

Nippon India Income Plus Arbitrage Active Fund of Fund

A fund that tends to provide twin benefits of



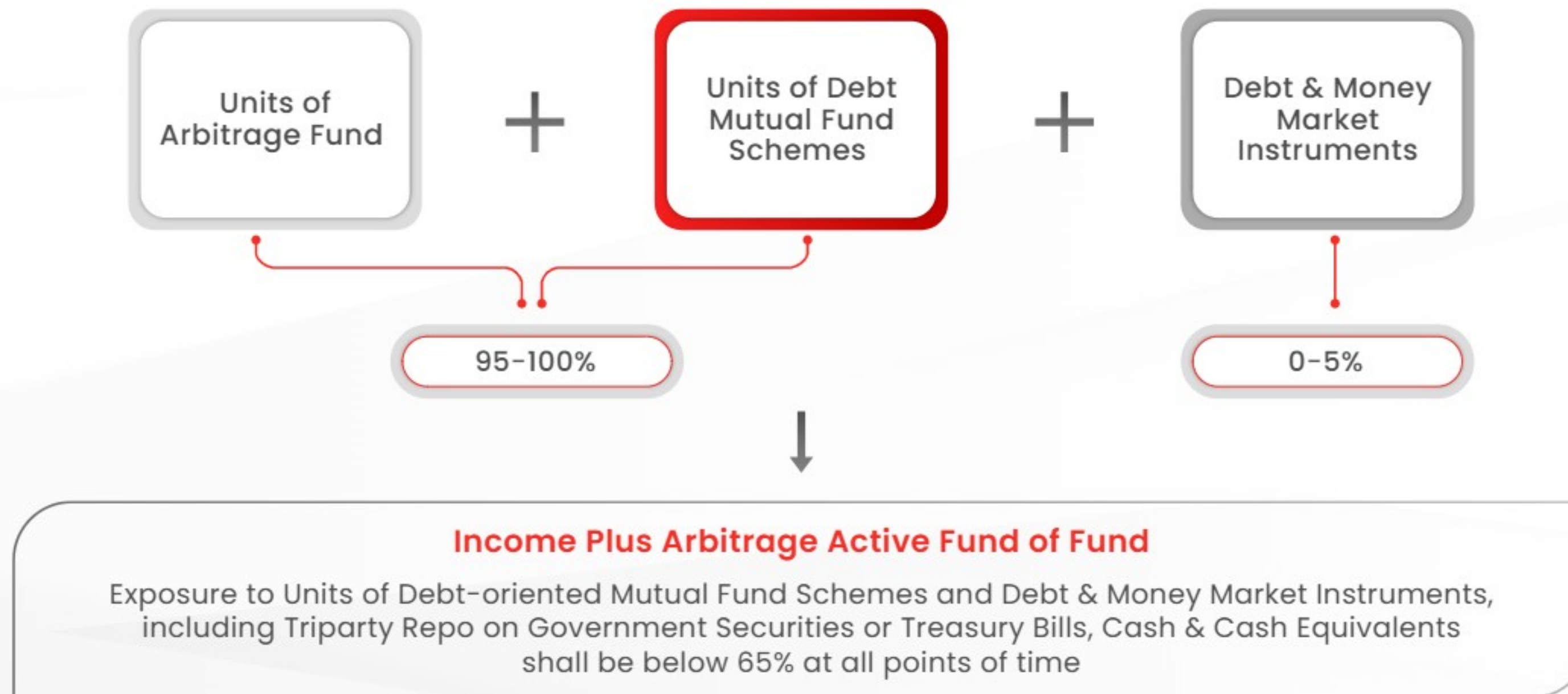
Relatively better risk-adjusted returns



Tax efficiency



INCOME PLUS ARBITRAGE ACTIVE FUND OF FUND



A blend of Debt and Arbitrage Funds that endeavors to offer potential benefits of Arbitrage Funds and Debt Funds with better tax efficiency compared to an only Debt strategy

TAX EFFICIENCY OF FOF INVESTING < 65% IN DEBT MUTUAL FUND

For Units redeemed on or after April 01, 2025		
Particulars	Holding Period	Tax Rate
Mutual Fund with > 65% in Debt and Money Market Instruments; or Fund of Funds which invests > 65% in units of Debt Mutual Fund Schemes and Debt and Money Market Instruments	Always STCG	Applicable Slab Rate
Fund of Funds which invest < 65% in units of Debt Mutual Fund Schemes and Debt and Money Market Instruments	<24 Months	Slab Rate
	>24 months	12.50%

The information provided above is for informational & understanding purposes only and does not constitute professional tax advice. While we strive for the accuracy and completeness of the information provided, we make no guarantees as to its accuracy or applicability to your specific situation. Tax laws and regulations are subject to change. Nippon India Mutual Fund AMC or its employees shall not be responsible for any loss suffered by any investor as a result of the said information. Investors should consult their tax advisor before making any decision. Tax rates excluding cess and surcharge, if applicable.

PRODUCT DIFFERENTIATION

Features	Debt Funds	Arbitrage Funds	Income Plus Arbitrage Active FoF
Asset Allocation	Limited to Debt allocation Only	Hedged Equity allocation is >65%	Mix of Debt-oriented Schemes & Arbitrage Scheme
Key Factors In Fund Selection	Investor Takes fund selection Call		Fund Manager Takes The fund selection Call
Taxation On Switch	Switching between schemes triggers taxation each time for investors		No tax liability on the scheme due to rebalancing of underlying scheme
Return Profile	Range bound with low volatility	Contingent on prevailing Arbitrage spreads in the equity market	The debt portion endeavours to generate relatively better risk-adjusted returns, while the arbitrage component seeks to capture equity market spreads
Tax Rate %	Applicable Slab Rate	STCG (<12 months): 20%	STCG (<24 months): Slab Rate
		LTCG (>12 months): 12.5%	LTCG (>24 months): 12.5%

BENCHMARK RETURNS BACK TESTED

2 years Daily Rolling Returns from April 1st, 2015 to March 31st, 2025

2 years Rolling Returns Pre Tax CAGR %			
	CRISIL Short Term Bond Fund Index	Nifty 50 Arbitrage Index	60% CRISIL Short Term Bond Index + 40% Nifty 50 Arbitrage Index
Average	7.59	5.69	6.83
Min	3.74	2.84	3.78
Max	10.65	9.00	9.86

2 years Rolling Returns Post Tax CAGR %			
	CRISIL Short Term Bond Fund Index [@]	Nifty 50 Arbitrage Index [*]	60% CRISIL Short Term Bond Index + 40% Nifty 50 Arbitrage Index [*]
Average	5.31	4.98	5.98
Min	2.62	2.48	3.31
Max	7.45	7.88	8.63

The above simulation is done using the back-tested data and is for illustration purposes only. The same is not to be construed as return guidance in any manner whatsoever. Past performance may or may not be sustained in the future.

^{*}Post tax return assuming that the units have been held for more than 2 years @ 12.5%.

[@]Capital gains will always be short term, irrespective of the holding period, as it is a Specified Mutual Fund, assuming tax rate of 30%. The illustration does not consider cess and surcharge.

Source: ICRA ,AMFI



Nippon India Mutual Fund

Wealth sets you free


TAX BENEFIT ILLUSTRATION

LTCG - 12.5% for Fund of Funds with Debt allocation < 65%

Mutual Fund		
Type	Specified Mutual Fund	Fund of Fund Scheme with < 65% Debt allocation
Taxation	Slab rate	STCG (<24 months): Slab Rate
		LTCG (>24 months): 12.5%
Amount Invested	₹1,00,000	₹1,00,000
Investment Period	Any holding Period \$	>24 months
Assumed CAGR (%)	7%	7%
Market value of Investment	₹1,14,490	₹1,14,490
Capital Gains	₹14,490	₹14,490
Tax Rate	30%	12.50%
Tax on Capital Gains	₹4,347	₹1,811.25
Post Tax Gains	₹10,143	₹12,678.75
Post Tax Value of Investment	₹1,10,143	₹1,12,678.75
Post Tax CAGR %	4.95%	6.15%

CAGR: Compounded Annual Growth Rate. This table is only for illustrative purposes and based on assumption. The above illustration should not be construed to be an investment or tax advice of any nature. Actual results may vary. This example assumes a 30% tax slab and is solely for demonstrating tax calculations and excludes cess and surcharge in tax calculations
 \$ Investment into specified mutual fund scheme always subject to short-term capital asset irrespective of the holding period.

 **SUITABLE FOR**



Investors with a
horizon of at least 2
years striving for
relatively better
risk-adjusted
returns

High Net worth
Individuals looking
to optimise post-tax
returns

Corporates aspiring
tax-efficient
investment avenue



Nippon *india* Mutual Fund

Wealth sets you free

OUR VIEW ON DEBT MARKET

Constructive View on Rates

- ◆ Rates supportive macros
- ◆ Ample liquidity outlook (RBI's guidance)
- ◆ Aggressive Open Market Operation (RBI's assurance)
- ◆ Expectation of further rate cut from the RBI

Overall Duration

- ◆ Long bonds mostly pricing in further rate cut with reasonable fiscal deficit
- ◆ Carry adjusted risk is less attractive than a year back
- ◆ Curve steepening + Carry may outperform outright duration (risk-adjusted)
- ◆ Reduce from peak but above cycle average duration positioning

Corporate Bonds vs G-Secs

- ◆ Corporate bonds spreads have widened due to aggressive OMO, making corporate bonds (<5 yr segment) **absolute levels attractive**
- ◆ Allocation to maintain high exposure (FRF)/shift from G-sec's towards corporate Bonds (BPSU/CBF) as spreads remain attractive

Corp bonds spreads	2 Yrs. back	1 Yr. back	Current
2-Yr. Spread	55	64	89
3-Yr. Spread	48	64	88
5-Yr. Spread	38	60	83
10-Yr. Spread	40	44	64

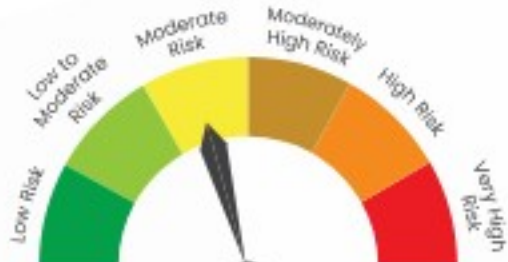



Particulars	Nippon India Income Plus Arbitrage Active Fund of Fund
Investment Objective	The primary investment objective of the scheme is to achieve stable returns while navigating market volatilities for its investors. This objective will be pursued by strategically investing in a diversified portfolio of Open-ended Debt-oriented schemes, and units of Arbitrage funds of Nippon India Mutual Fund or any other Mutual Fund(s). There is no assurance that the investment objective of the Scheme will be achieved.
Scheme Type	An Open-ended Hybrid Fund of Fund scheme investing in Debt and Arbitrage Funds.
NFO Period	June 2 nd - June 11 th 2025
Minimum Application Amount	Initial Purchase: ₹500/- and in multiples of Re.1 thereafter Additional Purchase: ₹100/- and in multiples of Re.1 thereafter
Plans	Direct & Regular
Options	Under Each Plan: Growth & Payout of Income Distribution Cum Capital Withdrawal (IDCW) option and Re-investment of IDCW Option
Benchmark	60% CRISIL Short Term Bond Index + 40% Nifty 50 Arbitrage Index
Fund Manager	Mr. Sushil Hari Prasad Budhia, Mr. Rohit Hashmukh Shah
Exit Load	Nil



PRODUCT LABEL AND RISKOMETER

An Open-ended Hybrid Fund of Fund scheme investing in Debt and Arbitrage Funds

Product Label		
This product is suitable for investors who are seeking*: <ul style="list-style-type: none">• Long Term Capital Appreciation• An actively managed Fund of Fund that invests in Debt and Arbitrage Funds <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them</p>	Nippon India Income Plus Arbitrage Active Fund of Fund	60% CRISIL Short Term Bond Index + 40% Nifty 50 Arbitrage Index
	 <p>Fund Riskometer The risk of the scheme is Moderate</p>	 <p>Benchmark Riskometer The risk of the benchmark is Moderate</p>

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.

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

Thank you