

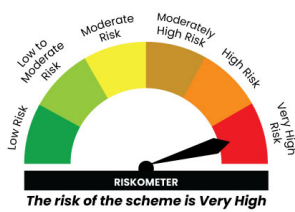
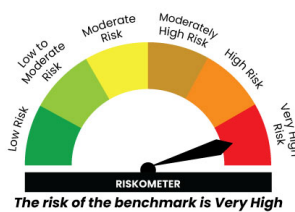
**SECTION I**

# Nippon India ETF Nifty Bank BeES

(An Open Ended Index Exchange Traded Fund)

NSE: BANKBEES

## Scheme Information Document

| Product Label                                                                                                                                                                                                                                                         |                                                                                                                                                     |                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>This product is suitable for investors who are seeking*:</b>                                                                                                                                                                                                       | <b>Scheme Riskometer:<br/>Nippon India ETF Nifty Bank BeES</b>                                                                                      | <b>Benchmark Riskometer:<br/>Nifty Bank TRI</b>                                                                                                         |
| <ul style="list-style-type: none"> <li>Long-term capital appreciation.</li> <li>Investment in Securities covered by Nifty Bank Index</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> |  <p><b>RISKOMETER</b><br/>The risk of the scheme is Very High</p> |  <p><b>RISKOMETER</b><br/>The risk of the benchmark is Very High</p> |

### 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 <https://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.

#### 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)

30th Floor, One Lodha Place,

Senapati Bapat Marg, Lower Parel,

Mumbai - 400013.

Tel No. +91 022 6808 7000

Fax No. +91 022 6808 7097

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

#### **Disclaimer by the Index Provider:**

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

#### **1. NSE Indices Limited: The owner and provider of the index**

- a. "The product, i.e. Nippon India ETF Nifty Bank BeES is not sponsored, endorsed, sold or promoted by NSE INDICES LIMITED (formerly known as India Index Services & Products Limited ("IISL"). NSE Indices Limited does not make any representation or warranty, express or implied to the Unit holders of any product or any member of the public regarding the advisability of investing in Securities generally or in any product particularly or the ability of the underlying index to track general stock market performance in India. The relationship of NSE Indices Limited to Nippon Life India Asset Management Limited (NAM India) is only in respect of the licensing of certain trademarks and trade-names of the underlying index which is determined, composed and calculated by NSE Indices Limited without regard to the NAM India or any product. NSE Indices Limited has no obligation to take the needs of the NAM India or the Unit holders of the products into consideration in determining, composing or calculating the underlying index. NSE Indices Limited is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the products to be issued or in the determination or calculation of the equation by which the products are to be converted into cash. NSE Indices Limited has no obligation or liability in connection with the administration or marketing or trading of the products."
- b. "NSE Indices Limited does not guarantee the accuracy and/or the completeness of the underlying index or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. NSE Indices Limited makes no warranty, express or implied, as to the results to be obtained by the NAM India, Unit holders of the products or any other persons or entities from the use of the underlying index or any data included therein. NSE Indices Limited makes no express or implied warranties and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the underlying index or any data included therein. Without limiting any of the foregoing, in no event shall NSE Indices Limited have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages."

#### **2. Disclaimers by NSE**

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

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

## CONTENTS

|                                                                                                                                                                                                                                      |    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| SECTION I .....                                                                                                                                                                                                                      | 1  |
| PART I. HIGHLIGHTS/SUMMARY OF THE SCHEME .....                                                                                                                                                                                       | 4  |
| PART II. INFORMATION ABOUT THE SCHEME.....                                                                                                                                                                                           | 10 |
| A.    HOW WILL THE SCHEME ALLOCATE ITS ASSETS? .....                                                                                                                                                                                 | 10 |
| B.    WHERE WILL THE SCHEME INVEST? .....                                                                                                                                                                                            | 11 |
| C.    WHAT ARE THE INVESTMENT STRATEGIES? .....                                                                                                                                                                                      | 14 |
| D.    HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?.....                                                                                                                                                                            | 15 |
| E.    WHO MANAGES THE SCHEME? .....                                                                                                                                                                                                  | 16 |
| F.    HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND? .....                                                                                                                                                    | 16 |
| G.    HOW HAS THE SCHEME PERFORMED .....                                                                                                                                                                                             | 16 |
| H.    ADDITIONAL SCHEME RELATED DISCLOSURES.....                                                                                                                                                                                     | 17 |
| PART III - OTHER DETAILS .....                                                                                                                                                                                                       | 19 |
| A.    COMPUTATION OF NAV .....                                                                                                                                                                                                       | 19 |
| B.    NEW FUND OFFER (NFO) EXPENSES .....                                                                                                                                                                                            | 20 |
| C.    ANNUAL SCHEME RECURRING EXPENSES.....                                                                                                                                                                                          | 20 |
| D.    LOAD STRUCTURE .....                                                                                                                                                                                                           | 22 |
| I.    INTRODUCTION .....                                                                                                                                                                                                             | 22 |
| A.    DEFINITIONS/INTERPRETATION .....                                                                                                                                                                                               | 22 |
| B.    RISK FACTORS.....                                                                                                                                                                                                              | 22 |
| C.    RISK MITIGATION STRATEGIES.....                                                                                                                                                                                                | 34 |
| II.    INFORMATION ABOUT THE SCHEME .....                                                                                                                                                                                            | 35 |
| A.    WHERE WILL THE SCHEME INVEST .....                                                                                                                                                                                             | 35 |
| B.    WHAT ARE THE INVESTMENT RESTRICTIONS?.....                                                                                                                                                                                     | 35 |
| C.    FUNDAMENTAL ATTRIBUTES .....                                                                                                                                                                                                   | 37 |
| D.    INDEX METHODOLOGY .....                                                                                                                                                                                                        | 38 |
| E.    PRINCIPLES OF INCENTIVE STRUCTURE FOR MARKET MAKERS (FOR ETFs).....                                                                                                                                                            | 39 |
| 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 JUNE 27, 2024 (ONLY FOR CLOSE ENDED DEBT SCHEMES)..... | 39 |
| G.    OTHER SCHEME SPECIFIC DISCLOSURES .....                                                                                                                                                                                        | 39 |
| III.    OTHER DETAILS.....                                                                                                                                                                                                           | 54 |
| 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 .....      | 54 |
| B.    PERIODIC DISCLOSURES SUCH AS HALF YEARLY DISCLOSURES, HALF YEARLY RESULTS, ANNUAL REPORT .....                                                                                                                                 | 54 |
| C.    TRANSPARENCY/NAV DISCLOSURE .....                                                                                                                                                                                              | 55 |
| D.    TRANSACTION CHARGES AND STAMP DUTY .....                                                                                                                                                                                       | 56 |
| E.    ASSOCIATE TRANSACTIONS .....                                                                                                                                                                                                   | 56 |
| F.    TAXATION FOR EQUITY ORIENTED SCHEMES: .....                                                                                                                                                                                    | 56 |
| G.    RIGHTS OF UNITHOLDERS- PLEASE REFER TO SAI FOR DETAILS .....                                                                                                                                                                   | 56 |
| H.    LIST OF OFFICIAL POINTS OF ACCEPTANCE:.....                                                                                                                                                                                    | 56 |
| 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 .....                                 | 56 |

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

| Sr. No. | Title                                 | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I.      | <b>Name of the scheme</b>             | Nippon India ETF Nifty Bank BeES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| II.     | <b>Category of the Scheme</b>         | Other - ETFs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| III.    | <b>Scheme type</b>                    | An Open ended Index Scheme, listed on the Exchange in the form of an Exchange Traded Fund (ETF) tracking the Nifty Bank Index.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| IV.     | <b>Scheme code</b>                    | NIMF/O/O/EET/04/05/0019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| V.      | <b>Investment objective</b>           | The investment objective of Nippon India ETF Nifty Bank BeES is to provide returns that, before expenses, closely correspond to the total returns of the Securities as represented by the Nifty Bank Index. There is no assurance that the investment objective of the Scheme will be achieved                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| VI.     | <b>Liquidity/listing details</b>      | <p><b>Liquidity</b></p> <p>The Units of the Scheme can be bought / sold like any other stock on the stock exchange(s) on which these units are listed on all the trading days of the stock exchange. Alternatively, Authorised Participants and Large Investors can directly buy/sell Units with 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 February 28, 2026 or as specified in the Regulations time to time).</p> <p><b>Listing</b></p> <p>The units of the scheme shall be listed on National Stock Exchange of India Ltd (NSE).</p> <p>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.</p> |
| VII.    | <b>Benchmark (Total Return Index)</b> | <p>Nifty Bank TRI</p> <p>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.</p> <p>The Trustees have adopted Nifty Bank Index as the benchmark index. The performance of the scheme shall be benchmarked to the Total Return (TRI) variant of the benchmark.</p> <p>As per its investment objective, the investment would primarily be in Securities which are constituents of the benchmark index. Thus, the composition of the aforesaid benchmark index is such that it is most suited for comparing performance of the Scheme.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| VIII.   | <b>NAV disclosure</b>                 | <p>The NAV will be calculated and disclosed at the close of every Business Day and uploaded on the AMFI website <a href="http://www.amfiindia.com">www.amfiindia.com</a> and Nippon India Mutual Fund website i.e. <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a> 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.</p> <p>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.</p> <p>Further Details in Section II.</p>                                                                                                                                                                                                                                     |
| IX.     | <b>Applicable timelines</b>           | <p><b>Timeline for Dispatch of redemption proceeds</b></p> <p>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.</p> <p><b>Timeline for Dispatch of IDCW (if applicable) etc</b></p> <p>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</p>                                                                                                                                                                                                                                                                                                                                                                                  |

|       |                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| X.    | <b>Plans and Options</b><br><b>Plans/Options and sub options under the Scheme</b> | 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 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.   | <b>Load Structure</b>                                                             | <b>Exit Load – Nil</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| XII.  | <b>Minimum Application Amount/switch in</b>                                       | <p><b>Directly with Fund</b></p> <p>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 <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a> / <a href="https://etf.nipponindiaim.com">https://etf.nipponindiaim.com</a>) and Large Investors. However, in case of large investors, the execution value shall be greater than Rs. 25 crores.</p> <p>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity &amp; Superannuation Fund till February 28, 2026.</p> <p>Minimum number of Units (Creation Units) - 10,000 Units and in multiples thereof</p> <p><b>On the Exchange</b> - The minimum number of Units that can be bought by the Investors on the Exchange is 1 (one) Unit and in multiples thereof.</p> <p>Minimum Switch Amount</p> <p>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.</p> <p>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:</p> <p>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</p> <p>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</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity &amp; Superannuation Fund till February 28, 2026.</p> <p>NIMF/NAM India reserves the right to introduce, change, modify or withdraw any of the features available in this facility from time to time.</p> |
| XIII. | <b>Minimum Additional Purchase Amount</b>                                         | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| XIV.  | <b>Minimum Redemption/switch out amount</b>                                       | <p><b>Directly with Fund</b></p> <p>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 <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a> / <a href="https://etf.nipponindiaim.com">https://etf.nipponindiaim.com</a>) and Large Investors. However, in case of large investors, the execution value shall be greater than Rs. 25 crores.</p> <p>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity &amp; Superannuation Fund till February 28, 2026.</p> <p>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:</p> <p>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</p> <p>ii No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or</p> <p>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.</p> <p>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. <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a> / <a href="https://etf.nipponindiaim.com">https://etf.nipponindiaim.com</a>.</p> <p><b>On the Exchange</b> – The Units of the Scheme can be sold in round lot of 1 Unit and multiples thereof.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

|        |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                                                                                                                                | <p><b>Minimum Switch Amount</b></p> <p>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.</p> <p><b>A. Switch-out facility from applicable ETF schemes to eligible open-ended (Non-ETF) Equity, Liquid and Debt/Income Schemes.</b></p> <p>For availing this facility, investors are requested to note the following operational modalities:</p> <ol style="list-style-type: none"> <li>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.</li> <li>Switch transaction will be processed subject to availability of all details as per regulatory guidelines.</li> <li>Switch out transaction will be processed at the Intra day NAV of the switch- out scheme</li> <li>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.</li> <li>In case of any rejection in Switch-in to the transferee Scheme, the amount will be paid to the investor as redemption proceeds.</li> <li>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.</li> <li>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.</li> </ol> <p>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity &amp; Superannuation Fund till February 28, 2026.</p> <p>NIMF/NAM India reserves the right to introduce, change, modify or withdraw any of the features available in this facility from time to time.</p> |
| XV.    | <p><b>New Fund Offer Period</b></p> <p>This is the period during which a new scheme sells its units to the investors.</p>      | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| XVI.   | <p><b>New Fund Offer Price:</b></p> <p>This is the price per unit that the investors have to pay to invest during the NFO.</p> | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| XVII.  | <p><b>Segregated portfolio/side pocketing disclosure</b></p>                                                                   | The scheme does not have segregated portfolio.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| XVIII. | <p><b>Swing pricing disclosure</b></p>                                                                                         | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| XIX.   | <p><b>Stock lending/short selling</b></p>                                                                                      | <p>The Scheme will participate in securities lending but will not engage in short selling.</p> <p>For Details, kindly refer SAI</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| XX.    | <p><b>How to Apply and other details</b></p>                                                                                   | <p>Authorised Participants / 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. <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a>.</p> <p>Please refer to the SAI for detailed procedure and Application form for the instructions.</p> <p>Please refer to Section II for more details.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| XXI.   | <p><b>Investor services</b></p>                                                                                                | <p><b>Contact details for general service requests &amp; complaint resolution:</b></p> <p>Mr. Milind Nesarikar, Investor Relations Officer</p> <p><b>Registered office:</b></p> <p>30th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel, Mumbai – 400013</p> <ul style="list-style-type: none"> <li>Call at 1860 266 0111 (charges applicable) or 022 69259696 (charges applicable); or</li> <li>E-mail: <a href="mailto:customercare@nipponindiaim.in">customercare@nipponindiaim.in</a>; or</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

|        |                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                                                                                                                                           | <ul style="list-style-type: none"> <li>Investors may contact / visit any of the Investor Service Centres (ISCs) of the AMC; or</li> <li>Post their feedback / suggestions on our website <a href="https://mf.nipponindiaim.com/">https://mf.nipponindiaim.com/</a> appearing under section 'Investor Service' -&gt; Grievance Redressal Process</li> </ul> <p><b>Online Dispute Resolution Platforms</b></p> <p><b>1. SCORES</b></p> <p>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 &amp; upload status thereof on this platform itself, within the stipulated time period. For redressal of complaints, Investors can visit SEBI scores portal</p> <p><b>2. Online Dispute Resolution (ODR) Portal</b></p> <p>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.</p> <p>The investors can access the link to ODR portal which is also made available on our website.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| XXII.  | <b>Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)</b> | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| XXIII. | <b>Special product/facility available during the NFO and on ongoing basis</b>                                                             | <p>The Scheme does not offer Systematic Investment Plans, Systematic Transfer Plans or Systematic Withdrawal Plans.</p> <p>Special facilities are as under:</p> <p><b>1) Switch-in facility into applicable ETF schemes from eligible open-ended (Non-ETF) Liquid and Debt/Income Schemes</b></p> <p>For availing this facility, Investors are requested to note the following operational modalities:</p> <p>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</p> <p>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</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity &amp; Superannuation Fund till February 28, 2026.</p> <p>NIMF/NAM India reserves the right to introduce, change, modify or withdraw any of the features available in this facility from time to time</p> <p><b>2) Switch-out facility from applicable ETF schemes to eligible open-ended (Non-ETF) Equity, Liquid and Debt/Income Schemes.</b></p> <p>For availing this facility, investors are requested to note the following operational modalities:</p> <p>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</p> <p>b) Switch transaction will be processed subject to availability of all details as per regulatory guidelines.</p> |

|       |                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       |                       | <p>c) Switch out transaction will be processed at the Intra day NAV of the switch- out ETF scheme</p> <p>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.</p> <p>e) In case of any rejection in Switch-in to the transferee Scheme, the amount will be paid to the investor as redemption proceeds.</p> <p>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.</p> <p>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.</p> <p>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity &amp; Superannuation Fund till February 28, 2026.</p> <p>NIMF/NAM India reserves the right to introduce, change, modify or withdraw any of the features available in this facility from time to time</p> <p><b>3) Official Points of Acceptance of Transaction through MF utility:</b></p> <p>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, has extended 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) are shall 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.</p> <p>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. <a href="http://www.mfuindia.com">www.mfuindia.com</a> to download the relevant forms.</p> <p>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 <a href="mailto:clientservices@mfuindia.com">clientservices@mfuindia.com</a>.</p> <p>NAM India reserves the right to withdraw any of the above offerings, modify the procedure, frequency, dates, load structure in accordance with the SEBI Regulations and any such change shall be applicable only to units transacted pursuant to such change on a prospective basis.</p> |
| XXIV. | <b>Weblink</b>        | <p>A weblink wherein TER for last 6 months, Daily TER as well as scheme factsheet shall be made available.</p> <p>TER : <a href="https://mf.nipponindiaim.com/investor-services/downloads/total-expense-ratio-of-mutual-fund-schemes">https://mf.nipponindiaim.com/investor-services/downloads/total-expense-ratio-of-mutual-fund-schemes</a></p> <p>Factsheet : <a href="https://mf.nipponindiaim.com/investor-service/downloads/factsheet-and-other-portfolio-disclosures">https://mf.nipponindiaim.com/investor-service/downloads/factsheet-and-other-portfolio-disclosures</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| XXV.  | <b>CREATION UNIT:</b> | <p>'Creation Unit', is a fixed number of Units of the Scheme, which is exchanged for a basket of shares underlying the Nifty Bank Index for index linked Scheme, called the "Portfolio Deposit" and a "Cash Component". For Redemption of Units it is vice versa, i.e. a fixed number of Units of the Scheme and cash component are exchanged for Portfolio Deposit. The Fund may also allow Cash# subscription /redemption of Nippon India ETF Nifty Bank BeES in creation unit size by large investors provided 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 February 28, 2026 or as specified in the Regulations time to time).</p> <p># RTGS, NEFT or transfer Cheque</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| XXVI. | <b>Face Value</b>     | Rs. 1/- 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 ETF Nifty Bank BeES 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: November 28, 2025

Name: Muneesh Sud

Place: Mumbai

Designation: Chief Legal & Compliance Officer

## Part II. INFORMATION ABOUT THE SCHEME

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

The investment policy of the Scheme shall be as per SEBI Regulations and within the following guidelines. Under normal market circumstances, the investment range would be as follows:

| Instruments                                                                                                                                            | Indicative asset allocation<br>(% of total assets) |         | Risk Profile   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|---------|----------------|
|                                                                                                                                                        | Minimum                                            | Maximum |                |
| Securities covered by the Nifty Bank Index                                                                                                             | 95%                                                | 100%    | Medium to High |
| Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party Repo on government securities or T-bills, cash & cash equivalents. | 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 above stated percentages are indicative and not absolute.

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 as per clauses 12.24 and 12.25 of SEBI Master Circular dated June 27, 2024.

As per SEBI Letter dated 3rd November 2021 Cash and cash equivalents having residual maturity of less than 91 Days are not considered for the purpose of calculating gross exposure limit.

**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 - 75%                | SEBI (Mutual Funds) Regulations, 1996, Securities Lending Scheme, 1997 and Clause 12.11 of SEBI Master Circular dated June 27, 2024 |
| 2      | Equity Derivatives for non-hedging purposes                                                                                                                                                                                                                                        | -                      | Clause 12.25 of SEBI Master Circular dated June 27, 2024                                                                            |
| 3      | Securitized Debt                                                                                                                                                                                                                                                                   | Nil                    | Clause 12.15 of SEBI Master Circular dated June 27, 2024                                                                            |
| 4      | Derivatives                                                                                                                                                                                                                                                                        | -                      | Clause 12.25 of SEBI Master Circular dated June 27, 2024                                                                            |
| 5      | Overseas Securities                                                                                                                                                                                                                                                                | Nil                    | Clause 12.19 of SEBI Master Circular dated June 27, 2024                                                                            |
| 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 June 27, 2024                                                                             |
| 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 June 27, 2024                                                                           |
| 10     | Unlisted Non-Convertible Debentures (NCDs)                                                                                                                                                                                                                                         | 0-10%                  | Clause 12.1.1 of SEBI Master Circular dated June 27, 2024                                                                           |
| 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 June 27, 2024                                                                          |
| 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 June 27, 2024                                                                          |
| 13     | Repo transactions in corporate debt securities                                                                                                                                                                                                                                     | -                      | Clauses 12.18.1.1 of SEBI Master Circular dated June 27, 2024                                                                       |

\* 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 clause 1.14.1.2 of SEBI Master Circular dated June 27, 2024, 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 clause 3.6.7 of SEBI Master Circular dated June 27, 2024, 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?****I. Investment in equity and equity related instruments by the Scheme**

The Scheme will invest in Securities which are constituents of the Nifty Bank Index. The investment restrictions and limits are specified in Schedule VII of SEBI Regulations, which are mentioned under the heading 'Investment Restrictions'.

**II. Investments in Debt Instruments**

The Scheme will invest in Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party Repo on government securities or T-bills etc. The investment restrictions applicable to debt instruments, as specified in Schedule VII of SEBI Regulations, are mentioned under 'Investment Restrictions'.

**III. Investments in Derivative Instruments**

As part of the Fund Management process, the Scheme may use Derivative instruments such as index futures and options, stock futures and options contracts, warrants, convertible Securities, swap agreements or any other Derivative instruments that are permissible or may be permissible in future under applicable regulations and such investments shall be in accordance with the investment objectives of the Scheme.

Index futures/options are meant to be an efficient way of buying/selling an index compared to buying/selling a portfolio of physical shares representing an index for ease of execution and settlement. Index futures/options can be an efficient way of achieving the Scheme's investment objective. Notwithstanding the pricing, they can help in reducing the Tracking Error in the Scheme. Index futures/options may avoid the need for trading in individual components of the index, which may not be possible at times, keeping in mind the circuit filter system and the liquidity in some of the individual stocks. Index futures/options can also be helpful in reducing the transaction costs and the processing costs on account of ease of execution of one trade compared to several trades of shares comprising the underlying index and will be easy to settle compared to physical portfolio of shares representing the underlying index.

In case of investments in index futures/options, the risk/reward would be the same as investments in portfolio of shares representing an index. However, there may be a cost attached to buying an index future/option. The Scheme will not maintain any leveraged or trading positions.

**Purpose of investment in Derivatives**

- a. The Scheme shall fully cover its positions in the Derivatives market by holding underlying Securities/cash or cash equivalents/option and/or obligation for acquiring underlying assets to honour the obligations contracted in the Derivatives market.
- b. Separate records shall be maintained for holding the cash and cash equivalents/Securities for this purpose.
- c. The Securities held would be marked to market by the AMC to ensure full coverage of investments made in Derivative products at all times.

**Limit for investment in Derivatives instruments**

In accordance with Clause 7.5 and Clause 12.19 of SEBI Master circular dated June 27, 2024, the following conditions shall apply to the Scheme's participation in the Derivatives market. The investment restrictions applicable to the Scheme's participation in the Derivatives market will be as prescribed or varied by SEBI or by the Trustees (subject to SEBI requirements) from time to time.

**i. Position limit for the Mutual Fund in index options contracts**

- a. The Mutual Fund's position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
- b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

**ii. Position limit for the Mutual Fund in index futures contracts**

- a. The Mutual Fund's position limit in all index futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per stock Exchange.
- b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

**iii. Additional position limit for hedging for the Mutual Fund:**

In addition to the position limits at point (i) and (ii) above, the Mutual Fund may take exposure in equity index Derivatives subject to the following limits:

1. Short positions in index Derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Fund's holding of stocks.

2. Long positions in index Derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, Government Securities, T-Bills and similar instruments.

**iv. Position limit for the Mutual Fund for stock based Derivative contracts:**

The position limit for the Fund in a Derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts shall be as follows:

1. For stocks having applicable market-wise position limit ("MWPL") of Rs. 500 crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or Rs. 300 crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or Rs. 150 crores, whichever is lower.
2. For stocks having applicable market-wise position limit (MWPL) less than Rs. 500 crores, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or Rs. 50 crore which ever is lower.

**v. Position limit for the Scheme:**

1. For stock option and stock futures contracts, the gross open position across all Derivative contracts on a particular underlying stock of the Scheme shall not exceed the higher of:  
1% of the free float market capitalisation (in terms of number of shares) or 5% of the open interest in the Derivative contracts on a particular underlying stock (in terms of number of contracts).
2. This position limits shall be applicable on the combined position in all Derivative contracts on an underlying stock at a stock exchange.
3. For index based contracts, the Fund shall disclose the total open interest held by its schemes or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all Derivative contracts on that underlying index.

**Exposure Limits for the Scheme**

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 as per clauses 12.24 and 12.25 of SEBI Master Circular dated June 27, 2024.. The Fund shall not write options or purchase instruments with embedded written options. The total exposure related to option premium paid must not exceed 20% of the net assets of the Scheme. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

Exposure due to hedging positions may not be included in the above mentioned limits subject to the following

- a. Hedging positions are the Derivative positions that reduce possible losses on an existing position in Securities and till the existing position remains.
- b. Hedging positions cannot be taken for existing Derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned above.
- c. Any Derivative instrument used to hedge has the same underlying security as the existing position being hedged.
- d. The quantity of underlying associated with the Derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.

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

However, exposure due to Derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned above.

**Definition of Exposure in case of Derivative Positions**

Each position taken in Derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain Derivative positions may theoretically have unlimited possible loss. Exposure in Derivative positions shall be computed as follows:

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

**IV. Investment in Overseas Financial Assets**

The Scheme will not invest in overseas financial assets, as the investment philosophy is to track its underlying index. In the event, the index service provider incorporates an overseas Security in the index, the Scheme will invest in the overseas Security to that extent.

As per the SEBI circular and applicable guidelines, the aggregate ceiling for overseas investment is US \$7 billion. Within the overall limit of US \$ 7 billion, Fund can make overseas investments subject to a maximum of US \$300 million per mutual fund. The types of overseas Securities in which the Scheme can invest as per the following:

- i. ADRs / GDRs issued by Indian or foreign companies
- ii. Equity of overseas companies listed on recognized stock exchanges overseas
- iii. Initial and follow on public offerings for listing at recognized stock exchanges overseas
- iv. Foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies
- v. Money Market instruments rated not below investment grade
- vi. Repos in the form of investment, where the counterparty is rated not below investment grade; repos should not however, involve any borrowing of funds by mutual funds
- vii. Government securities where the countries are rated not below investment grade
- viii. Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities
- ix. Short term deposits with banks overseas where the issuer is rated not below investment grade
- x. Units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in (a) aforesaid securities, (b) Real Estate Investment Trusts ("REITs") listed in recognized stock exchanges overseas or (c) unlisted overseas securities (not exceeding 10% of their net assets).

#### V. Lending of Securities

The Scheme may lend Securities from its portfolio in accordance with the SEBI Regulations and the applicable SEBI guidelines. Securities' lending shall enable the Scheme to earn income that may partially offset its expenses and thereby reduce the effect these expenses have on the Scheme ability to provide investment returns that correspond generally to the price and yield performance of its index. The Scheme will pay reasonable administrative and custodial fees in connection with the lending of Securities. The Scheme will be exposed to the risk of loss should a borrower default on its obligation to return the borrowed Securities. The Scheme's share of income from the lending collateral will be included in the Scheme's gross income. The Fund will comply with the conditions for Securities lending specified by SEBI Regulations and circulars.

The maximum exposure of the Scheme to a single intermediary in the stock lending programme at any point of time would be limited to 50% of the market value of its equity portfolio or upto such limits as may be specified by SEBI. The Scheme will not lend more than 75% of its corpus.

#### DEBT MARKETS 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 new Securitised instruments are also very attractive in the primary market. Risk associated with securitized Debt or PTCs are credit risk, liquidity risk and price risk/interest rate risk. The other instruments available for investment are Commercial Papers, Certificate of Deposits, Government guaranteed bonds, etc.

Brief details about the instruments are given below as on Sep 30, 2025

| Instruments                      | Listed/ Unlisted | Current Yield Range As on Apr 30, 2025 | Liquidity | Risk profile |
|----------------------------------|------------------|----------------------------------------|-----------|--------------|
| Central Government Securities    | Listed           | 5.40% - 7.29%                          | High      | Low          |
| Corporate Debentures / PSU Bonds | Listed           | 6.67%-7.22%                            | Moderate  | Low          |
| CDs (short term)                 | Unlisted         | 5.95% - 6.44%                          | High      | Low          |
| Call Money                       | Unlisted         | 4.75%- 5.85%                           | High      | Low          |
| Mibor linked Papers*             | Listed           | 125-145 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 Sep 30, 2025) are:

| Yrs                           | =< 1yr      | 1yr - 5yr   | 5yr - 10yrs | 10yr - 30 yrs |
|-------------------------------|-------------|-------------|-------------|---------------|
| Central Government securities | 5.47%-5.74% | 5.74%-6.38% | 6.37%-6.80% | 6.68%-7.34%   |
| Debentures/ Bonds (AAA rated) | 6.67%-6.70% | 6.74%-7.00% | 7.02%-7.22% | -             |

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 ETF Nifty Bank BeES is passively managed Fund. The AMC uses a “passive” or indexing approach to try and achieve the Scheme's investment objective. Unlike other Funds, the Scheme does not try to “beat” the markets it tracks and does not seek temporary defensive positions when markets decline or appear over valued. The AMC does not make any judgments about the investment merit of a particular stock or a particular industry segment or the underlying nor will it attempt to apply any economic, financial or market analysis. Indexing eliminates active management risks with regard to over/ underperformance vis-à-vis a benchmark. The Scheme shall invest all of its funds as per its investment objective and asset allocation pattern, except to meet its liquidity requirements. Passive approach eliminates active management risks pertaining to over/underperformance vis-à-vis a benchmark.

The Scheme will invest at least 95% of its total assets in the stocks of the underlying index. Due to corporate action in companies comprising the index, the Scheme may be allocated/allotted Securities which are not part of its underlying index. Hence, the Scheme may hold upto 5% of its total assets in stocks not included in the underlying index. For example, the AMC may invest in stocks not included in the relevant underlying index in order to reflect various corporate actions (such as mergers) and other changes in the relevant underlying index (such as reconstitutions, additions, deletions and these holdings will be in anticipation and in the direction of impending changes in the underlying index).

The Scheme shall also invest upto 5% in Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party Repo on government securities or T-bills , cash & cash equivalents as per its investment allocation pattern.

#### **Investment in other Schemes**

The Scheme may invest in other Scheme(s) managed by the AMC or in the scheme of any other mutual fund, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing SEBI Regulations. As per the SEBI Regulations, the AMC will not charge investment management fees for such investments.

#### **Investments by the AMC, the Sponsor, the Trustee Company and /or their associates in the Scheme**

Subject to the SEBI Regulations and other applicable laws, the AMC, the Sponsor, the Trustee Company and/or their associates, may invest in the Scheme during the NFO Period and/or the Ongoing Offer Period. The percentage of such investment to the total NAV may vary from time to time. The AMC shall not charge any investment management and advisory fees on investment by the AMC in the Units of the Scheme in accordance with sub-regulation 17 of Regulation 25 of the SEBI Regulations.

#### **Tracking difference**

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

#### **RISK CONTROL**

Investments made by the Scheme would be in accordance with the investment objective of the Scheme and provisions of SEBI Regulations. Since the investing requires disciplined risk management, the AMC has adequate safeguards for controlling risk in the portfolio construction process. The risk control process involves reducing risk through portfolio diversification wherever possible, taking care however not to dilute the returns in the process. It is the belief of the AMC that the diversification would help to achieve desired level of consistency in returns.

#### **CHANGE IN INVESTMENT PATTERN**

As the Scheme is an index scheme, the policy is passive management. However the investment pattern is indicative and may change for short duration. In the event the underlying index, as the case may be, is dissolved or is withdrawn or is not published due to any reason whatsoever, the Trustees reserve the right to modify such Scheme so as to track different and suitable index or to suspend tracking the benchmark index and appropriate intimation will be send to the Unit holders of such Scheme. In such a case, investment pattern will be modified suitably to match the composition of the Securities that are included in the new index to be tracked and such Scheme will be subject to Tracking Errors during the intervening period. It must be clearly understood that the percentage stated in the asset allocation table are only indicative and not absolute.

Rebalance for the Scheme shall also be carried out whenever there is a change in the underlying index or any change due to corporate action with respect to the constituents of the underlying index

#### **IMPLEMENTATION OF POLICIES**

The Scheme, in general, will hold all the Securities that comprise the underlying index in the same proportion as the index. The income received by way of Dividend shall be used for recurring expenses and Redemption requirements or shall be accumulated and invested as per the investment objective of the Scheme. There is a risk of higher Tracking Error due to the income received by way of Dividend till it is reinvested. Expectation is that, over a period of time, the Tracking Error of the Scheme relative to the performance of the underlying index will be relatively low.

The Investment Manager would monitor the Tracking Error of the Scheme on an ongoing basis and would seek to minimize Tracking Error to the maximum extent possible. 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. The investment decisions will be determined as per the benchmark index.

#### **INVESTMENT PROCESS**

The Scheme will endeavor to track the underlying index by investing in the constituents of the underlying index.

#### **RECORDING OF INVESTMENT DECISIONS**

The investment decisions are taken by a team comprising of the Chief Investment Officer and Fund Managers based on the underlying index / benchmark for Exchange Traded Funds (ETFs). The Fund Managers along with their rationale record all such investment decisions.

The Chief Executive Officer shall be responsible for compliances of all statutory requirements including SEBI Regulations and will supervise investments decisions of Fund Managers taking into consideration the overall interest of the Unitholders and assume responsibility for the day to day and overall Risk Management function of Mutual Fund.

Under him Fund Manager(s) will look after investment of the funds of the Scheme(s) in a manner to achieve the investment objective of the Scheme and in the interest of Unitholders.

The performance of the Scheme is reviewed by the Board of AMC and Trustees in their periodical meetings. The trustee will review the performance of the scheme on a periodical basis and submit a half yearly report to SEBI on various matters related to compliance and performance of the scheme. They may also compare the performance of the scheme against a benchmark index. The benchmark may be changed in future, if a benchmark better suited to the investment objective of the scheme is available, as may be decided by the AMC and the Trustee in line with SEBI (Mutual Fund) Regulations, 1996 and any change at a later date shall be recorded and reasonably justified.

#### **PORTFOLIO TURNOVER**

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 transaction 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 endeavour to optimize the portfolio turnover to minimize risk and maximize gains while keeping in mind the cost associate with such transaction.

Portfolio turnover is defined as the lower of sales or purchases divided by the average corpus during a specified period of time.

Generally, turnover will be confined to rebalancing of portfolio on account of change in the composition and corporate actions of the underlying index.

#### **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 Ratio of the Scheme**

Portfolio Turnover Ratio of the Scheme is 0.40 as on September 30, 2025.

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

The Trustees have adopted Nifty Bank Index as the benchmark index. The performance of the scheme shall be benchmarked to the Total Return (TRI) variant of the benchmark.

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

A detailed review of the Scheme and the performance of the Scheme vis-à-vis the benchmark will be placed before the board of directors of AMC and Trustee on a quarterly basis. However, the Scheme's performance is likely to differ from the performance of the benchmark on account of the Tracking Error.

In terms of Clause no. 6.13.1 of SEBI Master Circular dated June 27, 2024, the board of directors of the AMC and Trustees may review the benchmark selection from time to time, and make suitable changes as to use of the benchmark or select an additional or replacement benchmark, or related to composition of the benchmark, whenever it deems necessary after recording an adequate justification for carrying out such change. However, change of benchmark and/or selecting additional benchmarks would be done in compliance with the relevant guidelines of SEBI in this regard.

The Fund Manager will bring to the notice of the board of directors of the AMC, specific factors if any, which are impacting the performance of the Scheme. The board of directors of the AMC on consideration of all relevant factors may, if necessary, give appropriate directions to the AMC. Similarly, the performance of the Scheme will be submitted to the Trustees. The Fund Manager / Chief Investment Officer will explain to the Trustees, the details on the Scheme's performance vis-à-vis the benchmark returns.

#### 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><b>Fund Manager &amp; Dealer - ETF</b><br>(Managing the Scheme - Since Dec. 23, 2023) | 32 years | Chartered Accountant      | <u><b>Over 6 years of experience</b></u><br><u><b>From Dec 23, 2023 onwards</b></u><br>Fund Manager & Dealer - ETF, NAM India<br><u><b>Feb 02, 2022 - December 22, 2023</b></u><br>Dealer - ETF, NAM India<br><u><b>Dec 04, 2019 - Feb 01, 2022</b></u><br>TATA AIA Life Insurance Co. Ltd.:<br>Assistant Manager (Investment Operations – Finance & Accounts) | Nippon India Index Fund - Nifty 50 Plan, Nippon India Index Fund - BSE Sensex Plan, Nippon India Nifty Smallcap 250 Index Fund, Nippon India Nifty Midcap 150 Index Fund, Nippon India ETF Nifty 50 BeES, Nippon India ETF BSE Sensex, Nippon India ETF Nifty Next 50 Junior BeES, Nippon India ETF Nifty 100, Nippon India ETF Nifty Midcap 150, Nippon India ETF BSE Sensex Next 50, Nippon India Gold Savings Fund, Nippon India Nifty Next 50 Junior BeES FoF, Nippon India BSE Sensex Next 30 Index Fund, Nippon India BSE Sensex Next 30 ETF, Nippon India Nifty India Manufacturing Index Fund |

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

Existing ETF schemes of Nippon India Mutual Fund are as follows:

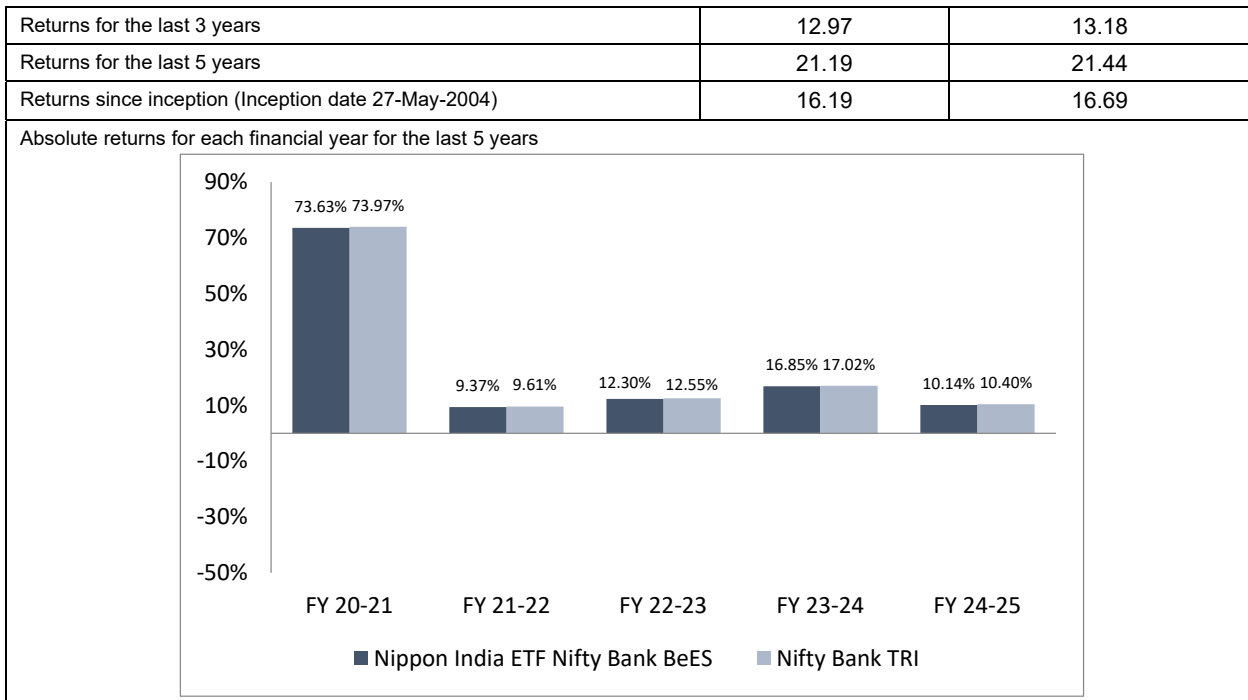
| Sr. No. | Name                                                    |
|---------|---------------------------------------------------------|
| 1       | CPSE ETF                                                |
| 2       | Nippon India ETF BSE Sensex                             |
| 3       | Nippon India ETF BSE Sensex Next 50                     |
| 4       | Nippon India ETF Gold BeES                              |
| 5       | Nippon India ETF Hang Seng BeES                         |
| 6       | Nippon India ETF Nifty 100                              |
| 7       | Nippon India ETF Nifty 1D Rate Liquid BeES              |
| 8       | Nippon India ETF Nifty 5 yr Benchmark G-Sec             |
| 9       | Nippon India ETF Nifty 50 BeES                          |
| 10      | Nippon India ETF Nifty 50 Shariah BeES                  |
| 11      | Nippon India ETF Nifty 50 Value 20                      |
| 12      | Nippon India ETF Nifty 8-13 yr G-Sec Long Term Gilt     |
| 13      | Nippon India ETF Nifty Bank BeES                        |
| 14      | Nippon India ETF Nifty Dividend Opportunities 50        |
| 15      | Nippon India ETF Nifty India Consumption                |
| 16      | Nippon India ETF Nifty Infrastructure BeES              |
| 17      | Nippon India ETF Nifty IT                               |
| 18      | Nippon India ETF Nifty Midcap 150                       |
| 19      | Nippon India ETF Nifty Next 50 Junior BeES              |
| 20      | Nippon India ETF Nifty PSU Bank BeES                    |
| 21      | Nippon India ETF Nifty SDL Apr 2026 Top 20 Equal Weight |
| 22      | Nippon India Nifty Auto ETF                             |
| 23      | Nippon India Nifty Pharma ETF                           |
| 24      | Nippon India Silver ETF                                 |
| 25      | Nippon India BSE Sensex Next 30 ETF                     |
| 26      | Nippon India Nifty 1D Rate Liquid ETF - Growth          |
| 27      | Nippon India Nifty India Manufacturing ETF              |

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 September 30, 2025)

| Compounded Annualised Returns | Scheme Returns % | Benchmark Returns % |
|-------------------------------|------------------|---------------------|
| Returns for the last 1 year   | 3.74             | 3.95                |



Returns since inception are calculated from the date of allotment i.e. May 27, 2004. IDCWs (if any) are assumed to be reinvested at the prevailing NAV, wherever applicable. Withholding taxes (if any) are excluded while calculating the returns. 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.

#### (c) Illustration of impact of the Scheme expense ratio on the returns of the Scheme

An Investor invests Rs.10,000 in the Scheme at a NAV of Rs.10. There is a gain of 10% on the NAV after one year before charging any expenses to the Scheme. Hence, the value of the investment (i.e. Rs.10,000) has, before charging of any expenses, gone up to Rs.11,000 after one year and the return to the Investor before expenses is Rs.1,000. The expense ratio charged to the Scheme is 1% per annum. For sake of simplicity, after deduction of 1% expense ratio on such return\*, the value of the investment of the Investor is reduced to Rs.10,900. This means that Rs.100 is deducted on the return as the expense of the Scheme and the net returns to the Investor after deducting the expense ratio of 1% is 9%. Therefore, in this illustration, the Scheme's returns before expenses would be 10% and the Scheme's returns post expenses would be 9%.

Below is the tabular representation of the illustration:

|                                                          |           |
|----------------------------------------------------------|-----------|
| Investment done by the Investor in the Scheme            | Rs.10,000 |
| 10% gain after 1 year                                    | Rs.1,000  |
| Value of investment after 1 Year before charging expense | Rs.11,000 |
| Annual Expense Ratio charged at 1%                       | Rs.100    |
| Value of Investment after 1 Year post charging expense   | Rs.10,900 |
| Returns before expenses (Rs.)                            | Rs.1,000  |
| Returns post expenses (Rs.)                              | Rs.900    |
| Returns before expenses (%)                              | 10.00%    |
| Returns post expenses (%)*                               | 9.00%     |

(\*Please note that for sake of simplicity in this illustration, the expense ratio is deducted from the gross return on the investment and not the final market value of the investment)

#### H. ADDITIONAL SCHEME RELATED DISCLOSURES

##### i. Top 10 holdings by issuer and sectors (as on September 30, 2025)

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 September 30, 2025):

<https://mf.nipponindiaim.com/FundsAndPerformance/SIDDisclosures/Disclosure-Norms-for-ETFs-Index-Funds-September-2025.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 September 30, 2025): 0.40**

iv. **Aggregate investment in the Scheme by (as on September 30, 2025):**

| 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**

Subject to the Regulations, the AMC may invest in the Scheme during the NFO and/or on ongoing basis.

In terms of sub-regulation 16(A) in Regulation 25 of SEBI (Mutual Funds) Regulations, 1996 read along with Clause 6.9 of the SEBI Master Circular dated June 27, 2024 and AMFI Best Practice Guidelines Circular No.100 /2022-23 dated April 26, 2022 on 'Alignment of interest of AMCs with the Unitholders of the Mutual Fund schemes', the AMC shall invest its own funds in the scheme(s) based on the risks associated with the schemes, as may be specified by the SEBI from time to time.

Further, the AMC shall not charge any investment management and advisory fee 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 shall be calculated in accordance with the following formula, or such other formula as may be prescribed by SEBI from time to time.

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

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.

The NAV of each Scheme will be calculated upto four decimals. The NAV shall be calculated and announced at the close of each Working Day. The computation of NAV shall be in conformity with SEBI Regulations and guidelines as prescribed from time to time. The Nav of the scheme displayed on the website of the Mutual Fund (<https://mf.nipponindiaim.com> / <https://etf.nipponindiaim.com> ) and on the website of AMFI ([www.amfiindia.com](http://www.amfiindia.com)) by 11.00 p.m. on every Working Day. In case of any delay, the reasons for such delay would be explained in writing to AMFI the following day. If the NAVs are not available before commencement of business hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs.

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

#### **Illustration for computation of NAV:**

| Particulars                               | Amount<br>(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 97% of the Net Asset Value.

#### **Methodology for calculation of sale and re-purchase price of the units of mutual fund scheme:**

Let's assume that the NAV of a Mutual Fund Scheme on April 01, 2018 is Rs. 10/-.

#### **Purchase of mutual fund units:**

The Purchase Price of the Units on an ongoing basis will be same as Applicable NAV.

Purchase Price = Applicable NAV

In the above example, purchase is done on April 01, 2018, when the Applicable NAV = Rs. 10/-. Therefore, Purchase Price = Rs. 10/-

As per existing Regulations, no entry load is charged with respect to applications for purchase / additional purchase of mutual funds units.

**Redemption/Re-purchase of mutual fund units:**

The Redemption Price of the Units will be calculated on the basis of the applicable NAV subject to prevailing Exit Load, if any. In case of redemption, the amount payable to the investor shall be calculated as follows:

$$\text{Redemption Price} = \text{Applicable NAV} * (1 - \text{Exit Load})$$

Say, in the above example the exit load applicable is

For exit on or before 12 months from the date of allotment – 1.00%

For exit after 12 months from the date of allotment – Nil.

Scenario 1: Redemption is done during applicability of exit load

In case the investor requests for redemption on or before 12 months i.e. on or before March 31, 2019; say December 1, 2018, when the NAV of the scheme is Rs. 12/- and the exit load applicable is 1%, so the Redemption amount payable to investor shall be calculated as follows:

$$\begin{aligned} \text{Redemption Price} &= \text{Applicable NAV} * (1 - \text{Exit Load}) \\ &= \text{Rs. } 12 * (1 - 1\%) = \text{Rs. } 11.88/- \end{aligned}$$

Scenario 2: Redemption is done when the exit load is NIL

In case the investor requests for redemption after 12 months i.e. after March 31, 2019; say April 1, 2019, when the NAV of the scheme is Rs. 12/- and the exit load applicable is NIL, so the Redemption amount payable to investor shall be calculated as follows:

$$\begin{aligned} \text{Redemption Price} &= \text{Applicable NAV} * (1 - \text{Exit Load}) \\ &= \text{Rs. } 12 * (1 - 0) = \text{Rs. } 12/- \end{aligned}$$

The aforesaid example does not take into consideration any applicable statutory levies or taxes. Accordingly, the redemption amount payable to investor shall further reduce to the extent of applicable statutory levies or taxes.

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**

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationery, bank charges etc.

As per the provisions of the SEBI Regulations, read with the amendments thereto, the entire NFO expenses were borne by the AMC

**C. ANNUAL SCHEME RECURRING EXPENSES**

These are the fees and expenses for operating the scheme. 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 #                                                               |                   |
| <b>Maximum total expense ratio (TER) permissible under Regulation 52(6)(b)</b> | <b>Upto 1.00%</b> |

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.)

| <b>Illustration – Impact of Expense Ratio on the Returns</b>                           |            |
|----------------------------------------------------------------------------------------|------------|
| <b>Value of Rs 1 lac on 12% annual returns in 1 year, considering 1% Expense Ratio</b> |            |
| 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.

With effect from 16th March 2025, for Passive schemes and Overseas Fund of Funds (FoFs) - based on underlying indices as per clause 3 and clause 4 of the SEBI circular SEBI/HO/IMD/PoD2/P/CIR/2024/183 dated 31st December 2024, AMCs shall allocate funds towards investor education and awareness initiatives as 5% of total TER charged to direct plans, subject to maximum of 0.5 bps of AUM.

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).

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

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 June 27, 2024.

In terms of Regulation 52(1) of SEBI (Mutual Funds) Regulations, 1996, all scheme related expenses including commission paid to distributors, 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. 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 may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 of the SEBI (Mutual Funds) Regulations, 1996. Any

expenditure in excess of the said prescribed limit (including brokerage and transaction costs, if any) shall be borne by the AMC or by the Trustee or Sponsors.

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. Load amounts are variable and are subject to change from time to time and the Investor is requested to check the prevailing Load structure of the Scheme before investing.

For the current applicable structure, please refer to the website of the Mutual Fund, <https://mf.nipponindiaim.com> / <https://etf.nipponindiaim.com> or call at Customer Service Centre at 1860-266-0111 (charges applicable), and Investors outside India can call at 91-22-69259696 (charges applicable) or your distributor.

Entry Load (for Subscription): Not Applicable

Exit Load (for Redemption): Nil

There is no Entry Load / Exit Load for Subscription / Redemption of the Units of the Scheme in Creation Unit Size. However, during the process of creation / Redemption there will be transaction costs, other incidental expenses and equalization of Dividend and this will form part of the Cash Component. Further, there is no Entry / Exit Load on Units of the Scheme bought or sold through the secondary market, i.e. on the NSE and BSE. 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 the Scheme, any other statutory charges which may be applicable from time to time.

Any change in the Load structure shall apply on a prospective basis and in no case the same would affect the existing Investors adversely. The Investor is requested to check the prevailing Load structure of the Scheme before investing. For any change in Load structure, AMC will issue the notice and display it on the AMC Website / Investor Service Centres.

No entry or exit load will be levied on transactions with Authorized Participants and Large Investors during NFO or continuous offer.

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:

- 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
- No quotes are available on stock exchange(s) for 3 consecutive trading days; or
- when the total bid size on the exchange is less than half of Creation Unit 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 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. <https://mf.nipponindiaim.com> / <https://etf.nipponindiaim.com>

Please note that the AMC reserves the right to modify or alter the Load structure of the Scheme subject to maximum limits prescribed under the SEBI Regulations.

In the event of a change of Load structure, the AMC will take following steps:

- i. The addendum detailing the changes shall be attached to SID and KIM. The addendum will be circulated to all the distributors so that the same can be attached to all SID and KIM already in stock.
- ii. Arrangements shall be made to display the changes/modifications in the SID in the form of a notice in all Investor Service Centres and distributors/brokers offices.
- iii. The introduction of the Exit Load along with the details shall 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 may 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 Fund is situated.
- v. The Fund shall display the addendum on its website (<https://mf.nipponindiaim.com> / <https://etf.nipponindiaim.com>).

## **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 the 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 a 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) Convertible Securities**

The Scheme may invest in convertible Securities that are debt obligations of the issuer convertible at a stated exchange rate into equity shares of the issuer. As with all debt Securities, the market value of convertible Securities tends to decline as interest rates increase and, conversely increases as interest rates decline. Convertible Securities generally offer lower interest or Dividend yields than non-convertible Securities of similar quality. However, when the market price of the equity shares underlying a convertible Security exceeds the conversion price, the price of the convertible Security tends to reflect the value of the underlying equity shares. As the market price of the underlying equity shares declines, the convertible Security tends to trade increasingly on a yield basis, and thus may not depreciate to the same extent as the underlying equity shares. Convertible Securities generally rank senior to equity shares in an issuer's capital structure and are consequently of higher quality and entail less risk than the issuer's equity shares. However, the extent to which such risk is reduced depends in large measure upon the degree to which the convertible Security sells above its value as a fixed income Security. In evaluating a convertible Security, the AMC will give primary emphasis to the attractiveness of the underlying equity shares.

**ii) Concentration Risks**

To the extent that the Scheme may concentrate its investments in the Securities of companies of certain sectors, the Scheme will therefore be subject to the risks associated with such concentration. In addition, to the extent the Scheme may invest in small capitalization and/or newly-established companies, the Scheme may be exposed to higher levels of volatility and risk than would generally be the case in a more diverse fund portfolio of equity Securities. Such risks may impact the Scheme to the extent that it invests in particular sectors even in cases where the investment objective is more generic.

**iii) 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 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.

**iv) 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 neighboring 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 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.

**(c) Market Trading Risks**

1. **Absence of Prior Active Market:** Although the Scheme is listed on NSE, 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 NSE may be halted because of market conditions or for reasons that in view of NSE 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 NSE and SEBI 'circuit filter' rules. There can be no assurance that the requirements of NSE 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 their 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 their 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 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 NSE 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 are 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 profits 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:

- 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
- No quotes are available on stock exchange(s) for 3 consecutive trading days; or
- when the total bid size on the exchange is less than half of Creation Unit size daily, averaged over a period of 7 consecutive trading days.

In such a scenario valid applications received upto 3 p.m., Nippon India MF 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 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. <https://mf.nipponindiaim.com> / <https://etf.nipponindiaim.com>

**(f) Asset Class Risk**

The returns from the types of Securities in which the Scheme invests may under perform 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. The Scheme which is linked to the underlying index 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 its 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. 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 possibly 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.

Derivative products are specialized instrument that require investment technique and risk analysis different from those associated with stocks. The use of Derivatives requires an understanding not only of the underlying instrument but also of the Derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a Derivative adds to the portfolio and the ability to forecast price. There is a possibility that loss may be sustained by the portfolio as a result of the failure of another party (usually referred as the "Counter party") to comply with the terms of the Derivative contract. Therefore a default on the contract would deprive the Scheme of unrealised profits and/ or the hedging benefits of the contract or force the Scheme to cover its purchase or sale commitments, if any, at the current market price. Other risks in using Derivatives include the risk of mis-pricing or improper valuation of Derivatives and the inability of Derivatives 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.

Even a small price movement in the underlying Security could have a large impact on their value.

If the Fund Manager is incorrect in its forecasts of market values and currency exchange rates, the investment performance of the Scheme may be less favourable than it would have been if this investment technique were not used.

An investment in Derivatives may involve additional risks for Investors. These additional risks may arise as a result of any or all of the following: (i) the creditworthiness of the counterparties to such Derivative transactions; and/or (ii) the potential illiquidity of the markets for Derivatives. To the extent that Derivatives are utilised to seek to achieve the investment objective of the Scheme, and for purposes other than hedging, the overall risk of loss to the Scheme may be increased. To the extent that Derivatives are utilised for hedging purposes, the risk of loss to the Scheme may be increased where the value of the Derivative instrument and the value of the Security or position which it is hedging are insufficiently correlated.

In the event the Scheme is required to provide collateral for Derivatives which is to be transferred to another party and where additional collateral is called by such other party the Fund Manager may be required to realize assets comprised in the Scheme which it would not have sought to realize had there not been a requirement to transfer or pledge additional collateral.

Derivatives require the maintenance of adequate controls to monitor the transactions entered into. The Scheme bears a risk that it may not be able to correctly forecast future market trends or the value of assets, indexes or other financial or economic factors in establishing derivative positions for the Scheme. Trading in Derivatives carries a high degree of risk although they are traded at a relatively small amount of margin which provides the possibility of significant profit or loss in comparison with the principal investment amount. Even a small price movement in the underlying asset could have a large impact on their value. The Scheme may find it difficult or impossible to execute Derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price limits or circuit breakers, the Scheme may face liquidity issues. Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of Derivatives.

Derivative transactions will generally require the use of a portion of the Scheme's assets, as applicable, for margin or settlement payments or other purposes. For example, the Scheme may from time to time be required to make margin, settlement or other payments in connection with the use of certain Derivative instruments. Counterparties to any Derivative contract may demand payments on short notice. As a result, the Fund Manager may liquidate the Scheme's assets sooner than it otherwise would have and/or maintain a greater portion of its assets in cash and other liquid Securities than it otherwise would have, which portion may be substantial, in order to have available cash to meet current or future margin calls, settlement or other payments, or for other purposes. The Fund Manager generally expects the Scheme to earn interest on any such amounts maintained in cash, however, such amounts will not be invested in accordance with the investment objective of the Scheme, which may materially adversely affect the performance of the Scheme. Moreover, due to volatility in the currency markets and changing market circumstances, the Fund Manager may not be able to accurately predict future margin requirements, which may result in the Scheme holding excess or insufficient cash and liquid Securities for such purposes. Where the Scheme does not have cash or assets available for such purposes, the Scheme may be unable to comply with its contractual obligations, including without limitation, failing to meet margin calls or settlement or other payment obligations. If the Scheme defaults on any of its contractual obligations, the Scheme and its Unit holders may be materially adversely affected.

- **Futures and Call Options**

The Scheme may invest in Derivatives such as futures and call options. The options buyer's risk is limited to the premium paid. The relevant stock exchange, if any, may impose restrictions on the exercise of options and may also restrict the exercise of options at certain times in specified circumstances.

Investments in index futures face the same risk as investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying Securities.

The risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potential high volatility of the futures markets.

- **ISDA Master Agreements**

The Scheme may enter into Derivative transactions of the type governed by the ISDA Master Agreement (ISDA means International Swaps and Derivatives Association, Inc.). The ISDA Master Agreement is a standard agreement commonly used in the Derivatives market which sets forth key provisions governing the contractual relationship between the parties to such agreement, including each of their rights, liabilities and obligations.

If the Trustees / AMC enters into transactions governed by the ISDA Master Agreement, such as interest rate swaps, on the Scheme's behalf, it will also need to enter into a Credit Support Annex, which is an annex to the ISDA Master Agreement that is used to document bilateral credit support arrangements between parties for transactions governed by an ISDA Master Agreement, on such Scheme's behalf. Following agreement with a selected counterparty, upon the Trustees/ AMC entering into an initial or a further transaction governed by the ISDA Master Agreement including a foreign exchange transaction, currency option or, if relevant, interest rate swap on the Scheme's behalf, an ISDA Master Agreement, amended to reflect any negotiated commercial and/or legal points, shall be immediately deemed to be entered into between the Scheme and such counterparty and any confirmation in respect of a transaction entered into thereunder (including such initial derivatives transaction) shall supplement and form part of such ISDA Master Agreement.

On each date on which a Derivatives transaction is entered into by the Trustees / AMC, on behalf of the Scheme, the Scheme will be deemed to have given certain representations and undertakings to each Counter party with whom the ISDA Master Agreement is entered into on its behalf. Such representations and undertakings include, without limitation, representations and undertakings, from and in respect of the Scheme, as to the due establishment, good standing and corporate powers of the Scheme, the obtaining of all requisite consents and compliance with applicable Laws by the Scheme and the binding nature of obligations on the Scheme under the relevant ISDA Master Agreement and associated contracts and transactions. The Trustees / AMC must notify the Fund Manager if at any time it becomes aware that it is in breach of any such representations or unable to continue to comply with any such undertakings. Any such breach may, in addition to other

potential consequences, lead to each relevant Counter party being able to unilaterally terminate its ISDA Master Agreement with the Trustees / AMC on behalf of the Scheme and to close out any open contracts with it.

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

**i) General Provisions**

Debt 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 on government securities or T-bills, 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 the 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 of Investing in Unrated Debt Securities**

Unrated debt Securities are more likely to react to developments affecting market and credit risk than are more highly rated Securities, which react primarily to movements in the general level of interest rates. Unrated debt Securities are more likely to react to developments affecting market and credit risk than rated debt Securities, which react primarily to movements in

the general level of interest rates. Unrated debt Securities are considered predominantly speculative by traditional investment standards and may have poor prospects for reaching investment grade standing. Unrated debt Securities of comparable credit quality (commonly known as “junk bonds”) are subject to the increased risk of an issuer’s inability to meet principal and interest obligations and further, are usually unsecured and are often subordinated to the rights of other creditors of the issuers of such Securities. These Securities, also referred to as ‘high yield Securities’, may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions or publicity (whether or not based on fundamental analysis) of the junk bond markets generally and less secondary market liquidity.

Unrated debt Securities are issued by less established companies seeking to expand. Such issuers are often highly leveraged and generally less able than more established or less leveraged entities to make scheduled payments of principal and interest in the event of adverse developments or business conditions.

The market value of unrated debt Securities tends to reflect individual corporate developments to a greater extent than that of rated debt Securities which react primarily to fluctuations in the general level of interest rates. As a result, the ability of the Scheme if it invests in unrated debt Securities to achieve its investment objectives may depend to a greater extent on the Fund Manager’s judgment concerning the creditworthiness of the issuers of such Securities than the Scheme investing in rated debt Securities. Issuers of unrated debt Securities may not be able to make use of more traditional methods of financing and their ability to service debt obligations may be more adversely affected than issuers of rated debt Securities by economic downturns, specific corporate developments or the issuer’s inability to meet specific projected business forecasts.

A holder’s risk of loss from default is significantly greater for unrated debt Securities than is the case for holders of other debt Securities because such unrated debt Securities are generally unsecured and are often subordinated to the rights of other creditors of the issuers of such Securities. Investments in defaulted Securities poses additional risk of loss should non-payment of principal and interest continues. Even if such Securities are held to maturity, recovery by the Scheme of its initial investment and any anticipated income or appreciation is uncertain.

The secondary market for unrated debt Securities is concentrated in relatively few market makers and is dominated by institutional investors. Accordingly, the secondary market for such Securities is typically not very liquid, and is more volatile than, the secondary market for rated debt Securities. In addition, market trading volume for high yield fixed income Securities is generally lower and the secondary market for such Securities could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer. These factors may have an adverse effect on the market price and the Scheme’s ability to dispose of particular portfolio investments. A less liquid secondary market also may make it more difficult for the Scheme to obtain precise valuations of the high yield Securities in its portfolio.

#### **viii) 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) Investments in Overseas Financial Assets**

If the Scheme invests in overseas financial assets as permitted under the applicable regulations, to the extent of such investments, there may be risks associated with currency movements, the nature of the securities market of the relevant country and restrictions on repatriation and transaction procedures in overseas market. Further, the repatriation of capital to India may also be hampered by changes in the regulations concerning exchange controls, political circumstances, bi-lateral conflicts or prevalent tax laws. Further the issuer of such security may be domiciled in a country other than India and the values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other. Investment in securities denominated in foreign currencies carry exchange rate risks related to depreciation in the value of foreign currency relative to the Indian Rupee.

Some Securities in which the Scheme may invest may be represented by ADRs and GDRs. ADRs are denominated in U.S. dollars and are sponsored and issued by U.S. banks. ADRs represent the right to receive securities of non-U.S. issuers deposited in a U.S. bank or a correspondent bank outside the United States. The Scheme may also invest in GDRs, which are receipts issued by a U.S., European or other international financial institution evidencing arrangements similar to ADRs. ADRs and GDRs are not necessarily denominated in the currency of the underlying security.

It is the AMC’s belief that overseas investments including those in ADRs / GDRs, foreign Securities and in overseas ETFs offers new investment and portfolio diversification opportunities into multi-market and multi-currency products. However, such investments also entail additional risks. Such overseas investments carry exchange rate risks related to depreciation of foreign currency and the country specific risks, in addition to the risks of investing in domestic Securities. The country specific risks would include events such as change in regulations or political circumstances like introduction of extraordinary exchange rate controls, restrictions on repatriation of capital due to exchange rate controls, bi-lateral political tensions leading to immobilization of overseas financial assets and the applicable tax Laws of the respective jurisdiction for the execution of trades or otherwise. Such overseas investment opportunities may be pursued by the AMC provided they are considered appropriate in terms of the overall investment objectives of the Scheme. Since the Scheme may invest only partially in overseas markets, there may not be readily available and widely accepted benchmarks to measure performance of the Scheme. To manage risks associated with foreign currency and interest rate exposure, the Scheme may use Derivatives for efficient portfolio management including hedging.

Certain markets may require payment for Securities to be made before delivery, subjecting the Scheme with the accompanying credit risk.

**i) Currency Risk**

Where Securities of the Scheme are denominated in a different currency from the Indian Rupee, Investors should note that the NAV will be calculated in the Indian Rupee equivalent of that currency. Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, the NAV to fluctuate as well. Currency exchange rates can be affected unpredictably by a number of factors, including intervention or failure to intervene by governments or central banks or by currency controls or political developments throughout the world.

Restrictions on currency trading that may be imposed will have an adverse effect on the value of the Securities of companies that trade or operate in countries subject to such restrictions. The repatriation of capital to India may also be impacted by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.

In addition, country risks include events such as introduction of extraordinary exchange controls, bi-lateral conflicts, etc., leading to immobilization of the overseas financial assets and the prevalent tax Laws of the respective jurisdiction for execution of trades or otherwise.

To the extent that the Scheme engages in any currency transactions, the Scheme may be subject to the risk that counterparties may default on their obligations as these contracts may not be guaranteed by an exchange or clearing house. A default on a contract may potentially deprive the Scheme of unrealised profits, transaction costs and the hedging benefits of the contract or force the Scheme to cover its purchase or sale commitments, if any, at the current market price.

To the extent that the Scheme is fully invested in Securities while also maintaining currency positions, it may be exposed to a greater combined risk in comparison to investing in a fully invested Scheme (without currency positions). The use of currency transactions is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the AMC is incorrect in its forecasts of market values and currency exchange rates, the investment performance of the Scheme would be less favourable than it would have been if this investment technique was not used.

Currency transactions are generally effected on a spread meaning that there is a difference between the price at which each currency can be bought and the price at which it can be sold, which spread is kept by the relevant intermediaries and is a cost to the Scheme. Investors should note that the Custodian may have responsibility in a variety of different situations for effecting currency transactions on behalf of the Scheme and that some or all of the transaction spread may accrue to itself.

A scheme may or may not seek to hedge all or any portion of its foreign currency exposure. However, even if a scheme attempts such hedging techniques, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of units denominated in non-base currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations.

**ii) Limits of Investment in Foreign Securities**

As per the SEBI Regulations, a mutual fund is permitted to invest US \$ 300 million in foreign Securities. However, the overall limit for the mutual fund industry is US \$ 7 billion. The Scheme therefore may or may not be able to utilise the limit of US \$ 300 million due to the US \$ 7 billion limit being exhausted by other mutual funds. Further, the overall ceiling for investment in overseas Exchange Traded Funds (ETFs) that invests in Securities is US \$ 1 billion subject to a maximum of US \$ 50 million per mutual fund. As and when the investment limits are breached, the Subscriptions would be stopped till such time that the assets under management in the Scheme would decrease from the threshold limit as mentioned in the SEBI Regulations.

**iii) Restrictions on Foreign Investment**

Some countries prohibit or impose substantial restrictions on investments by foreign entities. Certain countries may restrict investment opportunities in issuers or industries or securities deemed important to national interests. The manner, in which foreign investors may invest in companies/securities in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of the Scheme. Certain risk arises from the inability of a country to meet its financial obligations. The risk encompassing economic, social and political conditions in a foreign country might adversely affect the interest of the Scheme.

**iv) Overseas Stock Exchange**

The Scheme shall invest in Securities listed on the overseas stock exchange. Hence all the risk factors pertaining to overseas stock exchange like market trading risk, liquidity risk and volatility risk, as mentioned earlier, are also applicable to the Scheme.

**v) Settlement Risks**

The Scheme will be exposed to settlement risk, as different countries have different settlement periods.

**vi) Investments in Overseas Mutual Fund Schemes**

If the Scheme intends to invest in the Units of overseas mutual fund schemes including Exchange Traded Funds, then schemes specific risk factors of such underlying schemes will be applicable. All risks associated with such schemes, including performance of their underlying stocks, Derivative instruments, stock-lending, off-shore investments, liquidity, etc., will

therefore be applicable in this Scheme. Investors who intend to invest in the Scheme are required to and deemed to have understood the risk factors of the underlying schemes.

**vii) Redemption by exchange of Portfolio Deposit**

In case a Unit holder wishes to Redeem in Creation Unit size, the Units of the Scheme by exchange of Portfolio Deposit, then such Unit holder is required to have a securities account, etc. in their respective jurisdiction which permits them to hold such Securities and which will enable the AMC to transfer the constituents of the underlying index.

**(l) 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.

**(m) Calculation of NAV**

From time to time, materiality thresholds may apply insofar as it relates to errors in the calculation of NAV in accordance with SEBI Regulations. Unit holders should note that the AMC may not pay the Unit holders or the Scheme the amount of any difference in circumstances where any such materiality thresholds provided under SEBI Regulations are not exceeded. Therefore such differences may lead to a different economic result than if such amounts were paid and such errors, which are deemed to be immaterial, will not lead to a reissued and corrected NAV.

As a result, Investors/ Unit holders who have Subscribed for or Redeemed Units of the Scheme on a day on which the materiality thresholds had been applied, the Investors / Unit holders may receive a different economic result than they would have received had the error in calculation of the NAV not happened.

**(n) 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 inadvertent 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.

**(o) 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.

**(p) 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. However,

if market conditions do not permit the Fund Manager to rebalance the portfolio of the Scheme within the stipulated period then the AMC would notify the Board of the Trustee Company and the Investment Committee of the AMC with appropriate justifications.

**(q) 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. However, if market conditions do not permit exiting the corporate action then the AMC would notify the Board of the Trustee Company and the Investment Committee of the AMC with appropriate justifications.

**(r) Uncertain Tax Positions**

Prospective Investors should be aware that tax Laws and regulations are constantly changing and that they may be changed with retrospective effect. Moreover, the interpretation and application of tax Laws and regulations by certain tax authorities may not be clear, consistent or transparent. As a result of uncertainty relating to the Fund's potential tax liabilities, including on any historical realized or unrealized gains, as well as liabilities that may arise as a result of investments made by the Scheme which have not reflected tax liabilities in their valuation, the NAV of the Scheme on any dealing day may not accurately reflect such liabilities (including those that are imposed with retrospective effect). In addition, the NAV of the Scheme on any dealing day may reflect an accrual for potential tax liabilities that may subsequently not be paid. Accounting standards may also change, creating an obligation for the Fund to accrue for a potential tax liability that was not previously required to be accrued or in situations where the Fund does not expect to be ultimately subject to such tax liability.

In the event that the Fund subsequently determines to accrue for tax liabilities and/or is required to pay amounts relating to tax liabilities that had not previously been accrued and/or any Scheme investments result in tax liabilities that were not reflected in their valuation (including historic investments), the amount of any such determination or payment will generally be allocated among the Unit holders of the applicable Scheme at the time of such determination or payment, rather than when the income or transaction to which such taxes relate was earned or occurred. Moreover, in the event that the Fund subsequently determines that an accrual for potential tax liabilities exceeds or will exceed the liability for such taxes, the benefit from any such determination will generally be allocated among the Unit holders of the applicable Scheme at the time of such determination, rather than when the income or transaction in respect of which such taxes were accrued was earned or occurred, and Unit holders who previously Redeemed Units of the Scheme will not receive additional compensation or otherwise share such benefit. Unit holders will not be notified of any of the foregoing determinations or payments.

Unit holders that invest in the Units of a Scheme at a time during which any liabilities for taxes are not accrued will invest in the Units of the Scheme at a higher NAV than such Unit holders would have invested had such liabilities been accrued at the time of the applicable investment. In addition, the returns of the Scheme may be considered to have been subject to an inadvertent leverage effect in that those additional assets would have been invested in accordance with the usual investment policy of the Scheme. On the other hand, Unit holders that Redeem Units of a Scheme at a time during which potential liabilities for taxes are accrued will Redeem Units of the Scheme at a lower NAV than if such liabilities had not been accrued at the time of the applicable Redemption. In that situation the Scheme may also be considered to have been subject to an inadvertent under investment effect if that accrual of taxes is not subsequently paid.

**(s) Risks relating to withholding tax under FATCA**

Pursuant to U.S. withholding provisions commonly referred to as the Foreign Account Tax Compliance Act ("FATCA"), payments of U.S. source fixed or determinable, annual or periodic income, certain payments made after December 31, 2016 of gross proceeds from the sale or other disposition of property that could produce U.S. source interest or Dividends, and certain payments (or a portion thereof) made after 31 December 2016 by a foreign financial institution, to a foreign financial institution or other foreign entity will be subject to a withholding tax of thirty percent (30%) unless it is compliant with various reporting requirements under FATCA. The United States has reached an agreement in substance with respect to an intergovernmental agreement with the Government of India regarding the implementation of FATCA by Indian financial institutions (the "Indian IGA"). Under FATCA and the Indian IGA, the Scheme will be treated as a "foreign financial institution" for this purpose. As a foreign financial institution, in order to be compliant with FATCA, the Scheme will be required to, among other requirements: (i) obtain and verify information on all of its Unit holders to determine which Unit holders are "Specified U.S. Persons" (i.e., U.S. Tax Persons other than tax-exempt entities and certain other persons) and, in certain cases, non-U.S. persons whose owners are Specified U.S. Persons ("U.S. Owned Foreign Entities"); and (ii) annually report information on its Unit holders that are non-compliant with FATCA, Specified U.S. Persons and U.S. Owned Foreign Entities to the Government of India. The Government of India will exchange the information reported to it with the IRS annually on an automatic basis. No assurances can be provided that the Scheme will be exempt from this thirty percent (30%) withholding tax.

Any Unit holder that fails to produce the required information or is otherwise not compliant with FATCA may be subject to thirty percent (30%) withholding on all or a portion of any redemption or distribution payments made by the Scheme after December 31, 2016. Moreover, each Unit holder should be aware that as a result of an investment in the Scheme, the tax authorities in the Unit holder's jurisdiction of tax residence may be provided information relating to such Unit holder, pursuant to the provisions of a treaty, an intergovernmental agreement or otherwise, directly or indirectly by the Scheme. Unit holders should consult their own tax advisors regarding the potential implications of this withholding tax.

**(t) Material Interests of Associates of the Sponsor, AMC & Trustee Company**

The sponsor is Nippon Life Insurance Company, one of the largest insurance companies in Japan, with more than 11 million customers and 70,000 employees.

The following are a few examples of situations where there may be conflicts of interest between the AMC and the other related businesses. They are not, and are not intended to be, a complete enumeration or explanation of all of the material interests that may arise.

- The AMC will make investment decisions for the Scheme as it believes are in the fiduciary interests of the Scheme. Our Sponsors and their associates may also take similar investment decisions or may even take directionally opposite positions, based on their independent analysis. We have Conflict of Interest Policy that requires us to act in a manner that does not prejudice the interests of our investors in any manner vis-à-vis group or associate companies or put one set of investors to an advantage or disadvantage on account of another. This also includes restrictions on sharing of trading information.
- NIMF may also use the services of Group entities as a broker or distributor or service provider on strictly arms length basis.
- The AMC in its sole discretion will determine whether the Scheme will participate in investment opportunities and investors should not expect that the Scheme will participate in any particular investment opportunities.
- The directors, officers, and employees of Nippon India Mutual Fund may buy and sell securities or other investments for their own Accounts within the bounds of the Personal Securities Trading Policy (PSTP) laid down by the company.

Subject to applicable Laws, the AMC, may, from time to time, in-source or outsource certain processes or functions in connection with a variety of services that it provides to the Scheme in its administrative or other capacities.

Any investments in Group and Associate companies will be subject to SEBI Regulations in this regard.

**(u) 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.

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

The AMC has implemented processes 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 processes, 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.

**(w) Error and Error Correction**

The AMC has procedures for determining when the AMC will reimburse the Scheme for losses that result from errors by the AMC. Pursuant to such procedures, an error is generally compensable from the AMC to the Scheme when it is a mistake (whether an action or inaction) in which the AMC has deviated from the applicable standard of care under the SEBI Regulations in managing the Scheme's assets, subject to certain materiality and other policies summarized below.

The Code of Conduct under the SEBI Regulations requires the AMC to render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgement. Although the AMC would seek to follow such requirements, mistakes could occur, which mistakes would not be compensated by the AMC unless they are not in accordance with the requirements under the SEBI Regulations or any materiality thresholds prescribed therein. The AMC's policies do not require perfect implementation of investment management decisions, trading, processing or other functions performed by the AMC or its associates. Therefore, not all mistakes will be considered compensable errors. Imperfections, including without limitation, imperfection in the implementation of investments, execution, cash flow, rebalancing, processing instructions or facilitation of securities settlement; imperfection in processing corporate actions; or imperfection in the generation of cash or holdings reports resulting in trade decisions, are generally not considered by the AMC to be violations of standards of care regardless of whether implemented through programs, models, tools or otherwise. As a result, such imperfections, including, without limitation, mistakes in amount, timing or direction of a trade, are generally not compensable errors unless such imperfections or mistakes are not in accordance with the requirements under the SEBI Regulations or any materiality thresholds prescribed therein.

Mistakes may also occur in connection with other activities that may be undertaken by the AMC and its associates, such as NAV calculation, transfer agent activities (i.e., processing Subscriptions and Redemptions), fund accounting, trade recording and settlement and other matters that are non-advisory in nature and may not be compensable unless they deviate from the applicable standards, SEBI Regulations or any materiality thresholds prescribed therein. Unit holders will generally not be notified of the occurrence of an error if such error is determined to be non compensable.

Mistakes may result in gains as well as losses. In applying its error and error correction policies, the AMC may determine that it is appropriate to reallocate or remove gains from the Scheme's account that are the result of a mistake.

The AMC makes its determinations pursuant to its error procedures on a case-by-case basis, based on the materiality of the resulting losses. For example, mistakes that result in losses below a threshold (as provided in the SEBI Mutual Fund Regulations) will not be compensable.

When the AMC determines that reimbursement by the AMC is appropriate, compensation received by the Scheme is generally expected to be limited to direct and actual losses, which may be calculated based on factors the AMC considers relevant. Compensation generally will not include any amounts or measures that the AMC determines are speculative or uncertain, including potential opportunity losses or other forms of consequential or indirect losses, and when calculating compensation, the AMC generally will not consider tax implications for, or the tax status of, the Scheme.

The AMC will consider any errors in the calculation of the NAV of the Scheme in order to determine whether corrective action is necessary or compensation is payable to the Scheme or the Unit holders.

The AMC, may, in their sole discretion, authorise the correction of errors, which may impact the processing of Subscriptions for and Redemptions of Shares. The AMC may follow materiality policies with respect to the resolution of errors that may limit or restrict when corrective action would be taken or when compensation to the Scheme or Unit holders will be paid. In addition, subject to policies approved by the AMC consistent with applicable Law, not all mistakes will result in compensable errors.

Unit holders may not be notified of the occurrence of any error or the resolution thereof unless the materiality thresholds provided under SEBI Regulations are exceeded and the correction of the error requires a payment/ recovery of any amounts to/from the Unit holders.

**(x) Investments in ETF by Insurers and Insurance companies/corporations registered with the Insurance Regulatory Development Authority**

Investments in ETFs by Insurers and Insurance companies/corporations registered with the Insurance Regulatory Development Authority ("IRDA") are at all times subject to regulation by the IRDA, any other governmental or regulatory authority and compliance with applicable Laws and regulations. Any such investment in the Scheme may be affected in case of any changes in the applicable Laws and regulations and also in case of any new requirements of the IRDA or any other governmental or regulatory authority. It shall be the sole responsibility of the insurers and insurance companies/corporations investing in the Scheme to ensure compliance with any such requirements, Laws or regulations and to determine the appropriateness of the investment in the Scheme after independent consultations with their own advisors. At no time shall the AMC or the Fund be responsible for any investments made by any insurer or insurance company/corporation in the Scheme or for any losses that they may incur as a result of such an investment.

**(y) Sector Risk**

The Scheme restricts its investments only in the Securities of the Nifty Bank Index, which is based to a particular sector and will therefore be subject to the risks associated with such concentration. The banking sector and the public sector banks' sector could under perform returns from Securities included in the index or other asset classes. As the Scheme is linked to a particular index which pertains to a particular sector, the Investment Manager would have to invest in the companies comprising such index whereby there is no diversification. In addition, the small capitalisation and newly-established nature of many of the companies in which the Scheme invests could directly expose the Scheme to higher levels of volatility and risk than would generally be the case in a more diverse fund portfolio of equity Securities.

**(z) 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.

### 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Equity Markets/ Equity Oriented Instruments</b> | <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Debt and Money Market instruments</b>           | <ul style="list-style-type: none"> <li>• 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.</li> <li>• Price-Risk or Interest-Rate Risk: The Scheme may primarily invest the debt portion of the portfolio in short term debt &amp; 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.</li> <li>• Risk of Rating Migration: The Scheme may primarily invest the debt portion of the portfolio in short-term debt &amp; money market instruments, units of Liquid and Overnight schemes thereby mitigating the risk of rating migration generally associated with long-term securities.</li> <li>• 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.</li> <li>• Spread Risk: The Scheme may primarily invest the debt portion of the portfolio in short-term debt &amp; money market instruments, units of Liquid and Overnight schemes thereby mitigating the risk of spread expansion which is generally associated with long-term securities</li> <li>• 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.</li> <li>• 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 &amp; money market instruments, units of Liquid and Overnight schemes.</li> </ul> |
| <b>Derivatives</b>                                 | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Repo Transactions</b>                           | 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Currency</b>                                    | <p>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.</p> <p>All currency derivatives trade, if any will be done only through the stock exchange platform.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

|                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Securitized Debt</b>                                                                    | 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.                                                                                                                                                                                                                                                                                                                          |
| <b>Structured Obligation (SO) &amp; Credit Enhancement (CE) rated securities</b>           | 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.                                                                                                                                                                                                                    |
| <b>Government securities and Triparty repo on Government securities or treasury bills:</b> | 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. |
| <b>Units of mutual fund schemes</b>                                                        | Mutual Fund portfolios are generally well diversified and typically endeavor to provide liquidity 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.                                                                                                                                                                              |
| <b>Tracking errors</b>                                                                     | 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?

Pursuant to the SEBI Regulations, the following are the investment and other limitations as presently applicable to the Scheme at the time of making investments. However, all the investments by the Scheme will be made within the investment objective, asset allocation, described earlier as well as within the investment restrictions as specified in SEBI Regulations, as amended from time to time, including Schedule VII thereof.

1. No term loans for any purpose will be advanced by the Scheme.
2. The Scheme shall not invest more than 10% of its NAV in debt instruments (comprising of 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 SEBI Act. Such investment limit may be extended to 12% of the NAV of the Scheme with the prior approval of the Board of directors of the Trustee Company and the AMC. Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and Tri-Party Repo on government securities or T-bills. Provided further that investment within such limit can be made in mortgaged backed securitised debts which are rated not below investment grade by a credit rating agency registered with SEBI.

As per As per clause 12.8 of SEBI Master circular dated June 27, 2024, 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

3. 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.
4. Further the inter Scheme transfer of investments shall be in accordance with the provisions contained in the section 'Inter-Scheme transfer of investments', contained in the Statement of Additional Information. Transfer of investments from the Scheme to another scheme in the Fund shall be allowed only if:

- a. Such transfers are done at the prevailing market price for quoted instruments on spot basis.  
Explanation: "Spot basis" shall have same meaning as specified by Stock Exchange for spot transaction.
- b. The Securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.
5. The Scheme may invest in another scheme under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by the Scheme under the same management or in the scheme under the management of any other asset management company shall not exceed 5% of the NAV of the Fund.
6. Till the SEBI Regulations so require, the Fund shall buy and sell Securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative Securities.
7. Till the SEBI Regulations so require, the Fund shall get the Securities purchased transferred in the name of the Fund on account of the Scheme, wherever investments are intended to be of a long-term nature.
8. Pending deployment of funds of the Scheme in Securities in terms of the investment objectives of the Scheme, a Fund can invest the funds of the Scheme in short-term deposits of scheduled commercial banks within the limits prescribed under SEBI circular and applicable guidelines.
9. The Fund may borrow to meet liquidity needs, for the purpose of repurchase, Redemption of Units or payment of interest or IDCW to the Unit holders and such borrowings shall not exceed 20% of the net asset of the Scheme and duration of the borrowing shall not exceed 6 months. The Fund may borrow from permissible entities at prevailing market rates and may offer the assets of the Fund as collateral for such borrowing.
10. Till the SEBI Regulations so require, the Scheme shall not make any investment in:
  - i Any unlisted Security of an associate or group company of the Sponsor; or
  - ii Any Security issued by way of private placement by an associate or group company of the Sponsor; or
  - iii As per SEBI Circular No. SEBI/HO/IMD/IMD-PoD-2/P/CIR/2024/098 dated July 08, 2024, no Mutual Fund scheme shall make any investment in the listed securities of group companies of the sponsor which is in excess of 25 per cent of the net assets of the scheme, except for investments by equity oriented exchange traded funds (ETFs) and Index Funds and subject to such conditions as may be specified by SEBI. Accordingly, it has been decided as under:
    - Equity oriented ETFs and Index Funds, based on widely tracked and non-bespoke indices, can make investments in accordance with the weightage of the constituents of the underlying index. However, such investments shall be subject to an overall cap of 35% of net asset value of the scheme, in the group companies of the sponsor.
    - Widely tracked and non-bespoke indices shall be indices that are tracked by passive funds or act as primary benchmark for actively managed funds with collective Assets under Management (AUM) of INR 20,000 Cr. and above.
11. The Scheme shall not invest more than 5% of its NAV in the unlisted equity shares or equity related Securities.
12. The Scheme shall not make any investment in any fund of funds Scheme.
13. The Scheme, being an index scheme, will not invest in securitized debt.
14. The Scheme will comply with any other SEBI Regulations applicable to the investments of Mutual Funds from time to time.
15. The Fund under this Scheme should not own more than 10% of any company's paid up capital carrying voting rights.
16. The Scheme may lend Securities in accordance with the SEBI Regulations.
17. Mutual fund scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used by mutual funds for hedging.  
  
However, mutual fund schemes may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio of the scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.
18. 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
19. 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 as per clauses 12.24 and 12.25 of SEBI Master Circular dated June 27, 2024.
20. The scheme may engage in Securities Lending not exceeding 75% of the net assets of the scheme and shall not lend more than 50% of its Net Assets to a single counterparty 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.

21. In order to address the risk related to portfolio concentration in ETFs and Index Funds in accordance with Clause 3.4 of SEBI Master Circular dated June 27, 2024, it has been decided to adopt the following norms:
- The index shall have a minimum of 10 stocks as its constituents.
  - 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.
  - The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index.
  - 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.

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

#### **Investments Limitations and Restrictions in Foreign Securities**

As applicable, the Scheme shall comply with the investment limitations and restrictions set out for overseas investments by schemes of Indian mutual funds in clause 12.19 of SEBI Master Circular dated June 27, 2024 as amended from time to time.

The restriction on investments by the Scheme in mutual fund Units upto 5% of net assets of the Scheme and prohibition on charging of management fees for such investments shall not be applicable to investments in mutual funds in foreign countries made in accordance with SEBI Regulations.

#### **Investments Limitations and Restrictions in Derivatives**

As applicable, the Scheme shall comply with the investment limitations and restrictions set out for participation in the Derivatives market in accordance with Clause 7.5 and Clause 12.19 of SEBI Master circular dated June 27, 2024 as amended from time to time.

Investments by the AMC, the Sponsor, the Trustee Company and /or their associates in the Scheme

Subject to the SEBI Regulations and other applicable laws, the AMC, the Sponsor, the Trustee Company and/or their associates, may invest in the Scheme during the NFO Period and/or the Ongoing Offer Period. The percentage of such investment to the total NAV may vary from time to time. The AMC shall not charge any investment management and advisory fees on investment by the AMC in the Units of the Scheme in accordance with sub-regulation 17 of Regulation 25 of the SEBI Regulations.

All investment restrictions shall be applicable at the time of making investments. The AMC may alter these limitations/objectives from time to time to the extent the SEBI Regulations change so as to permit the Scheme to make its investments in the full spectrum of permitted investments to achieve its investment objective. The Trustees may from time to time alter these restrictions in conformity with the SEBI Regulations.

All investments of the Scheme will be made in accordance with the SEBI Regulations, including Schedule VII thereof.

### **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 June 27, 2024:

- Type of a scheme** - An Open ended Index Scheme, listed on the Exchange in the form of an Exchange Traded Fund (ETF).
- Investment Objective**
  - Main Objective:-** The investment objective of Nippon India ETF Nifty Bank BeES is to provide returns that, before expenses, closely correspond to the total returns of the Securities as represented by the Nifty Bank Index..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?)
- Terms of Issue**
  - Liquidity provisions such as repurchase/redemption of units**  
Provisions with respect to listing, repurchase, Redemption of Units and fees and expenses as indicated in this SID.
  - Aggregate fees and expenses charged to the scheme.**
    - New Fund Offer (NFO) Expenses : Refer to Section I - Part-III - B
    - 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 June 27, 2024, 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:

- 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 Bank Index comprises of the most liquid and large Indian Banking stocks. It provides investors and market intermediaries a benchmark that captures the capital market performance of the Indian banks. The Index comprises of maximum 12 companies listed on National Stock Exchange of India (NSE).

##### **Selection Criteria**

Selection of the index set in the Nifty Bank Index is based on the following criteria:

1. Companies should form part of NIFTY 500 at the time of review. In case, the number of eligible stocks representing a particular sector 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.
2. Companies should form a part of the Banking sector.
3. The company's trading frequency should be at least 90% in the last six months.
4. The company should have a listing history of 6 months. A company which comes out with an IPO will be eligible for inclusion in the index, if it fulfills the normal eligibility criteria for the index for a 1 month period instead of a 6 month period.
5. Companies that are allowed to trade in F&O segment are only eligible to be constituent of the index.
6. Final selection of 12 companies shall be done based on the free-float market capitalization of the companies.
7. Weightage of each stock in the index is calculated based on its free-float market capitalization such that no single stock shall be more than 33% and weightage of top 3 stocks cumulatively shall not be more than 62% at the time of rebalancing.

##### **Index Re-Balancing:**

Index is re-balanced on semi-annual basis. The cut-off date is January 31 and July 31 of each year, i.e. For semi-annual review of indices, average data for six months ending the cut-off date is considered.

##### **Index Service Provider**

NSE Indices Limited (formerly known as India Index Services & Products Ltd. - IISL), a subsidiary of NSE, provides a variety of indices and index related services for the capital markets. The company focuses on the index as a core product. The company owns and manages a portfolio of indices under the NIFTY brand of NSE, including the flagship index, the NIFTY 50. NIFTY equity indices comprises of broad-based benchmark indices, sectoral indices, strategy indices, thematic indices and customised indices. NSE Indices Limited also maintains fixed income indices based on Government of India securities, corporate bonds, money market instruments and hybrid indices. Many investment products based on NIFTY indices have been developed within India and abroad. These include index based derivatives traded on NSE, NSE IFSC and Singapore Exchange Ltd. (SGX) and a number of index funds and exchange traded funds. The flagship 'NIFTY 50' index is widely tracked and traded as the benchmark for Indian Capital Markets.

| <b>Nifty Bank Index Constituents as on September 30, 2025</b> |                             |                            |                    |
|---------------------------------------------------------------|-----------------------------|----------------------------|--------------------|
| <b>Sr. No.</b>                                                | <b>Name of Constituents</b> | <b>Index Weightage (%)</b> | <b>Impact Cost</b> |
| 1                                                             | HDFC BANK LTD.              | 28.49%                     | 0.01               |
| 2                                                             | ICICI BANK LTD.             | 24.38%                     | 0.02               |
| 3                                                             | STATE BANK OF INDIA         | 9.17%                      | 0.01               |
| 4                                                             | KOTAK MAHINDRA BANK LTD.    | 8.96%                      | 0.01               |
| 5                                                             | AXIS BANK LTD.              | 8.78%                      | 0.02               |
| 6                                                             | INDUSIND BANK LTD.          | 3.14%                      | 0.04               |
| 7                                                             | BANK OF BARODA              | 3.10%                      | 0.02               |
| 8                                                             | FEDERAL BANK LTD.           | 3.08%                      | 0.02               |
| 9                                                             | IDFC FIRST BANK LTD.        | 2.99%                      | 0.03               |
| 10                                                            | CANARA BANK                 | 2.71%                      | 0.03               |
| 11                                                            | AU SMALL FINANCE BANK LTD.  | 2.67%                      | 0.04               |

|    |                      |       |      |
|----|----------------------|-------|------|
| 12 | PUNJAB NATIONAL BANK | 2.52% | 0.03 |
|----|----------------------|-------|------|

Source: NSE

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

##### 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 June 27, 2024 (only for close ended debt schemes)- Not Applicable.

#### G. Other Scheme Specific Disclosures:

|                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Listing and transfer of units</b>                                                                                                                                                                                          | <p><b>Listing:</b></p> <p>The units of Nippon India ETF Nifty Bank BeES shall be listed on the Capital Market Segment of the National Stock Exchange (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.</p> <p><b>Transfer of units:-</b></p> <p>The units of Nippon India ETF Nifty Bank BeES 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 ETF Nifty Bank BeES 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.</p> <p>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.</p> |
| <b>Dematerialization of units</b>                                                                                                                                                                                             | <ol style="list-style-type: none"> <li>i. The Units of the Scheme are available in the dematerialized (electronic) mode only.</li> <li>ii. The applicant under the Scheme is required to have a beneficiary account with a Depository Participant of NSDL/CDSL and are required to indicate in the application the Depository Participant's name, Depository Participant ID Number and beneficiary account number of the applicant with the Depository Participant.</li> <li>iii. The Units of the Scheme are issued/repurchased and traded compulsorily in dematerialized form.</li> </ol> <p>Applications without relevant details of his/her/its depository account are liable to be rejected.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>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.)</b> | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Maximum Amount to be raised (if any)</b>                                                                                                                                                                                   | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Dividend Policy (IDCW)</b>                                                                                                                                                                                                 | 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

|                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                             | <p>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 Scheme. 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.</p> <p>The Scheme will follow the requirements stipulated in the listing agreement for declaration of IDCW.</p> <p>There is no assurance or guarantee to the Unit holders as to the rate of IDCW distribution nor that the IDCW will be paid regularly. If the Fund declares IDCW, the NAV of the Scheme will stand reduced by the amount of IDCW and tax deducted at source (if applicable) paid. All the IDCW payments shall be in accordance and compliance with SEBI &amp; NSE Regulations, as applicable from time to time.</p> <p><b>Procedure for distribution of IDCW:</b></p> <p>The IDCW proceeds may be paid by way of cheques, IDCW warrants / direct credit / National Electronic Funds Transfer ("NEFT") / Real Time Gross Settlement ("RTGS") / Electronic Clearing System ("ECS") or any other manner to the Unit holder's bank account 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.</p> <p>Please refer to the Statement of Additional Information for details on unclaimed Redemptions and IDCWs.</p>                                         |
| <b>Allotment (Detailed procedure)</b>                                                                                                                                                       | <p>For transactions made on stock exchange platform the settlement of units happens as per exchange settlement cycle.</p> <p>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.</p> <p>The allotted units are credited to Investor's beneficiary demat account within one business day from the day of allotment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Refund</b>                                                                                                                                                                               | <p>The Refund of the balance amount, if any post trade execution for given Creation lot size is refunded within T+1 business day.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p><b>Who can invest</b></p> <p><b>This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile</b></p> | <p>The following persons (subject, wherever relevant, to Purchase of Units being permitted under their respective constitution and relevant state regulations) are eligible to subscribe to Units :</p> <ul style="list-style-type: none"> <li>(i) Resident adult individuals, either singly or jointly (not exceeding three) or on anyone or survivor basis.</li> <li>(ii) Minors through parents / lawful guardian.</li> <li>(iii) Hindu Undivided Family ("HUF") through its karta.</li> <li>(iv) Partnership firms.</li> <li>(v) 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.</li> <li>(vi) 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</li> <li>(vii) Mutual Funds registered with SEBI.</li> <li>(viii) Non-Resident Indians (NRIs) / Persons of Indian Origin (PIOs) residing abroad on repatriation basis and on non-repatriation basis.</li> <li>(ix) FPIs (subject to regulations / directions prescribed by the RBI/SEBI from time to time relating to FPI investments in mutual fund schemes).</li> <li>(xi) Charitable or religious trusts, wakf boards or endowments and registered societies (including registered co-operative societies) and private trusts authorized to invest in Units of mutual fund schemes under their trust deeds.</li> <li>(xii) Army, air force, navy, para-military funds and other eligible institutions.</li> </ul> |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>(xiii) Scientific and industrial research organizations.</p> <p>(xiv) Multilateral funding agencies or bodies corporate incorporated outside India with the permission of GOI / RBI.</p> <p>(xv) Overseas financial organizations which have entered into an arrangement for investment in India, inter-alia with a mutual fund registered with SEBI and which arrangement is approved by GOI.</p> <p>(xvi) Provident / pension / gratuity / superannuation and such other retirement and employee benefit and other similar funds as and when permitted to invest.</p> <p>(xvii) Other associations, institutions, bodies etc. authorized to invest in the Units.</p> <p>(xviii) Apart from the above, all other categories of Investors permitted at present and in future are eligible to invest in the Scheme.</p> <p>(xix) Insurers, insurance companies / corporations registered with the Insurance Regulatory Development Authority.</p> <p>All cheques and bank drafts accompanying the Application Form should contain the Application Form number 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 will be rejected. The Registrar/AMC may ask the Investor to provide a blank cancelled cheque or its photocopy for the purpose of verifying the bank account number.</p> <p>Applications without relevant details of the applicant's depository account are liable to be rejected.</p> <p><b>* Process for Investments made in the name of a Minor through a Guardian:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Investors to also note that as ETF units are compulsorily held in dematerialised form, the documentation &amp; process need to be completed in demat account held by the investor upon minor attaining the status of major.</li> </ul> <p>Pursuant to Clause 17.6.1 of SEBI Master Circular Dated June 27, 2024, 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.</p> <ul style="list-style-type: none"> <li>• 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 June 27, 2024 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 only.</li> </ul> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>1. Returned cheques are not liable to be presented again for collection, and the accompanying Application Forms are liable to be rejected.</li> <li>2. It is expressly understood that at the time of investment, the Investor / Unit holder has the express authority to invest in Units of the Scheme and the AMC / Trustees / Fund will not be responsible if such investment is ultra vires the relevant constitution. Subject to the SEBI Regulations, the AMC / Trustees may reject any application received in case the application is found to be invalid/ incomplete or for any other reason in the AMC / Trustees' sole discretion.</li> <li>3. The Trustees/ AMC may also periodically add and review the persons eligible for making application for Purchase of Units under the Scheme. If a person who is a Indian resident (i.e. 'person resident in India', as defined under The Foreign Exchange Management Act 1999, as amended from time to time) at the time of Subscription becomes a resident outside India subsequently, he/she shall have the option to either be paid the Redemption Price of the Units, or continue into the Scheme if he/she so desires and is otherwise eligible. The Trustees / AMC reserve</li> </ol> |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>the right to close the Unit holder account and to pay the Redemption Price of the Units, subsequent to the Unit holder becoming a person resident outside India, should the reasons of cost, interest of other Unit holders and any other circumstances make it desirable for the AMC / Trustees to do so, in accordance with the SEBI Regulations. The Trustees / AMC may request for any information / documentation from such Unit holders in connection with change in the residential status of the Unit holder.</p> <p>4. It is compulsory for Investors / Unit holders to give certain mandatory disclosures while making applications for the Subscription of Units of the Scheme / Redemption and also follow the KYC Requirements as provided in the Statement of Additional Information / Application Form. For details please refer to the section on 'How to Apply' in Statement of Additional Information.</p> <p>5. The Units of the Scheme are not 'public Securities' under the relevant statutes and any religious and charitable trust that seeks to invest in the Units of the Scheme will require prior approval of the appropriate authority.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p><b>7. Foreign Account Tax Compliance</b></p> <p>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.</p> <p>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 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</p> |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                               | <p>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</p> <p>In this regard and in order to comply with the relevant provisions under FATCA, the unit holders would be required to fully cooperate &amp; 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 &amp; appropriate authorities.</p> <p>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 &amp; tax consultants with respect to the possible implications of FATCA on their investments in the scheme(s).</p> <p>The underlying FATCA requirements are applicable from July 1, 2014 or such other date, as may be notified. In case required, NIMF/ NAM India reserves the right to change/ modify the provisions (mentioned above) at a later date.</p> <p>The Fund / Trustees / AMC reserve the right to include / exclude new / existing categories of Investors to invest in the Scheme from time to time, subject to applicable Laws, if any.</p> <p><b>Rejection of the application:</b></p> <p>Subject to the SEBI Regulations and applicable Laws, any application for 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 Units if the application is received from Investor to whom the Units cannot be lawfully or validly offered or by whom the Units cannot be lawfully or validly subscribed 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.</p> <p><b>Further information request by the AMC/Trustees:</b></p> <p>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. This may result in a delay in dealing with the applicants, Unit holders, benefits, distribution, etc.</p> |
| <b>Who cannot invest</b>      | <ol style="list-style-type: none"> <li>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).</li> </ol> <p>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.</p> <ol style="list-style-type: none"> <li>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.</li> <li>NRIs residing in Non-Compliant Countries and Territories ("NCCTs") as determined by the Financial Action Task Force ("FATF"), from time to time.</li> <li>Any other person determined by the AMC or the Trustee as not being eligible to invest in the Scheme.</li> <li>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 &amp; other prevailing statutory regulations,</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>How to Apply (details)</b> | <p><b>Details regarding-</b></p> <ol style="list-style-type: none"> <li>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</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

|                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                         | <p>Service Centres (DISCs)/Official Points of Acceptance (OPAs) of the Mutual Fund are available on the website of the AMC i.e. <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a>.</p> <ol style="list-style-type: none"> <li>Please refer to the SAI for detailed procedure and Application form for the instructions.</li> <li>List of official points of acceptance, collecting banker details -<br/>Please visit –<br/><a href="https://mf.nipponindiaim.com/investor-services/customer-service/locate-a-branch">https://mf.nipponindiaim.com/investor-services/customer-service/locate-a-branch</a></li> </ol> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>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.</b> | <p>Presently, AMC does not intend to re-issue the Units once Redeemed. The number of Units held by the Unit holder in his demat account will stand reduced by the number of Units Redeemed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Restrictions, if any, on the right to freely retain or dispose of units being offered.</b>                                                                           | <p>As the Units of the Scheme will be issued in demat (electronic) form, the Units will be transferred and transmitted in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time.</p> <p><b>Right to Limit Fresh Subscription &amp; Redemption</b></p> <p>In case the size of the Scheme increases to a level which in the opinion of the Trustees is not manageable, the Trustees reserve the right to stop fresh Subscription of Units and also Redeem the Units on pro-rata basis in order to reduce the size to a manageable level.</p> <p>The Trustee reserves the right in its sole discretion to withdraw/suspend sale of the Scheme's Units temporarily or indefinitely, if it is viewed that increasing the size further may prove detrimental to the existing Unit holders of the Scheme. An order to Purchase the Units is not binding on and may be rejected by the AMC until it has been confirmed in writing by the AMC and payment has been received for the same.</p> <p><b>Right to Limit Redemption</b></p> <p>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 1.12 of SEBI Master Circular dated June 27, 2024 the following conditions would be applicable.</p> <ol style="list-style-type: none"> <li>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: <ol style="list-style-type: none"> <li>Liquidity issues - when market at large becomes illiquid and affecting almost all securities. .</li> <li>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.</li> <li>Operational issues – when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).</li> </ol> </li> <li>Restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.</li> <li>When restriction on redemption is imposed, the following procedure shall be applied: <ol style="list-style-type: none"> <li>No redemption requests upto INR 2 lakh shall be subject to such restriction.</li> </ol> </li> </ol> |

|                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                 | <p>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.</p> <p>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 and the Trustees giving details of circumstances and justification for the proposed action shall also be informed to SEBI immediately.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p><b>Cut off timing for subscriptions/ redemptions/ switches</b> This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p> | <p><b>Investors / Unit holders to note that the below mentioned provision for Cut-off time is not applicable to transactions undertaken on a recognised stock exchange where the units of the Schemes are listed and is only applicable for Direct transactions with the fund..</b></p> <p>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. 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 Fund for that respective Working Day. The Fund may also allow Cash# subscription /redemption of Nippon India ETF Nifty Bank BeES in creation unit size by large investors provided 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 February 28, 2026 or as specified in the Regulations time to time). All direct application from eligible investors for Creation / Redemption shall be accepted upto the executable timeline of the underlying securities.</p> <p><b># RTGS, NEFT or transfer Cheque Cut-off timings are in accordance with SEBI guidelines issued time to time for applicability of NAV.</b></p> <p><b>Kindly refer the notices issued from time to time for the applicable cut -off timings available on the website of Nippon India Mutual Fund.</b></p>                                                                                                                                                                                                                                                                                                   |
| <p><b>Minimum amount for purchase/redemption/switches mention the provisions for ETFs, as may be applicable, for direct subscription/ redemption with AMC.</b></p>                              | <p><b>Directly with Fund</b></p> <p><b>Ongoing price for subscription (purchase) by investors :</b></p> <p>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 <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a> / <a href="https://etf.nipponindiaim.com">https://etf.nipponindiaim.com</a>) and Large Investors. However, in case of large investors, the execution value shall be greater than Rs. 25 crores.</p> <p>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity &amp; Superannuation Fund till February 28, 2026.</p> <p><b>Ongoing Price for Redemption by Investors:</b></p> <p>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 <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a> / <a href="https://etf.nipponindiaim.com">https://etf.nipponindiaim.com</a>) and Large Investors. However, in case of large investors, the execution value shall be greater than Rs. 25 crores.</p> <p>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity &amp; Superannuation Fund till February 28, 2026.</p> <p>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:</p> <p>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</p> <p>ii No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or</p> <p>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.</p> <p>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</p> |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>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. <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a> / <a href="https://etf.nipponindiaim.com">https://etf.nipponindiaim.com</a>.</p> <p><b>On the Exchange:</b></p> <p>The Units of the Scheme can be Purchased/ Sold in minimum lot of 1 Unit and in multiples thereof.</p> <p><b>Minimum Switch Amount</b></p> <p>Will be as per the aforesaid minimum application amount criteria in the respective Switch-in ETF Scheme where the switch facility is available.</p> <p><b>A. Switch-in facility into applicable ETF schemes from eligible open-ended (Non-ETF) Liquid and Debt/Income Schemes</b></p> <p>For availing this facility, Investors are requested to note the following operational modalities:</p> <ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ul> <p><b>B. Switch-out facility from applicable ETF schemes to eligible open-ended (Non-ETF) Equity, Liquid and Debt/Income Schemes.</b></p> <p>For availing this facility, investors are requested to note the following operational modalities:</p> <ul style="list-style-type: none"> <li>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</li> <li>b) Switch transaction will be processed subject to availability of all details as per regulatory guidelines.</li> <li>c) Switch out transaction will be processed at the Intra day NAV of the switch- out ETF scheme</li> <li>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.</li> <li>e) In case of any rejection in Switch-in to the transferee Scheme, the amount will be paid to the investor as redemption proceeds.</li> <li>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.</li> <li>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.</li> </ul> <p>Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity &amp; Superannuation Fund till February 28, 2026.</p> <p>NIMF/NAM India reserves the right to introduce, change, modify or withdraw any of the features available in this facility from time to time.</p> |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Accounts Statements</b> | <p>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.</p> <p>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 June 27, 2024 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</p> <p>In accordance with the above, the following shall be applicable for unitholders having a Demat Account.</p> <ul style="list-style-type: none"> <li>Investors having MF investments and holding securities in Demat account shall receive a Single Consolidated Account Statement from the Depository.</li> <li>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.</li> <li>As a green initiative measure, SEBI vide its circular no.SEBI/HO/MRD-PoD2/CIR/P/2024/93 dated July 1, 2024 has specified that the CAS shall be despatched by email to all the investors whose email addresses are registered with the Depositories and AMCs/MF-RTAs. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMCs/MF-RTAs. The depositories shall also intimate the investor on quarterly basis through the SMS mode specifying the email id on which the CAS is being sent.</li> </ul> <p>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 Consolidated Account Statement (CAS) within twelve (12) days from the month end and to investors that have opted for delivery via physical mode, within fifteen (15) days from the month end w.e.f May 14, 2025 pursuant to SEBI Circular No. SEBI/HO/MRD/PoD1/CIR/P/2025/16 dated February 14, 2025. 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. The depositories shall dispatch the CAS to investors that have opted for e-CAS on or before the eighteenth (18th) day of April and October and to investors that have opted for delivery via physical mode by the twenty first (21st) day of April and October</p> <p>The Consolidated Account statement will be in accordance to Clause 14.4.3 of SEBI Master Circular dated June 27, 2024.</p> |
| <b>Dividend/ IDCW</b>      | <p>The IDCW payments shall be initiated to the unitholders within 7 working days from the record date in compliance to the Clause 11.4 of the SEBI Master Circular dated June 27, 2024. In the event of failure of IDCW payments 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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Redemption</b>          | <p><b>For Redemption request received directly with the Fund</b></p> <p>The Redemption or repurchase proceeds shall be dispatched to the Unit holders within 3 Working Days from the date of Redemption or repurchase.</p> <p><b>Payment of proceeds</b></p> <p>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.</p> <p><b>1. Resident Investors</b></p> <p>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).</p> <p>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</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>cheque is payable at par, a demand draft payable at the city of his residence will be issued.</p> <p>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.</p> <p>The Redemption proceeds may be paid by way of direct credit / NEFT / RTGS / ECS or any other manner to the Investor's bank account specified in the Registrar's / Depository's records.</p> <p>Note: The Trustees, at its discretion at a later date, may choose to alter or add other modes of payment.</p> <p><b>2. Non-Resident Indian Investors / FPIs</b></p> <p>Units held by NRI Investors, 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:</p> <p><b>(a) Repatriation Basis</b></p> <p>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.</p> <p><b>(b) Non-Repatriation Basis</b></p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The Fund may make other arrangements for effecting payment of Redemption proceeds in the future.</p> <p><b>Effects of Redemption</b></p> <p>Units once Redeemed will be extinguished and will not be re-issued.</p> <p>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.</p> <p><b>General Provisions</b></p> <p>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.</p> <p>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</p> |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                   | <p>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.</p> <p>For further details on Redemption also refer to Statement of Additional Information.</p> <p>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</p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Bank Mandate</b>                                                               | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Delay in payment of redemption / repurchase proceeds/dividend</b>              | <p>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).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount</b> | <p>In terms of Clause 14.3 of SEBI Master Circular dated June 27, 2024, 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 no. 17.5 of SEBI Master Circular dated June 27, 2024. 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.</p> |
| <b>Disclosure w.r.t investment by minors</b>                                      | <p>Process for Investments made in the name of a Minor through a Guardian:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Investors to also note that as ETF units are compulsorily held in dematerialised form, the documentation &amp; process need to be completed in demat account held by the investor upon minor attaining the status of major.</li> </ul> <p>Pursuant to Clause 17.6.1 of SEBI Master Circular Dated June 27, 2024, 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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Ongoing Offer Period</b>                                                       | <p>The Continuous Offer for the Scheme commenced from June 4, 2004.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

|                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p><b>Ongoing price for subscription (purchase) by investors.</b></p> <p>This is the price you need to pay for purchase</p>  | <p><b>A. Directly with the Fund</b></p> <p>Units of the Scheme in less than Creation Unit cannot be Purchased directly with the Fund.</p> <p>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.</p> <p>The number of Units of the Scheme that Investors can create in exchange of the Portfolio Deposit and Cash Component is 10,000 Units and in multiples thereof.</p> <p>'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 (whose names will be available on our website <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a> / <a href="https://etf.nipponindiaim.com">https://etf.nipponindiaim.com</a>) 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 February 28, 2026 or as specified in the Regulations time to time).</p> <p><b>The Portfolio Deposit and Cash Component are defined as follows: -</b></p> <ol style="list-style-type: none"> <li><b>Portfolio Deposit:</b> 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</li> <li><b>Cash Component for Creating in Creation Unit Size:</b> 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.</li> </ol> <p><b>Procedure for Subscription in Creation Unit size</b></p> <p>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 has 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. The Portfolio Deposit and Cash Component will be exchanged for the Units of the relevant Scheme in Creation Unit size</p> <p>The Fund may allow cash Purchases of Units of the Scheme in Creation Unit size by Large Investors/Authorised Participants. 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 February 28, 2026 or as specified in the Regulations time to time).</p> <p>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.</p> <p>Creation of Units in such Scheme will be done only after full sighting of cash / portfolio deposit in such Scheme accounts.</p> |

|                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                            | <p><b>Disclosure of Portfolio Deposit and Cash Component</b></p> <p>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. <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a> / <a href="https://etf.nipponindiaim.com">https://etf.nipponindiaim.com</a>, daily in the morning and would be applicable for creating and Redeeming Units in Creation Unit size for that Working Day only.</p> <p><b>B. On the Exchange</b></p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p><b>Ongoing price for redemption (sale) by investors.</b></p> <p>This is the price you will receive for redemptions.</p> | <p><b>A. Directly with the Fund</b></p> <p>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.</p> <p>The number of Units of the Scheme that Investors can Redeem in exchange of the Portfolio Deposit and Cash Component is 10,000 Units and in multiples thereof.</p> <p>'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 (whose names will be available on our website <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a> / <a href="https://etf.nipponindiaim.com">https://etf.nipponindiaim.com</a>) 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) till February 28, 2026 or as specified in the Regulations time to time).</p> <p><b>The Portfolio Deposit and Cash Component are defined as follows: -</b></p> <ol style="list-style-type: none"> <li><b>Portfolio Deposit:</b> 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</li> <li><b>Cash Component for Redemption in Creation Unit Size:</b> 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.</li> </ol> <p><b>Procedure for Redemption in Creation Unit size</b></p> <p>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.</p> <p>The Fund may allow cash Redemption of the Units of the Scheme in Creation Unit size by Large Investors/Authorized Participant. 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 February 28, 2026 or as specified in the Regulations time to time).</p> <p>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.</p> |

|                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                       | <p>Accordingly, the sale proceeds of portfolio Securities and cash component, after adjusting necessary charges/costs, will be remitted to the Investor.</p> <p><b>Procedure for Redemption in less than Creation Unit size</b></p> <p>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:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• No quotes are available on stock exchange(s) for 3 consecutive trading days; or</li> <li>• when the total bid size on the exchange is less than half of Creation Unit size daily, averaged over a period of 7 consecutive trading days.</li> </ul> <p>In such a scenario valid applications received upto 3 p.m., Nippon India MF 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 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. <a href="https://mf.nipponindiaim.com/">https://mf.nipponindiaim.com/</a> / <a href="https://etf.nipponindiaim.com/">https://etf.nipponindiaim.com/</a>.</p> <p><b>Disclosure of Portfolio Deposit and cash Component</b></p> <p>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. <a href="https://mf.nipponindiaim.com/">https://mf.nipponindiaim.com/</a> / <a href="https://etf.nipponindiaim.com/">https://etf.nipponindiaim.com/</a>, daily in the morning and would be applicable for creating and Redeeming Units in Creation Unit size for that Working Day only.</p> <p><b>B. On the Exchange</b></p> <p>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.</p> |
| <b>Redemption / Settlement of purchase/sale on the stock exchange</b> | <p>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.</p> <p>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.</p> <p>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. SEBI has advised that the Delivery Out instructions should be given at least 24 hours prior to the Cut-off time for the prescribed Securities pay-in to avoid any rejection of instructions due to data entry errors, network problems, etc.</p>                                                                                                                                                        |
| <b>Pricing (per Unit)</b>                                             | Approximately 1/100th of the Nifty Bank Index                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Rolling Settlement</b>                                             | <p>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.</p> <p>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</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|                                                   |                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                   | 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><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. |
| <b>Suspension of sale and Redemption of Units</b> | Please refer SAI for further details in this regard.                                                                                                                                                                                                                                                                                           |

#### Example of Creation and Redemption of Units

As explained earlier, the Creation Unit is made up of 2 components i.e. the Portfolio Deposit and the Cash Component. The Portfolio Deposit will be determined by the Fund as per the weightages 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.

The constituents of the Nifty Bank Index and an example of Creation Unit of Nippon India ETF Nifty Bank BeES linked to Nifty Bank Index is as follows:

| Security in the Underlying Basket     | Quantity | Price  | Portfolio Deposit Value |
|---------------------------------------|----------|--------|-------------------------|
| AXIS BANK LTD                         | 437      | 1132.2 | 494771.4                |
| Au SMALL FINANCE BANK LIMITED (AUFIL) | 206      | 738.4  | 152110.4                |
| BANK OF BARODA                        | 675      | 253.99 | 171443.25               |
| CANARA BANK                           | 1233     | 120.48 | 148551.84               |
| FEDERAL BANK LTD.                     | 899      | 190.08 | 170881.92               |
| HDFC BANK LTD.                        | 1689     | 950.3  | 1605056.7               |
| ICICI BANK LTD.                       | 1020     | 1348.1 | 1375062                 |
| IDFC FIRST BANK LTD.                  | 2419     | 69.5   | 168120.5                |
| INDUSIND BANK LTD                     | 241      | 723.4  | 174339.4                |
| KOTAK MAHINDRA BANK LTD.              | 254      | 1991.6 | 505866.4                |
| PUNJAB NATIONAL BANK                  | 1261     | 109.51 | 138092.11               |
| STATE BANK OF INDIA.                  | 592      | 870.75 | 515484                  |
|                                       |          |        |                         |
|                                       |          |        |                         |
| <b>Value of Portfolio Deposit</b>     |          |        | 5,619,780               |
| <b>Value of Cash Component</b>        |          |        | 4,068                   |
| <b>Total Value of Creation Unit</b>   |          |        | 5,623,848               |

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

|                                                                                         |           |
|-----------------------------------------------------------------------------------------|-----------|
| Number of units comprising one creation unit                                            | 10,000    |
| NAV per Unit                                                                            | 562.38    |
| Value of 1 Creation Unit                                                                | 5,623,848 |
| Value of Portfolio Deposit (pre defined basket of securities of the Underlying Basket ) | 5,619,780 |
| Cash Component                                                                          | 4,068     |

### 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

|                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Half yearly Disclosures: Portfolio / Financial Results</b></p> <p>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.</p> | <p><b>Half Yearly disclosure of Un-Audited Financials for the Schemes of NIMF:</b></p> <p>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. <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a> and that of AMFI <a href="http://www.amfiindia.com">www.amfiindia.com</a>. 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.</p> <p>Please refer to the below link for Half Yearly disclosure of Un-Audited Financials:</p> <p><a href="https://mf.nipponindiaim.com/investor-service/downloads/annual-half-yearly-reports">https://mf.nipponindiaim.com/investor-service/downloads/annual-half-yearly-reports</a></p> <p><a href="https://mf.nipponindiaim.com/investor-service/quick-links/notice-addendum">https://mf.nipponindiaim.com/investor-service/quick-links/notice-addendum</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p><b>Half Yearly disclosure of Scheme's Portfolio:</b></p>                                                                                                                                                                                   | <p>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. <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a> / <a href="https://Etf.nipponindiaim.com">https://Etf.nipponindiaim.com</a> and AMFI site <a href="http://www.amfiindia.com">www.amfiindia.com</a></p> <p>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.</p> <p>AMC will provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder.</p> <p>The portfolio statement will also be placed on the website of the Mutual Fund <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a> / <a href="https://Etf.nipponindiaim.com">https://Etf.nipponindiaim.com</a> and a link will be provided on <a href="http://www.amfiindia.com">www.amfiindia.com</a>.</p> <p>Please refer to the below link for Half Yearly disclosure of Un-Audited Financials:</p> <p><a href="https://mf.nipponindiaim.com/investor-service/downloads/annual-half-yearly-reports">https://mf.nipponindiaim.com/investor-service/downloads/annual-half-yearly-reports</a></p> <p><a href="https://mf.nipponindiaim.com/investor-service/quick-links/notice-addendum">https://mf.nipponindiaim.com/investor-service/quick-links/notice-addendum</a></p> |
| <p><b>Monthly Disclosures: Portfolio</b></p> <p>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.</p>                     | <p>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. <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a> and AMFI site <a href="http://www.amfiindia.com">www.amfiindia.com</a></p> <p>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</p> <p>AMC will provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder.</p> <p>Refer below link for latest monthly portfolio of the Scheme:</p> <p><a href="https://www.amfiindia.com/investor-corner/online-center/portfoliodisclosure">https://www.amfiindia.com/investor-corner/online-center/portfoliodisclosure</a></p> <p><a href="https://mf.nipponindiaim.com/investor-service/downloads/factsheet-and-other-portfolio-disclosures">https://mf.nipponindiaim.com/investor-service/downloads/factsheet-and-other-portfolio-disclosures</a></p>                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p><b>Annual Report</b></p>                                                                                                                                                                                                                   | <p>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.</p> <p>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.</p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                           | <p>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.</p> <p>Please refer to the below link for scheme annual report or abridged summary</p> <p><a href="https://mf.nipponindiaim.com/investor-service/downloads/annual-half-yearly-reports">https://mf.nipponindiaim.com/investor-service/downloads/annual-half-yearly-reports</a></p> <p><a href="https://www.amfiindia.com/investor-corner/online-center/schemewisereport">https://www.amfiindia.com/investor-corner/online-center/schemewisereport</a></p> <p><a href="https://mf.nipponindiaim.com/investor-service/quick-links/notice-addendum">https://mf.nipponindiaim.com/investor-service/quick-links/notice-addendum</a></p>                                                                                                                                                                                                                                                          |
| <b>Monthly &amp; Annual Disclosure of Riskometer</b>                      | <p>In accordance with Clause 17.4 of SEBI Master circular dated June 27, 2024. The Risk-o-meter shall have following six levels of risk:</p> <ul style="list-style-type: none"> <li>i. Low Risk</li> <li>ii. Low to Moderate Risk</li> <li>iii. Moderate Risk</li> <li>iv. Moderately High Risk</li> <li>v. High Risk and</li> <li>vi. Very High Risk</li> </ul> <p>The evaluation of risk levels of a scheme shall be done in accordance with the aforesaid circular.</p> <p>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.</p> <p>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.</p> <p>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</p> |
| <b>Disclosure of Scheme &amp; Benchmark Riskometer</b>                    | <p>Pursuant to Clause 5.16 of SEBI Master Circular dated June 27, 2024, 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</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Disclosure norms for ETFs / Index Funds</b>                            | <p>On a monthly basis, the fund shall disclose name and exposure to top 7 stocks, top 7 groups &amp; top 4 sectors as a percentage of NAV of the scheme.</p> <p>Further, any change in constituents of the benchmark index, shall be disclosed on the AMC website <a href="https://mf.nipponindiaim.com">https://mf.nipponindiaim.com</a> / <a href="https://etf.nipponindiaim.com">https://etf.nipponindiaim.com</a>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Scheme Summary Document</b>                                            | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Disclosures with respect to Tracking Error and Tracking Difference</b> | <p><b>Tracking Error (TE):</b> The AMC shall disclose tracking error based on past one year rolling data, on a daily basis, on the website of AMC and AMFI.</p> <p><b>Tracking Difference (TD):</b> 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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

**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](http://www.amfiindia.com) and Nippon India Mutual Fund website i.e. <https://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) and for hot listing the Nippon India Any Time Money Card. Investors may also call Customer Service Centre at 1860-266-0111 (charges applicable), and Investors outside India can call 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. <https://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 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. <https://mf.nipponindiaim.com> and AMFI website [www.amfiindia.com](http://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 June 27, 2024.
- (h) Since the 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 June 27, 2024, 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 -**

**Taxation for Equity Oriented Schemes:**

| Nature of Income and Taxability                                                  | Investors (Resident and Non-Resident) | Mutual Fund |
|----------------------------------------------------------------------------------|---------------------------------------|-------------|
| Tax on Income Distribution                                                       | As per applicable rates               | Nil         |
| Long Term Capital Gain<br>Listed & Unlisted Units                                | 12.50%                                | Nil         |
| Short Term Capital Gain                                                          | 20%                                   | Nil         |
| 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>