



INTRODUCING

Groww Banking & Financial Services Fund

(An open ended equity scheme investing in banking and financial services related sectors)

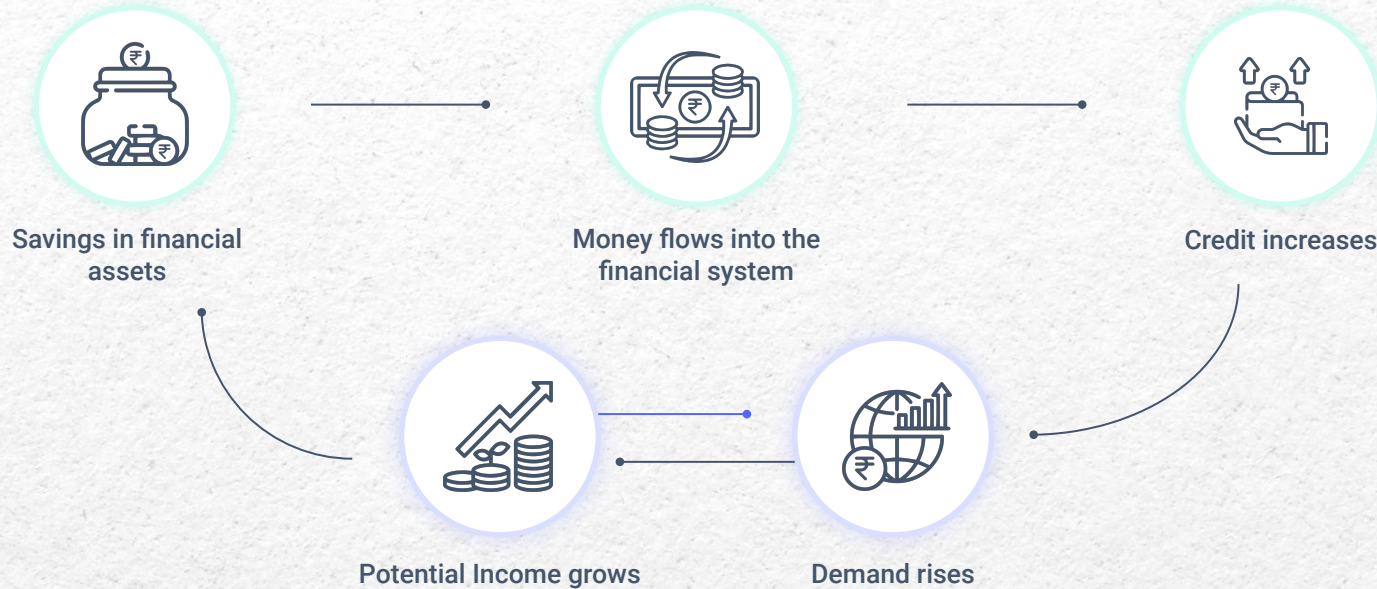
NFO PERIOD

17th January 2024 - 31st January 2024



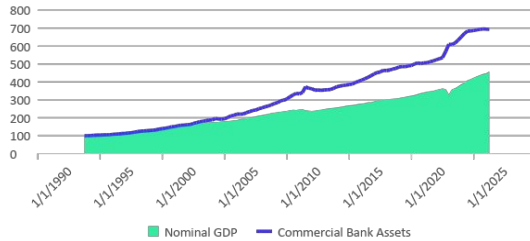
- Why Banking & Financial Services Sector?
- Why Invest Now?
- Why Invest in Groww Banking & Financial Services Fund?

BFSI Sector - One of the Key Drivers of Economic Growth



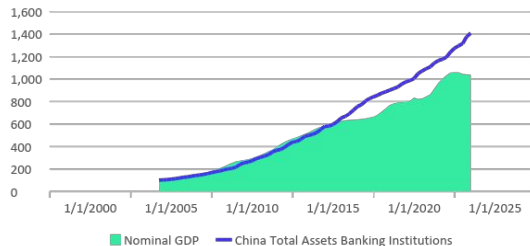
Banks may grow at a pace consistent with or exceeding the economy

USA – Bank assets grew 1.3x faster than GDP in 32Years

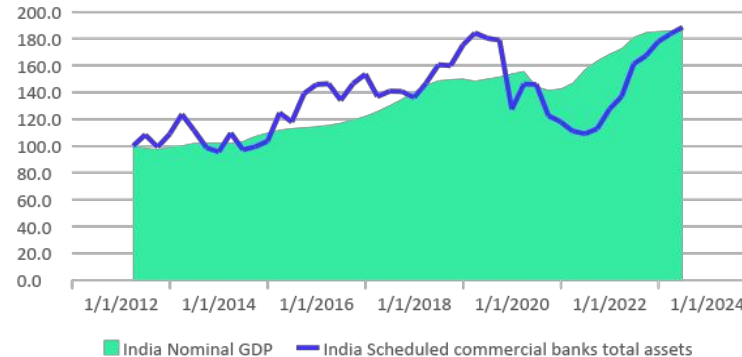


India is expected to grow faster than other economies. Banking assets are usually primed for long term growth

China- Bank Assets grew 1.1x faster than GDP in 19 years



India – Bank assets grew 1.1x faster than GDP growth in 11years



Please consult your financial adviser before investing.

Source: Bloomberg,
Data as on : 30
November 2023

Why to invest in BFSI now?

1. Long-term growth opportunity

Offers untapped growth potential

2. Primed for growth

Strong health and good profitability are anticipated to drive growth

3. Catalysts of growth

Credit Bureau, IBC and phygital revolution have potential to transform the sector

4. Appealing market valuation

BFSI stocks are relatively favourably priced

Seek Growth Opportunities

Sub-sector diversification

Banks

- Public Sector Bank
- Private Sector Bank
- Other Bank (Small Finance Bank, Payments)

Finance

- Non-Banking Financial Company (NBFC)
- Housing Finance Company
- Microfinance Company
- Financial Institution
- Holding Company
- Investment Company
- Other Financial Services



Insurance

- General Insurance
- Life Insurance

Fintech

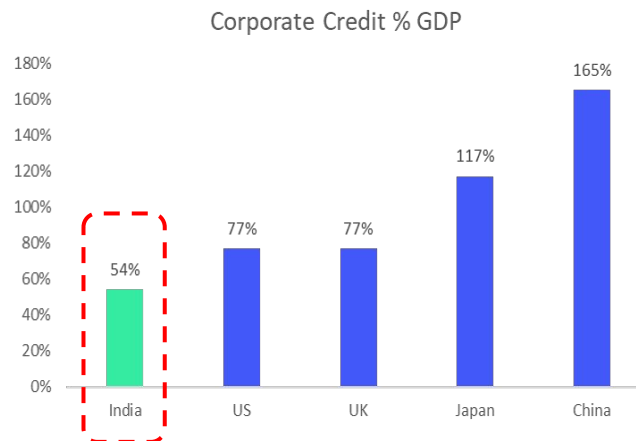
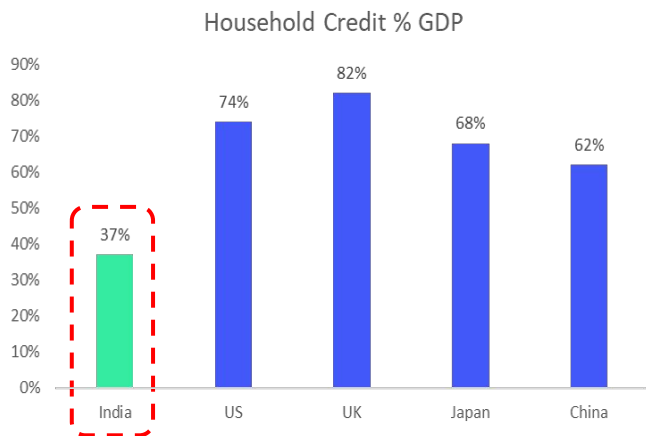
- Financial Technology (FinTech)

Capital Markets

- Asset Management Company
- Stock broking & Allied
- Financial Products Distributor
- Depositories, Clearing House
- Exchange and Data Platform
- Ratings

Potential long-term growth opportunity of Credit in India

Credit is significantly under penetrated compared to global counterparts.

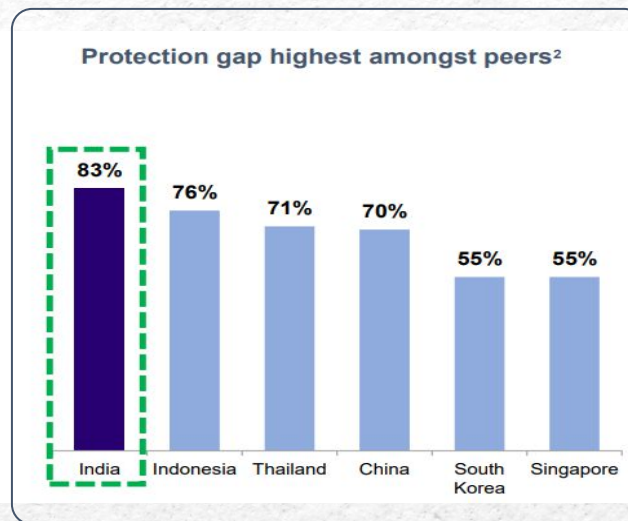


Investors should consult with their financial advisers before investing.

Source: IMF database, Bank of International Settlement, Groww AMC Research
 Data as on 30 November, 2023

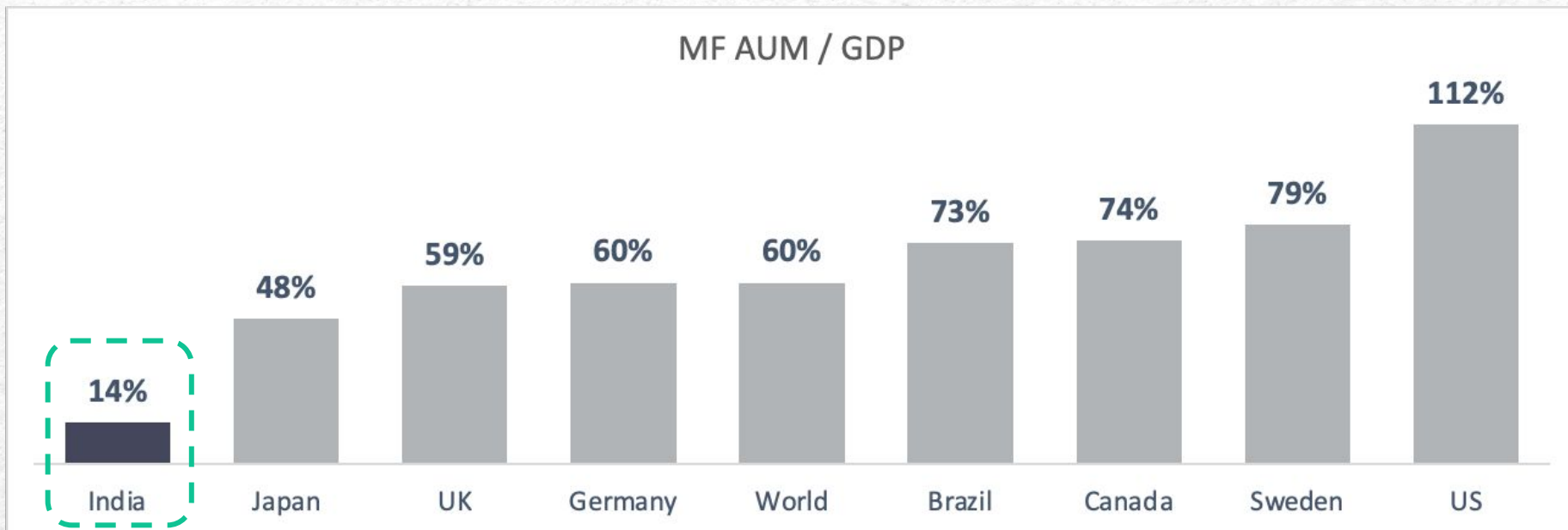
Long growth runway in India's Insurance Market

A large uninsured and underinsured population may offer long term growth opportunity.



Asset Management poised to take-off

Mutual Fund AUM/GDP is still very low compared to other countries.

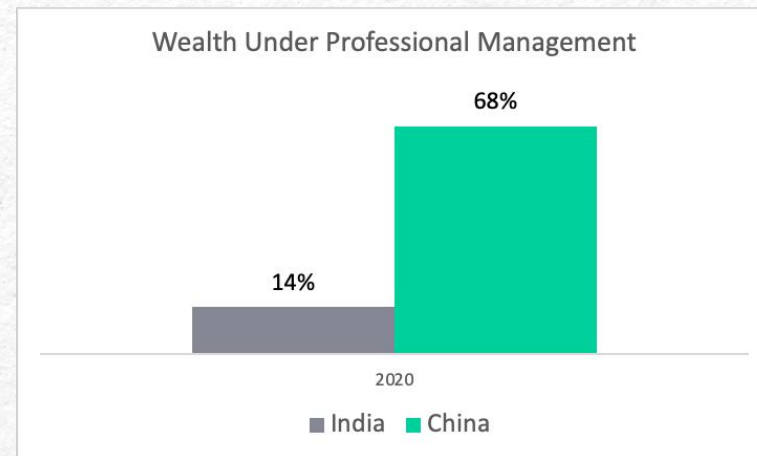


Views/framework expressed/mentioned above are in general terms and may or may not involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied herein. Please consult your financial advisor before investing.

Wealth Management at nascent stage

Number of millionaires('000)	2020	2025*	CAGR
United States	21,951	28,055	5.03
China	5,279	10,172	14.02
Japan	3,662	5,411	8.12
United Kingdom	2,491	3,711	8.3
Germany	2,953	4,240	7.5
India	698	1,269	12.7
World	56,084	84,014	8.42

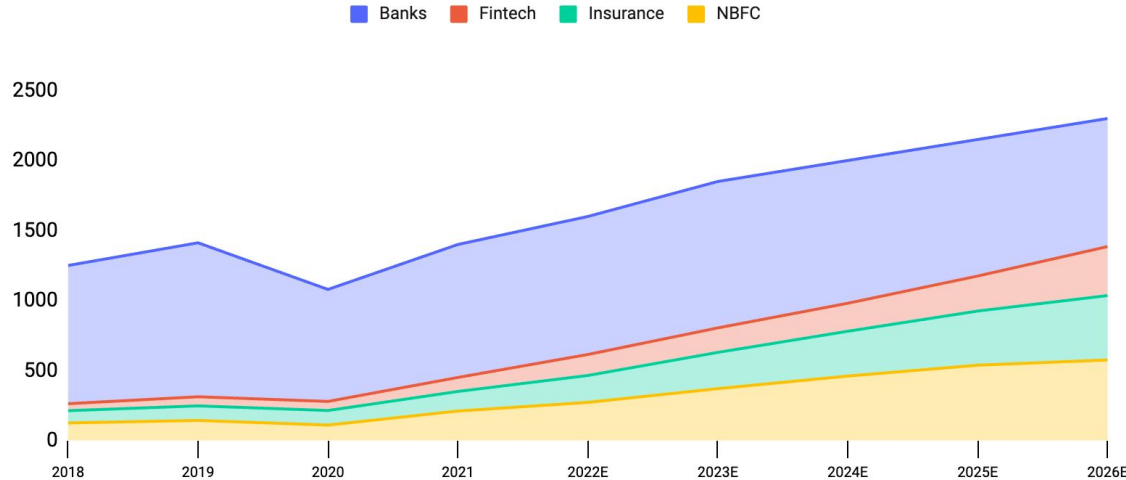
*Expected



The increase in millionaires and the under penetration of professional wealth services are probably set to boost growth

New opportunity - The Indian Fintech Ecosystem

FinTechs gaining ground; Expected to form 15% of the total Financial Services Market Cap by 2026



	2018	2022	2026E
Fintech as % of Total FS :	4%	7%	15%
Traditional FS as % of Total FS	96%	93%	85%

The Indian Fintech Ecosystem

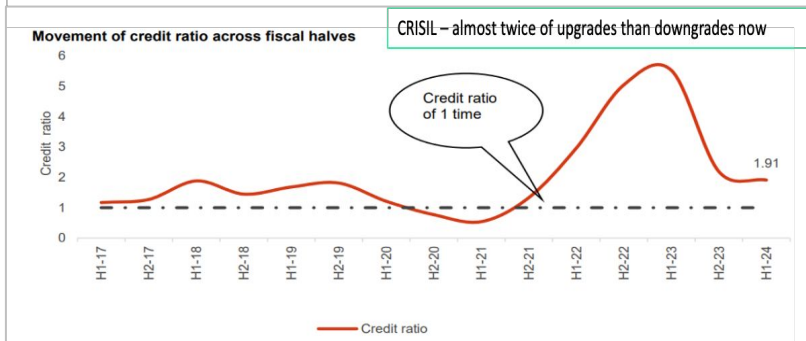
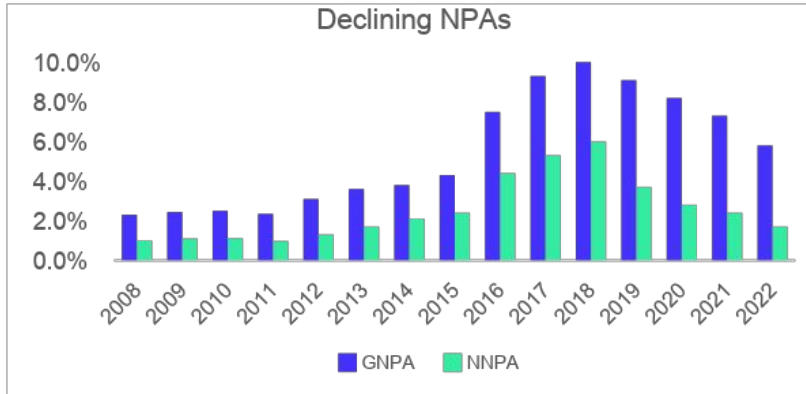
Upcoming diverse opportunities across differentiated business models.

Some of these unique businesses may eventually be available for public investing in coming years

Payments	Lending	Wealthtech	Insuretech	Digital / Neo Banks	Fintech Infra
A/c to A/c payments Gpay, Paytm, Phonepe	Retail lending KreditBee, Simpl, slice, Uni	Direct digital distributors Zerodha, Groww, Angel	Digital non-life insurance and bite-sized insurance Digit, ACKO	Retail banking solutions and distributors Jupiter, Niyo, Fi, Open, Tide	BaaS Zeta, Setu, M2P
Payment gateways & POS with full stack merchant solutions Razorpay, PayU, PineLabs etc	Digitization of asset backed lending Rupeek, Cardekho	Robo advisory + personal finance management tools Kuvera, scriptbox	Digital platforms for distribution Policybazaar, Plum, Toffee, Coverfox	Digital apps by Incumbents Kotak 811, SBI Yono, Digibank by DBS	Blockchain based distribution Hyperledge, Ripple
Cross border payments Paypal, Stripe	MSME lending Unilend, Instadapp	Alternative assets Coinswitch Kuber, WazirX	Insurance enablers Aureus Analytics, SureClaim		Wholesale Central Banking Digital Currency
	Loan aggregators Bankbazaar				Registration & KYC enablers Signzy, IDfy, ThirdWatch
	Infrastructure providers Perfios, Creditwatch				Biz management solutions Cleartax, Vyapar, Khatabook

Primed for Growth

Balance Sheet Driving Credit Take-off



Lower NPA% and improvement in Credit ratio is indicative of improvement of health of banks / financial institutions.

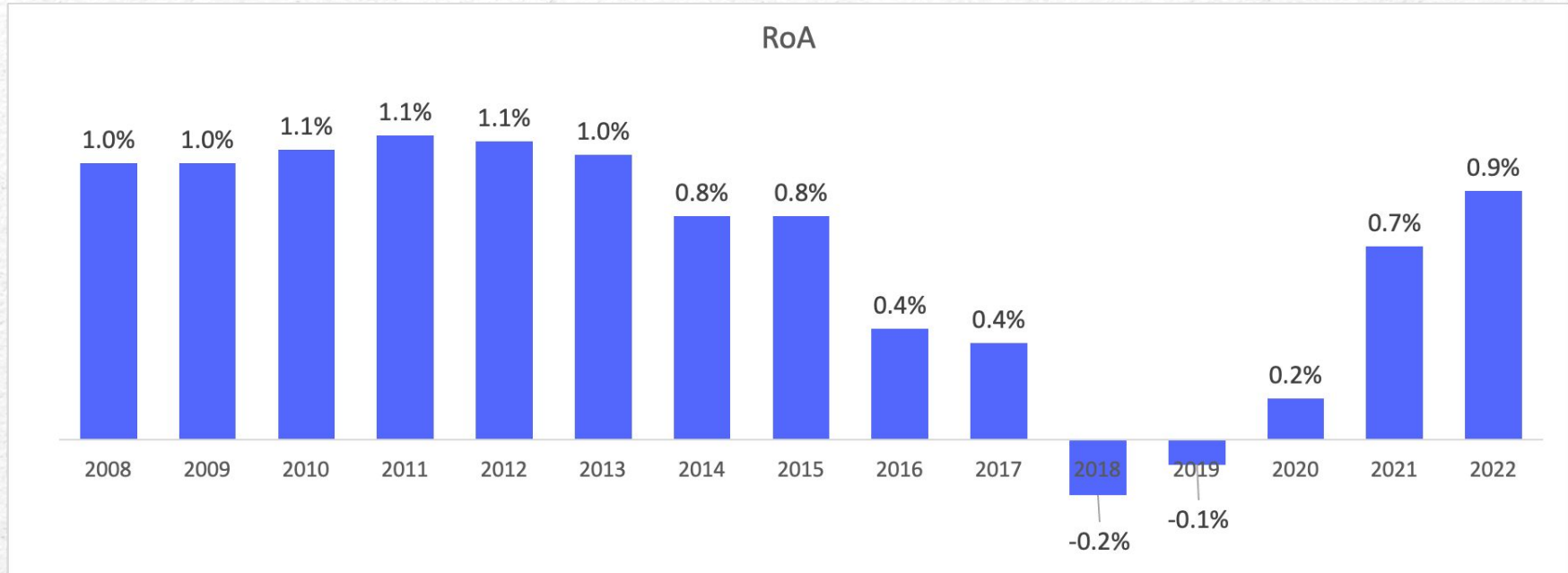
Credit ratio refers to the ratio of credit upgrades to downgrades. The metric is used to assess the overall health of the credit market.

GNPA - Gross Net Performing Asset, NNPA: Net Non Performing Asset

Source: RBI database, CRISIL, Groww AMC Research
Data : 27th December,2022, RBI annual data publications

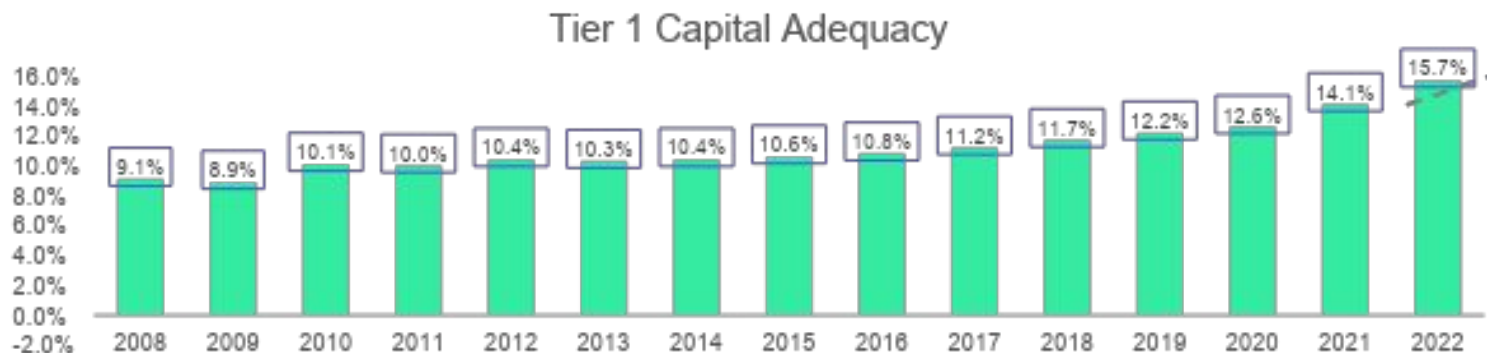
Improving Profitability of Banks

Banking sector RoA is improving. This further supports the potential for asset growth



Banks are well capitalized

Capitalization gives buffer for adverse events. In capital requirement Banks are apparently better prepared than the past



The sectors referred herein should not be construed as recommendations, advice to buy, sell or in any manner transact in this sector and neither should it be considered as Research report from GAML/GAMF. The scheme may or may not have exposure in those sectors. The Fund Manager may or may not invest in the above scrips basis the Scheme investment strategy please read the SID to know in detail

Source: Bloomberg, CEIC database, Statista, Indian Banks Annual report
Data as on 30 November, 2023
Data for Mar-23 FY

Improving profitability of insurance companies

Margin is steadily increasing for top private players in last 5 years. Better underwriting ability is helping them to increase market share.



Source: HDFC LIFE Q2FY24 investor presentation page 37, IRDAI, company disclosures, company annual reports, Data as on 30 November 2023

VNB - Value of New Business

Catalysts Fuelling BFSI's Growth

Pivotal Factors Contributing to BFSI's Growth

- Credit bureau coverage
- IBC
- Phygital revolution
- Financialization

These are the pivotal factors contributing to BFSI growth. The potential of these factors is now being realized in India.

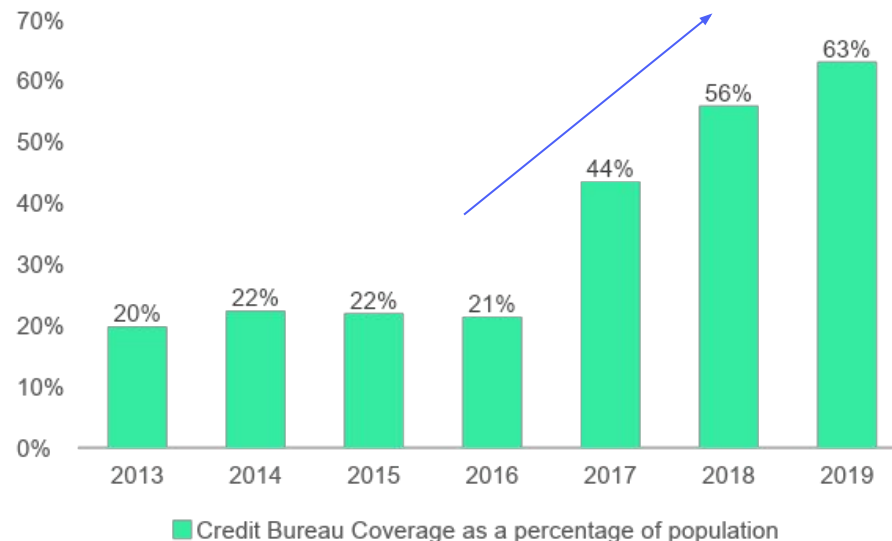
Let's dive in.

Credit score coverage has seen sharp improvement

From the below graph we can infer that credit score coverage has seen improvement. Here're are few pointers to take note of:

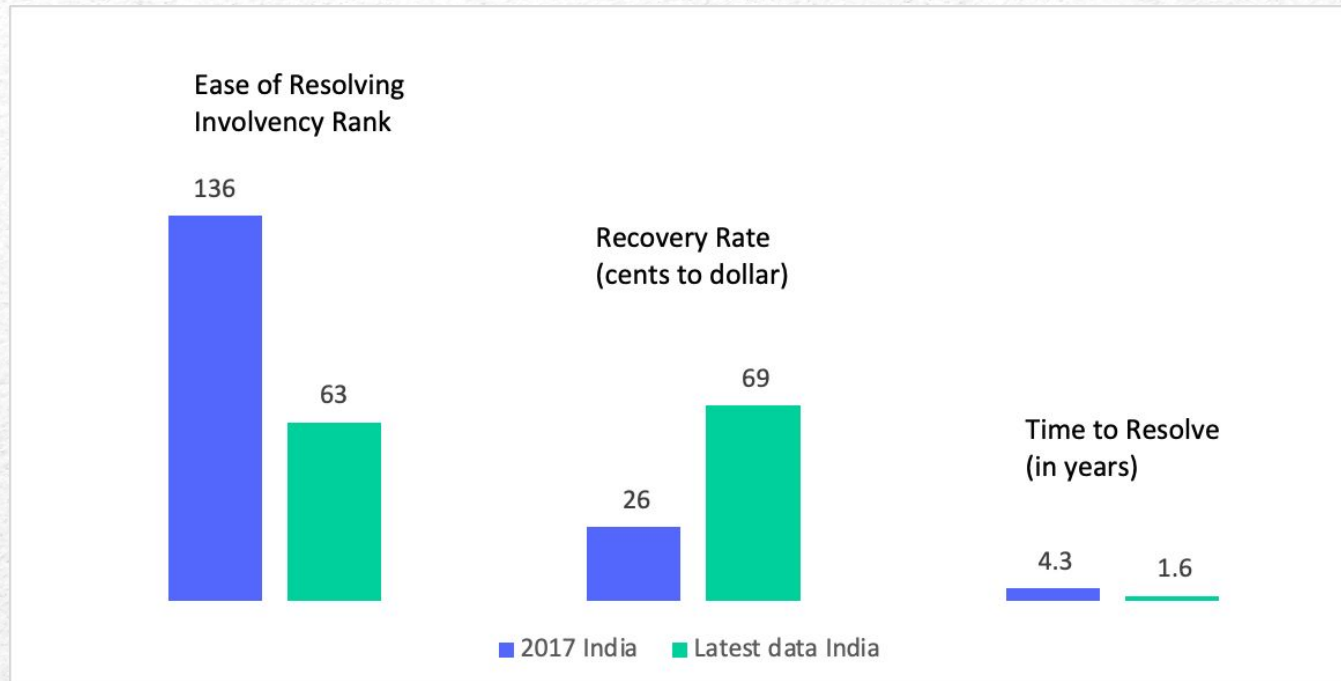
- Enhanced Credit Bureau coverage expands the size of creditworthy population.
- This may unlock opportunities in retail and business credit in India.

Credit bureau coverage: Percentage of adults listed with repayment history, debts, or outstanding credit by private bureaus.



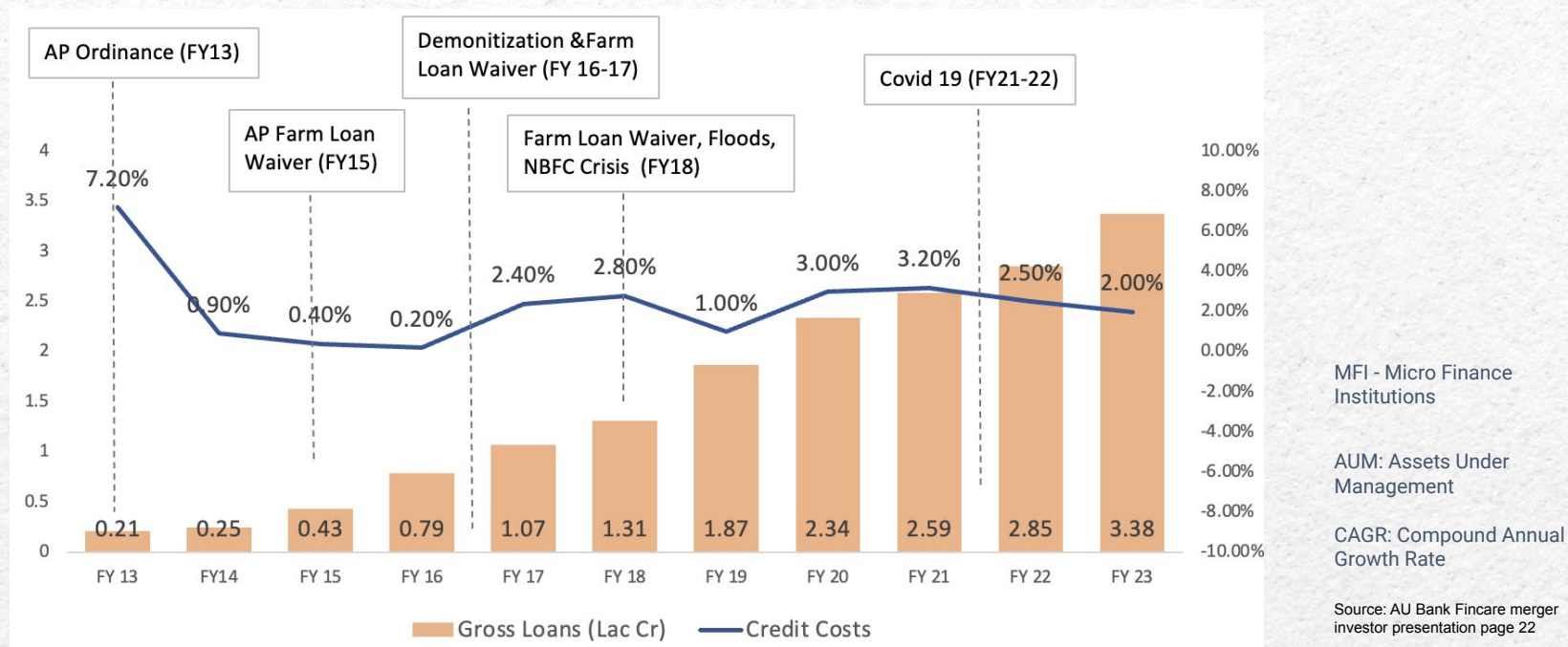
Unlocking capital with the IBC code

Insolvency & Bankruptcy Code(IBC) – helps in improving resolution of distressed assets in a fast-paced manner. This has improved the behaviour of corporate credit.



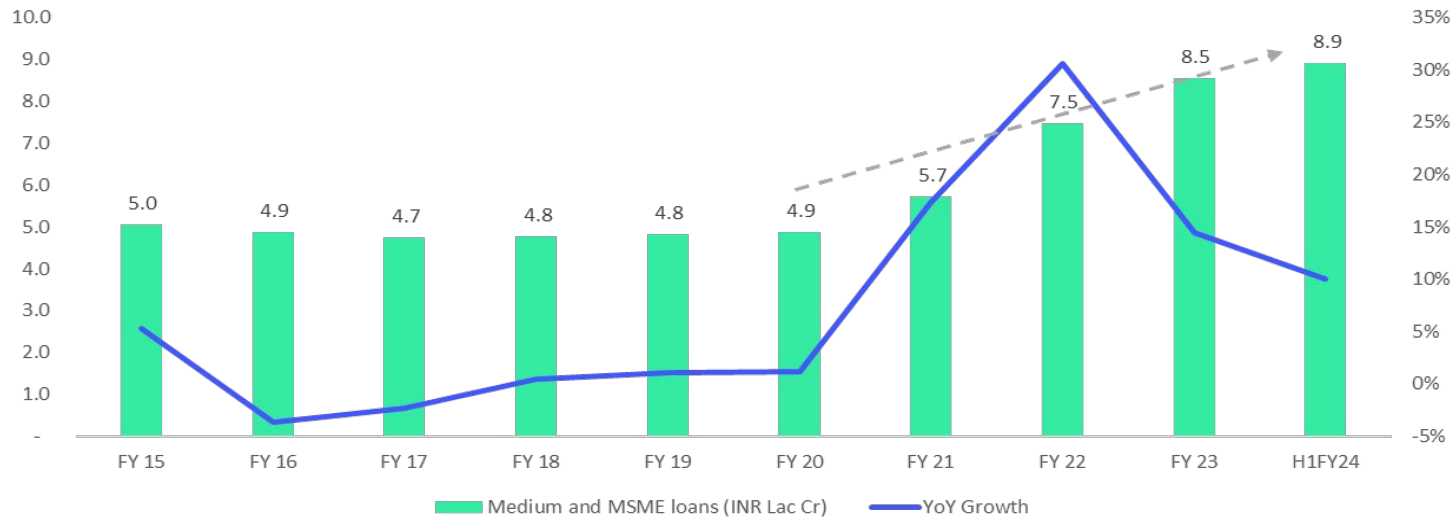
Credit Bureau expansion tapping MFI opportunity

Credit bureau data is helping to unlock micro finance potential in India with 10 years AUM CAGR of 32%

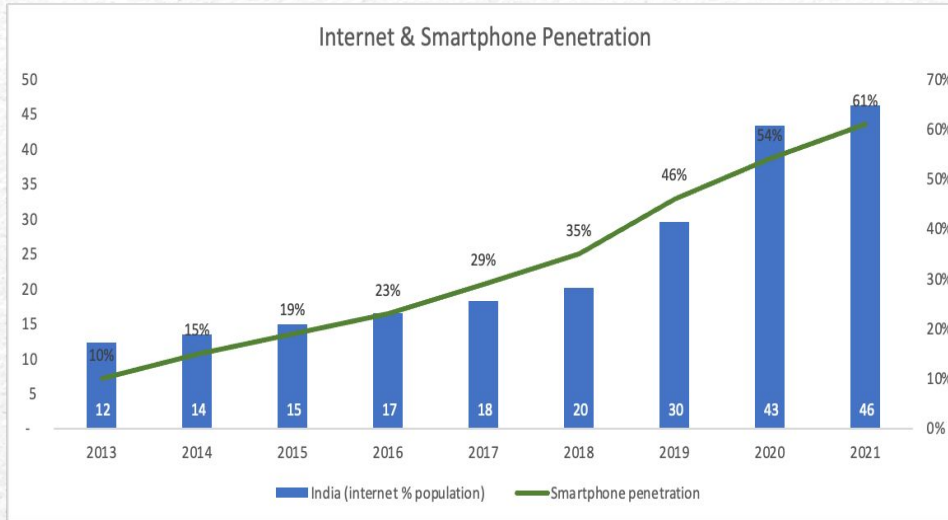


MSE credit scaling up

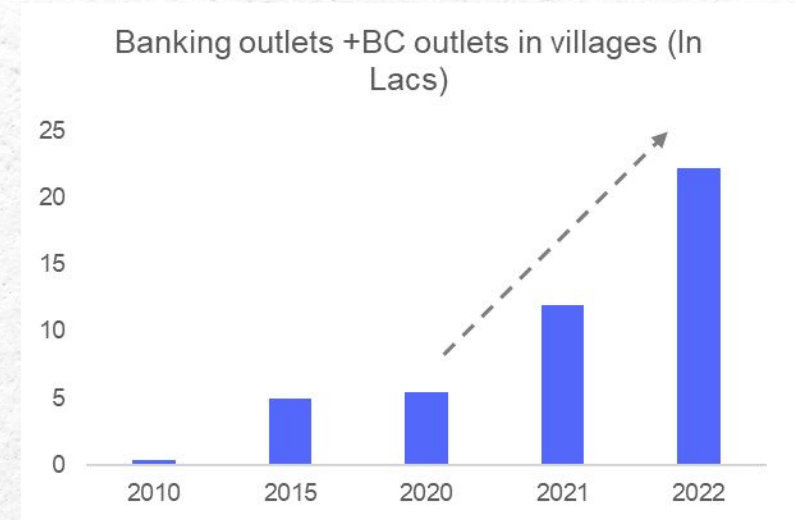
60% of the 63mn MSEs have never availed formal credit, financing gap of \$250bn on current base of \$320bn
Now Credit bureau coverage, convenient mortgage collateralization and IBC boosting are MSE growth



Phygital revolution is driving retail penetration



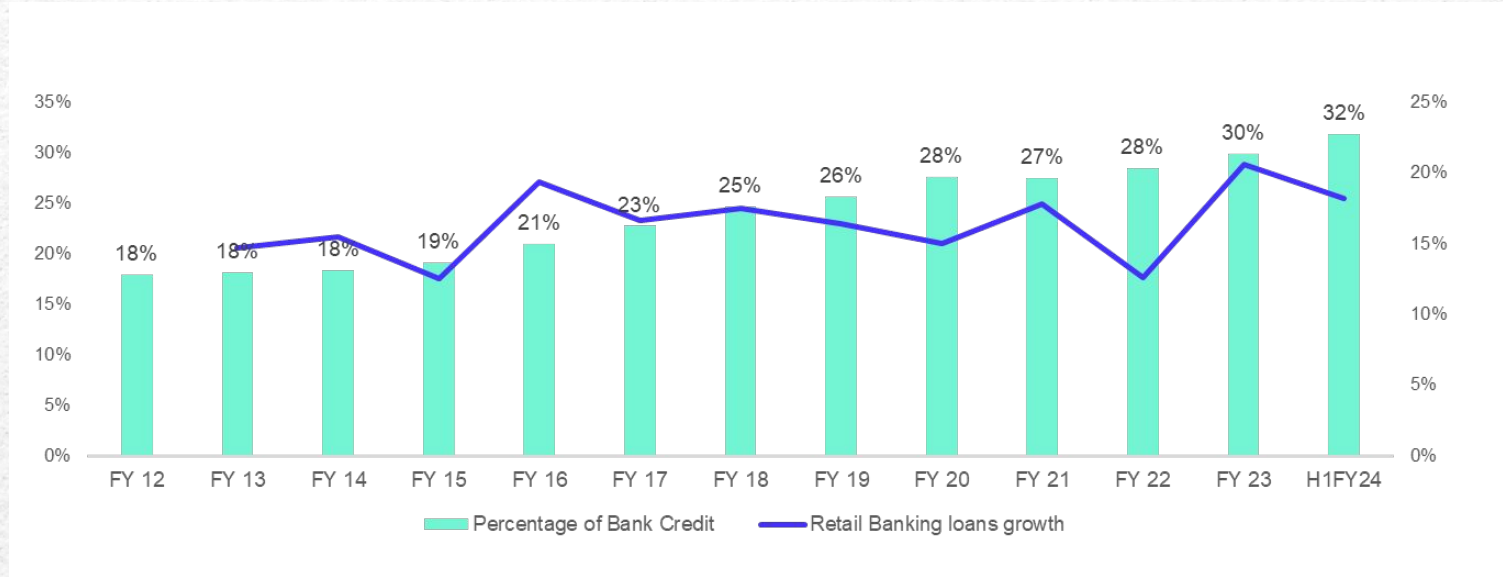
Internet and smartphone boost



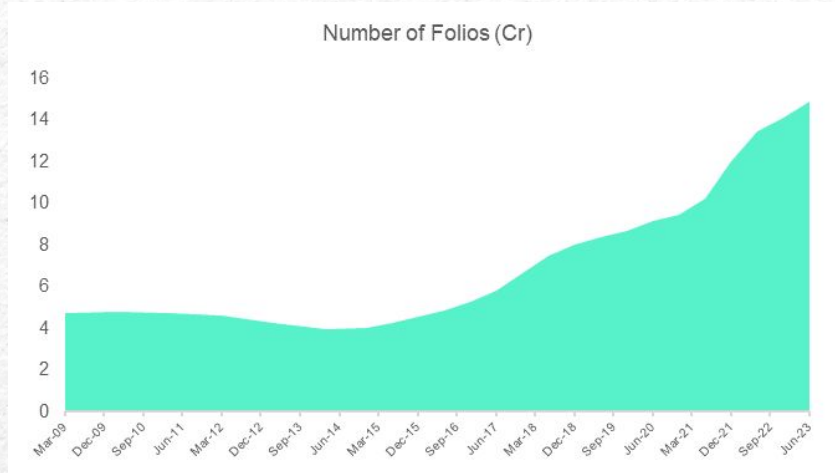
Ramping up physical reach

Financialization boosting retail loan growth

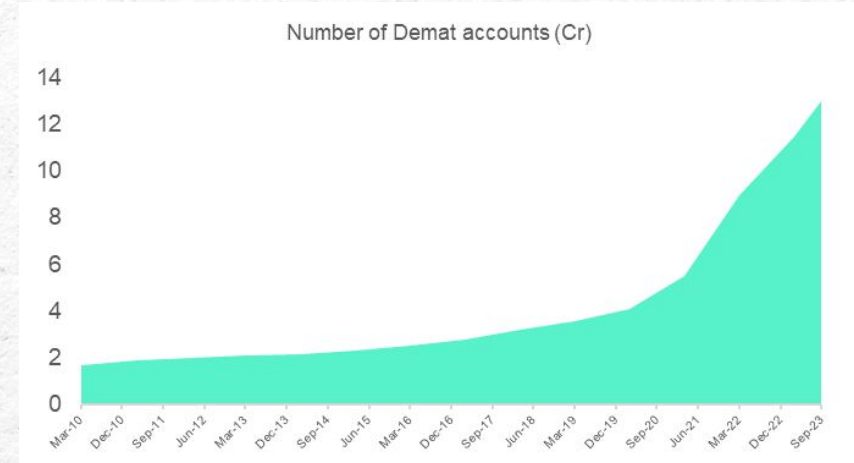
Retail loan is usually more granular and profitable for lenders. As per below graph, we may infer that Increased retail penetration is leading to consistent retail loan growth.



Retail participation may unlock capital market growth



Surge in Mutual Fund Folios

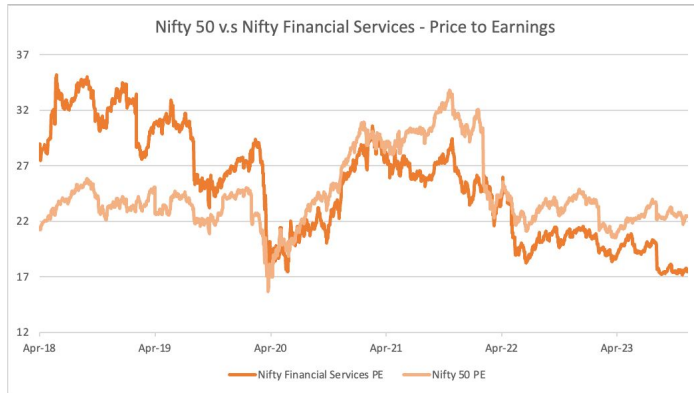


Boost in Broking accounts

The Valuation Factor

BFSI stocks are presently priced favourably

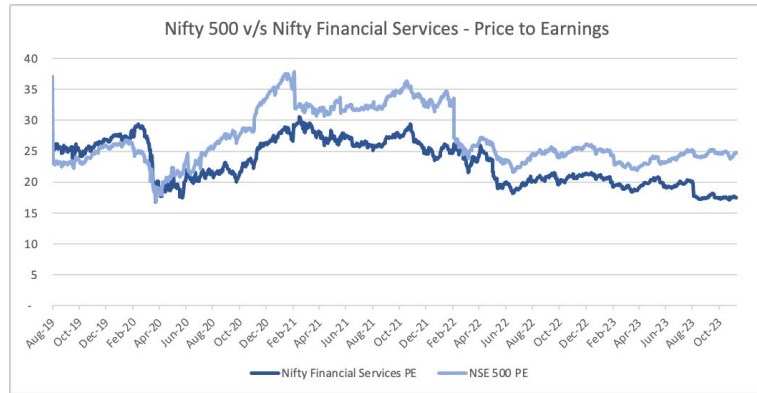
Valuation Lower than Historic Average



P/E

Nifty 50 v/s Nifty Financial Services

PE Ratio of Nifty Financial Services is at its historic low and is 25% less than the PE ratio of Nifty 50



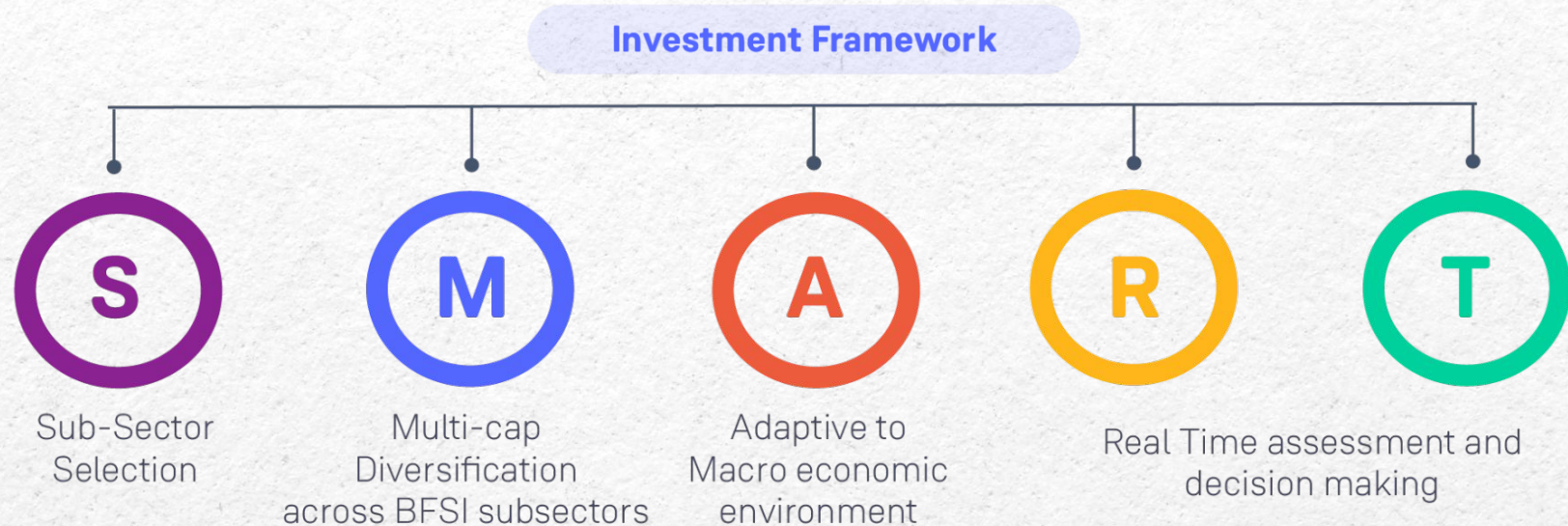
P/E

Nifty 500 v/s Nifty Financial Services

PE Ratio of Nifty Financial Services is at its historic low and is 20% less than the PE ratio of Nifty 500

Why Groww Banking and Financial Services Fund?

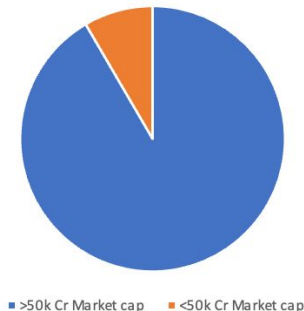
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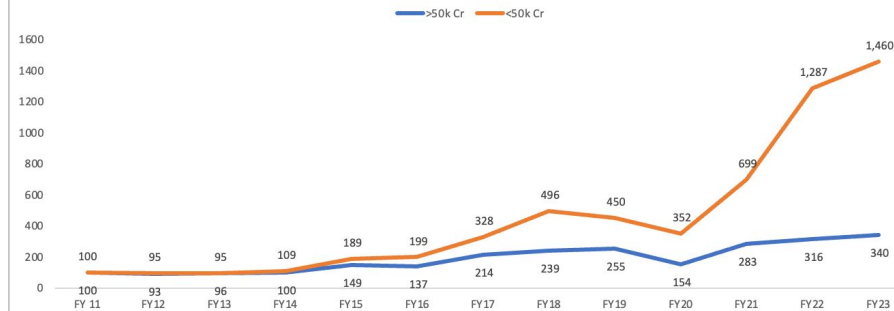
Why Groww Banking & Financial Services Fund?

Opportune Market Cap Selection

Indicative Weight on Nifty Financial Services Index



Historical higher returns potentials in mid and small cap financials



- Historically, small and mid mid-cap BFSI stocks, as we can infer from the graph above, have given higher returns but have lower weightage in Indices
- We seek to **actively** identify superior risk-reward opportunities across the space without any bias

Views/framework expressed/mentioned above are in general terms and may or may not involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied herein. Please consult your financial advisor before investing.

Why Groww Banking & Financial Services Fund?

Opportune Sub-sector Selection

Segmental Returns	FY11-14	FY 14-16	FY 16-19	FY 19-23
Broking	-22%	46%	47%	33%
NBFC	8%	27%	21%	34%
AMC	NA	NA	NA	2%
Investment Finance	4%	16%	43%	75%
HFC	9%	73%	18%	-6%
Bank - Private	18%	12%	23%	2%
Bank - Public	-10%	-3%	24%	38%
Exchange and Market participants	NA	NA	NA	39%
Ratings	23%	27%	-5%	9%
Insurance	14%	29%	8%	5%

Different sub-sectors performed differently with low correlation in the past

*The Fund Manager may or may not invest in the above scrips.

Portfolio Strategy

Sub-sector Allocation

- Top down analysis to choose sub-sector weights
- Capitalize on the opportunities and growth potential of various sub-sectors



- Scheme objective alignment
- Adapt and invest according to market conditions and sub-sectors

Stock Selection

- Bottom up analysis
- Companies benefiting from growth of the banking and financial services sector




- Large as well as emerging financial services which cater to the underpenetrated section of the economy


Please read the SID to know more in detail.


Scheme Details


Groww Banking & Financial Services Fund


(An open-ended equity scheme investing in banking and financial services-related sectors)

	NFO Period
	17 January 2024 - 31 January 2024

	Minimum Lump Sum Amount
	Rs. 500/- and in multiples of Re.1 for purchases and of Re 0.01 for switches.

	Fund Manager
	Mr. Anupam Tiwari

	Benchmark
	Nifty Financial Services Total Return Index

	Minimum SIP Amount
	Rs. 100

For more details, refer to the Scheme Information Document & Key Information Memorandum or visit www.growwmf.in

Groww Banking & Financial Services Fund

(An open ended equity scheme investing in banking and financial services related sectors)



Product Label #		
<p>This product is suitable for investors seeking*:</p> <ul style="list-style-type: none">• Looking for long-term capital appreciation, with an investment horizon of 5 - 10 years• Seeking investments predominantly in equity and equity-related instruments of the companies engaged in the financial services sector• Looking to benefit from growth opportunities and the potential of companies engaged in banking and financial services and other related sectors• Seeking investing opportunities across multiple BFSI sub-sectors• Having a slightly higher risk appetite• Those who already have a well-diversified portfolio, and are looking for some amount of concentration for the potential of out-sized returns	Scheme Riskometer	Benchmark Riskometer - Nifty Financial Services - Total Return Index
	<p>Investors understand that their principal will be at Very High Risk</p>	<p>The Benchmark is at Very High Risk</p>

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

#The product labelling assigned during the New Fund Offer is based on internal assessment of the Scheme Characteristics or model portfolio and the same may vary post NFO when actual investments are made.

Groww Asset Management Limited (formerly known as Indiabulls Asset Management Company Limited) Investment Manager to Groww Mutual Fund (formerly known as Indiabulls Mutual Fund) vide SEBI letter dated May 30, 2023 received the approval for change in name of Indiabulls Mutual Fund to Groww Mutual Fund and change in name of the schemes. Please read notice cum addendum no. 11/2023 dated May 31, 2023 for more detail.

Views expressed herein, involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied herein. Stocks/Sectors/Views should not be construed as an investment advice or a research report or a recommendation by Groww Mutual Fund ("the Fund") / Groww Asset Management Limited (AMC) to buy or sell the stock or any other security. The sector(s) mentioned in this document do not constitute any recommendation of the same and the Fund may or may not have any future position in these sector(s). There is no assurance of any returns/capital protection/capital guarantee to the investors in above mentioned Schemes. The investment approach other data mentioned herein are dated and proposed to be followed by the scheme and the same may change in future depending on market conditions and other factors. The AMC/ trustee/ sponsor / group companies shall have no responsibility/liability whatsoever for the accuracy or any use or reliance thereof of such information.



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