

Mirae Asset Nifty Financial Services ETF

(NSE: MAFSETF BSE:543323)

(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

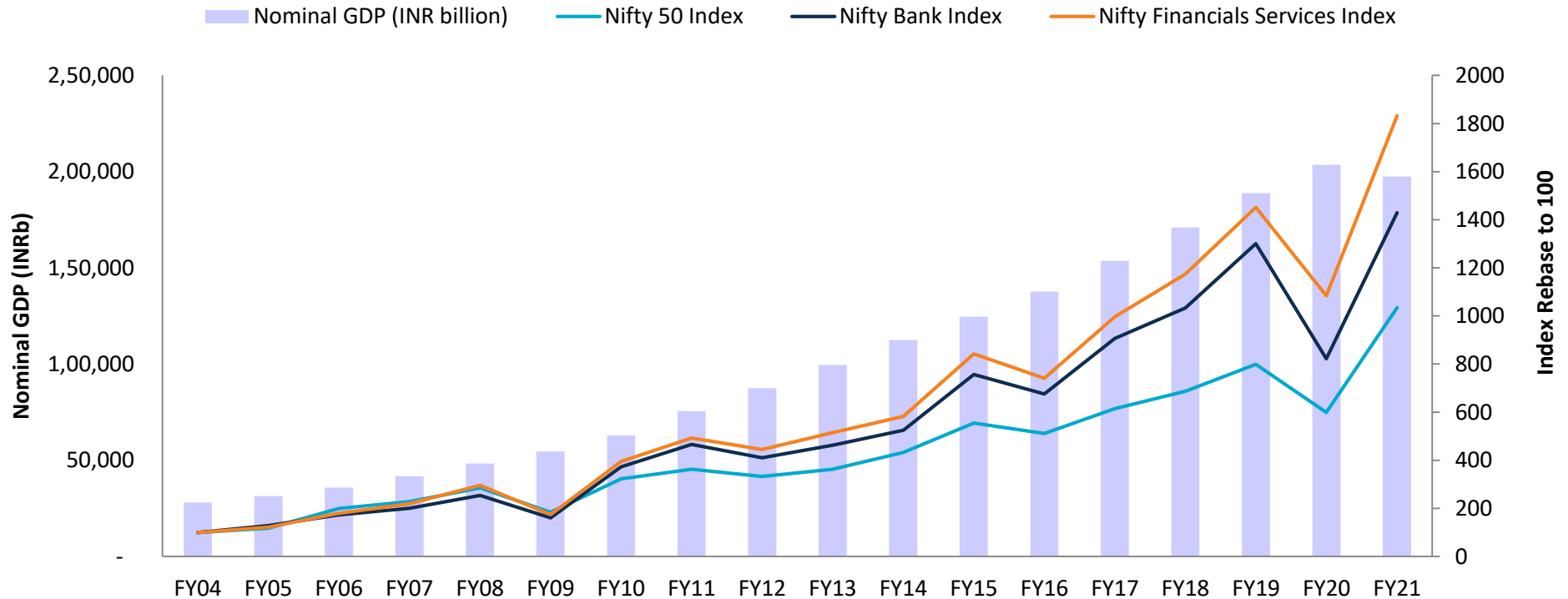
How Financial Services sector is related to your life



Why participate in the sector ?

Correlation between Banking & Financial Services Sector and GDP

- 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.

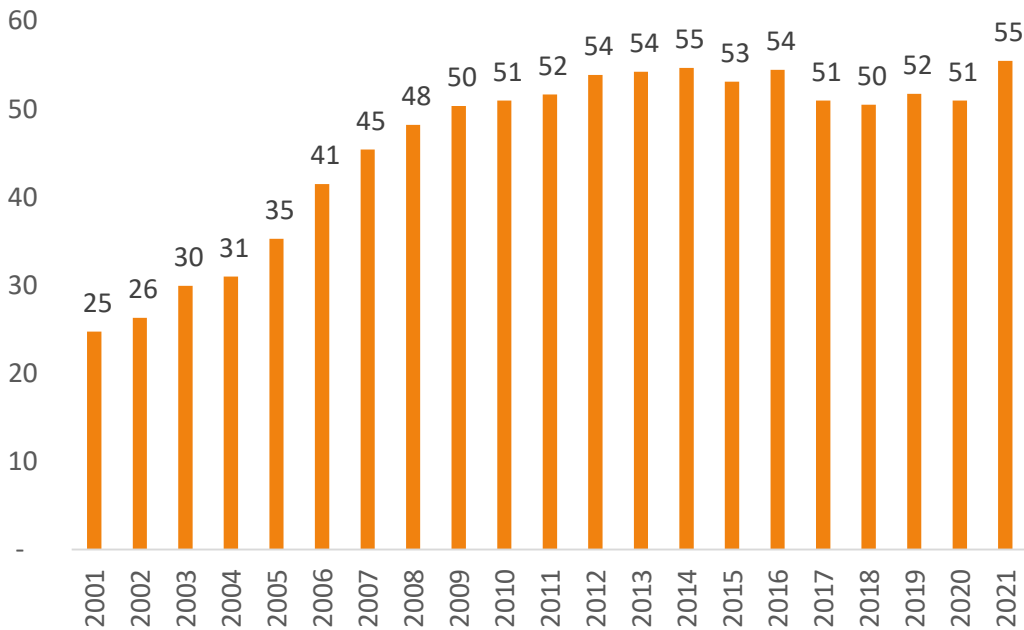


Source : Bloomberg Data as of Sept 30, 2022. Past performance may or may not sustain in future. The index return are in Total Return Variant. The data shown above pertains to the Index and does not in manner indicate performance of any scheme of the Fund. GDP stands for Gross Domestic Product.

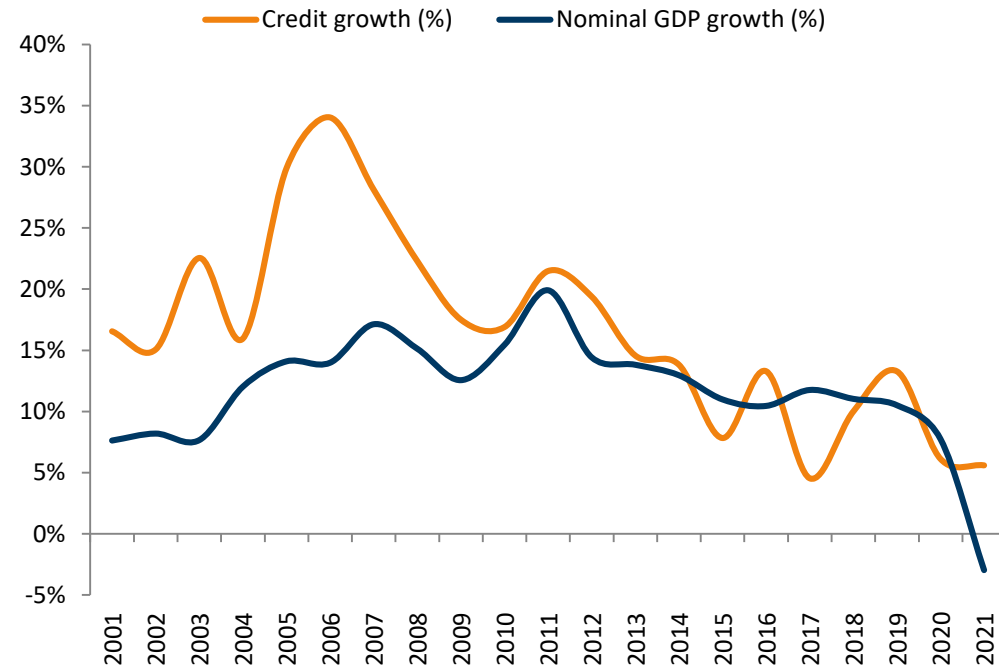
Credit in India – Growing fast as penetration improves

- Credit to GDP up over 2x 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

Credit to GDP Ratio in India (%)



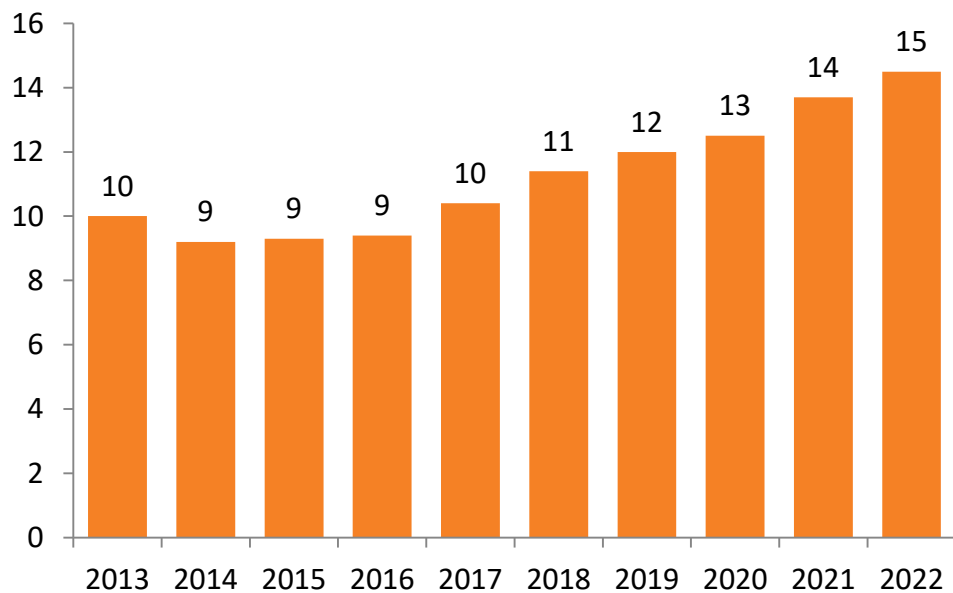
Credit growth & Nominal GDP growth Trends



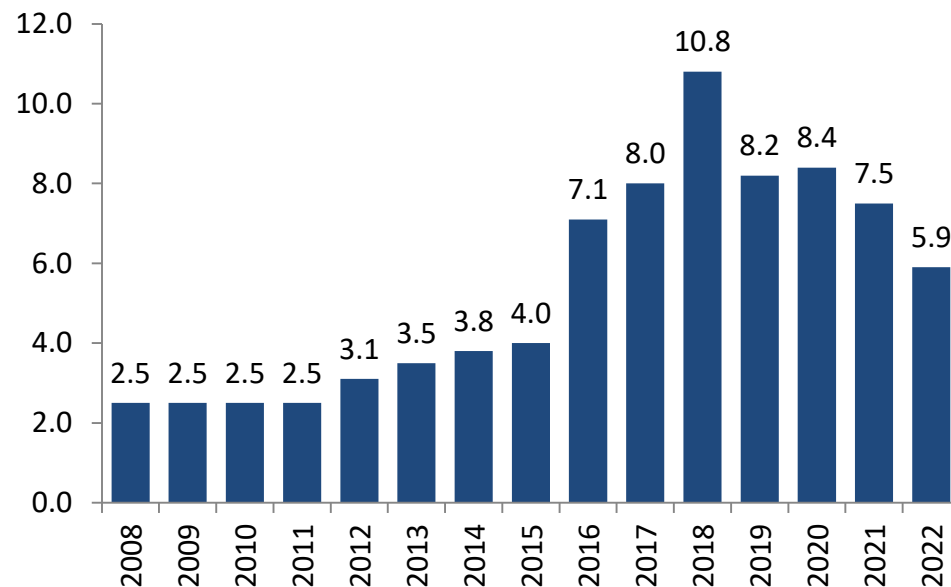
Banks – Well capitalised, Improving asset quality

- Capital position of Indian banks have strengthened in the last few years with Tier 1 capital at 15% in FY22 Asset quality held up despite 2 shock waves of COVID-19 pandemic, credit cost should normalize for the sector from 2HFY22E/FY23E
- 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 (%)



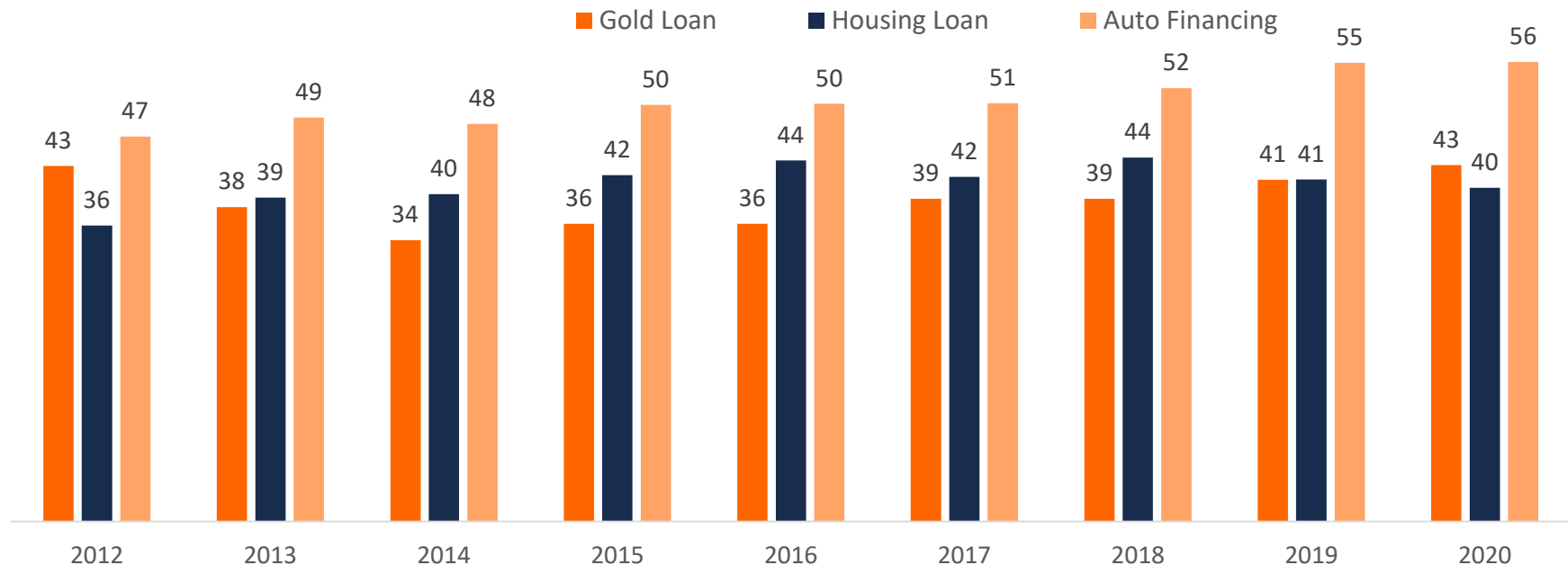
Gross NPA trend of Banks (%)



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 are now dominating players in auto, housing and gold financing business

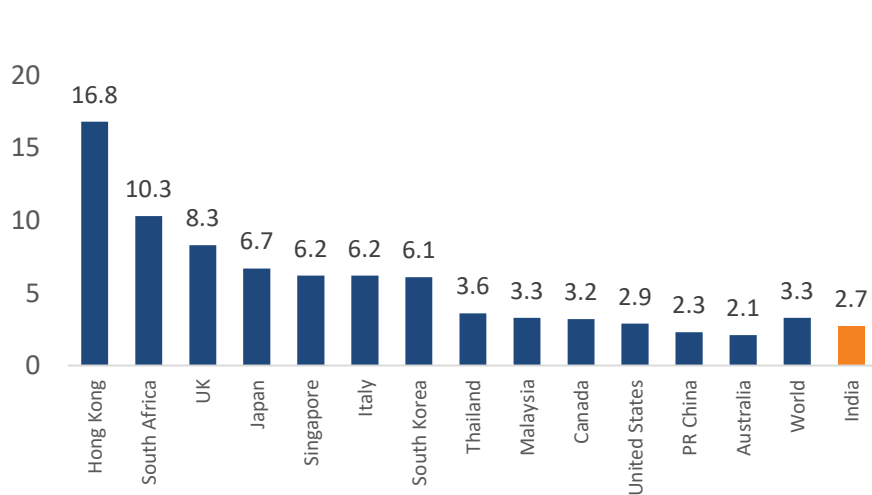
NBFC's Market Share (in %) Product Wise



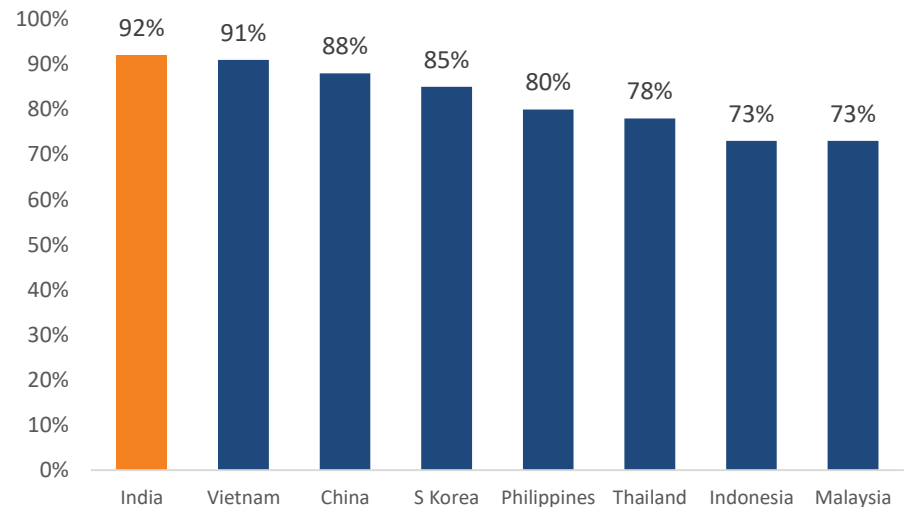
Life Insurance - Growing market demand, protection penetration low

- 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

Life insurance penetration - Premium % of GDP



Protection Gap – High in India



Mutual Fund – Growing rapidly, but hugely underpenetrated

- Mutual fund industry have been growing rapidly in last 10 years
- AUM to GDP ratio in India is ~15%, still below many other comparable peers

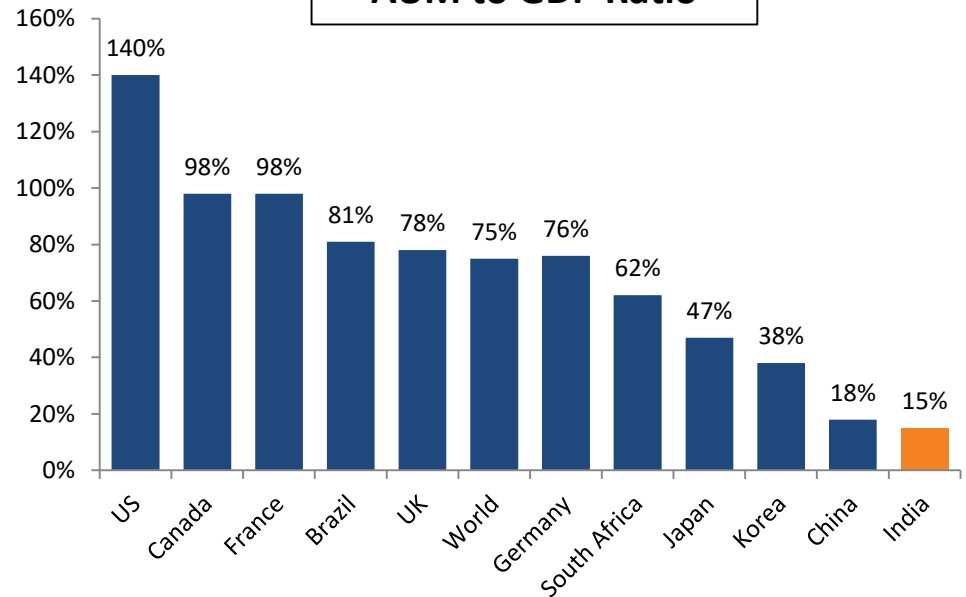
Mutual fund Industry - AUM Growth

7.1 Lakh
Crores in
2010



Over 40
Lakh
Crores in
Jan 2023

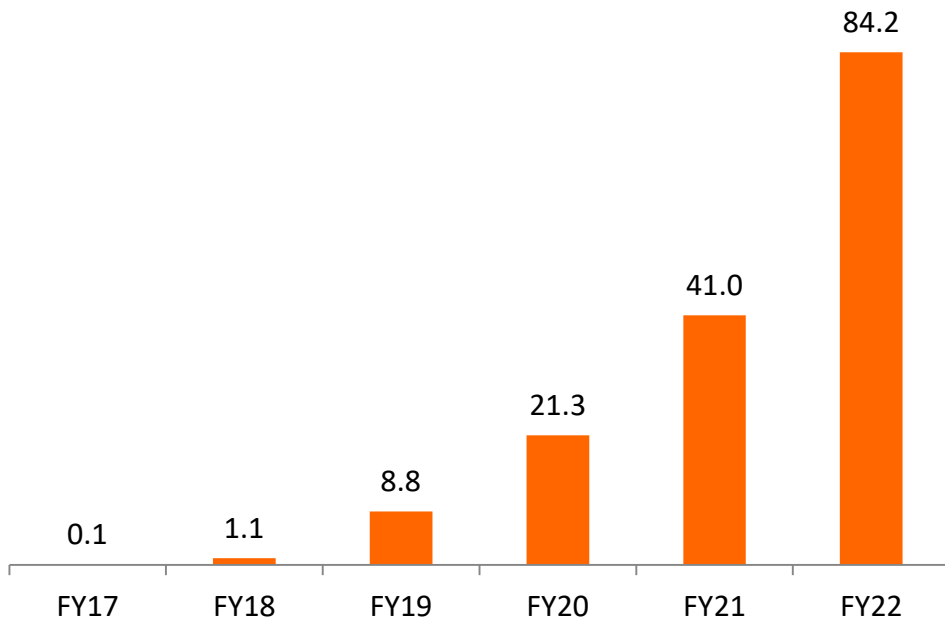
AUM to GDP Ratio



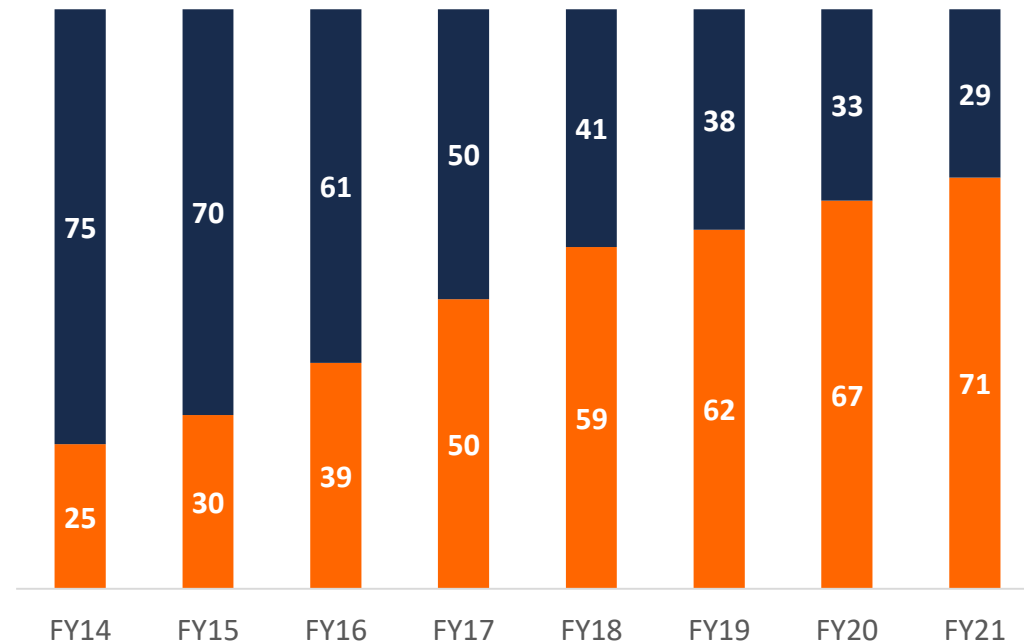
Emerging Trends – Digital & FinTech evolution gathering pace

- 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)



Share of Digital Transactions



Mirae Asset Nifty Financial Services ETF offering

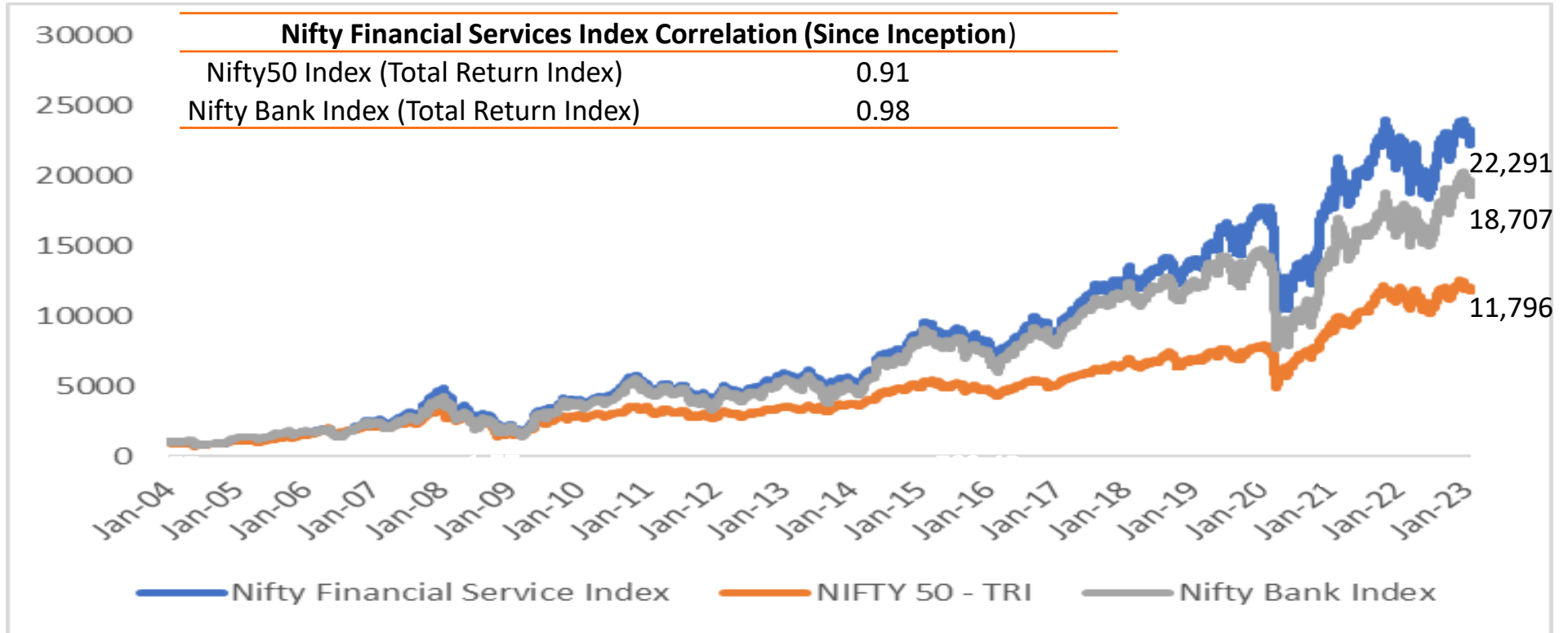
About Nifty Financial Services Index

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 Jan 31, 2023. 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. The Index values have been rebased to 1,000.

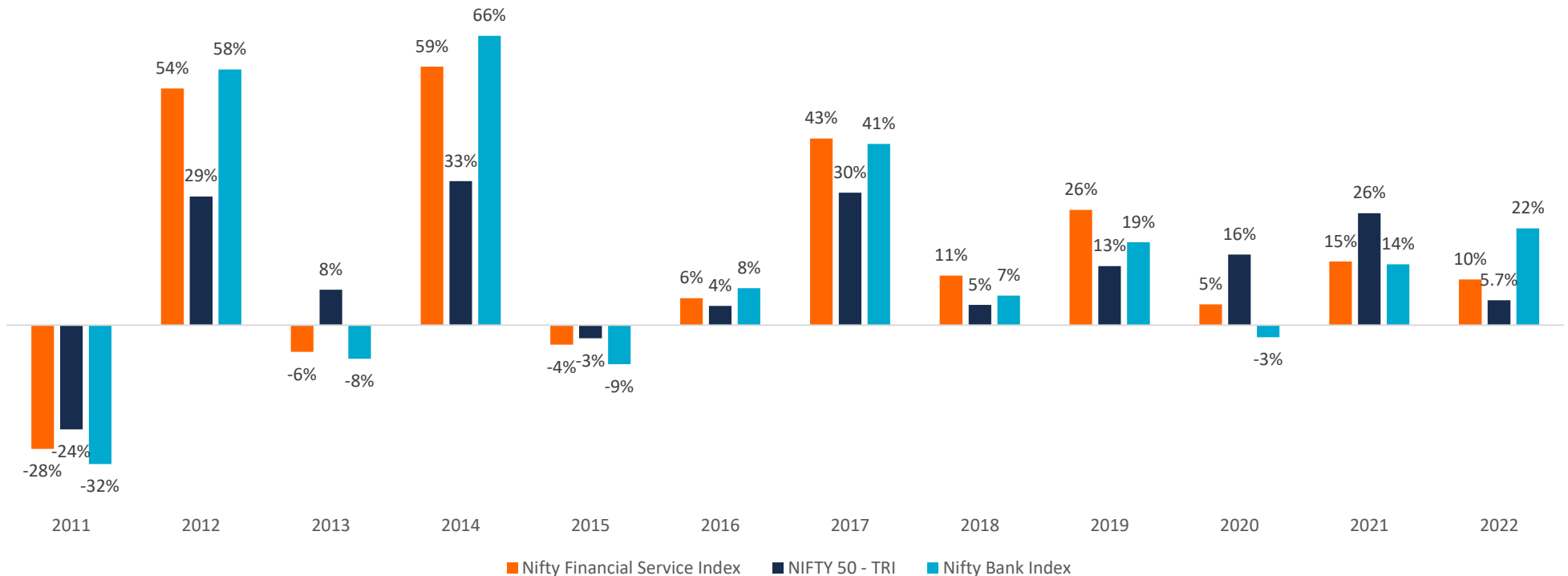
Nifty Financial Services Index : Return and risk profile

Period	Returns (in %)			Risk (Annualized standard deviation) (in%)		
	Nifty Financial Services Index	Nifty 50 Index	Nifty Bank Index	Nifty Financial Services Index	Nifty 50 Index	Nifty Bank Index
14 Years	19.2%	15.2%	18.1%	24.7%	18.8%	25.9%
10 Year	14.4%	12.7%	13.1%	23.0%	17.2%	24.3%
7 Year	16.5%	14.3%	15.3%	22.9%	17.6%	23.9%
5 Year	10.6%	11.3%	8.7%	25.3%	19.4%	26.4%
3 Year	8.7%	15.2%	10.1%	29.4%	22.5%	30.8%
1 Year	2.3%	3.2%	7.9%	20.6%	16.9%	21.0%
6 Months	3.9%	3.3%	8.6%	15.7%	12.9%	16.8%
3 Months	-2.4%	-1.9%	-1.6%	12.7%	11.0%	13.7%

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

Source: NSE, as on Jan 31, 2023 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 7 out of 11 and 8 out of 11 calendar years respectively.

Source: NSE Data as on Dec 30, 2022. 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

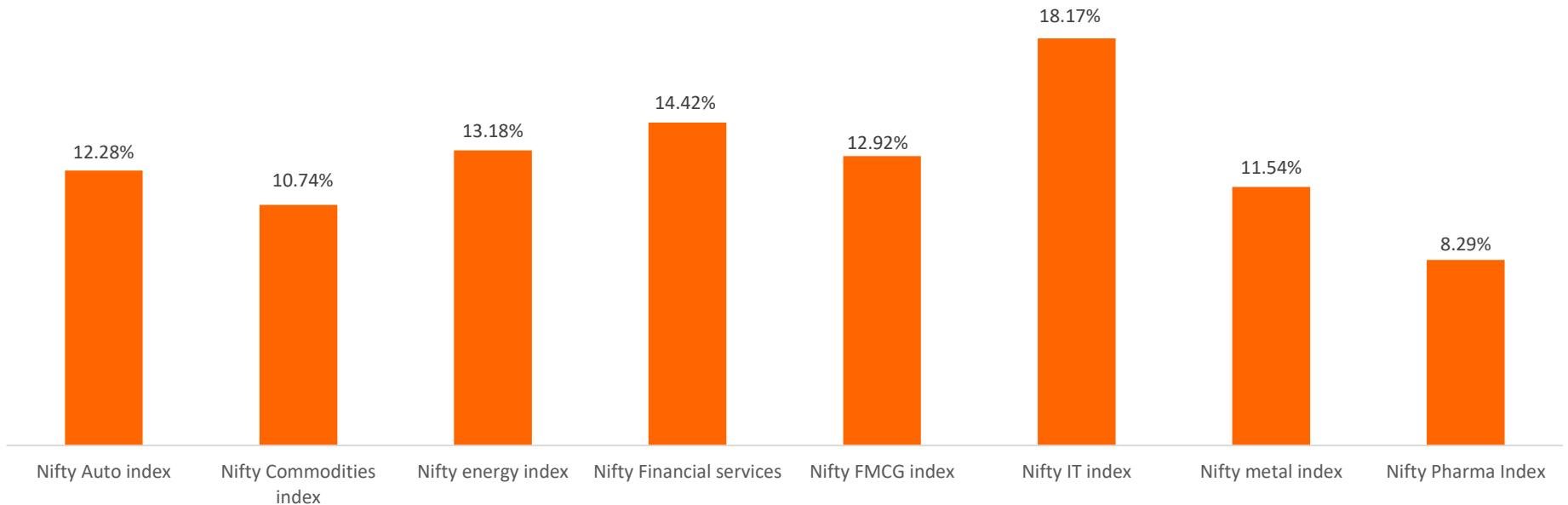
Period1	1 Year Investment Horizon			3 Year Investment Horizon		
	Nifty Financial Services Index	NIFTY 50 Index	Nifty Bank Index	Nifty Financial Services Index	NIFTY 50 Index	Nifty Bank Index
14 years	19.15%	14.04%	18.77%	15.42%	11.14%	14.20%
10 years	18.11%	14.97%	17.25%	14.90%	11.94%	13.00%
7 years	15.81%	13.69%	14.34%	15.33%	12.20%	12.94%
5 years	15.96%	15.32%	13.89%	14.59%	12.48%	11.18%
3 years	14.68%	18.06%	13.85%	12.06%	12.70%	7.61%
1 year	4.23%	9.27%	8.73%	11.41%	16.00%	9.42%

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 three years

Source: NSE, as on Jan 31, 2023. 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

Financial Services Sector has been one of the best performing sectors

10 Year Return of Nifty Sectoral Indices



In the last 10 years, Nifty Financial Services Index has generated a CAGR return of 14.42%

Difficult to outperform Nifty Financial Services Index

Index	% of BFSI Schemes outperformed by Index				Excess return over average returns of MF			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Nifty Financial Services TRI	15%	60%	100%	100%	-3.6	0.1	4.3	1.5
Nifty Bank TRI	54%	50%	56%	75%	8.0	0.8	2.5	0.5

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

- Nifty Financial Services Index has outperformed 100% of Banking and Financial services mutual funds over 5 year and 10 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 over 3,5 and 10 year periods.
- For investment horizon of more than one year, on an average basis, active banking and financial services funds have underperformed the Nifty financial services index by at least 590 bps.

Source: ACE MF, as on Jan 31, 2023. * Based on 13 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	% Weightage
Private Sector Bank	59.3%
Housing Finance Company	15.8%
Non Banking Financial Company (NBFC)	8.1%
Public Sector Bank	7.1%
Life Insurance	4.3%
Holding Company	2.4%
Financial Institution	1.0%
General Insurance	0.9%
Asset Management Company	0.5%
Exchange and Data Platform	0.3%

- 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.

Company Name	% Weight
HDFC BANK LTD.	23.62
ICICI BANK LTD.	19.41
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	15.82
KOTAK MAHINDRA BANK LTD.	8.39
AXIS BANK LTD.	7.89
STATE BANK OF INDIA	7.10
BAJAJ FINANCE LTD.	5.24
BAJAJ FINSERV LTD.	2.43
HDFC LIFE INSURANCE COMPANY LTD.	1.91
SBI LIFE INSURANCE COMPANY LTD.	1.84
ICICI LOMBARD GENERAL INSURANCE COMPANY LTD.	0.96
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD.	0.93
SHRIRAM FINANCE LTD.	0.87
SBI CARDS AND PAYMENT SERVICES LTD.	0.71
ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.	0.59
HDFC ASSET MANAGEMENT COMPANY LTD.	0.50
POWER FINANCE CORPORATION LTD.	0.55
REC LTD.	0.50
MUTHOOT FINANCE LTD.	0.38
INDIAN ENERGY EXCHANGE LTD.	0.35

Disclaimer: Large cap (1-100th company in terms of full market capitalization), mid cap companies (101st -250th company in terms of full market capitalization) and small cap (251st company onwards in terms of full market capitalization)

Source: NSE, Portfolio as on Jan 31, 2023 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 (above 66%) (Slide 21)
- ✓ 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

Mirae Asset Nifty Financial Services ETF

- Invest in the sector which is one of the essential factor for overall growth of the economy.
- Financial Services encompasses not only banks but also other segments such as NBFC, Insurance, Capital Markets etc. which are currently under penetrated among masses



Benchmark:
Nifty Financial Services TRI



Expense Ratio:
12 bps



Authorized Participants:
Mirae Asset Capital Markets (India)
Private Limited
Kanjalochna Finserve Private Limited
East India Securities Limited



ETF Units:
Creation Unit Size = 3,00,000 units
NAV: Rs. 18.2172 (As on January 31,
2023):



Allotment Date:
30th July 2021



Listing:
NSE: MAFSETF
BSE: 543323

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..

BSE/NSE Disclaimer: Every person who desires to apply for or otherwise acquires any unit of this 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

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 Investment Managers (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.

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

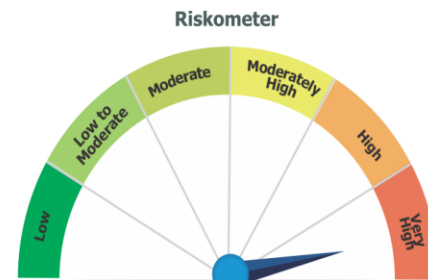
Please consult your financial advisor or mutual fund distributor before investing

Product Labelling

Mirae Asset 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.

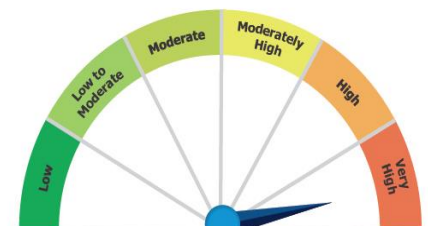
*Investors should consult their financial advisers if they are not clear about the suitability of the product



Investors understand that their principal will be at Very High Risk

Scheme Benchmark: Nifty Financial Services Index (TRI)

Benchmark Riskometer



The Benchmark is at Very High Risk