

Key Points

Mirae Asset Emerging Bluechip Fund is one of the flagship schemes from Equity Diversified - Midcap category. The scheme has showed an outstanding performance consistently for the last three to four years period thanks to the fund manager's efficiency on positioning the stocks from the midcap spectrum with quality businesses with decent growth prospects as well as return characteristics (i.e. Return on capital employed - ROCE).

Mirae Asset Emerging Bluechip Fund has outperformed its benchmark and peers with huge margin since launched. The performance of the scheme has been so impressive during all the market cycles especially downturns as it managed to contain the losses very well in comparison to the peer schemes. Disciplined approach to investing, with focus on quality up to a reasonable price along with diversification, has helped the scheme deliver as satisfactory track record over the period.

The scheme registered +14%, 33% and +21% of CAGR returns for one, three and five year periods while the benchmark – Nifty Midcap 100 posted +4%, 18% and 7% of returns respectively. For the same period, the category clocked +7%, +26% and +15% of returns respectively.

The mandate allows up to a 35 per cent investment in the top 100 companies by market cap, with 65 per cent exposure to firms that fall outside the top 100. The portfolio allocation shows a consistent 55-60 per cent allocation to mid-cap stocks (higher than the category) and a 20-25 per cent to large caps. This positioning of the portfolio in large-cap stocks has helped improve liquidity and reduce volatility. Small caps make up 25 per cent or so but have been trimmed in the last one year.

The fund manager believes that the current situation is not like the one which was there in 2003 wherein the mid-cap basket was very cheap. On a risk-adjusted basis, the large-cap category is looking slightly better than the midcap space. However, the returns in midcaps now would be driven by individual merit of the business. A well-managed company will have better capital efficiency so the ROE's tend to be better than other companies in the same sector.

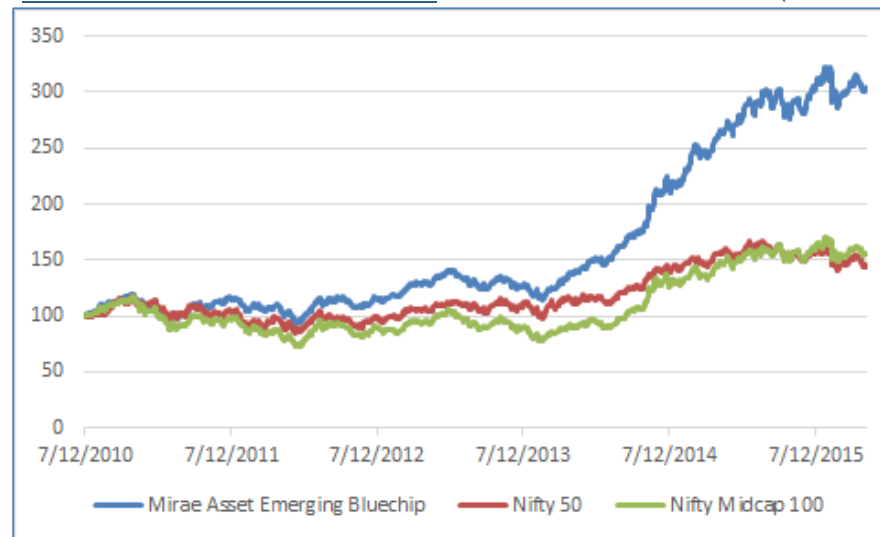
Portfolio: Kotak Mahindra Bank Ltd, Hindustan Petroleum Corporation Ltd and Natco Pharma Ltd are the stocks that topped in its latest portfolio having weights of 4.03%, 3.29% and 3.18% to its net assets respectively. In the last six month period, the scheme added 15 new stocks and exited from 11 stocks. The Turnover ratio of the scheme stood at 36%.

The expense ratio of 2.55% for the scheme is lower compared to the category average of 2.63%. The corpus of the scheme as per latest data (Oct 2015) was at Rs. 1,016 crore. The scheme is managed by Mr. Neelesh Surana since May 2010.

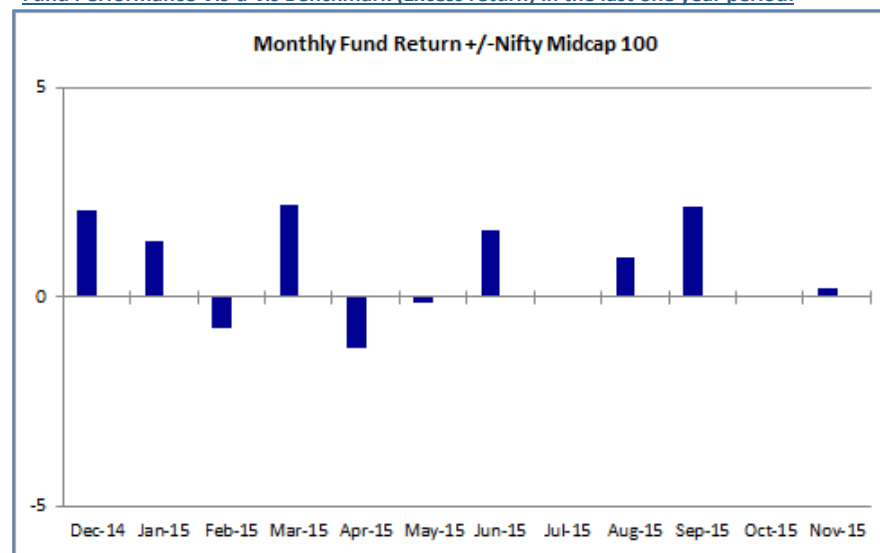
The rating agencies like Value research & Crisil assigned '5 star' and 'CPR 1' respectively for the scheme. These reflect the very good performance of the scheme in generating high risk adjusted returns.

Unit Growth of investments Vs. Benchmark:

(Rebased to 100)



Fund Performance Vis-a-vis Benchmark (Excess return) in the last one year period:



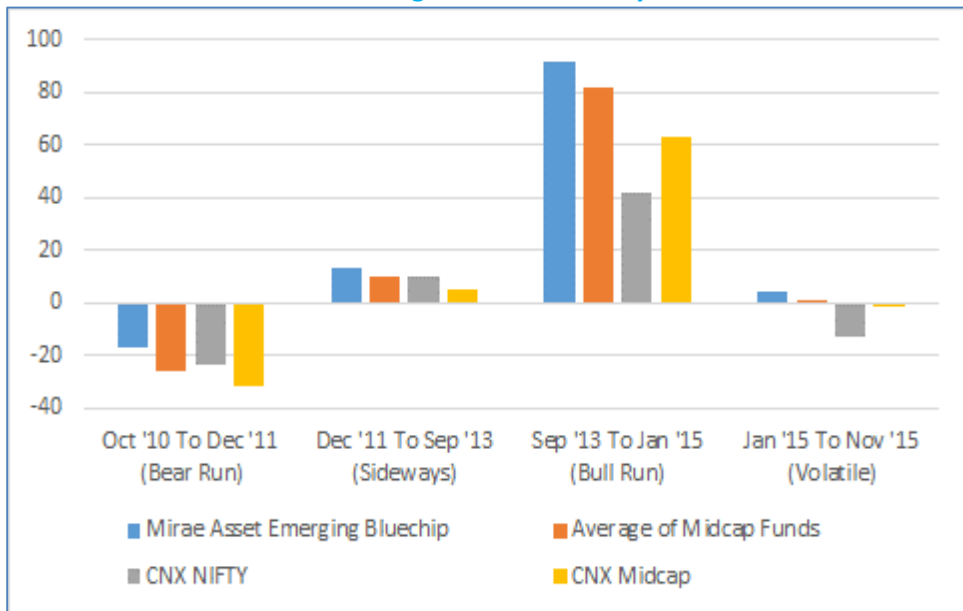
As far as risk measures are concerned, the scheme seems to be low risky while compared to peers as it generated 1.05% (category 1.06%) of Daily Standard Deviation that generated for last 3 years period.

Relatively performing schemes from Equity – Midcap Category:

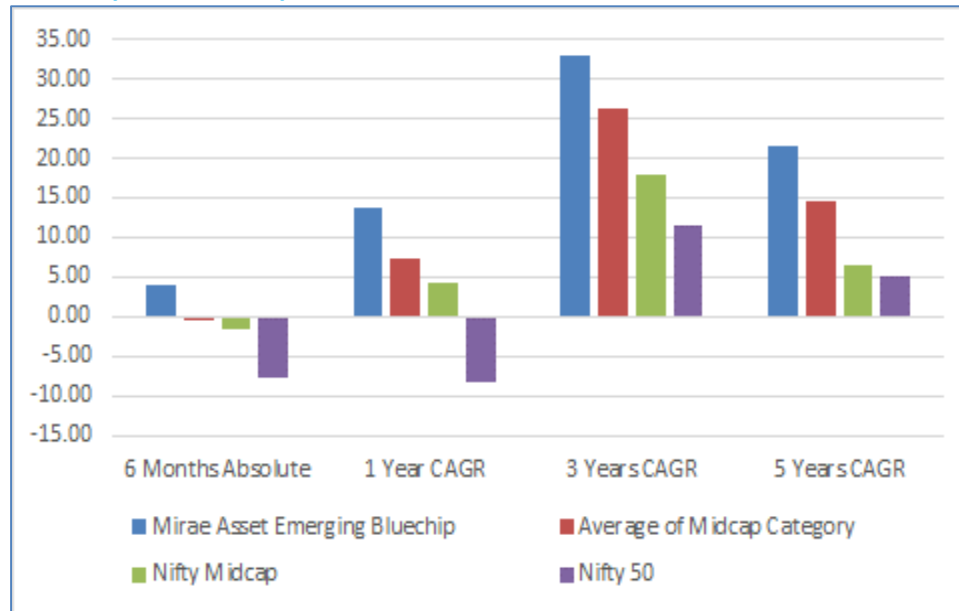
Scheme Name	Basic Details			Trailing Returns (%)					Rolling Returns (%)				Ratios (%)		
	Inception Date	Latest Corpus (Rs Crs)	Expense Ratio (%)	3 Months Absolute	6 Months Absolute	1 Year CAGR	3 Years CAGR	5 Years CAGR	6 Months Absolute	1 Year CAGR	2 Years CAGR	3 Years CAGR	Standard Deviation	Sharpe Ratio	Jensons Alpha
Religare Invesco Mid N Small Cap Fund (G)	Mar-08	477	2.74	-7.63	-1.18	5.85	27.31	16.80	13.88	33.65	27.15	22.30	0.98	0.01	0.00
Mirae Asset Emerging Bluechip Fund (G)	Jul-10	1016	2.55	-5.53	3.90	13.77	32.93	21.45	12.03	29.19	27.14	25.49	1.05	0.04	0.03
Principal Emerging Bluechip Fund (G)	Nov-08	510	2.61	-9.30	-3.01	5.02	28.24	13.74	17.71	33.93	21.76	18.22	1.19	0.01	0.00
ICICI Pru Value Discovery Fund (G)	Aug-04	10526	2.24	-5.69	-1.30	6.92	28.17	16.87	15.29	30.82	21.61	17.78	0.96	0.01	0.04
HDFC Mid-Cap Opportunities Fund (G)	Jun-07	10589	2.32	-7.98	-0.74	6.00	28.09	16.97	13.61	27.32	23.57	20.34	0.98	0.01	0.01
Franklin India Smaller Companies Fund (G)	Jan-06	2568	2.40	-3.90	0.27	10.22	34.20	19.60	14.14	27.73	17.98	14.56	0.94	0.03	0.02
Benchmark															
Average of Equity Midcap Category			2.63	-7.44	-0.48	7.26	26.18	14.56	12.50	24.66	16.88	14.06	1.06	0.01	0.02
Nifty 500				-8.43	-5.84	-4.82	13.47	5.66	7.59	13.36	8.83	8.08	-	-	-
Nifty Midcap				-8.34	-1.48	4.28	17.87	6.61	9.68	18.04	10.98	9.53	-	-	-
Nifty 50				-8.68	-7.67	-8.24	11.50	5.20	6.82	12.09	8.88	8.63	-	-	-

Note: NAV Value as on Nov 18, 2015.

Performance of the scheme during various market cycles:

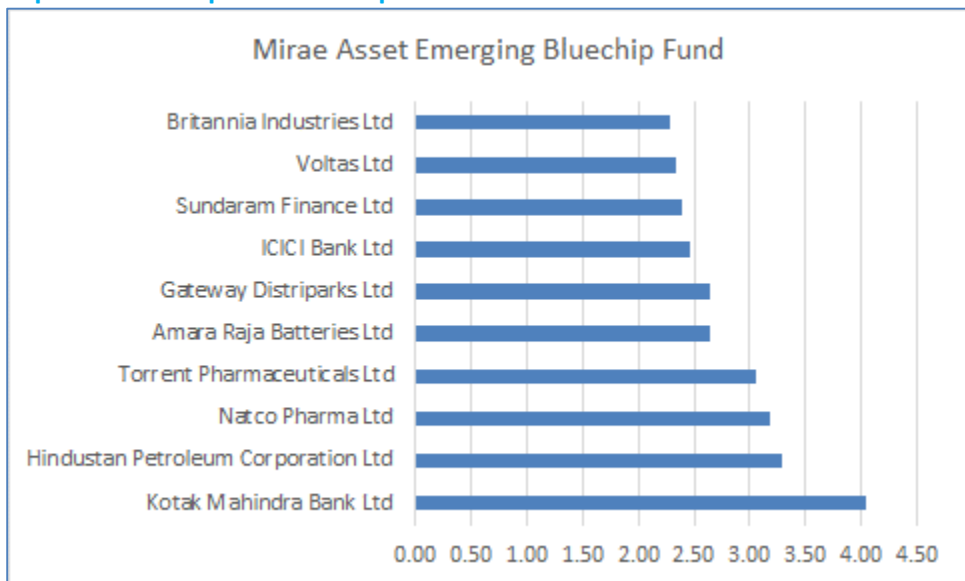


Point to point returns performance:

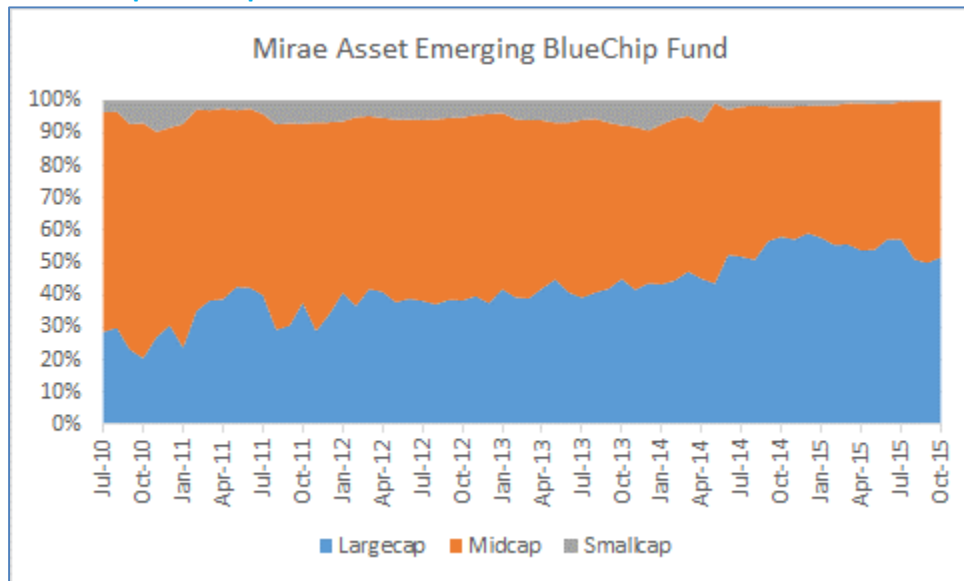


The performance of the scheme has been so impressive during all the market cycles especially downturns as it managed to contain the losses very well in comparison to the peer schemes.

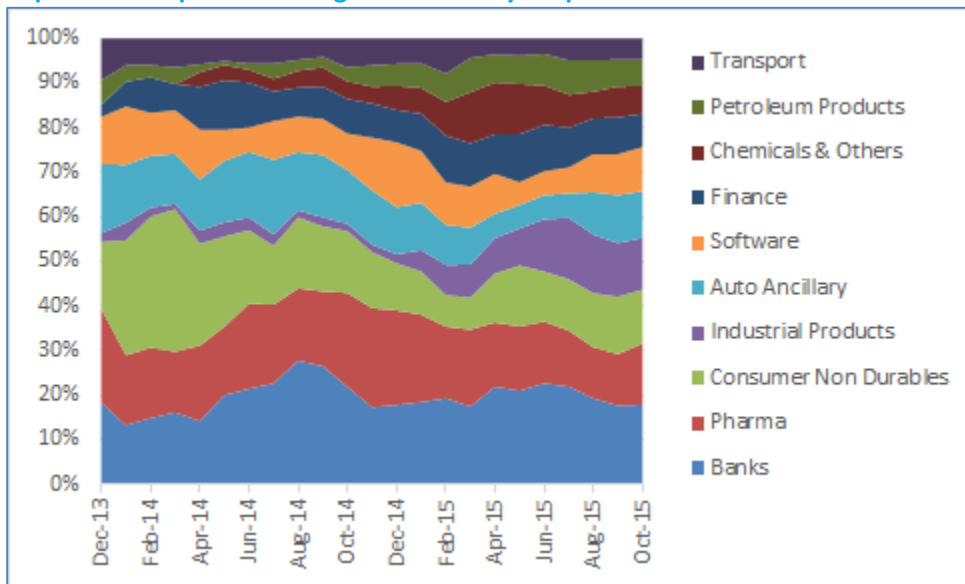
Top 10 stocks as per the latest portfolio:



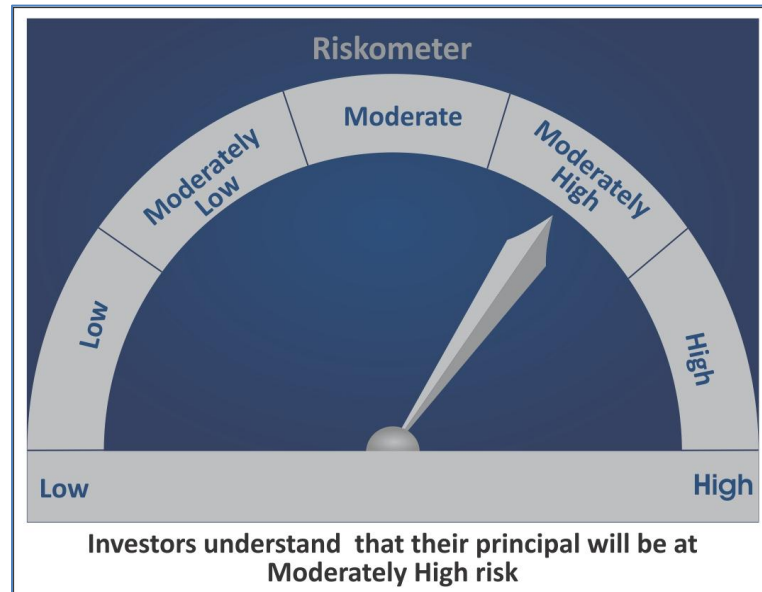
Market Cap Break up:



Top sectors exposure during the last one year period:



Riskometer:



Indices performance:

Year on year performance of the Nifty Midcap Index in comparison to the major Sectors and Thematic indices over the last 10 years period:



From the above chart, it is clear that Nifty Midcap index delivered above average performance in almost all years during the last 10 years period. However, active fund management plays important role for a midcap scheme to deliver even better returns.

Analyst: Dhuraivel Gunasekaran.

RETAIL RESEARCH Tel: (022) 3075 3400 Fax: (022) 2496 5066 Corporate Office

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066 Website: www.hdfcsec.com Email: hdfcsecretailresearch@hdfcsec.com

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