Nippon india Mutual Fund

Wealth sets you free

Strategic Placements may help you achieve your goals!

Nippon India Strategic Debt Fund

(Number of Segregated Portfolios - 2)

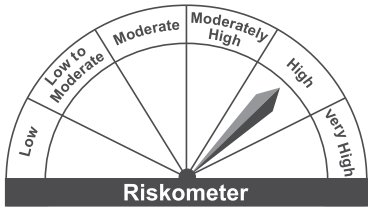
(An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 to 4 years)

Contact your Mutual Fund Distributor | Call 1860 266 0111#, 91-22-68334800# (For investors outside India) | Visit mf.nipponindiaim.com

This product is suitable for investors who are seeking*

- Income over medium term
- Investment predominantly in debt and money market instruments with portfolio Macaulay Duration of 3 – 4 yrs

*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 High risk

#Charges applicable.

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

- A blend of accrual & capital appreciation which endeavors to generate sustainable returns over 3 year time frame.
- Investment focus towards corporate bonds with optimal liquidity and credit risk of various maturities and across the rating curve
- Relatively high accrual / carry product with lower re-investment risk and good roll-down benefits.
- Core debt allocation product for long term investors (investment horizon of 3 yrs or more)

Investment Objective

To generate income through investments in a range of debt and money market instruments of various maturities with a view to maximizing income while maintaining the optimum balance of yield, safety and liquidity.

Fund Manager#	Sushil Budhia
Month end AUM as on March 31, 2021	Rs. 261.95 Crs
Inception Date	26th June 2014
Benchmark	25% of CRISIL AAA Medium Term Bond Index + 25% of CRISIL AA+ Medium Term Bond Index + 25% of CRISIL AA Medium Term Bond Index + 25% of CRISIL AA- Medium Term Bond Index

Exit Load**
-1% if redeemed within 12 months from the date of allotment of units
-Nil,thereafter
** If charged, the same shall be credited to the scheme immediately net of goods & service tax, if any

#Kinjal Desai: Dedicated Fund Manager for Overseas Investments

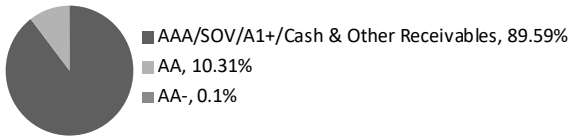
Current Investment Strategy

- Focus on accrual income by endeavoring to invest in medium to long term corporate papers with optimal liquidity and credit risk.
- An active investment strategy on the credit structures depending on opportunities (credit spreads) available at various points in time.
- Investment will be restricted to papers rated AA- and above.
- Core allocation in AA+ to AA- rated corporate bonds.
- Endevours to generate alpha through spread compression & rolldown
- The fund would run a moderate duration of around 3 - 4 years with the flexibility to move between this band, basis the interest rate scenario and the shape of the yield curve.
- The desired duration to be achieved by using a bullet or barbell strategy depending on the yield curve shape prevailing.

Why Invest in Nippon India Strategic Debt Fund

- The yields are at elevated levels. The current scenario offers the potential opportunity to lock in high accruals.
- The fund's investment strategy augurs well with the current market conditions and with the view that there is value in this segment where investors can take advantage of the current market opportunities.
- Investors can potentially benefit from accrual returns and the prospect of capital appreciation of the assets over 3 - 4 years period.

Rating Profile as on March 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.

Portfolio Features as on March 31, 2021

Weighted Average YTM	6.50%
Modified Duration	3.15 Yrs
Weighted Average Maturity	3.91 Yrs

$Portfolio as on March 31, 2021

Company/Issuer	Rating	% of Assets
Corporate Bond		**45.34**
Indiabulls Housing Finance Limited	CARE AA	6.32
State Bank of India TIER 2, BASEL III	CRISIL AAA	5.95
Power Finance Corporation Limited	CRISIL AAA	5.93
National Bank For Agriculture and Rural Development	ICRA AAA	5.73
Bharat Sanchar Nigam Limited	CRISIL AAA(CE)	5.70
Sikka Ports and Terminals Limited (Mukesh Ambani Group)	CRISIL AAA	4.06
U.P. Power Corporation Limited	FITCH AA(CE)	3.98
REC Limited	CRISIL AAA	3.92
Food Corporation Of India (GOI ownership)	ICRA AAA(CE)	3.74
Government Bond		**21.49**
Government of India	SOV	21.49
State Government Bond		**4.14**
State Government Securities	SOV	4.14
Zero Coupon Bond		**0.10**
JM Financial Asset Reconstruction Company Limited	ICRA AA-	0.10
Cash & Other Receivables		**28.94**
Grand Total		**100.00**

$Security defaulted beyond its maturity date as on 31st March 2021 (forming part of net current assets) is as follows :-
14% Reliance Home Finance Matured on 31/10/2019 - 7.60%
8.7% Reliance Home Finance Ser I Tran I Matured on 03/01/2020 - 13.40%
8.64% Reliance Home Fin Ltd Annl Comp Matured on 25/05/20 - 2.86%

Segregated Portfolio - 1 as on March 31, 2021

Company/Issuer	Rating	% of Assets
Corporate Bond		**98.03**
Vodafone Idea Limited	CARE B+	98.03
Cash & Other Receivables		**1.97**
Grand Total		**100.00**

Note: Segregated Portfolio 1 - Vodafone Idea Limited has been segregated from the scheme's

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

portfolio due to some adverse developments and rating downgrade by CARE to BB- on Feb 17, 2020. An amount of 4.64% of total exposure realized on Sep 16, 2020. The annual coupon amounting Rs 1.82 cr received on Jan 27, 2021.

Segregated Portfolio - 2 as on March 31, 2021

Company/Issuer	Rating	% of Assets
Corporate Bond		**0.00**
Yes Bank Limited	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 in 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 Sponsor, 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.