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# Motilal Oswal MidCap 100 ETF (MI00)

(An open ended scheme replicating/tracking Nifty Midcap 100 Index)

**THINK EQUITY. THINK MOTILAL OSWAL.**

This product is suitable for investors who are seeking\*

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



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

# PRESENTATION FLOW

About Nifty Midcap 100 Index

Investment Case for Nifty Midcap 100 Index

Motilal Oswal Midcap 100 ETF – The vehicle to  
invest in Nifty Midcap 100 Index



## About Nifty Midcap 100 Index

# About NiftyMidcap 100 Index

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

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

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

**Selection Criteria:**

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

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

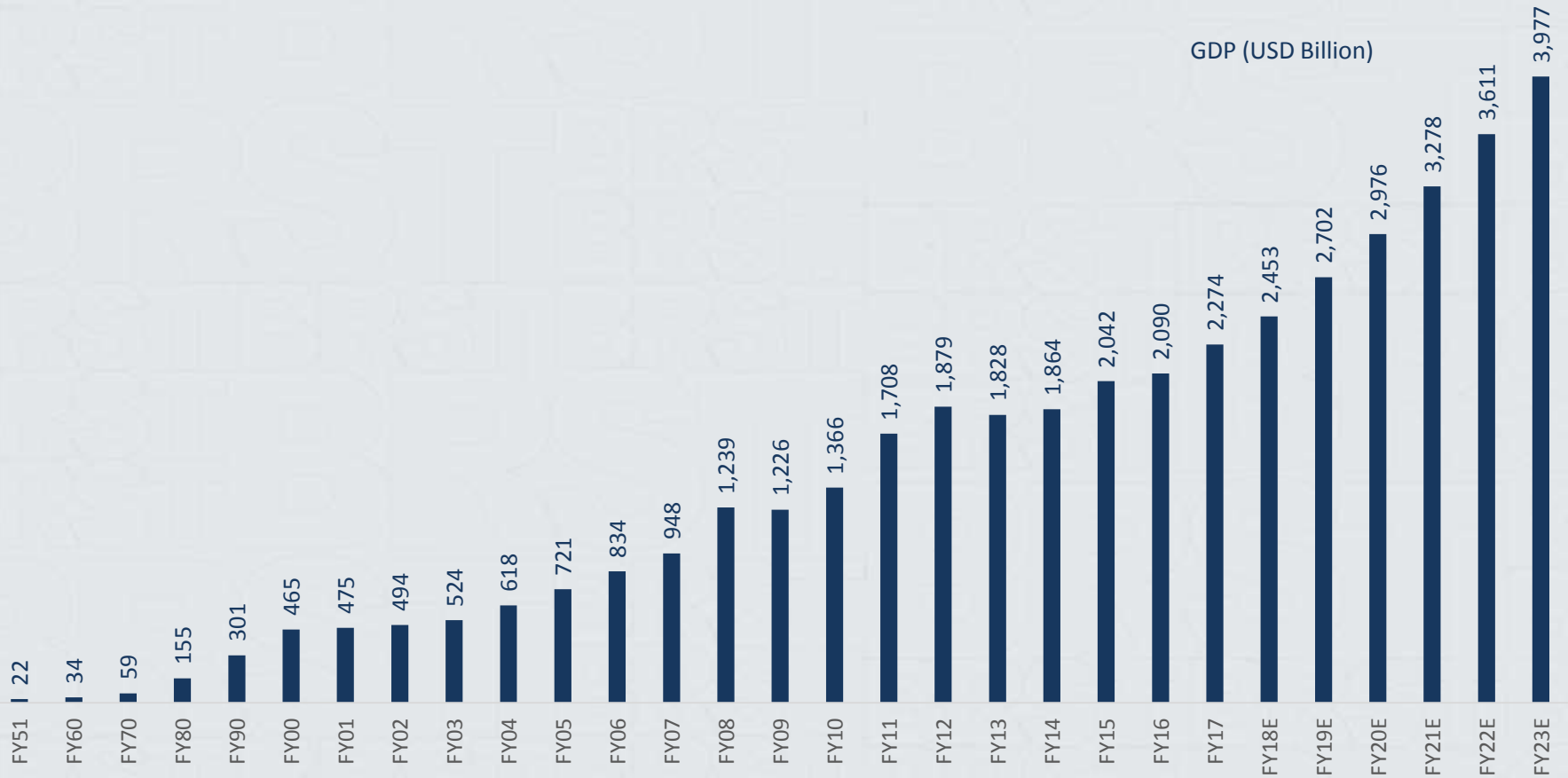
Source: NSE Indices



## Investment Case for Nifty Midcap 100 Index

- Indian economy expected to grow at a fast pace
- Midcap companies are a leveraged play on India
- Midcap companies provide growth and are hidden gems
- Nifty Midcap 100 Index complements large-cap portfolios and provides better portfolio diversification

# India expected to grow at a fastpace



Source: statisticstimes.com (Data as on 31<sup>st</sup> March, 2017)

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



# Midcaps: Leveraged Play on Indian Economy

Midcaps

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

Large caps

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

Nifty 50		
Company Name	Weightage in Index (%)	International Exposure
Infosys	6.46	86%
TCS	4.83	94%
HCL Technologies	1.36	81%
Tech Mahindra	1.21	78%
Sun Pharma.Inds.	1.14	75%
Wipro	0.97	75%
Tata Motors	0.75	67%
Dr Reddy's Labs	0.74	71%
Hindalco Inds.	0.66	79%

Nifty Midcap 100		
Company Name	Weightage in Index (%)	International Exposure
Divi's Lab	3.32	87%
Mindtree	1.55	90%
Tata Global Beverages	1.27	54%
Voltas	1.26	23%
Crisil	0.85	68%
Apollo Tyres	0.84	32%
Mphasis	0.76	87%
Tata Communications	0.54	69%
Wockhardt	0.53	72%

Source : NSE Indices, Bloomberg & Internal Analysis, Data as on February 28, 2019

# Midcaps grow faster than Large-caps & Indian Economy

## Observed Growth of Large Caps and Midcaps in India

Nifty 50 (Large Caps)	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	10Yr CAGR
Sales Per Share	1,997.9	2,072.3	2,471.5	2,947.3	3,268.1	3,552.1	4,043.1	3,660.4	3,596.9	4,081.2	4,897.7	9.4%
EBITDA Per Share	454.1	499.9	530.7	603.7	663.4	747.6	885.8	815.8	858.7	968.9	1,209.7	10.3%
Earnings Per Share	260.0	221.2	307.3	335.4	366.2	389.2	427.8	392.5	391.5	441.2	490.4	6.6%
Dividends Per Share	54.3	50.1	72.9	74.8	88.8	94.3	114.7	109.6	120.3	135.4	158.1	11.3%
PAT Margins	12.9	11.4	12.4	11.2	11.0	10.8	10.5	10.4	10.6	10.8	9.6	
Return on Equity in (%)	22.2	16.2	18.4	17.7	16.7	16.4	15.9	14.0	13.1	13.5	13.3	

Nifty Midcap 100	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	10Yr CAGR
Sales Per Share	5,690.1	5,488.9	6,110.7	7,626.6	8,982.4	8,611.4	9,636.7	11,256.9	10,806.3	10,960.7	10,433.9	6.3%
EBITDA Per Share	755.0	814.7	948.4	2,001.5	1,289.7	1,274.1	1,633.5	1,835.5	2,248.4	1,846.7	2,697.8	13.6%
Earnings Per Share	357.3	508.7	647.3	460.6	531.0	598.0	666.2	449.8	528.6	469.8	402.4	1.2%
Dividends Per Share	91.7	79.4	111.6	132.5	133.2	177.8	194.0	165.9	216.5	223.0	192.1	7.7%
PAT Margins	7.6	9.1	10.4	6.0	5.9	7.0	6.8	4.4	4.7	4.1	4.7	
Return on Equity in (%)	15.0	19.1	17.4	10.1	10.1	11.0	11.9	7.6	5.0	5.4	6.9	

Source : Bloomberg & MOAMC Internal Analysis, Data as on December 31, 2018; Past performance may or may not be sustained in future.

# Nifty Midcap 100 Index: Fundamentals and Valuation

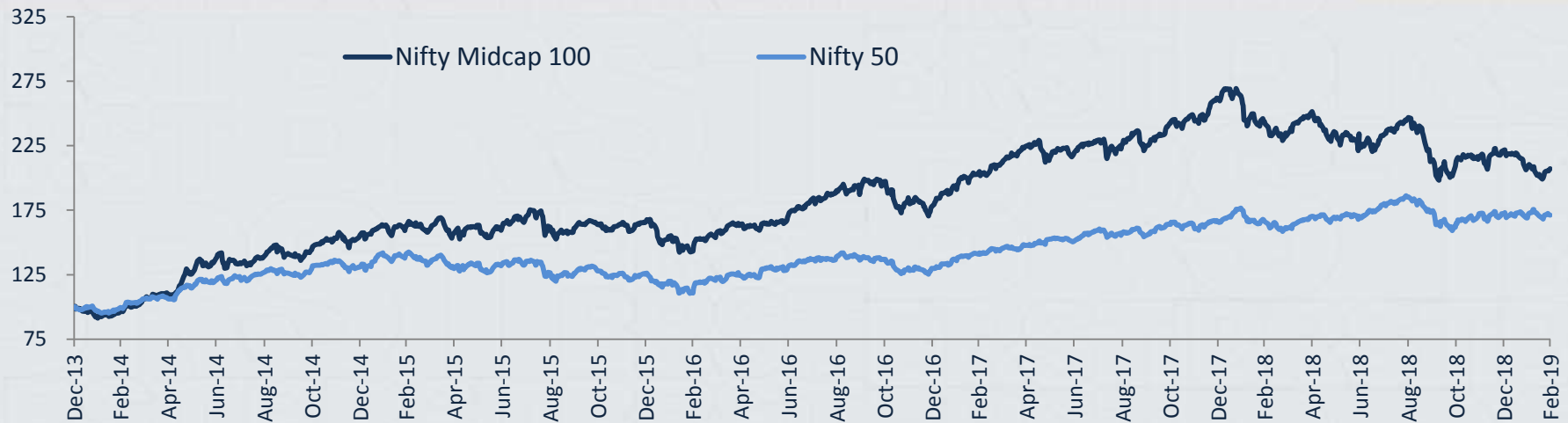
Fundamentals	CY 2016	CY 2018	March 07, 2019 (Current)	March 07, 2020E (1Yr Forward)	March 07, 2021E (2Yr Forward)	CY16-18 CAGR	2 yr Forward CAGR
Earnings Per Share	561	402	402	1,135	1,417	-15%	88%
Dividends Per Share	216	192	192	264	281	-6%	21%
Book Value Per Share	8,076	7,767	7,767	8,123	9,512	-2%	11%
Sales Per Share	11,020	10,434	10,434	12,938	14,156	-3%	16%
EBITDA Per Share	2,228	2,698	2,709	2,002	2,197	10%	-10%
<b>Margin</b>							
EBITDA Margin	2,227.99	2,697.77	25.96	15.47	15.52		
PAT Margin	4.92	4.66	3.86	8.77	10.01		
Return on Equity	5.70	6.94	7.11	10.21	12.75		
<b>Valuation</b>							
Price/EPS	25.58	44.42	44.00	15.60	12.50		
Price/Sales	1.30	1.71	1.70	1.37	1.25		
EV/EBITDA	10.90	11.78	11.66	15.78	14.38		

Nifty Midcap 100 : Index Value 16,721 as on February 28, 2019

Source : Bloomberg & MOAMC Internal Analysis, Data as on February 28, 2019; Past performance may or may not be sustained in future.

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# Large Cap vs Midcap Index



The information herein is used for comparison purpose and is illustrative and not sufficient and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party. Past performance may or may not be sustained in future. Data as on February 28, 2019

Particulars	Nifty 50	Nifty Midcap 100
Value (31 December 2008)	2,959	3,736
Value (28 February 2019)	10,793	16,721
Annualized Returns	13.57%	15.88%
Annualized Standard Deviation	18.14%	18.68%
Sharpe Ratio	0.40	0.51
Beta with market	1.00	0.85

Source : NSE Indices, MOAMC, MIBOR Rate 6.35 %

Midcaps are more diversified than Large Caps		
Cummulative Weightage in Index	No. of Companies	
	Nifty 50	Nifty Midcap 100
> 25 %	2	11
> 50 %	7	28
> 75 %	18	53

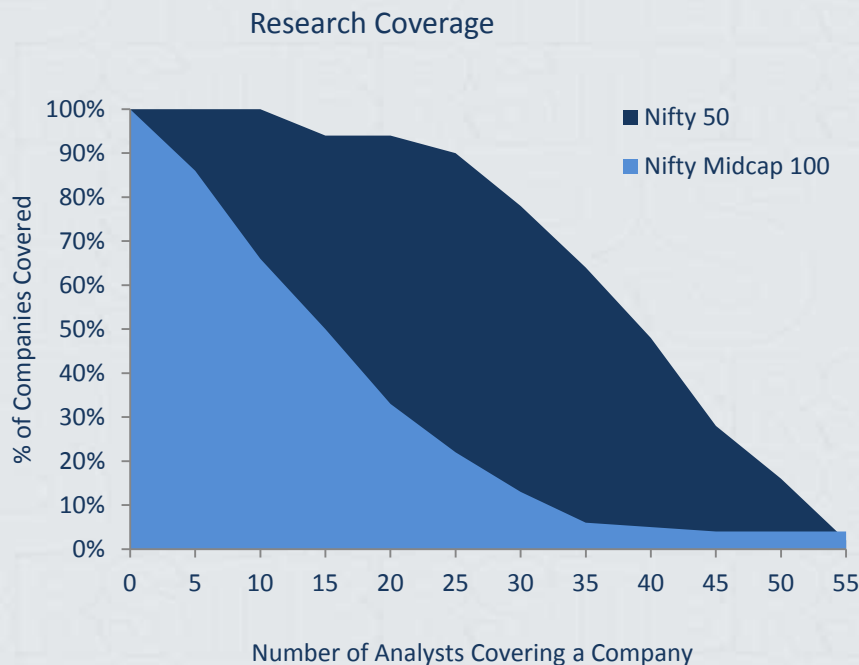
Past performance may or may not be achieved in future. CAGR: Compounded annual growth rate. Source: NSE Indices, MOAMC, Data as on February 28, 2019. Risk-free returns based on 365 days T-bills of 6.35% as on the last auction

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# Midcaps: Under Researched and Under Owned

**Under Researched: Fewer analysts cover midcap companies**

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



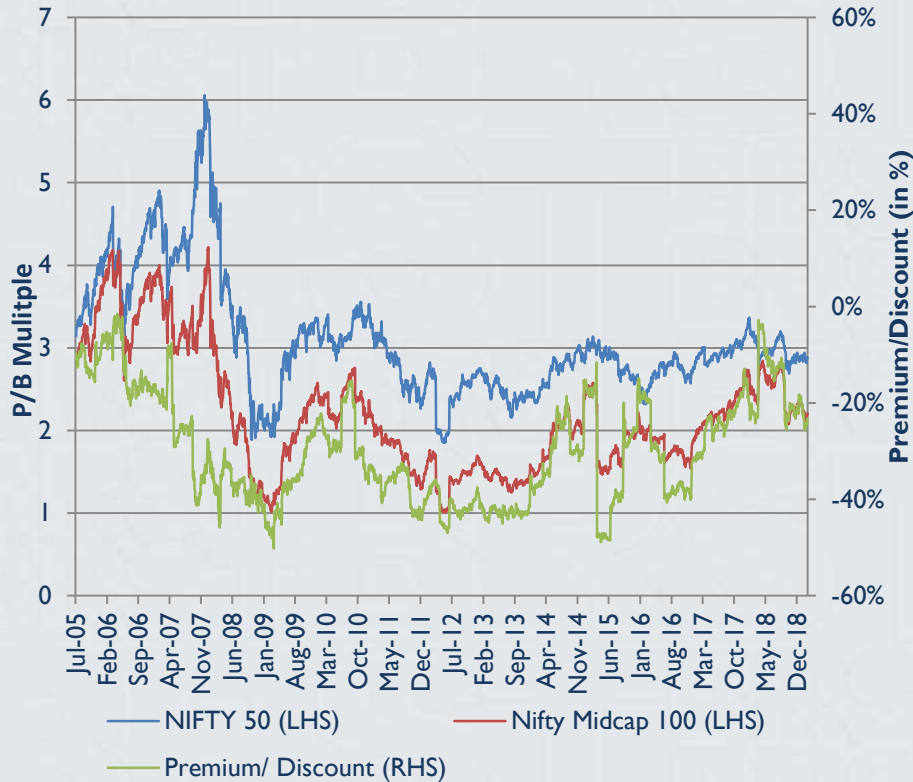
Ownership (%)	Nifty 50	Nifty Midcap 100
Promoters	43%	54%
FI & FDI	24%	17%
FI & Banks	1%	1%
Insurance & MF	13%	11%
Public	7%	9%
Others	11%	8%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Source: Bloomberg & MOAMC Internal Analysis, Data as on February 28<sup>th</sup>, 2019

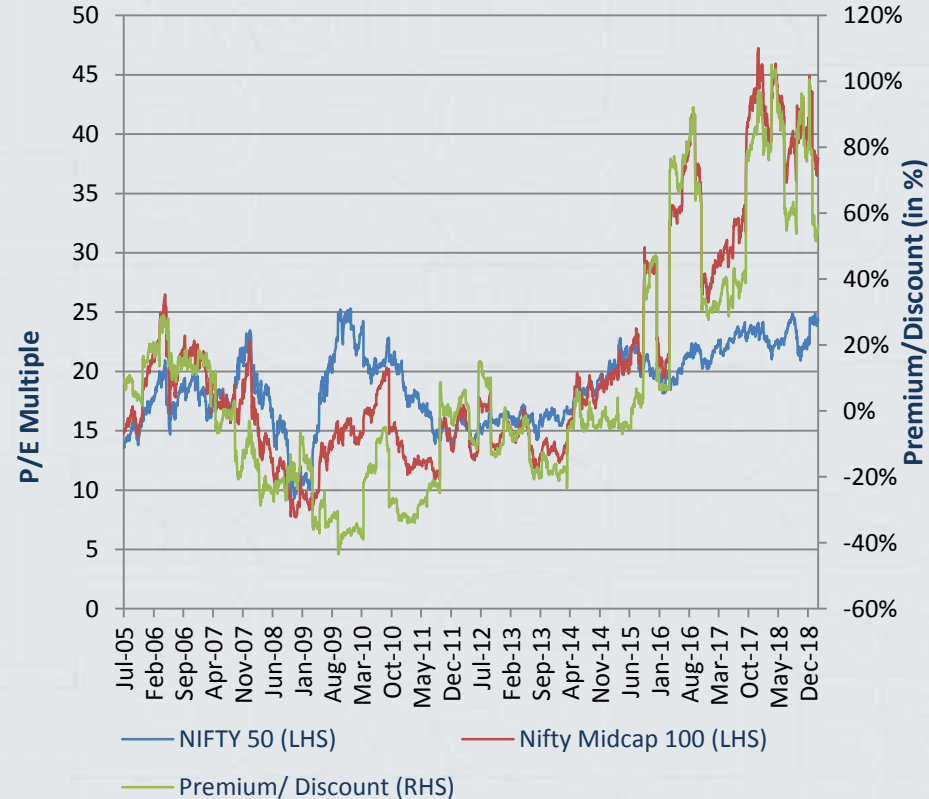
(Data as on December 31, 2018)

# Midcaps: Under Valued

## Price to Book Ratio



## Price to Earnings Ratio



Under-valued when compared with Large Cap companies

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Source: Bloomberg & MOAMC Internal Analysis, Data as on 28<sup>th</sup> February, 2019

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# Midcaps complement Large Caps in Portfolios

Sector (In %)	Nifty 50	Nifty Midcap 100
Financial Services	37.18	27.49
Consumer Goods	10.80	16.37
Pharma	2.53	10.08
Energy	15.44	8.23
Automobile	6.59	7.63
IT	14.82	5.28
Industrial Manufacturing	0.00	4.96
Construction	3.69	4.64
Textiles	0.00	3.03
Services	0.59	2.06
Fertilisers & Pesticides	0.75	1.71
Healthcare Services	0.00	1.65
Metals	3.81	1.64
Chemicals	0.00	1.54
Cement & Cement Products	1.63	1.42
Media & Entertainment	0.60	0.74
Telecom	1.55	0.70

Source : NSE Indices & Internal Data, Data as on February 28, 2019

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



**Motilal Oswal MidCap 100 ETF—The vehicle  
to invest in Nifty Midcap 100 Index**



# About Motilal Oswal MidCap 100 ETF

<b>Scheme Name</b>	Motilal Oswal MidCap 100 ETF
<b>Type of Scheme</b>	An open ended scheme replicating/tracking Nifty Midcap 100 Index
<b>Investment Objective:</b>	The scheme seeks investment return that corresponds (before fees and expenses) to the performance of Nifty Midcap 100 Index (underlying index), subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.
<b>Benchmark</b>	NiftyMidcap 100 TRI
<b>Continuous Offer</b>	On NSE Investors can buy/sell units of the scheme in round lot of 1 unit and in multiples thereafter. Directly with the mutual fund: Investors can buy/sell units of the scheme only in creation unit size, i.e.- 1,25,000 units and in multiples thereafter.

Date of Allotment	January 31, 2011
NAV – Growth Plan	17.3342
Latest AUM (February 28, 2019)	21.93 Cr
Tracking Error*	0.30% (Annualized)
Total Expense Ratio^	0.20% p.a.
Standard Deviation	16.92% (Annualized)
Sharpe Ratio#	0.38 (Annualized)
Portfolio Turnover Ratio	0.7202
Nifty Midcap 100 TRI Beta	0.97

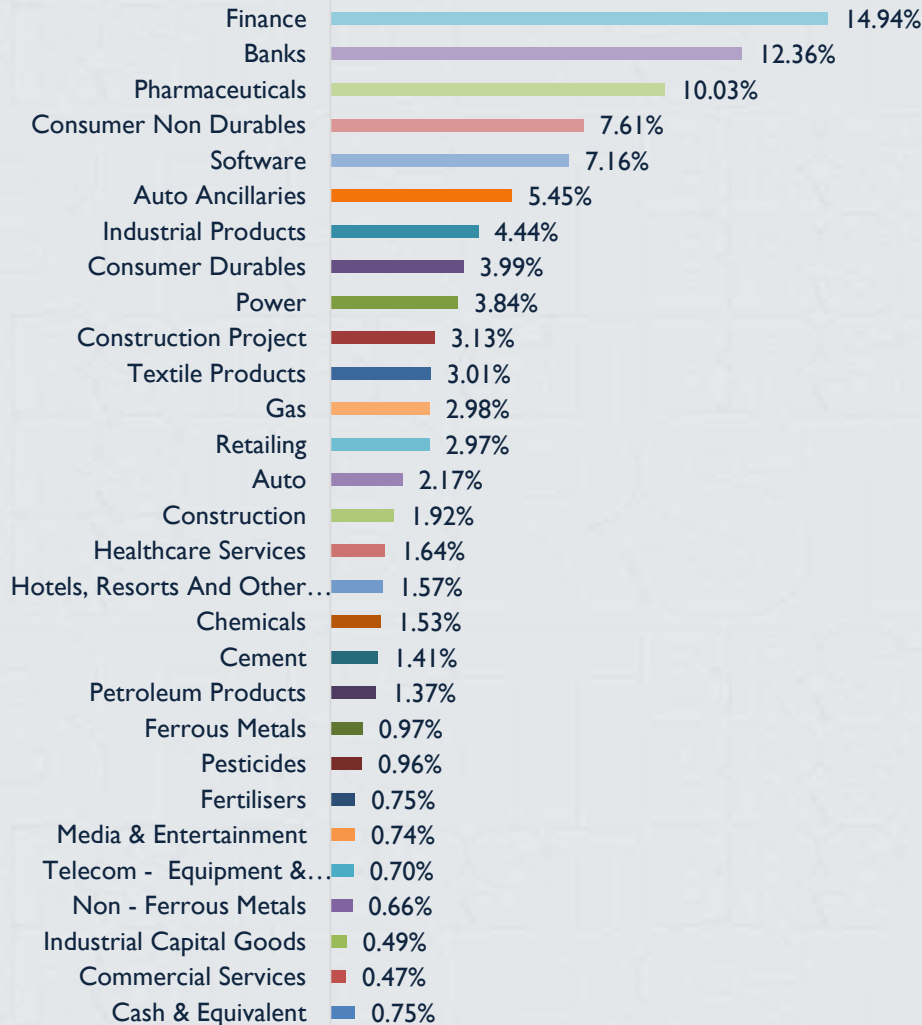
\* Against the benchmark NiftyMidcap 100 TRI

# Risk-free returns based on last overnight MIBOR cut-off of 6.35% (Data as on February 28, 2019)

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

# About Motilal Oswal MidCap 100 ETF

## Industry Allocation



## Top 10 Holdings

Name of Instrument	% to Net Assets
RBL Bank Limited	3.73%
Divi's Laboratories Limited	3.30%
Federal Bank Limited	2.60%
United Breweries Limited	2.34%
Voltas Limited	2.05%
Page Industries Limited	2.02%
Bharat Forge Limited	2.02%
REC Limited	1.98%
Info Edge (India) Limited	1.91%
Tata Power Company Limited	1.86%

Industry classification as recommended by AMFI;  
Data as on February 28, 2019

# Features of About Motilal Oswal MidCap 100 ETF

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

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

# Motilal Oswal MidCap 100 ETF

Fund Manager: Mr. Ashish Agrawal

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

## Continuous Offer

On NSE: Investors can buy/sell units of the Scheme in round lot of 1 unit and in multiples thereof. Directly with the Mutual Fund: Investors can buy/sell units of the Scheme only in creation unit size i.e. 1,25,000 units and in multiples thereafter.

## Scheme Details

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

NAV: Rs. 17.3342 (Data as on February 28, 2019)

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

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

# Disclaimer

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

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


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