



# Motilal Oswal Multi-Asset Fund

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## An All-Weather Fund

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September 2021

# What makes an all Weather Fund? - **A Winning Team**

**TALENT** WINS GAMES...



...**BUT TEAMWORK** WINS CHAMPIONSHIP

# Different Asset Classes have different properties

## 1 Year Rolling Returns : Each Asset Class behaves differently

	Domestic Equity	Bond	International Equity	Gold
Minimum	-32.7%	-0.1%	-32.8%	-17.6%
Maximum	96.6%	15.8%	72.6%	76.0%
Average	14.6%	8.0%	14.2%	15.7%
% times negative returns	17.9%	0.1%	13.3%	21.2%
% times returns are in excess of 7%	65.4%	57.0%	78.0%	67.0%
% times returns are in excess of 15%	41.5%	1.2%	51.0%	50.5%

- The table shows that different asset classes have different features and properties
- We can see that bond has fallen the least in terms of 1 year rolling returns data while domestic equities have fallen the most
- Whereas, domestic equities have given maximum returns of 101.2% while bond has given the least returns of 15.8% returns

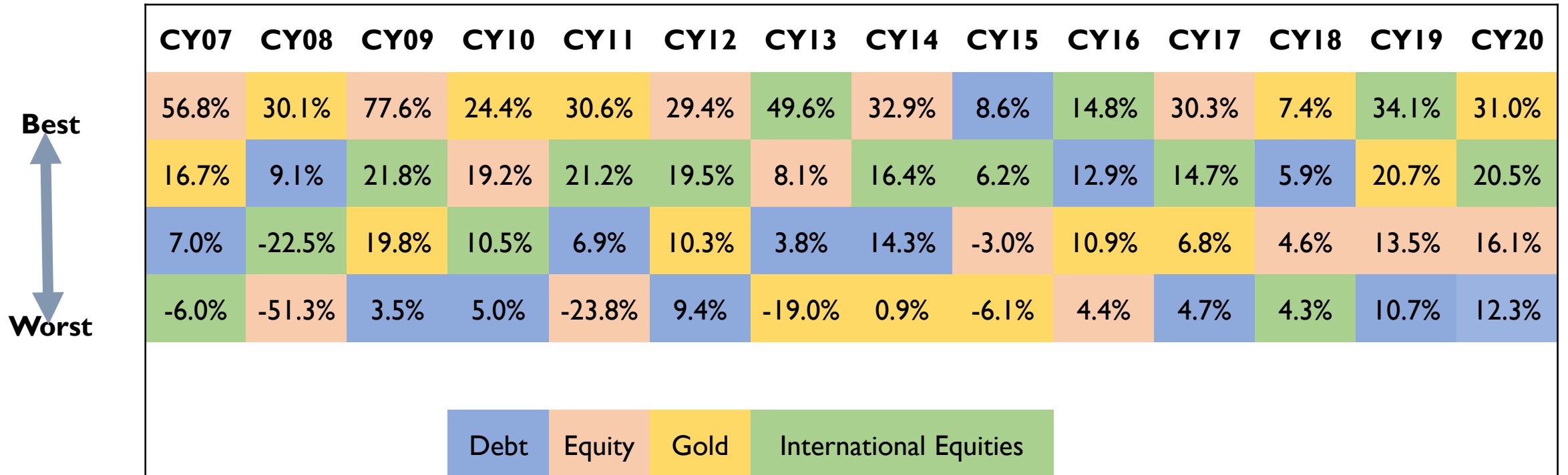
Total number of observations – 4595

Source: MOAMC Internal research. Equity is represented by Nifty 50 TRI Index, Debt by CRISIL Composite Bond Fund Index, Gold by MCX Spot and International equity by S&P 500 TR Index. Data from 1<sup>st</sup> Jan,2005 to 31<sup>st</sup> July,2021 Disclaimer: The above graph is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

## Also, Different Asset Classes perform differently

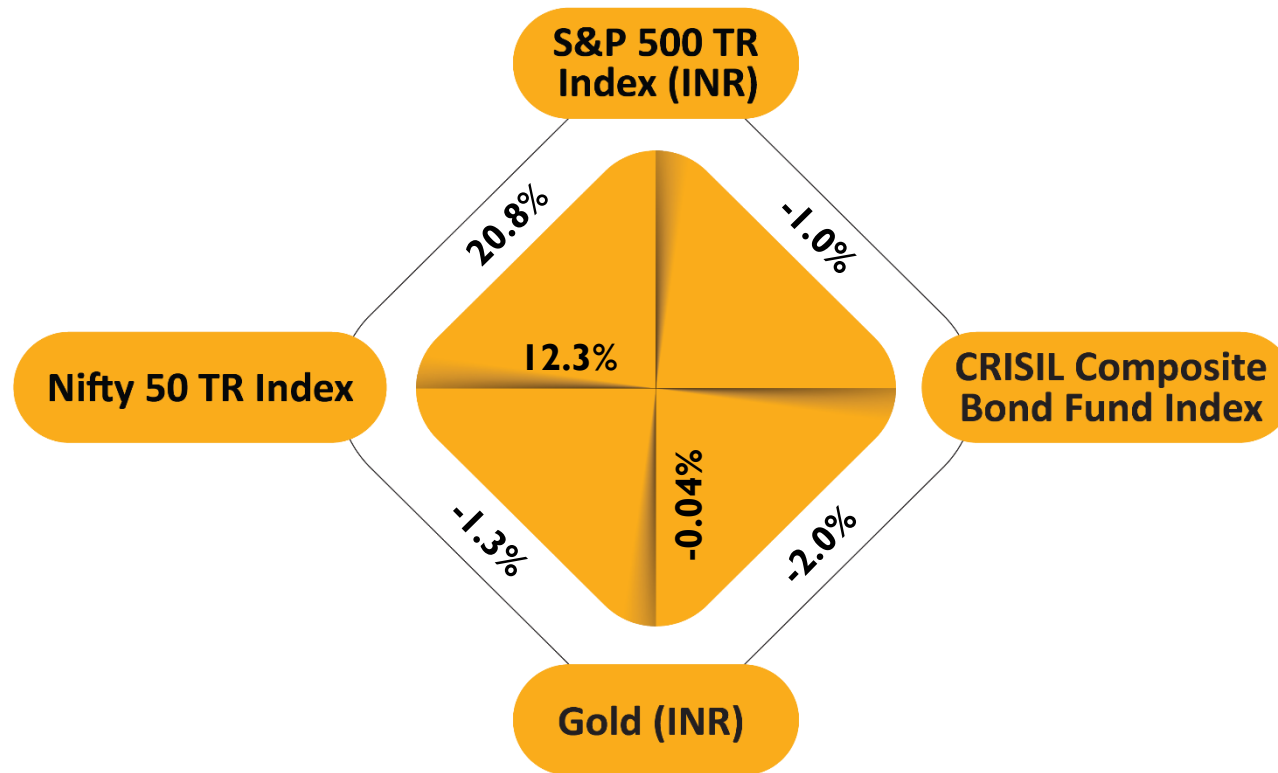
### ➤ Chasing the last year's top performing asset class can be detrimental

- Different Asset classes move up in the pecking order and come down the order
- Changing lanes as per the last year's best performer can be harmful to your wealth creation journey



Source: Bloomberg and MOAMC Internal research. Equity is represented by Nifty 50 TRI Index, Debt by CRISIL Composite Bond Fund Index, Gold by International Gold Prices converted into INR and International equity by S&P 500 TR Index Disclaimer :The above graph is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy. The sector mentioned herein are for general and comparison purpose only and not a complete disclosure of every material fact. It should not be construed as investment advice to any party. Past performance may or may not be sustained in future.

# Thus Low Correlated Asset Classes helps reduce Volatility



- Different levels of correlation among different asset classes provide the portfolio with an effective hedge.
- Different asset classes react differently to business cycles, changes in the economy and geopolitical realities – and hence have different levels of risk. Asset allocation tries to balance the risk by dividing assets among investment vehicles
- If done regularly via rebalancing or dynamically shifting across asset classes one can maximize the benefits of asset allocation

Source: S&P500 Index, Bloomberg and MOAMC internal research Data since April 30, 2002 till July 31, 2021

Disclaimer: The above data is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy.

Past performance may or may not be sustained in future.

# Combining multiple asset classes gives you a Winning Team

Growth of ₹1,00,000 invested on 01-Jan-2007 (14+ years)

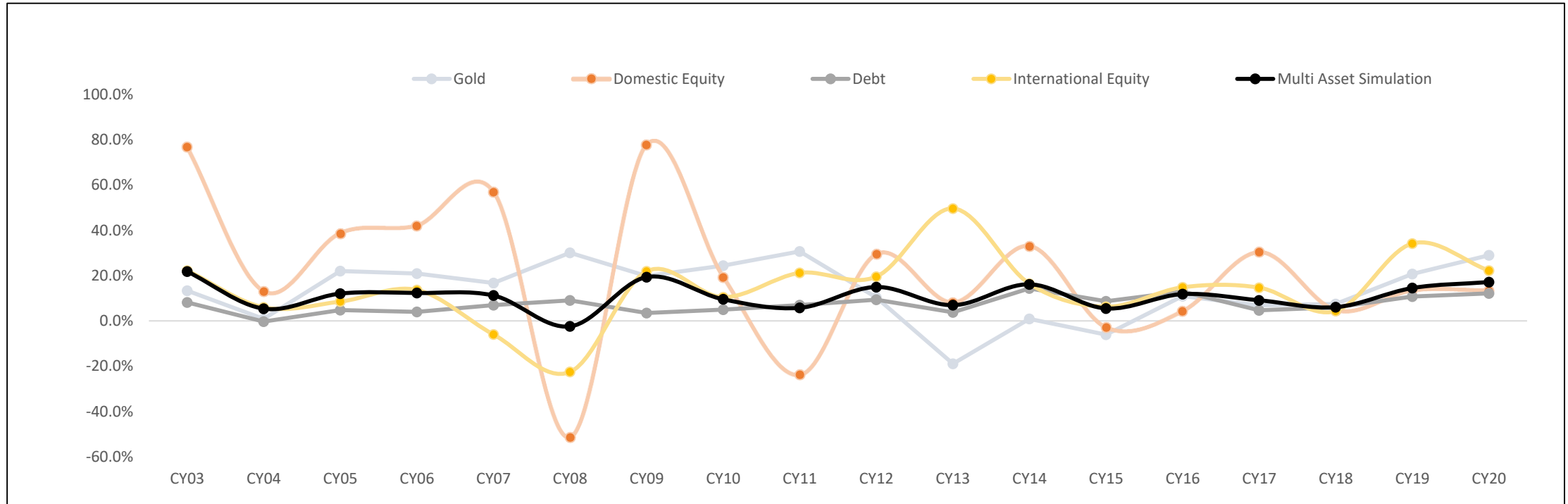
	Total Investment	Portfolio Value (30-Apr-2021)	Annualised Return (CAGR)
<b>Chasing the Winners:</b> (Investing in last year's best performing asset class)	₹1,00,000	₹3,16,808	8.2%
<b>Bottom Fishing:</b> (Investing in last year's worst performing asset class)	₹1,00,000	₹4,98,882	11.7%
<b>Equal Weighted:</b> (Investing consistently across the 4 asset classes in equal proportions)	₹1,00,000	₹5,97,603	13.0%

- The 4 Asset Classes chosen for this analysis were Indian Equity (Nifty 500 TRI), US Equity (S&P 500 TRI-INR), Debt (5-yr G-sec) and Gold (INR)
- Best/Worst performing asset class identified basis last calendar year performance

Source/Disclaimer: MOAMC Research, S&P Dow Jones and MOAMC for S&P 500 TRI, www.niftyindices.com for Nifty 500 TRI and 5-yr G-sec, Factset for Gold.

All performance data in INR. Data from 01-Jan-2006 to 31-Jul-2021. Hypothetical performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve, performance similar to that shown. The above table is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

# Result – A Smoother journey



- A combination of debt oriented multi-asset fund tries to smoothen this journey
- Multiple asset classes with lower co-relation come together to smoothen the investor experience.

Source: Bloomberg and MOAMC Internal research. Equity is represented by Nifty 50 TRI Index, Debt by CRISIL Composite Bond Fund Index, Gold by International Gold Prices converted into INR and International equity by S&P 500 TR Index. Disclaimer: The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

## Back tested – zero negative returns

Category	Multi Asset Simulation	CRISIL Composite Bond Fund Index	Nifty 50 TR Index
Minimum Returns	4.03%	2.25%	-5.01%
Maximum Returns	16.42%	13.02%	60.28%
<b>Average Returns</b>	<b>10.31%</b>	<b>6.97%</b>	<b>16.85%</b>
<b>Negative Observations</b>	<b>0</b>	<b>0</b>	<b>130</b>
<b>0% to 4%</b>	<b>0</b>	<b>348</b>	<b>349</b>
4% to 6%	72	726	258
6% to 8%	128	1694	305
8% to 10%	1630	704	342
10% to 12%	1376	249	419
12% to 14%	463	67	376
14% to 16%	101	0	285
Above 16%	18	0	1375
	<b>94.7% observations</b>	<b>26.9% observations</b>	<b>73.8% observations</b>
	<b>0% observations</b>	<b>9.2% observations</b>	<b>11.3% observations</b>

The interplay of multiple asset classes help reduce volatility and drawdowns. If we add dynamic rebalancing between debt and equity – it optimizes returns further. ‘Zero’ negative in 3 years rolling period and ~ 95% observations above 8% returns.



# Introducing Motilal Oswal Multi-Asset Fund

An All Weather Fund

# Motilal Oswal Multi Asset Fund

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## ➤ Why Multi Asset Fund?

A single asset class has periods of outperformance and periods of drawdowns

## ➤ How does a Multi Asset Fund work?

Using a mix of non-correlated asset classes yields a combination which has far lesser volatility and comparatively better risk adjusted returns

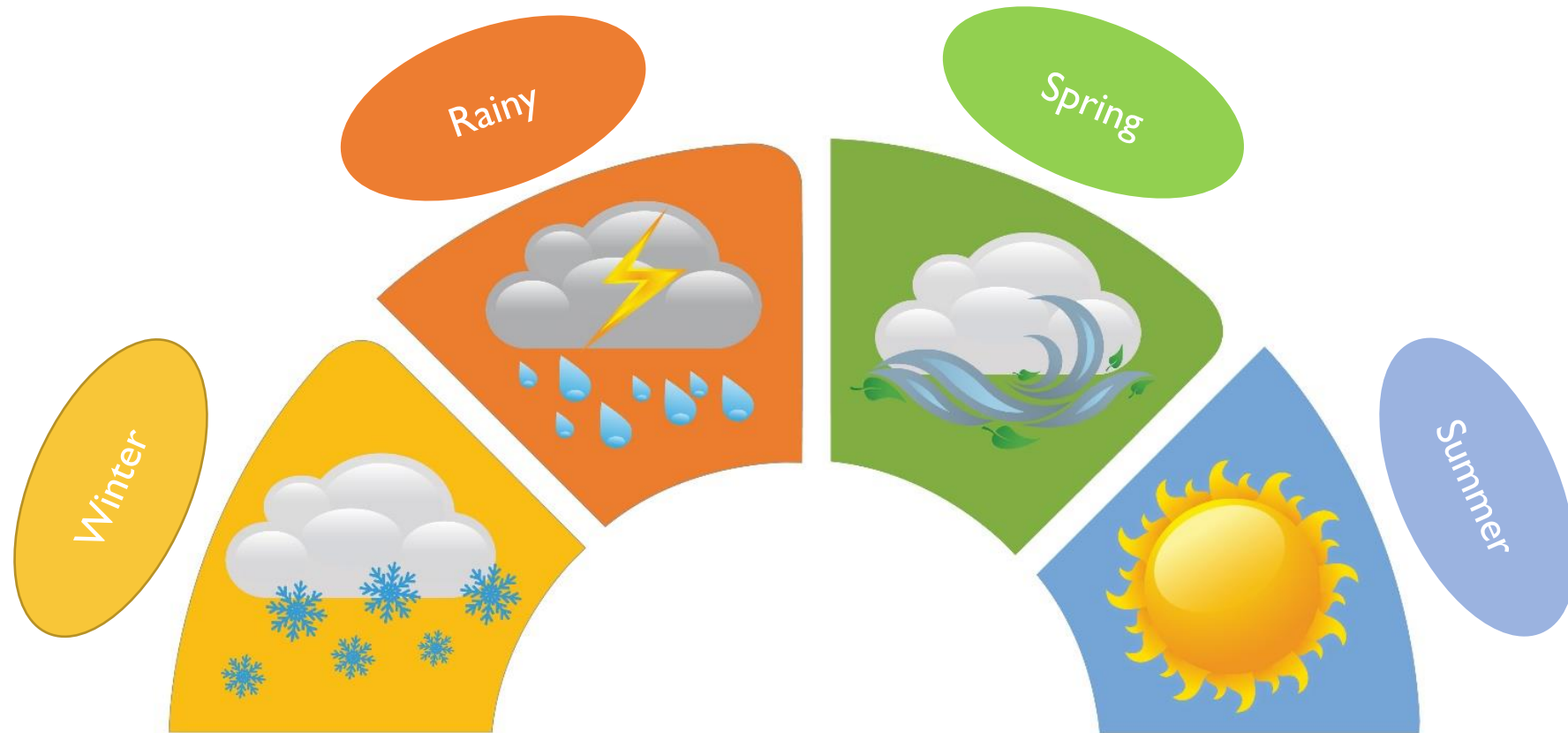
## ➤ What is on offer?

A diversified multi asset fund which aims to generate long term capital appreciation by investing in multiple asset classes with lower volatility, yet aiming for reasonable returns

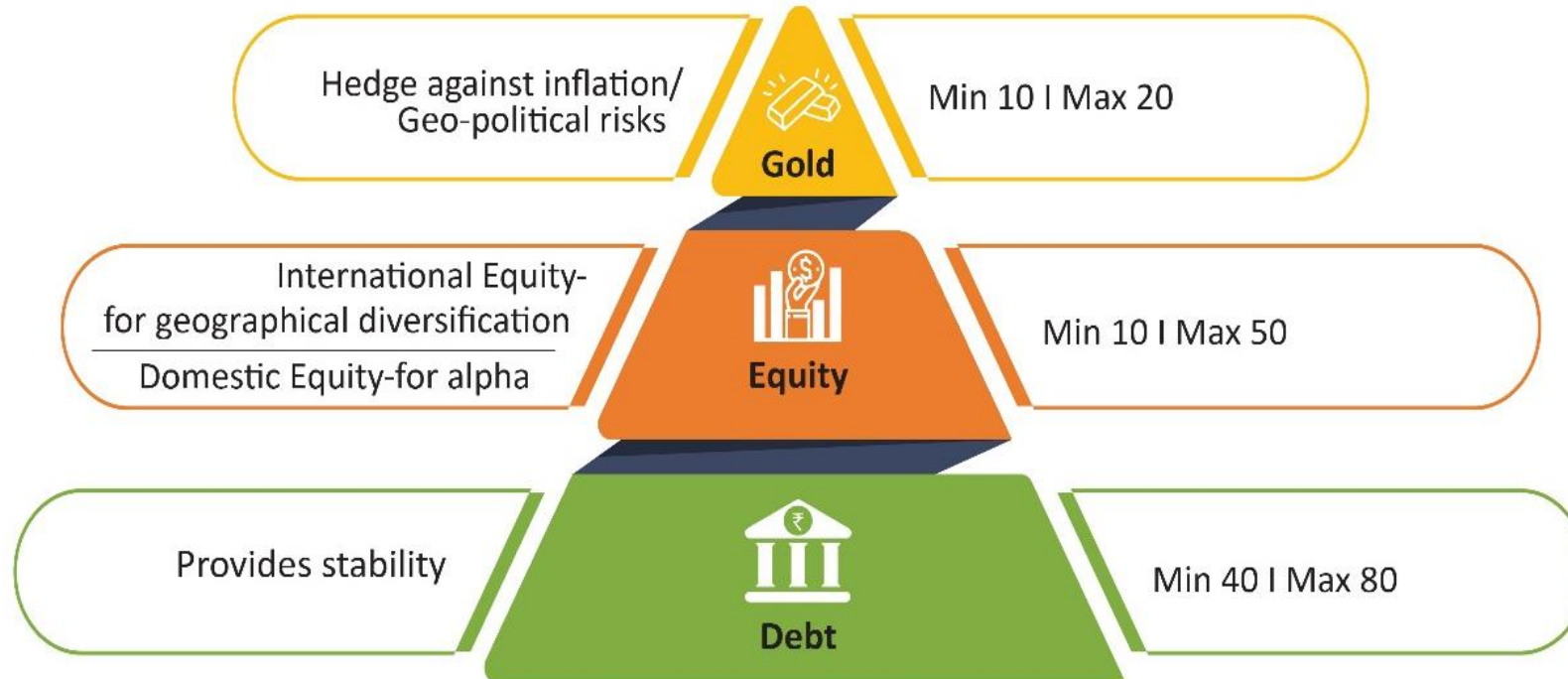
## ➤ Debt taxation

20% taxation with indexation, while 10% LTCG is applicable on equity thus further reducing the gap

# The result of a balanced mix of all 4 asset classes – **An All Weather Fund**

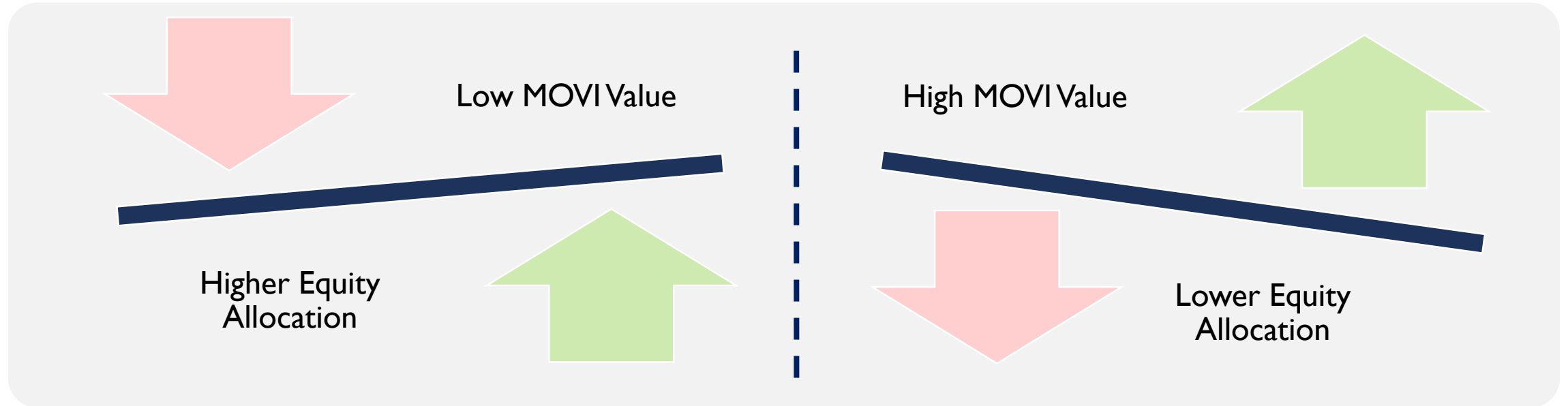


# The Power of 4 – A Debt-Oriented Multi Asset Fund



^As per SEBI Circular no. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 6, 2017, Foreign Securities will not be treated as a separate asset class and accordingly International Equity Index Funds/Equity ETFs have been included in Equity and Equity related instruments. The scheme intends to invest in International Equity Index Funds/Equity ETFs upto 20% of net assets.

# MOVI Magic :A Rule Based Rebalancing Model



- MOVI, which stands for Motilal Oswal Value Index, is a proprietary index of Motilal Oswal Asset Management Company Limited (MOAMC)
- How is MOVI calculated?
  - Based on P/E, P/B and D/Y of Nifty 50 Index
  - All three parameters carry equal weights
  - 30 DMA of spot MOVI is used to decide allocations and rebalancing

# Benefits of Dynamic Rebalancing

Dynamic rebalancing (purely) based on the 30DMA of MOVI-MAF					
MOVI Levels		Equity	Debt	Minimum International Equity Index/ETFs	Minimum Gold ETFs
Less than 70		25.0%-27.5%	55.0%-52.5%	10%	10%
70	<80	22.5%-25.0%	57.5%-55.0%	10%	10%
80	<90	20.0%-22.5%	60.0%-57.5%	10%	10%
90	<100	17.5%-20.0%	62.5%-60.0%	10%	10%
100	<110	15.0%-17.50%	65.0%-62.5	10%	10%
110	<120	12.5%-15.0%	67.5%-65.0%	10%	10%
120	<130	10.0%-12.5%	70.0%-67.5%	10%	10%
130 or above		7.5%-10.0%	72.5%-70%	10%	10%

Low MOVI = Cheap valuations  
Higher equity allocation when valuations are low

High MOVI = Expensive valuations  
Lower equity allocation when valuations are high

- The Fund will use Motilal Oswal Value Index (MOVI-MAF) as an indicator for the asset allocation between Equities and Debt
- The asset allocation shall be reviewed twice a month based on the MOVI Band mentioned above

Data points shown here are to explain and illustrate working of the MOVI model. Numbers presented here do not amount to investment advice. Consult your financial advisor before investing.

# Selection of Asset Classes

## Equity

- Large Cap Oriented bottom up stock picking
- QGLP Framework

## Fixed Income

- Medium Term maturity, Very high credit quality
- Desired Modified Duration of ~4-5 Years. Credit Profile : ~90% AAA

## International Equities

- Passive through international Index fund / ETF
- Fund : Motilal Oswal S&P 500 Index Fund

## Gold

- Passive through a Gold ETF
- Fund : ICICI Gold ETF

# Equity Strategy – QGLP Philosophy

Large Cap Oriented portfolio based on an underlying framework of QGLP

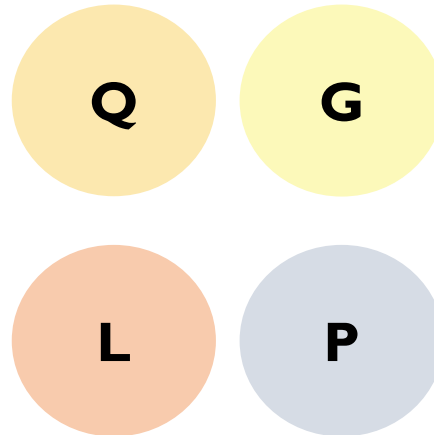
## Investment Philosophy

### Quality of business x Quality of management

- Stable business, preferably consumer facing
- Huge business opportunity
- Sustainable competitive advantage
- Competent management team
- Healthy financials & ratios

### Longevity – of both Q & G

- Long-term relevance of business
- Extending competitive advantage period
- Sustenance of growth momentum



### Growth in earnings

- Volume growth
- Price growth
- Mix change
- Operating leverage
- Financial leverage

### Price

- Reasonable valuation, relative to quality & growth prospects
- High margin of safety



# International Equity

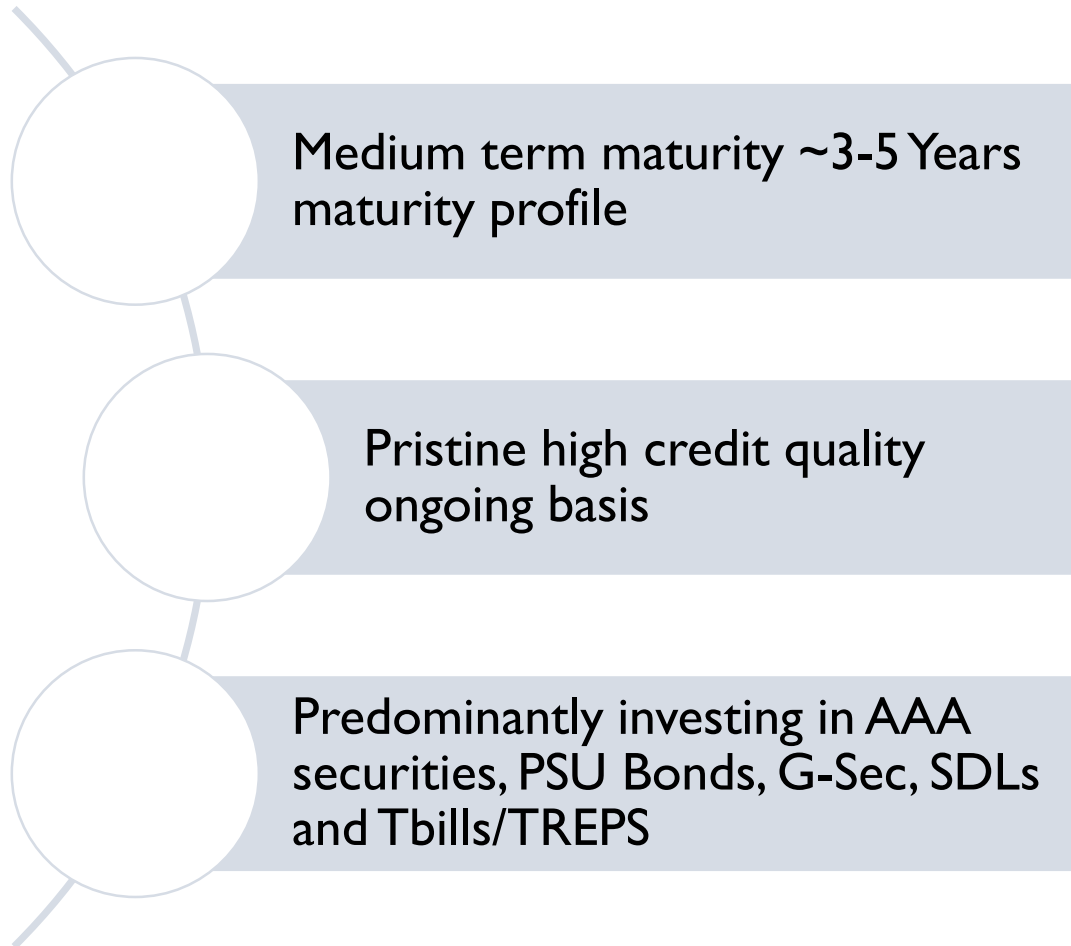
Passive investment through units of Motilal Oswal S&P 500 Index Fund



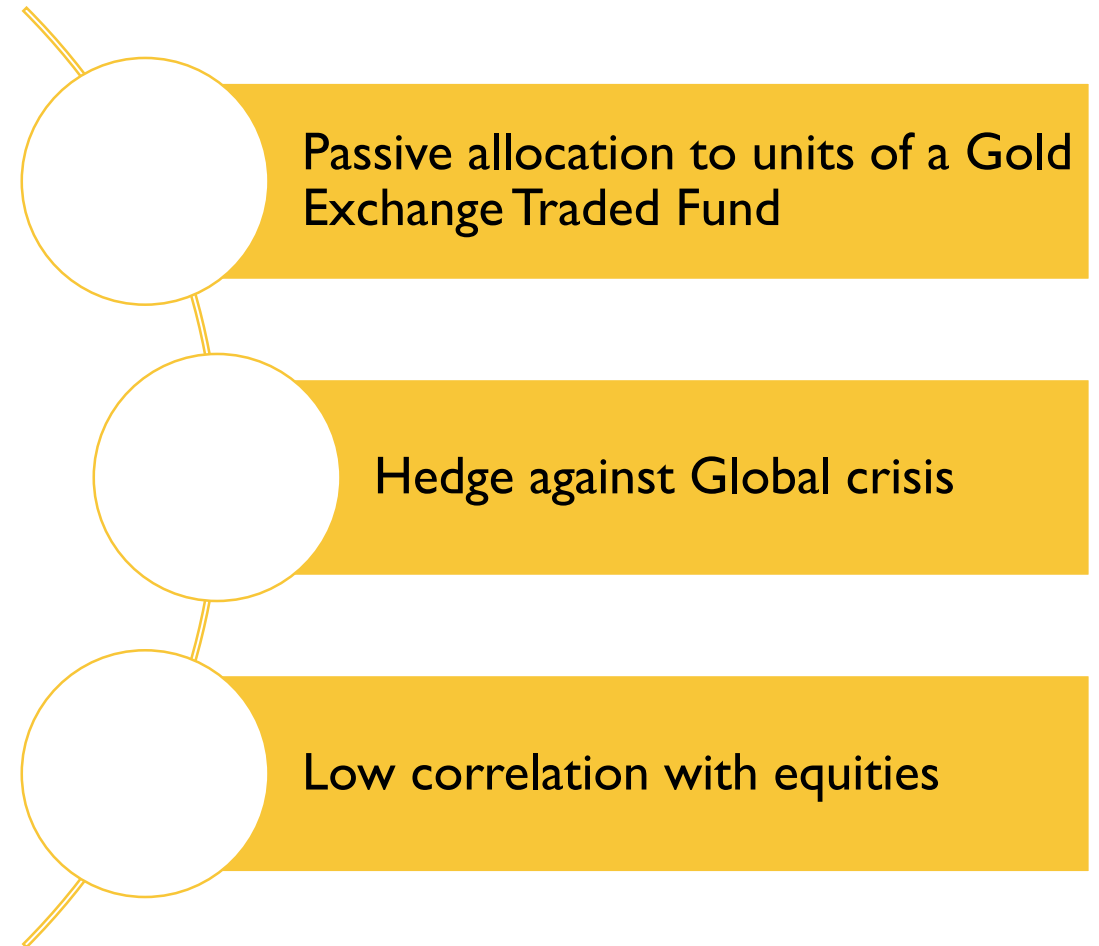
- The S&P 500 index is widely regarded as one of the best single gauge of large-cap U.S. equities
- The index is designed to measure the performance of leading 500 companies listed in United States and covers approximately 80% of available market capitalization.

# Debt & Gold

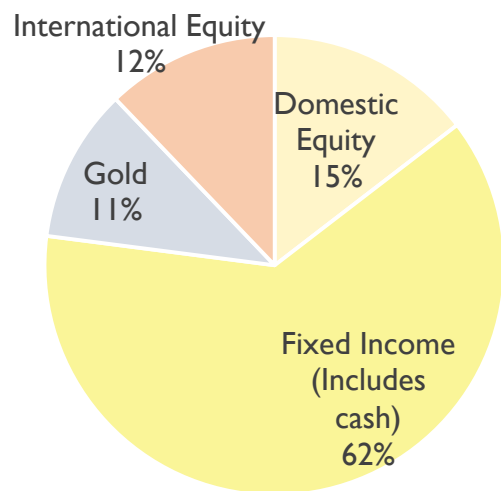
## Debt



## Gold



# Current Portfolio Allocation



## Debt Quants

Average Maturity	1.69 yrs
YTM	4.41 %
Macaulay Duration	1.49 Yrs
Modified Duration	1.41 Yrs

Data as on August 31, 2021

The Stocks/Sectors mentioned above are used to explain the concept and is for illustration purpose only and should not be used for development or implementation of any investment strategy. It should not be construed as investment advice to any party. The stocks may or may not be part of our portfolio/strategy/ schemes. Past performance may or may not be sustained in future

## Top 5 Equity Holdings

Script	Weightage (%)
HDFC Bank	1.6%
Infosys	1.1%
HDFC	1.1%
TCS	1.0%
ICICI Bank	0.9%

## Top 5 Debt Holdings

Script	Weightage (%)
6.10% Rajasthan SDL (MD 25/05/2026)	13.3%
364 Days Tbill (MD 21/04/2022)	10.8%
Bajaj Finance Limited	4.7%
Larsen & Toubro Limited	4.5%
REC Limited	4.5%

## Fund at a Glance

Allocation	Domestic Equity + Fixed Income Securities + Gold + International Equity
Taxation	Other than Equities - Long term CG Tax for investment over 36 months
Volatility in Returns	Low
Equity Market Cap	Large Cap
Equity Investment Approach	QGLP
Debt Investment Approach	Predominantly AAA Portfolio
International Equity	Passive investment through units of Motilal Oswal S&P 500 Index Fund
Gold	Passive investment through units of a Gold ETF
Ideal Investor	An investor who desires marginally better & consistent returns without taking higher risk

# Fund Facts

Type of the Scheme	An open ended scheme investing in Equity, International Equity Index Funds/ Equity ETFs, Debt and Money Market Instruments and Gold Exchange Traded Funds
Category of the Scheme	Multi Asset Allocation
Investment Objective	The investment objective is to generate long term capital appreciation by investing in a diversified portfolio comprises of Equity, International Equity Index Funds/ Equity ETFs, Debt and Money Market Instruments and Gold Exchange Traded Funds. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved
Benchmark	30% Nifty 50 TRI + 50 % Crisil Short Term Gilt Index + 10% Domestic Price of Gold + 10% S&P 500 Index (TRI)
MOVI	Motilal Oswal Value Index (MOVI) is a proprietary index of Motilal Oswal Asset Management Company Limited (MOAMC). It 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. NSE Indices Ltd. (NSE) is the calculating agent of NIFTY MOVI. NSE shall calculate, compile, maintain and provide NIFTY MOVI values to Motilal Oswal Asset Management Company Ltd. NIFTY MOVI values will be published on the MOAMC website on a daily basis.
Entry / Exit Load	Entry Load: Nil Exit Load: 1%- If redeemed on or before 3 months from the date of allotment. Nil- If redeemed after 3 months from the date of allotment.
Plans	The Scheme has two Plans: (i) Regular Plan and (ii) Direct Plan Regular Plan is for Investors who purchase/subscribe units in a Scheme through any Distributor (AMFI Registered Distributor/ARN Holder). Direct Plan is for investors who purchase/subscribe units in a Scheme directly with the Fund and is not routed through a Distributor (AMFI Registered Distributor/ARN Holder).

# Fund Facts

Options	Each Plan offers Growth Option.			
Minimum Investment	Rs. 500/- and in multiples of Re. 1/- thereafter.			
Fund Manager	<b>Fund Manager - Equity Component</b>	<b>Fund Manager - Debt Component</b>	<b>Fund Manager - International Equity</b>	<b>Fund Manager - Gold</b>
	Mr. Siddharth Bothra	Mr. Abhiroop Mukherjee	Mr. Herin Visaria	Mr. Swapnil Mayekar
	Experience: 18 years	Experience: 11 years	Experience: 11 years	Experience: 11 years

# Disclaimer

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This presentation has been prepared and issued on the basis of internal data, publicly available information and other sources believed to be reliable. The information contained in this document is for general purposes only and not a complete disclosure of every material fact and terms and conditions and features of Motilal Oswal Multi Asset Fund (MOMAF) . The information / data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party. All opinions, figures, charts/graphs, estimates and data included in this presentation are as on date and are subject to change without notice. While utmost care has been exercised while preparing this document, Motilal Oswal Asset Management Company Limited (MOAMC) does not warrant the completeness or accuracy of the information and disclaims all liabilities, losses and damages arising out of the use of this information. The statements contained herein may include statements of future expectations and other forward-looking statements that are based on our current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Readers shall be fully responsible/liable for any decision taken on the basis of this presentation. No part of this document may be duplicated in whole or in part in any form and/or redistributed without prior written consent of the Motilal Oswal Mutual Fund/Motilal Oswal Asset Management Company Limited. Readers should before investing in the Scheme make their own investigation and seek appropriate professional advice. Please read Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully before investing . Past performance of the Sponsor/ AMC/ Mutual Fund and its affiliates does not indicate the future performance of the scheme and may not provide a basis of comparison with other investments. NSE Indices Limited: Motilal Oswal Value Index (MOVI) is not sponsored, endorsed, sold or promoted by NSE Indices Limited. MOVI has been developed by MOAMC and NSE Indices Limited has calculated and 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 products linked to MOVI and availing the services generally or particularly or the ability of MOVI to track general stock market performance in India. Please read the full Disclaimers in relation to the MOVI in the Scheme Information Document.

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

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

**For any Mutual Fund queries, please call us on +91 81086 22222 /+91 22 40548002 (Press 1) or write to [mfservice@molalosal.com](mailto:mfservice@molalosal.com)**

# Risk Factors

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## **Risks associated with investing in Equity and Equity related securities**

- Equity and Equity related instruments on account of its volatile nature are subject to price fluctuations on daily basis. The volatility in the value of the equity and equity related instruments is due to various micro and macro-economic factors affecting the securities markets. This may have adverse impact on individual securities/sector and consequently on the NAV of Scheme. The value of the Scheme's investments may be affected by interest rates, currency exchange rates, and change in laws/policies of the government, taxation laws and political, economic or other developments which may have an adverse bearing on individual securities, a specific sector or all sectors.

## **Risk factors associated with investing in Debt and Money Market Instruments**

- Different types of fixed income securities in which the Scheme(s) would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Scheme(s) risk may increase or decrease depending upon its investment pattern.



# Risk Factors

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## Risk associated with investments in Gold ETF's

- The scheme would invest in Gold ETFs and thus the NAV of the scheme will react to Gold price movements. Several factors that may affect the price of gold are as follows:
- Global gold supplies and demand, which is influenced by factors such as forward selling by gold producers, purchases made by gold producers to unwind gold hedge positions, central bank purchases and sales, productions and cost levels in major gold producing countries such as the South Africa, the United States and Australia.
- Investors' expectations with respect to the rate of inflation
- Currency exchange rates
- Interest rates
- Investment and trading activities of hedge funds and commodity funds
- Global or regional political, economic or financial events and situations
- Changes in indirect taxes or any other levies

# Risk Factors

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## **Risks associated with overseas investment**

- To the extent the assets of the scheme are invested in overseas financial assets, there may be risks associated with currency movements, restrictions on repatriation and transaction procedures in overseas market. Further, the repatriation of capital to India may also be hampered by changes in regulations or political circumstances as well as the application to it of other restrictions on investment. In addition, country risks would include events such as introduction of extraordinary exchange controls, economic deterioration, and bi-lateral conflict leading to immobilisation of the overseas financial assets and the prevalent tax laws of the respective jurisdiction for execution of trades or otherwise.
- **Currency Risk:**The fund may invest in overseas mutual fund / foreign securities as permitted by the concerned regulatory authorities in India. Since the assets will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes/fluctuations in the value of the foreign currencies relative to the Indian Rupee.
- **Country Risk:**The Country risk arises from the inability of a country, to meet its financial obligations. It is the risk encompassing economic, social and political conditions in a foreign country, which might adversely affect foreign investors' financial interests.

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

# Product Labelling

Name of the scheme	This product is suitable for investors who are seeking*	
Motilal Oswal Multi Asset Fund (MOFMAF) (An open ended scheme investing in Equity, International Equity Index Funds/Equity ETFs, Debt and Money Market Instruments and Gold Exchange Traded Funds)	<ul style="list-style-type: none"><li>• Long term capital appreciation by investing in a diversified portfolio.</li><li>• Investing in Equity, International Equity Index Funds/Equity ETFs, Debt and Money Market Instruments and Gold Exchange Traded Funds</li></ul>	 <p data-bbox="1592 642 1974 678">Investors understand that their principal will be at Modetately High risk</p>

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

# Motilal Oswal Mutual Funds

## Performance of other schemes managed by Abhiroop Mukherjee

Name of Fund Manager: Abhiroop Mukherjee									
Period	Inception Date	1 year		3 year		5 year		Since Inception	
		Scheme Return (%)	Benchmark Return (%)	Scheme Return (%)	Benchmark Return (%)	Scheme Return (%)	Benchmark Return (%)	Scheme Return (%)	Benchmark Return (%)
Motilal Oswal Nasdaq 100 FOF	29-11-2018	28.6	31.0	-	-	-	-	37.4	37.4
Motilal Oswal S&P 500 Index Fund	28-04-2020	27.6	52.2	-	-	-	-	34.1	58.6
Motilal Oswal Large & Midcap Fund	17-10-2019	70.5	61.3	-	-	-	-	31.0	31.8
Motilal Oswal Liquid Fund	20-12-2018	2.9	3.6	-	-	-	-	4.1	5.2
Motilal Oswal Ultra Short Term Fund	06-09-2013	2.8	3.6	-0.2	6.6	2.2	6.8	4.0	7.0
Motilal Oswal 5 Year G-Sec ETF	10-12-2020	-	-	-	-	-	-	3.0	3.2

### Note:

- Abhiroop Mukherjee manages 15 schemes of Motilal Oswal Mutual Fund.
- In case the number of schemes managed by a fund manager is more than six, performance data of top 3 and bottom 3 schemes managed by fund manager has been provided herein.
- Period for which scheme's performance has been provided is computed basis last day of the month-end preceding the date of advertisement.
- Different plans shall have a different expense structure. The performance details provided herein are of Regular plan.

Source/Disclaimer : MOAMC, Data as of 31-Aug-21. Past performance may or may not be sustained in the future. Performance is for Regular Plan Growth Option. Different plans have different expense structure.

# BUY RIGHT SIT TIGHT

## Motilal Oswal Nasdaq 100 FOF

This product is suitable for investors who are seeking

- Long term capital appreciation
- Return that corresponds generally to the performance of the scheme, Motilal Oswal Nasdaq 100 ETF (MOFN100) through investment in units of MOFN100



## Motilal Oswal S&P 500 Index Fund

This product is suitable for investors who are seeking\*

Return that corresponds to the performance of S&P 500 Index subject to tracking error

Investment in equity securities of S&P 500 Index



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

# BUY RIGHT SIT TIGHT

## Motilal Oswal Large & Midcap Fund

Name of the scheme	This product is suitable for investors who are seeking*	Riskometer
Motilal Oswal Large and Midcap Fund (MOFLM) (Large and Midcap Fund - An open ended equity scheme investing in both large cap and mid cap stocks)	<ul style="list-style-type: none"><li>• Long term capital appreciation</li><li>• Investment predominantly in equity and equity related instruments of large and midcap stocks</li></ul>	 <p>Investors understand that their principal will be at Very High risk</p>

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

## Motilal Oswal Liquid Fund

This product is suitable for investors who are seeking\*

- Regular income over short term
- Investment in money market securities



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

# BUY RIGHT SIT TIGHT

## Motilal Oswal Ultra Short Term Fund

This product is suitable for investors who are seeking

- › Optimal returns consistent with moderate levels of risk
- › Investment in debt securities and money market securities with average maturity less than equal to 12 months



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

## Motilal Oswal 5 Year G-Sec ETF

This product is suitable for investors who are seeking\*

Return that corresponds generally to the performance of the Nifty 5 yr Benchmark G – Sec Index, subject to tracking error.

Investment in securities of Nifty 5 yr Benchmark G-Sec Index



**Thank You!**

Questions?