

Nippon India Mutual Fund Launches – Nippon India Active Momentum Fund

Thursday, 06 February 2025: Nippon Life India Asset Management Limited (NAM India), asset manager of Nippon India Mutual Fund (NIMF), announces the launch of Nippon India Active Momentum Fund an open-ended equity scheme that aims to generate long-term capital appreciation by investing in a diversified portfolio of equity and equity-related instruments.

Historically it has been observed among various quantitative factors 'Momentum' has been one of the better parameters however it may be subject to pitfalls like recognizing regime shifts with a lag or dilution in portfolio quality due to focus only on winners or higher churn. Nippon India Active Momentum Fund will employ a multi factor quantitative model aimed at identifying high-potential investment opportunities for long-term capital appreciation while managing volatility and adapting to market cycles.

The fund strategy attempts to benefit from blend of market wisdom (Price Momentum) while respecting expert opinion (Earnings revisions) or in other words it attempts to have a fusion of technical (Price Momentum) & fundamental (Earnings Revision) factors. Further the fund may employ additional factors like Minimum Volatility and Beta which can potentially help in reducing the portfolio risk during downtrends and better upside capture during market uptrends.

The NFO opens on February 10, 2025, and closes on February 24, 2025. The minimum investment amount required during NFO is Rs. 500 and in multiples of Re 1 thereafter. The benchmark of the Fund is Nifty 500 TRI.

Speaking at the launch, Saugata Chatterjee, Chief Business Officer, Nippon India Mutual Fund said, "The Nippon India Active Momentum Fund brings a differentiated offering to the market by harnessing the alpha potential of momentum along with risk mitigation factors to reduce the volatility and improve the investment experience. This strategic blend attempts to ensure that investors are riding high-quality momentum with reduced risk. As an asset manager it's our constant endeavour to provide investors with differentiated product strategies which can be considered by investors as per their risk appetite and investment goals.

Key Features of the Nippon India Active Momentum Fund:

- **Differentiated Strategy - Momentum & Earnings Momentum Integration:** The fund's core advantage lies in combining price momentum with earnings momentum (referred to as the "Revision factor"). This combination ensures a smoother investment ride, focusing on quality momentum while avoiding excessive volatility and ensures high-quality stocks in the portfolio.
- **Quality Momentum Identification:** The strategy differentiates between good and bad quality momentum by analysing factors like volatility. This helps the fund to better navigate market fluctuations.
- **Data-Driven Factor Combination:** The model draws on several key factors such as price momentum, consensus view, sentiment, beta, and minimum volatility. These factors are dynamically adjusted to capitalize on market conditions, with the overall approach aiming to minimize risk during market downturns and amplify potential returns during bull cycles.
- **Risk-On/Risk-Off Framework:** The fund's strategy adapts to market phases, known as "Risk ON" and "Risk OFF". During "Risk ON" phases, the fund seeks to improve the upside capture by adding Beta factor to momentum, while in "Risk OFF" phases, minimum volatility aids in fading the likely volatility of Momentum
- **Dynamic Rebalancing Approach:** The fund will usually rebalance the portfolio on monthly basis with a view to capture the market shifts in a dynamic manner.

About Nippon Life India Asset Management Limited (NAM India)

<https://mf.nipponindiaim.com/>

Nippon Life India Asset Management Limited is one of the largest asset managers in India, managing (directly & indirectly) assets across mutual funds including Exchange Traded Funds, managed accounts, including portfolio management services, alternative investments funds, and offshore funds and advisory mandates. NAM India is the asset manager of Nippon India Mutual Fund's schemes.

It also acts as an advisor for India focused Equity & Fixed Income funds in Japan (launched by Nissay Asset Management), and in Thailand (launched by BBL Asset Management). It also manages offshore funds through its subsidiary in Singapore and, also has representative office in Dubai thereby catering to investors across Asia, Middle East, UK, US, & Europe.

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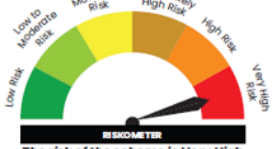
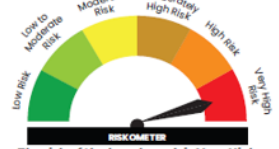
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Product label		
	Fund Riskometer	Benchmark Riskometer
<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> · Long Term Capital Appreciation · An actively managed thematic equity scheme that invests in stocks exhibiting momentum characteristics. 	Nippon India Active Momentum Fund	AMFI Tier I Benchmark - Nifty 500 TRI
	 <p>The risk of the scheme is Very High</p>	 <p>The risk of the benchmark is Very High</p>
<p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>		
<p>The product labelling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.</p>		

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