

# Create Wealth From Collective Market Wisdom



## Nippon India Passive Flexicap FoF

(An Open-ended Fund of Funds Scheme investing in units of ETFs/Index Funds of Nippon India Mutual Fund)

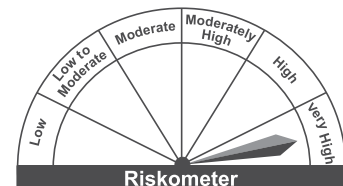
The Fund of Funds scheme will predominantly invest in units of ETFs/Index Funds of Nippon India Mutual Fund based on the average allocation of all active Multicap Funds in the industry into large, mid and small cap stocks as provided by CRISIL every month.

**Contact your Mutual Fund Distributor | Visit [mf.nipponindiaim.com](http://mf.nipponindiaim.com)**

**This product is suitable for investors who are seeking\***

- Long term capital appreciation
- Investment predominantly in units of ETFs/Index Funds of Nippon India Mutual Fund

\*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

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

## Why it is important to remain invested across market caps?

### 1. Market Caps performance can be significantly different...

2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Small Cap 33.4	Large Cap 10.9	Large Cap 2.6	Small Cap 61	Mid Cap 9.3	Mid Cap 8.7	Small Cap 71.1	Large Cap 7.6	Mid Cap 40.4	Large Cap -24.8
Mid Cap 21.2	Mid Cap -2.1	Mid Cap -12.5	Mid Cap 50	Large Cap 5	Small Cap 7.7	Mid Cap 56.9	Mid Cap -4	Small Cap 34.8	Midcap -33.3
Large Cap 16.8	Small Cap -5.9	Small Cap -22.8	Large Cap 33.4	Small Cap 2.7	Large Cap -2	Large Cap 34.2	Small Cap -9.7	Large Cap 32	Small Cap -41.7

**Hence, staying invested across market caps may help generate potentially better returns over the long run.**

**Note:** 1) For Large Cap, S&P BSE 100 TRI returns are considered; 2) For Mid Cap, S&P BSE Mid Cap TRI returns are considered; 3) For Small Cap, S&P BSE Small Cap TRI returns are considered; 4) The above table shows calendar year returns for last 10 years 5) 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. 6) Source: MFI Explorer.

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

### 2. Market Broad basing

- ▶ Mid & Small Cap indices significantly underperformed the Large Cap peers since Jan 2018 till around mid of 2020.
- ▶ However, over the past six months markets have witnessed early signs of a likely mean reversion or broad basing driven by surplus liquidity, expectation of a likely economic recovery after the prolonged slowdown, prevailing valuations etc.

Scheme Name	Absolute Change	
	Narrow Markets (01/01/2018 to 31/05/2020)	Visible Broad basing (01/06/2020 to 31/05/2021)
Nifty 50	-8.2	58.6
Nifty Midcap 150	-30.8	86.8
Nifty Smallcap 250	-51.3	119.2

**Meaningful exposure to Mid & Small Cap segment may help in benefiting from the ongoing Market broad basing**

**Source:** MFI Explorer

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**Capturing Market Cap trend is difficult. But identifying the winner in the Diversified Equity/Multicap space is even more difficult...**

## 1. Winners keep changing...

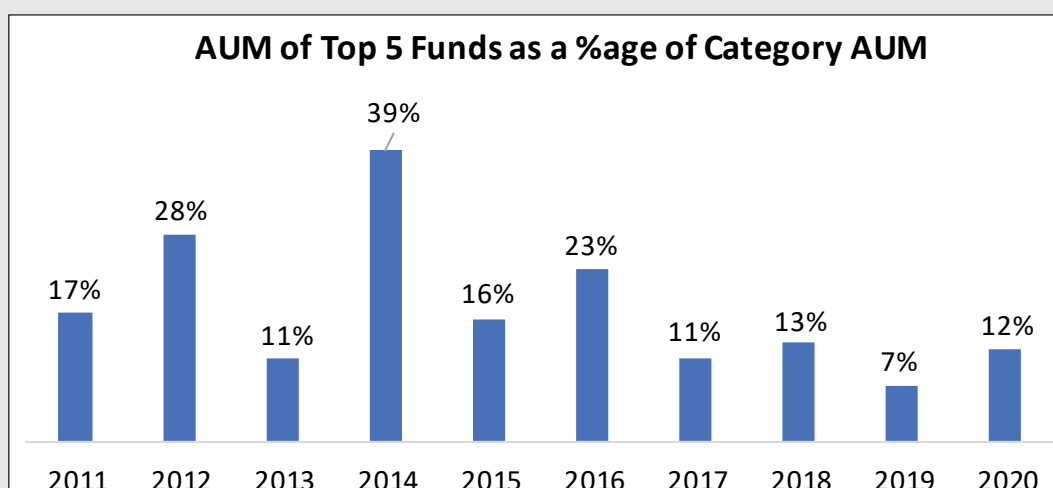
Year	Q1	Q2	Q3	Q4	Return Range
2011	Fund 4	Fund 3	Fund 1	Fund 2	7.7%
2012	Fund 1	Fund 2	Fund 4	Fund 3	21.2%
2013	Fund 4	Fund 3	Fund 1	Fund 2	3.7%
2014	Fund 1	Fund 2	Fund 3	Fund 4	13.4%
2015	Fund 4	Fund 1	Fund 3	Fund 2	6.0%
2016	Fund 2	Fund 3	Fund 4	Fund 1	13.9%
2017	Fund 1	Fund 2	Fund 3	Fund 4	10.8%
2018	Fund 4	Fund 1	Fund 2	Fund 3	8.0%
2019	Fund 4	Fund 2	Fund 3	Fund 1	9.5%
2020	Fund 4	Fund 3	Fund 2	Fund 1	31.4%

**Even the divergence among funds has been very stark.**

**Note:** The above table is for illustrative purpose only just to explain the variation in returns and should not be construed as an investment advice or direct or indirect solicitation for the scheme or the performance.

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

## 2. Difficult to spot 'Winners'



**Historically, in any year, on an average only ~20% of AUMs are in the Top 5 best performing funds.**

**Note:** AUMs of Top 5 best performing funds based on calendar year returns for every year have been considered. Source: MFI Explorer.

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Presenting  
**Nippon India Passive Flexicap FoF**

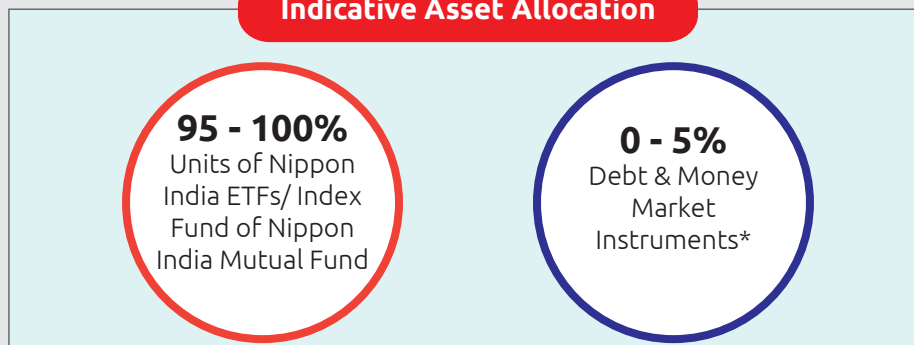
(An Open-ended Fund of Funds Scheme investing in units of ETFs/Index Funds of Nippon India Mutual Fund)

**A Passive Fund investing across market caps with an aim to capture market wisdom along with industry wisdom**

**Investment Objective & Probable Asset Allocation**

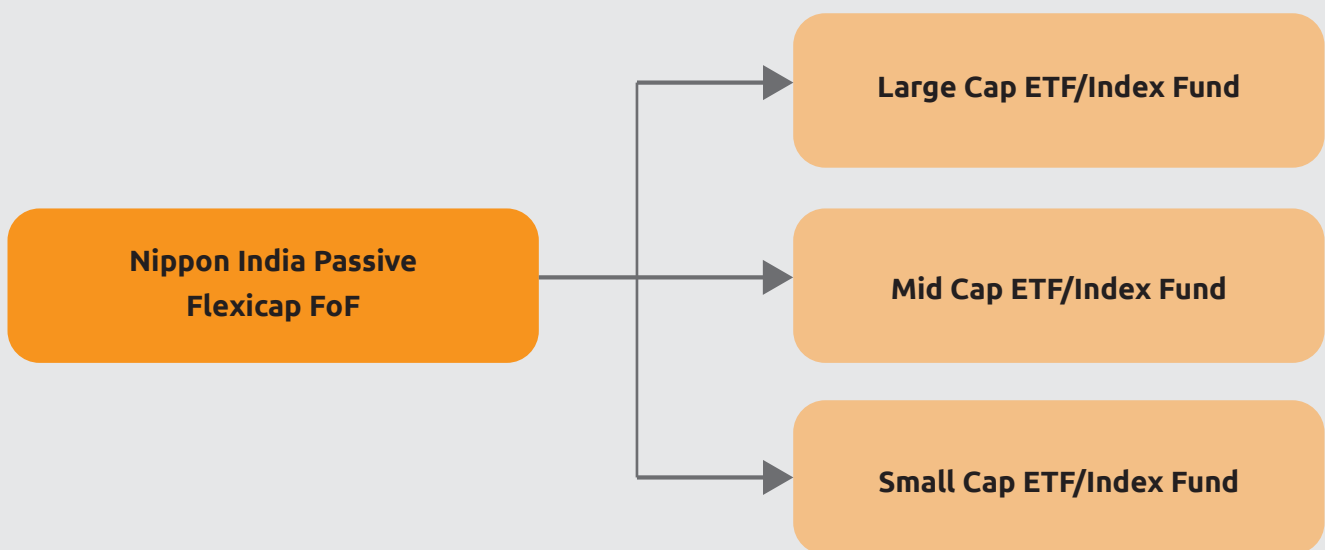
The investment objective of the Scheme is to seek to long term capital growth by investing in units of ETFs/Index Funds of Nippon India Mutual Fund. However, there can be no assurance or guarantee that the investment objective of the Scheme will be achieved.

**Indicative Asset Allocation**



\*Include units of Liquid Schemes launched by SEBI registered Mutual Funds or schemes that predominantly invest in money market instruments. For complete details please refer SID.

**Investment Strategy**



The Fund will invest in units of ETFs/Index Funds of Nippon India Mutual Fund basis the Industry's Multicap category allocation as provided by CRISIL every month. The rebalancing will be done on a monthly basis.

## What the Fund proposes to deliver!

Participation across market caps

Aims to capture Market Wisdom (ETF/Index Funds) as well the collective wisdom of Fund Managers (industry category allocation towards various market caps)

Endeavors to eliminate individual Fund Manager biases towards market cap allocation and Sector / Stock selection

Aims to generate returns relative to markets with relatively lower volatility

**Note:** Investors are requested to note that they will be bearing the recurring expenses of the fund of funds scheme, in addition to the expenses of underlying schemes in which the fund of funds scheme makes investments.

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