

# MIRAE ASSET HEALTHCARE FUND (MAHCF)

Sectoral/Thematic Fund - An open ended equity scheme investing in healthcare and allied sectors

November 2022

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**Healthcare, Close to our life**



## Main Health Issues

### Hyper tension

Healthcare is most important in modern society **Every 4<sup>th</sup> individual** in India aged above 18 years has hypertension

### Obesity

Age standardized obesity prevalence **increased by 22%** in the past 4 years

### Diabetes

India has the **worlds 2nd highest number** of diabetic patients

### CVD\* Death Rate

Cardiovascular diseases account **for 45% of all NCD\* Deaths**

### 4 Major non-communicable diseases (NCDs\*)

Cardiovascular  
Disease

Diabetes

Chronic  
Respiratory  
Disease

Cancer

### Non Communicable Disease toll

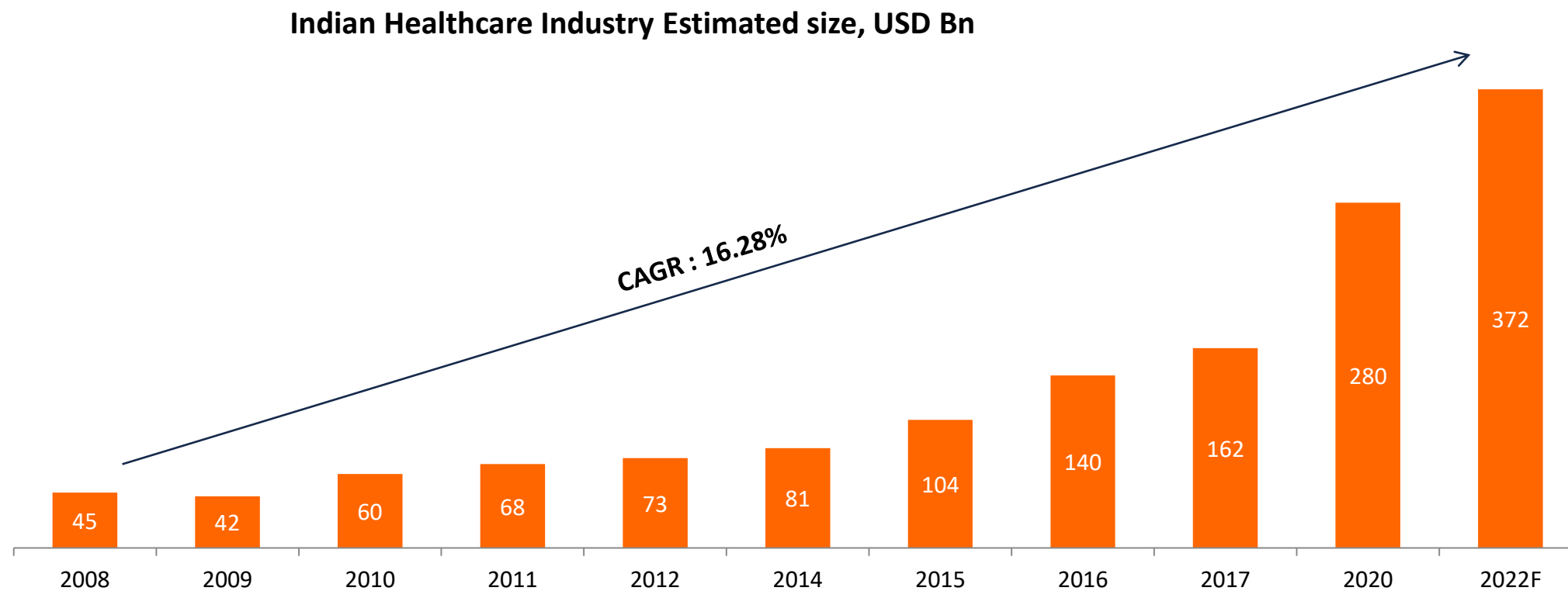
The probability of **dying from NCDs** between ages 30 and 70 years is **26%**

I. \*CVD – Cardiovascular Diseases; NCD – Non Communicable diseases

II. Source: WHO report on Indian Health Statistics, International Diabetes Federation Report 2015, (latest available report and that no further report has been published after 2015)



## India: Healthcare sector growth expected to accelerate



Note: F – Forecast, Source: Investment Opportunities in India's Healthcare Sector 2021, NITI Ayog Past Performance may or may not be sustained in future.



# Healthcare : A Growing Opportunity

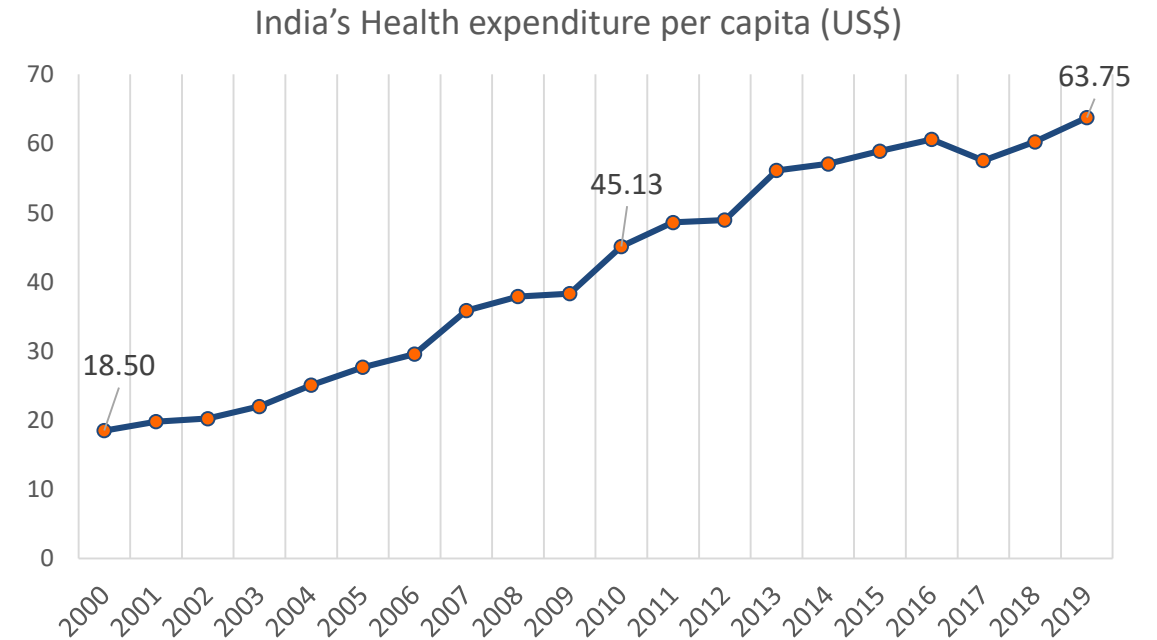
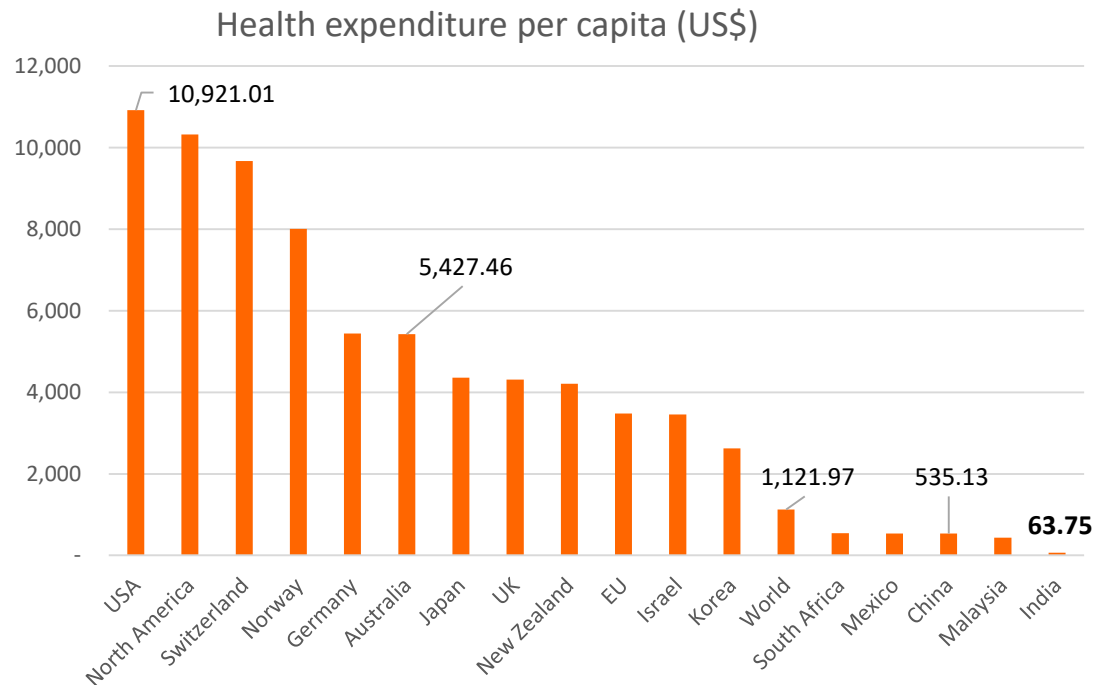


## Growth Driver of Indian Healthcare Market

US Market	<b>Major export market of India</b> <ul style="list-style-type: none"><li>• US is the major export market for Indian pharma companies</li><li>• US market sales and Food and Drug Administration regulation impacts earnings of the healthcare sector directly</li><li>• Indian companies have been increasing its market share in various product range in US</li><li>• Current eased regulatory framework on biosimilar in US provides another momentum to grow</li></ul>
Domestic Market	<b>Growing fast with increasing awareness and demand</b> <ul style="list-style-type: none"><li>• There is large room for growth in healthcare industry in India</li><li>• Large Indian healthcare companies have been gaining its size through consolidation and it provides competitiveness to grow in domestic market</li><li>• Expansion of medical infrastructure in Tier II and III cities</li><li>• Increased health insurance awareness and penetration</li></ul>
R&D	<b>Increasing investment</b> <ul style="list-style-type: none"><li>• Complex generics, will be the next frontier for growth and margin expansion</li><li>• Indian generic players have doubled investment in R&amp;D of sales over the last 3 years</li><li>• Limited competition products may offer a more profitable and sustainable revenue pool</li><li>• Use of technology for bridging the gap between urban and rural India (telemedicine)</li></ul>

## Large room for growth

- Compared to other countries, India's per capital spend in healthcare is comparatively low
- With growing household income, healthcare per capital spend is expected to double by 2025
- Indian government's flagship universal healthcare scheme Ayushman Bharat to also fuel the consumption



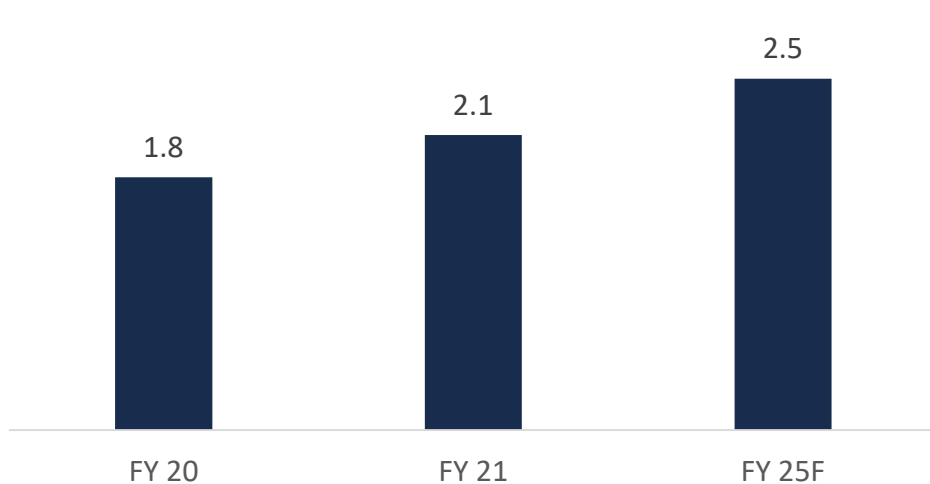




## Growing expenditure of government

- The Government of India aims to increase healthcare spending to 3% of the Gross Domestic Product (GDP) by 2022.
- The Indian Government is planning to introduce credit incentive programme worth Rs 500 billion (US\$ 6.8 billion) to boost country's healthcare infrastructure.
- Healthcare market in India is expected to reach US\$ 372 billion by 2022, driven by rising income, better health awareness, lifestyle diseases and increasing access to insurance.

Government healthcare expenditure (% of GDP)



Government Initiatives

- ✦ Strong support to industry growth, Build Pharma Park, R&D Centre
- ✦ Encourage Foreign Direct Investment
- ✦ Credit incentives for healthcare infrastructure
- ✦ Vision 2035 : Public health surveillance in India

## Sectoral Drivers - Pharmaceutical

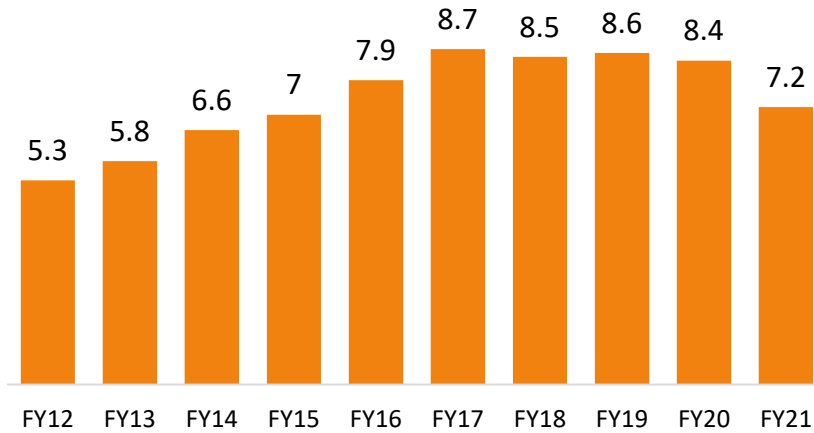
Indian Industry  
Size  
**US\$ 130<sub>bn</sub>**  
By 2030

Industry  
Likely to Grow by  
**3x** in current  
decade,

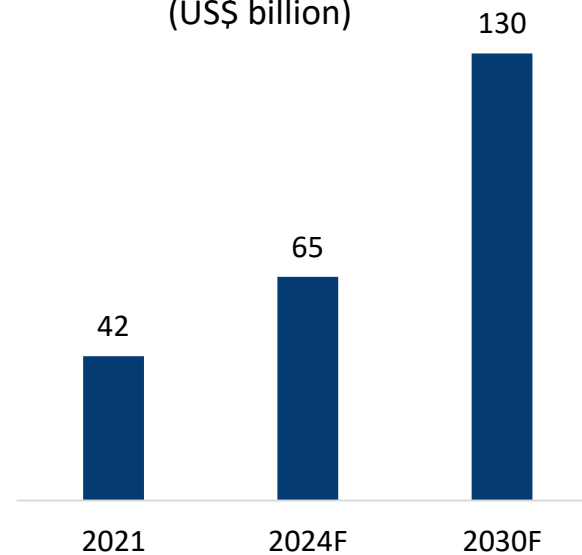
World largest  
Supplier of generics  
**20%**  
of Global Exports

Medicine spending  
in India is projected  
to grow by  
**9-12 %**  
By 2025

R&D Investment by Indian Pharma  
Companies\* (% of sales)

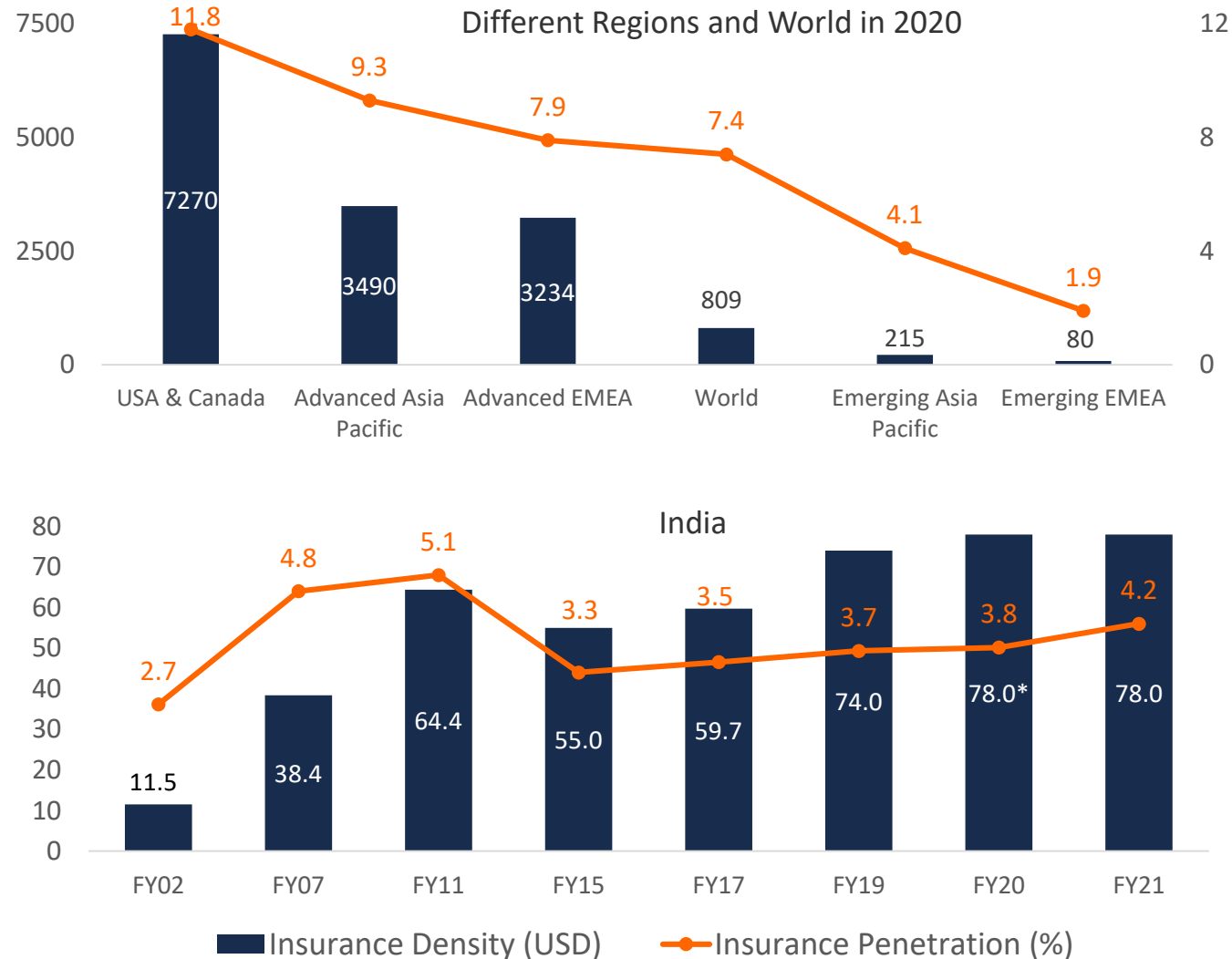


Indian Pharmaceutical Market  
(US\$ billion)



- According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade.
- As of August 2021, CARE Ratings expect India's pharmaceutical business to grow at an annual rate of ~11% over the next two years to reach more than US\$ 60 billion in value.

## Sectoral Drivers – Insurance



### Indian Insurance market

- India is the 10th largest Life Insurance market globally.
- Increasing focus on fitness and health is driving innovation in health insurance products.
- India is the 2nd largest InsurTech market in the APAC region, accounting for 35% of the \$3.66 bn capital invested in this region.
- The online individual insurance market opportunity is estimated to be \$1.25 bn by FY25 more than tripling from \$365 mn in FY20.

Source: InvestIndia, data as on December 07, 2022

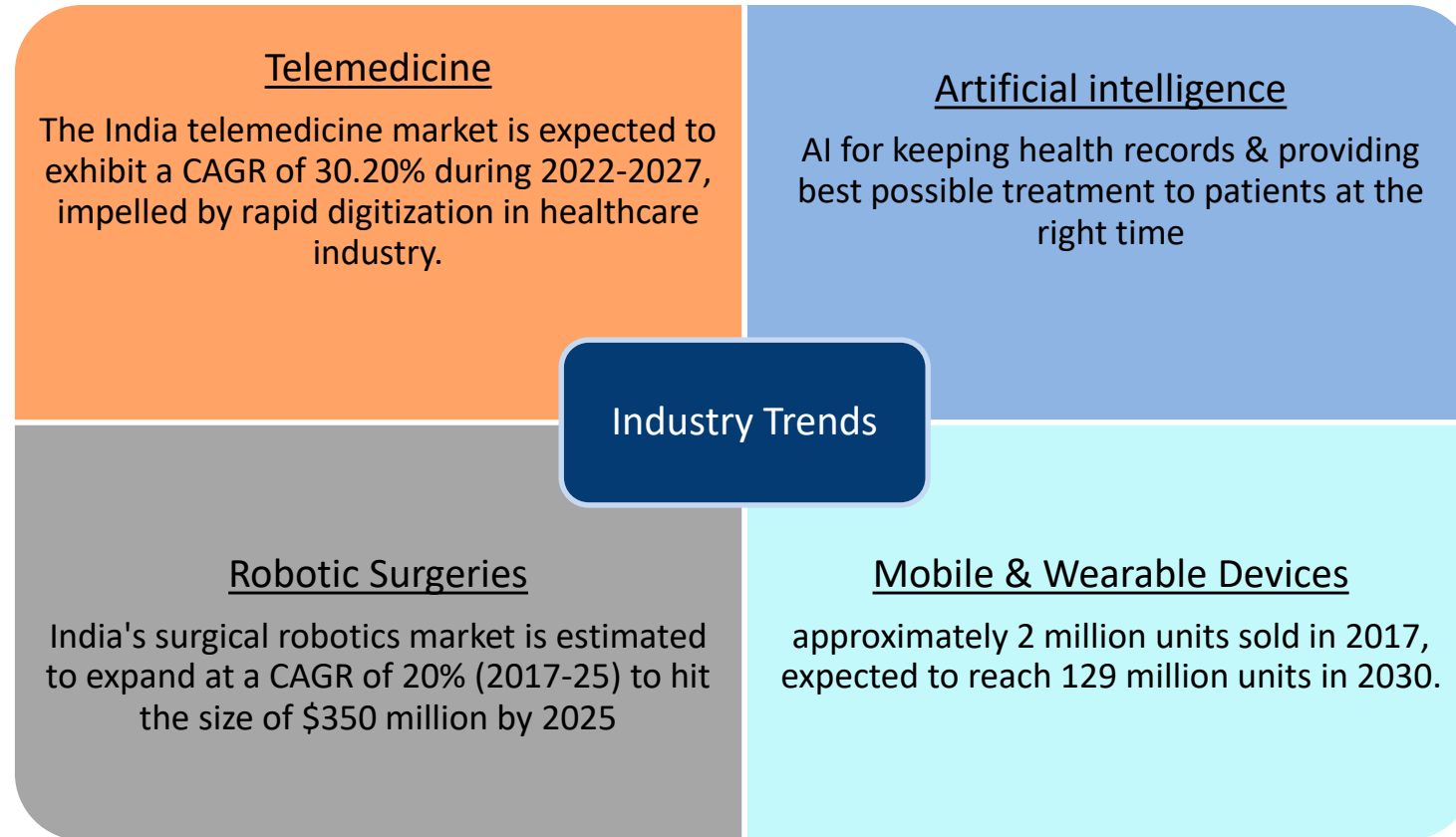
#### Note:

- Insurance density is measured as ratio of premium to total population.
- Insurance penetration is measured as ratio of premium to GDP.

\*Rounding off difference Source: IRDAI Annual report 2020-21

EMEA- Europe, the Middle East and Africa APAC- Asia-Pacific

## Sectoral Drivers – R&D, Digitalization



R&D and Digitalization will lead to

- Creating extreme winners and losers by industry.
- Radically reshaping consumer to company interactions.
- Transferring value to the consumer.
- Dramatically lowering the cost base driven by technology/labor trade-offs across “processes”
- Dislocating the “role of the worker”

## Sectoral Drivers – Health Tourism

The segment is expected to grow to USD 13 Billion by end of the year 2022.

In 2017, India ranked 7th in the top 20 wellness tourism markets globally and 3rd in the top 10 wellness tourism markets in Asia-Pacific

India's medical tourism sector's valuation was expected to be in the range of USD 9 Billion by 2020, prior to the COVID-19 outbreak



### Health Tourism in India

- Presence of world-class hospitals and skilled medical professionals.
- Low treatment costs in comparison with other countries.
- Superior quality healthcare.
- Credibility in alternative systems of medicine.

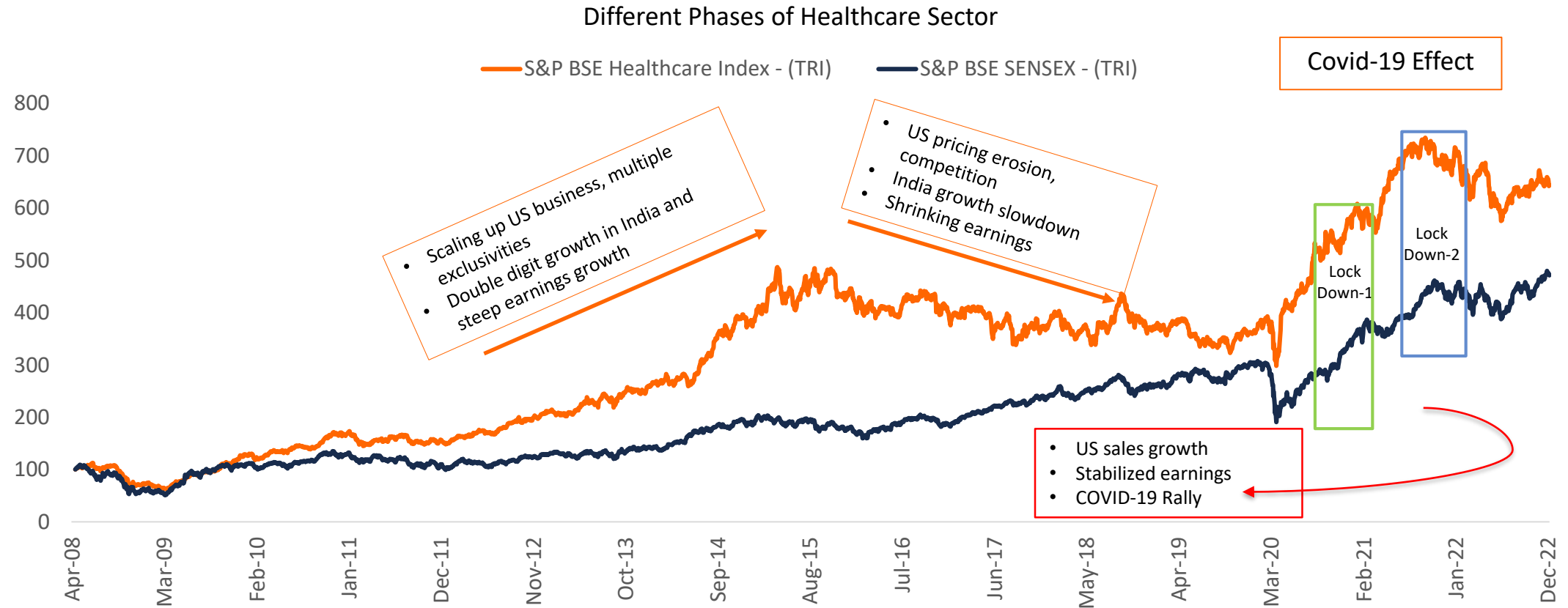
Comparison of prices of common medical procedures in India with other nations for Medical Value Travel (MVT)

Medical Procedure	India (US\$)	High* (US\$)	Low* (US\$)
Heart Valve Replacement	9,500	39,990	9,500
Heart Bypass	7,900	26,000	7,900
IVF Treatment	2,500	14,900	2,500
Angioplasty	5,700	17,700	4,200
Knee Replacement	6,600	17,500	6,600



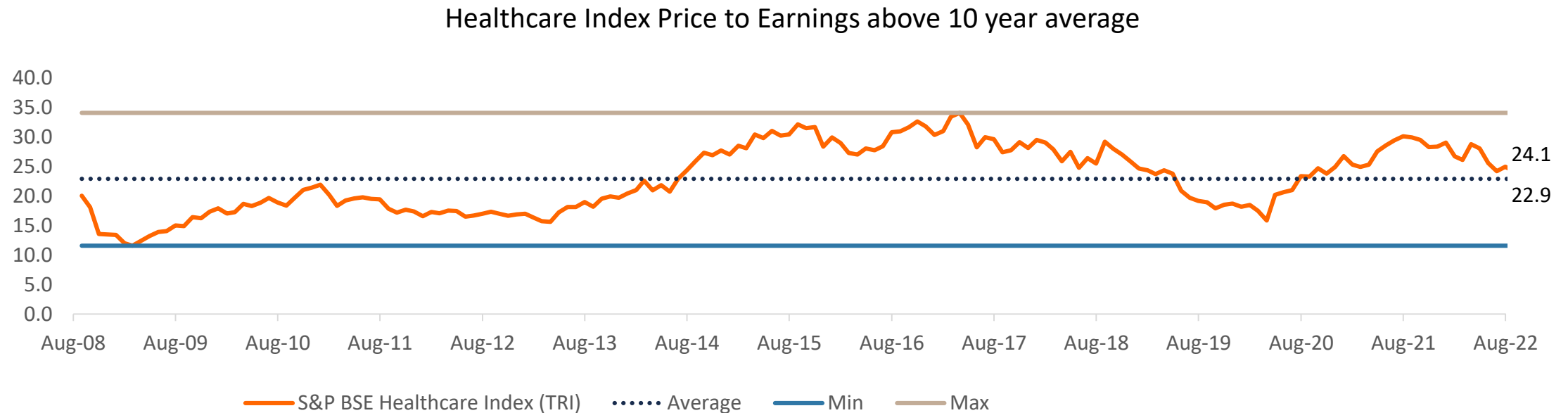
**Benchmark - S&P BSE Healthcare Index**

## S&P BSE Sensex & S&P BSE Healthcare Index



S&P BSE Healthcare Index has outperformed S&P BSE Sensex since inception

## Secular growth at reasonable valuations

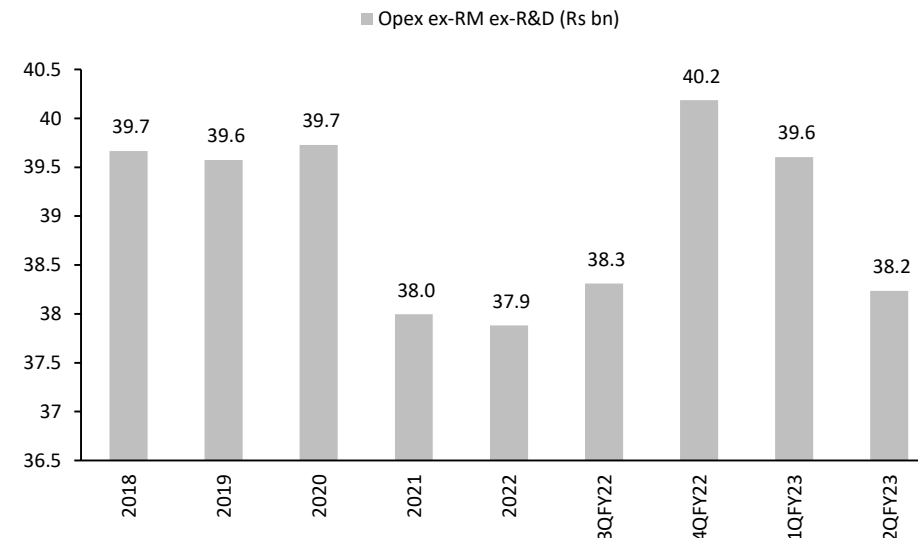
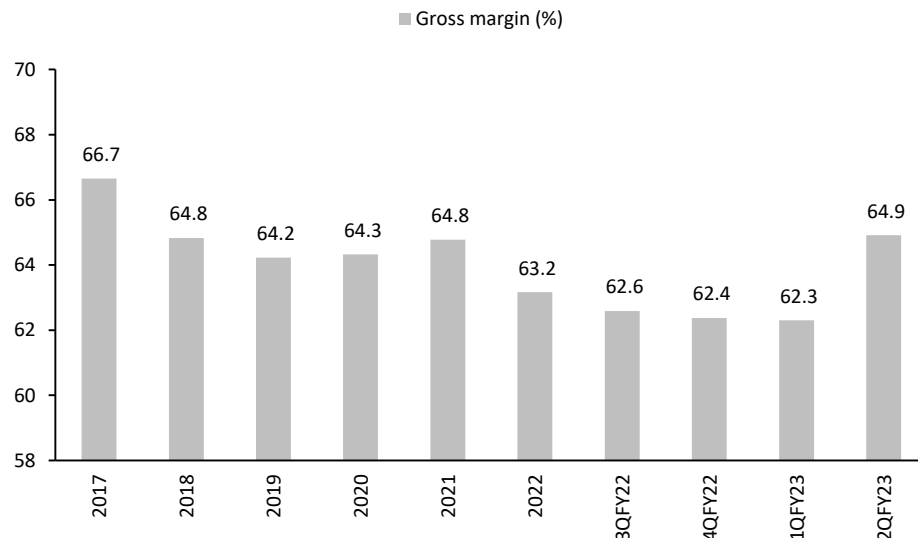


- **2008-14 traded at 11-20x:** Companies ventured to global markets
- **2014-15 traded at 20-28x:** Possible Benefits accruing from investments in US and strong USD vs INR
- **2018-20 de-rated to 15-20x:** Challenges faced by the industry in the US
- **Since FY 20-21** Benchmark has remained above 10 year Average



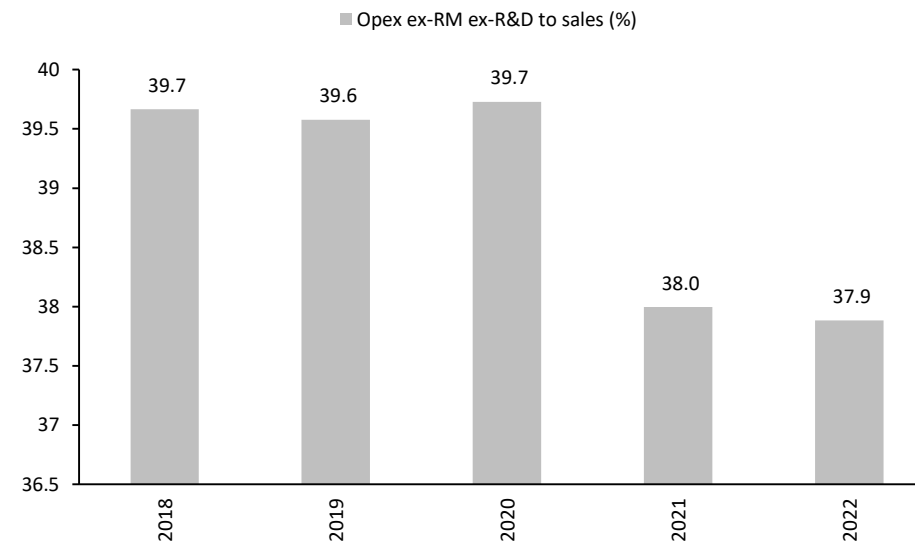
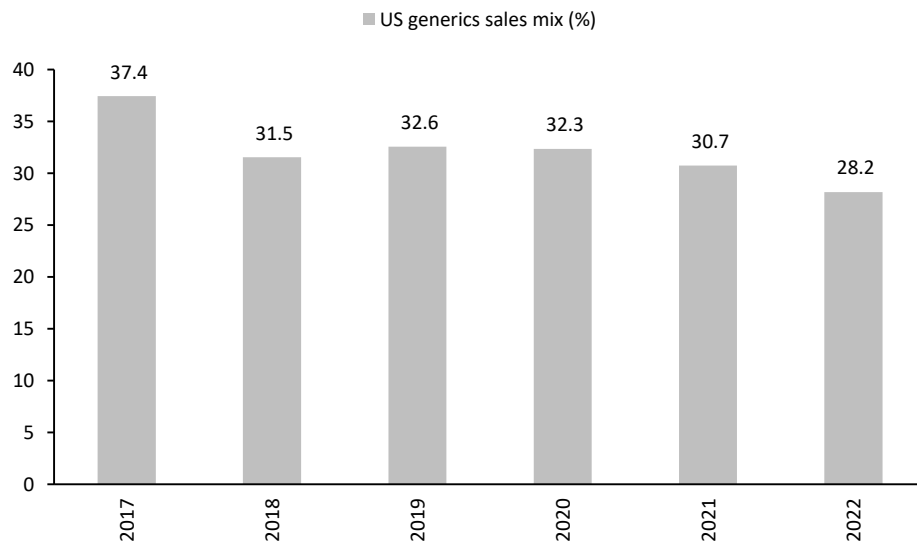
## Short Term Outlook

- Pharma sector saw substantial price pressure over the last one year in the US market, expect price erosion to stabilize in the near term which may help stabilize gross margins in the US market.
- Price increase in the branded business may start to take effect and help margins improve over the next few quarters.
- The pharma industry saw increased cost escalation on various head like Raw Material, freight, packaging cost etc, on account of overall commodity price increase over the last 12 months. With normalization of these costs, the margins may further improve over the next few quarters.



## Long Term Outlook

- Diversification of export revenue from geographies other than US and other generic business.
- Increasing focus on building branded generic business have more stable cash flows, via M&A or in-licensing opportunities.
- India Pharma/Healthcare continues to focus on cost optimization.
- Regulatory inspections have restarted, however we continue to believe that the industry is now substantially better off in terms of compliance and also de-risked in case of any challenge.





# About Mirae Asset Healthcare Fund

# Mirae Asset Healthcare Fund

## Investments in Fund

At least 80% investments in Pharma, Healthcare and allied sectors

## Investment Framework

Flexibility to invest across market capitalization and style

Endeavour to maintain a concentrated portfolio of 30 – 40 stocks, in sectors like hospitals, diagnostics, specialty chemicals, medical equipment, insurance and other allied sub sectors

## Why Mirae Asset Healthcare Fund?

Investing in stocks (across the market cap) benefiting either directly or indirectly from health care sector growth

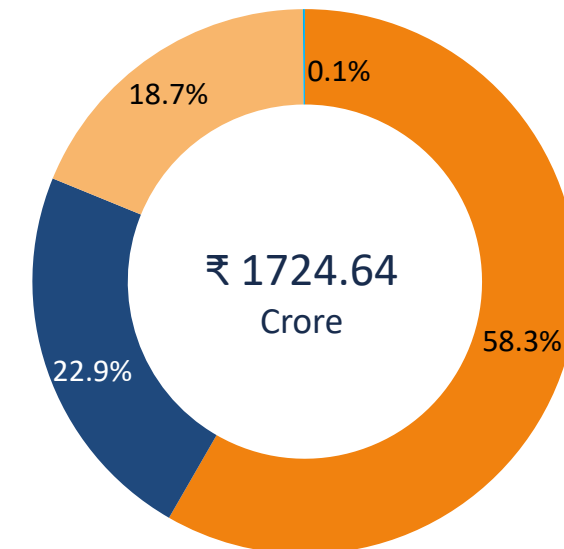
<u>Fund Inception</u>	<u>Category</u>	<u>Benchmark</u>
2 <sup>nd</sup> July 2018	Pharma & Healthcare Fund	S&P BSE Healthcare Index (TRI)
<u>Goal</u>	<u>Ideal Investment Horizon</u>	<u>Risk Profile</u>
 Wealth Creation	 5+ Years	 Very High Risk

## Fund Manager



Mr. Vrijesh Kasera  
(Since July 2018)

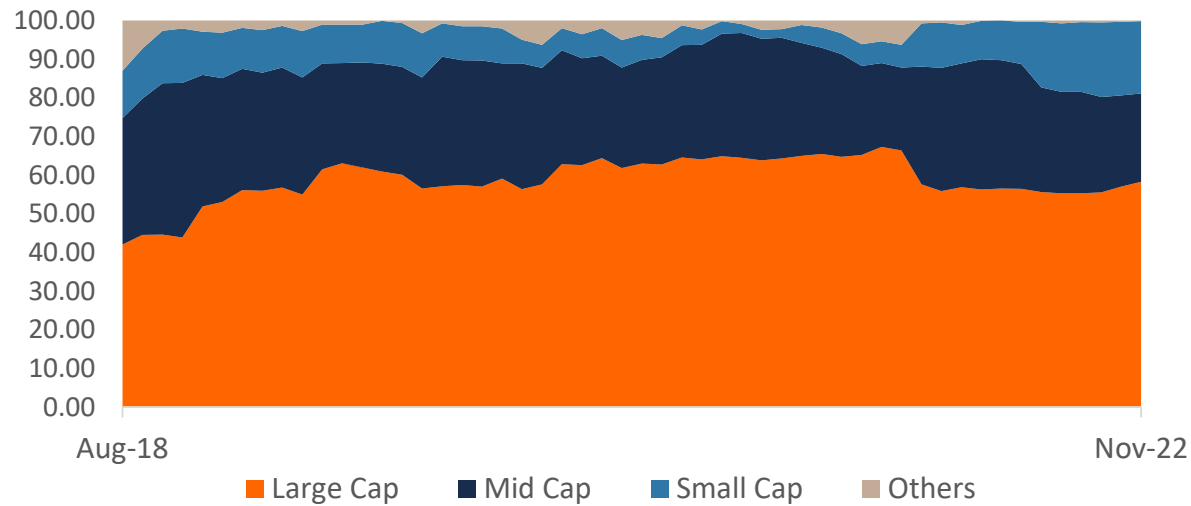
## Net AUM of Fund



Large Cap Mid Cap Small Cap Cash

## Portfolio Attributes

Historical Market Cap Allocation^



### Ratios

Beta	0.93
Alpha	5.03%
Treynor Ratio	0.22
Sharpe Ratio	0.97
Tracking Error	3.74%

Number of Stocks

28

### Portfolio Top Holdings

### % Allocation

Sun Pharmaceutical Industries Limited	18.29%
Cipla Limited	10.07%
Apollo Hospitals Enterprise Limited	7.94%
Dr. Reddy's Laboratories Limited	7.32%
Torrent Pharmaceuticals Limited	6.07%
Krishna Institute Of Medical Sciences Limited	5.51%
JB Chemicals & Pharmaceuticals Limited	5.12%
Aurobindo Pharma Limited	3.72%
Ajanta Pharma Limited	3.63%
IPCA Laboratories Limited	3.13%

### Sector Holdings

### % Allocation

Pharmaceuticals & Biotechnology	73.34%
Healthcare Services	16.90%
Insurance	4.26%
Chemicals & Petrochemicals	3.93%
Healthcare Equipment & Supplies	1.45%

Source : Internal Data as on 30<sup>th</sup> November, 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>.



Under normal circumstances, the asset allocation will be as follows:

Type of Instruments	Indicative allocation (% of total assets)		Risk Profile
Indian Equities and Equity Related Securities of companies that are likely to benefit either directly or indirectly from Healthcare and allied sectors.*	80%	100%	High
Other equities and equity related securities of companies in India*	0%	20%	High
Money market instruments / debt securities Instruments and/or units of debt/liquid schemes of domestic Mutual Funds	0%	20%	Low to Medium

\*Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives etc. The Indian equities & equity related securities of companies includes those securities listed on stock exchanges in India and includes ADRs & GDRs.

The scheme can invest up to 50% of Net Assets of Scheme into equity derivatives instruments for the purpose of trading, hedging and portfolio rebalancing. However, the aggregate gross exposure to equity, derivatives, debt instruments and money market instruments will not exceed 100% of the net assets of the scheme.

Investment in Securitized debt (excluding foreign securitized debt), if undertaken, would not exceed 20% of the net assets of the Scheme.

The Scheme may invest in repo/reverse repo in corporate bonds.

Note: Investment strategy stated above may change from time to time without any notice and shall be in accordance with the strategy as mentioned in the Scheme Information Document. please read the offer document to know in detail about the asset allocation



# Performance & Risk-o-meter



## Mirae Asset Healthcare Fund – Lumpsum Report Card

Period	Returns(%)		
	MAHCF	Scheme Benchmark*	Additional Benchmark**
Last 1 year	-4.84	-5.45	12.04
Last 3 years	26.54	21.49	16.98
Since Inception	19.70	13.82	15.44
Value of Rs. 10,000 invested (in Rs.) Since Inception*	22,128	17,713	18,852
NAV in Rs. (as on 30 <sup>th</sup> November, 2022)	22.1280		
Index Value (as on 30 <sup>th</sup> November, 2022)	Index Value of Scheme benchmark is 27,273.58 and S&P BSE Sensex (TRI) is 95,383.95		
Date of allotment	02nd July, 2018		
Scheme Benchmark	*S&P BSE Healthcare Index (TRI)		
Additional Benchmark	**S&P BSE Sensex (TRI)		

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

Fund manager : Mr. Vrijesh Kasera managing the scheme since July 02, 2018 Note: Returns below or for 1 year are absolute returns, returns above 1 year are CAGR-

For performance of schemes managed by Mr. Vrijesh Kasera refer slide no. 25.

Compounded Annualized Growth returns.

Source: Internal, Data as on 30<sup>th</sup> November 2022.





## Mirae Asset Healthcare Fund – SIP Report Card

	Since Inception	3 Year	1 Year
Total Amount Invested	520,000	360,000	120,000
MKT Value as on 30 <sup>th</sup> November, 2022	793,370	4,52,236	121,160
Fund Return (%)	19.73	15.41	1.80
Benchmark^ Returns (%)	15.07	12.76	2.82
Add. Benchmark* Return (%)	18.76	22.06	20.35

Past Performance may or may not be sustained in future.

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

^Benchmark: S&P BSE Healthcare index (TRI), \*Add. Benchmark: S&P BSE SENSEX (TRI)

For computation of since inception returns (%) the allotment NAV has been taken as Rs. 10.00.

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

Source: Internal, Data as on 30th November, 2022.

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

	Fund 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 Hybrid Equity Fund	23.0230	5.99	13.89	11.24	12.02	23,023
CRISIL Hybrid 35+65 - Aggressive Index*	29th July, 2015	8.29	14.88	11.88	11.85	22,759
S&P BSE Sensex (TRI)**		12.04	16.98	15.07	13.31	25,032
Mirae Asset Equity Savings Fund	15.2890	5.29	11.46	-	11.33	15,289
Nifty Equity Savings Index*	18th Dec 2018	6.75	9.72	-	9.80	14,474
CRISIL 10 Year Gilt Index**		-0.21	3.47	-	5.49	12,355

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, Source: Internal, Data as on 30<sup>th</sup> November, 2022.

\*-Scheme Benchmark, \*\*- Additional Scheme Benchmark

For computation of since inception returns (%) the allotment NAV has been taken as Rs. 10. . In case, the start / end date of the concerned period is a non-business date (NBD), the NAV of the previous date is considered for computation of returns.

Returns below or for 1 year are absolute returns, returns above 1 year are CAGR- Compounded Annualized Growth returns

Fund manager: Mirae Asset Hybrid Equity Fund: Fund managers: Mr. Harshad Borawake (Equity Portion) (April 01, 2020), Vrijesh Kasera (Equity Portion) (Since April 01, 2020) & Mr. Mahendra Jajoo (Debt Portion) (since September 08, 2016)

Mirae Asset Equity Savings Fund: Fund managers : Mr. Harshad Borawake (since October 12, 2019), Mr. Vrijesh Kasera (since October 12, 2019), Ms. Bharti Sawant (since December 28, 2020) and Mr. Mahendra Jajoo (Debt Portion) (since December 17, 2018)

# Product Label

## MIRAE ASSET HEALTHCARE FUND (MAHCF) (Sectoral/Thematic Fund - An open ended equity scheme investing in healthcare and allied sectors)

### PRODUCT LABELLING

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

- To generate long term capital appreciation
- Investments in equity and equity related securities of companies benefitting directly or indirectly in Healthcare and allied sector in India

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



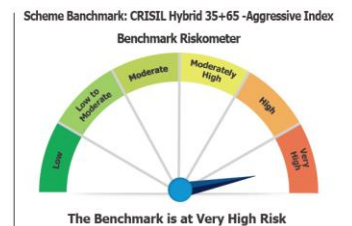
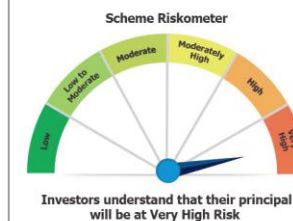
## MIRAE ASSET HYBRID EQUITY FUND (MAHEF) (Aggressive Hybrid Fund - An open ended hybrid scheme investing predominantly in equity and equity related instruments)

### PRODUCT LABELLING

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

- Capital appreciation along with current income over long term
- Aggressive hybrid fund investing predominantly in equities & equity related instruments with balance exposure to debt & money market instruments

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



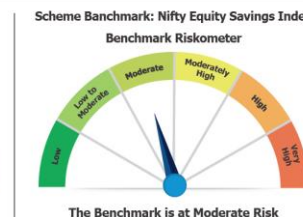
## MIRAE ASSET EQUITY SAVINGS FUND (MAESF) (Equity Savings Fund - An open ended scheme investing in equity, arbitrage and debt)

### PRODUCT LABELLING

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

- Capital appreciation and income distribution
- Investment in equity and equity related instruments, arbitrage opportunities and debt & money market instruments

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



## Disclaimer

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

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**

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



# **MIRAE ASSET**

Mutual Fund

