**Nippon Life India Asset Management Limited**
**(formerly known as Reliance Nippon Life Asset Management Limited)**
(CIN - L65910MH1995PLC220793)

Registered Office: 4th Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (W), Mumbai – 400 013. Tel No. - 022-68087000 Fax No. - 022-68087097

22nd December 2021

Dear Investor,

**Re.: Merger of Nippon India India Opportunities Fund – Series A into Nippon India Multi Cap Fund**

At the outset we thank you for your investment in Nippon India Mutual Fund and the confidence reposed in us.

Further, we wish to inform you that, the Board of Directors of Nippon Life India Trustee Limited ("**NLITL**") (formerly known as Reliance Capital Trustee Co. Ltd.) and Nippon Life India Asset Management Limited ("**NAM India**") (formerly known as Reliance Nippon Life Asset Management Limited) has accorded their approval to merge Nippon India India Opportunities Fund - Series A (A Close-ended Equity Oriented Scheme) [**being a Merging Scheme**] into Nippon India Multi Cap Fund (Multi Cap Fund - An open ended equity scheme investing across large cap, mid cap, small cap stocks) [**being a Surviving Scheme**], w.e.f **February 01, 2022**.

**<u>Rationale for merger:</u>**

In the backdrop of the reasonable economic recovery along with supportive global growth & global trade, improving private sector consumption, anticipated revival in Capex cycle, strong earnings growth etc. the equity outlook remains optimistic. Nippon India India Opportunities Fund – Series A is a close end fund with a tenure of 1222 days maturing on Jan 31, 2022. The fund invests across market caps and sectors with an attempt to identify potential high growth businesses

We believe given the optimistic equity view and anticipated virtuous economic cycle investors might be inclined to remain invested in equity offerings over the medium to long term to benefit from the likely growth revival. Nippon India Multi Cap Fund is an open-ended equity offering that seeks to provide long term wealth creation by managing the investments across companies (belonging to different sectors) and market caps - minimum 25% each in large, mid & small cap segments. Accordingly, with a view to provide an option to investors to remain invested in equity if they so desire, we propose merger of Nippon India India Opportunities Fund - Series A with Nippon India Multi Cap Fund.

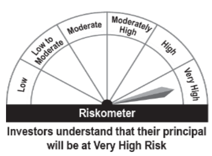
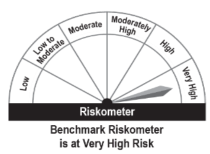
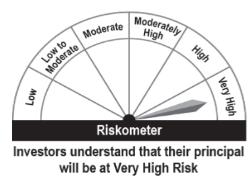
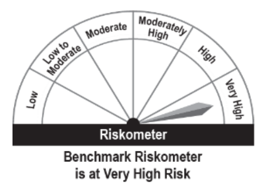
Accordingly, with a view to provide an option to investors to remain invested in equity if they so desire, we propose merger of Nippon India India Opportunities Fund - Series A with Nippon India Multi Cap Fund.

The merger will not result in the emergence of any new scheme as Nippon India India Opportunities Fund - Series A will be merged in the Surviving Scheme, viz. Nippon India Multi Cap Fund. The tenure of the Merging Scheme tenure is 1222 days maturing on Jan 31, 2022. Post-merger, the investments under the Surviving Scheme will be in accordance with the investment objective and asset allocation of the Surviving Scheme.

Once the changes in the fundamental attribute are made in the scheme, the scheme will not be similar or will not be a minor modification of any other existing scheme of Nippon India Mutual Fund

**Securities and Exchange Board of India (SEBI), vide its email dated December 15, 2021, has accorded its "No Objection" for the said proposal.**

In this regard, please find below the relevant information about the Merging and Surviving Scheme collectively referred herein as 'the Schemes' which will support you while taking an informed decision:

| **Particulars of Modification** | **Existing** | **Proposed** |
|---|---|---|
| **Scheme Name** | Nippon India India Opportunities Fund – Series A | Nippon India Multi Cap Fund |
| **Product Label** | Product Label<br>**This product is suitable for investors who are seeking*:**<br>• Long term capital growth<br>• Investment in diversified portfolio of equity & equity-related instruments with small exposure to fixed income securities<br>*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.<br><br>Fund Riskometer: **Nippon India India Opportunities Fund – Series A**<br>Benchmark Riskometer: **S&P BSE 200 TRI**<br> | Product Label<br>**This product is suitable for investors who are seeking*:**<br>• Long term capital growth<br>• Investment in equity and equity related securities<br>*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.<br><br>Fund Riskometer: **Nippon India Multi Cap Fund**<br>Benchmark Riskometer: **NIFTY 500 Multicap 50:25:25 TRI**<br> |
| **Category of the Scheme** | Close-Ended Equity Scheme | Multi Cap Fund |
| **Type of the Scheme** | A Close-ended Equity Oriented Scheme | Multi Cap Fund - An open ended equity scheme investing across large cap, mid cap, small cap stocks |
| **Investment Objective** | The investment objective of the scheme is to provide capital appreciation to the investors, which will be in line with their long term savings goal, by investing in a diversified portfolio of equity & equity related instruments with small exposure to fixed income securities. Although, the objective of the Fund is to generate optimal returns, the objective may or may not be achieved | The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio constituted of equity securities & equity related securities and the secondary objective is to generate consistent returns by investing in debt and money market securities. |

**How will the scheme allocate its assets?**

| **Instruments** | **Indicative asset allocation (% of total assets)** | | **Risk Profile** |
|---|---|---|---|
| | Maximum | Minimum | |
| Diversified Equity and Equity related Instruments | 100 | 80 | High |
| Debt & Money Market instruments | 20 | 0 | Medium to Low |

The scheme may engage in securities lending and repo in corporate debt. Gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net asset scheme or such other limits as may be permitted by SEBI from time to time.

The scheme may engage in Securities Lending not exceeding 15% of the net assets of the scheme and shall not lend more than 5%of its Net Assets to a single counterparty or such other limits as may be permitted by SEBI from time to time.

The scheme will neither invest in securitized debt nor engage in short selling. Incase the Fund Manager decides to invest in Equity and Debt instruments of ADRs / GDRs issued by Indian / foreign companies and in foreign Securities in accordance with SEBI Regulations in the Scheme and such investments will not exceed 20% of the net assets of the Scheme. The investments in overseas securities shall be made in accordance with SEBI Circular No. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007 and such other amendments as issued by SEBI from time to time.

The scheme shall invest only in such permissible debt securities which will mature on or before the date of the maturity of the scheme. The cumulative gross exposure through repo transactions in Corporate debt securities along with equity, debt and derivative positions will not exceed 100% of the net assets of the scheme or such other limits as may be permitted by SEBI from time to time. Gross investments in securities under the Scheme which includes equities, equity related instruments/securities, debt securities, money market instruments and

| **Instruments** | **Indicative asset allocation (% of total assets)** | | **Risk Profile** |
|---|---|---|---|
| | **Minimum** | **Maximum** | |
| Equity and Equity related Instruments of which: | 75% | 100% | Medium to High |
| Large Cap^ Companies | 25% | 50% | |
| Mid Cap^ Companies | 25% | 50% | |
| Small Cap^ Companies | 25% | 50% | |
| Debt Instruments & Money Market securities (including investments in securitized debt*) | 0% | 25% | Low to Medium |

(*including upto 25% of the corpus in securitised debt)
Market Capitalization: Market value of the listed company, which is calculated by multiplying its current market price by total number of shares.

^As per SEBI Circular dated October 06, 2017:
Large Cap: Large Cap stocks are defined as stocks of companies whose market capitalization is between 1st – 100th company in terms of full market capitalization.
Mid Cap: Mid Cap stocks are defined as stocks of companies whose market capitalization is between 101st – 250th company in terms of full market capitalization.
Small Cap: Small Cap stocks are defined as stocks of companies whose market capitalization is 251st company onwards in terms of full market capitalization.

An overall limit of 50% of the portfolio value (i.e. net assets including cash) has been introduced for the purpose of equity derivatives in the scheme. Further, SEBI vide its circular dated August 18, 2010, has modified the investment norms for derivatives. Therefore, the scheme shall make investments in line with the said circular and such other guidelines as specified by SEBI from time to time.

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| | derivatives will not exceed 100% of the net assets of the Scheme or such other limits as may be permitted by SEBI from time to time. However, the gross exposure to derivatives in the equity segment shall be restricted to 50% of the net assets of the Scheme.<br><br>The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations.<br><br>The AMC reserves the right to change the above asset allocation pattern in the interest of the investors depending on the market conditions for a short term period of defensive consideration. In case any deviation from the asset allocation, the AMC shall rebalance within a period of 30 days. Where the portfolio is not rebalanced within 30 Days, justification for the same shall be placed before the Investment Review Committee and reasons for the same shall be recorded in writing. The Investment Review committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. | Securities lending, if any shall be within the SEBI prescribed limits.<br><br>The above Asset Allocation Pattern is only indicative. The investment manager in line with the investment objective may alter the above pattern for short term and on defensive consideration.<br><br>The AMC reserves the right to change the above asset allocation pattern in the interest of the investors depending on the market conditions for a short term period of defensive consideration. In case any deviation from the asset allocation, the fund manager will carry out rebalancing within 30 days. Where the portfolio is not re-balanced within 30 Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. |
| **Where will the Scheme invest?** | The scheme endeavors to provide capital appreciation to the investors, which will be in line with their long term savings goals, by investing in a mix of securities comprising of equity, equity related instruments with a small exposure to fixed income securities.<br><br>The equity asset allocation will be invested in diversified equity and equity related securities of the companies that have a potential to appreciate in the long run. Therefore the fund would have the flexibility to invest in stocks from sectors and industries of all market capitalization. The allocation to the different market caps would vary from time to time depending on the overall market conditions, market opportunities and the fund manager’s view. However depending on the views of the fund manager and market conditions in the interest of the investors, the fund manager will have the flexibility to select stocks which he feels are best suited to achieve the stated objective. However, there can be no assurance that the investment objective of the scheme will be realized, as actual market movements may be at variance with anticipated trends. | The fund would invest in stocks across sectors and industries of all market capitalization.<br><br>Investments in Equity or Equity related instruments will either be in listed or to be listed companies.<br><br>The fund will try to invest in stocks of companies which represent a broad view of strong Indian Growth story. These may include but not limited to:<br>1. Sectors/industries where India’s strong inherent potential is becoming increasingly visible to the world.<br>2. Sectors/industries which are the driver of our economy.<br>3. Sectors/industries whose fundamental and future growth is influenced by ongoing economic reforms, inflows of FDI and infrastructural changes.<br><br>Investment in overseas securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time.<br><br>The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations. |

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| | Gross investments in securities under the Scheme which includes equities, equity related instruments/securities, debt securities, money market instruments and derivatives will not exceed 100% of the net assets of the Scheme. The scheme may also invest in the liquid schemes launched by SEBI registered Mutual Fund or schemes that invest predominantly in money market instruments / securities.<br><br>The fund will also invest in unlisted securities such as Pre-IPO placements, lock -in nontransferable securities upto 10% of the NAV.<br><br>For debt asset allocation, income may be generated through the receipt of coupon payments, the amortization of the discount on debt instruments, receipt of dividends or the purchase and sale of securities in the underlying portfolio.<br><br>Fixed income securities includes, but is not confined to debt securities of the Government of India, state and local governments, government agencies, statutory bodies, public sector undertakings, Financial Institutions, public and private sector banks and corporate entities.<br><br>Investments in fixed income securities will be in securities rated by at least one recognized rating agency. Investments in unrated securities will be made as per the parameters specified by the Board of Directors of the AMC &/or the Trustee. Money market securities includes but are not limited to treasury bills, commercial paper of public sector undertakings and private sector corporate entities, inter bank call and notice money, certificates of deposit of scheduled commercial banks and Financial Institutions and any other money market securities as may be permitted by SEBI/RBI. From time to time, it is possible that the portfolio may hold cash.<br><br>Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:<br><br>1) Indian Equity and equity related securities including convertible bonds and debentures and warrants carrying the right to obtain equity shares.<br>2) Securities created and issued by the Central and State Governments and/or repos /reverse repos in such Government Securities as may be permitted by RBI (including but not | The Fund may also enter into “Repo”, hedging or such other transactions as may be allowed to Mutual Funds from time to time.<br><br>Investments in Tri-Party Repo on Government Securities or T-bills would be as per the RBI circular dated July 24, 2018.<br><br>The schemes may also enter into repurchase and reverse repurchase obligations in all securities (including Repos in corporate bonds) held by them as per the guidelines and regulations applicable to such transactions.<br><br>Investments in Repo in corporate debt securities would be in line with SEBI circular dated November 11, 2011 and RBI circular dated July 24, 2018 and shall be made basis the policy approved by the Board of NAM India and NLITL. The significant features are as follows:<br><br>i. As specified in the SEBI Circular dated November 15, 2012, the base of eligible securities for mutual funds to participate in repo in corporate debt securities is from AAA rated to AA and above rated corporate debt securities.<br>ii. Category of counterparty & Credit rating of counterparty NIMF schemes shall enter in lending via Repo only with Investment Grade counterparties.<br>iii. The Gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net asset of the scheme.<br>All investment restrictions stated above shall be applicable at the time of making investment. Further, any new circular issued by RBI or SEBI on Repo would be applicable from time to time.<br><br>**Applicable Haircut**<br>RBI vide its circular dated July 24, 2018 had indicated the haircut to be applied for such transactions as follows:<br><br>Haircut/ margins will be decided either by the clearing house or may be bilaterally agreed upon, in terms of the documentation governing repo transactions, subject to the following stipulations:<br>i. Listed corporate bonds and debentures shall carry a minimum haircut of 2% of market value. Additional haircut may be charged based on tenor and silliquidity of the security.<br>ii. CPs and CDs shall carry a minimum haircut of 1.5% of market value.<br>iii. Securities issued by a local authority shall carry a minimum haircut of 2% of market value.<br><br>Additional haircut may be charged based on tenor and illiquidity of the security.<br><br>The liquid schemes launched by SEBI registered Mutual Fund or schemes that invest predominantly in money market instruments / securities. |

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| | limited to coupon bearing bonds, zero coupon bonds and treasury bills)<br>3) Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)<br>4) Debt securities issued by domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.<br>5) Corporate debt securities (of both public and private sector undertakings)<br>6) Securities issued by banks (both public and private sector) as permitted by SEBI from time to time and development financial institutions<br>7) Money market instruments permitted by SEBI, having maturities of up to one year.<br>8) The non-convertible part of convertible securities<br>9) Any other domestic fixed income securities as permitted by SEBI from time to time<br>10) Derivative instruments like Interest Rate Swaps, Forward Rate Agreements, Stock / Index Futures, Stock / Index Options and such other derivative instruments permitted by SEBI.<br>11) ADRs / GDRs (Equity and Debt Segments) issued by Indian / foreign companies and in foreign Securities.<br>12) Any overseas debt instrument, as permitted by SEBI from time to time.<br>13) Liquid Schemes launched by SEBI registered Mutual Fund or schemes that invest predominantly in money market instruments / securities<br>14) Investments in securities and instruments not specifically mentioned earlier may also be made, provided they are permitted by SEBI/ RBI. However, such investments shall be made keeping in view the Fundamental Attributes of the Scheme.<br>Subject to the Regulations, the securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities (not including repo in corporate bonds) held by it as per the guidelines and regulations applicable to such transactions.<br>15) The Fund may also enter into "Repo", hedging or such other transactions as may be allowed to Mutual Funds from time to time. In line with SEBI circular dated November 11, 2011 investments in corporate bond repo shall be made basis the policy approved by | |

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| | the Board of RNAM and RCTC. The significant features are as follows:<br>i. As specified in the SEBI Circular dated November 15, 2012, the base of eligible securities for mutual funds to participate in repo in corporate debt securities, is from AAA rated to AA and above rated corporate debt securities.<br>ii. Category of counterparty & Credit rating of counterparty NIMF schemes shall enter in lending via Repo only with Investment Grade counterparties (as required by SEBI Regulations) which are part of the approved debt universe (i.e. on which we have limits).<br>iii. Restriction pertaining to tenor of Collateral For FMPs, the tenor of the collateral should expire before the maturity of the scheme.<br>For other schemes, the collateral should comply with the maturity restrictions placed, if any, for those schemes in the Debt Investment Policy.<br>iv. Applicable haircut RBI in its circular had indicated the haircut to be applied for such transactions as follows:<br>**S.No Rating Minimum Haircut**<br>1 AAA 7.5%<br>2 AA+ 8.5%<br>3 AA 10%<br>The above haircuts are minimum stipulated haircuts where the repo period is overnight or where the remargining frequency<br>(in case of longer tenor repos) is daily. The RBI had earlier recommended a haircut of 25%. It is proposed that we maintain a minimum haircut of 15% for all repo contract of less than 3 months, and 25% for other contracts, unless a lower haircut is approved by the Investment Committee. The Fund Manager may refer to the rating-haircut matrix published by FIMMDA, to determine the appropriate haircut.<br>16) The scheme shall engage in securities lending for equity investments, in line with the SEBI (Mutual Funds) Regulations, 1996, Securities Lending Scheme, 1997, SEBI Circular No MFD/CIR/ 01/ 047/99 dated February 10, 1999, SEBI Circular no. SEBI / IMD / CIR No 14 / 187175/ 2009 dated December 15, 2009, SEBI circular No MRD/DoP/SE/Dep/ Cir-14/2007 dated December 20, 2007 notifying framework for lending of securities and such other applicable guidelines as may be amended from time to time. Investment in overseas securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time.<br>17) Pending deployment of funds of the scheme in securities in terms of the investment objectives and policies of the scheme, the Mutual Fund can invest the fund | |

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| | of the scheme in short term deposits of scheduled commercial banks subject to the guidelines as applicable from time to time.<br>Pursuant to the SEBI Circular No. SEBI/IMD/CIR No. 1/ 91171 /07 dated April 16, 2007, where the cash in the scheme is parked in short term deposits of Scheduled Commercial Banks pending deployment, the scheme shall abide by the following guidelines:<br>• "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.<br>• Such short-term deposits shall be held in the name of the Scheme.<br>• The scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.<br>• Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.<br>• The scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.<br>• The scheme shall not park funds in short term deposit of a bank, which has invested in the Scheme.<br><br>The aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market.<br><br>However the aforesaid limits are only indicative. The Fund Manager in his endeavors to protect the interest of the investors and to maximize the returns, after taking into consideration the dynamism of the markets and market requirements, may change the above limits, in line with the investment objective, for a short term period (not exceeding 30 days) on defensive considerations. | |
| **What are the Investment Strategies?** | The Fund would identify companies for investment, based on the following criteria amongst others:<br>1. Sound Management<br>2. Good track record of the company<br>3. Potential for future growth<br>4. Industry economic scenario<br>5. Strong Cashflows<br><br>Besides, it is expected that a portion of the funds will also be invested in initial offerings and other primary market offerings. Risk will be managed through adequate diversification | **INVESTMENT APPROACH & RISK CONTROL**<br><br>The Fund will endeavor to continuously analyze the performance of economy and industry, which would be reflected in the investment pattern of the fund. The Fund would seek both value & growth, which are likely to commence from the ongoing structural changes in the government policies, infrastructure spending and continuous global economic reforms which tries to integrate different economies across the globe. The primary approach to stock selection will be through the “Top down approach” viz: Sector → Industry -> Company. |

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| | by spreading investments over a wide range of companies.<br><br>The portfolio shall be structured so as to manage risk at acceptable levels. This shall be done through various measures including:<br>1. Broad diversification of portfolio<br>2. Ongoing review of relevant market, industry, sector and economic parameters<br>3. Investing in companies which have been researched<br><br>RNAM may, from time to time, review and modify the Scheme's investment strategy if such changes are considered to be in the best interests of the unit holders and if market conditions warrant it.<br><br>**Risk Mitigation Factor /Control:**<br>Risk Control: Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process.<br><br>The AMC believes that this diversification would help achieve the desired level of consistency in returns. The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, rigorous in depth credit evaluation of the securities proposed to be invested in will be carried out by the investment team of the AMC. The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by RBI and SEBI, in an attempt to protect the value of the portfolio and enhance Unit holders' interest.<br><br>**Securities Lending by the Fund:**<br>The scheme shall engage in securities lending for equity investments, in line with the SEBI (Mutual Funds) Regulations, 1996, Securities Lending Scheme, 1997, SEBI Circular No MFD/CIR/ 01/ 047/99 dated February 10, 1999, SEBI Circular no. SEBI / IMD / CIR No 14 / 187175/ 2009 dated December 15, 2009, SEBI circular No MRD/DoP/SE/Dep/ Cir-14/2007 dated December 20, 2007 notifying framework for lending of securities and such other applicable guidelines as may be amended from time to time.<br><br>**The scheme may engage in Securities Lending not exceeding 15% of the net assets of the scheme and shall not lend** | The top down approach would be focusing on an analysis of any key policy/ regulation changes, changes in infrastructure spending, economic trends/ indicators, and thereby sector wise impact analysis which will then translate into allocation of funds in that sector/ company.<br><br>The fund would not only restrict itself to the "Top down Approach" but on a case to case basis will also adopt the "Bottoms up approach" viz: Company → Industry→Sector.<br><br>This approach would focus on the micro- level analysis of corporate profitability, vision and future business prospects of the company, capital structure, product profile, market share, competitive edge, research and technological advancement, the policy environment and its responsiveness to align itself to such changes.<br><br>The above-mentioned investment approaches are only indicative and may undergo a change from time to time keeping in view the market conditions and perception of the Investment Manager thereby.<br><br>The fund will, in general invest a significant part of its corpus in equities however pending investments in equities, the surplus amount of the fund should be invested in debt and money market instruments. Also whenever good investment opportunity are not available, or the equity market is not likely to perform in the view of the Fund manager the Fund will reduce its exposure to equity and during that period the surplus asset of the Fund shall be invested in debt and money market instruments. However there is no assurance that all such buying and selling activities would necessarily result in benefit for the Fund. The allocation between debt and equity will be decided based upon the prevailing market conditions, macro economic environment, and the performance of the corporate sector, the equity market and other considerations. At time such churning could lead to higher brokerage and transaction costs.<br><br>To achieve its primary objective as mentioned above, the Fund would invest in equity and equity related securities. To achieve its secondary objective, the fund would invest in debt and money market securities. These securities could include:<br>1. Equity and equity related securities are such instruments like Convertible bonds and debentures and warrants carrying the right to obtain equity shares and derivative instruments.<br>2. Obligations of Indian Companies (both public and private sector) including term deposits with the banks as permitted by SEBI/ RBI from time to time and developmental financial institutions<br>3. Certificate of Deposits (CDs)<br>4. Commercial paper (CPs)<br>5. In Securitised Debt upto 25% of the corpus. No investments shall be made in foreign securitised debt.<br>6. The non convertible part of convertible securities<br>7. Any other domestic fixed income securities<br>8. ADRs / GDRs issued by Indian companies, subject to guidelines issued by RBI / SEBI<br>9. Money market instruments permitted by SEBI/ RBI, having maturities upto 1 year in call money market instruments as may be provided by the RBI to meet the liquidity requirements |

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| | **more than 5%of its Net Assets to a single counterparty or such other limits as may be permitted by SEBI from time to time**<br><br>In accordance with the Regulations and applicable guidelines, the Fund may engage in stock lending activities. The Securities will be lent by the Approved Intermediary against collateral received from borrower, for a fixed period of time, on expiry of which the securities lent will be returned by the borrower.<br>It may be noted that this activity would have the inherent probability of collateral value drastically falling in times of strong downward market trends, resulting in inadequate value of collateral until such time as that diminution in value is replenished by additional security. It is also possible that the borrowing party and /or the approved intermediary may suddenly suffer severe business setback and become unable to honour its commitments. This along with a simultaneous fall in value of collateral would render potential loss to the Scheme. Besides, there can also be temporary illiquidity of the securities that are lent out and the scheme may not be able to sell such lent out securities.<br><br>**The Scheme will comply with provisions specified in SEBI Circular No. Cir/IMD/DF/11/2010dated August 18, 2010 related to overall exposure limits as stated below:**<br>(i) The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.<br>(ii) Mutual Funds shall not write options or purchase instruments with embedded written options.<br>(iii) The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.<br>(iv) Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.<br>(v) Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:<br>a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.<br>b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point (i).<br>c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged. | 10. Derivatives like Interest rate swaps, Forward Rate agreements, stock futures, index futures, and other such instruments as permitted by RBI /SEBI<br>11. Any other instruments as allowed by the Regulations from time to time.<br><br>The Fund may also enter into “Repo”, “Stock Lending” or such other transactions as may be allowed to Mutual Funds from time to time.<br><br>Subject to the Regulations, the investments may be in securities which are listed or unlisted, secured or unsecured, rated or unrated, having variable maturities, and acquired through secondary market purchases, RBI auctions, open market sales conducted by RBI etc., Initial Public Offers (IPOs), other public offers, placements, rights, offers, negotiated deals, etc<br><br>The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and Regulations applicable to such transactions. Further the Scheme intends to participate in securities lending as permitted under the Regulations.<br><br>**Risk Control**<br>The portfolio shall be structured so as to keep risk at acceptable levels. This shall be done through various measures including:<br>1. Broad diversification of portfolio<br>2. Ongoing review of relevant market, industry, sector and economic parameters<br>3. Investing in companies which have been researched<br>4. Investments in debentures and bonds will usually be in instruments which have been assigned investment grade ratings by any approved rating agency<br><br>NAM India may, from time to time, review and modify the Scheme’s investment strategy if such changes are considered to be in the best interests of the unitholders and if market conditions warrant it. Investments in securities and instruments not specifically mentioned earlier may also be made, provided they are permitted by SEBI/RBI and approved by the Trustee. However, such investments shall be made keeping in view the Fundamental Attributes of the Scheme.<br><br>**Investment Philosophy and Focus**<br>India today is the world’s largest democracy with a vibrant electorate, active Judiciary and civil society groups, and a fiercely independent media.<br><br>It is the Fund’s view India’s growth model promises more stable, sustainable expansion and bigger returns for the investors. There exists a very positive view on the sectors like Agriculture, Manufacturing and Service, which contribute, substantially to our GDP. In our view all these three sectors simultaneously are looking quite attractive and bullish.<br><br>The Indian economy has performed impressively over the past two decades. A major fiscal and balance of payment crisis led to a package of radical economic reforms in 1991. Since then, India has undertaken far-reaching economic |

d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
(vi) Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point (i).
(vii) Definition of Exposure in case of Derivative Positions: Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

| **Position** | **Exposure** |
|---|---|
| Long Future | Futures Price * Lot Size * Number of Contracts |
| Short Future | Futures Price * Lot Size * Number of Contract |
| Option bought | Option Premium Paid * Lot Size * Number of Contracts. |

(viii) Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.

**TRADING IN DERIVATIVES**
The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to
undertake any other strategy as permitted under the SEBI Regulations.

**Portfolio Turnover Policy:**
Given the nature of the scheme, the porfolio turnover ratio may be very high. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. The effect of higher portfolio turnover ratio could be higher brokerage and transaction costs.

reforms of deregulation and liberalization, which has unleashed the enormous growth potential of the economy and a powerful entrepreneurial force. The reform measures included a greater private sector role in India's development by improving the investment and tax regimes, dismantling industrial licensing, opening infrastructure to private investment, reforming public enterprises and the financial sector, and reducing price controls. The package also initiated the liberalisation of foreign trade and exchange regimes.

The consumers and public have realized the benefits of liberalization through increase in the choice and quality of products and decrease in prices. The business and industry have also adjusted themselves with the liberalization and globalization. The unprecedented high level of foreign exchange reserves, upward trend in FDI inflows and the general growth of the economy has given more confidence and encouragement to the policy-makers to further accelerate its economic reforms and liberalization process. Both at the central and state levels and across political parties, in general, there is consensus on further economic liberalization.

We are of the view that the reforms program and the market-oriented policies of the Government are irreversible. The government is committed to economic reforms with a human face that stimulates growth, investment and employment. The government has recognized that further reforms are needed in agriculture, industry, services and infrastructure.

Government has divested its stake in public sector undertakings in the light of the redefinition of its role from being a provider of goods and services to that of a policy-maker and facilitator. Between 1991 and 2003, the Government has privatized assets worth US$ 10 billion including $ 3.5 billion in fiscal 2003-2004. The economic reform process involves structural changes in various sectors and companies like:
• Encouraging private participation and changing the ownership model in favour of private participants
• De-regulation of pricing
• Increased spending by government on the infrastructural projects
• Reforming public enterprises and the financial sector

These planned steps will accelerate the pace of GDP growth and would encourage investments in form of increased FDIs/ and private investments. This will result in increase in investment capital and would finally result in the overall value creation in the economy. This will be reflected in increased valuations of the individual companies, increased corporate profitability and better market capitalization. These changes will implant greater confidence in the minds of the domestic and foreign investors.

Exposure to foreign securities: The scheme may have an exposure of upto 90% of its net assets in foreign securities. The AMC with a view to protecting the interests of the investors may increase exposure in foreign securities upto 100% as deemed fit from time to time. However, the exposure in foreign securities would not exceed the maximum amount permitted from time to time. Boards of asset management

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| | The AMC retains the right to enter into such derivative transactions as may be permitted by the Regulations from time to time. For risks associated with investments in derivatives investors are requested to refer to Scheme Specific Risk Factors of this Scheme Information Document.<br><br>The AMC retains the right to enter into such derivative transactions as may be permitted by the applicable regulations from time to time | companies (AMCs) and trustees shall exercise due diligence in making investment decisions as required under Regulation 25 (2). They shall make a detailed analysis of risks and returns of investment in foreign securities, comparing them with likely yields of the securities available in domestic markets and how these investments would be in the interest of investors. Investment must be made in liquid actively traded securities. Boards of AMCs and trustees may prescribe detailed parameters for making such investments which may include identification of countries, country rating, country limits, etc. They shall satisfy themselves that the AMC has experienced key personnel, research facilities and infrastructure for making such investments. Other specialised agencies and service providers associated with such investments e.g. custodian, bank, advisors, etc should also have adequate expertise and infrastructure facilities. Their past track record of performance and regulatory compliance record, if they are registered with foreign regulators, may also be considered. Necessary agreements may be entered into with them as considered necessary.<br><br>All investment decisions shall be recorded in accordance with SEBI circular dated July 27, 2000.<br><br>Investment in overseas financial assets: SEBI vide. its circular No. SEBI/IMD/CIR No. 7/104753/07 dated September 26, 2007, SEBI/IMD/CIR No. 122577/08 dated April 8, 2008 and SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 5, 2020, SEBI circular no. SEBI/HO/ IMD/IMD-II/DOF3/P/CIR/2021/571 dated 3rd June 2021 has issued guidelines pertaining to investments in overseas financial assets. Accordingly all the investments in ADR/GDR and foreign securities shall be made in compliance with the above referred circular. It is the investment manager's belief that overseas securities offer new investment and portfolio diversification opportunities into multi-market and multi-currency products.<br><br>However, such investments also entail additional risks. Offshore investment will be made subject to any/ all approvals / conditions thereof as may be stipulated by SEBI/ RBI/ other regulatory authorities. The Fund shall appoint a dedicated fund manager for the purpose of investment in overseas financial assets as prescribed in the aforesaid SEBI circular. The fund may, where necessary, appoint other intermediaries of repute as advisors, subcustodians, etc. for managing and administering such investments. The fees and expenses of such appointment would be part of the recurring expenses of the scheme. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses. The fees and expenses would include, besides the investments management fees, custody fees and costs, fees of appointed advisors and sub managers, transaction costs and overseas regulatory costs. Investment in foreign securities offers more opportunities and diversification for investments. Investors may note that the scheme shall not invest in foreign debt securities.<br><br>Advantages and Risks attached with investments in overseas financial assets: |

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| | | It is AMC's belief that the investment in ADRs/GDRs/overseas securities offer new investment and portfolio diversification opportunities into multi-market and multi-currency products. However, such investments also entail additional risks. Such investment opportunities may be pursued by the AMC provided they are considered appropriate in terms of the overall investment objectives of the schemes. Since the Scheme would invest only partially in ADRs/ GDRs/overseas securities, there may not be readily available and widely accepted benchmarks to measure performance of the Scheme.<br><br>We have seen that different economies perform differently at various points in time. Therefore in order to maximize the gains to the investors by allocating resources to economies which are doing better than ours and also to diversify the risk arising out of concentrated investments in just one country, we may propose to invest in foreign securities in compliance to the regulations from time to time.<br><br>1. To manage risks associated with foreign currency and interest rate exposure, the Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/RBI from time to time.<br>2. To the extent that the assets of the Schemes will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by the changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital also may be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of the other restrictions on investment.<br>3. Offshore investments will be made subject to any/all approvals, conditions thereof as may be stipulated by SEBI/RBI and provided such investments do not result in expenses to the Fund in excess of the ceiling on expenses prescribed by and consistent with costs and expenses attendant to international investing. The Fund may, wherever necessary, appoint other intermediaries of repute as advisors, custodian/sub-custodians etc. for managing and administering such investments.<br>4. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses. The fees and expenses would illustratively include, besides the investment management fees, custody fees and costs, fees of appointed advisors and sub-managers, transaction costs, and overseas regulatory costs.<br><br>**Debt Market In India**<br>The Indian Debt market is facing major shift in the recent times. The substantial growth in Mutual Fund collections in the past few years have provided an easy route for the investors to channelise their savings into the debt market, which otherwise is largely dominated by Banks and other Institutional investors.<br><br>At present, the Indian debt market is dominated by issues of Central Government bonds, Coporate Debentures and PSU |

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| | | Bonds. The new Securitised instruments are also very attractive in the primary market. Risk associated with securitized Debt or PTCs are credit risk, liquidity risk and price risk/interest rate risk. The other instruments available for investment are Commercial Papers, Certificate of Deposits, Government guaranteed bonds, etc.<br><br>**Securities Lending by the Fund**:<br>The scheme shall engage in securities lending for equity investments, in line with the SEBI (Mutual Funds) Regulations, 1996, Securities Lending Scheme, 1997, SEBI Circular No MFD/CIR/01/047/99 dated February 10, 1999, SEBI Circular no. SEBI/IMD/CIR/14/187175/2009 dated December 15, 2009, SEBI circular No MRD/DoP/SE/Dep/Cir/14/2007 dated December 20, 2007 notifying framework for lending of securities and such other applicable guidelines as may be amended from time to time.<br>The scheme may engage in Securities Lending not exceeding 15% of the net assets of the scheme and shall not lend more than 5% of its Net Assets to a single counterparty or such other limits as may be permitted by SEBI from time to time.<br>In accordance with the Regulations and applicable guidelines, the Fund may engage in stock lending activities. The Securities will be lent by the Approved Intermediary against collateral received from borrower, for a fixed period of time, on expiry of which the securities lent will be returned by the borrower.<br><br>It may be noted that this activity would have the inherent probability of collateral value drastically falling in times of strong downward market trends, resulting in inadequate value of collateral until such time as that diminution in value is replenished by additional security. It is also possible that the borrowing party and/or the approved intermediary may suddenly suffer severe business setback and become unable to honor its commitments. This along with a simultaneous fall in value of collateral would render potential loss to the Scheme. Besides, there can also be temporary illiquidity of the securities that are lent out and the scheme may not be able to sell such lent out securities.<br><br>Investors are requested to take note that in case the scheme invests in securitized debt, following shall be applicable:<br>Disclosures with respect to securitized debt<br>1. How the risk profile of securitized debt fits into the risk appetite of the scheme<br>Securitized debt is a form of conversion of normally non-tradable loans to transferable securities. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income characteristics. The risk of investing in securitized debt is similar to investing in debt securities. However it differs in following two majorly respects :-<br><br>Typically the liquidity of securitized debt is less than similar debt securities. However, this is expected to change as SEBI has issued its guidelines on listing of securitized instrument and going forward we expect more issuance of listed securitized debt. Currently, the fund manager normally buys these with the view to hold them till maturity. For the close |

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| | | ended scheme, the average tenor of the securitized debt would not exceed maturity of the Scheme / Plan / Fund. For open ended scheme, average maturity of the securitized debt will be in accordance with the investment time horizon of such scheme, opportunities available in the market and interest rate views of the investment team.<br><br>For certain types of securitized debt (backed by mortgages, personal loans, credit card debt, etc.), there is an additional pre-payment risk.<br><br>Pre-payment risk refers to the possibility that loans are repaid before they are due, which may reduce returns if the re-investment rates are lower than initially envisaged. The fund manager price the securitized debt accordingly to compensate for reinvestment risk.<br><br>Because of these additional risks, securitized debt typically offers higher yields than debt securities of similar credit rating and maturity.<br><br>If the fund manager judges that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt according to the nature ( open ended / close ended ) of the scheme.<br><br>2. Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc.<br>Originators have been broadly categorized as follows:<br>i. PSU Banks;<br>ii. Private Banks;<br>iii. NBFC's with asset size of Rs. 1,000 crores and above; and<br>iv. NBFC's with asset size of below Rs. 1,000 crores.<br>Before the assessment of the structure is undertaken, the originators/ underlying issuers are evaluated on the following parameters:<br>• Track record - good track record of the originators/ underlying issuers or its group companies.<br>• Willingness to pay - credible and strong management team.<br>• Ability to pay – good financials and business profile.<br>• Risk appraisal capabilities - strong and well defined risk assessment processes<br>• Business risk assessment of the originators based on the following factors:<br>− Outlook for the economy (domestic and global)<br>− Outlook for the industry<br>− Company specific factors<br>In addition a detailed review and assessment is done including interactions with the company as well as the credit rating agency. Typically we would avoid investing in securitization transaction (without specific risk mitigant strategies / additional cash/security collaterals/ guarantees) if we have concerns on the following issues regarding the originator / underlying issuer:<br>• Default track record/ frequent alteration of redemption conditions / covenants;<br>• Very High leverage ratios of the ultimate borrower (for single-sell downs) - both on a standalone basis as well on a consolidated level;<br>• Very High proportion of reschedulement of underlying assets of the pool or loan, as the case may be; |

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| | | • Very High proportion of overdue assets of the pool or the underlying loan, as the case may be;<br>• Poor reputation in market;<br>• Insufficient track record of servicing of the pool or the loan, as the case may be;<br>• The degree of NPAs of the company being very high than the industry trends.<br>Further, investments in securitized debt will be done in accordance with the investment restrictions specified under the Regulations / this Scheme Information Documents which would help in mitigating certain risks. Currently, as per the Regulations, the Scheme cannot invest more than 10% of its net assets in debt instruments (irrespective of residual maturity) issued by a single issuer which are rated not below investment grade by a credit rating agency. Such investment limit may be extended to 12% of the net assets of the Scheme with the prior approval of the Board of Trustees.<br><br>3. Risk mitigation strategies for investments with each kind of originator.<br>An analysis of the originator / Issuer is especially important in case of retail loans as the size and reach affects the credit quality and servicing of the securitized instrument. In case of securitization involving single loans or a small pool of loans, the credit risk of the underlying borrower is analyzed. In case of diversified pools of loans, the overall characteristic of the loans is analyzed to determine the credit risk. The credit analyst looks at seasoning (i.e. how long the loan has been with the originator before securitization) as one way of evaluating the performance potential of the PTC. Securitization transactions may include some risk mitigants (to reduce credit risk). These may include interest subvention (difference in interest rates on the underlying loans and the PTC serving as margin against defaults), overcollateralization (issue of PTCs of lesser value than the underlying loans, thus even if some loans default, the PTC continues to remain protected), presence of an equity / subordinate tranche (issue of PTCs of differing seniority when it comes to repayment - the senior tranches get paid before the junior tranche) and / or guarantees.<br><br>Investments in securitized debt will be done based on the assessment of the originator which is carried out by the Fixed Income team. In order to mitigate the risk at the issuer/originator level, the Fixed Income team will consider various factors which will include:<br>• size and reach of the issuer /originator<br>• Set up of the organization structure of the issuer /originator<br>• the infrastructure and follow-up mechanism of the issuer /originator<br>• the issuer / originator's track record in that line of business<br>• quality of information disseminated by the issuer/originator; and<br>• the Credit enhancement for different type of issuer/originator<br><br>4. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments.<br><br>In retail securitized debt investments, we will invest majorly in asset backed pools such as Medium and Heavy Commercial |

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| | | Vehicles, Light Commercial Vehicles (LCV), Cars, and Construction Equipment etc. Where we invest in Single Loan Securitization, as the credit is on the underlying issuer, we focus on the credit review of the borrower. A credit analyst sets up limit for various issuers based on independent research taking into account their historical track record, prevailing rating and current financials. In addition to the framework as per the table above, we also take into account following factors, which are analyzed to ensure diversification of risk and measures identified for less diversified investments:<br>• Size of the loan: In retail loans securitisation, the major risk diversification is achieved on account of granularity i.e. higher number of contracts available. However, excessive reliance on very small ticket size should be avoided as it may result in difficult and costly recoveries.<br>• Original maturity of the pool: Ideal original maturity of the contract varies for different retail loans. For Cars / Commercial Vehicles / Construction Equipment, it lies around 60 months while for mortgage, it lies around 240 months. For microfinance loans, it lies around 12 months. Lower original maturity for asset backed retail loans means faster buildup of borrowers’ equity into the asset as well as his higher borrowing capacity.<br>• Loan to Value Ratio: Loan to Value ratio means value of the loan taken compared to value of the assets offered as security. In case of secured loan, higher Loan to Value ratio means higher probability of losses in case asset is repossessed and sold in case of<br>delinquency. We prefer contracts with lower loan to value ratio than higher loan to value ratio.<br>• Seasoning of the pool: Higher the time period the contracts have remained with the originator / issuer, the lower is the default risk on such contracts. This is because of the higher buildup of borrower’s equity into the asset as the time gradually passes. We prefer higher seasoned contracts than lower seasoned contracts.<br>• Current performing pools: We normally ensure that majority of the contracts in the pools are current to reduce default rate. The rationale here being, as against current performing contract, the overdue contracts are certainly in higher risk category.<br>• Geographical Distribution: Regional/state/ branch distribution is preferred to avoid concentration of assets in a particular region/state/branch.<br>• Default Rate Distribution: We prefer branches/ states where defalut rate is less than branches/ states where default rates are high to avoid concentration of assets from poor performing regions.<br>• Risk Tranching: Typically, we would avoid investing in mezzanine debt or equity of Securitized debt in the form of sub ordinate tranche, without specific risk mitigant strategies / additional cash / security collaterals/ guarantees, etc.<br>• Credit Enhancement Facility: We prefer credit enhancement which is in form of cash / bank guarantee than in the form of overcollateralization of the pool / excess interest spread available in the pool. The rationale here being, as against cash collateral, excess interest spread / overcollateralization collateral fluctuate in line with performance of the pool. When the performance of the pool deteriorates, there is lesser current collateral available on account of over- |

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| | | collateralization of the pool / excess interest spread available than the original envisaged one.<br>• Liquid Facility: In many retail asset classes like commercial vehicle, there can be some delay in payment from borrower due to pressure on its working capital. However, this delay usually does not go beyond 5-6 months as in the meantime he receives payment from his customers and clear his overdue portion of the loan. In that kind of asset classes, we prefer pool with liquid facility as it balances the intermittent liquidity requirement of the pool.<br>• Structure of the Pool: Structure of a transaction can either be at par or at a premium, depending on whether the pool principal is sold at par or at a premium to investors. We prefer pool where it is sold on par basis.<br><br>5. Minimum retention period of the debt by originator prior to securitization<br>For investments in PTCs, where the assets have been pooled, the minimum retention period for each of the contract should be 1 month with a average tenor of upto 24 months and 2 months for contracts with a average tenor of more than 2 years. For overall minimum retention period.<br><br>6. Minimum retention percentage by originator of debts to be securitized.<br>Additional collaterals taken against each type of asset class, which is preferred over the minimum retention percentage by the originator of the loan. The rationale is that collateral is available at all points of time and is available at all point of times in case of any fructification of any probable losses where in retention percentage keeps running down as time passes and may not be fully available in case of any fructification of any probable losses.<br><br>7. The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund. Investments made by the scheme in any asset are done based on the requirements of the scheme and is in accordance with the investment objectives and the asset allocation pattern of a fund. All Investments are made entirely at an arm's length basis with no consideration of any existing / consequent investments by any party related to the transaction (originator, issuer, borrower etc.). The robust credit process ensures that there is no conflict of interests when a scheme invests in securitized debt of an originator and the originator in turn makes investment in that particular scheme.<br><br>There might be instances of Originator investing in the same scheme but both the transactions are at arm's length and avoid any conflict of interest. In addition to internal controls in the fixed income investment process, there is regular monitoring by the risk management group and investment committee. Normally the issuer who is securitizing instrument is in need of money and is unlikely to have long term surplus to invest in mutual fund scheme.<br><br>Furthermore, there is clear cut segregation of duties and responsibilities with respect to Investment function and Sales function. Investment decisions are being taken independently |

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| | | based on the above mentioned parameters and investment by the originator in the fund is based on their own evaluation of the fund vis a vis their investment objectives.<br><br>8. In general, the resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt.<br><br>The risk assessment process for securitized debt, as detailed in the preceding paragraphs, is same as any other credit. The investments in securitized debt are done after appropriate research by credit analyst. The ongoing performance of the pool is monitored to highlight any deterioration in its performance.<br><br>The resources for and mechanisms of individual risk assessment with the AMC for monitoring investment in securitized debt are as follows:<br>• Fixed Income Team - Risk assessment and monitoring of investment in Securitized Debt is done by a team comprising of Credit<br>Analyst, Head of Fixed Income and Head of Credit Research<br>• In addition to internal controls in the fixed income investment process, there is regular monitoring by the risk management group and investment committee.<br>• Ratings are monitored for any movement - Based on the the interaction with the credit rating agency and their performance report, ratings are being monitored accordingly.<br>• Wherever the funds portfolio is disclosed, the AMC may give a comprehensive disclosure of Securitised debt instruments held in line with SEBI requirement.<br>Note: The information contained herein is based on current market conditions and may change from time to time based on changes in such conditions, regulatory changes and other relevant factors. Accordingly, our investment strategy, risk mitigation measures and other information contained herein may change in response to the same.<br><br>**TRADING IN DERIVATIVES**<br>The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations.<br><br>The following information provides a basic idea as to the nature of the derivative instruments proposed to be used by the Fund and the benefits and risks attached there with.<br><br>i) Interest Rate Swaps and Forward rate Agreements<br>Benefits : Bond markets in India are not very liquid. Investors run the risk of illiquidity in such markets. Investing for short-term periods for liquidity purposes has its own risks. Investors can benefit if the Fund remains in call market for the liquidity and at the same time take advantage of fixed rate by entering into a swap. It adds certainty to the returns without sacrificing liquidity. |

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| | | **ii) Index Futures:**<br>Benefits<br>a) Investment in Stock Index Futures can give exposure to the index without directly buying the individual stocks. Appreciation in Index<br>stocks can be effectively captured through investment in Stock Index Futures.<br>b) The Fund can sell futures to hedge against market movements effectively without actually selling the stocks it holds.<br>The Stock Index futures are instruments designed to give exposure to the equity market indices. The Stock Exchange, Mumbai and The National Stock Exchange have started trading in index futures of 1, 2 and 3-month maturities. The pricing of an index future<br>is the function of the underlying index and interest rates.<br>iii) Buying Options:<br>Benefits of buying a call option:<br>Buying a call option on a stock or index gives the owner the right, but not the obligation, to buy the underlying stock / index at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.<br><br>Benefits of buying a put option<br>Buying a put option on a stock originally held by the buyer gives him/her the right, but not the obligation, to sell the underlying stock at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.<br><br>The Scheme will comply with provisions specified in SEBI Circular No. Cir/IMD/DF/11/2010dated August 18, 2010 and SEBI circular dated 4th march 2021 relating to overall exposure limits as stated below:<br>(i) The cumulative gross exposure through equity, debt, Money Market Instruments, repo in corporate bonds and derivative positions(including Fixed income derivatives) should not exceed 100% of the net assets of the scheme.<br>(ii) Mutual Funds shall not write options or purchase instruments with embedded written options.<br>(iii) The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.<br>(iv) Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.<br>(v) Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:<br>a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.<br>b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point (i).<br>c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.<br>d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.<br>(vi) Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which |

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<td>the hedging position has been taken, shall be treated under the limits mentioned in point (i).<br>(vii) Definition of Exposure in case of Derivative Positions: Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:<br><br>
<table>
<tr><th>Position</th><th>Exposure</th></tr>
<tr><td>Long Future</td><td>Futures Price * Lot Size * Number of Contracts</td></tr>
<tr><td>Short Future</td><td>Futures Price * Lot Size * Number of Contract</td></tr>
<tr><td>Option bought</td><td>Option Premium Paid * Lot Size * Number of Contracts.</td></tr>
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<br>(viii) Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.<br><br>The AMC retains the right to enter into such derivative transactions as may be permitted by the Regulations from time to time. For risks associated with investments in derivatives investors are requested to refer to Scheme Specific Risk Factors of this Scheme Information Document.<br>The AMC retains the right to enter into such derivative transactions as may be permitted by the applicable regulations from time to time.<br><br>PORTFOLIO TURNOVER POLICY:<br>Given the nature of the scheme, the portfolio turnover ratio may be very high and AMC may change the portfolio according to Asset Allocation, commensurate with the investment objectives of the scheme. The effect of higher portfolio turnover could be higher brokerage and transaction costs.</td>
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<tr>
<td>What are the Investment restrictions?</td>
<td>The investment policy of the scheme complies with the rules, regulations and guidelines laid out in SEBI (Mutual Funds) Regulations, 1996. As per the Regulations, specifically the Seventh Schedule, the following investment limitations are currently applicable:<br><br>1. The scheme being an close ended scheme, shall invest only in such securities which mature on or before the date of maturity of the scheme.<br><br>2. Mutual fund scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below</td>
<td>The investment policy of the scheme comply with the rules, regulations and guidelines laid out in SEBI (Mutual Funds) Regulations, 1996. As per the Regulations, specifically the Seventh Schedule, the following investment limitations are currently applicable:<br><br>1. Mutual fund scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the Act. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of directors of the asset management company:</td>
</tr>
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| | investment grade by a credit rating agency authorized to carry out such activity under the Act. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of directors of the asset management company:<br><br>Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and collateralized borrowing and lending obligations: Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board:<br><br>Provided further that the schemes already in existence shall within an appropriate time and in the manner, as may be specified by the Board, conform to such limits".<br><br>3. Mutual Funds/AMCs shall ensure that total exposure of debt schemes of mutual funds in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. Such investment limit may be extended to 25% of the net assets of the scheme with the prior approval of the Board of Trustees.<br><br>4. The scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total of such instruments shall not exceed 25% of the NAV of the scheme. All such investments will be made with the prior approval of the Investment committee of RNAM basis the parameters laid down by the Board of Directors of AMC & the Trustees. Further, approval of the Board of Directors of AMC & the Trustee shall be taken whenever required in line with the SEBI Regulations<br><br>**Note**: Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified above. Further, it is clarified that the investment limits mentioned above are applicable to all debt securities which are issued by public bodies/institutions such as electricity boards, municipal corporations, state transport corporations etc. guarantee by either central or state government. Government securities issued by central/state government or on its behalf by RBI are exempt from the above referred investment limits. | Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and Tri-Party Repo on Government Securities or T-bills: Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board.<br><br>Provided further that the schemes already in existence shall within an appropriate time and in the manner, as may be specified by the Board, conform to such limits.<br>2. Investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. by mutual fund schemes shall be subject to the following:<br>a. Investments should only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.<br>b. Exposure of mutual fund schemes in such instruments, shall not exceed 5% of the net assets of the schemes.<br>c. All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.<br><br>3. Mutual Funds/AMCs shall ensure that total exposure of debt schemes of mutual funds in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. Such investment limit may be extended to 25% of the net assets of the scheme with the prior approval of the Board of Trustees.<br><br>4. The Mutual Fund under all its schemes taken together will not own more than 10% of any companies paid up capital carrying voting rights.<br><br>Provided, investment in the asset management company or the trustee company of a mutual fund shall be governed by clause (a), of sub regulation (1), of regulation 7B.<br><br>5. Transfers of investments from one scheme to another scheme in the Mutual Fund shall be allowed only if:<br>i) Such transfers are done at the prevailing market price for quoted instruments on spot basis;<br>ii) The securities so transferred shall be in conformity with the investment objectives & policies of the Scheme to which such transfer has been made.<br>Such transfer would be in accordance with the SEBI circular SEBI/HO/IMD/DF4/CIR/P/2020/202 dated 8th October 2020 or any other circular issued by SEBI from time to time.<br><br>6. The Scheme may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all Schemes under the same management company or in schemes under the management of any other AMC shall not exceed 5% of NAV of the Mutual Fund. [Provided that this clause shall not apply to any fund of funds scheme.] |

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| | 5. Transfers of investments from one scheme to another scheme in the Mutual Fund shall be allowed only if:<br>i. Such transfers are done at the prevailing market price for quoted instruments on spot basis;<br>ii. The securities so transferred shall be in conformity with the investment objectives & policies of the Scheme to which such transfer has been made.<br><br>6. The Scheme may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all Schemes under the same management company or in schemes under the management of any other AMC shall not exceed 5% of NAV of the Mutual Fund. [Provided that this clause shall not apply to any fund of funds scheme.]<br><br>7. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities and shall in no case put itself in a position whereby it has to make short sale or carry forward transactions or engage in badla finance:<br><br>a. Provided that a mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board. However, Reliance India Opportunities Fund - Series A shall not engage in Short Selling therefore to this extent the said clause shall not be applicable.<br>b. Further, the scheme shall engage in securities lending subject to following guidelines approve by the Board of AMC and Trustee.<br>• A scheme should not lend more than 5% of its Net Assets to a single counterparty.<br>• Within the parameters of the Investment policy, the fund manager would have discretion to stocks lent by up to 10% of the net assets of a particular scheme.<br>• Above limit can be extended to 15% of the net assets of the scheme, with the approval of the investment committee.<br>Proposal to lend beyond 10% and upto 15% of the scheme's net assets should be initiated by the fund manager and placed before the Investment Committee by the Head Equities.<br>The investment committee will approve a list of counterparties with whom stock-lending activities can be carried out. | 7. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities:<br><br>**Provided** that a mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board.<br><br>**Provided further** that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board.<br><br>Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.<br><br>8. The Fund shall get the securities purchased or transferred in the name of the Fund on account of the concerned scheme, wherever investments are intended to be of a long-term nature.<br><br>9. The fund's schemes shall not make any investment in:<br>i) Any unlisted security of an associate or group company of the sponsor<br>ii) Any security issued by way of private placement by an associate or group company of the sponsor<br>iii) The listed securities of group companies of the sponsor which is in excess of 25% of the net assets of the scheme.<br>iv) The investments by debt mutual fund schemes in debt and money market instruments of group companies of both the sponsor and the asset management company shall not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the scheme with the prior approval of the Board of Trustees.<br><br>10. The Scheme shall not invest in a fund of funds scheme.<br><br>11. Pending deployment of funds of the scheme in securities in terms of the investment objectives and policies of the scheme, the Mutual Fund can invest the fund of the scheme in short term deposits of scheduled commercial banks subject to the guidelines as applicable from time to time.<br><br>Pursuant to the SEBI Circular No. SEBI/IMD/CIR No. 1/91171/07 dated April 16, 2007 read with SEBI Circular No. SEBI/HO/IMD/DF4CIR/P/2019/093 dated August 16, 2019, where the cash in the scheme is parked in short term deposits of Scheduled Commercial Banks pending deployment, the respective Plan(s) shall abide by the following guidelines:<br><br>• "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.<br>• Such short-term deposits shall be held in the name of the Scheme.<br>• The scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee. |

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| | c. Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board.<br>d. Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.<br>8. The Fund shall get the securities purchased or transferred in the name of the Fund on account of the concerned scheme, wherever investments are intended to be of a long-term nature.<br><br>9. The fund's schemes shall not make any investment in:<br>i. Any unlisted security of an associate or group company of the sponsor ii. Any security issued by way of private placement by an associate or group company of the sponsor<br>iii. The listed securities of group companies of the sponsor which is in excess of 25% of the net assets of the scheme.<br><br>10. The Scheme shall not invest in a fund of funds scheme.<br><br>11. Pending deployment of funds of the scheme in securities in terms of the investment objectives and policies of the scheme, the Mutual Fund can invest the fund of the scheme in short term deposits of scheduled commercial banks subject to the guidelines as applicable from time to time.<br><br>12. No term loans for any purpose will be advanced by the Scheme.<br><br>13. The Fund shall not invest more than 10% of its NAV in the unlisted equity shares or equity related instruments.<br><br>14. The Scheme shall not invest more than 10% of its NAV in equity shares/equity related instruments of any company. Provided that, the limit of 10% shall not be applicable for investments in index fund or sector/industry specific scheme.<br><br>15. In case any company has invested more than 5% of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same Mutual Fund in that company or its subsidiaries, if any, shall be brought to the notice of the Trustees by RNAM and be disclosed in the half-yearly and annual accounts with justification for such investment provided that the latter investment has been made within one year of the date of | • Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.<br>• The scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.<br>• The scheme shall not park funds in short term deposit of a bank, which has invested in the Scheme. Further, the bank in which a scheme has short term deposit will not invest in the said scheme until the scheme has short term deposit with the bank<br>Asset Management Company (AMC) shall not be permitted to charge investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks."<br><br>12. No term loans for any purpose will be advanced by the Scheme.<br><br>13. The Fund shall not invest more than 5% of its NAV in the unlisted equity shares or equity related instruments.<br><br>14. The Scheme shall not invest more than 10% of its NAV in equity shares/equity related instruments of any company.<br><br>Provided that, the limit of 10% shall not be applicable for investments in index fund or sector/industry specific scheme.<br><br>However, the Scheme at any point of time will not invest more than 10% of the NAV of the Scheme in a single company.<br><br>15. In case any company has invested more than 5% of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same Mutual Fund in that company or its subsidiaries, if any, shall be brought to the notice of the Trustees by NAM India and be disclosed in the half-yearly and annual accounts with justification for such investment provided that the latter investment has been made within one year of the date of the former investment calculated on either side.<br><br>16. The Scheme may invest in Overseas securities in accordance with the regulations as applicable from time to time.<br><br>17. The Scheme will comply with any other regulations applicable to the investments of mutual funds from time to time.<br><br>18. The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of repurchase / Redemption of Units or payment of interest and IDCW to the Unitholders.<br><br>Provided that the Fund shall not borrow more than 20% of the net assets of any individual Scheme and the duration of the borrowing shall not exceed a period of 6 months.<br><br>In case of borrowing through repo transactions the tenor of such transaction shall not exceed a period of six months. |

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| | the former investment calculated on either side.<br><br>16. The Scheme will comply with any other regulations applicable to the investments of mutual funds from time to time.<br><br>17. Aggregate value of ‘illiquid securities’ of the Scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the Scheme.<br><br>18. RNAM will ensure that total exposure of the scheme in a particular sector (excluding investments in Bank CDs, short term deposits of scheduled commercial banks, CBLO, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks and such other instruments if any,as may be specified by SEBI from time to time) shall not exceed 25% or such other percentage of the net assets of the scheme, as prescribed by SEBI from time to time.<br><br>An additional exposure to financial services sector (over and above the limit of 25%) not exceeding 15% of the net assets of the scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) rated AA and above and registered with National Housing Bank (NHB). However, such total investment/ exposure in HFCs shall not exceed 25% of the net assets of the scheme or such other percentage of the net assets of the scheme, as prescribed by SEBI from time to time.<br><br>Further, to clarify please note that all the above mentioned provisions and investments made in line with the above mentioned circumstances/ variations are independent of this scenario.<br><br>19. The Gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net asset scheme. All investment restrictions stated above shall be applicable at the time of making investment.<br><br>The Scheme will not enter into any transaction which exposes it to unlimited liabilities or results in the encumbering of its assets in any way so as to expose them to unlimited liability<br>20. The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of repurchase / Redemption of Units or payment of interest and Income Distribution cum capital withdrawal to the Unitholders. | 19. Total exposure of the scheme in a particular sector (excluding investments in Bank CDs, Tri-Party Repo on Government Securities or T-bills, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks and such other instruments if any, as may be specified by SEBI from time to time) shall not exceed 20% or such other percentage of the net assets of the scheme, as prescribed by SEBI from time to time, unless the scheme has specifically been exempted from the requirement by SEBI.<br>An additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) rated AA and above and registered with National Housing Bank (NHB). Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.<br><br>However, such total investment/ exposure in HFCs shall not exceed 20% of the net assets of the scheme or such other percentage of the net assets of the scheme, as prescribed by SEBI from time to time.<br><br>Note: The sector classification shall be basis the data provided by Association of Mutual Fund in India<br><br>20. The investment of mutual fund schemes in debt instruments having Structured Obligations / Credit Enhancements shall not exceed 10% of<br>the debt portfolio of the schemes and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the schemes:<br>a. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and<br>b. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.<br><br>21. Mutual fund scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities,<br>(b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used by mutual funds for hedging.<br>However, mutual fund schemes may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio of the scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.<br><br>22. The scheme may engage in Securities Lending not exceeding 15% of the net assets of the scheme and shall not lend more than 5% of its Net Assets to a single counterparty or such other limits as may be permitted by SEBI from time to time. |

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| | Provided that the Fund shall not borrow more than 20% of the net assets of any individual Scheme and the duration of the borrowing shall not exceed a period of 6 months. All investment restrictions stated above shall be applicable at the time of making investment.<br>In case of borrowing through repo transactions the tenor of such transaction shall not exceed a period of six months<br>The Scheme will not enter into any transaction which exposes it to unlimited liabilities or results in the encumbering of its assets in any way so as to expose them to unlimited liability.<br>These investment limitations / parameters as expressed / linked to the net asset / net asset value / capital, shall in the ordinary course, apply as at the date of the most recent transaction or commitment to invest. Changes do not have to be effected merely because of appreciation or depreciation in value or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, AMC shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Unit holders.<br><br>The Trustee Company / AMC may alter these above stated limitations from time to time, and also to the extent the Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments in order to achieve its investment objectives & policies.<br><br>As such all investments of the Scheme will be made in accordance with the Regulations, including Schedule VII thereof and the Fundamental Attributes of this Scheme.<br><br>**INVESTMENT BY THE AMC IN THE SCHEME:**<br>In line with SEBI Regulations and circulars issued by SEBI from time to time, the AMC may invest its own funds in the scheme(s), subject to disclosure being made in the Scheme Information Documents (s). Further, the AMC shall not charge any fees on its investment in the Scheme (s), unless allowed to do so under SEBI Regulations in the future. | 23. The scheme shall participate Repo in corporate debt securities in accordance with SEBI Circular CIR / IMD / DF / 19 / 2011 dated November 11, 2011 and such other directions issued by RBI and SEBI from time to time.<br><br>The Gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net asset of the scheme. The cumulative gross exposure through repo transactions in Corporate debt securities along with Equity, debt, Money Market instruments and derivative positions (including fixed income derivatives) shall not exceed 100% of the net assets of the scheme or guidelines as may be specified by SEBI from time to time.<br><br>The scheme shall participate Repo in corporate debt securities in accordance with directions issued by RBI and SEBI from time to time.<br><br>All the Schemes securities investment will be in transferable securities.<br><br>All investment restrictions stated above shall be applicable at the time of making investment.<br><br>The Scheme will not enter into any transaction, which exposes it to unlimited liabilities or results in the encumbering of its assets in any way so as to expose them to unlimited liability.<br>These investment limitations / parameters as expressed / linked to the net asset / net asset value / capital, shall in the ordinary course, apply as at the date of the most recent transaction or commitment to invest. Changes do not have to be effected merely because of appreciation or depreciation in value or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, AMC shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Unitholders. The Trustee Company in consultation with AMC may alter these above stated limitations from time to time, and also to the extent the Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments in order to achieve its investment objectives & policies. As such, all investments of the Scheme will be made in accordance with the Regulations including Schedule VII thereof and the Fundamental Attributes of this Scheme.<br><br>The investment in Foreign equity Securities shall be in accordance with SEBI Regulations. At NIMF, to ensure robust risk management and adequate portfolio diversification internal Investment policy for various debt schemes has been framed. The investment policy at NIMF specifies limits both on overall basis (across all schemes) as well as on individual scheme level.<br><br>Guidelines for following parameters for liquid as well as non liquid schemes has been specified in the policy: |

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| | | 1. Eligible Instruments: Defines the eligible instruments where the scheme can invest<br>2. Minimum Liquidity: Defines the instruments considered as liquid instruments and the minimum investments in these instruments as a percentage of total net assets<br>3. Maximum Illiquid component: Defines the instruments considered as illiquid and the maximum investment that can be made in these instruments as a percentage of net assets.<br>4. Rating: Defines minimum and/ or maximum investment in a particular rating as a percentage of total portfolio.<br>5. Maturity: Defined the weighted average maturity of a portfolio. Also defines the weighted average maturity, maximum and maturity for certain asset types like corporate bond, PTCs, Gilts etc<br><br>**Investment by the AMC in the Scheme:** In line with SEBI Regulations and circulars issued by SEBI from time to time, the AMC may invest its own funds in the scheme(s). Further, the AMC shall not charge any fees on its investment in the Scheme (s), unless allowed to do so under SEBI Regulations in the future. |
| **Segregation of Portfolio** | Not Specified | Creation of segregated portfolio shall be subject to guidelines specified by SEBI from time to time. For details please refer to **Note 1**.<br><br>Further, the following risk factors shall be added in the section Scheme Specific Risk Factors:<br><br>**Risks associated with segregated portfolio**<br>**Liquidity risk**<br>1. Investor holding units of segregated portfolio may not able to liquidate their holding till the time recovery of money from the issuer.<br>2. Listing of units of segregated portfolio in recognized stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.<br><br>**Credit risk**<br>3. Security comprises of segregated portfolio may not realise any value. |
| **Benchmark** | S&P BSE 200 TRI | NIFTY 500 Multicap 50:25:25 TRI<br><br>The scheme is a multi Cap fund that will invest a minimum of 25% of its assets each in Large, Mid and Small Capitalization Companies. Nifty 500 Multicap 50:25:25 Index has an optimal blend of Large, Mid & Small sized business with fixed allocation of 50%, 25% and 25% respectively in these three segments and hence is an appropriate Benchmark for the fund. |
| **Fund Manager** | Sailesh Raj Bhan | Sailesh Raj Bhan, Ashutosh Bhargava (Co-Fund Manager) |
| **Plans & Options** | **The scheme will have following Plans/Options under the Direct Plan and Regular Plan:**<br>(a) Growth Option<br>(b) Payout of Income Distribution cum capital withdrawal Option | The Scheme offers following Plans/Options under Direct Plan and Regular Plan:<br>**(a) Growth Plan**<br>(1) Growth Option<br>**(b) Income Distribution cum capital withdrawal Plan**<br>(1) Payout Option<br>(2) Reinvestment Option |
| **Inception date** | 27-Sep-18 | 28-Mar-05 |

<table>
<tr><td>Total AUM (Rs. in Crore) as on November 30, 2021</td><td>939.76</td><td>10,817.30</td></tr>
<tr><td>Minimum Application Amount/Number of Units</td><td>-</td><td>Minimum Application Amount<br>Rs. 100 & in multiples of Re.1 thereafter<br><br>Minimum Additional Investment<br>Rs. 100 & in multiples of Re.1 thereafter<br><br>Minimum Switch Amount<br>Available, subject to minimum of Rs. 100/- (for opening of new folio/ account) and minimum Rs. 100 & any amount thereafter for additional switch in.</td></tr>
<tr><td>Total Expense Ratio as of Dec 15, 2021</td><td>Regular Plan: 1.35%<br>Direct Plan: 0.64%</td><td>Regular Plan: 1.86%<br>Direct Plan: 1.27%</td></tr>
<tr><td>Exit Load</td><td>Nil</td><td>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):<br><br>1% if redeemed or switched out on or before completion of 12 months from the date of allotment of units. Nil, thereafter<br><br>W.E.F. October 01, 2012, Exit Load If charged to the scheme shall be credited to the scheme immediately net of goods and service tax, if any.</td></tr>
<tr><td>Annual Scheme Recurring Expenses</td><td>These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC and other expenses as given in the table below:<br><br>The AMC has estimated that following % of the daily net assets of the scheme will be charged to the scheme as expenses. The AMC would update the current expense ratios on the website of the mutual fund at least three working days prior to the effective date of the change.<br><br>Further Actual Expense ratio will be disclosed at the following link https://mf.nipponindiaim.com/Pages/Total-Expense-Ratio-of-Mutual-Fund-schemes.aspx<br><br>Estimated Expense Structure<br><table><tr><td rowspan="2">Particulars</td><td>For Growth Plan/ Dividend Plan</td></tr><tr><td>% of Net Assets</td></tr></table></td><td>These are the fees and expenses for operating the scheme. As specified under Section II - C of this document, the scheme will invest a minimum of sixty-five per cent of its net assets in equity and equity related instruments, thus the scheme will be considered as equity oriented scheme for the purpose of limits of total expense ratio as defined under regulation 52 of regulation 52 of the SEBI Regulations. These expenses include Investment Management and Advisory Fee charged by the AMC and other expenses as given in the table below:<br><br>The AMC has estimated that following % of the daily net assets of the scheme will be charged to the scheme as expenses. The AMC would update the current expense ratios on the website of the mutual fund at least three working days prior to the effective date of the change. Further Actual Expense ratio will be disclosed at the following link https://mf.nipponindiaim.com /Pages/Total-Expense-Ratio-of-Mutual-Fund-Schemes.aspx<br><br>Estimated Expense Structure<br><table><tr><td>Particulars</td><td>% of Net Assets</td></tr><tr><td>Investment Management and Advisory Fees</td><td rowspan="5">Upto2.25%</td></tr><tr><td>Trustee fee</td></tr><tr><td>Audit fees</td></tr><tr><td>Custodian fees</td></tr><tr><td>RTA fees</td></tr></table></td></tr>
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| Investment Management and Advisory Fees | Upto 1.25% |
| Trustee fee | |
| Audit fees | |
| Custodian fees | |
| RTA fees | |
| Marketing & Selling expense incl. agent commission | |
| Cost related to investor communications | |
| Cost of fund transfer from location to location | |
| Cost of providing account statements and dividend redemption cheques and warrants | |
| Cost of statutory advertisements | |
| Cost towards investor education & awareness (at least 2bps) | |
| Brokerage and transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp | |
| Goods & Service tax on expenses other than investment and advisory fees | |
| Goods & Service tax on brokerage and transaction cost | |
| Other Expenses # | |
| Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a) | Upto 1.25% |
| Additional expenses for gross new inflows from specified cities Upto 0.30% | Upto 0.30% |

(# Expenses charged under the said parameters shall be in line with the Regulation 52 of SEBI (MF) Regulations or such other basis as specified by SEBI from time to time. Listing expenses will also be part of other expenses)

| **Illustration – Impact of Expense Ratio on the Returns** | |
|---|---|
| Value of Rs 1 lac on 12% annual returns in 1 year, considering 1% Expense Ratio | |
| Amount Invested | 100,000.00 |
| NAV at the time of Investment | 10 |

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| Marketing & Selling expense incl. agent commission | |
| Cost related to investor communications | |
| Cost of fund transfer from location to location | |
| Cost of providing account statements, redemption and IDCW cheques / warrants | |
| Cost of statutory advertisements | |
| Cost towards investor education & awareness (at least 2bps) | |
| Brokerage and transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp | |
| Goods & Service tax on expenses other than investment and advisory fees | |
| Other Expenses # | |
| Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) | Upto2.25% |
| Additional expenses under regulation 52 (6A) (c)# | Upto 0.05% |
| Additional expenses under Section 52 (6A) (b) for gross new inflows from specified investors and cities | Upto 0.30% |

(# Expenses charged under the said parameters shall be in line with the Regulation 52 of SEBI (MF) Regulations or such other basis as specified by SEBI from time to time.)

| **Particulars** | **Regular Plan** | **Direct Plan** |
|---|---|---|
| Amount Invested at the beginning of the year | 10,000 | 10,000 |
| Returns before Expenses | 1,500 | 1,500 |
| Expenses other than Distribution Expenses | 150 | 150 |
| Distribution Expenses | 50 | - |
| Returns after Expenses at the end of the Year | 1,300 | 1350 |

Note: Please note that the above is an approximate illustration of the impact of expense ratio on the returns, where the Returns before Expenses have been simply reduced to the extent of the expenses. The actual impact would vary

| | |
|---|---|
| No of Units | 10,000.00 |
| Gross NAV at end of 1 year (assuming 12% annual return) | 11.20 |
| Expenses (assuming 1% Expense Ratio on average of opening and closing NAV) | 0.11 |
| Actual NAV at end of 1 year post expenses (assuming Expense Ratio as above) | 11.09 |
| Value of Investment at end of 1 year (Before Expenses) | 112,000.00 |
| Value of Investment at end of 1 year (After Expenses) | 110,940.00 |

Note: Please note that the above is an approximate illustration of the impact of expense ratio on the returns, where the Gross NAV has been simply reduced to the extent of the expenses. The actual impact would vary depending on the path of returns over the period of consideration. Expenses will be charged on daily net assets.

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience but the total expenses shall not exceed the limits permitted by SEBI. Types of expenses charged shall be as per the SEBI (MF) Regulations. The purpose of the above table is to assist the investor in understanding the various costs and expenses that an investor in the scheme will bear directly or indirectly.

Mutual funds /AMCs may charge Goods & Service tax on investment and advisory fees to the scheme in addition to the maximum limit as prescribed in regulation 52 of the SEBI Regulations.

Goods & Service Tax on other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit as per regulation 52 of the SEBI Regulations.
Mutual Funds/AMCs will annually set apart at least 2 basis points on daily net assets within the maximum limit as per regulation 52 of the SEBI Regulations for investor education and awareness initiatives.

“At least 10% of the TER is charged towards commission/distribution expense under Regular Plan. The TER of the “Direct Plan” will be lowered to the extent of atleast 10% (as

depending on the path of returns over the period of consideration. Expenses will be charged on daily net assets.

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se as per actual but the total expenses shall not exceed the limits permitted by SEBI. Types of expenses charged shall be as per the SEBI (MF) Regulations. The purpose of the above table is to assist the investor in understanding the various costs and expenses that an investor in the scheme will bear directly or indirectly.

Mutual funds /AMCs may charge Goods & Service Tax on investment and advisory fees to the scheme in addition to the maximum limit as prescribed in regulation 52 of the SEBI Regulations.

Goods & Service Tax on other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit as per regulation 52 of the SEBI Regulations.

Mutual Funds/AMCs will annually set apart at least 2 basis points on daily net assets within the maximum limit as per regulation 52 of the SEBI Regulations for investor education and awareness initiatives.
Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, and no commission shall be paid from such plan.

However, no Investment Management fees would be charged on NAM India’s investment in the Scheme. The Trustee Company, shall be entitled to receive a sum computed @ 0.05% of the Unit Capital of all the Schemes of NIMF on 1st April each year or a sum of Rs.5,00,000/- whichever is lower or such other sum as may be agreed from time to time in accordance with the SEBI Regulations or any other authority, from time to time.

Investors are requested to note that the total expense ratio of the open ended equity oriented scheme including the investment management and advisory fee shall not exceed the limits stated in Regulation 52(6) (c) which are as follows:
(i) On the first Rs. 500 crores of the daily net assets - 2.25%;
(ii) On the next Rs. 250 crores of the daily net assets - 2.00%;
(iii) On the next Rs. 1,250 crores of the daily net assets - 1.75%;
(iv) On the next Rs. 3,000 crores of the daily net assets - 1.60%;
(v) On the next Rs. 5,000 crores of the daily net assets - 1.50%;
(vi) On the next Rs. 40,000 crores of the daily net assets - Total expense ratio reduction of 0.05% for every increase of Rs. 5,000 crores of daily net assets or part thereof;
(vii) On the balance of the assets - 1.05%;

The above expenses are fungible within the overall maximum limit prescribed under SEBI (Mutual Funds) Regulations, 1996, which means there will be no internal sub-limits on expenses and AMC is free to allocate them within the overall TER.

| | | |
|---|---|---|
| | mentioned above) of above mentioned distribution/commission expense which is charged in Regular Plan.<br><br>However, no Investment Management fees would be charged on RNAM's investment in the Scheme. The Trustee Company, shall be entitled to receive a sum computed @ 0.05% of the Unit Capital of all the Schemes of NIMF on 1st April each year or a sum of Rs. 5,00,000/- whichever is lower or such other sum as may be agreed from time to time in accordance with the SEBI Regulations or any other authority, from time to time.<br><br>The above expenses are fungible within the overall maximum limit prescribed under SEBI (Mutual Funds) Regulations, 1996, which means there will be no internal sub-limits on expenses and AMC is free to allocate them within the overall TER.<br><br>The total expenses of the scheme including the investment management and advisory fee shall not exceed 1.25 per cent of the daily net assets of the scheme as stated in Regulation 52(6)<br><br>In addition to the limits specified in regulation 52(6), the following costs or expenses may be charged to the scheme as per new sub regulation 6A, namely-<br><br>(a) Brokerage and Transaction costs incurred for the execution of trades may be capitalized to the extent of 0.12 per cent of the value of trades in case of cash market transactions and 0.05 per cent of the value of trades in case of derivatives transactions. Any payment towards brokerage and transaction costs incurred for the execution of trades, over and above the said 0.12 per cent and 0.05 per cent for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 of the SEBI (Mutual Funds) Regulations, 1996. Any expenditure in excess of the said prescribed limit (including brokerage and transaction costs, if any) shall be borne by the AMC or by the Trustee or Sponsors;<br><br>(b) Expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by the Board from time to time are at least -<br>(i) 30 per cent of gross new inflows in the scheme, or;<br>(ii) 15 per cent of the average assets under management (year to date) of the scheme, | In addition to the limits specified in regulation 52(6), the following costs or expenses may be charged to the scheme as per new sub regulation 6A, namely-<br>(a) Brokerage and Transaction costs incurred for the execution of trades may be capitalized to the extent of 0.12 per cent of the value of trades in case of cash market transactions and 0.05 per cent of the value of trades in case of derivatives transactions. Any payment towards brokerage and transaction costs incurred for the execution of trades, over and above the said 0.12 per cent and 0.05 per cent for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 of the SEBI (Mutual Funds) Regulations, 1996. Any expenditure in excess of the said prescribed limit (including brokerage and transaction costs, if any) shall be borne by the AMC or by the Trustee or Sponsors;<br><br>(b) expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such investors and cities, as specified by the Board from time to time are at least -<br>(i) 30 per cent of gross new inflows in the scheme, or;<br>(ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher:<br>Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub- clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis:<br><br>Provided further that expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities. Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment;<br><br>(c) additional expenses, incurred towards different heads mentioned under sub-regulations (2) and (4), not exceeding 0.05 per cent of daily net assets of the scheme.<br><br>The Fund will strive to reduce the level of these expenses so as to keep them well within the maximum limits allowed by SEBI. Expenses on an ongoing basis will not exceed the percentage of the daily net assets or such maximum limits as may be specified by SEBI Regulations from time to time.<br><br>The recurring expenses incurred in excess of the limits specified by SEBI (MF) Regulations will be borne by the AMC or by the Trustee or the Sponsor. |

| | | |
|---|---|---|
| | whichever is higher: Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub- clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis:<br><br>Provided further that expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities.<br>Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.<br><br>The Fund will strive to reduce the level of these expenses so as to keep them well within the maximum limits allowed by SEBI.<br><br>Expenses on an ongoing basis will not exceed the maximum limits as may be specified by SEBI Regulations from time to time. | |

**Further to above changes, all other consequential changes not limiting to Risk Factors, investment Restrictions, Derivative limits etc. will be carried out to the relevant sections of SID and KIM and the respective sections shall stand modified accordingly. All other terms and conditions as mentioned in the SID / KIM of respective Schemes shall remain unchanged. The above proposal is change in the Fundamental Attributes of the specified schemes as per Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996.**

**<u>Impact of the merger with respect to allocation of units to the unitholders of the Merging Scheme</u>:**

- On the effective date of the merger of schemes, the Merging Scheme will cease to exist and the unit holders of Merging Scheme as at the close of business hours will be allotted units under the corresponding option of the Surviving Scheme at the last available applicable Net Asset Value ("NAV") on the effective date. For example:

| Name of the scheme(s) | Particulars | Regular Plan | Direct Plan |
|---|---|---|---|
| Nippon India India Opportunities Fund - Series A (Merging Scheme) | No. of units (a) | 10000 | 10000 |
| | NAV per unit as on 15th Dec 2021 (b) | 15.96 | 16.47 |
| | Net Asset Value (c) = (a*b) | 159592 | 164724 |
| Nippon India Multi Cap Fund (Surviving Scheme) | NAV per unit as on 15th Dec 2021 (d) | 147.62 | 157.58 |
| | Units to be allotted (e) = (c/d) | 1081.08 | 1045.36 |

(Dates and Figures are only for illustrative purposes. December 15, 2021 is assumed as the date of merger).

- In case of any pledge/ lien/ other encumbrance marked on any units in the Merging Scheme, the same shall be marked on the corresponding number of units allotted in the Surviving Scheme.

- Securities Transaction Tax (STT) on extinguishment of units under Merging Scheme and allotment under the Surviving Scheme upon merger of schemes, shall not be levied.

- Stamp duty shall not be levied on the units created after the merger of schemes.

- In case of Non-Resident Indians, tax, if any at applicable rates, shall be deducted by Nippon India Mutual Fund/ NAM India.

- Plan/option wise allocation of units will be as follows:

| Holding in Plan and option under the Merging Scheme | Allocation in Plan and option under the Surviving Scheme |
|---|---|
| NIPPON INDIA - INDIA OPPORTUNITIES FUND - SERIES A - GROWTH PLAN - GROWTH OPTION | NIPPON INDIA MULTI CAP FUND - GROWTH PLAN - GROWTH OPTION |
| NIPPON INDIA - INDIA OPPORTUNITIES FUND - SERIES A - DIRECT GROWTH PLAN - GROWTH OPTION | NIPPON INDIA MULTI CAP FUND - DIRECT PLAN GROWTH PLAN - GROWTH OPTION |
| NIPPON INDIA - INDIA OPPORTUNITIES FUND - SERIES A - IDCW PLAN - PAYOUT OPTION | NIPPON INDIA MULTI CAP FUND - IDCW PLAN - PAYOUT OPTION |
| NIPPON INDIA - INDIA OPPORTUNITIES FUND - SERIES A - DIRECT IDCW PLAN - PAYOUT OPTION | NIPPON INDIA MULTI CAP FUND - DIRECT PLAN IDCW PLAN - PAYOUT OPTION |
| NIPPON INDIA - INDIA OPPORTUNITIES FUND - SERIES A - GROWTH PLAN - GROWTH OPTION | NIPPON INDIA MULTI CAP FUND - GROWTH PLAN - GROWTH OPTION |

**Impact of the merger with respect to allocation of units to the unitholders of the Surviving Scheme:**

The merger will not result in the emergence of any new scheme as Nippon India India Opportunities Fund - Series A will be merged in the Surviving scheme, viz. Nippon India Multi Cap Fund. Post-merger, the investments under the Surviving scheme will be in accordance with the investment objective and asset allocation of the Surviving scheme. There will be no impact of the merger on the units held by the unitholders of the Surviving scheme.

**Percentage of total exposure to securities classified as below investment grade or default and total illiquid assets in the Merging Scheme and the Surviving Scheme: NIL as on December 15, 2021.**

**Unclaimed IDCW and redemptions:**

In view of the decision to transfer the balance remaining unclaimed on account of IDCW in the accounts from merging scheme to surviving scheme, set out are the details of the unclaimed IDCW and redemption amounts in merging scheme and surviving scheme as on November 30, 2021.

| Name of the Scheme(s) | Unclaimed IDCW (Amount in INR) | Unclaimed Redemption (Amount in INR) |
|---|---|---|
| Nippon India India Opportunities Fund - Series A | Nil | Nil |
| Nippon India Multi Cap Fund | 3,18,65,460.33 | 3,43,32,235.60 |

The request for reissue/ revalidation of instruments towards unclaimed redemption / IDCW should be made by the unit holder to the registrar to the schemes of Nippon India Mutual Fund, or to the nearest branch of the AMC.

The latest portfolios of Merging Scheme and Surviving Scheme are given in **Annexure I & II** respectively. For further details on both Merging and Surviving Schemes, Unitholders are requested to refer Scheme Information Document and Key Information Memorandum which is available on our website

For Performance of Merging Scheme and Surviving Scheme please refer **Annexure III**.

**<u>Note 1:</u>**

**Segregation of Portfolio**

**Creation of segregated portfolio shall be subject to guidelines specified by SEBI from time to time and includes the following:**

1) Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:
   a) Downgrade of a debt or money market instrument to 'below investment grade', or
   b) Subsequent downgrades of the said instruments from 'below investment grade', or
   c) Similar such downgrades of a loan rating
2) In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of segregated portfolio shall be based on issuer level credit events as mentioned above and implemented at the ISIN level.
3) Further, SEBI has decided to permit creation of segregated portfolio of unrated debt or money market instruments by mutual fund schemes of an issuer that does not have any outstanding rated debt or money market instruments, subject to the following:
   a) Segregated portfolio of such unrated debt or money market instruments may be created only in case of actual default of either the interest or principal amount. 'Actual default' by the issuer of such instruments shall be considered for creation of segregated portfolio
   b) AMC shall inform AMFI immediately about the actual default by the issuer. Upon being informed about the default, AMFI shall immediately inform the same to all AMCs. Pursuant to dissemination of information by AMFI about actual default by the issuer, AMCs may segregate the portfolio of debt and money market instrument of the said unrated issuer as per the terms laid down hereunder.
4) Creation of segregated portfolio is optional and is at the discretion of Nippon Life India Asset Management Limited ("AMC")
5) AMC has a written down policy on Creation of segregated portfolio which is approved by the Trustees.

**Process for Creation of Segregated Portfolio**

1) AMC shall decide on creation of segregated portfolio on the day of credit event. Once AMC decides to segregate portfolio, it shall:
   a) seek approval of trustees prior to creation of the segregated portfolio.
   b) immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors. Nippon India Mutual Fund will also disclose that the segregation shall be subject to Trustee approval. Additionally, the said press release will be prominently disclosed on the website of the AMC.

c) ensure that till the time the trustee approval is received, which in no case shall exceed 1 business day from the day of credit event, the subscription and redemption in the scheme will be suspended for processing with respect to creation of units and payment on redemptions.

2) Once Trustee approval is received by the AMC:

a) Segregated portfolio will be effective from the day of credit event.

b) AMC shall issue a press release immediately with all relevant information pertaining to the segregated portfolio. The said information will also be submitted to SEBI.

c) An e-mail or SMS will be sent to all unit holders of the concerned scheme.

d) The NAV of both segregated and main portfolios will be disclosed from the day of the credit event.

e) All existing investors in the scheme as on the day of the credit event will be allotted equal number of units in the segregated portfolio as held in the main portfolio.

f) No redemption and subscription will be allowed in the segregated portfolio.

g) AMC should enable listing of units of segregated portfolio on the recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests.

3) If the trustees do not approve the proposal to segregate portfolio, AMC will issue a press release immediately informing investors of the same.

**Valuation and Processing of Subscriptions and Redemptions**

1) Notwithstanding the decision to segregate the debt and money market instrument, the valuation should take into account the credit event and the portfolio shall be valued based on the principles of fair valuation (i.e. realizable value of the assets) in terms of the relevant provisions of SEBI (Mutual Funds) Regulations, 1996 and Circular(s) issued thereunder.

2) All subscription and redemption requests for which NAV of the day of credit event or subsequent day is applicable will be processed as under:

i. Upon trustees' approval to create a segregated portfolio -

- Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.
- Investors subscribing to the scheme will be allotted units only in the main portfolio based on its NAV.

ii. In case trustees do not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio.

**Disclosures**

In order to enable the existing as well as the prospective investors to take informed decision, the following shall be adhered to:

1) A statement of holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event shall be communicated to the investors within 5 working days of creation of the segregated portfolio.

2) Adequate disclosure of the segregated portfolio shall appear in all scheme related documents, in monthly and half-yearly portfolio disclosures and in the annual report of the mutual fund and the scheme.
3) The Net Asset Value (NAV) of the segregated portfolio shall be declared on daily basis.
4) The information regarding number of segregated portfolios created in a scheme shall appear prominently under the name of the scheme at all relevant places such as SID, KIM-cum-Application Form, advertisement, AMC and AMFI websites, etc.
5) The scheme performance required to be disclosed at various places shall include the impact of creation of segregated portfolio. The scheme performance should clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event and the said fall in NAV along with recovery(ies), if any, shall be disclosed as a footnote to the scheme performance.
6) The disclosures mentioned in points (4) and (5) above regarding the segregated portfolio shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/ written-off.
7) The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

**Monitoring by Trustees**

In order to ensure timely recovery of investments of the segregated portfolio, trustees shall ensure that:

- The AMC puts in sincere efforts to recover the investments of the segregated portfolio.
- Upon recovery of money, whether partial or full, it shall be immediately distributed to the investors in proportion to their holding in the segregated portfolio. Any recovery of amount of the security in the segregated portfolio even after the write off shall be distributed to the investors of the segregated portfolio.
- An Action Taken Report (ATR) on the efforts made by the AMC to recover the investments of the segregated portfolio shall be placed in every Trustee meeting till the investments are fully recovered/written-off.
- Trustees will monitor the compliance of the SEBI Circular in respect of creation of segregated portfolio and disclosure in this respect shall be made in Half-Yearly Trustee reports filed with SEBI.

In order to avoid mis-use of segregated portfolio, Trustees shall ensure to have a mechanism in place to negatively impact the performance of Fund Managers, Chief Investment Officers (CIOs), etc. involved in the investment process of securities under the segregated portfolio. The new mechanism shall mirror the existing mechanism for performance incentives of the AMC, including the claw back of such amount to the segregated portfolio of the Scheme/(s).

**TER for the Segregated Portfolio**

1) AMC will not charge investment and advisory fees on the segregated portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in segregated portfolio.

2) The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence.
3) The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.
4) The costs related to segregated portfolio shall in no case be charged to the main portfolio.

**Definitions/Explanations:**

1) The term 'segregated portfolio' means a portfolio, comprising of debt or money market instrument affected by a credit event, that has been segregated in a mutual fund scheme.
2) The term 'main portfolio' means the scheme portfolio excluding the segregated portfolio.
3) The term 'total portfolio' means the scheme portfolio including the securities affected by the credit event.

**Risks associated with segregated portfolio**

**Liquidity risk**

1. Investor holding units of segregated portfolio may not able to liquidate their holding till the time recovery of money from the issuer.
2. Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

**Credit risk**

3. Security comprises of segregated portfolio may not realise any value.

**Illustration of Segregated Portfolio**

Portfolio Date: 04-June-19

Downgrade Event Date: 04-June-19

Downgrade Security: 8.04% E Ltd NCD (MD 27/01/2022) from A- to C

Valuation Marked Down: 55%

No. of units outstanding in a scheme 10,000 units, amounting to (10,000*1181.85) Rs.118.18 lakhs

**A. Total Portfolio (after Credit Event but before Segregation)**

| **Security** | **Rating** | **Type of the security** | **Qty** | **Price Per Unit (Rs)** | **Market Value (in lakhs)** |
|---|---|---|---|---|---|
| 7.14% A Ltd NCD (MD 09/12/2021) | CRA 1AAA | NCD | 25,000 | 98.0144 | 24.5 |
| 8.02% B Ltd NCD (MD 22/05/2022) | CRA 1 AAA | NCD | 24,000 | 100.9817 | 24.24 |
| 8.53% C Ltd NCD Ser C (MD 03/07/20) | CRA 2 AA | NCD | 21,300 | 98.3226 | 20.94 |

| | | | | | |
|---|---|---|---|---|---|
| D Ltd CP (MD 27/02/2020) | CRA 1 A1+ | CP | 25,000 | 94.9606 | 23.74 |
| 8.04% E Ltd NCD (MD 27/01/2022) | CRA 3 C* | NCD | 23,700 | 41.2007 | 9.76 |
| Cash & Cash equivalent | | | | | 15 |
| Net Assets (in lakhs) | | | | | 118.18 |
| Unit capital (no. of units) | | | | | 10,000.00 |
| NAV per unit (Rs) | | | | | 1,181.85 |

*We have marked down the security (8.04% E Ltd NCD (MD 27/01/2022)) by 55% as it was downgraded to C from A-. Before marked down, the security was valued at Rs. 91.5571 per unit.

**B. Main Portfolio (After creation of Segregated portfolio)**

| Security | Rating | Type of the security | Qty | Price Per Unit (Rs) | Market Value (in lakhs) |
|---|---|---|---|---|---|
| 7.14% A Ltd NCD (MD 09/12/2021) | CRA 1 AAA | NCD | 25,000 | 98.0144 | 24.50 |
| 8.02% B Ltd NCD (MD 22/05/2022) | CRA 1 AAA | NCD | 24,000 | 100.9817 | 24.24 |
| 8.53% C Ltd NCD Ser C (MD 03/07/20) | CRA 2 AA | NCD | 21,300 | 98.3226 | 20.94 |
| D Ltd CP (MD 27/02/2020) | CRA 1 A1+ | CP | 25,000 | 94.9606 | 23.74 |
| Cash & Cash equivalent | | | | | 15.00 |
| Net Assets (in lakhs) | | | | | 108.42 |
| Unit capital (no. of units) | | | | | 10,000.00 |
| NAV per unit (Rs) | | | | | 1,084.20 |

Security 8.04% E Ltd NCD (MD 27/01/2022) will be segregated into a separate portfolio.

**C. Segregated Portfolio**

| Security | Rating | Type of the security | Qty | Price Per Unit (Rs) | Market Value (in lakhs) |
|---|---|---|---|---|---|
| 8.04% E Ltd NCD (MD 27/01/2022) | CRA 3 C | NCD | 23,700 | 41.2007 | 9.76 |
| Net Assets (in lakhs) | | | | | 9.76 |
| Unit capital (no. of units) | | | | | 10,000.00 |
| NAV per unit (Rs) | | | | | 97.65 |

Please note CRA in the tables above stands for Credit Rating Agency

Total Portfolio value after creation of segregated portfolio

| | Main portfolio | Segregated portfolio | Total value (in lakhs) |
|---|---|---|---|
| No. of units | 10,000 | 10,000 | - |
| NAV per unit | 1084.20 | 97.65 | 1181.85 |
| Total value (in lakhs) | 108.42 | 9.77 | 118.19 |

**Regulatory Position**

In terms of SEBI circular no. SEBI/ MFD/ CIR no. 5/ 12031/ 03 dated June 23, 2003, any consolidation or merger of Mutual Fund schemes will be treated as change in the fundamental attribute of related schemes. Pursuant to Regulation 18 (15A) of the SEBI (Mutual Funds) Regulations, 1996 ("**Mutual Funds Regulations**") a change in the fundamental attribute in the schemes requires: (i) a written communication about the proposed change, to be sent to each unitholder and an advertisement to be released in 1 (One) English daily newspaper having nation-wide circulation and in a newspaper published in the language of the region where the head office of the Nippon India Mutual Fund i.e (Mumbai) is situated; and (ii) the unitholders to be given an option to exit at the prevailing net asset value ("**NAV**"), without any exit load, for a period of 30 (thirty) days.

Further, **February 01, 2022 ("Effective Date")** means the date from which the modification will be effective after providing the above exit option.

**Exit option to the Unit holders of Merging and Surviving Schemes**:

This letter serves as a communication to the unitholders of Merging and Surviving Schemes for the change in the fundamental attributes of the Scheme(s) pursuant to merger. As required under Regulation 18 (15A) of the SEBI (Mutual Funds) Regulations, 1996 each unitholder of Merging and Surviving Schemes is hereby being provided an option to exit his/her/its investment in the Schemes at the applicable NAV without exit load, if any, subject to the terms and conditions set out below:

**Considering the aforementioned facts/information, and keeping in view the change in the fundamental attribute:**

**(a) should you desire to discontinue holding the units in the aforementioned Schemes, an option is being hereby provided to you to exit from the Schemes which includes redemption / switch –out (wherefore you have made an investment) at the applicable NAV without any exit load, if any, at any of our Investor service Centre.**

**(b) you may exercise the above option, without any exit load, if any, anytime during a period of 30 (thirty) days, commencing from the January 02, 2022 till January 31, 2022 (both days inclusive);**

*[Note- It may however be noted that all such requests for exit option received after **January 31, 2022**, shall be subject to the applicable exit load, in terms of the relevant details, as specified in the SID / KIM of the Schemes].*

**(c) The redemption proceeds will be mailed/credited within 10 (Ten) working days from the date of receipt of the redemption request.**

**(d) Unit holders should ensure that any change in address or pay-out bank details required by them, are updated in the Fund's records before exercising the exit option in line with the timelines as mentioned in the Statement of Additional Information / SID/ KIM.**

**(e) the unit holders who have pledged or encumbered their units will not have the option to exit unless they procure an effective release of their pledges / encumbrances prior to the submission of redemption / switch-out requests.**

(f) **Tax impact of the consolidation of schemes:**

As per provision of section 47 of the Income Tax Act, 1961, the merger/consolidation of two mutual fund schemes shall not be treated as transfer. Accordingly, issuance of units of Nippon India Multi Cap Fund in lieu of unit held in Nippon India India Opportunities Fund – Series A shall not be treated as transfer and hence no capital gain would arise on units held in Nippon India India Opportunities Fund – Series A on account of the merger of the schemes.

Further, as per clause (2AD) of provision of section 49 of The Income Tax Act, 1961, acquisition cost of units of Nippon India India Opportunities Fund – Series A shall be treated as cost of acquisition for units allotted of Nippon India Multi Cap Fund in lieu of merger for the purpose of capital gain computation.

Also, as per clause 42A of section 2 of The Income Tax Act, 1961, period of holding of units of Nippon India India Opportunities Fund – Series A shall also be considered for the purpose of computation of short term and long-term capital assets of the units allotted of Nippon India Multi Cap Fund in lieu of merger.

For detailed/ expert view, investor needs to consult his/her tax consultant.

**You may further take note that:**

**(a) in case you do not have any objection for the merger of Nippon India India Opportunities Fund – Series A into Nippon India Multi Cap Fund, no action is required to be taken at your end;**

**(b) in case you have not exercised the exit option in the manner and within the time frame specified above, you shall be deemed to have consented to merger of Nippon India India Opportunities Fund – Series A into Nippon India Multi Cap Fund; and**

**(c) the impact of securities transaction tax, if any, arising out of the exit option exercised during the exit option period hereunder, shall be borne by NAM India. However, any other tax consequences, arising out of exercise of exit option during the exit option period hereunder, shall be borne by the investor in line with the relevant provisions, as have been set forth in the SID / KIM of the Scheme(s).**

Yours truly,

**For Nippon Life India Asset Management Limited**

(formerly known as Reliance Nippon Life Asset Management Limited)

**Sd/-**

**Sundeep Sikka**
**Executive Director & Chief Executive Officer**

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

## Annexure I

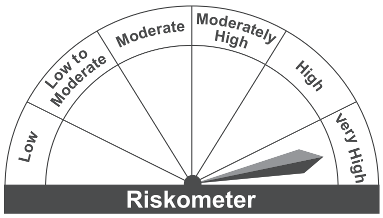
**NIPPON INDIA INDIA OPPORTUNITIES FUND - SERIES A** (A Close-ended Equity Oriented Scheme)

Portfolio Statement as on November 30,2021

| ISIN | Name of the Instrument | Industry / Rating | Quantity | "Market/Fair Value ( Rs. in Lacs)" | % to NAV | YIELD |
|---|---|---|---|---|---|---|
| | **Equity & Equity related** | | | | | |
| | **(a) Listed / awaiting listing on Stock Exchanges** | | | | | |
| INE397D01024 | Bharti Airtel Limited | Telecom - Services | 1,150,000 | 8,374.88 | 8.91% | |
| INE860A01027 | HCL Technologies Limited | Software | 650,000 | 7,401.23 | 7.88% | |
| INE090A01021 | ICICI Bank Limited | Banks | 1,000,000 | 7,143.50 | 7.60% | |
| INE040A01034 | HDFC Bank Limited | Banks | 400,000 | 5,974.20 | 6.36% | |
| INE062A01020 | State Bank of India | Banks | 1,200,000 | 5,526.60 | 5.88% | |
| INE733E01010 | NTPC Limited | Power | 4,200,000 | 5,344.50 | 5.69% | |
| INE018A01030 | Larsen & Toubro Limited | Construction Project | 300,000 | 5,294.25 | 5.63% | |
| INE717A01029 | Kennametal India Limited | Industrial Capital Goods | 295,000 | 4,488.72 | 4.78% | |
| INE154A01025 | ITC Limited | Consumer Non Durables | 1,800,000 | 3,980.70 | 4.24% | |
| INE002A01018 | Reliance Industries Limited | Petroleum Products | 150,000 | 3,608.10 | 3.84% | |
| INE180A01020 | Max Financial Services Limited | Insurance | 354,470 | 3,332.90 | 3.55% | |
| INE263A01024 | Bharat Electronics Limited | Aerospace & Defense | 1,500,000 | 3,056.25 | 3.25% | |
| INE044A01036 | Sun Pharmaceutical Industries Limited | Pharmaceuticals | 400,000 | 3,014.40 | 3.21% | |
| INE029A01011 | Bharat Petroleum Corporation Limited | Petroleum Products | 800,000 | 2,960.00 | 3.15% | |
| INE876N01018 | Orient Cement Limited | Cement & Cement Products | 1,886,813 | 2,951.92 | 3.14% | |
| INE238A01034 | Axis Bank Limited | Banks | 450,000 | 2,950.43 | 3.14% | |
| INE366I01010 | VRL Logistics Limited | Transportation | 504,700 | 2,294.11 | 2.44% | |
| INE114A01011 | Steel Authority of India Limited | Ferrous Metals | 2,000,000 | 2,001.00 | 2.13% | |
| INE442H01029 | Ashoka Buildcon Limited | Construction | 2,017,524 | 1,940.86 | 2.07% | |
| INE256A01028 | Zee Entertainment Enterprises Limited | Entertainment | 500,000 | 1,621.50 | 1.73% | |
| INE208A01029 | Ashok Leyland Limited | Auto | 1,000,000 | 1,197.00 | 1.27% | |
| INE522F01014 | Coal India Limited | Minerals/Mining | 700,000 | 1,064.00 | 1.13% | |
| INE976G01028 | RBL Bank Limited | Banks | 500,000 | 913.25 | 0.97% | |
| INE878A01011 | GE Power India Limited | Industrial Capital Goods | 370,847 | 857.21 | 0.91% | |
| INE178A01016 | Chennai Petroleum Corporation Limited | Petroleum Products | 812,486 | 849.45 | 0.90% | |
| IN9397D01014 | Bharti Airtel Limited - Partly paid up share | Telecom - Services | 107,142 | 418.71 | 0.45% | |
| | **Subtotal** | | | **88,559.67** | **94.25%** | |
| | **(b) UNLISTED** | | | **NIL** | **NIL** | **NIL** |
| | **Subtotal** | | | **NIL** | **NIL** | **NIL** |
| | **Total** | | | **88,559.67** | **94.25%** | |
| | **Money Market Instruments** | | | | | |
| | **Triparty Repo/ Reverse Repo Instrument** | | | | | |
| | Triparty Repo | | | 5,535.69 | 5.89% | |
| | **Total** | | | **5,535.69** | **5.89%** | |
| | **Net Current Assets** | | | **(118.75)** | **-0.14%** | |
| | **GRAND TOTAL** | | | **93,976.61** | **100.00%** | |

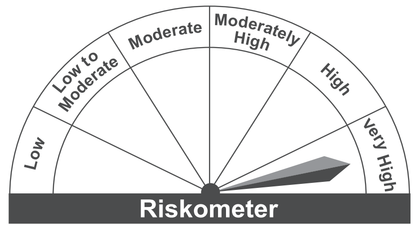
Nippon india Mutual Fund
Wealth sets you free

**SCHEME RISK-O-METER**




Investors understand that their principal will be at Very High risk

**BENCHMARK NAME - S&P BSE 200 TRI**
**BENCHMARK RISK-O-METER**




Benchmark riskometer is at very high risk

## Annexure II

**NIPPON INDIA MULTI CAP FUND (Multi Cap Fund - An Open Ended Equity Scheme Investing Across Large Cap, Mid Cap, Small Cap Stocks)**

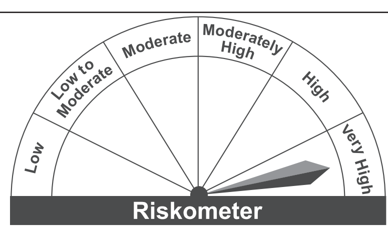
Portfolio Statement as on November 30,2021

| ISIN | Name of the Instrument | Industry / Rating | Quantity | "Market/Fair Value ( Rs. in Lacs)" | % to NAV | YIELD |
|---|---|---|---|---|---|---|
| | **Equity & Equity related** | | | | | |
| | **(a) Listed / awaiting listing on Stock Exchanges** | | | | | |
| INE473A01011 | Linde India Limited | Chemicals | 3,160,849 | 79,282.00 | 7.33% | |
| INE397D01024 | Bharti Airtel Limited | Telecom - Services | 7,000,000 | 50,977.50 | 4.71% | |
| INE018A01030 | Larsen & Toubro Limited | Construction Project | 2,700,000 | 47,648.25 | 4.40% | |
| INE860A01027 | HCL Technologies Limited | Software | 3,600,000 | 40,991.40 | 3.79% | |
| INE040A01034 | HDFC Bank Limited | Banks | 2,700,448 | 40,332.54 | 3.73% | |
| INE062A01020 | State Bank of India | Banks | 8,000,000 | 36,844.00 | 3.41% | |
| INE053A01029 | The Indian Hotels Company Limited | Leisure Services | 20,000,000 | 36,060.00 | 3.33% | |
| INE002A01018 | Reliance Industries Limited | Petroleum Products | 1,350,000 | 32,472.90 | 3.00% | |
| INE090A01021 | ICICI Bank Limited | Banks | 4,500,000 | 32,145.75 | 2.97% | |
| INE230A01023 | EIH Limited | Leisure Services | 23,753,076 | 28,598.70 | 2.64% | |
| INE717A01029 | Kennametal India Limited | Industrial Capital Goods | 1,737,159 | 26,432.61 | 2.44% | |
| INE647O01011 | Aditya Birla Fashion and Retail Limited | Retailing | 9,522,363 | 24,291.55 | 2.25% | |
| INE018E01016 | SBI Cards and Payment Services Limited | Finance | 2,500,657 | 23,768.74 | 2.20% | |
| INE001A01036 | Housing Development Finance Corporation Limited | Finance | 800,000 | 21,384.80 | 1.98% | |
| INE386A01015 | Vesuvius India Limited | Industrial Products | 1,701,107 | 19,974.40 | 1.85% | |
| INE152M01016 | Triveni Turbine Limited | Industrial Capital Goods | 9,961,995 | 18,519.35 | 1.71% | |
| INE366I01010 | VRL Logistics Limited | Transportation | 3,931,203 | 17,869.28 | 1.65% | |
| INE733E01010 | NTPC Limited | Power | 13,000,000 | 16,542.50 | 1.53% | |
| INE256A01028 | Zee Entertainment Enterprises Limited | Entertainment | 5,000,000 | 16,215.00 | 1.50% | |
| INE180A01020 | Max Financial Services Limited | Insurance | 1,700,765 | 15,991.44 | 1.48% | |
| INE410P01011 | Narayana Hrudayalaya Limited | Healthcare Services | 2,496,260 | 14,885.20 | 1.38% | |
| INE976G01028 | RBL Bank Limited | Banks | 8,000,000 | 14,612.00 | 1.35% | |
| INE238A01034 | Axis Bank Limited | Banks | 2,200,121 | 14,425.09 | 1.33% | |
| INE467B01029 | Tata Consultancy Services Limited | Software | 400,000 | 14,116.60 | 1.30% | |

| | | | | | | |
|---|---|---|---|---|---|---|
| INE671A01010 | Honeywell Automation India Limited | Industrial Capital Goods | 35,434 | 13,781.89 | 1.27% | |
| INE498B01024 | Shoppers Stop Limited | Retailing | 3,928,503 | 12,698.89 | 1.17% | |
| IN9397D01014 | Bharti Airtel Limited - Partly paid up share | Telecom - Services | 3,192,904 | 12,477.87 | 1.15% | |
| INE520A01027 | Zensar Technologies Limited | Software | 2,727,598 | 12,180.09 | 1.13% | |
| INE536H01010 | Mahindra CIE Automotive Limited | Industrial Products | 4,848,989 | 11,603.63 | 1.07% | |
| INE154A01025 | ITC Limited | Consumer Non Durables | 5,000,000 | 11,057.50 | 1.02% | |
| INE009A01021 | Infosys Limited | Software | 625,504 | 10,712.69 | 0.99% | |
| INE758T01015 | Zomato Limited | Retailing | 7,000,000 | 10,678.50 | 0.99% | |
| INE766P01016 | Mahindra Logistics Limited | Transportation | 1,553,999 | 10,202.78 | 0.94% | |
| INE849A01020 | Trent Limited | Retailing | 1,000,000 | 10,144.00 | 0.94% | |
| INE477A01020 | Can Fin Homes Limited | Finance | 1,700,129 | 10,032.46 | 0.93% | |
| INE114A01011 | Steel Authority of India Limited | Ferrous Metals | 10,025,029 | 10,030.04 | 0.93% | |
| INE117A01022 | ABB India Limited | Industrial Capital Goods | 446,556 | 9,207.31 | 0.85% | |
| INE235A01022 | Finolex Cables Limited | Industrial Products | 1,551,958 | 8,800.38 | 0.81% | |
| INE361B01024 | Divi’s Laboratories Limited | Pharmaceuticals | 180,000 | 8,781.84 | 0.81% | |
| INE152A01029 | Thermax Limited | Industrial Capital Goods | 494,679 | 8,674.20 | 0.80% | |
| INE200M01013 | Varun Beverages Limited | Consumer Non Durables | 900,000 | 8,023.05 | 0.74% | |
| INE200A01026 | GE T&D India Limited | Industrial Capital Goods | 6,859,048 | 7,935.92 | 0.73% | |
| INE208A01029 | Ashok Leyland Limited | Auto | 6,500,398 | 7,780.98 | 0.72% | |
| INE038A01020 | Hindalco Industries Limited | Non - Ferrous Metals | 1,850,000 | 7,635.88 | 0.71% | |
| INE044A01036 | Sun Pharmaceutical Industries Limited | Pharmaceuticals | 1,000,000 | 7,536.00 | 0.70% | |
| INE572A01028 | JB Chemicals & Pharmaceuticals Limited | Pharmaceuticals | 448,810 | 7,354.65 | 0.68% | |
| INE192A01025 | Tata Consumer Products Limited | Consumer Non Durables | 900,000 | 7,007.40 | 0.65% | |
| INE075A01022 | Wipro Limited | Software | 1,000,000 | 6,372.50 | 0.59% | |
| INE669C01036 | Tech Mahindra Limited | Software | 400,000 | 6,165.80 | 0.57% | |
| INE839M01018 | Schneider Electric Infrastructure Limited | Industrial Capital Goods | 5,900,000 | 6,153.70 | 0.57% | |
| INE665L01035 | Varroc Engineering Limited | Auto Ancillaries | 2,056,555 | 6,067.87 | 0.56% | |
| INE741K01010 | CreditAccess Grameen Limited | Finance | 1,176,349 | 5,921.15 | 0.55% | |
| INE382Z01011 | Garden Reach Shipbuilders & Engineers Limited | Aerospace & Defense | 2,579,907 | 5,710.62 | 0.53% | |
| INE437A01024 | Apollo Hospitals Enterprise Limited | Healthcare Services | 100,221 | 5,700.32 | 0.53% | |
| INE563J01010 | Astec LifeSciences Limited | Pesticides | 413,950 | 5,465.17 | 0.51% | |
| INE878A01011 | GE Power India Limited | Industrial Capital Goods | 2,325,400 | 5,375.16 | 0.50% | |
| INE262H01013 | Persistent Systems Limited | Software | 125,324 | 5,186.91 | 0.48% | |
| INE320J01015 | RITES Limited | Engineering Services | 1,842,256 | 5,115.02 | 0.47% | |
| INE274F01020 | Westlife Development Limited | Leisure Services | 900,183 | 4,937.50 | 0.46% | |
| INE003A01024 | Siemens Limited | Industrial Capital Goods | 223,870 | 4,817.46 | 0.45% | |
| INE949L01017 | AU Small Finance Bank Limited | Banks | 425,000 | 4,658.43 | 0.43% | |
| INE123W01016 | SBI Life Insurance Company Limited | Insurance | 400,000 | 4,642.20 | 0.43% | |
| INE780C01023 | JM Financial Limited | Finance | 6,422,252 | 4,569.43 | 0.42% | |
| INE299U01018 | Crompton Greaves Consumer Electricals Limited | Consumer Durables | 1,000,573 | 4,485.07 | 0.41% | |
| INE029A01011 | Bharat Petroleum Corporation Limited | Petroleum Products | 1,200,000 | 4,440.00 | 0.41% | |
| INE263A01024 | Bharat Electronics Limited | Aerospace & Defense | 2,000,000 | 4,075.00 | 0.38% | |
| INE427F01016 | Chalet Hotels Limited | Leisure Services | 1,690,863 | 4,021.72 | 0.37% | |
| INE001A13049 | Housing Development Finance Corporation Limited (Warrant) | Finance | 502,800 | 3,914.05 | 0.36% | |

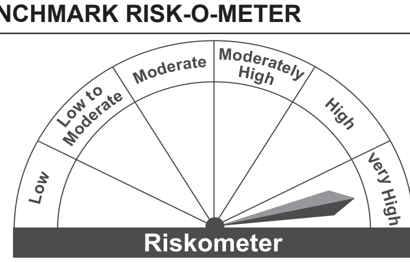
| | | | | | | |
|---|---|---|---|---|---|---|
| INE115A01026 | LIC Housing Finance Limited | Finance | 1,000,000 | 3,721.00 | 0.34% | |
| INE258A01016 | BEML Limited | Industrial Capital Goods | 200,000 | 3,695.40 | 0.34% | |
| INE442H01029 | Ashoka Buildcon Limited | Construction | 3,779,950 | 3,636.31 | 0.34% | |
| INE298A01020 | Cummins India Limited | Industrial Products | 400,000 | 3,514.00 | 0.32% | |
| INE101A01026 | Mahindra & Mahindra Limited | Auto | 400,000 | 3,342.00 | 0.31% | |
| INE571A01020 | IPCA Laboratories Limited | Pharmaceuticals | 158,998 | 3,339.28 | 0.31% | |
| INE093I01010 | Oberoi Realty Limited | Construction | 400,000 | 3,331.00 | 0.31% | |
| INE089C01029 | Sterlite Technologies Limited | Telecom - Services | 1,050,864 | 2,904.06 | 0.27% | |
| INE603J01030 | PI Industries Limited | Pesticides | 100,000 | 2,869.50 | 0.27% | |
| INE745G01035 | Multi Commodity Exchange of India Limited | Capital Markets | 174,440 | 2,789.38 | 0.26% | |
| INE358A01014 | Abbott India Limited | Pharmaceuticals | 13,462 | 2,569.53 | 0.24% | |
| INE389H01022 | KEC International Limited | Power | 581,280 | 2,472.47 | 0.23% | |
| INE486A01021 | CESC Limited | Power | 2,500,770 | 2,188.17 | 0.20% | |
| INE548C01032 | Emami Limited | Consumer Non Durables | 409,979 | 2,160.79 | 0.20% | |
| INE752H01013 | CARE Ratings Limited | Capital Markets | 319,747 | 2,011.37 | 0.19% | |
| INE151A01013 | Tata Communications Limited | Telecom - Services | 150,815 | 1,959.46 | 0.18% | |
| INE226A01021 | Voltas Limited | Consumer Durables | 160,000 | 1,921.60 | 0.18% | |
| INE999B01013 | Sanghi Industries Limited | Cement & Cement Products | 3,000,000 | 1,737.00 | 0.16% | |
| INE191H01014 | PVR Limited | Entertainment | 125,000 | 1,714.50 | 0.16% | |
| INE503A01015 | DCB Bank Limited | Banks | 1,917,336 | 1,573.17 | 0.15% | |
| INE053A20011 | The Indian Hotels Company Limited - Rights Form | Leisure Services | 2,277,777 | 710.67 | 0.07% | |
| | **Subtotal** | | | **1,070,675.29** | **99.00%** | |
| | **(b) UNLISTED** | | | **NIL** | **NIL** | **NIL** |
| | **Subtotal** | | | **NIL** | **NIL** | **NIL** |
| | **Total** | | | **1,070,675.29** | **99.00%** | |
| | **Money Market Instruments** | | | | | |
| | **Triparty Repo/ Reverse Repo Instrument** | | | | | |
| | Triparty Repo | | | 5,945.56 | 0.55% | |
| | **Total** | | | **5,945.56** | **0.55%** | |
| | **OTHERS** | | | | | |
| | Cash Margin - Derivatives | | | 600.00 | 0.06% | |
| | Cash Margin - CCIL | | | 0.00 | $0.00% | |
| | **Total** | | | **600.00** | **0.06%** | |
| | **Net Current Assets** | | | **4,606.43** | **0.39%** | |
| | **GRAND TOTAL** | | | **1,081,827.28** | **100.00%** | |

**SCHEME RISK-O-METER**




**Investors understand that their principal will be at Very High risk**

**BENCHMARK NAME - NIFTY 500 MULTICAP 50:25:25 TRI**
**BENCHMARK RISK-O-METER**




**Benchmark riskometer is at very high risk**

## Annexure III

| SCHEME PERFORMANCE AS ON December 15, 2021 | | | | |
|---|---|---|---|---|
| **Nippon India India Opportunities Fund - Series A** | | | | |
| **NAV as on Dec 15, 2021 : ₹15.9592** | | | | |
| **Particulars** | **CAGR %** | | | |
| | **1 Year** | **3 Years** | **5 Years** | **Since Inception** |
| Nippon India India Opportunities Fund - Series A | 42.55 | 15.90 | NA | 15.63 |
| B: S&P BSE 200 TRI | 32.23 | 19.05 | NA | 17.35 |
| AB: Nifty 50 TRI | 28.42 | 18.17 | NA | 16.34 |
| **Value of ₹10000 Invested** | | | | |
| Nippon India India Opportunities Fund - Series A | 14,255 | 15,580 | NA | 15,959 |
| B: S&P BSE 200 TRI | 13,223 | 16,888 | NA | 16,738 |
| AB: Nifty 50 TRI | 12,842 | 16,517 | NA | 16,279 |
| **Inception Date :** Sep 27, 2018 | | | | |
| **Fund Manager : Sailesh Bhan (Since Sep 2018)** | | | | |

| SCHEME PERFORMANCE AS ON December 15, 2021 | | | | |
|---|---|---|---|---|
| **Nippon India Multi Cap Fund** | | | | |
| **NAV as on Dec 15, 2021: ₹147.6225** | | | | |
| **Particulars** | **CAGR %** | | | |
| | **1 Year** | **3 Years** | **5 Years** | **Since Inception** |
| Nippon India Multi Cap Fund | 52.78 | 16.06 | 15.78 | 17.46 |
| B: NIFTY 500 Multicap 50:25:25 TRI | 43.82 | 21.47 | 18.34 | NA |
| AB: S&P BSE Sensex TRI | 26.18 | 18.40 | 18.22 | 15.53 |
| **Value of ₹10000 Invested** | | | | |
| Nippon India Multi Cap Fund | 15,278 | 15,647 | 20,817 | 147,623 |
| B: NIFTY 500 Multicap 50:25:25 TRI | 14,382 | 17,940 | 23,216 | NA |
| AB: S&P BSE Sensex TRI | 12,618 | 16,614 | 23,101 | 111,895 |
| **Inception Date :** Mar 28, 2005 | | | | |
| **Fund Manager : Sailesh Raj Bhan (Since Mar 2005), Ashutosh Bhargava (Co-Fund Manager) (Since Sep 2021)** | | | | |
| **NA has been mentioned as the benchmark data for corresponding period is not available.** | | | | |

“Note:
B:Benchmark, AB: Additional Benchmark, TRI: Total Return Index
$TR Index - 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.

Different plans shall have a different expense structure. The performance details provided herein are of Growth Plan (Regular Plan).

Past performance may or may not be sustained in future and the same may not necessarily provide the basis for comparison with other investment. Performance of the schemes (wherever provided) are calculated basis CAGR for the past 1 year, 3 years, 5 years and since inception. IDCWs (if any) are assumed to be reinvested at the prevailing NAV. In case, the start/end date of the concerned period is non-business day (NBD), the NAV of the previous date is considered for computation of returns.”