



Strategic Placements  
may help you achieve your goals!


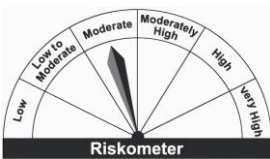
# Nippon India Strategic Debt Fund

(Number of Segregated Portfolios - 2)

(An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 to 4 years. Relatively High interest rate risk and Relatively High Credit Risk)

Contact your Mutual Fund Distributor | Call 1860 266 0111#, 91-22-6925 9696# (For investors outside India) | Visit [mf.nipponindiaim.com](http://mf.nipponindiaim.com)

#Charges applicable.

Product label		Potential Risk Class																					
<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> <li>Income over medium term</li> <li>Investment predominantly in debt and money market instruments with portfolio Macaulay Duration of 3 - 4 yrs</li> </ul> <p>*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.</p>	<p><b>Nippon India Strategic Debt Fund</b></p>  <p><b>Riskometer</b></p> <p>Investors understand that their principal will be at Moderately High risk</p>	<p><b>CRISIL Medium Duration Debt A-III Index</b></p>  <p><b>Riskometer</b></p> <p>Benchmark Riskometer is at Moderate risk</p>	<table border="1"> <tr> <td>Credit Risk →</td> <td>Relatively Low (Class A)</td> <td>Moderate (Class B)</td> <td>Relatively High (Class C)</td> </tr> <tr> <td>Interest Rate Risk ↓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively Low (Class I)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Moderate (Class II)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively High (Class III)</td> <td></td> <td></td> <td>C-III</td> </tr> </table>	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)			C-III
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- ❖ A blend of accrual & capital appreciation which endeavors to generate sustainable returns over 3 year time frame
- ❖ Investment focus towards corporate bonds with optimal liquidity and credit risk of various maturities and across the rating curve
- ❖ Relatively high accrual / carry product with lower re-investment risk and good roll-down benefits
- ❖ Core debt allocation product for long term investors (investment horizon of more than 3 yrs)

## Investment Objective

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

<b>Fund Manager#</b>	Sushil Budhia
<b>Monthend AUM as on March 31, 2024</b>	Rs. 119.93 Crs
<b>Inception Date</b>	June 26, 2014
<b>Benchmark</b>	CRISIL Medium Duration Debt A-III Index
<b>Exit Load**</b>	<ul style="list-style-type: none"> <li>• 1% if redeemed within 12 months from the date of allotment of units</li> <li>• Nil, thereafter</li> </ul> ** If charged, the same shall be credited to the scheme immediately net of goods & service tax, if any

#Kinjal Desai : Dedicated Fund Manager for Overseas Investments

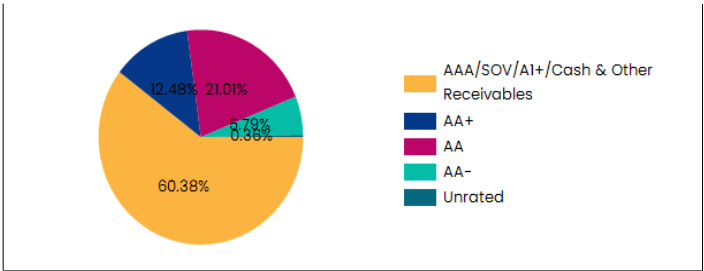
## Current Investment Strategy

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

## Why Invest in Nippon India Strategic Debt Fund

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

## Rating Profile as on March 31, 2024



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

## Scheme Attributes as on March 31, 2024

<b>Weighted Average YTM*</b>	8.11%
<b>Weighted Average Maturity</b>	4.42 Years
<b>Modified Duration</b>	3.23 Years

\*In case of semi annual YTM, it has been annualised

## Portfolio as on March 31, 2024

Company/Issuer	Rating	% of Assets
<b>Commercial Paper</b>		<b>4.1%</b>
Seil Energy India Limited	ICRA A1+	4.1%
<b>Corporate Bond</b>		<b>45.82%</b>
Summit Digital Infrastructure Limited (BROOKFIELD GROUP)	CRISIL AAA	6.5%
Pipeline Infrastructure Private Limited	CRISIL AAA	4.2%
Godrej Properties Limited	ICRA AA+	4.18%
Manappuram Finance Limited	CRISIL AA	4.17%
Century Textiles & Industries Limited	CRISIL AA	4.16%
DLF Cyber City Developers Limited	ICRA AA+	4.16%
Godrej Industries Limited	CRISIL AA	4.16%
Aadhar Housing Finance Limited (Blackstone Group)	FITCH AA	4.16%
JSW Steel Limited	ICRA AA	4.15%
IndoStar Capital Finance Limited	CRISIL AA-	3.3%
Arka Fincap Limited	CRISIL AA-	2.49%
Andhra Pradesh State Beverages Corporation Limited (A.P.State PSU (Structured escrow mechanism for payments & Guarantee by government of Andhra Pradesh))	FITCH AA(CE)	0.21%
<b>Government Bond</b>		<b>28.07%</b>
Government of India	SOV	28.07%
<b>Government Bond Strips</b>		<b>6.69%</b>
Government of India	SOV	6.69%
<b>Corporate Debt Market Development Fund</b>		<b>0.36%</b>
<b>Corporate Debt Market Development Fund Class A2</b>		<b>0.36%</b>
<b>PTC</b>		<b>7.84%</b>
Vajra Trust	ICRA AA+(SO)	4.14%
Sansar Trust (PTC of pools from Shriram Transport Finance Corporation)	ICRA AAA(SO)	3.7%
<b>Cash &amp; Other Receivables</b>		<b>7.12%</b>
<b>Grand Total</b>		<b>100%</b>

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

### Segregated Portfolio – 1 as on March 31, 2024

Vodafone Idea Limited was segregated from the scheme's portfolio due to some adverse developments and rating downgrade by CARE to BB- on Feb 17 2020. An amount of 4.64% of total exposure realized on Sep 16, 2020. The annual coupon amounting Rs 182 cr received on Jan 27, 2021. Further entire due amount of Rs 24.42 Cr (Face Value + Accrued Interest) was received on January 27, 2022, subsequently all the units in this segregated portfolio were redeemed and the portfolio was closed, and the investors were duly paid in proportion to their holding.

### Segregated Portfolio 2 - as on March 31, 2024

Company/Issuer	Rating	% of Assets
<b>Corporate Bond</b>		<b>0%</b>
Yes Bank Limited BASEL III	ICRA D	0%
<b>Cash &amp; Other Receivables</b>		<b>100%</b>
<b>Grand Total</b>		<b>100%</b>

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

#### Risk factors:

Trading volumes and settlement periods may restrict liquidity in debt investments. Investment in Debt is subject to price, credit, and interest rate risk. The NAV of the Scheme may be affected, inter alia, by changes in the market conditions, interest rates, trading volumes, settlement periods and transfer procedures. The NAV may also be subjected to risk associated with investment in derivatives, foreign securities or script lending as may be permissible by the Scheme Information Document.

#### Disclaimers:

The information herein above is meant only for general reading purposes and the views being expressed only constitute opinions and therefore cannot be considered as guidelines, recommendations or as a professional guide for the readers. Before making any investments, the readers are advised to seek independent professional advice, verify the contents in order to arrive at an informed investment decision.

None of the Sponsor, the Investment Manager, the Trustee, their respective directors, employees, associates or representatives shall be liable in any way for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including on account of lost profits arising from the information contained in this material.



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