



Power & Protection

A fund that changes its action based on market conditions

Motilal Oswal MOST Focused
Dynamic Equity Fund
(An open ended equity scheme)

NO LOAD FUND

MOTILAL OSWAL
Asset Management

**BUY RIGHT
SIT TIGHT**

MOST Focused Dynamic Equity

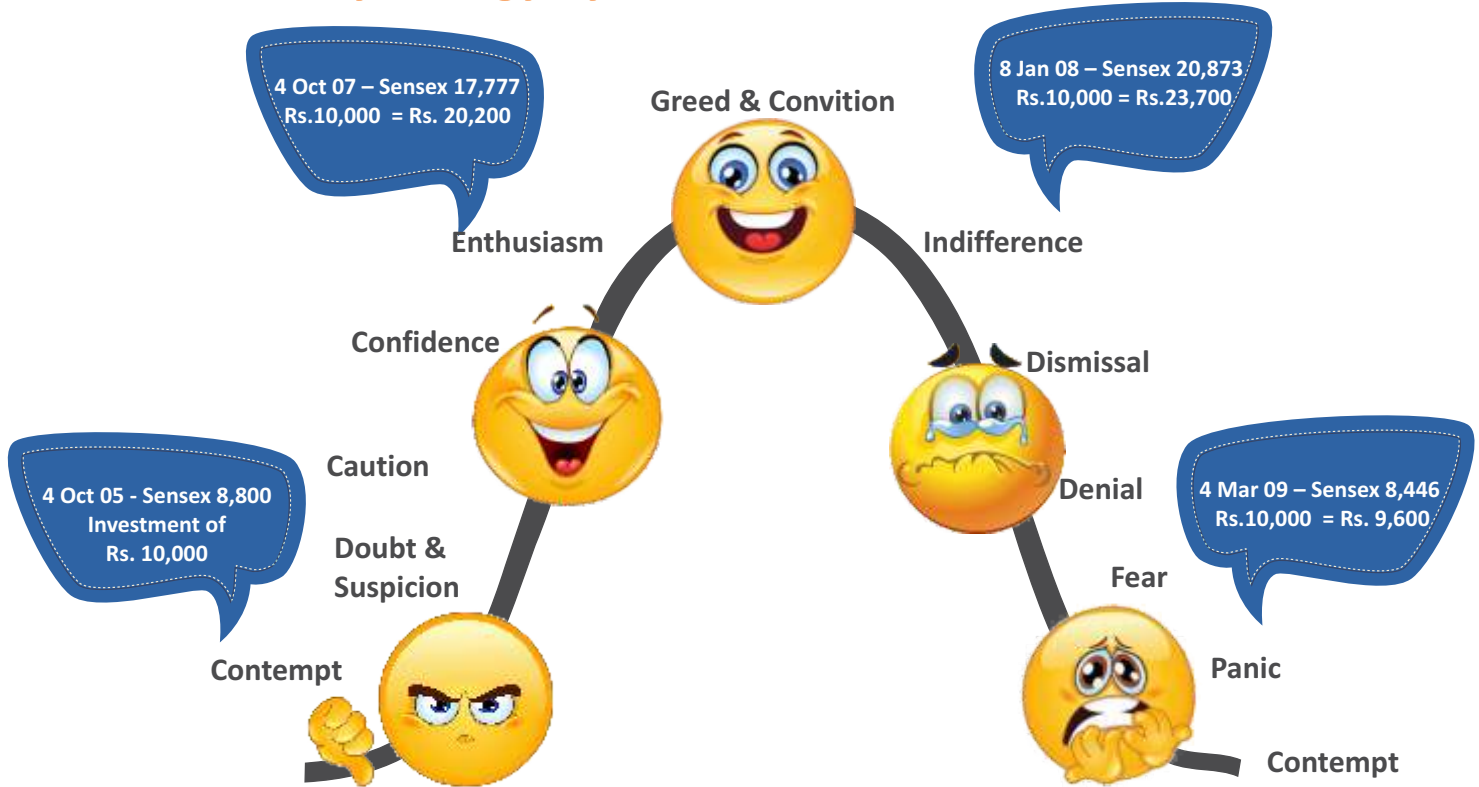
- An Equity fund that dynamically allocates between equity, equity derivatives and debt instruments
- A fund that allocates less in equities when market valuation appears expensive and more when market valuation appears cheap
- Allocation based on Motilal Oswal Value Index (MOVI) which is calculated taking into account Price/Earnings, Price/Book and Dividend yield of Nifty 50 Index
- Regular rebalancing of portfolio on fortnightly basis and a day prior to derivative expiry day on the Exchange (if the above days are a non-business day, the previous business day shall be considered for rebalancing)

Common mistakes by investors



Paper profits don't get converted

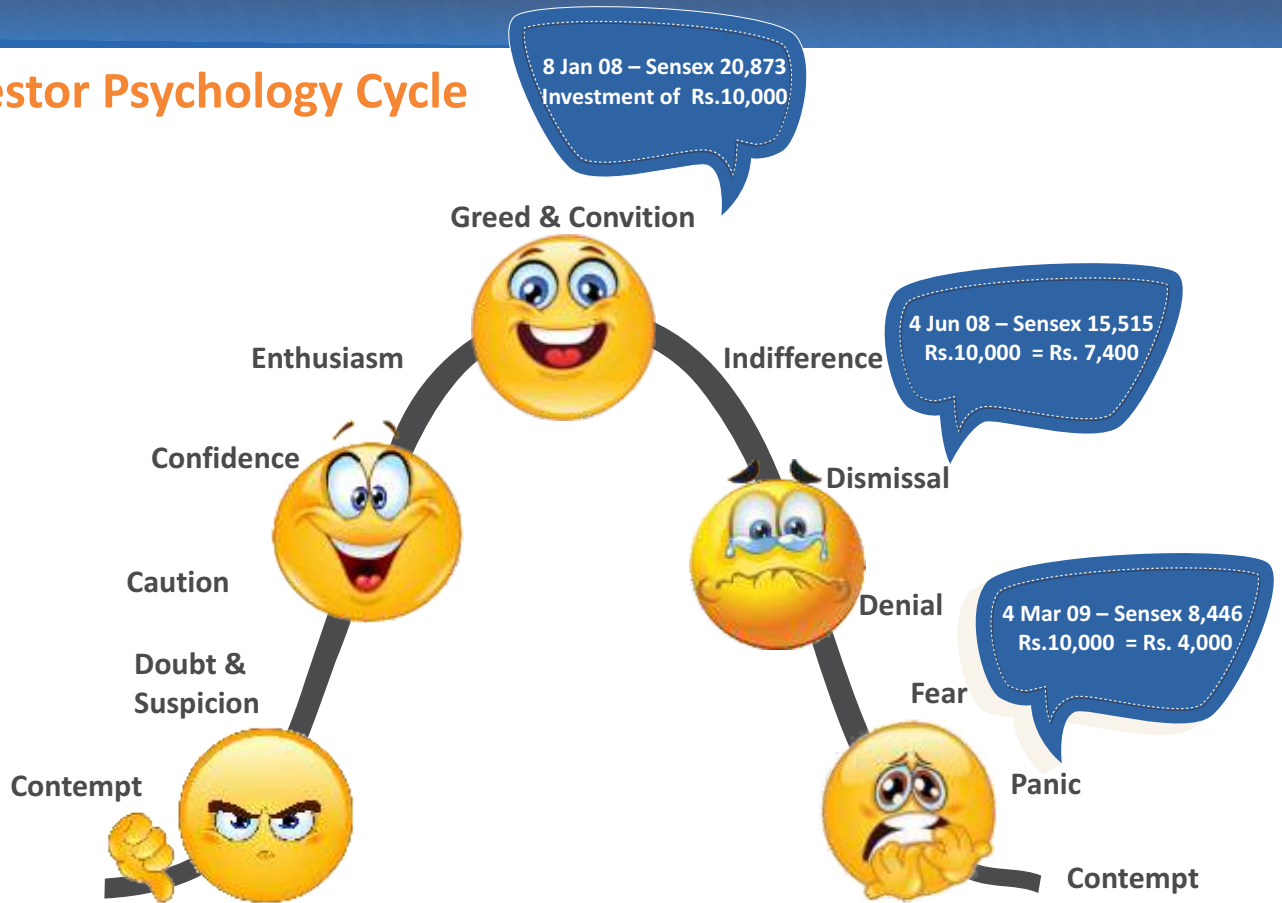
The Investor Psychology Cycle



The above is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. It should not be construed as investment advice to any party. Past performance may or may not be sustained in future. Source : BSE

Disposition Effect

The Investor Psychology Cycle



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Dynamic Asset Allocation

- Dynamic Asset Allocation aims to generate reasonable returns even in volatile markets
- It overcomes the investor behaviour through disciplined approach and allocates in equities based on market valuation
- MOVI is calculated using Price/Earnings, Price/Book and Dividend Yield of Nifty 50 Index
- A low MOVI level indicates that the market valuation appears to be cheap and a high MOVI level indicates that the market valuation appears to be expensive

MOVI Levels		Equity Exposure
0	<70	100%
70	<80	90%
80	<90	80%
90	<100	70%
100	<110	55%
110	<120	40%
120	<130	25%
130 and above		0%

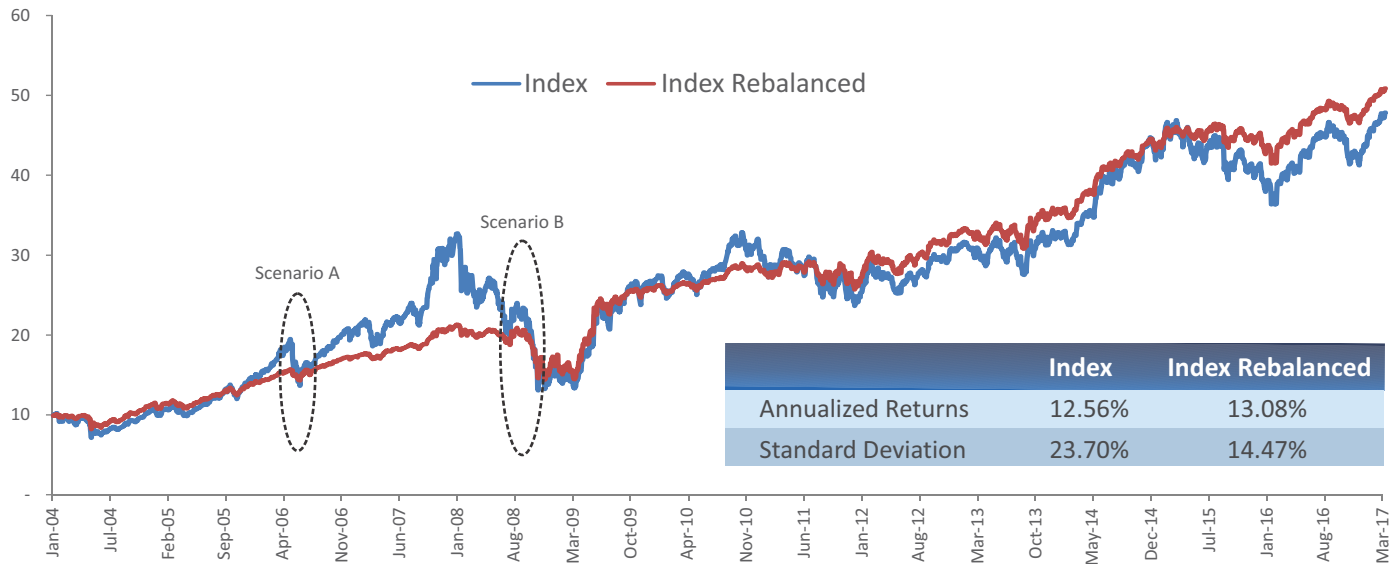
Higher equity allocation when valuations are low

Lower equity allocation when valuations are high

Source: IISL, MOAMC Internal Analysis.

Creates wealth with low volatility

Dynamic Asset Allocation **POWERS** creation of wealth, and aims to **PROTECT** from downside during market corrections



- Index – Nifty 50; Index Rebalanced - Nifty 50 rebalanced based on MOVI levels
- Scenario A - MOVI level was high (market appears expensive), equity allocation has been reduced to 30%
- Scenario B - MOVI level was low (Market appears cheap), equity allocation has been increased to 100%

Index and Index rebalanced are rebased to 10 as on 1st January 2004. The above illustration is meant to help the investors have an understanding of the MOVI. The above illustration is based on certain calculations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or event to differ materially from those expressed or implied in such table. Past performance may or may not be sustained in future Source: NSE, IISL, MOAMC Internal Analysis. Data as on Mar 31, 2017

Buy Low and Sell High

If one invests as per MOVI levels the returns on the basis of historical Nifty 50 are depicted below

MOVI Range		Estimate Return (%) on basis of historical NIFTY 50 value			
		12 M	24 M	36 M	
0	70	59.72%	38.37%	34.18%	} Low MOVI = Cheap valuations
70	80	30.59%	33.12%	31.11%	
80	90	17.40%	23.04%	23.29%	
90	100	19.65%	17.23%	16.55%	} High MOVI = Expensive valuations
100	110	9.77%	8.85%	6.90%	
110	120	7.45%	3.34%	3.95%	
120	130	4.83%	-4.21%	1.65%	
130	160	-49.84%	-6.05%	0.87%	

The above illustration is meant to help the investors have an understanding of the MOVI. The above illustration is based on certain calculations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or event to differ materially from those expressed or implied in such table. Past performance may or may not be sustained in future.

Source: IISL, MOAMC Internal Analysis. Data as on Mar 31, 2017 Inception date of MOVI is 1st January, 1999

Motilal Oswal MOST Focused Dynamic Equity Fund



About the Scheme

- The investment objective is to generate long term capital appreciation by investing in equity and equity related instruments including equity derivatives as well as debt instruments. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved
- MOST Focused Dynamic Equity would endeavour to construct such a portfolio that the product is best suited for medium and long term investment
- Dynamic asset allocation based on Motilal Oswal Value Index (MOVI) which is calculated taking into account Price/Earnings, Price/Book and Dividend yield of Nifty 50 Index

Fund - Asset Allocation

Asset Allocation

- Asset Allocation based on MOVI[#]
- Net long only equity exposure shall be minimum of 30% of the portfolio value

Equity

- High conviction focused portfolio based on the **'Buy Right : Sit Tight'** investment philosophy
- Investments across market - capitalization and sectors
- Maximum upto 100% of the portfolio

Equity Derivatives

- Arbitrage strategy – Cash vs Futures
- Hedged position
- Maximum upto 35% of the portfolio

Debt

- Instruments including Government Securities, Corporate Debt, Other debt instruments and Money Market Instruments
- Maximum upto 35% of the portfolio

[#]Asset allocation shall be reviewed twice a month i.e. 15th of every month and a day prior to derivative expiry day on the Exchange, additional rebalances may be at the discretion of the Fund manager

Scheme - Allocation Matrix

MOVI Levels		Equity Exposure as per MOVI	Scheme Allocation		
			Equity	Equity Derivatives	Debt
0	<70	100%	100 %	0%	0%
70	<80	90%	90 %	0%	10%
80	<90	80%	80 %	0%	20%
90	<100	70%	70 %	0%	30%
100	<110	55%	55 %	10%	35%
110	<120	40%	40 %	25%	35%
120	<130	25%	30 %	35%	35%
130 or above		0%	30 %	35%	35%

- Equity allocations based on 30 Day Moving Average of NIFTY MOVI to eliminate anomalies and arrived at by using historical data

Our Investment Philosophy – ‘Buy Right : Sit Tight’

At Motilal Oswal Asset Management Company (MOAMC), our investment philosophy is centered on 'Buy Right : Sit Tight' principle.

Buy Right

QGLP

- **‘Q’uality** denotes quality of the business and management
- **‘G’rowth** denotes growth in earnings and sustained RoE
- **‘L’ongevity** denotes longevity of the competitive advantage or economic moat of the business
- **‘P’rice** denotes our approach of buying a good business for a fair price rather than buying a fair business for a good price

Sit Tight

- **Buy and Hold:** We are strictly buy and hold investors and believe that picking the right business needs skill and holding onto these businesses to enable our investors to benefit from the entire growth cycle needs even more skill.
- **Focus:** Our portfolios are high conviction portfolios with 20 to 25 stocks being our ideal number. We believe in adequate diversification but over-diversification results in diluting returns for our investors and adding market risk

5 year return on Index – Dynamic allocation

Dynamic Asset Allocation Strategy aims to generate reasonable returns even in volatile markets.

	Index	Index Rebalanced
Period	01-Jan-01 to 30-Jun-16	
Rolling Frequency	60M	60M
Observations	2578	2578
Minimum Return*	- 1.16%	6.47%
Maximum Return*	44.90%	34.80%
Average Return*	16.25%	16.47%
Standard Deviation	10.76	7.56

Average return is similar but with less volatility

Annualised Return (%)	Number of observation	Number of observation
Less than 0	40	0
0 - 5	315 35.5%	0 25.1%
5 – 10	561	648
10 - 15	431	679
15 +	1231 64.5%	1251 74.9%

With a monthly rolling basis and frequency of 60 months, a total of 2578 observation were made during the period. Out of that 74.9% of the times Index Rebalanced has generated annualised returns greater than 10% return as compared to 64.5% times by the Index.

* Returns are annualised. Index – Nifty 50 ; Index Rebalanced - Nifty 50 rebalanced based on MOVI levels

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During stagnant Market periods

Scenario	Date	Nifty 50	Index		Index Rebalanced	
			Returns*	Std Dev	Returns*	Std Dev
A	21/12/2010	6,001	0.51%	17.62%	5.53%	11.75%
	18/01/2013	6,064				
B	25/05/2010	4,807	0.56%	18.55%	3.18%	11.18%
	22/05/2012	4,861				
C	08/06/2010	4,987	0.52%	18.08%	3.54%	11.27%
	26/07/2012	5,043				
D	01/11/2010	6,118	-0.27%	17.58%	4.29%	11.93%
	11/02/2014	6,063				

Scenarios above shows that during stagnant market, Index Rebalanced has provided better returns with lesser volatility.

* Returns are annualised. Index – Nifty 50 ; Index Rebalanced - Nifty 50 rebalanced based on MOVI levels; Std Dev - Standard Deviation

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Scheme Features

Type of Scheme	An open ended Equity Scheme
Plans	Regular and Direct
Options	Dividend (Payout and Reinvestment) and Growth
Minimum Application Amt.	Rs. 5,000/- and in multiples of Re. 1/- thereafter
Minimum Additional Amt.	Rs. 1,000/- and in multiples of Re. 1/- thereafter
Minimum Redemption Amt.	Rs. 1,000/- and in multiples of Re. 1/- thereafter or account balance, whichever is lower
Systematic Investment Plan (SIP)	Minimum installment amount - Rs. 1,000/-(weekly/fortnightly/monthly) and Rs. 2,000/- (quarterly) and in multiples of Re. 1/- thereafter with minimum of 6 installments for weekly/fortnightly/ monthly frequency and minimum 3 installments for quarterly frequency. The dates for Auto Debit Facility shall be on the 1st, 7th,14th, 21st or 28th of every month
Entry and Exit Load	Nil
Fund Manager	Gautam Sinha Roy (For equity component) Abhiroop Mukherjee (For debt component)
Benchmark Index	CRISIL Balanced Fund Index

Fund Manager



Mr. Gautam Sinha Roy,
Fund Manager

For Equity Component:

Mr. Gautam Sinha Roy: has close to 13 years of rich and varied experience in fund management and research. He is the Fund Manager for the Scheme, Motilal Oswal MOST Focused Multicap 35 Fund, Motilal Oswal MOST Focused Long Term Fund and Motilal Oswal MOST Focused Dynamic Equity Fund.

He is also the Co-Fund manager for Motilal Oswal MOST Focused 25 Fund and Motilal Oswal MOST Focused Midcap 30 Fund He has also worked with IIFL Capital (Singapore), Mirae Asset Global Investments, Edelweiss Capital and GE Capital Intl. Services prior to joining the Motilal Oswal group, where he has worked for the last four years. He is an alumnus of IIM Calcutta (2003) and holds an honors degree in Chemical Engineering.



Abhiroop Mukherjee,
Associate Vice President

For Debt Component:

Mr. Abhiroop Mukherjee - He is B.com (H), MBA with over 9 years of experience in Trading Fixed Income Securities viz. G-sec, T-bills, Corporate Bonds CP, CD etc. He has earlier worked with PNB GILTS LTD. as a WDM Dealer for the period 2007-2011

Funds Managed by Mr. Abhiroop Mukherjee : He is the Fund manager for the debt component of Motilal Oswal MOST Focused 25 Fund, Motilal Oswal MOST Ultra Short Term Bond Fund, Motilal Oswal MOST Focused Midcap 30 Fund, Motilal Oswal MOST Focused Multicap 35 Fund, Motilal Oswal MOST Focused Dynamic Equity Fund and Motilal Oswal MOST Focused Long Term Fund

Fund Manager



Siddharth Bothra
Sr. Vice President
Fund Manager

For Equity Component:

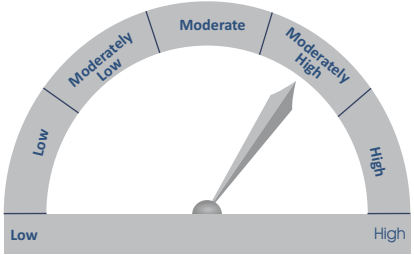
Mr. Siddharth Bothra: He has a rich experience of more than 15 years in the field of research and investments. Prior to joining Motilal Oswal AMC he had an extensive stint with Motilal Oswal Securities Ltd as senior analyst in the institutional equities division covering various sectors. During his stint with Motilal Oswal Securities Mr. Bothra won various recognition such as: ZEE Business TV - India's Best Analyst Awards 2009 Infrastructure, ET Reuters Starmine Awards No.1 Earnings Estimator 2009 Real Estate & No. 2 Stock Picker 2010 Real Estate.

He has also worked with broking outfits like Achemy Share & Stocks and VCK Share & Stocks in the past.

He has done his Post Graduate Program (PGP) from Indian School of Business (ISB), Hyderabad, which included an international MBA exchange program with NYU Stern Leonard N. Stern School of Business, New York.

Funds managed by Mr. Siddharth Bothra: Motilal Oswal MOST Focused 25 Fund and Motilal Oswal MOST Focused Midcap 30 Fund. He is also the Co-Fund Manager for Motilal Oswal MOST Focused Multicap 35 Fund, Motilal Oswal MOST Focused Long Term Fund and Motilal Oswal MOST Focused Dynamic Equity Fund

Product Labeling

Name of the scheme	This product is suitable for investors who are seeking*	
<p>Motilal Oswal MOST Focused Dynamic Equity Fund (MOST Focused Dynamic Equity) (An open ended equity scheme)</p>	<ul style="list-style-type: none">• Long term capital appreciation• Investment in equity, derivatives and debt instruments	<p style="text-align: center;">Riskometer</p>  <p style="text-align: center;">Investors understand that their principal will be at Moderately High risk</p>

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

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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. **Sponsor:** Motilal Oswal Securities Ltd. Past performance of the Sponsor/ AMC/ Mutual Fund and its affiliates does not indicate the future performance of the scheme and may not provide a basis of comparison with other investments.

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



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