



Nippon India NIFTY 500 EQUAL WEIGHT Index Fund

(An open-ended scheme replicating/tracking Nifty 500 Equal Weight Index)

Offer of units of ₹10/- each during the New Fund Offer and continuous offer for units at NAV based prices

NFO Opens : 21 Aug, 2024
NFO Closes : 4 Sept, 2024

Nippon India Nifty 500 Equal Weight Index Fund (An open-ended scheme replicating/tracking Nifty 500 Equal Weight Index)		
<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long term capital growth • Investments in equity and equity related securities and portfolio replicating the composition of the Nifty 500 Equal Weight Index, subject to tracking errors <p>*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.</p>	 <p>Riskometer Investors understand that their principal will be at Very High risk</p>	 <p>Riskometer Benchmark Riskometer is at Very High risk</p>

The product labelling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

Each stock
puts an equal effort.



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



Advantages of Index Fund



Nippon India Mutual Fund

Wealth sets you free

► Benefits of Investing in an Index Fund



Index

Introduction to Equal Weight Indices



Nippon India Mutual Fund

Wealth sets you free

➤ What is an Equal Weight Index?



Equal Weight Indices offer a **unique approach** to stock market indexing where each constituent in the index is assigned the **same weight**, regardless of the company's market capitalisation.

A



This approach **contrasts** with the traditional **market-cap weighted indices**, where larger companies have a greater influence on the performance of the index.

B



These indices are **rebalanced periodically**, to ensure each stock maintains its equal weight.*

C

*Equal weights are assigned at the time of rebalancing and the weights of constituents may drift between rebalancing periods due to movement in stock prices



Nippon India Mutual Fund

Wealth sets you free

Nifty 500
Equal Weight
Index



Nippon India Mutual Fund

Wealth sets you free



➤ Nifty 500 Equal Weight Index – Methodology

About the Index

- ▶ The Nifty 500 Equal Weight Index represents an alternative weighting index strategy to its market capitalisation weighted parent index, Nifty 500.
- ▶ All constituents forming part of Nifty 500 Index will form part of the Nifty 500 Equal Weight Index at all points in time.
- ▶ Each constituent in the index will be assigned equal weights at the time of rebalancing.

Selection Criteria

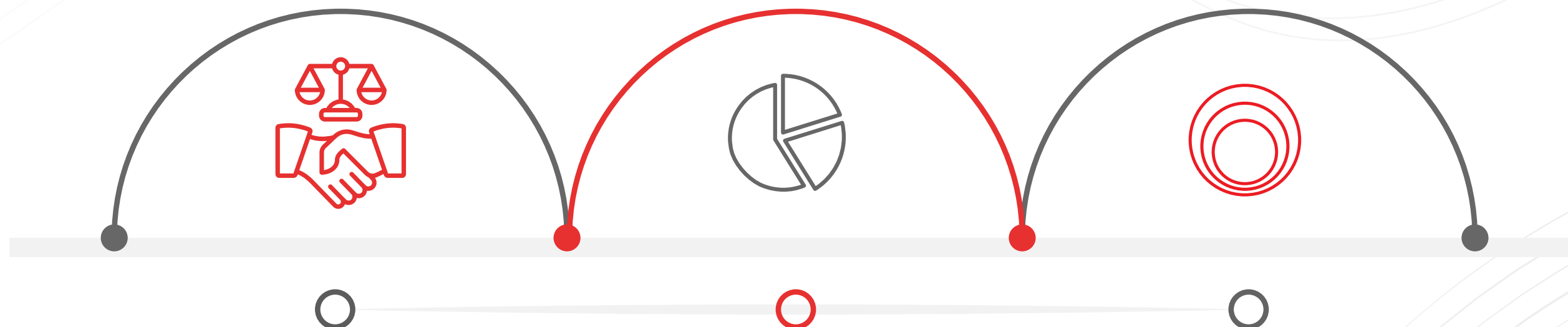
➤ Nifty 500 Index

Each constituent assigned equal weight at the time of rebalancing

- ▶ **Index Reconstitution**
Semi annually along with parent index (i.e. Nifty 500)
- ▶ **Weight Rebalancing**
Quarterly (Mar, Jun, Sep, Dec)

Source: NSE Indices Limited
For more details on methodology, kindly refer to the Scheme Information Document (SID) or NSE Indices website

Advantages of Nifty 500 Equal Weight Index



Equal Opportunity

All constituents have equal* weight in the index, providing opportunity to each constituent to reflect its performance in the index

Diversification

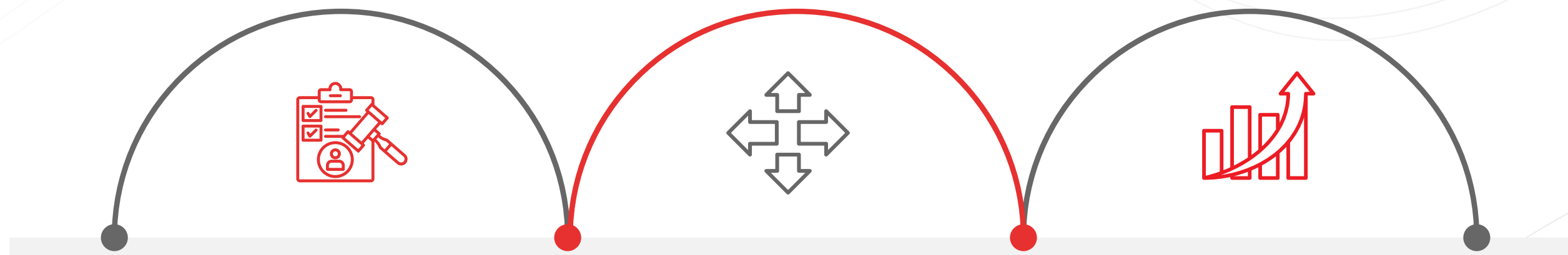
Equal weight of constituents leads to greater diversification of weight across the index and reduces concentration risk as opposed to a market-cap weighted index, where a few top stocks dominate the index weight

Broad Exposure

Nifty 500 has 3 broad subsets - Nifty 100 (Large Cap), Nifty Midcap 150 (Mid Cap) & Nifty Smallcap 250 (Small Cap), thereby providing exposure across market segments & multiple sectors

*Equal weights are assigned at the time of rebalancing and the weights of constituents may drift between rebalancing periods due to movement in stock prices

► Advantages of Nifty 500 Equal Weight Index Contd.



Rule-based Approach

Builds upon the rule-based stock selection approach of its parent index, i.e. Nifty 500 though each constituent is weighted equally*

20:30:50 Split

Weight of segment - Large, Mid and Small cap is approximately 20:30:50 respectively
Allows the index to capture excess returns which may be generated by Mid and Small cap stocks during certain favorable market phases

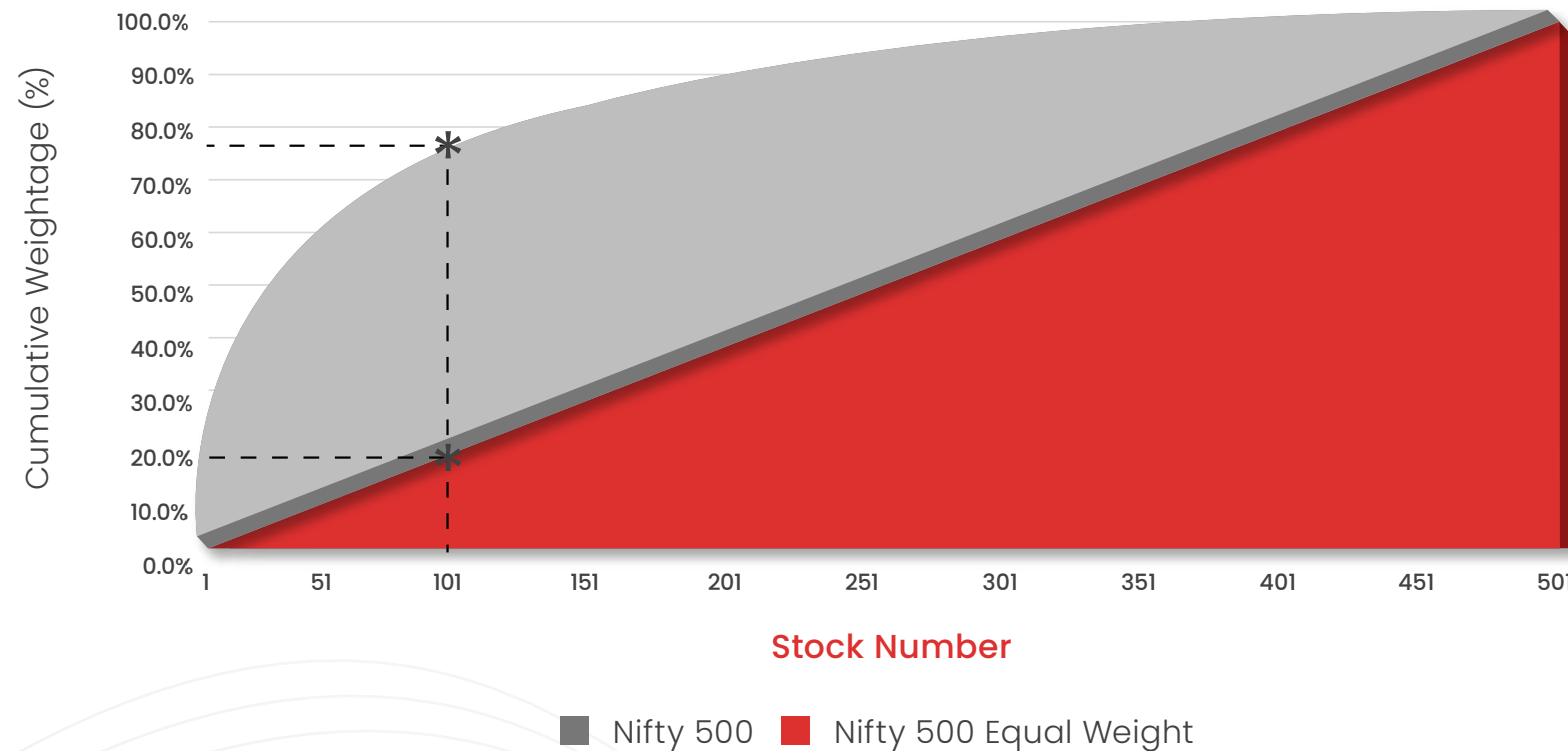
Periodic Profit Booking

Quarterly rebalancing of the constituents in an equal weighted index helps in profits of outperforming stocks getting booked periodically & are redistributed across the constituents in the portfolio

Definition of Large, Mid & Small cap based on SEBI Categorisation and Rationalisation of Mutual Fund Schemes

*Weights of constituents may drift between rebalancing periods due to movement in stock prices

► Cumulative Weight of Constituents: Nifty 500 Index v/s Nifty 500 Equal Weight Index



- **Top 100 stocks in the Nifty 500 Index** account for **~74% weight**, indicating **dominance of Large Cap stocks**
- While in the **Nifty 500 Equal Weight Index**, **100 stocks account for ~20% weight** indicating **weight distribution across stocks** leading to **lower stock concentration risk**

Definition of Large, Mid & Small cap based on SEBI Categorisation and Rationalisation of Mutual Fund Schemes

Data as on July 31, 2024

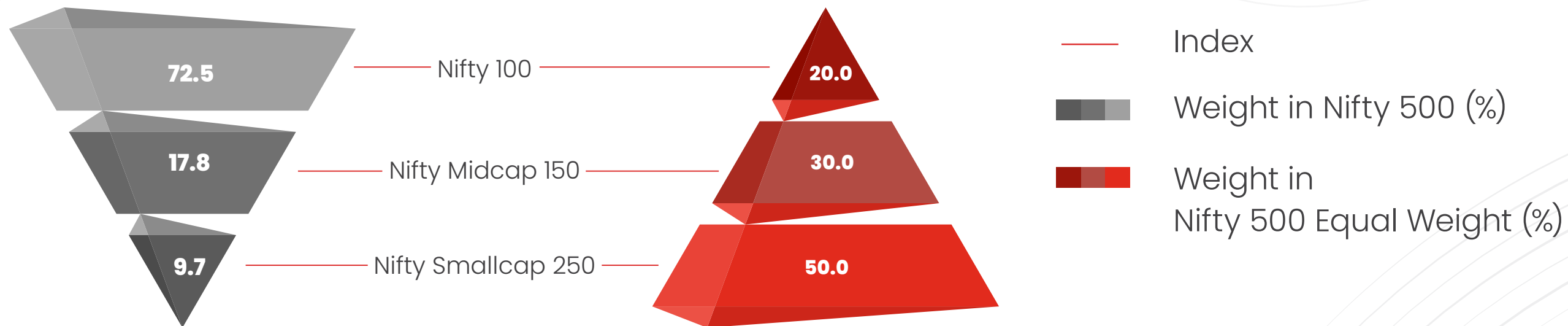
Source: NSE



Nippon India Mutual Fund

Wealth sets you free

➤ Broad-market Indices: Weight in Nifty 500 v/s Nifty 500 Equal Weight



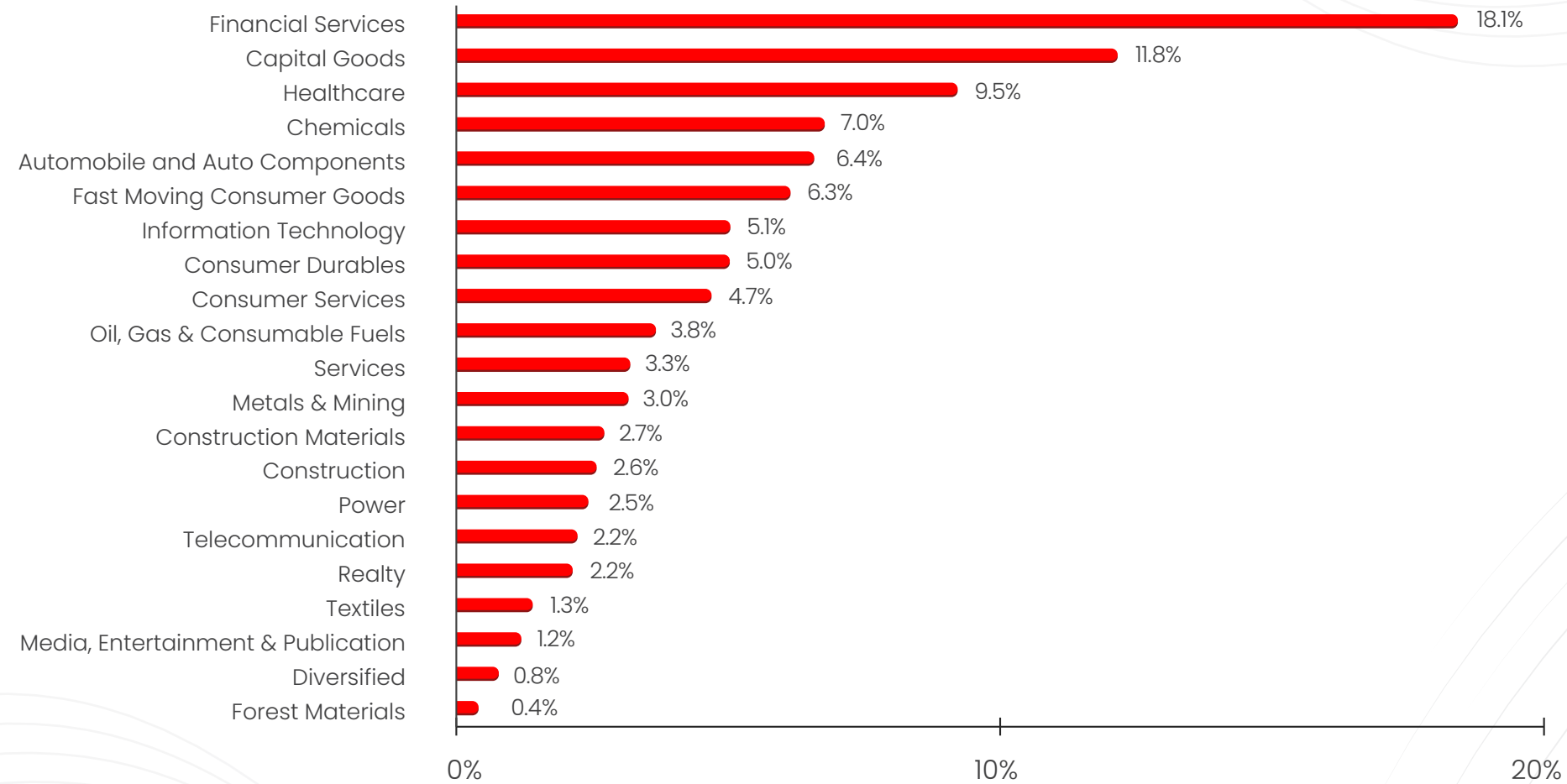
The 20:30:50 Advantage

- ▶ **Large caps** (Nifty 100) **have a major influence at ~73% weight in the Nifty 500 Index**, while **Small caps** (Nifty Smallcap 250) **represents a mere ~10% weight**
- ▶ **While Large caps** (Nifty 100) **represents ~20% and Small cap represents ~50% weight in the Nifty 500 Equal Weight Index**

Definition of Large, Mid & Small cap based on SEBI
Categorisation and Rationalisation of Mutual Fund Schemes

Data as on July 31, 2024.
Source: NSE

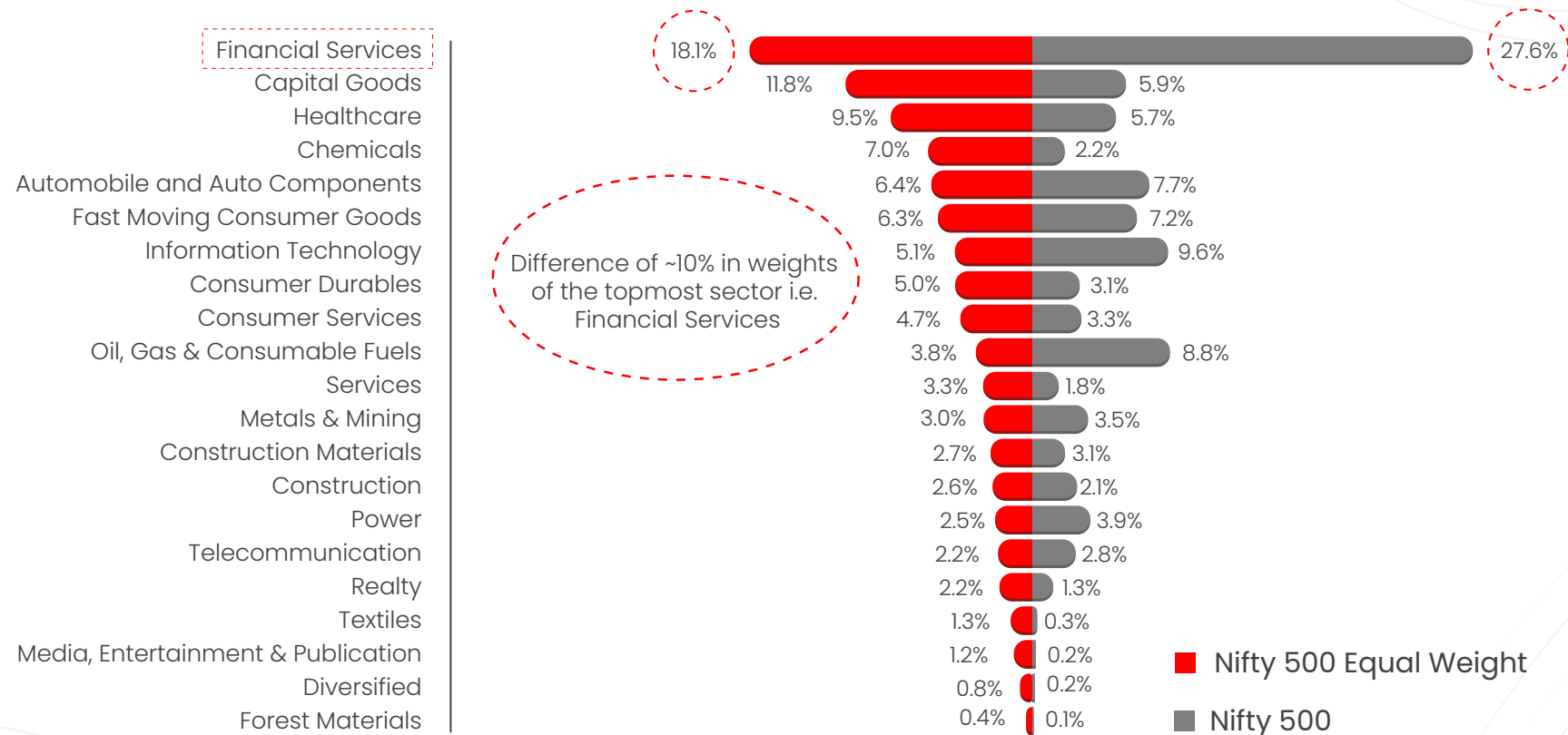
► Sector Allocation – Nifty 500 Equal Weight Index



► Nifty 500 Equal Weight Index is a **well-diversified** index spread **across 21 sectors**

Note: The above mentioned sectors may or may not form part of the index in future
 Sector classification as per AMFI
 Data as on July 31, 2024
 Source: NSE

► Sector Allocation – Nifty 500 Equal Weight v/s Nifty 500 Index



► Nifty 500 Equal Weight Index has a lower sector concentration compared to Nifty 500 Index

Disclaimer: This is for explanation purpose only
 Note: The above mentioned sectors may or may not form part of the index in future
 Sector classification as per AMFI.
 Data as on July 31, 2024
 Source: NSE



Performance of Nifty 500 Equal Weight TRI

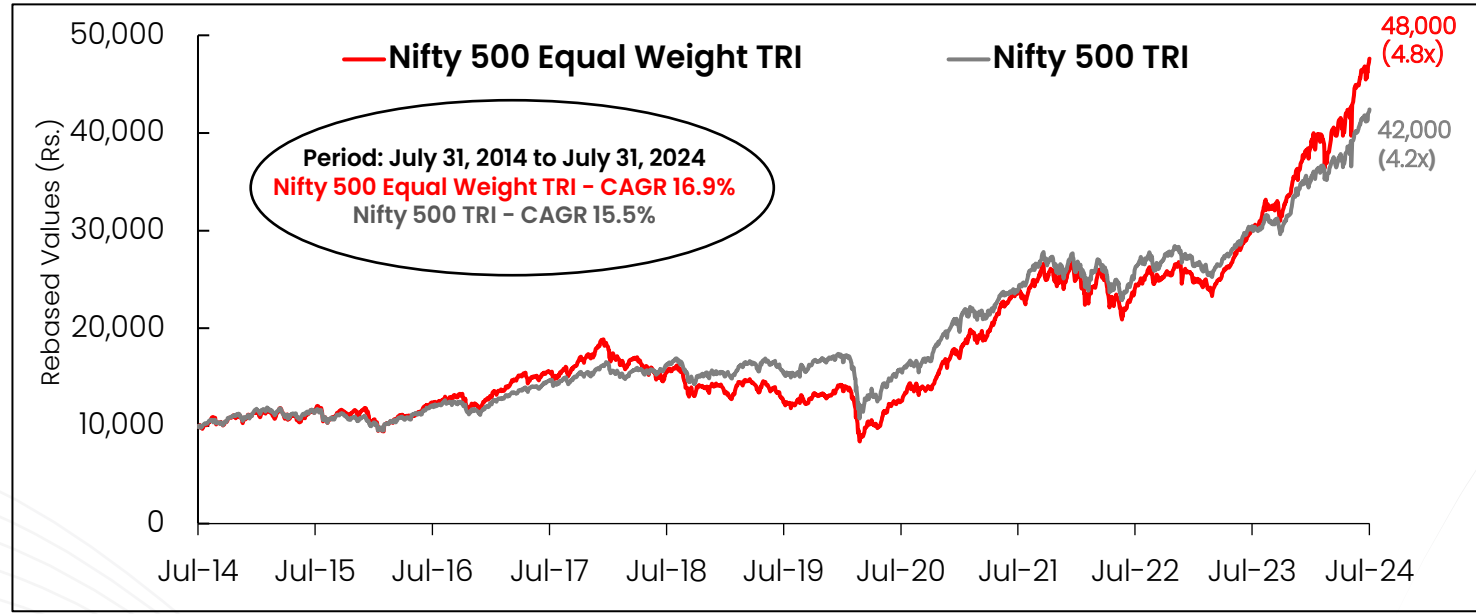


Nippon India Mutual Fund

Wealth sets you free

➤ Performance of Indices over the decade

Performance	Absolute (%)			Compound Annualized Growth Rate (%)			
Index Name	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
Nifty 500 Equal Weight TRI	5.6	14.9	21.5	56.6	25.9	30.6	16.9
Nifty 500 TRI	4.4	12.6	19.5	39.2	21.0	22.3	15.5



TRI – Total Return Index | TRI values rebased to 10,000 on July 31, 2014
 Past performance may or may not be sustained in future and the same may not necessarily provide the basis for comparison with other investments. Less than 1 year absolute returns, greater than 1 year Compound Annualised returns

Data as on July 31, 2024
 Source: MFI, NSE



Correlation

1

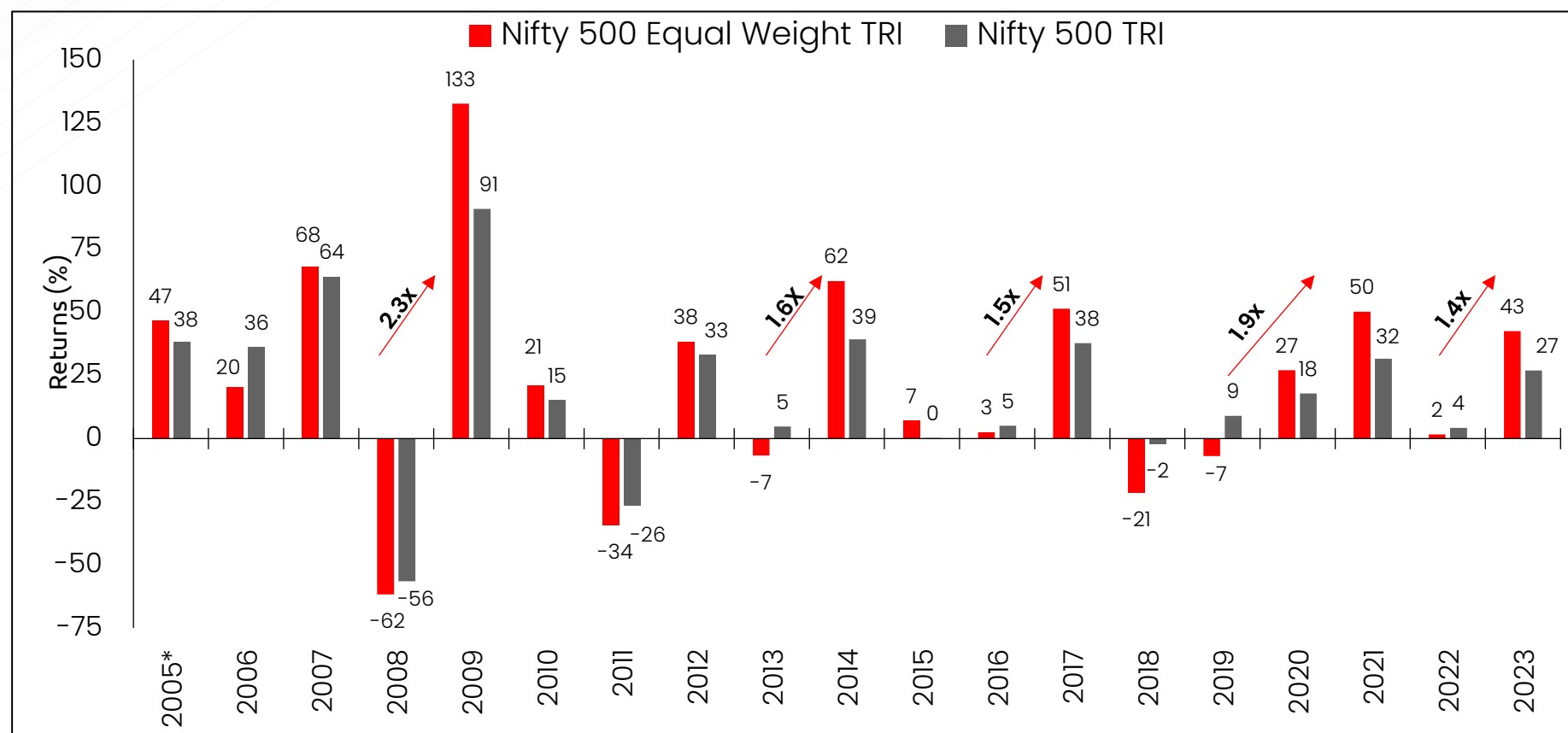
Correlation based on Rolling Returns				
Nifty 500 Equal Weight TRI v/s Nifty 500 TRI				
Year	1 Year	3 Year	5 Year	10 Year
10 Year				0.89
5 Year			0.91	
3 Year		0.88		
1 Year	0.94			

► Nifty 500 Equal Weight TRI has a high correlation to Nifty 500 TRI

Past performance may or may not be sustained in future and the same may not necessarily provide the basis for comparison with other investment | Rolling Returns are Compounded Annualised
 Total Return Index (TRI) values used for calculation
 Data: Apr 01, 2005 to July 31, 2024
 Source: MFI, NSE



Performance – Calendar Year Returns

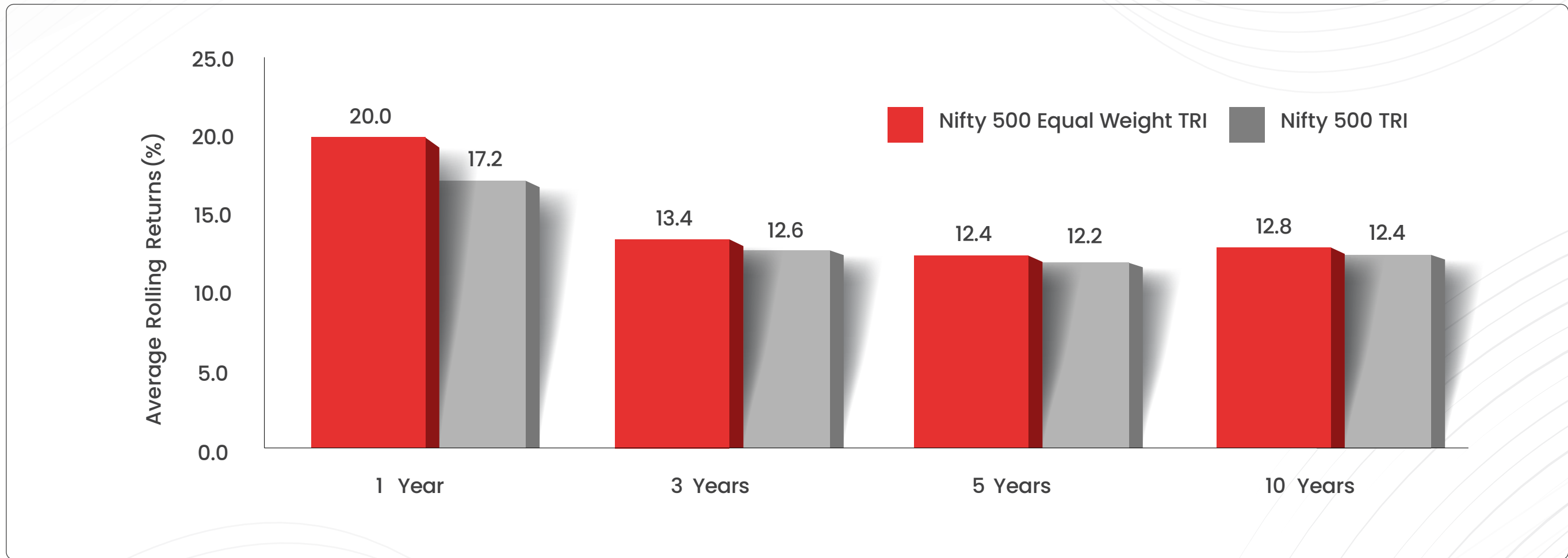


- ▶ Nifty 500 Equal Weight TRI has given positive returns in 14 out of 19 calendar years*
- ▶ Over 23% average calendar year returns over the 19-year timeline

*For 2005, since base date is 01 April, 2005, returns have been calculated from 01/04/2005 to 31/12/2005
 Past performance may or may not be sustained in future and the same may not necessarily provide the basis for comparison with other investments. TRI – Total Return Index
 Data: Calendar years from January to December

Source: MFI

Performance – Rolling Returns



Rolling returns are Compounded Annualised and calculated on a daily frequency basis
 Total Return Index (TRI) values used for calculation
 Past performance may or may not be sustained in future and the same may not necessarily provide the basis for comparison with other investments
 Data as on July 31, 2024
 Period for Rolling returns: Apr 01, 2005 to July 31, 2024
 Source: MFI





Fund Overview



Nippon India Mutual Fund

Wealth sets you free



➤ Nippon India Nifty 500 Equal Weight Index Fund: About the Scheme



Asset Allocation

Instruments	Indicative Allocation (% of total assets)		Risk Profile
	Minimum	Maximum	
Securities constituting Nifty 500 Equal Weight Index	95%	100%	Very High
Cash & Cash equivalents and Money Market instruments and/or schemes which invest in the Money Market securities or Liquid schemes#	0%	5%	Low to Medium

#The scheme may invest upto 5% net assets in money market / liquid schemes without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same management company or in schemes under the management of any other AMC shall not exceed 5% of the NAV of the Mutual Fund in accordance with Clause 4 of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996. For more details, please refer Scheme Information Document (SID)



Investment objective

The investment objective of the scheme is to provide investment returns that commensurate to the total returns of the securities as represented by the Nifty 500 Equal Weight Index before expenses, subject to tracking errors. However, there is no assurance that the investment objective of the Scheme will be achieved.



Type of scheme

An open-ended scheme replicating/tracking Nifty 500 Equal Weight Index



Nippon India Mutual Fund

Wealth sets you free

Why Invest in Nippon India Nifty 500 Equal Weight Index Fund?



Nifty 500 Universe

Contains top 500 companies selected based on full market capitalisation



Opportunity

Will also allow non-demat account holders to seek exposure to stocks from Nifty 500 via investing in Nippon India Nifty 500 Equal Weight Index Fund



Diversification

Enhances the overall performance of a portfolio by giving equal importance to each constituent, promoting diversification and reducing concentration risk



SIP Investments

Investors can avail the benefit of Systematic Investment Plan (SIP)



Reduced Risk

Elimination of non-systematic risks like stock picking and portfolio manager selection via investing in the Nifty 500 Equal Weight Index stocks



Low Cost

Exposure to the basket of 500 companies via low cost^ index fund



^Low cost in terms of total expense ratio



➤ Nippon India Nifty 500 Equal Weight Index Fund – Details

Scheme Features	
NFO Opens on	August 21, 2024
NFO Closes on	September 04, 2024
Benchmark Index	Nifty 500 Equal Weight TRI
Fund Manager	Himanshu Mange
Load Structure	Exit Load : NIL
Minimum application amount (during NFO & ongoing basis)	<p>During NFO: Minimum amount of ₹1,000 and in multiples of ₹1 thereafter</p> <p>During Ongoing Basis: Minimum amount of ₹1,000 and in multiples of ₹1 thereafter Additional amount of ₹1,000 and in multiples of ₹1 thereafter</p>
Plans	<p>The Scheme offers following Plans under Direct Plan and Regular Plan:</p> <p>A) Growth Plan B) Income Distribution cum Capital Withdrawal Plan</p>

Disclaimers

Disclaimer by the Index Provider:

Performance of the underlying index will have a direct bearing on the performance of the Scheme. In the event the index is dissolved or is withdrawn by the index provider, the Trustee reserves a right to modify the Scheme so as to track a different and suitable index and the procedure stipulated in the SEBI Regulations shall be complied with.

Disclaimer of NSE Indices Limited:

“The Product(s) are not sponsored, endorsed, sold or promoted by NSE INDICES LIMITED (formerly known as India Index Services & Products Limited (“IISL”). NSE Indices Limited does not make any representation or warranty, express or implied to the Unit holders of any product or any member of the public regarding the advisability of investing in Securities generally or in any product particularly or the ability of the underlying index to track general stock market performance in India. The relationship of NSE Indices Limited to Nippon Life India Asset Management Limited (NAM India) is only in respect of the licensing of certain trademarks and trade-names of the underlying index which is determined, composed and calculated by NSE Indices Limited without regard to the NAM India or any product. NSE Indices Limited has no obligation to take the needs of the NAM India or the Unit holders of the products into consideration in determining, composing or calculating the underlying index. NSE Indices Limited is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the products to be issued or in the determination or calculation of the equation by which the products are to be converted into cash. NSE Indices Limited has no obligation or liability in connection with the administration or marketing or trading of the products.”

“NSE Indices Limited does not guarantee the accuracy and/or the completeness of the underlying index or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. NSE Indices Limited makes no warranty, express or implied, as to the results to be obtained by the NAM India, Unit holders of the products or any other persons or entities from the use of the underlying index or any data included therein. NSE Indices Limited makes no express or implied warranties and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the underlying index or any data included therein. Without limiting any of the foregoing, in no event shall NSE Indices Limited have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages.”

Disclaimers by NSE:

As required a copy of this SID has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given permission to the Fund to use the Exchange’s name in this SID as one of the stock exchange on which the Fund’s Units are proposed to be listed subject to, the Fund fulfilling the various criteria for listing. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the SID has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this SID; nor does it warrant that the Fund’s Units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Fund, its promoters, its management or any Scheme or project of the Fund.

Every person who desires to apply for or otherwise acquire any Units of the Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such Subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

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



Nippon India Mutual Fund

Wealth sets you free

Disclaimers

Risk Factors:

Mutual Funds and securities investments are subject to market risks such as trading volumes, settlement risk, liquidity risk and default risk including the possible loss of principal and there is no assurance or guarantee that the objectives of the scheme will be achieved. As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme. The present scheme is not a guaranteed or assured return scheme. For more details, refer Scheme Information Document (SID).

Disclaimers:

The information herein 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. Certain factual and statistical information (historical) pertaining to industry and markets have been obtained from independent third-party sources, which are deemed to be reliable. It may be noted that since Nippon Life India Asset Management Limited (NAM India) has not independently verified the accuracy or authenticity of such information or data, or for that matter the reasonableness of the assumptions upon which such data and information has been processed or arrived at; NAM India does not in any manner assure the accuracy or authenticity of such data and information. Some of the statements & assertions contained in these materials may reflect NAM India's views or opinions, which in turn may have been formed on the basis of such data or information.

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.



Thank you for your time!

