

# Mirae Asset Banking and Financial Services Fund

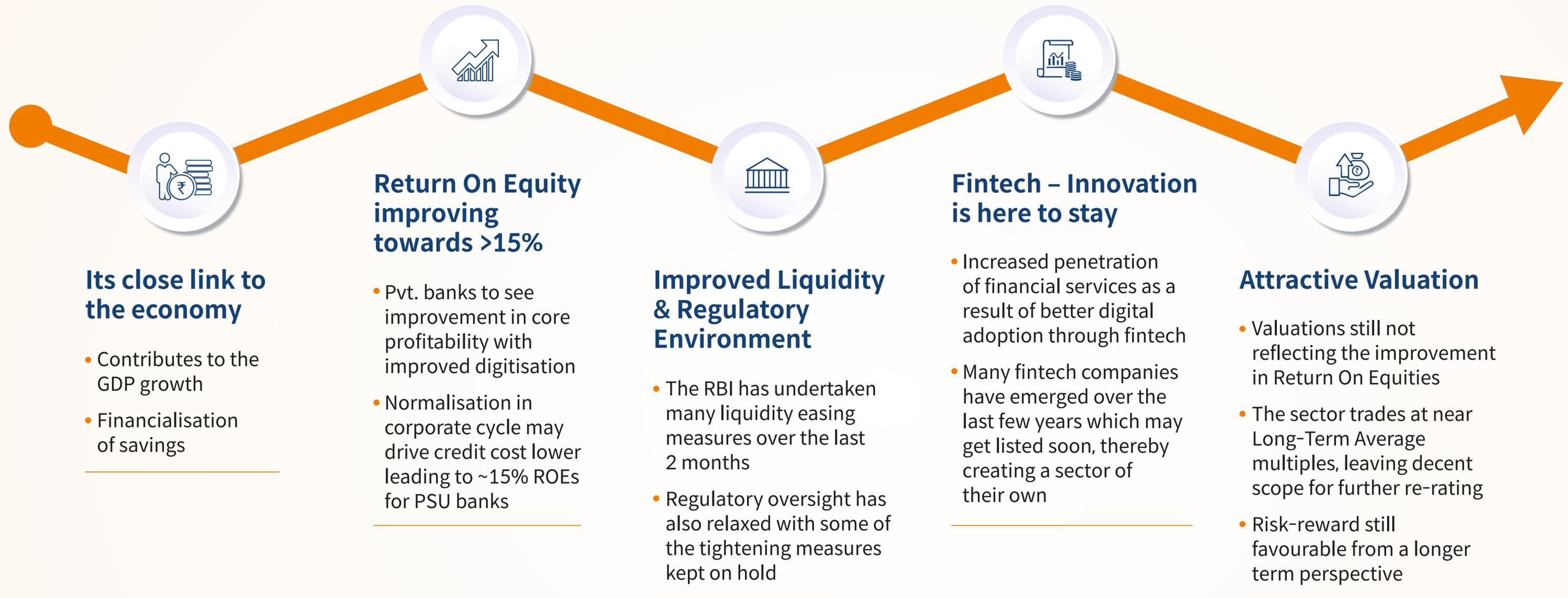
An open ended equity scheme investing in Banking & Financial Services Sector.

**March 2025**

**Lifelines  
we may bank on**



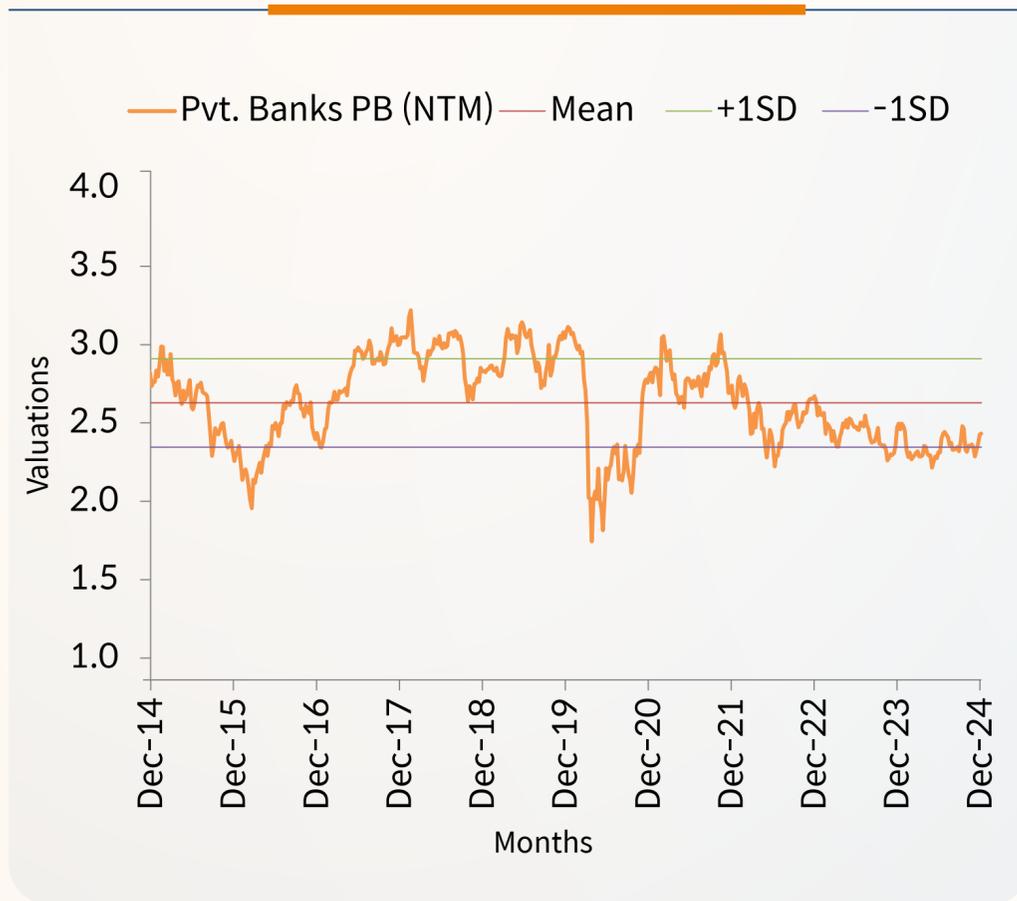
# Why Banking & Financial Services Now?



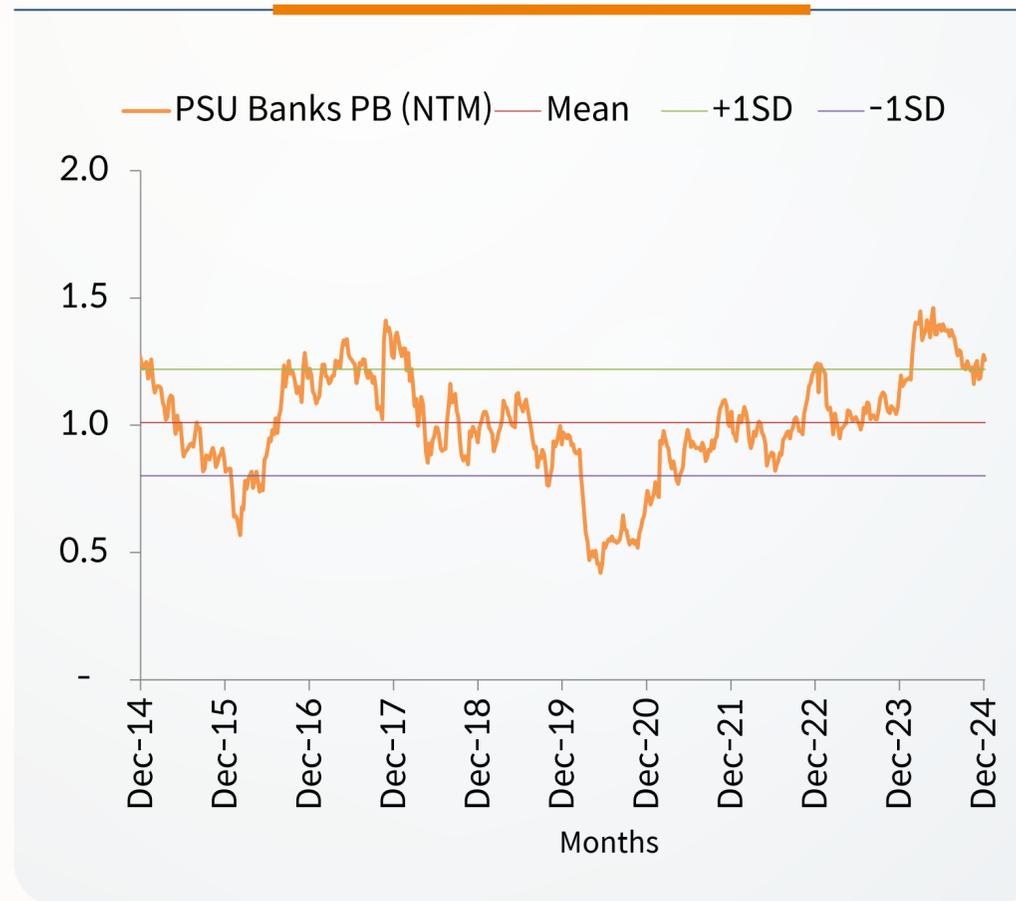
# Valuation remains reasonable from a longer term perspective

While Private banks are trading below their long-term average valuations, PSU Banks are trading above their long-term average valuations and NBFCs are trading very close to mean. From hereon, growth & earnings outlook will drive stock performance.

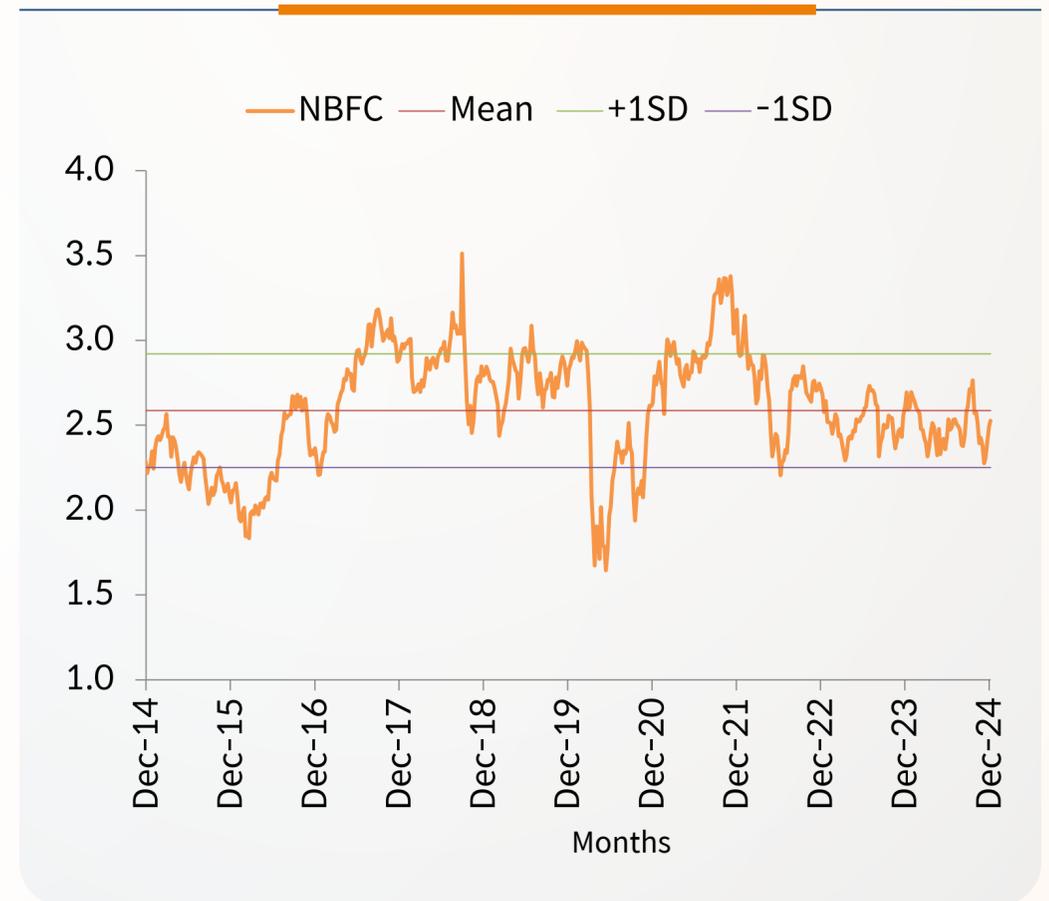
**Current Valuation of Private Banks Index**



**Current Valuation of PSU Banks Index**



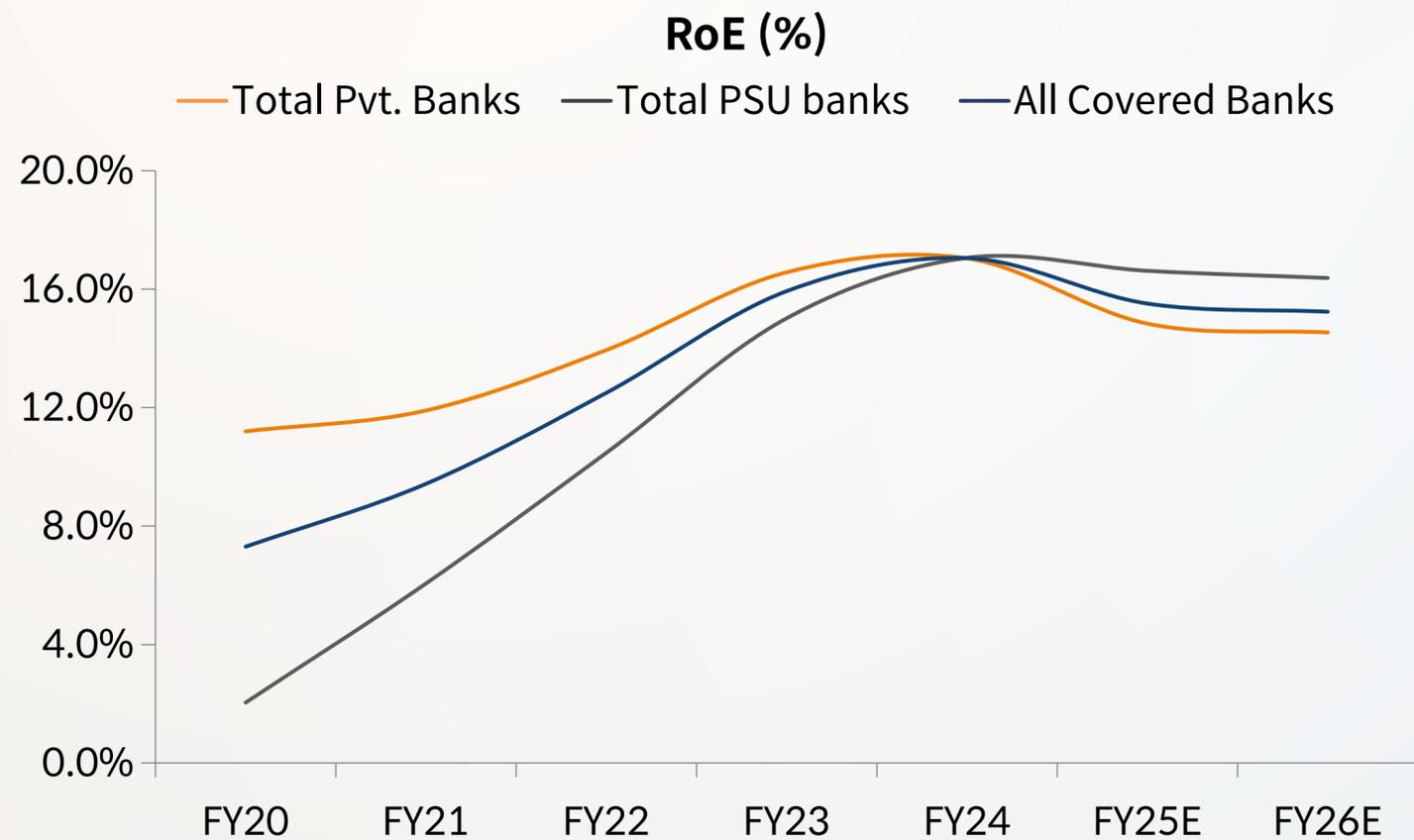
**Current Valuation of NBFCs**



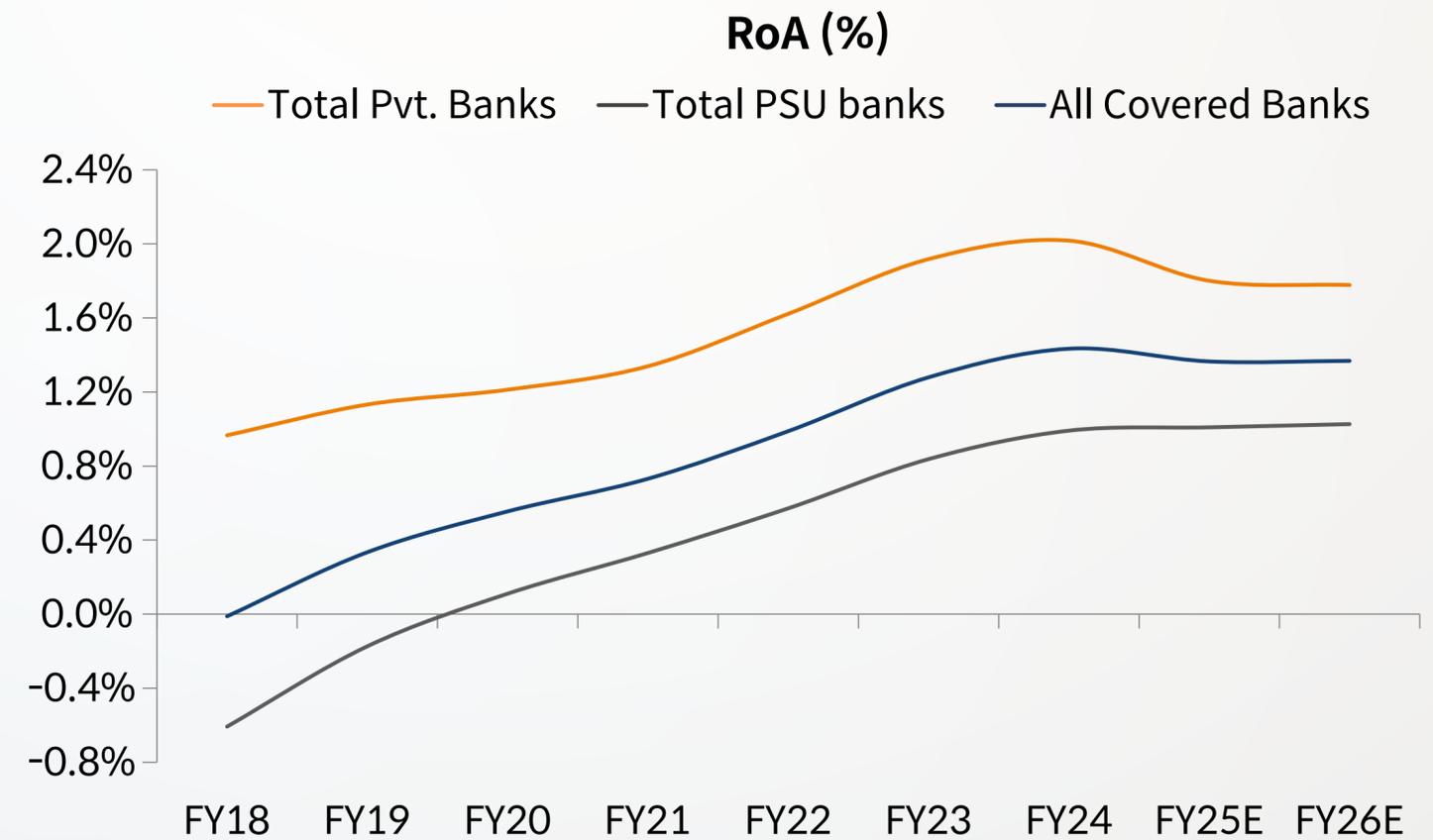
# Valuation driven by improvement in ROA/ROE

The valuations are also driven by underlying Return on Assets/Return on Equity (ROA/ROE) metrics that are suggesting significant improvement over the next few years vs a few years back for both Private and Public Sector Undertaking (PSU) banks.

**ROE trajectory improving towards 15% for banks**



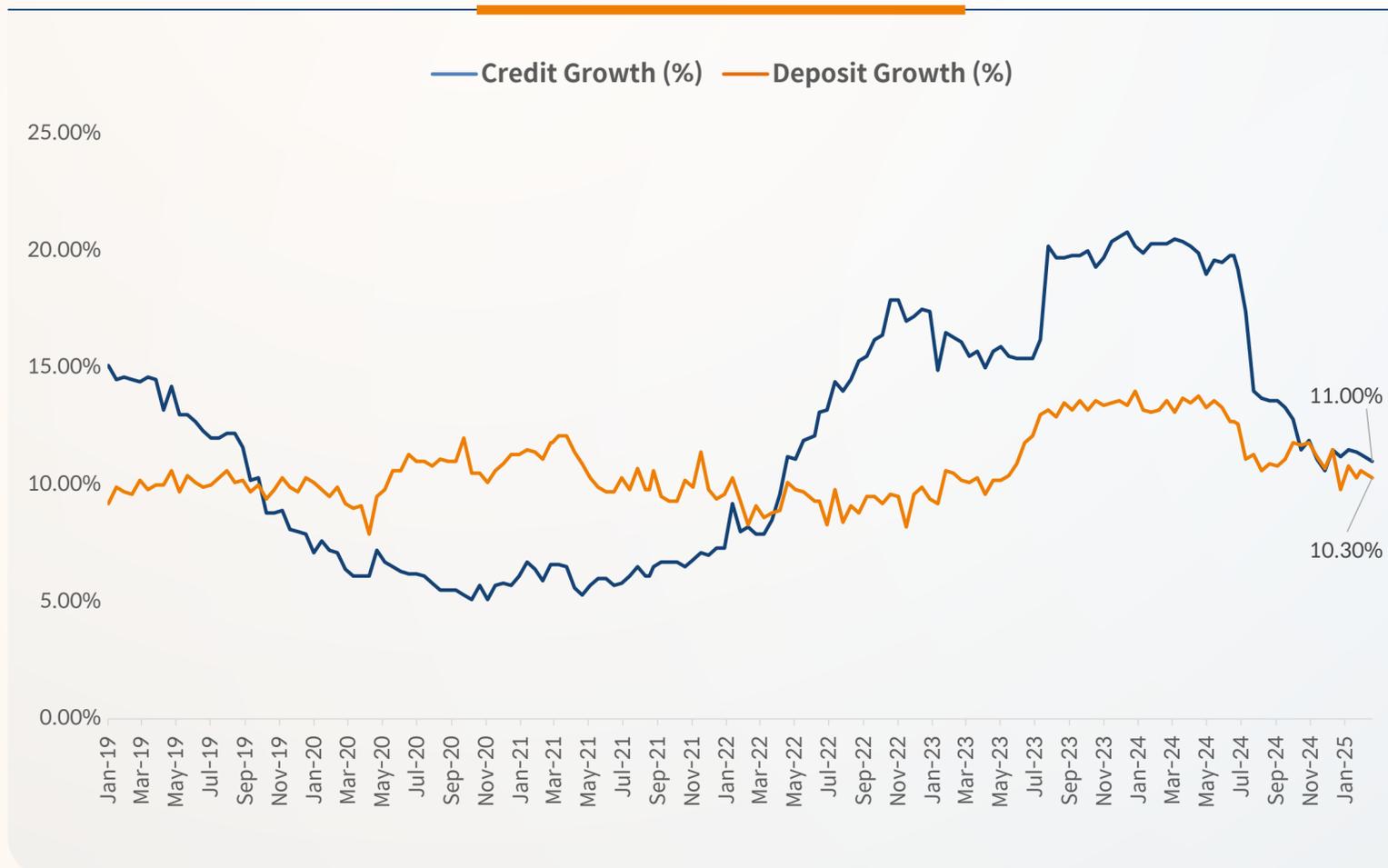
**ROAs inching closer to 1.4% for the sector**



# Street view: Credit vs Deposit growth

- In FY 23 & 24, Credit growth has taken a lead which brings the incremental CD ratio at 110%; however, in past ~10 years, CD ratio stands at maximum of 80% till FY24
- There seems to be a resilient demand and economic activity coupled with a relatively cheaper loan availability in global terms
- The recent liquidity in economy and credit growth spike seems to be converging
- The Preference for Alternate Avenues has gained momentum with market rate of returns

**SCBs Aggregate Deposit & Credit Growth (YOY%) is narrowing (as of 28<sup>th</sup> Feb, 2025)**



**SCBs Aggregate Deposit & Credit Growth (as of 30<sup>th</sup> Nov, 2024)**

Year	Aggregate Deposits			Bank Credit			Incremental CD Ratio	CD Ratio
	Level O/S (Rs. Lakh Crore)	Growth (Rs. Lakh Crore)	YOY%	Level O/S (Rs. Lakh Crore)	Growth (Rs. Lakh Crore)	YOY%		
FY 14	87	11	14.2%	67	9	14.9%	80%	77%
FY 15	98	10	12.0%	75	7	10.9%	70%	76%
FY 16	108	10	10.4%	82	7	9.7%	71%	76%
FY 17	121	12	11.4%	88	6	7.8%	52%	73%
FY 18	130	9	7.5%	95	7	7.5%	74%	73%
FY 19	141	12	8.9%	108	13	13.7%	113%	77%
FY 20	155	14	9.9%	118	10	9.4%	73%	76%
FY 21	172	17	11.0%	125	7	5.9%	41%	73%
FY 22	189	17	9.7%	134	9	7.1%	53%	71%
FY 23	207	18	9.5%	153	19	14.3%	107%	74%
FY 24	234	27	13.0%	183	30	19.3%	110%	78%
FYTD 25	127	14	12.0%	101	14	16.2%	103%	79%

# Buyback/OMOs move from Short tenure to Longer tenure

Date of Auction	Security Segment	Buyback	OMO
9-Jan	2025-2026	25,000	
16-Jan	2025-2026	30,000	
20-Jan	2025-2026	20,000	
30-Jan	2029-2037		20,000
13-Feb	2030-2037		40,000
20-Feb	2030-2037		40,000
6-Mar	2029-2039		50,000
12-Mar	2029-2036		50,000
18-Mar	2029-2037		50,000

On screen OMOs from  
16-Jan till 09-March  
amounted to  
**INR 1,38,855 Crs**

From the shorter end buyback, OMOs moved to **longer end of the curve**

# Mirae Asset Banking And Financial Services Fund

(Sectoral/Thematic Fund - An open-ended equity scheme investing in Banking & Financial Services Sector)

## Investments in Fund

- Investment predominantly in equity and equity-related securities of companies, engaged in banking and financial services sector

## Investment Framework^

- Invest minimum of 80% in equity and equity-related instruments in the Banking and Financial Services Sector
- Flexibility to invest across market capitalisation
- Build a portfolio of potentially strong growth companies, reflecting our investment ideas

## Why Mirae Asset Banking and Financial Services Fund?

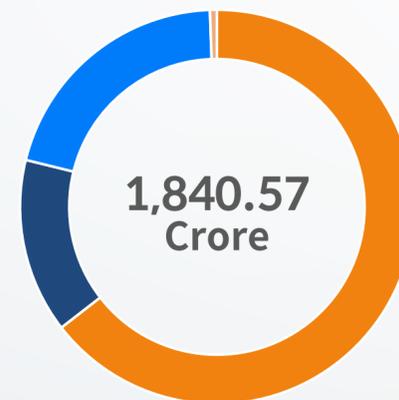
- Investing in stocks (across the market cap) benefitting either directly or indirectly from Banking and Financial sector growth

Fund Inception	Category	Benchmark	Goal	Ideal Investment Horizon	Risk Profile
11 <sup>th</sup> Dec, 2020	Banking & Finance Fund	Nifty Financial Services Index (TRI)	Wealth Creation	3+ Years	Very High Risk



## Fund Manager

**Mr. Gaurav Kochar**  
(Managing the fund since inception)



## Net AUM\*

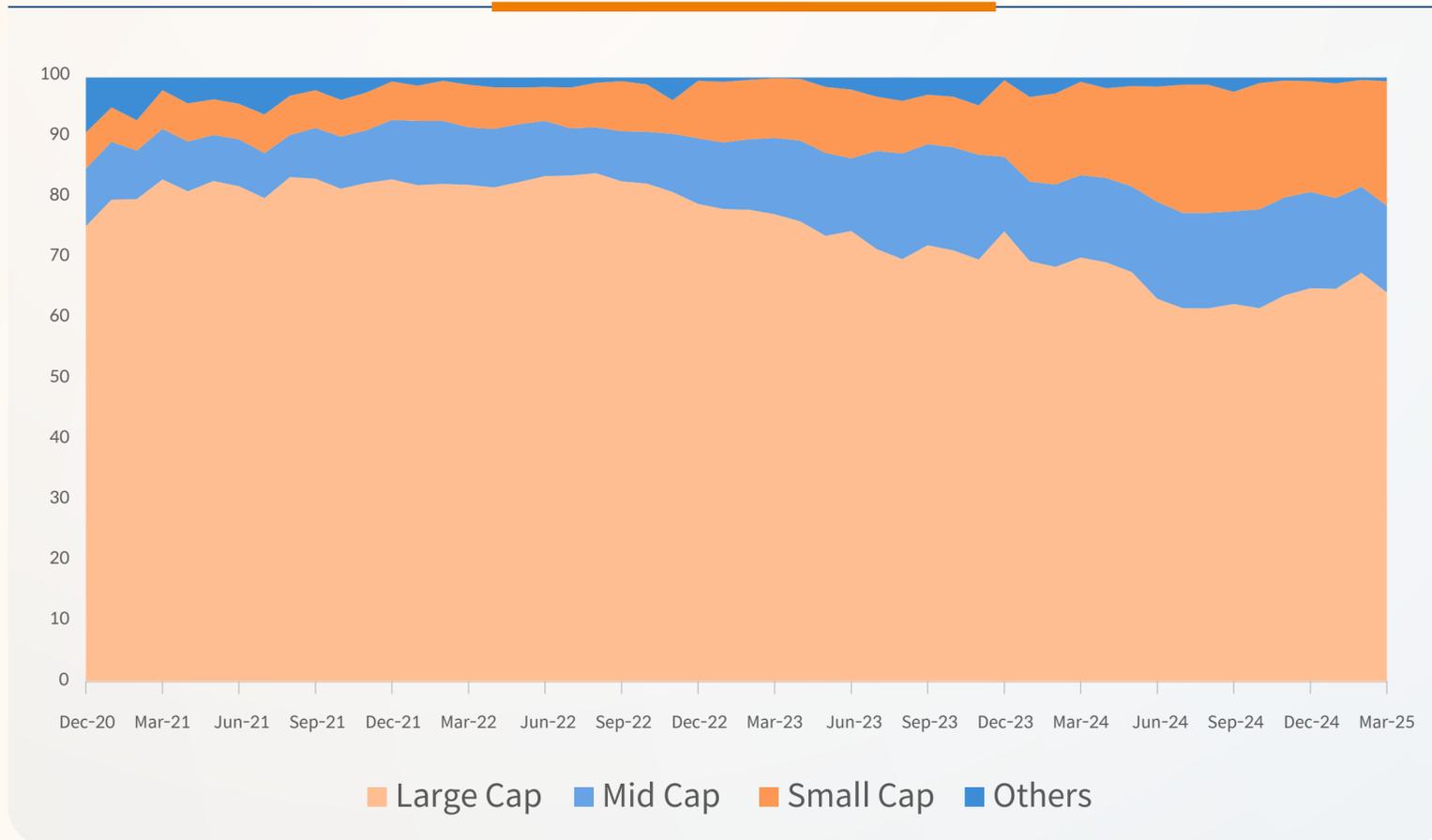


Source: Internal and AceMF, Data as on 31<sup>st</sup> March, 2025. ^This is the current investment framework which may change in future without prior notice.

\*Pursuant to Clause 2.7 of Part IV of SEBI Master Circular dated June 27, 2024 the universe of "Large Cap" shall consist of top 100 companies, "Mid Cap" shall consist of 101<sup>st</sup> to 250<sup>th</sup> company, "Small Cap" shall consist of 251<sup>st</sup> and onwards companies in terms of full market capitalisation.

# Portfolio Attributes

## Historical Market Cap Allocation^



Portfolio Top 10 Holdings	% Allocation
HDFC Bank Ltd.	17.87%
ICICI Bank Ltd.	16.69%
State Bank of India	7.64%
Axis Bank Ltd.	7.22%
Bajaj Finance Ltd.	4.35%
The Federal Bank Ltd.	4.29%
India Shelter Finance Corporation Ltd.	3.82%
SBI Life Insurance Co. Ltd.	2.93%
Shriram Finance Ltd.	2.48%
General Insurance Corporation of India	2.47%
Others	29.68%
Cash	0.57%

Number of Stocks	Top 3 Sector Holdings	Top 5 Sector Holdings
28	93.83%	99.43%

Source : AceMF Data as on 31<sup>st</sup> March,2025 Past performance and Portfolio may or may not be sustained in future.

^ Pursuant to Clause 2.7 of Part IV of SEBI Master Circular dated June 27, 2024, the universe of "Large Cap" shall consist of top 100 companies, "Mid Cap" shall consist of 101<sup>st</sup> to 250<sup>th</sup> company,, "Small Cap" shall consist of 251<sup>st</sup> and onwards companies in terms of full market capitalisation. Please visit the website for latest monthly portfolio <https://www.miraeassetmf.co.in/downloads/portfolio>

# Portfolio focused on Quality and Liquidity

Quality Factors	
Parameter	% of NAV
Exposure to Companies with Average ROE > 12% (FY20 to FY24): 5 years	47.37
Exposure to Companies with Average ROE > 12% (FY22 to FY24): 3 years	47.37

Liquidity Analysis		
Days to Exit	% of NAV	Number of Stocks
<3 days	78.31	20
3-10 days	12.42	6
>10 days	8.73	4

## ROE (Return on Equity):

ROE reflects a company's profitability. A higher average ROE indicates that the company has strong sustainable competitive advantage in the sector in which it operates.

# Fund positioning & Fund Manager views on Banking and Financial Services sectors

Sector	Private Banks	PSU Banks	NBFCs	Insurance	Capital market
Fund Positioning	<b>UW</b>	<b>OW</b>	<b>OW</b>	<b>OW</b>	<b>OW</b>
Views on the sector	<p>UW only because of significant weight in the Benchmark. Fundamentally, we prefer Pvt. Banks from a 2-3 years perspective, due to better sustained growth and healthy return ratios.</p>	<p>PSU banks have seen significant improvement in profitability (return ratios) along with stronger balance sheet (adequate capital and lower NPAs). Poised likely to deliver strong outcomes over near to medium term.</p>	<p>NBFCs may continue to grow much above industry growth on account of improving retail credit penetration especially in semi-urban and rural India, where NBFCs have a distribution edge. Formalisation of economy also helping NBFC make better underwriting choices.</p>	<p>Sector is underpenetrated and has a huge runway for growth over the coming years. With clarity emerging around few regulatory issues, we expect growth and operational performance to remain steady over medium term.</p>	<p>The sector has done extremely well in the last 12-18 months with the valuations still trending above long-term average despite recent correction. We remain very selective in the space and maintain strict margin of safety given cyclical nature of business.</p>

# Scheme Performance

## Returns (%)

Period	Mirae Asset Banking & Financial Services Fund	Scheme Benchmark*	Additional Benchmark**
Last 1 year	14.28	20.67	6.39
Last 3 years	15.69	14.61	11.17
Since Inception	15.67	14.50	14.15
Value of ₹10000 invested (in Rs.) Since Inception	18,713	17,892	17,656
NAV in Rs. (Data as on 31 <sup>st</sup> March, 2025)	18.7130		
Index Value (Data as on 31 <sup>st</sup> March, 2025)	Index Value of Scheme Benchmark is 31521.25 and Additional Benchmark is 120211.257		
Date of allotment	11 <sup>th</sup> December 2020		

Past Performance may or may not be sustained in future.

Source: Internal and ACEMF, Data as on 31<sup>st</sup> March, 2025.

\*Scheme Benchmark - Nifty Financial Services Index (TRI), \*\*Additional Benchmark - BSE Sensex TRI

Note: 1. Different Plans under the scheme has different expense structure. The reference and details provided herein are of Regular Plan - Growth Option. 2. Fund manager : Mr. Gaurav Kochar managing the scheme since 11<sup>th</sup> December, 2020. For computation of since inception returns (%) the allotment NAV has been taken as ₹10.00.

Returns below or for 1 year are absolute returns, returns above 1 year are CAGR- Compounded Annualised Growth returns. Returns for the benchmark have been calculated using TRI values

# SIP Report Card

Period	1 Year	3 Years	Since Inception
Total Amount Invested (in Rs.)	1,20,000.00	3,60,000.00	5,10,000.00
MKT Value (in Rs.)	1,23,628.72	4,51,705.78	6,90,810.82
Fund Return (%)	5.70	15.33	14.34
Benchmark* Returns (%)	16.46	16.38	14.23
Add. Benchmark** Return (%)	-1.46	11.37	11.64

For Further information about performance disclosure of the additional schemes managed by the same fund manager, please visit the below link:  
<https://www.miraeassetmf.co.in/docs/default-source/fachsheets/mirae-factsheet-april-2024.pdf>

Past Performance may or may not be sustained in future.

The above table shows performance since inception for Mirae Asset Banking And Financial Services Fund - Regular Plan - Growth Option.

\*Scheme Benchmark - Nifty Financial Services Index (TRI), \*\*Additional Benchmark - BSE Sensex TRI

For computation of since inception returns (%) the allotment NAV has been taken as ₹10.00. The Data as on 31<sup>st</sup> March 2025

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

For performance in SEBI format, refer to slide 11.

# Disclaimers & Product Labelling

**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.

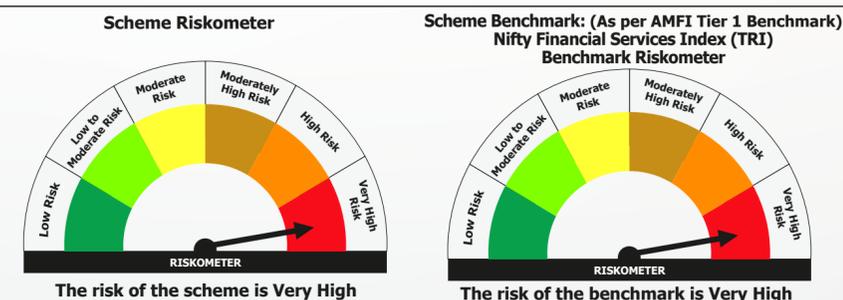
For further information about other schemes (product labelling and performance of the fund) please visit the website of the AMC: [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in)

### PRODUCT LABELLING

Mirae Asset Banking and Financial Services Fund is suitable for investors who are seeking\*

- To generate long term capital appreciation
- Investments predominantly in equity and equity related securities of companies in banking and financial services sector in India

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



**MIRAE ASSET**

Mutual Fund