

# Mirae Asset Great Consumer Fund

(Sectoral/Thematic Fund - An open ended equity scheme following consumption theme)

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March 2021

# Why Consumption Is A Long Term Trend In India ?

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# Major Driver Of Indian Consumer Sector

## Fastest Growing Economy



**5** USD Trillion

Govt's plan of USD 5Tn economy by 2028

## Urbanization



**40** Percent Of Indians

Will live in urban areas by 2030 and drive economic growth

## Nation of The Young



**28** Median Age

Generation Z and Millennials will change the trend

## Growing Connectivity



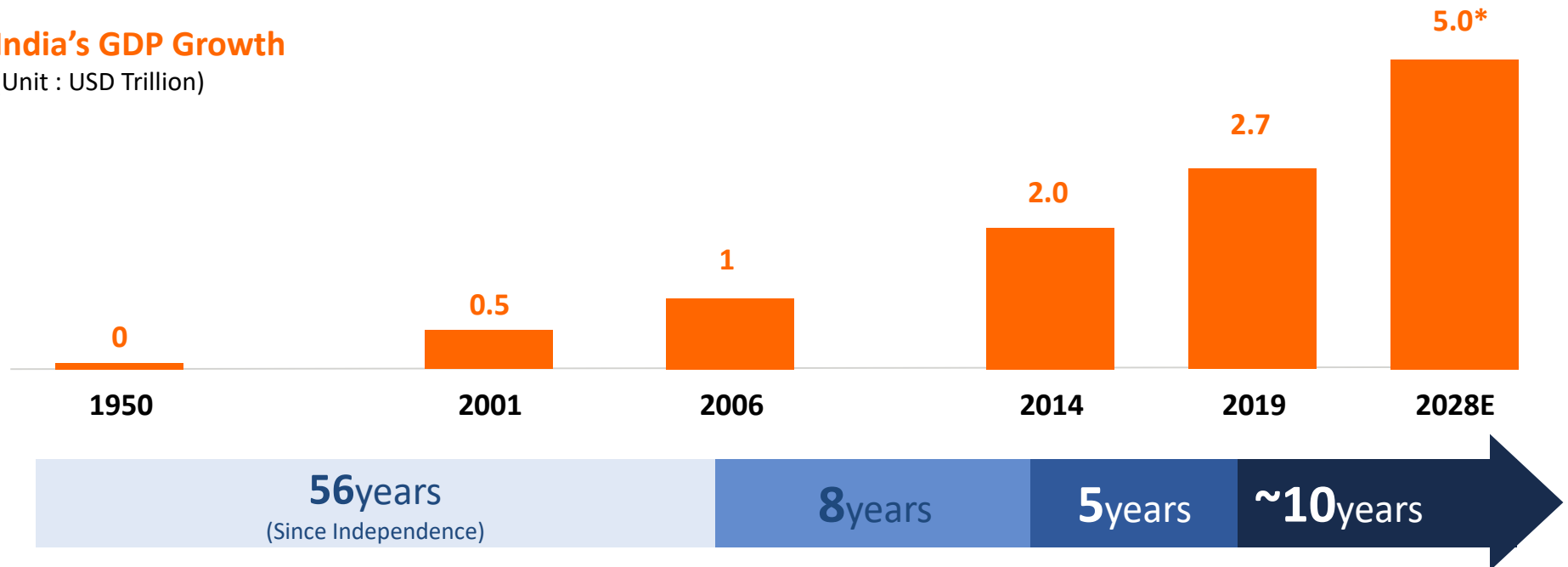
**1+** Billion Of Indians

Will have internet access by 2030

# India, A Huge Growth Opportunity, Isn't It?

## India's GDP Growth

(Unit : USD Trillion)



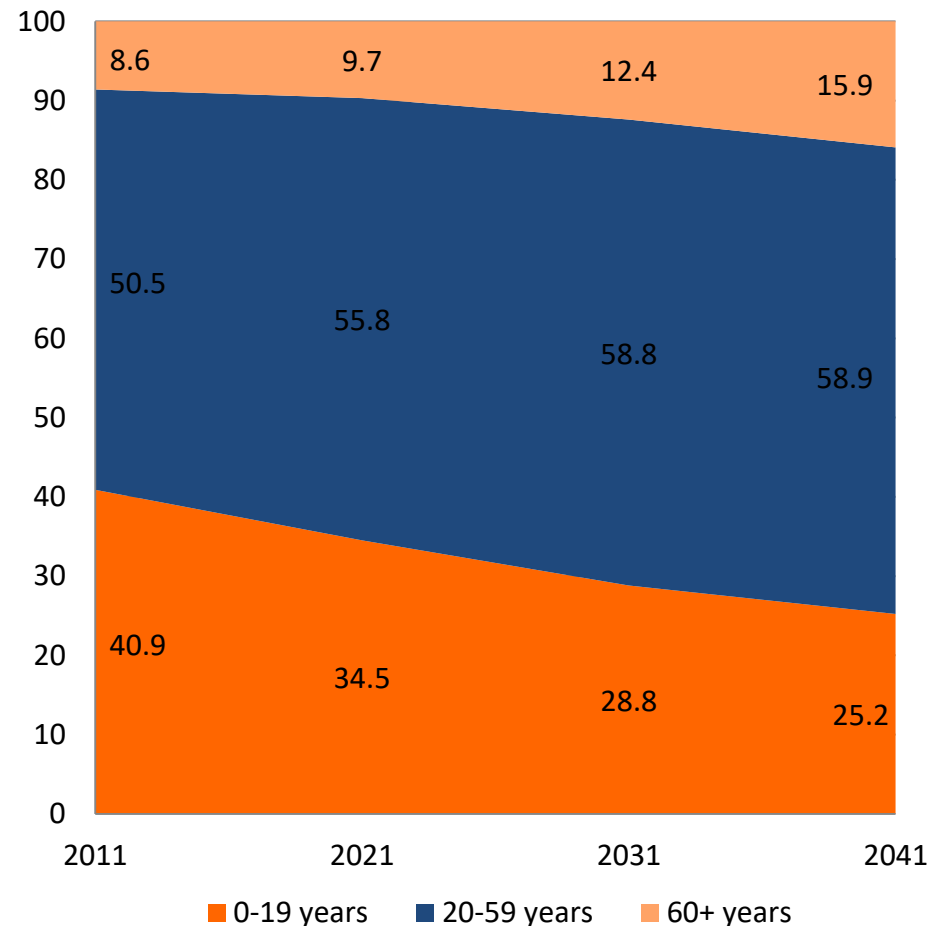
- 1<sup>st</sup> trillion took 56 years, 2<sup>nd</sup> – 8<sup>th</sup> years
- India's structural growth factors should help acceleration in growth: Demographics, and potential in infrastructure.

## Favourable Demographics To Support Long Term Growth

Median Age		
	2018	2035E
India	28	33
China	37	45
Korea	42	50
Japan	47	52
USA	38	41

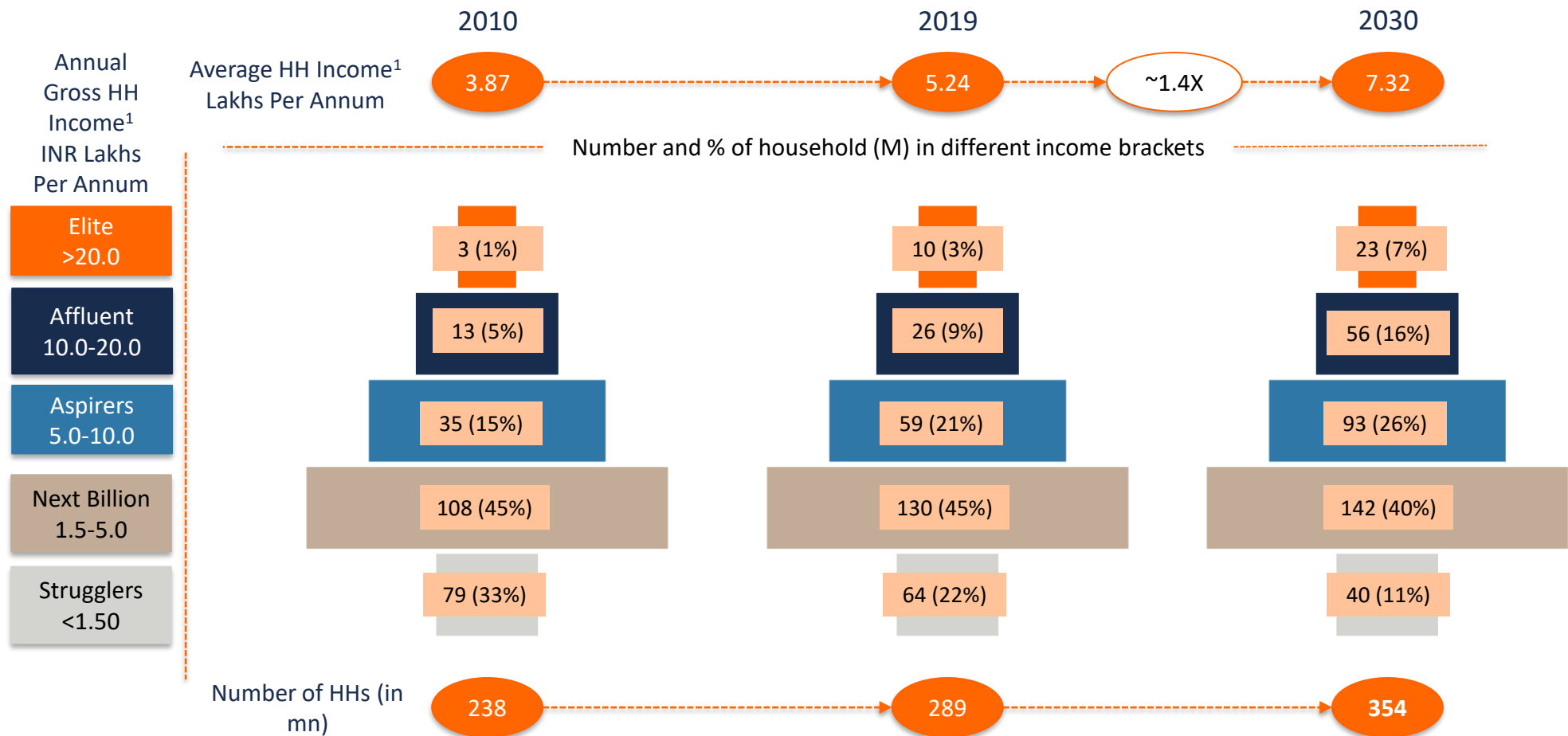
- Median age of 28 years
- Age dependency ratio is favourable till 2040

Demographic composition in India  
(2011-2041)



Source for chart: NSSO, KIE, March 2020. UN Population Database, December 2020

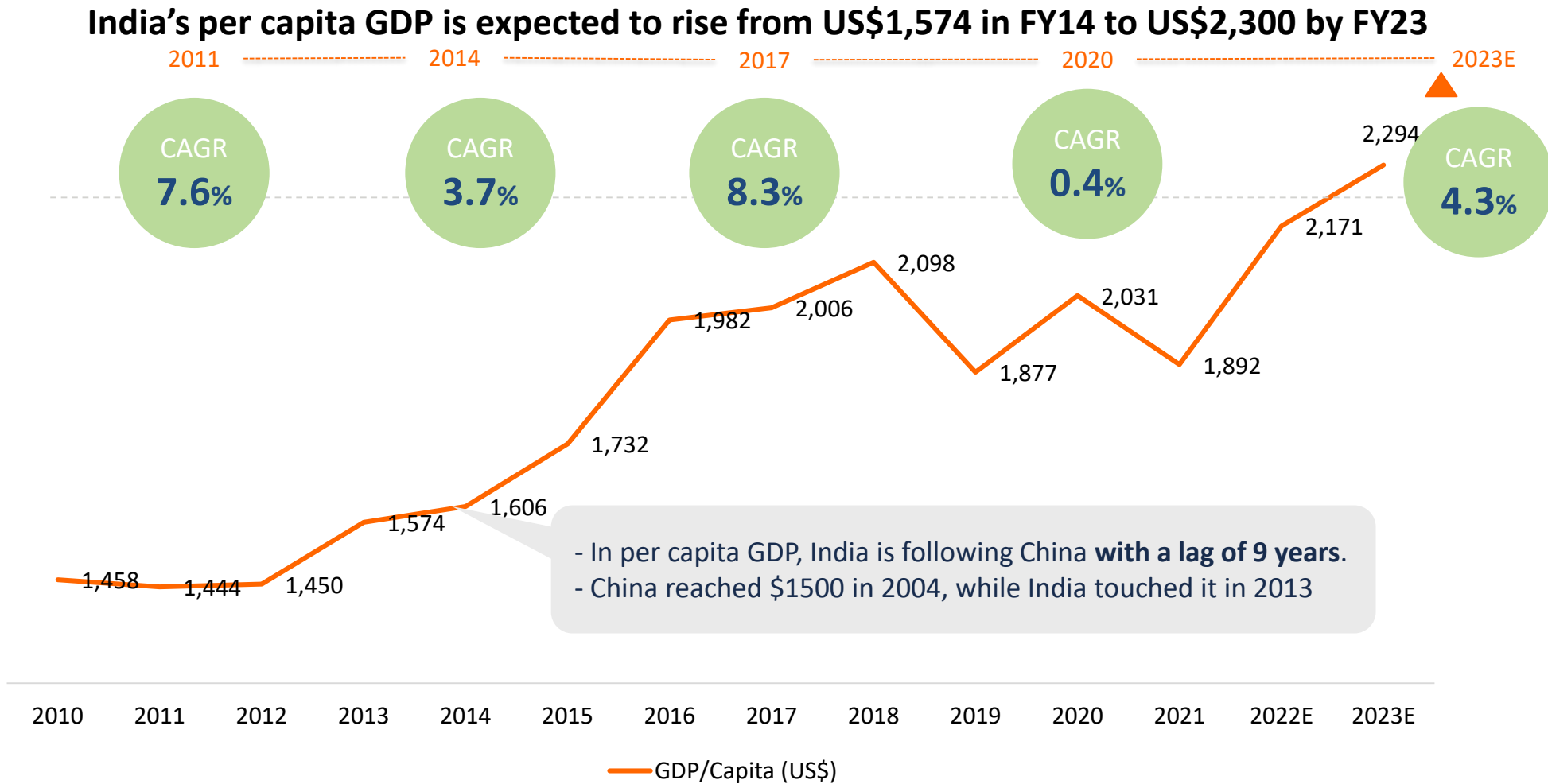
# Evolution Of Household Income



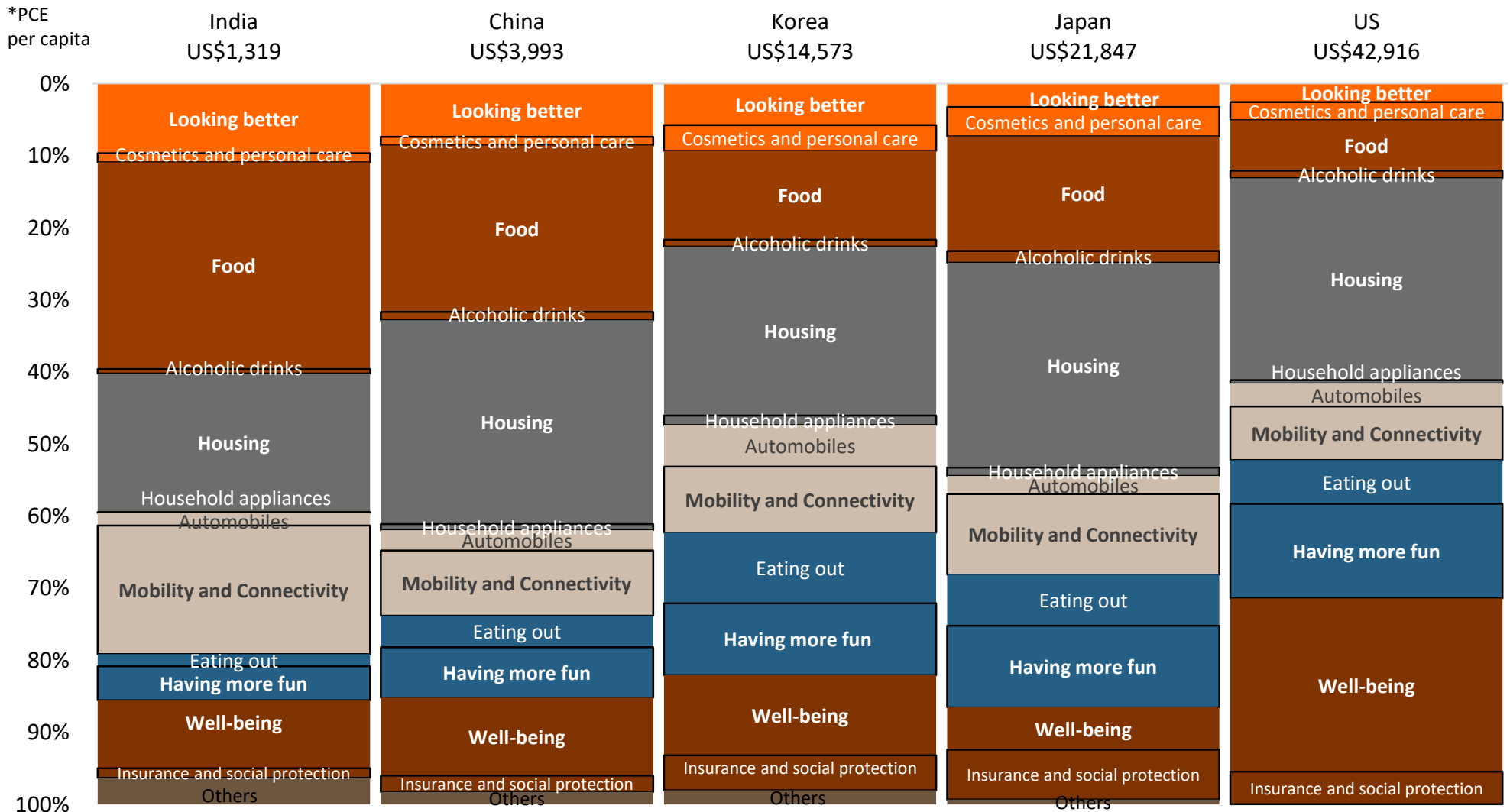
Note : 1. Annual household gross income are based on 2019 prices. HH Income represents household income.

Source: CCI proprietary income database, BCG analysis

# India's Per Capita GDP At An Inflection Point



# India's Consumption Is Skewed Towards Basics, Discretionary Spends Set To Gain Share



Source: Euromonitor, CEIC, Goldman Sachs Global Investment Research. Data as on 31<sup>st</sup> December 2020.

\* PCE stands for Personal Consumption Expenditure



# Consumer Sector – Decadal changes and future trends

# Consumption Sector Has Outperformed During The Last Few Years

	2013	2014	2015	2016	2017	2018	2019	2020	Overall Returns
High	IT	Bank	Media	Metal	Realty	IT	Realty	Pharma	IT
	Pharma	Financial	Pharma	Energy	Metal	FMCG	Financial	IT	Financial
	FMCG	Auto	Consumption	Auto	Consumption	Financial	Bank	Consumption	Consumption
	Consumption	Pharma	FMCG	Bank	Financial	Bank	Energy	FMCG	Bank
	Auto	Media	IT	Financial	Bank	Energy	IT	Energy	FMCG
	Media	Consumption	Auto	FMCG	Energy	Consumption	Consumption	Auto	Pharma
	Energy	FMCG	Energy	Media	Media	Pharma	FMCG	Metal	Energy
	Financial	IT	Financial	Consumption	Auto	Metal	Pharma	Financial	Auto
	Bank	Realty	Bank	Realty	FMCG	Auto	Auto	Media	Metal
	Metal	Energy	Realty	IT	IT	Media	Metal	Realty	Realty
Low	Realty	Metal	Metal	Pharma	Pharma	Realty	Media	Bank	Media

Nifty Consumption TRI/Nifty FMCG TRI has returned 30.1%/32.6% respectively as compared to 21.9%/25.6% in Nifty 100 TRI/Nifty Midcap 100 TRI respectively.\*

Source: Bloomberg, Data as on 31<sup>st</sup> December 2020. Past performance may or may not sustain in future.

For comparison purpose indices used are: Nifty IT, Nifty Pharma, Nifty FMCG, Nifty India Consumption, Nifty Auto, Nifty Media, Nifty Energy, Nifty Financial, Nifty Bank, Nifty Metal, Nifty Realty.

\*Source: Bloomberg. Data as of 28<sup>th</sup> February 2021

## Decadal Changes: Higher income, penetration and evolution in distribution

Macro Indicators	Then - 2010	Now - 2020
India's GDP size (\$ tn)	1.3	2.9
Per Capita Income (\$)	1,148	2,140
Population (bn)	1.2	1.3
No of HHs (mn)	244	298
Per Capita FMCG Consumption (\$)	24	42
Personal Consumption Expenditure (\$)	643	1,294
Urbanization (%)	31	35
Average CPI(%)	12	5
Repo Rate (%)	5	4
Literacy Rate (%)	69	74
Dependency Ratio (%)	56	50

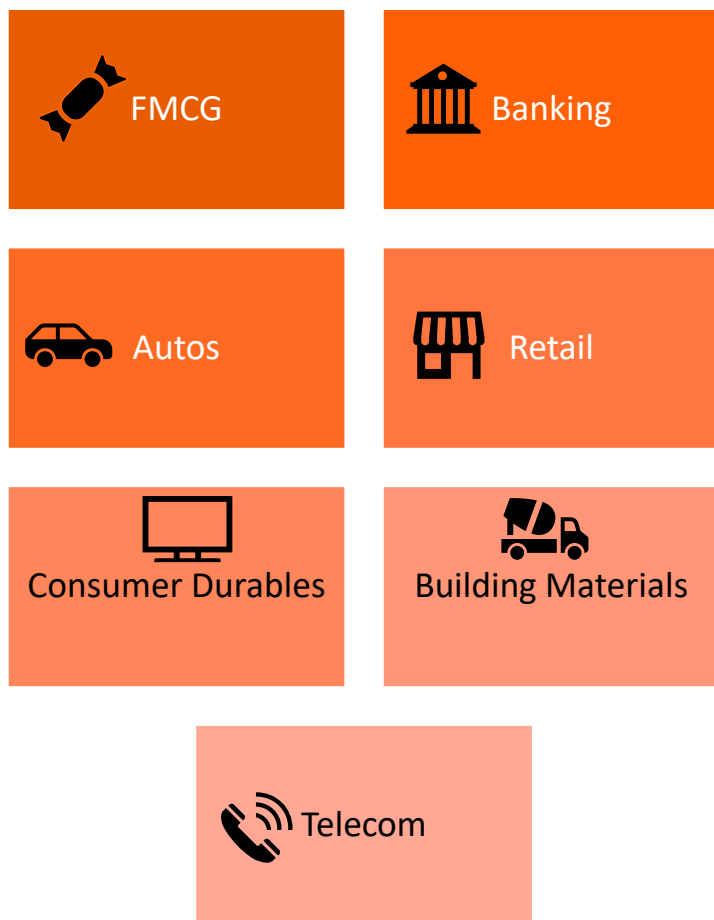
FMCG Channel Mix (%)	Then - 2010	Now - 2020
GT Share	88	77
CSD	4	3
MT Share	8	14
E- Commerce Share	0	6

\* Source: World Bank, IBEF, Census 2011, NSSO, PPAC, Company data

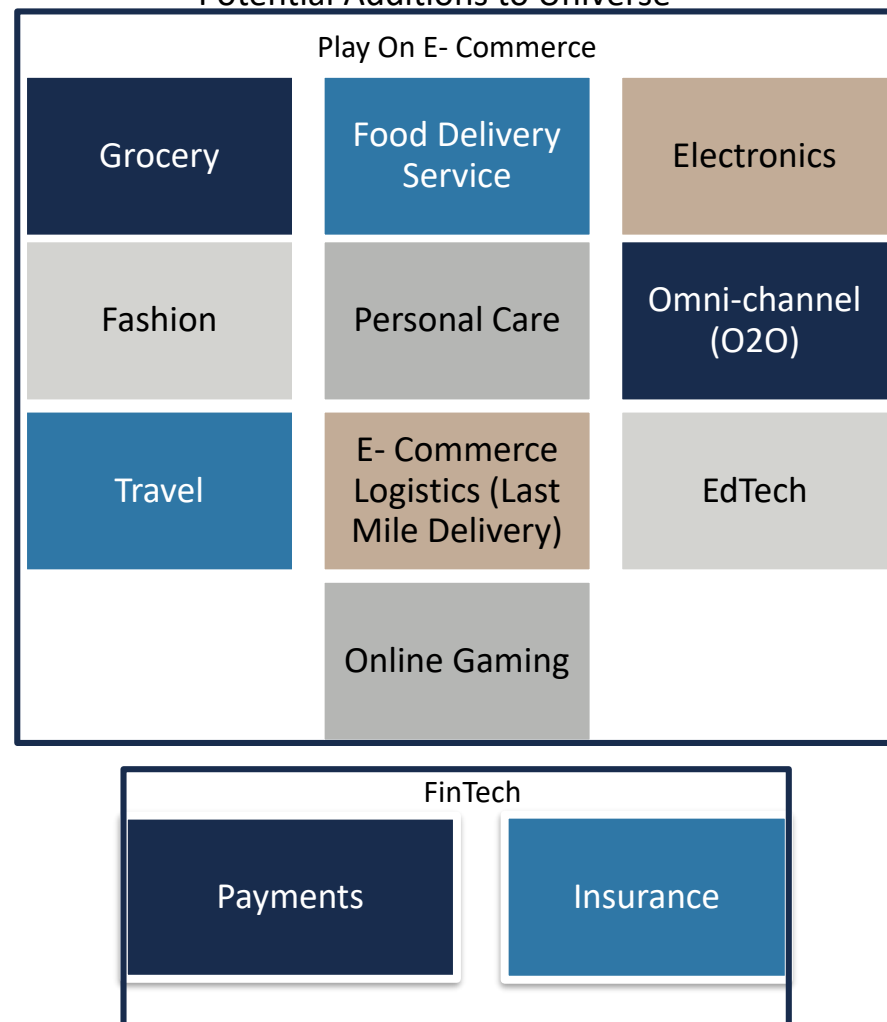
Penetration (%)	Then - 2010	Now – 2020
Electricity	76	100
LPG Connection	51	98
FMCG products		
Detergent	88	98
Shampoo	51	95
Toothpaste	60	95
Handwash	5	35
Durable products		
Refrigerator	15	33
Washing Machine	3	15
Air Conditioners	2	7
Smartphone	2	43
Auto products		
PV	1.0	2.3
2W	5.7	13.0
Insurance (% of GDP)	0.9	0.4
MF (% of GDP)	9.6	15.9

# Investment Universe: New Opportunities Emerging

## Current Investment Universe



## Potential Additions to Universe



\* Source: Internal. The sector(s)/stock(s)/issuer(s) mentioned herein 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).

# Investment Theme: Where do you invest and Why?

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# Long Term Drivers Of Growth



## FMCG

- Low per capita consumption
- Premiumisation
- 'Naturals' fad
- Unorganised to organised (packaged foods)
- innovations



## FMEG/ White Goods

- Low penetration rates
- Electrification drive
- Consumer finance
- Change in lifestyle



## Retail

- India's retail story has just begun
- >\$2000 per capita income to drive discretionary spends
- Frequency of consumption to rise (QSR, apparels, footwear etc)
- Emergence of Modern Trade



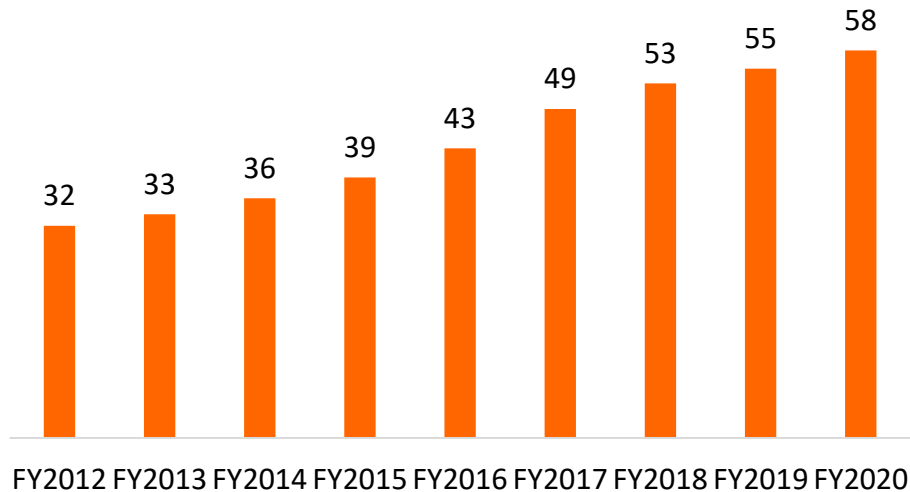
## Auto

- Low per capita consumption
- Low interest rates
- Auto cycle bottoming out
- Renewed need for personal mobility (post-covid)

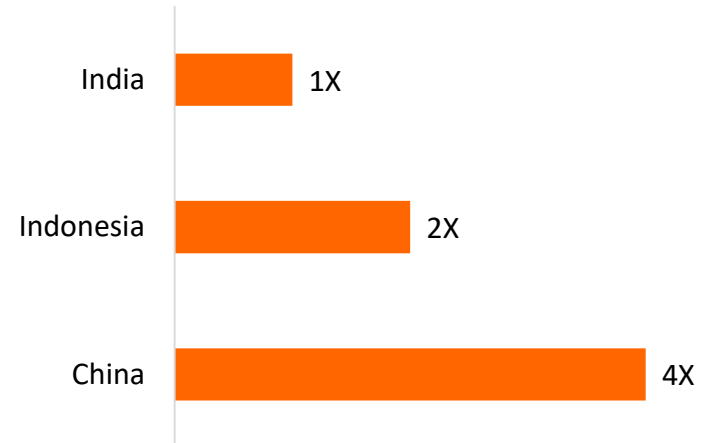
## FMCG – Still Has Large Room To Grow

- The overall FMCG market size in India is estimated at US\$58 Bn per Nielsen in FY2020. This compares to ~US\$49Bn FMCG market size in FY2017 and ~US\$9 Bn FMCG market size in FY2000 (per IBEF).
- As per the market size shared by Nielsen, per capita FMCG spend is around US\$40-45 in India (vs ~US\$29 in FY2018 per Nielsen).

FMCG market size in India (US\$ Bn, IBEF))



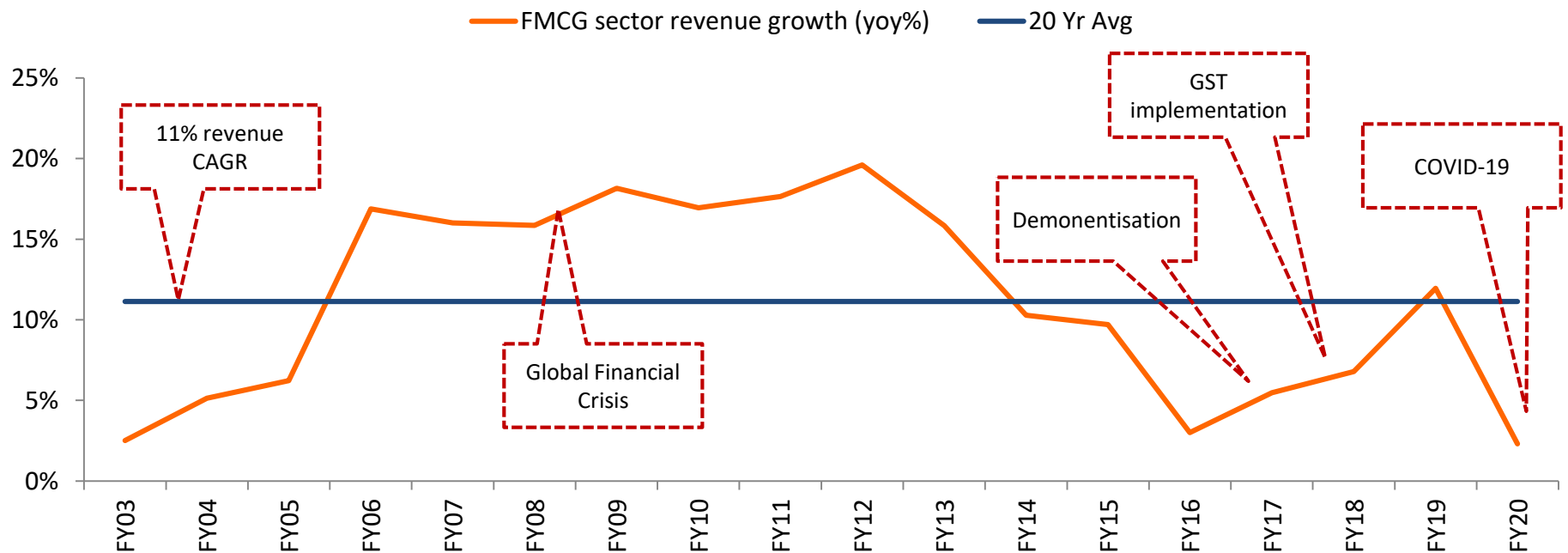
FMCG per capita consumption



## FMCG – Constant Growth Even In Periods of Disruption

- FMCG sector has grown by 11% CAGR over the last 2 decades despite multiple headwinds over the years
- The sector has grown even during periods of external shocks like GFC (Global Financial Crisis), demonetisation, GST (Goods and Service Tax) etc.

### FMCG Sector Revenue Growth

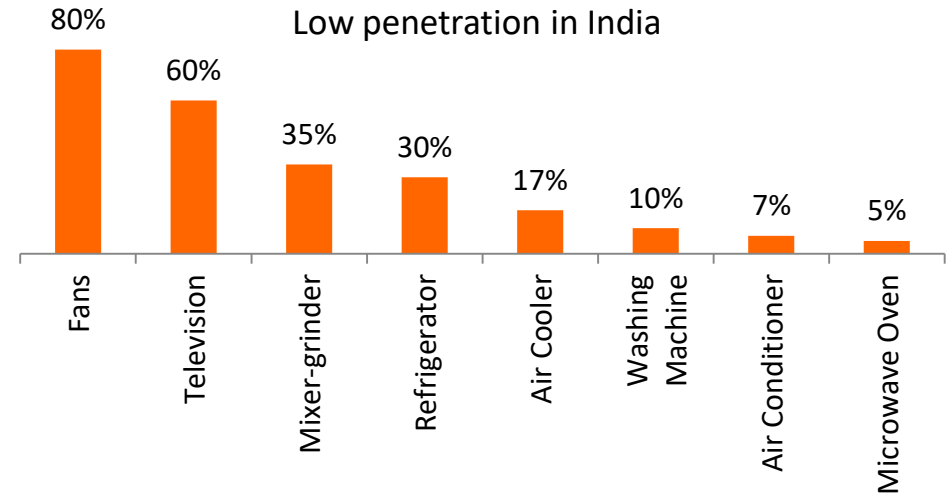




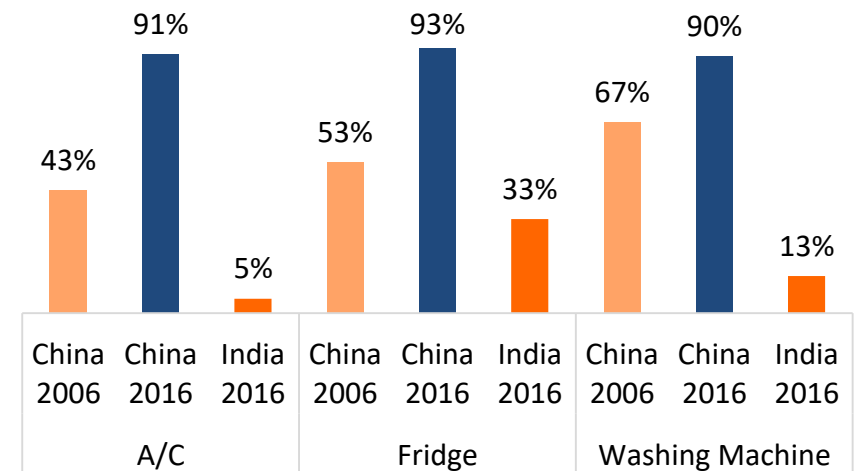
# Consumer Durables: Play On Low Penetration

What is driving penetration in India?

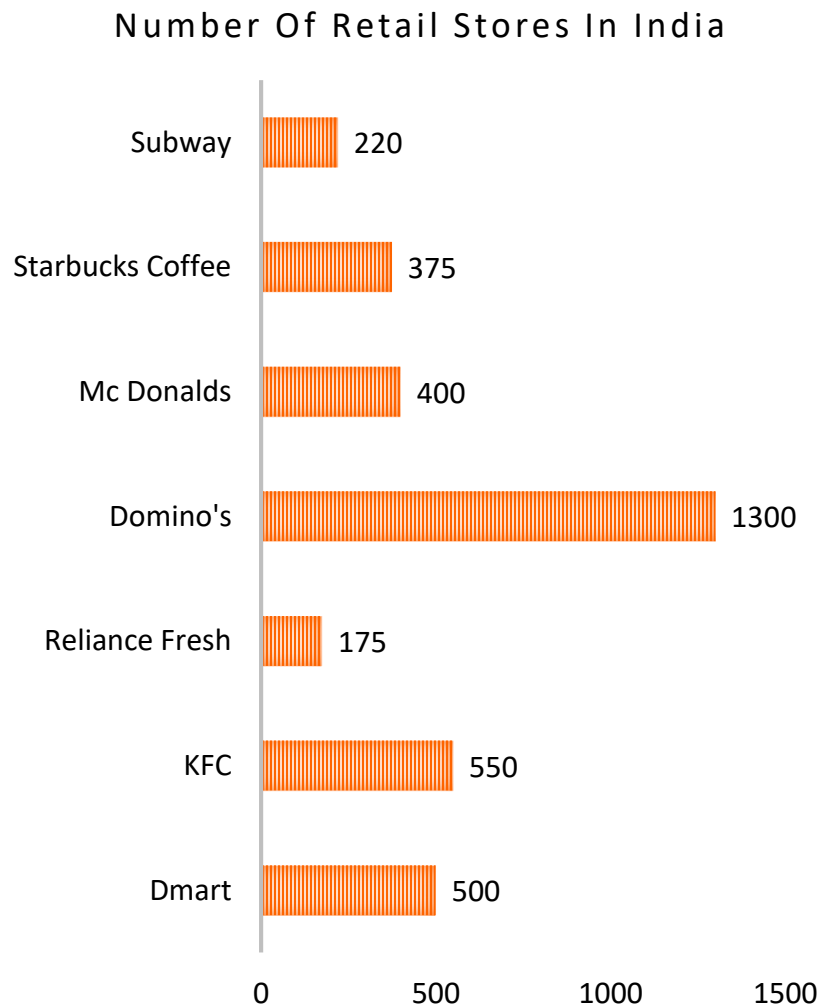
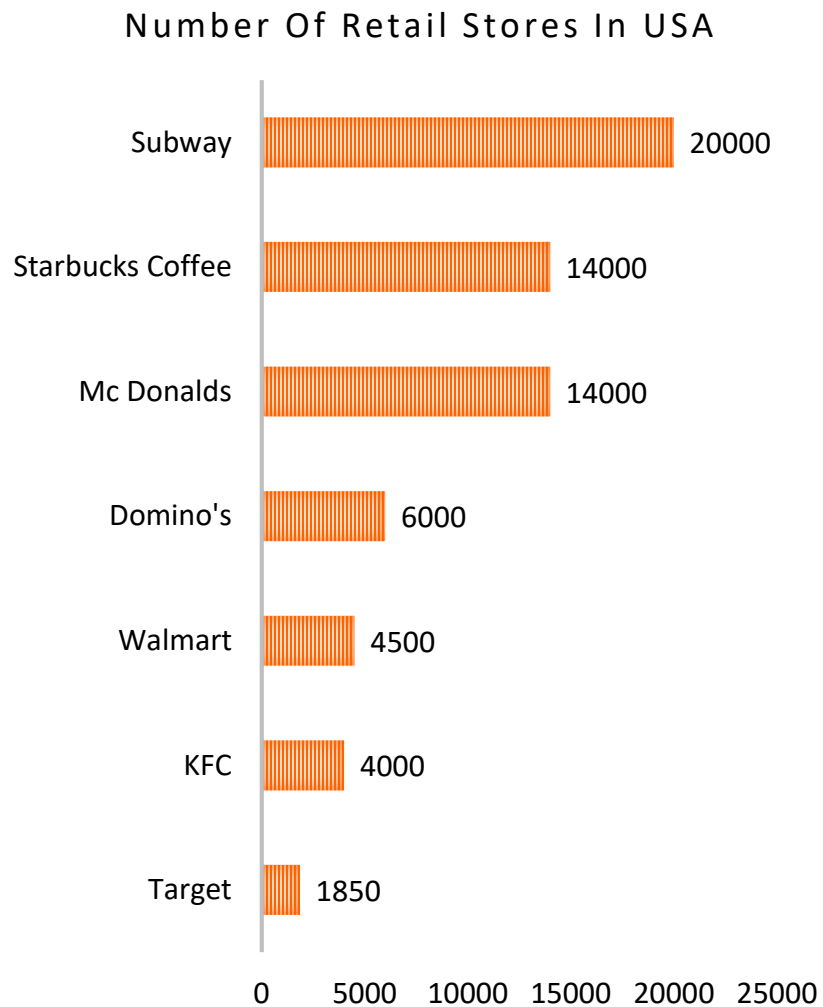
- I. Growing disposable Income (>\$2000 per capita income)
- II. Govt's Electrification Drive (100% penetration)
- III. Higher penetration of Consumer Financing
- IV. Urbanisation



India is a decade behind China in terms of penetration



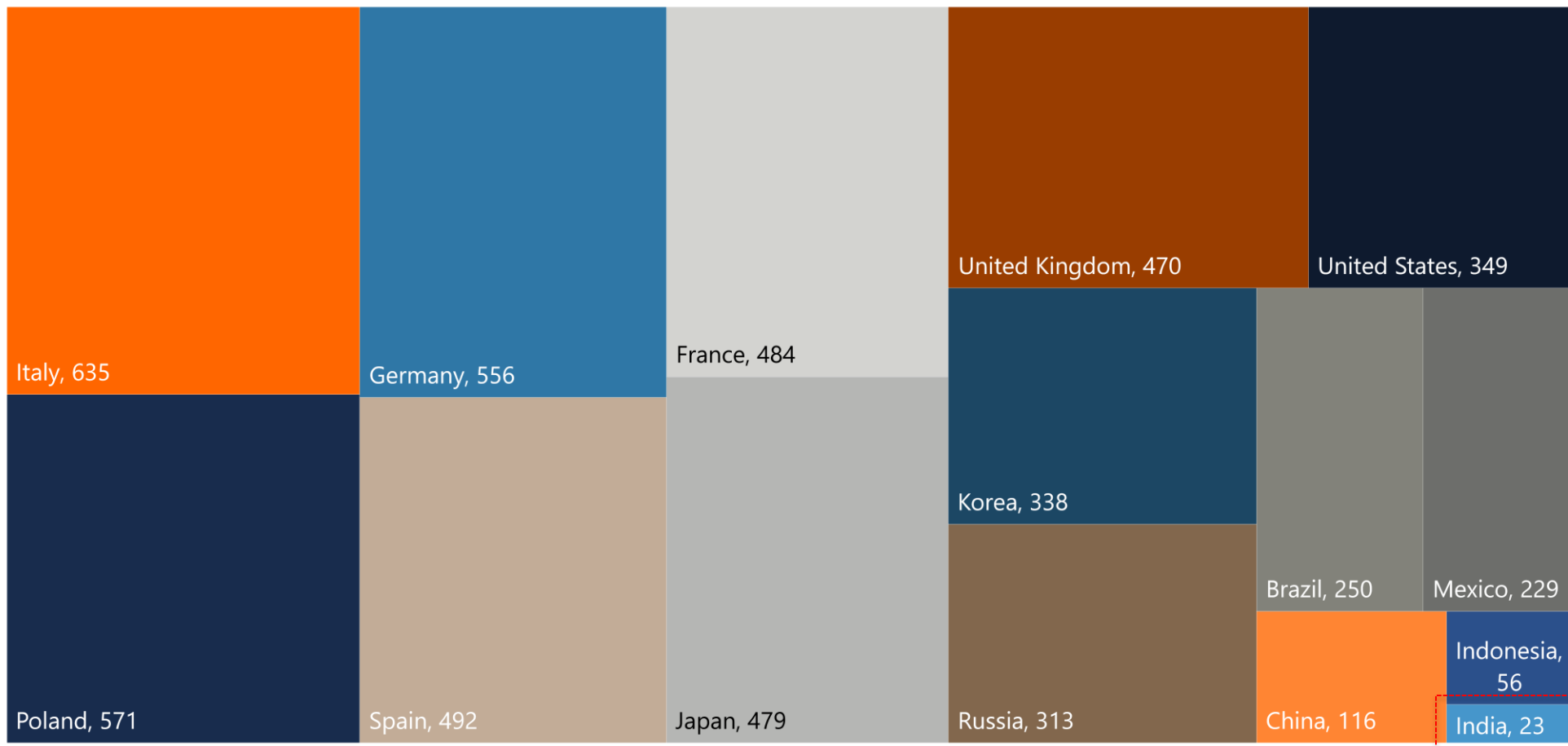
# Retail: Long Runway For Store Expansion In India



Source : Internal Company Data. Data as of 31<sup>st</sup> December 2020

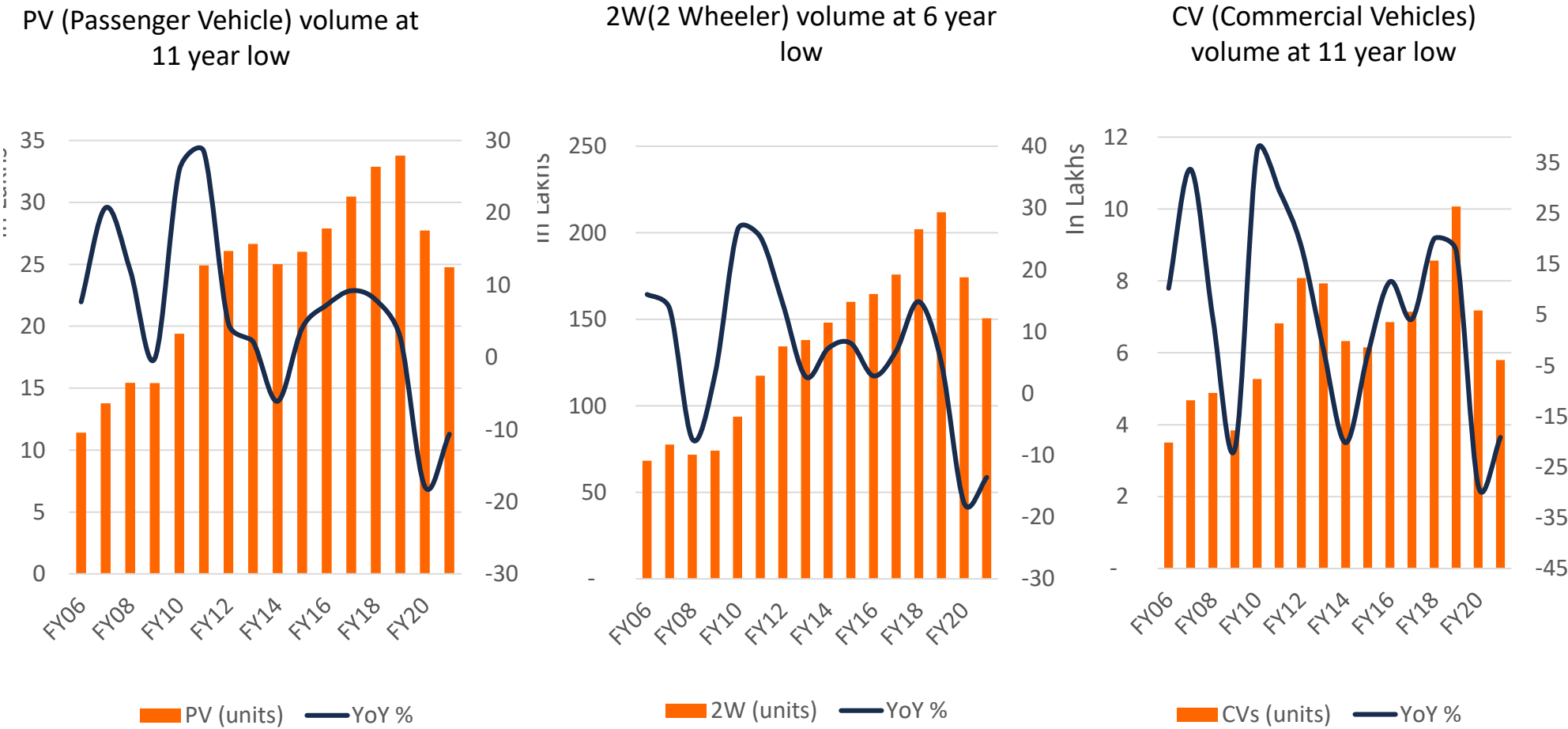
## India Auto Sector: Penetration set to rise

Cars penetration in India is much lower than many of its peers (Cars per 1000 population)



Source: SIAM, FY21 volume annualised

# Indian Auto Industry: Volumes Are At Multi Year Low Across The Segments



Source: SIAM, FY21 volume annualised

# How Banking & Financial Services Sector Relates To Life And Economy



When economy grows



Your financial income will rise  
(Bonuses, salary increase, business income growth)



You will plan to use money wisely,  
It can be in the form of...

Industry  
Growth



Bank /NBFC

Plan for  
Big Spending



Insurance  
Company

Plan for  
Stable Future



AMC /  
Stock Broking










Plan for new Investments

# How Banking & Financial Services Sector Related To Your Life



## Financial Products: Market Penetration Very Low



Country		Credit to GDP (%)	Mortgage Penetration to GDP(%)	Life Insurance Premium to GDP (%)	Mutual Fund AUM to GDP (%)
India		56	12.4	2.7	12
Brazil		74	17.1	3.9	68
South Africa		73	21.4	10.3	48
China		205	26.4	2.3	13
Korea		198	47.5	6.1	58
USA		150	62.6	2.9	121
UK		164	67.0	8.3	67

Source : Global reports, CRISIL Research, CEIC, IRDAI, GIC Council as of Dec 2019

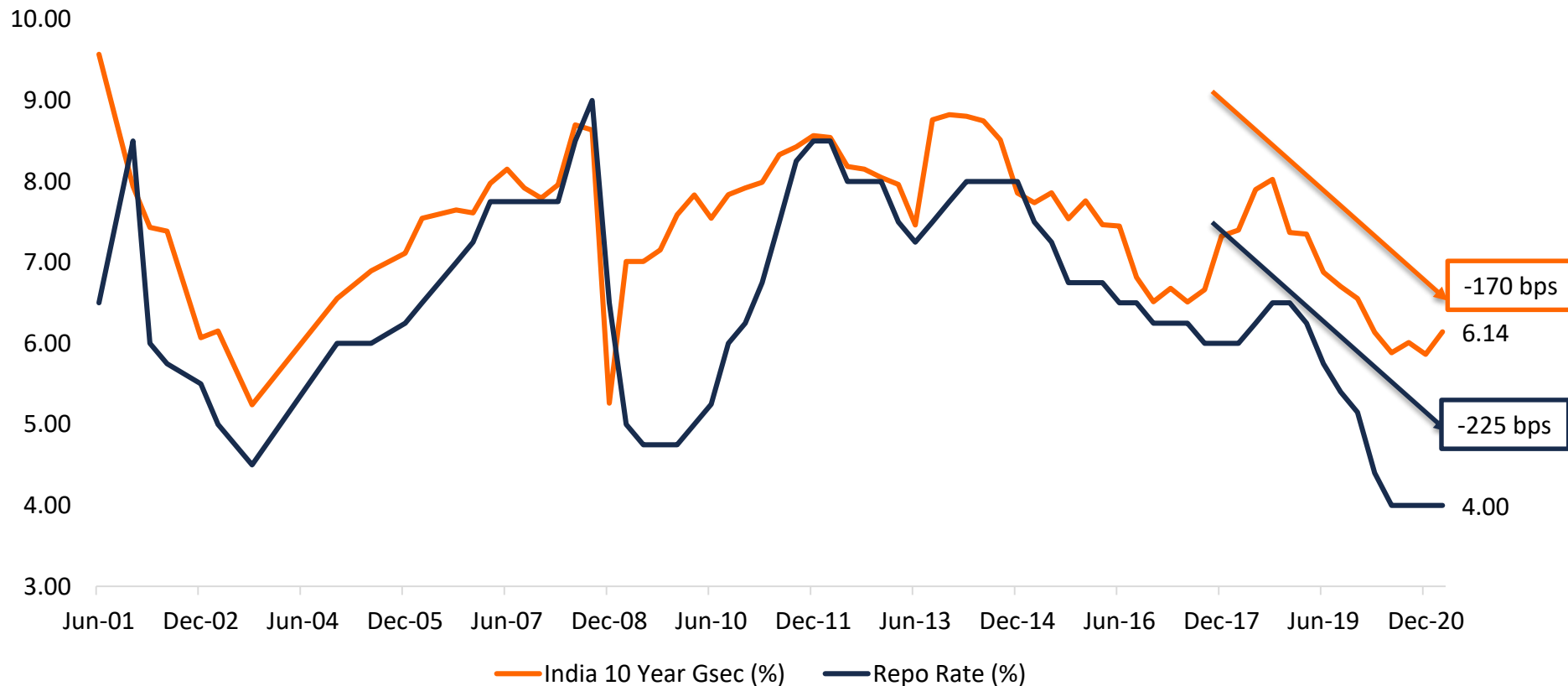
# Macro Review: Medium Term Growth Drivers

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# All Time Low Interest Rates

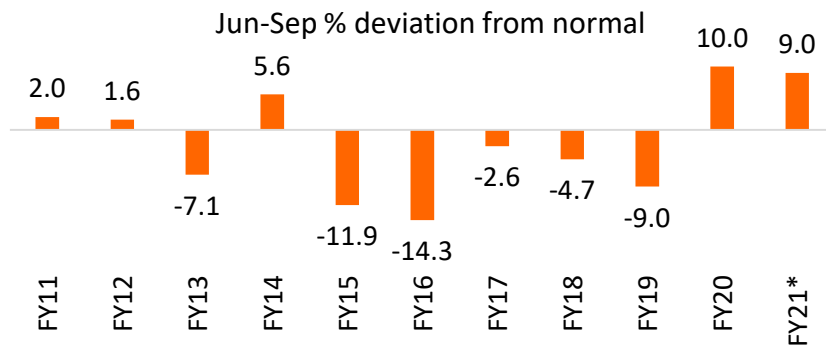
India repo now at 20yr low: In the last 2yrs Repo is down -225bps, Gsec -170bps



Source: Bloomberg, Data till 23<sup>rd</sup> March 2021

## Rural Recovery Underway

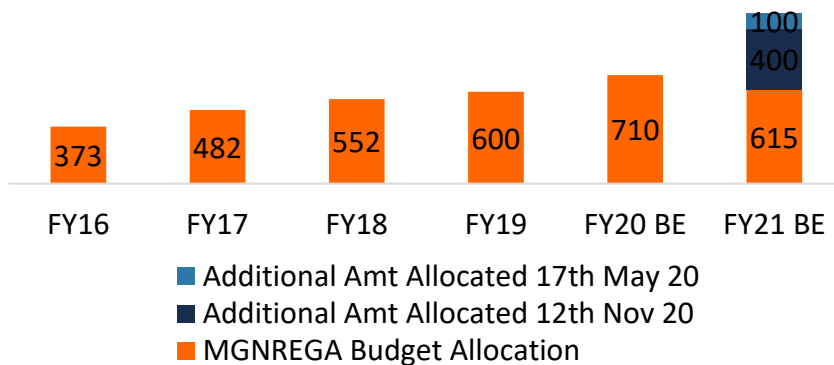
### Two consecutive good monsoons



\*Jun-Sep 2020

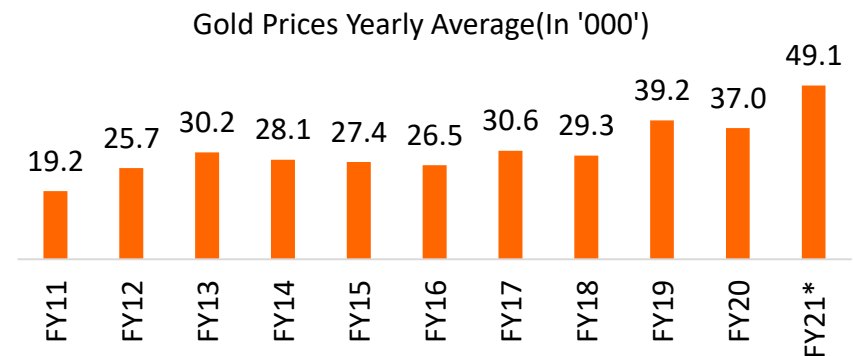
Source: IMD

### MGNREGA allocation is 57% higher yoy



Source: RBI

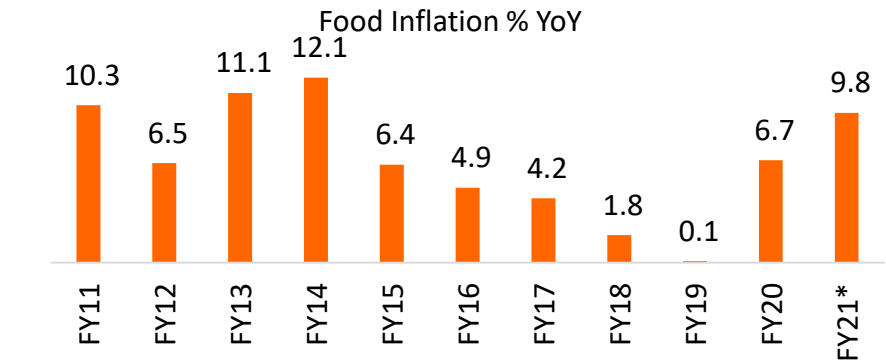
### Wealth effect: Gold inflation at >50%



\*Average Up to October 20

Source: Bloomberg

### Food inflation at 7 Year high



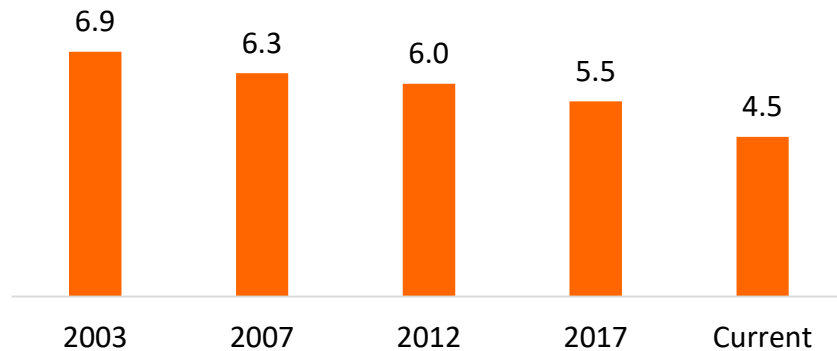
\*April-Nov 20 Vs April- Nov 19

Source: CEIC

# Housing Revival: Expectations Of An Upcycle

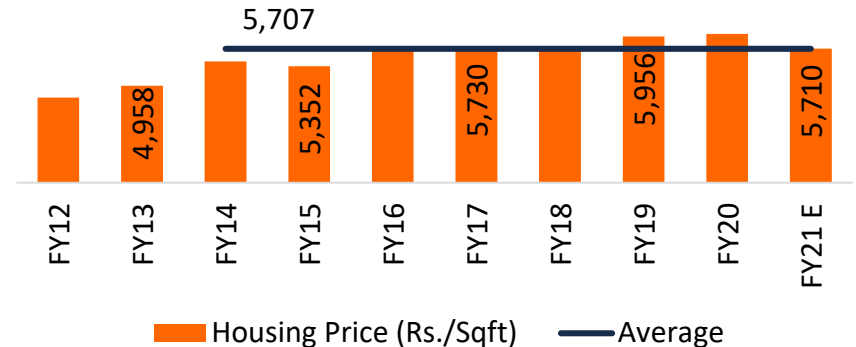
## Affordability Ratio

Property Price/Income At 4.5x Is Best In 20yrs



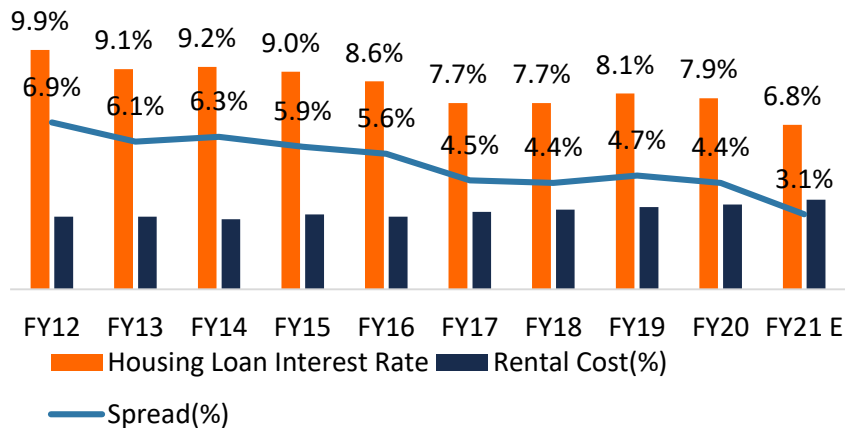
Source: PropEquity, Spark Capital Research. Data as on 31<sup>st</sup> Dec 2020

## 8 Year Time Correction In Property Prices



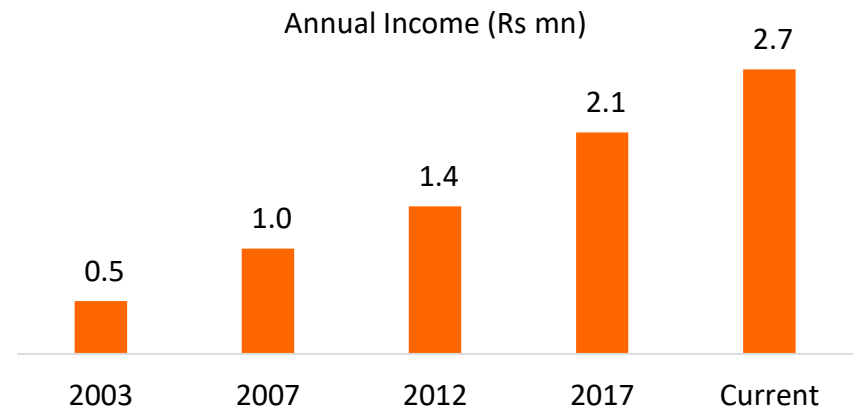
Source: Spark Capital Research. Data as on 31<sup>st</sup> December 2020.

## Interest rate & rental yield spread at attractive levels



Source: CEIC. Data as of 31<sup>st</sup> December 2020.

## Steady growth in annual income



Source: Spark Capital Research

# Portfolio Psychographics – Understanding Mirae Asset Great Consumer Fund

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# Investment Framework



The Fund seeks to invest in a basket of stocks benefiting either directly or indirectly from **consumption led demand in India**



Endeavour to maintain a **concentrated portfolio of 30 – 40 stocks**, in sectors like FMCG, Autos, Realty, Healthcare, E-commerce, Media & Entertainment, Telecom, Banks & Financial Services, Education, Transportation and Tourism & Hospitality



The Fund is managed using a **fundamental, bottom-up approach** that aims to identify growth companies which have high return ratios (ROE) and possess sustainable competitive advantage



The Fund has **flexibility to invest across market cap or style** in selecting investment opportunities

Source: Internal. . 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 visit <https://www.miraeassetmf.co.in/downloads/portfolio>.

# Mirae Asset Great Consumer Fund

## Investments in Fund

Minimum 80% investment in equity & equity related instruments of Consumer sector/ theme

## Investment Style

Endeavor to have more focused portfolio with 35-40 stocks

Illustrative Sectors - FMCG, Autos, Healthcare, Education, Media & Entertainment, Banks & Financial Services, Telecom, Transportation, Tourism & Hospitality and E-commerce

## Why Mirae Asset Great Consumer Fund?

Investing in stocks (across the market cap) benefiting either directly or indirectly from consumption led demand.

## Fund Manager



Mr. Ankit Jain  
(Since Inception)

## Fund Inception

29 March 2011

## Benchmark

India Consumption Index (TRI)

## Goal



Wealth  
Creation

## Ideal Investment Horizon



5+  
Years

## Risk Profile



Very High

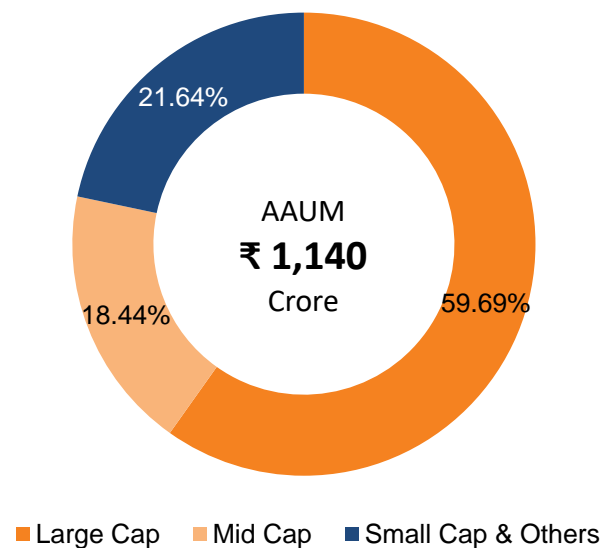
Source: Bloomberg. Date as of 28<sup>th</sup> February 2020.

# Portfolio Psychographics

Portfolio Top Holdings	% Allocation
ITC Limited	8.13%
Bharti Airtel Limited	6.61%
Hindustan Unilever Limited	5.98%
Maruti Suzuki India Limited	5.24%
Britannia Industries Limited	4.72%
TVS Motor Company Limited	4.69%
Dabur India Limited	4.54%
Tata Consumer Products Limited	3.42%
HDFC Bank Limited	3.36%
Jyothy Labs Limited	3.00%
Other Equities	50.06%
Equity Holding Total	99.77%
Cash & Other Receivables	0.23%
<b>Total</b>	<b>100.00%</b>

Concentration	% Allocation
Top 10	50%
Top 20	77%
Top 30	97%

Current Allocation



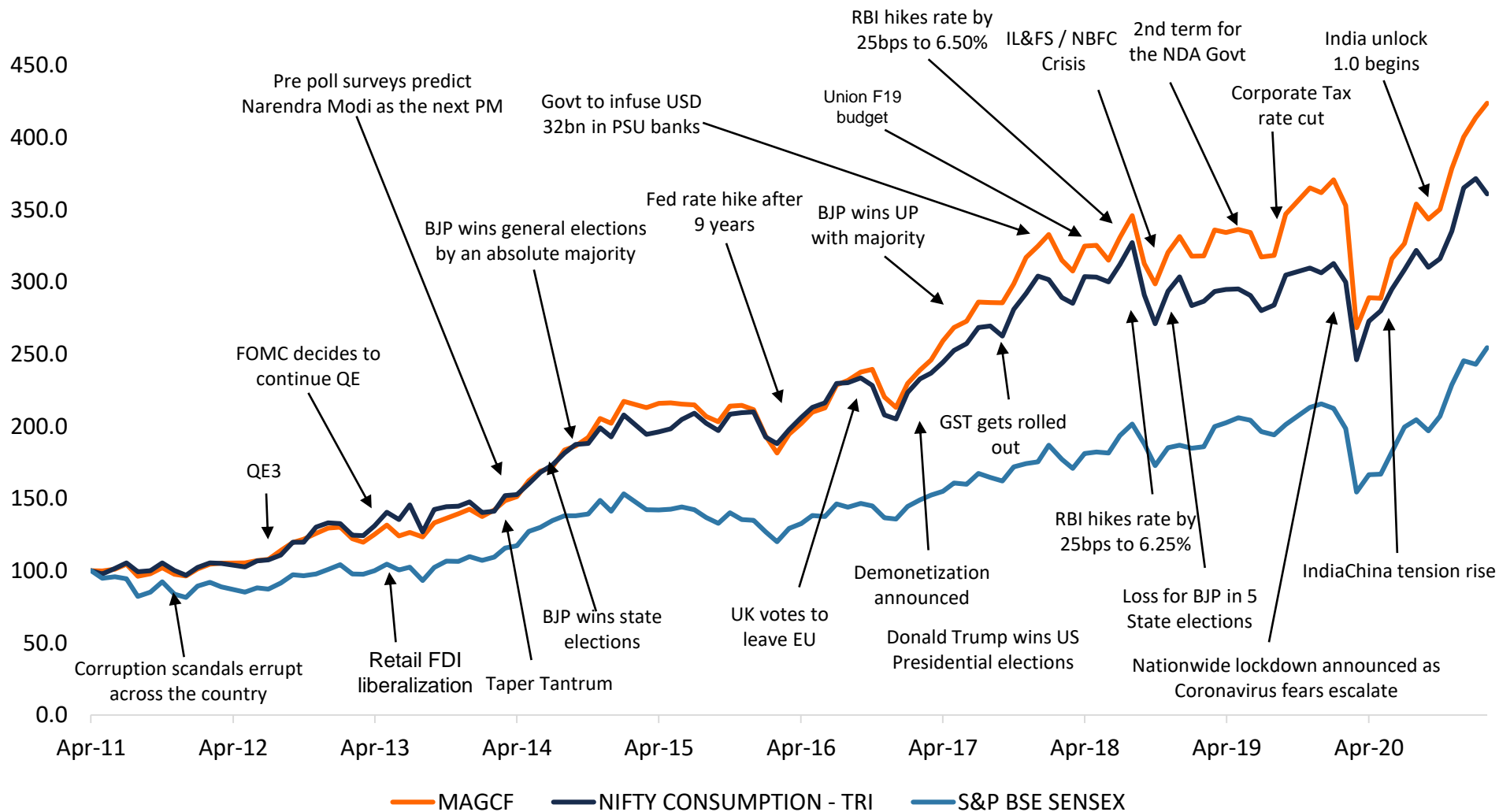
Source: Bloomberg, Data as on 28<sup>th</sup> February 2021. The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same and the fund may or may not have any future position in these sector(s)/stock(s)/issuer(s). For complete portfolio of the scheme visit <https://www.miraeassetmf.co.in/downloads/portfolio>.

# Mirae Asset Great Consumer Fund – 10 Years Journey

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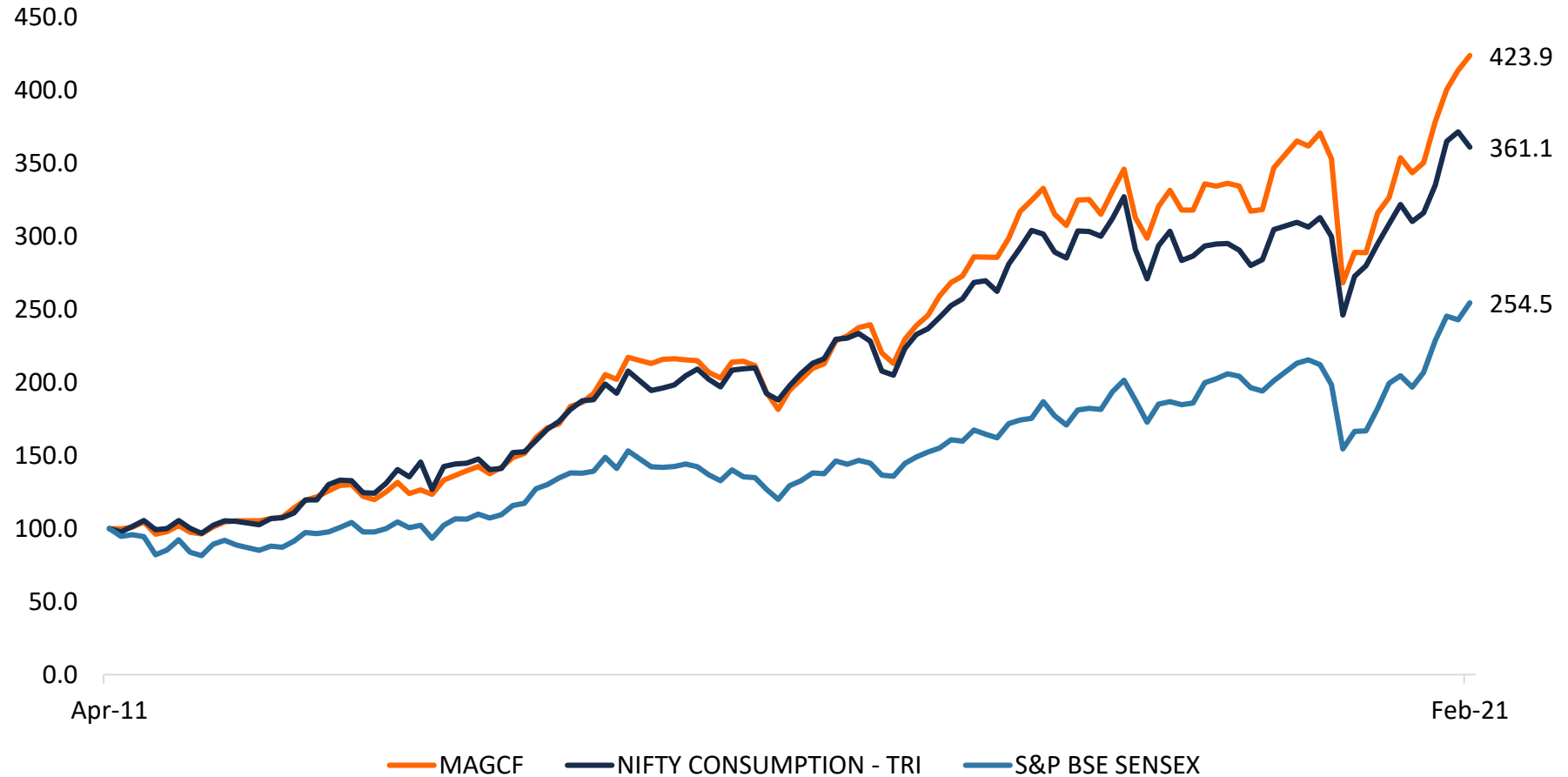
# MAGCF's Long Term Journey



Source: Bloomberg, Data as on 28<sup>th</sup> February 2021. Past performance may or may not sustain in future.

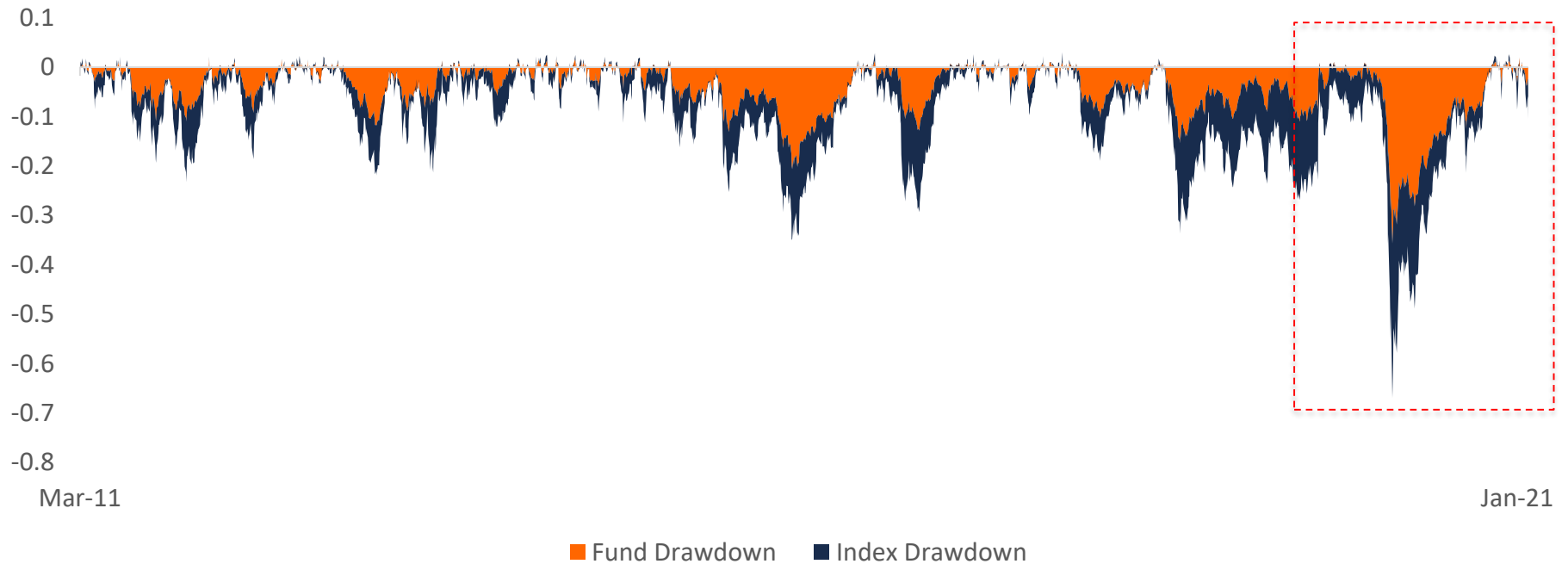
# Mirae Asset Great Consumer Fund – 10 Years Journey Of Wealth Creation

Mirae Asset Great Consumer Fund – Fund Performance Vs Benchmark



Source: Bloomberg, Data as on 28<sup>th</sup> February 2021. Past performance may or may not sustain in future. The details mentioned are for Mirae Asset Great Consumer Fund – Regular Plan – Growth Option. Past performance may or may not sustain in future.

# Navigating Through Various Market Cycles



- Maximum drawdown on a fund indicates the greatest loss experienced by fund, from peak to valley, before the fund changed direction and began recouping the loss.
- MAGCF has comparatively lower drawdown as compared to its benchmark. Moreover the Time Taken to Recover(TTR) is shorter as compared to its benchmark.

# Annexure

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# People – Investment Team Structure

## Investment

**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

**Gaurav Kochar**

**Fund Manager**  
Financials

## Research

**Bharti Sawant**

**Research Analyst**  
Capital Goods,  
Infra & Media

**Gaurav Khandelwal**

**Research Analyst**  
IT, Automobile &  
Cement

**Siddhant Chhabria**

**Research Analyst**  
Consumer Discretionary

**Tanmay Mehta**

**Research Analyst**  
Chemicals

**Jignesh Rao, Jigar  
Sethia**

**Fund Manager &  
Dealer**

**Ekta Gala**

**ETF Fund Manager &  
Dealer**

# Mirae Asset Great Consumer Fund – Lumpsum Report Card

## Lump sum Investment

Period	Returns(%)		
	MAGCF	India Consumption Index (TRI)	S&P BSE Sensex TRI
Last 1 Year	20.12	20.43	30.00
Last 3 Years	10.39	7.69	14.22
Last 5 Years	18.43	14.19	17.89
Since Inception	16.02	14.35	11.54
Value of Rs. 10000 invested (in Rs.) Since Inception*	43,699	37,827	29,545
NAV (as on 28 <sup>th</sup> Feb, 2021)	43.699		
Index Value (as on 28 <sup>th</sup> Feb, 2021)	Index Value of Scheme benchmark is 6,954.86 and S&P BSE Sensex (TRI) is 72,642.78.		
Date of allotment	29th March, 2011		

Past Performance may or may not be sustained in future.

Different Plans under the scheme has different expense structure. The reference and details provided here in are of Regular Plan - Growth Option

2. Fund manager : Mr. Ankit Jain managing the scheme since October, 2016

Source: Bloomberg, Data as on 28<sup>th</sup> February 2021.

# Mirae Asset Great Consumer Fund – SIP Report Card

## Systematic Investment Plan

	Since Inception	7 Years	5 Years	3 Years	1 Year
Total Amount Invested	1,190,000	840,000	600,000	360,000	120,000
MKT Value as on 28 <sup>th</sup> February, 2021	2,702,295	1,402,350	872,586	458,413	151,295
Fund Return (%)	15.82	14.42	15.02	16.43	52.71
Benchmark Returns	13.33	11.32	11.19	12.17	34.47
Add. Benchmark Return	13.91	14.24	16.62	19.81	62.49

Past Performance may or may not be sustained in future.

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

For computation of since inception returns (%) the allotment NAV has been taken as `10.00. The data is as on 28<sup>th</sup> Feb 2021

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

Source: Bloomberg, Data as on 28<sup>th</sup> February 2021.

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

### Lump sum Investment

	NAV/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 Emerging Bluechip Fund	77.431	38.93	15.78	23.23	21.20	77,431
Large Midcap 250 (TRI)	9 <sup>th</sup> July, 2010	36.62	11.01	18.54	12.55	35,196
S&P BSE Sensex (TRI)**		30.00	14.22	17.89	11.50	31,868

	NAV/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 Midcap Fund	15.956	43.23	NA	NA	34.32	15,956
Midcap 100 Index (TRI)	29th July, 2019	39.98	NA	NA	27.79	14,744
S&P BSE Sensex (TRI)**		30.00	NA	NA	19.40	13,241

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 Emerging Bluechip Fund: Fund managers : Mr. Neelesh Surana managing the scheme since 9th July, 2010 & Mr. Ankit Jain since 31st, January 2019.

Mirae Asset Midcap Fund : Fund manager : Mr. Ankit Jain managing the scheme since July, 2019

For computation of since inception returns (%) the allotment NAV has been taken as `10.00 for the Schemes

The calculations of returns shall assume reinvestment of all payouts at the then prevailing NAV. CAGR - Compounded Annualised Growth returns. NAV (per unit) is at the end of the period.

\*\*Additional benchmark

Source: Bloomberg, Data as on 28<sup>th</sup> February 2021.



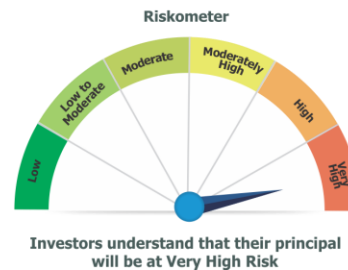
# Product Label

## Product Labelling

**Mirae Asset Midcap Fund is suitable for investors who are seeking\***

- To generate long term capital appreciation/income.
- Investment in a concentrated portfolio of equity & equity related instruments of midcap companies

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

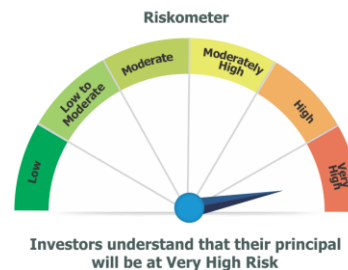


## Product Labelling

**Mirae Asset Emerging Bluechip Fund is suitable for investors who are seeking\***

- Long term capital appreciation
- Large & Midcap fund investing atleast 35% in largecap stock & atleast 35% in midcap stocks

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

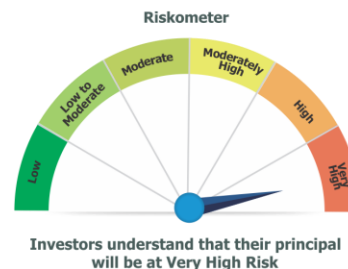


## Product Labelling

**Mirae Asset Great Consumer Fund is suitable for investors who are seeking\***

- Long term capital appreciation
- Thematic fund investing in equity & equity related securities of companies benefiting directly or indirectly from consumption led demand in India

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



# Disclaimer

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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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THANK YOU

