



Staying **FIXED**
gets you nowhere.
Take some risk!

Nippon India Credit Risk Fund

(Number of Segregated Portfolios - 2)

(An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds))

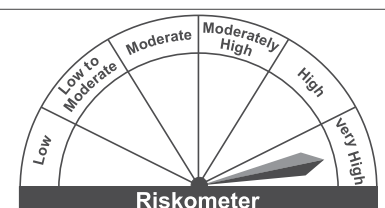
Contact your Mutual Fund Distributor | Visit mf.nipponindiaim.com

Call 1860 266 0111[#], 91-22-68334800[#] (For investors outside India)

This product is suitable for investors who are seeking*

- Income over medium term
- Investment predominantly in AA and below rated corporate bonds

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



Investors understand that their principal will be at Very High risk

[#]Charges applicable.

Nippon India Credit Risk Fund

- The primary investment objective of this Scheme is to generate optimal returns consistent with moderate level of risk. This income may be complemented by capital appreciation of the portfolio. Accordingly investments shall predominantly be made in Debt and Money Market Instruments
- The fund invests based on short to medium term interest rate view and shape of the yield curve. It endeavours to maintain a moderate duration in the range of 1.5 - 2.5 years and invests in well researched credits/ structures for yield enhancement.
- It is ideal for investors who have a low appetite for interest rate volatility and seeking accrual returns.
- The fund is intended for investors having a holding period of 3 years or more.

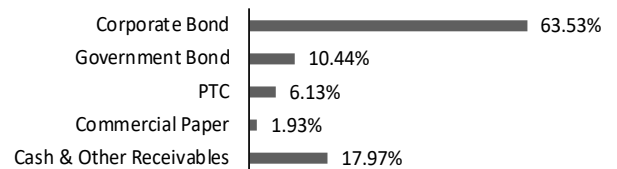
Scheme Details

Inception Date	• 8th June 2005
Fund Size	• Month end AUM: Rs. 1,024.54 Crs (May 31, 2021)
Benchmark	• NIFTY Credit Risk Bond Index
Fund Manager#	• Sushil Budhia
Entry Load	• Nil
Exit Load**	<p>10% of the units allotted shall be redeemed without any exit load, on or before completion of 12 months from the date of allotment of units. Any redemption in excess of such limit in the first 12 months from the date of allotment shall be subject to the following exit load. Redemption of units would be done on First in First out Basis (FIFO):</p> <ul style="list-style-type: none"> • 1% if redeemed or switched out on or before completion of 12 months from the date of allotment of units • Nil, if redeemed or switched out after completion of 12 months from the date of allotment of units. <p>** If charged, the same shall be credited to the scheme immediately net of goods & service tax, if any</p>

Why Invest in Nippon India Credit Risk Fund

- Suitable fund for all kinds of interest rate scenario as the fund emphasis is on maintaining relatively high carry on an ongoing basis.
- The fund also endeavors to provide protection in a rising yield scenario on a steep yield curve mainly because of roll down in maturity and higher gross yields due to the exposure to high accrual assets.
- Dedicated credit team assessing the credit worthiness of the issuers enabling the fund manager to make investments in private sector credits.
- Tax efficient due to the indexation benefit available to debt fund if investment is long term as per definition of sec 2 (29A) of The Income Tax Act, 1961
- This fund is well positioned for investors with a holding period of 3 years

Asset Allocation as on May 31, 2021



- To maintain a healthy Risk Return Ratio, within these asset classes the fund manager strives to maintain a balanced exposure in the portfolio through different rating profile.

#Kinjal Desai: Dedicated Fund Manager for Overseas Investments

Fund at a Glance



Portfolio Features as on May 31, 2021

Weighted Average YTM	7.19%
Modified Duration	1.93 Yrs
Weighted Average Maturity	2.43 Yrs

Current Investment Strategy

- The fund strategy is to benefit from accrual based returns by running a moderate duration portfolio which maintains a prudent balance in exposure towards short to medium tenor corporate bonds and PTCs.
- It endeavors to generate alpha by investing in well researched private sector credit exposures in the plain vanilla and structured space.
- To ensure reasonable liquidity in the portfolio at all points of time, the strategy is to ladder the portfolio in terms of maturity while striving to maintain modified duration in the range of 1.5 to 2.5 years.
- The fund will endeavor to maintain higher carry and run moderate duration strategy in line with market expectations.

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

§Main Portfolio as on May 31, 2021

Company/Issuer	Rating	% of Assets
Commercial Paper		1.93
Piramal Enterprises Limited	CRISIL A1+	1.93
Corporate Bond		63.53
Mariposa Agri Ventures And Hospitalities Private Limited (Muthoot Pappachan Group (Blue Muthoot))	UNRATED	11.77
State Bank of India TIER 2, BASEL III	CRISIL AAA	5.45
Renew Wind Energy (Raj One) Private Limited	CARE A+(CE)	5.45
National Bank For Agriculture and Rural Development	ICRA AAA	4.93
L&T Metro Rail (Hyderabad) Limited (Guarantee by L&T Ltd.)	ICRA AAA(CE)	4.32
U.P. Power Corporation Limited	FITCH AA(CE)/CRISIL A+(CE)	3.88
Bharti Hexacom Limited	CRISIL AA	3.88
Vedanta Limited	CRISIL AA-	3.42
Asirvad Microfinance Ltd	CRISIL AA-	2.91
Sikka Ports and Terminals Limited (Mukesh Ambani Group)	CRISIL AAA	2.47
REC Limited	CRISIL AAA	2.47
Godrej Industries Limited	CRISIL AA	2.45
Piramal Capital & Housing Finance Limited	CARE AA	2.37
Ess Kay Fincorp Limited	ICRA AA+(CE)/CARE A	1.82
Vivriti Capital Private Limited	ICRA AA+(CE)	1.81
Tata Steel Limited	CARE AA	1.75
TMF Holdings Limited	CRISIL AA-	1.42
Nirma Limited	CRISIL AA-	0.97
Dewan Housing Finance Corporation Limited	CARE D	0.00
Government Bond		10.44
Government of India	SOV	10.44
PTC		6.13
Innovation Trust XXX (Backed by Loan against property & Home Loan receivables)	CRISIL AA(SO)	6.13

Cash & Other Receivables		17.97
Grand Total		100.00

§Security defaulted beyond its maturity date as on 31st May 2021 (forming part of net current assets) are as follows :
 Avantha Realty Ltd ZCB Matured on 29/03/2019 - 1.15%
 14% Reliance Home Fin Matured on 31/10/2019 - 3.40%
 8.9% Reliance Home Finance Ltd Ser I Matured on 03/01/2020 - 5.09%
 Morgan Credits Pvt ZCB Matured on 19/04/2021 - 0.18%

Segregated Portfolio - 1 as on May 31, 2021

Company/Issuer	Rating	% of Assets
Corporate Bond		96.22
Vodafone Idea Limited	CARE B+	96.22
Cash & Other Receivables		3.78
Grand Total		100.00

Note: Segregated Portfolio 1 - Vodafone Idea Limited has been segregated from the scheme's portfolio due to some adverse developments and rating downgrade by CARE to BB- on Feb 17, 2020. An amount of 4.30% of total exposure realized on Sep 16, 2020. The annual coupon amounting Rs 6.98 cr received on Jan 27, 2021.

Segregated Portfolio - 2 as on May 31, 2021

Company/Issuer	Rating	% of Assets
Corporate Bond		0.00
Yes Bank Limited TIER 2, BASEL III	ICRA D	0.00
Cash & Other Receivables		100.00
Grand Total		100.00

Note: Segregated Portfolio 2 - Yes Bank Limited has been segregated from the scheme's portfolio due to rating downgrade by ICRA to "D" on March 6, 2020.

Risk factors: Trading volumes and settlement periods may restrict liquidity and 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 investment in derivatives, foreign securities or script lending as may be permissible by the Scheme Information Document.

Disclaimers:

The information herein above is meant only for general reading purposes and the views being expressed only constitute opinions and therefore cannot be considered as guidelines, recommendations or as a professional guide for the readers. Before making any investments, the readers are advised to seek independent professional advice, verify the contents in order to arrive at an informed investment decision. None of the Sponsors, the Investment Manager, the Trustee, their respective directors, employees, associates or representatives shall be liable in any way for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including on account of lost profits arising from the information contained in this material.

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