Source: CIRISL Indices TREPS: Triparty Repo Dealing and Settlement, T-Bills : Treasury Bills

CRISIL IBX Gilt Index – April 2033 – Constituents

ISIN	Nomenclature	Date of Maturity	Weights	YTM as on 30th Sep 2022
IN0020070044	8.32% GS 2032	02-Aug-32	18.37%	7.58%
IN0020020106	7.95% GS 2032	28-Aug-32	51.90%	7.53%
IN0020220060	7.26% GS 2032	22-Aug-32	29.49%	7.58%
IN0020070077	8.33% GS 2032	21-Sep-32	0.24%	7.59%
			Portfolio	**7.55%**

Source: CRISIL, Portfolio as on 30th Sep 2022, G-Sec Yields are denoted in semi-annual per annuum. Past performance may or may not sustain in future. The data shown above pertains to the Index and does not in manner indicate performance of any scheme of the Fund.

How the fund will work ?



The Fund will replicate the index using risk/replication strategy in which it will match the duration and other risk parameter as per SEBI guidelines

Source: Under risk replication the fund manager aims to keep the duration of the fund within stated range by buying the securities first available in the index. However in case of non-availability of security in the index, the fund manager may buy similar risk profile matching other securities. *Please note the predictability of return doesn't imply guaranteed return or protection of principal. Investments are still subject to credit and market risk. Further, returns will be potentially visible only if the investor continues to hold it till the maturity.

Why invest in Mirae Asset CRISIL IBX Gilt Index – April 2033 Index Fund ?

- A fixed maturity index fund which provides portfolio visibility and reasonably predictable returns at maturity at relatively low cost**

- Relatively lower credit risk as fund seeks to invest in G-Sec with fund manager seeking to replicate the duration risk and yield profile of the index.

- No lock-in like Fixed Maturity Plans (FMP). Investor has the option to subscribe or redeem anytime during the lifecycle of the fund

- Tax efficient compared to traditional investment avenues. LTCG is taxed at 20% post indexation benefit*

- Potential to avail 11 indexation benefit depending upon the investors holding period

- Opportunity to lock-in 10 Yr. at relatively higher yield as going forward Indian 10 Yr. G-sec is expected to move in range bound manner if CPI remains in RBI tolerance limit and outlook to economic growth is not deterrent

* Please consult your tax advisor for any taxation impact on your investment. **Please note the predictability of return doesn't imply guaranteed return or protection of principal. Investment are still subject to credit and market risks. Further, returns will be potentially visible only if the investor continues to hold it till the maturity. LTCG stands for Long term capital gain tax. G-Sec is central government dated securities. CPI : Consumer Price Index and RBI: Reserve Bank of India

Scheme Details

Particulars	Mirae Asset CRISIL IBX Gilt Index – April 2033 Index Fund
NFO Period	10th October 2022 – 18th October 2022
Allotment Date	20th October 2022
Type of Scheme	An open-ended target maturity Index Fund investing in the constituents of CRISIL IBX Gilt Index – April 2033. A scheme with relatively high interest rate risk and relatively low credit risk
Benchmark	CRISIL IBX Gilt Index – April 2033
Plan & Options	Regular and Direct Plan (1) Growth Option and (2) Income Distribution cum capital withdrawal (IDCW). The IDCW Option shall have Reinvestment and Payout option
Fund Manager	Mr. Mahendra Jajoo
Minimum Investment in NFO	Rs. 5000/- and in multiples of Re. 1/- thereafter.
Post NFO Minimum Additional Amount	Rs. 1,000/- and in multiples of Re. 1/- thereafter.
Taxation	Debt
Exit Load	Nil

THANK YOU

MIRAE ASSET
Mutual Fund

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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

Please consult your financial advisor or mutual fund distributor before investing

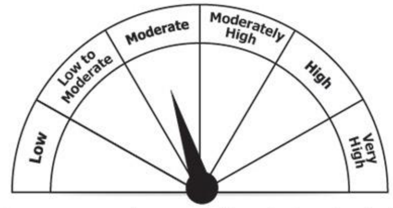
PRODUCT LABELLING

Mirae Asset CRISIL IBX Gilt Index – April 2033 Index Fund is suitable for investors who are seeking*

- **Income over the Target maturity period**
- **Open ended Target Maturity Index Fund that seeks to track CRISIL IBX Gilt Index – April 2033**

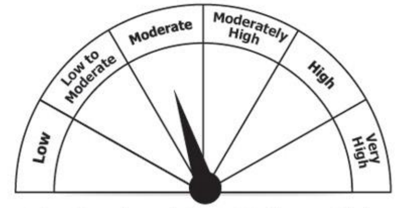
*Investors should consult their financial advisors if they are not clear about the suitability of the product.

Scheme Riskometer



Investors understand that their principal will be at Moderate Risk

Scheme Benchmark: CRISIL IBX Gilt Index – April 2033 Benchmark Riskometer



The Benchmark is at Moderate Risk

Potential Risk Class MAtrix			
Credit Risk → / Interest Rate Risk↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)	**A-III**		

(A scheme with relatively high interest rate risk and relatively low credit risk)