NFO

mahindra Manulife MUTUAL FUND

Aim to hit the right note

Mahindra Manulife Business Cycle Fund

(An open ended equity scheme following business cycles based investing theme)



NEW FUND OFFER

Opens on: **August 21st, 2023** | Closes on: **September 4th, 2023**

Scheme reopens for continuous sale and repurchase from: **September 13th, 2023**

INVESTMENT STYLE

- Blend of top-down Business Cycle/Sector identification and bottom-up stock selection approach.
- Portfolio Allocation: Quality companies preferred during the favourable business cycle.
- Concentrated sectoral position based on the stages of Business Cycle.
- Investments across market capitalization.

WHY MAHINDRA MANULIFE MUTUAL FUND?

- Equity Investment team with average experience of over 16 years, across Analysts, Fund Managers and Chief Investment Officer-Equities.
- Equity Universe of 500+ companies*
- Internal investment framework primarily focused on four key criteria i.e., Growth, Cash flow, Management and Valuation (GCMV) among others.

*As on June 30, 2023. The numbers are subject to change based on the addition/ deletion of stocks from the investment universe.

WHY BUSINESS CYCLE FUND?

Business Cycle from a Financial market perspective is aggregating/evaluating the Economic cycle & Market Cycle. History of Financial Markets reflect adequate instances where Economic cycle and Market cycle converge as well as diverge. The divergence may create opportunities to create wealth. Astute monitoring can help in spotting these opportunities.

SECTORAL CONCENTRATION:

Business Cycle fund aims to identify and invest in select sectors based on the market and economic dynamics.

POTENTIAL FOR ALPHA GENERATION:

Skilled fund managers can strategically rotate the portfolio's sectoral allocation to capture outperformance during specific phases of the business cycle.

POTENTIAL FOR RISK MANAGEMENT:

By aligning the portfolio based on the stage of business cycle for instance, the fund manager may potentially reduce exposure to riskier assets during economic downturns with the objective to enhance the fund's risk-adjusted returns.

ADAPTABILITY:

Business cycle funds are designed to be flexible and adaptive to changing economic & market conditions.

HEDGING AGAINST MARKET VOLATILITY:

During economic downturns or market corrections, business cycle funds may allocate more to defensive sectors, which may provide stability to the overall portfolio.

PROFESSIONAL MANAGEMENT:

Business cycle funds are managed by experienced and knowledgeable fund managers who closely monitor economic indicators and market trends to make informed investment decisions.

SUITABLE FOR LONG-TERM INVESTORS:

Business cycle funds may be well-suited for investors with a long-term investment horizon. The scheme's strategy to focus on the business cycle theme may align with a patient investment approach, allowing the fund manager to aim for long term wealth creation for the investors.

OPPORTUNITY TO PARTICIPATE IN ECONOMIC GROWTH:

Investing in a business cycle fund allows investors to participate in the growth potential of different sectors and industries as the economy progresses through different phases of the cycle.

BUSINESS CYCLE: AIM TO IDENTIFY CYCLICAL OPPORTUNITIES

Economic Cycle

- Demand Supply dynamics
- Pricing Power
- Fiscal and Monetary Policy
- Per Capita Penetration
- Consumer Trends
- Technological Trends
- Geo- Political factors

Top down approach to identify business cycles and sectors
+
Bottom up stock selection approach looking for cyclical opportunities

Market Cycle

- Re-Rating and De-rating
- Incremental Profit pool participation
- Management change
- Valuations
- Liquidity & Flows
- Sentiments (Euphoria & Panic)
- Global market connect
- Ownership pattern

ASSET ALLOCATION

The Asset Allocation Pattern of the Scheme under normal circumstances would be as under:

Instrument	Indicative Allocation (% of assets)		Risk Profile
	Minimum	Maximum	High/Moderate/Low
Equity and Equity related instruments of companies selected based on the business cycle theme^*	80	100	Very High
Equity and Equity related instruments of companies other than above	0	20	Very High
Debt and Money Market Securities# (including TREPS (Tri-Party Repo) and Reverse Repo in Government Securities)	0	20	Low to Moderate
Units issued by REITs & InvITs	0	10	Very High

^including derivative instruments to the extent of 50% of the equity component of the Scheme. Investment in derivatives shall be for hedging, portfolio balancing and such other purposes as maybe permitted from time to time under the Regulations and subject to guidelines issued by SEBI/RBI from time to time. The Scheme may utilize the entire available equity derivatives exposure limit as provided above, for hedging purpose. However, the equity derivatives exposure towards non-hedging purpose shall not exceed 20% of the net assets of the Scheme subject to maximum derivatives exposure as defined above (i.e. 50% of the equity component of the Scheme). The margin money deployed on derivative positions would be included in the Debt and Money Market Securities category.

*The Scheme may invest in Foreign Securities (including units/securities issued by overseas mutual funds with similar investment objective or strategy / Foreign Securities having business cycle theme) up to 20% of the net assets of the Scheme in compliance with SEBI Circular(s) / guideline(s) pertaining to overseas investments by mutual funds/ ETFs, as amended from time to time. The Scheme intends to invest US$ 5 million in Overseas securities within six months from the date of the closure of the New Fund Offer (NFO) of the Scheme. Thereafter, the Scheme shall invest in Foreign Securities as per the limits available to 'Ongoing Schemes' in terms of the SEBI Circular No. SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 5, 2020. Further, SEBI vide its circular no. SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2021/571 dated June 3, 2021, clarified that the above specified limit would be considered as soft limit(s) for the purpose of reporting only by mutual funds on monthly basis in the format prescribed by SEBI.

#Money Market instruments includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time.

For detailed asset allocation, please refer SID/KIM available on our website www.mahindramanulife.com

SCHEME DETAILS

Investment Objective: The Scheme shall seek to generate long term capital appreciation by investing predominantly in equity and equity related securities with a focus on identifying and investing in business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles in the economy. However, there is no assurance that the objective of the Scheme will be realized.

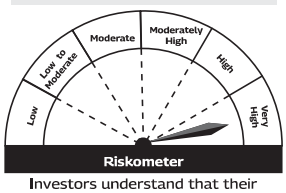
Benchmark:	NIFTY 500 TRI (First Tier Benchmark)*
Plans:	Regular & Direct
Options:	Growth^; IDCW#
IDCW Sub-options:	IDCW Reinvestment^ & IDCW Payout
Entry Load:	Not Applicable
Exit Load:	- An Exit Load of 1% is payable if Units are redeemed / switched-out upto 3 months from the date of allotment; - Nil if Units are redeemed / switched-out after 3 months from the date of allotment. Redemption /Switch-Out of Units would be done on First in First out Basis (FIFO).

*Also referred as NSE 500 TRI, as per the list of benchmark indices (1st tier benchmarks) published by AMFI.

Fund Managers:	Mr. Krishna Sanghavi, Mr. Renjith Sivaram Radhakrishnan and Mr. Kush Sonigara (Dedicated Fund Manager for Overseas Investments).
Minimum Application Amount (Lumpsum):	₹ 1,000 and in multiples of ₹ 1/- thereafter
Minimum Amount for Switch in:	₹ 1,000/- and in multiples of ₹ 0.01/- thereafter.
Minimum Application Amount (SIP) for weekly and monthly frequencies:	6 installments of ₹ 500 /- each and in multiples of ₹. 1/- thereafter
Minimum Application Amount (SIP) for quarterly frequency	4 installments of ₹ 1,500/- each and in multiples of ₹ 1/- thereafter

#IDCW: Income Distribution cum Capital Withdrawal
^ Default Option

Scheme Riskometer**



Investors understand that their principal will be at very high risk

This product is suitable for investors who are seeking#

- Long term capital appreciation;
- Investment predominantly in equity and equity related instruments of business cycle based theme.

#Investor should consult their financial advisers if in doubt about whether the product is suitable for them.

** The product labelling /risk level assigned for the Scheme during the New Fund Offer is based on internal assessment of the Scheme's characteristics or model portfolio and the same may vary post New Fund Offer when the actual investments are made.

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.