

# Nippon India Nifty 500 Momentum 50 Index Fund



(An open-ended scheme replicating/tracking Nifty 500 Momentum 50 Index)

NFO Opens on: **Sept 11, 2024**

NFO Closes on: **Sept 25, 2024**

Offer of units of ₹10/- each during the New Fund Offer and continuous offer for units at NAV based prices

# Ride on the market's momentum!

Nippon India Nifty 500 Momentum 50 Index Fund (An open ended scheme replicating/tracking Nifty 500 Momentum 50 Index)		
<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 and portfolio replicating the composition of the Nifty 500 Momentum 50 Index, subject to tracking errors</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>Nippon India Nifty 500 Momentum 50 Index Fund</p>  <p><b>Riskometer</b> Investors understand that their principal will be at Very High Risk</p>	<p>Nifty 500 Momentum 50 TRI</p>  <p><b>Riskometer</b> Benchmark riskometer is at Very High Risk</p>

The product labelling assigned during the NFO is based on an internal assessment of the scheme characteristics or model portfolio and the same may vary post-NFO when the actual investments are made.

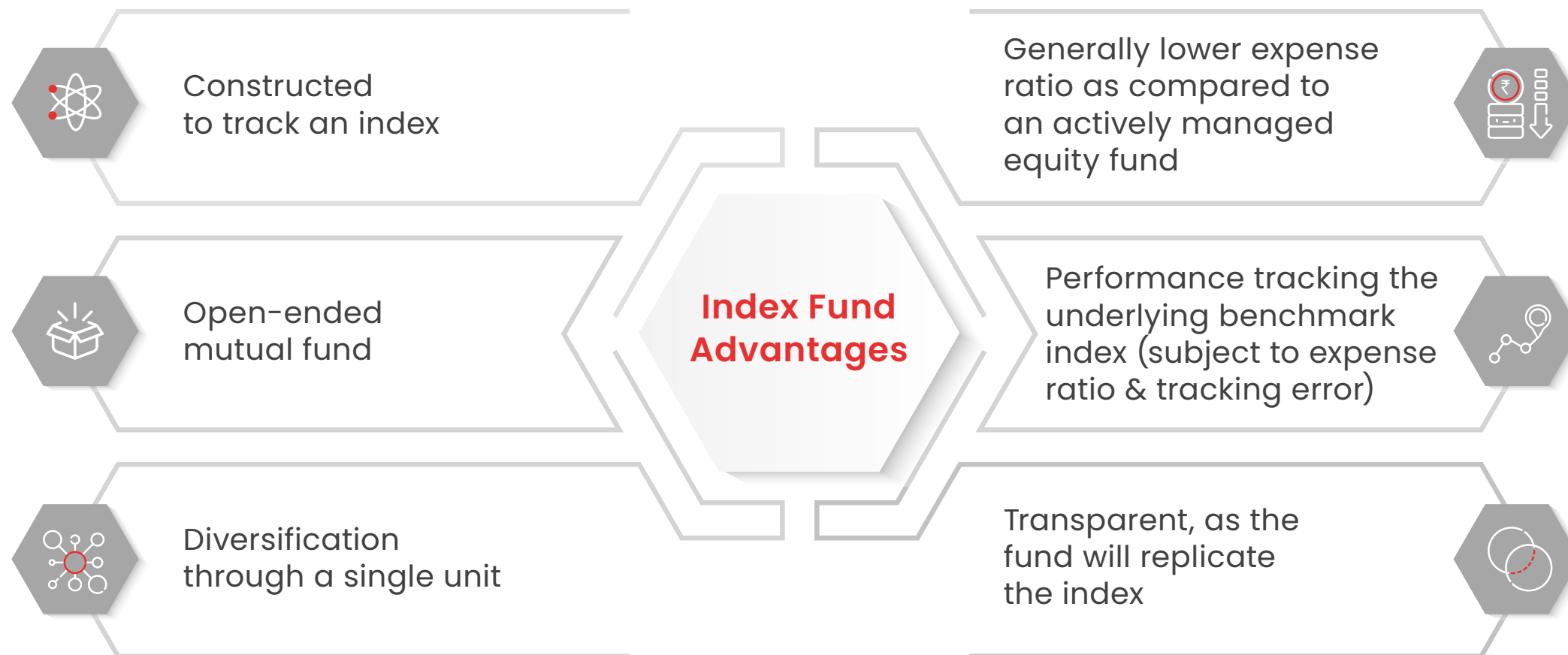
**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**





# Advantages of Index Fund

## Benefits of Investing in an Index Fund





# Smart Beta/Factor Investing



# What is Smart Beta/Factor investing?

## Passive investing

- Rule-based
- Represents a market/sector/asset class
- Generally, marketcap weighted
- Transparent
- Low cost<sup>^</sup>

## Smart Beta investing

- Rule-based
- Factor based stock selection
- Generally non-market cap weighted
- Transparent
- Lower cost compared to active funds

## Active investing

- Stock picking
- Stock selection risk
- May use factor-based models
- Subject to Human Bias

- ▶ **Combines passive and active** methods of investing<sup>#</sup>
- ▶ Follows a **rule-based approach** while considering **single or multiple set of factors** for selecting stocks to form part of an index
- ▶ Major Smart Beta Factors\* – Alpha, Dividend Yield, Low Volatility, Equal Weight, Quality, Value & **Momentum**

<sup>#</sup>Nippon India Nifty 500 Momentum 50 Index Fund is a passively managed index fund which will employ an investment approach designed to track the performance of Nifty 500 Momentum 50 TRI

<sup>^</sup>Low cost in terms of total expense ratio

\*Based on indices tracking smart beta strategies, published by NSE Indices Ltd.

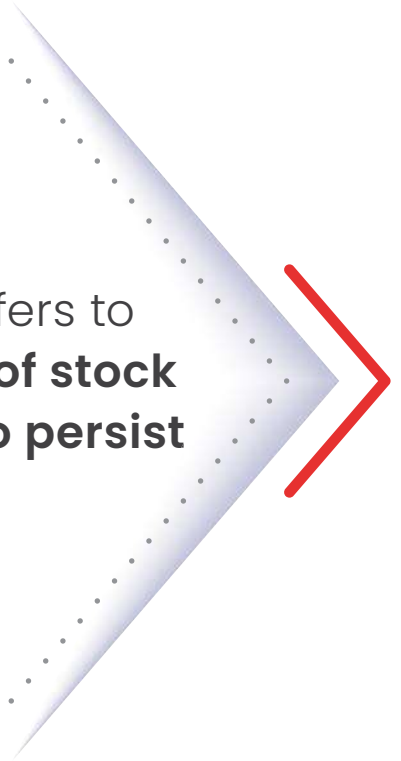
The strategy employed for this fund is Momentum




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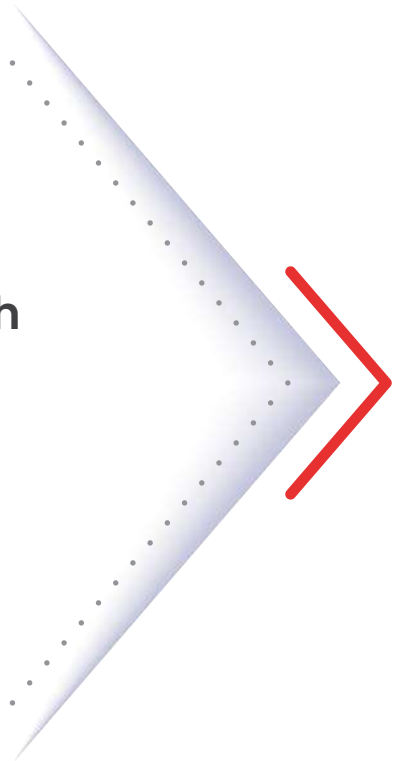
## Momentum Investing – Tend to Capture the Rising Trend



Momentum refers to the **tendency of stock price trends to persist**



The concept is based on the premise that stocks exhibiting relatively strong **performance in the recent past are likely to maintain that trajectory** and vice-versa



Investors are generally drawn to stocks experiencing an upward trajectory, by using the strategy of **buying at high and selling at high**, instead of the conventional strategy of buying at low and selling at high, that aims to generate better returns

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



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Nifty 500

**Momentum 50**

Index

# | Index Methodology contd..

## 01

### Universe

- Stocks forming part of the Nifty 500 index at the time of review are eligible to be the part of the index

*(For Nifty 500 methodology, refer Annexure)*

## 02

### Eligibility

- Listing history of 1 year as on the cut-off date
- Non-F&O stocks hitting the circuit filter >20% of the trading days in past 6 months as on cut-off date are excluded
- Companies having pledged promotor's share >20% are excluded
- Bottom 10 percentile stocks based on 6-month average daily turnover or turnover ratio within the universe are ineligible

## 03

### Selection & Weightage

- Top 50 companies with highest Momentum score based on 6 & 12-month price return adjusted for volatility
- Tilt-based weight (Free Float Mcap X Normalised Momentum Score)
- Capped at 5%\* or 5 times the free float market capitalisation weight in index (capped semi-annually)

## 04

### Rebalance & Reconstitution

- Semi-annually in June and December
- If rank of stocks within the index falls beyond 75 – excluded
- If rank of stocks in eligible universe is within Top 25 – included, replacing existing stocks with lowest momentum score

\*Weights may drift between two rebalancing periods due to movement in the stock prices

Source: NSE Indices Limited.

For more details on methodology, kindly refer to the Scheme Information Document (SID) or NSE Indices website



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## Selection criteria of Top 50 Momentum stocks



- 12-month Momentum ratio = 12-month Price Return ÷ SD  
Where 12-month price return = (12 M return) : [Price (M-1)/Price (M-13)-1, M being the rebalance month and prices are as of last trading day of M-1 month and M-13 month]
- Similarly, for 6-month Momentum ratio = 6-month Price Return ÷ SD
- SD = Annualised SD of daily returns of the stock for 1 year
- Normalised Momentum Score = (1 + Wgt. Average Z-Score) if Wgt. Average Z-Score >=0  
(1 - Weighted Average Z score )<sup>-1</sup> if Wgt. Average Z-Score <0

## Nifty 500 Momentum 50 Index - Constituents Contd...

Index Constituents				
Sr. No.	Company Name	Sector	Segment	Weight (%)
1	Trent Ltd.	Consumer Services	Large Cap	6.43
2	Bajaj Auto Ltd.	Automobile and Auto Components	Large Cap	5.40
3	Adani Ports and Special Economic Zone Ltd.	Services	Large Cap	4.88
4	Bharat Electronics Ltd.	Capital Goods	Large Cap	4.63
5	Mahindra & Mahindra Ltd.	Automobile and Auto Components	Large Cap	4.62
6	REC Ltd.	Financial Services	Large Cap	4.32
7	Siemens Ltd.	Capital Goods	Large Cap	4.26
8	Hindustan Aeronautics Ltd.	Capital Goods	Large Cap	4.18
9	Power Finance Corporation Ltd.	Financial Services	Large Cap	4.00
10	Tata Power Co. Ltd.	Power	Large Cap	3.51
11	Suzlon Energy Ltd.	Capital Goods	Mid Cap	3.40
12	Cummins India Ltd.	Capital Goods	Mid Cap	3.38
13	Adani Power Ltd.	Power	Large Cap	2.97
14	Dixon Technologies (India) Ltd.	Consumer Durables	Mid Cap	2.84

**Note:** % Wt. of Large cap=~64% (18 stocks), Mid cap=~32% (24 stocks) and Small cap=~4% (8 stocks)  
 The above stocks & sectors may or may not form part of the index in future. Definition of Large, Mid & Small cap based on SEBI Categorisation and Rationalisation of Mutual Fund Schemes  
 Sectors as per AMFI Classification  
**Data:** As on August 31, 2024  
**Source:** NSE Indices Ltd.



## Nifty 500 Momentum 50 Index - Constituents Contd...

Index Constituents				
Sr. No.	Company Name	Sector	Segment	Weight (%)
15	Samvardhana Motherson International Ltd.	Automobile and Auto Components	Large Cap	2.71
16	Indian Railway Finance Corporation Ltd.	Financial Services	Large Cap	2.53
17	Oil India Ltd.	Oil, Gas & Consumable Fuels	Mid Cap	2.50
18	ABB India Ltd.	Capital Goods	Large Cap	2.28
19	Bharat Heavy Electricals Ltd.	Capital Goods	Large Cap	2.25
20	BSE Ltd.	Financial Services	Mid Cap	1.97
21	Rail Vikas Nigam Ltd.	Construction	Mid Cap	1.91
22	Punjab National Bank	Financial Services	Large Cap	1.80
23	Zydus Lifesciences Ltd.	Healthcare	Large Cap	1.52
24	Cochin Shipyard Ltd.	Capital Goods	Mid Cap	1.51
25	NHPC Ltd.	Power	Large Cap	1.49
26	Torrent Power Ltd.	Power	Mid Cap	1.38
27	Prestige Estates Projects Ltd.	Realty	Mid Cap	1.28
28	Housing & Urban Development Corporation Ltd.	Financial Services	Mid Cap	1.20

**Note:** % Wt of Large cap=~64% (18 stocks), Mid cap=~32% (24 stocks) and Small cap=~4% (8 stocks)  
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 Sectors as per AMFI Classification  
**Data:** As on August 31, 2024  
**Source:** NSE Indices Ltd.

## Nifty 500 Momentum 50 Index - Constituents Contd...

Index Constituents				
Sr. No.	Company Name	Sector	Segment	Weight (%)
29	Jindal Stainless Ltd.	Metals & Mining	Mid Cap	1.20
30	Exide Industries Ltd.	Automobile and Auto Components	Mid Cap	1.16
31	Solar Industries India Ltd.	Chemicals	Mid Cap	1.11
32	Thermax Ltd.	Capital Goods	Mid Cap	1.09
33	National Aluminium Co. Ltd.	Metals & Mining	Mid Cap	0.87
34	Bharat Dynamics Ltd.	Capital Goods	Mid Cap	0.86
35	Hitachi Energy India Ltd.	Capital Goods	Mid Cap	0.85
36	Kalyan Jewellers India Ltd.	Consumer Durables	Mid Cap	0.84
37	Apar Industries Ltd.	Capital Goods	Mid Cap	0.70
38	Kalpataru Projects International Ltd.	Construction	Small Cap	0.68
39	Mazagoan Dock Shipbuilders Ltd.	Capital Goods	Mid Cap	0.63
40	Anand Rathi Wealth Ltd.	Financial Services	Small Cap	0.61
41	NBCC (India) Ltd.	Construction	Small Cap	0.61
42	Motilal Oswal Financial Services Ltd.	Financial Services	Mid Cap	0.60

**Note:** % Wt of Large cap=~64% (18 stocks), Mid cap=~32% (24 stocks) and Small cap=~4% (8 stocks)  
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 Sectors as per AMFI Classification  
**Data:** As on August 31, 2024  
**Source:** NSE Indices Ltd.



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## Nifty 500 Momentum 50 Index – Constituents Contd...

Index Constituents				
Sr. No.	Company Name	Sector	Segment	Weight (%)
43	Hindustan Copper Ltd.	Metals & Mining	Mid Cap	0.59
44	Titagarh Rail Systems Ltd.	Capital Goods	Small Cap	0.55
45	Jupiter Wagons Ltd.	Capital Goods	Small Cap	0.42
46	SJVN Ltd.	Power	Mid Cap	0.39
47	Sobha Ltd.	Realty	Small Cap	0.37
48	HBL Power Systems Ltd.	Automobile and Auto Components	Small Cap	0.36
49	Godawari Power & Ispat Ltd.	Capital Goods	Small Cap	0.22
50	Mangalore Refinery & Petrochemicals Ltd.	Oil, Gas & Consumable Fuels	Mid Cap	0.15
<b>Total</b>				<b>100.00</b>

**Note:** % Wt of Large cap=~64% (18 stocks), Mid cap=~32% (24 stocks) and Small cap=~4% (8 stocks)  
 The above stocks & sectors may or may not form part of the index in future. Definition of Large, Mid & Small cap based on SEBI Categorization and Rationalization of Mutual Fund Schemes  
 Sectors as per AMFI Classification  
**Data:** As on August 31, 2024  
**Source:** NSE Indices Ltd.

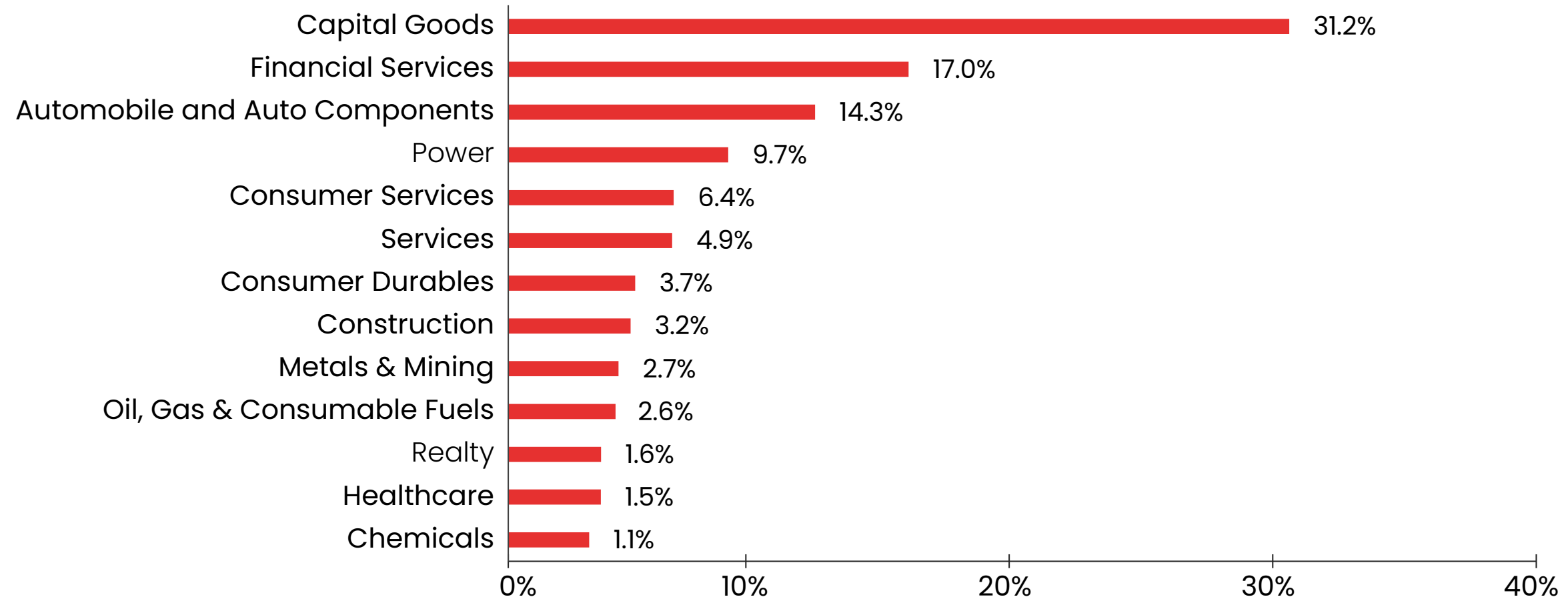


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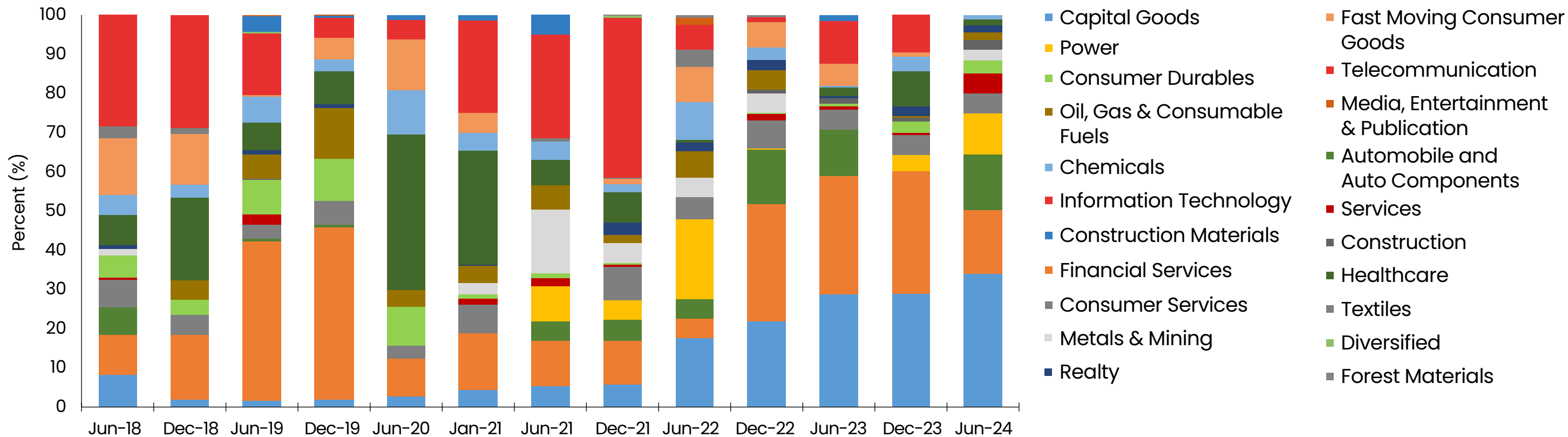
## | Sector Allocation – Nifty 500 Momentum 50 Index



► **Diversified** index spread across 13 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 August 31, 2024  
**Source:** NSE Indices Ltd.

# Sector Rotation at Each Reconstitution Date



**Note:** The index holdings in the said sectors may or may not have future position in the same. Nifty 500 Momentum 50 Index is reconstituted semi-annually on last working day of June and December.  
 Sectors as per AMFI Classification  
**Source:** NSE Indices Ltd., AMFI

## Sector Rotation at Each Reconstitution Date

Sr No.	Sector	Jun-18	Dec-18	Jun-19	Dec-19	Jun-20	Jan-21	Jun-21	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24
1	Capital Goods	8.1	1.8	1.6	2.0	2.8	4.3	5.3	5.7	17.6	21.9	28.7	28.9	34.0
2	Financial Services	10.3	16.6	40.6	43.9	9.6	14.6	11.6	11.2	4.9	29.9	30.2	31.2	16.3
3	Automobile and Auto Components	7.0		0.7	0.7			5.0	5.4	5.0	13.9	11.9		14.2
4	Power							8.9	5.0	20.4	0.4		4.2	10.5
5	Consumer Services	7.1	5.1	3.7	6.1	3.3	7.2		8.4	5.6	7.1	5.2	5.0	5.1
6	Services	0.6		2.6			1.5	2.2	0.6		1.6	0.7	0.6	5.0
7	Consumer Durables	5.6	3.9	8.9	10.7	10.0	1.1	1.1	0.5		0.3	0.7	2.8	3.4
8	Metals & Mining	1.7					3.0	16.3	5.0	5.0	5.0			2.8
9	Construction			0.2							0.9	1.3	1.1	2.5
10	Oil, Gas & Consumable Fuels		5.0	6.2	13.0	4.3	4.5	6.2	2.0	6.7	5.0		0.3	1.8
11	Realty	1.0		1.0	0.9		0.2		3.3	2.3	2.6	0.6	2.4	1.8
12	Healthcare	7.7	21.0	7.0	8.4	39.7	29.0	6.4	7.7	0.6		2.2	9.1	1.5
13	Chemicals	5.1	3.4	6.7	3.1	11.3	4.6	4.7	2.0	9.7	3.1	0.5	3.7	1.1
14	Fast Moving Consumer Goods	14.4	12.9	0.4	5.6	12.9	5.0		1.4	9.0	6.5	5.6	1.1	
15	Textiles	3.1	1.5					0.9	0.3	4.3				
16	Information Technology	27.5	28.8	15.6			23.6	25.3	40.8	6.4	1.3	10.9	9.0	
17	Telecommunication	0.9			5.0	5.0		1.1					0.4	
18	Diversified			0.5					0.5					
19	Construction Materials			4.0	0.5	1.2	1.3	5.0				1.5		
20	Media, Entertainment & Publication			0.2	0.2					1.8				
21	Forest Materials								0.2	0.6	0.5			

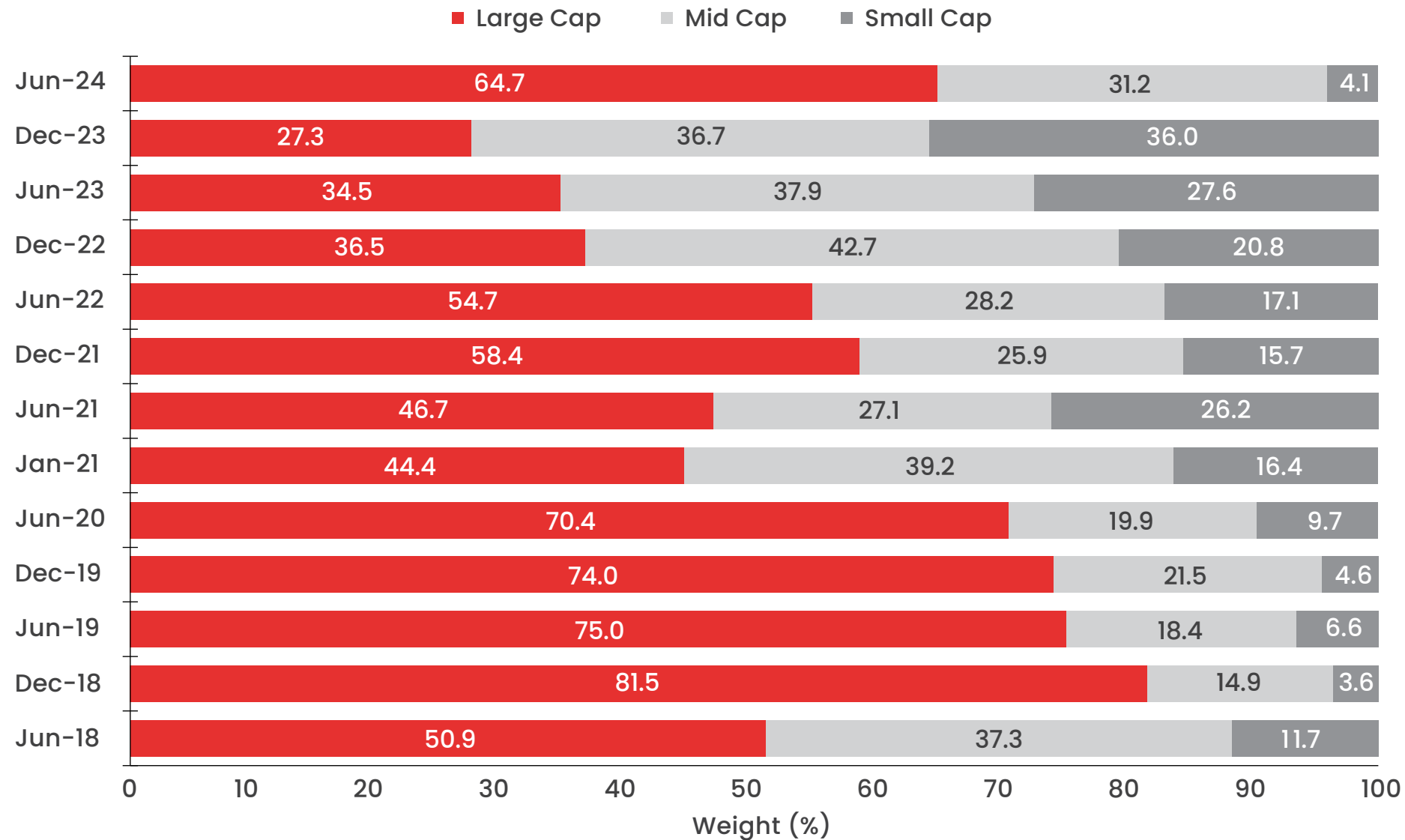
**Note:** The index holdings in the said sectors may or may not have future position in the same. Nifty 500 Momentum 50 Index is reconstituted semi-annually on last working day of June and December.

Sectors as per AMFI Classification

**Source:** NSE Indices Ltd., AMFI



# Momentum from Across Market Caps at Each Reconstitution Date



**Note:** Definition of Large, Mid & Small cap based on SEBI Categorization and Rationalization of Mutual Fund Schemes. Nifty 500 Momentum 50 Index is reconstituted semi-annually on last working day of June and December.

**Source:** NSE Indices Ltd., AMFI



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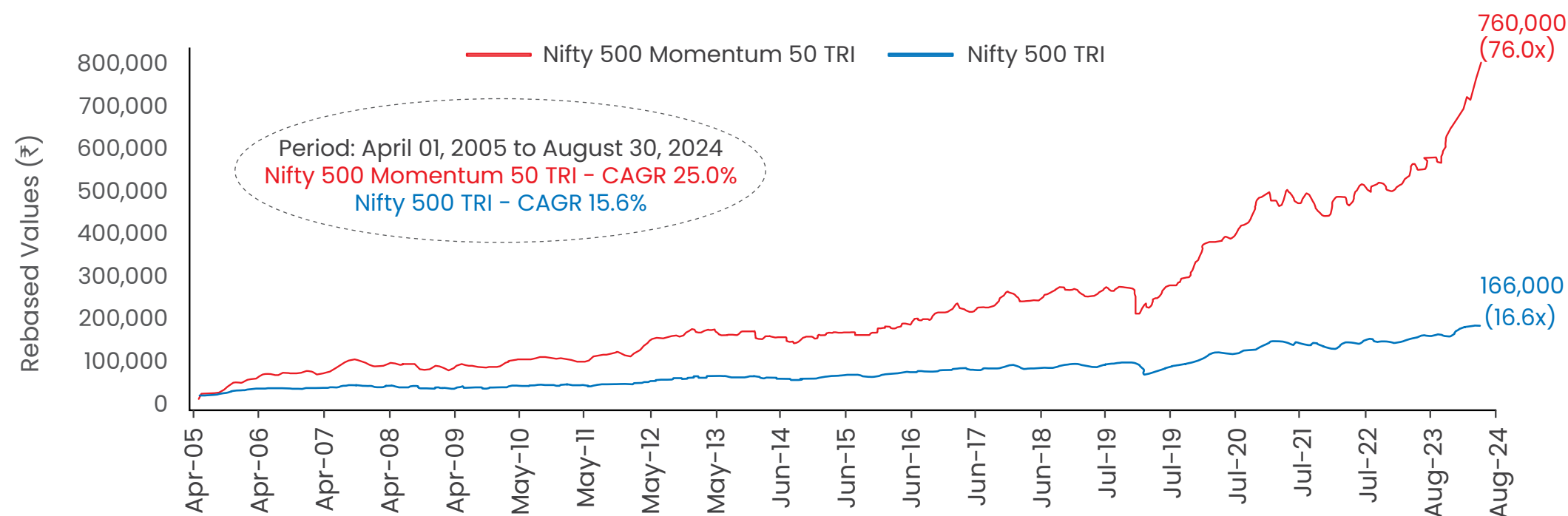
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# Performance of Nifty 500 Momentum 50 TRI

## Performance – Since Inception of Nifty 500 Momentum 50 TRI

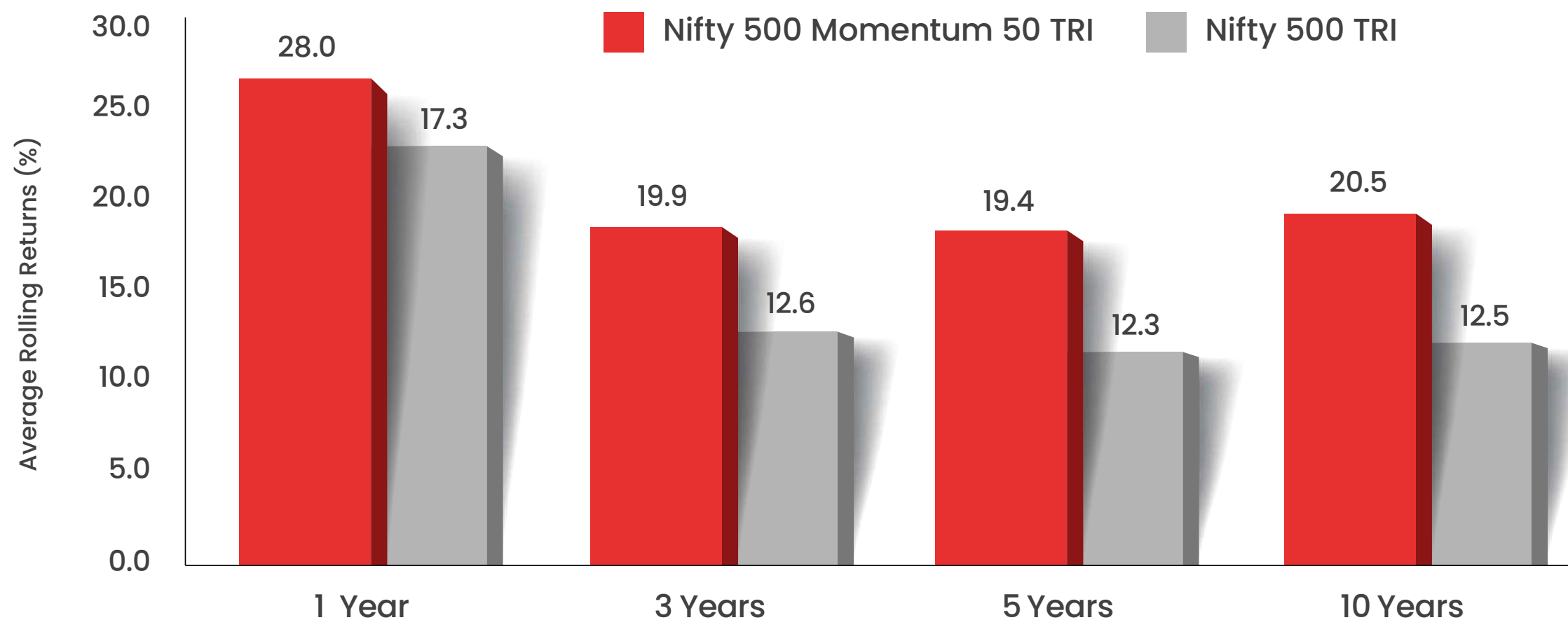
Index Name	Absolute (%)	Compound Annualised Growth Rate (%)			
	6 Months	1 Year	3 Years	5 Years	10 Years
Nifty 500 Momentum 50 TRI	27.1	69.5	30.3	35.7	24.6
Nifty 500 TRI	18.9	41.6	18.9	22.7	15.3



TRI – Total Return Index | TRI values rebased to 10,000 at inception date of Nifty 500 Momentum 50 Index on April 01, 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  
 Less than 1 year Absolute returns, Greater than 1 year Compound Annualised returns  
 Data: As on August 30, 2024  
 Source: MFI, NSE



## 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 August 30, 2024

Period for Rolling returns: April 01, 2005 to August 30, 2024

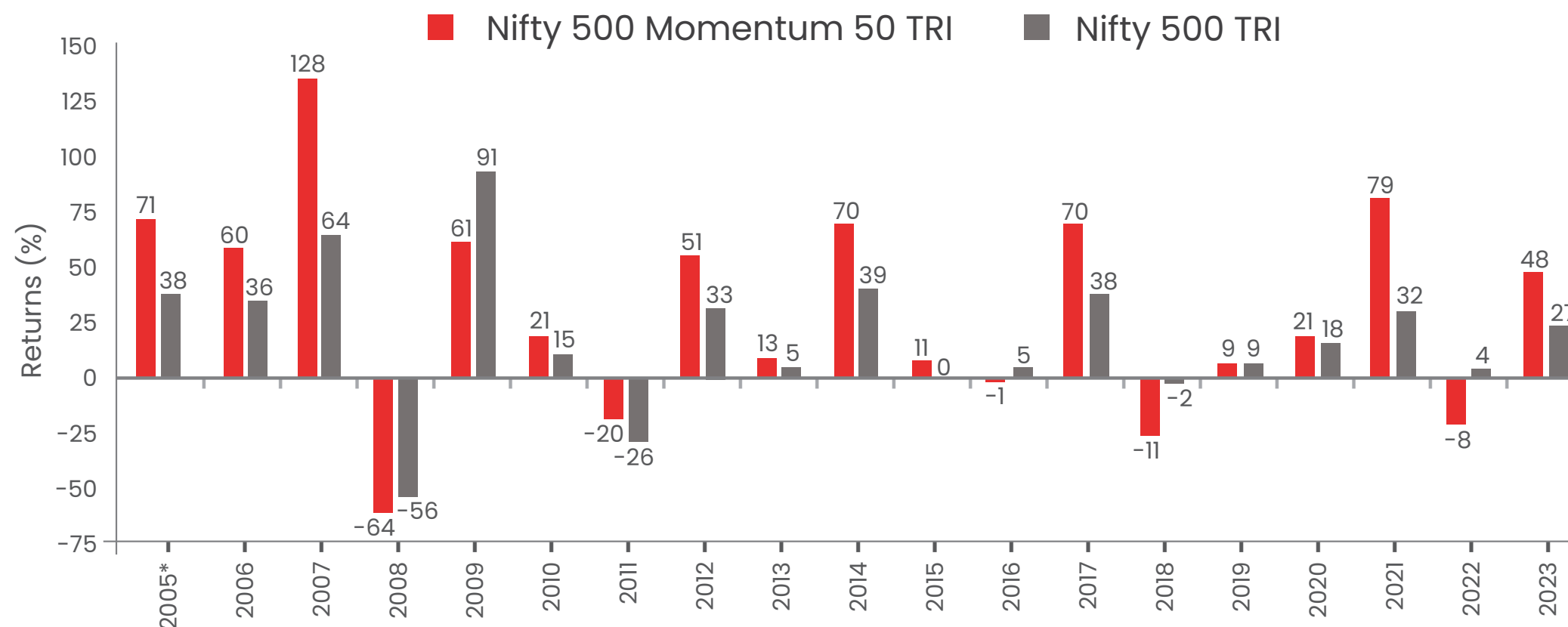
Source: MFI



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## Performance – Calendar Year Returns



Nifty 500 Momentum 50 TRI has given positive returns in 14 out of 19 calendar years\*

Over 32% 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



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# Fund Overview



# Nippon India Nifty 500 Momentum 50 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 Momentum 50 Index before expenses, subject to tracking errors. However, there is no assurance that the investment objective of the Scheme will be achieved.



### Type of Scheme

An open-ended scheme replicating/tracking Nifty 500 Momentum 50 Index

### Instruments

### Indicative Allocation (% of total assets)

### Risk Profile

Minimum

Maximum

Securities constituting Nifty 500 Momentum 50 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).



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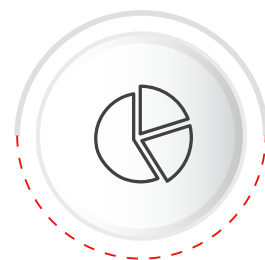
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# Why Invest in Nippon India Nifty 500 Momentum 50 Index Fund?



## Tend to capture the rising trend

Aims to capture the uptrend in performance of stocks by selecting top 50 companies within Nifty 500 based on Normalized Momentum Score\*



## Diversification

Provides diversification across market caps (Large, Mid and Small), sectors and several timeframes



## Rule-based

The entry and exit of stocks are based on specific rules as per the index methodology



## Reduced risk

Elimination of non-systematic risks like stock picking and portfolio manager selection, via investing in the Nifty 500 Momentum 50 Index Fund



## Opportunity

Will also allow non demat account holders to seek exposure to stocks from Nifty 500 via investing in Nippon India Nifty 500 Momentum 50 Index Fund



## SIP investments

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



## Low cost

Exposure to the basket of 50 companies via low cost<sup>^</sup> index fund

<sup>^</sup>Low cost in terms of total expense ratio

\*For additional details on Normalized Momentum Score please refer the index methodology

# Nippon India Nifty 500 Momentum 50 Index Fund – Details

## Scheme Features

NFO Opens on	September 11, 2024
NFO Closes on	September 25, 2024
Benchmark Index	Nifty 500 Momentum 50 TRI
Fund Manager	Himanshu Mange
Load Structure	Exit Load: NIL
Minimum application amount (during NFO & ongoing basis)	<p><b>During NFO:</b> Minimum amount of ₹1,000 and in multiples of ₹1 thereafter</p> <p><b>During Ongoing Basis:</b> Minimum amount of ₹1,000 and in multiples of ₹1 thereafter Additional amount of ₹1,000 and in multiples of ₹1 thereafter</p>
Plans	<p>The Scheme offers following Plans under Direct Plan and Regular Plan:</p> <p>A) Growth Plan B) Income Distribution cum Capital Withdrawal Plan</p>

# Disclaimers

## 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.

## Disclaimer of NSE Indices Limited:

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An investor, by subscribing or purchasing an interest in the Product(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

## 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.

Every person who desires to apply for or otherwise acquire any Units of the Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such Subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

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



# Disclaimers

## 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).

## Disclaimers:

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

# Annexure



**Nippon India Mutual Fund**

Wealth sets you free

# Nifty 500 Index Methodology

Nifty 500 index represents top 500 companies selected based on full market capitalization from the eligible universe.

It is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base period.

## Eligibility Criteria for Selection of Constituent Stocks:

All equity shares listed on the NSE are eligible for inclusion in the Nifty indices. Convertible stock, bonds, warrants, rights, and preferred stock that provide a guaranteed fixed return are not eligible for inclusion in the Nifty indices. To be considered for inclusion in Nifty 500 index, companies must form part of eligible universe. The eligible universe includes:

1. Companies ranked within top 800 based on both average daily turnover and average daily full market capitalisation based on previous six months period data
2. Companies traded for at least 90% of days during the previous six months period
3. Securities will be included if rank based on full market capitalisation is among top 350
4. Securities will be included if full market capitalisation is 1.50 times of the last constituent in Nifty 500
5. Securities will be excluded if rank based on full market capitalisation falls below 800
6. The Company should have a minimum listing history of 1 month as on the cutoff date.

Index is re-balanced on semi-annual basis in March and September each year



Thank you  
for your time!