

SECTION I

Nippon India ETF Nifty 1D Rate Liquid BeES

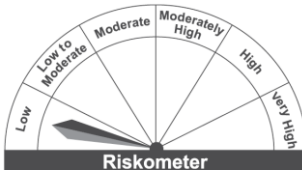
Scheme Information Document

(An open ended liquid scheme, listed on the Exchange in the form of an ETF, investing in Tri-Party Repo on G-Sec or T-bills /Repo & Reverse Repo with daily Dividend and compulsory Reinvestment of Income Distribution cum capital withdrawal option. Relatively Low Interest Rate Risk and Relatively Low Credit Risk.)

NSE: LIQIDBEES

Potential Risk Class (PRC)			
Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)	A-I		
Moderate (Class II)			
Relatively High (Class III)			

A-I : A scheme with Relatively Low interest rate risk and Relatively Low Credit Risk

Product Label		
This product is suitable for investors who are seeking*:	Scheme Riskometer: Nippon India ETF Nifty 1D Rate Liquid BeES	Benchmark Riskometer: Nifty 1D Rate Index
- Current income with high degree of liquidity. - Investment in Tri-Party Repo on G-Sec or T-bills / Repo & Reverse Repo predominantly & Money Market Instruments. *Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	 Riskometer Investors understand that their principal will be at Low risk	 Riskometer Benchmark Riskometer is at Low risk

Continuous offer of Units at NAV based prices

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

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

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

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

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

This Scheme Information Document is dated June 30, 2024.

NAME OF MUTUAL FUND

Nippon India Mutual Fund (NIMF)

NAME OF ASSET MANAGEMENT COMPANY

Nippon Life India Asset Management Limited (NAM India)

CIN : L65910MH1995PLC220793

NAME OF TRUSTEE COMPANY

Nippon Life India Trustee Limited (NLITL)

CIN : U65910MH1995PLC220528

Registered Office (NIMF, NAM India, NLITL)

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Website : mf.nipponindiaim.com

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

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 1D Rate Liquid 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 owners of the Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly or the ability of the underlying index to track general equity or fixed income market performance in India. The relationship of NSE Indices Limited to the Issuer is only in respect of the licensing of the Indices and certain trademarks and trade names associated with such Indices which is determined, composed and calculated by NSE Indices Limited without regard to the Issuer or the Product(s). NSE Indices Limited does not have any obligation to take the needs of the Issuer or the owners of the Product(s) into consideration in determining, composing or calculating the underlying index. NSE Indices Limited is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. NSE Indices Limited has no obligation or liability in connection with the administration, marketing or trading of the Product(s).
- b) NSE Indices Limited do not guarantee the accuracy and/or the completeness of the underlying index or any data included therein and NSE Indices Limited shall have not have any responsibility or liability for any errors, omissions, or interruptions therein. NSE Indices Limited does not make any warranty, express or implied, as to results to be obtained by the Issuer, owners of the product(s), or any other person or entity 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 index or any data included therein. Without limiting any of the foregoing, NSE Indices Limited expressly disclaim any and all liability for any claims ,damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

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

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Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	Name of the scheme	Nippon India ETF Nifty 1D Rate Liquid BeES
II.	Category of the Scheme	Other - ETFs
III.	Scheme type	An open ended liquid scheme, listed on the Exchange in the form of an ETF, investing in Tri-Party Repo on G-Sec or T-bills /Repo & Reverse Repo with daily Dividend and compulsory Reinvestment of Income Distribution cum capital withdrawal option. Relatively Low Interest Rate Risk and Relatively Low Credit Risk.
IV.	Scheme code	Scheme Code: NIMF/O/O/DET/03/03/0010
V.	Investment objective	The investment objective of Nippon India ETF Nifty 1D Rate Liquid BeES is to seek to provide current income, commensurate with low risk while providing a high level of liquidity through a portfolio of Tri-Party Repo on Government Securities or T-bills / Repo & Reverse Repo. The Scheme will provide returns that before expenses, closely correspond to the returns of Nifty 1D Rate index. There is no assurance that the investment objective of the Scheme will be achieved
VI.	Liquidity/listing details	Liquidity The Units of the Scheme can be bought / sold like any other stock on the National Stock Exchange of India Ltd. (NSE) or 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 October 31, 2024 or as specified in the Regulations time to time). Listing As the Units of the Scheme are listed on NSE, an Investor can buy/ 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. There is no minimum investment, although Units are Purchased/ sold in round lots of 1 Unit.
VII.	Benchmark (Total Return Index)	Nifty 1D Rate Index The Scheme as per its investment objective would primarily invest in Securities which are constituents of the benchmark index. In terms of Clause no. 1.8 of SEBI Master Circular dated May 19, 2023 the performance of the Scheme will be benchmarked against Nifty 1D Rate Index. The same has been chosen as the benchmark for the Scheme as the composition of the aforesaid index is such that it is most suited for comparing performance of the Scheme.
VIII.	NAV disclosure	The NAV will be calculated and disclosed at the close of every Business Day and uploaded on the AMFI website www.amfiindia.com and Nippon India Mutual Fund website i.e. mf.nipponindiaim.com by 11.00 p.m. on the day of the declaration of the NAV. Further, AMC shall extend facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard. 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. Further Details in Section II.
IX.	Applicable timelines	Timeline for Dispatch of redemption proceeds The Mutual 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. Timeline for Dispatch of IDCW (if applicable) etc The IDCW Payments shall be initiated to the Unit holders within 7 working days from the record date in compliance to the Clause 11.4 of the SEBI Master Circular dated May 19, 2023, if any. 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.
X.	Plans and Options	The Scheme declares daily IDCW which is compulsorily reinvested in the Scheme.

	Plans/Options and sub options under the Scheme	
XI.	Load Structure	Exit Load - Not Applicable Investor other than Authorised Participants/ Market Makers /Large investors can directly approach AMC for transaction of up to INR 25 Cr for redemption in less than creation unit size and no exit load shall be charged for redemption of units if - 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 - 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 incase if any of the above mentioned scenario arises the same shall be disclosed on the website of Nippon India Mutual Fund i.e. mf.nipponindiaim.com /etf.nipponindiaim.com
XII.	Minimum Application Amount/switch in	Directly with Fund The facility of creating units in Creation Unit size is available to the Authorised Participants/ Market Makers (whose names will be available on our website mf.nipponindiaim.com / etf.nipponindiaim.com) and Large Investors. However, in case of large investors, the execution value shall be greater than Rs. 25 crores. Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity & Superannuation Fund till October 31, 2024. Minimum number of Units (Creation Units) – 2,500 Units and in multiples thereof On the Exchange - The minimum number of Units that can be bought by the Investors on the Exchange is 1 (one) Unit and in multiples thereof.
XIII.	Minimum Additional Purchase Amount	Not Applicable
XIV.	Minimum Redemption/switch out amount	Directly with Fund The facility of redeeming units in Creation Unit size is available to the Authorised Participants/ Market Makers (whose names will be available on our website mf.nipponindiaim.com / etf.nipponindiaim.com) and Large Investors. However, in case of large investors, the execution value shall be greater than Rs. 25 crores. Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity & Superannuation Fund till October 31, 2024. 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: - 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 for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or - 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 case of the above scenarios, applications received from investors for redemption up to 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day of receipt of application within the above cut-off time, such instances shall be tracked by Nippon India AMC on an ongoing basis and in case if any of the above mentioned scenario arises the same shall be disclosed on the website of Nippon India Mutual Fund i.e. mf.nipponindiaim.com / etf.nipponindiaim.com. On the Exchange – The Units of the Scheme can be sold in round lot of 1 Unit and multiples thereof.
XV.	New Fund Offer Period This is the period during which a new scheme sells its units to the investors.	Not Applicable

XVI.	New Fund Offer Price: This is the price per unit that the investors have to pay to invest during the NFO.	Not Applicable
XVII.	Segregated portfolio/side pocketing disclosure	The scheme does not have segregated portfolio.
XVIII.	Swing pricing disclosure	Not Applicable
XIX.	Stock lending/short selling	The Scheme will participate in securities lending but will not engage in short selling. For Details, kindly refer SAI
XX.	How to Apply	Authorised Participants/Market Makers/Large Investors may submit / mail the completed application forms at any of the Designated Investor Service Centers of Nippon India Mutual Fund. Investors in cities other than where the Designated Investor Service Centers (DISC) are located, may send their application forms to any of the nearest DISC. The list of the Designated Investor Service Centres (DISCs)/Official Points of Acceptance (OPAs) of the Mutual Fund are available on the website of the AMC i.e. mf.nipponindiaim.com. Please refer to the SAI for detailed procedure and Application form for the instructions. Please refer to Section II for more details.
XXII.	Investor services	Contact details for general service requests & complaint resolution: Mr. Milind Nesarikar is the Investor Relations Officer for the Fund. All related queries should be addressed to him at the following address: Mr. Milind Nesarikar Nippon Life India Asset Management Limited 20th Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (W), Mumbai - 400 013. Tel No. +91 022 6954 8000; Fax No. +91 022 6954 8199 Email: Milind.Nesarikar@nipponindiaim.com Online Dispute Resolution Platforms 1. SCORES SCORES is a web based centralized grievance redressal system which enables investors to lodge and follow up their complaints and track the status of redressal of such complaints online. Through this system, the investor should be able to submit his/her complaint on an online basis, which shall then be monitored and forwarded by the concerned Desk Officer(s) at SEBI to the concerned AMC's, who would then in-turn be required to suitably redress & upload status thereof on this platform itself, within the stipulated time period. For redressal of complaints, Investors can visit www.scores.gov.in . 2. Online Dispute Resolution (ODR) Portal 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. The investors can access the link to ODR portal viz. https://smartodr.in which is also made available on our website.
XXIII.	Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)	Not Applicable
XXIV.	Special product/facility available during the NFO and on ongoing basis	The Scheme does not offer Systematic Investment Plans, Systematic Transfer Plans or Systematic Withdrawal Plans. The Scheme does not offer Special facilities.

XXV.	Weblink	A weblink wherein TER for last 6 months, Daily TER as well as scheme factsheet shall be made available. TER: https://mf.nipponindiaim.com/investor-services/downloads/total-expense-ratio-of-mutual-fund-schemes Factsheet : https://mf.nipponindiaim.com/investor-service/downloads/factsheet-and-other-portfolio-disclosures A weblink wherein TER for last 6 months as well as scheme factsheet shall be made available.
XXVI.	FACE VALUE	Rs. 1,000/- 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 1D Rate Liquid 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

Date: June 30, 2024
Place: Mumbai

Sd/-
Name: Muneesh Sud
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 (% of total assets)		Risk Profile
	Minimum	Maximum	
Tri-Party Repo on Government Securities or T-bills/Repo & Reverse Repo	95%	100%	Low
Other Money Market instruments (including cash and cash equivalent)	0%	5%	Low

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

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 May 19, 2023. As per SEBI Letter dated 3rd November 2021, Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

The investment manager in line with the investment objective may alter the above pattern for short term and on defensive consideration.

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 May 19, 2023
2	Equity Derivatives for non-hedging purposes	-	Clause 12.25 of SEBI Master Circular dated May 19, 2023
3	Derivatives		Clause 12.25 of SEBI Master Circular dated May 19, 2023
4	Securitized Debt	Nil	
5	Overseas Securities	-	Clause 12.19 of SEBI Master Circular dated May 19, 2023
6	ReITS and InvITS		
	i. Units of REIT and InvIT	-	Clause 13 of Seventh schedule of SEBI (Mutual Funds) Regulations, 1996
	ii. Units of REIT and InvIT issued by a single issuer.	-	
7	AT1 and AT2 Bonds	-	Clause 12.2 of SEBI Master Circular dated May 19, 2023
8	AT1 and AT2 Bonds (Single issuer)	-	
9	Unrated debt and money market instruments	0-5%	Clause 12.1.5 of SEBI Master Circular dated May 19, 2023
10	Unlisted Non-Convertible Debentures (NCDs)	0-10%	Clause 12.1.1 of SEBI Master Circular dated May 19, 2023
11	* Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade at Scheme level.	-	Clauses 12.3.1 of SEBI Master Circular dated May 19, 2023
12	* Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade for any group on debt portfolio of the schemes.	-	Clauses 12.3.1 of SEBI Master Circular dated May 19, 2023
13	Repo transactions in corporate debt securities	-	Clauses 12.18.1.1 of SEBI Master Circular dated May 19, 2023

* Of Debt portfolio

Rebalancing of deviation due to short term defensive consideration:

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

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

Portfolio rebalancing in case of passive breach:

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

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

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

B. WHERE WILL THE SCHEME INVEST?

Investment in Money Market Instruments

The Scheme will invest in Tri-Party Repo on Government Securities or T-bills/Repo & Reverse Repo predominantly and other money market instruments.

What is Tri-Party Repo?

Tri-Party Repo:

Tri-party repo is a type of repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.

What is Repo and Reverse Repo?

'Repo' means sale of Government Securities with simultaneous agreement to repurchase them at a later date. 'Reverse Repo' means purchase of Government Securities with simultaneous agreement to resell them at a later date.

What is Call Money?

Call Money forms an important segment of the Indian money market segment. Call Money means funds transacted on an overnight basis.

Note:

The Scheme will make investment in Securities/instruments mentioned in the asset allocation pattern, with maturity of upto 91 days only.

Explanation:

- a. In case of Securities/instruments where the principal is to be repaid in a single payout the maturity of the Securities shall mean residual maturity. In case the principal is to be repaid in more than one payout then the maturity of the Securities shall be calculated on the basis of weighted average maturity of Security.
- b. In case the maturity of the Security/instruments falls on a non-Working Day then settlement of Securities will take place on the next Working Day.

The Scheme will retain the flexibility to invest in the entire range of Securities as per investment objectives of the Scheme and as per the SEBI Regulations.

Investments in Derivative Instruments

As part of the Fund Management process, the Scheme may use Derivative instruments such as 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.

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.

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 each 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. Each Scheme will not lend more than 75% of its corpus.

Debt Market In India

The Indian Debt market is facing major shift in the recent times. The substantial growth in Mutual Fund collections in the past few years have provided an easy route for the investors to channelise their savings into the debt market, which otherwise is largely dominated by Banks and other Institutional investors.

At present, the Indian debt market is dominated by issues of Central Government bonds, Corporate Debentures and PSU Bonds. The 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 May 24, 2024.

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

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

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

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

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

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

C. WHAT ARE THE INVESTMENT STRATEGIES?

Nippon India ETF Nifty 1D Rate Liquid BeES is a passively managed exchange traded fund. The AMC uses a “passive” approach to try and achieve Scheme’s investment objective. Unlike other Fund, the Scheme does not try to “beat” the markets. The AMC does not make any judgments about the investment merit of a particular instrument or a particular industry segment nor will it attempt to apply any economic, financial or market analysis.

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.

The annualized tracking difference averaged over one year period shall not exceed 1.25%. In case the average annualized tracking difference over one year period is higher than 1.25%, the same shall be brought to the notice of trustees with corrective actions taken by the AMC, if any.

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

The scheme will invest at least 95% of its total assets in Tri-Party Repo on Government Securities or T-bills/Repo & Reverse Repo. The scheme may hold upto 5% of their total assets in other money market instruments (including cash and cash equivalent). The AMC retains the flexibility to invest across all securities/instruments as mentioned in its asset allocation pattern.

Implementation of Policies

The Scheme would invest all its funds in Tri-Party Repo on Government Securities or T-bills/Repo & Reverse Repo predominantly and other money market instruments.

Investment Process

The Scheme would invest all its funds in Tri-Party Repo on Government Securities or T-bills/Repo & Reverse Repo predominantly and other money market instruments.

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 for a liquid scheme is the average maturity period of the securities held by such scheme.

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 - Not Applicable

Average maturity of the portfolio Scheme is 2.99 days as on May 31, 2024

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

The Trustees have adopted the Nifty 1D Rate Index as the benchmark index.

The Scheme as per its investment objective would primarily invest in Securities which are constituents of the benchmark index. In terms of Clause no. 1.8 of SEBI Master Circular dated May 19, 2023 the performance of the Scheme will be benchmarked against Nifty 1D Rate Index. The same has been chosen as the benchmark for the Scheme as the composition of the aforesaid 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.

In terms of Clause no. 6.13.1 of SEBI Master Circular dated May 19, 2023, 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.

About the Index

The objective of NIFTY 1D Rate index is to measure the returns generated by market participants lending in the overnight market. The index uses "Tri-Party Repo on Government Securities or T-bills" overnight rate for computation of index values.

Index Methodology

- i. Annualised weighted average rate published by CCIL at end of the day is considered for computation of index
- ii. The annualized rate is converted to the daily rate for index calculation, by dividing the annual rate by 365 days
- iii. The interest based on daily rate is added to the index value of the previous day
- iv. TREPS with T+0 settlement is considered
- v. If next day is a working day then rate with 1 day maturity is considered
- vi. If next day is holiday or Saturday, rate of "n" days maturity is considered, where "n" is number of days until next working day.
- vii. The index is computed daily at end of the day
- viii. The base date for index is January 03, 2011 and base value is 1000

Index Service Provider

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.

E. WHO MANAGES THE SCHEME?

The Fund Manager, Siddharth Deb, will manage the investments under the Scheme. His qualifications and experience are as under:

Name	Age	Qualification	Experience	Name of the Other Schemes managed
Siddharth Deb Fund Manager (managing the Scheme - Since November 2012)	40	B.Sc. and MMS in Finance	Over 17 years of experience in the Capital markets November 05, 2016 - Till date Nippon Life India Asset Management Limited August 2011 – November 04, 2016 Goldman Sachs Asset Management (India) Private Limited – Executive Director, Managing fixed income debt ETF's September 2008 – Aug 2011 Benchmark Asset Management Company Private Limited – Senior Manager Investments January 2006 – September 2008 Fullerton India Credit Company Ltd, Manager – Treasury, managing day today treasury activities in front office.	Nippon India ETF Hang Seng BeES Nippon India ETF Nifty 8-13 yr G-Sec Long Term Gilt Nippon India ETF Nifty CPSE Bond Plus SDL Sep 2024 50:50 Nippon India ETF Nifty SDL Apr 2026 Top 20 Equal Weight Nippon India ETF Nifty 5 yr Benchmark G-Sec Nippon India Liquid Fund Nippon India Overnight Fund Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund Nippon India Nifty AAA PSU Bond Plus SDL - Sep 2026 Maturity 50:50 Index Fund Nippon India Nifty SDL Plus G-Sec - Jun 2028 Maturity 70:30 Index Fund Nippon India Nifty G-Sec Sep 2027 Maturity Index Fund Nippon India Nifty G-Sec Jun 2036 Maturity Index Fund Nippon India Nifty SDL Plus G-Sec - Jun 2029 Maturity 70:30 Index Fund Nippon India Nifty G-Sec Oct 2028 Maturity Index Fund

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

For details of the scheme differentiation please visit:

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

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

Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	5.92	6.84
Returns for the last 3 years	4.40	5.43
Returns for the last 5 years	3.75	4.82
Returns since inception	3.81	NA

Absolute returns for each financial year for the last 5 years

Financial Year	Scheme Returns (%)	Benchmark Returns (%)
FY 19-20	4.51%	5.32%
FY 20-21	2.40%	3.08%
FY 21-22	2.64%	3.36%
FY 22-23	4.68%	5.53%
FY 23-24	5.94%	6.79%

■ Nippon India ETF Nifty 1D Rate Liquid BeES

Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Returns since inception are calculated from the date of allotment i.e. July 8, 2003. Returns are based on Gross IDCW per unit declared by the Fund for the respective period. Actual IDCW in the hands of each Investor will vary based on category and rate of Dividend distribution tax applicable thereon. IDCWs are assumed to be reinvested at the prevailing NAV. Distribution taxes are excluded while calculating the returns. After payment of IDCW, NAV will fall to the extent of the payout and statutory levy (if applicable). NA has been mentioned for instances where the benchmark data for corresponding period is not available.

(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:

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 May 31, 2024)

For scheme portfolio holdings & sectors please visit

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

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

<https://mf.nipponindiaim.com/TotalExpenseRatio/Disclosure-Norms-for-ETFs-Index-Funds-January-2024.xls>

ii. Functional website link for Portfolio Disclosure –

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

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

iii. Portfolio Turnover Rate: Not Applicable

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

Sr. No	Concerned scheme's Fund Manager(s)	Net Value		Market Value (in Rs.)
		Units	NAV per unit	
1	Mr. Siddharth Deb	1.21	1000	1,206.00

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

v. Investments of AMC in the Scheme –

In line with SEBI Regulations and circulars issued by SEBI from time to time, the AMC may invest its own funds in the scheme(s). Further, the AMC shall not charge any fees on its investment in the Scheme (s), unless allowed to do so under SEBI Regulations in the future.

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

Part III - OTHER DETAILS

A. COMPUTATION OF NAV

NAV of Units under the Scheme shall be calculated as shown below:

NAV (Rs.) =	Market or fair value of Scheme's investments + Current assets - current liabilities and provision (including accrued expenses)
	No. of Units outstanding under Scheme on the valuation date

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 will also be displayed on the website of the Mutual Fund (mf.nipponindiaim.com /etf.nipponindiaim.com) and on the website of AMFI (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 (In INR)
Assets	
Market/Fair Value of Scheme's Investments	1,00,000
Current Assets	
Receivables	1,500
Accrued Income	500
Other Assets	1,000
Total Assets (A)	1,03,000
Current Liabilities	
Accrued Expenses	1,100
Payables	300
Other Liabilities	100
Total Liabilities (B)	1,500
Net Assets (C) (A – B)	1,01,500
Units Outstanding (D)	10,000
NAV per unit (C/D)	10.1500

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

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

B. NEW FUND OFFER (NFO) EXPENSES

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 expenses were charged to the Scheme.

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 #	
Maximum total expense ratio (TER) permissible under Regulation 52(6)(b)	Upto 1.00%
Additional expenses for gross new inflows from specified investors and cities under Regulation 52(6A)(b)	Upto 0.30%

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

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

Illustration – Impact of Expense Ratio on the Returns	
Value of Rs 1 lac on 12% annual returns in 1 year, considering 1% Expense Ratio	
Amount Invested	100,000.00
NAV at the time of Investment	10.00
No of Units	10,000.00
Gross NAV at end of 1 year (assuming 12% annual return)	11.20
Expenses (assuming 1% Expense Ratio on average of opening and closing NAV)	0.11
Actual NAV at end of 1 year post expenses (assuming Expense Ratio as above)	11.09
Value of Investment at end of 1 year (Before Expenses)	112,000.00
Value of Investment at end of 1 year (After Expenses)	110,940.00

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

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

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

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

Mutual Funds/AMCs will annually set apart at least 1 basis points on daily net assets within the maximum limit as per regulation 52 of the SEBI Regulations for investor education and awareness initiatives.

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

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

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 May 19, 2023.

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-

- (a) 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.
- (b) expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such specific investors and cities as specified by the Board from time to time are at least -
 - (i) 30 per cent of gross new inflows in the scheme, or;
 - (ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher:

Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub-clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis:

Provided further that expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities.

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment;

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.

Exit Load - Not Applicable

Investor other than Authorised Participants/ Market Makers /Large investors can directly approach AMC for transaction of up to INR 25 Cr for redemption in less than creation unit size and no exit load shall be charged for redemption of units if

- a) The traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or
- b) No quotes are available on stock exchange(s) for 3 consecutive trading days; or
- c) Total bid size on the exchange is less than half of Creation 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 incase if any of the above mentioned scenario arises the same shall be disclosed on the website of Nippon India Mutual Fund i.e. mf.nipponindiaim.com /etf.nipponindiaim.com

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

There is no Entry/Exit Load for creation/Redemption of the Units of the Scheme in Creation Unit size. However, during the process of creation/Redemption there will be transaction costs and other incidental expenses.

Exit Load for Redemptions in Cash

In case of Redemption of Units of the Scheme for less than Creation Unit size, directly with the Fund, where there have been no quotes on NSE for five trading days consecutively, an Investor can sell to the Fund with an Exit Load of 2%.

Service tax on Exit Load, if any, shall be paid out of the Exit Load proceeds and Exit Load net of service tax, if any, shall be credited to the Scheme.

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.

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

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 (mf.nipponindiaim.com / etf.nipponindiaim.com).

I. INTRODUCTION

A. Definitions/interpretation

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

B. 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 relating to Investing in Indian Markets

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

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

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

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

(b) Market Risk

The NAV of the Scheme will react to the securities market movements. The Investor may lose money over short or long periods due to fluctuation in the Scheme's NAV in response to factors such as economic, political, social instability or diplomatic developments, changes in interest rates and perceived trends in stock prices, market movements and over longer periods during market downturns. Investments may be adversely affected by the possibility of expropriation or confiscatory taxation, imposition of withholding taxes on Dividend or interest payments, limitations on the removal of funds or other assets of the Scheme. The Scheme may not be able to immediately sell 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 Derivative markets are volatile and the value of Derivative contracts and other instruments correlated with the equity markets may fluctuate dramatically from day to day. This volatility may cause the value of investment in the Scheme to decrease.

(e) Redemption Risk

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

- i. Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or
- ii. No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or
- iii. Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days..

(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) 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 to the maximum extent possible. The annualized tracking difference averaged over one year period shall not exceed 1.25%. In case the average annualized tracking difference over one year period is higher than 1.25%, the same shall be brought to the notice of trustees with corrective actions taken by the AMC, if any.

(h) Risks relating to Investments in Derivative Instruments

The Scheme may invest in Derivative products like 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 possibility greater than the risks associated with investing directly in Securities and other traditional investments.

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

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 bear 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.

- **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.

(i) 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.

(j) 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.

(k) 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.

(l) Investments by the Scheme in other schemes

The Scheme may invest in other scheme(s) managed by the AMC or in schemes of other mutual funds, provided such investments are in conformity with the investment objectives of the Scheme and in accordance with terms of the prevailing SEBI Regulations. Such investments in other schemes may provide the Scheme access to a specialised investment area or economic sector which can be more effectively accessed by investing in the underlying scheme(s). The Fund Manager will only make such investments if it determines in its discretion that to do so is consistent with the interests of the Unit holders of the Scheme.

The Scheme may invest in schemes operated by third parties. Considering third parties are not subject to the oversight or control of the AMC, the Fund Manager may not have the opportunity to verify the compliance of such schemes with the laws and regulations applicable to them.

It is possible that a number of underlying scheme(s) might take substantial positions in the same security at the same time. This 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.

(m) Risk of Changes in Borrowing Rates

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

(n) Risk Factors relating to Portfolio Rebalancing

In the event that the asset allocation of the Scheme deviates from the ranges as provided in the asset allocation table in this SID, then the Fund Manager will rebalance the portfolio of the Scheme to the position indicated in the asset allocation table. 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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.

(s) 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.

(t) 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.

(u) Stable NAV Risk

The Scheme may not be able to maintain a stable NAV at all times. Unit holders of the Scheme should not rely on or expect the AMC or an affiliate to purchase distressed assets from the Scheme, make capital infusions into the Scheme, enter into capital support agreements with Scheme / AMC or take other actions to help the Scheme maintain a stable NAV.

The Scheme is designed such that the Fund / AMC will seek to use, reasonable endeavors to maintain the NAV at a fixed value by distributing income from the Scheme as it arises. However, please be aware that there is always a risk that an underlying issuer could default or otherwise be subject to an impairment of credit quality such that the value ascribed to that Security may also be impaired. In these circumstances, the Fund / AMC will be unable to maintain the NAV of the Scheme at a fixed value and it is likely in that event, that a loss of capital will occur. Such loss of capital could be material and sudden.

(v) No Investment Guarantee Equivalent to Deposit Protection

Investment in the Scheme is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Although the Scheme endeavours to provide a stable NAV, that cannot be guaranteed and, as noted elsewhere in this SID, the NAV can fluctuate in contrast to the value of bank deposits (assuming the solvency of the bank concerned).

(w) 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

Type of Risks	Measures/ Strategies to control risks
Debt and Money Market instruments	Credit Risk: Management analysis will be used for identifying company specific risks. Management's past track record will also be studied. In order to assess financial risk a detailed assessment of the issuer's financial statements will be undertaken.

	- Price-Risk or Interest-Rate Risk: The Scheme may primarily invest the debt portion of the portfolio in short term debt & money market instruments, units of Liquid and Overnight schemes thereby mitigating the price volatility due to interest rate changes generally associated with long-term securities. - Risk of Rating Migration: The Scheme may primarily invest the debt portion of the portfolio in short-term debt & money market instruments, units of Liquid and Overnight schemes thereby mitigating the risk of rating migration generally associated with long-term securities. - 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. - Spread Risk: The Scheme may primarily invest the debt portion of the portfolio in short-term debt & money market instruments, units of Liquid and Overnight schemes thereby mitigating the risk of spread expansion which is generally associated with long-term securities. - 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. - Liquidity Risk: The Scheme may, however, endeavor to minimize liquidity risk by- primarily investing the debt portion of the portfolio in relatively liquid short-term debt & money market instruments, units of Liquid and Overnight schemes.
Derivatives	The Scheme may invest in derivative for the purpose of hedging, portfolio balancing and other purposes as may be permitted under the Regulations. 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.
Securities Lending	The SLB shall be operated through Clearing Corporation/Clearing House of stock exchanges having nation-wide terminals who are registered as Approved Intermediaries (AIs)." The risk is adequately covered as Securities Lending & Borrowing (SLB) is an Exchange traded product. Exchange offers an anonymous trading platform and gives the players the advantage of settlement guarantee without the worries of counter party default. However, the Fund may not be able to sell such lent securities during contract period or have to recall the securities which may be at higher than the premium at which the security is lent.
Currency	The scheme subject to applicable regulations shall have the option to enter into forward contracts for the purposes 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. All currency derivatives trade, if any will be done only through the stock exchange platform.
Repo Transactions	This risk is largely mitigated, as the choice of counterparties is largely restricted and their credit rating is taken into account before entering into such transactions. Also, operational risks are lower as such trades are settled on a DVP basis. In the event the counterparty is unable to pay back the money to the scheme as contracted on maturity, the scheme may dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to the counterparty.
Securitized Debt	In addition to careful scrutiny of credit profile of borrower/pool additional security in the form of adequate cash collaterals and other securities may be obtained.
REITs and InvITS	The fund will comply with the prescribed SEBI limits on exposure. The scheme will endeavor to invest in liquid REITs & InvITs.
Structured Obligation (SO) & Credit Enhancement (CE) rated securities	Scheme wise investments as prescribed by the regulations limits the exposure to such securities. Additionally, covenants of such structured papers are reviewed periodically for adequate maintenance of covers as prescribed in the Information Memorandum of such papers.
Segregated Portfolio	In such an eventuality it will be AMC's endeavor to realise the segregated holding in the best interest of the investor at the earliest.
Government securities and Triparty repo on Government securities or treasury bills:	As a member of securities segment and Triparty repo segment, maintenance of sufficient margin is a mandatory requirement. CCIL monitors these on a real time basis and requests the participants to provide sufficient margin to enable the trades etc. Also, there are stringent conditions / requirements before registering any participants by CCIL in these segments. Since settlement is guaranteed the loss on this account could be minimal though there could be an opportunity loss.
Units of mutual fund schemes	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.
Market/Volatility Risk	The Scheme, being a Target Maturity Date Index structure, is expected to follow a Buy and Hold investment strategy in a passive manner. Based on that, we expect to mitigate intermittent price volatility in the underlying assets. Investors

	who remain invested until the maturity of the Scheme is expected to mitigate market / volatility risk to large extent.
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.
Liquidity risk	The Scheme may, however, endeavor to minimize liquidity risk by- primarily investing the debt portion of the portfolio in relatively liquid short-term debt & money market instruments, units of Liquid and Overnight schemes.
Interest rate risk	The Scheme, being a Target Maturity Date Index structure, is expected to follow a Buy and Hold investment strategy in a passive manner. All investments will be in line with the maturity date of the Scheme and the underlying Index. This should help mitigate the interest rate risk.
Tracking errors	Over a short period, the Scheme may carry the risk of variance between portfolio composition and Benchmark. The objective of the Scheme is to closely track the performance of the Underlying Index over the same period, subject to tracking error. The Scheme would endeavor to maintain a low tracking error by actively aligning the portfolio in line with the Index.

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

The measures mentioned above is based on current market conditions and may change from time to time based on changes in such conditions, regulatory changes and other relevant factors. Accordingly, our investment strategy, risk mitigation measures and other information contained herein may change in response to the same.

II. Information about the scheme:

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

B. What are the investment restrictions?

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

- a. 10% of its NAV in debt and money market securities rated AAA; or
- b. 8% of its NAV in debt and money market securities rated AA; or
- c. 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.

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

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 The listed Securities of group companies of the Sponsor, which is in excess of 25% of the net assets.
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, 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. Total exposure of the scheme in a particular sector (excluding investments in Bank CDs, Tri-Party Repo on Government Securities or T-bills, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks and such other instruments if any, as may be specified by SEBI from time to time) shall not exceed 20% or such other percentage of the net assets of the scheme, as prescribed by SEBI from time to time, unless the scheme has specifically been exempted from the requirement by SEBI.
 If the total exposure in a particular sector is above 20%, it will be ensured that the total exposure in those sectors shall comply with the aforesaid requirement within a period of one year from the date of issuance of the SEBI Circular dated September 13, 2012. During this one year, total exposure of existing schemes in a particular sector shall not increase from the levels existing (if above 20%) as on the date of issuance of the aforesaid circular.
 An additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) rated AA and above and registered with National Housing Bank (NHB). Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.
 However, such total investment/ exposure in HFCs shall not exceed 20% of the net assets of the scheme or such other percentage of the net assets of the scheme, as prescribed by SEBI from time to time.
 Note : The sector classification shall be basis the data provided by Association of Mutual Fund in India
20. 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
21. The scheme may engage in Securities Lending not exceeding 75% of the net assets of the scheme and shall not lend more than 5% of its Net Assets to a single counterparty or such other limits as may be permitted by SEBI from time to time.
 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

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 May 19, 2023 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 May 19, 2023::

- (i) **Type of a scheme** - An open ended liquid scheme, listed on the Exchange in the form of an ETF, investing in Tri-Party Repo on G-Sec or T-bills /Repo & Reverse Repo with daily Dividend and compulsory Reinvestment of Income Distribution cum capital withdrawal option. Relatively Low Interest Rate Risk and Relatively Low Credit Risk.

(ii) **Investment Objective**

- **Main Objective:-** The investment objective of Nippon India ETF Nifty 1D Rate Liquid BeES is to seek to provide current income, commensurate with low risk while providing a high level of liquidity through a portfolio of Tri-Party Repo on Government Securities or T-bills / Repo & Reverse Repo. The Scheme will provide returns that before expenses, closely correspond to the returns of Nifty 1D Rate index.
- There can be no assurance that the investment objective of the Scheme will be achieved. **Investment pattern:-** For Detailed description, please refer to Section I - Part II – B (HOW WILL THE SCHEME ALLOCATE ITS ASSETS?)

(iii) **Terms of Issue**

- **Liquidity provisions such as repurchase/redemption of units**
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.**
 - i) New Fund Offer (NFO) Expenses : Refer to Section I - Part-III - B
 - ii) Annual Scheme Recurring Expenses : Refer to Section I - Part-III - C
- **Any safety net or guarantee provided. – This Scheme does not provide any guarantee or assured return to its Investors.**

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

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

- (i) A written communication about the proposed change is sent to each Unitholder and an advertisement is issued in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- (ii) The Unitholders are given an option for a period of at least 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 objective of NIFTY 1D Rate index is to measure the returns generated by market participants lending in the overnight market. The index uses "Tri-Party Repo on Government Securities or T-bills" overnight rate for computation of index values.

Index Methodology:

- i. Annualised weighted average rate published by CCIL at end of the day is considered for computation of index
- ii. The annualized rate is converted to the daily rate for index calculation, by dividing the annual rate by 365 days
- iii. The interest based on daily rate is added to the index value of the previous day
- iv. TREPS with T+0 settlement is considered
- v. If next day is a working day then rate with 1 day maturity is considered
- vi. If next day is holiday or Saturday, rate of "n" days maturity is considered, where "n" is number of days until next working day.
- vii. The index is computed daily at end of the day
- viii. The base date for index is January 03, 2011 and base value is 1000

Index Service Provider

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.

Nifty 1D Rate Index Constituents as on May 31, 2024		
Sr. No.	Name of Constituents	Index Weightage (%)
1	TREPS	100%

Source: NSE

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

Incentives for Market Maker (MM)

Guiding principles of incentive structure for Market Maker

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

Determination of incentive for Market maker

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

- I. It will be based on volume carried out by market maker on the exchange as compared to total volume of respective ETFs on exchange.
- II. It can be fixed monthly compensation which should not exceed TER of the scheme.
- III. Any other performance-based incentive.

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

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

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

G. Other Scheme Specific Disclosures:

Listing and transfer of units	Listing:- 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. Transfer of units:- The units of Nippon India ETF 1D Rate Liquid 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 1D Rate Liquid 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. Any addition, deletion of name of the Unit holder is deemed as transfer of Units. In The said provisions in respect of deletion of names will not be applicable in case of death of a Unit holder (in respect of joint holdings) as this is treated as transmission of Unit and not a transfer, and will be in accordance with the rules / Regulations as maybe in force governing transfer of securities in dematerialized mode. For all Transfer/ Transmission, the investors need to approach their respective DP.
Dematerialization of units	i. The Units of the Scheme are available in the dematerialized (electronic) mode only. 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. iii. The Units of the Scheme are issued/repurchased and traded compulsorily in dematerialized form.

	Applications without relevant details of his/her/its depository account are liable to be rejected.
Minimum Target amount (This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return.)	Not Applicable
Maximum Amount to be raised (if any)	Not Applicable
Dividend Policy (IDCW)	The Fund will endeavour to declare IDCW on a daily basis so as to maintain the NAV of the Units of the Scheme at its face value of Rs.1,000/-. The Fund will declare IDCW only if the NAV of the Scheme is above its face value and IDCW declaration will be solely at the discretion of the Fund/AMC. IDCW declared on daily basis will be compulsorily reinvested in the Scheme and Units arising out of Reinvestment of Income Distribution cum capital withdrawal will be credited to the account of the Investor with the Depository Participant. IDCW will accrue on Saturday and Sunday also. As the Units of the Scheme are in demat, the holding statement issued by the Depository Participant would be deemed to be adequate compliance with requirements of SEBI regarding dispatch of statements of account with respect to Units issued due to reinvestment of IDCW. The amounts can be distributed out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains. Fractional Units The reinvestment of IDCW in the Scheme may result in the fractional Units. The Units will be allotted upto three decimals. The Scheme provides facility for Redemption of fractional Units on ongoing basis. Facility for Redemption of Fractional Units of the Scheme: The Scheme declares daily IDCW and the same is compulsorily reinvested in the Scheme on daily basis. The Units arising out of Reinvestment of Income Distribution cum capital withdrawal result into fractional Units. The Reinvestment of Income Distribution cum capital withdrawal Units are uploaded upto three decimals periodically in the beneficiary account of the Unit holder held with the Depository. As the minimum trading lot on NSE is 1 (One) Unit, the fractional Units of the Scheme cannot be traded on NSE. In order to provide an exit option to Investors who are holding fractional Units of the Scheme in their demat account, the Scheme will offer a buy back facility which investors can avail by redeeming the fractional holding from their Demat either by transferring the fractional unit via off market to Scheme's Demat account or by generating Repurchase Request through his Demat service provider. The detailed process for redemption of fractional unit to avail the buy back facility is available on our website mf.nipponindiaim.com/etf.nipponindiaim.com. In addition to this Investors may also avail the facility of redeeming fractional unit through NSE NMF II and BSE StAR MF platform. The minimum and maximum number of unit allowed for redemption are 0.001 unit and 0.999 unit respectively. Investor should note that the facility for buy back is only for fractional Unit. Units in lot of 1 or in multiples of 1 should be sold on the Exchange only.
Allotment (Detailed procedure)	For transactions made on stock exchange platform the settlement of units happens as per exchange settlement cycle. 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. The allotted units are credited to Investor's beneficiary demat account within one business day from the day of allotment.
Refund	The Refund of the balance amount, if any post trade execution for given Creation lot size is refunded within T+1 business day.
Who can invest This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile	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 : (i) Resident adult individuals, either singly or jointly (not exceeding three) or on anyone or survivor basis. (ii) Minors* through parents / lawful guardian. (iii) Hindu Undivided Family ("HUF") through its karta. (iv) Partnership firms. (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.

	(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 (vii) Mutual Funds registered with SEBI. (viii) Non-Resident Indians (NRIs) / Persons of Indian Origin (PIOs) residing abroad on repatriation basis and on non-repatriation basis. (x) FPIs (subject to regulations / directions prescribed by the RBI/SEBI from time to time relating to FPI investments in mutual fund schemes). (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. (xii) Army, air force, navy, para-military funds and other eligible institutions. (xiii) Scientific and industrial research organizations. (xiv) Multilateral funding agencies or bodies corporate incorporated outside India with the permission of GOI / RBI. (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. (xvi) Provident / pension / gratuity / superannuation and such other retirement and employee benefit and other similar funds as and when permitted to invest. (xvii) Other associations, institutions, bodies etc. authorized to invest in the Units. (xviii) Apart from the above, all other categories of Investors permitted at present and in future are eligible to invest in the Scheme. (xix) Insurers, insurance companies / corporations registered with the Insurance Regulatory Development Authority. 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. Applications without relevant details of the applicant's depository account are liable to be rejected. * Process for Investments made in the name of a Minor through a Guardian: • 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. • Investors to also note that as ETF units are compulsorily held in dematerialised form, the documentation & process need to be completed in demat account held by the investor upon minor attaining the status of major. Pursuant to SEBI circular dated May 12, 2023, payment for any investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. For existing folios, the AMCs shall insist upon a change of pay-out bank mandate before redemption is processed. • Investors are also requested to note that the process of transmission of units shall be in line with Clause 17.6 of SEBI Master Circular dated May 19, 2023 and guidelines issued by SEBI in this regard from time to time. For any transmission related requests, the investors are advised to approach their respective depository participant. Notes: 1. Returned cheques are not liable to be presented again for collection, and the accompanying Application Forms are liable to be rejected. 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. 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
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	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 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. 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. 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. 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. 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. 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. 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. 7. Foreign Account Tax Compliance 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. 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
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	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 In this regard and in order to comply with the relevant provisions under FATCA, the unit holders would be required to fully cooperate & furnish the required information to the AMC, as and when deemed necessary by the latter in accordance with IGA and/ or relevant circulars or guidelines etc, which may be issued from time to time by SEBI/ AMFI or any other relevant & appropriate authorities. The applications which do not provide the necessary information are liable to be rejected. The applicants/ unit holders/ prospective investors are advised to seek independent advice from their own financial & tax consultants with respect to the possible implications of FATCA on their investments in the scheme(s). 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. 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. Rejection of the application: 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. Further information request by the AMC/Trustees: 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.
Who cannot invest	- 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). 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. - 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. - NRIs residing in Non-Compliant Countries and Territories ("NCCTs") as determined by the Financial Action Task Force ("FATF"), from time to time. - Any other person determined by the AMC or the Trustee as not being eligible to invest in the Scheme. - The AMC reserves the right to include/exclude new/existing categories of investors to invest in the Scheme from time to time, subject to SEBI Regulations & other prevailing statutory regulations
How to Apply (details)	Details regarding- - The applications filled up and duly signed by the applicants should be submitted at the office of the Collection Centres / DISCs / Official Points of Acceptance or may be downloaded from the website of AMC. The list of the Designated Investor Service Centres (DISCs)/Official Points of Acceptance (OPAs) of the Mutual Fund are available on the website of the AMC i.e. mf.nipponindiaim.com. - Please refer to the SAI for detailed procedure and Application form for the instructions.

	3. List of official points of acceptance, collecting banker details - Please visit – https://mf.nipponindiaim.com/investor-services/customer-service/locate-a-branch As per the directives issued by SEBI, it is mandatory for an investor to declare his/her bank account number in the application form. This is to safeguard the interest of unitholders from loss or theft of their redemption cheques / DDs. Additionally, if the bank details provided by investors are different from the details available on instrument, AMC may seek additional details from investors to validate the bank details provided by investors.
The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	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.
Restrictions, if any, on the right to freely retain or dispose of units being offered.	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. Right to Limit Fresh Subscription & Redemption 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 in order to reduce the size to a manageable level. 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. Right to Limit Redemption The Trustee and AMC may, in the general interest of the Unit holders of the Scheme under this Scheme Information Document and keeping in view the unforeseen circumstances / unusual market conditions, limit the total number of Units which may be redeemed on any Working Day for redemption requests of more than Rs. 2 Lakhs per folio at a scheme level. In any Scheme. In line with the Clause no. 1.12 of SEBI Master circular dated May 19, 2023 the following conditions would be applicable. a. Restriction may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as: i. Liquidity issues - when market at large becomes illiquid and affecting almost all securities. . ii. Market failures, exchange closures - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies. iii. Operational issues – when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). b. Restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period. c. When restriction on redemption is imposed, the following procedure shall be applied: i. No redemption requests upto INR 2 lakh shall be subject to such restriction. 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. 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.
Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete	Investors / Unit holders to note that the below mentioned Cut-off time are not applicable to transactions undertaken on a recognised stock exchange and are only applicable to transactions undertaken at the Official Points of Acceptance.

in all respects) should reach the official points of acceptance.	(1) Cut off timing for Subscriptions: i. For valid applications received upto 1.30 p.m. on a day and funds for the entire subscription/purchase as per the application are credited to the bank account of the respective scheme and are available for utilization before the cut-off time, the closing NAV of the day immediately preceding the day of receipt of application; ii. In respect of valid applications received after 1.30 p.m. on a day and funds for the entire subscription/purchase as per the application are credited to the bank account of the respective scheme and are available for utilization on the same day, the closing NAV of the day immediately preceding the next business day; and iii. Irrespective of the time of receipt of application, where the funds for the entire subscription/purchase as per the application are not credited to the bank account of the respective scheme and are not available for utilization before the cut-off time, the closing NAV of the day immediately preceding the day on which the funds are available for utilization. For allotment of Units in respect of Purchase, it shall be ensured that Application is received before the applicable Cut-off time. i. Funds for the entire amount of Subscription /Purchase as per the application are credited to the bank account of the respective liquid Scheme before the Cut-off time. ii. The funds are available for utilization before the Cut-off time without availing any credit facility whether intra-day or otherwise, by the respective liquid Scheme. The above provisions of Cut-off timings for Subscriptions are applicable for Purchase of Units directly with the Fund. However, Nippon India ETF Nifty 1D Rate Liquid BeES, being an Exchange Traded Fund (ETF), the above provisions will not be applicable for Purchase of Units on the stock exchanges in which case the timings of the stock exchanges will be applicable. (2) Cut off timing for Redemptions: (a) In respect of valid applications received upto 3.00 pm by the Fund, the closing NAV of the day immediately preceding the next Working Day. (b) In respect of valid applications received after 3.00 pm by the Fund, closing NAV of the next Working Day shall be applicable. As the Units issued under the Scheme are listed, the provisions of the Cut-off time are not applicable.
Minimum amount for purchase/redemption/switches mention the provisions for ETFs, as may be applicable, for direct subscription/redemption with AMC.	Directly with Fund Ongoing price for subscription (purchase) by investors : The facility of creating units in Creation Unit size is available to the Authorised Participants/ Market Makers (whose names will be available on our website mf.nipponindiaim.com / etf.nipponindiaim.com) and Large Investors. However, in case of large investors, the execution value shall be greater than Rs. 25 crores. Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity & Superannuation Fund till October 31, 2024. Ongoing Price for Redemption by Investors: The facility of redeeming units in Creation Unit size is available to the Authorised Participants/ Market Makers (whose names will be available on our website mf.nipponindiaim.com / etf.nipponindiaim.com) and Large Investors. However, in case of large investors, the execution value shall be greater than Rs. 25 crores. Rs. 25 crores Limit shall not be applicable to EPFO, recognized Provident Fund and approved Gratuity & Superannuation Fund till October 31, 2024. 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: - i Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or - ii No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or - iii Total bid size on the exchange is less than half of creation unit size daily, averaged over a period of 7 consecutive trading days.

	In case of the above scenarios, applications received from investors for redemption up to 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day of receipt of application within the above cut-off time, such instances shall be tracked by Nippon India AMC on an ongoing basis and in case if any of the above mentioned scenario arises the same shall be disclosed on the website of Nippon India Mutual Fund i.e. mf.nipponindiaim.com / etf.nipponindiaim.com. On the Exchange: The Units of the Scheme can be Purchased/ Sold in minimum lot of 1 Unit and in multiples thereof.
Accounts Statements	Units issued by the AMC under the scheme shall be credited to the investor's beneficiary account with a Depository Participant (DP) of CDSL or NSDL. The AMC will credit the units to the beneficiary account of the unitholder within two business days from the date of receipt of credit of the Cash. With a view to create one record for all financial assets of every individual, SEBI vide its with Clause 14.4 of SEBI Master Circular dated May 19, 2023 enabled a single consolidated view of all the investments of an investor in Mutual Funds (MF) and securities held in demat form with the Depositories In accordance with the above, the following shall be applicable for unitholders having a Demat Account. - Investors having MF investments and holding securities in Demat account shall receive a Single Consolidated Account Statement from the Depository. - 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. - The CAS shall be generated on a monthly basis and shall be issued on or before 15th of the immediately succeeding month to the unit holder(s) in whose folio(s) transaction(s) has/have taken place during the month. In case there is no transaction in any of the mutual fund folios then CAS detailing holding of investments across all schemes of all Mutual Funds will be issued on half yearly basis [at the end of every six months (i.e. September/ March)] on or before 21st of the immediately succeeding month. The Consolidated Account statement will be in accordance to Clause 14.4.3 of SEBI Master Circular dated May 19, 2023 Investors are requested/encouraged to register/update their email id and mobile number of the primary holder with the AMC/RTA through our Designated Investor Service Centres (DISCs) in order to facilitate effective communication.
Dividend/ IDCW	The IDCW payments shall be initiated / dispatched to the unitholders within 7 working days from the record date, in compliance to the Clause 11.4 of the SEBI Master Circular dated May 19, 2023. 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.
Redemption	For Redemption request received directly with the Fund The Redemption or repurchase proceeds shall be initiate payment to the Unit holders within 3 Working Days from the date of Redemption or repurchase. Payment of proceeds 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 1. Resident Investors 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). The Redemption cheque will be issued in favour of the sole / first Unit holder's registered name and bank account number, and will be mailed to the registered address of the sole / first holder as indicated in the original Application Form. The Redemption cheque will be payable at par. If the Unit holder is located outside the locations from where the cheque is payable at par, a demand draft payable at the city of his residence will be issued. 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.

	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. Note: The Trustees, at its discretion at a later date, may choose to alter or add other modes of payment. 2. Non-Resident Indian Investors / FPIs Units held by NRI Investors and FPIs may be Redeemed by such Unit holder by tendering Units to the AMC or for payment of maturity proceeds, subject to any procedures laid down by RBI from time to time. Provisions with respect to NRIs / FPIs stated above, is as per the AMC/Trustee's understanding of the Laws currently prevalent in India and such Redemption proceeds will be remitted depending upon the source of investment as follows: (a) Repatriation Basis 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. (b) Non-Repatriation Basis 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. 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. 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. The Fund may make other arrangements for effecting payment of Redemption proceeds in the future. Effects of Redemption Units once Redeemed will be extinguished and will not be re-issued. 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. General Provisions 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. In case an Investor has Purchased Units on more than 1 Working Day (either under during the NFO Period or during the Ongoing Offer Period), the Units Purchased prior in time (i.e. those Units which have been held for the longest period of time), will be Redeemed first i.e. on a first-in - first-out basis. For further details on Redemption also refer to Statement of Additional Information. 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 If a Unit holder makes a Redemption request immediately after Purchase of Units, the Fund shall have a right to withhold the Redemption request in accordance with the conditions provided in the Statement of Additional Information. However, this is only applicable if sufficient balance is not available in the Unit holders account to effect such a Redemption and the value of Redemption is such that some or all of the freshly Purchased Units may have to be Redeemed to effect such Redemption.
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Bank Mandate	As per the directives issued by SEBI, it is mandatory for an investor to declare his/her bank account number in the application form. This is to safeguard the interest of unitholders from loss or theft of their redemption cheques / DDs. Additionally, if the bank details provided by investors are different from the details available on instrument, AMC may seek additional details from investors to validate the bank details provided by investors.
Delay in payment of redemption / repurchase proceeds/dividend	The AMC shall be liable to pay interest to the Unit holders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	In terms of Clause 14.3, Clause no. 10.1 & Clause no. 14.3.1 of SEBI Master Circular dated May 19, 2023, the unclaimed redemption amount and IDCW amounts (the funds) may be deployed by the Mutual Fund in money market instruments and separate plan of Overnight scheme / liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts only, provided that such schemes where the unclaimed redemption and IDCW amounts are deployed shall be only those Overnight Scheme/ Liquid Scheme / Money Market Mutual Fund Schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix as per Clause no. 17.5 of SEBI Master Circular dated May 19, 2023. Investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along-with the income earned on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. The details of such unclaimed redemption/IDCW amounts are made available to investors upon them providing proper credentials, on website of Mutual Funds and AMFI along with the information on the process of claiming the unclaimed amount and the necessary forms / documents required for the same. Further, the information on unclaimed amount along-with its prevailing value (based on income earned on deployment of such unclaimed amount), will be separately disclosed to investors through the periodic statement of accounts / Consolidated Account Statement sent to the investors. Further, the investment management fee charged by the AMC for managing the said unclaimed amounts shall not exceed 50 basis points.
Disclosure w.r.t investment by minors	* Process for Investments made in the name of a Minor through a Guardian: - 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. - Investors to also note that as ETF units are compulsorily held in dematerialised form, the documentation & process also need to be completed in demat account held by the investor upon minor attaining the status of major. Pursuant to SEBI circular dated May 12, 2023, payment for any investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. For existing folios, the AMCs shall insist upon a change of pay-out bank mandate before redemption is processed. - Investors are also requested to note that the process of transmission of units shall be in line with Clause 17.6 of SEBI Master Circular dated May 19, 2023 and guidelines issued by SEBI in this regard from time to time. For any transmission related requests, the investors are advised to approach their respective depository participant.
Ongoing Offer Period This is the date from which the Scheme will reopen for Subscription / Redemption after the closure of the NFO period.	The Continuous Offer for the Scheme commenced from July 16, 2003
Ongoing Price for Subscription by Investors.	A. Directly with the Fund Units of the Scheme in less than Creation Unit cannot be Purchased directly with the Fund. 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. The number of Units of the Scheme that Investors can create is 2,500 Units and in multiples 1 (one) unit thereof. 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). The requisite Application Form for Purchase of Units of the Scheme in minimum Unit size is available at the office of the AMC and Registrar. The amount payable will be the NAV per Unit of the Scheme as at the close of previous Working Day multiplied by the number of Units applied for. After the cheque is cleared and application is found to be complete in all respects, the number of Units applied for will be credited to the Depository Participant account of applicant within 3 Working Days from the date of clearance of the funds. Units so allotted will be entitled to IDCWs, if any, declared by the Fund from the date of allotment itself. Creation of Units in such Scheme will be done only after full sighting of cash / portfolio deposit in such Scheme accounts. B. On the Exchange As the Units of the Scheme are listed on NSE, an Investor can buy Units on continuous basis on the capital market segment of NSE during trading hours like any other publicly traded stock at prices which may be close to the actual NAV of the Scheme. There is no minimum investment, although Units are Purchased in round lots of 1 Unit.
Ongoing Price for Redemption by Investors.	A. Directly with the Fund Units of the Scheme in less than Creation Unit cannot be Redeemed directly with the Fund. 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. The number of Units of the Scheme that Investors can Redeem is 2,500 Units and in multiples of 0.001 Units thereof. The Redemption request can be made in pre-printed Redemption form. The Unit-holder can submit the Redemption request to the office of the AMC by sending Redemption request and transferring the Units of the Scheme to Redemption demat account of the Scheme. 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). The Applicable NAV for Redemption of Units of the Scheme is NAV per Unit of Nippon India ETF Nifty 1D Rate Liquid BeES at the close of Working Day on which the application is received. The cheque towards Redemption proceeds will be mailed to the Investors within 3 Working Days from the date of Redemption request. Procedure for Redemption in less than Creation Unit size Where there have been no quotes on NSE for five trading days consecutively, an Investor can sell directly to the Fund Units of the Scheme for less than Creation Unit size, with an Exit Load as detailed under Section IV (D) (Load Structure) of this SID. Investor other than Authorised Participants/ Market Makers /Large investors can directly approach AMC for transaction of up to INR 25 Cr for redemption in less than creation unit size and no exit load shall be charged for redemption of units if - 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 - 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 incase if any of the above mentioned scenario arises the same shall be disclosed on the website of Nippon India Mutual Fund i.e. mf.nipponindiaim.com /etf.nipponindiaim.com B. On the Exchange 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.
Ongoing Subscription / Redemption of Nippon India ETF Nifty 1D Rate Liquid BeES on stock exchange	In addition to direct subscription and redemption as outlined above, for the benefit of investors buying and selling units of the Scheme on NSE, the Fund will endeavour to provide liquidity directly on the trading system of NSE where the units are listed. This liquidity may be provided by the Fund by giving two-way quotes on the NSE. All costs directly attributable to trading of units on the exchanges such as exchange turnover

	charges, stamp duty on contract, brokerage costs etc. will be added/deducted from the NAV. All trades executed on NSE on the above account will be directly settled by Custodian. While a net buy position in units on a trading day would be treated as an application for redemption, a net sell position in units would be treated as an application for subscription. Accordingly, in case of a net sell position in units, the Fund will arrange to issue additional units through depositories. All profits made as a result of the above activity will remain in the Scheme for the benefit of the investors. However, in the unlikely event of the above activity resulting in a loss, the entire loss will be borne by the AMC. However, it is not binding on the Fund to give two-way quotes on the Exchange.
Settlement of Purchase / sale of the Units of Scheme on the NSE	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. 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. 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.
Rolling Settlement	Securities and Exchange Board of India (SEBI), on September 07, 2021, permitted Stock exchanges to introduce T+1 settlement cycle from January 01, 2022 on any of the securities available in the equity segment. Effective from January 27, 2023 all securities transitioned to T+1 rolling settlement in phased manner. 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.
Suspension of sale and Redemption of Units	Please refer SAI for further details in this regard.
Settlement of Purchase / sale of the Units of Scheme on the NSE	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. 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. 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.

Rolling Settlement	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. Further, Securities and Exchange Board of India (SEBI), on September 07, 2021, permitted Stock exchanges to introduce T+1 settlement cycle from January 01, 2022 on any of the securities available in the equity segment. Effective from January 27, 2023 all securities transitioned to T+1 rolling settlement in phased manner. 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.
Facility for Redemption of Fractional Units of the Scheme	The Scheme declares daily IDCW and the same is compulsorily reinvested in the Scheme on daily basis. The Units arising out of Reinvestment of Income Distribution cum capital withdrawal result into fractional Units. The Reinvestment of Income Distribution cum capital withdrawal Units are uploaded upto three decimals periodically in the beneficiary account of the Unit holder held with the Depository. As the minimum trading lot on NSE is 1 (One) Unit, the fractional Units of the Scheme cannot be traded on NSE. In order to provide an exit option to Investors who are holding fractional Units of the Scheme in their demat account, the Scheme will offer a buy back facility which investors can avail by redeeming the fractional holding from their Demat either by transferring the fractional unit via off market to Scheme's Demat account or by generating Repurchase Request through his Demat service provider. The detailed process for redemption of fractional unit to avail the buy back facility is available on our website mf.nipponindiaim.com / etf.nipponindiaim.com In addition to this Investors may also avail the facility of redeeming fractional unit through NSE NMF II and BSE StAR MF platform. The minimum and maximum number of unit allowed for redemption are 0.001 unit and 0.999 unit respectively. Investor should note that the facility for buy back is only for fractional Unit. Units in lot of 1 or in multiples of 1 should be sold on the Exchange only.

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

Half yearly Disclosures: Portfolio / Financial Results This is a list of Securities where the corpus of the Scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.	Half Yearly disclosure of Un-Audited Financials for the Schemes of NIMF: Before expiry of one month from the close of each half year i.e. on March 31 or September 30, the Fund shall host a soft copy of half – yearly unaudited financial results on the website of the NIMF i.e. mf.nipponindiaim.com and that of AMFI www.amfiindia.com. A notice advertisement communicating the investors that the financial results shall be hosted on the website shall be published in one national English daily newspaper and in a newspaper in the language of the region where the Head Office of the fund is situated. Please refer to the below link for Half Yearly disclosure of Un-Audited Financials: https://mf.nipponindiaim.com/investor-service/downloads/annual-half-yearly-reports https://mf.nipponindiaim.com/investor-service/quick-links/notice-addendum
Half Yearly disclosure of Scheme's Portfolio:	The fund shall disclose the scheme's portfolio in the prescribed format as on the last day of the Half year for all the Schemes of NIMF on or before the tenth day of the succeeding month or within such timelines and manner as prescribed by SEBI from time to time on the NIMF Website i.e. mf.nipponindiaim.com/ Etf.nipponindiaim.com and AMFI site www.amfiindia.com 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. AMC will provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder. The portfolio statement will also be placed on the website of the Mutual Fund mf.nipponindiaim.com / Etf.nipponindiaim.com and a link will be provided on www.amfiindia.com. Please refer to the below link for Half Yearly disclosure of Un-Audited Financials: https://mf.nipponindiaim.com/investor-service/downloads/annual-half-yearly-reports https://mf.nipponindiaim.com/investor-service/quick-links/notice-addendum

Monthly Portfolio Disclosures: This is a list of Securities where the corpus of the Scheme is currently invested. The market value of these investments is also stated in the portfolio disclosures.	The fund shall disclose the scheme's monthly portfolio in the prescribed format as on the last day of the month for all the Schemes of NIMF on or before the tenth day of the succeeding month or within such timelines and manner as prescribed by SEBI from time to time on the NIMF Website i.e. mf.nipponindiaim.com and AMFI site www.amfiindia.com The fund shall disclose the scheme's portfolio on fortnightly basis within 5 days of every fortnight in the prescribed format for all the debt Schemes of NIMF or within such timelines and manner as prescribed by SEBI from time to time on the NIMF Website i.e. mf.nipponindiaim.com and AMFI site www.amfiindia.com. The same shall be send via email to the unitholders whose email addresses are registered with AMC/Mutual Fund. 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. AMC will provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder. Refer below link for latest monthly portfolio of the Scheme: https://www.amfiindia.com/investor-corner/online-center/portfoliodisclosure https://mf.nipponindiaim.com/investor-service/downloads/factsheet-and-other-portfolio-disclosures
Annual Report	The scheme wise annual report shall be hosted on the website of the AMC and on the website of the AMFI soon as may be possible but not later than four months from the date of closure of the relevant accounting year. The AMC shall publish an advertisement every year in all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the scheme wise annual report on the website of the AMC. 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. 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. 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. Please refer to the below link for scheme annual report or abridged summary https://mf.nipponindiaim.com/investor-service/downloads/annual-half-yearly-reports https://www.amfiindia.com/investor-corner/online-center/schemewisereport https://mf.nipponindiaim.com/investor-service/quick-links/notice-addendum
Monthly & Annual Disclosure of Riskometer	In accordance with Clause 17.4 of SEBI Master circular dated May 19, 2023. The Risk-o-meter shall have following six levels of risk: i. Low Risk ii. Low to Moderate Risk iii. Moderate Risk iv. Moderately High Risk v. High Risk and vi. Very High Risk The evaluation of risk levels of a scheme shall be done in accordance with the aforesaid circular. 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. 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. Additionally, NIMF shall disclose the risk level of all schemes as on March 31 of every year, along with number of times the risk level has changed over the year, on its website and AMFI website

Disclosure of Benchmark Riskometer	Pursuant to Clause 5.16 of SEBI Master Circular dated May 19, 2023, the AMC shall disclose risk-o-meter of the scheme and benchmark in all disclosures including promotional material or that stipulated by SEBI wherever the performance of the scheme vis-à-vis that of the benchmark is disclosed to the investors in which the unit holders are invested as on the date of such disclosure
Disclosure of Potential Risk Class (PRC) Matrix	Pursuant to Clause 17.5 of SEBI Master Circular dated May 19, 2023, the AMC shall disclose PRC Matrix for the scheme on front page of initial offering application form, Scheme Information Document (SID), Key Information Memorandum (KIM), Common Application Form and Scheme Advertisements.
Disclosure norms for ETFs / Index Funds	On a monthly basis, the fund shall disclose name and exposure to top 7 stocks, top 7 groups & top 4 sectors as a percentage of NAV of the scheme. Further, any change in constituents of the benchmark index, shall be disclosed on the AMC website mf.nipponindiaim.com/ etf.nipponindiaim.com.
Scheme Summary Document	The AMC has provided on its website a standalone scheme document for all the Schemes which contains all the details of the Scheme viz. Scheme features, Fund Manager details, investment details, investment objective, expense ratios, portfolio details, etc.
Disclosures with respect to Tracking Error and Tracking Difference	Tracking Error (TE): The AMC shall disclose tracking error based on past one year rolling data, on a daily basis, on the website of AMC and AMFI. Tracking Difference (TD): On completion of 1 year, the tracking difference scheme shall be disclosed on the website of the AMC and AMFI on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.

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

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

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

- (b) The NAV of the Scheme will be calculated and declared by the Fund on every Working Day. The information on NAV may be obtained by the Unitholders, on any business day from the office of the AMC / the office of the Registrar in Hyderabad or any of the other Designated Investor Service Centres. Investors may also obtain information on the purchase /sale price for a given day on any Working Day from the office of the AMC / the office of the Registrar in Hyderabad/ any of the other Designated Investor Service Centres. Investors may also note that Nippon India Mutual Fund shall service its customers through the call center from Monday to Saturday between 8.00 am to 9.00 pm. However, 24x7 facility shall be available for addressing the queries through interactive voice response (IVR). 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. 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. mf.nipponindiaim.com and AMFI website www.amfiindia.com
The AMC shall communicate disclosure of Portfolio on a half-yearly basis to the Unit holders as may be prescribed under the Regulations from time to time.
- (f) In case of unitholders whose e-mail addresses are registered, the Mutual Funds/ AMCs shall send via email both the monthly and half-yearly statement of scheme portfolio within 10 days from the close of each month/ half-year respectively.
- (g) Since the scheme is listed on the exchange the listed price on respective stock exchange shall be applicable.

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

Transaction charges

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

Stamp duty charges

Pursuant to Notification No. S.O. 1226(E) and G.S.R. 226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Clause no. 10.1 of SEBI Master Circular dated May 19, 2023, a stamp duty @ 0.005% of the transaction value would be levied on applicable mutual fund transactions, with effect from July 01, 2020.

For details please refer SAI.

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

F. Taxation for Other than Equity Oriented Schemes

	Resident Investors	Non-Resident Investors
Tax on Income Distribution	As per applicable rates	As per applicable rates
Long Term Capital Gain*		
Listed Units	20% with Indexation**	20% with Indexation**
Unlisted Units	20% with Indexation**	10% without Indexation
Short Term Capital Gain	As per applicable rates	As per applicable rates
* Investment made in Specified Mutual Fund Scheme on or before March 31, 2023. **The Finance Act 2023 has removed indexation benefit on long term capital gain for the investment made in specified mutual fund schemes with effect from 1 April 2023. In such a case, any capital gains would be considered as short term in nature and taxed as per applicable tax rate slab of the investor irrespective of the holding period. This provision is applicable for any investments made on or after 1st April 2023. Specified Mutual Fund" means a Mutual Fund scheme which does not invest more than 35% in equity shares of domestic companies. 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>