
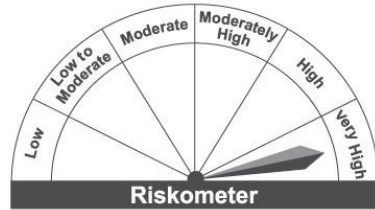


Nippon India Nifty 500 Equal Weight Index Fund

(An open-ended scheme replicating/tracking Nifty 500 Equal Weight Index)

Product Label	Fund Riskometer	Benchmark Riskometer
<p>This product is suitable for investors who are seeking*:</p>	<p>Nippon India Nifty 500 Equal Weight Index Fund</p>	<p>Nifty 500 Equal Weight TRI</p>
<p>Long term capital growth</p>	 <p>Riskometer Investors understand that their principal will be at Very High risk</p>	 <p>Riskometer Benchmark Riskometer is at Very High risk</p>
<p>*Investors should consult their financial advisors if in doubt about whether the product is suitable for them</p>		

Advantages of Index Fund

Benefits of Investing in an Index Fund

- **Constructed to track an index**

- **Open ended mutual fund**

- **Diversification through a single unit**

- **Generally lower expense ratio as compared to an actively managed equity fund**

- **Performance tracking the underlying benchmark index (subject to expense ratio & tracking error)**

- **Transparent, as the fund will replicate the index**

Introduction to Equal Weight Indices

What is an Equal Weight Index

- Equal Weight Indices offer a **unique approach** to stock market indexing where each constituent in the index is assigned the **same weight**, regardless of the company's market capitalization
- This approach **contrasts** with the traditional **market-cap weighted indices**, where larger companies have a greater influence on the performance of the index
- These indices are **rebalanced periodically**, to ensure each stock maintains its equal weight*

*Equal weights are assigned at the time of rebalancing and the weights of constituents may drift between rebalancing periods due to movement in stock prices

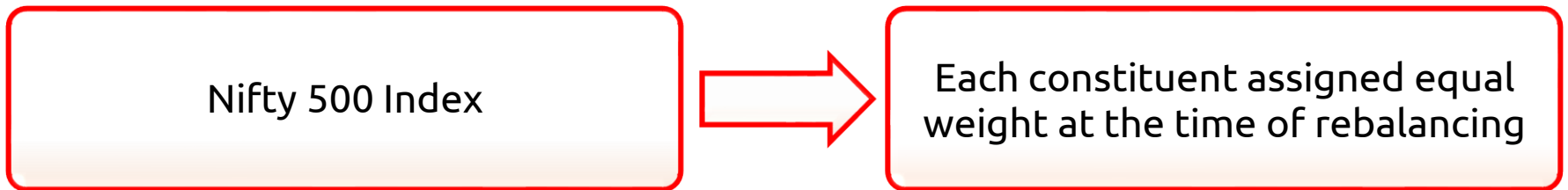
Nifty 500 Equal Weight Index

Nifty 500 Equal Weight Index – Methodology

About the Index

- The Nifty 500 Equal Weight Index represents an alternative weighting index strategy to its market capitalization weighted parent index, Nifty 500
- All constituents forming part of Nifty 500 Index will form part of the Nifty 500 Equal Weight Index at all points in time
- Each constituent in the index will be assigned equal weights at the time of rebalancing

Selection Criteria



- **Index Reconstitution** - Semi annually along with Parent index (i.e. Nifty 500)
- **Weight Rebalancing:** Quarterly (Mar, Jun, Sep, Dec)

Advantages of Nifty 500 Equal Weight Index contd.

Equal Opportunity

- All constituents have equal* weight in the index, providing opportunity to each constituent to reflect its performance in the index

Diversification

- Equal weight of constituents leads to greater diversification of weight across the index and reduces concentration risk as opposed to a market-cap weighted index, where a few top stocks dominate the index weight

Broad Exposure

- Nifty 500 has 3 broad subsets - Nifty 100 (Large Cap), Nifty Midcap 150 (Mid Cap) & Nifty Smallcap 250 (Small Cap), thereby providing exposure across market segments & multiple sectors

*Equal weights are assigned at the time of rebalancing and the weights of constituents may drift between rebalancing periods due to movement in stock prices

Advantages of Nifty 500 Equal Weight Index

Rule Based Approach

- Builds upon the rule-based stock selection approach of its parent index, i.e. Nifty 500 though each constituent is weighted equally*

20 : 30 : 50 Split

- Weight of segment - Large, Mid and Small cap is approximately 20:30:50 respectively
- Allows the index to capture excess returns which may be generated by Mid and Small cap stocks during certain favorable market phases

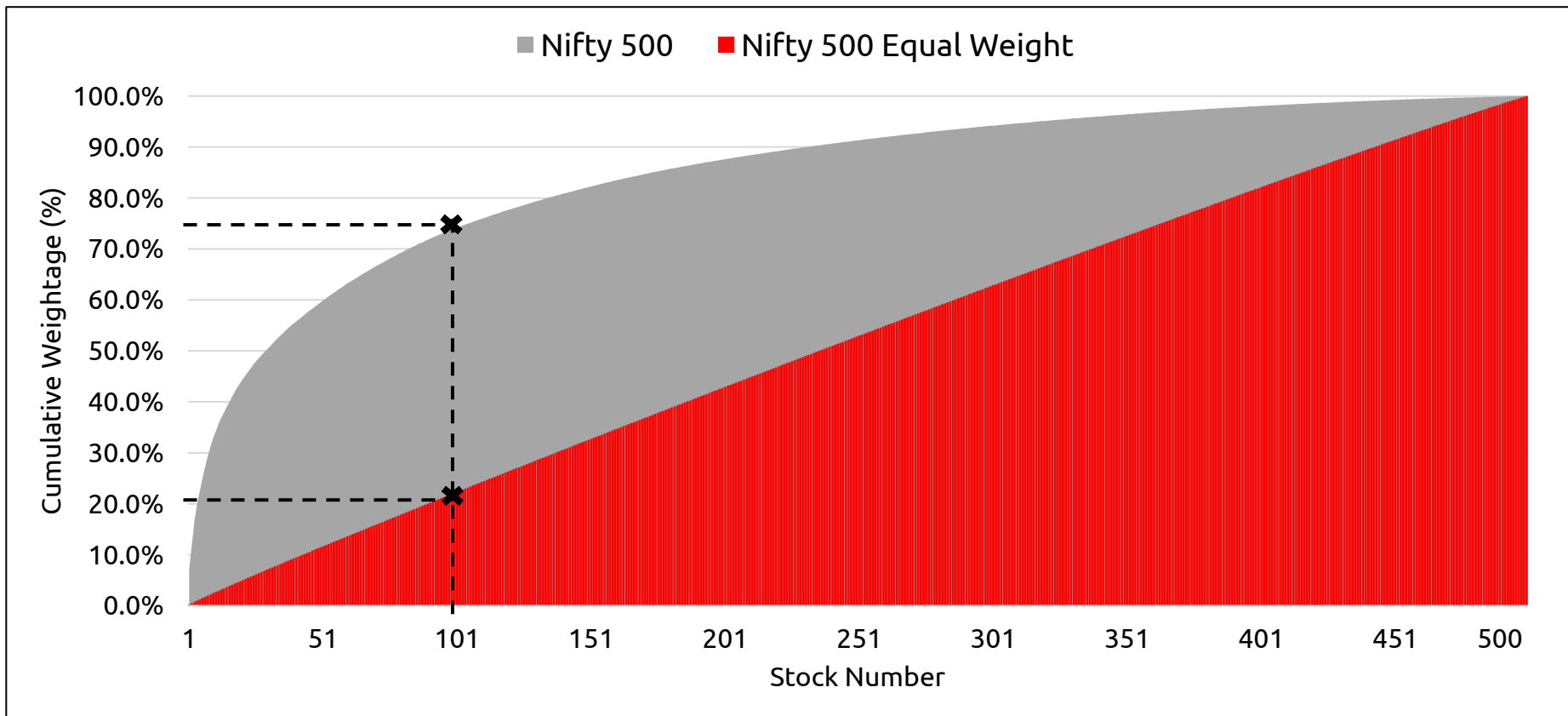
Periodic Profit Booking

- Quarterly rebalancing of the constituents in an equal weighted index helps in profits of outperforming stocks getting booked periodically & are redistributed across the constituents in the portfolio

Definition of Large, Mid & Small cap based on SEBI Categorization and Rationalization of Mutual Fund Schemes

*Weights of constituents may drift between rebalancing periods due to movement in stock prices

Cumulative Weight of Constituents: Nifty 500 Index v/s Nifty 500 Equal Weight Index



- **Top 100 stocks in the Nifty 500 Index** account for **~74% weight**, indicating **dominance of Large cap stocks**
- While in the **Nifty 500 Equal Weight Index**, **100 stocks account for ~20% weight** indicating **weight distribution across stocks** leading to **lower stock concentration risk**

Definition of Large, Mid & Small cap based on SEBI Categorization and Rationalization of Mutual Fund Schemes

Data as on October 31, 2024

Source: NSE

Broad-market Indices: Weight in Nifty 500 vs Nifty 500 Equal Weight

Index	Weight in Nifty 500 (%)	Weight in Nifty 500 Equal Weight (%)
Nifty 100	71.7	19.7
Nifty Midcap 150	18.0	29.7
Nifty Smallcap 250	10.3	50.6
Total	100.0	100.0

The 20 : 30 : 50 Advantage:

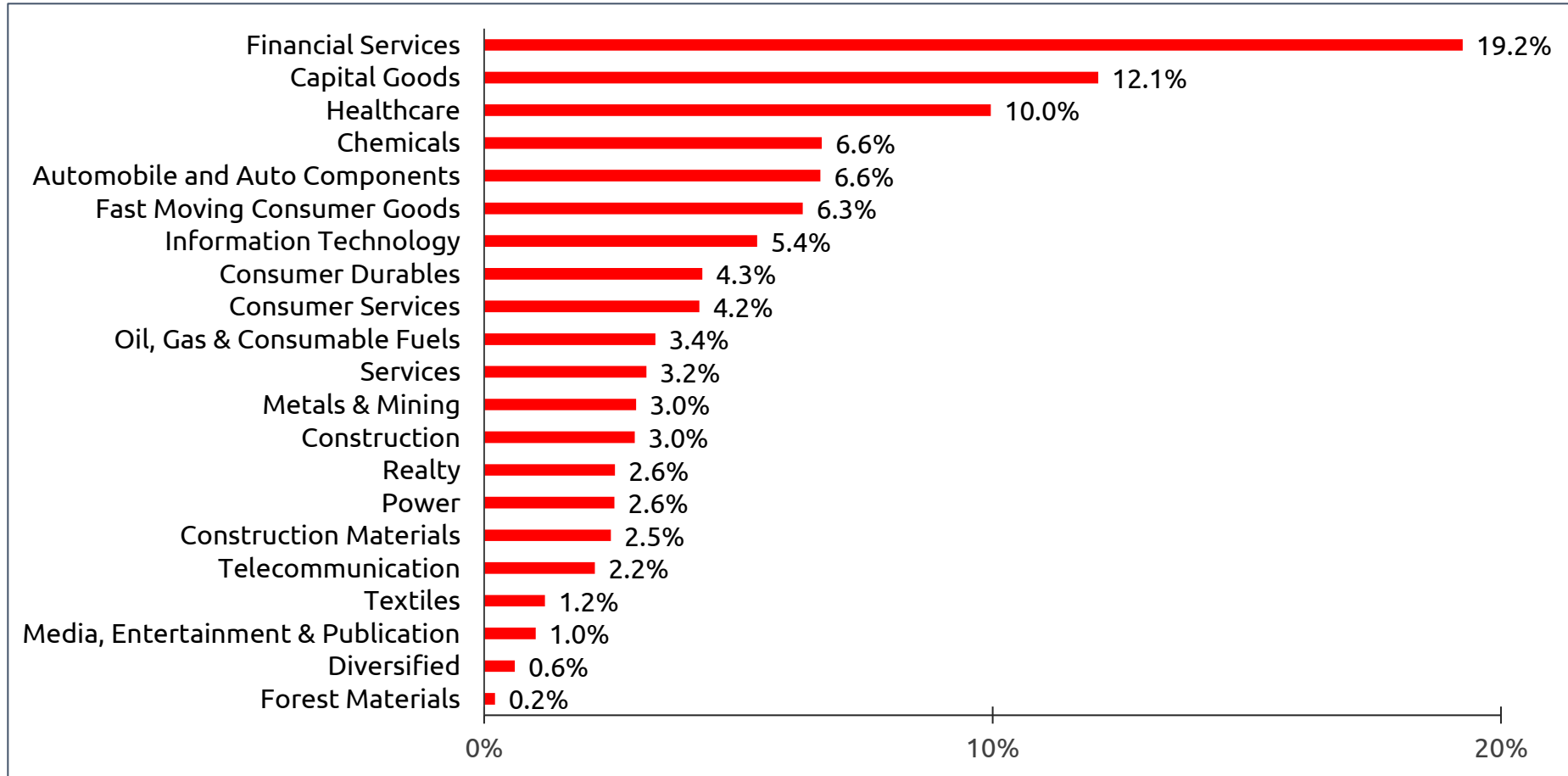
- **Large caps** (Nifty 100) have a major influence at ~72% weight in the Nifty 500 Index, while **Small caps** (Nifty Smallcap 250) represents a mere ~10% weight
- **While Large caps** (Nifty 100) represents ~20% and **Small cap** represents ~50% weight in the Nifty 500 Equal Weight Index

Definition of Large, Mid & Small cap based on SEBI Categorization and Rationalization of Mutual Fund Schemes

Data as on October 31, 2024

Source: NSE

Sector Allocation - Nifty 500 Equal Weight Index



➤ Nifty 500 Equal Weight Index is a **well-diversified** index spread **across 21 sectors**

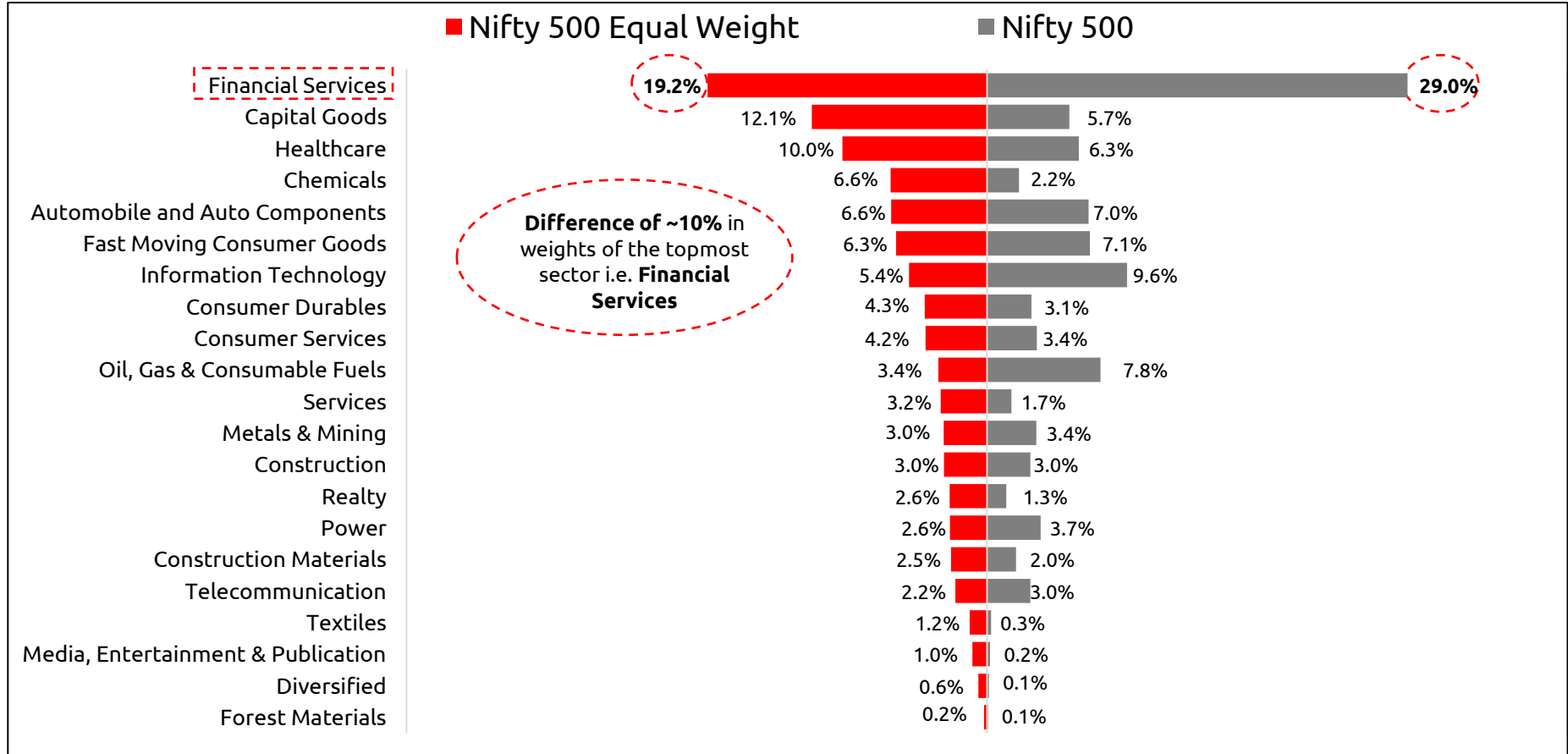
Note: The above mentioned sectors may or may not form part of the index in future

Sector classification as per AMFI.

Data as on October 31, 2024

Source: NSE

Sector Allocation - Nifty 500 Equal Weight vs Nifty 500 Index



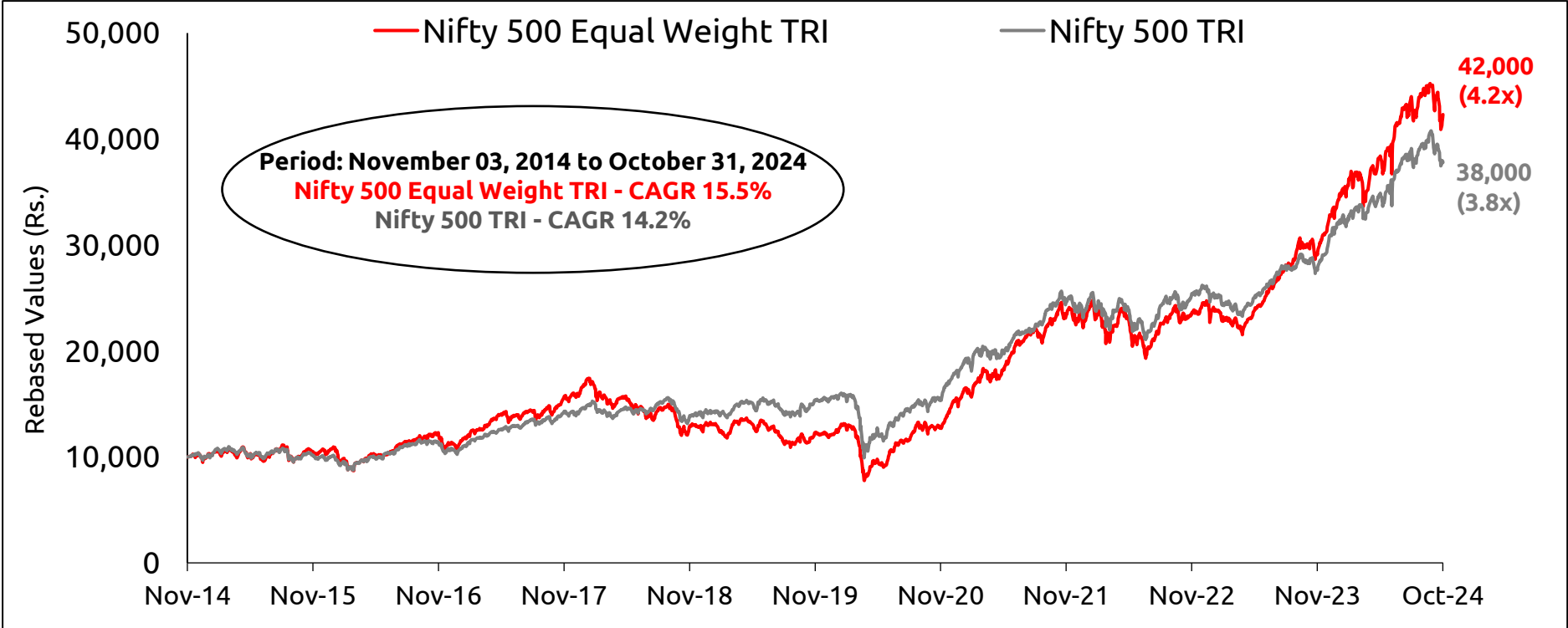
➤ Nifty 500 Equal Weight Index has a **lower sector concentration compared to Nifty 500 Index**

Disclaimer: This is for explanation purpose only
Note: The above mentioned sectors may or may not form part of the index in future
 Sector classification as per AMFI.
 Data as on October 31, 2024
 Source: NSE

Performance of Nifty 500 Equal Weight TRI

Performance of Indices over the decade

Performance	Absolute (%)			Compound Annualized Growth Rate (%)			
Index Name	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
Nifty 500 Equal Weight TRI	-5.9	-3.8	10.5	44.8	22.3	28.1	15.6
Nifty 500 TRI	-6.4	-3.3	8.8	36.2	15.7	19.7	14.2



TRI – Total Return Index | TRI values rebased to 10,000 on November 03, 2014
 Past performance may or may not be sustained in future and the same may not necessarily provide the basis for comparison with other investments.

Less than 1 year Absolute returns, Greater than 1 year Compound Annualized returns.

Data: As on October 31, 2024

Source: MFI, NSE

Correlation

Correlation based on Rolling Returns				
Nifty 500 Equal Weight TRI vs Nifty 500 TRI				
Year	1 Year	3 Year	5 Year	10 Year
10 Year				0.89
5 Year			0.91	
3 Year		0.88		
1 Year	0.94			

➤ **Nifty 500 Equal Weight TRI has a high correlation to Nifty 500 TRI**

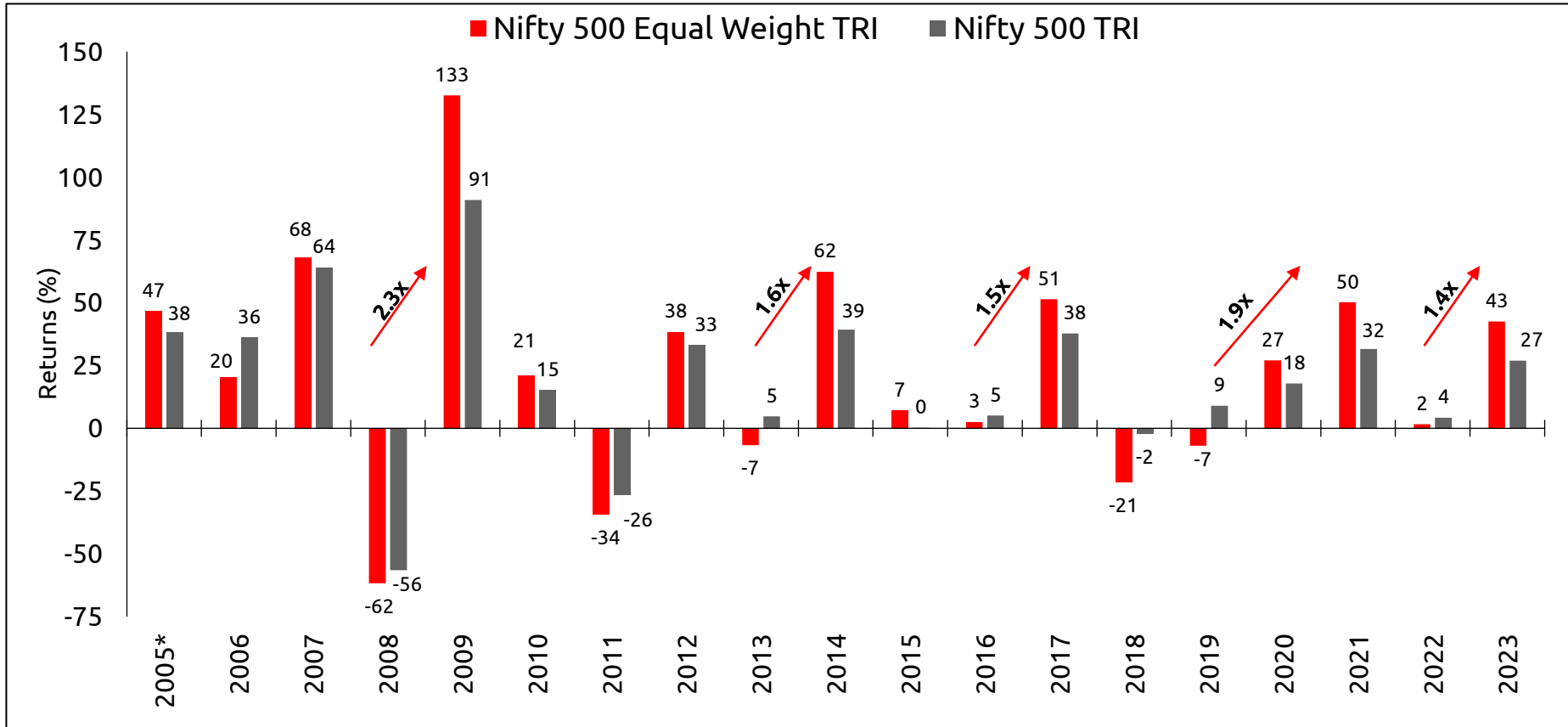
Past performance may or may not be sustained in future and the same may not necessarily provide the basis for comparison with other investments

Rolling Returns are Compounded Annualized
Total Return Index (TRI) values used for calculation

Data: April 01, 2005 to October 31, 2024

Source: MFI, NSE

Performance – Calendar Year Returns



- **Nifty 500 Equal Weight TRI has given positive returns in 14 out of 19 calendar years***
- **Over 23% average calendar year returns over the 19-year timeline**

*For 2005, since base date is April 01, 2005, returns have been calculated from 01/04/2005 to 31/12/2005

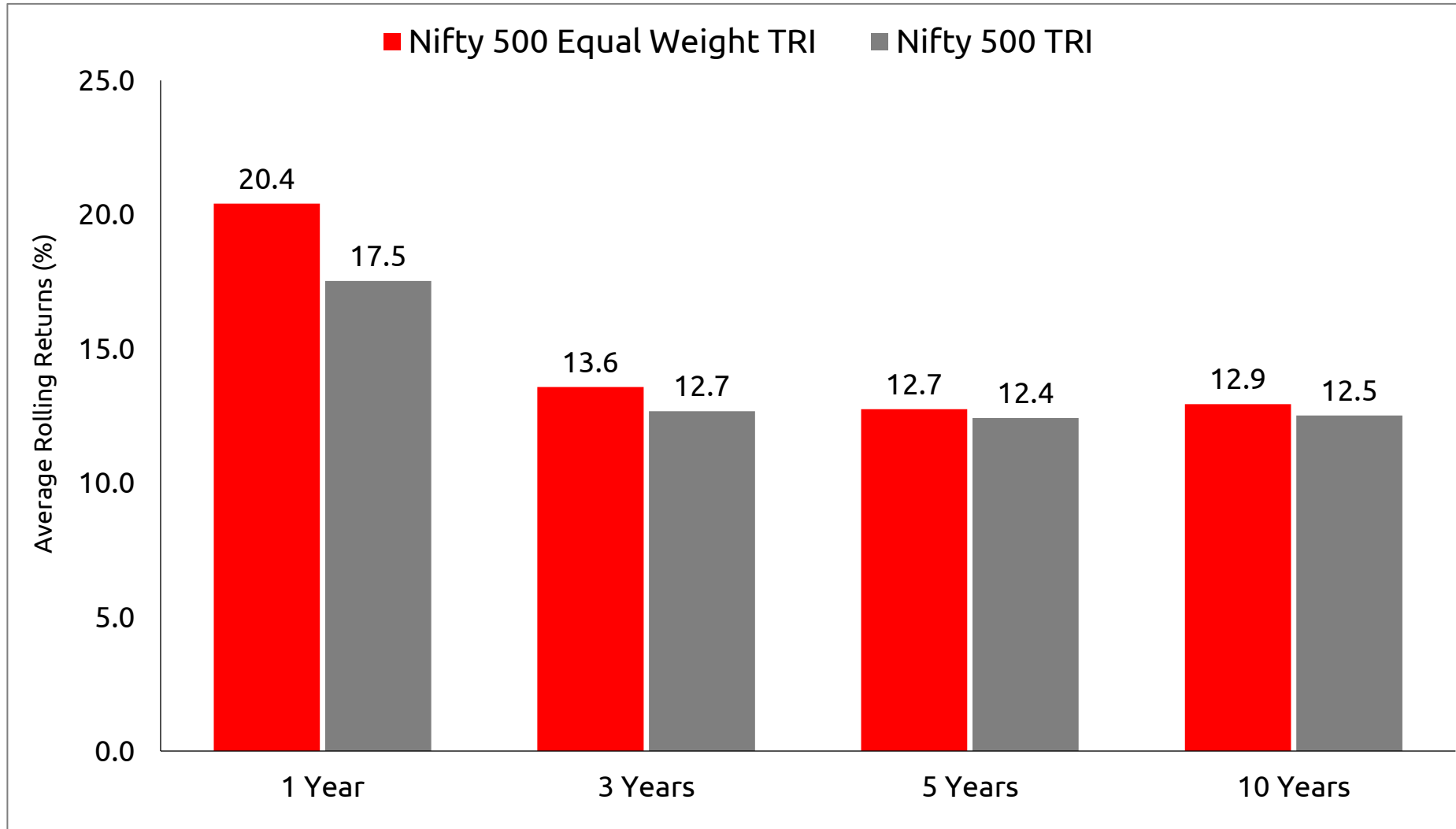
Past performance may or may not be sustained in future and the same may not necessarily provide the basis for comparison with other investments.

TRI – Total Return Index

Data: Calendar years from January to December

Source: MFI

Performance – Rolling Returns



Rolling returns are compounded annualized and calculated on a daily frequency basis | Total Return Index (TRI) values used for calculation
Past performance may or may not be sustained in future and the same may not necessarily provide the basis for comparison with other investments

Data as on October 31, 2024

Period for Rolling returns: April 01, 2005 to October 31, 2024

Source: MFI

Fund Overview

Nippon India Nifty 500 Equal Weight Index Fund – About The Scheme

Investment objective

The investment objective of the scheme is to provide investment returns that commensurate to the total returns of the securities as represented by the Nifty 500 Equal Weight Index before expenses, subject to tracking errors. However, there is no assurance that the investment objective of the Scheme will be achieved.

Asset Allocation

Instruments	Indicative Allocation (% of total assets)		Risk Profile
	Minimum	Maximum	
Securities constituting Nifty 500 Equal Weight Index	95%	100%	Very High
Cash & cash equivalents and Money Market instruments and/or Schemes which invest in the money market securities or Liquid Schemes [#]	0%	5%	Low to Medium

[#]The Scheme may invest upto 5% net assets in money market / liquid schemes without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same management company or in schemes under the management of any other AMC shall not exceed 5% of the NAV of the Mutual Fund in accordance with Clause 4 of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996. For more details, please refer Scheme Information Document (SID).

Type of scheme

An open-ended scheme replicating/tracking Nifty 500 Equal Weight Index

Why Invest in Nippon India Nifty 500 Equal Weight Index Fund

Nifty 500 Universe

- Contains top 500 companies selected based on full market capitalization

Diversification

- Enhances the overall performance of a portfolio by giving equal importance to each constituent, promoting diversification, and reducing concentration risk

Reduced Risk

- Elimination of non-systematic risks like stock picking and portfolio manager selection, via investing in the Nifty 500 Equal Weight Index stocks

Opportunity

- Will also allow non demat account holders to seek exposure to stocks from Nifty 500 via investing in Nippon India Nifty 500 Equal Weight Index Fund

SIP Investments

- Investors can avail the benefit of Systematic Investment Plan (SIP)

Low Cost

- Exposure to the basket of 500 companies via low cost[^] index fund

[^]Low cost in terms of total expense ratio

Nippon India Nifty 500 Equal Weight Index Fund – Details

Scheme Features	
Benchmark Index	Nifty 500 Equal Weight TRI
Fund Manager	Himanshu Mange
Inception Date	September 10, 2024
Load Structure	Exit Load : NIL
Minimum application amount	During Ongoing Basis: Minimum amount of Rs.1,000 and in multiples of Re.1 thereafter Additional amount of Rs.1,000 and in multiples of Re.1 thereafter
Plans	The Scheme offers following Plans under Direct Plan and Regular Plan: a) Growth Plan b) Income Distribution cum capital withdrawal Plan

Disclaimer

Disclaimer by the Index Provider:

Performance of the underlying index will have a direct bearing on the performance of the Scheme. In the event the index is dissolved or is withdrawn by the index provider, the Trustee reserves a right to modify the Scheme so as to track a different and suitable index and the procedure stipulated in the SEBI Regulations shall be complied with.

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Disclaimers by NSE:

- As required a copy of this SID has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given permission to the Fund to use the Exchange’s name in this SID as one of the stock exchange on which the Fund’s Units are proposed to be listed subject to, the Fund fulfilling the various criteria for listing. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the SID has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this SID; nor does it warrant that the Fund’s Units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Fund, its promoters, its management or any Scheme or project of the Fund.
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Mutual Fund investments are subject to market risks, read all scheme related documents carefully

Disclaimer

- **Risk Factors:** Mutual Funds and securities investments are subject to market risks such as trading volumes, settlement risk, liquidity risk and default risk including the possible loss of principal and there is no assurance or guarantee that the objectives of the Scheme will be achieved. As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme. The present scheme is not a guaranteed or assured return scheme. For more details, refer Scheme Information Document (SID).

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