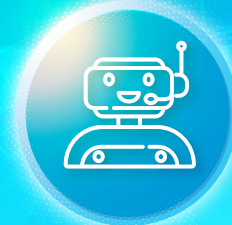


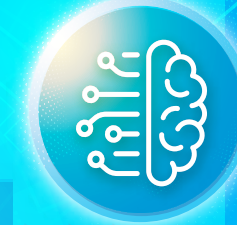
INVEST IN A PORTFOLIO FOR **FUTURE**



Robotics



Green
Energy



Artificial
Intelligence



Electric
Vehicle



Virtual
Reality

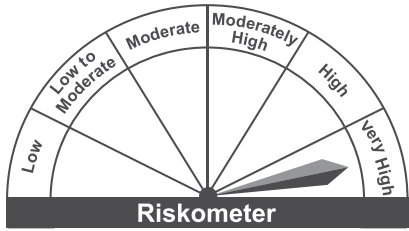
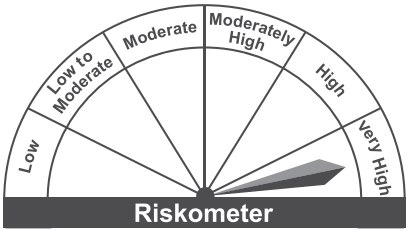
Good gets *better*

Nippon India Innovation Fund

(An open-ended equity scheme investing in innovation theme)

NFO opens on: 9th August 2023

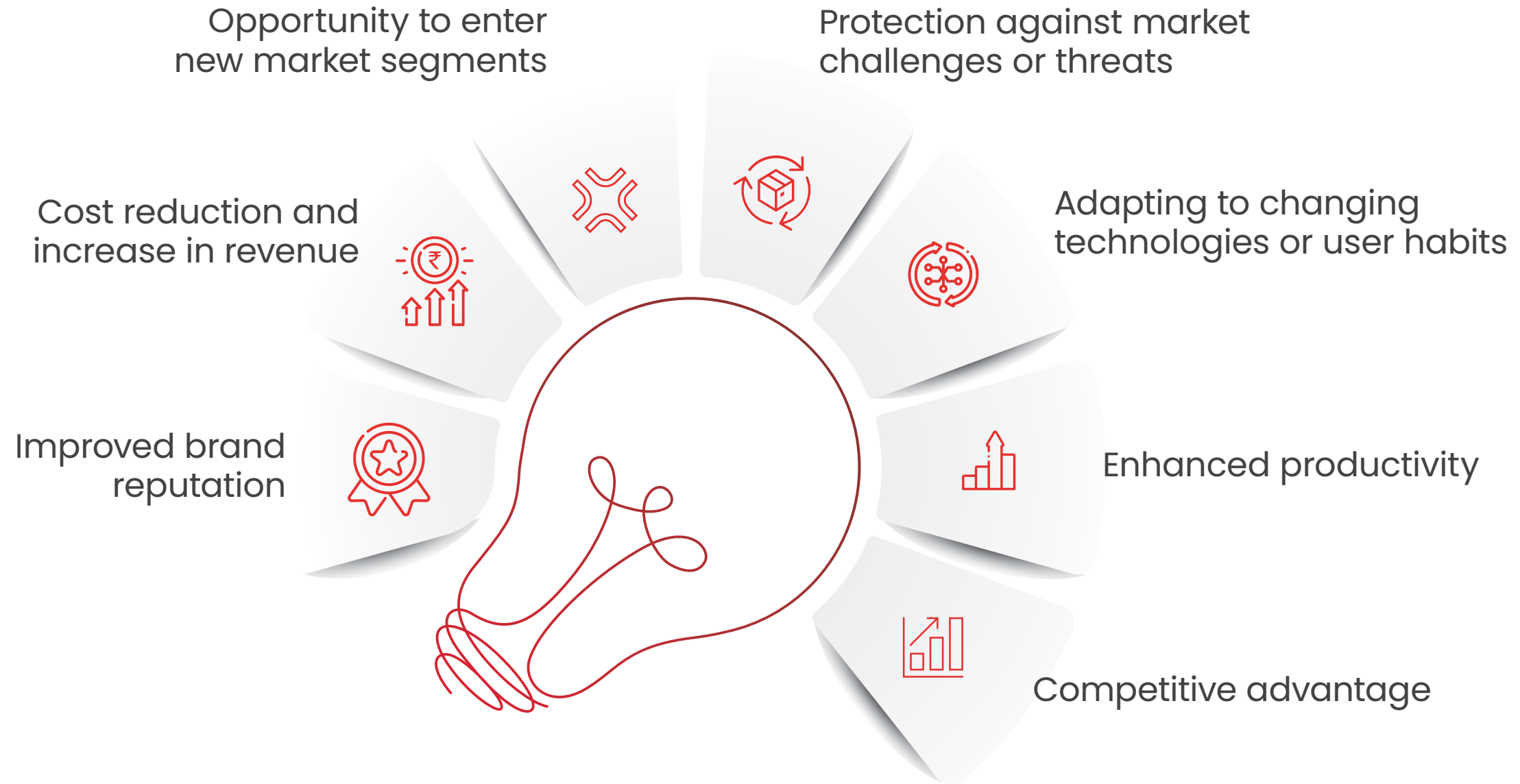
NFO closes on: 23rd August 2023

Product Label		
<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> • Long term capital growth. • Investment in equity and equity related securities of companies adopting innovation theme. <p>*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.</p>	<p>Nippon India Innovation Fund</p>  <p>Riskometer</p> <p>Investors understand that their principal will be at Very High risk</p>	<p>Nifty 500 TRI</p>  <p>Riskometer</p> <p>Benchmark Riskometer is at Very High risk</p>
<p>The product labelling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investment are made.</p>		

Good gets *better*



NEED FOR INNOVATION



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INNOVATION ACROSS SECTORS

Technology provides opportunities to identify unique market segments and transform ways of doing business

AI	IoT	Big data	Blockchain	5G
Retail	Consumer	Finance	Finance	Retail
Finance	Finance	Manufacturing	Manufacturing	Manufacturing
Manufacturing	Healthcare	Professional Services	Retail	Public Safety

3D Printing	Robotics	Drones	Gene Editing	Nanotechnology	Solar PV
Manufacturing	Manufacturing (discrete)	Utilities	Pharma/biotech	Medicine	Residential
Healthcare	Manufacturing (process)	Construction	Academic/research	Manufacturing	Commercial
Education	Resource	Manufacturing	Agrigenomic	Energy	Utilities

Source: UNCTAD (United Nations Conference on Trade and Development)

AI: Artificial Intelligence, IoT: Internet of Things, 5G: Fifth-generation wireless, 3D: Three Dimensional

Note: The finance sector is shown in blue, the manufacturing sector in orange and others in grey.

The sectors mentioned are not a recommendation to buy/sell in the said sectors. The scheme may or may not have future position in the said sectors. Details mentioned above are for information purpose only



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WHY DO WE NEED AN INNOVATION FUND?

Innovative Companies seem to be under-represented



Source: Factset, as of 31/12/2022

The universe of innovative companies is the constituents of S&P Kensho New Economies Composite Index

Details mentioned above are for global indices and for information purpose only



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THE INNOVATION ADVANTAGE

Companies may be better placed to thrive in increasingly dynamic markets

17%

Better return potential

Outperformance in 2020 by BCG Most Innovative Companies top 50 vs MSCI World Index

20%

Better Valuation

Higher average valuation multiple for companies that innovated across core & new markets¹

56%

Changing Leaders

Of industry leading companies² lost their leading position in last decade

50%

New Disrupters

Decrease in average age of S&P500 companies today, compared with 1989 (19 vs 37 years old)

1. Analysis compared companies that disrupted more across adjacent and frontier markets with those that innovated only in core markets among BCG's top 100 Most Innovative Companies; P/E multiple used for valuation multiple. 2. Based on US industry leaders by operating income in 69 industries

Source: BCG Most Innovative Companies of 2021 report and survey (April 2021); BCG Deep Tech and the Great Wave of Innovation article (March 2021); Capital IQ; BCG Henderson Institute; BCG analysis; BCG: Boston Consulting Group Details mentioned above are in global context and for information purpose only Past Performance may or may not be sustained in future

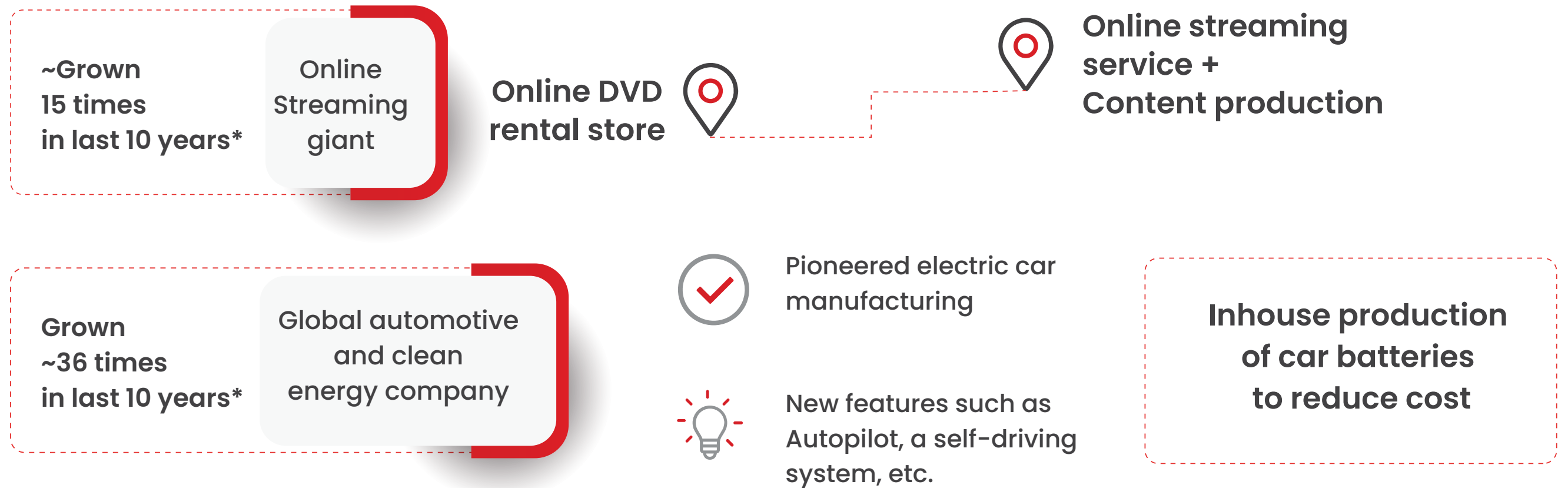


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PUSHING BOUNDARIES THROUGH INNOVATION!!

Global case studies



Note: Details mentioned above are only for information purpose. Past performance may or may not be sustained in future

*Data as on June 2023



What is **Innovation**?

| Innovation is often
| misunderstood

Inventing New Products from scratch
is just one way to innovate



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TYPES OF INNOVATION

Product/Service Innovation

Development of new and improved products and services

Process Innovation

Changes in operational procedures or tools

Business Innovation

A company's transformation of its role in the market



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PRODUCT/SERVICE INNOVATION

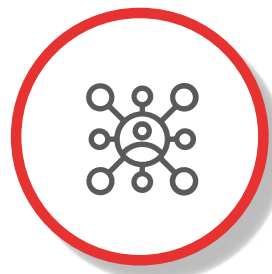
One of the leading financial services company created first of its kind lending model focused on consumer loans

No cost
EMI

Quick loan
disbursement

Small
ticket loans

Backed by technology platforms, analytics and robust risk management systems



Customer

- Easy accessibility
- Convenience



Business

- Increase in volume
- Cross-sell opportunities
- Lower customer acquisition cost

Note: Details mentioned above are only for information purpose.



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Process Innovation

A specialty chemicals company with track record of strategic process innovation through consistent R&D



- Improved productivity
- Enhanced yields
- Improved Atom economy
- Cost efficiency

- Lower effluent generation
- Products that are not as harmful to the end-consumer as conventionally produced chemicals

Pioneered the commercialisation of catalytic-reactions in production processes

Among the largest producers globally of functionally critical specialty chemicals

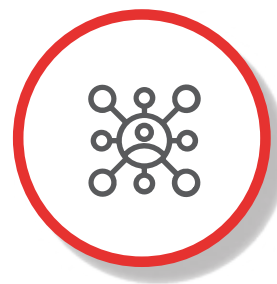
Note: Details mentioned above are only for information purpose. R&D: Research & Development

BUSINESS INNOVATION

A restaurant reviews platform transformed its business model to become one of the leading food services online platform



Improving tech penetration
Growing share of millennials/Genz in the earning population



Customer

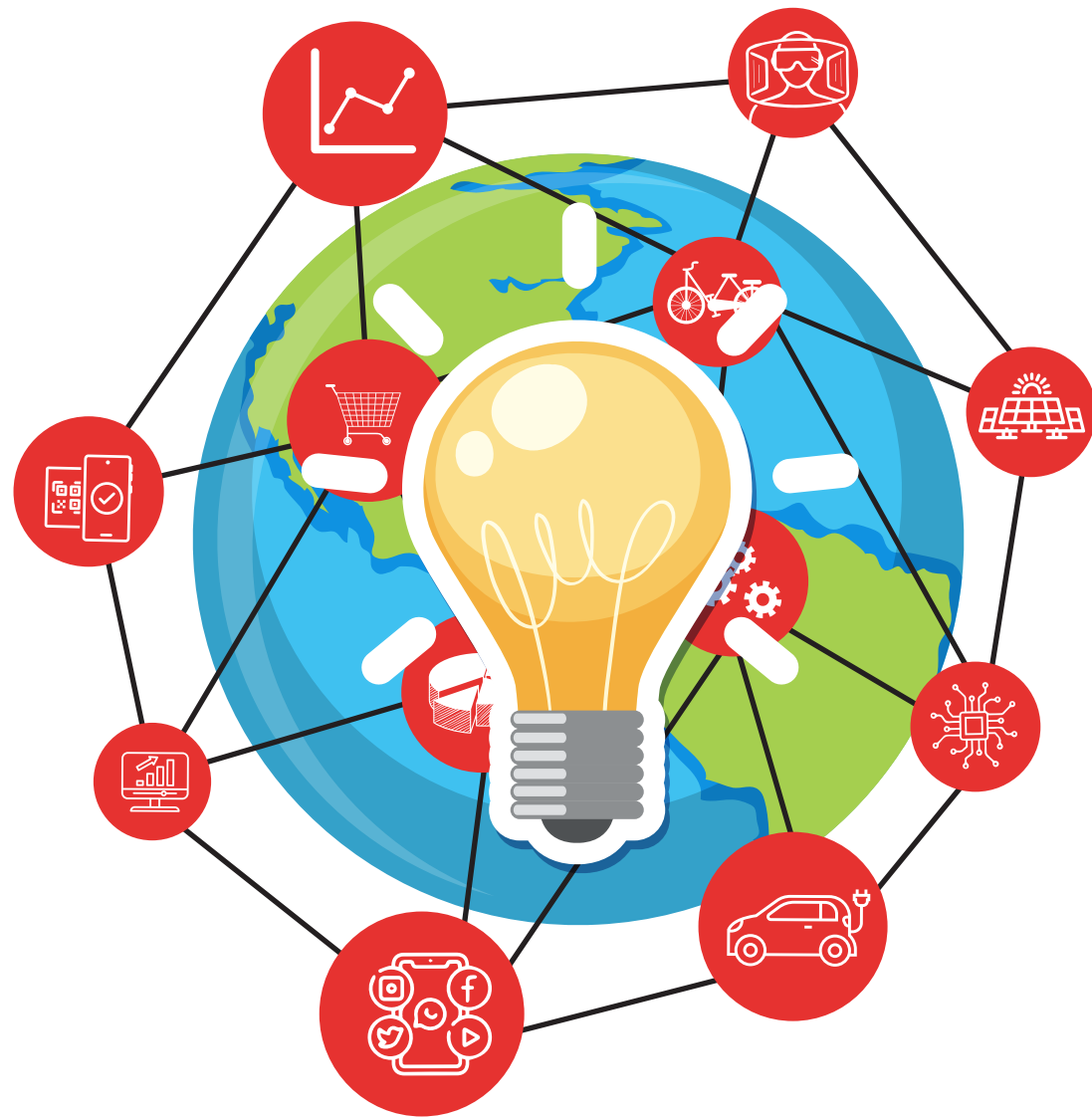
- Easy accessibility
- Convenience



Business

- Dominant market share
- Opportunity from adjacent verticals
- Diversified offerings across the value chain

Note: Details mentioned above are only for information purpose.



Innovation shifts across sectors!



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THE BIG SHIFT – BANKING

Conventional Banking



Convenience Banking



- **Open Source**

Platform, Tools Performance, Scalability, Flexibility

- **Cloud Computing**

Software As-A-Service Microservices, Containerisation

- **APIfication**

Open Data, Open APIs, integration, journey

- **Data and Analytics**

Artificial Intelligence, Machine Learning, Deep Learning Journeys, Engagement

- **Automation**

Workflows, BPMs Robotics Process Automation, Intelligent Process automation

Note: The sectors mentioned are not a recommendation to buy/sell in the said sectors. The scheme may or may not have future position in the said sectors.

BPM: Business process management, API: Application Programming Interface



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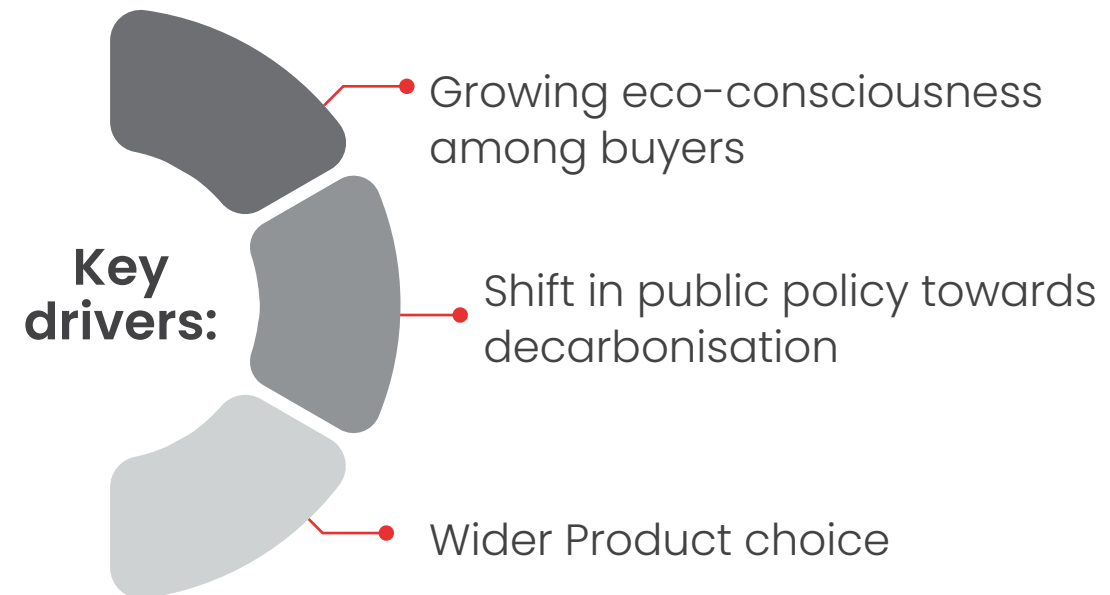


THE BIG SHIFT – AUTO

EV sales in India cross a million for the first time in 2022

Calendar Year	Units Sold
2013	2,693
2014	2,392
2015	7,772
2016	49,065
2017	86,120
2018	127,576
2019	163,459
2020	121,654
2021	322,871
2022	999,949

Source: Vahan



Note: The sectors mentioned are not a recommendation to buy/sell in the said sectors. The scheme may or may not have future position in the said sectors.

EV: Electric Vehicle

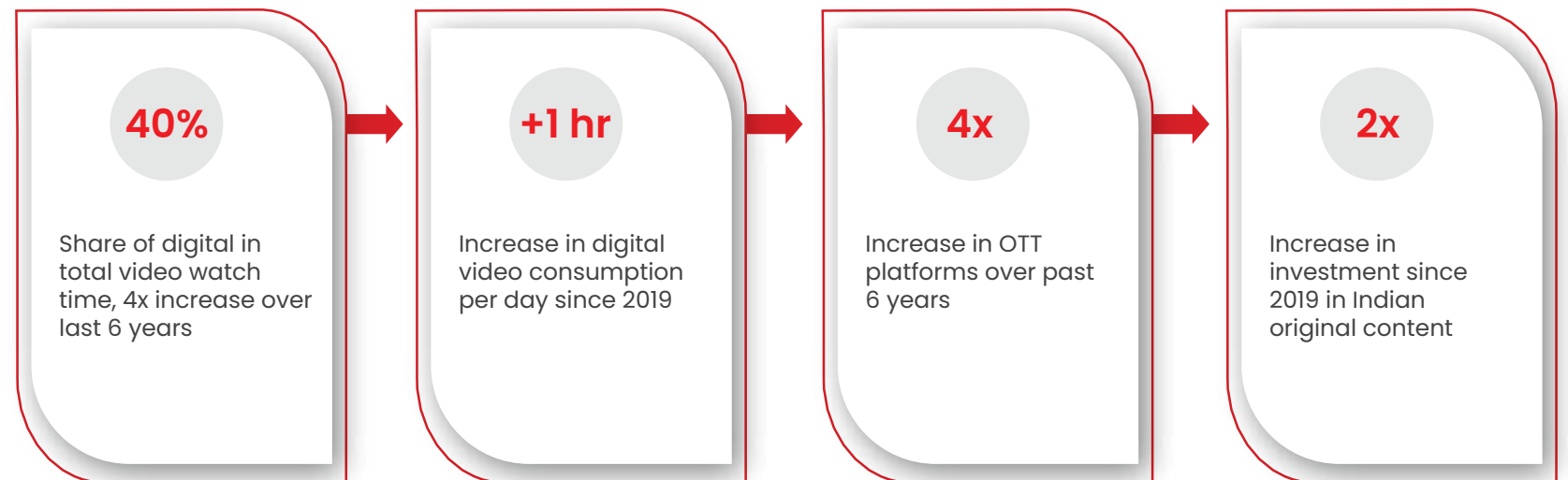
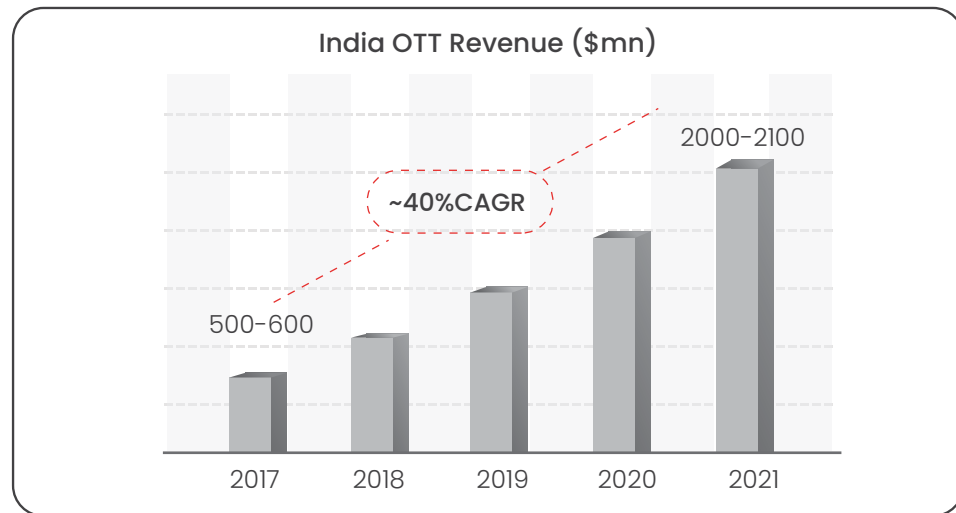


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THE BIG SHIFT – MEDIA

Growth backed by increased consumption, content & investments



Indian OTT has progressed from early stage to scaling stage

Early Stage

- Cheaper data and increased smart phone penetration driving usage
- Predominantly AVOD model
- OTT is still supplementary to linear TV

Scaling

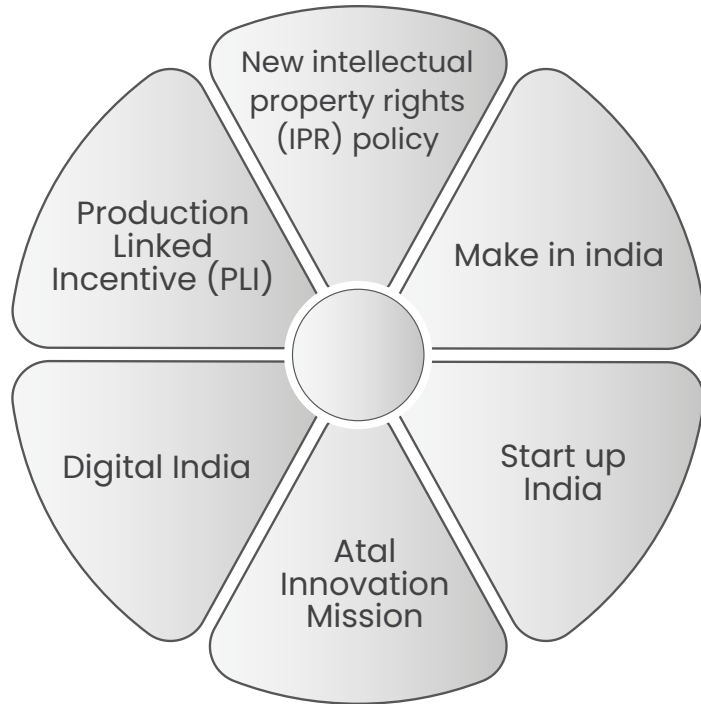
- Transitioned from AVOD to SVOD model
- Growth in disposable income to drive subscription growth
- Investing in premium and original content

Mass

- Pay TV cord cutting
- High SVOD penetration with consumers subscribing to multiple services

Note: Based on OTT readiness and maturity
 OTT: over-the-top, AVOD: advertising-based video on demand, SVOD: subscription video-on-demand
 Source: Omdia, Ampere Analysis, Magna Global, eMarketer, BCG
 Note: The sectors mentioned are not a recommendation to buy/sell in the said sectors. The scheme may or may not have future position in the said sectors. Graph is based on latest data available.

Government policies fostering innovation

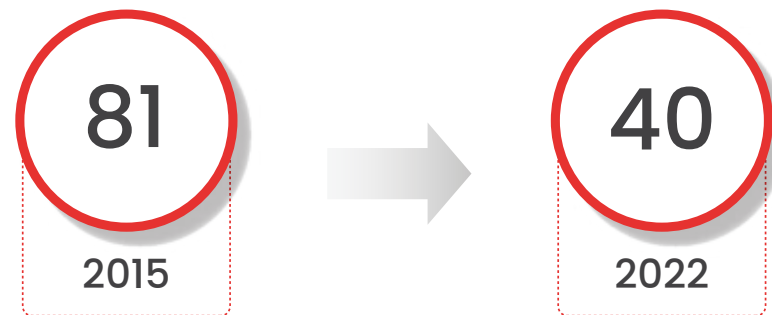


Status update across PLI schemes (as of March 2023)
assuming USD/INR of ₹80

Key Figures	
Applications approved under 14 schemes	733
Expected investment (in \$bn)	46
Actual investment across schemes (in \$bn)	8
Employment generated	325,000
Actual incremental sales (in \$bn)	84
Exports till FY23 (in \$bn)	33
Incentives disbursed (in \$mn)	363

Sharp improvement in India's position in Global Innovation Index

Source: PIB, Goldman Sachs



Note: Details mentioned above are only for information purpose.



FACES OF CORPORATE INNOVATION IN INDIA

1 Global Innovators MNC R&D Centers

Setting global gold standard

MNC R&D centers which leverage the ecosystem to innovate for their companies' global innovation network

2 Corporate Giants Large Indian Companies

Institutionalising Innovation

Indian conglomerates with dedicated R&D functions, specialized manpower and significant R&D budget

3 Smart Transformers Mid to Large Companies

Leveraging ingenuity meticulously

Companies tapping into new market segments through cost effective, high quality, functional innovations

4 Disruptors Indian technology start-ups

Disrupting the status quo

Young companies leveraging technology to disrupt established products/processes /business models

Note: Details mentioned above are only for information purpose.
R&D: Research & Development



Nippon India Innovation Fund



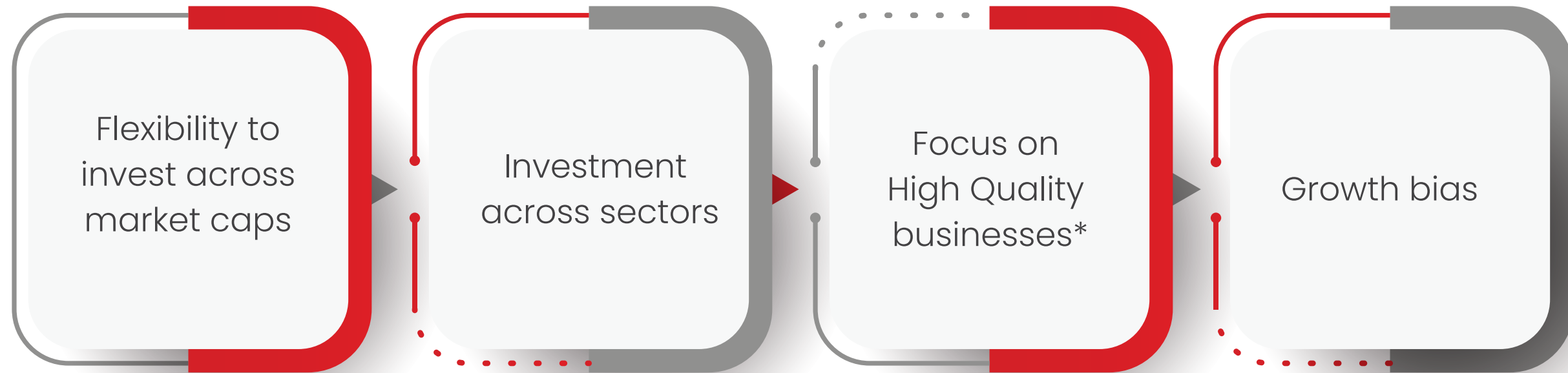
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INVESTMENT STRATEGY

Investment Universe: Top 500 stocks as per market capitalisation
Min 80% of investment will be in Innovative Companies



Focus on companies taking advantage of early trends

This is current investment strategy based on the prevailing market conditions and is subject to change within the limits of the SID basis the fund manager's view.

*Businesses with lower leverage and higher profitability



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HOW DO WE IDENTIFY INNOVATIVE COMPANIES



Proven history of investing in next generation technology/platforms to disrupt businesses



Companies forming a part of digital economy or gaining market share through digital economy



Proven history of product/process/service/technological or business model innovation



Companies using data to gain significant network effect and scale



Companies in an industry going through a technological change forcing most participants to change



Companies creating virtuous cycle of scale, profitability and market value to invest more in new technologies/new products cross sale



Business disruptors like E-commerce, fintech platforms, renewable energy, electric vehicles, etc

This is current investment strategy based on the prevailing market conditions and is subject to change within the limits of the SID basis the fund manager's view.



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CHARACTERISTICS OF INNOVATIVE COMPANIES

Revenue growth higher than the industry combined with small market share in a large industry

Large market share in a new industry with significant growth potential

Superior gross margins giving capability of high R&D investments

Access to global technology or partners

Access to global capital

R&D: Research & Development



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KEY NEXT GENERATION INNOVATION THEMES

- Decarbonisation
- Energy Transition– Move towards EV and Hydrogen
- Artificial Intelligence
- Biotechnology
- IoT based business platforms
- Software as a service
- Manufacturing – New trains, electronics manufacturing, biotechnology, specialty chemicals etc.
- Power distribution & transmission

Note: The sectors mentioned are not a recommendation to buy/sell in the said sectors.
The scheme may or may not have future position in the said sectors.
EV: Electric Vehicle, IoT: Internet of Things



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SCHEME DIFFERENTIATION

- Higher active share
- Focus on High Quality Businesses*
- Concentrated portfolio
- Presence of some traditional sectors might be limited
- Significant focus on innovation across themes like fintech, specialty chemicals & pharma, auto & auto ancillaries, internet based businesses, MNCs etc.

*Businesses with lower leverage and higher profitability

Note: This is current investment strategy based on the prevailing market conditions and is subject to change within the limits of the SID basis the fund manager's view. The sectors mentioned are not a recommendation to buy/sell in the said sectors. The scheme may or may not have future position in the said sectors.



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SCHEME FEATURES

Type of Scheme

An open ended equity scheme investing in innovation theme

Benchmark

Nifty 500 TRI

Minimum Application Amount

₹500 & in multiples of ₹1 thereafter

Plans & Options

- (a) Growth Plan – Growth Option
- (b) Income Distribution cum capital withdrawal Plan – Payout Option & Reinvestment Option

Exit Load

1% if redeemed or switched out on or before completion of 1 year from the date of allotment of units. Nil, thereafter



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Thank you

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