SECTION I

# Nippon India Nifty Pharma ETF

(An open ended scheme replicating/ tracking NIFTY Pharma Index)

NSE: PHARMABEES

# Scheme Information Document

| Product Label | | |
|---|---|---|
| **This product is suitable for investors who are seeking*:** | **Scheme Riskometer:**<br>**Nippon India Nifty Pharma ETF** | **Benchmark Riskometer:**<br>**Nifty Pharma TRI** |
| • Long term capital growth.<br>• Investment in equity and equity related securities and portfolios replicating the composition of Nifty Pharma Index, subject to tracking errors<br><br>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them. |  |  |

## Continuous offer of Units at NAV based prices

**The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and circulars issued thereunder filed with SEBI, along with a Due Diligence Certificate from the Asset Management Company. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.**

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres /Website / Distributors or Brokers.

**The investors are advised to refer to the Statement of Additional Information (SAI) for details of Nippon India Mutual Fund, Standard Risk Factors, Special Consideration, Tax and Legal issues and general information on mf.nipponindiaim.com.**

**SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.**

**The Scheme Information Document (Section I and Section II) should be read in conjunction with the SAI and not in isolation.**

This Scheme Information Document is dated June 30, 2024.

**NAME OF MUTUAL FUND**

Nippon India Mutual Fund (NIMF)

**NAME OF ASSET MANAGEMENT COMPANY**

Nippon Life India Asset Management Limited (NAM India)

CIN : L65910MH1995PLC220793

**NAME OF TRUSTEE COMPANY**

Nippon Life India Trustee Limited (NLITL)

CIN : U65910MH1995PLC220528


**Registered Office (NIMF, NAM India, NLITL)**

4th Floor, Tower A, Peninsula Business Park,

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Fax No. +91 022 6808 7097

Website : mf.nipponindiaim.com

**NSE DISCLAIMER**

"As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/5265 dated November 23, 2020 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual 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 Scheme Information Document 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 Scheme Information Document; nor does it warrant that the Mutual 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 Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund..

Every person who desires to apply for or otherwise acquire any units of the Mutual 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."

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An investor, by subscribing or purchasing an interest in the Product(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

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**Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME**

| Sr. No. | Title | Description |
|---|---|---|
| I. | **Name of the scheme** | Nippon India Nifty Pharma ETF |
| II. | **Category of the Scheme** | Other - ETFs |
| III. | **Scheme type** | An open ended scheme replicating/ tracking NIFTY Pharma Index |
| IV. | **Scheme code** | NIMF/O/O/EET/21/05/0114 |
| V. | **Investment objective** | The investment objective of the scheme is to provide investment returns closely corresponding to the total returns of the securities as represented by the NIFTY Pharma Index before expenses, subject to tracking errors. There is no assurance that the investment objective of the Scheme will be achieved. |
| VI. | **Liquidity/listing details** | **Liquidity**<br>All investors including Authorized Participants/Market Makers, Large Investors and other investors may sell their units on the stock exchange(s) on which these units are listed on all the trading days of the stock exchange. Alternatively Authorized Participant/Market Makers and Large Investors can directly buy /sell in blocks from the fund in 'Creation Unit' Size. Additionally, in case of large investors, the execution value for direct Subscription / Redemption with the Fund shall be greater than Rs. 25 crores (except for Schemes managed by Employee Provident Fund Organisation (EPFO), India and Recognized Provident Funds, Approved Gratuity Funds and Approved Superannuation Funds under Income Tax Act, 1961, till October 31, 2024 or as specified in the Regulations time to time).<br>**Listing**<br>The units of Nippon India Nifty Pharma ETF shall be listed on National Stock Exchange of India Ltd (NSE).The trading will be as per the normal settlement cycle. The AMC reserves the right to list the units of the Scheme on any other recognized stock exchange at later date, after obtaining required approval from respective stock exchange. |
| VII. | **Benchmark (Total Return Index)** | **NIFTY Pharma TRI.**<br>As applicable, the performance of the scheme wherever mentioned in the Scheme Information Document shall be benchmarked to the Total Return (TRI) variant of the benchmark.<br>As per the investment objective of the scheme, the investment would primarily be in securities which are constituents of the Nifty Pharma Index. Thus, the composition of the aforesaid benchmark index is such that it is most suited for comparing performance of the Scheme. |
| VIII. | **NAV disclosure** | The NAV will be calculated and disclosed at the close of every Business Day and uploaded on the AMFI website www.amfiindia.com and Nippon India Mutual Fund website i.e. mf.nipponindiaim.com by 11.00 p.m. on the day of the declaration of the NAV. Further, AMC shall extend facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard.<br>In case of delay beyond 11.00 p.m., the reasons for delay would be explained in writing to AMFI and SEBI. If the NAVs are not available before commencement of business hours on the following day due to any reason, Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs.<br>Further Details in Section II. |
| IX. | **Applicable timelines** | **Timeline for Dispatch of redemption proceeds**<br>The Fund will transfer the Redemption proceeds within 3 Working Days from the date of acceptance of the Redemption request. In case of exceptional situations listed in AMFI Circular No.AMFI/35P/MEM-COR/74/2022-23 dated January 16, 2023, redemption payment would be made within the permitted additional timelines.<br>**Timeline for Dispatch of IDCW (if applicable) etc**<br>The IDCW declared will be paid net of tax deducted at source, wherever applicable, to the Unit holders within 7 working days from the Record date. The amounts can be distributed out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains |
| X. | **Plans and Options** | The Scheme offers only Growth Option. However, Unit holders are requested to note that the Trustees may at their absolute discretion reserve the right to declare IDCW from time to time (which will be paid out to the Unit |

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|---|---|---|
| | **Plans/Options and sub options under the Scheme** | holders) in accordance with the IDCW Policy set out below. The AMC and the Trustees reserve the right to introduce such other plans/options as they deem necessary or desirable from time to time, in accordance with the SEBI Regulations. |
| XI. | **Load Structure** | **Exit Load – Not Applicable** |
| XII. | **Minimum Application Amount/switch in** | **Directly with Fund**<br><br>The facility of creating units in Creation Unit size is available to the Authorised Participants/ Market Makers (whose names will be available on our website mf.nipponindiaim.com / etf.nipponindiaim.com) and Large Investors. However, in case of large investors, the execution value shall be greater than Rs. 25 crores.<br><br>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity & Superannuation Fund till October 31, 2024.<br><br>Minimum number of Units (Creation Units) - 75,000 Units and in multiples thereof<br><br>**On the Exchange -** The minimum number of Units that can be bought by the Investors on the Exchange is 1 (one) Unit and in multiples thereof**.**<br><br>Minimum Switch Amount<br><br>Will be as per the minimum application amount in the respective scheme which may have been opted by the Investor for switching the units/amount where the switch facility is available.<br><br>A. Switch-in facility into applicable ETF schemes from eligible open-ended (Non-ETF) Liquid and Debt/Income Schemes For availing this facility, Investors are requested to note the following operational modalities:<br><br>a) Based on number of baskets the Investor wants to switch in to the ETF scheme, switch-out amount from Liquid or Debt/Income Fund should be calculated to nearest Basket lot size so that the minimum Switch -in amount as on switch-in date is greater than Rs. 25 crores as per the Intra-day NAV<br><br>b) Switch-In to the ETF Scheme will be in terms of number of basket/ Creation Lot specified in the application form subject to minimum Switch-in amount of greater than Rs. 25 crores<br><br>c) Switch transaction will be processed at the applicable NAV of the switch- out scheme and only if the value is available in the switch-out scheme.<br><br>d) The applicability of the NAV in the ETF (transferee) Scheme will be the Intra day NAV of the business day on which the Funds are realized in Scheme's account before the cut-off time.<br><br>e) In case the value of Intra-Day NAV X no. of applicable Creation Lot is greater than the Switch Funding amount, the Switch-In transaction will be rejected and the entire amount will be paid to the investor.<br><br>f) Investors to note that the pattern and sequence of holding both in the open-ended (Non-ETF) Folio and in demat account (used for ETF units) should be same.<br><br>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity & Superannuation Fund till October 31, 2024.<br><br>NIMF/NAM India reserves the right to introduce, change, modify or withdraw any of the features available in this facility from time to time. |
| XIII. | **Minimum Additional Purchase Amount** | Not Applicable |
| XIV. | **Minimum Redemption/switch out amount** | **Directly with Fund**<br><br>The facility of redeeming units in Creation Unit size is available to the Authorised Participants/ Market Makers (whose names will be available on our website mf.nipponindiaim.com / etf.nipponindiaim.com) and Large Investors. However, in case of large investors, the execution value shall be greater than Rs. 25 crores.<br><br>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity & Superannuation Fund till October 31, 2024.<br><br>Investors can directly approach the AMC for redemption of units of ETFs, for transaction of up to Rs. 25 crores without any exit load, in case of the following scenarios:<br><br>i Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or<br><br>ii No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or<br><br>iii Total bid size on the exchange is less than half of creation unit size daily, averaged over a period of 7 consecutive trading days.<br><br>In case of the above scenarios, applications received from investors for redemption up to 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day of receipt of application within the above cut-off time, such instances shall be tracked by Nippon India AMC on an ongoing basis and in case if any of the above mentioned scenario arises the same shall be disclosed on the website of Nippon India Mutual Fund i.e. mf.nipponindiaim.com / etf.nipponindiaim.com.<br><br>**On the Exchange** – The Units of the Scheme can be sold in round lot of 1 Unit and multiples thereof.<br><br>**Minimum Switch Amount** |

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| | | Will be as per the minimum application amount in the respective scheme which may have been opted by the Investor for switching the units/amount where the switch facility is available.<br>**A. Switch-out facility from applicable ETF schemes to eligible open-ended (Non-ETF) Equity, Liquid and Debt/Income Schemes.**<br>For availing this facility, investors are requested to note the following operational modalities:<br>a. Switch-out from the Scheme will be allowed only in terms of Basket size (unit) and subject to minimum Switch -out amount of greater than INR 25 Cr.<br>b. Switch transaction will be processed subject to availability of all details as per regulatory guidelines.<br>c. Switch out transaction will be processed at the Intra day NAV of the switch- out scheme<br>d. The applicability of the NAV in the transferee Scheme will be the Intra day NAV of the business day on which the Funds are realized in Scheme's account before cut-off time.<br>e. In case of any rejection in Switch-in to the transferee Scheme, the amount will be paid to the investor as redemption proceeds.<br>f. Investors to note that the pattern and sequence of holding both in the open-ended (Non-ETF) Folio and in demat account (used for ETF unit holding) should be same.<br>g. Investors should have the clear balance of ETF units in their demat account for execution of the Switch-out transaction from the selected ETF Scheme.<br>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity & Superannuation Fund till October 31, 2024.<br>NIMF/NAM India reserves the right to introduce, change, modify or withdraw any of the features available in this facility from time to time. |
| XV. | **New Fund Offer Period**<br>This is the period during which a new scheme sells its units to the investors. | Not Applicable |
| XVI. | **New Fund Offer Price:**<br>This is the price per unit that the investors have to pay to invest during the NFO. | Not Applicable |
| XVII. | **Segregated portfolio/side pocketing disclosure** | The scheme has segregated portfolio disclosure.<br>For Details, kindly refer SAI. |
| XVIII. | **Swing pricing disclosure** | Not Applicable |
| XIX. | **Stock lending/short selling** | The Scheme will participate in securities lending but will not engage in short selling.<br>For Details, kindly refer SAI |
| XX. | **How to Apply and other details** | Authorised Participants/Market Makers / Large Investors may submit / mail the completed application forms at any of the Designated Investor Service Centers of Nippon India Mutual Fund. Investors in cities other than where the Designated Investor Service Centers (DISC) are located, may send their application forms to any of the nearest DISC. The list of the Designated Investor Service Centres (DISCs)/Official Points of Acceptance (OPAs) of the Mutual Fund are available on the website of the AMC i.e. mf.nipponindiaim.com.<br>Please refer to the SAI for detailed procedure and Application form for the instructions.<br>Please refer to Section II for more details. |
| XXI. | **Investor services** | **Contact details for general service requests & complaint resolution:**<br>Mr. Milind Nesarikar is the Investor Relations Officer for the Fund. All related queries should be addressed to him at the following address:<br>Mr. Milind Nesarikar<br>Nippon Life India Asset Management Limited<br>20th Floor, Tower A, Peninsula Business Park,<br>Ganapatrao Kadam Marg, Lower Parel (W), Mumbai - 400 013.<br>Tel No. +91 022 6954 8000; Fax No. +91 022 6954 8199 |

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|---|---|---|
| | | Email: Milind.Nesarikar@nipponindiaim.com<br><br>**Online Dispute Resolution Platforms**<br><br>**1. SCORES**<br><br>SCORES is a web based centralized grievance redressal system which enables investors to lodge and follow up their complaints and track the status of redressal of such complaints online. Through this system, the investor should be able to submit his/her complaint on an online basis, which shall then be monitored and forwarded by the concerned Desk Officer(s) at SEBI to the concerned AMC's, who would then in-turn be required to suitably redress & upload status thereof on this platform itself, within the stipulated time period. For redressal of complaints, Investors can visit www.scores.gov.in.<br><br>**2. Online Dispute Resolution (ODR) Portal**<br><br>Pursuant to SEBI Circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023 read with SEBI Circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 04, 2023, common Online Dispute Resolution ('ODR') Portal has been established in order to harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market.<br><br>The investors can access the link to ODR portal viz. https://smartodr.in which is also made available on our website. |
| XXII. | **Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)** | Not Applicable |
| XXIII. | **Special product/facility available during the NFO and on ongoing basis** | Being an ETF, none of the Special Products is available in the scheme.<br><br>Special facilities are as under:<br><br>**1) Switch-in facility into applicable ETF schemes from eligible open-ended (Non-ETF) Liquid and Debt/Income Schemes**<br><br>For availing this facility, Investors are requested to note the following operational modalities:<br><br>a) Based on number of baskets the Investor wants to switch in to the ETF scheme, switch-out amount from Liquid or Debt/Income Fund should be calculated to nearest Basket lot size so that the minimum Switch -in amount as on switch-in date is greater than Rs. 25 crores as per the Intra-day NAV<br><br>b) Switch-In to the ETF Scheme will be in terms of number of basket/ Creation Lot specified in the application form subject to minimum Switch-in amount of greater than Rs. 25 crores<br><br>c) Switch transaction will be processed at the applicable NAV of the switch- out scheme and only if the value is available in the switch-out scheme.<br><br>d) The applicability of the NAV in the ETF (transferee) Scheme will be the Intra day NAV of the business day on which the Funds are realized in Scheme's account before the cut-off time.<br><br>e) In case the value of Intra-Day NAV X no. of applicable Creation Lot is greater than the Switch Funding amount, the Switch-In transaction will be rejected and the entire amount will be paid to the investor.<br><br>f) Investors to note that the pattern and sequence of holding both in the open-ended (Non-ETF) Folio and in demat account (used for ETF units) should be same.<br><br>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity & Superannuation Fund till October 31, 2024.<br><br>NIMF/NAM India reserves the right to introduce, change, modify or withdraw any of the features available in this facility from time to time.<br><br>**2) Switch-out facility from applicable ETF schemes to eligible open-ended (Non-ETF) Equity, Liquid and Debt/Income Schemes.**<br><br>For availing this facility, investors are requested to note the following operational modalities:<br><br>a) Switch-out from the Scheme will be allowed only in terms of Basket size (unit) and subject to minimum Switch -out amount of greater than Rs. 25 crores<br><br>b) Switch transaction will be processed subject to availability of all details as per regulatory guidelines.<br><br>c) Switch out transaction will be processed at the Intra day NAV of the switch- out ETF scheme<br><br>d) The applicability of the NAV in the transferee Scheme will be the NAV of the business day on which the Funds are realized in Scheme's account before cut-off time.<br><br>e) In case of any rejection in Switch-in to the transferee Scheme, the amount will be paid to the investor as redemption proceeds.<br><br>f) Investors to note that the pattern and sequence of holding both in the open-ended (Non-ETF) Folio and in demat account (used for ETF unit holding) should be same. |

| | | |
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| | | g) Investors should have the clear balance of ETF units in their demat account for execution of the Switch-out transaction from the selected ETF Scheme.<br><br>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity & Superannuation Fund till October 31, 2024.<br><br>NIMF/NAM India reserves the right to introduce, change, modify or withdraw any of the features available in this facility from time to time.<br><br>**3) Official Points of Acceptance of Transaction through MF utility:**<br><br>MF Utilities India Private Limited ("MFUI"), a "Category II - Registrar to an Issue" under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, basis extending the features of MF Utility ("MFU") website for accepting commercial transactions in Nippon India ETF Schemes (except Nippon India ETF Nifty 1D Rate Liquid BeES and Nippon India ETF Gold BeES) in Creation Unit size. Accordingly, the website/mobile application of MFUI (available currently and also updated from time to time) areshall be eligible to be considered as 'official points of acceptance' for all financial transactions in the schemes of NIMF ETFs (except Nippon India ETF Nifty 1D Rate Liquid BeES and Nippon India ETF Gold BeES) electronically with effect from August 27, 2018.<br><br>Applicability of NAV shall be based on time stamping as evidenced by confirmation data of MFUI and also the realization of funds in the Bank account of Nippon India Mutual Fund (and NOT the time of realization of funds in the Bank account of MFUI) within the applicable cut-off timing. The Uniform Cut - off time as prescribed by SEBI and mentioned in the SID / KIM shall be applicable for applications received through such facilities. Investors are requested to note that MFUI will allot a Common Account Number ("CAN") i.e. a single reference number for all investments in the mutual fund industry for transacting in multiple schemes of various mutual funds through MFU and to map existing folios, if any. Investors can create a CAN by submitting the CAN Registration Form and necessary documents at the POS. However, for NIMF ETFs the MFU will only act as a transaction aggregator and will not provide the holding details under the Folio/Can. The AMC and/or its Registrar and Transfer Agent shall provide necessary details to MFUI as may be needed for providing the required services to investors/distributors through MFU. Investors are requested to visit the website of MFUI i.e. www.mfuindia.com to download the relevant forms.<br><br>For any queries or clarifications related to MFU, please contact the Customer Care of MFUI on +91 22 6134 4316 (during the business hours on all days except Saturday, Sunday and public holidays) or send an email to clientservices@mfuindia.com.\ |
| XXIV. | **Weblink** | A weblink wherein TER for last 6 months, Daily TER as well as scheme factsheet shall be made available.<br><br>TER : https://mf.nipponindiaim.com/investor-services/downloads/total-expense-ratio-of-mutual-fund-schemes<br><br>Factsheet : https://mf.nipponindiaim.com/investor-service/downloads/factsheet-and-other-portfolio-disclosures |
| XXV. | **CREATION UNIT:** | 'Creation Unit' is a fixed number of Nippon India Nifty Pharma ETF unit, which is exchanged for a basket of shares underlying the index called the "Portfolio Deposit" and a "Cash Component". The facility of creating / redeeming units in Creation Unit size will be available to the Authorized Participants/Market Makers and large Investors. Additionally, in case of large investors, the execution value for direct Subscription / Redemption with the Fund shall be greater than Rs. 25 crores (except for Schemes managed by Employee Provident Fund Organisation (EPFO), India and Recognized Provident Funds, Approved Gratuity Funds and Approved Superannuation Funds under Income Tax Act, 1961, till October 31, 2024 or as specified in the Regulations time to time). The list of Authorized Participants/Market Makers will be available on the website of the Fund etf.nipponindiaim.com. Further NAM India reserves the right to modify authorised participants/Market Makers on an ongoing basis. The number of Nippon India Nifty Pharma ETF that investors can create / redeem in exchange of the Portfolio Deposit and Cash Component is 75,000 units and in multiples thereafter. The Fund may also allow Cash# subscription /redemption of Nippon India Nifty Pharma ETF in creation unit size by Authorized Participants/Market Makers and large investors. |
| XXVI. | **Face Value** | Rs.10/- per unit. |

**DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY**

It is confirmed that:

(i) The Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.

(ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.

(iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.

(iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

(v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct

(vi) AMC has complied with the set of checklist applicable for Scheme Information Document and there are no deviations from the regulations.

(vii) Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

(viii) The Trustees have ensured that Nippon India Nifty Pharma ETF approved by them is a new product offered by Nippon India Mutual Fund and is not a minor modification of any existing scheme/fund/product.

Sd/-

Date: June 30, 2024 | Name: Muneesh Sud

Place: Mumbai | Designation: Chief Legal & Compliance Officer

**Part II. INFORMATION ABOUT THE SCHEME**

## A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances, the anticipated asset allocation would be:

| Instruments | Indicative asset allocation (% of total assets) | | Risk Profile |
|---|---|---|---|
| | Minimum | Maximum | |
| Securities constituting NIFTY Pharma Index | 95% | 100% | Medium to High |
| Money Market Instruments including Tri-Party Repo on Government securities or Treasury bills, cash & cash equivalents or Liquid Schemes* | 0% | 5% | Low to Medium |

Cash Equivalents include Government Securities, T-Bills and Repo on Government Securities having residual maturity of less than 91 days.

*The Fund Manager may invest in Liquid Schemes of Nippon India Mutual Fund and other schemes of a mutual fund registered with SEBI, that invest predominantly in the money market securities.

The above stated percentages are indicative and not absolute.

The Scheme will not invest in securitized debt, ADR, GDR, foreign securities, structured obligations, nor will it engage in short selling and Repo in corporate debt.

As the NIFTY Pharma is an Equity index, the constituents of the index do not include debt Securities. The Fund Manager would monitor the Tracking Error of the Scheme on an ongoing basis and would seek to minimize the Tracking Error to the maximum extent possible. Under normal market circumstances, tracking error based on past one year rolling data shall not exceed 2%. However, in case of unavoidable circumstances in the nature of force majeure, which are beyond the control of the AMCs, the tracking error may exceed 2% and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any. There can be no assurance or guarantee that the Scheme will achieve any particular level of Tracking Error relative to performance of the underlying Index.

For the time duration of change in the index constituents, the Scheme may have to invest in Derivatives to maintain the respective weightages for the companies, constituting the index. Other than for purposes of portfolio rebalancing, the Scheme will not invest in Derivatives. These investments would be for a short period of time. The notional exposure of the Scheme in Derivative instruments shall be restricted to 10% of the net assets of the Scheme. The cumulative gross exposure through equity, debt and Derivative positions (including fixed income derivatives) shall not exceed 100% of the net assets of the Scheme as per clauses 12.24 and 12.25 of SEBI Master Circular dated May 19, 2023. As per SEBI Letter dated 3rd November 2021, Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

Subject to the SEBI Regulations as applicable from time to time, the Scheme may, if the Trustees permit, participate in securities lending. The maximum exposure of the Scheme to a single intermediary in the stock lending programme at any point of time would be limited to 5% of the market value of its equity portfolio or up to such limits as may be specified by SEBI. The Scheme will not lend more than 15% of its corpus.

**Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)**

| Sl. No | Type of Instrument | Percentage of exposure | Circular references |
|---|---|---|---|
| 1 | Securities Lending | 0 - 15% | SEBI (Mutual Funds) Regulations, 1996, Securities Lending Scheme, 1997 and Clause 12.11 of SEBI Master Circular dated May 19, 2023 |
| 2 | Equity Derivatives for non-hedging purposes | 0 - 10% | Clause 12.25 of SEBI Master Circular dated May 19, 2023 |
| 3 | Derivatives | | Clause 12.25 of SEBI Master Circular dated May 19, 2023 |
| 4 | Securitized Debt | Nil | |
| 5 | Overseas Securities | Nil | Clause 12.19 of SEBI Master Circular dated May 19, 2023 |
| 6 | ReITS and InVITS | | |
| | i. Units of REIT and InvIT | - | Clause 13 of Seventh schedule of SEBI (Mutual Funds) Regulations, 1996 |
| | ii. Units of REIT and InvIT issued by a single issuer. | - | |
| 7 | AT1 and AT2 Bonds | - | Clause 12.2 of SEBI Master Circular dated May 19, 2023 |
| 8 | AT1 and AT2 Bonds (Single issuer) | - | |
| 9 | Unrated debt and money market instruments | 0-5% | Clause 12.1.5 of SEBI Master Circular dated May 19, 2023 |

| | | | |
|---|---|---|---|
| 10 | Unlisted Non-Convertible Debentures (NCDs) | 0-10% | Clause 12.1.1 of SEBI Master Circular dated May 19, 2023 |
| 11 | * Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade at Scheme level. | - | Clauses 12.3.1 of SEBI Master Circular dated May 19, 2023 |
| 12 | * Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade for any group on debt portfolio of the schemes. | - | Clauses 12.3.1 of SEBI Master Circular dated May 19, 2023 |
| 13 | Repo transactions in corporate debt securities | Nil | Clauses 12.18.1.1 of SEBI Master Circular dated May 19, 2023 |

* Of Debt portfolio

**Rebalancing of deviation due to short term defensive consideration:**

Any alteration in the investment pattern will be for a short term on defensive considerations as per SEBI Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, the intention being always to protect the interests of the Unit Holders and the Scheme shall rebalance the portfolio within 7 calendar days.

It may be noted that no prior intimation/indication will be given to investors when the composition/asset allocation pattern under the Scheme undergoes changes within the permitted band as indicated above.

**Portfolio rebalancing in case of passive breach:**

In line with SEBI Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, in case of change in constituents of the index due to periodic review, the portfolio of Scheme shall be rebalanced within 7 calendar days. Further, any transactions undertaken in the portfolio of Index Schemes to meet the redemption and subscription obligations shall be done ensuring that post such transactions replication of the portfolio with the index is maintained at all points of time.

However, always the portfolio will adhere to the overall investment objectives of the Scheme. However, the same will be rectified at the earliest opportunity as may be available, but not later than 7 days, to minimize the tracking error.

In the event of involuntary corporate action, the scheme shall dispose the security not forming part of the underlying index within 7 calendar days from the date of allotment/listing.

## B. WHERE WILL THE SCHEME INVEST?

**Investment in Equities and equity related instruments:** The Scheme would invest in stocks comprising the NIFTY Pharma Index in the same proportion (weightage) as in the Index and endeavor to track the benchmark index.

**Investment in money market instrument:** The Scheme may also invest money market instruments, in compliance with Regulations to meet liquidity requirements. The scheme may also invest in liquid schemes of Nippon India Mutual Fund or any other Fund House. Money market instruments include Tri-party Repo on Government securities or Treasury bills / Reverse Repo, certificate of deposit, commercial papers (listed), commercial bills, treasury bills, Government securities issued by Central & State Government having an unexpired maturity up to one year, call or notice money, usance bills (BRDS) and any other similar instruments as specified by the RBI/SEBI from time to time. The scheme may also invest in liquid schemes of Mutual Fund.

**Investment in Derivatives Instruments:** The scheme will invest in derivatives instruments like Stock/Index futures, Stock Index Options as per SEBI regulations for the purpose stated above under the asset allocation pattern table.

**Securities Lending by the Fund:**

The scheme shall engage in securities lending for equity investments, in line with the SEBI (Mutual Funds) Regulations, 1996, Securities Lending Scheme, 1997 And Clause 12.11 of SEBI Master Circular dated May 19, 2023 notifying framework for lending of securities and such other applicable guidelines as may be amended 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 (here counterparty means an intermediary/broker through whom we deal in securities) or such other limits as may be permitted by SEBI from time to time.

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.

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.

**Debt Market In India**

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.

At present, the Indian debt market is dominated by issues of Central Government bonds, Corporate Debentures and PSU Bonds. The other instruments available for investment are Commercial Papers, Certificate of Deposits, Government guaranteed bonds, etc.

Brief details about the instruments are given below as on May 24, 2024.

| Instruments | Listed/ Unlisted | Current Yield Range As on May 24, 2024 | Liquidity | Risk profile |
|---|---|---|---|---|
| Central Government Securities | Listed | 6.88% - 7.36% | High | Low |
| Corporate Debentures / PSU Bonds | Listed | 7.52%-7.72% | Moderate | Low |
| CDs (short term) | Unlisted | 7.15% - 7.65% | High | Low |
| Call Money | Unlisted | 5.40%- 6.85% | High | Low |
| Mibor linked Papers* | Listed | 125-135 bps | Low | Low |

**** Range of spread of 5 year AAA Corporate bond and OIS papers of similar maturity***

A brief description about yields presently available on Central Govt. Securities /Bonds & Debentures of various maturities is as follows:

Annualised yields (as on May 24, 2024) are:

| Yrs | =< 1yr | 1yr - 5yr | 5yr - 10yrs | 10yr - 30 yrs |
|---|---|---|---|---|
| Central Government securities | 7.00%-7.05% | 7.11%-7.49% | 7.12%-7.21% | 7.16%-7.28% |
| Debentures/ Bonds (AAA rated) | 7.65%-7.70% | 7.65%-7.72% | 7.52%-7.60% | - |

THE PRICE AND YIELD ON VARIOUS DEBT INSTRUMENTS FLUCTUATE FROM TIME TO TIME DEPENDING UPON THE MACRO ECONOMIC SITUATION, INFLATION RATE, OVERALL LIQUIDITY POSITION, FOREIGN EXCHANGE SCENARIO, ETC. ALSO, THE PRICE AND YIELD VARIES ACCORDING TO MATURITY PROFILE, CREDIT RISK ETC

## C. WHAT ARE THE INVESTMENT STRATEGIES?

Nippon India Nifty Pharma ETF is a passively managed exchange traded fund which will employ an investment approach designed to track the performance of NIFTY Pharma TRI. The Scheme seeks to achieve this goal by investing in securities constituting the NIFTY Pharma Index in same proportion as in the Index. The Scheme will invest at least 95% of its total assets in the securities comprising the Underlying Index. The Scheme may also invest in money market instruments to meet the liquidity and expense requirements.

The fund is ideal for those investors who would like to participate in the India growth story by passively investing in a well-diversified portfolio of well known companies as represented by NIFTY Pharma Index.

**Tracking Error**

Tracking error is defined as the annualized standard deviation of the difference in daily returns between the NAV of the Scheme and the underlying index. Theoretically, the corpus of the Scheme has to be fully invested in the securities comprising the Underlying Index in the same proportion of weights as the securities have in the Underlying Index. However, deviations from the stated index replication may occur due to reason that the Scheme has to incur expenses, corporate actions pertaining to the Index including changes to the constituents, regulatory policies, ability of the Fund Manager to closely replicate the Underlying Index, etc. The Scheme's returns may therefore deviate from those of its Underlying Index. Tracking Error may arise due to the following reasons:

1. Fees and expenses of the Scheme.
2. Cash balance held by the Scheme due to Dividend received subscriptions, redemption, etc.
3. Halt in trading on the stock exchange due to circuit filter rules.
4. Corporate actions
5. The Scheme has to invest in the securities in whole numbers and has to round off the quantity of securities shares.
6. Dividend payout.
7. Changes in the constituents of the underlying Index. Whenever there are any changes, the Scheme has to reallocate its investment as per the revised Index but market conditions may not offer an opportunity to rebalance its portfolio to match the Index and such delay may affect the NAV of the Scheme.

The AMC would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible. Under normal market circumstances, tracking error based on past one year rolling data shall not exceed 2%. However, in case of unavoidable circumstances in the nature of force majeure, which are beyond the control of the AMCs, the tracking error may exceed 2% and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any.

**Tracking difference**

Tracking difference is defined as the annualized difference of returns between the NAV of the Scheme and the underlying index.

**Risk Control**

For the Scheme, risks would be the impact cost on securities, the delayed communication of weightage changes by the index service providers and the delayed calculation of net change in assets of the Scheme, amongst others.

It is proposed to manage the risks by placing limit orders for basket trades and other trades, proactive follow-up with the service providers for daily change in weights in index as well as monitor daily inflows and outflows to and from the Fund closely.

While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated. Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process.

**Derivatives Strategy**

The Scheme may invest in various derivative instruments which are permissible under the applicable regulations. Such investments shall be subject to the investment objective, asset allocation and strategy of the Scheme and the internal limits if any, as laid down from time to time. These include but are not limited to Index Options, Index Futures, Stock Options and Stock Futures and other instruments as may be permitted by SEBI. Exposure with respect to derivatives shall be in line with regulatory limits and the limits specified in the SID. Execution of derivative strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. For detailed derivative strategies, please refer to SAI.

**Portfolio Turnover Policy**

Portfolio turnover is the term used by the Fund for measuring the amount of trading that occurs in a Scheme's portfolio during a specified period of time. The Scheme is an open-ended Scheme. It is therefore expected that there would be a number of Subscriptions and Redemptions on a daily basis. There may be frequent transactions to buy and sell the Securities resulting in increase in transaction cost. At the same time frequent transactions may increase the profits and which can offset the increase in cost. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. However, the Fund Manager will endeavor to optimize the portfolio turnover to minimize risk and maximize gains while keeping in mind the cost associated with such transactions.

## D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

**NIFTY Pharma TRI.**

As per the investment objective of the scheme, the investment would primarily be in securities which are constituents of the Nifty Pharma Index. Thus, the composition of the aforesaid benchmark index is such that it is most suited for comparing performance of the Scheme.

The performance of the scheme shall be benchmarked to the Total Return (TRI) variant of the benchmark.

**Stock Selection Criteria as provided by Index Provider:**

- Companies should form part of NIFTY 500 at the time of review.
- Minimum number of stocks within the index should be 10.
- In case, the number of eligible stocks within Nifty 500 falls below 10, then deficit number of stocks shall be selected from the universe of stocks ranked within top 800 based on both average daily turnover and average daily full market capitalisation based on previous six months period data used for index rebalancing of Nifty 500.

  In case, the number of eligible stocks in the universe is still less than 10, then the deficit number of stocks shall be selected from the universe of stocks ranked within top 1000, top 1100, top 1200 and so on, based on both average daily turnover and average daily full market capitalization based on previous six months period data, until at least 10 eligible stocks are obtained. If the number of eligible stocks is still less than 10, then the index may have less than 10 constituents.
- Companies should form part of the Pharmaceuticals sector.
- The companies are sorted in the descending order of the Free-Float Market capitalization (FF MCap) and final selection of companies shall be made based on six-month average FF Mcap that are available for trading in NSE Futures & Options (F&O). Incase if the stocks selected are less than 20 then the deficit number of stocks are selected based on six-month average FF mcap.
- Stocks that are available for trading in F&O segment are compulsorily included in the index and will replace the smallest index constituent which are not available for trading in F&O segment subject to minimum of 20 stocks in index.
- Incase all the stocks within the index are available for F&O trading and there is non-member eligible F&O stock, such stock will be included in the index only if its six-months average FF Mcap is atleast 1.5 times the six-months average FF Mcap of smallest index constituent.

- Non-member eligible stocks which are not available for trading for F&O segment will be included if its six-months average FF Mcap is atleast 1.5 times the six-months average FF Mcap of smallest index constituent which is not available for trading in F&O segment.

**Constituent Capping as per Index Provider:**

- Weights of each stock in these indices will be calculated based on its free-float market capitalization such that no single stock shall be more than 33% and weights of top 3 stocks cumulatively shall not be more than 62% at the time of rebalancing.
- This means that at the time of rebalancing of the index, no single constituent shall have weightage of more than maximum capping limits as stated above. The capping factor of stocks is realigned upon change in equity, investible weighted factor (IWF), replacement of scrips in the index, periodic rebalancing and on a quarterly basis on the last trading day of March, June, September and December by taking into account closing prices as on T-3 basis, where T day is last trading day of March, June, September and December.
- In the event of weight realignment, capping factors will be calculated for all constituents (for capped indices) whose uncapped weight is greater than maximum capping limits as stated above. Weightage of such constituent may increase beyond maximum capping limit between the rebalancing periods depending on the price movement. The capping factor is calculated considering the closing prices of the index constituents 3 trading days (T-3) prior to the effective date (T day) of the changes for all constituents.

**Index Rebalancing:**

The review of the index is undertaken semi-annually based on data for six months ending January and July. Index rebalancing will be done on a semi-annual basis and made effective from the last trading day of March and September.

## E. WHO MANAGES THE SCHEME?

| Name | Age | Educational Qualification | Type and Nature of past experience including assignments held during the past 10 years | Name of the Other Schemes managed |
|---|---|---|---|---|
| Mr. Himanshu Mange<br><br>**Fund Manager & Dealer - ETF**<br><br>(Managing the Scheme - Since Dec. 23, 2023) | 30 years | Chartered Accountant | **Over 5 years of experience**<br><br>**From Dec 23, 2023 onwards**<br><br>Fund Manager & Dealer - ETF, NAM India<br><br>**Feb 02, 2022 - December 22, 2023**<br><br>Dealer - ETF, NAM India<br><br>**Dec 04, 2019 - Feb 01, 2022**<br><br>TATA AIA Life Insurance Co. Ltd.: Assistant Manager (Investment Operations – Finance & Accounts) | Nippon India ETF Nifty 50 BeES, Nippon India ETF Nifty Next 50 Junior BeES, Nippon India ETF Nifty Bank BeES, Nippon India ETF Nifty PSU Bank BeES, Nippon India ETF Nifty 50 Shariah BeES, Nippon India Index Fund - BSE Sensex Plan, Nippon India Index Fund - Nifty 50 Plan, Nippon India ETF Nifty Infrastructure BeES, Nippon India Gold Savings Fund, Nippon India ETF Nifty 100, CPSE ETF, Nippon India ETF Nifty India Consumption, Nippon India ETF Nifty Dividend Opportunities 50, Nippon India ETF BSE Sensex, Nippon India ETF Nifty 50 Value 20, Nippon India ETF Nifty Midcap 150, Nippon India Nifty Next 50 Junior BeES FoF, Nippon India ETF BSE Sensex Next 50, Nippon India ETF Nifty IT, Nippon India Nifty Smallcap 250 Index Fund, Nippon India Nifty Midcap 150 Index Fund, Nippon India Nifty 50 Value 20 Index Fund, Nippon India Nifty Pharma ETF, Nippon India Nifty Auto ETF, Nippon India Silver ETF Fund of Fund (FOF), Nippon India Nifty Alpha Low Volatility 30 Index Fund, Nippon India Nifty Bank Index Fund, Nippon India Nifty IT Index Fund. |

## F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?

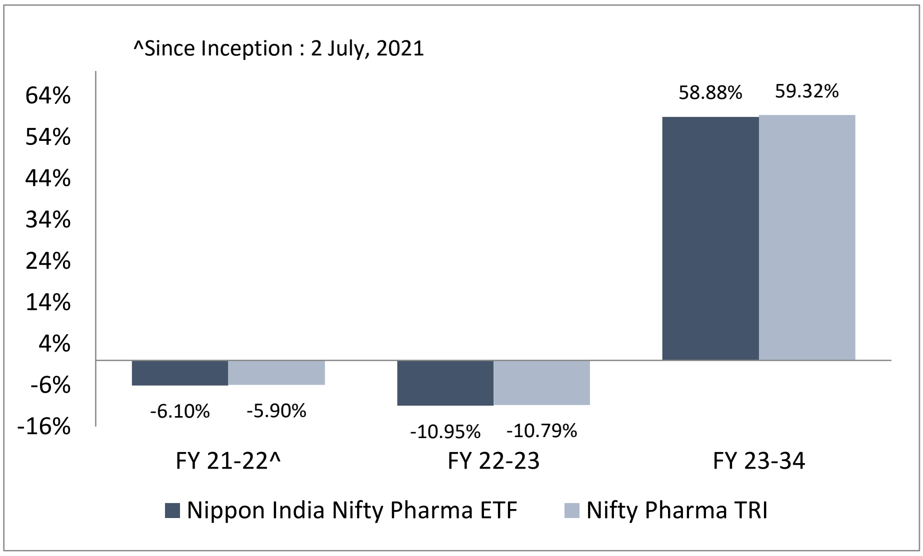
For details of the scheme differentiation please visit:

https://mf.nipponindiaim.com/investor-service/downloads/scheme-information-document

## G. HOW HAS THE SCHEME PERFORMED (as on May 31, 2024)

| Compounded Annualised Returns | Scheme Returns % | Benchmark Returns % |
|---|---|---|
| Returns for the last 1 year | 48.85 | 49.26 |
| Returns for the last 3 years | - | - |
| Returns for the last 5 years | - | - |
| Returns since inception (inception date July 02, 2021) | 9.83 | 10.10 |

Absolute returns for each financial year for the last 5 years




**Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.**

Returns since inception are calculated from the date of allotment i.e. allotment date i.e July 02, 2021. IDCWs (if any) are assumed to be reinvested at the prevailing NAV, wherever applicable. After payment of IDCW, NAV will fall to the extent of the payout and statutory levy (if applicable).

**Note: TRI - Total Returns Index reflects the returns on the index arising from (a) constituent stock price movements and (b) Dividend receipts from constituent index stocks. For better understanding of investors additional details about TR index has been provided in the performance section.

## H. ADDITIONAL SCHEME RELATED DISCLOSURES

**i. Top 10 holdings by issuer and sectors (As on May 31, 2024)**

For scheme portfolio holdings & sectors please visit

https://mf.nipponindiaim.com/investor-service/downloads/scheme-information-document

**ii. A Functional website link is given below for the disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme (As on May 31, 2024):**

https://mf.nipponindiaim.com/FundsAndPerformance/SIDDisclosures/Disclosure-Norms-for-ETFs-Index-Funds-May-2024.xls

**ii. Functional website link for Portfolio Disclosure**

**Fortnightly / Monthly:** https://mf.nipponindiaim.com/investor-service/downloads/factsheet-and-other-portfolio-disclosures

**Half Yearly:** https://mf.nipponindiaim.com/investor-service/downloads/annual-half-yearly-reports

**iii. Portfolio Turnover Rate (As on May 31, 2024): 0.45**

**iv. Aggregate investment in the Scheme by (As on May 31, 2024):**

| Sr. No | Concerned scheme's Fund Manager(s) | Net Value | | Market Value (in Rs.) |
|---|---|---|---|---|
| | | Units | NAV per unit | |
| NIL | | | | |

For any other disclosure w.r.t investments by key personnel and AMC directors including regulatory provisions in this regard kindly refer SAI.

**v. Investments of 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.

For details of investment please visit : https://mf.nipponindiaim.com/investor-service/statutory-disclosures

## Part III - OTHER DETAILS

### A. COMPUTATION OF NAV

The Net Asset Value (NAV) of the Units will be determined daily or as prescribed by the Regulations.

The NAV under Nippon India Nifty Pharma ETF shall be calculated up to 4 decimals as follows or such other formula as may be prescribed by SEBI from time to time.:

| | |
|---|---|
| NAV = | Market/Fair Value of Scheme's Investments + Receivables + Accrued Income + Other Assets - Accrued Expenses- Payables- Other Liabilities |
| | Number of Units Outstanding |

**NAV Information**: The NAV of the Scheme will be calculated and declared by the Fund on every Working Day by 11.00 p.m. The information on NAV may be obtained by the Unitholders, on any day from the office of the AMC / the office of the Registrar in Hyderabad or any of the other Designated Investor Service Centres.

The NAV shall be published in two daily newspapers on a daily basis as per the Regulations.

Investors may also obtain information on the purchase /sale price for a given day on any Working Day from the office of the AMC / the office of the Registrar in Hyderabad/ any of the other Designated Investor Service Centres.

For any NAV information, investor may also call our Customer Service Centre 1860-266-0111 (charges applicable), and Investors outside India can call at 91-22-69259696 (charges applicable)

Example: If the applicable NAV is Rs. 10.00, sales/entry load if any is 2 per cent and the exit/repurchase load is 2 percent then the sales price will be Rs. 10.20 and the repurchase price will be Rs. 9.80.

Please refer to the SAI for information on the valuation of the assets of the Scheme.

**Illustration for computation of NAV:**

| **Particulars** | **Amount (In INR)** |
|---|---|
| Assets | |
| Market/Fair Value of Scheme's Investments | 1,00,000 |
| Current Assets | |
| Receivables | 1,500 |
| Accrued Income | 500 |
| Other Assets | 1,000 |
| Total Assets (A) | 1,03,000 |
| Current Liabilities | |
| Accrued Expenses | 1,100 |
| Payables | 300 |
| Other Liabilities | 100 |
| Total Liabilities (B) | 1,500 |

| | |
|---|---|
| Net Assets (C) (A – B) | 1,01,500 |
| Units Outstanding (D) | 10,000 |
| NAV per unit (C/D) | 10.1500 |

The mutual fund shall ensure that the repurchase price of the scheme is not lower than 95% of the Net Asset Value.

For other details such as policies w.r.t computation of NAV, rounding off, investment in foreign securities, procedure in case of delay in disclosure of NAV etc. refer to SAI

**B. NEW FUND OFFER (NFO) EXPENSES**

The New Fund Offer expenses of the scheme shall be borne by the AMC from retained earnings.

**C. ANNUAL SCHEME RECURRING EXPENSES**

These are the fees and expenses for operating the scheme.

As specified earlier, the scheme is an ETF and will invest a minimum of 95% of its net assets in the constituents of its benchmark index, thus the scheme will be considered as scheme specified under Regulation 52(6)(b) for the purpose of limits of total expense ratio as defined under regulation 52 of the SEBI Regulations.

These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

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/investor-services/downloads/total-expense-ratio-of-mutual-fund-schemes.

**Estimated Expense Structure**

| **Expense Head** | **% of Net Assets** |
|---|---|
| Investment Management & Advisory Fee | **Upto 1.00%** |
| Audit fees/fees and expenses of trustees | |
| Custodial Fees | |
| Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants | |
| Marketing & Selling Expenses including Agents Commission and statutory Advertisement | |
| Costs related to investor communications | |
| Costs of fund transfer from location to location | |
| Cost towards investor education & awareness | |
| Brokerage & transaction cost pertaining to distribution of units | |
| Brokerage and transaction cost (including GST) over and above 12 bps and 5 bps for cash and Derivative market trades respectively | |
| Goods & Service tax on expenses other than investment and advisory fees | |
| Incentives to Market Makers | |
| Listing & licensing fees | |
| Other Expenses # | |
| **Maximum total expense ratio (TER) permissible under Regulation 52(6)(b)** | **Upto 1.00%** |

The Scheme shall not incur any distribution expenses and no commission shall be paid by this scheme.

(# Expenses including listing fees 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.)

| **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 | 10.00 |
| 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. In reality, 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.

Goods & Service tax on investment management and advisory fees, to the Scheme will be, in addition to the maximum annual recurring expenses that may be charged to the Scheme.

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 1 basis points on daily net assets within the maximum limit as per regulation 52 of the SEBI Regulations for investor education and awareness initiatives.

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.

The total expenses of the ETF scheme including the investment management and advisory fee shall not exceed One percent (1%) of the daily net assets and such other limits as stated in Regulation 52(6).

AMC is free to allocate the above list of expenses within the overall maximum limit prescribed under SEBI (Mutual Funds) Regulations, 1996, which means there will be no internal sub-limits on charging of any particular expense in the scheme.

The Incentives, if any, to Market Makers shall be charged to the scheme within the maximum permissible limit of TER as per Clause no. 3.6.1.4 of SEBI Master circular dated May 19, 2023.

In terms of Regulation 52(1) of SEBI (Mutual Funds) Regulations, 1996, all scheme related expenses, if any, by whatever name it may be called and in whatever manner it may be paid, will necessarily be paid from the scheme only within the regulatory limits and not from the books of AMC, its associate, sponsor, trustee or any other entity through any route. Provided that the expenses that are very small in value but high in volume may be paid out of AMC's books. Such expenses shall be paid out of AMC books at actuals or not exceeding 2 bps of respective scheme AUM, whichever is lower. List of such miscellaneous expenses may be provided by AMFI in consultation with SEBI or as specified/amended by AMFI/SEBI from time to time

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-

Brokerage and Transaction costs (including GST) incurred for the execution of trades may be expensed out in the scheme 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. Payment towards brokerage and transaction costs incurred for the execution of trades, over and above the said 0.12 per cent for cash market transactions and 0.05 per cent for derivative transactions 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.

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.

## D. LOAD STRUCTURE

Exit Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. For the current applicable structure, please refer to the website of the AMC (mf.nipponindiaim.com / Etf.nipponindiaim.com ) or may call at 18602660111 (charges applicable) and investors outside India can call Customer Care at 91-22-69259696 (charges applicable) or your distributor.

Load amounts are variable and are subject to change from time to time. NAM India, in consultation with the Trustees, reserves the right to change the load structure if it so deems fit in the interest of smooth and efficient functioning of the scheme. Any imposition or enhancement in the load shall be applicable on prospective investments only. However, NAM India shall not charge any load on issue of bonus units and units allotted on reinvestment of IDCW for existing as well as prospective investors. At the time of changing the load structure:

(i) The addendum detailing the changes may be attached to Scheme Information Documents and key information memorandum. The addendum may be circulated to all the distributors/brokers so that the same can be attached to all Scheme Information Documents and key information memoranda already in stock.

(ii) Arrangements may be made to display the addendum in the Scheme Information Document in the form of a notice in all the investor service centres and distributors/brokers office.

(iii) The introduction of the exit load alongwith the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load.

(iv) A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.

(v) Any other measures which the mutual funds may feel necessary.

**Applicable Load Structure**

**Entry Load :** NA

**Exit Load :** NA

There will be no entry/exit load on Nippon India Nifty Pharma ETF bought or sold through the secondary market on the NSE. However, an investor would be paying cost in the form of a bid and ask spread and brokerage, as charged by his broker for buying / selling units of Nippon India Nifty Pharma ETF. The Fund may also allow Cash# subscription /redemption of Nippon India Nifty Pharma ETF in creation unit size by large investors. No entry or exit load will be levied on transactions with Authorized Participants/Market Makers and Large Investors during NFO or continuous offer.

Investor other than APs/Large investors can directly approach AMC for transaction of up to INR 25 Cr and no exit load shall be charged for redemption of units if:

a) The traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days; or

b) No quotes are available on stock exchange(s) for 3 consecutive trading days; or

c) Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.

In such a scenario valid application received up to 3 p.m. the Mutual Fund shall process the redemption request basis the closing NAV of the day of receipt of application.

Uniform cut-off timings shall be subject to advancing of cut off timings for temporary period for applicability of NAV. Kindly refer the notices issued from time to time for the applicable cut -off timings available on the website of Nippon India Mutual Fund).

Such instances shall be tracked by NAM India on an ongoing basis and incase if any of the above mentioned scenario arises the same shall be disclosed on the website of Nippon India Mutual Fund i.e. mf.nipponindiaim.com

For any change in load structure NAM India will publish an addendum in newspaper(s) and display it on the website/Investor Service Centres

#RTGS, NEFT or transfer cheque.

Exit load if charged, by NIMF to the unitholders shall be credited to the scheme immediately net of Goods & Service Tax, if any.

The Fund will charge Load within the stipulated limit of 7% and without any discrimination in favour of any specific group of Unit holders. The AMC will ensure that the Redemption Price will not be lower than 93% of the NAV and difference between the Redemption Price and Purchase Price will not exceed the permissible limit

**Switchover Facility**

Switch in during ongoing basis will be allowed only from eligible Liquid and Debt /Income funds into Nippon India Nifty Pharma ETF. Switch-out during ongoing basis will be allowed only to eligible equity, liquid and debt / income schemes

All loads for the Scheme shall be maintained in a separate account and may be utilised towards meeting the selling and distribution expenses. Any surplus in this account may be credited to the scheme, whenever felt appropriate by the AMC.

**SECTION II**

## I. INTRODUCTION

### A. Definitions/interpretation

For definition details please visit: https://mf.nipponindiaim.com/investor-service/downloads/scheme-information-document

### B. Risk Factors

**SCHEME SPECIFIC RISK FACTORS:**

The Scheme is subject to the principal risks described below. Some or all of these risks may adversely affect Scheme's NAV, yield, return and/or its ability to meet its objective.

**(a) Risks associated with investing in Equities**

Subject to the stated investment objective, the Scheme proposes to primarily invest in equity and equity related Securities. The Scheme is intended for long-term Investors who can accept the risks associated with investing primarily in such Securities. Equity instruments by nature are volatile and subject to price fluctuations on a daily basis due to both macro and micro factors. Investors in equity and equity related Securities will be subject to the risks associated with equities, the values of which in general fluctuate in response to the activities of individual companies and general market and economic conditions. In particular, Investors should be aware that equity and equity related Securities are subordinate in the right of payment to other corporate Securities, including debt Securities. To the extent the Scheme invests in other schemes of the Mutual Fund or schemes of other mutual funds, Investors will be subject to the risks associated with such schemes and the underlying investments of such schemes. Any inability to dispose of Securities in the Scheme due to adverse market conditions or other factors could result either in losses to the Unit holders due to subsequent declines in value of such Securities.

**i) Corporate Action and Proxy Voting**

From time to time, the issuer of a Security held in the Scheme may initiate a corporate action relating to that Security. Corporate actions relating to equity Securities may include, among others, an offer to purchase new shares, or to tender existing shares, of that Security at a certain price. Corporate actions relating to debt Securities may include, among others, an offer for early redemption of the debt Security, or an offer to convert the debt Security into stock. Certain corporate actions are voluntary, meaning that the Scheme may only participate in the corporate action it elects to do so in a timely fashion. Participation in certain corporate actions may enhance the value of the Scheme. In cases where the Fund or the Fund Manager receives sufficient advance notice of a voluntary corporate action, the Fund Managers will exercise their discretion, in good faith, to determine whether the Scheme will participate in that corporate action. If the Fund Managers do not receive sufficient advance notice of a voluntary corporate action, the Fund Managers acting on behalf of the Scheme may not be able to timely elect to participate in that corporate action. Participation or lack of participation in a voluntary corporate action may result in a negative impact on the value of the Scheme.

The Scheme may find itself invested in unlisted securities due to external events or corporate actions. This may increase the risk of the portfolio as these unlisted securities are inherently illiquid in nature and carry larger liquidity risk as compared to the listed securities or those that offer other exit options to the investors.

The AMC may at its discretion exercise or procure the exercise of voting or other rights which may be exercisable in relation to Securities held by the Scheme, or at its discretion, elect not to exercise or procure the exercise of such voting or other rights. In relation to the exercise of such rights the AMC has established guidelines for the exercise of voting or other rights wherein it is stated that for passive funds / ETFs we will generally be abstaining on resolutions.

**ii) Risks relating to Investing in Indian Markets**

Investments in India may be affected by political, social, and economic developments affecting India, which may include changes in exchange rates and controls, interest rates, government policies, diplomatic conditions, hostile relations with neighbouring countries, taxation policies including the possibility of expropriation or confiscatory taxation, imposition of withholding taxes on Dividend or interest payments, limitation on removal of funds or assets of the Scheme and ethnic, religious and racial disaffections or conflict.

The relative small size and inexperience of the Securities markets in India and the limited volume of trading in Securities may make the Scheme's investments illiquid and more volatile than investments in more established markets.

In addition, the settlement systems may be less developed than in more established markets, which could impede the Scheme's ability to effect portfolio transactions and may result in delayed settlement and the Scheme's investments being settled through a more limited range of counter parties with an accompanying enhanced credit risk.

To the extent the Scheme is subject to margining or pre-payment systems, whereby margin or the entire settlement proceeds for a transaction is required to be posted prior to the settlement date, this can potentially give rise to credit and operational risks as well as potentially borrowing costs for the Scheme.

**(b) Market Risk**

The NAV of the Scheme will react to the securities market movements. The Investor may lose money over short or long periods due to fluctuation in the Scheme's NAV in response to factors such as economic, political, social instability or diplomatic developments, changes in interest rates and perceived trends in stock prices, market movements and over longer periods during market downturns. Investments may be adversely affected by the possibility of expropriation or confiscatory taxation, imposition of withholding taxes on Dividend or interest payments, limitations on the removal of funds or other assets of the Scheme. The Scheme may not be able to immediately sell Securities. The purchase price and subsequent valuation of restricted and illiquid Securities may reflect a discount, which may be significant, from the market price of comparable Securities for which a liquid market exists.

**(c) Market Trading Risks**

1. **Absence of Prior Active Market:** Although the Units of the Scheme are listed on stock exchange, there can be no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the Units of the Scheme would be infrequent.

2. **Trading in Units may be Halted:** Trading in the Units of the Scheme on stock exchange may be halted because of market conditions or for reasons that in view of stock exchange or SEBI, trading in the Units of the Scheme are not advisable. In addition, trading of the Units of the Scheme are subject to trading halts caused by extraordinary market volatility and pursuant to stock exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of stock exchange necessary to maintain the listing of the Units of the Scheme will continue to be met or will remain unchanged.

3. **Lack of Market Liquidity:** The Scheme may not be able to immediately sell certain types of illiquid Securities. The purchase price and subsequent valuation of restricted and illiquid Securities may reflect a discount, which may be significant, from the market price of comparable Securities for which a liquid market exists.

4. **Units of the Scheme May Trade at Prices Other than NAV:** The Units of the Scheme may trade above or below its NAV. The NAV of the Scheme will fluctuate with changes in the market value of the holdings of the Scheme. The trading prices of the Units of the Scheme will fluctuate in accordance with changes in its NAV as well as market supply and demand for the Units of the Scheme. However, given that Units of the Scheme can be created and Redeemed in Creation Units directly with the Mutual Fund, it is expected that large discounts or premiums to the NAV of Units of the Scheme will not sustain due to arbitrage opportunity available.

5. **Regulatory Risk:** Any changes in trading regulations by stock exchange or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/discount to NAV.

6. **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the Securities in the Scheme is reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.

7. **Risk of Substantial Redemptions:** Substantial Redemptions of Units within a limited period of time could require the Scheme to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Units being Redeemed and that of the outstanding Units of the Scheme. The risk of a substantial Redemption of the Units may be exacerbated where an investment is made in the Scheme as part of a structured product with a fixed life and where such structured products utilise hedging techniques. Please also refer Statement of Additional Information for additional details. Regardless of the period of time in which Redemptions occur, the resulting reduction in the NAV of the Scheme could also make it more difficult for the Scheme to generate profit or recover losses. The Trustee, in the general interest of the Unit holders of the Scheme offered under this SID and keeping in view of the unforeseen circumstances/unusual market conditions, may limit the total number of Units which can be Redeemed on any Working Day depending on the total "Saleable Underlying Stock" available with the Fund.

**(d) Volatility Risk**

The equity markets and Derivative markets are volatile and the value of Securities, Derivative contracts and other instruments correlated with the equity markets may fluctuate dramatically from day to day. This volatility may cause the value of investment in the Scheme to decrease.

**(e) Redemption Risk**

Investors may note that even though the Scheme is an open-ended Scheme, the Scheme would ordinarily repurchase Units in Creation Unit Size. Investors can directly approach the AMC for redemption of units of ETFs, for transaction of up to INR 25 Cr. without any exit load, in case of the following scenarios:

i. Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or

ii. No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or

iii. Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.

In such a scenario valid applications received upto 3 p.m. the Mutual Fund shall process the redemption request basis the closing NAV of the day of receipt of application. Such instances shall be tracked by NAM India on an ongoing basis and incase if any of the above mentioned scenario arises the same shall be disclosed on the website of Nippon India Mutual Fund i.e. mf.nipponindiaim.com / etf.nipponindiaim.com.

**(f) Asset Class Risk**

The returns from the Securities comprising the NIFTY Pharma Index may underperform returns of general Securities markets or different asset classes. Different types of Securities tend to go through cycles of out-performance and under-performance in comparison of Securities markets.

**(g) Passive Investments**

The Scheme is not actively managed. Since the Scheme is linked to index, it may be affected by a general decline in the Indian markets relating to its underlying index. The Scheme as per its investment objective invests in Securities which are constituents of its underlying index regardless of their investment merit. The AMC does not attempt to individually select stocks or to take defensive positions in declining markets.

**(h) Tracking Error and Tracking Difference Risk**

Tracking error is defined as the annualized standard deviation of the difference in the daily returns between the NAV of the Scheme and the Underlying Index. Tracking Difference is defined as the annualized difference of returns between the NAV of the Scheme and the underlying index. Theoretically, the corpus of the Scheme has to be fully invested in the securities comprising the Underlying Index in the same proportion of weights as the securities have in the Underlying Index. However, deviations from the stated index replication may occur due to reason that the Scheme has to incur expenses, corporate actions pertaining to the Index including changes to the constituents, regulatory policies, ability of the Fund Manager to closely replicate the Underlying Index, delay in purchase or non-availability of underlying securities forming part of the index etc. Tracking Error/ Tracking Difference may arise including but not limited to the following reasons:

1. Delay in purchase or non-availability of underlying securities forming part of the index.
2. Delay in liquidation of securities which have been removed by the Index.
3. Fees and expenses of the Scheme.
4. Cash balance held by the Scheme due to interest received during subscriptions, redemption, etc.
5. Halt in trading on the stock exchange due to circuit filter rules.
6. Corporate actions.
7. The Scheme has to invest in the securities in whole numbers and has to round off the quantity of securities.
8. Dividend payout.
9. Changes in the constituents of the underlying Index. Whenever there are any changes, the Scheme has to reallocate its investment as per the revised Index but market conditions may not offer an opportunity to rebalance its portfolio to match the Index and such delay may affect the NAV of the Scheme.

The AMC would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error. Under normal market circumstances, tracking error based on past one year rolling data shall not exceed 2%. However, in case of unavoidable circumstances in the nature of force majeure, which are beyond the control of the AMCs, the tracking error may exceed 2% and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any.

**(i) Risks relating to Investments in Derivative Instruments**

The Scheme may invest in Derivative products like stock index futures, interest rate swaps, forward rate agreements or other Derivatives in accordance with and to the extent permitted under the SEBI Regulations. only for the purposes of portfolio rebalancing and not otherwise. The Scheme may use various Derivative products in an attempt to protect the value of portfolio and enhance the Unit holders' interest. The risks associated with the use of Derivatives are different from or possibility greater than the risks associated with investing directly in Securities and other traditional investments.

Derivative products are leveraged instruments that require investment technique and risk analysis different from those associated with stocks and bonds. Derivative products can provide disproportionate gains as well as disproportionate losses to the Investor. Execution of such strategies depends upon the ability of the Fund Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Fund Manager involve uncertainty and decision of the Fund Manager may not always be profitable. No assurance can be given that the Fund Manager will be able to identify or execute such strategies.

Risks in using Derivatives include the risk of mispricing or improper valuation of Derivative and the inability of a Derivative to correlate perfectly with underlying assets, rates and indices. Thus, Derivatives are highly leveraged instruments. The risk of loss associated with futures contracts is potentially unlimited due to the low margin deposits required and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a futures contract may result in an immediate and substantial loss or gain. There may be a cost attached to selling or buying futures or other Derivative instrument. Further there could be an element of settlement risk, which could be different from the risk in settling underlying Securities. The possible lack of a liquid secondary market for a futures contract or listed option may result in inability to close futures or listed option positions prior to their maturity date.

**(j) Risks Associated with Investing in Fixed Income Securities**

**i) General Provisions**

Fixed Income Securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). The Fund Manager will consider both credit risk and market risk in making investment decisions for the Scheme.

The timing of transactions in debt obligations, which will often depend on the timing of the Purchases and Redemptions in the Scheme, may result in capital appreciation or depreciation because the value of debt obligations generally varies inversely with the prevailing interest rates.

**ii) Interest Rate Risk**

Changes in interest rates will affect the Scheme's NAV. The prices of Securities usually increase as interest rates decline and usually decrease as interest rates rise. The extent of fall or rise in the prices is guided by duration, which is a function of the existing coupon, days to maturity and increase or decrease in the level of interest rate. The new level of interest rate is determined by the rate at which the government raises new money and/or the price levels at which the market is already dealing in existing Securities. Prices of long-term Securities generally fluctuate more in response to interest rate changes than short-term Securities.

In case of Tri-Party Repo, the rate of interest, from time to time, depends upon the number of borrowers at that point of time and the amount to be borrowed by such borrowers. In case of Floating Rate Instruments, an additional risk could be due to the change in the spreads of Floating Rate Instruments. If the spreads on Floating Rate Instruments rise, then there could be a price loss on these instruments. Secondly in the case of fixed rate instruments that have been swapped for floating rates, any adverse movement in the fixed rate yields vis-à-vis swap rates could result in losses. The price risk is low in the case of the floating rate or inflation-linked bonds. The price risk does not exist if the investment is made under a Repo agreement.

Debt markets, especially in developing markets like India, can be volatile leading to the possibility of price moving up or down in fixed income Securities and thereby to possible movements in the NAV.

**iii) Prepayment Risk**

A borrower may prepay a receivable prior to its due date. This may result in a change in the yield and tenor for the Scheme.

**iv) Zero Coupon and Deferred Interest Bonds**

The Scheme may invest in zero coupon bonds and deferred interest bonds, which are debt obligations issued at a discount to their face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. Zero coupon bonds do not provide periodic interest payments and deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments benefit the issuer by mitigating its initial need for cash to meet debt service and some also provide a higher rate of return to attract Investors who are willing to defer receipt of such cash. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations which provide for regular payments of interest, and the Scheme may accrue income on such obligations even though it receives no cash.

**v) Liquidity or Marketability Risk**

This refers to the ease at which a Security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Different segments of the Indian financial markets have different settlement periods and such period may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of Securities. As liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Fund for Redemption of Units may be significant in the event of an inordinately large number of Redemption requests or restructuring of the Scheme.

**vi) Credit Risk**

Credit Risk means that the issuer of a Security may default on interest payments or even paying back the principal amount on maturity (i.e. the issuer may be unable to make timely principal and interest payments on the Security). Even where no default occurs, the prices of Security may go down because the credit rating of an issuer goes down. However, it must be noted that where the Scheme has invested in Government Securities, the risk of default is lower.

**vii) Risks Associated with Credit Rating Agencies**

Credit ratings issued by recognised credit rating agencies are designed to evaluate the safety of principal and interest payments of rated Securities. In addition, credit rating agencies may or may not make timely changes in a rating to reflect changes in the economy or in the conditions of the issuer that affect the market value and liquidity of the Security. Credit ratings are used only as a preliminary indicator of investment quality. Investments in unrated debt obligations will be more dependent on the Fund Manager's credit analysis than would be the case with investments in investment grade debt obligations.

**(k) Risks of Securities Lending**

Securities lending is lending of Securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent Securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the Securities borrowed.

There are risks inherent in Securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of the Securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the Securities, inability of the approved intermediary to return the Securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender in respect of the Securities lent. The Fund may not be able to sell such lent Securities and this can lead to temporary illiquidity.

**(l) Investments by the Scheme in other schemes**

The Scheme may invest in other scheme(s) managed by the AMC or in schemes of other mutual funds, provided such investments are in conformity with the investment objectives of the Scheme and in accordance with terms of the prevailing SEBI Regulations. Such investments in other schemes may provide the Scheme access to a specialised investment area or economic sector which can be more effectively accessed by investing in the underlying scheme(s). The Fund Manager will only make such investments if it determines in its discretion that to do so is consistent with the interests of the Unit holders of the Scheme. The Scheme may invest in schemes operated by third parties. Considering third parties are not subject to the oversight or control of the AMC, the Fund Manager may not have the opportunity to verify the compliance of such schemes with the laws and regulations applicable to them.

It is possible that a number of underlying scheme(s) might take substantial positions in the same security at the same time. This In advertent concentration may interfere with the Scheme's goal of diversification. The AMC would attempt to alleviate any potential inadvertent concentration as part of its regular monitoring and reallocation process. Conversely the AMC may at any given time, hold opposite positions, such position being taken by different underlying scheme(s). Each such position shall result in transaction fees for the Scheme without necessarily resulting in either a loss or a gain. Moreover, the AMC may proceed to a reallocation of assets between the underlying scheme(s) and liquidate investments made in one or several of them. Further, many of the underlying scheme(s) in which the Scheme may invest could use special investment techniques or concentrate its investments in only one geographic area or asset investment category, which may subject the Scheme's investments to risks different from those posed by investments in equity or fixed income scheme(s) or risks of the market and of rapid changes to the relevant geographic area or investment category.

When the Scheme invests in other schemes, the Unit holders in the Scheme will also incur fees and expenses (such as, but not limited to, management fees, custody fees, registrar fees, audit fees, etc.) at the level of the underlying scheme in accordance with the offering documents of the relevant scheme(s) and the limits prescribed under the SEBI Regulations.

No assurance can be given that the strategies employed by other schemes in the past to achieve attractive returns will continue to be successful or that the return on the Scheme's investments will be similar to that achieved by the Scheme or other schemes in the past.

**(m) Risk of Changes in Borrowing Rates**

The Scheme may borrow funds on a temporary basis within the limits set forth under the SEBI Regulations. The Scheme may choose to only borrow from the Custodian of the Scheme, and the borrowing rate imposed by the Custodian of the Scheme may change due to market conditions. As a consequence thereof, the borrowing rates imposed by the Custodian may not be the most competitive.

**(n) Risk Factors relating to Portfolio Rebalancing**

In the event that the asset allocation of the Scheme deviates from the ranges as provided in the asset allocation table in this SID, then the Fund Manager will rebalance the portfolio of the Scheme to the position indicated in the asset allocation table within a period of 7 days from the date of said deviation. However, if market conditions do not permit the Fund Manager to rebalance the portfolio of the Scheme within the stipulated period of 7 days then the AMC would notify the Board of the Trustee Company and the Investment Committee of the AMC with appropriate justifications.

**(o) Risk Factors in case of Corporate Actions**

In case the Scheme invests in stocks of companies outside the Index due to corporate actions, then the Fund Manager will rebalance the portfolio of the Scheme to the position indicated in the asset allocation table within a period of 30 days from the date of said deviation. However, if market conditions do not permit exiting the corporate action within this stipulated period of 30 days then the AMC would notify the Board of the Trustee Company and the Investment Committee of the AMC with appropriate justifications.

**(p) Valuation of the Scheme's Investments**

The AMC carries out valuation of investments made by the Scheme. The AMC values Securities and assets in the Scheme according to the valuation policies described in the Statement of Additional Information.

**(q) Proxy Voting by the AMC**

The AMC has adopted policies and procedures designed to prevent conflicts of interest from influencing proxy voting decisions that it makes on behalf of the Scheme, and to help ensure that such decisions are made in accordance with its fiduciary obligations to the Scheme. Notwithstanding proxy voting policies and procedures, proxy voting decisions made by the AMC with respect to Securities held by the Scheme may benefit the interests of AMC other than the Scheme.

**(r) Risks associated with investing in Tri Party Repo through CCIL (TREPS):**

The mutual fund is a member of securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus, reducing the settlement and counterparty risks considerably for transactions in the said segments.

CCIL maintains prefunded resources in all the clearing segments to cover potential losses arising from the default member. In the event of a clearing member failing to honour his settlement obligations, the default Fund is utilized to complete the settlement. The sequence in which the above resources are used is known as the “Default Waterfall”.

As per the waterfall mechanism, after the defaulter’s margins and the defaulter’s contribution to the default fund have been appropriated, CCIL’s contribution is used to meet the losses. Post utilization of CCIL’s contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members.

Thus, the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member).

However, it may be noted that a member shall have the right to submit resignation from the membership of the Security segment if it has taken a loss through replenishment of its contribution to the default fund for the segments and a loss threshold as notified have been reached. The maximum contribution of a member towards replenishment of its contribution to the default fund in the 7 days (30 days in case of securities segment) period immediately after the afore-mentioned loss threshold having been reached shall not exceed 5 times of its contribution to the Default Fund based on the last re-computation of the Default Fund or specified amount, whichever is lower.

Further, it may be noted that, CCIL periodically prescribes a list of securities eligible for contributions as collateral by members. Presently, all Central Government securities and Treasury bills are accepted as collateral by CCIL. The risk factors may undergo change in case the CCIL notifies securities other than Government of India securities as eligible for contribution as collateral.

**(s) 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.

**(t) Other Scheme Specific Risk factors**

a) The liquidity of the Scheme’s investments may be inherently restricted by trading volumes, settlement periods and transfer procedures. In the event of an inordinately large number of redemption requests, or of a re-structuring of the Scheme’s investment portfolio, these periods may become significant. Please read the Sections of this Scheme Information Document entitled “Special Considerations” and “Right to Limit Redemptions” there under.

b) Although, the objective of the Fund is to generate optimal returns, the objective may or may not be achieved. The investors may note that if the AMC/Investment Manager is not able to make right decision regarding the timing of increasing exposure in debt securities in times of falling equity market, it may result in negative returns. Given the nature of scheme, the portfolio turnover ratio may be on the higher side commensurate with the investment decisions and Asset Allocation of the Scheme. At times, such churning of portfolio may lead to losses due to subsequent negative or unfavorable market movements.

c) The tax benefits available under the scheme are as available under the present taxation laws and are available only to certain specified categories of investors and that is subject to fulfillment of the relevant conditions. The information given is included for general purposes only and is based on advise that the AMC has received regarding the law and the practice that is currently in force in India and the investors and the Unitholders should be aware that the relevant fiscal rules and their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Investor/Unitholder is advised to consult his/her own professional tax advisor.

d) Subject to the Regulations, the investments may be in securities which are listed or unlisted, secured or unsecured, rated or unrated, 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.

e) The NAV of the scheme to the extent invested in Debt and Money market securities are likely to be affected by changes in the prevailing rates of interest and are likely to affect the value of the Scheme’s holdings and thus the value of the Scheme’s Units.

f) The AMC may, considering the overall level of risk of the portfolio, invest in lower rated/ unrated securities offering higher yields. This may increase the risk of the portfolio.

g) While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is finally sold.

h) Investment decisions made by the AMC may not always be profitable, even though it is intended to generate capital appreciation and maximize the returns by passively investing in equity and equity related securities as mentioned in the asset allocation pattern.

i) Political Risks: Whereas the Indian market was formerly restrictive, a process of deregulation has been taking place over recent years. This process has involved removal of trade barriers and protectionist measures, which could adversely affect the value of investments. It is possible that the future changes in the Indian political situation, including political, social or economic instability, diplomatic developments and changes in laws and regulations could have an effect on the value of investments. Expropriation, confiscatory taxation or other relevant developments could affect the value of investments.

j) Competition Risks: An investment in Nippon India Nifty Pharma ETF may be adversely affected by competition from other methods of investing in the Index.

**Risk Profile of the scheme:**

Mutual Fund units involve investment risks including possible loss of principal. Since this scheme is an ETF that will passively track an index, the performance of the scheme will depend on the performance of the index. The ability of investors to exit the scheme (for units below creation unit size) may be temporarily affected by liquidity conditions in the market for the ETF units.

**C. Risk mitigation strategies**

As per data from Stock exchanges more than half of market liquidity remains in the index. Therefore, the scheme does not envisage liquidity issues. The scheme may take exposure to equity derivatives of the index itself or its constituent stocks, when equity shares are unavailable, insufficient or for rebalancing in case of corporate actions for a temporary period.

| Type of Risks | Measures/ Strategies to control risks |
|---|---|
| **Equity Markets/ Equity Oriented Instruments** | • Market Risk and Volatility: Market risk is a risk which is inherent to an equity scheme. Being a passively managed scheme, it will invest in the securities included in its Underlying Index.<br><br>• Concentration / Sector Risk: Being a passively managed Fund a passive investment carries lesser risk as compared to active fund management. The portfolio follows the index and therefore the level of stock concentration in the portfolio and its volatility would be the same as that of the index, subject to tracking error. Thus, there is no additional element of volatility or stock concentration on account of fund manager decisions. The Risk Mitigation strategy revolves around minimizing the Tracking error to the least possible through regular rebalancing of the portfolio, taking into account the change in weights of stocks in the Underlying Index as well as the incremental collections into / redemptions from the Scheme.<br><br>• Liquidity Risks: As such the liquidity of stocks that the scheme invests into could be relatively low. The fund will endeavor to maintain a proper asset liability match to ensure redemption payments are made on time and not affected by illiquidity of the underlying stocks. |
| **Debt and Money Market**<br><br>**instruments** | • Credit Risk: Management analysis will be used for identifying company specific risks. Management's past track record will also be studied. In order to assess financial risk a detailed assessment of the issuer's financial statements will be undertaken.<br><br>• Price-Risk or Interest-Rate Risk: The Scheme may primarily invest the debt portion of the portfolio in short term debt & money market instruments, units of Liquid and Overnight schemes thereby mitigating the price volatility due to interest rate changes generally associated with long-term securities.<br><br>• Risk of Rating Migration: The Scheme may primarily invest the debt portion of the portfolio in short-term debt & money market instruments, units of Liquid and Overnight schemes thereby mitigating the risk of rating migration generally associated with long-term securities.<br><br>• Basis Risk: The debt allocation of scheme is primarily as a cash management strategy and such strategy returns are expected to reflect the very short term interest rate hence investment is done in short term debt and money market instruments.<br><br>• Spread Risk: The Scheme may primarily invest the debt portion of the portfolio in short-term debt & money market instruments, units of Liquid and Overnight schemes thereby mitigating the risk of spread expansion which is generally associated with long-term securities<br><br>• Reinvestment Risk: The debt allocation of scheme is primarily as a cash management strategy and such strategy returns are expected to reflect the very short term interest rate hence investment is done in short term debt and money market instruments. Reinvestment risks will be limited to the extent of debt instruments, which will be a very small portion of the overall portfolio value.<br><br>• Liquidity Risk: The Scheme may, however, endeavor to minimize liquidity risk by primarily investing the debt portion of the portfolio in relatively liquid short-term debt & money market instruments, units of Liquid and Overnight schemes. |
| **Derivatives** | The Scheme may invest in derivative for the purpose of hedging, portfolio balancing and other purposes as may be permitted under the Regulations. Equity Derivatives will be used in the form of Index Options, Index Futures, Stock Options and Stock Futures and other instruments as may be permitted by SEBI. Derivatives can be either exchange traded or can be over the counter (OTC). Exchange traded derivatives are listed and traded on stock exchanges whereas OTC derivative transactions are generally structured between two counterparties. Exposure with respect to derivatives shall be in line with regulatory limits and the limits specified in the SID. |

| | |
|---|---|
| **Repo Transactions** | This risk is largely mitigated, as the choice of counterparties is largely restricted and their credit rating is taken into account before entering into such transactions. Also, operational risks are lower as such trades are settled on a DVP basis. In the event the counterparty is unable to pay back the money to the scheme as contracted on maturity, the scheme may dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to the counterparty |
| **Currency** | The scheme subject to applicable regulations shall have the option to enter into forward contracts for the purpose of hedging against the foreign exchange fluctuations. The Schemes may employ various measures (as permitted by SEBI/RBI) including but not restricted to currency hedging (such as currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), to manage foreign exchange movements arising out of investment in foreign securities.<br>All currency derivatives trade, if any will be done only through the stock exchange platform. |
| **Securitized Debt** | In addition to careful scrutiny of credit profile of borrower/pool additional security in the form of adequate cash collaterals and other securities may be obtained. |
| **Structured Obligation (SO) & Credit Enhancement (CE) rated securities** | Scheme wise investments as prescribed by the regulations limits the exposure to such securities. Additionally, covenants of such structured papers are reviewed periodically for adequate maintenance of covers as prescribed in the Information Memorandum of such papers. |
| **Government securities and Triparty repo on Government securities or treasury bills:** | As a member of securities segment and Triparty repo segment, maintenance of sufficient margin is a mandatory requirement. CCIL monitors these on a real time basis and requests the participants to provide sufficient margin to enable the trades etc. Also, there are stringent conditions / requirements before registering any participants by CCIL in these segments. Since settlement is guaranteed the loss on this account could be minimal though there could be an opportunity loss. |
| **Units of mutual**<br>**fund schemes** | Mutual Fund portfolios are generally well diversified and typically endeavor to provide liquidly on a T+1/T+2 basis and aim to mitigate any risks arising out of underlying investments. Commodity ETF's are quite liquid as they can either be created /redeemed with the fund house or traded on the exchange. |
| **Tracking errors** | Over a short period, the Scheme may carry the risk of variance between portfolio composition and Benchmark. The objective of the Scheme is to closely track the performance of the Underlying Index over the same period, subject to tracking error. The Scheme would endeavor to maintain a low tracking error by actively aligning the portfolio in line with the Index. |

While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

The measures mentioned above 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.

## II. Information about the scheme:

### A. Where will the scheme invest – For Detailed description, please refer to Section I - Part II – B

### B. What are the investment restrictions?

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:

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.

   Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and Tri-Party Repo on Government securities or Treasury bills.

   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.

   As per As per clause 12.8 of SEBI Master circular dated May 19, 2023, the scheme shall not invest more than:

   a. 10% of its NAV in debt and money market securities rated AAA; or

   b. 8% of its NAV in debt and money market securities rated AA; or

   c. 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.

   The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit specified in clause 1 of Seventh Schedule of MF Regulation.

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:

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.

b. Exposure of mutual fund schemes in such instruments, shall not exceed 5% of the net assets of the schemes.

c. All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.

3. The Mutual Fund under all its schemes taken together will not own more than 10% of any companies paid up capital carrying voting rights. 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.

4. Transfers of investments from one scheme to another scheme in the Mutual Fund shall be allowed only if:

   i. Such transfers are done at the prevailing market price for quoted instruments on spot basis;

   ii. The securities so transferred shall be in conformity with the investment objectives & policies of the Scheme to which such transfer has been made.

5. 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.]

6. 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.

   Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board.

   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.

7. 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.

8. The fund's schemes shall not make any investment in:

   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

   The listed securities of group companies of the sponsor which is in excess of 25% of the net assets of the scheme

9. The Scheme shall not invest in a fund of funds scheme.

10. 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.

    Clause 12.16 of SEBI Master Circular dated May 19, 2023, 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:

    - "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
    - Such short-term deposits shall be held in the name of the Scheme.
    - 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.
    - 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.
    - 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.
    - 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.
    - NAM India will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.

    The aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market.

11. No term loans for any purpose will be advanced by the Scheme.

12. The AMC may invest in the Scheme in the new fund offer. However, it shall not charge any investment management fee on such amounts invested by it.

13. 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.

As per Clause 12.5 of SEBI Master Circular dated May 19, 2023 “the investments by index funds shall be in accordance with the weightage of the scrips in the specific index as disclosed in the Scheme Information Document. In case of sector/industry specific scheme, the upper ceiling on investments may be in accordance with the weightage of the scrips in the respective sectoral index/sub index or 10% of the NAV of the scheme whichever is higher.”

14. 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.

15. The Scheme will comply with any other regulations applicable to the investments of mutual funds from time to time.

16. 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.

    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.

    In case of borrowing through repo transactions the tenor of such transaction shall not exceed a period of six months.

17. In order to address the risk related to portfolio concentration in Index Funds in accordance with Clause 3.4 of SEBI Master Circular dated May 19, 2023, the following norms are adopted:

    a) The index shall have a minimum of 10 stocks as its constituents.

    b) For a sectoral/ thematic Index, no single stock shall have more than 35% weight in the index. For other than sectoral/ thematic indices, no single stock shall have more than 25% weight in the index.

    c) The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index.

    d) The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

18. The cumulative gross exposure through equity, Debt and derivative positions (including fixed income derivatives) should not exceed 100% of the net assets of the scheme

19. 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 (here counterparty means an intermediary/broker through whom we deal in securities) or such other limits as may be permitted by SEBI from time to time.

    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.

    The scheme seeks to replicate a particular Index hence shall ensure that the index complies with the aforesaid norms.

    All investment restrictions stated above shall be applicable at the time of making investment. 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.

    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.

    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.

    Guidelines and the following parameters for liquid as well as non liquid schemes have been specified in the policy as follows:

    (i) Eligible Instruments - Defines the eligible instruments where the scheme can invest

    (ii) Minimum Liquidity - Defines the instruments considered as liquid instruments and the minimum investments in these instruments as a percentage of total net assets

    (iii) 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.

    (iv) Rating - Defines minimum and/ or maximum investment in a particular rating as a percentage of total portfolio.

(v) 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.

(vi) All the Schemes securities investment will be in transferable securities.

20. The scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities and other money market instruments. However, scheme 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.

**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.

**C. Fundamental Attributes**

Following are the Fundamental Attributes of the scheme, in terms of Clause 1.14 of SEBI Master Circular for Mutual Funds dated May 19, 2023:

**(i) Type of a scheme -** An open ended scheme replicating/ tracking NIFTY Pharma Index

**(ii) Investment Objective**

- **Main Objective: -** The investment objective of the scheme is to provide investment returns closely corresponding to the total returns of the securities as represented by the NIFTY Pharma Index before expenses, subject to tracking errors. There is no assurance that the investment objective of the Scheme will be achieved.
- **Investment pattern:-** For Detailed description, please refer to Section I - Part II – B (HOW WILL THE SCHEME ALLOCATE ITS ASSETS?)

**(iii) Terms of Issue**

- **Liquidity provisions such as repurchase/redemption of units**

  Nippon India Nifty Pharma ETF shall be listed on the Exchange, subsequent buying or selling by Unit holders can be made from the secondary market. For details on repurchase/redemption of units please refer section on redemption.

- **Aggregate fees and expenses charged to the scheme.**

  i) New Fund Offer (NFO) Expenses : Refer to Section I - Part-III - B

  ii) Annual Scheme Recurring Expenses : Refer to Section I - Part-III - C

- **Any safety net or guarantee provided. – Not Applicable**

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations and Clause 1.14.1.4 of SEBI Master Circular for Mutual Funds dated May 19, 2023, the trustees shall ensure that no change in the fundamental attributes of the Scheme, the fee and expenses payable or any other change which would modify the Scheme and affect the interests of Unitholders is carried out by the AMC, unless it complies with sub-regulation (26) of Regulation 25 of the SEBI (MF) Regulations.

Further, in accordance with Regulation 25 (26) of the SEBI (MF) Regulations, the AMC shall ensure that no change in the fundamental attributes of the Scheme or the trust or fee and expenses payable or any other change which would modify the Scheme and affect the interests of Unitholders shall be carried out unless:

(i) A written communication about the proposed change is sent to each Unitholder and an advertisement is issued in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and

(ii) The Unitholders are given an option for a period of atleast 30 calendar days to exit at the prevailing Net Asset Value without any exit load.

In addition to the above, for bringing change in the fundamental attributes of the scheme, the comments shall be taken from SEBI before bringing such change(s).

**D. Index methodology**

**About the Index**

The Nifty Pharma Index is designed to reflect the behavior and performance of the companies that are engaged into manufacturing of pharmaceuticals and biotechnology companies. The index comprises of 20 stocks. The base date of the index is January 1, 2001.

To be considered for inclusion in NIFTY Pharma Index, companies must form part of eligible universe.

**Stock Selection Criteria as provided by Index Provider:**

- Companies should form part of NIFTY 500 at the time of review.
- Minimum number of stocks within the index should be 10.
- In case, the number of eligible stocks within Nifty 500 falls below 10, then deficit number of stocks shall be selected from the universe of stocks ranked within top 800 based on both average daily turnover and average daily full market capitalisation based on previous six months period data used for index rebalancing of Nifty 500.

In case, the number of eligible stocks in the universe is still less than 10, then the deficit number of stocks shall be selected from the universe of stocks ranked within top 1000, top 1100, top 1200 and so on, based on both average daily turnover and average daily full market capitalization based on previous six months period data, until at least 10 eligible stocks are obtained. If the number of eligible stocks is still less than 10, then the index may have less than 10 constituents.

- Companies should form part of the Pharmaceuticals sector.
- The companies are sorted in the descending order of the Free-Float Market capitalization (FF MCap) and final selection of companies shall be made based on six-month average FF Mcap that are available for trading in NSE Futures & Options (F&O). Incase if the stocks selected are less than 20 then the deficit number of stocks are selected based on six-month average FF mcap.
- Stocks that are available for trading in F&O segment are compulsorily included in the index and will replace the smallest index constituent which are not available for trading in F&O segment subject to minimum of 20 stocks in index.
- Incase all the stocks within the index are available for F&O trading and there is non-member eligible F&O stock, such stock will be included in the index only if its six-months average FF Mcap is atleast 1.5 times the six-months average FF Mcap of smallest index constituent.
- Non-member eligible stocks which are not available for trading for F&O segment will be included if its six-months average FF Mcap is atleast 1.5 times the six-months average FF Mcap of smallest index constituent which is not available for trading in F&O segment.

**Constituent Capping as per Index Provider:**

- Weights of each stock in these indices will be calculated based on its free-float market capitalization such that no single stock shall be more than 33% and weights of top 3 stocks cumulatively shall not be more than 62% at the time of rebalancing.
- This means that at the time of rebalancing of the index, no single constituent shall have weightage of more than maximum capping limits as stated above. The capping factor of stocks is realigned upon change in equity, investible weighted factor (IWF), replacement of scrips in the index, periodic rebalancing and on a quarterly basis on the last trading day of March, June, September and December by taking into account closing prices as on T-3 basis, where T day is last trading day of March, June, September and December.
- In the event of weight realignment, capping factors will be calculated for all constituents (for capped indices) whose uncapped weight is greater than maximum capping limits as stated above. Weightage of such constituent may increase beyond maximum capping limit between the rebalancing periods depending on the price movement. The capping factor is calculated considering the closing prices of the index constituents 3 trading days (T-3) prior to the effective date (T day) of the changes for all constituents.

**Index Rebalancing:**

The review of the index is undertaken semi-annually based on data for six months ending January and July. Index rebalancing will be done on a semi-annual basis and made effective from the last trading day of March and September.

| **Nifty Pharma Index Constituents as on May 31, 2024** | | | |
|---|---|---|---|
| **Sr. No.** | **Name of Constituents** | **Index Weightage (%)** | **Impact Cost** |
| 1 | SUN PHARMACEUTICAL INDUSTRIES LTD. | 24.45% | 0.02 |
| 2 | CIPLA LTD. | 11.78% | 0.02 |
| 3 | DR. REDDY'S LABORATORIES LTD. | 10.94% | 0.02 |
| 4 | DIVI'S LABORATORIES LTD. | 8.51% | 0.03 |
| 5 | LUPIN LTD. | 5.93% | 0.03 |
| 6 | AUROBINDO PHARMA LTD. | 5.17% | 0.03 |
| 7 | ZYDUS LIFESCIENCES LTD. | 3.93% | 0.03 |
| 8 | TORRENT PHARMACEUTICALS LTD. | 3.82% | 0.03 |
| 9 | ALKEM LABORATORIES LTD. | 3.75% | 0.04 |
| 10 | GLENMARK PHARMACEUTICALS LTD. | 2.69% | 0.04 |
| 11 | LAURUS LABS LTD. | 2.56% | 0.05 |
| 12 | IPCA LABORATORIES LTD. | 2.40% | 0.05 |
| 13 | MANKIND PHARMA LTD. | 2.39% | 0.05 |
| 14 | ABBOTT INDIA LTD. | 2.13% | 0.05 |
| 15 | BIOCON LTD. | 2.13% | 0.04 |
| 16 | GLAND PHARMA LTD. | 1.97% | 0.05 |
| 17 | J.B. CHEMICALS & PHARMACEUTICALS LTD. | 1.96% | 0.06 |
| 18 | NATCO PHARMA LTD. | 1.41% | 0.04 |
| 19 | SANOFI INDIA LTD. | 1.20% | 0.05 |
| 20 | GRANULES INDIA LTD. | 0.88% | 0.05 |

Source: NSE

**E. Principles of incentive structure for market makers (for ETFs)**

**Incentives for Market Maker (MM)**

**Guiding principles of incentive structure for Market Maker**

Incentives to market maker will be linked to performance of the market maker in terms of generating liquidity in units of ETFs. Incentives, if any, to MM shall be charged to the scheme within the maximum permissible limit of Total Expense Ratio (TER).

**Determination of incentive for Market maker**

It will be determined basis any or all of the below mentioned criteria:

I. It will be based on volume carried out by market maker on the exchange as compared to total volume of respective ETFs on exchange.

II. It can be fixed monthly compensation which should not exceed TER of the scheme.

III. Any other performance-based incentive.

Incentives to market maker shall be at the discretion of the AMC & to be decided between the AMC and the MM which may be variable in nature or fixed amount adhering to maximum permissible limit of TER.

Incentives, if any, will be payable to MM subject to MM fulfilling its obligations and responsibilities.

**F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per clause 13.6.2 of SEBI master circular for mutual funds dated May 19, 2023 (only for close ended debt schemes)- Not Applicable.**

**G. Other Scheme Specific Disclosures:**

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| **Listing and transfer of units** | **Listing:-**<br><br>The units of the Scheme shall be listed on the National Stock Exchange of India Limited within 5 working days from the date of allotment, subsequent buying or selling by investors can be made from the secondary market on the NSE.<br><br>The AMC reserves the right to list the units of the Scheme on any other recognized stock exchange at later date, after obtaining required approval from respective stock exchange.<br><br>The minimum number of units that can be bought or sold through the stock exchange is 1 (one) unit.<br><br>**Transfer of units:-**<br><br>The units of Nippon India Pharma ETF are transferable via the Depository Participant (DP) as the Units are held compulsorily in dematerialised form. Transfers should be only in favour of transferees who are eligible of holding units under the scheme. The delivery instructions for transfer of Nippon India Pharma ETF units will have to be lodged with the DP in the requisite form as may be required from time to time and the transfer will be effected in accordance with such rules / regulations as maybe in force governing transfer of securities in dematerialized mode. Under special circumstances, holding of units by a company or other body corporate with another company or body corporate or an individual/ individuals, none of whom is a minor, may be considered by the AMC.<br><br>Any addition, deletion of name of the Unit holder is deemed as transfer of Units. In The said provisions in respect of deletion of names will not be applicable in case of death of a Unit holder (in respect of joint holdings) as this is treated as transmission of Unit and not a transfer, and will be in accordance with the rules / Regulations as maybe in force governing transfer of securities in dematerialized mode. For all Transfer/ Transmission, the investors need to approach their respective DP. |
| **Dematerialization of units** | i. The Units of the Scheme will be available only in the dematerialized (electronic) mode only.<br><br>ii. The Investor under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL and will be required to indicate in the application the Depository Participant's name, Depository Participant's ID Number and beneficiary account number of the applicant with the Depository Participant or such details requested in the Application Form / Transaction Form.<br><br>iii. The Units of the Scheme will be issued / repurchased and traded compulsorily in dematerialized form.<br><br>iv. Applications without relevant details of his / her / their depository account are liable to be rejected. |
| **Minimum Target amount (This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return.)** | Not Applicable |

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| **Maximum Amount to be raised (if any)** | Not Applicable |
| **Dividend Policy (IDCW)** | The Trustee may declare IDCW to the Unit holders under the Scheme subject to the availability of distributable surplus and the actual distribution of IDCWs and the frequency of distribution will be entirely at the discretion of the Trustee. Such IDCW will be payable to the Unit holders whose names appear on the register of Unit holders on the record date as fixed for the respective Schemes.<br><br>Within one calendar day of the decision by the trustees, AMC shall issue notice to the public communicating the decision including the record date. The record date shall be 2 working days from the date of publication in at least one English newspaper or in a newspaper published in the language of the region where the Head Office of the mutual fund is situated, whichever is issued earlier.<br><br>The IDCW declared will be paid net of tax deducted at source, wherever applicable, to the eligible Unit holders within 7 working days from the Record date.<br><br>The Scheme will follow the requirements stipulated in the listing agreement for declaration of IDCW.<br><br>There is no assurance or guarantee to the Unit holders that IDCW will be paid regularly. If the Fund declares IDCW, the NAV of the respective Schemes will stand reduced by the amount of IDCW (including withholding tax if applicable). The amounts can be distributed out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains. All the IDCW payments shall be in accordance and compliance with SEBI & Exchange Regulations, as applicable from time to time.<br><br>**Procedure for distribution of IDCW:**<br><br>The IDCW payments shall be initiated (in case of payment instrument) to the eligible Unit holder's bank account / address as specified in the Registrar's / Depository's records. The AMC, at its discretion at a later date, may choose to alter or add other modes of payment.<br><br>Please refer to the Statement of Additional Information for details on unclaimed Redemptions and IDCWs. |
| **Allotment (Detailed procedure)** | For transactions made on stock exchange platform the settlement of units happens as per exchange settlement cycle.<br><br>For direct Creation: For all valid applications and funds received by the Fund directly for Creation lot size / above 25cr for certain investor categories or as prescribed in Regulations time to time, received on a business day and where the trade is executed for the given lot size and amount, the allotment of units happens on same business day.<br><br>The allotted units are credited to Investor's beneficiary demat account within one business day from the day of allotment. |
| **Refund** | The Refund of the balance amount, if any post trade execution for given Creation lot size is refunded within T+1 business day. |
| **Who can invest**<br><br>**This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile** | The units of the scheme are being offered to the public for subscription<br><br>The following persons (subject, wherever relevant, to purchase of units being permitted under their respective constitutions and relevant State Regulations) are eligible to subscribe to the units.<br><br>1. Resident adult individuals, either singly or jointly (not exceeding three) or on anyone or survivor basis.<br>2. Minors through parents / lawful guardian*.<br>3. Hindu Undivided Family ("HUF") through its karta.<br>4. Partnership firms.<br>5. Companies, bodies corporate, societies, association of persons, body of individuals, clubs and public sector undertakings registered in India if authorized and permitted to invest under applicable Laws and regulations.<br>6. Banks (including co-operative banks and regional rural banks), financial institutions and investment institutions incorporated in India or the Indian branches of banks incorporated outside India<br>7. Non-Resident Indians (NRIs) / Persons of Indian Origin (PIOs) residing abroad on repatriation basis and on non-repatriation basis |

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| | 8. Mutual Funds registered with SEBI.<br>9. FPIs (subject to regulations / directions prescribed by the RBI/SEBI from time to time relating to FPI investments in mutual fund schemes).<br>10. Charitable or religious trusts, wakf boards or endowments and registered societies (including registered cooperative societies) and private trusts authorized to invest in Units of mutual fund schemes under their trust deeds.<br>11. Army, air force, navy, para-military funds and other eligible institutions.<br>12. Scientific and industrial research organizations.<br>13. Multilateral funding agencies or bodies corporate incorporated outside India with the permission of GOI / RBI.<br>14. Overseas financial organizations which have entered into an arrangement for investment in India, interalia with a mutual fund registered with SEBI and which arrangement is approved by GOI.<br>15. Provident / pension / gratuity / superannuation and such other retirement and employee benefit and other similar funds as and when permitted to invest.<br>16. Other associations, institutions, bodies etc. authorized to invest in the Units.<br>17. Apart from the above, all other categories of Investors permitted at present and in future are eligible to invest in the Scheme.<br>18. Insurers, insurance companies / corporations registered with the Insurance Regulatory Development Authority<br><br>All cheques and bank drafts accompanying the Application Form should contain the Application Form number / folio number and the name of the sole / 1st applicant / Unit holder on its reverse. It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements and any Application Form without these details will be treated as incomplete. Such incomplete applications are liable to be rejected. The Registrar / AMC may ask the Investor to provide a blank cancelled cheque for the purpose of verifying the bank account number.<br><br>* Process for Investments made in the name of a Minor through a Guardian:<br>• Payment for investment by means of Cheque or any other mode shall be accepted from the bank account of the minor / Minor with guardian or from a joint account of the minor with the guardian only. For existing folios, in case the pay-out bank mandate is not held solely by minor or jointly by minor and guardian, the investors are requested to provide a change of Pay-out Bank mandate request before providing redemption request.<br>• Investors to also note that as ETF units are compulsorily held in dematerialised form, the documentation & process also need to be completed in demat account held by the investor upon minor attaining the status of major.<br>Pursuant to SEBI circular dated May 12, 2023, payment for any investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. For existing folios, the AMCs shall insist upon a change of pay-out bank mandate before redemption is processed.<br>• Investors are also requested to note that the process of transmission of units shall be in line with Clause 17.6 of SEBI Master Circular dated May 19, 2023 and guidelines issued by SEBI in this regard from time to time. For any transmission related requests, the investors are advised to approach their respective depository participant.<br><br>Applications without relevant details of the applicant's Depository account are liable to be rejected.<br><br>**Note :**<br>1. Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) residing abroad / Foreign Portfolio Investors (FPIs) have been granted a general permission by Reserve Bank of India Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in / redeeming units of the mutual funds subject to conditions set out in the aforesaid Regulations. |

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| | 2. In case of application under a Power of Attorney or by a limited company or a corporate body or an eligible institution or a registered society or a trust fund, the original Power of Attorney or a certified true copy duly notarised or the relevant resolution or authority to make the application as the case may be, or duly notarised copy thereof, alongwith a certified copy of the Memorandum and Articles of Association and/or bye-laws and / or trust deed and / or partnership deed and Certificate of Registration should be submitted. The officials should sign the application under their official designation. A list of specimen signatures of the authorised officials, duly certified / attested should also be attached to the Application Form. In case of a Trust / Fund it shall submit a resolution from the Trustee(s) authorising such purchases and redemptions.<br><br>3. 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.<br><br>4. It is expressly understood that at the time of investment, the investor/unitholder has the express authority to invest in units of the Scheme and the onus of the investment being compliant with the relevant constitution is on the investor.<br><br>5. NAM India reserves the right to include / exclude new / existing categories of investors to invest in this Scheme from time to time, subject to the Regulations, if any.<br><br>6. Neither this Scheme Information Document ("SID")/ Key Information Document ("KIM")/ Statement of Additional Information ("SAI") ["Scheme Related Documents"] nor the units of the scheme(s) have been registered under the relevant laws, as applicable in the territorial jurisdiction of United States of America nor in any provincial/ territorial jurisdiction in Canada. It is being clearly stated that the Scheme Related Documents and/or the units of the schemes of Nippon India Mutual Fund have been filed only with the regulator(s) having jurisdiction in the Republic of India. The distribution of these Scheme Related Documents in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of these Scheme Related Documents are required to inform themselves about, and to observe any such restrictions.<br><br>No persons receiving a copy of these Scheme Related Documents or any KIM accompanying application form jurisdiction may treat such Scheme Related Documents as an invitation to them to subscribe for units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly these Scheme Related Documents do not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of such persons in possession of the Scheme Related Documents and any persons wishing to apply for units pursuant to these Scheme Related Documents to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction.<br><br>The NAM India shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the NAM India . The investor shall be responsible for complying with all the applicable laws for such investments.<br><br>The NAM India reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the NAM India, which are not in compliance with the terms and conditions notified in this regard.<br><br>**7. Foreign Account Tax Compliance**<br><br>In accordance with the relevant provisions of the Foreign Account Tax Compliance Act ("FATCA") as contained in the United States Hiring Incentives to Restore Employment ("HIRE") Act, 2010, there is a likelihood of withholding tax being levied on certain income/ receipt sourced from the subjects of United States of America ("US") with respect to the schemes, unless such schemes are FATCA compliant.<br><br>In this regard, the respective governments of India and US have signed an Inter Governmental Agreement-1 (IGA) on July 9, 2015. In the terms of this proposed IGA, Nippon India Mutual Fund ("NIMF") and/ or Nippon Life India Asset |

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| | Management Limited ("NAM India"/ "AMC") classified as a "Foreign Financial Institution" and in which case NIMF and/ or NAM India would be required, from time to time, to (a) undertake the necessary due-diligence process; (b) identify US reportable accounts; (c) collect certain required information/ documentary evidence ("information") with respect to the residential status of the unit holders; and (d) directly or indirectly disclose/ report/ submit such or other relevant information to the appropriate Indian authorities. Such information may include (without limitation) the unit holder's folio detail, identity of the unit holder, details of the beneficial owners and controlling persons etc<br><br>In this regard and in order to comply with the relevant provisions under FATCA, the unit holders would be required to fully cooperate & furnish the required information to the AMC, as and when deemed necessary by the latter in accordance with IGA and/ or relevant circulars or guidelines etc, which may be issued from time to time by SEBI/ AMFI or any other relevant & appropriate authorities.<br><br>The applications which do not provide the necessary information are liable to be rejected. The applicants/ unit holders/ prospective investors are advised to seek independent advice from their own financial & tax consultants with respect to the possible implications of FATCA on their investments in the scheme(s).<br><br>The underlying FATCA requirements are applicable from July 1, 2014 or such other date, as may be notified.<br><br>In case required, NIMF/ NAM India reserves the right to change/ modify the provisions (mentioned above) at a later date.<br><br>The Fund reserves the right to include / exclude new / existing categories of investors to invest in the Schemes, subject to SEBI Regulations and other prevailing statutory regulations, if any.<br><br>**8. Rejection of the application:**<br><br>Subject to the SEBI Regulations and applicable Laws, any application for NFO Units may be accepted or rejected at the sole and absolute discretion of the Trustees / AMC. For example and without limitations, the Trustees/AMC may reject any application for the Purchase of NFO Units if the application is received from an Investor to whom the NFO Units cannot be lawfully or validly offered or by whom the NFO Units cannot be lawfully or validly subscribed or if the Investor does not provide information / details required by the Mutual Fund / AMC/ Trustees in relation to KYC, beneficial ownership, FATCA or any other requirements mandated by the Mutual Fund / Trustees / AMC pursuant to any directives of AMFI or any other additional administrative processes required with respect to such Investors or if the application is invalid or incomplete, or if, in its opinion, increasing the size of the Scheme's Unit Capital is not in the general interest of the Unit holders, or if the Trustees/ AMC for any other reason does not believe that it would be in the best interest of the Scheme or its Unit holders to accept such an application.<br><br>**9. Further information request by the AMC/Trustees:**<br><br>The AMC / Trustees may request Investors / Unit holders to provide verification of their identity or other further details as may be required in the opinion of the AMC / Trustees under applicable Laws and/or pursuant to any directives of AMFI. This may result in a delay in dealing with the applicants, Unit holders, benefits, distribution, etc. and/or even rejection of the application / mandatory Redemption of Units. |
| **Who cannot invest** | 1. Any individual who is a Foreign National, except for Non –Resident Indians and Persons of Indian Origin and provided such Foreign National has procured all the relevant regulatory approvals applicable and has complied with all applicable laws, including but not limited to and pertaining to anti money laundering, know your customer (KYC), income tax, foreign exchange management (the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder), in the sole discretion and to the sole satisfaction of Nippon Life India Asset Management Ltd (the AMC).<br><br>Nippon Life India Asset Management Limited in its capacity as an asset manager to the Nippon India Mutual Fund reserves the right to amend/terminate this facility at any time, keeping in view business/operational exigencies.<br><br>2. Overseas Corporate Bodies ("OCBs"), i.e. firms and societies which held directly or indirectly to the extent of at least 60% by NRIs and trusts in which at least 60% of the beneficial interest is similarly held irrevocably by such persons without the prior approval of the RBI. |

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| | 3. NRIs residing in Non-Compliant Countries and Territories ("NCCTs") as determined by the Financial Action Task Force ("FATF"), from time to time.<br><br>4. Any other person determined by the AMC or the Trustee as not being eligible to invest in the Scheme.<br><br>5. The AMC reserves the right to include/exclude new/existing categories of investors to invest in the Scheme from time to time, subject to SEBI Regulations & other prevailing statutory regulations. |
| **How to Apply (details)** | **Details regarding-**<br><br>1. The applications filled up and duly signed by the applicants should be submitted at the office of the Collection Centres / DISCs / Official Points of Acceptance or may be downloaded from the website of AMC. The list of the Designated Investor Service Centres (DISCs)/Official Points of Acceptance (OPAs) of the Mutual Fund are available on the website of the AMC i.e. mf.nipponindiaim.com.<br><br>2. Please refer to the SAI for detailed procedure and Application form for the instructions.<br><br>3. List of official points of acceptance, collecting banker details -<br><br>Please visit –<br><br>https://mf.nipponindiaim.com/investor-services/customer-service/locate-a-branch<br><br>As per the directives issued by SEBI, it is mandatory for an investor to declare his/her bank account number in the application form. This is to safeguard the interest of unitholders from loss or theft of their redemption cheques / DDs. Additionally, if the bank details provided by investors are different from the details available on instrument, AMC may seek additional details from investors to validate the bank details provided by investors. |
| **The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.** | The units under the scheme once repurchased, shall not be reissued. |
| **Restrictions, if any, on the right to freely retain or dispose of units being offered.** | **Right to Limit Redemption**<br><br>The Trustee and AMC may, in the general interest of the Unit holders of the Scheme under this Scheme Information Document and keeping in view the unforeseen circumstances / unusual market conditions, limit the total number of Units which may be redeemed on any Working Day for redemption requests of more than Rs. 2 Lakhs per folio at a scheme level. in any Scheme. In line with the Clause no. 1.12 of SEBI Master circular dated May 19, 2023 the following conditions would be applicable.<br><br>a. Restriction may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:<br><br>i. Liquidity issues - when market at large becomes illiquid and affecting almost all securities. .<br><br>ii. Market failures, exchange closures - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies.<br><br>iii. Operational issues – when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).<br><br>b. Restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.<br><br>c. When restriction on redemption is imposed, the following procedure shall be applied:<br><br>i. No redemption requests upto INR 2 lakh shall be subject to such restriction.<br><br>ii. Where redemption requests are above INR 2 lakh, AMCs shall redeem the first INR 2 lakh without such restriction and remaining part over and above INR 2 lakh shall be subject to such restriction.<br><br>However, suspension or restriction of redemption under any scheme of the Mutual Fund shall be made applicable only after the approval from the Board of Directors of the Asset Management Company and the Trustee Company. The approval from the AMC Board |

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| | and the Trustees giving details of circumstances and justification for the proposed action shall also be informed to SEBI immediately.<br><br>NIMF also reserves the right at its sole discretion to withdraw sale of Units in the Scheme temporarily or indefinitely, if the AMC views that increasing the Scheme's size further may prove detrimental to the existing unit holders of the Scheme. An order/ request to purchase Units is not binding on and may be rejected by the Trustee, the AMC or their respective agents, unless it has been confirmed in writing by the AMC or its agents and (or) payment has been received |
| **Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.** | Investors / Unit holders to note that the below mentioned Cut-off time are not applicable to transactions undertaken on a recognised Stock Exchange and are only applicable to transactions undertaken at the Official Points of Acceptance.<br><br>The Cut-off time for receipt of valid application for Subscriptions and Redemptions is 3.00 p.m. However, the requirement of "cut-off" timing for NAV applicability as prescribed by SEBI from time to time shall not be applicable for direct transaction with Asset Management Company (AMCs) in ETFs by MMs and other eligible investors. However, as the Scheme is an Exchange Traded Fund, the Subscriptions and Redemptions of Units would be based on the Portfolio Deposit and Cash Component as defined by the Mutual Fund for that respective Working Day. |
| **Minimum amount for purchase/redemption/switches mention the provisions for ETFs, as may be applicable, for direct subscription/ redemption with AMC.** | **Directly with Fund**<br><br>**Ongoing price for subscription (purchase) by investors :**<br><br>The facility of creating units in Creation Unit size is available to the Authorised Participants/ Market Makers (whose names will be available on our website mf.nipponindiaim.com / etf.nipponindiaim.com) and Large Investors. However, in case of large investors, the execution value shall be greater than Rs. 25 crores.<br><br>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity & Superannuation Fund till October 31, 2024.<br><br>**Ongoing Price for Redemption by Investors:**<br><br>The facility of redeeming units in Creation Unit size is available to the Authorised Participants/ Market Makers (whose names will be available on our website mf.nipponindiaim.com / etf.nipponindiaim.com) and Large Investors. However, in case of large investors, the execution value shall be greater than Rs. 25 crores.<br><br>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity & Superannuation Fund till October 31, 2024.<br><br>Investors can directly approach the AMC for redemption of units of ETFs, for transaction of up to Rs. 25 crores without any exit load, in case of the following scenarios:<br><br>i Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or<br><br>ii No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or<br><br>iii Total bid size on the exchange is less than half of creation unit size daily, averaged over a period of 7 consecutive trading days.<br><br>In case of the above scenarios, applications received from investors for redemption up to 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day of receipt of application within the above cut-off time, such instances shall be tracked by Nippon India AMC on an ongoing basis and in case if any of the above mentioned scenario arises the same shall be disclosed on the website of Nippon India Mutual Fund i.e. mf.nipponindiaim.com / etf.nipponindiaim.com**.**<br><br>**On the Exchange:**<br><br>The Units of the Scheme can be Purchased/ Sold in minimum lot of 1 Unit and in multiples thereof.<br><br>**Minimum Switch Amount**<br><br>Will be as per the aforesaid minimum application amount criteria in the respective Switch-in ETF Scheme where the switch facility is available.<br><br>**A. Switch-in facility into applicable ETF schemes from eligible open-ended (Non-ETF) Liquid and Debt/Income Schemes**<br><br>For availing this facility, Investors are requested to note the following operational modalities: |

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| | a) Based on number of baskets the Investor wants to switch in to the ETF scheme, switch-out amount from Liquid or Debt/Income Fund should be calculated to nearest Basket lot size so that the minimum Switch -in amount as on switch-in date is greater than Rs. 25 crores as per the Intra-day NAV<br><br>b) Switch-In to the ETF Scheme will be in terms of number of basket/ Creation Lot specified in the application form subject to minimum Switch-in amount of greater than Rs. 25 crores<br><br>c) Switch transaction will be processed at the applicable NAV of the switch- out scheme and only if the value is available in the switch-out scheme.<br><br>d) The applicability of the NAV in the ETF (transferee) Scheme will be the Intra day NAV of the business day on which the Funds are realized in Scheme's account before the cut-off time.<br><br>e) In case the value of Intra-Day NAV X no. of applicable Creation Lot is greater than the Switch Funding amount, the Switch-In transaction will be rejected and the entire amount will be paid to the investor.<br><br>f) Investors to note that the pattern and sequence of holding both in the open-ended (Non-ETF) Folio and in demat account (used for ETF units) should be same.<br><br>**B. Switch-out facility from applicable ETF schemes to eligible open-ended (Non-ETF) Equity, Liquid and Debt/Income Schemes.**<br><br>For availing this facility, investors are requested to note the following operational modalities:<br><br>a) Switch-out from the Scheme will be allowed only in terms of Basket size (unit) and subject to minimum Switch -out amount of greater than Rs. 25 crores<br><br>b) Switch transaction will be processed subject to availability of all details as per regulatory guidelines.<br><br>c) Switch out transaction will be processed at the Intra day NAV of the switch- out ETF scheme<br><br>d) The applicability of the NAV in the transferee Scheme will be the NAV of the business day on which the Funds are realized in Scheme's account before cut-off time.<br><br>e) In case of any rejection in Switch-in to the transferee Scheme, the amount will be paid to the investor as redemption proceeds.<br><br>f) Investors to note that the pattern and sequence of holding both in the open-ended (Non-ETF) Folio and in demat account (used for ETF unit holding) should be same.<br><br>g) Investors should have the clear balance of ETF units in their demat account for execution of the Switch-out transaction from the selected ETF Scheme.<br><br>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity & Superannuation Fund till October 31, 2024.<br><br>NIMF/NAM India reserves the right to introduce, change, modify or withdraw any of the features available in this facility from time to time. |
| **Accounts Statements** | Units issued by the AMC under the scheme shall be credited to the investor's beneficiary account with a Depository Participant (DP) of CDSL or NSDL. The AMC will credit the units to the beneficiary account of the unitholder within tWo business days from the date of receipt of credit of the Cash.<br><br>With a view to create one record for all financial assets of every individual, SEBI vide its Clause 14.4 of SEBI Master Circular dated May 19, 2023 enabled a single consolidated view of all the investments of an investor in Mutual Funds (MF) and securities held in demat form with the Depositories.<br><br>In accordance with the above, the following shall be applicable for unitholders having a Demat Account.<br><br>• Investors having MF investments and holding securities in Demat account shall receive a Single Consolidated Account Statement from the Depository.<br><br>• Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be PAN of the first holder and pattern of holding. The CAS shall be generated on a monthly basis.<br><br>• If there is any transaction in any of the Demat accounts of the investor or in any of his mutual fund folios depositories shall send the CAS within 15 days from the |

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| | month end. In case there is no transaction in any of the mutual fund folios and demat accounts then CAS with holding details shall be sent to the investor on half yearly basis.<br><br>The Consolidated Account statement will be in accordance to Clause 14.4.3 of SEBI Master Circular dated May 19, 2023.<br><br>Investors are requested/encouraged to register/update their email id and mobile number of the primary holder with the AMC/RTA through our Designated Investor Service Centres (DISCs) in order to facilitate effective communication. |
| **Dividend/ IDCW** | The IDCW payments shall be initiated (in case of payment instrument) to the eligible Unit holders within 7 working days from the Record date of the IDCW, in compliance with Clause 11.4 of SEBI Master Circular dated May 19, 2023. In the event of failure to initiate payment/ dispatch of payment instrument within 7 working days, the AMC shall pay an interest @ 15 per cent per annum of the relevant IDCW amount to the applicable Unit holders. Interest for the delayed payment of IDCW shall be calculated from the Record date. |
| **Redemption** | **For Redemption request received directly with the Fund**<br><br>The redemption or repurchase proceeds shall be transferred to the unitholders within 3 working Days from the date of redemption or repurchase.<br><br>Further, investors are requested to note that processing of Redemption or Repurchase transactions without PAN in respect of Non-PAN-Exempt folios has been restricted with effect from September 30, 2019.<br><br>For all such Non-PAN-Exempt folios, investors are requested to update PAN by submitting suitable request along with PAN card copy at any of the Designated Investor Service Centre (“DISC”) of Nippon India Mutual Fund (NIMF) and then submit Redemption.<br><br>Investors are also requested to note further that it is mandatory to complete the KYC requirements for all unit holders, including for all joint holders and the guardian in case of folio of a minor investor.<br><br>Accordingly, completion of KYC requirements shall be mandatory and with effect from February 28, 2020, all financial transactions (including redemptions, switches etc.) will be processed only if the KYC requirements are completed.<br><br>Unit holders are advised to use the applicable KYC Form for completing the KYC requirements and submit the form at the Designated Investor Service Centre (“DISC”) of Nippon India Mutual Fund or KFin Technologies Limited<br><br>**Payment of proceeds**<br><br>The Fund will transfer the Redemption proceeds within 10 Working Days from the date of acceptance of the Redemption request. In case of exceptional situations listed in AMFI Circular No.AMFI/35P/MEM-COR/74/2022-23 dated January 16, 2023, redemption payment would be made within the permitted additional timelines.<br><br>**1. Resident Investors**<br><br>In case the Unit holder requests, Redemption proceeds will be paid by cheques, such cheques will be marked “A/c Payee only” and drawn in the name of the sole holder / first-named holder (as determined by the records of the Registrar / Depository).<br><br>The Redemption cheque will be issued in favour of the sole / first Unit holder’s registered name and bank account number, and will be mailed to the registered address of the sole / first holder as indicated in the original Application Form. The Redemption cheque will be payable at par. If the Unit holder is located outside the locations from where the cheque is payable at par, a demand draft payable at the city of his residence will be issued.<br><br>The dispatch for the purpose of delivery through the courier / postal department, as the case may be, shall be treated as delivery to the Investor. The AMC / Registrar are not responsible for any delayed delivery or non-delivery or any consequences thereof, if the dispatch has been made correctly as stated in this paragraph.<br><br>The Redemption proceeds may be paid by way of direct credit / NEFT / RTGS / ECS or any other manner to which the Investor’s bank account specified in the Registrar’s / Depository’s records.<br><br>Note: The Trustees, at its discretion at a later date, may choose to alter or add other modes of payment. |

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| | **2. Non-Resident Indian Investors / Foreign Portfolio Investors (FPIs)**<br><br>Units held by NRI Investors and FPIs may be Redeemed by such Unit holder by tendering Units to the AMC or for payment of maturity proceeds, subject to any procedures laid down by RBI from time to time. Provisions with respect to NRIs / FPIs stated above, is as per the AMC/Trustee's understanding of the Laws currently prevalent in India and such Redemption proceeds will be remitted depending upon the source of investment as follows:<br><br>**(a) Repatriation Basis**<br><br>When Units have been Purchased through remittance in foreign exchange from abroad or by cheque / draft issued from proceeds of the Unit holder's FCNR deposit or from funds held in the Unit holder's Non Resident (External) Rupee account kept in India, the proceeds will be remitted to the Unit holder in Rupees for crediting to his NRE / FCNR / Non-Resident (Ordinary) account and the authorized dealer of the Unit holder will convert the payments in foreign currency.<br><br>**(b) Non-Repatriation Basis**<br><br>When Units have been Purchased from funds held in the Unit holder's non-resident (ordinary) account, the proceeds will be sent to the Unit holder's Indian address for crediting to the Unit holder's non-resident (ordinary) account.<br><br>For FPIs, the designated branch of the authorised dealer may allow remittance of net sale / maturity proceeds (after payment of taxes) or credit the amount to the foreign currency account or non-resident Rupee account of the FPI maintained in accordance with the approval granted to it by the RBI.<br><br>For item (a) and (b) above, the AMC / Trustees / Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while the authorized dealer converts the Rupee amount in foreign exchange in the case of transactions with NRIs / FPIs.<br><br>The Fund may make other arrangements for effecting payment of Redemption proceeds in the future.<br><br>**Effects of Redemption**<br><br>Units once Redeemed will be extinguished and will not be re-issued.<br><br>As the Units of the Scheme are in demat form, the periodic holding statement issued by the Depository Participant (indicating the new balance to the credit in the account) would be deemed to be adequate compliance with requirements of SEBI regarding dispatch of statements of account.<br><br>**General Provisions**<br><br>As Units may not be held by any person in breach of the SEBI Regulations, applicable Laws or requirements of any governmental, statutory authority including, without limitation, exchange control regulations, the Trustees / AMC may mandatorily Redeem all the Units of any Unit holder where the Units are held by a Unit holder in breach of the same. The Trustees / AMC may also mandatorily Redeem Units held by Unit holders which the Trustees/ AMC, in their sole opinion, suspect to be engaged in market-timing or excessive trading or unfair or suspicious practices, or if the Trustees /AMC for any other reason believe that mandatory Redemption of such Unit holders would generally be in the interest of the Scheme or its Unit holders.<br><br>In case an Investor has Purchased Units on more than 1 Working Day (either under during the NFO Period or during the Ongoing Offer Period), the Units Purchased prior in time (i.e. those Units which have been held for the longest period of time), will be Redeemed first i.e. on a first-in - first-out basis.<br><br>For further details on Redemption also refer to Statement of Additional Information.<br><br>The Trustees/ AMC may mandatorily Redeem Units of any Unit holder in the event it is found that the Unit holder has submitted information either in the application or otherwise that is false, misleading or incomplete without limitation to verifying their identity<br><br>If a Unit holder makes a Redemption request immediately after Purchase of Units, the Fund shall have a right to withhold the Redemption request in accordance with the conditions provided in the Statement of Additional Information. However, this is only applicable if sufficient balance is not available in the Unit holders account to effect such a Redemption and the value of Redemption is such that some or all of the freshly Purchased Units may have to be Redeemed to effect such Redemption. |

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| **Bank Mandate** | As per the directives issued by SEBI, it is mandatory for an investor to declare his/her bank account number in the application form. This is to safeguard the interest of unitholders from loss or theft of their redemption cheques / DDs. Additionally, if the bank details provided by investors are different from the details available on instrument, AMC may seek additional details from investors to validate the bank details provided by investors. |
| **Delay in payment of redemption / repurchase proceeds/dividend** | The AMC shall be liable to pay interest to the Unit holders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum). |
| **Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount** | In terms of Clause 14.3 of SEBI Master Circular dated May 19, 2023, the unclaimed redemption amount and IDCW amounts (the funds) may be deployed by the Mutual Fund in money market instruments and separate plan of Overnight scheme / liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts only, provided that such schemes where the unclaimed redemption and IDCW amounts are deployed shall be only those Overnight Scheme/ Liquid Scheme / Money Market Mutual Fund Schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix as per Clause 17.5 of SEBI Master Circular dated May 19, 2023. Investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along-with the income earned on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. The details of such unclaimed redemption/IDCW amounts are made available to investors upon them providing proper credentials, on website of Mutual Funds and AMFI along with the information on the process of claiming the unclaimed amount and the necessary forms / documents required for the same. Further, the information on unclaimed amount along-with its prevailing value (based on income earned on deployment of such unclaimed amount), will be separately disclosed to investors through the periodic statement of accounts / Consolidated Account Statement sent to the investors. Further, the investment management fee charged by the AMC for managing the said unclaimed amounts shall not exceed 50 basis points. |
| **Disclosure w.r.t investment by minors** | Process for Investments made in the name of a Minor through a Guardian:<br>• Payment for investment by means of Cheque or any other mode shall be accepted from the bank account of the minor / Minor with guardian or from a joint account of the minor with the guardian only. For existing folios, in case the pay-out bank mandate is not held solely by minor or jointly by minor and guardian, the investors are requested to provide a change of Pay-out Bank mandate request before providing redemption request.<br>• Investors to also note that as ETF units are compulsorily held in dematerialised form, the documentation & process also need to be completed in demat account held by the investor upon minor attaining the status of major.<br>Pursuant to SEBI circular dated May 12, 2023, payment for any investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. For existing folios, the AMCs shall insist upon a change of pay-out bank mandate before redemption is processed. |
| **Ongoing Offer Period**<br>This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period. | Within 5 working days from the date of allotment, an investor can buy/sell units of **Nippon India Nifty Pharma ETF** on a continuous basis on the NSE/ and other recognised stock exchanges where units are listed and traded like any other publicly traded securities at market prices which may be close to the actual NAV of the Scheme. The trading lot is one **Nippon India Nifty Pharma ETF** unit**.** Investors can purchase units at market prices, which may be at a premium/discount to the NAV of the scheme depending upon the demand and supply of units at the exchanges.<br>Alternatively, Authorized Participants/Market Makers and Large Investors may buy the units on any business day for the scheme directly from the Mutual Fund at applicable NAV and transaction charges, if applicable, by transferring stocks or cash, value of which is equal to creation unit size. Each creation unit consists of 75,000 units and cash component, if any, of Nippon India Nifty Pharma ETF. Mutual fund will also repurchase units from Authorized Participants/Market Makers and Large Investors on any business day provided the number of Nippon India Nifty Pharma ETF that investors can create / redeem in exchange of the Portfolio Deposit and Cash Component is 75,000 units and in multiples thereafter.<br>Additionally, in case of large investors, the execution value for direct Subscription / Redemption with the Fund shall be greater than Rs. 25 crores (except for Schemes managed by Employee Provident Fund Organisation (EPFO), India and Recognized Provident Funds, Approved Gratuity Funds and Approved Superannuation Funds under |

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| | Income Tax Act, 1961, till October 31, 2024 or as specified in the Regulations time to time). |
| **Ongoing price for subscription (purchase) by investors.**<br><br>This is the price you need to pay for purchase | **A. Directly with the Fund**<br><br>Units of the Scheme in less than Creation Unit cannot be Purchased directly with the Fund.<br><br>The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.<br><br>The number of Units of the Scheme that Investors can create in exchange of the Portfolio Deposit and Cash Component are 75,000 units and in multiples thereof.<br><br>'Creation Unit' is fixed number of Units of each Scheme, which is exchanged for a basket of shares underlying the index called the Portfolio Deposit and a Cash Component. The facility of creating Units in Creation Unit size is available to the Authorised Participants /Market Makers (whose names will be available on our website mf.nipponindiaim.com / Etf.nipponindiaim.com) and Large Investors. Additionally, in case of large investors, the execution value for direct Subscription / Redemption with the Fund shall be greater than Rs. 25 crores (except for Schemes managed by Employee Provident Fund Organisation (EPFO), India and Recognized Provident Funds, Approved Gratuity Funds and Approved Superannuation Funds under Income Tax Act, 1961, till October 31, 2024 or as specified in the Regulations time to time).<br><br>**The Portfolio Deposit and Cash Component are defined as follows: -**<br><br>**a. Portfolio Deposit:** This is a pre-defined basket of Securities that represent the underlying index and will be defined and announced by the Fund on daily basis and can change from time to time<br><br>**b. Cash Component for Creating in Creation Unit Size:** The Cash Component represents the difference between the NAV of a Creation Unit and the market value of the Portfolio deposit as at the end of the previous day. This difference will represent accrued Dividends, accrued annual charges including management fees and residual cash in the Scheme. In addition the Cash Component will include transaction cost as charged by the Custodian/ Depository Participant, equalization of Dividend and other incidental expenses for Creating Units. In addition the Cash Component for creation will also include Entry Load, as may be levied by the Fund from time to time and statutory levies, if any. The Cash Component for creation will vary from time to time and will be decided and announced by the AMC on its website and other data providers and media at large.<br><br>**Procedure for Subscription in Creation Unit size**<br><br>The requisite Securities constituting the Portfolio Deposit of the Scheme has to be transferred to the Fund's Depository Participant account while the Cash Component, if applicable to be paid to the Custodian/AMC. On confirmation of the same by the Custodian/AMC, the AMC will transfer the respective number of Units of the relevant Scheme into the Investor's Depository Participant account. The AMC may create Creation Unit prior to receipt of all or a portion of the relevant Portfolio Deposit and Cash Component in certain circumstances where the Purchaser, among other things, posts collateral to secure its obligation to deliver such outstanding Portfolio Deposit and Cash Component.<br><br>The Fund may allow cash Purchases of Units of the Scheme in Creation Unit size by Large Investors/Authorised Participants/Market Makers. Additionally, in case of large investors, the execution value for direct Subscription / Redemption with the Fund shall be greater than Rs. 25 crores (except for Schemes managed by Employee Provident Fund Organisation (EPFO), India and Recognized Provident Funds, Approved Gratuity Funds and Approved Superannuation Funds under Income Tax Act, 1961, till October 31, 2024 or as specified in the Regulations time to time). Purchase request for Creation Unit shall be made by such Investor to the Fund/AMC where upon the Fund/AMC will arrange to buy the underlying portfolio Securities. The Portfolio Deposit and Cash Component will be exchanged for the Units of the relevant Scheme in Creation Unit size.<br><br>Creation of Units in such Scheme will be done only after full sighting of cash / portfolio deposit in such Scheme accounts.<br><br>**Disclosure of Portfolio Deposit and Cash Component**<br><br>The AMC shall disclose on a daily basis the portfolio and Cash Component for creating and Redeeming Units in Creation Unit size for the Scheme. The same will be disclosed on our website i.e. mf.nipponindiaim.com / Etf.nipponindiaim.com, daily in the morning |

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| | and would be applicable for creating and Redeeming Units in Creation Unit size for that Working Day only.<br><br>**B. On the Exchange**<br><br>As the Units of the Scheme are listed on NSE, an Investor can buy Units on continuous basis on the capital market segment of NSE during trading hours like any other publicly traded stock at prices which may be close to the actual NAV of the Scheme. There is no minimum investment, although Units are Purchased in round lots of 1 Unit. |
| **Ongoing price for redemption (sale) by investors.**<br><br>This is the price you will receive for redemptions. | **A. Directly with the Fund**<br><br>The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.<br><br>The number of Units of the Scheme that Investors can Redeem in exchange of the Portfolio Deposit and Cash Component are 75,000 units and in multiples thereof.<br><br>'Creation Unit' is fixed number of Units of each Scheme, which is exchanged for a basket of shares underlying the index called the Portfolio Deposit and a Cash Component. The facility of Redeeming Units in Creation Unit size is available to the Authorised Participants/Market Makers (whose names will be available on our website mf.nipponindiaim.com / Etf.nipponindiaim.com) and Large Investors. However, in case of large investors, the execution value shall be greater than Rs. 25 crores (except for Schemes managed by Employee Provident Fund Organisation (EPFO), India and Recognized Provident Funds, Approved Gratuity Funds and Approved Superannuation Funds under Income Tax Act, 1961).<br><br>**The Portfolio Deposit and Cash Component are defined as follows: -**<br><br>**a. Portfolio Deposit:** This is a pre-defined basket of Securities that represent the underlying index and will be defined and announced by the Fund on daily basis and can change from time to time<br><br>**b. Cash Component for Redemption in Creation Unit Size:** The Cash Component represents the difference between the NAV of a Creation Unit and the market value of the Portfolio Deposit as at the end of the previous day. This difference will represent accrued Dividend, accrued annual charges including management fees and residual cash in the Scheme. Any transaction cost charged by the Custodian/ Depository Participant, equalization of Dividend and other incidental expenses for Redeeming Units will also form part of Cash Component. In addition the Cash Component for Redemption will also include Exit Load, as may be levied by the Fund from time to time and statutory levies, if any. The Cash Component for Redemption will vary from time to time and will be decided and announced by the AMC on its website and other data providers and media at large.<br><br>**Procedure for Redemption in Creation Unit size**<br><br>The requisite number of Units of the Scheme equalling the Creation Unit has to be transferred to the Fund's Depository Participant account and the Cash Component, if applicable to be paid to the AMC/Custodian. On confirmation of the same by the AMC, the AMC will transfer the Portfolio Deposit to the Investor's Depository Participant account and pay the Cash Component, if applicable. The AMC may Redeem Creation Unit of the Scheme prior to receipt of all or portion of the relevant Units of the Scheme in certain circumstances where the Investor, among other things, posts collateral to secure its obligation to deliver such outstanding Units of the Scheme.<br><br>The Fund may allow cash Redemption of the Units of the Scheme in Creation Unit size by Large Investors/Authorized Participants/Market Makers. Additionally, in case of large investors, the execution value for direct Subscription / Redemption with the Fund shall be greater than Rs. 25 crores (except for Schemes managed by Employee Provident Fund Organisation (EPFO), India and Recognized Provident Funds, Approved Gratuity Funds and Approved Superannuation Funds under Income Tax Act, 1961, till October 31, 2024 or as specified in the Regulations time to time).Such Investors shall make Redemption request to the Fund/AMC whereupon the Fund/AMC will arrange to sell underlying portfolio Securities on behalf of the Investor. Accordingly, the sale proceeds of portfolio Securities and cash component, after adjusting necessary charges/costs, will be remitted to the Investor.<br><br>**Procedure for Redemption in less than Creation Unit size**<br><br>Unit holders / investor other than Authorised Participants/Market Makers /Large Investors of an directly approach Nippon India AMC for transaction of up to INR 25 Cr and no Exit Load shall be charged for Redemption of Units if -<br><br>a) The traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days; or |

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| | b) No quotes are available on stock exchange(s) for 3 consecutive trading days; or<br>c) Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.<br>In such a scenario valid applications received upto 3 p.m., the mutual fund shall process the Redemption request basis the closing NAV of the day of receipt of application. Such instances shall be tracked by Nippon India AMC on an ongoing basis and incase if any of the above mentioned scenario arises the same shall be disclosed on the website of Nippon India Mutual Fund i.e. mf.nipponindiaim.com / Etf.nipponindiaim.com.<br>**Disclosure of Portfolio Deposit and cash Component**<br>The AMC shall disclose on a daily basis the portfolio and cash component for creating and Redeeming Units in Creation Unit size. The same will be disclosed on our website i.e. mf.nipponindiaim.com / Etf.nipponindiaim.com, daily in the morning and would be applicable for creating and Redeeming Units in Creation Unit size for that Working Day only.<br>**B. On the Exchange**<br>As the Units of the Scheme are listed on NSE, an Investor can sell Units on continuous basis on the capital market segment of NSE during trading hours like any other publicly traded stock at prices which may be close to the actual NAV of the Scheme. The Units are sold in round lots of 1 Unit |
| **Settlement of purchase/sale of Nippon India Nifty Auto ETF units on the stock exchange** | Buying/Selling of Units of the Scheme on the NSE is just like buying/selling any other normal listed security. If an Investor has bought Units, then such Investor has to pay the Purchase amount to the broker/sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the NSE. If an Investor has sold Units, then such Investor has to deliver the Units to the broker/sub-broker before the Securities pay-in day of the settlement cycle on the NSE. The Units (in the case of Units bought) and the funds (in the case of Units sold) are paid out to the broker on the payout day of the settlement cycle on the NSE. The NSE regulations stipulate that the trading member should pay the money or Units to the Investor within 24 hours of the payout.<br>If an Investor has bought Units, then such Investor should give Standing Instructions for 'Delivery-In' to its Depository Participant for accepting Units in its beneficiary account. An Investor should give the details of its beneficiary account and the Depository Participant-ID of their Depository Participant to their trading member. The trading member will transfer the Units directly to the beneficiary account of the Investor on receipt of the same from NSE's clearing corporation.<br>An Investor who has sold Units should instruct their Depository Participant to give 'Delivery Out' instructions to transfer the Units from their beneficiary account to the Pool Account of their trading member through whom they have sold the Units. The details of the Pool A/c (CM-BP-ID) of their trading member to which the Units are to be transferred, Unit quantity etc. should be mentioned in the Delivery Out instructions given by them to the Depository Participant. The instructions should be given well before the prescribed Securities pay-in day.<br>SEBI has advised that the Delivery Out instructions should be given at least 24 hours prior to the Cut-off time<br>for the prescribed Securities pay-in to avoid any rejection of instructions due to data entry errors, network problems, etc.<br>The rolling settlement on T+2 basis for all trades has commenced from April 1, 2003 onwards. The pay-in and pay-out of funds and the Securities/Units takes place within 2 Working Days after the trading date.<br>Further, Securities and Exchange Board of India (SEBI), on September 07, 2021, permitted Stock exchanges to introduce T+1 settlement cycle from January 01, 2022 on any of the securities available in the equity segment. Effective from January 27, 2023 all securities transitioned to T+1 rolling settlement in phased manner.<br>While calculating the days from the Trading day (Day T), weekend days (i.e. Saturday and Sundays), Exchange holidays and bank holidays are not taken into consideration. |
| **Pricing (per unit)** | Approximately equal to 1/1000th of the value of NIFTY Pharma Index |
| **Rounding off of Units** | Based on the Allotment Price, the Scheme will allot only whole Units and balance amount on account of fractional Units not allotted will be refunded. |

**Example of Creation and Redemption of Units**

Each Creation Unit consists of 75,000 units of Nippon India Nifty Pharma ETF. The Creation Unit is made up of 2 components i.e. Portfolio Deposit and Cash Component. The Portfolio Deposit will be determined by the Fund as per the weights of each security in the Underlying Index. The value of this Portfolio Deposit will change due to change in prices during the day. The number of shares of each security that constitute the Portfolio Deposit will remain constant unless there is any corporate action in the Underlying Index or there is a rebalance in the Underlying Index.

**The example of Creation Unit for Nippon India Nifty Pharma ETF is as follows:**

| Security in the Underlying Basket | Quantity | Price | Portfolio Deposit Value |
|---|---|---|---|
| ABBOTT INDIA LTD. | 1 | 25991 | 25991 |
| ALKEM LABORATORIES LTD. | 12 | 4946.8 | 59361.6 |
| AUROBINDO PHARMA LTD | 63 | 1200.5 | 75631.5 |
| BIOCON LIMITED | 98 | 310.85 | 30463.3 |
| CIPLA LTD. | 117 | 1466.6 | 171592.2 |
| DIVI'S LABORATORIES LTD | 28 | 4412.8 | 123558.4 |
| DR. REDDY'S LABORATORIES LTD. | 27 | 5873.75 | 158591.25 |
| GLAND PHARMA LTD. | 15 | 1850.2 | 27753 |
| GLENMARK PHARMACEUTICALS | 33 | 1156 | 38148 |
| GRANULES INDIA LTD. | 30 | 424.8 | 12744 |
| IPCA LABORATORIES LTD | 30 | 1249.4 | 37482 |
| JB CHEMICALS & PHARMACEUTICALS LIMITED | 16 | 1747.9 | 27966.4 |
| LAURUS LABS LTD. | 87 | 427.85 | 37222.95 |
| LUPIN LIMITED | 54 | 1579.4 | 85287.6 |
| MANKIND PHARMA LIMITED | 16 | 2094.1 | 33505.6 |
| NATCO PHARMA LTD. | 20 | 1020.3 | 20406 |
| SANOFI INDIA LIMITED | 2 | 8457.85 | 16915.7 |
| SUN PHARMACEUTICAL INDUSTRIES LTD. | 240 | 1459.1 | 350184 |
| TORRENT PHARMACEUTICALS L | 21 | 2658.05 | 55819.05 |
| ZYDUS LIFESCIENCES LIMITED | 56 | 1023.95 | 57341.2 |

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| Value of Portfolio Deposit | 14,45,965 |
| Value of Cash Component | 605 |
| Total Value of Creation Unit | 14,46,570 |

**Cash Component arrived in the following manner:**

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| Number of units comprising one creation unit | 75,000 |
| NAV per Unit | 19.29 |
| Value of 1 Creation Unit | 14,46,570 |
| Value of Portfolio Deposit (pre defined basket of securities of the Underlying Basket ) | 14,45,965 |
| Cash Component | 605 |

The above is just an example to illustrate the calculation of cash component. Cash Component will vary depending upon the actual charges incurred like Custodial Charges and other incidental charges for creating units.

## III. OTHER DETAILS

**A. In case of Fund of Funds Scheme, Details of Benchmark, Investment Objective, Investment Strategy, TER, AUM, Year wise performance, Top 10 Holding/ link to Top 10 holding of the underlying fund should be provided- Not Applicable**

**B. Periodic Disclosures such as Half yearly disclosures, half yearly results, annual report**

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| **Half yearly Disclosures: Portfolio / Financial Results**<br><br>This is a list of Securities where the corpus of the Scheme is currently invested. The market value of these investments is also stated in portfolio disclosures. | **Half Yearly disclosure of Un-Audited Financials for the Schemes of NIMF:**<br><br>Before expiry of one month from the close of each half year i.e. on March 31 or September 30, the Fund shall host a soft copy of half – yearly unaudited financial results on the website of the NIMF i.e. mf.nipponindiaim.com and that of AMFI www.amfiindia. com. A notice advertisement communicating the investors that the financial results shall be hosted on the website shall be published in one national English daily newspaper and in a newspaper in the language of the region where the Head Office of the fund is situated.<br><br>Please refer to the below link for Half Yearly disclosure of Un-Audited Financials:<br><br>https://mf.nipponindiaim.com/investor-service/downloads/annual-half-yearly-reports<br><br>https://mf.nipponindiaim.com/investor-service/quick-links/notice-addendum |
| **Half Yearly disclosure of Scheme's Portfolio:** | The fund shall disclose the scheme's portfolio in the prescribed format as on the last day of the Half year for all the Schemes of NIMF on or before the tenth day of the succeeding month or within such timelines and manner as prescribed by SEBI from time to time on the NIMF Website i.e. mf.nipponindiaim.com/ Etf.nipponindiaim.com and AMFI site www.amfiindia.com<br><br>In case of unitholders whose e-mail addresses are registered, the Mutual Funds/ AMCs shall send via email the half-yearly statement of scheme portfolio within 10 days from the close of each half-year respectively.<br><br>AMC will provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder.<br><br>The portfolio statement will also be placed on the website of the Mutual Fund mf.nipponindiaim.com / Etf.nipponindiaim.com and a link will be provided on www.amfiindia.com.<br><br>Please refer to the below link for Half Yearly disclosure of Un-Audited Financials:<br><br>https://mf.nipponindiaim.com/investor-service/downloads/annual-half-yearly-reports<br><br>https://mf.nipponindiaim.com/investor-service/quick-links/notice-addendum |
| **Monthly Disclosures: Portfolio**<br><br>This is a list of Securities where the corpus of the Scheme is currently invested. The market value of these investments is also stated in the portfolio disclosures. | The fund shall disclose the scheme's monthly portfolio in the prescribed format as on the last day of the month for all the Schemes of NIMF on or before the tenth day of the succeeding month or within such timelines and manner as prescribed by SEBI from time to time on the NIMF Website i.e. mf.nipponindiaim.com and AMFI site www.amfiindia.com<br><br>In case of unitholders whose e-mail addresses are registered, the Mutual Funds/ AMCs shall send via email both the monthly statement of scheme portfolio within 10 days from the close of each month respectively<br><br>AMC will provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder.<br><br>Refer below link for latest monthly portfolio of the Scheme:<br><br>https://www.amfiindia.com/investor-corner/online-center/portfoliodisclosure<br><br>https://mf.nipponindiaim.com/investor-service/downloads/factsheet-and-other-portfolio-disclosures |
| **Annual Report** | The scheme wise annual report shall be hosted on the website of the AMC and on the website of the AMFI soon as may be possible but not later than four months from the date of closure of the relevant accounting year. The AMC shall publish an advertisement every year in all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the scheme wise annual report on the website of the AMC.<br><br>The AMC shall email the annual report or an abridged summary thereof to the unitholders whose email addresses are registered with the Fund. The unitholders whose e-mail addresses are not registered with the Fund are requested to update / provide their email address to the Fund for updating the database. Physical copy of scheme wise annual report or abridged summary shall be provided to investors who have opted to receive the same.<br><br>AMC shall provide a physical copy of the abridged summary of the annual report, without charging any cost, on specific request received from a unitholder. |

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|---|---|
| | As per regulation 56(3A) of the Regulations, copy of scheme wise Annual Report shall be also made available to unitholder on payment of nominal fees.<br><br>Please refer to the below link for scheme annual report or abridged summary<br><br>https://mf.nipponindiaim.com/investor-service/downloads/annual-half-yearly-reports<br><br>https://www.amfiindia.com/investor-corner/online-center/schemewisereport<br><br>https://mf.nipponindiaim.com/investor-service/quick-links/notice-addendum |
| **Monthly & Annual Disclosure of Riskometer** | In accordance with Clause 17.4 of SEBI Master circular dated May 19, 2023. The Risk-o-meter shall have following six levels of risk:<br><br>i. Low Risk<br><br>ii. Low to Moderate Risk<br><br>iii. Moderate Risk<br><br>iv. Moderately High Risk<br><br>v. High Risk and<br><br>vi. Very High Risk<br><br>The evaluation of risk levels of a scheme shall be done in accordance with the aforesaid circular.<br><br>The fund shall communicate any change in risk-o-meter by way of Notice cum Addendum and by way of an e-mail or SMS to unitholder.<br><br>Further Risk-o-meter of scheme shall be evaluated on a monthly basis and Risk-o-meter along with portfolio shall be disclosed on NIMF website and on AMFI website within 10 days from the close of each month.<br><br>Additionally, NIMF shall disclose the risk level of all schemes as on March 31 of every year, along with number of times the risk level has changed over the year, on its website and AMFI website |
| **Disclosure of Benchmark Riskometer** | Pursuant to Clause 5.16 of SEBI Master Circular dated May 19, 2023, the AMC shall disclose risk-o-meter of the scheme and benchmark in all disclosures including promotional material or that stipulated by SEBI wherever the performance of the scheme vis-à-vis that of the benchmark is disclosed to the investors in which the unit holders are invested as on the date of such disclosure |
| **Disclosure norms for ETFs / Index Funds** | On a monthly basis, the fund shall disclose name and exposure to top 7 stocks, top 7 groups & top 4 sectors as a percentage of NAV of the scheme.<br><br>Further, any change in constituents of the benchmark index, shall be disclosed on the AMC website mf.nipponindiaim.com/ etf.nipponindiaim.com. |
| **Scheme Summary Document** | The AMC has provided on its website a standalone scheme document for all the Schemes which contains all the details of the Scheme viz. Scheme features, Fund Manager details, investment details, investment objective, expense ratios, portfolio details, etc. |
| **Disclosures with respect to Tracking Error and Tracking Difference** | **Tracking Error (TE)**: The AMC shall disclose tracking error based on past one year rolling data, on a daily basis, on the website of AMC and AMFI.<br><br>**Tracking Difference (TD):** On completion of 1 year, the tracking difference scheme shall be disclosed on the website of the AMC and AMFI on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units. |

**C. Transparency/NAV Disclosure (Details with reference to information given in Section I)**

a) The NAV will be calculated and disclosed at the close of every Business Day and uploaded on the AMFI website www.amfiindia.com and Nippon India Mutual Fund website i.e. mf.nipponindiaim.com by 11.00 p.m. on the day of the declaration of the NAV. Further, AMC shall extend facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard.

If the NAVs are not available before commencement of business hours on the following day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund would be able to publish the NAVs.

b) The NAV of the Scheme will be calculated and declared by the Fund on every Working Day. The information on NAV may be obtained by the Unitholders, on any business day from the office of the AMC / the office of the Registrar in Hyderabad or any of the other Designated Investor Service Centres. Investors may also obtain information on the purchase /sale price for a given day on any Working Day from the office of the AMC / the office of the Registrar in Hyderabad/ any of the other Designated Investor Service Centres. Investors may also note that Nippon India Mutual Fund shall service its customers through the call center from Monday to Saturday between 8.00 am to 9.00 pm. However, 24x7 facility shall be available for addressing the queries through interactive voice response (IVR). Investor may also call Customer Care at 18602660111 (charges applicable) and investors outside India can call Customer Care at 91-22-69259696 (charges applicable).

c) The AMC will disclose the Half-yearly Unaudited Financial Results in the prescribed format on the NIMF website i.e. mf.nipponindiaim.com and communicate to the Unit holders with such timelines as may be prescribed under the Regulations from time to time.

d) Providing of the Annual Reports of the respective Schemes within the stipulated period as required under the Regulations.

e) The AMC shall disclose the scheme's portfolio in the prescribed format as on the last day of the month/Half year for the Schemes of NIMF on or before the tenth day of the succeeding month or within such timelines and manner as prescribed by SEBI from time to time on the NIMF Website i.e. mf.nipponindiaim.com and AMFI website www.amfiindia.com.

The AMC shall communicate disclosure of Portfolio on a half-yearly basis to the Unit holders as may be prescribed under the Regulations from time to time.

f) In case of unitholders whose e-mail addresses are registered, the Mutual Funds/ AMCs shall send via email both the monthly and half-yearly statement of scheme portfolio within 10 days from the close of each month/ half-year respectively.

g) In addition to above, The indicative NAV will be updated on AMCs website during market hours as per Clause no. 3.6.5 of SEBI Master circular dated May 19, 2023.

h) Since the scheme is listed on the exchange the listed price on respective stock exchange shall be applicable.

**D. Transaction charges and stamp duty - Indicate only the amount of transaction charges and stamp duty applicable.**

**Transaction charges**

As per Notice cum Addendum dated May 08, 2024, there is discontinuation of payment of Transaction Charges to Distributors w.e.f from May 13, 2024.

**Stamp duty charges**

Clause no. 10.1 of SEBI Master Circular dated May 19, 2023, a stamp duty @ 0.005% of the transaction value would be levied on applicable mutual fund transactions, with effect from July 01, 2020

For details please refer SAI.

**E. Associate Transactions- Please refer to Statement of Additional Information (SAI)**

**F. Taxation for Equity Oriented Schemes:**

| | **Resident Investors** | **Non-Resident Investors** |
|---|---|---|
| Tax on dividend | As per applicable rates | As per applicable rates |
| Tax on Long Term Capital Gain | 10% | 10% |
| Tax on Short Term Capital Gain | 15% | 15% |
| For further details on Taxability please refer to clause of Taxation in the SAI. | | |

**G. Rights of Unitholders- Please refer to SAI for details**

**H. List of official points of acceptance:**

For details, please visit https://mf.nipponindiaim.com/investor-services/customer-service/locate-a-branch

**I. Penalties, Pending Litigation or Proceedings, Findings of Inspections or Investigations Which Action May Have Been Taken Or Is In The Process Of Being Taken By Any Regulatory Authority**

Please refer to the below link:

https://mf.nipponindiaim.com/investor-service/downloads/scheme-information-document