

Nippon India Growth Fund

Fund Snapshot

Morningstar Category	India Fund Mid-Cap
Fund Size (INR bn)	152
Inception Date	10/8/1995
Annual Report Net Expense Ratio	1.89
Morningstar Rating Overall	★★★
Manager Name	Multiple
Minimum Investment (INR)	100
Morningstar Medalist Rating	Neutral

Manager Biography & Fund Strategy

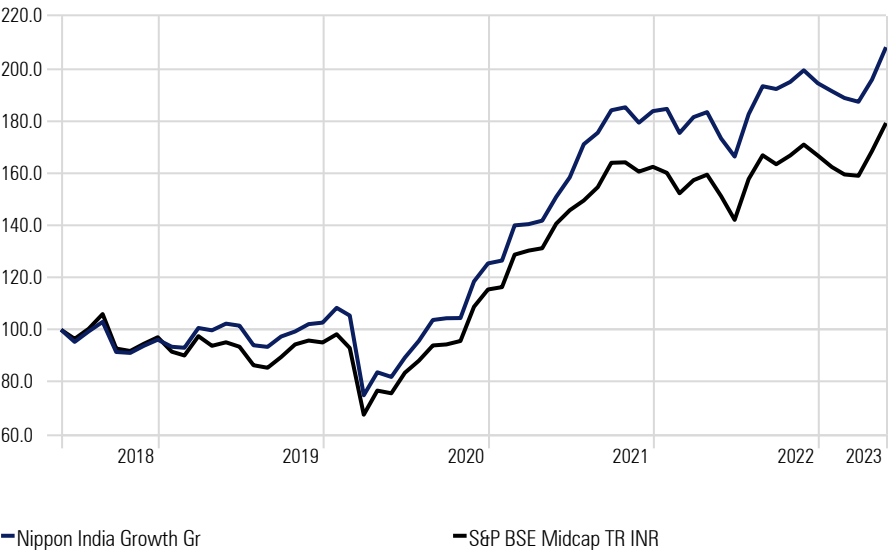
Nippon India Growth was reinvented under former manager Manish Gunwani to emerge as one of the better-managed strategies from the mid-cap category. After being run with a rather incoherent investment approach for a long time, Gunwani got the fund back its true mid-cap identity. Gunwani managed this fund from Sept. 16, 2017 until his exit on Dec 31, 2022. It is now managed by Rupesh Patel. He joined Nippon India Mutual Fund on June 15, 2021. He is an experienced manager and has been managing funds since 2012.

The investment team has taken measures to improvise its research and stock selection processes. The team has introduced a very detailed methodology for all funds based on an internal risk matrix. Under this, every stock in the team's coverage is assigned a four-level risk rating. Risk in a stock is measured on a six-factor framework, which includes balance-sheet leverage, management efficiency, management capital allocation, normalised return on equity of business, the EBITDA to operating cash flow convergence and corporate governance. Based on this, every stock is assigned one of the four risk ratings, and there is a cap on how much exposure a fund can have in stocks from each risk rating. This is to ensure that the funds are not exposed to unwarranted risk. The improvement measures are well thought-off and has provided more teeth to the stock selection process. Under Manish Gunwani, the investment process was a typical growth-oriented one, whereas Patel is more valuation conscious. But like Gunwani, Rupesh Patel also prefers investing in companies that have strong business models, better execution, strong entry barriers, and the ability to keep gaining market share without eroding profit margins. The strategy also has few embedded risk management measures. For instance, the manager avoids taking very big macro bets away from the benchmark. Also, he avoids taking large single stock exposure. While the risks associated with mid-cap investing cannot be eliminated, these measures do address them to a large extent.

Patel plies a bottom-up style to investing in stocks and assigns his stock selections in three distinct buckets. The first bucket would be the core of the portfolio which will have compounding characteristics. These are the businesses which the manager buys from the long-term perspective. The second bucket has stocks where there is some kind of temporary hit on the performance or fundamentals of the company. The third bucket comprises companies that have some optionality that could provide strong upside. The second and third buckets form the satellite portion of the portfolio.

Investment Growth

Time Period: 6/1/2018 to 5/31/2023



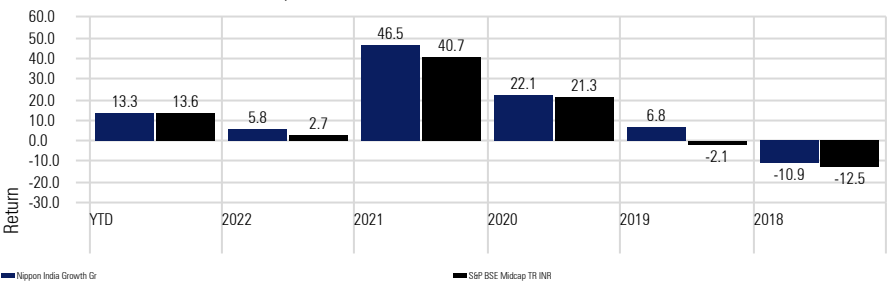
Trailing Returns

Data Point: Return Calculation Benchmark: S&P BSE Midcap TR INR

	YTD	1 Year	3 Years	5 Years	10 Years
Nippon India Growth Gr	13.27	30.97	34.48	18.56	18.99
S&P BSE Midcap TR INR	13.56	31.35	30.68	14.83	18.40

Calendar Year Returns

Calculation Benchmark: S&P BSE Midcap TR INR



Top Holdings

Portfolio Date: 5/31/2023

	Equity Style Box	Position Market Value (mil)	Portfolio Weighting %
AU Small Finance Bank Ltd		5,776.86	3.81
Cholamandalam Financial Holdings Ltd Shs Dematerialised		5,571.05	3.67
Varun Beverages Ltd		4,744.46	3.13
Power Finance Corp Ltd		4,343.92	2.86
Persistent Systems Ltd		3,634.52	2.40
Mahindra & Mahindra Financial Services Ltd		3,553.75	2.34
Max Financial Services Ltd		3,517.38	2.32
Dalmia Bharat Ltd		3,482.62	2.30
Supreme Industries Ltd		3,328.50	2.19
Devyani International Ltd		3,063.61	2.02

Equity Sectors

Portfolio Date: 5/31/2023

