



STATEMENT OF ADDITIONAL INFORMATION

This Statement of Additional Information (SAI) contains details of Motilal Oswal Mutual Fund, its constitution and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document).

Name of Mutual Fund	Motilal Oswal Mutual Fund
Name and Address of Asset Management Company (AMC)	Motilal Oswal Asset Management Company Limited <u>Registered and Corporate Office Address:</u> 10 th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400025
Name and Address of Trustee Company	Motilal Oswal Trustee Company Limited <u>Registered Office Address:</u> Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (W), Mumbai – 400064 <u>Corporate Office Address:</u> 10 th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400025
Website	www.motilaloswalmf.com and www.mostshares.com

This SAI is dated June 29, 2015

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STATEMENT OF ADDITIONAL INFORMATION (SAI)

I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANY

A. Constitution of the Mutual Fund

Motilal Oswal Mutual Fund (“Mutual Fund”) has been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882). Motilal Oswal Securities Limited is the Sponsor and Motilal Oswal Trustee Company Limited is the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI under SEBI (Mutual Funds) Regulations, 1996 on December 29, 2009 under Registration vide Code No. MF/063/09/04.

B. Sponsor

Motilal Oswal Mutual Fund is sponsored by Motilal Oswal Securities Limited. The Sponsor is the Settlor of the Mutual Fund Trust. The Settlor has entrusted a sum of Rs. 1,00,000/- to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

Motilal Oswal Securities Limited (“MOSL”) was incorporated under the Companies Act, 1956. It is subsidiary of Motilal Oswal Financial Services Limited which is listed on National Stock Exchange and Bombay Stock Exchange. MOSL is engaged in the business of stock broking and depository services. MOSL is a member of Bombay Stock Exchange, National Stock Exchange and Over The Counter Exchange of India (OTCEI) and is a Depository Participant with National Securities Depository Limited and Central Depository Services (India) Limited. The registered office of MOSL is at Motilal Oswal Tower, Rahimtullah Sayani road, Opposite Parel ST Depot, Prabhdevi, Mumbai – 400025.

Following is the Financial Performance (Audited) of the Sponsor:

Particulars	(Rs. in Crores)		
	2014 - 15	2013-14	2012-13
Net Worth	702.26	645.06	660.03
Total Income	542.56	321.62	336.88
Profit after Tax	108.12	17.08	82.08

C. The Trustee

Motilal Oswal Trustee Company Ltd. (the “Trustee”), through its Board of Directors, shall discharge its obligations as Trustee of Motilal Oswal Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC.

Details of Trustee Directors:

Name	Age/Qualification	Brief Experience
Mr. Motilal Oswal Associate Director	53 years / B.Com, ACA	Mr. Oswal is a Managing Director of Motilal Oswal Financial Services Ltd. He has varied experience of over 2 decades in the financial service sector. Mr. Oswal has served on the governing board of the Bombay Stock Exchange (BSE) as a Director. He has also been member of the National Stock Exchange (NSE) committee for F&O and a member of the Managing Committee of Indian Merchants' Chamber (IMC). He is also a Director on the Board of various Companies.
Mr. Sunil Goyal Independent Director	47 years / B.Com, FCA	Mr. Goyal is the Managing Director of Ladderup Finance Limited and Ladderup Corporate Advisory Private Limited. He has rich and varied experience of more than 19

		<p>years in the field of Financial and Management Consultancy, providing expertise and sound networking for wealth management operations, advising in mergers and acquisitions, private equity, debt transaction advisory, etc.</p> <p>He is a member of the SME Chamber of Commerce, TiE Mumbai (a global non-for-profit organisation focused on promoting entrepreneurship) and Mumbai Angels.</p> <p>He is also a Director on the Board of various Companies.</p>
<p>Mr. Brij Gopal Daga Independent Director</p>	<p>72 / M.com, ACS & AIA (Ion), Diploma in Banking & Cooperation of Indian Institute of Banking Govt.</p>	<p>Mr. Daga has an extensive experience of more than 4 decades. He has worked in RBI for 25 years and thereafter in UTI for 14 years in various capacities looking after practically all aspects of mutual funds including joint venture of AMC's in Colombo, Cairo, and Mauritius, managing offshore funds in India including its structuring, administration etc. He has represented UTI on many corporate boards including ITC, L&T, IL&FS, Stockholding Corp.</p> <p>He is also a Director on the Board of various Companies.</p>
<p>Mr. Samir Shah Independent Director</p>	<p>54 / Chartered Accountant</p>	<p>Mr. Shah is an Independent Director on the Board of Motilal Oswal Trustee Company Limited.</p> <p>Mr. Shah has an extensive experience of more than 2 decades. He has worked as a Practicing Chartered Accountant for around eight years. Currently he is working as a Financial Consultant.</p>

Duties and Responsibilities of the Trustee

The duties and responsibilities of the Trustee shall be in accordance with Regulation 18 under Chapter III of the Regulations and Trust Deed. The Trustees shall discharge such duties and responsibilities as provided in the Regulations and Trust Deed.

The Trust Deed contains among others, the following clauses that may be material to the investors:

1. The Trustee shall maintain arm's length relationship with companies, institutions, financial intermediaries or bodies corporate with which the Trustee may be associated in any capacity in carrying out their responsibilities. A Director shall not participate in the meetings of the Trustee Company when any decisions for investments in which he may be interested are taken. Each Director of the Trustee shall furnish particulars of interest which he may have in any other company or institution or financial intermediary or any corporate by virtue of his position as director, partner or with which he/she may be associated in any other capacity.
2. The Trustee shall take into their custody or under their control all the property of the Schemes of the Mutual Fund and hold it in trust for the unit-holders.
3. It shall be the duty of the Trustee to act in the interest of the unit holders.
4. It shall be the duty of the Trustee to provide or cause to provide information to the unit holders and SEBI as may be required by SEBI from time to time.
5. The Trustee shall take reasonable care to ensure that the funds under various Schemes floated, are managed by the AMC in accordance with the Trust Deed and SEBI Regulations.
6. The Trustee shall have powers to dismiss the AMC under the specific events with the prior approval of the Board in accordance with the regulations.
7. The Trustee shall supervise the collection of any income due to be paid to the scheme and for claiming any repayment of tax and holding any income received in trust for the holders.

8. The Trustee shall not acquire nor allow the AMC to acquire any assets out of the Trust Fund and/or unit capital which involves the assumption of unlimited liability or results in the encumbrances of Trust Fund and/or unit capital in any way.
9. No amendments to the Trust Deed shall be carried out without the prior approval of SEBI and unit holder's approval would be obtained where it affects the interest of Unit holders in such manner as may be prescribed by SEBI from time to time.

Other Duties and Responsibilities of Trustees

1. The Trustee is responsible for entering into an Investment Management Agreement with the AMC by which the latter is entrusted with the task of floating and managing the Schemes of Mutual Fund.
2. The Investment Management Agreement shall contain such clauses as are mentioned in the Fourth Schedule of SEBI Regulations and such other clauses as are necessary for the purpose of making investments.
3. The Trustee shall have the right to obtain from the AMC such information as is considered necessary by the Trustee and shall review all reports and compliance procedures from the AMC.
4. The Trustee shall ensure before the launch of any Scheme that the AMC has:
 - a. Systems in place for its back office, dealing room and accounting;
 - b. Appointed all key personnel including fund manager(s) for the Scheme and submitted to the Trustee their bio-data which shall contain the educational qualifications, past experience in the securities market within fifteen days of their appointment;
 - c. Appointed auditors to audit the accounts of the Scheme;
 - d. Appointed a compliance officer who will be responsible for monitoring compliance with Act, Rules and regulations, notifications, guidelines and instructions issued by the SEBI or the Central Government and to redress investor grievances;
 - e. Appointed registrars and lay down parameters for their supervision;
 - f. Prepared a compliance manual and designed internal control mechanisms including internal audit systems;
 - g. Specified norms for empanelment of brokers and marketing agents; and
 - h. Obtained, wherever required under the regulations, prior in-principle approval from the recognised stock exchange(s) where units are proposed to be listed.
5. The Trustee shall ensure that the AMC has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
6. The Trustee shall ensure that the AMC has not given any undue or unfair advantage to any associates or dealt with any of the associates of the AMC in any manner detrimental to the interest of the holders of the units.
7. The Trustee shall ensure that the transactions entered into by the AMC are in accordance with the Regulations and the Schemes.
8. The Trustee shall ensure that the AMC has been managing the Mutual Fund Schemes independently of other activities and have taken adequate steps to ensure that the interest of the investors of the Schemes are not being compromised with those of any other Scheme or of other activities of the AMC.
9. The Trustee are required to ensure that all the activities of the AMC are in accordance with the provisions of the Regulations and shall exercise general and specific due diligence as required under the Regulations.
10. Where the Trustee have reason to believe that the conduct of the business of the Fund is not in accordance with these Regulations and the provisions of the Schemes launched there under, they shall forthwith take such remedial steps as are necessary by them and to immediately inform SEBI of the violation and the action taken by it.
11. Each Trustee shall file the details of his transactions of dealings in securities with the Mutual Fund as may be specified under the SEBI (Mutual Funds) Regulations, 1996 from time to time.
12. The Trustee shall be accountable for and is required to be the custodian of the Fund's property of the Schemes and to hold the same in trust for the benefit of the Unit holders in accordance with the Regulations and the provisions of the Trust Deed.
13. The Trustee shall take steps to ensure that the transactions of the Fund are in accordance with the provisions of the Trust Deed.

14. The Trustees are responsible for the calculation of any income due to be paid to the Mutual Fund and also of any income received in the Mutual Fund for the holders of the units of the Schemes in accordance with the Regulations and the Trust Deed.
15. The Trustee is required to obtain the consent of the Unit holders of the Scheme:
 - a. When the Trustee is required to do so by SEBI in the interest of the Unit holders of the Scheme; or
 - b. Upon a requisition made by three-fourths of the Unit holders of the Scheme; or
 - c. When the majority of the Directors of Trustee decide to wind up the Scheme or pre-maturely redeem the Units.
16. The Trustee shall ensure that no change in the fundamental attributes of the Schemes or the trust or the fees and expenses payable or any changes which would modify the Schemes and affects the interest of Unit holders shall be carried out unless:-
 - a. a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a Marathi newspaper published in the region where the Head Office of the Mutual Fund is situated; and
 - b. the unit holders are given an option to exit at the prevailing Net Asset Value without any exit load regardless of unit of Schemes held.
17. The Trustee shall call for the details of transactions in securities by the key personnel of the AMC and shall report to SEBI as and when required;
18. The Trustee shall quarterly review all transactions carried out between the mutual fund, AMC and its associates;
19. The Trustee shall review the net worth of the AMC on quarterly basis and in case of any shortfall ensure that the AMC makes up for the shortfall as per the clause (f) of sub-regulation (1) of regulation 21 of the Regulations.
20. The Trustee shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the unit holders.
21. The Trustee shall ensure that there is no conflict of interest between the manner of deployment of its net worth by the AMC and the interests of the unit holders;
22. The Trustee shall periodically review the investor complaints received and redressal of the same by the AMC.
23. The Trustees shall abide by the code of conduct as specified in the Fifth Schedule of SEBI Regulations.
24. The Trustee shall furnish to SEBI on a half yearly basis or at such frequency as may be prescribed by SEBI from time to time-
 - a. a report on the activities of the Mutual Fund;
 - b. a certificate stating the Directors have satisfied themselves that there have been no instances of self dealing or front running by any of the Trustee, Directors and key personnel of the AMC; and
 - c. a certificate to the effect that the AMC has been managing the Schemes independently of any other activities and in case any activities of the nature referred to in sub Regulation (2) of Regulation 24 of the Regulations have been undertaken, the AMC has taken adequate steps to ensure that the interest of the unit holders is adequately protected.
25. The independent Directors of the Trustee are required to give their comments on the report received from the AMC regarding the investments by the Mutual Fund in the securities of the group companies of the sponsor.
26. The Trustee shall exercise due diligence as under:

A. General Due Diligence

The Trustee shall:

- a. be discerning in the appointment of the directors on the Board of the AMC;
- b. review the desirability of continuance of the AMC if substantial irregularities are observed in any of the Schemes and shall not allow the AMC to float new Schemes;
- c. ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons;
- d. ensure that all service providers are holding appropriate registrations from the Board or concerned regulatory authority;
- e. arrange for test checks of service contracts; and
- f. immediately report to SEBI of any special developments in the Fund.

B. Specific Due Diligence

The Trustee shall:

- a. obtain internal audit reports at regular intervals from independent auditors appointed by the Trustee;
 - b. obtain compliance certificates at regular intervals from the AMC;
 - c. hold meeting of the Board of the Trustee Company frequently and ensure that atleast 6 such meeting shall be held in each year;
 - d. consider the reports of the independent auditor and compliance reports of the AMC at the meetings of the Board of the Trustee Company for appropriate action;
 - e. maintain records of the decisions of the Board of the Trustee Company at their meetings and of the minutes of the meetings;
 - f. prescribe and adhere to a code of ethics by the Trustee, AMC and its personnel; and
 - g. communicate in writing to the AMC of the deficiencies and check on the rectification of deficiencies.
27. Notwithstanding anything contained herein above from points (1) to (26) the Trustees shall not be held liable for any act done in good faith if they have exercised adequate due diligence honestly.
28. The Trustee shall act in the interest of Unitholders.
29. The Trustees shall appoint statutory auditors to verify the books of account and to ascertain the true and fair representation of state of affairs and to ascertain profit or loss of the Mutual Fund, as at the end of the financial year.
30. The Trustees shall maintain high standards of integrity and fairness in all their dealings and in the conduct of their business.
31. The Trustees shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgement.
32. The Independent Directors of the Trustee shall pay specific attention to the following, as may be applicable namely: -
- a. The Investment Management Agreement and the compensation paid under the same;
 - b. Service contracts with affiliates - whether the AMC has charged higher fees than outside contractors would have charged for the same services;
 - c. Selection of the AMC's independent directors;
 - d. Securities transactions involving affiliates to the extent such transactions are permitted;
 - e. Selecting and nominating individuals to fill independent director vacancies;
 - f. Code of ethics have been designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transaction;
 - g. The reasonableness of fees paid to the Sponsors, AMC and any others for services provided;
 - h. Principal underwriting contracts and their renewals; and
 - i. Any service contract with the associates of the AMC.

Trustee's Supervisory Role:

The Trustee shall review the information and operation of the Mutual Fund based on the periodic reports on the compliance of mandatory regulatory requirements, obtained from the compliance officer on a regular basis. The Compliance Officer has direct reporting line to the Board of Directors of the Trustees. Further, the Trustee has constituted an Audit Committee and appointed an independent internal auditor for conducting internal audit of the books and records of the Fund. The internal auditor submits their report directly to the Trustee.

The Regulations provide that the Trustee meetings will be held once in every two calendar months and at least six such meetings will be held in a year. Quorum for the meeting of the Board of Trustee Company shall not be constituted unless one independent director is present at the meeting.

In compliance with above provision, during the financial year 2014-2015, 6 meetings of the Board of Directors of the Trustee Company were held.

The Trustee shall also ensure that:

- a. investments are of the permitted kind and within the set limits;
- b. the Fund assets are duly protected;

- c. transactions in units under a Scheme are properly executed by the AMC with reference to the pricing of the units and payments into and out of the Fund;
- d. adequate internal controls are provided for by the AMC;
- e. income due to the Fund is properly accounted for;
- f. all expenses and charges to the Schemes are as permitted; and
- g. distributions from the Fund are done properly.

D. Asset Management Company

Motilal Oswal Asset Management Company Ltd. (AMC) is public a limited company incorporated under the Companies Act, 1956 on November 14, 2008, having its Registered Office at 10th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai - 400025. Motilal Oswal Asset Management Company Ltd. has been appointed as the Investment Manager to Motilal Oswal Mutual Fund vide Investment Management Agreement (IMA) dated May 21, 2009, executed between Motilal Oswal Trustee Company Ltd. and Motilal Oswal Asset Management Company Ltd.

The AMC is also registered with SEBI under SEBI (Portfolio Managers) Regulations, 1993 as Portfolio Manager vide Registration No. INP000000670. The PMS registration certificate is valid till September 15, 2017. There is no conflict of interest between the activity of managing the schemes of Motilal Oswal Mutual Fund and the activity of Portfolio Management Services.

Apart from the above-mentioned activities, the AMC may undertake any other business activities including activities in the nature of management and advisory services to offshore funds, financial consultancy and exchange of research on commercial basis etc, subject to receipt of necessary regulatory approvals and approval of Trustees. The AMC shall ensure that such activities are not in conflict with the activities of the mutual fund.

The paid-up capital of the AMC is Rs. 65 Crores comprising of 6.5 Crores of Equity Shares of Rs. 10/- each. The shareholding pattern of the AMC is as follows:

Name of the Shareholder	% of Shareholding
Motilal Oswal Securities Limited *	100%

*including 6 shares held jointly with its nominees.

Details of AMC Directors:

Name	Age / Qualification	Brief Experience
Mr. Raamdeo Agrawal Associate Director	57 years / B.Com, ACA	Mr. Agrawal is a Co-founder and Joint Managing Director of Motilal Oswal Financial Services Ltd. Mr. Agrawal is the key driving force behind strong research capability as well as a renowned Value investor, and has also been instrumental in setting up the investment management philosophy of the firm. He has an extensive experience of more than 2 decades in Financial Service Sector. He is a member of the National Committee on Capital Markets of the Confederation of Indian Industry. He has been authoring the annual Motilal Oswal Wealth Creation Study since its inception in 1996. He is also a Director on the Board of various Companies.
Mr. Kanu Doshi Independent Director	76 years / C.A.	Mr. Doshi has more than 49 years of varied experience. He specialises in corporate taxation and has got insight into financial matters of corporates particularly companies setting up new projects and seeking financial assistances from financial institutions. He is also a Director on the Board of various Companies.

Name	Age / Qualification	Brief Experience
Mr. Ashok Jain Independent Director	55 / B.Com, FCA, ACS	Mr. Jain has rich and varied experience of more than two decades in the field of Corporate Management, particularly finance. He is the Whole-Time Director & CFO of Gujarat Borosil Ltd. since 2003.
Mr. Aashish P Somaiyaa Managing Director	38/ B. E (Polymers) and MMS (Finance)	Mr. Somaiyaa has more than 15 years of rich and varied experience in sales and distribution, channel management, product development and institutional sales from ICICI Prudential Asset Management Company Ltd. and a brief stint at project management with Bharti AXA Investment Managers Pvt. Ltd. His last assignment was with ICICI Prudential Asset Management Company Ltd. as Senior Vice President & Head-Retail Business where he was responsible for sales, distribution and product development of Mutual Fund, PMS and Real Estate offerings through retail distribution, banking and private wealth management channels across India and UAE.

Powers, Duties & Responsibilities of the AMC

The duties, responsibilities of the AMC shall be governed by the Regulations and the Investment Management Agreement. The AMC, in the course of managing the affairs of the Mutual Fund, has the powers inter-alia to:

1. Floating Scheme(s) of the Mutual Fund after approval of the same by Trustees as well as SEBI and investing and managing the funds mobilised under various schemes, in accordance with the provisions of the Trust Deed and the Regulations;
2. Invest in, acquire, hold, manage or dispose of all or any securities and to deal with, engage in and carry out all other functions and to transact all businesses pertaining to the Fund;
3. Keep the moneys belonging to the Trust with scheduled banks and Custodians as it may deem fit;
4. Obtain, wherever required under the regulations, prior in-principle approval from the recognized stock exchange(s) where units are proposed to be listed;
5. Issue, sell purchase and cancel units under any Scheme as per the terms of respective scheme of the Mutual Fund;
6. Repurchase the units that are offered for repurchase and hold, reissue or cancel them;
7. Formulate strategies, lay down policies for deployment of funds under various Schemes and set limits collectively or separately for privately placed debentures, unquoted debt instruments, securitized debts and other forms of variable securities which are to form part of the investments of the Trust Funds;
8. Arrange for investments, deposits or other deployment as well as disinvestments or refund out of the Trust Funds as per the set strategies and policies;
9. Make and give receipts, releases and other discharges for moneys payable to the Trust and for the claims and demands of the Trust;
10. Get the units under any Scheme listed on any one or more stock exchanges in India or abroad;
11. Open one or more bank accounts for the purposes of the Fund, to deposit and withdraw money and fully operate the same;
12. Pay for all costs, charges and expenses, incidental to the administration of the Trust and the management and maintenance of the Trust property, Custodian and/or any other entities entitled for the benefit of the Fund, audit fee, management fee and other fees;
13. Furnish compliance reports to the Trustees as prescribed by SEBI;
14. Provide or cause to provide information to SEBI and the Unit holders as may be specified by SEBI;
15. Generally do all acts, deeds, matters and things which are necessary for any object, purpose or in relation to the Mutual Fund in any manner or in relation to any Scheme of the Mutual Fund.

16. Ensure that no Scheme Information Document (SID) of a Scheme, Key Information Memorandum (KIM), Abridged Half yearly results and Annual Results are issued or published without the prior approval of the Trustee.
17. Ensure that the delivery of scrips purchased is taken and that the delivery is given in case of scrips sold and Mutual Fund in no case engages in short selling or carry forward transactions or badla finance;

The AMC shall abide by the Code of Conduct as specified in the Fifth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended from time to time. The AMC shall:

1. Maintain high standards of integrity and fairness in all their dealings and in the conduct of their business.
2. Take reasonable steps and exercise due diligence to ensure that the investment of money pertaining to any Scheme is not contrary to the provisions of the SEBI Regulations and the Trust Deed.
3. Exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
4. Render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.

The independent directors of the AMC will pay specific attention to the following as may be applicable namely:

1. The Investment Management Agreement and the compensation paid under the Agreement.
2. Service contracts with affiliates - whether the company has charged higher fees than outside contractors for the same services.
3. Securities transactions involving affiliates to the extent such transactions are permitted.
4. Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
5. The reasonableness of fees paid to Sponsors, AMC and any others for services provided.
6. Principal underwriting contracts and renewals.
7. Any service contracts with the associates of the company.

Under the SEBI Regulations, duties and responsibilities of AMC are as under:

1. The AMC shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of these regulations and the trust deed.
2. The AMC shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
3. The AMC shall obtain, wherever required under these regulations, prior in-principle approval from the recognized stock exchange(s) where units are proposed to be listed.
4. The AMC shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the asset management company.
5. The AMC shall submit to the trustees quarterly reports (or at such intervals as may be required by the Trustees or SEBI) of each year on its activities and the compliance with these regulations.
6. The trustees at the request of the AMC may terminate the assignment of the AMC at any time. Provided that such termination shall become effective only after the trustees have accepted the termination of assignment and communicated their decision in writing to the asset management company.
7. Notwithstanding anything contained in any contract or agreement or termination, the AMC or its directors or other officers shall not be absolved of liability to the Mutual Fund for their acts of commission or omissions, while holding such position or office.
8. An AMC shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the Mutual Fund in all its schemes. Provided that for the purpose of this sub-regulation, aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the Mutual Fund. Provided further that the aforesaid limit of 5% shall apply for a block of any three months.
9. An AMC shall not purchase or sell securities through any broker (other than the broker associated with Sponsors) which is average of 5% or more of the aggregate purchases and sale of securities made by the Mutual Fund in all its schemes, unless the AMC has

- recorded in writing the justification for exceeding the limit of 5% and reports of all such investments are sent to the trustees on a quarterly basis. Provided that the aforesaid limit shall apply for a block of three months or as may be prescribed by SEBI from time to time.
10. An AMC shall not utilise the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities. Provided that an AMC may utilise such services if disclosure to that effect is made to the unit holders and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the Mutual Fund.
Provided further that the Mutual Funds shall disclose at the time of declaring half-yearly and yearly results;
 - any underwriting obligations undertaken by the schemes of the Mutual Funds with respect to issue of securities associate companies,
 - devolvement, if any,
 - subscription by the schemes in the issues lead managed by associate companies
 - subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies have acted as arranger or manager.
 11. The AMC shall file with the trustees the details of transactions in securities by the key personnel of the AMC in their own name or on behalf of the AMC and shall also report to the SEBI, as and when required by the SEBI.
 12. In case the AMC enters into any securities transactions with any of its associates a report to that effect shall be sent to the trustees at its next meeting.
 13. In case any company has invested more than 5 per cent of the net asset value of a scheme (such other limits as may be prescribed from time to time under SEBI Regulations), the investment made by that scheme or by any other scheme of the same Mutual Fund in that company or its subsidiaries shall be brought to the notice of the trustees by the AMC and be disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment. Provided the latter investment has been made within one year of the date of the former investment calculated on either side.
 14. The AMC shall file with the trustees and the SEBI –
 - detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment and any change in the interest of Directors every six months; and
 - a quarterly report to the trustees giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or the AMC as the case may be, by the Mutual Fund during the said quarter.
 15. Each director of the AMC shall file the details of his transactions of dealing in securities with the trustees on a quarterly basis in accordance with the guidelines issued by the SEBI.
 16. The AMC shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.
 17. The AMC shall appoint registrars and share transfer agents who are registered with the SEBI. Provided if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the trustees shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.
 18. The AMC shall abide by the Code of Conduct as specified in the Fifth Schedule.
 19. The AMC shall:
 - not act as a Trustee of any Mutual Fund;
 - not undertake any other business activities except activities in the nature of portfolio management services, investment management and advisory services to offshore funds, pension funds, provident funds, venture capital funds, management of insurance funds, financial consultancy and exchange of research on commercial basis if any of such activities are not in conflict with the activities of the Mutual Fund without the prior approval of the Trustee and SEBI. Provided that the AMC may itself or through its subsidiaries undertake such activities if it satisfies SEBI that the key personnel of the AMC, the systems, back office, bank and securities accounts are segregated activity wise and there exist systems to prohibit access to inside information of various activities. Provided further that AMC shall meet capital adequacy requirements, if any, separately for each such activity and obtain separate approval, if necessary under the relevant regulations;
 - not invest in any of its Scheme unless full disclosure of its intention to invest has been made in the Scheme Information Document;

Provided that the AMC shall not be entitled to charge any fees on its investment in that Scheme;

- not acquire any assets out of the trust fund which involves the assumption of any liability which is unlimited or which may result in encumbrance of the Scheme property in any way.
20. The AMC shall report and disclose all the transactions in debt and money market securities, including inter scheme transfers, as specified by the Board.
 21. The Managing Director and Chief Executive Officer of AMC shall ensure that the Mutual Fund complies with all the provisions of SEBI (Mutual Funds) Regulations, 1996 and guidelines/circulars issued in relation thereto from time to time and that the investments made by the Fund Managers are in the interest of the Unitholders and shall also be responsible for overall risk management function of the Mutual Fund.
 22. The AMC shall keep and maintain proper books of accounts, records and documents for each Scheme so as to explain its transactions and to disclose at any time the financial position of each Scheme and in particular to give a true and fair view of the state of affairs of the Fund and such records shall be maintained for a period of eight years.

Information on Key Personnel:

Name/Designation	Age/Qualification	Brief Experience
Mr. Aashish Somaiyaa Managing Director & Chief Executive Officer	39/ B. E (Polymers) and MMS (Finance)	Mr. Somaiyaa has more than 15 years of rich and varied experience in sales and distribution, channel management, product development and institutional sales from ICICI Prudential AMC and a brief stint at project management with Bharti AXA Investment Managers. His last assignment was with ICICI Prudential Asset Management Company Ltd. as Senior Vice President & Head-Retail Business where he was responsible for sales, distribution and product development of Mutual Fund, PMS and Real Estate offerings through retail distribution, banking and private wealth management channels across India and UAE.
Mr. Taher Badshah Senior Vice President & Co-Head of Equities	46 Years / BE (Electronics) and MMS (Finance) from the University of Mumbai	Mr. Badshah has 20 years of experience in the Financial Services Industry. He has earlier worked as Investment Advisor at Kotak Investment Advisors and as Portfolio Manager at Prudential ICICI Asset Management Company Ltd. He has also worked as Research Analyst at Alliance Capital Asset Management Pvt. Ltd., Kotak Institutional Equities Ltd., Dresdner Kleinwort Wasserstein and Motilal Oswal Securities Limited.
Mr. Anubhav Srivastava Fund Manager and Head – Institutions & Product Development	46 years / BSc. in Agri & Ah, PGDM from Indian Institute of Management, Ahmedabad (IIM-A) and MSc. in Quantitative Finance from University of Westminster, London	Mr. Srivastava has over 20 years of experience in the Financial Services industry. He has held various positions in organizations such as Dow, ANZ Grindlays Bank, and Deutsche Bank. His last role was as Head-Quantitative Finance at Syntel Inc., (NASD: SYNT) where he was responsible for financial modelling, OTC derivative valuations and analytics.
Ms. Sarika Shah	33 years / B.Com, C.S.,	Ms. Sarika Shah is a qualified Company Secretary and a Law Graduate. She has over 9

Company Secretary & Compliance Officer	LL.B	years of experience in the Legal, Compliance and Company Secretarial work. She has worked with Benchmark Asset Management Company Pvt. Ltd., Usher Agro Ltd. and Savita Chemicals Ltd.
Mr. Sudhindra Desai Vice President-Head Operations	37 years / B.Com and Masters in Financial Management	Mr. Desai is qualified as B.Com and Masters in Financial Management. He has 13 years of rich experience in Operations. His last assignment was with Baroda Pioneer Asset Management Co. Ltd. as Head - Investment Operations. He has also worked with organisations like Lotus India Asset Management Co. Ltd. and Kotak Mahindra Asset Management Co. Ltd.
Mr. Abhiroop Mukherjee Assistant Vice President-Fixed Income	33/B.com and PGPBF (Finance)	Mr. Abhiroop Mukherjee has an experience of 6 years in trading in Government Securities, Treasury Bills & Corporate bonds. His last assignment was with PNB Gilts Ltd., Mumbai as Assistant Vice President –Fixed Income Securities.
Mr. Akhil Chaturvedi Sr. Vice President-Head-Sales & Distribution	38/MBA (Marketing) and Master of Arts (Accounts and Finance) from University of Leeds, United Kingdom	Mr. Chaturvedi has more than 14 years of rich experience in sales, distribution, client advisory (Wealth management) and business development from companies such as Birla Sun Life Asset Management Ltd., Global Finance Ltd and Daiwa Asset Management Pvt. Ltd. His last assignment was with Daiwa Asset Management Pvt. Ltd. as Head-Retail Sales where he was responsible for sales, distribution and preparation of business plan and strategies for launch of Mutual Fund Schemes.
Mr. Gautam Sinha Roy Vice President	36/B.E (Honors) from University of Calcutta and PGDM from IIM-Calcutta	Mr. Roy has 11 years of rich experience in fund management and research. He had worked with Motilal Oswal Securities Limited as a part of the Investment, Market Strategy & Product Development team. His last assignment was with Motilal Oswal Securities Ltd. where he was handling corporate investments books. He has also worked with organizations like IIFL Capital Pte. Ltd., Mirae Asset Global Investment Pvt. Ltd., Edelweiss Capital Ltd. and Genpact Ltd.
Mr. Siddharth Bothra Senior Vice President and Co - Fund Manager	39/ MBA	Mr. Siddharth Bothra has a rich experience of more than 13 years in the field of research and investments. <ul style="list-style-type: none"> • Motilal Oswal Asset Management Company Limited, Mumbai from April 2013 till date. • Motilal Oswal Securities Limited, Mumbai from June 2012 to March 2013 • Motilal Oswal Securities Limited, Mumbai from January 2005 to March 2011 • Alchemy Share and Stock Brokers Limited, Mumbai from January 2004 to December 2004 • VDK Share and Stock Broking Services, Kolkata from June 2001 to September 2003

E. Service providers

Service Provider	Name	Address	SEBI Registration Number
Custodian	Citi Bank N.A.	Trent House, 3 rd Floor, G-60, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	IN/CUS/004
Registrar / Transfer Agent / Dividend Paying Agent*	Karvy Computershare Pvt. Ltd.	Karvy Registry House, H. No. 8-2-596, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034	INR 000000221
Statutory Auditor	N. M. Raiji & Co.	Universal Insurance Building, Sir P.M. Road, Fort, Mumbai - 400001	Not Applicable
Legal Counsel	There is no retained legal counsel to the Mutual Fund/AMC. However, the AMC uses the services of renowned legal counsel, if need arises.		Not Applicable
Fund Accountant	Citi Bank N.A.	Trent House, 3 rd Floor, G-60, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	IN/CUS/004
Collecting Banker	During the New Fund Offer of the Scheme, the AMC shall appoint banks(s) registered with SEBI as Collecting Banker(s) to accept the applications for investment into the Scheme on such terms and conditions as may be decided by the AMC from time to time. The list of the Collecting Bankers will be disclosed in the SID as and when the Schemes are launched.		Not Applicable

*The Board of Trustees and AMC have satisfied themselves, after undertaking appropriate due diligence, that Karvy Computershare Pvt. Ltd. has adequate capacity to discharge responsibility with regard to processing of applications, dispatch of Account Statement/redemption proceeds to unit holders etc. within the prescribed time limit as per SEBI Regulations and also sufficient capacity to handle the investors complaints.

F. Condensed Financial Information (CFI):

1) Motilal Oswal MOST Shares M50 ETF (MOST Shares M50):

Historical Per Unit Statistics	MOST Shares M50		
	July 28, 2010		
Date of Allotment	April 1, 2012 to March 31, 2013	April 1, 2013 to March 31, 2014	April 1, 2014 to March 31, 2015
NAV at the beginning of the year (as on April 1)	Rs. 73.58	Rs. 74.82	94.2676
Dividends*	Nil	Nil	Nil
NAV at the end of the year (as on March 31)	Rs. 74.68	Rs. 94.02	81.1797
Annualised return** (Growth option)	1.49%	25.66%	23.02%
Net Assets end of period (Rs. Crs.)	Rs. 69.05	33.82	27.60
Ratio of Recurring Expenses to net assets	1.25%	1.36%	1.33%

** Only for growth option. Past performance may or may not be sustained in future.

2) Motilal Oswal MOST Shares Midcap 100 ETF (MOST Shares Midcap 100):

Historical Per Unit Statistics	MOST Shares Midcap 100		
	January 31, 2011		
Date of Allotment	April 1, 2012 to March 31, 2013	April 1, 2013 to March 31, 2014	April 1, 2014 to March 31, 2015
NAV at the beginning of the year (as on April 1)	Rs. 7.88	Rs. 7.65	8.9116
Dividends*	Nil	Nil	Nil

NAV at the end of the year (as on March 31)	Rs. 7.57	Rs. 8.94	13.5217
Annualised return** (Growth option)	-3.99%	16.80%	51.73%
Net Assets end of period (Rs. Crs.)	Rs. 92.73	Rs. 126.27	Rs. 15.70
Ratio of Recurring Expenses to net assets	1.00%	1.00%	1.00%

** Only for growth option. Past performance may or may not be sustained in future.

3) Motilal Oswal MOST NASDAQ-100 ETF (MOST shares NASDAQ 100):

Historical Per Unit Statistics	MOST Shares NASDAQ 100		
	March 29, 2011		
	April 1, 2012 to March 31, 2013	April 1, 2013 to March 31, 2014	April 1, 2014 to March 31, 2015
NAV at the beginning of the year (as on April 1)	Rs. 139.70	Rs. 152.53	215.1732
Dividends*	Nil	Nil	Nil
NAV at the end of the year (as on March 31)	Rs. 152.31	Rs. 213.71	273.7202
Annualised return** (Growth option)	9.03%	40.11%	27.21%
Net Assets end of period (Rs. Crs.)	Rs. 62.58	89.95	68.67
Ratio of Recurring Expenses to net assets	1.00%	1.00%	1.00%

** Only for growth option. Past performance may or may not be sustained in future.

4) Motilal Oswal MOST 10 Year Gilt Fund (MOST 10 Year Gilt):

Historical Per Unit Statistics	MOST 10 Year Gilt Fund					
	April 1, 2012 to March 31, 2013		April 1, 2013 to March 31, 2014		April 1, 2014 to March 31, 2015	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
NAV at the beginning of the period/Allotment Date	10.1582	N.A	11.1538	11.1563	10.8562	10.8680
Dividends*	1.272763		Nil	Nil	Nil	Nil
NAV at the end of the year (as on March 31)	11.1517	11.1541	10.8541	10.8659	12.2771	12.3565
Annualised return**	-	10.79%	-2.36%	-2.45%	14.78%	13.09%
Net Assets end of period (Rs. Crs.)	174.80	0.03	45.54	0.57	18.10	10.15
Ratio of Recurring Expenses to net assets	0.99%	0.90%	1.01%	0.91%	1.23%	0.45%

** Only for growth option. Past performance may or may not be sustained in future.

5) Motilal Oswal MOST Focused 25 Fund (MOST Focused 25):

Historical Per Unit Statistics	MOST Focused 25			
	May 13, 2013			
	April 1, 2013 to March 31, 2014		April 1, 2014 to March 31, 2015	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan
NAV at the beginning of the year (as on April 1)	9.9908	9.9908	11.0342	11.1884
Dividends*	Nil	Nil	1.09	1.12
NAV at the end of the year (as on March 31)	11.0581	11.2122	16.1589	16.6290
Annualised return** (Growth option)	10.58%	12.12%	46.44%	48.63%
Net Assets end of period (Rs. Crs.)	90.10	51.96	15.95	110.60
Ratio of Recurring Expenses to net assets	2.90%	1.37%	2.79%	1.32%

*** Only for growth option. Past performance may or may not be sustained in future.*

6) Motilal Oswal MOST Focused Midcap 30 Fund:

Historical Per Unit Statistics	MOST Focused Midcap 30			
Date of Allotment	February 24, 2014			
	April 1, 2013 to March 31, 2014		April 1, 2014 to March 31, 2015	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan
NAV at the beginning of the year (as on April 1)	10.0156	10.0159	10.6173	10.6281
Dividends*	Nil	Nil	1.00	1.00
NAV at the end of the year (as on March 31)	10.7327	10.7432	19.4655	19.7290
Annualised return** (Growth option)	7.33%	7.43%	83.34%	85.63%
Net Assets end of period (Rs. Crs.)	35.02	8.79	214.33	191.39
Ratio of Recurring Expenses to net assets	2.71%	1.75%	2.68%	1.23%

*** Only for growth option. Past performance may or may not be sustained in future.*

7) Motilal Oswal MOST Ultra Short Term Bond Fund:

Historical Per Unit Statistics	MOST Ultra Short Term Bond Fund			
Date of Allotment	September 6, 2013			
	September 6, 2013 to March 31, 2014		April 1, 2014 to March 31, 2015	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan
NAV at the beginning of the year (as on April 1)	10.0156	10.0159	10.6173	10.6281
Dividends*	Nil	Nil	1.00	1.00
NAV at the end of the year (as on March 31)	10.7327	10.7432	19.4655	19.7290
Annualised return** (Growth option)	7.33%	7.43%	83.34%	85.63%
Net Assets end of period (Rs. Crs.)	42.48	4.63	32.50	7.37
Ratio of Recurring Expenses to net assets	1.09%	0.31	1.26%	0.51%

*** Only for growth option. Past performance may or may not be sustained in future.*

8) Motilal Oswal MOST Focused Multicap 35 Fund:

Historical Per Unit Statistics	MOST Focused Multicap 35	
Date of Allotment	April 28, 2014	
	April 28, 2014 to March 31, 2015	
	Regular Plan	Direct Plan
NAV at the beginning of the year (as on April 1)	10.0079	10.0082
Dividends*	Nil	Nil
NAV at the end of the year (as on March 31)	17.0181	17.2181
Annualised return** (Growth option)	70.18%	72.18%
Net Assets end of period (Rs. Crs.)	587.07	797.38
Ratio of Recurring Expenses to net assets	2.35%	0.97%

*** Only for growth option. Past performance may or may not be sustained in future.*

9) Motilal Oswal MOST Focused Long Term Fund (MOST Focused Long Term):

The scheme is a new scheme and it does not have any performance track record.

II. HOW TO APPLY?

This section must be read in conjunction with the Section “Units and Offer” of the SID.

Application forms/Transaction Slips will be available and accepted at the office of Investor Service Centre, Distributors, at the registered and corporate office of the AMC and the office of the Registrar. During the New Fund Offer, applications (both direct application and application routed through Broker) complete in all respects along with the cheque/pay order/ demand draft/other payment instruction should be submitted at the designated collection centers and at locations mentioned in the application form on their respective business day.

On an ongoing basis, applications (both direct application and application routed through Distributor) filled up and duly signed along with the cheque/bank draft/pay order/other payment instrument should be submitted at the Official Points of Acceptance of Transactions during their Business Hours on their respective Business Days.

Applications by NRIs/FIIs on repatriation basis will be accepted at the branches of the collecting bankers as specified in the relevant application form.

The cheque / pay order / bank draft must be drawn in favour of specific scheme/plan/sub-plan and crossed “A/c Payee only”. A separate cheque / pay order / demand draft must accompany each application; Investors must use separate application forms for investing simultaneously in more than one plan/ sub-plan of the scheme subject to the minimum subscription requirements under each Plan

Cheque / pay order / demand draft accompanying the application form should contain the application form number / folio number and name of the first investor on its reverse.

In order to protect the interest of Investors from fraudulent encashment of cheques, the current SEBI Regulations, have made it mandatory for Investors to mention in their Application/Redemption request, their bank name, branch, address, account type and account number. The Registrar/AMC may ask the investor to provide a blank cancelled cheque or its photocopy for the purpose of verifying the bank account number.

PAN issued by the Income Tax authorities is used as the sole identification number for all investors transacting in the securities market including mutual funds, irrespective of the amount of transaction. Thus, all investors (including resident and non-resident investors) are required to provide PAN, along with a certified* copy of the PAN card for all transactions in Units of the schemes of the Fund irrespective of the amount of transaction.

PAN will not be required in case of Systematic Investment Plans (SIPs) where aggregate of installments in a financial year i.e. April to March does not exceed Rs 50,000/- (hereafter referred to as - Micro Investments). This exemption will be applicable only to investments by individuals, Non Resident Indian. Accordingly, w.e.f February 11, 2013, where the aggregate of the lump sum investment (fresh & additional purchase) and micro SIP installments by an investor based on the rolling 12 month period/in a financial year i.e. April to March does not exceed Rs. 50,000/-. It shall be exempt from the requirement of PAN. However, requirements of Know Your Customer (KYC) shall be mandatory.

Requirements of Know Your Customer (KYC) shall be mandatory. Accordingly, investors seeking the above exemption for PAN still need to submit the PAN exempt issued by SEBI registered KRA (KYC Registration Authority), irrespective of the amount of investment. For the purpose of identifying Micro Investments, the value of investments at the Investor level (first holder) will be aggregated based on the unique ID number mentioned on the KYC Acknowledgment and such aggregation shall be done irrespective of the number of folios/ accounts under all the schemes of the fund which the investor had invested. This exemption will be available only to Micro investment made by the individuals being Indian citizens (including NRIs, Joint holders*, minors acting through guardian and sole proprietary firms not having PAN). Person of Indian Origin (PIO), Hindu Undivided Family (HUF), Qualified Foreign Investor (QFI) and other categories of investors will not be eligible for this exemption. However, investors are required to furnish an attested copy (self attested / attested by an AMFI registered distributor bearing its AMFI Registration Number) of any of the photo identification documents along with the proof of address as specified in the application form. PAN requirement is also exempt for investors residing in the state of Sikkim, Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government). However, this would be subject to verifying the veracity of the claim of the

specified organizations or residents of Sikkim, by collecting sufficient documentary evidence in support of their claim for such an exemption. Please refer to the application form for details of the document(s) which are required to be submitted in such cases.

* In case of joint holders, first holder must not possess a PAN.

The Detailed procedures/requirements for accepting PAN exempt investments shall be as specified by the AMC / Trustee from time to time and their decision in this behalf will be final and binding.

Cash Investments in mutual funds:

In order to help enhance the reach of mutual fund products amongst small investors, who may not be tax payers and may not have PAN/bank accounts, such as farmers, small traders/ businessmen/ workers, SEBI has permitted receipt of cash transactions for fresh purchases/ additional purchases to the extent of 50,000/- per investor, per financial year shall be allowed subject to:

- i. compliance with Prevention of Money Laundering Act, 2002 and Rules framed there under; the SEBI Circular(s) on Anti Money Laundering (AML) and other applicable Anti Money Laundering Rules, Regulations and Guidelines; and
- ii. sufficient systems and procedures in place.

However, payment towards redemptions, dividend, etc. with respect to aforementioned investments shall be paid only through banking channel.

The Fund/ AMC is currently in the process of setting up appropriate systems and procedures for the said purpose. Appropriate notice shall be displayed on its website viz. as well as at the Investor Service Centers, once the facility is made available to the investors.

The PMLA Requirements and related guidelines/circulars issued by the SEBI and AMFI states that Know Your Client (KYC) formalities are required to be completed for all Unit Holders, including Guardians and Power of Attorney holders, for any investment (whether new or additional purchase) made in mutual funds. All Mutual Funds are required to verify the identity and maintain records of all their investors through the mandate KYC process.

KYC requirements will have to be complied with for any amount of investment for the following transactions w.e.f. January 01, 2011:

1. New / Additional Purchases
2. Switch Transactions
3. New SIP Registrations
4. New STP Registrations

Dividend reinvestment transactions of any amount will not be subject to the KYC Compliance requirements.

This one-time verification is valid for transactions across all mutual funds. The process to complete KYC formalities is as follows:

- a. A completed KYC application form along with PAN card copy and the other documents/information as mentioned below should be submitted to any designated 'Points of Service' (POS) – Motilal Oswal AMC Investor Service Centres (as specified), Karvy Investor Service Centres (as specified) or CVL Centres (CDSL Ventures Ltd.). The POS list is available at www.cvlindia.com
- b. A KYC application form can be obtained from any designated POS.
- c. The list of all documents/information required and instructions to fill the form can be found in the KYC application form.
- d. After verification of the KYC application form and accompanying documents, investors will receive a letter certifying their KYC compliance. There is no charge for this verification.

e. When investing any amount with the Fund, a copy of the KYC compliance letter/Mutual Fund Identification Number ("MIN") Allotment Letter (with PAN) / Printout of KYC Compliance Status downloaded from CVL website (www.cvlindia.com) should be attached to the scheme's application form to avoid rejection.

f. If an investor has a Mutual Fund Identification Number and has not provided a certified* copy of the PAN card at the time of obtaining MIN, he is required to complete the KYC formalities as mentioned above in order to be KYC-compliant.

*(Investors are requested to submit a copy along with the original for verification at the Investor Service Centres of the Fund/Karvy, which will be returned across the counter. Alternatively, a distributor empanelled with the Fund can attest a copy. A Bank Manager's attestation or a Notarised copy will also be accepted.)

Applicants intending to apply for units through a Power of Attorney (PoA) must ensure that the issuer of the PoA and the holder of the PoA must mention their KYC Compliance Status and attach proof of KYC Compliance at the time of investment.

Investment made on behalf of Minor

1. Accounts of Minor:

- i. The minor shall be the first and the sole holder in an account/folio. There shall not be any joint accounts/folios with minor as the first or joint holder
- ii. Guardian in the folio on behalf of the minor should be either a natural guardian (i.e. father or mother) or a court appointed legal guardian. A document evidencing the relationship should be submitted to the AMC/Registrar of Fund.
- iii. The following documents evidencing the date of birth of the minor shall mandatorily be required while opening the account on behalf of minor:
 - a. Birth certificate of the minor, or
 - b. School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or
 - c. Passport of the minor, or
 - d. Any other suitable proof evidencing the date of birth of the minor.

2. Minor Attaining Majority - Status Change: When the units are held on behalf of the minor, the ownership of the units rests with the minor. A guardian operates the account until the minor attains the age of majority.

- (i) The AMC/Registrar shall send an advance notice to the guardian and minor to submit an application form along with prescribed documents to change the status of the account to "major". AMC/Registrar shall send these intimations by email and mobile alerts where email ids and mobile numbers are available.
- (ii) The account shall also be frozen for operation by the guardian on the day the minor attains the age of majority and no transactions (financial/non-financial including fresh registration of Systematic Transfer Plan (STP), Systematic Investment Plan (SIP) and Systematic Withdrawal Plan (SWP) after the date of the minor attaining majority) shall be permitted till the documents for changing the status are received by AMC/Registrar.
- (iii) The AMC/Registrar will continue to process the existing standing instructions including STP, SIP and SWP registered prior to the minor attaining majority till the time an instruction from the major to terminate the standing instruction is received by the AMC/Registrar along with the prescribed documents. It may also be noted that the standing instruction shall be terminated within 30 days from the date of receiving the instruction.
- (iv) The AMC/Registrar shall register standing instructions like SIP, SWP, STP in a minor folio only till the date of the minor attaining majority, though the instructions may be for a period beyond that date.
- (v) The following documents shall be submitted to change the account status from minor to major:
 - a. Services Request form, duly filled and containing details like name of major, folio numbers, etc.
 - b. New Bank mandate where account changed from minor to major,
 - c. Signature attestation of the major by a manager of a scheduled bank / Bank Certificate / Letter,
 - d. KYC acknowledgement of the major.

3. Change in Guardian:

- (i) In case there is a change in the guardian of the minor either due to mutual consent or demise of existing guardian, the following documents will be required to be submitted to the AMC/Registrar in order to register the new guardian who shall be a natural guardian (father or mother) or a court appointed legal guardian:
 - a. Request letter from the new guardian,
 - b. No Objection Letter (NoC) or Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is alive.
 - c. Notarized copy or attested copy of the Death Certificate of the deceased guardian, where applicable. The attestation may also be done by a special executive magistrate, AMC authorised official or manager of a scheduled bank.
 - d. A document evidencing the relationship of the guardian shall be required if the same is not available as part of the documents submitted as per point A(iii) above.
 - e. Bank attestation attesting the signature of the new guardian in a bank account of the minor where the new guardian is registered as the guardian.
 - f. KYC Acknowledgement Letter of the new guardian.

Subject to the Regulations, Trustees of the Mutual Fund may reject the applications in case the application is found invalid/ incomplete or for any other reason at Trustee's discretion.

Mode of payment

For Resident Investors:

Investors having a bank account with such banks with whom the AMC will have an arrangement from time to time, can make payment towards subscription to the units of the Schemes either by issuing a cheque drawn on such bank or by giving debit instruction to their account with any branch of such banks with whom the AMC would have arrangement from time to time.

For other investors not covered above, payment may be made by cheque/draft, drawn locally on any bank, which is a member of the Bankers Clearing House located at the place where the application form is submitted.

No cash, money orders, stock invests, outstation cheques, postdated cheques (except under the SIP facility, during continuous offer) and postal orders would be accepted. Bank charges for out-station demand drafts (as defined herein) will have to be borne by the Investor. An out-station demand draft has, for this purpose, been defined as a demand draft issued by a bank in a place where there is no collection centre provided for the investors. The Fund will not entertain any requests for refund of demand draft charges.

Separate cheque or bank draft must accompany each application. No receipt will be issued for the application money. The bankers to the offer or their respective designated branches or any authorized collection agents/centers who receive the application form shall stamp and return the "Acknowledgment Slip" thereby acknowledging receipt of the application form. The investors are requested to preserve the acknowledgement slip duly stamped by the collecting bank/center etc. This shall be subject to final verification and scrutiny by the bankers/Trustee/AMC that the cheque /demand draft and application form are in order/valid.

Important Note:

1. Returned cheques will not be presented again for collection and the accompanying application forms shall not be considered for allotment. In case the returned cheque(s) are presented again the necessary charges are liable to be debited to the investor.
2. As per the directive issued by SEBI vide their letter IIMARP/CIR/07/826/98 dated April 15, 1998, it is mandatory for applicants to mention their bank account numbers in their applications for purchase or redemption of units. This is to prevent fraudulent encashment of dividend/redemption/ refund cheques. For the purpose of verifying the account number of the investor, AMC or Registrar may ask investor to provide a blank cancelled cheque or its photocopy. If the data is not provided, neither the Mutual Fund nor the AMC will be liable for any delay/non receipt of refund, redemption/dividend payments.
3. Any request for withdrawal of application made during the New Fund Offer period will be treated as redemption request and shall be processed at the redemption price on the first day

after the scheme opens for subscription and redemption on an ongoing basis after the close of New Fund Offer.

Additional mode of payment through Applications Supported by Blocked Amount (“ASBA”) in Mutual Funds for investing in New Fund offer (NFO)

In terms of SEBI circular No. SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2010, an investor can subscribe to the New Fund Offer (NFO) of Mutual Fund launched on or after July 1, 2010, through the ASBA facility by applying for the units offered by the Schemes in the ASBA application form and following the procedure as prescribed therein.

“Applications Supported by Blocked Amount” or “ASBA” is an application containing an authorization given by the Investor to block the application money in his specified bank account towards the subscription of Units offered during the NFO of the Schemes of Motilal Oswal Mutual Fund. If an investor is applying through ASBA facility, the application money towards the subscription of Units shall be debited from his specified bank account only if application of the investor is selected for allotment of Units.

Investors under ASBA can also subscribe to NFO of the Schemes by making physical or electronic application through Self Certified Syndicate Bank (“SCSB”) for utilising ASBA facility.

Benefits of Applying through ASBA facility:

- a) The Investor need not issue a cheque of a demand draft, as the investor needs to submit the ASBA application form accompanying an authorization to block the account to the extent of application money towards subscription of units in the NFO. The investor can use the balance money, if any, for other purposes.
- b) Release/unblocking of blocked funds after allotment is done instantaneously.
- c) As the application amount remains in the investor’s bank account, the investor continues to earn interest till the allotment is made, when an application is made under ASBA facility
- d) Refunds of money to the investors do not arise as the application money towards subscription of units is debited only on the allotment of units.

ASBA Procedure

- i) An investor intending to subscribe to the units during NFO through ASBA facility shall submit a duly completed ASBA application form to a SCSB with whom such investor’s bank account is maintained.
- ii) The ASBA Application Form towards the subscription of units can be submitted through one of the following modes:
 - submit the form physically with the Designated Branches (DBs) of SCSB (“Physical ASBA”); or
 - submit the form electronically through the internet banking facility offered by the SCSB (“Electronic ASBA”).
- iii) An acknowledgement will be given by the SCSB in the form of the counter foil or specifying the application number for reference. Such acknowledgement does not guarantee, in any manner, that the investors will be allotted the units he has applied for.
- iv) Note: The application would be rejected by the Bank, if the bank account specified in the ASBA application form does not have sufficient credit balance to meet the application money towards the subscription of units in the NFO.
- v) On acceptance of physical or electronic ASBA, the SCSB shall block funds available in the specified bank account to the extent of application money specified in ASBA application Form.
- vi) Application money towards the subscription of units shall be blocked in the account until (i) allotment of units is made or (ii) the application is rejected.
- vii) SCSBs shall unblock the bank accounts for (i) transfer of requisite money to the Mutual Fund / scheme bank account against each valid application on allotment or (ii) in case the application is rejected.

viii) The list of SCSBs and their DBs where ASBA application form can be submitted is available on the websites of BSE (www.bseindia.com), NSE (www.nseindia.com) and SEBI (www.sebi.gov.in) and shall also be given in the ASBA application form.

Grounds for Technical Rejections of ASBA application forms

ASBA application forms can be rejected, at the discretion of Registrar and Transfer Agent of Motilal Oswal Mutual Fund or AMC or SCSBs including but not limited on the following grounds:-

- i) Applications by persons not competent to contract under the Indian Contract Act, 1872, including but not limited to minors, insane persons etc.
- ii) Mode of ASBA i.e. either physical ASBA or electronic ASBA is not selected or ticked.
- iii) ASBA application form without the stamp of the SCSB.
- iv) Application by any person outside India if not in compliance with applicable foreign and Indian laws.
- v) Bank account details not given/incorrect details given.
- vi) Duly certified Power of Attorney, if applicable, not submitted along with the ASBA application form.
- vii) No corresponding records available with the Depositories matching the parameters namely (a) Names of the ASBA applicants (including the order of names of joint holders) (b) DP ID (c) Beneficiary account number or any other relevant details pertaining to the Depository account.

Mechanism for Redressal of Investor Grievances:

All grievances relating to the ASBA facility may be addressed to the respective SCSBs, giving complete details such as name & address of the applicant, number of units applied for, counterfoil or the application reference given by the SCSBs, DBs or CBs, amount paid on application and the Designated Branch or the collection centre of the SCSB where the application form was submitted.

If the SCSB has not resolved the grievance, investors should write to M/s. Karvy Computershare Pvt. Ltd. (Karvy), Hyderabad, Registrar and Transfer Agent of Motilal Oswal Mutual Fund

Non-Acceptance of Third Party Payments

Pursuant to AMFI Best Practice Guidelines, with effect from November 15, 2011, Motilal Oswal Asset Management Company Limited (AMC)/Motilal Oswal Mutual Fund (Mutual Fund) shall not accept the applications for subscription of units accompanied with Third party payments. Third party payments means payments made through instruments issued from an account other than that of the beneficiary investor. In case of payments made from a joint bank account, the first holder of the mutual fund folio must be one of the joint holders of the bank account from which payment is made.

However, in the following exceptional circumstances, application with the Third party payments for investment/subscription would be accepted subject to submission of documents and declarations:

- b. Payment by Parents/Grand-Parents/related persons for investment made on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs. 50,000/- (each regular purchase or per SIP installment).
- c. Payment by Employer on behalf of employee under Systematic Investment Plan through Payroll deductions.
- d. Custodian on behalf of a Foreign Institutional Investor (FII) or a Client.

In case of exceptions mentioned above, the investors will be required to comply with the following requirements:

- b. Mandatory Know Your Client (KYC) for Investor (guardian in case of minor) and the person making the payment i.e. KYC Acknowledgement Letter of the Investor and the person making the payment has to be attached to the application form.
- c. Declaration from the Investor (guardian in case of minor) and the person making the payment stating the details of the bank account from which the payment is made and the relationship with the Investor.

Investors/unit holders are requested to take note of the following:

- (i) Where the application for purchase is accompanied by a cheque then the investor/unit holder at the time of their purchase must provide the details of their pay-in

- bank account (i.e. account from which a subscription payment is made) and their pay-out bank account (i.e. account into which redemption/dividend proceeds are to be paid).
- (ii) Where the application is accompanied by a Pay Order, Demand Draft, Banker's cheque, etc., a Certificate (in original) from the Issuing banker must accompany the application, stating the Account holder's name and the Account number which has been debited for issue of the instrument. This Certificate should be duly certified by the bank manager with his/her full signature, name, employee code, bank seal and contact number. The account number mentioned in the Certificate should be a registered bank account or the first named investor/ unitholder should be one of the account holders of such bank account.
 - (iii) An application for purchase which is accompanied by pre-funded instrument issued by the Bank against Cash shall be accepted for investments less than Rs. 50,000/-. The investor shall submit a Certificate (in original) from the banker giving name, address and PAN (if available) of the person who has requested for the demand draft. This Certificate should be certified by the bank manager with his/her full signature, name, employee code, bank seal and contact number.
 - (iv) An application for purchase for which payment is made by RTGS, NEFT, ECS, bank transfer, etc., must be accompanied by a copy of the instruction to the bank stating the account number debited. The account number mentioned in the instruction for the transfer to the bank should be a pre-registered bank account or the first named investor/unitholder should be one of the account holders of the bank account from which the instructions for fund transfer has been provided.

The above broadly covers the various modes of payment for mutual fund subscriptions. Any other mode of payment as introduced by Mutual Fund will also be covered under these provisions and the Mutual Fund/AMC reserves the right to change/alter the above provisions.

Investors transacting through Stock Exchanges for listed schemes will have to comply with the norms/rules as prescribed by the Stock Exchanges(s).

The Mutual Fund/AMC reserves the right at its absolute discretion to reject/not process the application which does not comply with the above provisions and refund the application money and shall not be liable in any manner whatsoever for such rejections.

Application under Power of Attorney/ non-individual investor

In case of an application under a Power of Attorney or by a limited company or a body corporate or a registered society or a trust or any other non-individual investor, the original power of attorney or the certified copy containing the signature of both the applicant and the constituted attorney duly notarised or the relevant resolution or authority to make the application as the case may be or duly certified copy thereof along with a certified copy of memorandum and articles of association and/or bye-laws must be lodged along with the application form and a separate set of all the documents be submitted to the Collection Centres/Registrars.

Subscription by NRIs/PIOs

RBI has granted general permission to domestic mutual funds referred to in Clause (23D) of Section 10 of the Income Tax Act, 1961 to issue units and repurchase units of their Schemes which are approved by the SEBI to NRIs/PIOs at their places of residence or location as the case may be.

Repatriation basis

NRI/PIO applications on a repatriation basis will be accepted, if the amount representing the investment is received by inward remittance through normal banking channels or by debit to Non-Resident (External) Rupee Account (NRE)/Foreign Currency (Non-Resident) Account (FCNR) maintained with the authorized dealer.

Non-Repatriation basis

In case of NRIs/PIOs seeking to apply on a non-repatriation basis, payment may be made by inward remittance through normal banking channels or by debit to the NRE/FCNR/Non-Resident Ordinary Rupee (NRO) account maintained with the authorized dealer.

All cheques/drafts accompanying applications for repatriation or non-repatriation basis should be made and crossed "Account Payee Only". In case Indian Rupee drafts are purchased abroad or from FCNR/NRE A/c, an account debit certificate from the Bank issuing the draft confirming the debit shall also be enclosed.

Subscriptions by FIIs

RBI has granted general permission to domestic mutual funds referred to in Clause (23D) of Section 10 of the Income Tax Act, 1961 to issue units and repurchase units of their Schemes which are approved by the SEBI to FIIs and to make payments therefore. FIIs shall pay their subscription amount either by inward remittance through normal banking channels or out of funds held in Non-Resident (External) Rupee Account (NRE)/Foreign Currency (Non-Resident) Account (FCNR) or Non-Resident Ordinary Rupee Account (NRO) maintained with a designated bank in India. The application must provide the FII's Special Non Resident Rupee Deposit Account details maintained with any one of the RBI designated banks.

III. RIGHTS OF UNITHOLDERS OF THE SCHEME

A. Rights of Unitholders

1. Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
2. When the Fund declares a dividend under the Scheme, the dividend warrants shall be despatched within 30 days of the declaration of the dividend. Account Statement reflecting the new or additional subscription as well as redemption/switch of Units shall be despatched to the Unit holder within 10 business days of the specified redemption date. Provided if a Unit holder so desires the Fund shall issue a Unit certificate (non-transferable) within 30 days of the receipt of request for the certificate.

In case of Unit Holders holding units in the dematerialised mode, the Fund will not send the account statement / unit certificate to the Unit Holders. The statement provided by the Depository Participant will be equivalent to the account statement.

Pursuant to SEBI Circular no. SEBI/IMD/CIR No 18/198647/2010 dated March 15, 2010, in respect of New Fund Offers (NFOs) of Schemes launched on or after July 1, 2010, Account Statement [Allotment Advice in respect of units held in demat (electronic) mode] shall be despatched within five business days from the closure of the NFO and all the schemes [except Equity Linked Savings Scheme (ELSS)] shall be available for ongoing repurchase/ sale/trading within five business days of allotment.

The first-named Unit holder shall receive the account statements, all notices and correspondence with respect to the account, as well as the proceeds of any Redemption requests or dividends or other distributions. In addition, such holder shall have the voting rights, as permitted, associated with such Units as per the applicable guidelines.

3. The Fund shall dispatch redemption/repurchase proceeds within 10 Business Days of receiving the redemption/repurchase request.
4. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the Unit holders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
5. The appointment of the AMC for the Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the Scheme.
6. 75% of the Unit holders of a Scheme can pass a resolution to wind up a Scheme.
7. The Trustee shall obtain the consent of the Unit holders: -
 - i. whenever required to do so by SEBI in the interest of the unit holders; or
 - ii. whenever required to do so if a requisition is made by three-fourths of the unit holders of the Scheme; or
 - iii. when the Trustees decide to wind up the Scheme or prematurely redeem the Units
8. The Trustee shall ensure that no change in the fundamental attributes of any Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of Unit holders, shall be carried out unless :
 - i. A written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
 - ii. The Unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.
9. In specific circumstances, where the approval of Unit holders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.

10. The annual report containing accounts of the AMC would be displayed on the website of the AMC (i.e. www.motilaloswalmf.com and www.mostshares.com). Unitholders, if they so desire, may request for the annual report of the AMC.

IV. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

The Net Asset Value (NAV) per unit under the Scheme will be computed by dividing the net assets of the Scheme by the number of units outstanding on the valuation day. The Mutual Fund will value its investments according to the valuation norms, as specified in Schedule VIII of the SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time.

The Net Asset Value (NAV) of the units under the Scheme shall be calculated as follows:

$$\text{NAV (Rs.)} = \frac{\text{Market or Fair Value of Scheme's investments} + \text{Receivables} + \text{Accrued Income} + \text{Other Assets} - \text{Accrued Expenses} - \text{Payables} - \text{Other Liabilities}}{\text{No. of Units outstanding under Scheme on the Valuation Day}}$$

The NAV will be calculated up to two decimals. However the AMC reserves the right to declare the NAVs up to additional decimal places as it deems appropriate. Separate NAV will be calculated and disclosed for each Plan/Option.

The AMC will calculate and disclose the first NAV of the Scheme within a period of 5 business days from the date of allotment. Subsequently, the NAV shall be calculated and disclosed on each business day. The computation of NAV shall be in conformity with SEBI Regulations and guidelines as prescribed from time to time.

- VALUATION NORMS FOR TRADED SECURITIES

Traded securities also include Thinly Traded securities and Suspended securities.

i) Thinly traded Equity/Equity Related Securities:

When trading in an equity/equity related security (such as convertible debentures, equity warrants, etc.) in a month is both less than Rs. 5 lacs and the total volume is less than 50,000 shares, it shall be considered as thinly traded security and valued accordingly. **Ref: SEBI Circular No. MFD/CIR/14 /088 / 2001 dated March 28, 2001.**

It is evident that any security to qualify as thinly traded security it should satisfy both the aforesaid conditions.

- Process to be followed for determining whether security is thinly traded
 - In order to determine whether a security is thinly traded or not, the volumes traded on all recognized Stock Exchanges in India for the last month are considered.
 - On the last day of the month service vendor viz. Bilav software Pvt. Ltd. send soft copy containing scrip-wise volume on BSE and NSE. This data is used to determine whether any of the equity security held in the portfolio is thinly traded.
 - Please refer to **Section II** for valuation of thinly traded equity/equity related securities

ii) Thinly traded Debt securities:

A debt security (other than Government Securities) shall be considered as a thinly traded security if on the valuation date, there are no individual trades in that security in marketable lots (currently applicable) on the principal stock exchange or any other stock exchange. **Ref.: SEBI Circular No. MFD/CIR No.14/442/2002 dated February 20, 2002.**

- **Process to be followed while determining whether security is thinly traded:**
 - In order to determine whether a debt security is thinly traded or not, the volumes traded on NSE on the date of valuation should be considered since this is the only stock exchange, which has a Whole Sale Debt Market (WDM) segment. Volumes traded on NSE WDM can be obtained from service provider e.g. Bilav software Pvt. Ltd., or it can be obtained directly from the NSE site.

- A thinly traded debt security as defined above would be valued as per the norms set for non-traded debt security. Please refer to **Section II** for valuation of thinly traded debt securities.

1. EQUITY AND EQUITY RELATED SECURITIES:

SEBI Regulations has prescribed following methodology for valuation of Equity and Equity related securities:

Traded Securities are to be valued at the last quoted closing price on the selected Stock Exchange. Where security is not traded on the selected stock exchange, the last quoted closing price of another Stock Exchange may be used. If a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used, provided such date is not more than thirty days prior to valuation date. (Ref: SEBI (Mutual Fund) Regulations, 1996 Schedule VIII and amendments through SEBI Circular No. MFD/CIR No.14/442/2002 dated February 20, 2002.)

The steps involved in valuation of traded securities are:

- (i) Selection of appropriate Stock Exchange by Asset Management Company (AMC) and valuing the security at the closing price on the date of valuation.
 - (ii) Valuing security at the closing price of another Stock Exchange, if it is not traded on the valuation date on the Stock Exchange as selected at (i) above.
 - (iii) Valuing security at the earliest previous day's quotes of selected stock exchange or any other stock exchange as the case may be (being not more than thirty days prior to valuation date).
- Clearly, for reasons of speed and regular flow of data in electronic form, our choice of stock exchange for trading is limited to the two premier exchanges of India - the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). Both these exchanges have electronic trading, greater transparency, quicker and more efficient settlements, which enable better cash management, and are popular with other major institutions.

Process followed for valuation of traded equity and equity related securities by Motilal Oswal AMC would be as follows:

- (i) For valuation purposes NSE has been selected as appropriate stock exchange for equity and equity related securities held by all the schemes.
- (ii) Wherever equity and equity related securities are not listed on NSE or are not traded on a certain day at NSE, the closing price at BSE should be considered, followed by any other regional exchanges.
- (iii) In case of securities which have been allotted under preferential / private allotment and are not listed or traded on both the stock exchanges, the scrip is valued at last quoted price on the Stock Exchange where it is traded (provided the last quoted price is not more than thirty days prior to the valuation date.)
- (iv) To summarise, if a not traded on NSE then refer BSE and if not traded on BSE then only refer other exchange where the security is traded provided the trade should have happened within 30 days prior to the valuation date.
- (v) Similar methodology is to be used for valuation of traded preference shares.
- (vi) If the equity securities are not traded on any stock exchange for a period of thirty days prior to the valuation date, the scrip must be treated as 'non-traded' scrip and should be valued as non-traded security as per the norms given separately by us in **Section II** and also in case of equity securities not listed on any stock exchange, the scrip is to be valued as per the norms given separately in **Section II**.

Change in the selected Stock Exchange:

In case selected stock exchange for valuation of any or all securities is to be changed, reasons for change have to be recorded in writing by the valuation committee and approved by the Board of AMC.

2. VALUATION OF FOREIGN SECURITIES & ADR/GDR:

Exchange to be considered for valuation of foreign securities and ADRs/GDRs is to be approved by the AMC Board. SEBI has not prescribed the method of valuation of foreign securities and

ADR/GDR. Process of valuation to be followed by Motilal Oswal Mutual Fund would be as follows:

i. Receiving last quoted price:

If the security is listed in a time zone ahead of ours then the same day price as provided by Reuters would be used for valuation. If the security is listed in a time zone behind ours then the previous day's price would be used for valuation. However in case a security is listed on more than one stock exchange, the AMC reserves the right to determine the stock exchange, the price of which would be used for the purpose of valuation of that security. The price of previous day should be used provided the price is not more than 30 days old. Further in case of extreme volatility or any other significant event in the international markets, the securities listed in those markets may be valued on a fair value basis.

In case of investment in foreign debt securities, on the Valuation Day, the securities shall be valued in line with the valuation norms specified by SEBI for Indian debt securities. However, in case valuation for a specific debt security is not covered by SEBI (MF) Regulations, then the security will be valued on fair value basis by the Valuation Committee of the AMC.

ii. Converting the price in Indian Rupees (INR):

Since these prices are in foreign currency these are to be converted in Indian Rupees by applying the exchange rate. Reuters Rate (11:30:00 GMT) can be used for converting the foreign currency prices in INR. This closing price in INR should also be used for valuation of foreign securities and ADR/GDR.

In case Reuters has not provided the conversion rate, the closing price of the security should be converted to INR at RBI reference rate. The Trustees reserve the right to change the source for determining the exchange rate.

3. STOCK AND INDEX DERIVATIVES:

3.1 Equity / Index Options Derivatives:

- (i) Market values of traded open option contracts shall be determined with respect to the exchange on which it is contracted originally, i.e., an option contracted on the National Stock Exchange (NSE) would be valued at the closing option price on the NSE. The price of the same option series on the Bombay Stock Exchange (BSE) cannot be considered for the purpose of valuation, unless the option itself has been contracted on the BSE.
- (ii) The Exchanges give daily settlement prices in respect of all derivatives positions. These settlements prices would be adopted for the positions, which are not traded.

3.2 Equity / Index Futures Derivatives:

- (i) Market values of traded futures contracts shall be determined with respect to the exchange on which contracted originally, i.e., futures position contracted on the National Stock Exchange (NSE) would be valued at the settlement price on the NSE. The price of the same futures contract on the Bombay Stock Exchange (BSE) cannot be considered for the purpose of valuation, unless the futures contract itself has been contracted on the BSE.
- (ii) The Exchanges give daily settlement prices in respect of all derivatives positions. These settlements prices would be adopted for the positions, which are not traded.

4. VALUATION OF GOVERNMENT SECURITIES:

All Government securities are to be valued at the prices released by an agency suggested by AMFI. Central Government Securities (CGs) and State Development Loans (SDLs) shall be valued at the price received from approved agency/(ies) currently CRISIL on a daily basis.

5. DEBT SECURITIES OTHER THAN GOVERNMENT SECURITIES:

AMFI Best Practice Guidelines Circular No. 135/BP/29/2012-13 dated May 15, 2012 read with AMFI Best Practice Guidelines Circular No.41/2013-14

Valuation of Non-Traded Securities/Thinly Traded securities:

Less than or upto 60 days

Instruments will be valued by amortization on a straight line basis to maturity from cost or last valuation price, whichever is more recent.

However, it will be ensured that the amortized price is a fair reflection of market conditions, by comparing it to a Reference Price.

Crisil shall be providing reference yields for all securities with a residual maturity of less than 60 days. The yields would be provided in a matrix format based on the residual maturity and rating of debt instruments.

This is done through software developed by Crisil (CRISIL Bond Valuer or CBV). Based on the relevant benchmark yield (which will be derived from the reference yield curve mentioned above based on the residual maturity and rating of each security) and a security specific spread, a reference yield for each security will be calculated on a daily basis. Security specific reference price will be calculated using the reference yield.

This reference price will then be compared with the amortized price of each security.

In case the difference between the reference price and the amortized price is within +/- 10 bps, the security will be continued to be valued through amortization. However if on any day the price difference is more than +/-10 bps, the valuation of the security will be adjusted so as to bring the difference within a band of +/-10 bps.

Benchmark yield curve:

The benchmark yield curve shall be constructed by Crisil on a daily basis, based on market trades and polling of market participants. For construction of this benchmark yield curve, traded prices / yields across all public platforms will be considered. For practical reasons, the benchmark yields will be provided for each calendar fortnightly interval, for tenors up to 60 days. Like for securities currently above 91 days to maturity, the yield curve shall be constructed in a matrix format, where each issuer can be benchmarked based on the credit rating and time to maturity.

Security Specific Spread:

An acquisition of a less than 60 day security could happen in two ways.

- a) Residual maturity of an existing security falling below 60 days.
- b) Fresh purchase of the security with a residual maturity of up to 60 days.

For every security acquired through way (a) the illiquidity discount will be zero. For every security acquired through way (b) the difference between the yield of the security and benchmark yield curve will be captured. This difference as on the first day of acquisition will be the spread for that security.

The spread of the security over the benchmark yield curve will generally be kept constant through the life of the security and shall be changed only if there is a reasonable justification for the change.

The spread will be changed if there are market trades in the same security at yields which will result in significantly different spreads, vis a vis current spreads. For any reset along these lines, we will consider following aspects.

- (i) There has to be sufficient volume of such transactions. The qualification of the same would be at least 3 trades aggregating to Rs 100 crs or more.

Any decision to change the spread based on market trade would be taken by mid-office (risk department), based on adequate documentation and justification presented by the portfolio management team and shall be presented in the subsequent valuation committee meeting for ratification.

The spread may also be changed if there is a change in credit profile of the underlying issuer which warrants a change in current spreads over benchmark yields.

The change in credit profile of an issuer may arise due to one or a combination of the following factors.

- (i) Change in credit rating of the said issuer.
- (ii) Change in the credit rating outlook.
- (iii) Significant change in the business and / or financial risk profile.
- (iv) The above three factors are not exhaustive. There can be other reasons which may be considered for evaluating the credit profile of an issuer, based on adequate data, market information and analysis.

Further, given the dynamic nature of the markets, and due to changing market conditions, the risk department (mid office), may choose to revisit spreads at any point in time, based on the inputs / information received from internal / external sources. If so, then these changes shall also be reported post facto to the valuation committee for their ratification.

Trades done by the fund in an existing holding, will lead to a change in valuation yield for that security, provided the trade is at least of a marketable lot. This would result in a change in the valuation price of the security which will be valued at the weighted average yield of all trades done by the fund on that day. The security will then start getting amortized from the new valuation price.

An own trade will also lead to a reset in spreads. Based on the traded yield, the new spread will be calculated, over the benchmark yield curve. The reference yield will then be the combination of the benchmark yield and the new spread.

Since all interscheme trades would be done at current market levels and follow the principle of fair valuation like any other own trade, hence such interscheme trades would be treated at par with own trades for valuation purpose.

For instruments maturity beyond 60 days

All Debt /Money market securities of more than 60 days would be valued based on the security level valuation to be provided by CRISIL. Such prices would also be provided for non-transaction day.

New securities purchased of more than 60 days maturity for which valuation price is not provided by CRISIL on the date of purchase, would be valued based as below :-CP/CD/ZCB :- Amortization from Weighted average price.
NCD:- At cost.

Any decision on any given valuation day of overruling the CRISIL price would have to be approved by the Valuation Committee. The valuation would have to be suggested by the Fund Manager with the approval of Head of Fixed Income based on the market data and independently reviewed /verified by Risk Management and then sent to Fund Accountants for incorporating in the NAV Computation.

6. VALUATION OF OTHER INSTRUMENTS:

6.1 VALUATION OF NON-TRADED RIGHTS ENTITLEMENTS:

As per Schedule VIII of SEBI (Mutual Fund) Regulations

- 6.1.1 When Company announces rights to the existing equity shareholders, under its Listing Agreement with Stock Exchange; it has to declare ex-right date for the purpose of trading on the Stock Exchange. Ex-right date is a date from which the underlying shares, which are traded on the Stock Exchange, will not be entitled to the rights. These rights entitlements can also be renounced in favour of a willing buyer. These renunciations are in some cases traded on the Stock Exchange. In such case these should be valued as traded equity related securities as detailed at para 1 above.

6.1.2 Till the rights are subscribed, the entitlements as per Regulations have to be valued as under:

Valuation of non-traded rights entitlement is principally the difference between the right price and ex-right price. SEBI Regulations have explained this with the help of following formula:

$$V_r = n / m \times (P_{ex} - P_{of}) \text{ Where}$$

V_r = Value of Rights

n = Number of rights offered

m = Number of original shares held

P_{ex} = Ex-right price

P_{of} = Rights offer price

6.1.3 The following issues while valuing the rights entitlements have to be addressed:

- i) In case original shares on which the right entitlement accrues are not traded on the Stock Exchange on an ex-right basis, right entitlement should not be recognised as investments.
- ii) When rights are not treated pari passu with the existing shares such as, restrictions with regard to dividend etc., suitable adjustment should be made by way of a discount to the value of rights at the last dividend announced rate.
- iii) Where right entitlements are not subscribed to but are to be renounced, and where renunciations are being traded, the right entitlements have to be valued at traded renunciation value.
- iv) Where right entitlements are not traded and it was decided not to subscribe the rights, the right entitlements have to be valued at zero.
- v) In case the Rights Offer Price is greater than the ex-rights price, the value of the rights share is to be taken as zero.

Until the right entitlements are traded, the value of the “rights” shares should be calculated as:

$$\text{Value of rights entitlement} = \text{Ex-right price} - \text{Rights offer price}$$

6.2 VALUATION OF SUSPENDED SECURITY:

6.2.1 In case trading in an equity security is suspended for trading on the stock exchange up to 30 days, then the last traded price would be considered for valuation of that security.

6.2.2 If an equity security is suspended for trading on the stock exchange for more than 30 days, then it would be considered as non traded and valued accordingly.

6.3 VALUATION OF UNITS OF MUTUAL FUNDS:

- (i) In case of traded Mutual Fund schemes, the units would be valued at closing price on the stock exchange on which they are traded like equity instruments. In case the units are not traded for more than 7 days, last declared NAV would be considered for valuation (NAV is declared by Mutual Fund on weekly basis in case of close-ended schemes.)
- (ii) In case of non-traded Mutual Fund scheme, Closing NAV of the trade date would be considered for valuation.

SECTION II

VALUATION NORMS FOR NON-TRADED SECURITIES

INTRODUCTION:

A. Two distinct definitions for recognition as non-traded securities are noted.

- i) If the equity securities are not traded on any stock exchange for a period of thirty days prior to the valuation date, the scrip must be treated as 'non-traded' scrip
 - ii) If the debt securities are not traded on any stock exchange for a period of fifteen days prior to the valuation date, the scrip must be treated as 'non-traded' scrip.
- B. Basic Conditions of valuation of Non-traded / Thinly traded Securities
- The Regulations prescribe following conditions for valuation of non-traded securities:
- i) Non-traded securities shall be valued in 'good faith' on the basis of the valuation principles laid down by SEBI.
 - ii) The basis should be appropriate valuation methods on the principles approved by Board of AMC.
 - iii) Such basis should be documented in Board minutes
 - iv) Methods used to arrive at good faith valuation should be periodically reviewed by the Trustees.
 - v) Methods used to arrive at good faith valuation should be such that the auditors' report the same as 'fair and reasonable' in their report on the annual accounts.

Additional conditions to be adhered to for valuation of non-traded securities:

- vi) Same price needs to be considered for the particular security across the schemes
- vii) Valuation needs to be done on trade date itself and not on settlement date
- viii) Prices to be computed up to 4 decimals

1. EQUITY AND EQUITY RELATED SECURITIES:

1.1 APPLICATION MONEY FOR PRIMARY MARKET ISSUE:

- i) Application money should be valued at cost up to 30 days from the closure of the issue. If the security is not allotted within 30 days from the closure of the issue, application money is to be valued as per the directives of valuation committee. Rationale of valuing such application money should also be recorded.
- ii) Equity securities allotted and proposed to be listed, but not listed, are to be valued at cost till two months from the date of allotment and after two months, are to be valued as unlisted securities. Method of valuing unlisted equity is stated at para 1.3 below.

1.2 NON-TRADED / THINLY TRADED EQUITY:

- 1.) A List of thinly trade securities is taken from stock exchanges (i.e. NSE and BSE) and also from Bloomberg on a monthly basis at every month end.
- 2.) When a security is not traded in any of the stock exchange for the period of thirty days prior to the valuation date, it should be treated as Non-Traded Securities.
- 3.) Thinly traded / Non Traded securities are valued in "good faith" on the basis of the valuation principles laid down by SEBI.

A. As per SEBI Circular No. MFD/CIR/ 8 / 92 / 2000 dated September 18, 2000 non traded / thinly traded equity is to be valued as follows:

- (a) Based on the latest available Balance Sheet, net worth shall be calculated as follows:
- (b) Net Worth per share = [share capital+ reserves (excluding revaluation reserves) – Misc. expenditure and Debit Balance in P&L A/c] Divided by No. of Paid up Shares.
- (c) Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share (EPS) of the latest audited annual accounts will be considered for this purpose.
- (d) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share.
- (e) In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.

- (f) In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- (g) In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security.
- B. In line with these guidelines issued by SEBI, non-traded / thinly traded securities should be valued as follows:
- 1.2.1 Net worth per share is computed as follows:
- i) Net worth of the company = Paid up share capital + Reserves other than Revaluation reserve - Miscellaneous expenditure, debit balance in Profit and Loss account and certain contingent liabilities.
- ii) Net worth per share = (Net worth of the company / Number of paid up shares).
- 1.2.2 Computation of capitalised value of earning per share (EPS):
- i) Determination of the Industry Price Earning Ratio (P/E) to which the company belongs.
- Classification of industries provided by AMFI should be adopted.
 - Presently Industry P/E Ratio used is provided by NSE on a monthly basis. However, the P/E ratio data if not available from BSE/NSE, P/E provided by the Capital Market, Prowess (CMIE), Bloomberg etc. should be taken.
- ii) Compute EPS from the latest audited annual accounts. In case the EPS is negative, EPS value shall be considered as zero
- iii) Compute capitalised value of EPS at 75% discount
 $(P/E * 0.25) * EPS$
- 1.2.3 Computation of fair value per share to be considered for valuation at 10 % discount for illiquidity.
 $[(Net\ worth\ per\ share + Capitalised\ value\ of\ EPS) / 2] * 0.90$
- 1.2.4 In case the latest balance sheet i.e. balance sheet prepared within nine months from the close of the accounting year of the company, is not available (unless the accounting year is changed) the shares should be valued as zero.
- 1.2.5 In case an individual non traded / thinly traded security as valued aforesaid, accounts for more than 5% of the total asset of the scheme, AMC should appoint an independent valuer. The security shall be valued on the basis of the valuation report of the valuer.
- 1.2.6 To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs would be compared on the date of valuation.
- 1.3 VALUATION OF UNLISTED EQUITY:**
- A. **SEBI Circular No. MFD/CIR/03/526/2002 dated May 9, 2002** has prescribed the method of valuation for unlisted equity securities. These guidelines are similar to the guidelines issued by SEBI for non traded / thinly traded securities mentioned above only except the following:
- 1.3.1 Computation of Net worth per share *as lower of (a) and (b)*:
- (a) i) Net worth of the company = Paid up share capital + Reserves other than Revaluation reserve - Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses.
- ii) Net worth per share = (Net worth of the company / Number of paid up shares).

- (b) i) Net worth of the company = Paid up capital + Consideration on exercise of Option/Warrants received/receivable by the company + free reserves other than Revaluation reserve – Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses.
- ii) Net worth per share = (Net worth of the company/{Number of paid-up shares + number of shares that would be obtained on conversion/exercise of outstanding warrants and options}).
- If the net worth of the company is negative, the share should be marked down to Zero.
- 1.3.2 Computation of fair value per share to be considered for valuation at 15 % discount for illiquidity.

$$[(\text{Net worth per share} + \text{Capitalised value of EPS}) / 2] * 0.85$$
- 1.3.3 In case the latest balance sheet i.e. balance sheet prepared within nine months from the close of the accounting year of the company, is not available (unless the accounting year is changed) the shares should be valued as zero.
- 1.3.4 At the discretion of the AMC and with the approval of the trustees, unlisted equity scrip may be valued at a price lower than the value derived using the aforesaid methodology.

1.4 VALUATION OF NON -TRADED WARRANTS:

As per Eighth Schedule to SEBI (Mutual Fund) Regulations

- Warrants are the entitlements to subscribe for the shares at a predetermined price at a later date in future.
- In respect of warrants to subscribe for shares attached to instruments, the warrants can be valued similarly to the valuation of convertible portion of debentures as mentioned in the paragraph 2.3, as reduced by the amount which would be payable on exercise of the warrant.
- However, as the warrants can be converted only after few years, it would be appropriate to discount the value of this entitlement and find out the present value of the warrants. (The benchmark that can be considered for discounting could be interest rate for the comparable period, prevailing in the market.)

Value of Warrant = Present Value of [Value of underlying shares - exercise price]

- **If the amount payable on exercise of the warrants is higher than the value of the share, the value of the warrants should be taken as zero.**

1.5 VALUATION OF PREFERENCE SHARES:

SEBI has not prescribed any methodology for valuation of preference shares. Valuation of non-traded preference shares would depend on the terms of issue of preference shares. i.e. convertible/non-convertible.

- Convertible preference shares should be valued like convertible debentures
- Non-convertible preference shares should be valued like debentures. However, if company does not pay dividend in any year, it would be treated like non-performing debentures.

1.6 VALUATION OF ILLIQUID SECURITY IN EXCESS OF 15% OF TOTAL ASSETS OF THE SCHEME

As per SEBI Circular No. MFD/CIR/ 8 / 92 / 2000 dated September 18, 2000

- Illiquid security means securities defined as non-traded, thinly traded and unlisted equity shares.
- As per the SEBI Regulations aggregate value of Illiquid securities should not exceed 15% of the total assets of the scheme and any illiquid securities held above 15% of the total assets shall be assigned zero value.
 Provided that in case any scheme has illiquid securities in excess of 15% of total assets as on September 30, 2000 then such a scheme shall within a period of two

years bring down the ratio of illiquid securities within the prescribed limit of 15% in the following time frame:

- (i) All the illiquid securities above 20% of total assets of the scheme shall be assigned zero value on September 30, 2001.
 - (ii) All the illiquid securities above 15% of total assets of the scheme shall be assigned zero value on September 30, 2002.
- In respect of close-ended funds, for the purpose of valuation of illiquid securities, the limits of 15% and 20% applicable to open-ended funds should be increased to 20% and 25% respectively.
 - Wherever a scheme has illiquid securities as at September 30, 2001 not exceeding 15% in the case of an open ended funds and 20% in the case of closed ended funds, the concessions of giving time period for reducing the illiquid security to the prescribed limits would not be applicable and at all time the excess over 15% or 20% shall be assigned nil value.

1.7 VALUATION OF SHARES ON DE-MERGER:

On de-merger following possibilities arise which influence valuation these are:

- i. Both the shares are traded immediately on de-merger:
In this case both the shares are valued at respective traded prices.
- ii. Shares of only one company continued to be traded on de-merger:
Traded shares is to be valued at traded price and the other security is to be valued at traded value on the day before the de merger less value of the traded security post de merger. In case value of the share of de merged company is equal or in excess of the value of the pre de merger share, then the non-traded share is to be valued at zero. The same would be reviewed by the valuation committee every 30 days if the security is not listed.
- iii. Both the shares are not traded on de-merger:
Shares of de-merged companies are to be valued equal to the pre de merger value up to a period of 30 days from the date of de merger. The market price of the shares of the de-merged company one day prior to ex-date can be bifurcated over the de-merged shares. The market value of the shares can be bifurcated in the ratio of cost of shares.
In case shares of both the companies are not traded for more than 30 days, these are to be valued as unlisted security. The same would be reviewed by the valuation committee every 30 days for the securities that are not listed.

2. DEBT SECURITIES:

2.1 SECURITIES PURCHASED ON PRIVATE PLACEMENT BASIS:

In case the security is purchased on private placement basis, the same would be valued at cost on the date of purchase. As per SEBI Regulations, such security can be valued at cost for 15 days. However, taking in to consideration the volatility in the market, it would be valued at cost on the date of purchase only and from the next day, valuation would be carried out like any other debt security.

2.2 VALUATION ON THE BASIS OF OWN TRADES WITH OUTSIDE PARTIES:

As per SEBI Regulations, a debt security (other than Government Securities) shall be considered as traded security if on the valuation date, there are individual trades in that security in marketable lots (currently Rs 5 Crore) on the principal stock exchange or any other stock exchange. However, debt securities are not traded on the exchange. The trades take place between two counterparties through the broker or without the broker. Broker is required to report the trades done through him to the National Stock Exchange within 48 hours. However, if broker does not report the trade or the trade is not done through the broker, the same does not get reported to exchange and the security is treated as non-traded security even when the Mutual Fund has traded in that security with the outside party. In such case, the traded price of the mutual fund may be considered for

valuation of that security instead of valuing that security as non-traded security provided the Face value of traded security in one deal exceeds Rs. 5 crores.

2.3 VALUATION OF CONVERTIBLE DEBENTURES

As per Eighth Schedule of SEBI (Mutual Fund) Regulations method of valuation of convertible debentures is prescribed.

Non-convertible and convertible components are valued separately.

- A. The non-convertible component shall be valued on the same basis as would be applicable to a non-convertible debt instrument mentioned at clause 2 above.
- B. The convertible component to be valued as follows:
- i) Ascertain
 - The number of shares to be received after conversion.
 - Whether the shares would be pari passu for dividend on conversion.
 - The rate of last declared dividend.
 - Whether the shares are presently traded or non traded/thinly traded.
 - Market rate of shares on the date of valuation
 - ii) In case the shares to be received are, on the date of valuation, are thinly traded / non-traded, these shares to be received on conversion are to be valued as thinly traded / non-traded shares.
 - iii) In case the shares to be received on conversion are not non-traded or thinly traded on the date of valuation and would be traded pari passu for dividend on conversion:
 - a) Number of shares to be received on conversion, per convertible debenture, multiplied by the present market rate
 - b) Determine the discount for non-tradability of the shares on the date of valuation.
(This discount should be determined in advance and to be used uniformly for all the convertible securities. Rate of discount should be documented and approved by Valuation Committee. Prevailing interest rate for the similar period could be considered as bench mark for determining the discount)
Value = (a)*market rate [1-(b)]
 - iv) In case of optionally convertible debentures, two values must be determined assuming both, exercising the option and not exercising the option.
 - If the option rests with the issuer, the lower of the two values shall be taken as the valuation of the optionally convertible portion, and;
 - If the option rests with the investor, the higher of the two values shall be taken.

2.4 **Guidelines Identification, Provisioning and Valuation in respect of Non-Performing Assets (NPAs)**

An asset shall be classified as "Non-Performing" if the interest and / or principal amount have / has not been received or have / has remained outstanding for three months from the day such income / installment has fallen due.

Valuation in respect of Non Performing Assets (Debt Securities) will be done in accordance with "SEBI guidelines for identification and provisioning for NPAs" issued vide circular dated 18th September, 2000 bearing reference no. MFD/CIR/8/92/2000 as modified by SEBI circulars both dated 28th March, 2001 bearing reference no. MFD/CIR/13/087/2001 as well as MFD/CIR/14/088/2001 and will form a part of this valuation policy.

The Fund shall make scrip wise disclosures of NPAs on a half yearly basis along with the half yearly portfolio disclosure.

The total amount of provisions made against the NPAs shall be disclosed in addition to the total quantum of NPAs and their proportion of the assets of the Scheme. In the list of

investments, an asterisk mark shall be given against such investments which are recognized as NPAs. Where the date of redemption of an investment has lapsed, the amount not redeemed shall be shown as 'Sundry Debtors' and not as investment, provided that where an investment is redeemable by installments that will be shown as an investment until all installments have become overdue.

The valuation guidelines as outlined above are as per the Regulations prevailing at present and are subject to change from time to time, in conformity with changes made by SEBI.

All other guidelines not covered above and as specified in the Mutual Fund Regulations, as well as any additions/modifications thereto as may be specified by SEBI from time to time, shall be adhered to for the purpose of valuation.

3. **VALUATION OF REVERSE REPO (PURCHASE AND SALE BACK) TRANSACTIONS:**

Eighth Schedule to SEBI (Mutual Fund) Regulation has spelt out briefly the methodology for valuation of Repo Instruments.

This is an agreement under which on payment of a purchase price, the fund receives (purchases) securities from a seller who agrees to repurchase them at a specified time at a specified price. A repurchase agreement is similar in effect to a loan by the fund to the seller collateralised by the securities. The Mutual Fund does not record the purchase of securities received but records the repo transactions as if it were a loan. Repo instruments have to be valued at the resale price after deduction of applicable interest rate up to the date of resale. To put it differently, it is at the net consideration paid i.e., loan given plus interest accrued every day. The difference between repurchase and sale prices is accounted as interest income.

4. **MONEY MARKET INSTRUMENTS:**

4.1 **INTRODUCTION:**

4.1.1 Money market instruments has been inclusively defined in the Regulations, which is “Money market instruments includes commercial papers, commercial bills, treasury bills, government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time.”

4.1.2 Mutual Funds Regulations, 1996 prescribed a single method of valuation for all money market instruments where valuation was on the basis of quotations obtained from more than one Dealer or broker. The amendments made in 1998 to the Regulations divided these money market instruments into following categories:

- i) Investments in call money, bills purchased under rediscounting scheme and short term deposits with banks.
- ii) Traded money market instruments, other than above.
- iii) Non traded instruments.

4.2 **SHORT TERM DEPOSITS:**

Short term deposits with banks to be valued at cost in line with the SEBI directives.

4.3 **COLLATERALISED BORROWING AND LENDING OBLIGATIONS:**

It would be valued at cost plus amortization.

4.4 **TRADED MONEY MARKET INSTRUMENTS:**

As per SEBI Regulations other money market instruments excluding Government Securities, which are traded, have to be valued at the price at which they are traded.

5. **TREASURY BILLS:**

Above 60 days: T-Bill price provided by CRISIL to be considered.

Below 60 days:-T-Bill to be amortized in CRISIL BOND Valuer. For below 60 days T-

Bill traded, NDS-OM platform to be considered with criteria of five (5) trades and INR 250 Crs face value.

Expenses and Incomes Accrued

All expenses and incomes accrued up to the valuation date shall be considered for computation of NAV. For this purpose, major expenses like management fees and other periodic expenses would be accrued on a day-to-day basis. The minor expenses and income will be accrued on a periodic basis, provided non-accrual does not affect the NAV calculations by more than 1%.

Changes in securities and in number of units

Any changes in securities and in the number of units will be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible, given the frequency of NAV disclosure, the recording may be delayed up to a period of seven days following the date of the transaction, provided as a result of such non-recording, the NAV calculation shall not be affected by more than 1%.

In case the Net Asset Value of a scheme differs by more than 1%, due to non-recording of the transactions, the investors or scheme/s as the case may be, shall be paid the difference in amount as follows:

- (i) If the investors are allotted units at a price higher than Net Asset Value or are given a price lower than Net Asset Value at the time of sale of their units, they shall be paid the difference in amount by the scheme.
- (ii) If the investors are charged lower Net Asset Value at the time of purchase of their units or are given higher Net Asset Value at the time of sale of their units, asset management company shall pay the difference in amount to the scheme. The asset management company may recover the difference from the investors.

The Valuation guidelines as outlined above are as per prevailing Regulations and are subject to change from time to time in conformity with the changes made by SEBI.

V. TAX & LEGAL & GENERAL INFORMATION

A. TAXATION ON INVESTING IN MUTUAL FUNDS

The following summary outlines the key tax implications applicable to unit holders based on the relevant provisions under the Income-tax Act, 1961 ('Act'), and the Gift Tax, 1958 (collectively called 'the relevant provisions').

The following information is provided only for general information purposes and is based on the Mutual Fund's understanding of the Tax Laws as of this date of Document. Investors / Unitholders should be aware that the relevant fiscal rules or their explanation may change. There can be no assurance that the tax position or the proposed tax position will remain same. In view of the individual nature of tax benefits, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Scheme.

B. TAXABILITY FOR THE MUTUAL FUND

1. Income of the Mutual Fund

Motilal Oswal Mutual Fund is a Mutual Fund registered with SEBI and is governed by the provisions of Section 10(23D) of the Act. Accordingly, any income of a fund set up under a scheme of a SEBI registered mutual fund is exempt from tax.

1. Dividend Distribution Tax

Mutual Funds (other than **Equity-oriented fund**) shall be liable to pay dividend distribution tax (including applicable surcharge and education cess) at the rate of

- 28.84% (including surcharge @12%, education cess @2% and Secondary and higher education cess at the rate of 1%), on income distributed to individuals, HUFs and NRIs.
- 34.608% (including surcharge @12%, education cess @2% and Secondary and higher education cess at the rate of 1%), on income distributed to persons other than an individual or a HUF.

Any income distributed by a money market mutual fund or a liquid fund shall be liable to pay dividend distribution tax at the rate of

- 28.84% (including surcharge @12%, applicable of education cess of 2% and Secondary and higher education cess at the rate of 1%) , on income distributed to individuals and HUFs.
- 34.608% (including surcharge @12%, education cess @2% and Secondary and higher education cess at the rate of 1%), on income distributed to persons other than an individual or a HUF.

*With effect from 1 October 2014, for the purpose of determining the tax payable, the amount of distributed income has to be increased to such amount as would, after reduction of tax from such increased amount, be equal to the income distributed by the Mutual Fund.

Any income distributed by equity oriented fund is not liable for any dividend distribution tax.

“Equity oriented fund” is defined as -

- a fund where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such fund; and
- which has been set up under a scheme of a Mutual Fund specified in Section 10 (23D) of the Act

3. Securities Transaction Tax (‘STT’)

As specified in Chapter VII of the Finance (No. 2) Act, 2004, as and when the Mutual Fund purchases and sells equity shares/units or invests in derivative instruments, it would be required to pay the STT applicable on such purchases and sales to the concerned Regional Stock Exchange at the following rates:

Transaction	Rate of STT	Payable by
Purchase/ Sale of an equity share in a company where the transaction is entered into in a Recognised Stock Exchange and the contract is settled by actual delivery or transfer of shares.	0.1%	Both Purchaser and Seller each
Sale of an equity share in a company / unit of an ‘equity oriented fund’ where the transaction is entered into in a Recognised Stock Exchange and the contract is settled otherwise than by actual delivery or transfer of shares / units.	0.025 %	Seller
Sale of a derivative entered through a recognized stock exchange :		
(a) Sale of an option in securities	0.017%	Seller
(b) Sale of an option in securities, where option is exercised	0.125%	Purchaser
(c) Sale of futures in securities	0.01%	Seller
Sale of a unit of an ‘equity oriented fund’ to the Mutual Fund.*	0.001 %	Seller
Sale of unlisted equity shares under an offer for sale	0.2%	Seller

*STT will be deducted on an equity oriented fund at the time of redemption/switch to other schemes

TAXABILITY OF THE UNIT HOLDERS IN THE FUND

1. Income from units

Under the provisions of section 10(35) of the Income-tax Act, 1961 (‘the Act’), income received in respect of the units of a Mutual Fund (other than income on redemption / transfer of units) specified under section 10(23D) will be exempt from income-tax in the hands of all unit holders.

2. Characterization of Income

The characterization of gains / losses arising from sale / transfer of units as capital gains or business income would depend on whether the units are treated as stock in trade or capital asset.

In this regard, the Central Board of Direct Taxes (‘CBDT’) has issued a circular No. 4 of 2007 dated June 15, 2007, which reiterates the principles laid down in certain judicial precedents for

characterization of income. Further, it advises the Assessing Officers to consider the total effect of all the principles outlined in the earlier judicial decisions in determining whether the shares are held as investments, giving rise to capital gains or as stock in trade, giving rise to business profits.

3. Capital Gains

Under Section 2(29A) read with 2(42A) of the Act, units of a mutual fund are treated as a long-term capital asset if they are held for a period of more than 36 months (for schemes other than equity oriented) and for a period of more than 12 months (for equity oriented schemes) preceding the date of transfer. Units held for not more than 36 months (for schemes other than equity oriented) and for not more than 12 months (for equity oriented schemes) preceding the date of their transfer are short-term capital assets.

3.1. Long-term capital gains

As per section 112 of the Act, income arising on transfer of units being long-term capital assets by resident and non-resident investors [other than Foreign Portfolio Investor ('FPI')], would be chargeable to tax at the rate of 20% with indexation or at 10% without indexation, if applicable. In case of FPI, such income is chargeable to tax at the rate of 10% (without indexation) under section 115AD of the Act.

In case of an individual or Hindu Undivided Family ('HUF'), being a resident, where the total income as reduced by the long-term capital gains is below the maximum amount not chargeable to tax (i.e. upto Rs. 500,000 for very senior citizens, upto Rs. 300,000 for senior citizens, upto Rs.250,000 in case of other individuals, including women, not being a senior citizen), the long term capital gains shall be reduced to the extent of the shortfall and only the balance long term capital gains will be subject to the flat rate of taxation.

- In addition to the aforesaid tax, surcharge at the following rates is also payable:
- In case of Individuals and HUF, at the rate of 12% where the income exceeds Rs.10,000,000.
- In case of foreign companies, at the rate of 2% where the income exceeds Rs.10,000,000 but up to Rs.100,000,000 and at the rate 5% where the income exceeds Rs. 100,000,000;
- In case of domestic company, at the rate of 7% where the income exceeds Rs.10,000,000 but up to Rs.100,000,000 and at the rate 12% where the income exceeds Rs. 100,000,000

An education cess of 3% (inclusive of 1% additional cess for Secondary and Higher education) on total income-tax (including surcharge for corporate assessee) is payable by all categories of taxpayers.

However, in case of an equity-oriented fund, long term capital gains arising from the sale of units of such equity oriented fund are exempt from tax under section 10(38) of the Act, where such sale attracts Securities Transaction Tax ('STT'). At the time of sale of units (redemption) the unit holder will have to pay STT of 0.25% on value of sale of the unit to the Mutual Fund, which will be collected by the Mutual Fund and deposited into Government Treasury.

Income by way of long-term capital gains exempt under section 10(38) of the Act, would be taken into account while computing the book profits of a Company for the purpose of Minimum Alternate Tax payable under section 115JB of the Act.

3.2. Short-term capital gains

Short-term capital gains arising to a unit holder will be taxed at the normal rates applicable to that unit holder as per the provisions of the Act.

In case of an individual or HUF, being a resident, where the total income as reduced by the short term capital gains is below the maximum amount not chargeable to tax (i.e. upto Rs. 500,000 for very senior citizens, upto Rs.300,000 for all senior citizens and upto Rs.250,000 including women, not being a senior citizen, in case of other individuals), the short term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such short term capital gains shall be computed at the applicable slab rates. A reference may also be made to the provisions of section 112 of the Act, which provides for a similar treatment in case of long-term capital gains.

In case of domestic companies the short-term capital gains are taxable at the rate of 30%, in case of foreign companies, at the rate of 40% and in case of FPI, as per section 115AD of the Act at the rate of 30% (except the case covered by section 111A of the Act discussed in the paragraph below).

As per section 111A of the Act, short term capital gains arising from the sale (redemption) of a unit of an equity oriented fund, where such sale (redemption) attracts STT, is taxable at the rate of 15%. However, at the time of sale of units (redemption) the unit holder will have to pay a STT of 0.25% on the value of the sale of the unit to the Mutual Fund, which will be collected by the Mutual Fund and deposited into Government Treasury.

In addition to the aforesaid tax, surcharge and education cess is also payable as mentioned in para 3.1 above.

4. Units held as Stock-in-trade and rebate of STT

Where the units are treated as 'stock in trade' and the profits arising from the sale of units are taxed under the head "Profits & Gains of business or profession", the amount equal to the STT paid by the unit holder can be claimed as deductible expenses.

5. Deduction under Section 54 of the Act - Section 54 EC

The long-term capital gains on transfer of units would be exempt from tax under Section 54EC of the Act, subject to fulfillment of certain conditions specified in the section. This section requires investments in specified assets which would not exceed Rs 50 Lacs, including investment made in both current year and subsequent year with respect to asset transferred in current year. However, if the amount invested is less than the capital gains realized, only proportionate capital gains would be exempt from tax.

6. Section 54 F

The long-term capital gains on transfer of units would be exempt from tax under Section 54F of the Act in the hands of Individual & HUF, subject to fulfillment of certain conditions specified in the section. This section requires purchase/ construction of residential house within specified period. However, if the amount of purchase/construction is less than the net consideration realized on sale or redemption of units, only proportionate capital gains would be exempt from tax.

7. Set-off and carry forward of losses

The capital loss resulting from sale of units would be available for set off against other capital gains made by the investor and would reduce the tax liability of the investor to that extent. However, losses on transfer of long-term capital assets (except the long term capital losses arising in a sale transaction subject to STT) would be allowed to be set-off only against gains from transfer of long-term capital assets (except long term capital gains arising in a sale transaction subject to STT) and the balance long-term capital loss shall be carried forward separately for a period of eight assessment years to be set off only against long-term capital gains. However, losses on transfer of short-term capital assets would be allowed to be set-off against gains from transfer of long-term & short – term capital assets (except long term capital gains arising in a sale transaction subject to STT) and the balance short-term capital loss shall be carried forward separately for a period of eight assessment years to be set off against long-term capital gains (except long term capital gains arising in a sale transaction subject to STT) & short- term capital gain.

8. Dividend Stripping

Where a person buys any units within a period of three months before the record date, sells such units within nine months after such date and the dividend / income on such units is exempt from tax, the loss on such sale to the extent of the dividend / income received or receivable on units shall be ignored while computing the income chargeable to tax.

8. Bonus Stripping

Where a person buys units (original units) within a period of three months before the record date, receives bonus units on such original units, and then sells the original units within a period of nine months after the record date and continues to hold the bonus units, then the loss incurred on the original units shall be ignored while computing the income chargeable to tax but shall be deemed to be the cost of acquisition of the bonus units.

9. Switching from one scheme to another

As stated in the respective Scheme Information Documents switching from one Scheme / option to another Scheme / option will be effected by way of redemption of units of the relevant Scheme / option and reinvestment of the redemption proceeds in the other Scheme / option selected by the unit holder. Hence, switching will attract the same implications as applicable on transfer of such units.

10. STT

STT would be chargeable as specified above in point 3 of 'taxability for the mutual fund' on purchase and sale of units of an equity oriented scheme by the unit holders.

11. Tax withholding

No deduction of tax at source shall be made from income credited or paid by a mutual fund to a Unit holder. However, dividend distribution tax, as applicable would be payable by the mutual fund.

11.1. Resident Investors

As per Circular no. 715 dated August 8, 1995 issued by the CBDT in case of resident Unit holders, no tax is required to be deducted at source from capital gains arising at the time of repurchase or redemption of the units.

11.2. Foreign Portfolio Investors

Under section 196D of the Act, no tax is required to be deducted at source on income way of capital gains earned by a FPI.

11.3. Non-resident Investors other than FP+I's

Under Section 195 of the Act, the Mutual Fund is required to deduct tax at source at the rate of 20% on any long-term capital gains arising to nonresident investors from units other than units of an equity oriented scheme. Long term capital gains from equity oriented schemes are exempt from tax under section 10(38) of the Act.

In respect to short-term capital gains from units other than units of an equity oriented scheme, tax is required to be deducted at source at the rate of 30% if the payee unit holder is a non-resident non-corporate and at the rate of 40% if the payee unit holder is a foreign company. In case of equity oriented schemes, tax is required to be deducted at the rate of 15% for both corporate and non-corporate non-resident unit holders.

Further, the aforesaid tax to be deducted is required to be increased by surcharge and education cess, as applicable.

As per circular no. 728 dated October 30, 1995 issued by the CBDT, in the case of a remittance to a country with which a Double Tax Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee.

12. Religious and Charitable Trusts

Investment in Units of the Fund by Religious and Charitable Trusts is an eligible investment under Section 11(5) of the Act read with Rule 17C of the Income Tax Rules, 1962. However, such investment may be permitted only subject to the state legislation governing Religious and Charitable Trusts in this regard, wherever applicable.

13. Double Tax Avoidance Agreement (DTAA)

The tax rates given hereinabove are subject to any relief that an investor may be entitled to claim under the relevant DTAA.

14. Wealth Tax Act, 1957

Units in a fund are not treated as 'assets' as defined in section 2(ea) of the Wealth Tax Act, 1957. Hence, they would not be liable to wealth tax. Wealth Tax Act, 1957 has been abolished by the Finance Act 2015

15. Gift Tax Act, 1958

Since the provisions of the Gift Tax Act, 1958 have ceased to apply with effect from October 1, 1998, gift of units of mutual funds made on or after October 1, 1998 will not be liable to Gift Tax under the Gift Tax Act, 1958. However, pursuant to the Finance Act, 2009, Section 56 of the Income Tax Act has been amended to provide that the aggregate value (exceeding Rupees

50,000) of any property, including units of mutual funds, received without consideration or for inadequate consideration on or after October 1, 2009 (from persons or in situations other than those exempted under Section 56(2)(vii) of the Act) will be included in the computation of total income of the recipient and be subject to tax.

Please note:

The tax incidence to Unit Holders could vary materially based on residential status, characterization of income (i.e. capital gains versus business profits) accruing to them in the Fund.

B. Legal Information

Nomination

(a) Who can nominate/be nominees?

Individuals, on their own behalf, singly or jointly can nominate. Non-individuals including society, trust (other than religious or charitable trust), body corporate, partnership firm, Karta of Hindu Undivided Family, Bank, FII, holder of Power of Attorney cannot nominate.

A minor can be nominated and in that event, the name and address of the guardian of the minor nominee shall be provided by the Unit holder. Nomination can also be in favour of the Central Government, State Government, a local authority, any person designated by virtue of his office or a religious or charitable trust. The Nominee shall not be a trust, other than a religious or charitable trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A non-resident Indian can be a Nominee subject to the exchange controls in force, from time to time.

(b) How to Nominate?

A Unit holder can, at the time an application is made, or by subsequently writing to an ISCs, request for a nomination form in order to nominate not more than three individuals, to receive the units upon his/her death, subject to completion of the necessary formalities, e.g. proof of death of the unit holder, signature of the nominees, furnishing of proof of guardianship in case a nominee is a minor, execution of indemnity bond or such other document as may be required from the nominee(s) in favour of and to the satisfaction of the Mutual Fund, the AMC, or the Trustee. If the Units are held jointly, all joint unit holders will be required to sign the nomination form irrespective of the mode of holding being 'Anyone or Survivor' or 'Joint'. Nomination form cannot be signed by Power of attorney (PoA) holders. Every new nomination for a folio/account will overwrite the existing nomination. Investors may please note that nomination is mandatory for folios held in the name of a single individual. Nomination cannot be made in a folio held 'on behalf of a minor'. Further, investors who do not wish to nominate are required to confirm at the time of making an application of their non-intention to nominate. Investors shall indicate clearly the percentage of allocation/ share in favour of each of the nominees against their names, and such allocation/share shall be in whole numbers without any decimals. In the event of the investor not indicating the percentage of allocation/share for each of the nominees, the AMC shall settle the claim equally amongst all the nominees.

(c) Effects of nomination/cancellation of nomination

Nomination in respect of units stands rescinded upon redemption of units. Cancellation of nomination can be made only by those individuals who hold units on their own behalf, singly or jointly, and who made the original nomination. On cancellation, the nomination shall stand rescinded and the AMC/Mutual Fund shall not be under any obligation to transfer the units in favour of any of the nominees. Transfer of units/ payment to a nominee of the sums shall be valid and effectual against any demand made upon the Trust/AMC, and shall discharge the Trust/AMC of all liability towards the estate of the deceased unit holder and his/her successors and legal heirs, executors and administrators.

However, the investors should be aware that the nominee(s) may not acquire title or beneficial interest in the property by virtue of the nomination and that neither the Fund nor the AMC nor the Registrar and Transfer Agent of the Fund will be bound to transfer the units to the nominee in the event of any dispute in relation to the nominee's entitlement to the units.

If the Mutual Fund or the AMC or the Trustee were to incur or suffer any claim, demand, liabilities, proceedings or if any actions are filed or made or initiated against any of them in respect of or in connection with the nomination, they shall be entitled to be indemnified

absolutely for any loss, expenses, costs, and charges that any of them may suffer or incur absolutely from the investor's estate.

For units held in electronic form with the Depository, the nomination details provided by the unit holder to the depository will be applicable to the units of the Schemes. Such nomination including any variation, cancellation or substitution of Nominee(s), shall be governed by the rules and bye-laws of the Depository. Payment to the nominee of the sums shall discharge the Fund of all liability towards the estate of the deceased unit holder and his/her legal successors/legal heirs.

In case nomination has been made for demat account with joint holders, in the event of death of any of the joint holder(s), the securities will be transmitted to the surviving holder(s). Only in the event of death of all the joint holder(s), the securities will be transmitted to the nominee.

In case nomination is not made by the sole holder of demat account, the securities would be transmitted to the account of legal heir(s), as may be determined by an order of the competent court.

Pledge/Assignment of Units

A unit holder may pledge/assign units of the Schemes in favour of scheduled Commercial banks, financial institutions, non-banking financial companies (NBFCs) or any other body Corporate as a security for raising loans. Units can be pledged by completing the requisite forms/formalities as may be required by the Fund. The AMC and/or the Registrar will record a pledge/charge/lien against the units pledged.

The Pledgor may not be allowed to redeem Units so pledged until the bank/financial institutions/NBFCs to which the units are pledged provides a written authorization to the Fund that the pledge/charge/lien may be removed.

As long as the Units are pledged, the Pledgee will have complete authority to redeem such Units. If the units are lodged by the Unit holder for redemption or transfer to another person it will be deemed that the same are released from the pledge and the Fund shall deal with the units as per the request of the member if otherwise in order.

In case the unit pledge are of close ended scheme and if the units are under pledge at the time of maturity of the Scheme, then the AMC reserves the right to pay the maturity amount to the person/bank/financial institution/non-banking finance companies (NBFCs)/any other body in whose favour the lien has been marked. An intimation of such payment will be sent to the investor. The AMC thereafter shall not be responsible for any claims made by the investor/third party on account of such payments.

For units of the Schemes issued and held in Demat form, the rules of Depository applicable for pledge will be applicable for Pledge/Assignment of units of the Schemes.

Note on prevention of money laundering and Know Your Client ('KYC') requirements

Investors may note that in terms of the Prevention of Money laundering Act, 2002 ('PMLA'), the Rules issued thereunder and the guidelines/circulars issued by SEBI regarding Anti Money Laundering (AML) Laws, require all intermediaries, including mutual funds to formulate and implement Client Identification Programme as well as verify and maintain records of the identity and address(es) of investors.

KYC requirements will have to be complied with for any amount of investment for the following transactions w.e.f. January 01, 2011:

1. New / Additional Purchases
2. Switch Transactions
3. New SIP Registrations
4. New STP Registrations

Dividend reinvestment transactions of any amount will not be subject to the KYC Compliance requirements.

This one-time verification is valid for transactions across all mutual funds. The process to complete KYC formalities is as follows:

A completed KYC application form along with PAN card copy and the other documents/information as mentioned below should be submitted to any designated 'Points of Service' (POS) –AMC Investor Service Centres (as specified), Karvy Investor Service Centres (as specified) or CVL Centres (CDSL Ventures Ltd.). The POS list is available at www.cvlindia.com

- a. A KYC application form can be obtained from any designated POS.
- b. The list of all documents/information required and instructions to fill the form can be found in the KYC application form).
- c. After verification of the KYC application form and accompanying documents, investors will receive a letter certifying their KYC compliance. There is no charge for this verification.
- d. When investing any amount with the Fund, a copy of the KYC compliance letter/Mutual Fund Identification Number ("MIN") Allotment Letter (with PAN) / Printout of KYC Compliance Status downloaded from CVL website (www.cvlindia.com) should be attached to the scheme's application form to avoid rejection.

If an investor has a Mutual Fund Identification Number and has not provided a certified* copy of the PAN card at the time of obtaining MIN, he is required to complete the KYC formalities as mentioned above in order to be KYC-compliant.

**(Investors are requested to submit a copy along with the original for verification at the Investor Service Centres of the Fund/Karvy, which will be returned across the counter. Alternatively, a distributor empanelled with the Fund can attest a copy. A Bank Manager's attestation or a Notarised copy will also be accepted.)*

Applicants intending to apply for units through a Power of Attorney (PoA) must ensure that the issuer of the PoA and the holder of the PoA must mention their KYC Compliance Status and attach proof of KYC Compliance at the time of investment.

In the event of non compliance of KYC requirements, the Trustee / AMC reserves the right to freeze the folio of the investor(s).

Change in Static Information

Investors, for whom the KYC process has been previously completed, should submit their request for change in static information, viz. name, address, status, signature, etc. to any of the Point of Services (PoS) appointed by CDSL Ventures Ltd. Investors, who have not complied with the KYC requirement, may submit their request for change in static information to the AMC's Registrar. Other information such as bank account details, dividend sub option etc. may be changed by Unit Holders by submitting a written request to the Registrar. Such changes will be effected within 5 Business Days of the valid signed request reaching the office of the Registrar at Chennai, and any interim financial transactions like purchase, redemption, switch, payment of dividend etc. will be effected with the previously registered details only. If any change in static information is submitted along with a financial transaction, the change will be handled separately and the financial transaction may be processed with the previously registered details. Unit Holders are therefore advised to provide requests for change in static information separately and not along with financial transactions. Investors transacting through the stock exchange mechanism should approach their respective Depository Participant for non-financial requests/applications such as change of address, change of bank, etc.

- Any request for change of bank mandate details will be entertained only if the Unit Holder provides any of the following documents along with the designated change request form.
- copy of a cheque leaf of the new bank account (where the account number and name is printed on the cheque) or
- a cancelled cheque pertaining to the new bank account (where the account number and name is printed on the cheque) or
- a letter from the new bank certifying the bank account details, including the MICR code & IFSC Code (where available)
- Any request for change of bank mandate details without the above mentioned documents will be considered invalid and will not be processed.

- Any change in dividend sub option due to additional investment or Unit Holder request will be applicable to the entire Units in the dividend option of the scheme/plan concerned.
- Unit Holders may write to the AMC or the Registrar to change the broker code of their transactions or to remove the broker code. Any such request will be handled on a prospective basis and the change in broker code will be effected within 5 days from the date when the Registrar receives the request at its office.

In compliance to AMFI Best Practice Guidelines circular No. 17/10-11 dated October 22, 2010, the Mutual Fund has introduced Multiple Bank Account Registration Facility for its unit holders, where in Unit holder can register more than one bank account with the Mutual Fund to receive redemption/dividend proceeds. The Unit holder may choose to receive the redemption/dividend proceeds in any of the bank accounts, the details of which are registered under the facility by specifying the same in the “Bank Accounts Registration form” which will be available at our Investor Service Centers/Registrar and Transfer Agents offices and on the website of the Fund, this facility was introduced w.e.f November 15, 2010.

Revision of KYC requirements for investors in the Securities market

Pursuant to SEBI Circular Numbers MIRSD/SE/Cir-21/2011 & MIRSD/Cir-23/2011 dated October 5, 2011 and December 23, 2011 respectively; in order to avoid duplication of KYC process across SEBI Registered Intermediaries in the securities market; a mechanism for centralization of the KYC records has been developed. To bring uniformity in the KYC process, SEBI has introduced a Common KYC Application Form for all SEBI Registered Intermediaries including Mutual Funds. Further SEBI Circular Number MIRSD/Cir- 26 /2011, dated December 23, 2011 provides guidelines in pursuance of the SEBI KYC Registration Agency (KRA) Regulations, 2011 and for In-Person Verification (IPV).

Accordingly with effect from January 1, 2012, investors of Motilal Oswal Mutual Fund are requested to note the following:

New investors are requested to use the common KYC Application Form and carry out the KYC process including In-Person Verification (IPV) with any of the SEBI Registered Intermediaries including Mutual Funds. The Mutual Fund shall perform the initial KYC of its new investors and may undertake additional KYC measures if required. Registrar & Transfer Agent (RTA) of the Mutual Fund may also undertake the KYC of the investors on behalf of the Mutual Fund. The KYC Application Forms are available on our website www.mostshares.com

The Mutual Fund shall upload the details of the investors on the system of the KRA. Mutual Fund/Intermediaries carrying out the KYC process shall send documents to KRAs within 10 working days from the date of execution of the documents by the investor. Further, KRA shall send a letter to the investor within 10 working days of the receipt of the initial/updated KYC documents from the Mutual Fund/Intermediaries, confirming the details thereof.

It has been made mandatory for Mutual Fund/ Intermediaries to carry out In-Person Verification (IPV) of its new investors. Once the investor has done KYC with a SEBI Registered Intermediary, the investor need not undergo the same process again with another Intermediary. However, the Mutual Fund reserves the right to carry out fresh KYC of the investor. IPV can be carried out by the Motilal Oswal Asset Management Company Ltd. and the distributors who are

National Institute of Securities Market (NISM) or Association of Mutual Funds in India (AMFI) Certified and have undergone the process of ‘Know Your Distributor (KYD)’. In case of applications received by the mutual funds directly from the investor (i.e. not through any distributor), the Mutual Fund may rely upon the IPV (on the KYC Application Form) performed by the scheduled commercial banks.

Investor can start investing as soon as the initial KYC is done and other necessary information is obtained while the remaining process of KRA is in progress. Existing KYC compliant investor can continue to invest as per the current practice. However, existing investors are urged to comply with the new KYC requirements including IPV as mandated by SEBI.

Note: In case of units held in electronic (demat) mode, the bank details as registered in the records of the Depository will be final and will be used for credit of dividend and redemption proceeds. Any change in bank details shall be communicated to the Depository Participants and unit holder will be required to comply with the requirements specified by Depositories in this regard from time to time.

Transfer of Units

Units held, either in the form of Account Statements or Unit Certificates are non-transferable. The Trustee reserves the right to make the Units transferable at a later date subject to the Regulations issued from time to time.

However, if a transferee becomes a holder of units by the operation of law or upon enforcement of a pledge, then the AMC shall, subject to production of such evidence, which in its opinion is sufficient, proceed to effect the transfer, if intended transferee is otherwise eligible to hold the units.

Any addition/deletion of name from the folio of the Unit holder is deemed as transfer of Units. In view of the same, additions/deletions of names will not be allowed under any folio of the Scheme. The said provisions in respect of deletion of names will not be applicable in case of death of a Unit holder (in respect of joint holdings) as this is treated as transmission of Units and not transfer.

Units held in demat form shall adhere to the rules of transfer in the depository regulations.

Transmission of Units

The following documents are required for transmission under various situations:

1. Transmission to surviving unit holders in case of death of one or more unit holders:

In case units are held by more than one registered unit holder, then upon death of first unit holder, units shall be transmitted in favour of the second named holder on production of the following documents to the satisfaction of the Mutual Fund, AMC/Trustee or Registrar:

- (i) Letter from surviving unit holders to the AMC/Registrar requesting for transmission of units,
- (ii) Death Certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager,
- (iii) Bank Account Details of the new first unit holder as per format specified by the AMC along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
- (iv) KYC of the surviving unit holders, if not already available.

2. Transmission to registered nominee/s in case of death of Sole or All unit holders:

Units shall be transmitted in favour of the registered nominee(s) in case of death of sole or all Unit holders upon production of the following documents to the satisfaction of the Mutual Fund, AMC/ Trustee or Registrar:

- (i) Letter from claimant nominee/s to the AMC / Registrar requesting for transmission of units,
- (ii) Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager,
- (iii) Bank Account Details of the new first unit holder as per format specified by the AMC along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
- (iv) KYC of the claimant/s.

3. Transmission to claimant/s, where nominee is not registered, in case of death of Sole or all unit holders:

If the Unit holder has not appointed a nominee, the Units shall be transmitted in favour of the Unit holder's executor/administrator of estate/legal heir(s), as the case may be, on production of the following documents:

- (i) Letter from claimant/s to the AMC / Registrar requesting for transmission of units,
- (ii) Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager,

- (iii) Bank Account Details of the new first unit holder as per format specified by the AMC along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
- (iv) KYC of the claimant/s,
- (v) Indemnity Bond from legal heir/s as per specified format.
- (vi) Individual affidavits from legal heir/s as per specified format.
- (vii) If the transmission amount is below Rs. one Lakh any appropriate document evidencing relationship of the claimant/s with the deceased unitholder/s.
- (viii) If the transmission amount is Rs. 2 Lakh or more any one of the documents mentioned below:
 - Notarised copy of Probated Will, or
 - Legal Heir Certificate or Succession Certificate or Claimant's Certificate issued by a competent court, or
 - Letter of Administration, in case of Intestate Succession

* In case claimant submits any of the above documents, then the indemnity bond would not be required.

4. Transmission in case of HUF, due to death of Karta:

HUF, being a Hindu Undivided Family, the property of the family is managed by the Karta and HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF will appoint the new Karta who needs to submit following documents for transmission:

- (i) Letter Requesting for change of Karta,
- (ii) Death Certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager,
- (iii) Duly certified Bank certificate stating that the signature and details of new Karta have been appended in the bank account of the HUF as per format specified by the AMC
- (iv) KYC of the new Karta and KYC of HUF, if not already available.
- (v) Indemnity bond signed by all the surviving coparceners and new Karta as per format specified by the AMC.
- (vi) In case of no surviving co-parceners OR the transmission amount is Rs. Two Lakh or more or where there is an objection from any surviving members of the HUF, transmission shall be effected only on the basis of any of the following mandatory documents:
 - a) Notarized copy of Settlement Deed, or
 - b) Notarized copy of Deed of Partition, or
 - c) Notarized copy of Decree of the relevant competent Court

Please note that if the transmission exceeds Rs. 2 lakh or more, the AMC reserves the right to seek additional documents on a case-to-case basis. Also, where the units are to be transmitted to a claimant who is a minor, various documents like KYC, PAN, Bank details, indemnity should be of the guardian of the nominee.

Units held in demat form shall adhere to the rules of transmission in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996.

Duration of the Schemes/Winding up

For Open Ended Schemes

The duration of the Schemes is perpetual. The AMC, the Fund and the Trustees reserve the right to make such changes/alterations in the Schemes (including the charging of fees and expenses) to the extent permitted by the applicable SEBI Regulations. However, in terms of the Regulations, a Scheme may be wound up after repaying the amount due to the Unit holders:

- i. On the happening of any event, which in the opinion of the Trustee(s), requires the Scheme to be wound up; or
- ii. Seventy five percent (75%) of the Unit holders of the Scheme pass a resolution that the Scheme be wound up, or
- iii. If SEBI so directs in the interest of the Unit holders.
- iv. If the Scheme is not able to meet the criteria laid down by SEBI for minimum number of investors.

Where the Scheme is so wound up, the Trustees shall give notice of the circumstances leading to the winding up of the Scheme to SEBI and in two daily newspapers with circulation all over India and also in a vernacular newspaper circulating at the place where the Mutual Fund is formed.

For Close Ended Scheme

The duration of a Close Ended Scheme would be till the maturity date and will be fully redeemed on such maturity date. The Scheme can be converted to an open ended scheme, if:

1. The Scheme Information Document of the scheme discloses the option and the period of such conversion.
2. The Unit holders are provided with an option to redeem their units in full.

A close ended Scheme may be allowed to be rolled over if the purpose, period and other terms of roll over and all other material details of the Scheme including the likely composition of the assets immediately before the roll over, the net assets and the net assets value of the Scheme are disclosed to the unit holders and a copy of the same has been filed with SEBI.

The Trustee reserves the right to convert the close ended Scheme to an open ended Scheme after complying with provisions of SEBI (Mutual Funds) Regulations. The Trustees may also roll over the Scheme for a further period at their discretion after complying with Mutual Funds Regulations.

The close ended Scheme may be wound up before the maturity of the Scheme after complying with necessary regulations. Where the Scheme is so wound up, the Trustees shall give notice of the circumstances leading to the winding up of the Scheme to SEBI and in two daily newspapers with circulation all over India and also in one vernacular newspaper with circulation at the place where the Mutual Fund is formed.

Effect of Winding Up

On and from the date of the publication of notice of winding up, the Trustee or the AMC, as the case may be, shall:

- i. Cease to carry on any business activities in respect of the Scheme so wound up;
- ii. Cease to create or cancel Units in the Scheme;
- iii. Cease to issue or redeem Units in the Scheme.

Procedure and manner of Winding up

In the event of the Scheme being wound up, the AMC shall proceed as follows:

1. The Trustee shall call the meeting of the unit holders to consider and to approve by simple majority of the Unit holders present and voting at the meeting for authorizing the Trustee, the AMC or any other person to take steps for the winding up of the Scheme.
2. The Trustee, the AMC or the person authorized as above shall dispose of the assets of the Scheme concerned in the best interest of unit holders of the Scheme.
3. The proceeds of sale realized in pursuance of the above, shall be first utilized towards discharge of such liabilities as are due and payable under the Scheme and after making the provisions for meeting the expenses connected with such winding up, the balance shall be paid to Unit holders in proportion to their respective interest in the assets of the Scheme, as on the date when the decision for winding up was taken.
4. On completion of the winding up, the AMC shall forward to SEBI and the unit holders a report on the winding up, detailing the circumstances leading to the winding up, the steps taken for disposal of the assets of the Scheme before winding up, expenses of the Scheme for winding up, net assets available for distribution to the Unit holders and a certificate from the auditors of the Fund.
5. Notwithstanding anything contained herein above, the provisions of the Regulations in respect of disclosures of half-yearly reports and annual reports shall continue to be applicable until winding up is completed or the Scheme ceases to exist.
6. After the receipt of the report referred to above, if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.

Suspension of Sale/Redemption/Switching Options of Units

The Trustee may decide to temporarily suspend determination of NAV of the Schemes and consequently sale/redemption/switch of units, in any of the following events:

1. When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Schemes are closed otherwise than for ordinary holidays.

2. When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Schemes are not reasonable or would not reasonably be practicable without being detrimental to the interests of Unit holders.
3. In the event of breakdown if the means of communication used for the valuation of investments of the Schemes without which the value of the securities of the Schemes cannot be accurately calculated.
4. During periods of extreme volatility of markets which in the opinion of the AMC are prejudicial to the interests of the Unit holders of the Schemes.
5. In case of natural calamities, external aggression, internal disturbances, strikes, riots and bandhs.
6. In the event of any force majeure or disaster that affects the normal functioning of the AMC or the Registrar.
7. If so directed by SEBI.
8. In case of breach of limits for investment in derivatives as specified in SEBI Circulars or relevant Regulation.
9. In case of breach of limits for investment in foreign securities as specified in SEBI Circulars or relevant Regulation.

In the eventualities mentioned in points 1 to 7 above, the time limits indicated above, for processing of requests for purchase and redemption of Units will not be applicable. In case of eventuality mentioned in point 8 and 9 above, the Fund would suspend sale of units until such time the Schemes are able to comply with the relevant SEBI Regulations, Circulars & guidelines.

However the suspension or restriction of redemption facility under the Schemes shall be made applicable only after the approval from Board of Directors of the AMC and Trustee. Till the Regulations require, the approval from the Board of AMC and Trustee giving details of circumstances and justification for the proposed action will also be informed to SEBI in advance.

Unclaimed Redemption/Dividend Amount

As per SEBI Circular No. MFD/CIR/9/120/2000 dated November 24, 2000, the unclaimed redemption amount and dividend amounts may be deployed by the Mutual Fund in call money market or money market instruments only and the investors who claim these amounts during a period of three years from due date shall be paid at the prevailing Net Assets Value. After a period of three years, this amount will be transferred to a pool account and the investors can claim the amount at NAV prevailing at the end of third year. The income earned on such investments will be used for the purpose of investor education. The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points. Also, the information on amount unclaimed and number of such investors for each Scheme shall be disclosed in the annual report.

Consolidation of Folios

In case an investor has multiple folios, the AMC reserves the right to consolidate all the folios into one folio, based on such criteria as may be determined by the AMC from time to time. In case of additional purchases in same scheme / fresh purchase in new scheme, if the investor fails to provide the folio number, the AMC reserves the right to allot the units in the existing folio, based on such integrity checks as may be determined by the AMC from time to time.

C. General Information

Recording of Investment Decisions

The Fund Managers of the Scheme(s) are responsible for making buy / sell decisions in respect of the securities in the Scheme's portfolio. It is the responsibility of the AMC to ensure that the investments are made as per the internal / Regulatory guidelines, Scheme investment objectives and in the best interest of the Unitholders of the Scheme. The investment decisions will be taken for the Schemes keeping in view the market conditions and all the relevant aspects. Where an investment is proposed to be made for the first time in any scrip/security issued by a company, this will be preceded by making a research report justifying such investment by a member of the investment management team. The AMC will review all the investments made by the Schemes. The investment decisions of the Schemes will be carried out by the designated fund manager under the supervision of the Chief Executive Officer wherever applicable. All investment decisions of the Scheme will be recorded in accordance with SEBI Regulations.

Review of performance of Scheme(s) by Board of AMC and Trustees

A detailed review of the Schemes of the Fund will be placed before the Board of Directors of AMC and the Trustee on a periodical basis. The review will contain information about the inflow in the Schemes, outflow/redemption from the Schemes and the performance of the Schemes. The Board of AMC and Trustee will review the performance of the Schemes vis-à-vis the benchmark. The Trustee reserves the right to change the benchmark for evaluation of performance of the Schemes from time to time in conformity with investment objective of the Schemes and appropriateness of the benchmark subject to SEBI Regulations, and other prevailing guidelines, if any.

Website

Motilal Oswal Asset Management Company Limited(MOAMC) owns two independent website having URL www.motilaloswalmf.com for its active funds namely Motilal Oswal MOST Focused 25 Fund, Motilal Oswal MOST Focused Midcap 30 Fund, Motilal Oswal MOST Focused Multicap 35 Fund, Motilal Oswal MOST Focused Long term Fund and Motilal Oswal MOST Ultra Short Term Bond Fund and www.mostshares.com for its passive funds namely, Motilal Oswal MOST Shares M50 ETF, Motilal Oswal MOST Shares Midcap 100 ETF, Motilal Oswal MOST Shares NASDAQ-100 ETF, Motilal Oswal MOST Shares Gold ETF and Motilal Oswal MOST 10 Year Gilt Fund.

The information contained on this website is intended for information purposes only. The information contained on this website should not be construed as any form of advice, recommendation or suggestion, to buy or sell any mutual fund units, shares or any other financial instruments or avail any services to any individual or entity. MOAMC/MOMF shall not be responsible for the loss or damage caused due to incorrect, inaccurate or erroneous information or data available on this website.

The website is for the exclusive purpose of transactions to be carried out within the territorial jurisdiction of India and all such transactions shall be governed by the laws in India. Notice is hereby given that Non Resident Indians (NRI's) and Foreign Nationals accessing this web site and opting to transact thereon shall do so after due verification at their end of their eligibility to do so. Motilal Oswal Mutual Fund undertakes no responsibility for such pre-eligibility of qualification on part of Non-Resident Indians (NRI's) or Foreign Nationals to transact on this website.

Information other than that relating specifically to MOAMC, Motilal Oswal Mutual Fund and its products, is for information purposes only and should not be relied upon as a basis for investment decisions. Motilal Oswal Mutual Fund(MOMF)/Motilal Oswal Asset Management Company Limited/ Motilal Oswal Trustee Company Limited/ Sponsor, Motilal Oswal Securities Limited and its affiliates are not liable for damages caused by any performance, failure of performance, error, omission, interruption, deletion, defect, delay in transmission or operations, computer virus, communications line failure, and unauthorized access to the personal accounts. Motilal Oswal Mutual Fund is not responsible for any technical failure or malfunctioning of the software or delays of any kind.

Underwriting

The Schemes will not accept underwriting and sub underwriting obligations.

Lending of Securities

The Schemes may lend securities from its portfolio in accordance with the Regulations and the applicable SEBI guidelines. Securities' lending shall enable the Schemes to earn income that may partially offset the expenses of the Schemes and thereby reduce the effect of the expenses have on the Schemes ability to provide investment returns. The Schemes will pay reasonable administrative and custodial fees in connection with the loan of securities. The Schemes will be exposed to the risk of loss should a borrower default on its obligation to return the borrowed securities. The Schemes share of income from the lending of securities will be included in the Schemes gross income. The Fund will comply with the conditions for securities lending specified by the SEBI.

In case of the Schemes, Motilal Oswal MOST Shares M50 ETF, Motilal Oswal MOST Shares Midcap 100 ETF and Motilal Oswal MOST Shares NASDAQ 100 ETF, the AMC shall adhere to following limits:

- A scheme shall have maximum exposure to single intermediary shall be 50 % of market value of its equity portfolio or upto limits specified by SEBI.
- A scheme shall not lend more than 75% of its corpus

In case of the Schemes, Motilal Oswal MOST Focused 25 Fund, Motilal Oswal MOST Focused Midcap 30 Fund, Motilal Oswal MOST Focused Multicap 35 Fund and Motilal Oswal MOST Focused Long Term Fund, the AMC shall adhere to following limits:

- The Scheme shall not deploy more than
- 20% of the net assets of the scheme and

5% of the net assets of the Scheme to any single intermediary

Borrowing of Securities

If the Mutual Funds are permitted to borrow stocks, the Schemes may in appropriate circumstances borrow stocks in accordance with SEBI guidelines, which may be issued in this regard. The respective Scheme may bear the interest charged on such borrowings.

Policy for Borrowing

In terms of Regulations as presently prevailing, each Scheme shall have powers to borrow up to a maximum of 20% of the net assets of such Scheme as on the date of borrowing for a maximum duration of 6 months or as may be permitted under prevailing regulations. This borrowing shall be used only to meet repurchase/redemption of units/dividends or interest payouts as a temporary liquidity measure as per Regulation 44(2) of Chapter VI of SEBI (Mutual Funds) Regulations, 1996, on such terms (as to creation of charge on the properties of the Scheme, rate of interest, margins etc.) as the Trustee/AMC considers to be in the interest of investors. Such borrowings, if raised, may result in a cost, which would be dealt with in consultation with the Trustee.

Inter-Scheme Transfer

The transfer of investments from one Scheme to another Scheme in the same mutual fund shall be allowed only if: -

1. Such transfers are done at the prevailing market price for quoted investments on spot basis.
2. The securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfers have been made.

Explanation: 'Spot basis' shall have same meaning as specified by Stock Exchange for spot transaction.

Mode of Holding

An application can be made by up to a maximum of three applicants. Applicants must specify the 'mode of holding' in the Application Form.

If an application is made by one Unit Holder only, then the mode of holding will be considered as 'Single'.

If an application is made by more than one investors, they have an option to specify the mode of holding as either 'Jointly' or 'Anyone or Survivor'.

In either of the cases referred above i.e. application made by one investor/more than one investor, the Fund shall not entertain requests for including any other person as a joint holder once the application has been accepted.

If the mode of holding is specified as 'Jointly', all instructions to the Fund would have to be signed by all the Unit Holders, jointly. The Fund will not be empowered to act on the instruction of any one of the Unit Holders in such cases.

If the mode of holding is specified as 'Anyone or Survivor', an instruction signed by any one of the Unit Holders will be acted upon by the Fund. It will not be necessary for all the Unit Holders to sign.

If an application is made by more than one investor and the mode of holding is not specified, the mode of holding would be treated as joint. The Fund will not be empowered to act on the instruction of any one of the Unit Holders in such cases.

In all cases, all communication to Unit holders (including account statements, statutory notices and communication, etc.) will be addressed to the first-named Unit holder. All payments, whether for redemptions, dividends, etc will be made favouring the first-named Unit holder. The first named Unit holder shall have the right to exercise the voting rights associated with such Units as per the applicable guidelines.

Investors should carefully study the paragraphs on “Transfer and Transmission” and “Nomination Facility” before ticking the relevant box pertaining to the mode of holding in the Application Form.

Units held in electronic form with the depository shall adhere to the rules of the depository for operation of such DP accounts.

Folio Number

Each investor will be identified by a Folio Number. Folio number should be quoted in all communications.

Units held in electronic form with the depository shall not be assigned a folio number. Unit holders shall quote Depository Participant Identification No. and Client Identification No. in all its communications.

Investor's Personal Information

The AMC may share investors' personal information with the following third parties:

1. Registrar, Banks and/or authorised external third parties who are involved in transaction processing, dispatches, etc. of investors' investment in the Schemes;
2. Distributors or Sub-brokers through whom applications of investors are received for the Schemes; or
3. Any other organizations for compliance with any legal or regulatory requirements or to verify the identity of investors for complying with anti-money laundering requirements.

Auto Debit and Electronic Clearing Service

The AMC may from time to time provide Electronic Clearing Services/Electronic Fund Transfer facility to the investors for subscriptions, redemptions and for payment of dividends. The investor opting for Electronic Clearing Services/Electronic Fund Transfer may be required to sign a mandate form on the basis of which the Fund will arrange for debiting and/or crediting his account as per the frequency, amount and date chosen by the investor or as and when dividend is declared.

Payment of Redemption Proceeds

Repurchase proceeds will be paid by cheques, marked “Account Payee Only” and payments will be made in favour of the Unit holder (in case there are more than one registered holder, then the payment will be made in name of first holder only) with the Bank account number furnished to the Fund. Redemption cheques will be sent to the address of the unit holder as registered with the Fund and in case of the joint holding, to the address of the first unit holder.

As per the SEBI Regulations, the Mutual Fund is required to dispatch redemption proceeds within 10 working days from the date of redemption/repurchase. However, under the normal circumstances, the Fund will endeavor to dispatch the redemption proceeds within 10 working days from the date of redemption/repurchase.

A fresh account statement will also be sent to the unit holder redeeming units, indicating the new balance to the credit in the account, along with the redemption cheque.

Account Statements

An account statement stating the number of Units purchased and allotted will be sent through ordinary post or courier and/or electronic mail to each Unit holder within 5 business days. The Account Statement is non-transferable. Despatch of account statements to NRIs/FIIs will be subject to RBI approval, if required. In case of Unit holder who have provided their e-mail address the Fund will provide the Account Statement only through e-mail message, subject to Regulations and unless otherwise required. In cases where the email does not reach the Unit

holder, the Fund / its Registrar & Transfer Agents will not be responsible, but the Unit holder can request for fresh statement. The Unit holder shall from time to time intimate the Fund / its Registrar & Transfer Agent about any changes in his e-mail address.

Consolidated Account Statement

On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of e-mail and/or SMS within 5 business days from the date of receipt of transaction request will be sent to the Unit Holders registered e-mail address and/or mobile number. Consolidated account statement for each calendar month shall be issued, on or before tenth day of succeeding month, detailing all the transactions and holding at the end of the month including transaction charges paid to the distributor, across all schemes of all mutual funds, to all the investors in whose folios transaction has taken place during that month. The AMC shall ensure that a consolidated account statement every half yearly (September/March) is issued, on or before tenth day of succeeding month, detailing holding at the end of the six month, across all schemes of all mutual funds, to all such investors in whose folios no transaction has taken place during that period.

The AMC shall identify common investors across fund houses by their permanent account number for the purposes of sending consolidated account statement. In case of specific request received from the Unit Holders, the AMC/Fund will provide the Account Statement to the Investors within 5 business days from the receipt of such request. In the event the account has more than one registered holder, the first named Unit Holder shall receive the Account Statement. The word transaction will include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan and systematic transfer plan.

The AMC will endeavor to send statement of accounts by e-mail where the Investor has provided the e-mail id. The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective Depository Participants periodically. Additionally, the AMC may at its discretion send Account Statements individually to the investors.

Additional facilities for subscription/redemption/switch of units:

Transactions through Electronic Mode Subject to the investor fulfilling certain terms and conditions as stipulated by AMC from time to time, the AMC, Mutual Fund, Registrar or any other agent or representative of the AMC, Mutual Fund, the Registrar may accept transactions through any electronic mode including through fax/web/ phone transactions as permitted by SEBI or other regulatory authorities.

Transaction on Fax

In order to facilitate quick processing of transaction and / or instruction of investment of Investor the AMC/ Trustee/ Mutual Fund may (at its sole discretion and without being obliged in any manner to do so and without being responsible and/ or liable in any manner whatsoever) accept and process any application, supporting documents and / or instructions submitted by an Investor / Unit holder by facsimile (Fax Submission) and the Investor / Unit holder voluntarily and with full knowledge takes and assumes any and all risk associated therewith. The AMC / Trustee/ Mutual Fund shall have no obligation to check or verify the authenticity or accuracy of Fax Submission purporting to have been sent by the Investor and may act thereon as if same has been duly given by the Investor. In all cases the Investor will have to immediately submit the original documents/ instruction to AMC/ Mutual Fund.

Repurchase by Non-Resident Investors

For NRI's, Redemption proceeds will be remitted depending upon the source of investment as follows:

(i) Repatriation basis

When Units have been purchased through remittance in foreign exchange from abroad or by cheque/draft issued from the proceeds of the Unit holder's Foreign Currency Non Resident (FCNR) deposit or from funds held in the Unit holder's Non Resident (external) (NRE) account kept in India, the proceeds can be remitted to the Unit holder in foreign currency (any exchange rate fluctuation will be borne by the Unit holders). The proceeds can also be sent to his India address for crediting to his NRE/FCNR/Non Resident (Ordinary) Account, if desired by the Unit holders.

(ii) Non Repatriation Basis

When Units have been purchased from funds held in the Unit holder's Non Resident (Ordinary) Account, the proceeds will be sent to the Unit holder's Indian address for crediting to the Unit holders Non Resident (Ordinary) Account.

For FII's, the designated branch of the authorized dealer may allow remittance of net sale/maturity proceeds (after payment of taxes) or credit the amount to the foreign currency or Non Resident Rupee Account of the FII maintained in accordance with the approval granted to it by the Reserve Bank of India.

The Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while converting the rupee amount in foreign exchange in the case of transactions with NRIs/FIIs.

Refunds, interest, dividends, other distributions, if any, and maturity proceeds/repurchase price will be payable in Indian Rupees only.

Set-off

The AMC shall have the right to set-off dividend amounts, redemption amounts or any other amounts that may be payable to an investor under the Scheme :

- (i) against redemption proceeds already paid by the AMC in respect of units created without realizing the subscription amounts, and/or
- (ii) against any excess payments made (and, in the case of payments by cheque, whether encashed or not) to such investor, under the Scheme or under any other Scheme of the Fund managed by the AMC in the same folio or any other folio of such investor in the Fund.

Distributors

The Fund intends to utilize the services of selected financial intermediaries for distribution and may pay brokerage to them depending upon the efficiency and other factors as may be decided by the AMC. The AMC is the sole authority to select such financial intermediary/intermediaries who would distribute the Schemes. Further, the AMC may appoint one or more exclusive distributors, at its discretion, based on the parameters decided by the AMC.

Online Transactions

Investors can avail of the online facility which enables them to transact online on www.mostshares.com. For details and applicable terms and conditions for such transactions investors are advised to refer to SID of the respective Scheme(s) of the Mutual Fund and the website of the AMC i.e. www.motilaloswalmf.com.

TRANSACTIONS WITH SPONSORS/ASSOCIATE

Underwriting obligations with respect to issues of Associate Companies:

The schemes of the Mutual Fund have not entered into any underwriting obligation with respect to issues of associate companies, and have no devolvement.

Subscription in issues lead managed by the Sponsor or any of its associates:

The schemes of the Mutual Fund have not subscribed in issues lead managed by the sponsor or any of its associate Companies.

Brokerage and Commission paid to Associates during the past three financial years including current year

- Commission paid to associates/related parties/group companies of Sponsor/AMC for Distribution and Sale of Units:

Name of associates/ related parties / group companies of Sponsor / AMC	Nature of Associatio n / Nature of relation	Period Covered	Value of Transact ion (Rs. in crs)	% of Total Value of Transaction of the fund	Brokerage (Rs. in crs)	% of total Brokerage paid by the fund
Motilal Oswal Securities Ltd.	Sponsor	FY 2012 - 2013	8.2	4.03	-	4.01
Motilal Oswal Securities Ltd.	Sponsor	FY 2013 - 2014	15.79	4.12	-	2.71

Motilal Oswal Securities Ltd.	Sponsor	FY 2014 – 2015	75.29	3.35	0.02	2.12
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- Brokerage paid to associates/related parties/group companies of Sponsor/AMC for Secondary Market Transactions

Name of associate / related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered	Business given (Rs. in crores)	Business given (in % of total business received by the fund)	Commission paid (Rs. in crores)	% of total Commission paid by the fund
Motilal Oswal Securities Ltd.	Sponsor	FY 2012 - 2013	3.84	11.80	-	-
Motilal Oswal Wealth Management Pvt. Ltd.	Associate	FY 2012 - 2013	-	-	-	-
Motilal Oswal Securities Ltd.	Sponsor	FY 2013 - 2014	52.74	14.63	1.86	51.80
Motilal Oswal Wealth Management Pvt. Ltd.	Associate	FY 2013 - 2014	61.22	16.99	0.14	3.86
Motilal Oswal Securities Ltd.	Sponsor	FY 2014 – 2015	189.21	23.00	1.84	51.91
Motilal Oswal Wealth Management Pvt. Ltd.	Associate	FY 2014 – 2015	60.96	6.81	0.4	14.79

As provided under the SEBI Regulations, the Scheme shall not make any investments in:

1. Any unlisted security of an associate or group company of the Sponsor; or
2. Any security issued by way of private placement by an associate or group company of the Sponsor; or
3. The listed securities of group companies of the Sponsor in excess of 25% of the assets of all the Schemes of the Mutual Fund.

The AMC, Sponsor or any associate may invest in units of the Schemes (the existing Schemes, including Schemes as may be launched from time to time). The percentage of such investments will vary from time to time. However the AMC shall not charge any management fees on its own investment in the units of the Schemes of the Fund. The AMC will also invest a portion of its assets into the Scheme as seed capital to the extent mandated by the SEBI Regulations and such seed capital will not be redeemed or withdrawn by the AMC until the winding up of the Scheme.

Documents for Inspection

The following documents will be available for inspection at 10th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai - 400025 during business hours on any day (excluding Saturdays, Sundays and public holidays).

- i Memorandum & Articles of Association of AMC.
- ii Investment Management Agreement.
- iii Trust Deed and amendments thereto, if any.
- iv Mutual Fund Registration Certificate.
- v Agreement with the Mutual Fund and the Custodian.
- vi Agreement with Registrars' and Transfer Agents.
- vii Consent of the Auditors to act in the said capacity.
- viii Consent of the Legal Advisors to act in the said capacity.
- ix Securities and Exchange Board of India (Mutual Fund) Regulations, 1996 and amendments from time to time thereto.
- x Indian Trust Act, 1882.

D. Investor Grievance Redressal Mechanism

Investor can approach the office of AMC or Registrar or any of the Branches of Registrar for redressal of their Grievances. The AMC has appointed Mr. Sudhindra Desai as Investor Relation Officer. He can be contacted at registered office of the Company at:

Motilal Oswal Asset Management Company Limited

10th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai – 400025.

Email: mfservice@motilaloswal.com

Toll Free No.: 1800-200-6626

In case the investor is not satisfied with the redressal by the Investment Manager, the investor may lodge a complaint on SEBI's web based complaints redress system (SCORES).

Details of Investor Complaints received and redressed during last three financial years are as below:

Period	FY 12-13		FY 13-14		FY 14-15	
	Received	Redress	Received	Redress	Received	Redress
Motilal Oswal MOSSt Shares M50 ETF (MOSSt Shares M50)	1	1	-	-	-	-
Motilal Oswal MOSSt Shares Midcap 100 ETF (MOSSt Shares Midcap 100)	2	2	-	-	-	-
Motilal Oswal MOSSt Shares NASDAQ-100 ETF (MOSSt Shares NASDAQ 100)	-	-	-	-	-	-
Motilal Oswal MOSSt 10 Year Gilt Fund (MOSSt 10 Year Gilt Fund)	-	-	-	-	-	-
Motilal Oswal MOSSt Shares Gold ETF (MOSSt Gold Shares)	-	-	1	-	5	5
Motilal Oswal MOSSt Ultra Short Term Bond Fund	-	-	-	-	-	-
Motilal Oswal MOSSt Focused 25 Fund	-	-	-	-	1	1
Motilal Oswal MOSSt Focused Midcap 30 Fund	-	-	1	1	-	-
Motilal Oswal MOSSt Focused Multicap 35 Fund	-	-	-	-	2	2
Motilal Oswal MOSSt Focused Long term Fund	-	-	-	-	-	-
Others	1	1	2	2	-	-

Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable.

LIST OF DESIGNATED COLLECTION CENTERS / INVESTOR SERVICE CENTERS

MOTILAL OSWAL ASSET MANAGEMENT COMPANY LIMITED

Ahmedabad	403, Third Eye Building, Panchwati Cross Roads, Opp. Centre Point, C. G. Road, Ahmedabad-380006
Bangalore	No. 212, Bellary Road, Hero Honda Showroom Building, Sadashiv Nagar, Bangalore - 560 080
Chennai	Susee Complex, North Usman Road, T Nagar, Chennai - 600 017
Delhi	801-806, 8th Floor, Prakash Deep Building, 7 Tolstoy Marg, Connaught Place, New Delhi - 110 001
Hyderabad	201, Lumbini Amrutha Chambers, Near Nagarjuna Circle, Road # 3, Banjara Hills, Hyderabad - 500 082
Jaipur	301 & 304, 3rd Floor, Luhadia tower, Ashok Marg, C Scheme, Jaipur - 302001
Kolkata	3rd Floor, Constantia Building, 11, Dr. U. N. Bramachari Street, Kolkata - 700 017
Ludhiana	SCO 122, 4th floor, Feroze Gandhi Market, Ferozepur road, Ludhiana, Pin code 141001
Mumbai	10 th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai - 400025 and 2nd Floor, Queens Mansion, 44, A. K. Naik Marg, Fort, Mumbai - 400001
Pune	Lohia Jain Centre, 1st floor, Near Good Luck Chowk, Opp. Oakwood Hotel, Bhandarkar Road, Pune - 411 005
Surat	Office No.2006, Mezzanine Flr, 21St Century Business Centre, Ring Road, Surat-395 002

KARVY COMPUTERSHARE PRIVATE LIMITED

Agartala	Bhagalpur	Durgapur	Jalpaiguri	Mathura	Pudukottai	Solapur
Agra	Bharuch	Eluru	Jammu	Meerut	Pune	Sonepat
Ahmedabad	Bhatinda	Erode	Jamnagar	Mehsana	Rajpur	Sri Ganganagar
Ajmer	Bhavnagar	Faridabad	Jamshedpur	Mirzapur	Rajahmundry	Srikakulam
Akola	Bhilai	Ferozpur	Jaunpur	Moga	Rajapalayam	Sultanpur
Aligarh	Bhilwara	Gandhidham	Jhansi	Moradabad	Rajkot	Surat
Allahabad	Bhopal	Gandhinagar	Jodhpur	Morena	Ranchi	Thanjavur
Alleppy	Bhubaneswar	Gaya	Junagadh	Mumbai	Ratlam	Thodupuzha
Alwar	Bikaner	Ghaziabad	Kannur	Muzaffarpur	Renukoot	Tirunelveli
Amaravathi	Bilaspur	Ghazipur	Kanpur	Mysore	Rewa	Tirupathi
Ambala	Bokaro	Gonda	Karaikudi	Nadiad	Rohtak	Tirupur
Amritsar	Burdwan	Gorakhpur	Karimnagar	Nagercoil	Roorkee	Tiruvalla
Anand	Calicut	Gulbarga	Karnal	Nagpur	Rourkela	Trichur
Ananthapur	Chandigarh	Guntur	Karur	Namakkal	Sagar	Trichy
Ankleshwar	Chandrapur	Gurgaon	Kharagpur	Nanded	Saharanpur	Trivandrum
Asansol	Chennai	Guwahati	Kolhapur	Nasik	Salem	Tuticorin
Aurangabad	Chinsura	Gwalior	Kolkata	Navsari	Sambalpur	Udaipur
Azamgarh	Cochin	Haldwani	Kollam	Nellore	Satna	Ujjain
Balasore	Coimbatore	Haridwar	Korba	New Delhi	Shaktinagar	Valsad
Bangalore	Cuttack	Hassan	Kota	Nizamabad	Shillong	Vapi
Bankura	Darbhanga	Hissar	Kottayam	Noida	Shimla	Varanasi
Bareilly	Davangere	Hoshiarpur	Kurnool	Palghat	Shimoga	Vellore
Barhampore(Wb)	Dehradun	Hubli	Lucknow	Panipat	Shivpuri	Vijayanagaram
Baroda	Deoria	Hyderabad	Ludhiana	Panjim	Sikar	Vijayawada
Begusarai	Dewas	Indore	Madurai	Pathankot	Silchar	Visakhapatnam
Belgaum	Dhanbad	Jabalpur	Malappuram	Patiala	Siliguri	Warangal
Bellary	Dharwad	Jaipur	Malda	Patna	Sitapur	Yamuna Nagar
Berhampur(Or)	Dhule	Jalandhar	Mangalore	Pollachi	Sivakasi	Tuticorin
Betul	Dindigul	Jalgaon	Margoa	Pondicherry	Solan	-

Visit the link <https://www.karvymfs.com/karvy/GeneralPages/locateUs.aspx?frm=cu> to view the complete details of designated collection centres / Investor Service centers of Karvy Computershare Private Limited.



ADDENDUM

Addendum to the Statement of Additional Information dated August 10, 2015

Appointment of Key Personnel for Motilal Oswal Asset Management Company Limited

Mr. Swapnil P Mayekar has been appointed as the Key Personnel of Motilal Oswal Asset Management Company Limited (“MOAMC”) with effect from today i.e. August 10, 2015.

The following details pertaining to Mr. Swapnil P Mayekar shall be a part of the section ‘**Information on Key Personnel**’ in the Statement of Additional Information:

Name/Designation	Age/Qualification	Brief Experience
Mr. Swapnil P Mayekar Fund Manager	31/ M.Com from Mumbai University and Advanced Diploma in Business Administration from Welingkar, Mumbai	Mr. Mayekar has rich experience in the field of Research. He had earlier worked with organization like Business Standard Limited where he was primarily responsible for research on Banking Sector, Mutual Fund, Debt market, International and Indian Stock Market using valuation models. He is associated with Motilal Oswal Asset Management Company Limited since March 2010 where his primarily role is to develop model structure, to perform portfolio assessments on a periodic basis for investment strategies & models and analysis of Exchange Traded Funds, Mutual fund scheme and stocks.

All other contents of the Statement of Additional Information remain unchanged.

This addendum forms an integral part of the Statement of Additional Information of Motilal Oswal Mutual Fund as amended from time to time.

This Addendum is dated **August 10, 2015**



ADDENDUM

Addendum to the Statement of Additional Information dated October 30, 2015

I. Implementation of Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS) requirements:

Pursuant to the SEBI Circular no. CIR/MIRSD/2/2015 dated August 26, 2015 and AMFI Best Practice guidelines circular no. 63/2015-16 dated September 18, 2015 with respect to uniform implementation of Foreign Accounts Tax Compliance Act (FATCA)/Common Reporting Standards (CRS), investors are requested to take note of the following:

- a) For all new accounts opened after November 1, 2015, the investors are required to mandatorily provide FATCA/CRS details and declarations, failing which the AMC shall reject the application.
- b) For all new accounts opened between September 01, 2015 to October 31, 2015, the AMC shall make reasonable efforts to obtain FATCA/CRS details and declaration on or before December 31, 2015. If self certification is not provided by an investor or the reasonableness of self certification cannot be confirmed, the account will be treated as reportable.
- c) For all accounts opened between July 1, 2014 to August 31, 2015, the AMC shall make reasonable efforts to obtain FATCA/CRS details and declaration by August 31, 2016. If self certification is not provided by an investor or the reasonableness of self certification cannot be confirmed, the account is treated as reportable.

II. Uniform implementation of KYC requirements

Pursuant to AMFI Best practices guidelines circular no. 62/2015-16 dated September 18, 2015 and such other applicable guidelines, investors are requested to take note of the following:

- a) To mandatorily provide the Ultimate Beneficial Ownership declaration/information failing which the application(s) for fresh or additional subscriptions/switches, as the case may be, shall be liable to be rejected.
- b) To mandatorily provide additional KYC information / details as prescribed in the Application Form.
- c) The above provisions shall be applicable for the New Investors with effect from November 1, 2015 and for Existing Investors with effect from January 1, 2016.
- d) The AMC shall not accept any transactions (whether fresh or additional subscriptions / switches) pertaining to 'KYC-On Hold' cases, unless and until the Investors / Unitholders submits KYC missing information or updated information and / or complete IPV.

All other contents of the Statement of Additional Information remain unchanged.

This addendum forms an integral part of the Statement of Additional Information of Motilal Oswal Mutual Fund as amended from time to time.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.



**Addendum dated April 1, 2016 to the Statement of Additional Information of
Motilal Oswal Mutual Fund**

- Change in registered office address of Motilal Oswal Trustee Company Limited

The registered office address of Motilal Oswal Trustee Company Limited has been changed to the following address with effect from April 1, 2016:

Existing Address	New Address
Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai-400064	10 th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025
Contact No.: +91 22 3080 1000 / 01 Fax no.: +91 22 2844 9002	Contact no.: +91 22 3980 4263 / 3982 5500 Fax no.: +91 22 3089 6884

All other contents of the Statement of Additional Information remain unchanged.

This addendum forms an integral part of the Statement of Additional Information of Motilal Oswal Mutual Fund as amended from time to time.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.