

# Nippon India ETF Nifty SDL – 2026 Maturity

(An open-ended Target Maturity Exchange Traded SDL Fund predominately investing in constituents of Nifty SDL Apr 2026 Top 20 Equal Weight Index)

<b>New Fund Offer Opens on</b>	<b>March 15, 2021</b>
<b>New Fund Offer Closes on</b>	<b>March 19, 2021</b>

The face value of each unit of the Scheme will be Rs.10/-. Offer of Units of Rs.10/- each for cash (on allotment, the value of each Unit would approximately equal to the value of 1/10th of Nifty SDL Apr 2026 Top 20 Equal Weight Index) to be issued at a premium, if any, approximately equal to the difference between face value and allotment price during the New Fund Offer (“NFO”) and at NAV based prices during the Ongoing Offer.

**This product is suitable for investors who are seeking\*:**

Income over long term

Investments in State Development Loans (SDL) similar to the composition of Nifty SDL Apr 2026 Top 20 Equal Weight Index, subject to tracking errors



Investors understand that their principal will be at Moderate risk

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

# Introduction to Exchange Traded Funds (ETFs)

# Introduction to Exchange Traded Funds (ETFs)

An Exchange Traded Fund (ETF) is primarily a mutual fund scheme which is listed and traded on a stock exchange. An ETF can invest in:

Equities

Commodities

Money  
market  
Instruments

Debt  
Instruments

# Advantages of ETF

# ETF Advantages

## ❑ Like a fund...

- Constructed to track an index
- Open ended mutual fund
- Lower expense ratio generally as compared to active funds
- Lower turnover
- More transparent

## ❑ Like a stock...

- Trading flexibility intraday on the exchange
- Real time price
- Put limit orders
- Minimum trading lot is just 1 unit
- Delivery into your Demat account

Index fund



Stocks



ETF

# **Benchmark Index – Nifty SDL Apr 2026 Top 20 Equal Weight Index**

# About Index

## Type of Securities

Index seeks to measure the performance of portfolio of 20 State Development Loans (SDLs)

Maturing between May 01, 2025 to April 30, 2026

## Defined Maturity

Index shall mature on April 30, 2026 and hence has defined maturity date

## Index Strategy

Index would use buy and hold strategy wherein the portfolio selected at the time of launch would be held till their maturity date

## Index Computation

Index is computed using the total return methodology including price return and coupon return

Source: NSE

# Index Methodology

## Issuer Selection

- Top 20 States/Union Territory (UT) are selected with a cut-off date as of 31<sup>st</sup> January 2021 based on their outstanding issuance amount maturing between May 01, 2025 to April 30, 2026

## Security Selection

- Most recently issued SDL of each of the selected 20 States/UTs maturing between May 01, 2025 to April 30, 2026, is included in the index

## Weight Assignment

- Each state/UT that is part of the index is given equal weight at the beginning. Effectively, each SDL has a weight of 5% as on the base date of the index
- Subsequently, the weights may drift due to price movement
- Any coupon amount received is assumed to be reinvested in the portfolio on the same date, in the proportion of the existing weights

Source: NSE



# Index Rebalancing & Termination

## Index Rebalancing

- Index would use buy and hold strategy wherein the SDLs selected would be held till their maturities
- Index will be reviewed at the end of each calendar quarter to ensure that weights are capped at 15% and in case there is a breach of 15% in any state/UT, excess weight will be redistributed proportionally
- Due to any reason leading to rebalancing, if the number of states/UTs issuers in the index are 8 & above, the weightage of excluded SDLs will be redistributed proportionally among the remaining SDLs
- Due to any reason leading to rebalancing, if the number of states/UTs issuers in the index fall below 8, then new states/UTs issuers will be added to the index based on index methodology to take the issuer count to 8
- If there is no inclusion or exclusion on the review date, the weights will not get reset and existing weights will continue
- Any proceeds from Bond/SDL redemption prior to the maturity date of the index shall be re-invested in the Treasury Bills and overnight Tri-Party Repos (TREPS) till the maturity of the index

## Index Termination

- The index shall mature on 30<sup>th</sup> April 2026

Source: NSE

# Fund - Overview

# Nippon India ETF Nifty SDL – 2026 Maturity – Scheme Details

- **Investment Objective**

The investment objective of the scheme is to provide investment returns closely corresponding to the total returns of the securities as represented by the Nifty SDL Apr 2026 Top 20 Equal Weight Index before expenses, subject to tracking errors. However, there can be no assurance or guarantee that the investment objective of the Scheme will be achieved.

- **Asset Allocation**

Instruments	Indicative asset allocation (% of total assets)		Risk Profile
	Minimum	Maximum	
State Development Loans (SDLs) representing Nifty SDL Apr 2026 Top 20 Equal Weight Index	95%	100%	Low to Medium
Money Market instruments (Treasury Bills, Government Securities and Tri-Party Repos Only)*	0%	5%	Low to Medium

\*Money Market Instruments will include only treasury bills and government securities having a residual maturity upto one year, Tri-Party Repos and any other like instruments as specified by the Reserve Bank of India from time to time.

For more details, refer Scheme Information Document (SID).

- **Type of Scheme**

An open-ended Target Maturity Exchange Traded SDL Fund predominately investing in constituents of Nifty SDL Apr 2026 Top 20 Equal Weight Index.

# Why Invest in Nippon India ETF Nifty SDL – 2026 Maturity

## Relatively Safe

- ETF would predominantly invest into State Development Loans (SDLs) which are government securities. Hence, it is relatively safe as compared to Equity and other aggressive Debt funds.

## Relatively lower tax

- Tax efficient due to mutual fund indexation benefit

## No lock-in

- Buying and selling of units on stock exchange and also directly with mutual fund in creation unit size at real time price

## Transparency

- Daily disclosure of Portfolio Deposit via creation unit due to ETF structure

## Low Cost

- Fund will be a low cost product in terms of Total Expense Ratio

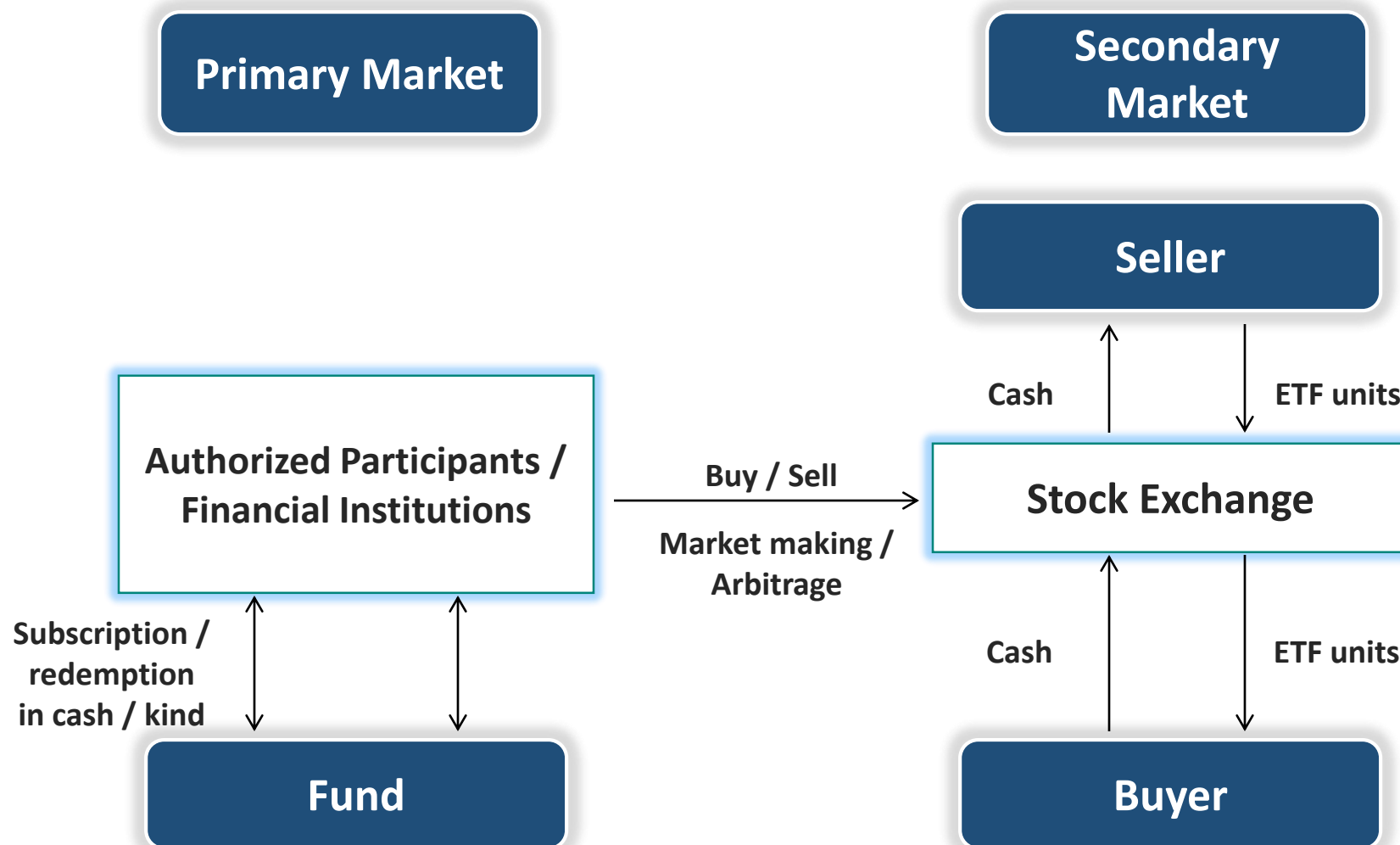
## Reduce Risk

- Reduction in non-systemic risk like security selection and portfolio manager selection, as the fund will apply buy & hold strategy and follow the index

# Nippon India ETF Nifty SDL – 2026 Maturity – Investment Philosophy

- Scheme would predominantly invest into State Development Loans (SDLs) representing Nifty SDL Apr 2026 Top 20 Equal Weight Index
- Securities which will form part of the scheme portfolio are expected to have in the aggregate, similar key characteristics of the underlying index in terms of maturity profile and type of securities
- Scheme will follow Buy and Hold investment strategy in which existing SDLs will be held till maturity
- Portfolio will be rolled down in line with the index, hence incremental investment will happen in SDLs representing the index
- In case of maturity of any or all SDLs which are part of the Scheme portfolio, the maturity proceeds will be deployed in treasury bills and Tri-Party Repos, till the scheme “Maturity Date”
- Scheme will mature in line with the maturity of the index

# Working - Nippon India ETF Nifty SDL – 2026 Maturity



Note: The above flowchart is for informational purpose only

# Nippon India ETF Nifty SDL – 2026 Maturity – Fund Details

Scheme Features					
<b>NFO Opens on</b>	March 15, 2021				
<b>NFO Closes on</b>	March 19, 2021				
<b>Benchmark Index</b>	Nifty SDL Apr 2026 Top 20 Equal Weight Index				
<b>Pricing</b>	Approx. 1/10 <sup>th</sup> of Nifty SDL Apr 2026 Top 20 Equal Weight Index				
<b>Fund Manager</b>	Vivek Sharma & Siddharth Deb				
<b>Load Structure</b>	Entry & Exit Load : Not Applicable				
<b>Minimum application amount (during NFO)</b>	Minimum amount of Rs 5,000 and in multiples of Re. 1 thereafter				
<b>Minimum application amount (during ongoing offer period)</b>	<table border="1"> <thead> <tr> <th><b><u>Directly with the Mutual Fund:</u></b></th> <th><b><u>On the Exchange:</u></b></th> </tr> </thead> <tbody> <tr> <td>Create / Redeem in exchange of Portfolio Deposit and cash component in Creation Unit Size of 5,00,000 units of the Scheme.</td> <td>1 (one) Unit and in multiples thereof.</td> </tr> </tbody> </table>	<b><u>Directly with the Mutual Fund:</u></b>	<b><u>On the Exchange:</u></b>	Create / Redeem in exchange of Portfolio Deposit and cash component in Creation Unit Size of 5,00,000 units of the Scheme.	1 (one) Unit and in multiples thereof.
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<b>Plans</b>	No plans				
<b>Listing</b>	NFO Units offered pursuant to the NFO, to be listed on NSE within 5 working days from the date of allotment				

# Disclaimer

- **Risk Factors:** Trading volumes and settlement periods may restrict liquidity in debt investments. Investment in Debt is subject to price, credit, and interest rate risk. The NAV of the Scheme may be affected, inter alia, by changes in the market conditions, interest rates, trading volumes, settlement periods and transfer procedures. The NAV may also be subjected to risk associated with tracking error, investment in derivatives or script lending as may be permissible by the Scheme Information Document.
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**Mutual Fund investments are subject to market risks, read all scheme related documents carefully**



Thank you for your time!