

# – Motilal Oswal Nifty 500 Fund

Invest in India's Only Multicap Index Fund

30<sup>th</sup> April, 2021

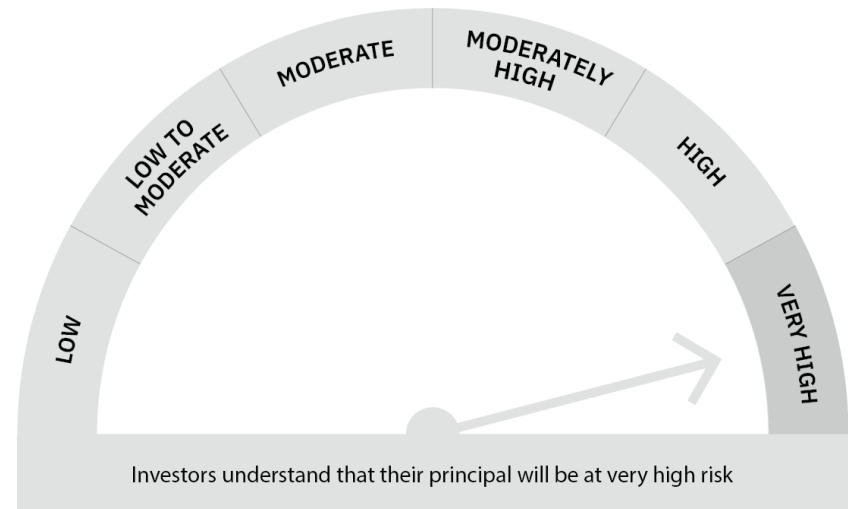
# Product Suitability

## Riskometer

This product is suitable for investors who are seeking\*

### Motilal Oswal Nifty 500 Fund

- Return that corresponds to the performance of Nifty 500 Index subject to tracking error
- Equity and Equity related securities covered by Nifty 500 Index
- Long-term capital growth

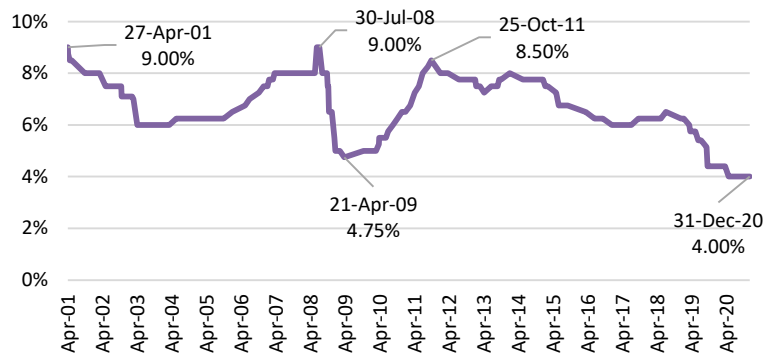


*\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.*

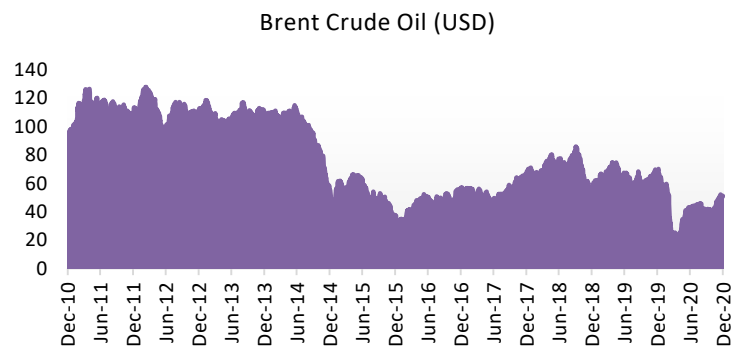
# INDIA'S GROWTH STORY INTACT OVER MEDIUM TO LONG TERM

# India's key macro-economic factors propelling growth

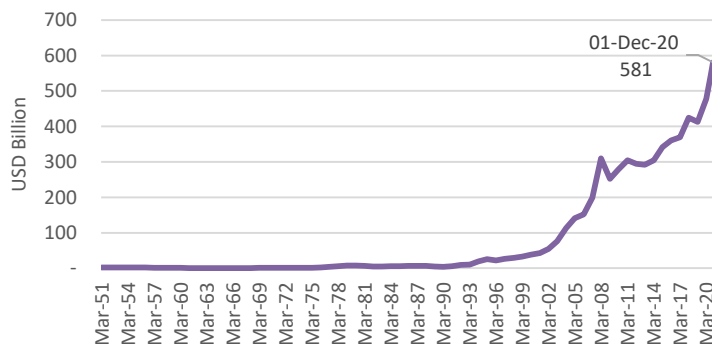
**Lowest Repo Rate**



**Brent Crude Oil Prices - 10 Year Daily Chart**



**All time high Forex Reserves; great cushion**

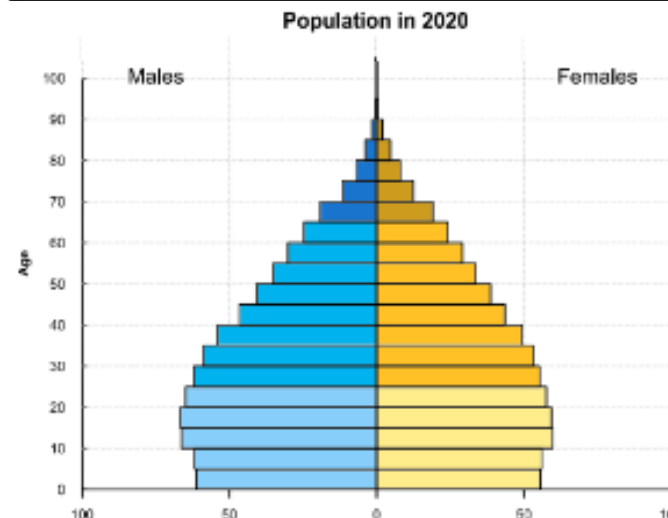
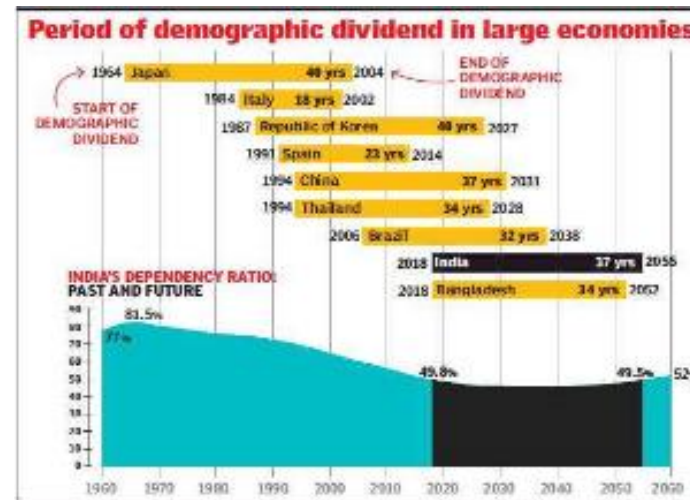


- India has **solid forex reserve** of over \$580 bn. A solid buffer in case of global volatility<sup>1</sup>
- Low crude prices mean lower Current Account Deficit (CAD)** (CAD - drastically came down from 5% in 2012 to 0.93% in 2019, also crude is expected to be around ~\$37 in 2020 and expected to be below \$50 in 2021)<sup>2</sup>
- Repo rate is at lowest level over last 20 years.** This is expected to reduce cost of financing and thereby fueling production and consumption. There by helping GDP growth rate<sup>3</sup>

Source/Disclaimer: 1 - [rbi.org.in](http://rbi.org.in), 2 - [www.macrotrends.net](http://www.macrotrends.net), 3 - [rbi.org.in](http://rbi.org.in). Data as of 31-Dec-2020. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

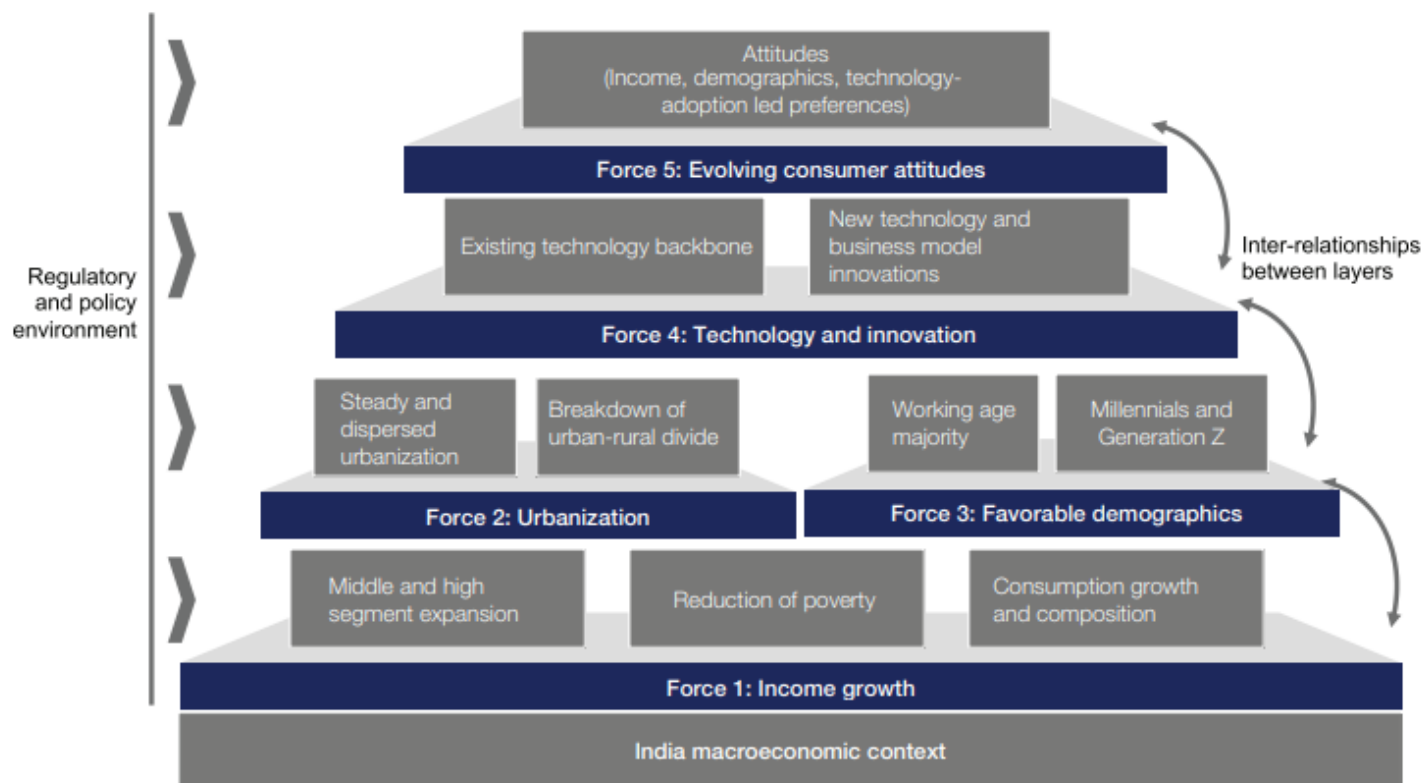
# India expected to benefit from young working age population

- Economic growth potential that results from shift in population's age structure
- **65% of the population under 35 years<sup>4</sup>**
- Key determinants of economy's longer run growth rate- **Labour** (young population) & capital (higher saving) inputs
- Shape aggregate consumption, saving and investment decision
- Structural factors of Indian economy favourable to catapult growth
  - **Consumption driven economy**  
(Domestic consumption powers 60% of GDP)<sup>5</sup>
  - Relatively **high gross savings** as % of GDP (India ~31%, World Avg.~25%)<sup>6</sup>



Source/Disclaimer: 4 – TOI, 2016; 5 - World Economic Forum, Jan-2019; 6 - World Bank, 2019; Both Info graphics - Economic times & UN, 2019; The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

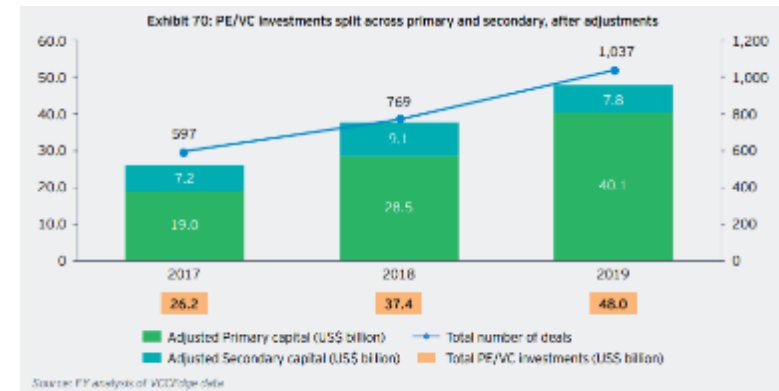
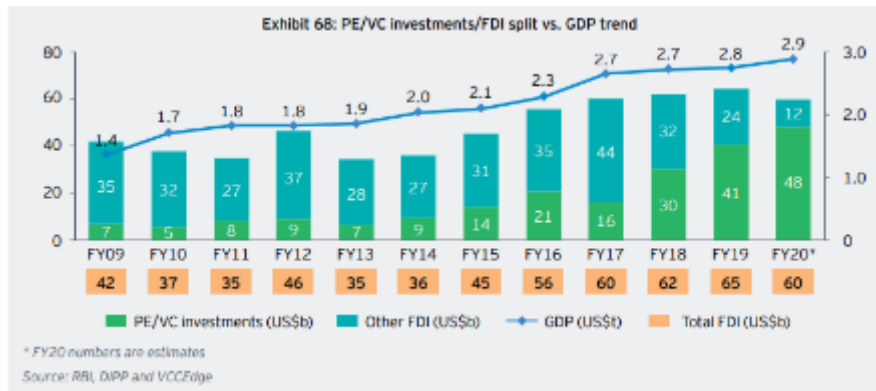
# Drivers of future consumption



Source: Bain & Company/World Economic Forum analysis

Source/Disclaimer: World Economic Forum, Jan 2019; The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

# Global PE/VC Increasing Investment in India

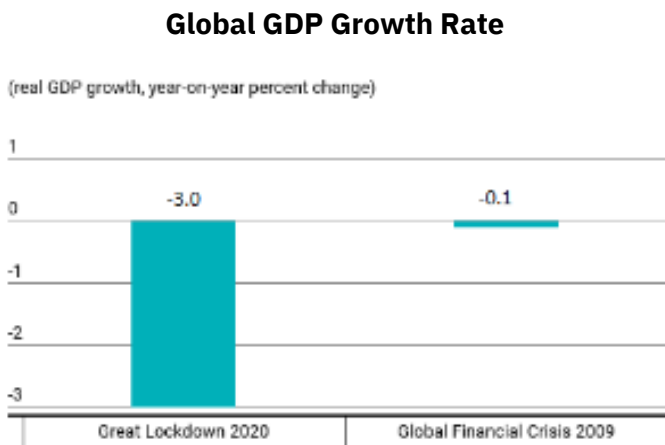


- **India is emerging as one of the leading destinations for global PE/VC** (\$48bn inflows in 2019, a 28% increase over 2018 / Following global trend at 1.7% of GDP)<sup>7</sup>
- **Translates to \$ 87.5bn of funding between 2017-2019 towards job creation**, incremental capacities, technology, infrastructure etc. - 26 lakh job generated in 2019 by PE/VC backed startup<sup>8</sup>
- Investment in core sector - financial (especially Fintech and NBFC) service accounting to \$23.7bn between 2017-2019

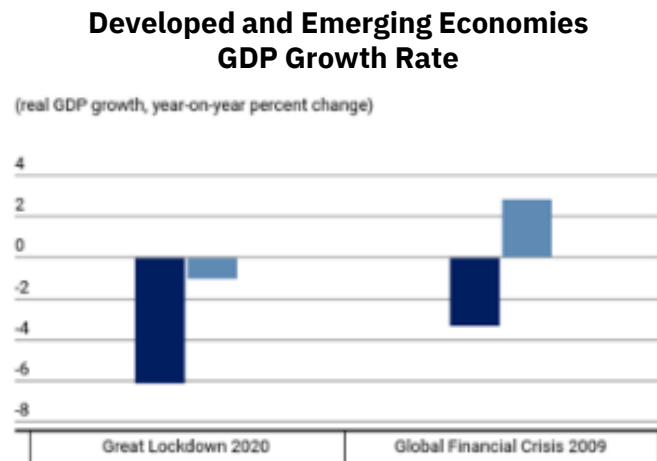
Source/Disclaimer: 7 & 8 – PE/VC Agenda India Trend Book 2020. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

# Short term headwinds

- Global economic **impact due to the Covid-19 pandemic expected to be broader than the Great Depression of 1928**<sup>9</sup>
- **De-Growth projected by World Bank** for FY 21 (India- 9.6%)<sup>10</sup>
- Balancing act between containing outbreak and reducing economic toll
- **Weak credit growth** (slowed to 5.9% in Dec 2020 from 7.0% in Dec 2019)<sup>11</sup>



Source: IMF, World Economic Outlook.



● Advanced economies ● Emerging market and developing economies  
Source: IMF, World Economic Outlook.

Source/Disclaimer: 9 - [www.imf.org](http://www.imf.org), April 2020; 10- World Bank, Oct 2020; 11 - [www.rbi.org.in](http://www.rbi.org.in). The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.



# Destabilizing world's factory

- **Global anti China sentiment** primarily driven by:
  - Unfair trade and technology practices
  - Territorial Disputes with neighbouring countries
  - Accusation by US for suppressing early information on the virus
- **Great opportunity for India to become a manufacturing hub** - India putting together land bank up to the size of Luxemburg, a special task force to promote make in India<sup>12</sup>
- Factors in favour of India-
  - **Considerable improvement in Rank of Ease of Doing Business** from 142 in 2014 to 63 in 2020 among 190 countries<sup>13</sup>
  - **Young India** - Prime age labor being added, will help increase consumption and savings
  - **Radical reforms** - Implementation of GST, Digitisation Drive, Insolvency Code, Easing FDI Policy Regime, Infrastructure push, Corporate Tax Rate cut to 15%)

Source/Disclaimer: 12 – Business Standard, May 2020; 13 - World Bank, Oct 2019

# Destabilizing world's factory

- **Challenges for India -**

- Need to fully realize comparative manufacturing advantage
- According to Nomura Securities 56 firms left China between August 2018-August 2019 (2- Indonesia, 8- Thailand, 11- Taiwan, 26- Vietnam, only 3 came to India)<sup>14</sup>
- Twin balance sheet problems (Over leveraged companies & banks with bad loans)
- Weak linkage to global value chain
- Although there have been big ticket reforms, policy implementation will be key

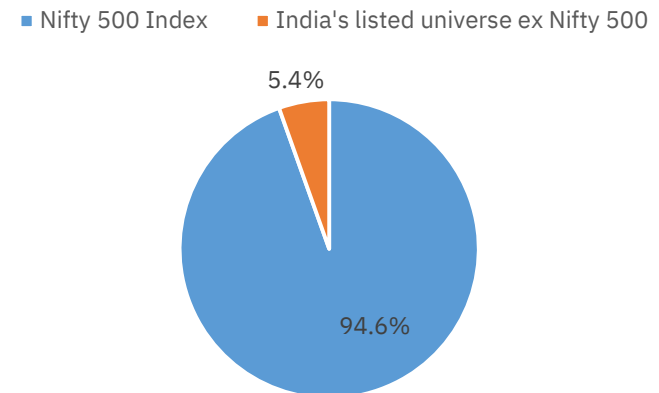
Source/Disclaimer: 14 - [www.livemint.com](http://www.livemint.com), Oct 2019

# – About Motilal Oswal Nifty 500 Fund

# Why is it a good proxy for India's Listed Universe

Description	Total Mcap Coverage (INR Crores)	
Nifty 500 Index Companies	1,93,17,663.56	94.6%
India's Listed Universe Ex Nifty 500 Companies <sup>1</sup>	11,13,150.98	5.4%
<b>Total India's Listed Universe</b>	<b>2,04,30,814.54</b>	<b>100.00%</b>

Total Market Cap Coverage

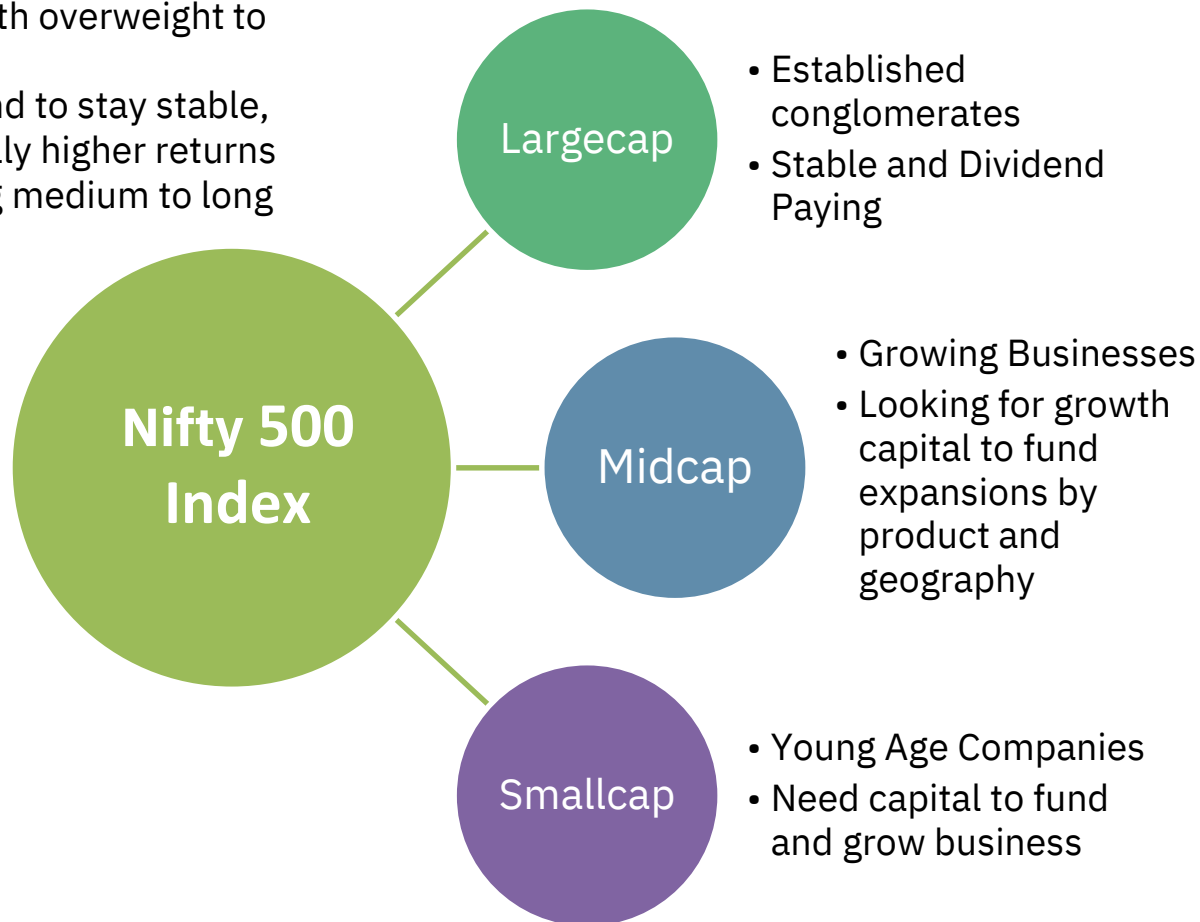
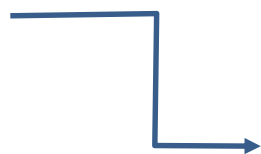


**Nifty 500 Index broadest benchmark index covering 94.6% of India's listed universe**

Source/Disclaimer : Data as of Mar 31, 2021. 1 - India's Listed Universe Total Mcap [www.bseindia.com](http://www.bseindia.com); Nifty 500 Index Companies – NSE. The information / data herein alone is not sufficient and should not be used for implementation of an investment strategy. It should not be construed as investment advice to any party. All opinions, figures, estimates and data included in this article are as on date. The article does not warrant the completeness or accuracy of the information and disclaims all liabilities, losses and damages arising out of the use of this information. The statements contained herein may include statements of Readers shall be fully responsible/liable for any decision taken on the basis of this article.

# What you get in Nifty 500

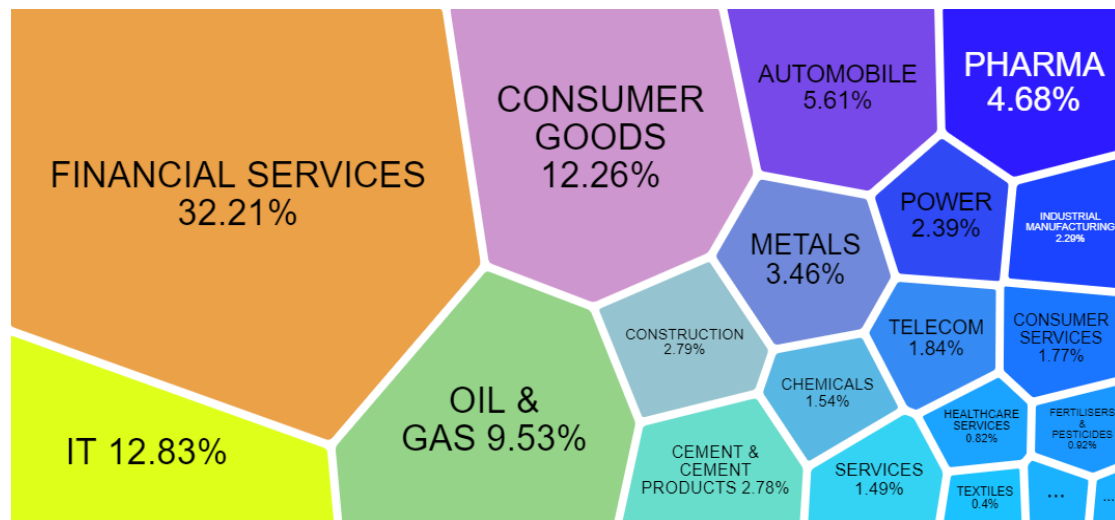
- Offers combination of Large, Mid and small cap stocks, with overweight to large cap.
- A multicap index tend to stay stable, yet provide marginally higher returns over largecap during medium to long term



Source/Disclaimer : MOAMC; The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy.

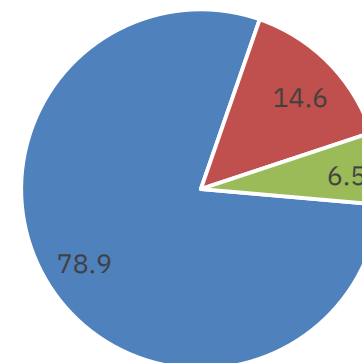
# Nifty 500 Index: All Sector and All Cap Size

## NSE Sector Distribution



## SEBI Size Coverage

■ Large Cap ■ Mid Cap ■ Small Cap



The Motilal Oswal Nifty 500 Fund - seeks to offer investors an exposure to a **all sector and all size (large, mid and small)** index, which is in line with India's listed universe, there are by offering **pure beta exposure to Indian listed equity market**

Source/Disclaimer : [www.niftyindices.com](http://www.niftyindices.com) and SEBI/AMFI for Size Classification; Data as of 31-Mar-2021; The sector mentioned herein are for general and comparison purpose only and not a complete disclosure of every material fact. The charts mentioned above are used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. It should not be construed as investment advice to any party. The stocks may or may not be part of our portfolio/strategy/ schemes. Past performance may or may not be sustained in future.

# Diversification

	Motilal Oswal Nifty 500 Fund	Motilal Oswal Nifty 50 Index Fund	Motilal Oswal Nifty Next 50 Index Fund	Motilal Oswal Nifty Midcap 150 Index Fund	Motilal Oswal Nifty Smallcap 250 Index Fund
<b>No of Companies</b>	500	50	50	150	250
<b>Segment</b>	Large, Mid and Small Cap	Large Cap	Large Cap	Mid Cap	Small Cap
<b>Sectors coverage</b>	All 19 Sectors	13 Sectors out of 19	15 Sectors out of 19	18 Sectors out of 19	All 19 Sectors
<b>Top 5 Macro economic Sector allocation</b>	83.2%	90.27%	79.03%	81.55%	80.98%
<b>Largest Macro economic Sector</b>	FINANCIAL SERVICES 31.63%	FINANCIAL SERVICES 37.57%	CONSUMER 23.00%	FINANCIAL SERVICES 22.27%	MANUFACTURING 22.49%
<b>Largest Stock</b>	RELIANCE INDUSTRIES LIMITED 6.9%	RELIANCE INDUSTRIES LIMITED 10.1%	VEDANTA LIMITED 4.2%	ADANI TOTAL GAS LIMITED 2.3%	INDIAN ENERGY EXCHANGE LIMITED 1.5%

- The addition of Nifty Midcap 150 and Nifty Smallcap 250 helps to diversify Nifty 50 sector exposure
- The index automatically rebalances sector and size exposure in line with Indian equity market.

Source/Disclaimer : MOAMC, Data as of 30-Apr-2021. Macro Economic Sector / Sectors as identified by AMFI Sector Model. The stocks/sectors mentioned above are used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. The stocks/sectors may or may not be part of our portfolio/strategy/ schemes. It should not be construed as investment advice to any party. Past performance may or may not be sustained in future. The actual asset allocation may deviate from above target asset allocation but will always remain in the asset allocation range stated in SID.

# Comparison between Nifty 500 Index and Nifty 50 Index

Criteria	Nifty 500 Index	Nifty 50 Index
<b>Theme</b>	Broad Market (Beta)	Large Cap
<b>Number of Companies in index</b>	500	50
<b>Total Market Cap Coverage of index</b>	Covers 94.6% of the listed universe	Covers ~56.1% of the listed universe
<b>Sectors covered in the index</b>	All 19 Sectors Covered	13 Sectors out of 19
<b>Top 10 companies weight in the fund</b>	40.07%	58.9%
<b>Largest Sector (weight) in the fund</b>	Financial Services (31.63%)	Financial Services (37.57%)

Source/Disclaimer: MOAMC, India's Listed Universe Total Market Cap - [www.bseindia.com](http://www.bseindia.com). Total Market Cap coverage as 31 Mar, 2021. Sector/Stock coverage data as of 30-Apr, 2021. Sectors as identified by NSE's Sector Model. The table/charts mentioned above are used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. It should not be construed as investment advice to any party. The stocks may or may not be part of our portfolio/strategy/ schemes. Past performance may or may not be sustained in future.



# Nifty 500 One of the Most Benchmarked Index

- Nifty 500 Index is one of the most popular benchmark in the industry.
- It ranks in top 3 benchmarks across all equity benchmarks, whereas it ranks first in multicap category

Modified Benchmarks	Number of Schemes	Total AUM
NIFTY 50 - TRI	340	8,66,032.27
S&P BSE SENSEX - TRI	155	4,54,058.30
NIFTY 500 - TRI	62	2,29,991.43

Source/Disclaimer : ACE MF Next; 'All Equity, Hybrid, FoF Funds, ETF and FoF Domestic' categories considered. Fund Benchmark and AUM as of 31-Mar-2021. Only Active Mutual Fund Schemes are considered. The table/charts mentioned above are used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. It should not be construed as investment advice to any party. The stocks may or may not be part of our portfolio/strategy/ schemes. Past performance may or may not be sustained in future.

# Motilal Oswal Nifty 500 Fund



## Investment Objective:

The Scheme seeks **investment return that corresponds to the performance of Nifty 500 Index** subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.

## Fund Info:

- **Category-** Index Fund
- **Date of Allotment** (inception) – 06-Sep-2019
- **Benchmark** – Nifty 500 TR Index
- **Minimum Investment (Lumpsum & SIP)** – Minimum ₹ 500 & in multiples of ₹ 1 thereafter for every investment.
- **Fund Manager** – Mr. Swapnil Mayekar-11 years of experience in fund management and product development
- **Scheme Statistics-** Monthly AAUM: ₹ 136.51 cr , Latest AUM: ₹ 140.80 cr  
Portfolio Turnover Ratio: 0.08
- **NAV-** Direct Growth Plan Option: ₹ 13.9215, Regular Growth Plan Option: ₹ 13.7729
- **Total Expense Ratio** – Direct – 0.38%; Regular – 1.03%
- **Entry Load** – Nil
- **Exit Load** – 1%- If redeemed on or before 15 days from the date of allotment. Nil- If redeemed after 15 days from the date of allotment.

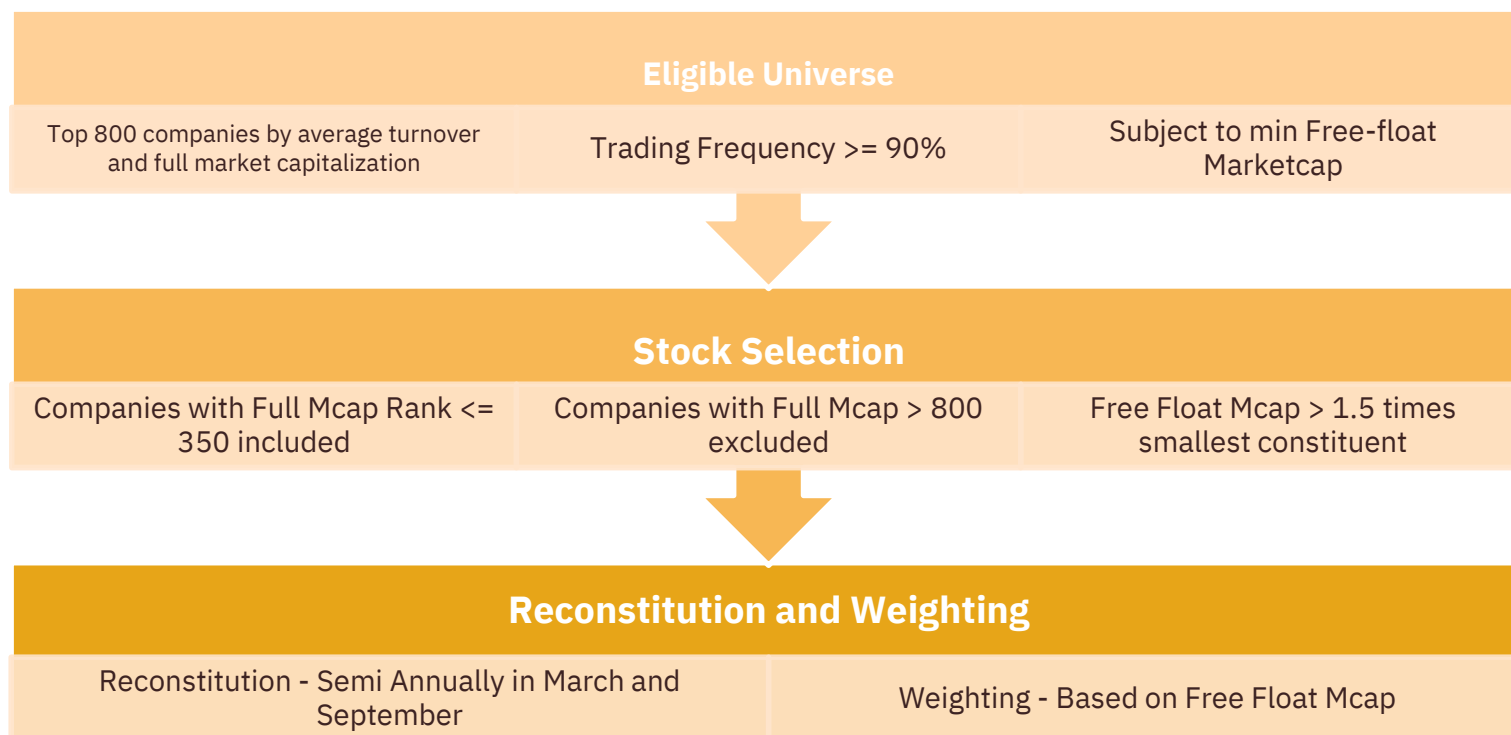
Source: <https://www.motilaloswalmf.com/downloads/mutual-fund/Factsheet>, as of 30-Apr-2021;

Total Expense Ratio: <https://www.motilaloswalmf.com/downloads/mutual-fund/totalexpenseratio>

# About: Nifty 500 Index

**Index Objective:** NIFTY 500 represents the top 500 companies based on full market capitalization from the eligible universe. The index covers more than 94.6% of listed universe at NSE in terms of total/full market capitalization.

## Index Methodology Snapshot:

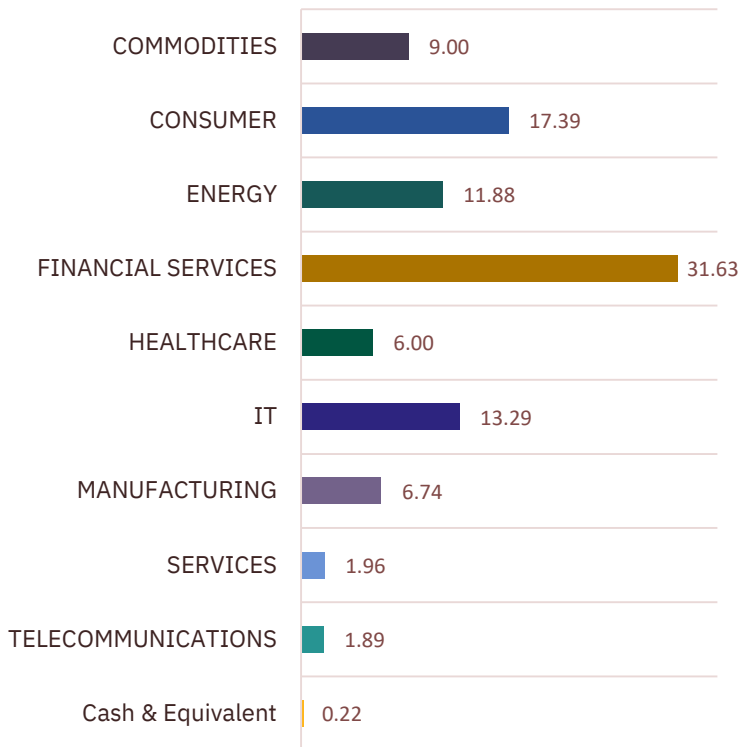


Source/Disclaimer : [www.niftyindices.com/](http://www.niftyindices.com/), data as of 31-Mar-2021; for detailed index methodology kindly visit [www.niftyindices.com/](http://www.niftyindices.com/) . The above chart is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy.

# Portfolio Composition: Motilal Oswal Nifty 500 Fund



Macro-Economic Sectors (AMFI): Motilal Oswal Nifty 500 Fund



Company Name	Weight
Reliance Industries Limited	6.9%
HDFC Bank Limited	6.6%
Infosys Limited	5.4%
Housing Development Finance Corporation Limited	4.7%
ICICI Bank Limited	4.4%
Tata Consultancy Services Limited	3.4%
Kotak Mahindra Bank Limited	2.7%
Hindustan Unilever Limited	2.2%
Axis Bank Limited	1.9%
ITC Limited	1.9%
<b>Total</b>	<b>40.1%</b>

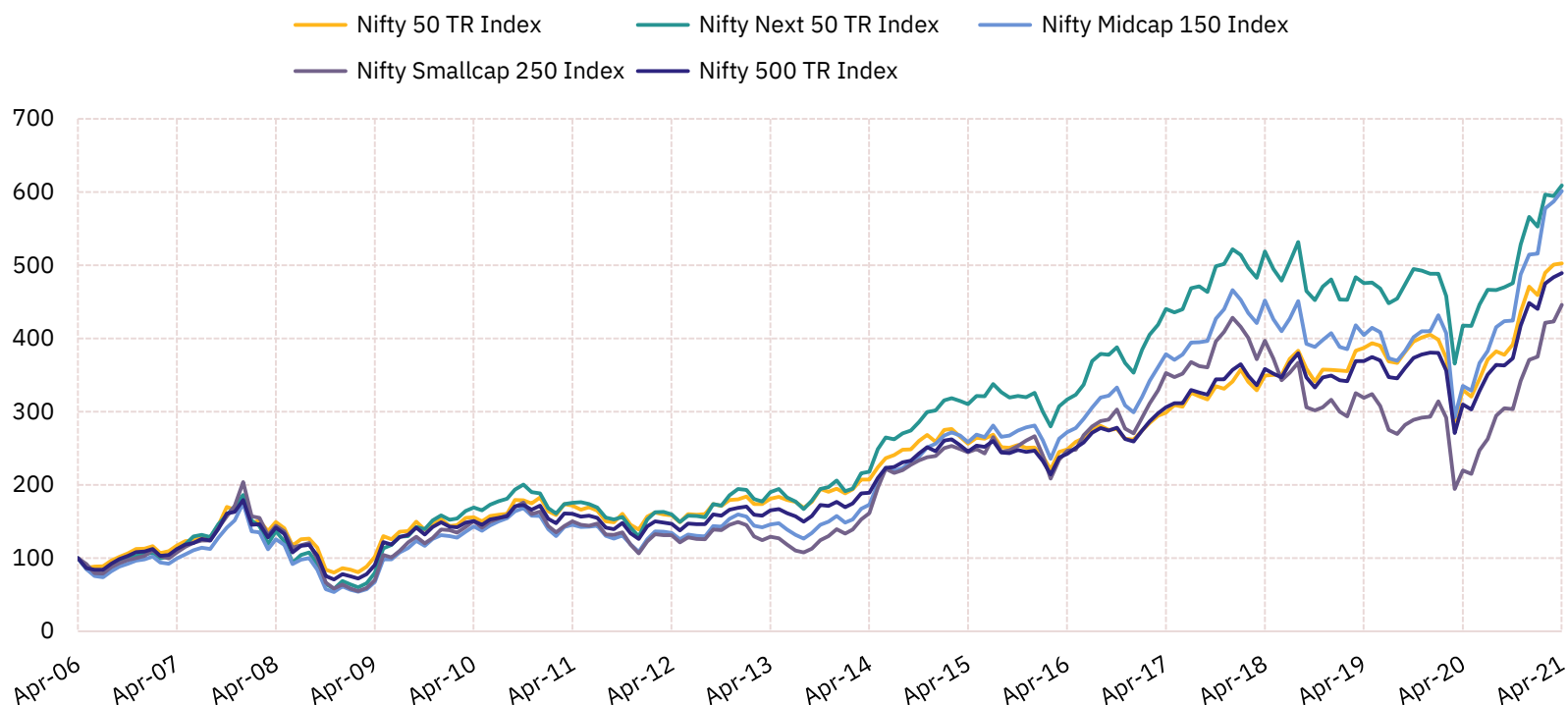
Size coverage (AMFI): Motilal Oswal Nifty 500 Fund



Source/Disclaimer : MOAMC; Data as of 30-Apr-2021; Sectors - Macro Economic Sectors as per AMFI Industry Classification; the stocks/sectors mentioned above are used to explain the concept and is for illustration purpose only and it should not be used for development or implementation of an investment strategy. It should not be construed as investment advice to any party. The stocks may or may not be part of our portfolio/strategy/schemes. Past performance may or may not be sustained in future. The actual asset allocation may deviate from above target asset allocation but will always remain in the asset allocation range stated in SID

# Historical Performance (15 years)

- Performance of Nifty 500 Index is combination of its component indices
- Nifty 500 Index noted least volatility over other indices over long term



Source/Disclaimer: [www.niftyindices.com](http://www.niftyindices.com); All performance data in INR. Performance Data from 30-Apr-2006 – 30-Apr-2021; Hypothetical performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve, performance similar to that shown. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

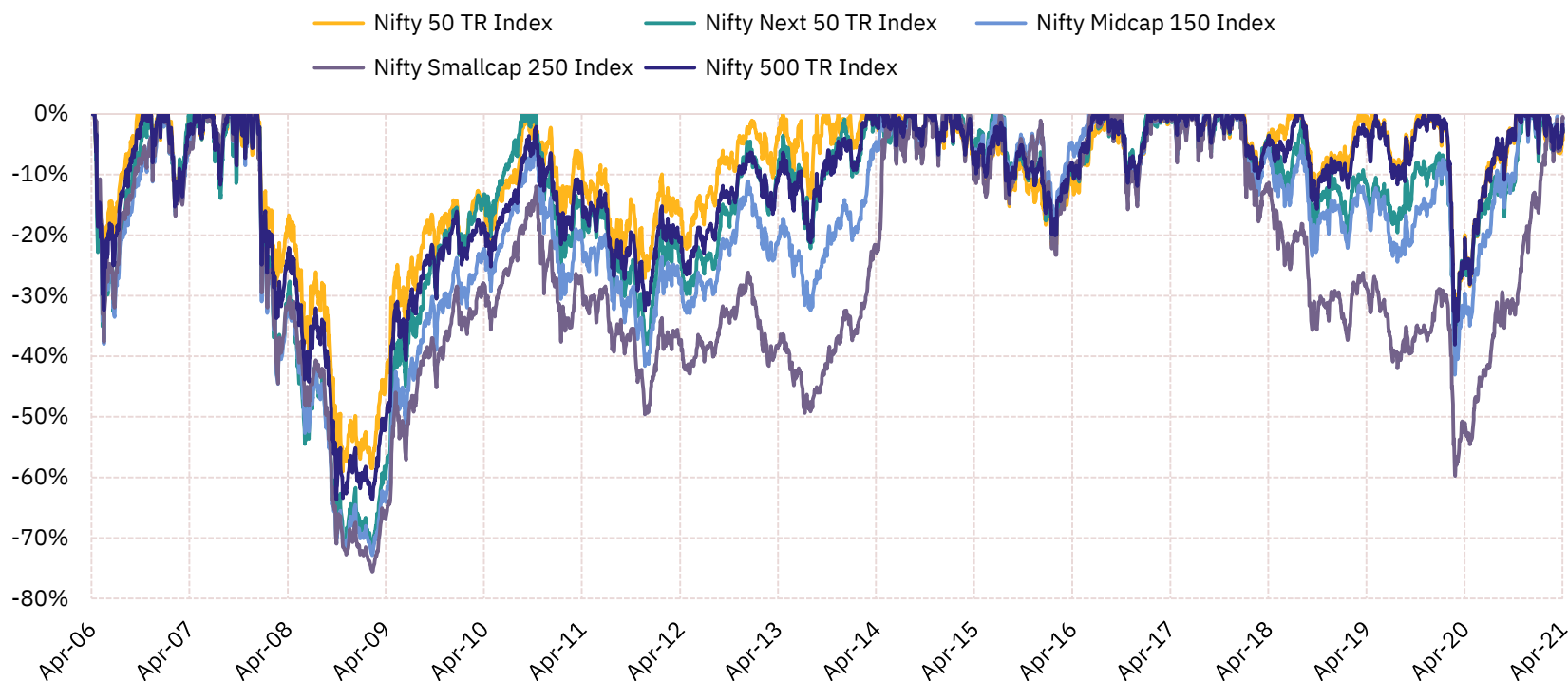
# Performance

	Period	Nifty 50 TR Index	Nifty Next 50 TR Index	Nifty Midcap 150 TR Index	Nifty Smallcap 250 TR Index	Nifty 500 TR Index
Annualised Returns	1 year	49.9%	45.2%	78.7%	102.5%	55.7%
	3 year	12.2%	5.3%	9.8%	3.8%	10.5%
	5 year	14.7%	13.9%	17.1%	12.5%	14.8%
	7 year	13.2%	15.7%	19.4%	15.6%	14.3%
	10 year	11.2%	13.2%	15.2%	11.5%	11.6%
	15 year	11.2%	12.8%	12.7%	10.5%	11.1%
Annualised Volatility	1 year	19.4%	17.8%	18.81%	19.7%	18.3%
	3 year	21.9%	20.7%	20.9%	21.7%	20.9%
	5 year	18.3%	18.5%	18.4%	19.8%	17.8%
	7 year	17.6%	18.6%	18.3%	20.2%	17.3%
	10 year	17.6%	18.2%	17.7%	19.0%	17.0%
	15 year	22.9%	24.6%	22.3%	22.6%	22.1%
Risk Adjusted Returns	1 year	2.566	2.539	4.183	5.196	3.041
	3 year	0.560	0.256	0.471	0.177	0.500
	5 year	0.805	0.750	0.928	0.634	0.832
	7 year	0.751	0.847	1.060	0.771	0.829
	10 year	0.636	0.724	0.861	0.603	0.683
	15 year	0.491	0.519	0.567	0.463	0.501

- Typically Nifty 500 Index **outperforms large cap stocks during overall bull market**; whereas it potentially **help reduce the drawdown/losses as compared to midcap and smallcap stocks during bear market**
- The fund is **suitable for investors with moderately-high risk appetite** and are looking for **low cost, pure beta exposure to Indian Equities**.

Source/Disclaimer : [www.niftyindices.com](http://www.niftyindices.com); All performance data in INR. Performance Data from 30-Apr-2006 – 30-Apr-2021; Hypothetical performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve, performance similar to that shown. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

# Drawdown (15 Years)



**Nifty 500 has experienced lower drawdowns compared to midcap and smallcap**

Source/Disclaimer : [www.niftyindices.com](http://www.niftyindices.com); All performance data in INR. Performance Data from 30-Apr-2006 – 30-Apr-2021; Hypothetical performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve, performance similar to that shown. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

# SIP Returns: Nifty 500 Index

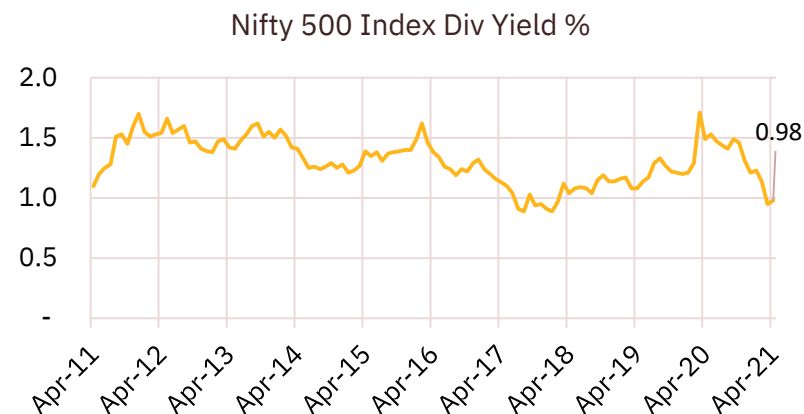
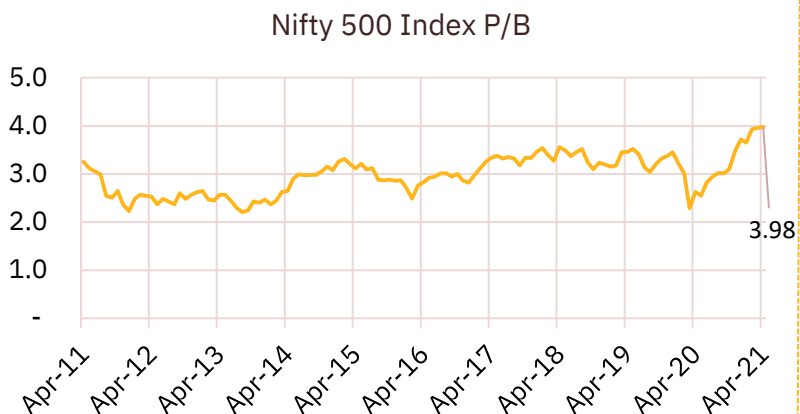
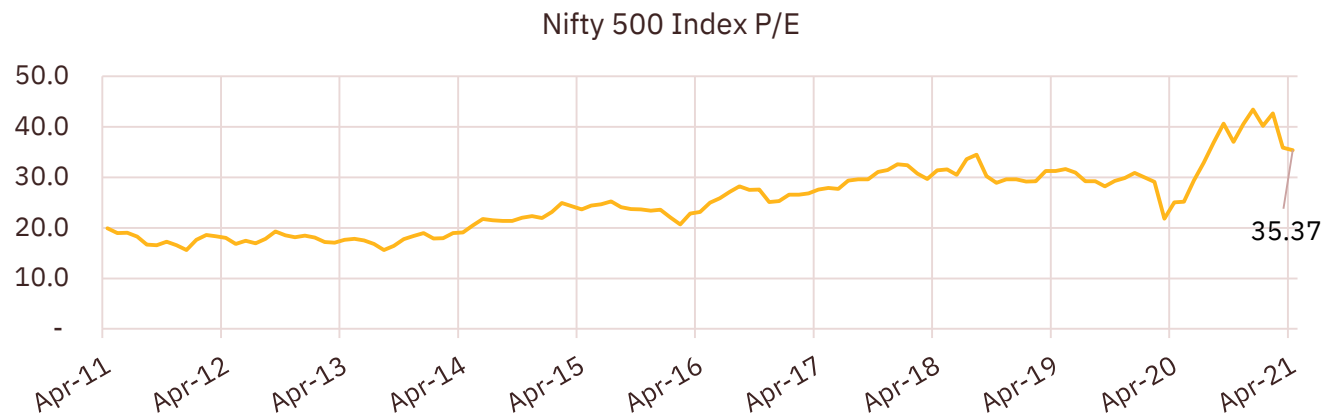
	1 Year	3 Year	5 Year	7 Year	10 Year
Nifty 500 TR Index SIP Returns	53.89%	19.78%	14.84%	13.41%	13.84%
Amount Invested	1,20,000	3,60,000	6,00,000	8,40,000	12,00,000
Market Value	1,52,294	4,80,881	8,69,432	13,54,122	24,70,959

**Data as of close of Apr 30, 2021. For SIP returns, monthly investment of INR 10,000/- invested on the first business day of every month has been considered. Performance is calculated using Total Return Index, with zero cost/expenses. Past performance may or may not be sustained in the future.**

Source/Disclaimer : [www.niftyindices.com](http://www.niftyindices.com); All performance data in INR. Performance Data from 02-May-2011 – 30-Apr-2021; Hypothetical performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve, performance similar to that shown. The above is for illustration purpose only. The SIP amount, tenure of SIP, expected rate of return are assumed figures for the purpose of explaining the concept of advantages of SIP investments. The actual result may vary from depicted results depending on scheme selected. It should not be construed to be indicative of scheme performance in any manner. Past performance may or may not be sustained in future.



# Valuation Multiples



Source/Disclaimer : [www.niftyindices.com](http://www.niftyindices.com); Data from 30-Apr-2011 – 30-Apr-2021 Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve, performance similar to that shown in future. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

# Blending Nifty 500 Index with International Indices

# Nifty 500 Index is less correlated with International Equity

Indian equities had very low correlation to international equities historically – providing great opportunity for diversification

	Nifty 500 Index (INR)	^Dow Jones Index (INR)	^S&P 500Index (INR)	^NASDAQ 100Index (INR)	^DAX Index (INR)	^FTSE 100Index (INR)	^Nikkei 225 Index (INR)	^Hang Seng Index (INR)
Nifty 500 Index (INR)	1.00	0.28	0.28	0.23	0.38	0.42	0.30	0.46
^Dow Jones Index (INR)		1.00	0.98	0.87	0.65	0.66	0.27	0.32
^S&P 500Index (INR)			1.00	0.93	0.65	0.65	0.26	0.32
^NASDAQ 100 Index (INR)				1.00	0.56	0.55	0.22	0.29
^DAX Index (INR)					1.00	0.87	0.34	0.45
^FTSE 100 Index (INR)						1.00	0.38	0.51
^Nikkei 225 Index (INR)							1.00	0.53
^Hang Seng Index (INR)								1.00

Source/Disclaimer : Index Values – [www.niftyindices.com/Bloomberg](http://www.niftyindices.com/Bloomberg), Forex Rate - RBI/Thomson Reuters. Correlation of daily total returns as of Close of 1-Apr-2011 to 31-Mar-2021. ^ denotes the index currency conversion. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy.

# Blending Nifty 500 Index with US Equities- Risk-Return Profile

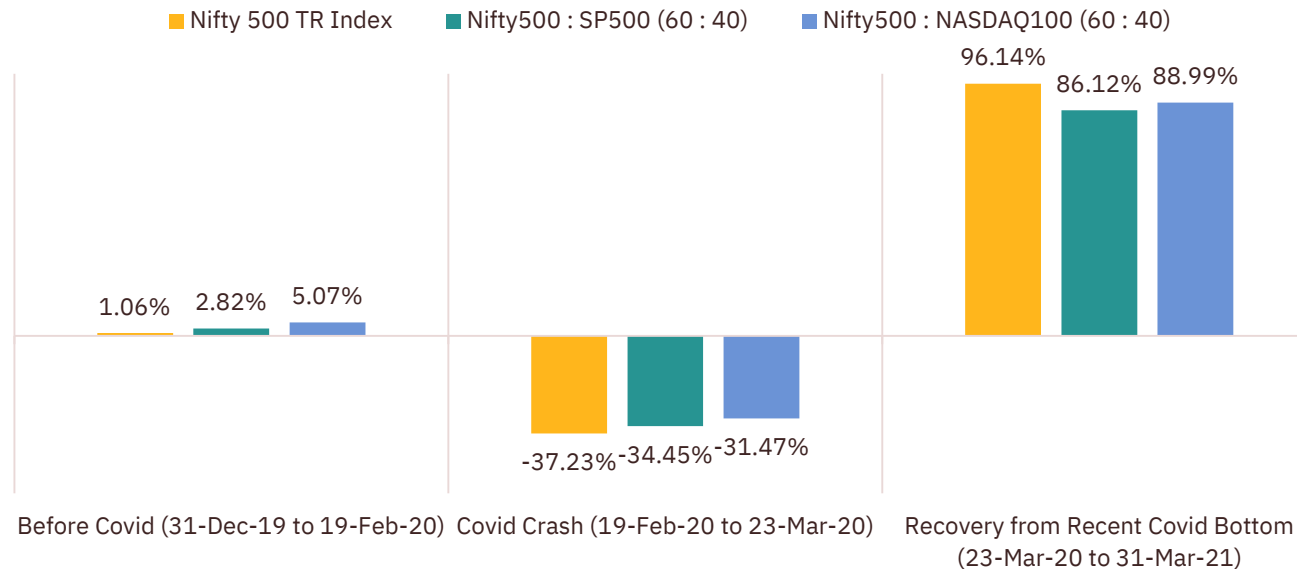
Data Label	1 year	3 year	5 year	7 year	10 year	15 year	20 year
<b>Annualised Returns</b>							
Nifty 500 TR Index	77.6%	12.7%	15.2%	14.3%	11.6%	11.4%	16.8%
Nifty500 : SP500 (60 : 40)	65.7%	16.5%	16.7%	15.6%	15.4%	13.6%	15.7%
Nifty500 : NASDAQ100 (60 : 40)	70.0%	20.8%	20.4%	18.9%	18.1%	15.7%	17.1%
<b>Annualised Volatility</b>							
Nifty 500 TR Index	20.7%	20.7%	17.6%	17.1%	16.9%	22.1%	21.9%
Nifty500 : SP500 (60 : 40)	17.5%	18.1%	15.2%	14.5%	14.2%	17.4%	16.8%
Nifty500 : NASDAQ100 (60 : 40)	18.9%	18.2%	15.5%	14.9%	14.4%	17.5%	17.6%
<b>Risk Adjusted Returns</b>							
Nifty 500 TR Index	3.753	0.613	0.860	0.836	0.683	0.518	0.768
Nifty500 : SP500 (60 : 40)	3.754	0.911	1.104	1.073	1.085	0.778	0.935
Nifty500 : NASDAQ100 (60 : 40)	3.712	1.142	1.319	1.273	1.253	0.898	0.974

Source/Disclaimer : Index Values - [www.niftyindices.com/Bloomberg](http://www.niftyindices.com/Bloomberg), Forex Rate - RBI/Thomson Reuter and MOFSL; S&P 500 and NASDAQ 100 TR Index Values adjusted in INR. NASDAQ 100 Index and S&P 500 Index values are adjusted for one day lag movement due to different time zone. Performance as of Close of 31-Mar-2001 to 31-Mar-2021. ^ denotes the index currency conversion. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above table/graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy.

# Blending Nifty 500 Index with US Equities- During COVID 19 Pandemic

The blended portfolio's took relatively less hit and recovered faster during recent market volatility caused due to Covid-19 pandemic

## Recent Performance- During COVID 19 Pandemic

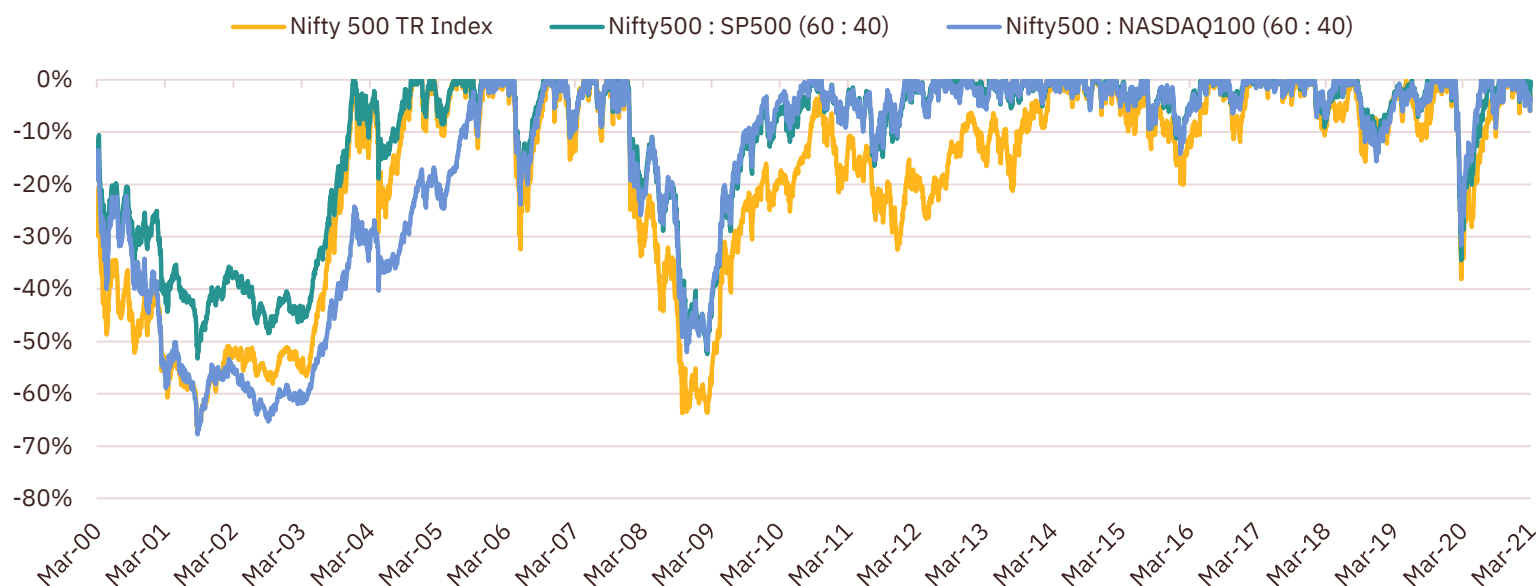


Source/Disclaimer : Index Values - [www.niftyindices.com/Bloomberg](http://www.niftyindices.com/Bloomberg), Forex Rate - RBI/Thomson Reuter and MOAMC; S&P 500 and NASDAQ 100 TR Index Values adjusted in INR. NASDAQ 100 Index and S&P 500 Index values are adjusted for one day lag movement due to different time zone. Performance as of Close of 31-Dec-2019 to 31-Mar-2021. ^ denotes the index currency conversion. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above table/graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy.

# Reduced risk in terms of drawdown

During last 20 year, the blended portfolio experienced less drawdowns except during IT Boom and Burst in 2001-02

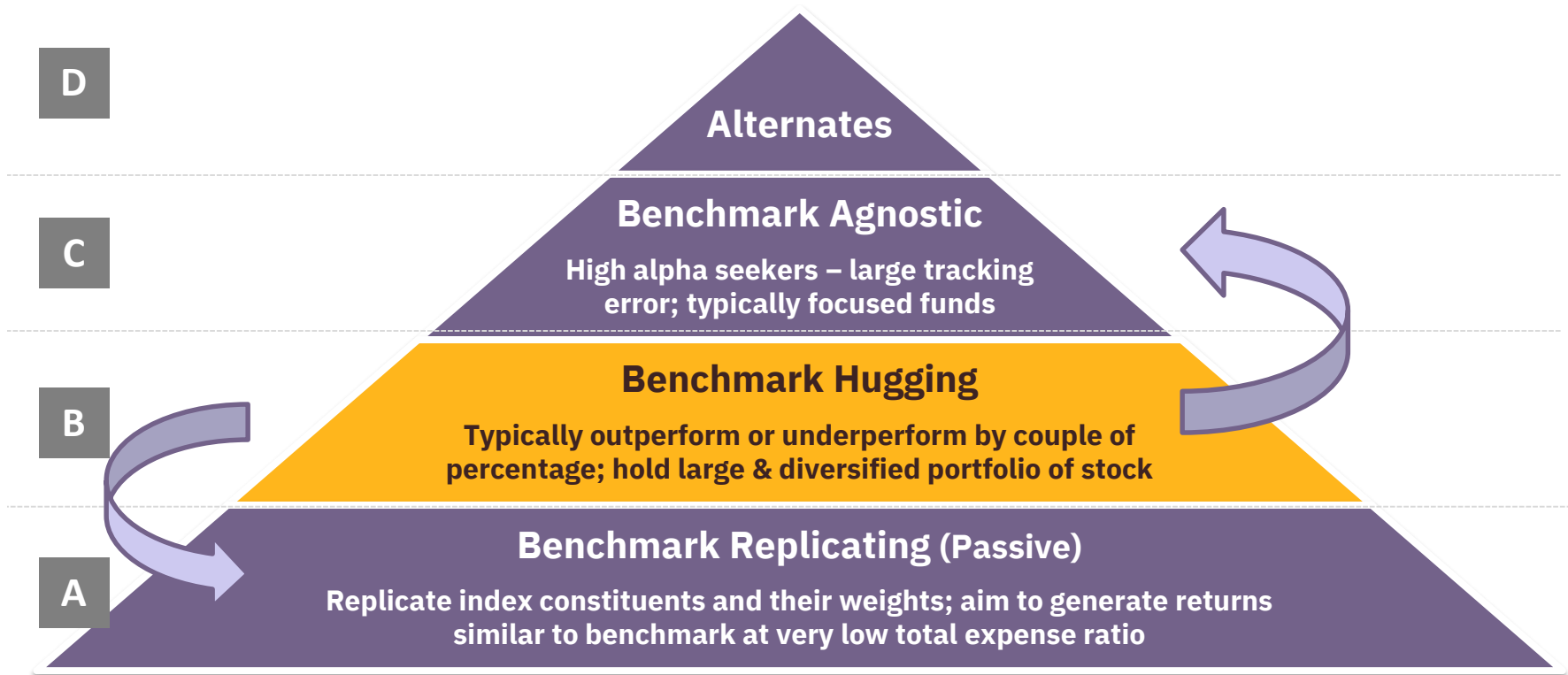
Drawdown Chart



Source/Disclaimer : Index Values - [www.niftyindices.com/Bloomberg](http://www.niftyindices.com/Bloomberg), Forex Rate - RBI/Thomson Reuter and MOAMC; S&P 500 and NASDAQ 100 TR Index Values adjusted in INR. NASDAQ 100 Index and S&P 500 Index values are adjusted for one day lag movement due to different time zone . Performance as of Close of 31-Mar-2000 to 31-Mar-2021. ^ denotes the index currency conversion. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above table/graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy.

# – Motilal Oswal Passive Fund Offerings

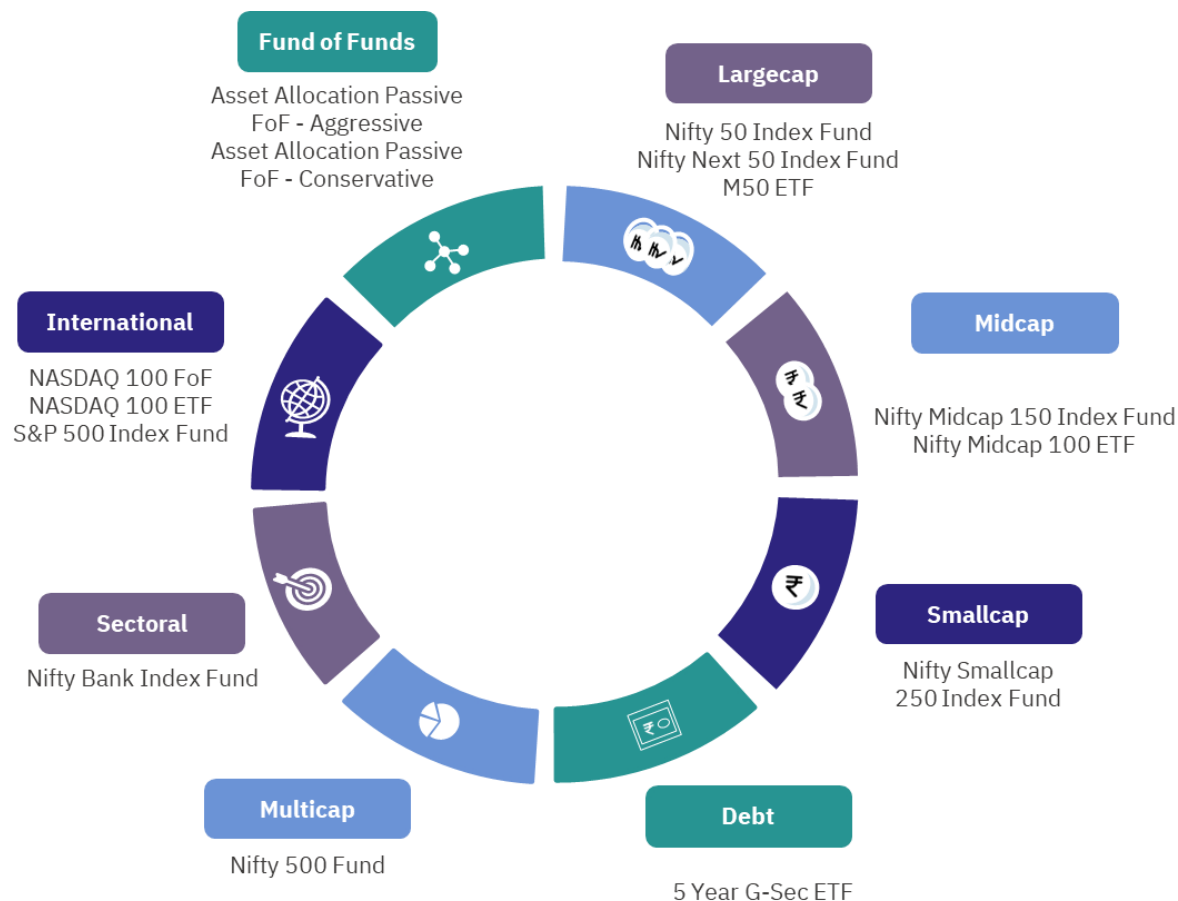
# Product Pyramid



Motilal Oswal AMC has presence in strata A through its passive offerings since 2010, strata C through its QGLP investing philosophy backed active mutual funds and in strata D through its PMS and AIF offerings.



# Motilal Oswal Passive Fund Offerings



**Managing over ₹8,300 crore across all our passive funds\***

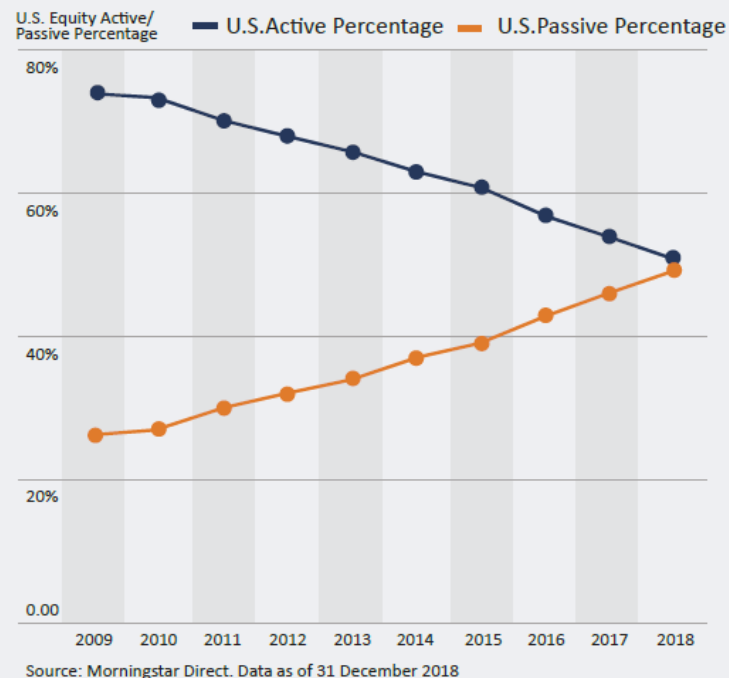
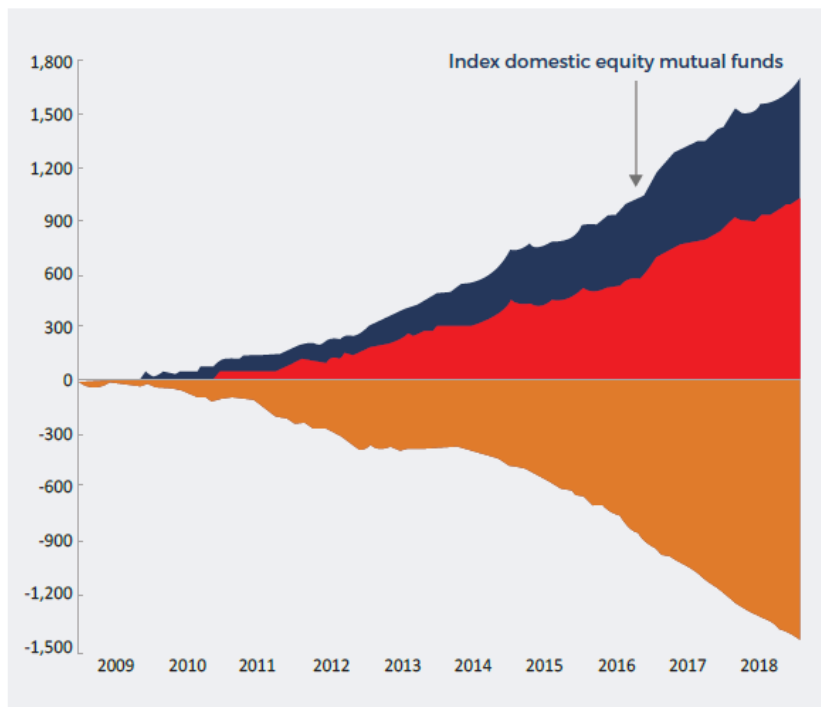
**One of the largest AMC in India in the International segment**

**Only AMC with funds across all major segments**

Source/Disclaimer: \*AUM Data as on 30-Apr-2021, MOAMC

# – Active vs Passive

# US: Over Last 10 year Passive Funds AUM gained market share (year 2018)

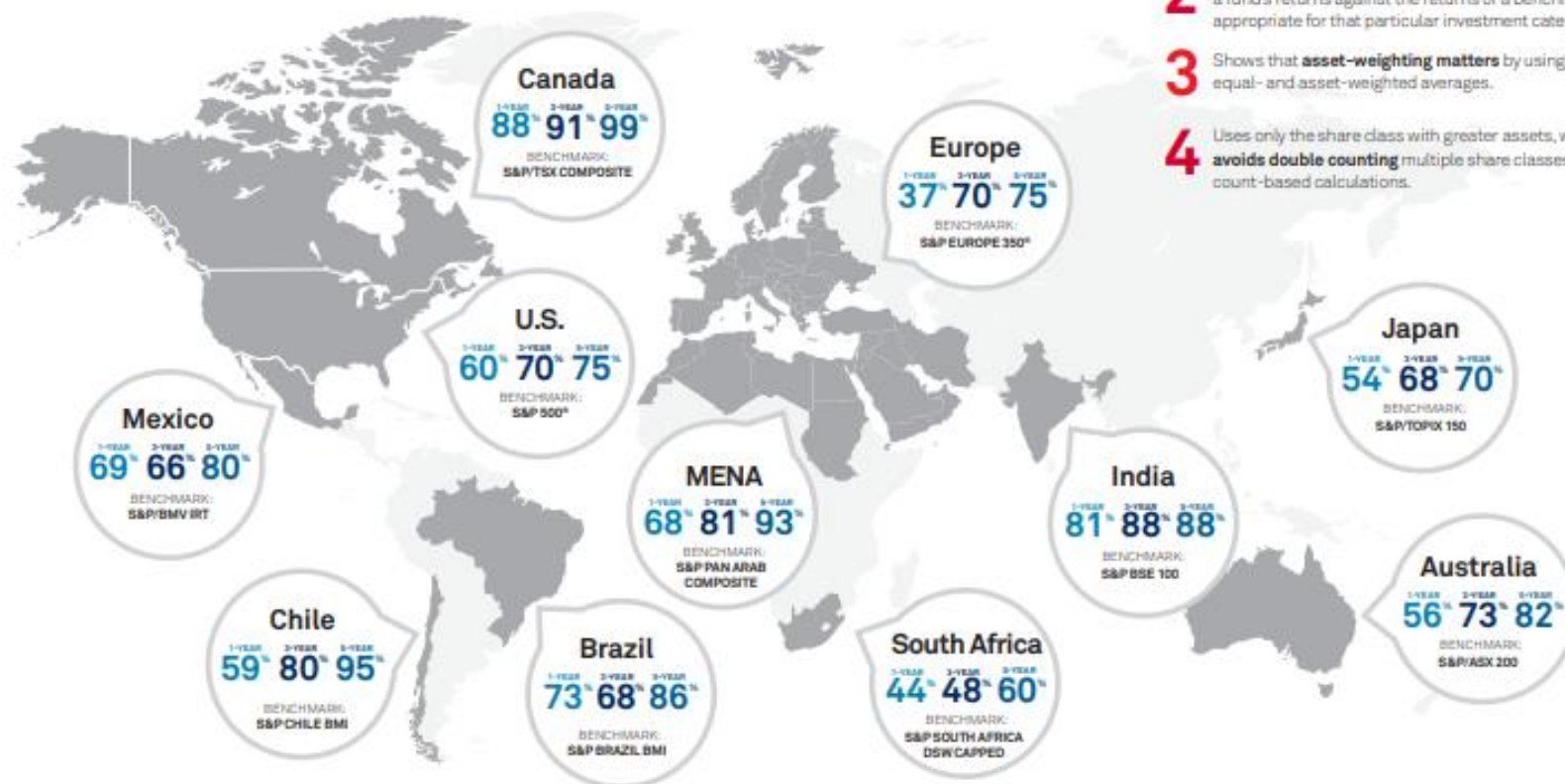


Source/Disclaimer : Chart - Morningstar data as of Dec 2018; The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

# Global: Active Passive Score Card

## SPIVA® Around the World

Percentage of active funds outperformed  
by benchmarks\* over 1-, 3-, and 5-year periods

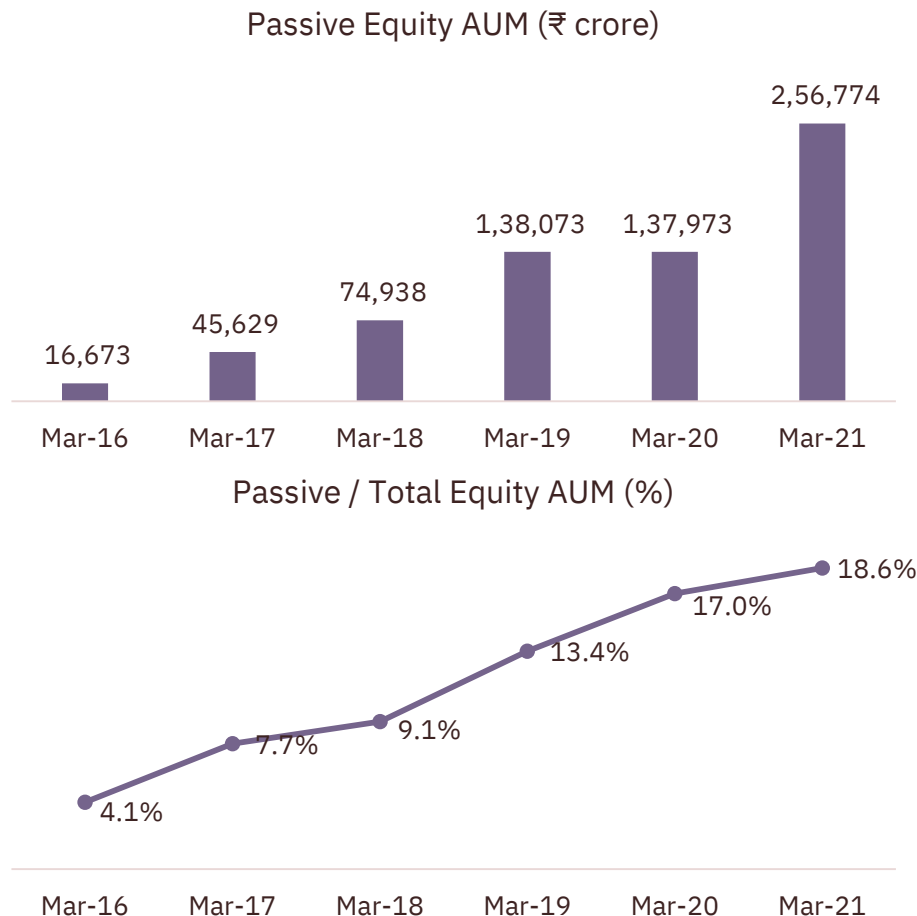


### The SPIVA Difference

- 1 Accounts for the entire opportunity set—not just the survivors—thereby **eliminating survivorship bias**.
- 2 Applies an **apples-to-apples comparison** by measuring a fund's returns against the returns of a benchmark appropriate for that particular investment category.
- 3 Shows that **asset-weighting matters** by using both equal- and asset-weighted averages.
- 4 Uses only the share class with greater assets, which **avoids double counting** multiple share classes in all count-based calculations.

Source/Disclaimer: [spdji.com/SPIVA](http://spdji.com/SPIVA); Dec 2020; Regional benchmarks included here are large-cap, with the exception of Brazil and Chile where SPIVA results displayed reflect regional broad market indices. Multiple benchmarks exist in all regions tracked by SPIVA. Visit [www.spdji.com/spiva](http://www.spdji.com/spiva) for more information.

# India: Growth of Passive Fund AUM



Retirement Funds are mandated to invest at least 15% of annual accretion in Equity ETFs/Index Funds for equity investments

Categorization and rationalization of Mutual Fund Schemes by SEBI

Benchmarking of funds moved from Price Return Index (PRI) to Total Return Index (TRI)

Challenges in generating alpha due to improving market efficiency.

Source/Disclaimer: AMFI, AceMF. All AUM data in INR. Data from 31-March-2016 to 31-Mar-2021. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

# Key Take Away

1. **Over medium to long term, India's structural factors look solid,** despite short term headwind especially due to Covid-19 Pandemic
2. **Nifty 500 Index covers 94.6%** of India's listed universe in terms of total market capitalization making it **ideal proxy for Indian equities.**
3. **Nifty 500 Index one of most benchmarked Index.** It offers pure beta exposure to Large, Mid and Small caps and all 19 Sectors defined by NSE.
4. **Performance of Nifty 500 Index is combination of Large, Mid and Smallcap**
5. **Blending Nifty 500 Index with US Equity is expected to improve risk adjusted returns** over medium to long term

# Disclaimers & Risk Factors

This presentation has been prepared and issued on the basis of internal data, publicly available information and other sources believed to be reliable. The information contained in this document is for general purposes only and not a complete disclosure of every material fact and terms and conditions. The information / data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party.

All opinions, figures, charts/graphs, estimates and data included in this presentation are as on date and are subject to change without notice. The statements contained herein may include statements of future expectations and other forward-looking statements that are based on our current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Readers shall be fully responsible / liable for any decision taken on the basis of this presentation. Investments in Securities are subject to market and other risks and there is no assurance or guarantee that the objectives of any of the Schemes will be achieved. The scheme may not be suited to all categories of investors.

The material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Opinions, if any, expressed are our opinions as of the date of appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so. Recipient shall understand that the aforementioned statements cannot disclose all the risks and characteristics. The recipient is requested to take into consideration all the risk factors including their financial condition, suitability to risk return, etc. and take professional advice before investing.

**Passive Investments** - The Scheme is not actively managed. Since the Scheme is linked to index, it may be affected by a general decline in the Indian markets relating to its underlying index. The Scheme as per its investment objective invests in Securities which are constituents of its underlying index regardless of their investment merit. The AMC does not attempt to individually select stocks or to take defensive positions in declining markets.

**Index Fund** - The Scheme being an index scheme follows a passive investment technique and shall only invest in Securities comprising one selected index as per investment objective of the Scheme. The Fund Manager would invest in the Securities comprising the underlying index irrespective of the market conditions. If the Securities market declines, the value of the investment held by the Scheme shall decrease.

## Risks associated with overseas investment

To the extent the assets of the scheme are invested in overseas financial assets, there may be risks associated with currency movements, restrictions on repatriation and transaction procedures in overseas market. Further, the repatriation of capital to India may also be hampered by changes in regulations or political circumstances as well as the application to it of other restrictions on investment. In addition, country risks would include events such as introduction of extraordinary exchange controls, economic deterioration, and bi-lateral conflict leading to immobilisation of the overseas financial assets and the prevalent tax laws of the respective jurisdiction for execution of trades or otherwise.

### Currency Risk:

The fund may invest in overseas mutual fund / foreign securities as permitted by the concerned regulatory authorities in India. Since the assets will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes/fluctuations in the value of the foreign currencies relative to the Indian Rupee.

### Country Risk:

The Country risk arises from the inability of a country, to meet its financial obligations. It is the risk encompassing economic, social and political conditions in a foreign country, which might adversely affect foreign investors' financial interests.

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

# Disclaimers & Risk Factors



**NSE Indices Limited Disclaimer:** MOFM50 and MOFM100: MOFM50 and MOFM100 offered by Motilal Oswal Asset Management Company Limited (MOAMC) or its affiliates is not sponsored, endorsed, sold or promoted by NSE Indices Limited and its affiliates. NSE Indices Limited and its affiliates do not make any representation or warranty, express or implied (including warranties of merchantability or fitness for particular purpose or use) to the owners of MOFM50 and MOFM100 or any member of the public regarding the advisability of investing in securities generally or in the MOFM50 and (MOFM100) linked to Nifty 50 Index and Nifty Midcap 100 Index respectively or particularly in the ability of Nifty 50 Index and Nifty Midcap 100 Index to track general stock market performance in India. Please read the full Disclaimers in relation to the Nifty 50 Index and Nifty Midcap 100 Index in the Scheme Information Document.

The **S&P 500 Index** is a product of S&P Dow Jones Indices LLC or its affiliates (“SPDJI”) have been licensed for use by Motilal Oswal Asset Management Company Limited (MOAMC) . Standard & Poor’s® and S&P® are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”); **Motilal Oswal S&P Index Fund (MOFSP500)** is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the **S&P 500 Index**.

The **S&P 500 Index** is a product of S&P Dow Jones Indices LLC or its affiliates (“SPDJI”) have been licensed for use by MOAMC. Standard & Poor’s® and S&P® are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”); It is not possible to invest directly in an index. **MOFSP500** is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, any of their respective affiliates (collectively, “S&P Dow Jones Indices”) S&P Dow Jones Indices does not make any representation or warranty, express or implied, to the owners of the **MOFSP500** or any member of the public regarding the advisability of investing in securities generally or in **MOFSP500** particularly or the ability of the **S&P 500 Index** to track general market performance. Past performance of an index is not an indication or guarantee of future results. S&P Dow Jones Indices’ only relationship to **MOAMC** with respect to the **S&P 500 Index** is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The **S&P 500 Index** is determined, composed and calculated by S&P Dow Jones Indices without regard to **MOAMC** or the **MOFSP500**. S&P Dow Jones Indices have no obligation to take the needs of **MOAMC** or the owners of **MOFSP500** into consideration in determining, composing or calculating the **S&P 500 Index**. S&P Dow Jones Indices is **not** responsible for and has not participated in the determination of the prices, and amount of **MOFSP500** or the timing of the issuance or sale of **MOFSP500** or in the determination or calculation of the equation by which **MOFSP500** is to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices have no obligation or liability in connection with the administration, marketing or trading of **MOFSP500**. There is no assurance that investment products based on the **S&P 500 Index** will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment or tax advisor. A tax advisor should be consulted to evaluate the impact of any tax-exempt securities on portfolios and the tax consequences of making any particular investment decision. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

NEITHER S&P DOW JONES INDICES NOR THIRD PARTY LICENSOR GUARANTEES THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE **S&P 500 Index** OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES AND **SHALL** NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES AND MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY **MOAMC**, OWNERS OF **MOFSP500**, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE **S&P 500 Index** OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND **MOAMC**, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES



# Disclaimers & Risk Factors



NASDAQ OMX Group, Inc.

The Product i.e. MOFN100 is not sponsored, endorsed, sold or promoted by The NASDAQ OMX Group, Inc. or its affiliates (NASDAQ OMX, with its affiliates, are referred to as the “Corporations”). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the Product. The Corporations make no representation or warranty, express or implied to the owners of the Product or any member of the public regarding the advisability of investing in securities generally or in the Product particularly, or the ability of the Nasdaq-100 Index® to track general stock market performance. The Corporations' only relationship to Motilal Oswal Asset Management Company Ltd. (“Licensee”) is in the licensing of the NASDAQ®, OMX®, NASDAQ OMX®, NASDAQ-100®, and NASDAQ-100 Index® registered trademarks, and certain trade names of the Corporations and the use of the NASDAQ-100 Index® which is determined, composed and calculated by NASDAQ OMX without regard to Licensee or the Product. NASDAQ OMX has no obligation to take the needs of the Licensee or the owners of the Product(s) into consideration in determining, composing or calculating the NASDAQ-100 Index®. The Corporations are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Product to be issued or in the determination or calculation of the equation by which the Product is to be converted into cash. The Corporations have no liability in connection with the administration, marketing or trading of the Product.

THE CORPORATIONS DO NOT GUARANTEE THE ACCURACY AND/OR UNINTERRUPTED CALCULATION OF THE NASDAQ-100 INDEX® OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, OWNERS OF THE PRODUCT(S), OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE NASDAQ-100 INDEX® OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE NASDAQ-100 INDEX® OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE CORPORATIONS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

BSE

The Bombay Stock Exchange Limited (“the Exchange”) has given vide its letter dated February 10, 2011 permission to the Mutual Fund to use the Exchange’s name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund’s units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. The Exchange does not in any manner:-

1. warrant, certify or endorse the correctness or completeness of any of the contents of this SID;
2. warrant that the Mutual Fund’s units will be listed or will continue to be listed on the Exchange;
3. take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its promoters, its management or any scheme or project of this Mutual Fund.

and should not for any reason be deemed or construed that the Scheme Information Document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquire any units of Motilal Oswal NASDAQ-100 (MOFN100) of this Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

# — Thank You

“An investor might be Better off buying the market”

- By Warren Buffett

## Contact Us -

Speak: +91-22 40548002 | 8108622222

Write: [mfservice@motilaloswal.com](mailto:mfservice@motilaloswal.com)

Visit: [www.motilaloswalmf.com](http://www.motilaloswalmf.com)

