

Mirae Asset Nifty Financial Services ETF

(An open-ended scheme replicating/tracking Nifty Financial Services Total Return Index)



Financial Services sector: Close to our life and economy

Financial Services sector – It's not just Banks

Bank



Public
Sector
Banks

Private
Banks

Small
Finance
Banks

Foreign
Banks

Regional
rural
banks

Financial Services



Capital Markets: Asset Management, Broking, Exchanges, Rating agencies, Wealth Management

Insurance: Life / Non life Insurance

NBFCs: Housing, Vehicle, Gold, Consumer, Microfinance, Fintech

How Financial Services sector relates to life and economy



When economy grows



Your financial income may 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



Asset Management
Company /
Stock Broking

Plan for new Investments

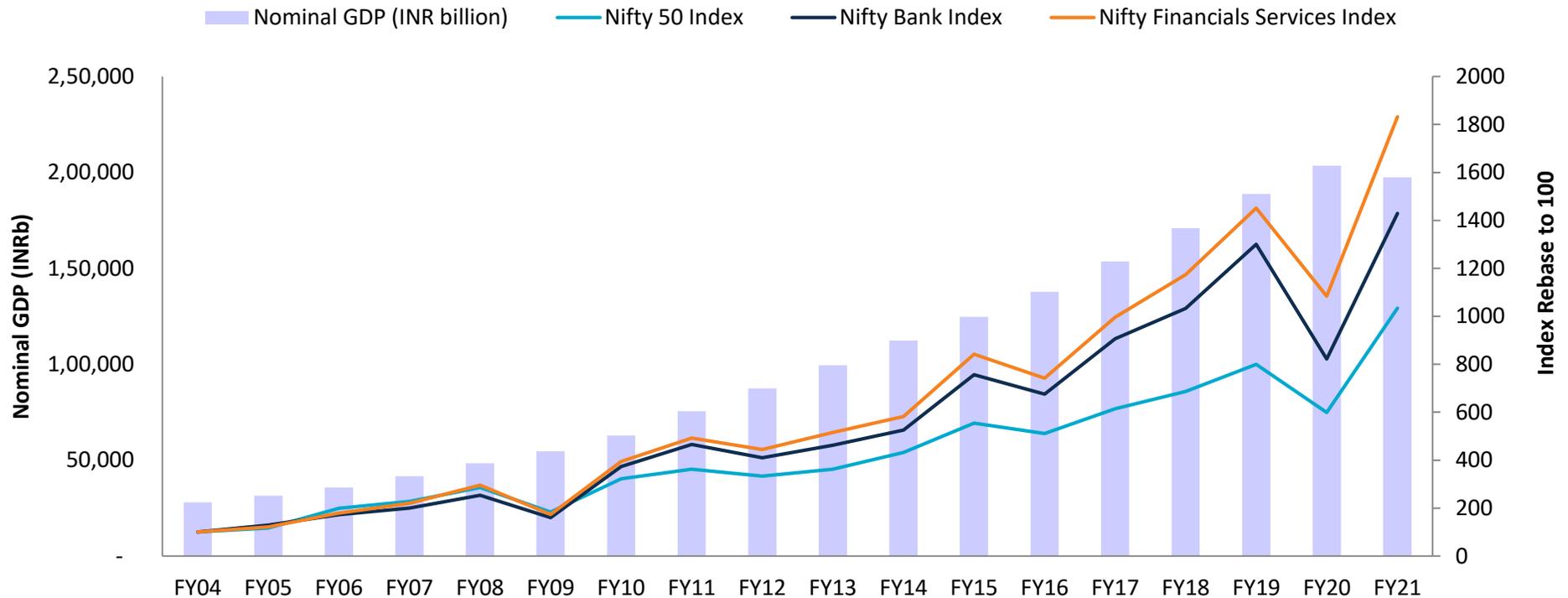
How Financial Services sector is related to your life



Why participate in the sector ?

Historically, Financial Services sector has benefited from economic growth

- The Financial Services sector has been one of the major driver of economic growth
- Historically, money invested in the financial services sector has grown more than the broad market benchmarks
- As India progresses from being a developing economy to a developed economy, the Financial Services Sector will progress too.



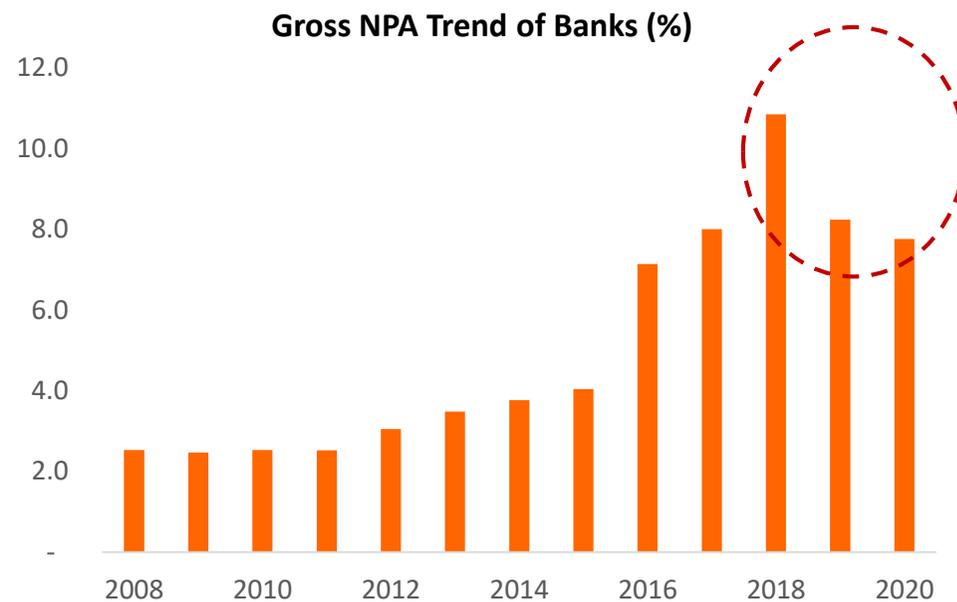
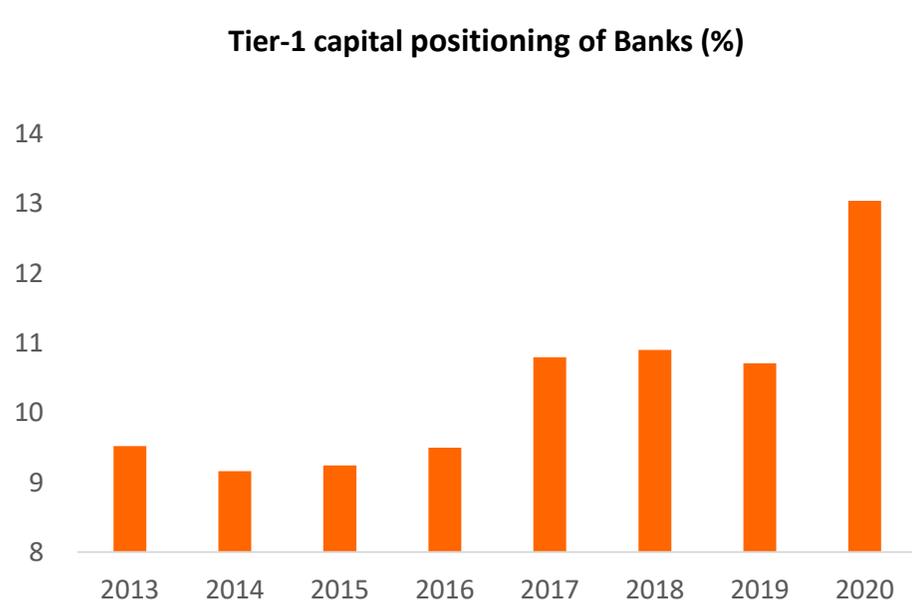
Source : Bloomberg Data as of June 30, 2021. Past performance may or may not sustain in future. The index return are in Total Return Variant. The data shown above pertains to the Index and does not in manner indicate performance of any scheme of the Fund. GDP stands for Gross Domestic Product.

Market penetration across financial products 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

Banks – Well capitalised, Improving asset quality

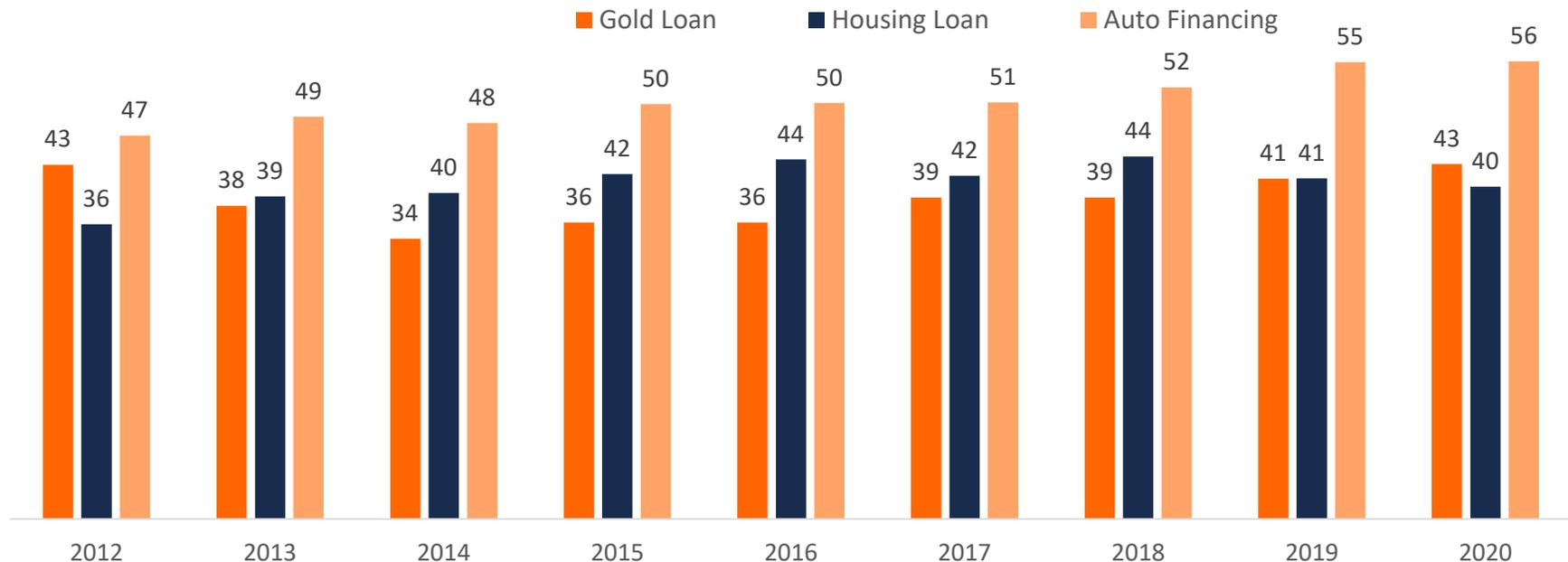
- Capital position of Indian banks have strengthened in the last few years with Tier 1 capital at 13% in FY20 (v/s regulatory 9.25%). Further few banks have raised capital even in FY21, thereby fortifying their balance sheet
- Significant reduction seen in the NPA levels from the peak of 2018
- Asset quality improved significantly with credit bureau coverage reaching OECD average (65% of adult population)



NBFCs – Alternative financier to the economy, huge addressable market

- India houses large number of NBFCs (9,600+), of which ~100 are listed. Share in total credit moved from 15% to 25% in last decade.
- NBFCs primarily cater to underbanked/ new-to-bank customers, in rural/semi-urban locations.
- NBFCs market share in credit improved from ~12% in FY08 to ~20% in FY20.
- NBFCs are now dominating players in auto, housing and gold financing business

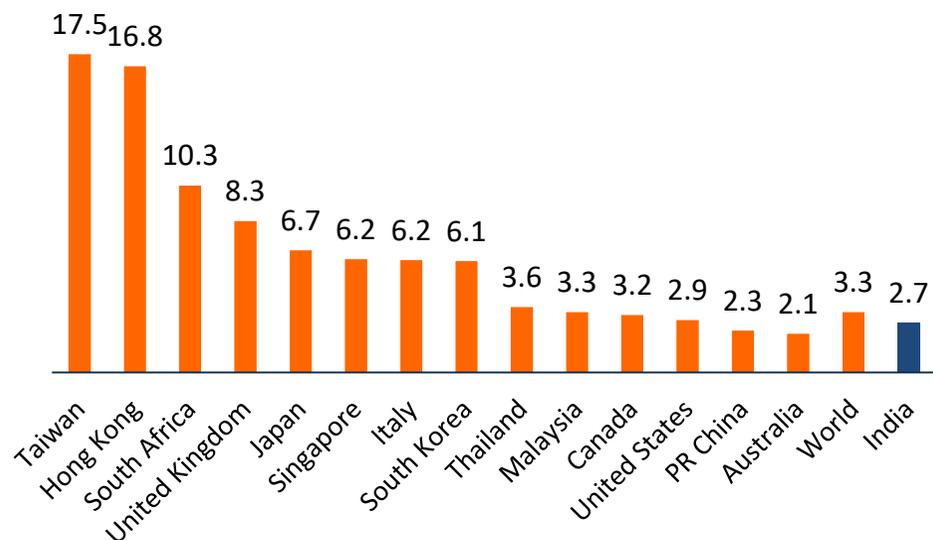
NBFC's Market Share (in %) Product Wise



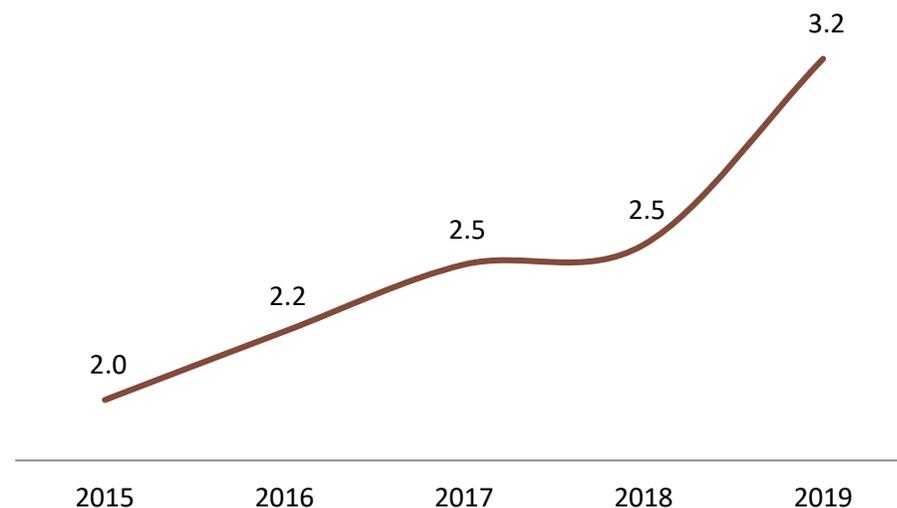
Life & General Insurance – Low penetration and growing demand

- Insurance, especially life insurance and health insurance segments, continues to be a largely ‘push’ driven product.
- Life Insurance segment has protection gap of 92% and low market penetration provides large room for future growth
- Non-life insurance will develop further with certain innovative and niche products such as flight delay insurance, sachet insurance etc.

Life insurance penetration - Premium % of GDP



Health insurance penetration - %



Why Financial Services Now ?

- Post pandemic, economic growth is expected to bounce back significantly aided by growth in the financial services
- Segments with lower penetration within financial services sector is expected to potentially grow at a faster rate
- Quicker adoption of technology and digitalization is expected to potentially bring down the cost for companies
- Improvement in asset quality of bank along with revival of corporate sector is potentially expected to improve the profitability of financial services sector

Mirae Asset Nifty Financial Services ETF offering

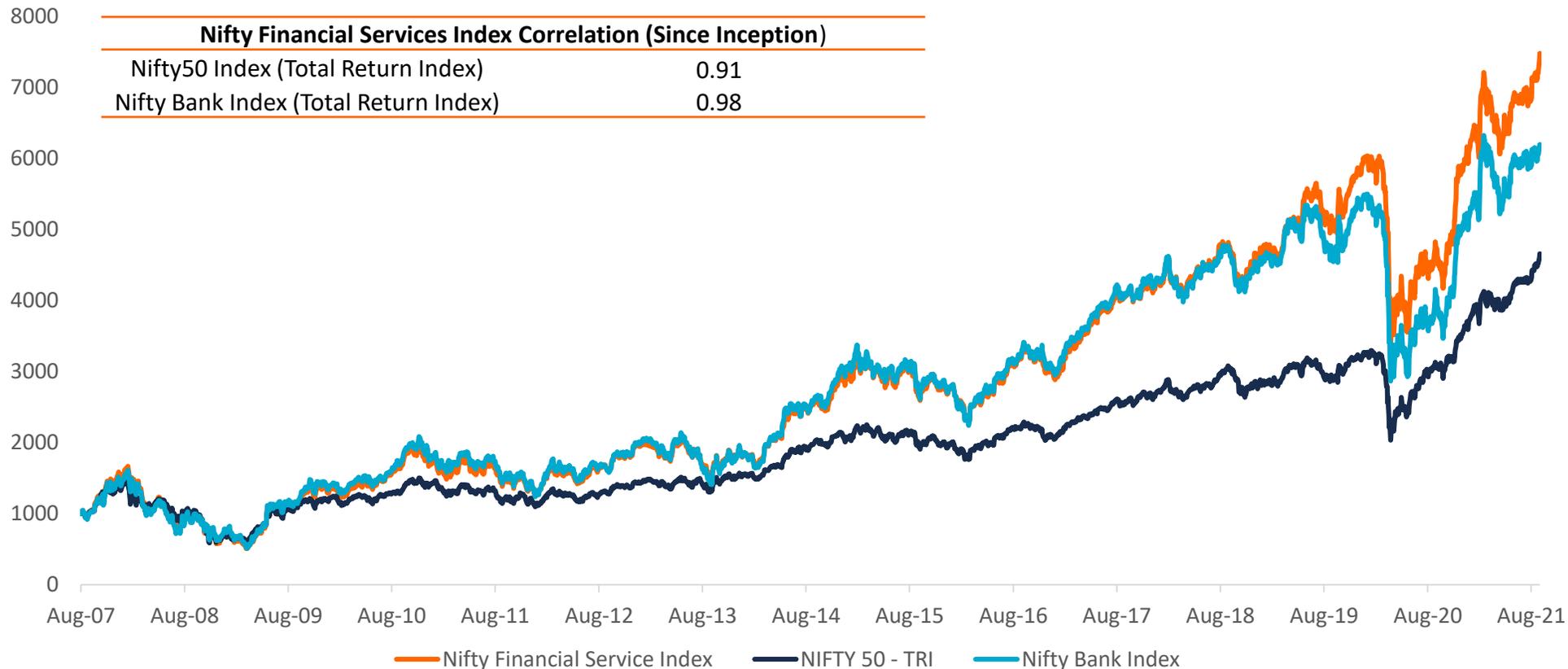
About Nifty Financial Services Index

The Nifty Financial Services Index is designed to reflect the behavior and performance of large companies in financial services sector. The Nifty Financial Services Index comprises of 20 stocks that are listed on the National Stock Exchange (NSE)

Eligibility Criteria for Selection of Constituent Stocks:

- i. Company should belong to Financial Services sector and form part of NIFTY 500 Index at the time of review.
- ii. The company should have a listing history of 6 months
- iii. Final selection of 20 companies shall be done based on the free float market capitalization after considering the adequate representation of each segment.
- iv. Weightage of each stock in the index is calculated based on its free-float market capitalization
- v. No single stock shall be more than 33% of the total and weightage of top 3 stocks cumulatively shall not be more than 62% of the total at the time of rebalancing.
- vi. Index is re-balanced on semi-annual basis in March and September

Nifty Financial Services Index has outperformed with strong correlation



Nifty Financial Services Index has historically outperformed Nifty 50 Index and Nifty Bank Index. Also, it has exhibited a very strong correlation with both the indices.

Source NSE; Data as on Aug 31, 2021. Past performance may or may not sustain in future. The index return are in Total Return Variant. The data shown above pertains to the Index and does not in manner indicate performance of any scheme of the Fund.

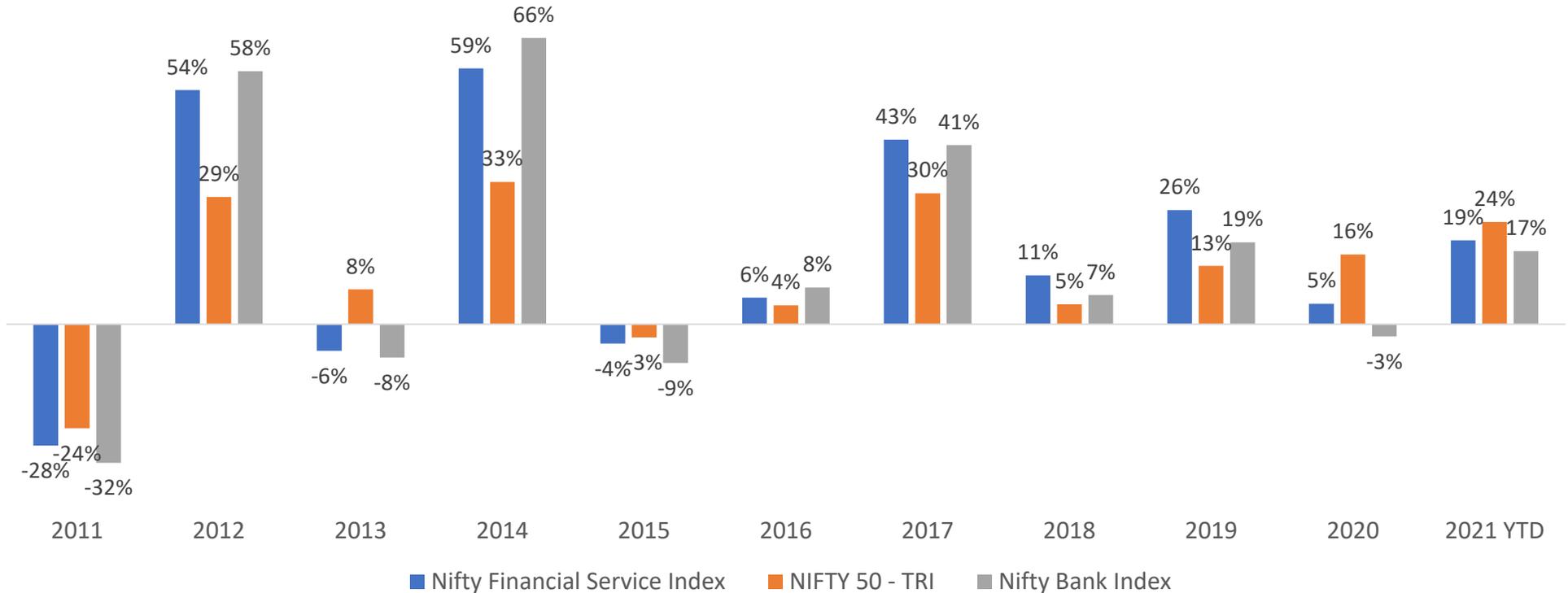
Nifty Financial Services Index : Return and risk profile

Period	Returns			Risk (Annualized standard deviation)		
	Nifty Financial Services Index	Nifty 50 Index	Nifty Bank Index	Nifty Financial Services Index	Nifty 50 Index	Nifty Bank Index
14 Years	15.3%	11.4%	13.9%	29.0%	22.3%	29.9%
10 Year	17.6%	14.5%	15.1%	23.5%	17.3%	24.8%
7 Year	16.6%	13.0%	13.3%	23.1%	17.5%	24.2%
5 Year	18.0%	15.7%	13.4%	24.1%	18.2%	25.2%
3 Year	16.1%	15.0%	9.4%	29.2%	22.0%	30.6%
1 Year	59.5%	52.2%	53.9%	23.6%	16.1%	25.9%
6 Months	12.9%	18.8%	5.0%	20.2%	14.0%	21.6%
3 Months	8.8%	10.5%	2.9%	13.1%	8.7%	14.0%

Nifty Financial Services Index has generated historically higher return for periods greater than one year along with lower volatility than Nifty Bank Index.

Source: NSE, as on Aug 31, 2021 Returns of period more than 1 year are CAGR returns. Past performance may or may not sustain in future. The above is performance of the Index and does not in any manner indicate the performance of any individual scheme of Mutual Fund.

Nifty Financial Services Index: Calendar year performance



Nifty Financial Services Index has outperformed Nifty 50 Index and Nifty Bank Index in 6 out of 11 and 7 out of 11 calendar years respectively.

Source: NSE Data as on Aug 31, 2021. Past performance may or may not sustain in future. The index return are in Total Return Variant. The data shown above pertains to the Index and does not in manner indicate performance of any scheme of the Fund. Risk is nothing but computed as annualized standard deviation of daily return observation for specific investment horizon for all the indices using their INR total return variant.

Nifty Financial Services Index : Rolling returns

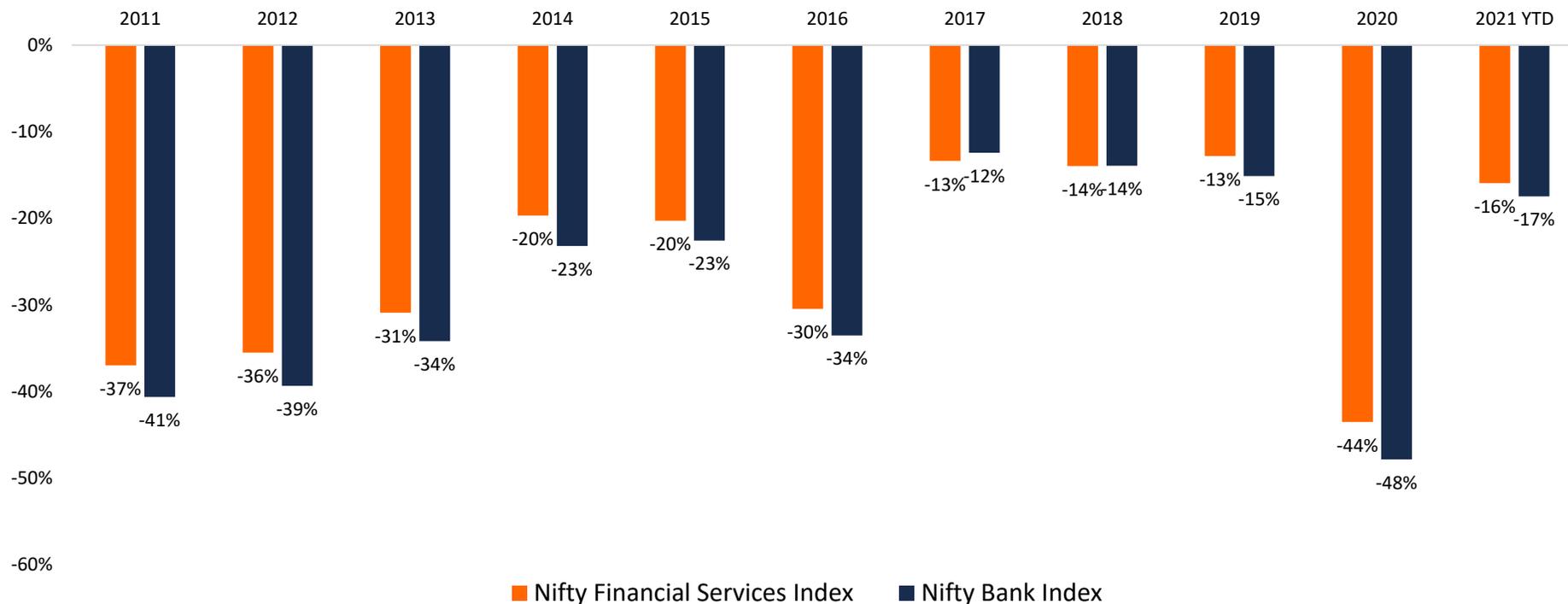
Average Rolling Returns						
Period	3 years investment horizon			1 year investment horizon		
	Nifty Financial	Nifty 50	Nifty Bank	Nifty Financial	Nifty 50	Nifty Bank
	Service Index	Index	Index	Service Index	Index	Index
14 years	17.5%	12.4%	15.9%	20.0%	13.5%	18.6%
10 years	16.0%	11.4%	14.4%	16.2%	12.3%	14.6%
7 years	17.0%	12.3%	15.2%	19.8%	14.2%	18.1%
5 years	16.1%	10.9%	13.5%	19.3%	15.1%	16.5%
3 years	15.4%	11.1%	11.2%	15.1%	13.7%	10.8%
1 Year	12.5%	11.7%	7.0%	29.4%	34.2%	29.0%

1 year & 3 year average rolling returns of Nifty Financial Service Index is consistently better than Nifty Bank Index and Nifty 50 Index over investment horizon of more than one year

Source: NSE, as on Aug 31, 2021. Past performance may or may not sustain in future. 3 year rolling return in five year period provides the return which investor has realized in last 5 years (daily average), with investment horizon/period of 3 years. The above is performance of the Index and does not in any manner indicate the performance of any individual scheme of Mutual Fund

Nifty Financial Services Index & Nifty Bank Index - Drawdown

Calendar Year Maximum Drawdown



Nifty Financial Services Index has recorded lower maximum drawdown from previous high water mark in last 9 out of 11 Calendar Years

Source: NSE, as on Aug 31, 2021. Past performance may or may not sustain in future. Maximum drawdown in any calendar year represents how much the index is down from its previous highest level observed also known as high water mark. The above is performance of the Index and does not in any manner indicate the performance of any individual scheme of Mutual Fund

Difficult to outperform Nifty Financial Services Index

Index	% of BFSI MF schemes outperformed by Index*					Excess return of Index over average returns of MF'				
	1Year	3 years	5 Years	7 years	10 years	1 year	3 years	5 Years	7 years	10 years
Nifty Financial Services Index	75%	100%	100%	100%	80%	4.8	6.2	5.7	3.2	2.7
Nifty Bank Index	58%	42%	73%	50%	60%	-0.7	-0.5	1.2	-0.1	0.2

*BFSI MF : Banking, Financial Service & Insurance Mutual Fund scheme

- Nifty Financial Services Index has outperformed 100% of BFSI mutual funds over previous 3,5 and 7 year period.
- % of funds finding difficult to beat Nifty Financial Services Index are in greater proportion than % of funds finding difficult to beat Nifty Bank Index.
- For investment horizon of more than one year, on an average basis, active BFSI funds have underperformed the index by at least 270bps

Source: ACE MF, as on Aug 31, 2021. * Based on 12 Banking & Financial Services, funds. *Banking & Financial Services Funds based on ACE MF classification. BFSI is defined as minimum investment in equity & equity related instruments of a banking & financial services theme is at least 80% of total assets. Past performance may or may not sustain in future. The above is performance of the category and does not in any manner indicate the performance of any individual scheme of Mirae Asset Mutual Fund.

Nifty Financial Services Index Portfolio

Industry	Weight
Private Sector Bank	56.0%
Housing Finance	17.1%
NBFC	9.3%
Public Sector Bank	5.6%
General Insurance	4.7%
Life Insurance	4.7%
Other Financial Services	1.1%
Financial Institution	1.0%
Asset Management Companies	0.6%

- Fairly diversified portfolio vis-à-vis Nifty Bank Index.
- Adequate representation of various sub-industries forming part of Financial Service Sector.
- Existing constituents represents large & midcap stocks forming part of Nifty200 Index.

S. No.	Company	Weight
1	HDFC Bank Ltd.	23.4%
2	HDFC Ltd.	17.1%
3	ICICI Bank Ltd.	16.9%
4	Kotak Mahindra Bank Ltd.	8.7%
5	Axis Bank Ltd.	6.9%
6	Bajaj Finance Ltd.	6.8%
7	State Bank of India	5.6%
8	Bajaj Finserv Ltd.	3.5%
9	HDFC Life Insurance Ltd.	2.0%
10	SBI Life Insurance Ltd.	1.8%
11	ICICI Lombard General Insurance Ltd.	1.2%
12	Piramal Enterprises Ltd.	1.1%
13	Shriram Transport Finance Company Ltd.	0.9%
14	ICICI Prudential Life Insurance Company Ltd	0.9%
15	Cholamandam Investment & Finance Ltd.	0.7%
16	HDFC AMC Ltd.	0.6%
17	Muthoot Finance Ltd.	0.6%
18	Power Finance Corporation Ltd.	0.5%
19	REC Ltd.	0.5%
20	M&M Financial Services Ltd.	0.3%

Source: NSE, Portfolio as on Aug 31, 2021 Add: 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).

Why invest in Mirae Asset Nifty Financial Services ETF ?

- ✓ Opportunity to participate in the sector which is essential for the overall growth of the economy
- ✓ Financial Services encompasses not only banks but also other segments such as NBFC, Insurance, Capital Market etc. which are currently under penetrated among masses.
- ✓ Nifty Financial Services Index continues to provide a significant exposure to Banks (almost 64%)
- ✓ Nifty Financial Services Index has exhibited better return to risk profile along with lower drawdown vis-à-vis Nifty Bank Index
- ✓ Overall actively managed funds are finding difficulty in outperforming the Nifty Financial Services Index across longer investment horizon
- ✓ Relatively low cost option to participate in Financial Services Sector

THANK YOU

Disclaimers

NSE Indices Ltd Disclaimer: Every person who desires to apply for or otherwise acquire any Units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever..

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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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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 before investing

Product Labelling

Mirae Asset Nifty Financial Services ETF is suitable for investors who are seeking*

- Returns that are commensurate with the performance of Nifty Financial Services Total Return Index, subject to tracking error over long term.
- Investments in equity securities covered by Nifty Financial Services Total Return Index.

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

