

Nippon India Short Term

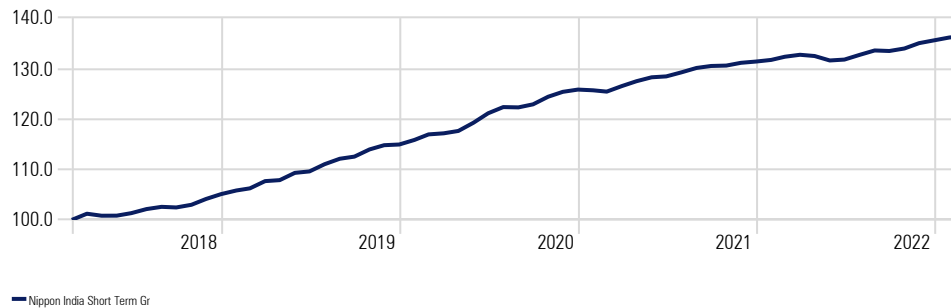


Key Information

Morningstar Category	India Fund Short Duration
Fund Size (INR bn)	51.5
Inception Date	12/18/2002
Annual Report Net Expense Ratio	1.14
Morningstar Rating Overall	★★★★
Manager Name	Multiple
Minimum Investment	100
Morningstar Analyst Rating	Neutral

Investment Growth

Time Period: 3/1/2018 to 2/28/2023



■ Nippon India Short Term Gr

Investment Strategy

The fund house has seen restructuring in the fixed-income team. The strategy was in capable hands of Prashant Pimple, an experienced portfolio manager. He was a sole manager until Vivek Sharma started comanaging in February 2020. However, Pimple exited the fund house in March 2021, and Sushil Budhia replaced him to take the lead on this fund. Budhia is a seasoned portfolio manager, and Sharma has spent the previous 10 years with the fund company as a credit analyst and later handling liquid funds, but neither has relevant long-term experience in managing similar strategies.

Economic, credit, and liquidity analysis form the pillars of the investment process. The strategy is research-intensive and relies mainly on fundamental research. The call on duration is taken by studying the macro scenario. The investment team incorporates the views of key external economists and in-house economists on factors such as GDP growth, inflation, fiscal deficits, and trends in government borrowing, which are important for managing this fund. For credit analysis, the investment team focuses on the business, management, financial health, and promoter group. It also uses the analysis of sell-side research and credit rating agencies to form a view on companies' creditworthiness. With Nippon's vast experience in the international market, the management team has been working over the past three years and has further enhanced the process. It has taken incremental measures to ensure adherence to its investment mandate. The firm has predefined templates for the duration and credit risk that funds can take based on their mandate. These ranges become the boundaries within which a manager operates. Periodic reviews are done based on the quality of the credit to determine whether a change in position is required.

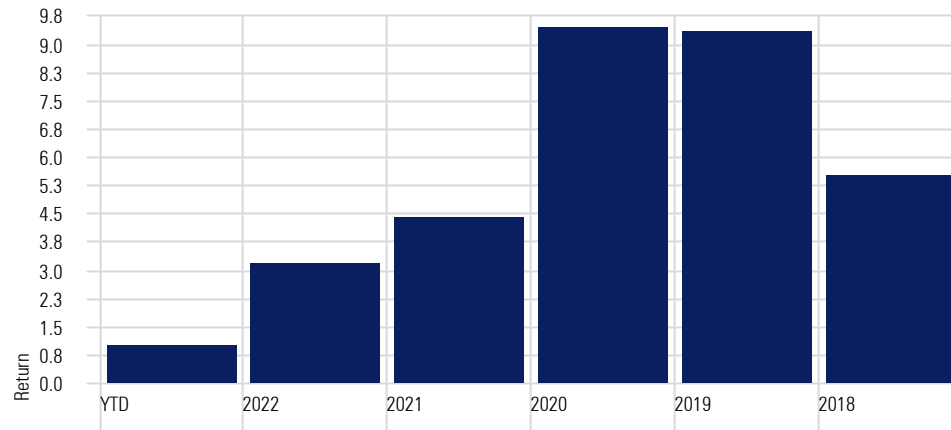
The fund maintain a strategic allocation of 70% to 80% that reflects a medium-term view, while the remaining 20% to 30% of the portfolio is managed tactically to take advantage of any short-term movement in rates. On the tactical front, the managers invest in government securities/state development loans based on short-term market movements and ensure the maturity of the papers are below 5 years. The portfolio managers typically invest 10% to 20% in below AAA rated assets to enhance portfolio yield and invests in companies that have strong management teams with proven track records, strong financial strength of the promoter group, and good corporate governance standards. They also ensure not to invest in below AA rated bonds. This strategy provides protection from volatility, and hence the fund's portfolio risk remains relatively lower than its peers'.

Trailing Returns

Data Point: Return

	YTD	1 Year	3 Years	5 Years	10 Years
Nippon India Short Term Gr	0.99	3.43	5.54	6.34	7.32

Returns



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Morningstar Style Box - Nippon India Short Term Gr

Morningstar Fixed Income Style Box™			Fixed-Income Stats	
	Ltd	Mod	Ext	
High	■			Average Eff Duration Survey
				Average Eff Maturity Survey
				Average Coupon
Med				Average Price
Low				

Top Holdings - Nippon India Short Term Gr

Portfolio Date: 2/28/2023

	Position Market Value (bn)	Portfolio Weighting %
7.38 6/20/2027 12:00:00 Am	4.5	8.73
7.1 4/18/2029 12:00:00 Am	2.2	4.30
India Grid TRust	2.1	4.03
Small Industries Development Bank Of India	1.5	2.90
Power Grid Corporation Of India Limited	1.5	2.90
National Bank For Agriculture And Rural Development	1.5	2.88
Bharti Telecom Limited	1.4	2.73
HDB Financial Services 8.04%	1.2	2.42
LIC Housing Finance Limited	1.2	2.41
National Bank For Agriculture And Rural Development	1.2	2.41