

**What do you see?
Market volatility or a flock of birds?**

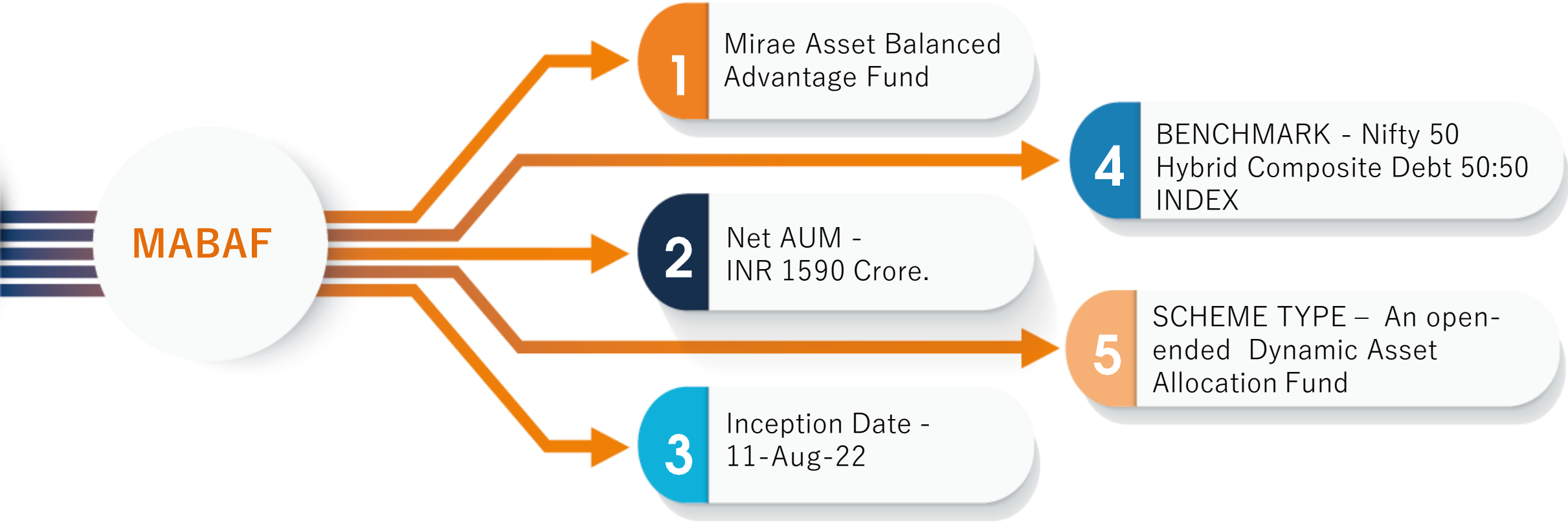
#StayCalmStayBalanced

MIRAE ASSET BALANCED ADVANTAGE FUND (MABAF)

An open-ended Dynamic Asset Allocation Fund

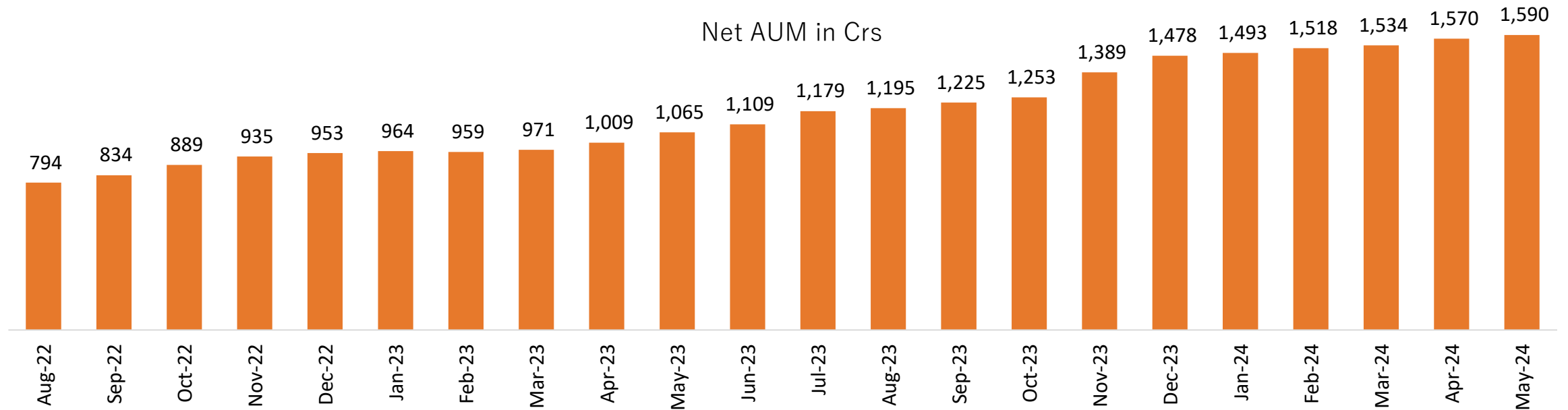
May 2024

Fund Details



About the fund

- Mirae Asset Balanced Advantage fund (MABAF) is an open ended dynamic asset allocation fund.
- The fund framework allows it to invest in three asset classes – Equity, Debt and Arbitrage.
- Given the equity taxation, fund needs to keep equity investment (Equity + Arbitrage) at 65%. The net equity range as per our model can be between 30% to 80%, arbitrage between 0% to 35% and debt can be between 20% to 35%.
- The Mirae Asset Balanced Advantage fund model is guided by combination of P/E and P/B valuations of Nifty 50 TRI Index to decide the net equity allocation.
- The fund uses the arbitrage position to reach its total equity position to achieve equity taxation status for the investors.
- The debt position is achieved by taking a duration call and then buy & hold strategy.



This is the current investment framework which may change in future without prior notice TRI: Total Return Index. Asset Allocation is as per SID.

Source: Above data as on 31st May, 2024. *Portfolios may or may not change. For complete portfolio of the scheme please visit <https://www.miraeassetmf.co.in/downloads/portfolio>

Summary About the Internal Model

Qualitative Flexibility

- Regular monitoring of the model with holistic view of the markets & economy
- Driven by Fundamental research to ensure allocation comfort

Balance-sheet Based Valuation

- Based on P/B (relatively higher weightage in model)
- Allows for growth cycles in asset heavy businesses and financials to be better captured in the model
- Anchors the model and prevents it from swinging to extreme in times of euphoria/distress

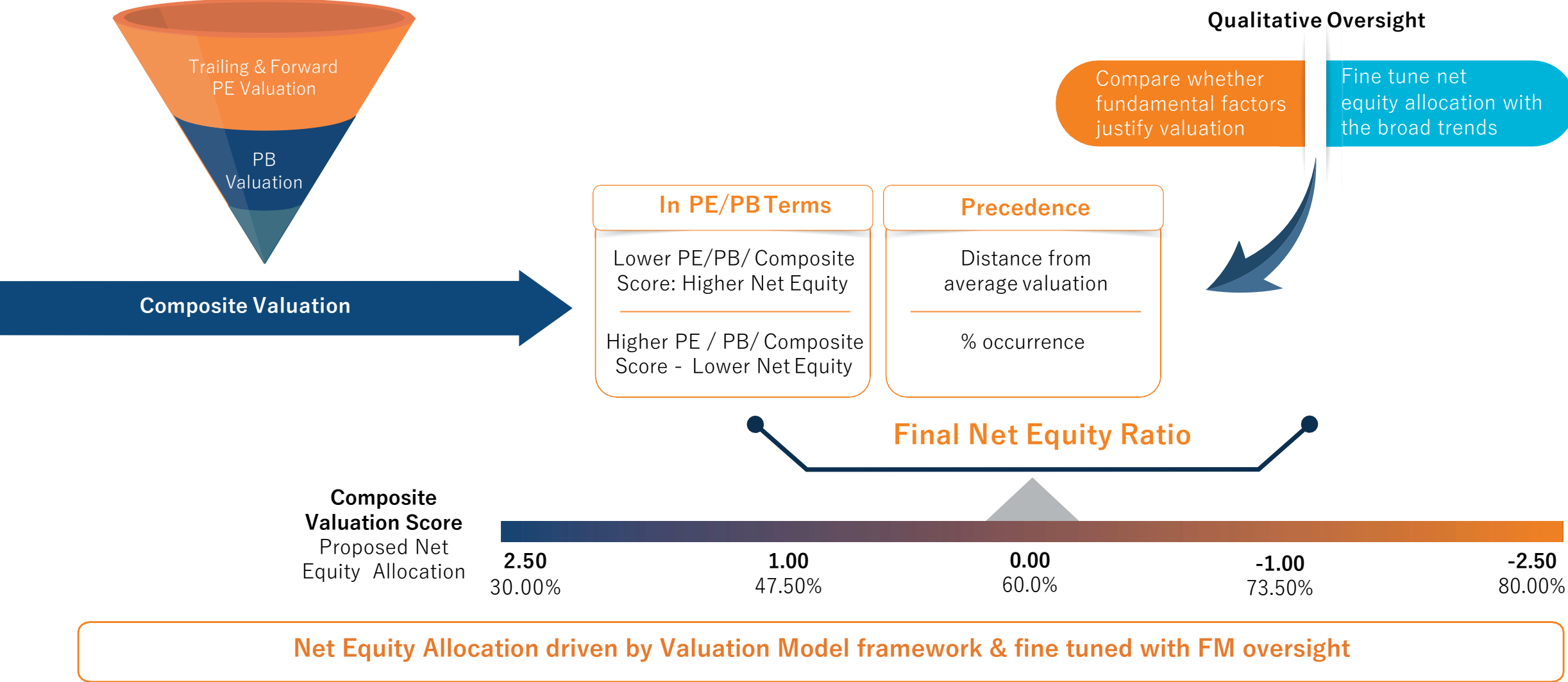


Income Based Valuation

- Measure Based on adjusted P/E (relatively lower weightage in model)
- Keeps the model anchored to business performance and helps normalize extremes and seasonality
- Vital in helping understand income sustainability at given valuation

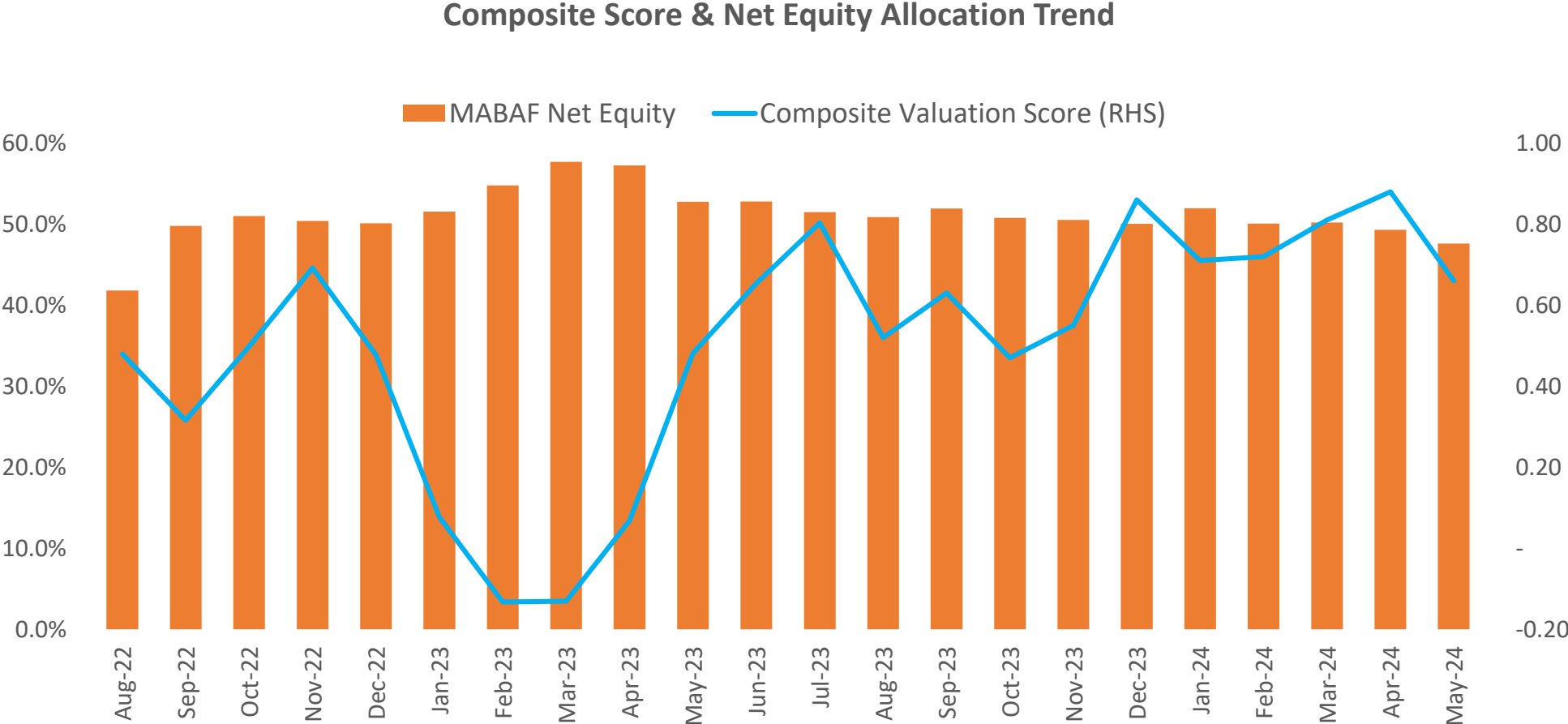
Optimal Participation Level Across Market Cycles

Model Framework



The above is the framework currently adopted by the Scheme and is subject to change in accordance with the provisions of the SID & depending on the market conditions. FM: Fund Manager

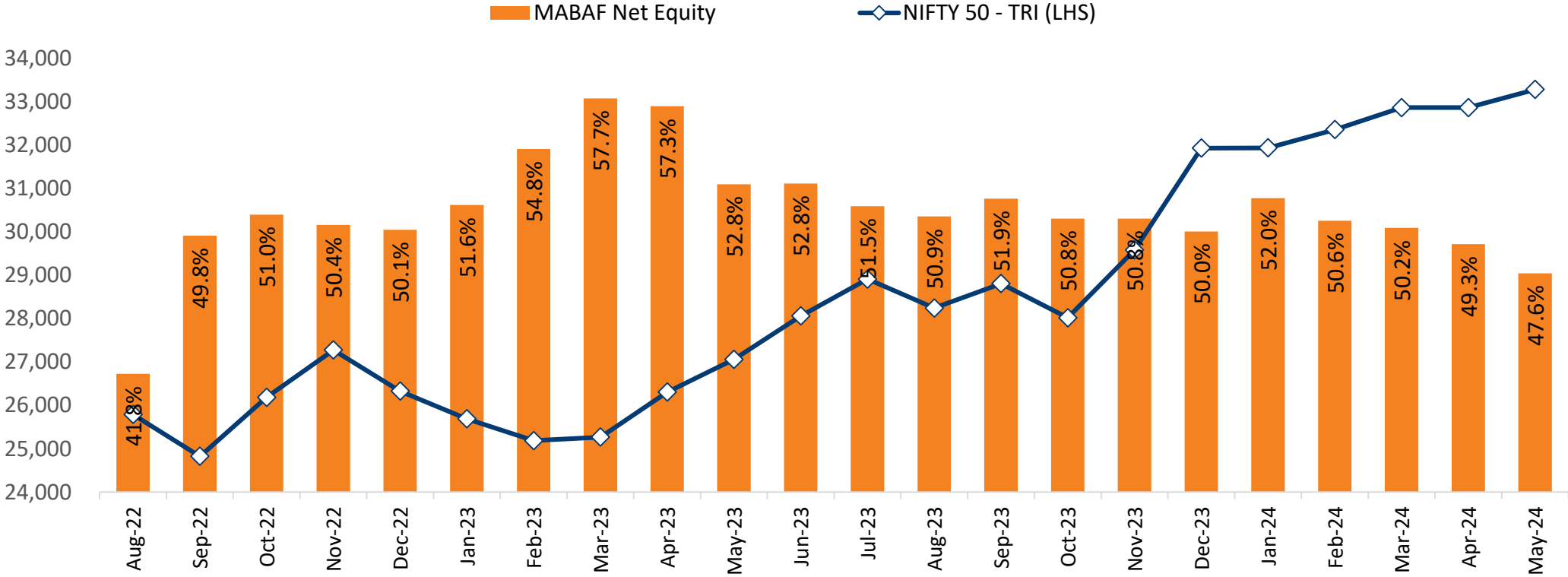
Fund Net Equity Allocation – Model Driven



Net Equity Allocation has been fairly dynamic & largely Model driven

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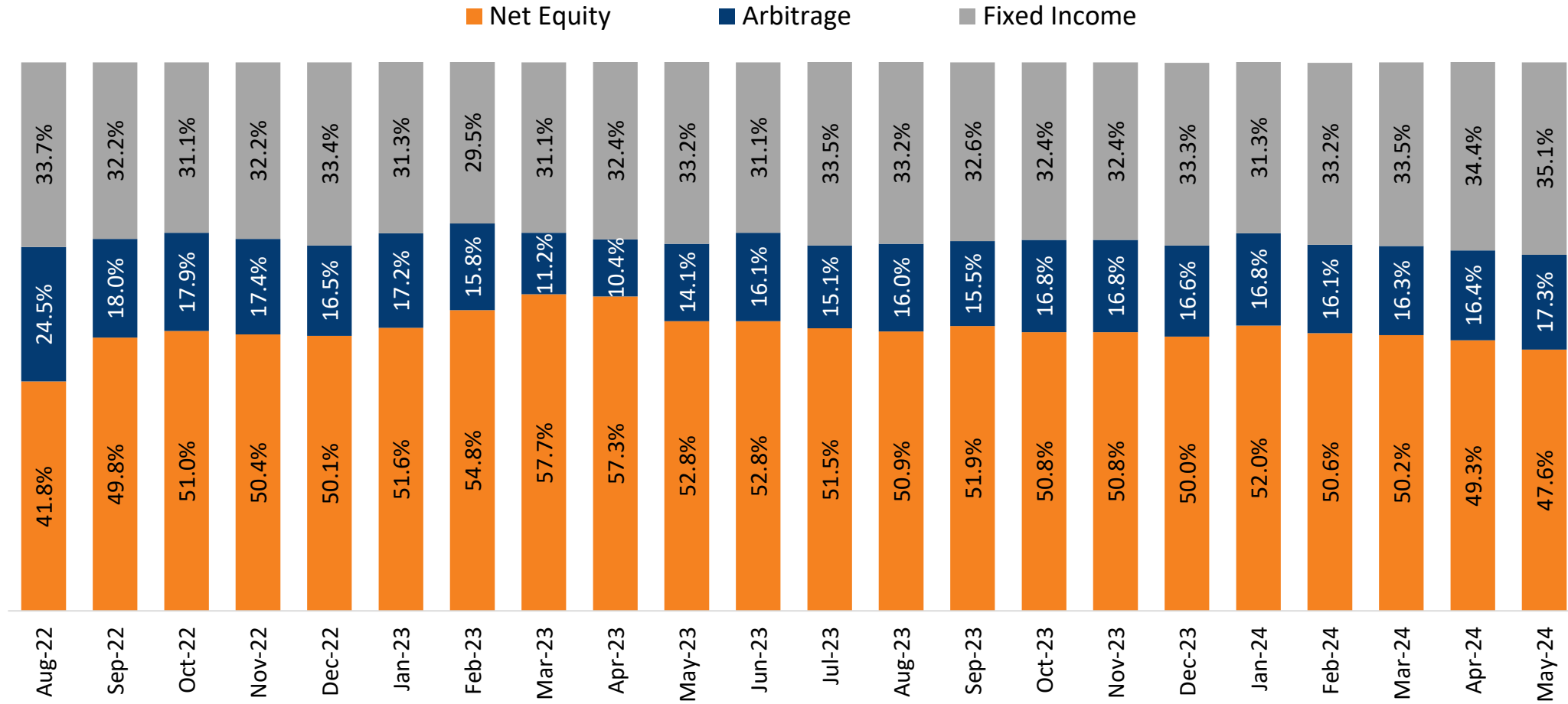
MABAF Net equity allocation vs. Nifty 50 – TRI movement



Dynamic Net equity allocation in line with varying market conditions

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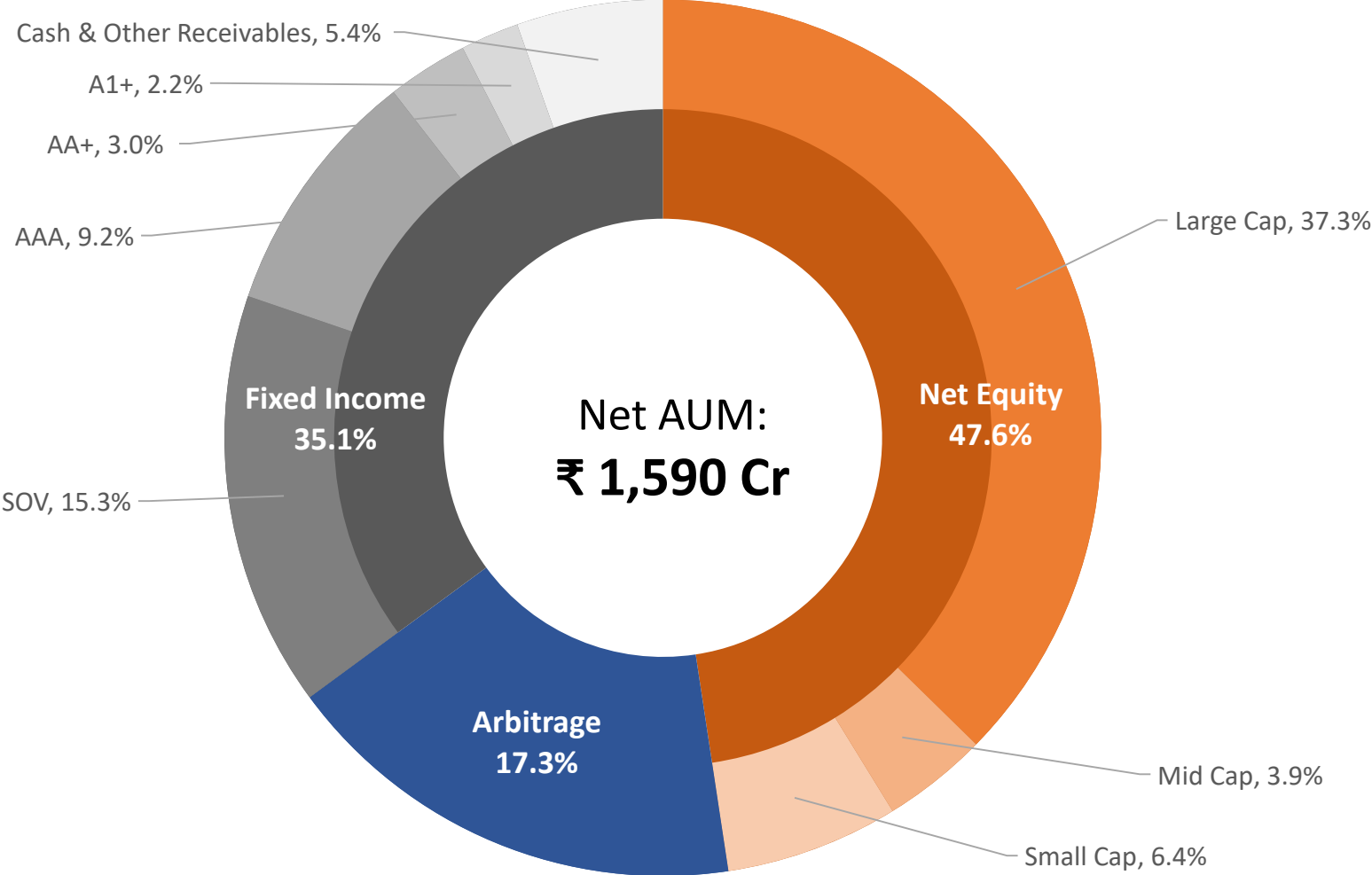
Asset Allocation Trend



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Fund – Allocation (May 2024)

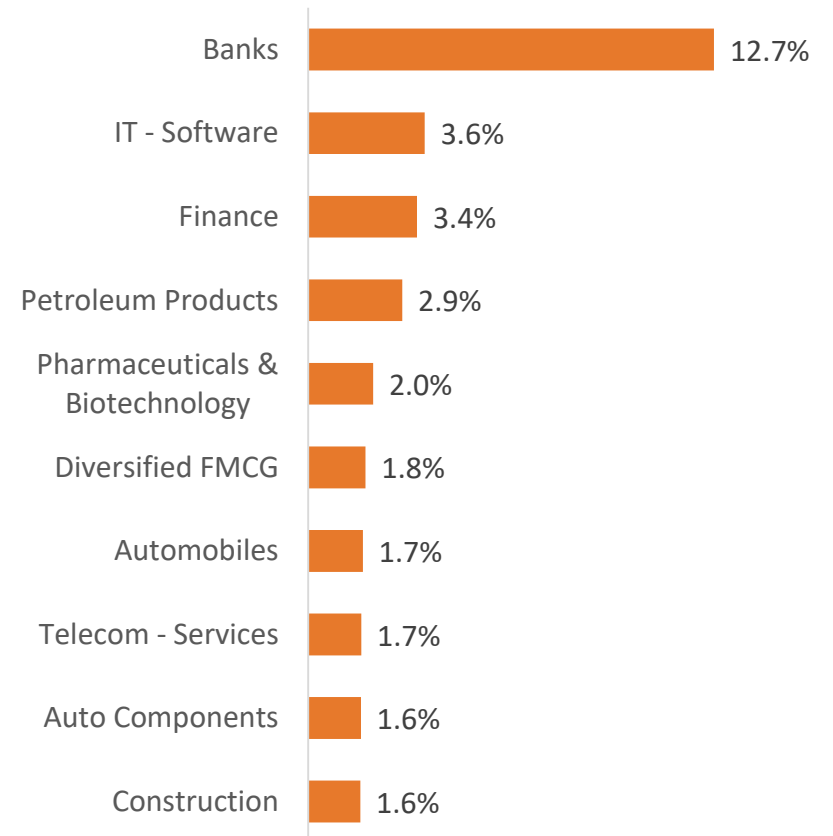


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Outlook on the equity levels of the fund

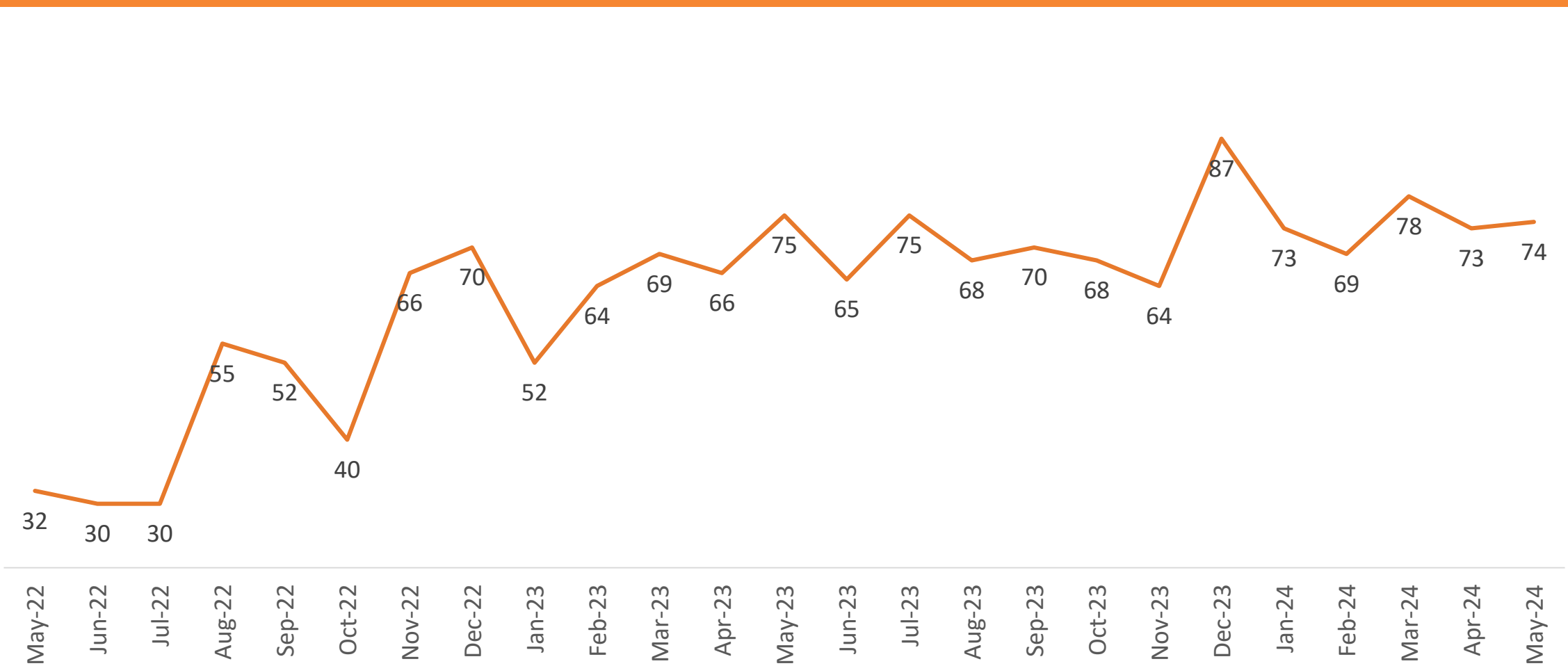
- The fund was launched on 11th Aug 2022. The portfolio has been constructed in this period in lines of our proposed fund positioning.
- The Net equity allocation as on May 31, 2024 was 47.6% and arbitrage was 17.3%.
- Equity markets ended nearly flat in May 2024 with Nifty gaining 0.03% during the month.
- The net equity allocation for the fund is model driven. Given the market was flat, we reduced our net equity position from 49.3% in April 2024 to 47.6% in May 2024.
- The Indian equity markets have faced four shocks in the past 2 years which has led to cyclical upturn in many sectors and the private capex cycle is on a recovery mode making, India's macro setup better placed than other emerging markets. While we have flexibility in terms of market cap allocation, given the fund profile; we have kept the portfolio large cap biased with a mix of growth and value opportunities.
- Our key sectors as on 31st May 2024 continue to be Banks, IT and Finance.

Net Equity Allocation (%) to Top 10 Sectors



Derivatives positions are excluded in computation of the net equity position as on 31st May 24

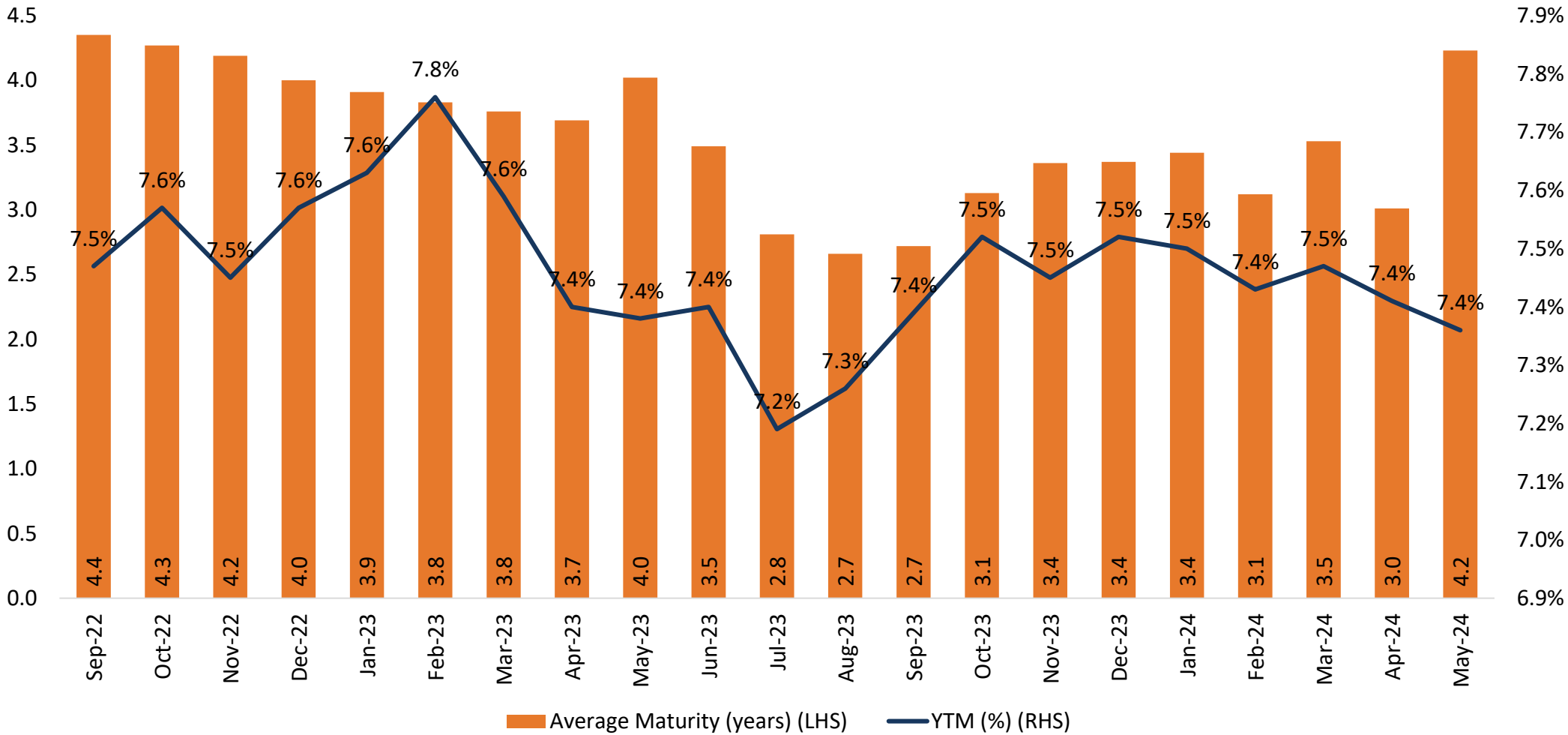
Average Arbitrage Rollover Spread Since Inception (In bps)



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Debt Quants



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Outlook on the debt levels of the fund

- The current debt holdings are a mix of government securities, high quality corporate bonds & certificate of deposits
- The United States (US) Federal Reserve held its benchmark rate steady after an uptick in inflation, meaning that consumers aren't likely to see any near-term relief from high borrowing costs. The US Fed kept the federal funds rate in a range of 5.25% to 5.5%, the same level it has held since the central bank's July 2023 meeting. Most experts are now penciling the first-rate cut in the second half of the Financial year 2024
- The debt component would likely be a buy and hold strategy, but for periodic adjustment for any significant change in interest rate expectations there may be a change.
- Accordingly, after providing for contingent liquidity requirements, the debt component duration is currently around 4.23 years.
- As the outlook on interest rates improves further and clear signs of rates easing emerges, duration may be increased or vice versa as the data & situation pan out.

Quantitative: Debt (As on 31-May-23)

Weighted Average Maturity	4.23 years
Modified Duration	3.20 years
Macaulay Duration	3.34 years
Yield To Maturity	7.36%

Debt Instruments (as on 31-May-23) % of Fund

G-Secs/ Sovereign	15.30 %
Public Sector Undertakings/ Corporate Bonds	12.21 %
Certificate of Deposits	2.15%
TREPS & Net Receivables	5.39%

Fund Snapshot



Note: PE – Price to Earnings, PB – Price to Book Value, FM - Fund Manager,

Disclaimers

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

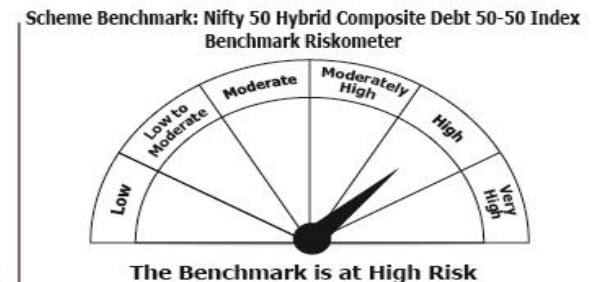
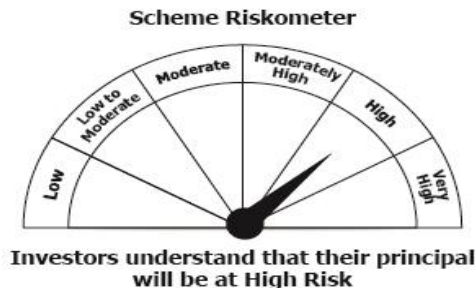
Please consult your financial advisor or mutual fund distributor before investing

PRODUCT LABELLING

Mirae Asset Balanced Advantage Fund is suitable for investors who are seeking*

- To generate long-term capital appreciation/income
- Investment in equity, equity related securities & debt, money market instruments while managing risk through active allocation

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



THANK YOU

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