DISCLOSURE DOCUMENT
OF
MOTILAL OSWAL ASSET MANAGEMENT COMPANY LIMITED (“MOAMC”)

DISCLOSURE DOCUMENT

(As per the requirement of Schedule V of Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020)

i) The Disclosure Document (hereinafter referred as **"The Document"** has been filed with the Securities & Exchange Board of India along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

ii) The purpose of the Document is to provide essential information about the Portfolio Management Services (PMS) in a manner to assist and enable the investors in making informed decision for engaging Motilal Oswal Asset Management Company Limited as a Portfolio Manager.

iii) The Document contains the necessary information about the Portfolio Manager, required by an investor before investing, and hence, the investor may be advised to retain the document for future reference.

iv) The name, phone number , e-mail address of the Principal Officer as designated by the Portfolio Manager are as follows:

PORTFOLIO MANAGER-

Name of the Portfolio Manager	Motilal Oswal Asset Management Company Limited (MOAMC)
SEBI Registration Number	INP000000670
Registered Office Address	10th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400025
Phone	+91-022-3089 4263
Fax	+91-022-3846 6884
Website	www.motilaloswalmf.com

PRINCIPAL OFFICER -

Name of the Principal Officer	Mr. Navin Agarwal
Phone	+022-71985450/ +91- 9820158913.
Email	navin@motilaloswal.com

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1) **Disclaimer clause:**

The particulars given in the Document have been prepared in accordance with the Securities Exchange Board of India (SEBI) (Portfolio Managers) Regulations, 2020 as amended till date and filed with SEBI. The Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the document. This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person.

2) **Definitions:**

Unless the context or meaning thereof otherwise requires, the following expressions shall have the meaning assigned to them hereunder respectively: -

(a) **"Act"** means the Securities and Exchange Board of India Act, 1992 (15 of 1992).

(b) **"Agreement"** means agreement between Portfolio Manager and its Client and shall include all Schedules and Annexures attached thereto.

(c) **"Application"** means the application made by the Client to the Portfolio Manager to place its funds and/or securities with the Portfolio Manager for Portfolio Management Services. Upon execution of the Agreement by the Portfolio Manager, the Application shall be deemed to form an integral part of the Agreement. Provided that in case of any conflict between the contents of the Application and the provisions of the Agreement, the provisions of the Agreement shall prevail.

(d) **"Assets"** means (i) the Portfolio and/or (ii) the Funds.

(e) **"Body Corporate"** shall have the meaning assigned to it in or under clause (11) of section 2 of the Companies Act, 2013.

(f) **"Bank Account"** means one or more accounts opened, maintained and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in accordance with the agreement entered into with the Client.

(g) **"Board"** means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.

(h) **"Client"** means the person who enters into an Agreement with the Portfolio Manager for managing its portfolio and /or funds.

(i) **"Custodian"** means any person who carries on or proposes to carry on the business of providing custodial services in accordance with the regulations issued by SEBI from time to time.

(j) **"Depository Account"** means one or more account or accounts opened, maintained and operated by the Portfolio Manager with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations, 1996 in accordance with the agreement entered into with the Client.

(k) "**Direct on-boarding**" means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.

(l) **"Discretionary Portfolio Management Services"** means the portfolio management services rendered to the Client by the Portfolio Manager on the terms and conditions contained in the agreement, where under the Portfolio Manager exercises any degree of discretion in the investments or management of assets of the Client.

(m) **"Discretionary Portfolio Manager"** means a Portfolio Manager who exercises or may, under a contract relating to portfolio management, exercise any degree of discretion as to the investments or management of the portfolio of securities or the funds of the Client, as the case may be.

(n) **"The Document"** means this Disclosure Document issued by the Portfolio Manager- MOAMC.

(o) **"Financial Year"** means the year starting from April 1 and ending on March 31 of the following year.

(p) **“Funds”** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to Portfolio Investment Management Agreement and includes the monies mentioned in the Application, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to Portfolio Investment Management Agreement, the proceeds of the sale or other realization of the Portfolio and interest, dividend or other monies arising from the Assets, so long as the same is managed by the Portfolio Manager.

(q) **“Goods”** means the goods notified by the Central Government under clause (bc) of section 2 of the Securities Contracts (Regulation) Act, 1956 and forming the underlying of any commodity derivative;

(r) **“Investment Approach”** provided by Portfolio Managers shall, inter-alia, include (i) investment objective (ii) description of types of securities e.g. equity or debt, listed or unlisted, convertible instruments, etc. (iii) basis of selection of such types of securities as part of the investment approach (iv) allocation of portfolio across types of securities (v) appropriate benchmark to compare performance and basis for choice of benchmark (vi) indicative tenure or investment horizon (vii) risks associated with the investment approach (viii) other salient features, if any.

(s) **“Money Market Instruments”** includes Commercial Paper, Trade Bill, Treasury Bills, Certificate of Deposit and Usance Bills.

(t) **“NISM”** The National Institute of Securities Market established by the Board.

(u) **“Non-discretionary Portfolio Management Services”** means a portfolio management services under which the Portfolio Manager, subject to express prior instructions issued by the Client from time to time in writing, for an agreed fee structure and for a definite described period, invests in respect of the Client’s account in any type of security entirely at the Client’s risk and ensure that all benefits accrue to the Client’s Portfolio.

(v) **“NRI”** A Non-Resident Indian or a person of Indian origin residing outside India.

(w) **“Parties”** means the Portfolio Manager and the Client; and **“Party”** shall be construed accordingly.

(x) **“Person”** includes an individual, a Hindu Undivided Family, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.

(y) **“Portfolio”** means the Securities managed by the Portfolio Manager on behalf of the Client pursuant to the Portfolio Investment Management Agreement and includes any Securities and goods mentioned in the Application, any further Securities placed by the Client with the Portfolio Manager for being managed pursuant to the Portfolio Investment Management Agreement, Securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares or otherwise in respect of Securities forming part of the Portfolio, so long as the same is managed by the Portfolio Manager.

(z) **“Portfolio Manager”** shall have the same meaning as given in regulation 2(1)(o) of the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.

(aa) **“Eligible Fund Manager**” shall have the same meaning as assigned to it in sub-section 4 of Section 9A of the Income Tax Act, 1961.

(bb) “**Eligible Investment Fund**” shall have the same meaning as assigned to it in sub-section 3 of Section 9A of the Income Tax Act, 1961.

(cc) **“Principal Officer”** means an employee of the portfolio manager who has been designated as such by the portfolio manager and is responsible for: -

(i) the decisions made by the portfolio manager for the management or administration of portfolio of securities or the funds of the client, as the case may be; and

(ii) all other operations of the portfolio manager.

(dd) **"Qualified Client"** means any Person (being over the age of 18 in the case of a natural person) (i) who is a fit and proper person, (ii) complies with know your client (KYC/CKYC) norms stipulated by the Investment Manager and SEBI, (iii) has not been convicted of any offence, (iv) has a sound financial standing and credit-worthiness, and (v) is willing to execute necessary documentation as stipulated by the Portfolio Manager and other than any Person, which cannot subscribe to the strategy without being in breach of any law or requirement of any country or governmental authority in any jurisdiction whether on its own or in conjunction with any other relevant circumstances.

(ee) **"Regulations"** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as may be amended from time to time.

(ff) "**Scheduled Commercial Bank**" means any bank included in the second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934).

(gg) **"SEBI"** means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the SEBI Act.

(hh) **"Securities"** includes: "Securities" as defined under the Securities Contracts (Regulation) Act, 1956 as amended from time to time and includes:

(i) Shares, scrip, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
(ii) derivative;
(iii) units or any other instrument issued by any collective investment scheme to the investors in such schemes;
(iv) security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
(v) units or any other such instrument issued to the investors under any mutual fund scheme;
(vi) any certificate or instrument (by whatever named called), issued to an investor by any issuer being a special purpose distinct entity which possesses any debt or receivable, including mortgage debt, assigned to such entity, and acknowledging beneficial interest of such investor in such debt or receivable, including mortgage debt;
(vii) Government securities;
(viii) such other instruments as may be declared by the Central Government to be securities;
(ix) rights or interest in securities;

Words and expressions used in this disclosure document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They have been included only for the purpose of clarity and shall in addition be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in regulations governing Portfolio Management Services.

3) Description:

i) History, Present Business and Background of the Portfolio Manager:

MOAMC is a company incorporated under the Companies Act, 1956 on November 14, 2008, having its Registered Office at 10th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi - 400025. MOAMC is a wholly owned subsidiary and promoted by of Motilal Oswal Financial Services Ltd. ("MOFSL").

Motilal Oswal Securities Limited (One of the subsidiary of MOFSL which subsequently merged with MOFSL) was registered with SEBI as a Portfolio Manager vide registration no. INP000000670 under SEBI (Portfolio Managers) Regulations 1993. In order to consolidate all its asset management business under one entity, MOSL made an application to SEBI for transfer of Portfolio Management Services (PMS) business along with SEBI registration certificate to MOAMC. SEBI vide its letter having reference number IMD/DOF-I/SKS/10449/2010 dated June 30, 2010 granted its approval for transfer of PMS business from MOSL to MOAMC subject to compliance of the requirements specified by SEBI.

MOSL entered into an agreement with MOAMC for transferring its PMS business. Pursuant to the transfer, MOSL assigned to MOAMC all its rights and obligations under the Portfolio Investment Management Agreement executed with its Clients and other documents executed pursuant thereto and Power of Attorney ("POA") conferred by Clients in favour of MOSL.

Thus, MOAMC is entitled to exercise all powers and functions conferred or contained in the POA, which were originally exercised or performed by MOSL. On confirmation to SEBI that MOAMC has complied with the requirements specified by SEBI in respect of transfer of PMS business, SEBI has endorsed the original certificate of registration of Portfolio Management Services in favour of MOAMC w.e.f. October 21, 2010. In this regard, MOAMC holds Certificate of Registration No. INP000000670 dated August 21, 2017 issued under SEBI (Portfolio Managers) Regulations, 1993 to act as a Portfolio Manager.

Motilal Oswal Wealth Management Ltd. ("MOWML") was registered with SEBI as an Investment Manager, a Category III Alterative Investment Fund vide registration no. IN/AIF3/13-14/0044 under SEBI (Alternative Investment Funds) Regulations, 2012. In order to consolidate all its asset management business under one entity, MOWML had transferred its AIF business to MOAMC w.e.f. September 29, 2016 and the same was intimated to SEBI vide our letter dated October 5, 2016. Further MOAMC had obtained a No Objection Certificate from SEBI with respect to Investment management and advisory services to Alternative Investment Funds dated June 7, 2016. Hence, MOAMC act as an Investment Manager to Motilal Oswal Alternative Investment Trust (MOAIT), a Category III Alterative Investment Fund. MOAIT holds Certificate of Registration No. IN/AIF3/13-14/0044 dated April 10, 2013 issued under SEBI (Alternative Investment Funds) Regulations, 2012.

Further, MOAMC is also an Asset Management Company to Motilal Oswal Mutual Fund (MOMF) under an Investment Management Agreement dated May 21, 2009. MOMF is registered with SEBI as a Mutual Fund under SEBI (Mutual Funds) Regulations, 1996 vide registration no. MF/063/09/04 dated December 29, 2009. Further, MOAMC has incorporated a wholly owned subsidiary in Mauritius which acts as an Investment Manager to the funds based in Mauritius. MOAMC has incorporated a wholly owned subsidiary in India which undertakes Portfolio Management and Investment Advisory Services to offshore clients

Apart from the above-mentioned activities, the AMC may undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, if any of such activities are not in conflict with the activities of the mutual fund subject to receipt of necessary regulatory approvals and approval of Trustees and by ensuring compliance with provisions of regulation 24(b) (i to viii). Provided further that the asset management company may, itself or through its subsidiaries, undertake portfolio management services and advisory services for other than broad based fund till further directions, as may be specified by the Board, subject to compliance with the following additional conditions:-

i it satisfies the Board that key personnel of the asset management company, the system, back office, bank and securities accounts are segregated activity wise and there exist system to prohibit access to inside information of various activities;

ii it meets with the capital adequacy requirements, if any, separately for each of such activities and obtain separate approval, if necessary under the relevant regulations.

Explanation:─For the purpose of this regulation, the term 'broad based fund' shall mean the fund which has at least twenty investors and no single investor account for more than twenty five percent of corpus of the fund.

ii) Promoters of the Portfolio Manager, Directors and their background:

a) Promoter:

MOFSL is a public limited company listed on BSE and NSE. Pursuant to the internal restructuring of the Motilal Oswal Group of Companies, the lending business of MOFSL has been transferred to Motilal Oswal Finvest Limited, wholly owned subsidiary of the MOFSL on August 20, 2018. Pursuant to Amalgamation of Motilal Oswal Securities Limited with MOFSL and their respective Shareholders ("Scheme") being effective from

August 21, 2018, MOFSL carries on the business of MOSL with effect from August 21, 2018. After receipt of SEBI approval on 05th February, 2019 on name change, MOFSL is now a SEBI registered Trading Member registered with BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX). MOFSL is now a SEBI registered Depository Participant registered with Central Depository Services Ltd, (CDSL) and National Securities Depository Limited (NSDL). Hence, MOFSL will now execute transactions in capital markets/equity derivatives/commodity derivatives/ currency derivatives segments on behalf of its clients which include retail customers (including high net worth individuals), mutual funds, foreign institutional investors, financial institutions and corporate clients. Besides stock broking, it also offers a bouquet of financial products and services to its client base. It is registered with the SEBI as Research Analyst, Investment Advisor, Portfolio Manager and with various other bodies / agencies like IRDA, AMFI, CERSAI, KRA agencies (CVL, Dotex, NDML, CAMS and Karvy) etc. Further, MOFSL, along with its subsidiaries, offers a diversified range of financial products and services such as Loan against Shares, Investment Activities, Private Wealth Management, Broking and Distribution, Asset Management Business, Housing Finance, Institutional Equities, Private Equity and Investment Banking.

b) <u>Directors and their background:</u>

Name	Age	Qualification	Brief Experience
Mr. Raamdeo Agrawal Associate Director	64	B.com and ACA	Raamdeo Agrawal is the man behind the strong research capabilities at Motilal Oswal Financial Services Ltd (MOFSL). He is a Chartered Accountant and the Chairman of MOFSL. A keen believer and practitioner of the QGLP philosophy, his wealth creation insights and decades-rich experience have played a pivotal role in MOFSL, transforming it from a small stock broking firm to a well-diversified financial services company. Mr. Agrawal is an Associate of Institute of Chartered Accountants of India and also a member of the National Committee on Capital Markets of the Confederation of Indian Industry. He has received the "Rashtriya Samman Patra" awarded by the Government of India for being amongst the highest Income Tax payers in the country for a period of 5 years from FY95–FY99. He was also conferred with the ‘Special contribution to Indian Capital Market Award’ by Zee Business in 2011. Mr. Agrawal has been authoring the annual Motilal Oswal Wealth Creation Study since 1996. In 1986, he wrote the book ‘Corporate Numbers Game’, along with co-author, Ram K Piparia. He has featured on `Wizards of Dalal Street on CNBC TV 18` and also compiled a book of investing insights called ‘Wealth Creation Thoughts’.

Mr. Navin Agarwal **Managing Director and Chief Executive Officer**	46	Fellow member of Institute of Chartered Accountants of India (ICAI), Institute of Cost and Works Accountant of India (ICWA) & Institute of Company Secretaries of India (ICSI) and Charter holder from CFA Institute, Virginia.	Mr. Navin Agarwal is the Director of MOFSL and Managing Director & Chief Executive Officer of Motilal Oswal Asset Management Company Limited. He started his career as an Analyst in 1994, went on to be Head of Research and managed Portfolios till 2000. He joined Motilal Oswal Group in 2000 and has been responsible for building a market-leading position in Institutional Equities. He is a part of the Executive Board that drives business strategy and reviews for all businesses besides capital allocation of the group. He is affiliated with prestigious organizations like ICAI, ICWA, ICSI and CFA Institute, Virginia. He has also co-authored a Book 'India's Money Monarchs' featuring.
Mr. Ashok Jain Director	62	B.Com, FCA and ACS	Mr. Jain is an Independent Director of MOAMC. He 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 Limited since 2003.
Mr. Abhaya Hota Director	63	MA (English Literature), CAAIB, Diploma in Social Welfare and Fellow of Indian Institute of Banking & Finance	Mr. Abhaya Hota has rich and varied experience of over 35 years in regulatory aspects, technical and Project Management. He has worked in the RBI as a central banker in the areas of operating payments System platforms and Payment System Policy for 27 years and was the founding Member, Managing Director & CEO of National Payments Corporation of India for past 8 years. His area of expertise are building national level payments infrastructure – particularly Faster Payments and Card Payments, Financial Inclusion Projects and Payments Strategy & Regulations. He also holds a degree in MA (English Literature), CAAIB, Diploma in Social Welfare and Felloe Indian Institute of Banking and Finance.
Mr. Himanshu Vyapak **Director**	45	Graduate in Economics, MBA (Gold Medalist), Fellow member of (FIII - Non Life) from Insurance Institute of India, CFP, Claritas (CFA)	Mr. Himanshu Vyapak has an experience of over 22 years across Asset Management; Banking & NBFCs. Mr. Himanshu was previously associated with Reliance Nippon Life Asset Management Limited as a Deputy CEO since Oct 2003 up to April 2019 wherein he has been instrumental in expanding the Company's footprints in both domestic & international territories. He has also held key positions with ICICI bank and Escorts Finance across his tenure. He is a member on the Board of studies of Prin. LN Welingkar Institute of Management Development & Research. Have recently involved with the social cause of skilling & improving employability of marginalised

			sections of society for BFSI Industry through his non-profit company i.e. ID Finxperts Skilling Foundation.
Ms. Swanubhuti Jain **Women/ Additional Director**	41	Post-Graduation Diploma in Sales and Marketing Management, NMIMS. MA in Philosophy -Mumbai University. Shastri (Graduation in Sanskrit medium in Logic, Philosophy & Literature), Rajasthan University	Ms. Swanubhuti Jain has more than 18 years of experience in Development diverse Fintech organisations spanning Insurance, Stock Broking, Investment Banking, Commodities & Consulting etc. creating businesses from the scratch in multi dimension organisations from Startup Ecosystem to global MNCs. She has wide spread cross-functional experience in Business, Operations and Delivery Excellence with strong analytical, problem solving & leadership abilities. Ms. Jain is deft in turning around underperforming business units through process improvement, cost-cutting & multilateral negotiations. At present, Ms. Swanubhuti Jain is affiliated with JITO Incubation & Innovation Foundation (JIIF) where she is leading all business verticals of Startup ecosystem including JITO Angel Network, JITO Incubation Centre, Co-working and AIF Registration.

iii) Group company information (i.e. information related to top 10 Group Companies / firms of the Portfolio Manager on turnover basis) (as per the audited financial statements for the year ended March 2021:

1. Motilal Oswal Financial Services Ltd. (MOFSL)
2. Motilal Oswal Home Finance Limited (MOHFL)
3. Motilal Oswal Asset Management Company Limited (MOAMC)
4. Motilal Oswal Wealth Management Limited (MOWML)
5. MOPE Investment Advisors Pvt. Ltd. (MOPE)
6. Motilal Oswal Real Estate Investment Advisors II Private Limited (MORE II)
7. Motilal Oswal Finvest Limited (MOFL)
8. India Business Excellence Management Company (IBEMC)
9. Motilal Oswal Investment Advisors Limited
10. Motilal Oswal Capital Market Singapore Pte Limited

iv) Details of the services being offered:

a) Discretionary Services:

Under these services, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of assets of the Client. The Securities invested / disinvested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's fund's is absolute and final and can never be called in question or be open to review at any time during the currency of the agreement or at any time thereafter except on the ground of fraud, malafide, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, Regulations, guidelines and notifications in force from time to time. Periodical statements in respect to Client's Portfolio shall be sent to the respective Client.

Based on the Client's profile, overall investment objective and other relevant factors, the Portfolio of the Clients are at present managed under one or more of the following Investment Strategies:

1) Value Strategy
2) Discover Value Strategy
3) Next Trillion Dollar Opportunity Strategy
4) Focused (Series V) – A Contra Strategy

5) Liquid Strategy
6) India Opportunity Portfolio Strategy
7) PLUS strategy
8) Deep Value Portfolio
9) Emergence Portfolio Strategy
10) Focused Opportunities Strategy
11) India Invest Opportunity Portfolio Strategy
12) Motilal Oswal Business Opportunities Strategy
13) India Invest Opportunity Portfolio Strategy V2
14) India Opportunity Portfolio Strategy - V2
15) Large Cap Growth Strategy
16) Dynamic Allocation Strategy
17) Motilal Oswal Allcap Growth Strategy
18) Motilal Oswal Multicap Opportunities Strategy
19) Motilal Oswal Mid and Smallcap Opportunities Strategy
20) Motilal Oswal Emerging Business Strategy
21) Motilal Oswal Focused Business Strategy
22) Motilal Oswal Focused Midcap Strategy
23) Motilal Oswal India Advantage Strategy
24) Motilal Oswal Multicap Growth Strategy
25) Motilal Oswal Select Sector Strategy
26) Motilal Oswal 25-for-25 Strategy
27) Motilal Oswal Multifactor Equity Strategy
28) Motilal Oswal Midcap Multifactor Strategy
29) Motilal Oswal Large Cap Multifactor Strategy

b) <u>Non - Discretionary Services:</u>

Under the Non-Discretionary Portfolio Management Services, the portfolio of the Client shall be managed in consultation with the Client. Under this service, the Assets will be managed as per express prior instructions issued by the Client from time to time. The Client will have complete discretion to decide on the investment (Stock Quantity and Price or amount). The Portfolio Manager inter alia manages transaction execution, accounting, recording or corporate benefits, valuation and reporting aspects on behalf of the Client entirely at the Client’s risk.

c) <u>Advisory Services:</u>

Under these services, the Portfolio Manager advises the Client on investments in general or any specific advice required by the Clients and agreed upon in the Client agreement. The Portfolio Manager will render the best possible advice to the client having regard to the client’s needs and the environment, and his own professional skills. The same can be binding or non - binding in nature or in such terms as mentioned in the Client agreement. For such services, the Portfolio Manager charges the Client a fee for services rendered mentioned in the Client agreement. The advice may be either general or specific in nature and may pertain to a particular portfolio. Entry / exit timing, execution and settlement are solely the Client's responsibility.

4) <u>Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority:</u>

1. All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Regulations made there under relating to Portfolio Management Services.
   None

2. The nature of the penalty/direction.
   None

3. Penalties imposed for any economic offence and/or for violation of any securities laws relating to Portfolio Management Services.
   None

4. Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any.
   None

5. Any deficiency in the systems and operations of the Portfolio Manager observed by the Board or any regulatory agency in relation to Portfolio Management Services for which action may have been taken or initiated.
   None

6. Any enquiry/adjudication proceedings initiated by the Board against the Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or employee, under the Act or Regulations made thereunder relating to Portfolio Management Services.
   Details as on August 31, 2021 are provided as an Annexure A.

5) <u>Services offered:</u>

The Portfolio Manager manages the following Strategies of Discretionary Portfolio of the Client:

1. Value Strategy
Fund Manager: Mr. Shrey Loonker
Co-fund Manager: Mr. Susmit Patodia

- **Investment Objective:** The Strategy aims to benefit from the long term compounding effect on investments done in good businesses, run by great business managers for superior wealth creation.
- **Description of types of securities:** Listed Equity
- **Basis of selection of such types of securities as part of the investment approach**: Value based stock selection strategy
- **Allocation of portfolio across types of securities:** The strategy seeks to primarily invest in Equity and Equity-related instruments of large cap companies. However, the strategy has the flexibility to invest in companies across the entire market capitalization spectrum
- **Benchmark:** Nifty 50 TRI
- **Indicative tenure or investment horizon:** Medium to Long term
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients. Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e. that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any.** : Maximize post tax return due to Low Churn, "Buy & Hold"

  The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

2. **Discover Value Strategy**
   Fund Manager: Mr. Manish Sonthalia

- **Investment Objective:** The Strategy aims to deliver returns over a long term by investing in large-cap stocks across 6-8 sectors. The focus is to identify large unpopular businesses with dominant market share and potential for growth.
- **Description of types of securities:** Listed Equity
- **Basis of selection of such types of securities as part of the investment approach:** Value based stock selection strategy
- **Allocation of portfolio across types of securities:** The strategy seeks to primarily invest in Equity and Equity-related instruments of large cap companies. However, the strategy has the flexibility to invest in companies across the entire market
- **Benchmark:** Nifty 50 TRI
- **Indicative tenure or investment horizon:** Medium to Long term
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients. Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any** : Follow a focused strategy construct. Maintaining a low churn thereby enhancing the strategy returns. Buying undervalued stocks and selling overvalued stocks irrespective of market behavior while maintaining purchase price discipline

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

3. **Next Trillion Dollar Opportunity Strategy**
   Fund Manager: Mr. Manish Sonthalia

- **Investment Objective:** The Strategy aims to deliver superior returns by investing in stocks from sectors that can benefit from the Next Trillion Dollar GDP growth. It aims to invest in stocks across market capitalisation with a focus on identifying potential winners that would participate in successive phases of GDP growth.
- **Description of types of securities:** Listed Equity
- **Basis of selection of such types of securities as part of the investment approach:** Diversified: A mix of Large, Midcap and Small cap
- **Allocation of portfolio across types of securities:** The strategy has the mandate to invest in Equity and Equity-related instruments across the entire market capitalization spectrum of Large cap, Midcap and Small cap companies
- **Benchmark:** Nifty 500 TRI
- **Indicative tenure or investment horizon:** Medium to Long term
- **Other salient features, if any**: Focus on Sectors and Companies which promise a higher than average growth. Concentration on emerging Themes. “Buy & Hold” strategy
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients. Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e. that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

4. **Focused (Series V) – A Contra Strategy**
   Fund Manager: Mr. Manish Sonthalia

- **Investment Objective:** The strategy aims to invest in fundamentally sound companies that can benefit from changes in a company's valuation which reflects a significant change in the markets view of the company over a horizon of three years. The Strategy focuses on investing in stocks that can benefit from growth in earnings, re-rating of business or higher valuation of assets. Objective is to increase return rather than reduce risk for Investors.
- **Description of types of securities:** Listed Equity
- **Basis of selection of such types of securities as part of the investment approach:** Follows the principle to pick best ideas rather than diversification
- **Allocation of portfolio across types of securities:** The strategy has the mandate to invest in Equity and Equity-related instruments across the entire market capitalization spectrum of Large cap, Midcap and Small cap companies
- **Benchmark:** BSE – 200 TRI
- **Indicative tenure or investment horizon:** Medium to Long term
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients. Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e. that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any.:** Concentrated Strategy Structure of less than 10 stocks. Follows a "Buy and hold" philosophy with low to medium churn

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

5. Liquid Strategy
Fund Manager: Mr. Manish Sonthalia

- **Investment Objective:** To predominantly make investments in Liquid Mutual Funds, short-term debt funds, money market mutual funds, and other debt funds to facilitate investors to take Asset Allocation calls between Cash and Equity.
- **Description of types of securities:** Liquid Mutual Funds, short-term debt funds, money market mutual funds, and other debt funds
- **Basis of selection of such types of securities as part of the investment approach:** To generate optimal returns consistent with moderate levels of risk and liquidity by investing in debt securities and money market securities.
- **Allocation of portfolio across types of securities:** The scheme seeks to invest in Debt Instruments including Government Securities, Corporate Debt, Other debt instruments, Term Deposits and Money Market Instruments with portfolio Macaulay# duration between 3 months and 6 months
- **Benchmark:** CRISIL Liquid Fund TRI
- **Indicative tenure or investment horizon:** Short Term (3-6 months)
- **Risks associated with the investment approach:**

Market Risk: The Scheme's NAV will react to the interest rate movements. The Investor may lose money over short or long period due to fluctuation in Scheme's NAV in response to factors such as economic and political developments, changes in interest rates, inflation and other monetary factors and also movement in prices of underlining investments.

Interest Rate Risk Changes in interest rates will affect the Scheme's NAV. The prices of securities usually increase as interest rates decline and usually decrease as interest rates rise. The extent of fall or rise in the prices is guided by modified duration, which is a function of the existing coupon, days to maturity and increase or decrease in the level of interest rate. The new level of interest rate is determined by the rate at which the government raises new money and/or the price levels at which the market is already dealing in existing securities. Prices of long-term securities generally fluctuate more in response to interest rate changes than short-term securities. The price risk is low in the case of the floating rate or inflation-linked bonds. The price risk does not exist if the investment is made under a repo agreement. Debt markets, especially in developing markets like India, can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the NAV. Modified Duration is a measure of price sensitivity, the change in the value of investment to a 1% change in the yield of the investment.

Reinvestment Risk Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.

Pre-payment Risk Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the fund to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.

Spread Risk In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.

Credit Risk Credit Risk means that the issuer of a security may default on interest payments or even paying back the principal amount on maturity. (i.e. the issuer may be unable to make timely principal and interest payments on the security). Even where no default occurs, the prices of security may go down because the credit rating of an issuer goes down. It must be, however, noted that where the Scheme has invested in Government securities, there is no risk to that extent.

Liquidity or Marketability Risk This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market. Trading Volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Different segments of the Indian financial markets have different settlement periods and such period may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. As liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Fund for redemption of units may be significant in the event of an inordinately large number of redemption requests or restructuring of the Scheme.

- **Other salient features, if any.:** Not Applicable

  The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

6. **India Opportunity Portfolio Strategy**
   Fund Manager: Mr. Manish Sonthalia

- **Investment Objective:** The Strategy aims to generate long term capital appreciation by creating a focused portfolio of high growth stocks having the potential to grow more than the nominal GDP for next 5-7 years across market capitalization and which are available at reasonable market prices.
- **Description of types of securities:** Equity
- **Basis of selection of such types of securities as part of the investment approach:** Focus on Sectors and Companies which promise a higher than average growth.
  Concentration on emerging Themes. Up to 30 high conviction stock portfolio.
- **Allocation of portfolio across types of securities:** The strategy seeks to primarily invest in Equity and Equity-related instruments of small cap and mid cap companies. However, the strategy has the flexibility to invest in companies across the entire market capitalization spectrum
- **Benchmark: Nifty Small Cap 100 TRI**
- **Investment Approach:** "Buy & Hold" Strategy
- **Indicative tenure or investment horizon:** Long Term
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients. Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk: is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

Low liquidity: Even though MidCap and Small cap funds offer a greater growth potential, they have low liquidity which may have an adverse impact on their prices.

Market Fluctuations: A lot of these smaller companies can be highly volatile and hence are tend to have large up and down movements. This may have periods where the investor may see drawdowns.

Less dividends: Since small cap companies are fast growers they tend to retain all profits to reinvest them in the company. This leads to reduced dividends for investors.

Higher Risk: Small cap funds have higher opportunities of growth but these come with higher amount of risk as well. Therefore, these are suitable only for those investors who have higher risk appetite. Large companies tend to set procedures and years of experience of executing key projects.

Management Integrity: While this risk being universal, it has been historically be pronounced in smaller and or owner driven companies. Integrity related issues can have a direct and adverse impact on stock prices and hence investor returns.

- **Other salient features, if any.:** Low to medium churn resulting in enhanced post-tax returns. Basically for Investors keen to generate wealth by participating in India's growth story over a period of time. BUY & HOLD strategy

  The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

7. **PLUS strategy**
   Fund Manager: Mr. Manish Sonthalia

- **Investment Objective:** The strategy aims to deliver superior returns by investing in less recognized and/or undervalued stocks which are part of the India growth opportunity. The strategy also aims to predominantly invest in Mid-cap stocks with potential to grow faster than nominal GDP growth and which are available at reasonable prices.
- **Description of types of securities:** Equity
- **Basis of selection of such types of securities as part of the investment approach:** Fundamental stock selection and Buy & Hold philosophy

- **Allocation of portfolio across types of securities:** The strategy has the mandate to invest in Equity and Equity-related instruments across the entire market capitalization spectrum of Large cap, Midcap and Small cap companies
- **Benchmark:** Nifty 500 TRI
- **Investment Approach:** Value + GARP
- **Investment Horizon**: Medium to Long term
- **Risks associated with the investment approach:**

  Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

  Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

  Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

  Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients. Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

  Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

  Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any :** Not Applicable

  The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

8. Deep Value Portfolio Strategy
Fund Manager: Mr. Manish Sonthalia

- **Investment Objective:** The strategy aims to invest in fundamentally sound companies with a view to capitalize on the difference between the market value and the intrinsic value of the business.
- **Description of types of securities:** Equity
- **Basis of selection of such types of securities as part of the investment approach:** Bottom up stock selection approach
- **Allocation of portfolio across types of securities:** The strategy seeks to primarily invest in midcap stocks. However, the strategy has the flexibility to invest in companies across the entire market capitalization spectrum
- **Benchmark:** Nifty Midcap 100 TRI

- **Investment horizon**: long term i.e. 3-5 years
- **Risks associated with the investment approach:**

  Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

  Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

  Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

  Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients. Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e. that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

  Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

  Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

  Low liquidity: Even though MidCap and Small cap funds offer a greater growth potential, they have low liquidity which may have an adverse impact on their prices.

  Market Fluctuations: A lot of these smaller companies can be highly volatile and hence are tend to have large up and down movements. This may have periods where the investor may see drawdowns.

  Less dividends: Since small cap companies are fast growers they tend to retain all profits to reinvest them in the company. This leads to reduced dividends for investors.

  Higher Risk: Small cap funds have higher opportunities of growth but these come with higher amount of risk as well. Therefore, these are suitable only for those investors who have higher risk appetite.
  Large companies tend to set procedures and years of experience of executing key projects.

  Management Integrity: While this risk being universal, it has been historically be pronounced in smaller and or owner driven companies. Integrity related issues can have a direct and adverse impact on stock prices and hence investor returns.

- **Other salient features, if any:** Risk Return Profile: Medium to High Risk. Market Capitalization: Flexi Cap. Out of favour, beaten-down large caps or quality midcaps growing at slower than their demonstrated potential
  - Where price movements are decoupled from underlying fundamentals resulting from over-reaction to news-flow
  - Dominant business undergoing growth deceleration or a cyclical downturn.

- Revenue slowdown due to direct/indirect impact of high interest rates and/or capex cycle (order flows) which can potentially reverse with rate cycle.
- Profitability compression due to margin erosion from higher RM/forex impact.
- Asset Valuation plays: Good quality businesses trading at discount to book or replacement value.
- Valuation Parameters: Low P/E v/s long-term average/peers, high dividend yield.

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

9. Emergence Portfolio Strategy (EPS)
Fund Manager: Mr. Manish Sonthalia

- **Investment Objective:** The Strategy aims to generate long term capital appreciation by creating a focused portfolio of high growth stocks having the potential to grow more than the nominal GDP for next 3-5 years and which are available at reasonable market prices.
- **Description of types of securities:** Equity
- **Basis of selection of such types of securities as part of the investment approach:** Buy and Hold philosophy; Bottom-up stock selection process; Focus on Companies which have potential to deliver higher than average growth
- **Allocation of portfolio across types of securities: Diversified, multicap;** The strategy has the mandate to invest in Equity and Equity-related instruments across the entire market capitalization spectrum of Large cap, Midcap and Small cap companies
- **Benchmark:** BSE 500 TRI
- **Investment Horizon**: Medium to Long term
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients. Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any :** Focus on Sectors and Companies which promise a higher than average growth. Concentration on emerging Themes. “Buy & Hold” strategy

  The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

10. Focused Opportunities Strategy
Fund Manager: Mr. Rakesh Tarway

- **Investment Objective:** The strategy aims to deliver superior returns through focused investment in themes which are a potential growth opportunity. It aims to predominantly invest bottom up by identifying high quality companies, having superior growth and sustainable competitive advantage.
- **Description of types of securities:** Equity
- **Basis of selection of such types of securities as part of the investment approach:** Focus on Companies which have potential to deliver higher than average sector growth
- **Allocation of portfolio across types of securities:** The strategy seeks to primarily invest in Equity and Equity-related instruments of small cap and mid cap companies. However, the strategy has the flexibility to invest in companies across the entire market capitalization spectrum
- **Benchmark:** Nifty Midcap 100 TRI
- **Investment Approach :** “Buy & Hold” strategy
- **Investment Horizon**: Medium to Long term
- **Risks associated with the investment approach:**

  Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

  Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

  Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

  Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients. Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

  Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs. Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

  Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

  Low liquidity: Even though MidCap and Small cap funds offer a greater growth potential, they have low liquidity which may have an adverse impact on their prices.

Market Fluctuations: A lot of these smaller companies can be highly volatile and hence are tend to have large up and down movements. This may have periods where the investor may see drawdowns.

Less dividends: Since small cap companies are fast growers they tend to retain all profits to reinvest them in the company. This leads to reduced dividends for investors.

Higher Risk: Small cap funds have higher opportunities of growth but these come with higher amount of risk as well. Therefore, these are suitable only for those investors who have higher risk appetite.
Large companies tend to set procedures and years of experience of executing key projects.

Management Integrity: While this risk being universal, it has been historically be pronounced in smaller and or owner driven companies. Integrity related issues can have a direct and adverse impact on stock prices and hence investor returns.

- **Other salient features, if any :** Concentration on good businesses and would be market capitalization agnostic

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

11. India Invest Opportunity Portfolio Strategy
Fund Manager: Mr. Manish Sonthalia

- **Investment Objective:** The Strategy aims to deliver superior returns by investing in stocks from sectors that can benefit from India's emerging businesses. It aims to predominantly invest in Small and Midcap stocks with a focus on identifying potential winners.
- **Description of types of securities:** Equity
- **Basis of selection of such types of securities as part of the investment approach:** Focus on Sectors and Companies which promise a higher than average growth.
  Concentration on emerging Themes. Up to 30 high conviction stock portfolio.
- **Allocation of portfolio across types of securities:** The strategy seeks to primarily invest in Equity and Equity-related instruments of small cap and mid cap companies. However, the strategy has the flexibility to invest in companies across the entire market capitalization spectrum
- **Benchmark:** Nifty Small Cap 100 TRI
- **Investment Horizon:** Medium to Long term.
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients.
Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.
Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

Low liquidity: Even though MidCap and Small cap funds offer a greater growth potential, they have low liquidity which may have an adverse impact on their prices.

Market Fluctuations: A lot of these smaller companies can be highly volatile and hence are tend to have large up and down movements. This may have periods where the investor may see drawdowns.

Less dividends: Since small cap companies are fast growers they tend to retain all profits to reinvest them in the company. This leads to reduced dividends for investors.

Higher Risk: Small cap funds have higher opportunities of growth but these come with higher amount of risk as well. Therefore, these are suitable only for those investors who have higher risk appetite.
Large companies tend to set procedures and years of experience of executing key projects.

Management Integrity: While this risk being universal, it has been historically be pronounced in smaller and or owner driven companies. Integrity related issues can have a direct and adverse impact on stock prices and hence investor returns.

- **Other salient features, if any :** Low to medium churn resulting in enhanced post-tax returns. Ideal for Investors keen to generate wealth by participating in India's emerging businesses over a period of time. "Buy & Hold" strategy.

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

12. **Motilal Oswal Business Opportunities Strategy**
Fund Manager: Mr Manish Sonthalia
Associate Fund Manager: Mr. Atul Mehra

- **Investment Objective:** Investing across high quality Indian equities in growth oriented themes across market capitalisation through a high conviction portfolio.
- **Description of types of securities:** Equity

- **Basis of selection of such types of securities as part of the investment approach:** Concentration on emerging themes likes Affordable Housing, Agricultural Growth, GST and Value Migration from PSU banks to Private Sector Banks and Up to 30 high conviction stock portfolio
- **Allocation of portfolio across types of securities:** The strategy has the mandate to invest in Equity and Equity-related instruments across the entire market capitalization spectrum of Large cap, Midcap and Small cap companies
- **Benchmark:** Nifty 500 TRI
- **Investment Horizon:** Medium to Long term
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients.
Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.
Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any :** Not Applicable.

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

13. India Invest Opportunity Portfolio Strategy V2
Fund Manager: Mr. Manish Sonthalia

Investment Objective: The Strategy aims to deliver superior returns by investing in stocks from sectors that can benefit from India's emerging businesses. It aims to predominantly invest in Small and Midcap stocks* with a focus on identifying potential winners. Focus on Sectors and Companies which promise a higher than average growth.

- **Description of types of securities:** Equity
- **Basis of selection of such types of securities as part of the investment approach:** Focus on Sectors and Companies which promise a higher than average growth. Concentration on emerging Themes
- **Investment Horizon:** Medium to Long term
- **Allocation of portfolio across types of securities:** The strategy seeks to primarily invest in Equity and Equity-related instruments of small cap and mid cap companies. However, the strategy has the flexibility to invest in companies across the entire market capitalization spectrum
- **Benchmark:** Nifty Small Cap 100 TRI
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients.
Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.
Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

Low liquidity: Even though MidCap and Small cap funds offer a greater growth potential, they have low liquidity which may have an adverse impact on their prices.

Market Fluctuations: A lot of these smaller companies can be highly volatile and hence are tend to have large up and down movements. This may have periods where the investor may see drawdowns.

Less dividends: Since small cap companies are fast growers they tend to retain all profits to reinvest them in the company. This leads to reduced dividends for investors.

Higher Risk: Small cap funds have higher opportunities of growth but these come with higher amount of risk as well. Therefore, these are suitable only for those investors who have higher risk appetite.
Large companies tend to set procedures and years of experience of executing key projects.

Management Integrity: While this risk being universal, it has been historically be pronounced in smaller and or owner driven companies. Integrity related issues can have a direct and adverse impact on stock prices and hence investor returns.

- **Other salient features, if any :** Focus on Sectors and Companies which promise a higher than average growth. Concentration on emerging Themes.

- ***The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.***

14. India Opportunity Portfolio Strategy - V2
Fund Manager: Mr. Manish Sonthalia

- **Investment Objective:** The Strategy aims to deliver superior returns by investing in stocks from sectors that can benefit from India's emerging businesses. It aims to predominantly invest in Small and Midcap stocks* with a focus on identifying potential winners. Focus on Sectors and Companies which promise a higher than average growth.
- **Description of types of securities:** Equity
- **Basis of selection of such types of securities as part of the investment approach:** Focus on Sectors and Companies which promise a higher than average growth. Concentration on emerging Themes
- **Allocation of portfolio across types of securities:** The strategy seeks to primarily invest in Equity and Equity-related instruments of small cap and mid cap companies. However, the strategy has the flexibility to invest in companies across the entire market capitalization spectrum
- **Benchmark:** Nifty Small Cap 100 TRI
- **Investment Horizon**: Medium to Long term
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients.
Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.
Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk is that a transaction won't be **executed** within the range of recent market prices or within the stop order limits that have been set by an investor. **Execution risk** exists on virtually all financial instruments.

Low liquidity: Even though MidCap and Small cap funds offer a greater growth potential, they have low liquidity which may have an adverse impact on their prices.

Market Fluctuations: A lot of these smaller companies can be highly volatile and hence are tend to have large up and down movements. This may have periods where the investor may see drawdowns.

Less dividends: Since small cap companies are fast growers they tend to retain all profits to reinvest them in the company. This leads to reduced dividends for investors.

Higher Risk: Small cap funds have higher opportunities of growth but these come with higher amount of risk as well. Therefore, these are suitable only for those investors who have higher risk appetite.
Large companies tend to set procedures and years of experience of executing key projects.

Management Integrity: While this risk being universal, it has been historically be pronounced in smaller and or owner driven companies. Integrity related issues can have a direct and adverse impact on stock prices and hence investor returns.

- **Other salient features, if any :** High Conviction focused Portfolio. "Buy & Hold" strategy.

  The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

15. **Large Cap Growth Strategy**
    Fund Manager: Mr. Shrey Loonker

- **Investment Objective:** The Strategy aims to benefit from investing into quality businesses, run by great business managers for superior wealth creation over long term.
- **Description of types of securities:** listed in derivatives segment on the exchanges. However the strategy will not invest in derivatives
- **Basis of selection of such types of securities as part of the investment approach:** Investing across market capitalization with primary allocation towards large cap and High conviction stock portfolio
- **Allocation of portfolio across types of securities:** The strategy seeks to primarily invest in Equity and Equity-related instruments of large cap companies. However, the strategy has the flexibility to invest in companies across the entire market capitalization spectrum
- **Benchmark:** Nifty 50 TRI
- **Investment Horizon:** Medium to Long term
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients.
Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.
Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any :** The Portfolio Manager may design and develop various series keeping in mind market conditions and may be customised for Client's specific need / profile. The Portfolio in all cases will be guided strictly by the relevant guidelines, Acts, Rules, Regulations, and notifications prevailing in force from time to time. The instrument may be principal protected or non-principal protected, which may have fixed or variable pay-offs. The investment objective of the Portfolio Manager shall be preservation and growth of capital and at the same time endeavour to reduce the risk of capital loss. However, while the aforesaid is the objective, it needs to be reiterated that there can be no assurance and/or guarantee of such growth or even as regards preservation of capital or of there being no capital loss. The amount invested by the Clients under this strategy may be subject to a lock in period as detailed in the Schedule to the agreement between the Client and the Portfolio Manager. "Buy & Hold" Strategy

The main features under Discretionary Portfolio Management Services are:

- Minimum Portfolio Size: Rs. 50 Lakhs or any amount not less than the statutory minimum as may be specified by the SEBI from time to time.
- Periodic valuation Report (if, any).
- Periodic transaction Statement (if, any).
- Maximize post tax return due to Low Churn

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

16. Dynamic Allocation Strategy
Fund Manager: Mr. Manish Sonthalia
Co-Fund Manager (Equity): Mr. Atul Mehra

- **Investment Objective:** The strategy aims to generate long term capital appreciation by investing in equity and debt instruments with low volatility.
- **Description of types of securities:** Equity and Debt (government securities, corporate debt, and money market instruments or any debt/liquid oriented mutual funds)
- **Basis of selection of such types of securities as part of the investment approach:** The portfolio will have asset allocation between equity and debt instruments based on MOVI. Equity portion will be a diversified portfolio. Debt portion will be invested in a debt securities, money market instruments or debt oriented mutual funds.
- **Allocation of portfolio across types of securities:** The strategy seeks to invest in Equity and Equity-related instruments across market capitalization (including equity derivatives) as well as debt (government securities, corporate debt and money market instruments or any debt/liquid oriented mutual fund)
- **Benchmark:** CRISIL Hybrid 50+50 - Moderate Index
- **Investment Horizon:** Medium to Long term
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk:refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk: Concentration Risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients.
Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.
Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk: is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

Market Risk: The Scheme’s NAV will react to the interest rate movements. The Investor may lose money over short or long period due to fluctuation in Scheme’s NAV in response to factors such as economic and political developments, changes in interest rates, inflation and other monetary factors and also movement in prices of underlining investments.

Interest Rate Risk: Changes in interest rates will affect the Scheme's Net Asset Value. The prices of securities usually increase as interest rates decline and usually decrease as interest rates rise. The extent of fall or rise in the prices is guided by modified duration, which is a function of the existing coupon, days to maturity and increase or decrease in the level of interest rate. The new level of interest rate is determined by the rate at which the government raises new money and/or the price levels at which the market is already dealing in existing securities. Prices of long-term securities generally fluctuate more in response to interest rate changes than short-term securities. The price risk is low in the case of the floating rate or inflation-linked bonds. The price risk does not exist if the investment is made under a repo agreement. Debt markets, especially in developing markets like India, can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the NAV. Modified Duration is a measure of price sensitivity, the change in the value of investment to a 1% change in the yield of the investment.

Reinvestment Risk: Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.

Pre-payment Risk: Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the fund to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.

Spread Risk: In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.

Credit Risk: Credit Risk means that the issuer of a security may default on interest payments or even paying back the principal amount on maturity. (i.e. the issuer may be unable to make timely principal and interest payments on the security). Even where no default occurs, the prices of security may go down because the credit rating of an issuer goes down. It must be, however, noted that where the Scheme has invested in Government securities, there is no risk to that extent.

Liquidity or Marketability Risk: This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market. Trading Volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Different segments of the Indian financial markets have different settlement periods and such period may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. As liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Fund for redemption of units may be significant in the event of an inordinately large number of redemption requests or restructuring of the Scheme.

- **Other salient features, if any:** The equity exposure shall be a minimum of 30% of the portfolio value at all times. The debt exposure in the strategy will be taken by investing in government securities, corporate debt, and money market instruments or any debt/liquid oriented mutual funds.

The Strategy will use Motilal Oswal Value Index (MOVI) as an indicator for the asset allocation between Equities and Debt. The asset allocation shall be reviewed twice a month (5th and 20th day of the calendar month) and the rebalancing will be conducted accordingly. There may be additional rebalances at the discretion of the portfolio manager. However, the rebalancing will always be based on the MOVI levels.

MOVI is a proprietary index of **MOAMC**. The MOVI helps gauge attractiveness of the equity market. The MOVI is calculated taking into account Price to Earnings (P/E), Price to Book (P/B) and Dividend Yield of the Nifty 50 Index. The MOVI is calculated on 30 Daily Moving Average of the above parameters. A low MOVI level indicates that the market valuation appears to be cheap and one may allocate a higher percentage of their investments to Equity as an asset class. A high MOVI level indicates that the market valuation appears to be expensive and that one may reduce their equity allocation.

Following depicts more clarity on MOVI based allocation:

MOVI Levels		**Equity Exposure as per MOVI**
Less than 70		100%
70	<80	85-95%
80	<90	75-85%
90	<100	60-75%
100	<110	50-60%
110	<120	40-45%
120	<130	30-40%
130 or above		30-40%

Strategy wise Specific Risk: The Strategy shall invest a portion of its assets into equity and debt securities based on MOVI levels. Hence, the risk associated with the calculation of MOVI allocations based on MOVI would be applicable to the Strategy. The allocations as per MOVI shall vary due to market conditions. These allocations based on MOVI level may not outperform a fully invested equity portfolio.

Disclaimers: “MOVI is not sponsored, endorsed, sold or promoted by NSE Indices Limited. MOVI has been exclusively customized for MOAMC and has been developed and is being maintained as per the specifications and requirements of MOAMC. NSE Indices Limited does not make any representation or warranty, express or implied regarding the advisability of investing in the Product linked to MOVI and availing the services generally or particularly or the ability of MOVI to track general stock market performance in India. NSE Indices Limited has no obligation or liability in connection with the administration, marketing or trading of the Product based on MOVI.

NSE Indices Limited does not guarantee the accuracy and/or the completeness of MOVI or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. NSE Indices Limited does not make any warranty, express or implied, as to the results to be obtained by MOAMC, owners of the Product, or any other persons or entities from the use of MOVI or any data included therein. NSE Indices Limited make no express or implied warranties and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to MOVI or any data included therein. Without limiting any of the foregoing, in no event shall NSE Indices Limited have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages.

NSE Indices Limited has taken due care and caution in calculation, development, compilation, maintenance and dissemination of MOVI as per the requirements, specifications and instructions of the MOAMC. Information has been obtained by NSE Indices Limited from sources which it considers reliable. However, NSE Indices Limited does not guarantee the accuracy, adequacy or completeness of information and is not responsible for any errors or omissions or for the results obtained from the use of such information. NSE Indices Limited is also not responsible for any errors in transmission.”

17. Motilal Oswal All cap Growth Strategy
Fund Manager: Atul Mehra

- **Investment Objective:** The Strategy aims to benefit from the long term compounding effect on investments done in good businesses, run by great business managers for superior wealth creation.
- **Description of types of securities:** Equity
- **Basis of selection of such types of securities as part of the investment approach:** A mix of Large, Midcap and Small cap

- **Allocation of portfolio across types of securities:** The strategy has the mandate to invest in Equity and Equity-related instruments across the entire market capitalization spectrum of Large cap, Midcap and Small cap companies
- **Benchmark:** Nifty 500 TRI
- **Investment Horizon**: Medium to Long term
- **Risks associated with the investment approach:**

  Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

  Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

  Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

  Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients.
  Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

  Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.
  Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

  Execution Risk: is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any :**"Buy & Hold" Strategy

  The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

18. Motilal Oswal Multicap Opportunities Strategy
Fund Manager: Susmit Patodia

- **Investment Objective:** The Strategy aims to deliver superior returns by investing in great businesses across sectors that can benefit from India's growth.
- **Description of types of securities:** Equity
- **Basis of selection of such types of securities as part of the investment approach:** Multicap strategy across sector

- **Allocation of portfolio across types of securities:** The strategy has the mandate to invest in Equity and Equity-related instruments across the entire market capitalization spectrum of Large cap, Midcap and Small cap companies
- **Benchmark:** Nifty 50 TRI
- **Investment Horizon:** Medium to Long term
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients.
Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.
Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk: is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any :** "Buy & Hold" with low churn

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

19. Motilal Oswal Mid and Smallcap Opportunities Strategy
Fund Manager: Atul Mehra

- **Investment Objective:** The Strategy aims to deliver superior returns by investing in Auto & Cement sector that can benefit from India's emerging businesses. It aims to predominantly invest in Small and Midcap stocks with a focus on identifying potential winners.
- **Description of types of securities:** Equity
- **Basis of selection of such types of securities as part of the investment approach:** Investing predominantly in small and midcap segment. Stock selection shall be based on Quality, Growth, Longevity and Price strategy.

- **Allocation of portfolio across types of securities:** The strategy seeks to primarily invest in Equity and Equity-related instruments of mid cap and small cap companies specifically in Auto & Cement sector. However, the strategy has the flexibility to invest in companies across the entire market capitalization spectrum
- **Benchmark:** Hybrid Benchmark consisting of Auto & Cement sector. Stock weights are in the proportion to Nifty 500 TRI Weight
- **Investment Horizon**: Medium to Long term
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients.
Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.
Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk: is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

Low liquidity: Even though MidCap and Small cap funds offer a greater growth potential, they have low liquidity which may have an adverse impact on their prices.

Market Fluctuations: A lot of these smaller companies can be highly volatile and hence are tend to have large up and down movements. This may have periods where the investor may see drawdowns.

Less dividends: Since small cap companies are fast growers they tend to retain all profits to reinvest them in the company. This leads to reduced dividends for investors.

Higher Risk: Small cap funds have higher opportunities of growth but these come with higher amount of risk as well. Therefore, these are suitable only for those investors who have higher risk appetite.
Large companies tend to set procedures and years of experience of executing key projects.

Management Integrity: While this risk being universal, it has been historically be pronounced in smaller and or owner driven companies. Integrity related issues can have a direct and adverse impact on stock prices and hence investor returns.

- **Other salient features, if any :** "Buy & Hold" strategy

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

20. Motilal Oswal Emerging Business Strategy
Fund Manager: Mr. Susmit Patodia

- **Investment Objective:** The Strategy aims to deliver superior returns by investing in midcap stocks from sectors that can benefit from India's growth. To create value by investing in IT, Telecom, media and oil & gas sector
- **Description of types of securities:** Equity
- **Basis of selection of such types of securities as part of the investment approach:** Investments shall be made based on Quality, Growth, Longevity and Price strategy
- **Allocation of portfolio across types of securities:** The strategy seeks to primarily invest in Equity and Equity-related instruments of Stocks in IT, Telecom, media and Oil &gas sector
- **Benchmark:** Nifty 500TRI
- **Investment Horizon:** Medium to Long term
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients.
Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.
Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

Low liquidity: Even though MidCap and Small cap funds offer a greater growth potential, they have low liquidity which may have an adverse impact on their prices.

Market Fluctuations: A lot of these smaller companies can be highly volatile and hence are tend to have large up and down movements. This may have periods where the investor may see drawdowns.

Less dividends: Since small cap companies are fast growers they tend to retain all profits to reinvest them in the company. This leads to reduced dividends for investors.

Higher Risk: Small cap funds have higher opportunities of growth but these come with higher amount of risk as well. Therefore, these are suitable only for those investors who have higher risk appetite.
Large companies tend to set procedures and years of experience of executing key projects.

Management Integrity: While this risk being universal, it has been historically be pronounced in smaller and or owner driven companies. Integrity related issues can have a direct and adverse impact on stock prices and hence investor returns.

- **Other salient features, if any :** "Buy & Hold" strategy

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

21. Motilal Oswal Focused Business Strategy^

- **Investment Objective:** The Strategy aims to achieve long term capital appreciation by primarily investing in equity & equity related across market capitalization.
- **Description of types of securities:** Equity
- **Basis of selection of such types of securities as part of the investment approach:**Investing across market capitalization with primary allocation towards large cap and High conviction stock portfolio
- **Allocation of portfolio across types of securities:** The strategy seeks to primarily invest in Equity and Equity-related instruments of large cap companies. However, the strategy has the flexibility to invest in companies across the entire market capitalization spectrum
- **Benchmark:** Nifty 500 TRI
- **Investment Horizon:** Medium to Long term
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients.
Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.
Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

- **Other salient features, if any :** "Buy & Hold" strategy

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.
^Further subscription has been discontinued with effect from July 06, 2021

22. Motilal Oswal Focused Midcap Strategy
Fund Manager: Mr. Rakesh Tarway

- **Investment Objective:** Majority of weights for investments to be drawn from stocks in 101st to 400th companies in terms of full market capitalization. Minority weights for investment might also be drawn from stocks beyond number 400 and from top 100 companies in terms of full market capitalization. As far as possible Companies should be drawn from a mix of sectors representing changing nature of society and economics in India.
- **Description of types of securities:** Equity
- **Basis of selection of such types of securities as part of the investment approach:** Primarily investing in midcap segment having 101st to 400th companies in terms of full market capitalization. Focus companies within emerging themes and up to 30 high conviction focused portfolio
- **Allocation of portfolio across types of securities:** The strategy seeks to primarily invest in midcap segment having 101st to 400th companies in terms of full market capitalization. However, the strategy has the flexibility to invest in companies across the entire market capitalization spectrum
- **Benchmark:** NIFTY MidSmall400 TRI
- **Investment Horizon:** Medium to Long term
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients.
Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.
Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

Low liquidity: Even though MidCap and Small cap funds offer a greater growth potential, they have low liquidity which may have an adverse impact on their prices.

Market Fluctuations: A lot of these smaller companies can be highly volatile and hence are tend to have large up and down movements. This may have periods where the investor may see drawdowns.

Less dividends: Since small cap companies are fast growers they tend to retain all profits to reinvest them in the company. This leads to reduced dividends for investors.

Higher Risk: Small cap funds have higher opportunities of growth but these come with higher amount of risk as well. Therefore, these are suitable only for those investors who have higher risk appetite.
Large companies tend to set procedures and years of experience of executing key projects.

Management Integrity: While this risk being universal, it has been historically be pronounced in smaller and or owner driven companies. Integrity related issues can have a direct and adverse impact on stock prices and hence investor returns.

- **Other salient features, if any : "**Buy & Hold" strategy

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

23. Motilal Oswal India Advantage Strategy
Fund Manager: Mr Susmit Patodia and Mr Shrey Loonker

- **Investment Objective:** The Strategy aims to achieve long term capital appreciation by primarily investing in listed equity and equity related instruments across market capitalization and sectors.
- **Description of types of securities:** Equity

- **Basis of selection of such types of securities as part of the investment approach:** Investment beneficiaries of the key themes. 20-30 stocks and Market cap agnostic
- **Allocation of portfolio across types of securities:** The strategy has the mandate to invest in Equity and Equity-related instruments across the entire market capitalization spectrum of Large cap, Midcap and Small cap companies
- **Benchmark:** Nifty 500 TRI
- **Investment Horizon:** Medium to Long term
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as “undiversifiable risk,” “volatility” or “market risk,” affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients.
Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.
Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk: is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

Other salient features, if any : The objective of the scheme is to invest in companies that will benefit from some of the key themes in the long run:

- Return of Intermediation (ROI) – Banks outside top 6 are significantly below their average market share and thus, provides significant opportunity to grow.
- Health is new Wealth (H=W) – Healthcare spend to increase manifold to build resilient health system to fight situations like current pandemic. Also, people are likely to opt for better healthcare facility.
- Winners in Mini India (WiMi) – Growth potential for Top100 Companies
- Bull Whip Impact – Small change in customer demand can lead to significant supply chain disruption
- Atmanirbhar – Companies that help us to be self-reliant

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

24. Motilal Oswal Multicap Growth Strategy
Fund Manager: Susmit Patodia

- **Investment Objective:** The Strategy aims to benefit from investing in High growth businesses, run by great business managers for long term appreciation. The Strategy will invest across sector and market capitalization.
- **Description of types of securities:** Equity
- **Basis of selection of such types of securities as part of the investment approach:** A mix of Large, Midcap and Small cap
- **Allocation of portfolio across types of securities:** The strategy has the mandate to invest in Equity and Equity-related instruments across the entire market capitalization spectrum of Large cap, Midcap and Small cap companies
- **Benchmark:** Nifty 500 TRI
- **Investment Approach:** "Buy & Hold"
- **Investment Horizon:** Medium to Long term.
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients. Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.
Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

Other salient features, if any

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

25. **Motilal Oswal Select Sector Strategy**
Fund Manager: Mr. Shrey Loonker
Co –Fund Manager: Mr. Susmit Patodia

- **Investment objective:** The strategy aims to create long term wealth creation/appreciation which is consistent with Select Sectors.
- **Description of types of securities like equity or debt, listed or unlisted, convertibles etc.:** The portfolio will comprise of listed equities across Large, Mid and Smallcap categorization. The Strategy shall be concentrated.
- **Basis of selection of such types of securities under investment approach:** Bottom up stock selection based on Motilal Oswal Asset Managements "Buy Right: Sit Tight" investment philosophy. In addition, the portfolio will exclude securities primarily engaged in businesses such as meat, alcohol, tobacco, insurance, banking, pornography, weapons, gambling, and fossil fuel extraction.
- **Allocation of portfolio across types of securities:** Per scrip investment limit would be 10% of portfolio at the time of investment. The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.
- **Appropriate benchmark to compare performance and basis for choice of benchmark:** The portfolio will be a multi-cap portfolio; the appropriate benchmark for the same is Nifty 500 Index as the benchmark comprises of Large cap, Midcap and Small cap Companies which is in alignment with the Portfolio.
- **Additional benchmark: S&P BSE 500 Shariah Index**
- **Indicative tenure or investment horizon:** Medium to long term
- **Risks associated with the investment approach:**

Equity securities risk: Equity securities may experience significant volatility in response to economic or market conditions or adverse events that affect a particular industry, sector, or company. Larger companies may have slower rates of growth as compared to smaller, faster-growing companies. Smaller companies may have more limited financial resources, products, or services, and tend to be more sensitive to changing economic or market conditions.

Market risk: The NAV of the Portfolio rises and falls as the value of the stocks in which the Strategy invests goes up and down. Consider investing in the Portfolio only if you are willing to accept the risk that you may lose money. Strategy share prices, yields, and total returns will change with the fluctuations in the securities markets as well as the fortunes of the industries and companies in which the Strategy invests.

All the stocks in the portfolio are bought as a part of "Buy Right: Sit Tight" Philosophy. Each of the companies in the portfolio will have good quality of business, good quality of management, strong earning potential and ability to maintain competitive advantage over period of time. Holding on to fundamentally strong companies over long term will help mitigate market risks.

Investment strategy risk: The Selective sector approach of the portfolio restrict the Portfolio's ability to invest in certain market sectors, such as financial companies and conventional fixed-income securities. The investment team believes that selective sector approach and sustainable investing may mitigate security-specific risks, but the filtration criteria used in connection with this strategy reduces the investable universe, which may limit investment opportunities and adversely affect the Fund's performance.

Other salient features, if any: -

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

26. **Motilal Oswal 25-for-25 Strategy**
Fund Manager: Mr. Susmit Patodia

- **Investment objective:** The Strategy aims to benefit from the long term compounding effect on investments done in good 25 businesses for next 25 years.

- **Description of types of securities like equity or debt, listed or unlisted, convertibles etc:** The portfolio will be comprised of listed equities.
- **Basis of selection of such types of securities under investment approach:** Stocks will be selected on Value based stock selection strategy. Based on the section titled "25-for-25" of The Motilal Oswal 25th Annual Wealth Creation Study, 25 Wealth creators for next 25 years are identified based on a study of high performing stocks in the last 25 years i.e. 1995 to 2020.
  Portfolio seeks to invest in the identified 25 stocks for over the span of next 25 years with little or no churn to benefit from the long term compounding.
- **Allocation of portfolio across types of securities:** The strategy seeks to primarily invest in Equity and Equity-related instruments across the market capitalization. The fund will allocate equally among all the 25 stocks.
- **Appropriate benchmark to compare performance and basis for choice of benchmark:** Nifty Midcap 50
- **Indicative tenure or investment horizon:** Long term to very long term
- **Risks associated with the investment approach:**

  Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

  Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

  Execution Risk: is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

  Higher Risk: Small cap funds have higher opportunities of growth but these come with higher amount of risk as well. Therefore, these are suitable only for those investors who have higher risk appetite. Large companies tend to set procedures and years of experience of executing key projects.

  Management Integrity: While this risk being universal, it has been historically be pronounced in smaller and or owner driven companies. Integrity related issues can have a direct and adverse impact on stock prices and hence investor returns.

- **Other salient features, if any: -**
  Maximize post tax return due to very Low Churn, "Buy & Hold"

27. Motilal Oswal Multifactor Equity Strategy
Fund Manager: Sankaranarayanan Krishnan

- **Investment Objective:** The Strategy aims to deliver superior returns by investing in stocks selected on the principles of factor-based investing. It seeks to achieve this objective by investing in stocks across the market capitalization spectrum that have a proven track record of profitable operations for sustained periods of time and are reasonably valued and have favourable market momentum.
- **Description of types of securities:** Listed Equity
- **Basis of selection of such types of securities as part of the investment approach:** Diversified: A mix of Large, Midcap and Small cap
- **Allocation of portfolio across types of securities:** The strategy has a mandate to invest in Equity and Equity-related instruments across the entire market capitalization spectrum of Large cap, Midcap and Small cap companies
- **Benchmark:** Nifty 500 TRI
- **Indicative tenure or investment horizon:** Medium to Long term

- **Other salient features, if any**: The strategy is a 100% rules-based approach to investing. There is no human intervention to determine fund entries and exits into the portfolio. As a result, it is devoid of behavioural biases related to fund management.
- **Risks associated with the investment approach:**

Equity risk is the financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk refers to the risk inherent to the entire market or market segment. Systematic risk, also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: Model Portfolio is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients. Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e. that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.
Mismatch between investment type and investment horizon can be a source of mismatch risk. For example, mismatch risk would exist in a situation where an investor with a short investment horizon (such as one who is near retirement) invests heavily in smallcap funds. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk is that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

Low liquidity: Even though Mid cap and Small cap securities offer a greater growth potential, they have low liquidity which may have an adverse impact on their prices.

Management Integrity: While this risk is universal, it has been historically more pronounced in smaller and/or owner driven companies. Integrity related issues can have a direct and adverse impact on stock prices and hence investor returns.

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

28. Motilal Oswal Midcap Multifactor Strategy
Fund Manager: Sankaranarayanan Krishnan

- **Investment Objective:** The Strategy aims to deliver superior returns by investing in stocks selected on the principles of factor-based investing. It seeks to achieve this objective by investing in mid-cap stocks that have a proven track record of profitable operations for sustained periods of time and are reasonably valued and have favourable market momentum.

- **Description of types of securities:** The portfolio shall comprise of stocks within mid cap categorization. The strategy shall be concentrated.
- **Basis of selection of such types of securities as part of the investment approach:** Stock selection based on a proprietary multi-factor investment framework developed by MOAMC.
- **Allocation of portfolio across types of securities:** Per scrip investment limit would be 10% of portfolio at the time of investment. The selection of the stocks will be based on the multifactor-investment model and investment made as per the model portfolio of the strategy.
- **Benchmark:** Nifty Midcap 150 TRI
- **Investment Horizon:** Medium to Long Term
- **Other salient features, if any:** The strategy is a 100% rules-based approach to investing. There is no human intervention to determine fund entries and exits into the portfolio. As a result, it is devoid of behavioural biases related to fund management.
- **Risks associated with the strategy:**

Equity risk: Financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk: Also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk: Potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: 'Model Portfolio' is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients. Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e. that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk: Occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.

Mismatch between investment type and investment horizon can be a source of mismatch risk. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk: The risk that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments.

Low liquidity: Even though Mid cap securities offer a greater growth potential, they have low liquidity which may have an adverse impact on their prices.

Higher Risk: Mid cap securities have higher opportunities of growth but these come with higher amount of risk as well. Therefore, these are suitable only for those investors who have higher risk appetite.

Management Integrity: While this risk is universal, it has been historically more pronounced in smaller and/or owner driven companies. Integrity related issues can have a direct and adverse impact on stock prices and hence investor returns**.**

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

29. Motilal Oswal Largecap Multifactor Strategy
Fund Manager: Sankaranarayanan Krishnan

- **Investment Objective:** The Strategy aims to deliver superior returns by investing in stocks selected on the principles of factor-based investing. It seeks to achieve this objective by investing in large-cap stocks that have a proven track record of profitable operations for sustained periods of time and are reasonably valued and have favourable market momentum.
- **Description of types of securities:** The portfolio shall comprise of stocks within large cap categorization. The strategy shall be concentrated.
- **Basis of selection of such types of securities as part of the investment approach:** Stock selection based on a proprietary multi-factor investment framework developed by MOAMC.
- **Allocation of portfolio across types of securities:** Per scrip investment limit would be 10% of portfolio at the time of investment. The selection of the stocks will be based on the multifactor-investment model and investment made as per the model portfolio of the strategy.
- **Benchmark:** NIFTY50 TRI
- **Investment Horizon:** Medium to Long Term
- **Other salient features, if any:** The strategy is a 100% rules-based approach to investing. There is no human intervention to determine fund entries and exits into the portfolio. As a result, it is devoid of behavioural biases related to fund management.
- **Risks associated with the strategy:**

Equity risk: Financial risk involved in holding equity in a particular investment. Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Systematic Risk: Also known as "undiversifiable risk," "volatility" or "market risk," affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid. It cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy.

Concentration risk: Potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction. The implication of concentration risk is that it generates such a significant loss that recovery is unlikely. The portfolio will be liquidated or the institution will face bankruptcy.

Model portfolio risk: 'Model Portfolio' is a concept where the fund manager constructs a portfolio with a certain number of scripts and allocation for each. The same is replicated in terms of scripts and allocation for all future clients.

Clients may for a certain interim periods have portfolios which are different from the model portfolio i.e. that some stocks may be different or may have a lesser weight compared to the model portfolio. This is a function of many factors like liquidity, organisation level risk practices or other investment decision making considerations.

Mismatch risk: Occurs when an investor chooses investments that are not suitable for their circumstance and risk tolerance. Investors experience mismatch risk when transactions in which they engage or assets they hold are not aligned with their needs.

Mismatch between investment type and investment horizon can be a source of mismatch risk. Typically, investors with short investment horizons should focus on less volatile investments.

Execution Risk: The risk that a transaction won't be executed within the range of recent market prices or within the stop order limits that have been set by an investor. Execution risk exists on virtually all financial instruments**.**

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy.

NOTE:

- Investment under Portfolio Management Services **will in accordance with the SEBI (Portfolio Managers) Regulations, 2020.**
- The un-invested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager be held in cash or deployed in Liquid fund schemes, Exchange Traded Index Funds, debt oriented schemes of Mutual funds, Gilt schemes, Bank deposits and other short term avenues for Investment.
- The Portfolio Manager, with the consent of the Client, may lend the securities through an Approved Intermediary, for interest.
- Portfolio Manager, will, before investing in the securities of its associate *1* group companies, evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Client's Portfolio. The investments in securities of the associate *1* group companies including in schemes of MOMF would be within the overall framework of Regulations and in terms of PMS Agreement executed with the Client.
- The Portfolio Manager and its group companies/associates are engaged in a broad spectrum of activities in the financial services sector. The Portfolio Manager may utilize the services of its group companies or associates may utilize services of its Associates/ Group Companies for activities like Depository Participant, braking, distribution etc. relating to Portfolio Management Services. Such utilisation will be purely on arm's length & purely on commercial basis and at a mutually agreed terms and conditions to the extent and limits permitted under the Regulations.
- As per employee dealing policy of MOAMC, employees are prohibited from dealing in securities that are held by any Schemes of MOMF (other than securities forming part of the index of ETFs), PMS Strategies and Schemes of AIF. In exceptional cases the disclosure as required by the regulations shall be made. However, as on date there is no conflict of interest with the transactions in any of the client's portfolio.
- The Client shall deposit with the Portfolio Manager, an initial corpus consisting of Securities and /or funds of an amount prescribed by Portfolio Manager for a Portfolio, subject to minimum amount as specified under SEBI Regulations, as amended from time to time. Currently the minimum investment amount is Rs. 50 Lacs. The Client may on one or more occasion(s) or on a continual basis, make further placement of Securities and / or funds under the service.
- The Portfolio Manager provides the facility to the Client for Direct on-boarding with us without any involvement of a broker/distributor/agent engaged in distribution services. The Client can sign up for our services by writing to us at pmsquery@motilaloswal.com .

Further, under this facility the Portfolio Manager may levy statutory charges to the client.
Accordingly, the Portfolio Manager will not charge any Distribution related fees to the Client.

Apart from Discretionary Portfolio Management Services, the Portfolio Manager also offers Non-Discretionary Portfolio Management Services wherein the choice as well as the timings of the investment decisions rest solely with the Client. The Portfolio Manager manages the Assets of the Client in accordance with the directions given by the Client. Further the Portfolio Manager also offers Advisory Portfolio Management Services wherein the Portfolio Manager only renders investment advice to the Client in respect of securities. Discretion to execute the transactions and responsibility for execution /settlement of the transactions lies solely with the Client.

6) Risk Factors:

The investments made in securities are subject to market risk and there is no assurance or guarantee that the objectives of investments will be achieved. Following are the risk factors as perceived by management:

- Investment in equities, derivatives and mutual funds and Exchange Traded Index Funds are subject to market risks and there is no assurance or guarantee that the objective of investments will be achieved.
- As with any investment in securities, the NAV of the portfolio can go up or down depending upon the factors and forces affecting the capital markets.
- The performance of the portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
- The past performance of the Portfolio Manager does not indicate its future performance. Investors are not being offered any guaranteed returns.
- The performance of the Assets of the Client may be adversely affected by the performance of individual securities, changes in the market place and industry specific and macro-economic factors. The investment strategies are given different names for convenience purpose and the names of the Strategies do not in any manner indicate their prospects or returns.
- Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Consequently, the NAV of the portfolio may be subject to fluctuation.
- Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.
- The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities. This may expose the Client's portfolio to liquidity risks.
- Engaging in securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/counter party.
- The Portfolio Manager may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Portfolio to certain risks inherent to such derivatives. As and when the Portfolio Manager deals in the derivatives market on behalf of the Client, there are risk factors and issues concerning the use of derivatives that investors should understand.
- Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.
- There are inherent risks arising out of investment approach, investment objectives, investment strategy, asset allocation and non-diversification of portfolio.
- The NAV may be affected by changes in settlement periods and transfer procedures.
- The Portfolio Manager manages allocations in all client portfolios by way of a model portfolio which is in line with investment objectives of the portfolio strategy/ investment approach. Unless there are specific exclusion instructions by individual clients, all clients' portfolios are aligned to a model portfolio; which means replication and alignment of all clients' portfolios in terms of scrip and allocation. New clients entering the strategy/ investment approach as of a particular date are also aligned to the model portfolio. It must be noted that there are certain circumstances in which clients' portfolio may deviate or differ from the model portfolios to a material extent. This may happen due

to factors like liquidity and free floating consideration in some stocks, organization level exposure norms and related risk management, potential exit of a stock from the model portfolio thereby precluding it from buying in new client portfolios. The reasons quoted here are indicative but not exhaustive and the portfolio manager reserves the right to deviate from model portfolio for groups of clients depending on timing of their entry, market conditions and model portfolio construct at the time of their entry.

- When stocks are bought or sold on behalf of clients, it is the endeavour of the portfolio manager to execute for all clients uniformly as a common pool to get best price and efficiency. Despite this, the trade orders for all eligible clients may not be executed in entirety at single instance due to consideration of liquidity, impact costs, corporate actions etc. and hence the order may be executed over time at different prices across multiple brokers. The average price realised may vary on account of trades being executed at different points of time with multiple brokers. Trades which are not done with the pool will not have the weighted average price of the pool.

7) <u>Client Representation</u>:

i) <u>Details of Client's accounts activated:</u>

	Category of Clients	Total No. of Clients	Funds managed (Rs. Crores)	Discretionary/ Non -Discretionary/ Advisory *(if available)*
i)	Associates /group companies (Last 3 years)			
	2018-19	6	101.66	Discretionary
		NIL	NIL	Non - Discretionary
	2019-20	7	132.15	Discretionary
		NIL	NIL	Non - Discretionary
	2020-21	2	238.10	Discretionary
		NIL	NIL	Non - Discretionary
	2021 – 2022 (April 01 – August 31, 2021)	2	276.38	Discretionary
		NIL	NIL	Non - Discretionary
ii)	**<u>Others: (last 3 years)</u>**			
	2018-19	41,778	14,962.34	Discretionary
		NIL	NIL	Non - Discretionary
		12	932	Advisory
	2019-20	41,937	10,795.49	Discretionary
		NIL	NIL	Non - Discretionary
		11	624.10	Advisory
	2020-21	21,510	14,116.41	Discretionary
		NIL	NIL	Non - Discretionary
		4	321.56	Advisory
	2021 – 2022 (April 01 – August 31, 2021)	19,242	14,932.51	Discretionary
		NIL	NIL	Non - Discretionary
		5	350.71	Advisory

- Number of client is based on unique Pan Number from financial year 2020-2021.
- "Funds Managed" indicates market value of Assets under Management.
- Number of Clients data prior to financial year 2020-2021 is calculated on the basis of Client Code.

ii) <u>Transactions with related parties are as under:</u>

The Portfolio Manager uses the broking services of MOFSL who is member of BSE and NSE in Cash, Derivatives & Currency.

- Names of related parties and nature of relationship (as on March 31, 2021) are as under:

A) Enterprises where control exists:

1. Motilal Oswal Financial Services Ltd – Holding Company of Motilal Oswal Securities Ltd.

2. Passionate Investment Management Pvt. Ltd. (From October 5, 2012) - Ultimate Holding Company

B) Subsidiaries:

1. Motilal Oswal Asset Management (Mauritius) Private Limited
2. Motilal Oswal Capital Limited

C) Fellow Subsidiaries:

1. Motilal Oswal Finvest limited (formerly known as Motilal Oswal Capital Market private limited).
2. Motilal Oswal Trustee Company Limited
3. Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Ltd.)
4. Motilal Oswal Commodities Broker Private Limited
5. Motilal Oswal Investment Advisors Limited
6. MOPE Investment Advisors Private Limited
7. Motilal Oswal Wealth Management Limited
8. Motilal Oswal Securities International Private Limited
9. Motilal Oswal Capital Market (Hongkong) Private Limited
10. Motilal Oswal Capital Markets (Singapore) Pte. Limited
11. Motilal Oswal Home Finance Limited
12. Motilal Oswal Real Estate Investment Advisors Private Limited
13. Motilal Oswal Real Estate Investment Advisors II Private Limited
14. India Business Excellence Management Company
15. Glide Tech Investment Advisors Private Limited
16. Motilal Oswal Finsec IFSC Limited
17. TM Investment Technologies Private Limited

D) Key management personnel:

1. Mr. Raamdeo Agrawal
2. Mr. Navin Agarwal
3. Ms. Aparna Karmase
4. Mr. Yatin Dolia

- **Transactions with related parties for the year-ended March 31, 2021:**

(In Rupees)

Nature of transactions	Name of the Related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP(B)		Total (A+B)	
		Year ended as on March 31,					
		2021	2020	2021	2020	2021	2020
Commission Received	MOFSL	(6750001.57)	(67,68,493)	-	-	(6750001.57)	(67,68,493)
Interest paid	MOFL	5894121.91	75,20,140	-	-	5894121.91	75,20,140
Interest received	MOFSL	8710739.74				8710739.74	
Rent paid	MOFSL	58460436	5,84,60,436	-	-	58460436	5,84,60,436
Business promotion expense	MOWML	761245.16	10,47,075	-	-	761245.16	10,47,075
Distribution cost expense for mutual fund schemes	MOFSL		-	-	-		-
Distribution cost expense for PMS	MOFSL	443286387.96	50,32,86,293	-	-	443286387.96	50,32,86,293
Business support charges	MOFSL	58220249.61	12,13,81,576	-	-	58220249.61	12,13,81,576
Distribution cost expense for PMS	MOWML	308815479.35	29,83,49,665	-	-	308815479.35	29,83,49,665
Distribution cost expense for mutual fund schemes	MOWML		-	-	-		
Distribution cost expense for AIF schemes	MOFSL	41213212.86	5,65,63,183	-	-	41213212.86	5,65,63,183
	MOWML	48335083.44	4,58,90,281	-	-	48335083.44	4,58,90,281
Investment advisory fees received	Motilal Oswal Asset Management (Mauritius) Private Limited		-	-	-		-
	MOWML	(1986210)	(4,52,837)	-	-	(1986210)	(4,52,837)

Investment advisory fees	MOCL	(2224141.82)	(36,37,867)	-	-	(2224141.82)	(36,37,867)
Security deposit paid	MOFSL		-	-	-		-
Advisory fess expense	MOCL	634674.63	29,24,555.81	-		634674.63	29,24,555.81
Portfolio management fees	Raamdeo Agarwal	-	-	292680.63	2,79,909	292680.63	2,79,909
	Aashish P Somaiyaa	-	-	43804.39	70,517	43804.39	70,517
	Ashok Jain	-	-	316361.24	3,12,686	316361.24	3,12,686
	Suneeta Agarwal	-	-	2510320.7	22,92,288	2510320.7	22,92,288
	Vaibhav Agarwal	-	-	708041.85	6,69,602	708041.85	6,69,602
	Mr. Prasanna S Patankar			19,675.74	-	19,675.74	-
	Ms. Archana Karanse.			18,716.1	-	18,716.1	-
	Ms. Rekha Shah	-	-	78160.2	78,243	78160.2	78,243
	Ms. Shalini Somaiyaa	-	-	18120.31	28,798	18120.31	28,798
Reimbursement of electricity charges	MOFSL	2920526.43	40,30,865.87	-	-	2920526.43	40,30,865.87
Reimbursement of common cost allocated	MOFSL	1836934.44	44,66,834.93	-	-	1836934.44	44,66,834.93
Employee compensation - Managerial remuneration	Aashish Somaiyaa	-	-	29896789	3,42,09,916	29896789	3,42,09,916
Employee compensation - Managerial remuneration	Navin Agarwal	-	-	14933000		14933000	
Commission paid	Raamdeo Agarwal	-	-	22800000	1,14,00,000	22800000	1,14,00,000
Reimbursement of expenses	Raamdeo Agarwal			10800000	5400000	10800000	5400000
Consideration received on exercise of options	Aashish Somaiyaa	-	-	601535	1,70,27,982	601535	1,70,27,982
Director Sitting Fees	Abhaya P. Hota	-	-	325000	2,30,000	325000	2,30,000
	Ashok Jain	-	-	280000	2,40,000	280000	2,40,000
	Swanubhuti Jain	-	-	65000	-	65000	-
	Rekha Shah	-	-	135000	2,35,000	135000	2,35,000
	Himanshu Vyapak	-	-	305000	50,000	305000	50,000
	MOCL		-	-	-		-

Subscription to equity share capital	Motilal Oswal Asset Management (Mauritius) Private Limited		2,10,60,321	-	-		2,10,60,321
Loan taken during the year	MOFSL			-	-		
	Motilal Oswal Finvest Ltd.	(1344200000)	(2,77,61,00,000)	-	-	1344200000	(2,77,61,00,000)
Loan repaid during the year	MOFSL			-	-		
	Motilal Oswal Finvest Ltd.	1305700000	2,77,61,00,000	-	-	1305700000	2,77,61,00,000
Loan given during year	MOFSL	2040000000				2040000000	
Loan payment received during the year	MOFSL	(2040000000)				(2040000000)	
Expenditure for options granted to employees	MOFSL	38065604	1,24,91,563	-	-	38065604	1,24,91,563
Corporate Social Responsibility expenditure	Motilal Oswal Foundation	-	-	2,13,66,615	3,53,26,000	2,13,66,615	3,53,26,000

(B) Outstanding balances of / with related parties: (In Rupees)

Nature of transactions	Name of the Related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Total (A+B)	
		Year ended as on March 31,					
		2021	2020	2021	2020	2021	2020
Interest payable	MOFSL		0.42	-	-		0.42
	Motilal Oswal Finvest Limited	(99437.75)	(2,93,431.55)	-	-	(99437.75)	(2,93,431.55)
Interest receivable	MOFSL	1334641.95	-	-	-	1334641.95	-
Loan payable	Motilal Oswal Finvest Limited	(38500000)	-			(38500000)	-
Rent payable	MOFSL	(3426195.88)	(25,55,046.19)	-	-	(3426195.88)	(25,55,046.19)
Trade payables	MOWML	(97301373.88)	(3,00,94,318.35)	-	-	(97301373.88)	(3,00,94,318.35)
	MOFSL	(89424508)	(5,04,65,576.8)	-	-	(89424508)	(504,65,576.8)
Other receivables	MOCL	(647299)	(11,09,047.84)	-	-	(647299)	(11,09,047.84)
Prepaid expense	MOFSL	166219668.31	9,47,16,003	-	-	166219668.31	9,47,16,003

	MOWML	162692852.08	1,76,77,978	-	-	162692852.08	1,76,77,978
Employee stock option charges payable	MOFSL	(5316461.54)	(6,48,110)	-	-	(5316461.54)	(6,48,110)
Investments	Motilal Oswal Asset Management (Mauritius) Private Limited	47941476	4,79,41,476	-	-	47941476	4,79,41,476
	MOCL	8,00,00,000	8,00,00,000	-	-	8,00,00,000	8,00,00,000
	Motilal Oswal Home Finance Limited.	10		-	-	10	
Note: Income/receipts and payables are shown in brackets.							

8) **<u>The Financial Performance of Portfolio Manager – MOAMC (Based on Audited Financial Statements)</u> :**

(Rs. In Lakhs)

Particulars	**Year ended**		
	31st March, 2021	**31st March, 2020**	**31st March, 2019**
Profit/(Loss) before depreciation & tax & After Exceptional & Extraordinary Items (Net of Tax)	48623.34	13,848.91	23,383.19
Other comprehensive income	44.90	10.88	(12.64)
Less: Depreciation	188	157.29	50.70
Less: Provision for tax	4891.97	5,237.49	8,111.16
Less: MAT credit utilised/(entitlement)			1,599.29
Less/(Add): Deferred Tax	3511.37	(1,656.07)	(1,609.30)
Less: Fringe Benefit Tax	-	-	-
Less: Wealth Tax	-	-	-
Less: Provision for Tax (for previous year)	-	-	(36.11)
Less: MAT credit (for previous year)	-969	-	-
Profit/(Loss) for the year after tax	41045.88	10121.68	15,254.81
Add/(Less): Balance B/F from Previous year	26423.12	31565.45	24,385.11
Less: dividend and dividend distribution tax paid	-	(15264)	(8074)
Balance carried to Balance Sheet	**67,469.00**	**26,423.31**	**31,565.45**

9) Portfolio Management performance of the Portfolio Manager for the last 3 years and in case of discretionary Portfolio Manager disclosure of performance indicators calculated using Time Weighted Average (TWRR)

Sr. No.	Strategy Name	Benchmark Index	From April 1, 2021 to August 31, 2021		FY 2020 -21		FY 2019-20		FY 2018-2019	
			Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
1.	Value Strategy	Nifty 50 Index TR	14.01	17.42	61.11	72.54	(19.59)	(25.02)	3.64	16.44
2.	Discover Value Strategy	Nifty 50 Index TR	13.55	17.42	56.72	72.54	(19.93)	(25.02)	1.64	16.44
3.	Next Trillion Dollar Opportunity Strategy	Nifty 500 Index TR	16.14	18.89	66.24	77.58	(25.22)	(26.62)	4.42	9.73
4.	India Opportunity Portfolio Strategy	Nifty Small Cap 100 TR	18,98	27	71.73	127.45	(34.99)	(45.30)	(9.57)	(13.52)
5.	Liquid Strategy	CRISIL Liquid Fund TRI	1.27		3.02		4.77		(2.20)	NA
6.	Focused (Series V) – A Contra Strategy	BSE-200 Index TR	18.05	18.11	72.44	76.26	(30.83)	(25.42)	(4.51)	12.10
7.	PLUS strategy	NIFTY 500 TR	15.94	18.89	66.22	77.58	(25.46)	(26.62)	4.14	9.73
8.	Deep Value Strategy	Nifty Free Float Midcap 100	13.83	19.94	65.94	102.44	(17.75)	(35.90)	17.70	(2.66)
9.	Focused Opportunities Strategy	Nifty Free Float Midcap 100	33.32	19.94	107.94	102.44	(33.39)	(35.90)	(20.85)	(2.66)
10.	Emergence Portfolio Strategy	BSE-500 INDEX TR	NA	NA	73.73	78.63	(23.70)	(26.46)	4.50	9.67
11.	India Invest Opportunity Portfolio Strategy	Nifty Small Cap 100 TR	18.52	27	70.15	127.45	(34.81)	(45.30)	(9.45)	(13.52)
12.	Motilal Oswal Business Opportunities Strategy	Nifty 500 Index TR	12.44	18.89	67.59	77.58	(17.14)	(26.62)	4.25	9.73
13.	India Invest Opportunity Portfolio Strategy V2	Nifty Small Cap 100 TR	19.63	27	116.04	127.45	(37.46)	(45.30)	(10.76)	(13.52)
14.	India Opportunity	Nifty Small Cap 100 TR	19.6	27	116.91	127.45	(37.17)	(45.30)	(11.12)	(13.52)

Sr. No.	Strategy Name	Benchmark Index	From April 1, 2021 to August 31, 2021		FY 2020 -21		FY 2019-20		FY 2018-2019	
			Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
	Portfolio Strategy - V2									
15.	Large Cap Growth Strategy	Nifty 50 Index TRI	18.24	17.42	33.30	72.54	NA	NA	NA	NA
16.	Dynamic Allocation Strategy	CRISIL Hybrid 50+ 50 Mod	4.45	10.23	30.00	39.21	(11.05)	(7.32)	1.99	5.87
17.	Motilal Oswal Allcap Growth Strategy	Nifty 500 Index TR	13.48	18.89	72.71	77.58	(24.23)	(26.62)	5.27	7.08
18.	Motilal Oswal Multicap Opportunities Strategy	Nifty 50 Index TR	11.63	17.42	64.75	72.54	(18.85)	(25.02)	5.97	8.05
19.	Motilal Oswal Mid and Smallcap Opportunities Strategy	Nifty Small Cap 100	16.7	27	67.45	127.45	(31.56)	(45.30)	14.82	8.62
20.	Motilal Oswal Emerging Business Strategy	Nifty Free Float Midcap 100	32.16	19.94	62.01	102.44	(17.31)	(35.90)	10.89	7.55
21.	Motilal Oswal Focused Business Strategy	Nifty 50 Index TR	NA	NA	64.95	72.54	(22.27)	(25.02)	5.37	8.07
22.	Motilal Oswal Focused Midcap Strategy	Nifty MidSmall 400 TR	28.25	22.17	103.01	106.61	(20.69)	(28.90)	NA	NA
23.	Motilal Oswal Multifactor Equity Strategy	Nifty 500 TRI	13.29	17.06	NA	NA	NA	NA	NA	NA
24.	Motilal Oswal 25 for 25 Fund Strategy	Nifty Midcap 50	4.61	0.38	NA	NA	NA	NA	NA	NA
25.	Motilal Oswal Select Sector Strategy	S&P BSE 500 Shariah Index	9.3	10.64	NA	NA	NA	NA	NA	NA

Note:

- Returns are after charging fees and expenses.
- Performance have been calculated using Time Weighted Average (**TWRR**).

10) Audit Observations:

There are no audit observations by Statutory Auditor of MOAMC pertaining to PMS for the preceding three financial years.

11) Nature of expenses:

The following are the broad types of costs and expenses chargeable to Clients availing the Portfolio Management Services. The exact quantum of fees / expenses relating to each of the services shall be annexed to the Agreement executed between the Client and the Portfolio Manager. The expense charged may vary from Client to Client. The expenses incurred shall be directly debited on actual expense incurred basis to the Client's Portfolio as and when the same becomes due for payment.

A. Investment Management & Advisory Fees:

Investment Management and Advisory fees charged may be a fixed fee or a return based fee or a combination of both as detailed in the Schedule to the Portfolio Management Services agreement. The Fees may be charged as agreed between the Client and the Portfolio Manager.

B. Other operating expenses

Apart from Portfolio Management Fees, the following are the general costs and expenses to be borne by the Client availing the Portfolio Management Services of the Portfolio Manager:

i. Custodian Fees / Depository Fees :

The charges relate to opening and operation of depository accounts, custody and transfer charges for securities, dematerialization and rematerialisation and other charges in connection with the operation and management of the depository accounts.

ii. Registrar & Transfer Agent Fees:

Charges payable to registrars and transfer agents in connection with transfer of securities including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges and other related charges.

iii. Audit Fees, Certification and professional charges

Charges payable for outsourced professional services like accounting, auditing, taxation and legal services etc. for documentation, notarizations, certifications, attestations required by bankers or regulatory authorities including legal fees etc.

iv. Services related expense

Charges in connection with day to day operations like courier expenses, stamp duty, Goods and Services Tax, postal, telegraphic any other out of pocket expenses as may be incurred by the portfolio manager would be recovered.

v. Incidental expenses:

Charges in connection with day-to-day operations like courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of bank account, distribution charges or any other out of pocket expenses as may be incurred by the Portfolio Manager.

vi. At the time of on-boarding of clients directly, no charges except statutory charges shall be levied.

vii. All the operational expenses excluding brokerage and related transaction costs, over and above the fees charged for Portfolio Management Service shall not exceed 0.50% per annum of the client's average daily Assets under Management. All or some of the operational expenses mentioned above excluding brokerage and related transaction costs, may be clubbed under a single expense head. Apart from operating expenses as mentioned above, the following will also be charged at actuals to Clients:

viii. Brokerage & Transaction Cost:

The investments under Portfolio Management would be done through registered members of the Stock Exchange(s) who charge brokerage up to a maximum of 2.5% of contract value. In addition to the brokerage, transaction cost like network charges, turnover charges, stamp duty, transaction costs, turnover tax, Securities transaction tax or any other tax levied by statutory authority (ies), foreign transaction charges (if any) and other charges on the purchase and sale of shares, stocks, bonds, debt, deposits, other financial instruments would also be levied by the broker (including MOSL) Entry or exit loads (if any) on units of Mutual Funds will also be charged from Clients.

C. <u>Entry Load /Exit Load</u>

Portfolio Manager shall charge exit load to the Client in the following manner:

- In the 1st year of investment: Maximum 3% of the amount redeemed
- In the 2nd year of investment maximum 2 % of the amount redeemed
- In the 3rd year of Investment: Maximum 1% of the amount redeemed
- After period of 3 years from the date of investment: Nil

Investors may note that, the fees/ expenses that may be charged to Clients mentioned below are indicative only. The same will vary depending upon the exact nature of the services to be provided to investors.

<table>
<tr><th></th><th>Nature of Expenses (Indicative)</th><th>Maximum Indicative Rate of Fee (%)</th></tr>
<tr><td>(A)</td><td>Investment Management and Advisory fee**</td><td></td></tr>
<tr><td></td><td>1) Fixed Fee</td><td>Up to 5%</td></tr>
<tr><td></td><td>2) Performance Linked Fee as permitted under the Regulations.</td><td>Up to 50% of the Returns</td></tr>
<tr><td>(B)</td><td>Operating expenses#</td><td>0.50% per annum of the client’s average daily AUM.</td></tr>
<tr><td>(C)</td><td>Brokerage and transaction costs</td><td>At actuals</td></tr>
<tr><td>(D)</td><td>Exit Loads</td><td>Portfolio Manager shall charge exit load to the Client in the following manner
<table>
<tr><th>Year</th><th>Exit Load (%)</th></tr>
<tr><td>In the 1st year of investment</td><td>3</td></tr>
<tr><td>In the 2nd year of investment</td><td>2</td></tr>
<tr><td>In the 3rd year of Investment</td><td>1</td></tr>
<tr><td>After period of 3 years from the date of investment</td><td>Nil</td></tr>
</table></td></tr>
<tr><td colspan="3">**Basis of Charge – Indicative (any one or a combination of the below)</td></tr>
<tr><td>1</td><td colspan="2">On Average Daily Assets Under Management</td></tr>
<tr><td>2</td><td colspan="2">On Capital Invested</td></tr>
<tr><td>3</td><td colspan="2">On Capital Committed</td></tr>
<tr><td>4</td><td colspan="2">On Average Daily Equity portion of the Portfolio</td></tr>
<tr><td>#</td><td colspan="2">Includes Audit fees, Franking, Notary Charges, Miscellaneous expenses</td></tr>
</table>

<u>Note:</u>

a. Average daily portfolio value means the value of the portfolio of each client determined in accordance with the relevant provisions of the agreement executed with the client and includes both realized and unrealized gains/losses.

b. The Portfolio Manager may also be entitled to recover transaction fee, brokerage charges, demat fees, and/or disbursement made in respect of the investments (and/or disbursements) and/or any incidentals in the form of stamp duties, registration charges, professional fees, legal fees, consultancy charges, service charges etc. and such other expenses, duties, charges incurred on behalf of the Client on account of the Service provided to him/her/it.

12) <u>Taxation</u>

The following information is based on the law in force in India at the date hereof. The information set forth below is based on the Portfolio Manager's understanding of the Tax Laws as of this date of the Document. The client should seek advice from his/her/its own professional advisor if he/she/it is in any doubt regarding the taxation consequences of investing in the Products offered under Portfolio Management Services.

The Finance Minister introduced new tax regime in Union Budget, 2020 wherein an option for individuals and HUF (Hindu Undivided Family) to pay taxes at lower rates without claiming deductions under various sections. The following Income Tax slab rates are notified in new tax regime vs old tax regime:

Income Tax Slab	**Tax rates as per new regime**	**Tax rates as per old regime**
₹0 - ₹2,50,000	Nil	Nil
₹2,50,001 - ₹ 5,00,000	5%	5%
₹5,00,001 - ₹ 7,50,000	₹12500 + 10% of total income exceeding ₹5,00,000	₹12500 + 20% of total income exceeding ₹5,00,000
₹7,50,001 - ₹ 10,00,000	₹37500 + 15% of total income exceeding ₹7,50,000	₹62500 + 20% of total income exceeding ₹7,50,000
₹10,00,001 - ₹12,50,000	₹75000 + 20% of total income exceeding ₹10,00,000	₹112500 + 30% of total income exceeding ₹10,00,000
₹12,50,001 - ₹15,00,000	₹125000 + 25% of total income exceeding ₹12,50,000	₹187500 + 30% of total income exceeding ₹12,50,000
Above ₹ 15,00,000	₹187500 + 30% of total income exceeding ₹15,00,000	₹262500 + 30% of total income exceeding ₹15,00,000

Individuals and HUF opting for new tax regime will not be allowed following deductions and exemptions:
1.) Standard deduction from salary and profession tax
2.) House Rent Allowance
3.) Housing Loan Interest
4.) Leave Travel Allowance
5.) Deductions under Chapter VIA of the Income tax Act, 1961 such section 80C (life insurance premium), section 80CCC (pension premium), 80D (health insurance premium), 80TTA (bank interest), etc.

- **The Budget 2020 has not changed the tax rates for Senior Citizens and Super senior Citizens**

Income Tax Slab	**Tax Rate for Individuals Above the Age of 60**	**Tax Rates for Super Senior Citizens above the age of 80 Years**
Up to Rs. 3,00,000	Nil	NIL
Rs. 3,00,001 to Rs. 5,00,000	5%	NIL
Rs. 5,00,001 to Rs. 10,00,000	20%	20
Above Rs. 10,00,000	30%	30%

- **Surcharge rates for Individual / HUF/ AIFs:-**

The surcharge applicable on the basis of income thresholds as follows:
- For Total Income above Rs. 50 lakh and up to Rs. 1 crore – 10% surcharge
- For Total Income above Rs. 1 crore and up to Rs. 2 crore – 15% surcharge
- For Specified Income above Rs. 2 crore and up to Rs. 5 crore – 25% surcharge
- For Specified Income above Rs. 5 crore – 37% surcharge

Assesses	**Rate of surcharge & Cess applicable**

Individuals (including NRIs/PIOs), HUFs, Non-Corporate FIIs	• A surcharge of 10% on income tax if income is above Rs. 50 lakh but below Rs. 1 crore. For income above Rs. 1 crore surcharge shall be 15 % on income tax (on income above 1 crore). Health & Education cess of 4% is payable on the total amount of tax including surcharge. • For Specified Income above Rs. 2 crore and up to Rs. 5 crore – 25% surcharge • For Specified income above Rs. 5 crore – 37% surcharge
Companies where the taxable income more than Rs. 1 crores and upto Rs. 10 crore	• A surcharge of 7% on income tax and Health & Education cess of 4% is payable on the total amount of tax including surcharge. (A surcharge of 2% in case of foreign companies).
Companies where the taxable income is more than Rs. 10 Crore	• A surcharge of 12% on income tax (on income above 10 crores) and Health & Education cess of 4% is payable on the total amount of tax including surcharge.(a surcharge of 5% in case of foreign companies).

➢ Income Tax Rates & Surcharge for Domestic Companies for FY 2020-21

Turnover Particulars	**Tax rates as per Old regime**	**Tax rates as per New regime**
Gross turnover up to 400 Cr. in the FY 2018-19	25%	NA
Domestic Co other than above	30%	22
MAT tax rate	15%	NA

Surcharge on Specified income – Surcharge on Short Team Capital Gains as Prescribed under section 111A (i.e. on STT paid shares at the time of sale of shares) & Long term capital Gains as prescribed under section 112A (i.e. STT paid shares both at the time of sale & purchase of shares) is summarized below:

Criteria for surcharges rates	**On Capital gain (STT paid shares) For Other than Companies (Like Individual / HUF/ AIFs)**	**On Capital gain (STT paid shares) For Companies under Old regime**	**On Capital gain (STT paid shares) For Companies under New Regime**
Total Income >50Lacs but Below 1Cr	10%	7%	10%
Total Income >1Cr but Below 10Cr	15%	7%	10%
Above 10Cr	15%	12%	10%

In addition to above Health & Education Cess @4% would be levied Basic Tax & Surcharge for ALL Assesses.

<u>Taxability on Dividend received from Domestic Company or Mutual Fund (Equity Oriented or Debt Mutual Funds: -</u>

Effective 1 April 2020 the Dividend received on the shares and units of above Mutual Funds held in the Products offered under the Portfolio Management Services are subject to tax in the hands of investor as w.e.f.1st April 2020 at the applicable slab rates. No Dividend Distribution tax on the amount of dividend/income distribution declared to be paid by domestic Co or Mutual fund will be applicable.

<u>Taxability on Capital Gains:-</u>

For Individuals, HUF, Partnerships Firm and Indian Companies

(a) Long Term Capital Gains

From October 1, 2004 in case of listed equity shares and securities and units of equity oriented schemes sold on a recognized stock exchange, which are subject to Securities Transaction Tax (currently 0.001% for units of equity oriented scheme and 0.1% on equity shares) both at time of purchase & sale of Equity shares & the tax on Long Term Capital Gain would be 10% if Capital gain is more than Rs.1Lac with a grandfathering clause. Long term capital gains in respect of other listed securities (other than a unit) or Zero coupon bonds would be subject to tax at the lower of 20% (plus surcharge and education cess) computed after cost indexation, or 10% (plus surcharge and education cess) of the gains computed without cost indexation. However for unlisted securities tax @ 20% (plus surcharge and education cess) of the capital gains computed after cost indexation.

(b) Short Term Capital Gains

Short-term Capital Gains (other than shares or units of equity oriented funds on a recognized stock exchange, which are subject to Securities Transaction Tax) is added to the total income is chargeable to tax as per the relevant slab rates. However, tax on short term capital gains on sale of shares and units of equity oriented funds on a recognized stock exchange, which are subject to Securities Transaction Tax, would be @ 15% (plus applicable surcharge and an education cess).

Provisions regarding Dividend income and Bonus

According to the provisions of Section 94(8) of the Act, if an investor purchases units within 3 months before the record date (for entitlement of bonus) and sells/redeems the units within 9 months after that date, and by virtue of holding the original units, he becomes entitled to bonus units, then the loss arising on transfer of original units shall be ignored for the purpose of computing his income chargeable to tax. In fact, the loss so ignored will be treated as cost of acquisition of such bonus units.

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.

Consolidation of Schemes

Transfer of units upon consolidation of mutual fund schemes of two or more schemes of mutual fund in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains. Further, transfer of units upon consolidation of plans within mutual fund schemes in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains.

Tax withholding:-

Resident Investors: -

Also w.e.f. 1st April 2020 mutual fund shall be required to deduct TDS at 10 per cent only on dividend payment (Above Rs 5000) & No tax shall be required to be deducted by the mutual fund on income which is in the nature of capital gain. **However w.e.f 14th May 2020, TDS on dividend is reduced to 7.5% for FY2020-21 only.**

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.

Non-resident Investors other than FPI's

Under Section 195 of the Act, the Mutual Fund is required to deduct tax at source at the rate of 20% /10% (without indexation) on any long-term capital gains arising to non-resident investors from units other than units of an equity oriented scheme. Long term capital gains from equity oriented schemes & listed equity shares are liable to be withhold @10% if the capital gain exceed Rs 1Lakh during the financial year starting from April 1, 2018 subject to Grandfathering Clause.

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 Health & 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 assesse.

Please note:
The tax incidence to investors could vary materially based on residential status, characterization of income (i.e. capital gains versus business profits) accruing to them. The Information provided here is general in nature & can be changed in future by Department or Govt. Please consult your financial planner/ Advisor before taking decision.

Taxability on Dividend received from Domestic Company or Mutual Fund (Equity Oriented or Debt Mutual Funds: -

Effective 1 April 2020 the Dividend received on the shares and units of above Mutual Funds held in the Products offered under the Portfolio Management Services are subject to tax in the hands of investor as w.e.f.1st April 2020 at the applicable slab rates. No Dividend Distribution tax on the amount of dividend/income distribution declared to be paid by domestic Co or Mutual fund will be applicable.

Please note:
The tax incidence to investors could vary materially based on residential status, characterization of income (i.e. capital gains versus business profits) accruing to them. The Information provided here is general in nature & can be changed in future by Department or Govt. Please consult your financial planner before taking decision.

13) Accounting Policies:

The following Accounting policy will be applied for the investments of Clients:
Investments in Equities, Mutual funds, Exchange Traded Funds and Debt instruments will be valued at closing market prices of the exchanges (BSE or NSE as the case may be) or the Repurchase Net Asset Value declared for the relevant scheme on the date of the report or any cut-off date or the market value of the debt instrument at the cut off date. Alternatively, the last available prices on the exchange or the most recent NAV will be reckoned. In case of structured products, the portfolio will be valued at the face value of the product until the expiry of the tenure.

a) Realized gains/ losses will be calculated by applying the first in / first out principle. The Portfolio Manager and the Client can adopt any specific norms or methodology for valuation of investments or accounting the same as may be mutually agreed between them on a case specific basis.

b) For derivatives and futures and options, unrealised gains and losses will be calculated by marking to market the open positions.

c) Unrealised gains/losses are the differences in between the current market values/NAV and the historical cost of the securities.

d) Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further Mutual Fund dividend shall be accounted on receipt basis. Other income like bank interest, interest on FD etc. shall also be accounted on receipt basis.

e) Bonus shares shall be recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.

f) Right entitlement shall be recognised only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.
g) The cost of investment acquired or purchased shall include brokerage, stamp duty and any charge customarily included in the brokers cost note/bought note.

The Accounting Policies and Standards as outlined above are subject to changes made from time to time by Portfolio Manager. However, such changes would be in conformity with the Regulations.

14) Investors Services:

(i) Details of investor relation officer who shall attend to the investor queries and complaints is mentioned herein below:

Name of the person	Ms. Sandhya Rai
Designation	Vice President – PMS Operations
Address	10th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi – 400025
Email	sandhya.rai@motilaloswal.com
Telephone	+91-22-38462423

ii) Grievance Redressal and dispute settlement mechanism:

a) The Investment Relation Officer(s) will be the interface between the Portfolio Manager and the Client. In case the Client is not satisfied with the redressal by the Portfolio Manager or otherwise, the Client may lodge the complaint on SEBI's web based complaints redress system (SCORES).

b) Grievances, if any, that may arise pursuant to the Portfolio Investment Management Agreement entered into shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to SEBI (Portfolio Managers) Regulations 2020 and any amendments made thereto from time to time. However, all the legal actions and proceedings are subject to the jurisdiction of court in Mumbai only and are governed by Indian laws.

The Portfolio Manager will endeavour to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor and the Portfolio Manager shall abide by the following mechanisms:-

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives shall be settled through Arbitration process as described in the Portfolio Investment Management Agreement or any Supplemental Agreement thereto.

Place: Mumbai
Date: September 29, 2021

For Motilal Oswal Asset Management Company Limited:

Raamdeo Agarawal **Director**	**Sd/-**
Navin Agarwal **Managing Director and CEO**	**Sd/-**

Annexure A

Following are the actions taken or initiated by the SEBI against Portfolio Manager in its capacity as Asset Management Company (MOAMC) to MOMF:

- MOAMC had received a letter from SEBI dated July 26, 2013 with reference to one complaint filed with SEBI wherein the complainant has alleged that disclosure of historical data pertaining to Index in NFO advertisement of the Scheme, Motilal Oswal MOSt Shares Midcap 100 ETF (MOSt Shares Midcap 100) was misleading. On that basis SEBI had issued a letter directing the Management to avoid recurrence of such instance in future and to place its letter before the Trustee and AMC Board.
  In this regard, the Company clarified to SEBI that the historical data used in the advertisement material of the MOSt Shares Midcap 100 was provided by India Index Services Ltd. (IISL). As, you are aware it is general practice for index providers to launch an index on a particular date and make past data available in time series form at going back years. The purpose is purely analytical in nature for getting an understanding of how such index has behaved over time. The historical data pertaining to Midcap 100 Index was made available by IISL under a licensing arrangement and making available index data for various historical purposes is normal practice with all indices and index providers. Further, in the advertisement material had clearly mentioned the source of that data as IISL whereby informing the prospective investor that the Company had relied on the historical data published and maintained by a third party. Hence, the Company had not violated any provisions of the advertisement guidelines issued by SEBI. Therefore SEBI was requested to take note of abovementioned clarification.
- MOAMC had reported to SEBI regarding non-compliance of clause 1B of seventh schedule to sub-regulation 1 of regulation 44 under the Scheme, Motilal Oswal MOSt Ultra Short Term Bond Fund, in the Compliance Test Reports for the Bi-month period ended September 2013 and November 2013. The same was informed to the Board at its meeting held on December 26, 2013.
  Pursuant to above reporting, SEBI issued a letter having reference no. OW/4941/2014 dated February 13, 2014, advising MOAMC to improve compliance standards, strengthen the systems and have proper checks and balances in place to avoid such instances in future.
- The AMC had received a letter from SEBI dated October 5, 2015 wherein they have communicated concerns which it had observed while conducting on-site visit on IAP conducted by MOMF wherein they observed that the AMC vide its e-mail dated June 23, 2015 had reported that the IAP was conducted at the scheduled time and venue but actually a Distributor training event was conducted, wherein training was provided to the Distributors. In this regard SEBI warned and advised to take due care with regards to utilisation of 2 bps to the investor education and awareness purpose and ensure compliance with all statutory provisions.
  In response to the above mentioned letter, AMC had sent a letter dated November 10, 2015 stating that in consultation with the Distributor, AMC had scheduled the IAP on May 20, 2015 @ 4.30 pm at NJ Ghatkopar - Office no 306, 3rd Floor, Zest Business Space, Ghatkopar East, Mumbai - 400077. However, on reaching the venue, the Distributor informed that they had communicated the time of IAP at 7:00 pm to their Investors at same venue. Thus, having reached there early, we decided to spend the time with the Distributor and IAP meeting was conducted at 7:00 pm instead of 4:30 pm. However, we regret that due to oversight, we inadvertently reported the wrong time while reporting the IAP event conducted. Further, also clarified that expenses incurred in organizing the IAP at Ghatkopar has not been charged from 2 bps set aside from the Scheme but are borne by the AMC. The AMC requested SEBI to withdraw the warning.
- MOAMC, inter alia, acts as an Asset Management Company to MOMF and is subject to periodical SEBI inspections of MOMF, its Registrar & Transfer Agent & Custodian. During the said inspection of Registrar & Transfer Agent, SEBI vide its letter dated November 16, 2015 has advised to take due care in compliance mechanism. Necessary steps have been taken to avoid recurrence of instances and systems have been strengthened. The following are the details:

➢ <u>Requirement relating to Investors (20 – 25)</u>

With respect to the aforesaid point, SEBI warned and advised the AMC to take due care in future and improve the compliance mechanism and standards to avoid reoccurrence of such instances.
In this regard, the AMC clarified that the reporting is done as on half year end and hence details of only those investors who were holding more than 25 % as on the end of half year period are provided as a note to the Half Yearly Financials and also submitted that this practice is in line with the industry practice and hence also followed by us. AMC further requested to withdraw the warning and also to provide a guidance note across the industry so as to have clarity on the aforesaid regulation.

➢ Business with brokers. Non Availability of records relating to empanelment of brokers:

With respect to the above deficiency, SEBI advised to strengthen the process and systems so that such lapses do not occur in future. In this regard, AMC took note of the above point and shall ensure the same.

- The AMC had received a warning letter from SEBI dated May 19, 2016 in accordance with Regulation 28(5) of SEBI (Mutual Funds) Regulations, 1996 which states that the Sponsor or asset management company of schemes existing as on date of notification of the SEBI (Mutual Funds) (Amendment) Regulations, 2014 shall invest not less than one percent of the assets under management of the scheme as on date of notification of these regulations or fifty lakh rupees, whichever is less, in the growth option of the scheme and such investment shall not be redeemed unless the scheme is wound up.
In response to the above mentioned letter, the AMC had sent a letter dated August 4, 2016 submitting that Motilal Oswal Group's investment in the MOSt Focused 25 was approximately Rs. 48 crores under Growth and Dividend reinvestment options. Our Sponsor, MOSL and the Sponsor's holding company, MOFSL had redeemed its investments from the Growth Option of the Scheme retaining investment of approx. Rs. 2.5 crs in the Direct Plan - Dividend Reinvestment Option of the Fund. Since both the options i.e. growth option and dividend reinvestment option have similar characteristics i.e. in case of investment in growth option, the number of units remains same and the NAV per unit increases. However, in case of investment in dividend reinvestment option the number of unit increases, but total NAV would remain more or less same under both the options. Further it was also submitted that the Fund had complied with the SEBI requirement in spirit and therefore SEBI taking serious view of the matter and issuing warning to us is not warranted and requested SEBI to review their decision.
Further, to comply with specific communication, the AMC has invested in the Growth Option of the Scheme, Motilal Oswal MOSt Focused 25 Fund and we have frozen the relevant folios and are continuously monitoring the same.
- The AMC had received a warning letter dated November 29, 2019 from SEBI w.r.t. Short payment of service fees or annual fees for the financial year 2017-18 in accordance with Regulation 12 of SEBI (Mutual Funds) Regulations, 1996. Pursuant to the said warning letter, all the necessary actions has been taken by AMC for making payment of deferential annual fees including interest thereon.
Further, the SEBI advised AMC to ensure strict adherence with the Regulations and circulars issued thereof and avoid recurrence of such event in future. In this regard, AMC took note of the same and ensured to avoid recurrence of such event in future.

The AMC and Trustee Board Noted the said warning letter at its meeting held on January 18, 2020.

Following are the cases pertaining to MOFSL, holding company of MOAMC

- During the period May 2012 to August 2021, the NSE has levied penalties/fines on MOFSL, aggregating to Rs. 87,32,35,392.87 on account of various reasons viz: non-submission of UCC details, , short collection of margins & violation of market wide position limit in F&O segment, observations made during the course of inspections. However the aforesaid penalties/fines as levied by NSE have been duly paid.
- During the period May 2012 to August 2021, the BSE has levied penalties/fines aggregating to Rs. 98,83,988.08-on account of various reasons viz: non-submission of UCC details, settlement of transactions through delivery versus payment, observations made during the course of inspections, etc. However the aforesaid penalties/fines as levied by BSE have been duly paid.

- During the period March 2018 to August 2021, the NCDEX has levied penalties/fines on MOFSL, aggregating to INR Rs. 1,26,54,299.74 on account of Margin Shortfall Penalty. However the aforesaid penalties/fines as levied by NCDEX have been duly paid.
- August 2021, the MCX has levied penalties/fines on MOFSL, aggregating to INR Rs. 9,98,34,467.18 on account of various reasons viz: late/non submission of details pertaining to Enhanced Supervision, Margin Shortfall Penalty, etc. However the aforesaid penalties/fines as levied by MCX have been duly paid
- During the period April 2013 to July 2021, the CDSL has levied penalties/fines aggregating to Rs. 8,52,154.48 on account of reasons viz: non-collection of proof of identity of clients, deviation in following of transmission procedure etc; whereas from penalty of Rs. 21,310.88 were levied by NSDL during the course of MOFSL operations. However the aforesaid penalties/fines as levied by CDSL and NSDL have been duly paid.

<u>Details of the Actions Initiated by SEBI in case of MOFSL are detailed below for last 5 years</u>

1. SEBI vide Notice dated May 09, 2019, under Rule 4 (1) of SEBI (Procedure for holding Inquiry and Imposing penalties by Adjudicating Officer) rules, 2005 inquired into alleged violation of the provisions of SEBI circular no. SMD/SED/CIR/93/23321 dated November 18, 1993.
   SEBI conducted Inspection of MOFSL to examine whether MOFSL has complied with requirements of SEBI circular dated November 18, 1993. Inspection team observed the MOFSL has mis-utilised the funds of client's credit balance lying with the broker for the settlement obligation of the debit balance clients. MOFSL in its reply submitted that Inspection team has not included margin requirements of clients while calculating total creditor balance and hence the same is on higher side and that there would be considerable decrease in the figures if the margin dues are deducted from creditor balance. SEBI did not accept argument of the MOFSL since the margins collected from clients are in the form of funds and/or securities. The fund portion of the margin collected from the client has already been considered while calculating client deposits with the broker.
   In view of the above SEBI called upon to show cause as to why an inquiry should not be held against MOFSL in terms of Rule 4 of the Adjudication Rules read with Section 23 of the SCRA 1956 and why penalty should not be imposed on terms of the provisions of Section 23D of the SCRA 1956. MOFSL is in process to file reply for the said notice.
   MOFSL has filed its reply dated October 03, 2019. SEBI has passed adjudication order dated 28th February, 2020 against MOFSL and imposed a monetary penalty of Rs. 17,00,000/- to be paid within 45 days of order issued. We have paid penalty to SEBI and the matter is closed.

2. SEBI has initiated Adjudication vide letter dated December 11, 2019, for transactions of a customer in the scrip of Zylog Systems Limited. MOFSL has accepted the order for trading in ZSL from person other than client without any authority i.e. the trade order was issued by Mr. P Srikanth, husband of Client, Mrs. Srikanth Sripriya instead of client herself. With regard to aforesaid, MOFSL sent the reply to SEBI on December 30, 2019 thereby denying the said allegations and to understand the reasons for issuance of said notice without any factual background. MOFSL sent reply to SEBI on May 20, 2020. Further our officials attended the video hearing with SEBI officials on 26th May, 2020. SEBI issued an Order dated 28th May, 2020 whereby they disposed-of the SCN without any penalty or action. The matter is disposed off.

Motilal Oswal Asset Management Company Ltd.
CIN: U67120MH2008PLC188186
Corp. & Regd. Off.: Motilal Oswal Tower,
10th Floor, Rahimtullah Sayani Road,
Opp. Parel ST Depot, Prabhadevi, Mumbai – 400025
Tel.: +91 81086 22222 / +91 22 40548002
Fax:+91 22 50362365

Form C
Securities & Exchange Board of India
(Portfolio Managers) Regulations 2020,
Regulation 22

Name of the Portfolio Manager: Motilal Oswal Asset Management Company Limited

Registered Office Address: 10th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Mumbai - 400025

Phone no.: 91-022-71985450 **Fax no:** 91-22-30896884 **Email id:** navin@motilaloswal.com

We confirm that:

i) The Disclosure Document forwarded to the Securities & Exchange Board of India (SEBI) is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by SEBI from time to time;

ii) The disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us/ investment through Portfolio Manager;

iii) The Disclosure Document has been duly certified by an independent Chartered Accountant, Mr. Aneel Lasod, a Partner of M/s. Aneel Lasod And Associates, Chartered Accountants, having membership no. 40117 and office at A-1101, 1102 and 1103, Corporate Annexe, 11th Floor, Sonawala Road, Goregaon (East), Mumbai – 400 063 on September 29, 2021.

For and on behalf *of* **Motilal Oswal Asset Management Company Limited**

Sd/-

Date: September 29, 2021
Place: Mumbai

Navin Agarwal
Principal Officer
A-1-2702, 27th Floor, Plot-1052/56,
A1 Wing, Sumer Trinity No 1, Nagusayaji wadi,
Prabhadevi, Mumbai 400025

CERTIFICATE

The Board of Directors,
Motilal Oswal Asset Management Company Limited,
Motilal Oswal Tower, Rahimtullah Sayani Road,
Opposite Parel ST Depot, Prabhadevi,
Mumbai – 400025.

You have requested us to provide a certificate on the Disclosure document for Portfolio Management services ("the Disclosure Document") of **Motilal Oswal Asset Management Company Limited** ("the Company"). We understand that the disclosure document is required to be submitted to the Securities and Exchange Board of India ("the SEBI").

1. The Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ("the SEBI Regulation") and the Guidelines issued by SEBI dated February 13, 2020 is the responsibility of the management of the company. Our responsibility is to report in accordance with the Guidance note on Audit Reports and Certificates for special purposes issued by the Institute of Chartered Accountants of India. Further, our scope of work did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statement taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statement, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.

2. In respect of the information given in the Disclosure document, we state that:
   i. The list of persons classified as Associates or group companies and list of related parties are relied upon as provided by the company.

   ii. The Promoters and director's qualification, experience, ownership details are as declared by them and have been accepted without further verification.

   iii. We have relied on the representations given by the management of the company about the penalties or litigations against the Portfolio Manager mentioned in the Disclosure document.

   iv. We have relied on the representation made by the management regarding the Assets under management of Rs. 15,559.60 crores as on 31st August, 2021.

3 Read with above and on the basis of our examination of the books of accounts, records, statements produced before us and to the best of our knowledge and according to the information, explanations and representations given to us, we certify that the disclosure made in the Disclosure Document dated 29th September, 2021 are true and fair in accordance with the disclosure requirements laid down in Regulation 22 read with Schedule V to the SEBI Regulations. A management certified copy of the disclosure document is enclosed herewith.

This certificate is intended solely for the use of the management of the company for the purpose as specified in paragraph 1 above.

For Aneel Lasod and Associates

Chartered Accountants

Firm Regn.No.124609W

Aneel Lasod

Digitally signed by Aneel Lasod
Date: 2021.09.29 19:11:53 +05'30'

Aneel Lasod

(Partner)

Membership No.040117

Place: Mumbai

Date: 29-09-2021

UDIN: 21040117AAAAJY9766