



# Nippon India Small Cap Fund

(An open-ended equity scheme predominantly investing in small cap stocks)

<p><b>Nippon India Small Cap Fund</b> (An open ended equity scheme predominantly investing in small cap stocks)</p>	<p><b>Scheme Riskometer</b></p>	<p><b>Benchmark Riskometer</b></p>
<p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• Long term capital growth</li> <li>• Investment in equity and equity related securities of small cap companies</li> </ul> <p>*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.</p>	<p>Nippon India Small Cap Fund</p>  <p><b>The risk of the scheme is Very High</b></p>	<p>AMFI Tier I Benchmark - Nifty Smallcap 250 TRI</p>  <p><b>The risk of the benchmark is Very High</b></p>

# Investment Strategy – Long Term Investment Approach

- ❑ **Relatively high risk adjusted returns**
  - Allocation to small cap stocks – aims to maximize return potential
  - Tactical allocation to other large and mid caps – aims to minimize risk
- ❑ **Right Risk:** Focus on good quality companies with scalable businesses and strong managements currently ignored due to non-fundamental reasons. i.e. 'Right Risk' without compromising on quality.
- ❑ **Bottom Up investing** – Attempt to identify potential opportunities across sectors/themes
- ❑ **Aim for sustained Alpha:**
  - **Differentiated investments in unique high conviction ideas**, driven by internal research capabilities – **Potential to Generate Alpha**
  - **Opportunistic investments to benefit from new or changing trends**
- ❑ **Risk Management**
  - Focus on ideas with relatively better risk adjusted returns
  - Well diversified portfolio across stocks and sectors
  - Exposure to a single stock not more than 3%
  - Investments are held over longer time periods to smoothen volatility

Note: The current fund philosophy may change in future depending on market conditions or fund manager's views.

# QoQ Sector Allocation Trend

Sector	Mar-26	Dec-25	Sep-25	Jun-25	Mar-25	Dec-24	Sep-24	Jun-24	Mar-24
Electrical Equipment	9.28	6.27	6.13	6.41	6.06	7.40	8.28	7.58	8.28
Industrial Products	7.47	6.43	6.85	7.83	7.84	8.43	8.26		8.26
Auto Components	7.24	6.47	6.50	5.87	5.51	5.77	6.1	5.71	6.10
Banks	6.31	7.32	6.38	6.56	6.59	5.57	6.57	6.42	6.57
Finance	4.35	3.29	3.60	3.09	2.58	2.86	3.66	3.45	3.66
Chemicals & Petrochemicals	3.81		3.84	3.85	4.02	3.36	3.51	3.29	3.51
Construction	2.45	2.61	2.85	3.05	2.99	3.90	5.23	5.07	5.23
IT - Software	2.13	1.78	1.86	1.94	1.85	2.54	3.34		3.34
Agricultural Food & other Products	1.97	2.14	2.28	2.47	2.86	1.64	1.87	1.75	1.87
Aerospace & Defense	1.90	1.98	1.98	2.12	1.84	1.66	2.62	2.06	2.62
Industrial Manufacturing	1.66	1.27	1.71	1.87	1.81	2.67	2.64	3.10	2.64
Transport Services	1.24	0.60	0.63	1.11	0.99	0.41	1.89	1.05	1.89
Insurance	0.62		0.66	0.70	0.71	0.59	0.67		0.67
Agricultural, Commercial & Construction Vehicles	0.54	0.58	0.42	0.30	0.38	0.46	0.39	0.40	0.39
Realty	0.52		0.64	0.82	0.81	0.60	0.31	0.36	0.31
Entertainment	0.49	0.29	0.32	0.29	0.32	0.41	0.72	0.50	0.72
Petroleum Products	0.26	1.39	1.04	1.13	1.17	1.13	0.32	0.28	0.32
Telecom - Services	0.18	0.20	0.20	0.25	0.23	0.65	0.48	0.74	0.48
Automobiles	0.17	0.10	0.14	0.12	0.10	0.15	0.33	0.28	0.33
Ferrous Metals	0.02			0.06		0.16	0.18	0.19	0.18

The above sector names mentioned are illustrations of the fund philosophy and may not necessarily form part of the scheme portfolio and the same should not be construed as recommendation to buy/ sell in the said sector.

Note: The current fund philosophy may change in future depending on market conditions or fund manager's views. The above sector names mentioned are illustrations of the fund philosophy. The percentages are as on the end of the month. Example - Mar-24 implies 31st March 2024. The scheme may or may not have future position in the said sectors.

Source: Monthly Portfolios, NIMF

# Attribution Analysis for 3 months

## Top 5 Allocation Groups by Active Weight

Group Name	Active Average Weight (%)	Attribution Total (%)
Consumer Staples	5.69	0.54
Industrials	4.39	2.40
Consumer Discretionary	3.81	-0.45
Cash	2.91	0.04
Utilities	0.63	0.36

## Bottom 5 Allocation Groups by Active Weight

Group Name	Active Average Weight (%)	Attribution Total (%)
Financials	-6.42	-1.65
Health Care	-4.73	-1.21
Materials	-2.97	-0.57
Communication Services	-1.43	-0.62
Energy	-1.42	-0.05

## Top 10 Securities by Active Weight

Asset Name	Active Average Weight (%)	Attribution Total (%)
HDFC BANK LIMITED	1.98	-0.37
BHARAT HEAVY ELECTRICALS	1.56	0.81
APAR INDUSTRIES LTD	1.47	0.26
TD POWER SYSTEMS LTD	1.47	0.63
STATE BANK OF INDIA	1.28	-0.28
MULTI COMMODITY EXCH INDIA	1.22	0.43
NLC INDIA LTD	1.18	0.38
AXIS BANK LTD	1.15	-0.09
TUBE INVESTMENTS OF INDIA LT	1.04	0.15
ZYDUS WELLNESS LTD	1.03	0.33

## Bottom 10 Securities by Active Weight

Asset Name	Active Average Weight (%)	Attribution Total (%)
ANGEL ONE LTD	-0.94	-0.40
HINDUSTAN COPPER LTD	-0.92	0.05
AMBER ENTERPRISES INDIA LTD	-0.85	0.04
BANDHAN BANK LTD	-0.83	-0.12
CHOLAMANDALAM FINANCIAL HOLD	-0.82	0.03
MANAPPURAM FINANCE LTD	-0.81	-0.13
COMPUTER AGE MANAGEMENT SERV	-0.80	-0.14
ATHER ENERGY LTD	-0.78	-0.25
GREAT EASTERN SHIPPING CO	-0.77	-0.05
ANAND RATHI WEALTH LTD	-0.76	-0.10

The said sectors/stocks mentioned in the table is not a recommendation to buy/sell in the said sectors/stocks. The scheme currently holding investments in the said sectors may or may not have future position in the same. The stocks mentioned form a part of the portfolio of the scheme and may or may not form a part of the portfolio in future. Please read Scheme Information Document carefully for more details and risk factors. For complete details on Holdings & Sectors, please visit website <https://mf.nipponindiaim.com>. Data as on 31<sup>st</sup> May 2026

# Current Positioning and Rationale

- Consumption themes both discretionary and staples may gain from policy support like income tax cuts, lower interest rates along with proposed lower GST rates etc.
- Despite the near-term slowdown, the outlook for Industrials remains optimistic. The new wave of private capex is likely to be driven by Manufacturing Capex (Product Linked Incentives, China Plus One Strategy) and Higher Environmental, Social and Governance (ESG) Compliance.
- Underweight stance on financials primarily due to stock reallocation and lack of quality names in the small cap space.
- Underweight in the health care sector as it faces a year of unprecedented transformation and challenges.

Sector (Active weights)	May-26
Consumer Staples	5.67
Industrials	5.59
Consumer Discretionary	2.78
Utilities	0.70
Information Technology	-0.01
Real Estate	-0.89
Communication Services	-1.51
Energy	-1.62
Materials	-3.61
Health Care	-4.59
Financials	-6.01

Note: The current fund philosophy may change in future depending on market conditions or fund manager's views. 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.

Data as on 31<sup>st</sup> May 2026

# Portfolio Details (As on May 31, 2026)

Top 10 Holdings	Weightage
Bharat Heavy Electricals Limited	1.93%
HDFC Bank Limited	1.77%
TD Power Systems Limited	1.71%
Multi Commodity Exchange of India Limited	1.57%
Apar Industries Limited	1.55%
State Bank of India	1.29%
NLC India Limited	1.26%
Karur Vysya Bank Limited	1.23%
Zydus Wellness Limited	1.17%
Tube Investments of India Limited	1.05%

Top 10 Sectors	Weightage
Electrical Equipment	9.60%
Auto Components	7.73%
Industrial Products	6.74%
Consumer Durables	6.39%
Banks	6.22%
Pharmaceuticals & Biotechnology	5.63%
Capital Markets	4.61%
Chemicals & Petrochemicals	4.51%
Finance	4.06%
Healthcare Services	3.86%

The said sectors/stocks mentioned in the table is not a recommendation to buy/sell in the said sectors/stocks. The scheme currently holding investments in the said sectors may or may not have future position in the same. The stocks mentioned form a part of the portfolio of the scheme and may or may not form a part of the portfolio in future. Please read Scheme Information Document carefully for more details and risk factors. For complete details on Holdings & Sectors, please visit website <https://mf.nipponindiaim.com>

# Scheme Performance

Fund / Benchmark(Value of ₹10, 000 invested)	1 Year		3 Years		5 Years		Since Inception	
	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)
<b>NAV as on May 29, 2026: ₹173.3141</b>								
Nippon India Small Cap Fund - Regular							<b>Inception Date : Sep 16, 2010</b>	
Nippon India Small Cap Fund	10,451	4.52	16,958	19.27	25,719	20.81	173,313	19.91
B:Nifty Smallcap 250 TRI	10,153	1.53	17,454	20.42	22,022	17.11	64,110	12.56
AB:BSE Sensex TRI	9,279	-7.23	12,357	7.32	15,276	8.85	47,270	10.39
<b>NAV as on May 29, 2026: ₹195.4582</b>								
Nippon India Small Cap Fund - Direct							<b>Inception Date : Jan 1, 2013</b>	
Nippon India Small Cap Fund	10,529	5.31	17,355	20.19	26,796	21.80	179,374	24.01
B:Nifty Smallcap 250 TRI	10,153	1.53	17,454	20.42	22,022	17.11	71,379	15.78
AB:BSE Sensex TRI	9,279	-7.23	12,357	7.32	15,276	8.85	45,321	11.93
<b>Fund Manager : Samir Rachh (Since Jan 2017)</b>								

Performance as on May 29, 2026

B: Benchmark, AB: Additional Benchmark, TRI: Total Return Index

TRI - Total Returns Index reflects the returns on the index arising from (a) constituent stock price movements and (b) dividend receipts from constituent index stocks, thereby showing a true picture of returns.

Different plans shall have a different expense structure. The performance details provided herein are of Growth Plan (Direct Plan & Regular Plan). Period for which scheme's performance has been provided is computed basis last day of the month-end preceding the date of advertisement. **Past performance may or may not be sustained in future** and the same may not necessarily provide the basis for comparison with other investment. Performance of the schemes (wherever provided) are calculated basis CAGR for the past 1 year, 3 years, 5 years and since inception. Face value of scheme is Rs 10/- per unit. In case, the start/end date of the concerned period is non-business day (NBD), the NAV of the previous date is considered for computation of returns.

Note: Mr Samir Rachh manages 1 open-ended scheme of Nippon India Mutual Fund

# Disclaimer

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



**Nippon *india* Mutual Fund**

Wealth sets you free

**Thank you for your time!**