

# Nippon India Innovation Fund

(An open-ended equity scheme investing in innovation theme)

**NFO opens on: 9th August 2023 | NFO closes on: 23rd August 2023**

Contact your Mutual Fund Distributor | Visit : [mf.nipponindiaim.com](http://mf.nipponindiaim.com)  
Customer Care : 1860 266 0111#,  
91-22-69259696# (For investors outside India)

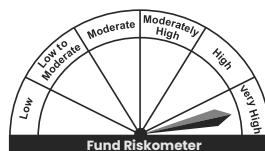
#Charges applicable.

## Product Label

### This product is suitable for investors who are seeking\*

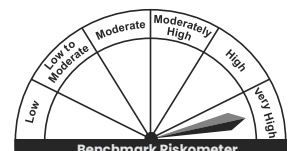
- Long term capital growth.
  - Investment in equity and equity related securities of companies adopting Innovation theme.
- \*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

Nippon India Innovation Fund



Investors understand that their principal will be at Very High risk

Nifty 500 TRI

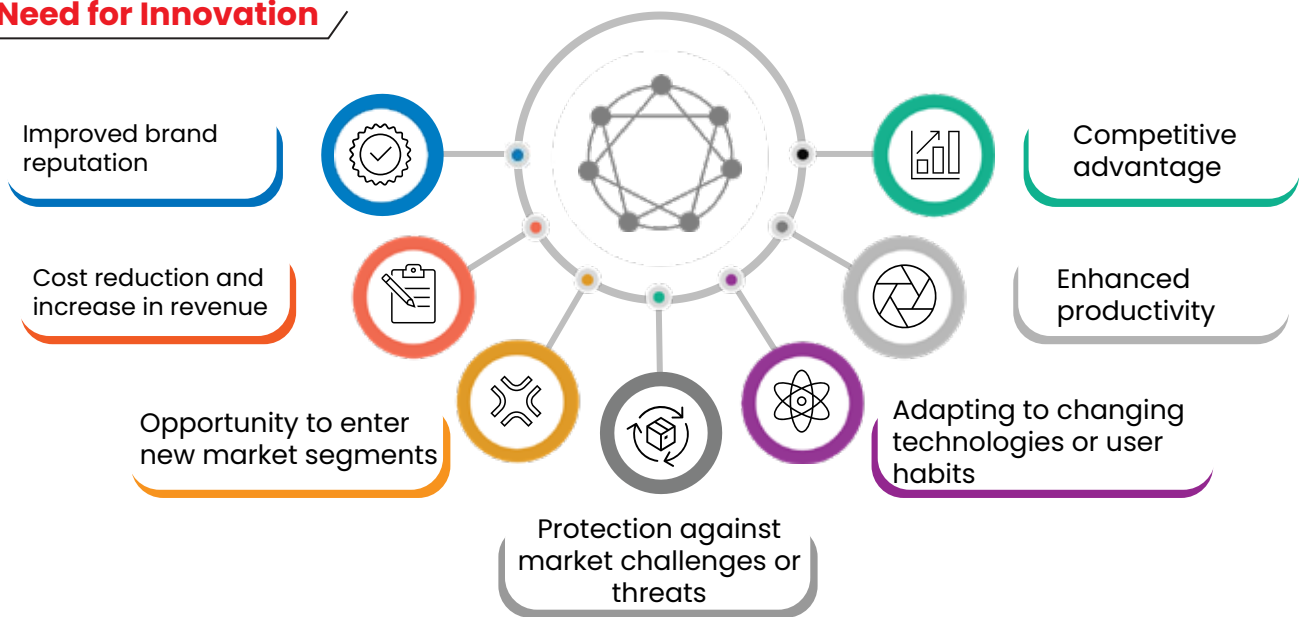


Benchmark Riskometer is at Very High risk

The product labelling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

## Need for Innovation



## Innovative companies have the potential to become wealth creators

A study by BCG shows that 50 most Innovative Companies outperformed MSCI World Index by 17%.

BCG: Boston Consulting Group. Data for 2020.

### Global case studies of Innovation and Wealth Creation journey

Grown ~15 times in last 10 years\*

**Online Streaming giant**

Online DVD rental store



Online streaming service + Content production



Grown ~36 times in last 10 years\*

**Global automotive and clean energy company**



**Pioneered electric car manufacturing**



**New features such as Autopilot, a self-driving system, etc**

Inhouse production of car batteries to reduce cost

**Note:** Details mentioned above are for information purpose only. Past performance may or may not be sustained in future

\*Data as on June 2023

## Types of innovation

**Product/Service Innovation**

Development of new and improved products and services

**Process Innovation**

Changes in operational procedures or tools

**Business Innovation**

A company's transformation of its role in the market



## Examples:

### 1 Product/Service Innovation

One of the leading financial services company created first of its kind lending model focused on consumer loans



No cost EMI



Quick loan disbursement



Small ticket loans

### 2 Process Innovation

A specialty chemicals company with track record of strategic process innovation through consistent R&D (Research & Development)

Catalysts developed in-house used across process developments

Distinguished processes

### 3 Business Innovation

A restaurant reviews platform transformed its business model to become one of the leading food services online platform

B2C

(Business-to-Consumer)



Dining out



Delivery



B2B

(Business-to-Business)



Customer loyalty program

## Characteristics of Innovative Companies

- ☑ Relatively higher revenue growth than the industry combined with small market share in a large industry
- ☑ Large market share in a new industry with significant growth potential
- ☑ High gross margins giving capability of high R&D investments
- ☑ Access to global technology or partners
- ☑ Access to global capital



## Presenting Nippon India Innovation Fund

Differentiated offering focusing on innovators across sectors

## Investment Strategy

- ☑ Investment Universe: Top 500 stocks as per market capitalization
- ☑ Min 80% of investment will be in Innovative Companies
- ☑ Flexibility to invest across market caps
- ☑ Investment across sectors
- ☑ Focus on High Quality businesses\*
- ☑ Growth bias
- ☑ Focus on companies taking advantage of early trends



## How do we identify innovative companies



Proven history of investing in next generation technology/platforms to disrupt businesses



Proven history of product/ process/ service/ technological or business model innovation



Companies in an industry going through a technological change forcing most participants to change



Business disruptors like e commerce, fintech, platforms renewable energy, electric vehicles etc



Companies forming a part of digital economy or gaining market share through digital economy



Companies using data to gain significant network effect and scale



Companies creating virtuous cycle of scale, profitability and market value to invest more in new technologies/new products cross sale

## Key Next generation innovation themes driving shifts across various sectors.

- Decarbonization
- Energy Transition- Move towards EV and Hydrogen
- Artificial Intelligence
- Biotechnology

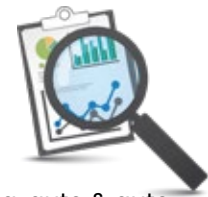


- IoT based business platforms
- Software as a service
- Manufacturing - New trains, electronics manufacturing, biotechnology, specialty chemicals etc
- Power distribution & transmission

EV: Electric vehicle, IoT: Internet of Things

## Scheme Differentiation

- Higher active share
- Focus on High Quality Businesses\*
- Concentrated portfolio
- Presence of some traditional sectors might be limited
- Significant focus on innovation across themes like fintech, specialty chemicals & pharma, auto & auto ancillaries, internet based businesses, MNCs etc



\*Businesses with lower leverage and higher profitability

**Note:**The sectors mentioned are not a recommendation to buy/sell in the said sectors. The scheme may or may not have future position in the said sectors.

This is current investment strategy based on the prevailing market conditions and is subject to change within the limits of the SID basis the fund manager's view.

## Scheme Features

<b>Benchmark</b>	Nifty 500 TRI
<b>Minimum Application Amount</b>	Rs. 500 & in multiples of Re. 1 thereafter
<b>Plans &amp; Options</b>	(a) Growth Plan - Growth Option (b) Income Distribution cum capital withdrawal Plan - Payout Option & Reinvestment Option
<b>Exit Load</b>	1% if redeemed or switched out on or before completion of 1 year from the date of allotment of units. Nil, thereafter

**Disclaimer:** The information herein above is meant only for general reading purposes and the views being expressed only constitute opinions and therefore cannot be considered as guidelines, recommendations or as a professional guide for the readers. The document has been prepared on the basis of publicly available information, internally developed data and other sources believed to be reliable. The sponsors, the Investment Manager, the Trustee or any of their directors, employees, Associates or representatives ('entities & their Associate') do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information. Recipients of this information are advised to rely on their own analysis, interpretations & investigations. Readers are also advised to seek independent professional advice in order to arrive at an informed investment decision. Entities & their associates including persons involved in the preparation or issuance of this material, shall not be liable in any way for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including on account of lost profits arising from the information contained in this material. Recipient alone shall be fully responsible for any decision taken on the basis of this document.

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**