

Mirae Asset Nifty Financial Services ETF

as on 31 March 2024

(NSE: BFSI 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

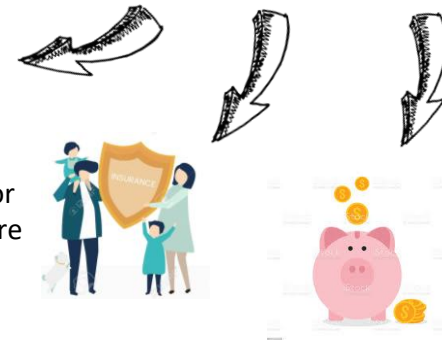
Bank /NBFC

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

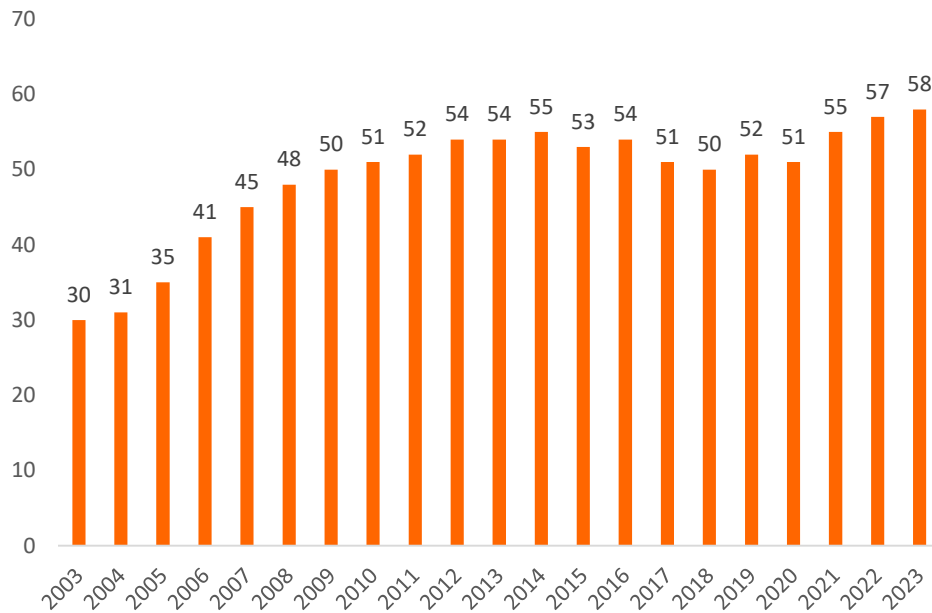


Why participate in the sector ?

Credit in India – Growing fast as penetration improves

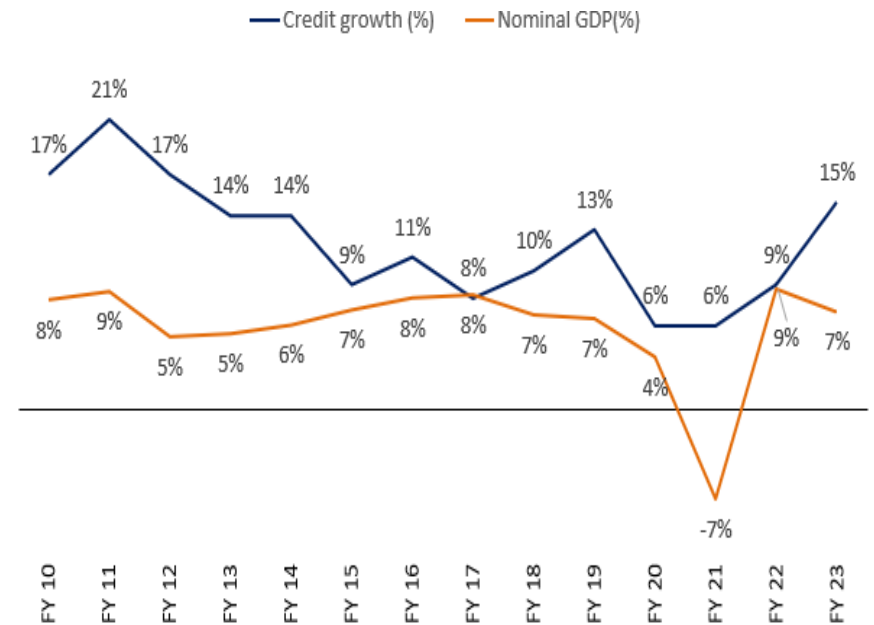
- ▶ Credit to GDP ratio has almost doubled in the last 2 decades
- ▶ Credit growth is a multiplier of Nominal GDP growth
- ▶ Private consumption has increased steadily in line with the retail credit growth
- ▶ Growth in household income and consumption promotes overall demand for credit

Credit to GDP Ratio in India (%)



Source: BIS, SCO, RBI. Data as on FY 2023

Credit growth & Nominal GDP growth Trends

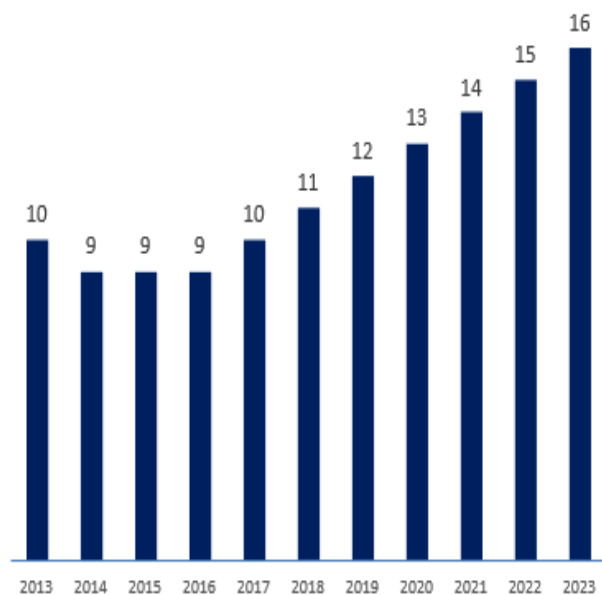


Source: RBI. Latest data available in April 2023 as on FY23 , FY23 from 01 April 2022 to 31 March 2023

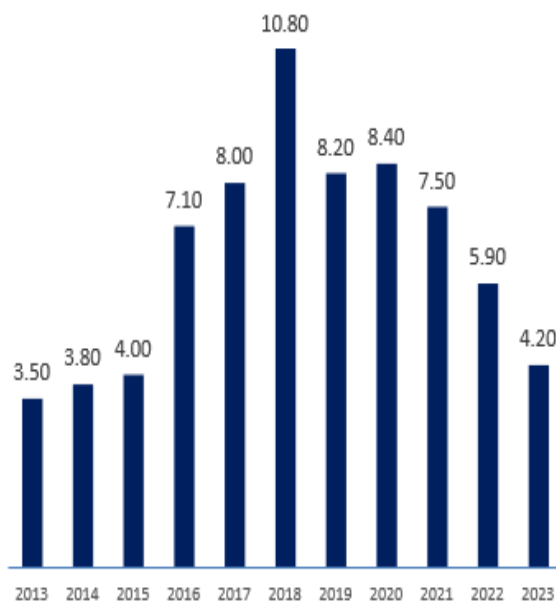
Banks – Well capitalised, Improving asset quality

- 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

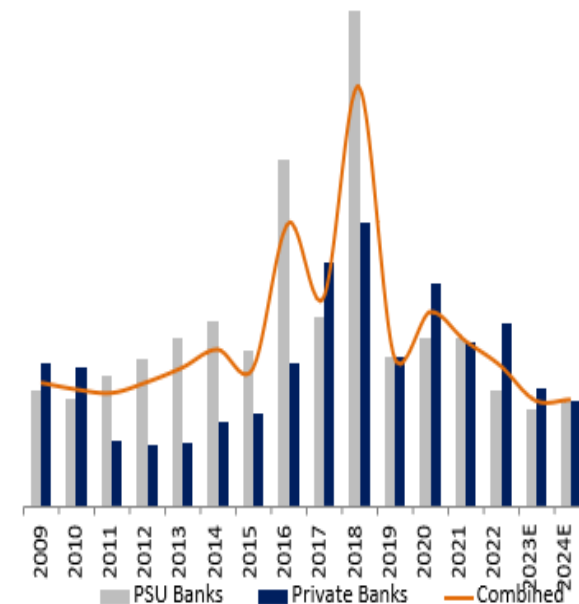
Tier-1 capital positioning of Banks (%)



Gross NPA trend of Banks (%)

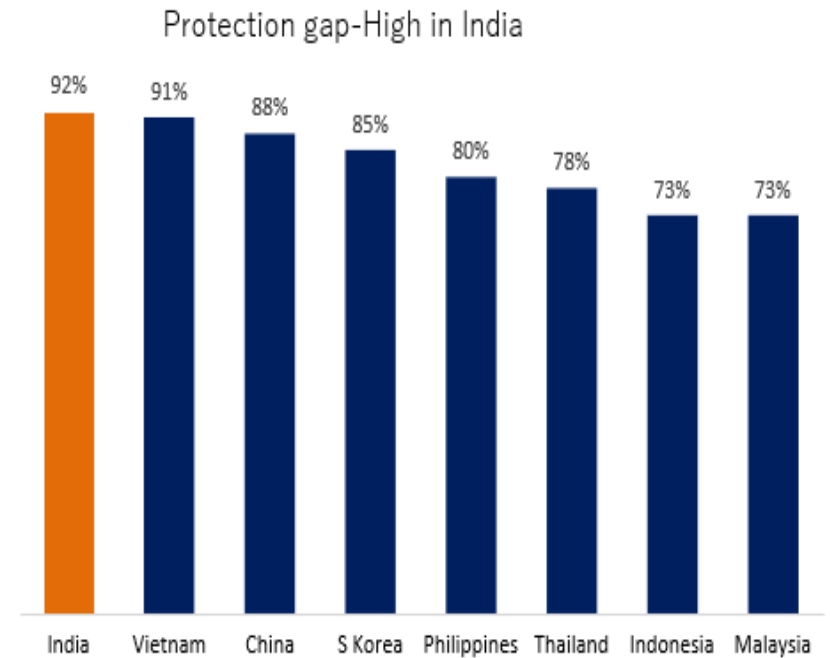
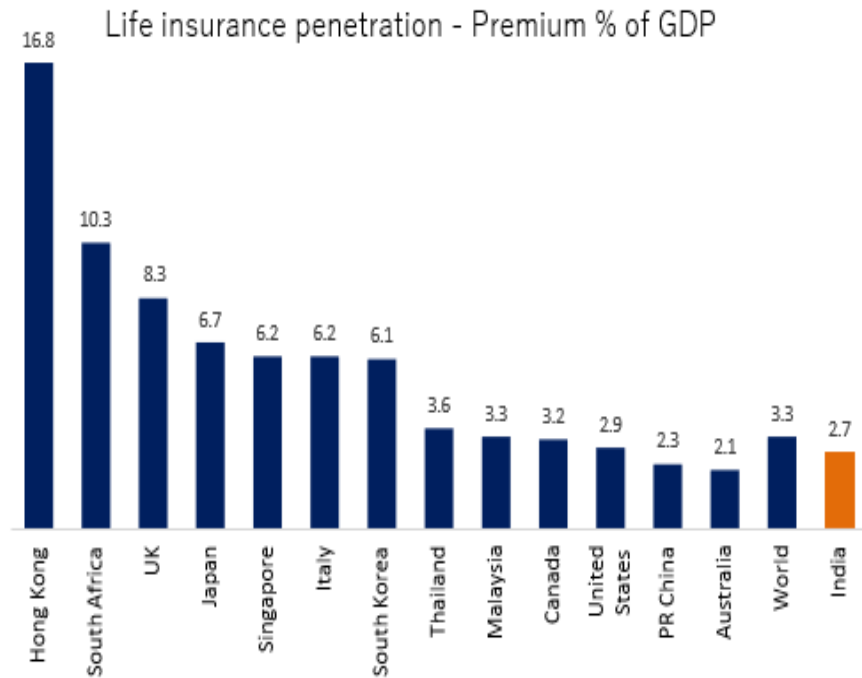


Gross slippages trend of banks (%)



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



Mirae Asset Nifty Financial Services ETF offering

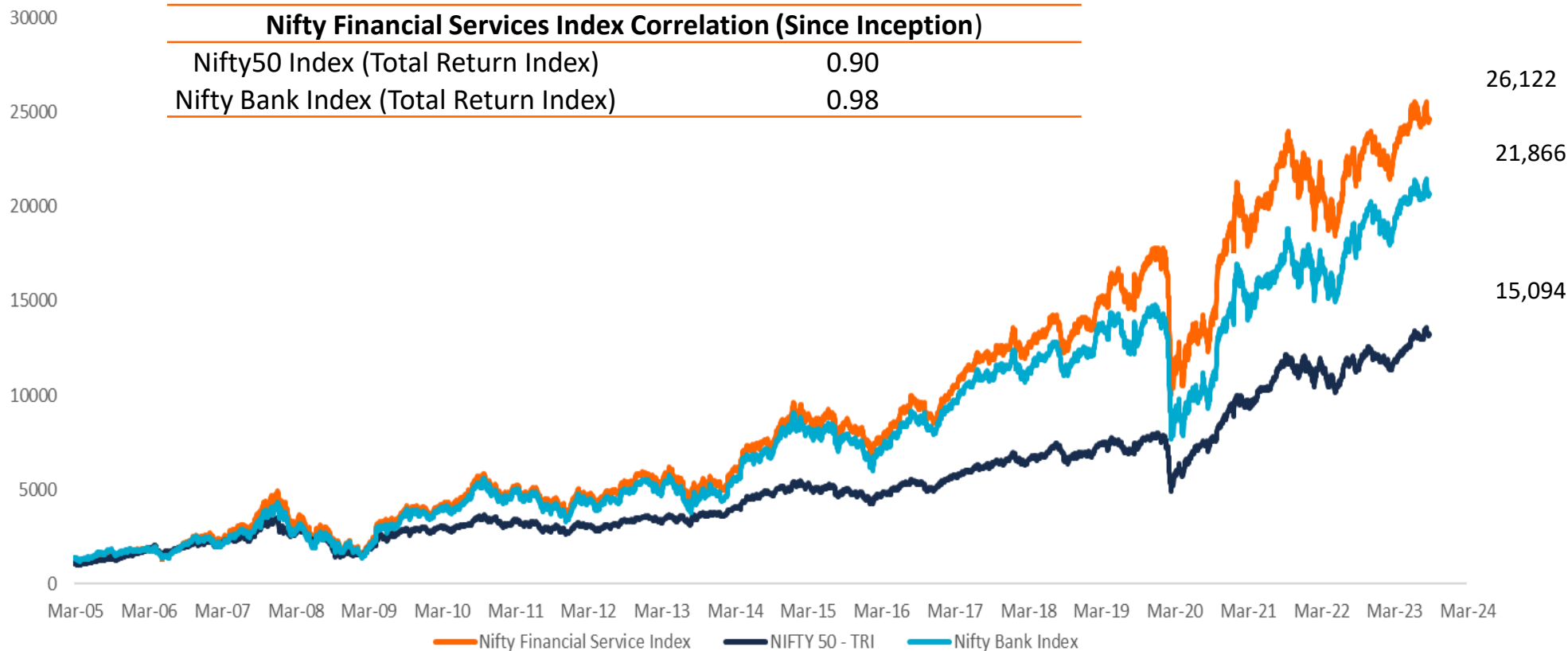
About Nifty Financial Services Index

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. Nifty 500 constituents representing Financial Services such as banks, financial institutions, housing finance and other financial services etc. are considered eligible.
- ii. Within eligible universe, weights of each subsector based on average free float market capitalization is calculated.
- iii. Selection of 20 companies from each sub-sector is made in such a manner that weightage of selected constituents closely matches with the weightage of the sub-sector as explained earlier.
- iv. A preference within each sub-sector is given to companies that are available for trading in NSE's Futures & Options segment.
- v. Companies will be included if average free-float market capitalization is 1.5 times the average free-float market capitalization of the smallest index constituent.
- vi. Weightage of each stock in the index is calculated based on its free-float market capitalization such that no single stock shall be more than 33% and weightage of top 3 stocks cumulatively shall not be more than 62% at the time of rebalancing

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 March 31, 2024. **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.

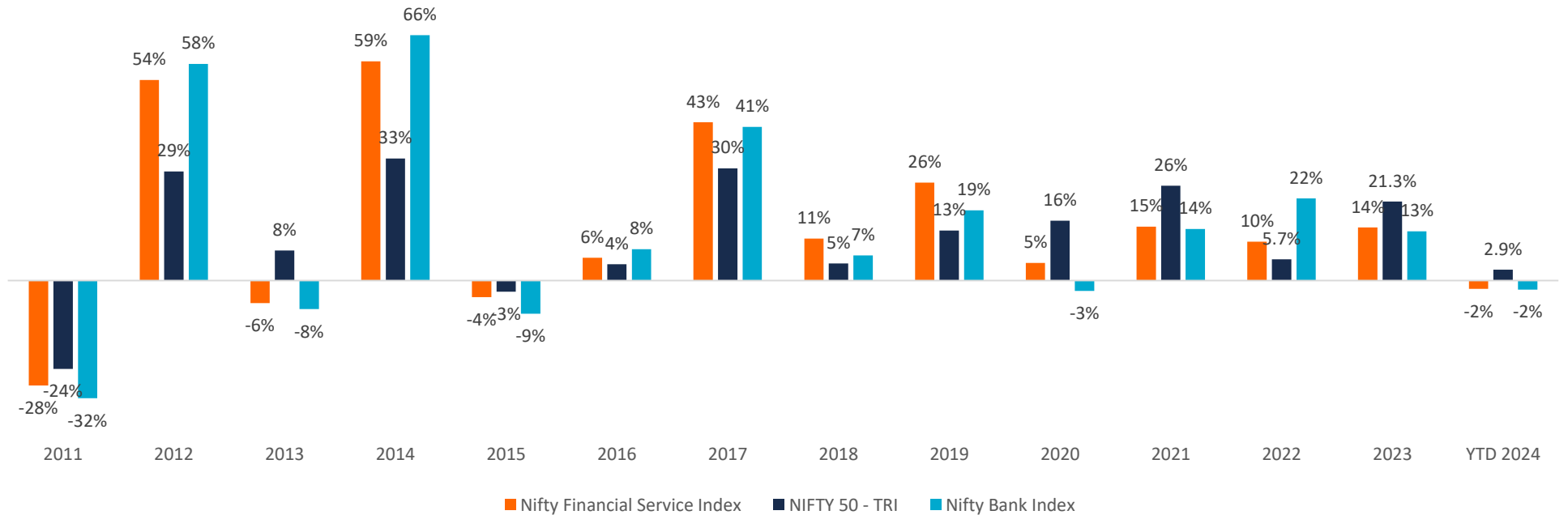
Nifty Financial Services Index : Return and risk profile

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	14.0	12.2	13.0	22.3	16.8	23.5
10 Year	15.7	14.2	14.7	21.5	16.5	22.5
7 Year	14.1	14.9	12.5	22.3	17.2	23.3
5 Year	11.6	15.3	9.7	24.9	19.1	26.2
3 Year	11.0	16.3	13.0	17.2	13.7	18.0
1 Year	17.4	30.1	17.0	12.1	9.9	12.7
6 Months	6.8	14.8	6.4	13.6	11.2	14.6
3 Months	-2.5	2.7	-2.9	14.7	11.9	15.7

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

Source: NSE, as on March 31, 2024. Returns of period for 1 year and less are absolute returns & 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 13 and 9 out of 13 calendar years respectively.

Source: NSE Data as on March 31, 2024. **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

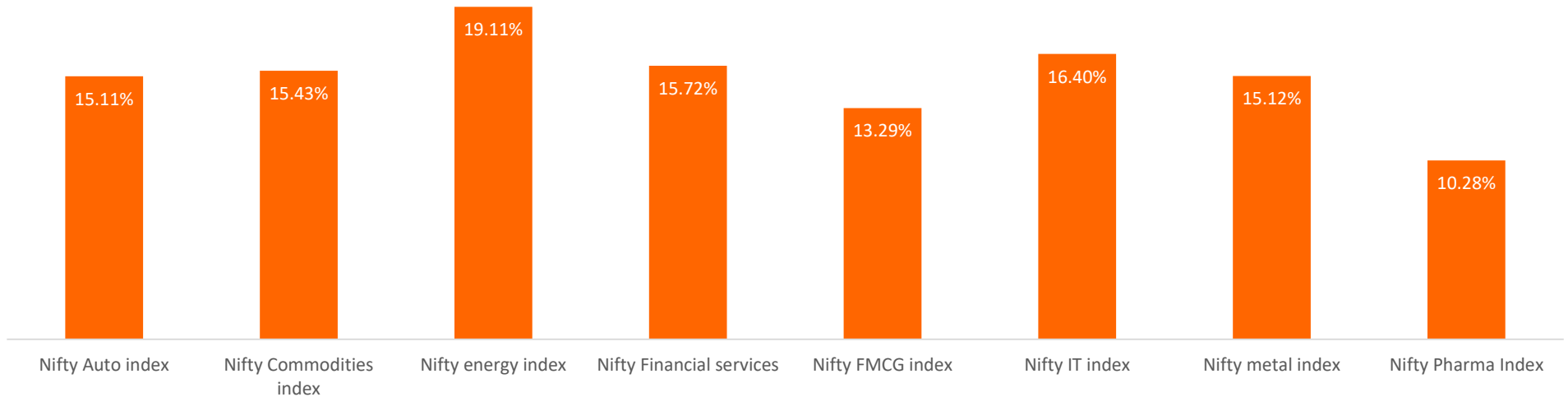
Period	1 Year Investment Horizon			3 Year Investment Horizon		
	Nifty Financial Services Index (%)	NIFTY 50 Index (%)	Nifty Bank Index (%)	Nifty Financial Services Index (%)	NIFTY 50 Index (%)	Nifty Bank Index (%)
14 years	20.0	15.0	19.8	16.0	12.0	15.1
10 years	18.8	15.3	18.4	16.6	13.9	15.1
7 years	17.4	15.6	16.3	15.6	13.5	13.5
5 years	15.3	15.7	14.5	15.2	14.6	12.5
3 years	21.1	21.9	24.5	15.7	18.0	14.7
1 year	14.7	15.3	17.2	21.0	22.0	24.7

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 March 31, 2024. **Past performance may or may not sustain in future.** The above returns are calculated on rolling return basis for different period for instance - 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 15.72%

Nifty Financial Services Index Portfolio

Industry	% Weightage
Private Sector Bank	68.45
Non Banking Financial Company (NBFC)	9.95
Public Sector Bank	8.18
Life Insurance	4.48
Financial Institution	3.19
Holding Company	2.94
General Insurance	1.22
Asset Management Company	1.07
Housing Finance Company	0.52

- 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.	30.85
ICICI BANK LTD.	21.75
AXIS BANK LTD.	8.42
STATE BANK OF INDIA	7.44
KOTAK MAHINDRA BANK LTD.	8.18
BAJAJ FINANCE LTD.	5.72
BAJAJ FINSERV LTD.	2.53
SBI LIFE INSURANCE COMPANY LTD.	1.89
HDFC LIFE INSURANCE COMPANY LTD.	1.92
SHRIRAM FINANCE LTD.	1.86
POWER FINANCE CORPORATION LTD.	1.35
REC LTD.	1.61
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD.	1.58
ICICI LOMBARD GENERAL INSURANCE COMPANY LTD.	1.22
HDFC ASSET MANAGEMENT COMPANY LTD.	1.07
ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.	0.57
SBI CARDS AND PAYMENT SERVICES LTD.	0.67
LIC HOUSING FINANCE LTD.	0.52
MUTHOOT FINANCE LTD.	0.45
IDFC LTD.	0.42

Source: NSE, Portfolio as on March 31, 2024 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). The industry classification is as per AMFI categorization.

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 65%) (Slide 17)
- ✓ Nifty Financial Services Index has exhibited better return to risk profile along with lower drawdown vis-à-vis Nifty Bank Index (Slide 12)
- ✓ 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
Parwati Capital Market Private Limited



ETF Units:
Creation Unit Size = 3,00,000 units
NAV: Rs. 21.3339 (As on March 31, 2024)



Allotment Date:
30th July 2021



Listing:
NSE: BFSI
BSE: 543323

THANK YOU

Disclaimers

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