

MOTILAL OSWAL  
Mutual Fund

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MOST SHARES

# MIDCAP 100

Easy access to Midcaps;  
through Nifty Midcap 100 Index



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MOTILAL OSWAL MUTUAL FUND

# MOST SHARES MIDCAP 100

(An Open Ended Index Exchange Traded Fund)

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

- Return that corresponds generally to the performance of the NIFTY Midcap 100 index, subject to tracking error.
- Investment in equity securities of NIFTY Midcap 100 index



## Presentation Flow

About NIFTY Midcap 100 Index

Investment Case for NIFTY Midcap 100 Index

Motilal Oswal MOST Shares Midcap 100 ETF  
(MOST Shares Midcap 100):  
The vehicle to invest in NIFTY Midcap 100 Index



**About NIFTY Midcap 100 Index**

# About NIFTY Midcap 100 Index

Launched on July 18, 2005, with a base value of 1000 as of January 1, 2003

Objective: To capture the movement and be the benchmark for the midcap segment of the market

Computation Methodology: Market capitalization weighted method from the launch date till February 25, 2010 and free float market capitalization method w.e.f. February 26, 2010

## Selection Criteria:

- a) Exclude stocks which constitute more than 5% market capitalization of the universe
- b) From the remaining companies, remove all companies contributing to the top 75% market capitalization
- c) Exclude any NIFTY stock still in the list
- d) Select the top 100 companies from the remaining list

Universe: All companies listed on the National Stock Exchange, with a minimum track record of three years of operations, with a positive net worth and listing history of at least 6 months. (Companies coming out with IPO to be eligible after 3 months of listing)



# Investment Case for NIFTY Midcap 100 Index

Indian economy expected to grow at a fast pace

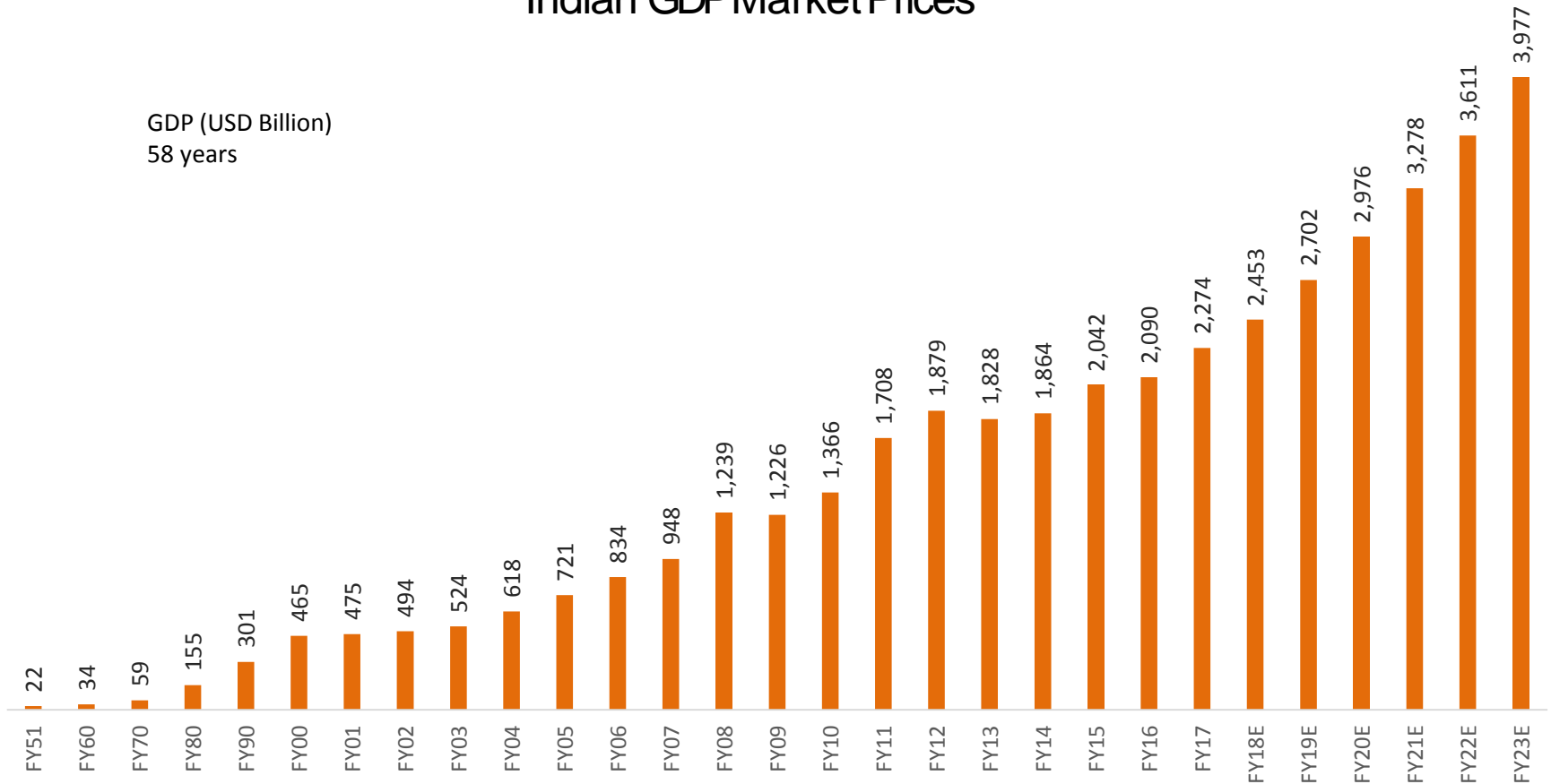
Midcap companies are a leveraged play on India

Midcap companies provide growth and are hidden gems

NIFTY Midcap 100 Index complements large-cap portfolios and provides better portfolio diversification

# India expected to grow at a fast pace

## Indian GDP Market Prices



Source: [statisticstimes.com](http://statisticstimes.com)

Above forward-looking graphs/statements are based on current external views and assumptions and involve known and unknown risks and uncertainties that could cause actual results. Past performance may or may not be sustained in future.



# Midcaps: Leveraged Play on Indian Economy

Midcaps

Only 16% revenues of all companies and 10% of revenues of non-financial sector companies are international or influenced by international factors

Large caps

39% revenues of all companies and 31% of revenues of non-financial sector companies are international or influenced by international factors

NIFTY 50		
Company Name	Weightage in Index (%)	International Exposure
Infosys	5.87	86%
TCS	4.68	94%
Tata Motors	1.18	67%
Sun Pharma.Inds.	1.47	75%
HCL Technologies	1.22	81%
Wipro	0.70	75%
Hindalco Inds.	0.80	79%
Tech Mahindra	0.97	78%
Dr Reddy's Labs	0.64	71%
Lupin	0.51	53%

NIFTY Midcap 100		
Company Name	Weightage in Index (%)	International Exposure
Voltas	1.26	23%
Tata Global Beverages	1.68	54%
Biocon	1.95	70%
Crisil	0.85	68%
Apollo Tyres	0.84	32%
Divi's Lab	1.98	87%
Mphasis	0.76	87%
Mindtree	1.60	90%
Tata Communications	0.54	69%
Wockhardt	0.53	72%

Source : IISL, Bloomberg & Internal Analysis, Data as on June 30, 2018

# Midcaps grow faster than Large-caps & Indian economy

## Observed Growth of Large Caps and Midcaps in India

Nifty 50 (Large Caps)	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	10Yr CAGR
Sales Per Share	1,669.5	1,701.3	1,997.9	2,072.3	2,471.5	2,947.3	3,268.1	3,552.1	4,043.1	3,660.4	3,700.5	8.3%
EBITDA Per Share	326.1	410.4	454.1	499.9	530.7	603.7	663.4	747.6	885.8	815.8	867.1	10.3%
Earnings Per Share	226.4	272.7	260.0	221.2	307.3	335.4	366.2	389.2	427.8	392.5	396.7	5.8%
Dividends Per Share	50.9	51.7	54.3	50.1	72.9	74.8	88.8	94.3	114.7	109.6	120.3	9.0%
PAT Margins	13.5	16.0	12.9	11.4	12.4	11.2	11.0	10.8	10.5	10.4	10.4	
Return on Equity in (%)	28.8	29.4	22.2	16.2	18.4	17.7	16.7	16.4	15.9	14.0	13.3	

Nifty Midcap 100 (Midcaps)	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	10Yr CAGR
Sales Per Share	2,842.5	3,779.8	5,914.3	5,486.0	5,989.1	7,360.5	8,651.8	8,386.8	9,324.6	11,481.7	10,955.4	14.4%
EBITDA Per Share	378.6	540.4	753.9	794.5	925.0	1,108.4	1,261.9	1,264.2	1,563.9	1,750.1	2,244.2	19.5%
Earnings Per Share	250.4	428.1	365.6	511.9	664.7	479.1	526.0	595.7	681.2	460.3	569.6	8.6%
Dividends Per Share	55.1	78.5	91.7	79.4	111.6	132.5	133.2	177.8	194.0	165.9	216.5	14.7%
PAT Margins	8.8	10.8	6.1	9.5	10.9	6.0	5.9	7.0	6.7	4.6	4.9	
Return on Equity in (%)	22.0	22.9	14.5	19.1	18.1	10.5	10.2	11.2	11.4	8.2	7.1	

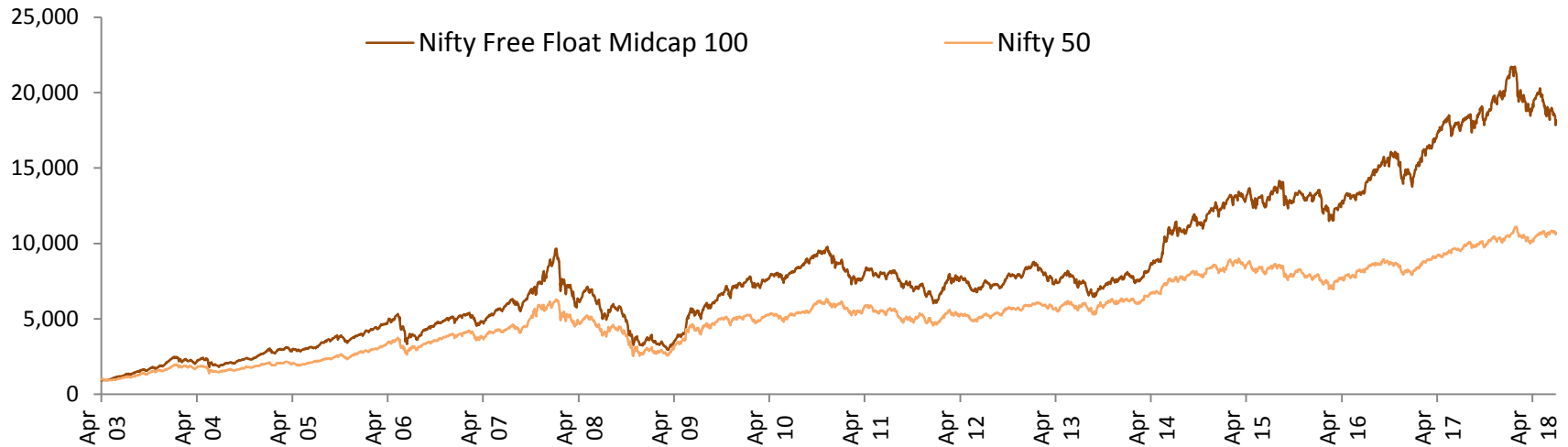
Source : IISL, Bloomberg & Internal Analysis, Data as on December 31, 2017

# NIFTY Midcap 100 Index: Fundamentals and Valuation

Fundamentals	CY 2014	CY 2016	Apr 30, 2017 (Current)	Apr 30, 2018 E (1Yr Forward)	Apr 30, 2019 E (2Yr Forward)	CY14-16 CAGR	2 yr Forward CAGR
Earnings Per Share	681	603	583	1,186	1,285	-5.9%	48.4%
Book Value Per Share	5,788	8,084	8,126	9,901	9,429	18.2%	7.7%
Sales Per Share	9,325	11,323	10,664	14,206	17,039	10.2%	26.4%
EBITDA Per Share	1,564	2,246	2,250	2,519	2,455	19.8%	4.4%
<b>Margin</b>							
EBITDA Margin	16.77	19.84	21.10	17.73	14.41		
PAT Margin	6.72	5.22	5.47	8.35	7.54		
Return on Equity	11.41	7.54	7.40	7.31	10.07		
<b>Valuation</b>							
Price/EPS	18.47	23.79	29.45	14.49	13.37		
Price/Sales	1.35	1.27	1.61	1.21	1.01		
Dividend Yield	10.58	11.95	1.41	1.59	1.60		
EV/EBITDA	12.65	11.46	12.71	11.35	11.65		

Source : Bloomberg & Internal Analysis, Data as on April 30, 2017

# Large Cap vs Midcap Index



Data as on June 30, 2018

Particulars	Nifty 50	Nifty Midcap 100
Value (31 December 2008)	2,959	3,736
Value (30 Jun 2018)	10,714	18,181
Annualized Returns	14.51%	18.13%
Annualized Standard Deviation	18.43%	18.73%
Sharpe Ratio	0.45	0.63
Beta with market	1.00	0.85
Risk Free Return	6.25%	6.25%

Midcaps are more diversified than Large Caps		
Cummulative Weightage in Index	No. of Companies	
	Nifty 50	Nifty Midcap 100
> 25 %	3	11
> 50 %	8	28
> 75 %	21	53

Source : IISL, MOAMC, MIBOR Rate 6.25 %

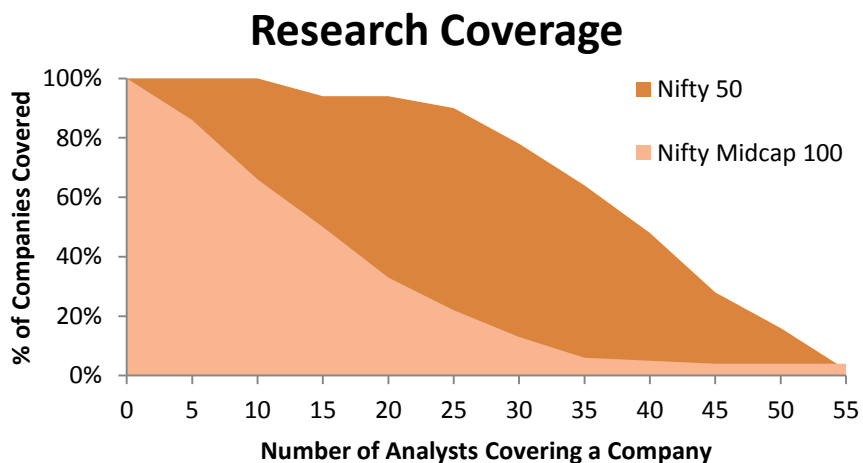
Past performance may or may not be achieved in future.

CAGR: Compounded annual growth rate. Source : IISL, MOAMC, Data as on June 30, 2018. Risk-free returns based on 365 days T bills of 6.25% as on the last auction

# Midcaps: Under Researched and Under Owned

Under Researched: Fewer analysts cover midcap companies

Under Owned: FII and MF ownership levels in midcaps are significantly lower than those in large caps



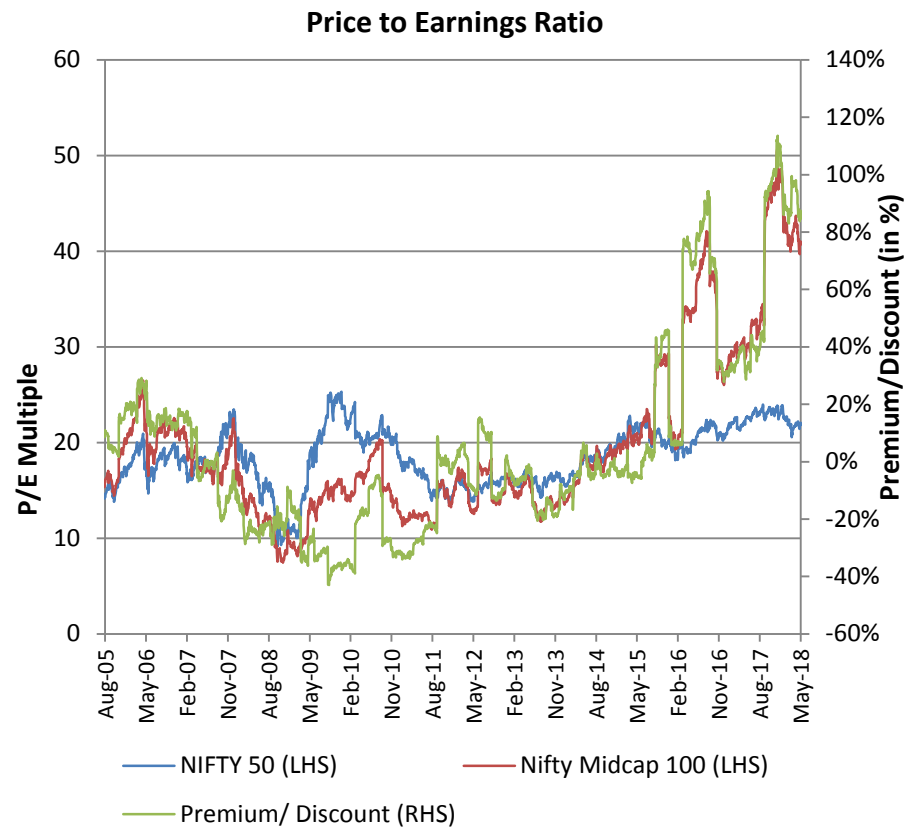
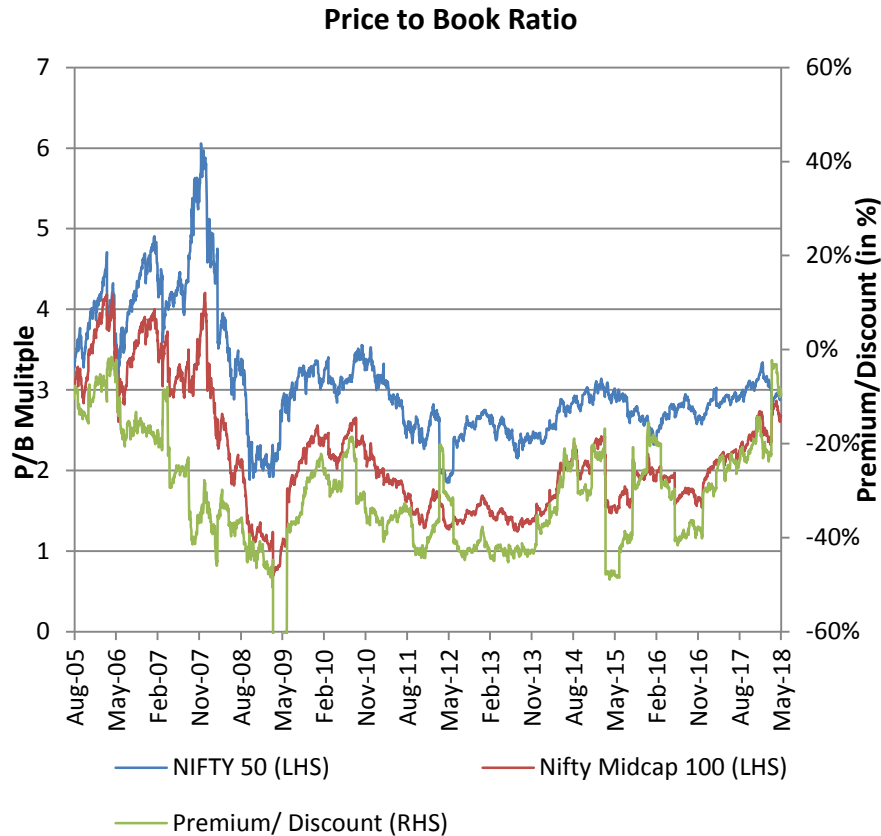
Data as on June 30, 2018

Ownership	Nifty 50	Nifty Free Float Midcap 100 Index
Promoters	42%	53%
FII & FDI	25%	17%
FI & Banks	1%	1%
Insurance & MF	13%	10%
Public	7%	10%
Others	11%	9%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Data as on June 30, 2018

Source: Bloomberg & MOAMC Internal Analysis

# Midcaps: Under Valued



Under-valued when compared with Large Cap companies

Note: The information herein is used for comparison purpose and is illustrative and is not sufficient and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party.

Source: Bloomberg & MOAMC Internal Analysis, Data as on 30 June, 2018

# Midcaps complement Large Caps in Portfolios

Sector (In %)	Nifty 50	Nifty Midcap 100
Financial Services	37.65	29.54
Consumer Goods	10.49	11.35
Pharma	2.88	10.65
Energy	13.97	9.88
Construction	4.00	6.33
Automobile	8.90	6.21
IT	12.59	4.89
Industrial Manufacturing	0.00	4.07
Textiles	0.00	3.67
Cement & Cement Products	1.89	2.22
Metals	3.87	2.10
Chemicals	0.00	1.88
Telecom	1.77	1.51
Fertilisers & Pesticides	0.61	1.51
Services	0.65	1.48
Media & Entertainment	0.72	1.44
Healthcare Services	0.00	1.26

Source : India Index Services & Products Ltd (IISL) & Internal Data, Data as on June 30, 2018

Note: Industry classification as recommended by AMFI. The above list is indicative and not an exhaustive list.



**MOST Shares MIDCAP 100 – The vehicle  
to invest in NIFTY Midcap 100 Index**



# About MOST Shares Midcap 100

<b>Scheme Name</b>	Motilal Oswal MOST Shares Midcap 100 ETF
<b>Type of Scheme</b>	An open ended Index Exchange Traded Fund
<b>Investment Objective:</b>	The scheme seeks investment return that corresponds ( before fees and expenses) to the performance of NIFTY Midcap 100 Index (underlying index), subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.
<b>Benchmark</b>	NIFTY Midcap 100 Index
<b>Continuous Offer</b>	On NSE: Investors can buy/sell units of the scheme in round lot of 1 unit and in multiples thereafter. Directly with the mutual fund: Investors can buy/sell units of the scheme only in creation unit size, i.e.- 2,50,000 units and in multiples thereafter. (MOST Shares Midcap 100)

Date of Allotment NAV	January 31, 2011
– Growth Plan	18.7304
Latest AUM (April 30, 2017)	21.13 Cr
Tracking Error*	0.22% (Annualized)
Total Expense Ratio^	0.20% p.a.
Standard Deviation	15.92 (Annualized)
Sharpe Ratio#	0.33 (Annualized)
Portfolio Turnover Ratio	0.64
NIFTY Midcap 100 TRI Beta	0.97

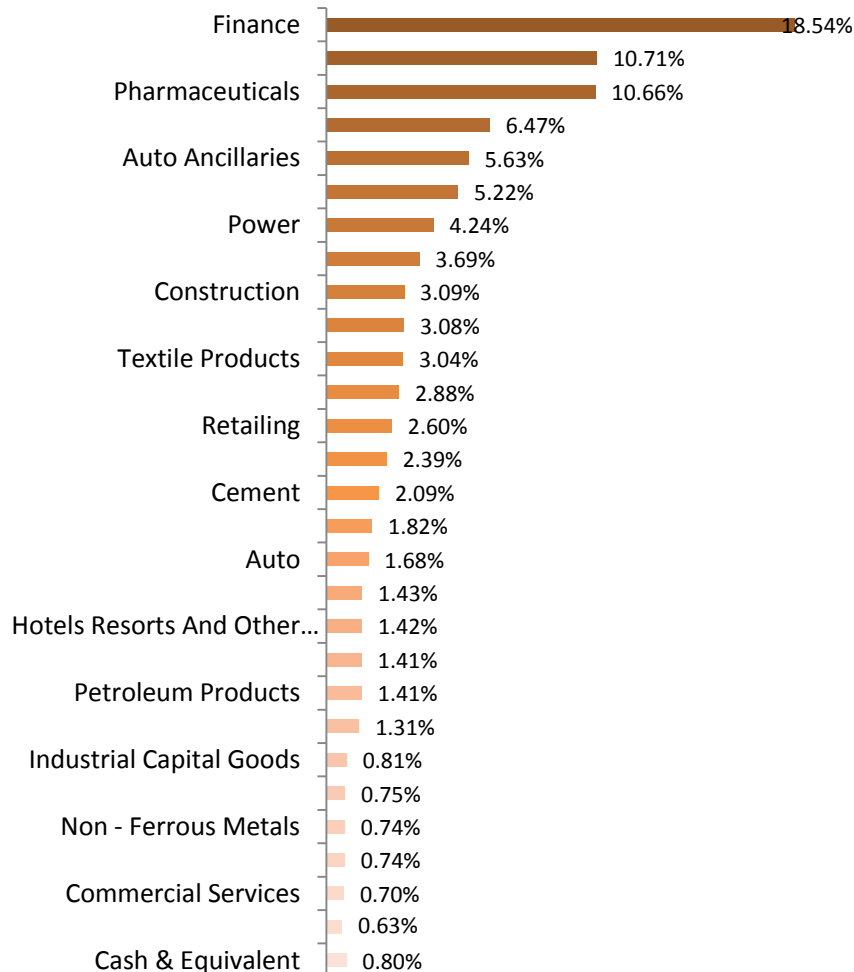
\* Against the benchmark NIFTY Midcap 100 Total Return Index

# Risk-free returns based on last overnight MIBOR cut-off of 6.25% (Data as on June 30, 2018)

NSE Symbol	M100
Bloomberg Code	MOST100
Reuters Code	M100.NS
ISIN Code	INF247L01023
Entry Load	N/A
Exit Load	NIL

# About MOST Shares Midcap 100

## Industry Allocation



## Top 10 Holdings

Name of Instrument	% to Net Assets
RBL Bank Limited	3.07%
The Federal Bank Limited	2.40%
Page Industries Limited	2.34%
Bharat Forge Limited	2.29%
Edelweiss Financial Services Limited	2.24%
Bharat Financial Inclusion Limited	2.22%
Mahindra & Mahindra Financial Services Limited	2.07%
Tata Power Company Limited	1.97%
Divi's Laboratories Limited	1.96%
Biocon Limited	1.93%

Industry classification as recommended by AMFI;  
Data as on 30 June, 2018

# Features of MOSt Shares Midcap 100

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1. India's 1<sup>st</sup> Midcap IndexETF
2. Passively tracks the NIFTYMidcap 100 Index
3. Listed on National Stock Exchange of India Limited (NSE)
4. A mutual fund scheme with the convenience of real-time liquidity and prices
5. Diversified portfolio of 100 Midcap companies which are part of NIFTYMidcap 100 Index
6. Low cost structure: Total Expense Ratio (TER) of 0.20% p.a.
7. Complete transparency with creation unit being disclosed on daily basis
8. No loads
9. No discretion with Fund Manager, ensuring replication of the Index

For further details, please refer to the Scheme Information Document (SID)

## Fund Manager: *Mr. Ashish Agrawal*

He has over 12 years of experience as Sales Trader servicing FII/FPIs, insurance companies and mutual funds in the Institutional Equities broking business across multiple organizations. He is a PGDBM (Finance) from Institute of Management Technology, Ghaziabad and Bachelors of Commerce from University of Lucknow.

## Continuous Offer

On NSE: Investors can buy/sell units of the Scheme in round lot of 1 unit and in multiples thereof.  
Directly with the Mutual Fund: Investors can buy/sell units of the Scheme only in creation unit size i.e. 2,50,000 units and in multiples thereafter.

## Scheme Details

Date of Allotment : 31<sup>st</sup> January, 2011

NAV : Rs. 18.7304 (Data as on June 30, 2018)

NSE Symbol	M100	ISIN Code	INF247L01023
Bloomberg Code	MOST100	Entry Load	N/A
Reuters Code	M100.NS	Exit Load	NIL

For further details, please refer to the Scheme Information Document (SID)

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**Statutory Details: Constitution:** Motilal Oswal Mutual Fund has been set up as a trust under the Indian Trust Act, 1882. **Trustee:** Motilal Oswal Trustee Company Limited. **Investment Manager:** Motilal Oswal Asset Management Company Ltd. (CIN: U67120MH2008PLC188186) **Sponsor:** Motilal Oswal Securities Ltd.

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




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