

**Motilal Oswal**

**Multicap 35 Fund (MOF35)**

(Multi Cap Fund – An open ended equity scheme investing across large cap, mid cap, small cap stocks)

**Invests in emerging and enduring wealth creators**

## Motilal Oswal Multicap 35 Fund (MOF35)

(Multi Cap Fund - An open ended equity scheme investing across large cap, mid cap, small cap stocks)

**This product is suitable for investors who are seeking\***

- Long-term capital growth
- Investment in a maximum of 35 equity and equity related instruments across sectors and market-capitalization levels

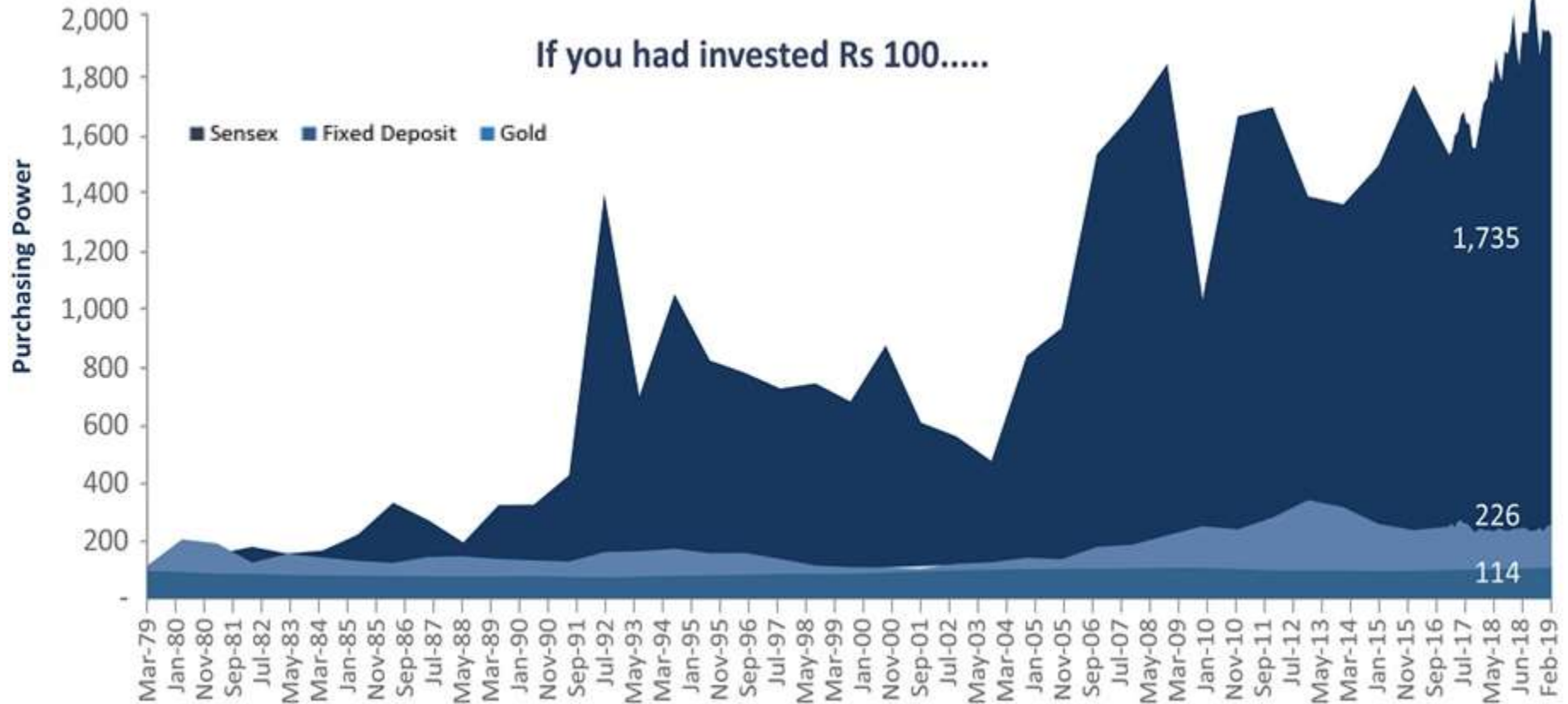


\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

# Key Objectives of Investing

Because key objective of investing in equities is to create wealth.

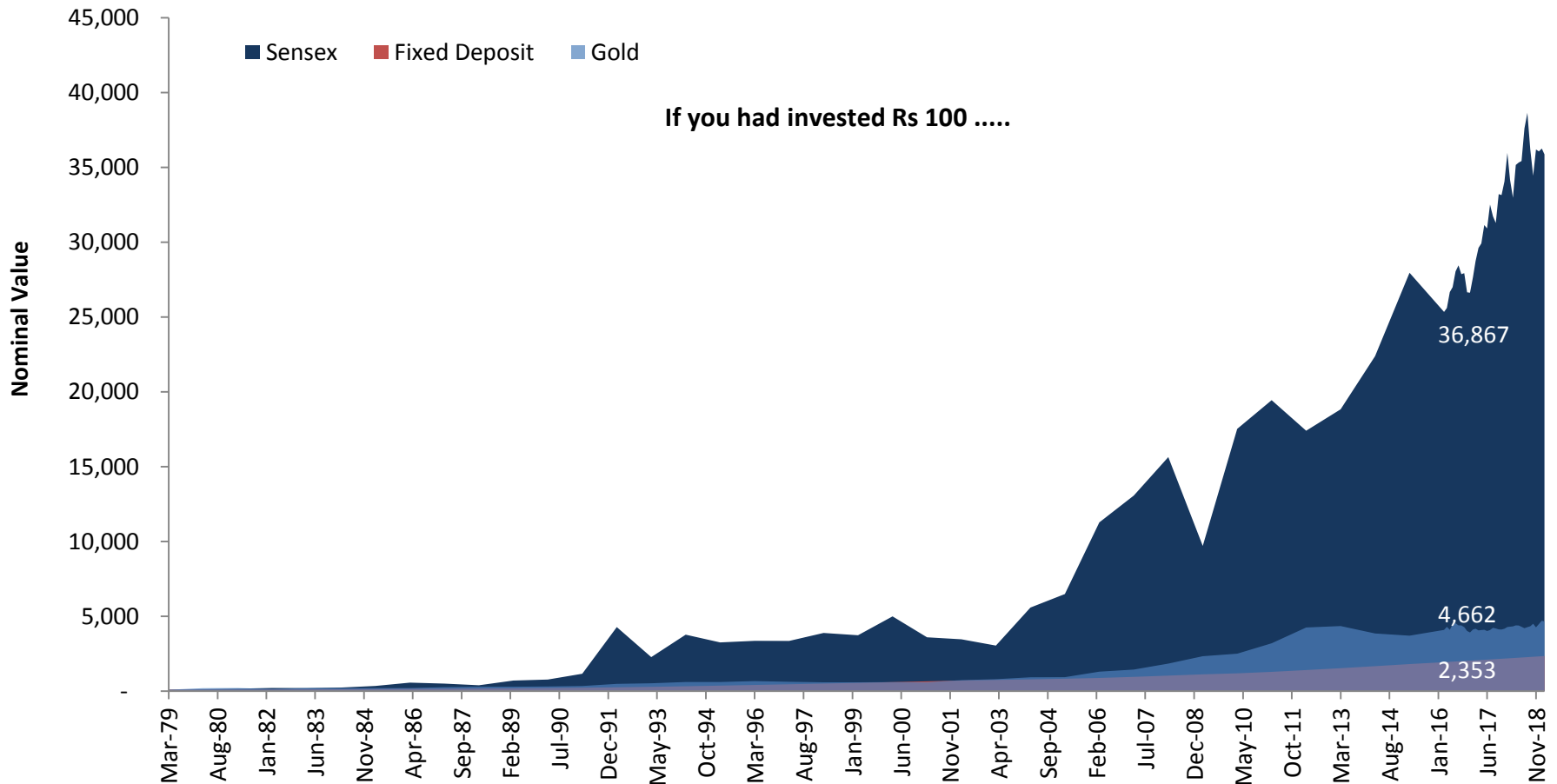
Inflation adjusted current values of the investment of Rs. 100 invested in March 1979



Source: Bloomberg, MOAMC internal analysis, Data as on February 28, 2019

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

# Key Objectives of Investing



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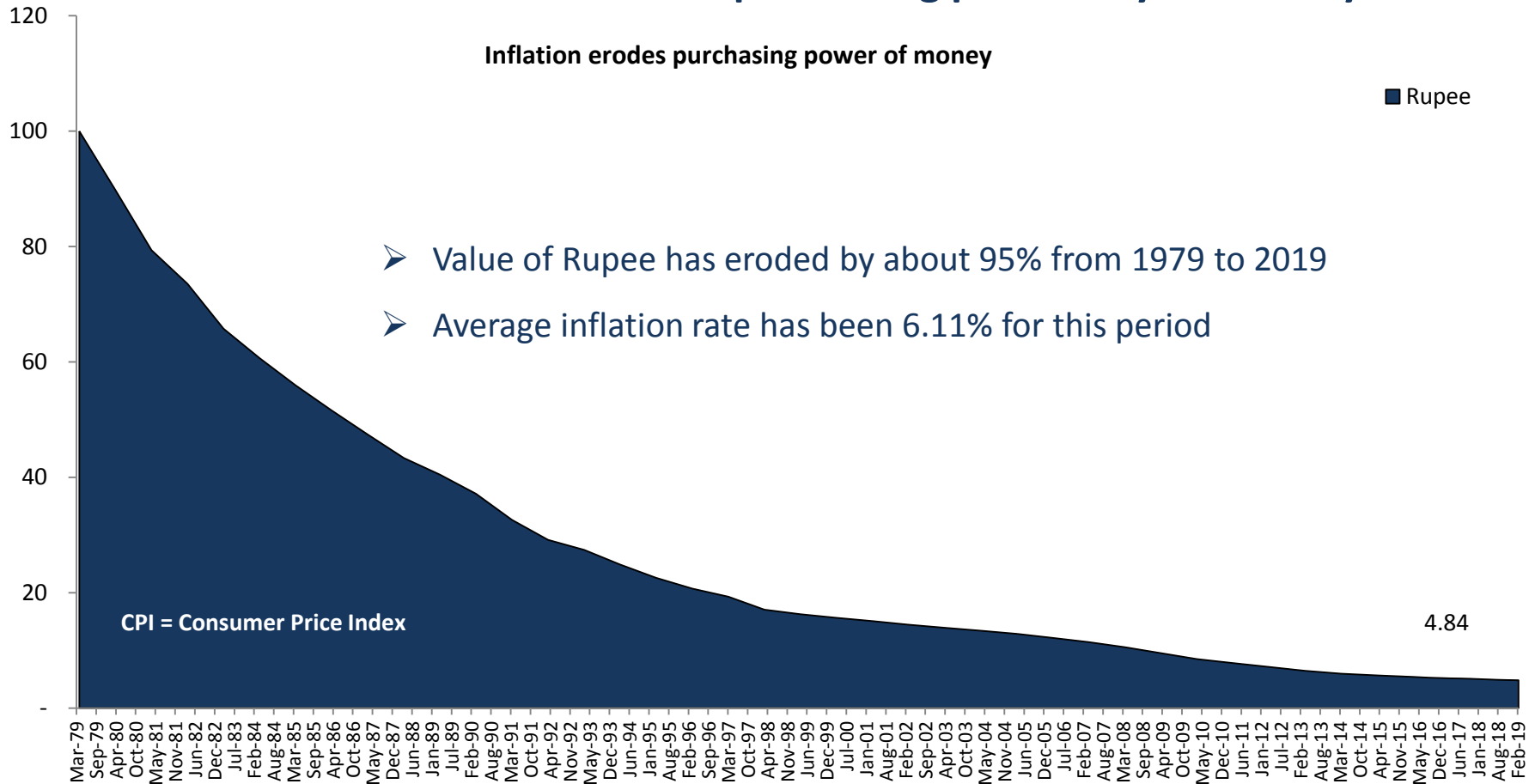
# Inflation: Biggest destroyer of purchasing power...

Because Inflation erodes the purchasing power of your money.

Inflation erodes purchasing power of money

■ Rupee

- Value of Rupee has eroded by about 95% from 1979 to 2019
- Average inflation rate has been 6.11% for this period



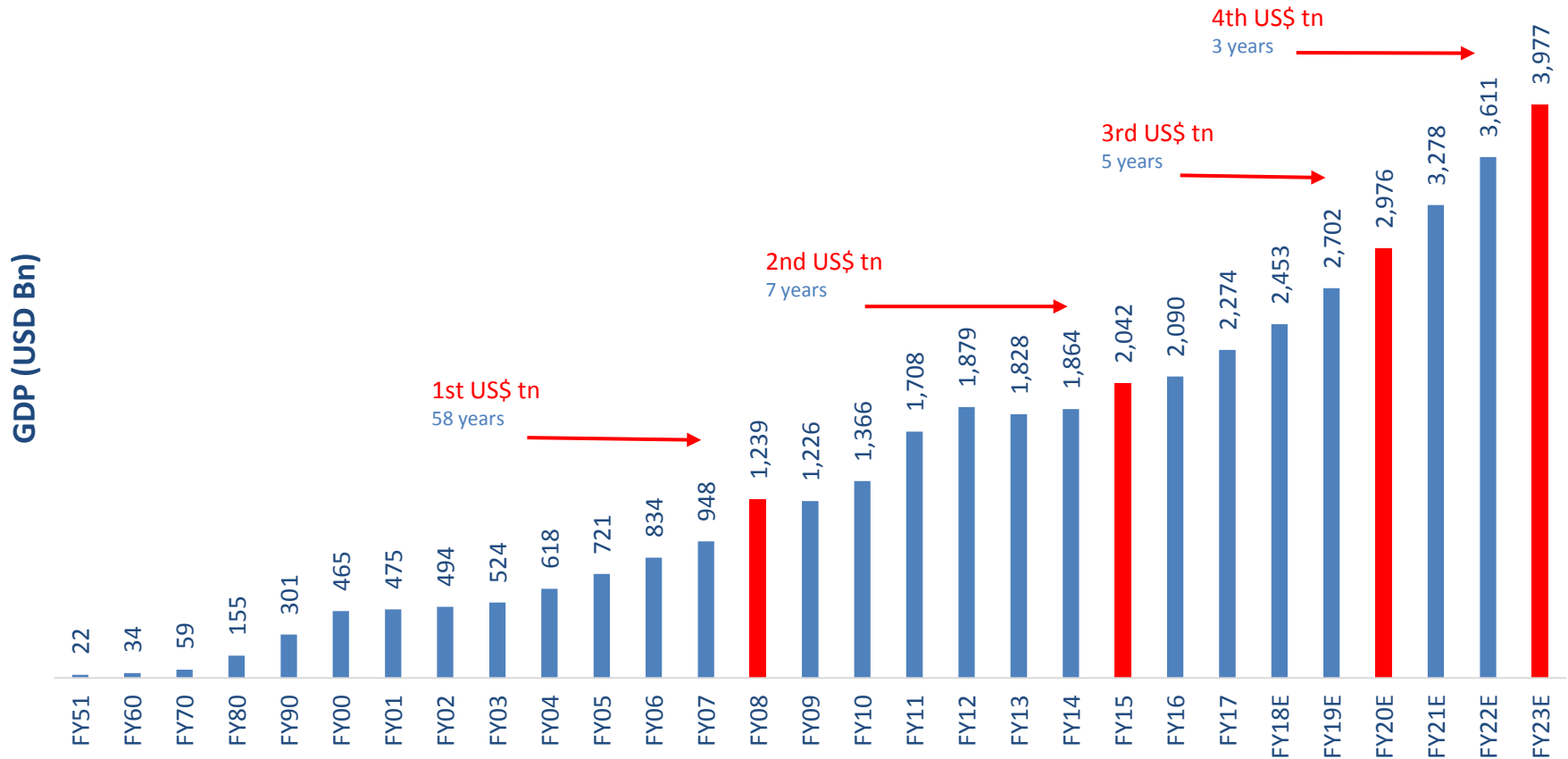
Source: Bloomberg, MOAMC internal analysis, Data as on February 28, 2019

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WHY INVEST IN EQUITIES NOW?

# Continued surge in India's GDP

By 2021 India's GDP would almost triple from the current level ~5 times the level of FY08 Linear Economic Growth may leads to Exponential Business Opportunities



Source: (<http://statisticstimes.com/economy/gdp-of-india.php>)

Note: Above forward-looking statements are based on external current views and assumptions and involve known and unknown risks and uncertainties that could affect actual results.

# Blazing growth trails at select companies, while Index has been rather lackluster

Stocks	Market Price (Rs) (As on 4th January, 2008)	Market Price (Rs) (As on 28 <sup>th</sup> February, 2019)	Performance (Growth)
<b>Nifty Index</b>	<b>6,274</b>	<b>10,793</b>	<b>72.01%</b>
Eicher Motors	416	19,869	4682%
Page Industries	481	22,287	4534%
TTK Prestige	224	7,575	3288%
GRUH Finance	10	248	2287%
GlaxoSmith C H L	687	7,214	950%
TCS	251	1,983	689%
Nestle India	1,460	10,640	629%
HCL Technologies	158	1,054	569%
Lupin	122	764	524%

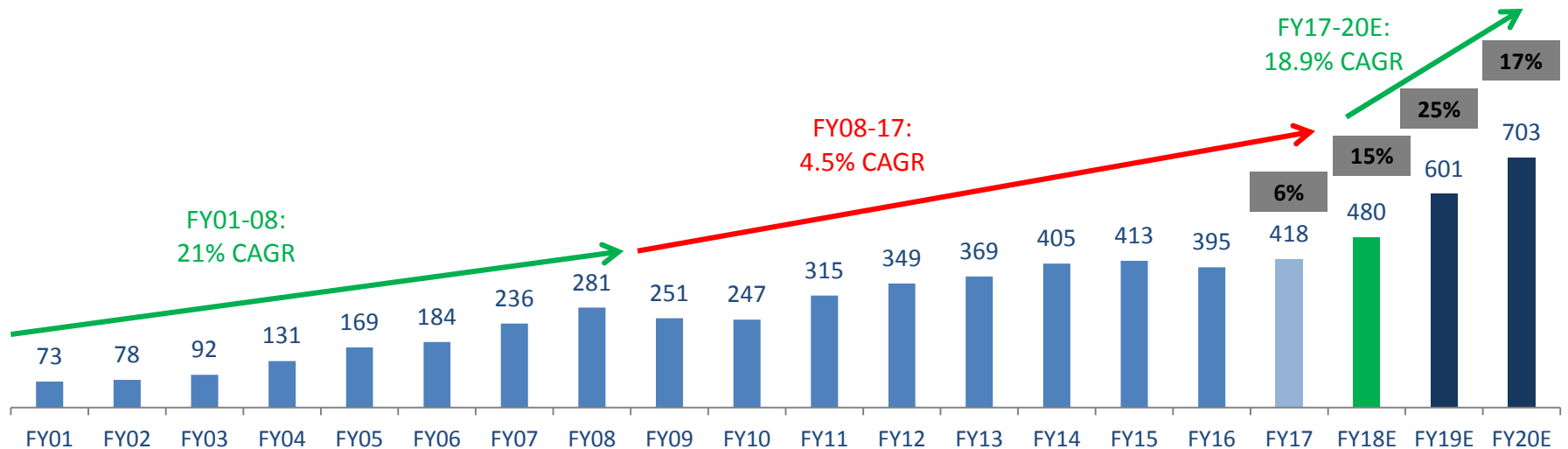
Source: Bloomberg. Data as on February 28<sup>th</sup>, 2019

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



# Expected upturn in earnings growth of India Inc shall produce more companies with uncommon profits

## Earnings Per Share (EPS) growth of Nifty from FY01 – FY20(E)



**Strong leadership can further accelerate growth through infrastructure development**

Source: Motilal Oswal Securities Ltd. Data as on Feb 2018

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

Why  
Motilal Oswal  
Asset Management Company?

# Our Investment Philosophy

At Motilal Oswal Asset Management Company (MOAMC), our investment philosophy and investing style is centered on 'Buy Right: Sit Tight' principle.

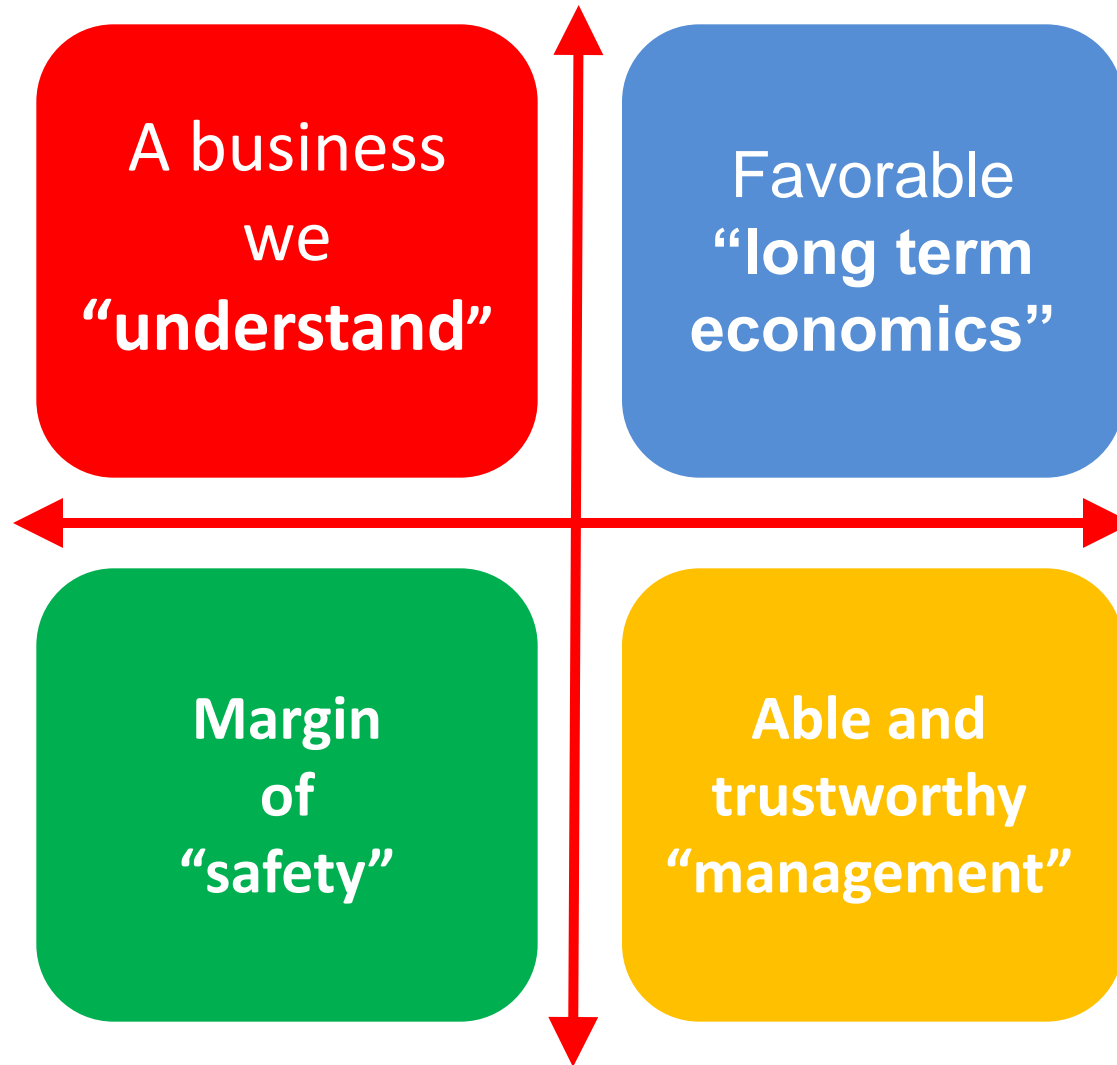
## Buy Right

### QGLP

- 🌀 **'Q'uality** denotes quality of the business and management
- 🌀 **'G'rowth** denotes growth in earnings and sustained RoE
- 🌀 **'L'ongevity** denotes longevity of the competitive advantage or economic moat of the business
- 🌀 **'P'rice** denotes our approach of buying a good business for a fair price rather than buying a fair business for a good price

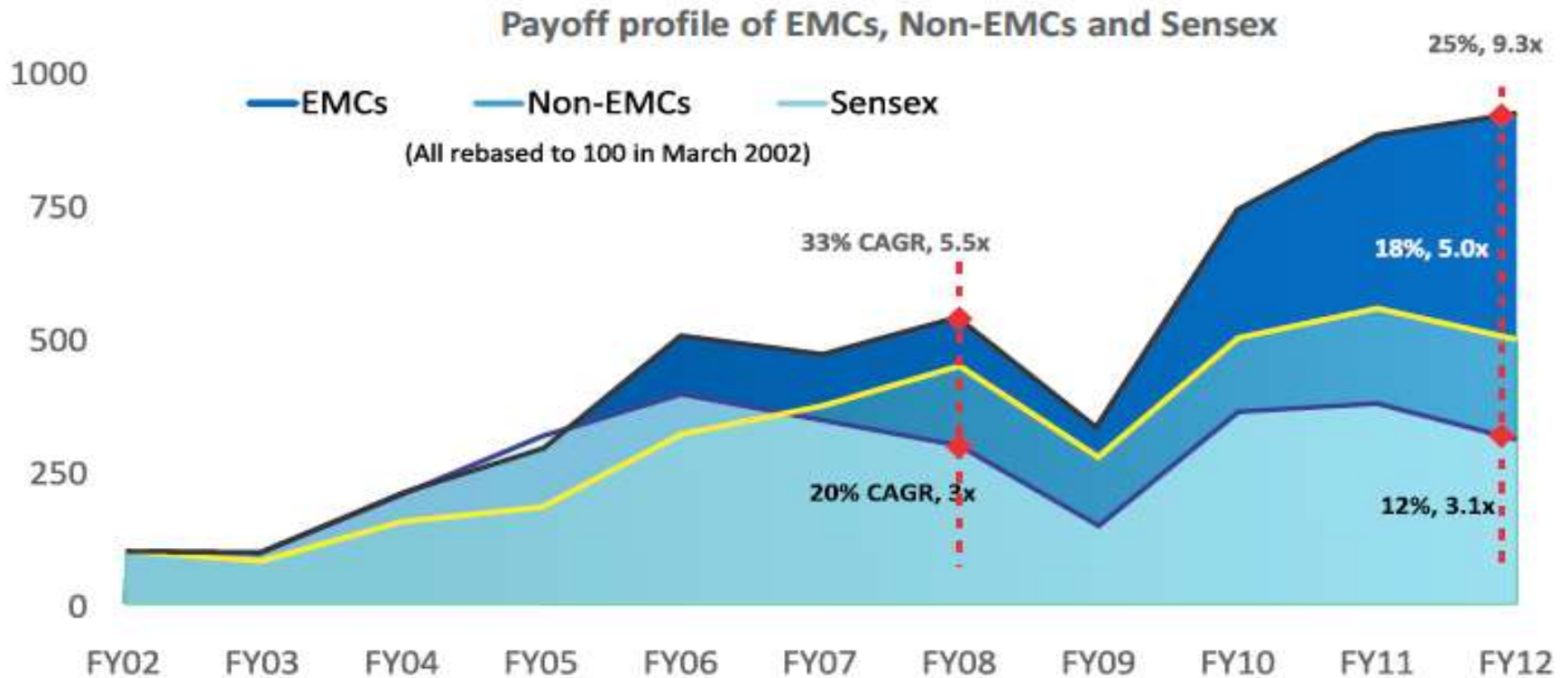
## Sit Tight

- 🌀 **Buy and Hold:** We are strictly buy and hold investors and believe that picking the right business needs skill and holding onto these businesses to enable our investors to benefit from the entire growth cycle needs even more skill.
- 🌀 **Focus:** Our portfolios are high conviction portfolios with 25 to 30 stocks being our ideal number. We believe in adequate diversification but over-diversification results in diluting returns for our investors and adding market risk



# Why Quality?

Quality companies are those which have enduring economic moats (EMC's)\*

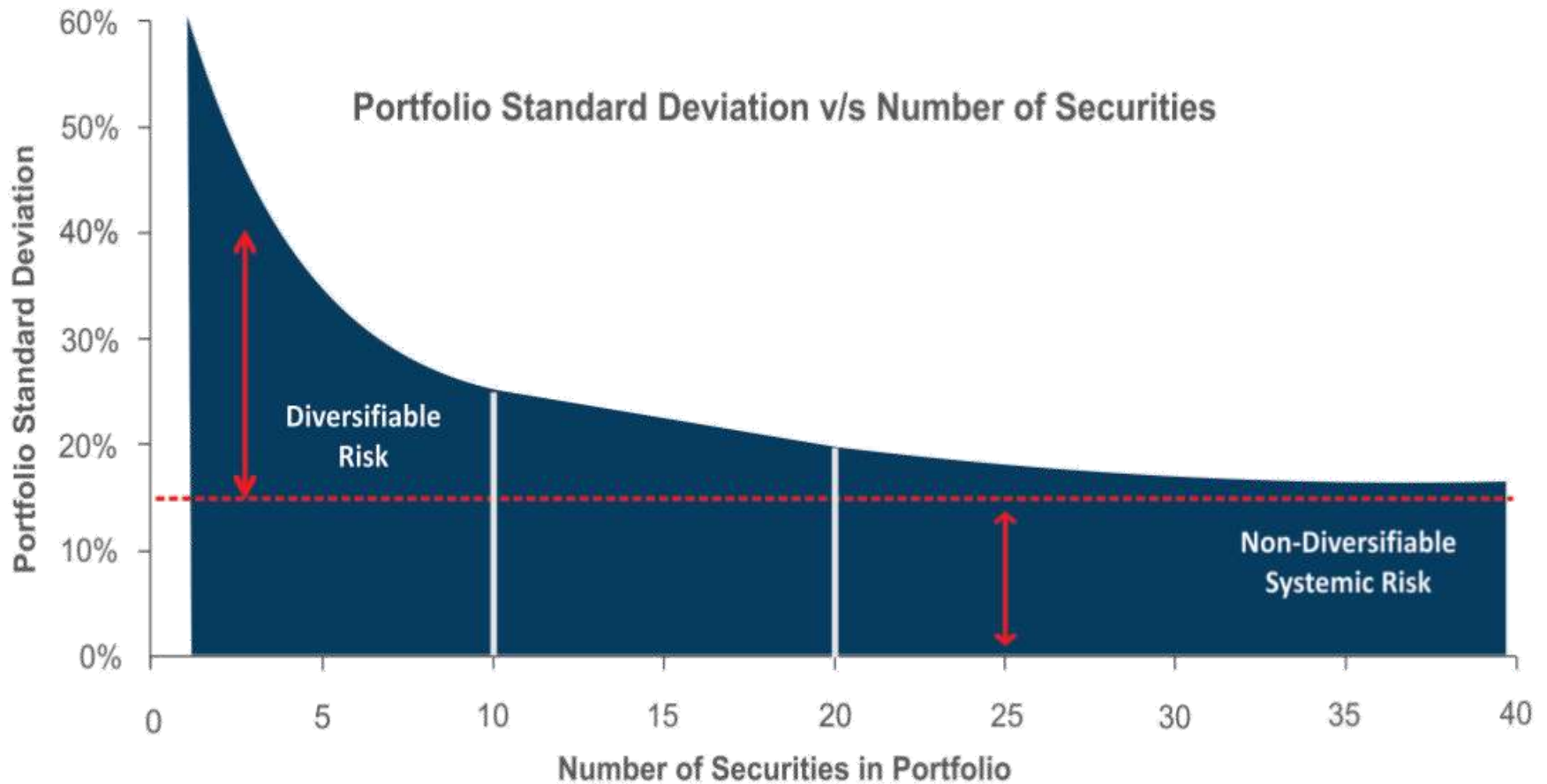


\*The idea of an economic moat refers to how likely a company is able to keep competitors at bay for an extended period. One of the keys to finding superior long-term investments is buying companies that will be able to stay one step ahead of their competitors.

Source: 17th Motilal Oswal Wealth Creation Study (WCS) Data upto FY2012

Note: All rebased to 100 in March 2002. Past performance may or may not be sustained in future.

# Focus on seeking optimal diversification



Source: An Introduction to Risk and Return Concepts and Evidence by Franco Modigliani and Gerald A. Pogue

# Wealth creators present across the Market Cap Spectrum

Stocks	Market Price (Rs) (As on 4th January, 2008)	Market Price (Rs) (As on 28 <sup>th</sup> February, 2019)	Market Cap (Rs. Billion) (As on 28 <sup>th</sup> February 2019)
Eicher Motors	416	19,869	542
Page Industries	481	22,287	249
TTK Prestige	224	7,575	87
GRUH Finance	10	248	181
GlaxoSmith C H L	687	7,214	303
TCS	251	1,983	7,443
Nestle India	1,460	10,640	1,026
HCL Technologies	158	1,054	1,429
Lupin	122	764	346

Source: Motilal Oswal AMC Internal Analysis. Data as on February 28<sup>th</sup>, 2019.

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# Earnings is Concentrated in certain sectors

India Inc's Profit Pool breakdown by sector				
10 Highest profit generating sectors		% Share	10 Lowest profit generating sectors	
Sector	2014 PAT (INR billion)		Sector	2014 PAT (INR billion)
Financials	1,117	28	Airlines	-52
Oil & Gas	785	20	Alcoholic Beverages	-41
Technology & Software	454	11	Sugar	-27
Metals & Mining	435	11	Telecom Equipment	-14
Automobiles	263	7	Trading	-9
Utilities-Power	217	5	Ship Building	-7
Consumer-Non-Durables	209	5	Computer Education	-5
HealthCare	155	4	Hotels & Restaurants	-5
Cement	45	1	Technology-Hardware	-3
Auto Ancillaries	45	1	Glass & Glass Products	-2
<b>Total of Above</b>	<b>3,726</b>	<b>94</b>	<b>Total of Above</b>	<b>-166</b>
<b>Total Corporate PAT</b>	<b>3,947</b>	<b>100</b>	<b>Total Corporate PAT</b>	<b>3,947</b>

*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.*

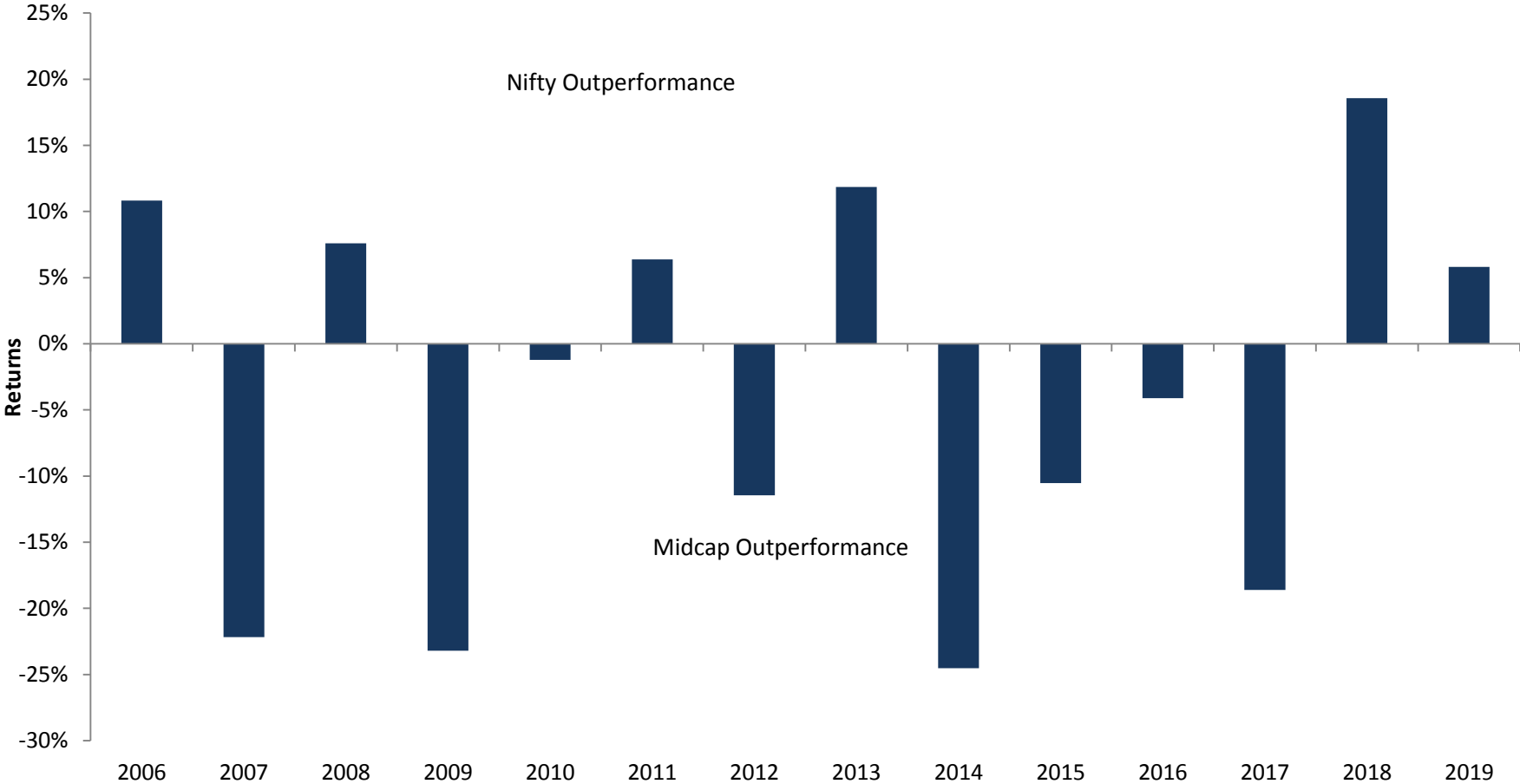
*Source: 19<sup>th</sup> Motilal Oswal Wealth Creation Study (WCS) Data for FY2015.*

*Motilal Oswal Asset Management Company Ltd. (MOAMC) does not guarantee any returns.*

*The sectors may or may not be part of our portfolio/strategy/scheme. Past performance may or may not be sustained in the future*



# Performance of Midcaps and Large Caps can diverge significantly over time depending on the phase of the cycle



***Interest Rates, Currency, Shape of the Global economy etc. determine relative attractiveness and performance of Large vs. Mid Caps***

Source: NSE Indices, Bloomberg. Data as on February 28<sup>th</sup>, 2019. Past performance may or may not be sustained in future

Motilal Oswal  
Multicap 35 Fund  
(MOF35)

## Investment Horizon:

- Medium to Long Term

## For Whom:

- Investors who like to invest with a Long-term wealth creation view

## Number of Stock:

- Maximum 35 Stocks

## Allocations:

- **Minimum 65%:** Equities
- **Maximum 35%:** Debt/ Money Market Instruments

\*The fund may invest in foreign securities up to 10% of total net assets

# About the Scheme

The investment objective of the Scheme is to achieve long term capital appreciation by primarily investing in a maximum of 35 equity & equity related instruments across sectors and market capitalization levels. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved

Motilal Oswal Multicap 35 Fund would endeavour to construct such a portfolio that the product is best suited for medium and long term investment

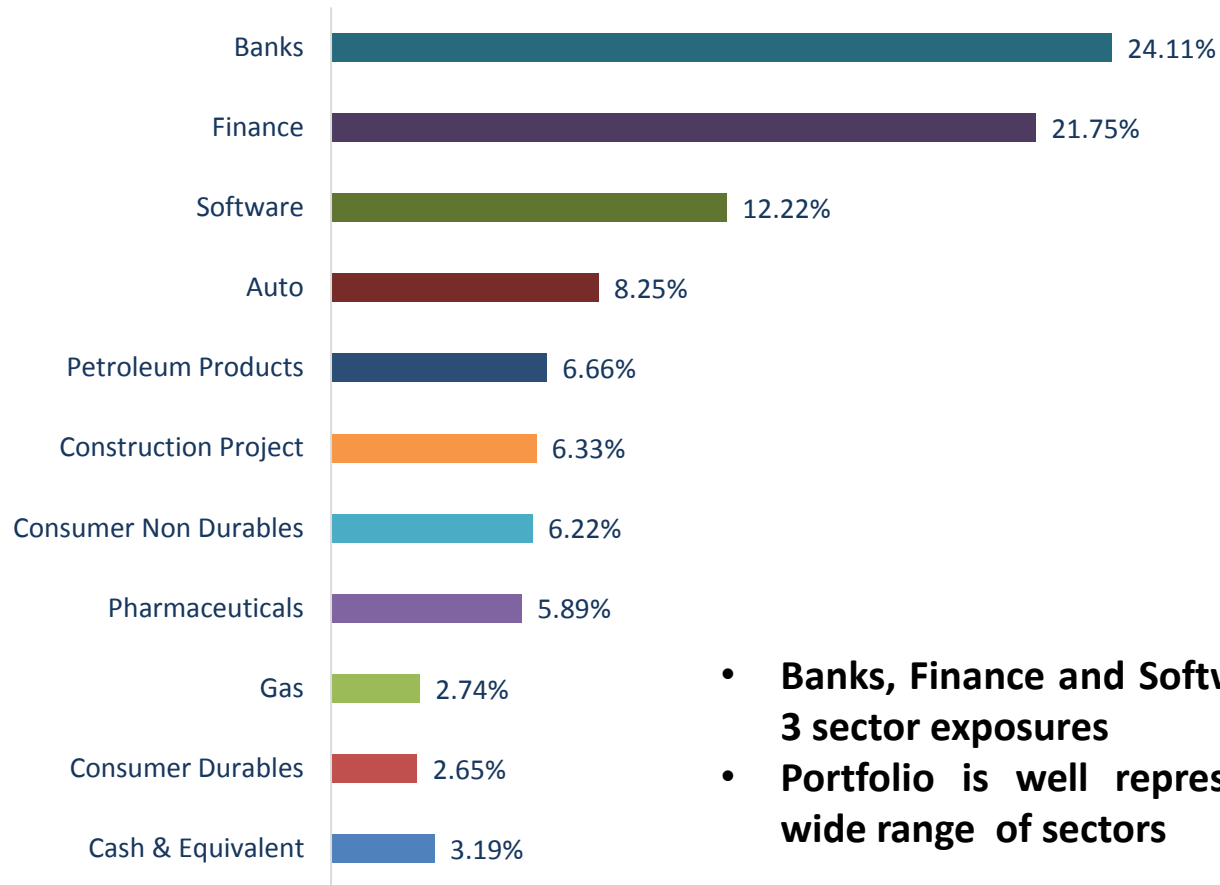
High conviction ideas with improved risk-adjusted return characteristics

'360 degree view' of company to identify competitive advantages

# Fund Details

<b>Type of Scheme</b>	Multi Cap Fund - An open ended equity scheme investing across large cap, mid cap and small cap stocks	
<b>Scheme Category</b>	Multicap	
<b>Investment Objective:</b>	The investment objective of the Scheme is to achieve long term capital appreciation by primarily investing in a maximum of 35 equity & equity related instruments across sectors and market capitalization levels. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	
<b>Benchmark:</b>	Nifty 500 TRI	
<b>Entry/Exit Load:</b>	Entry : Nil Exit : 1% - If redeemed on or before 15 days from the date of allotment. Nil - If redeemed after 15 days from the date of allotment. A switch-out or a withdrawal shall also be subjected to the Exit Load like any Redemption. No Exit Load applies for switch between MOF25, MOF30, MOF35, MOFEH & MOFDYNAMIC. No Load for switch between Options within the Scheme.	
<b>Plans:</b>	Regular Plan and Direct Plan	
<b>Options (Under each plan):</b>	Dividend (Payout and Reinvestment) and Growth	
<b>Minimum Application Amount:</b>	Rs. 500/- and in multiples of Re. 1/- thereafter	
<b>Additional Application Amount:</b>	Rs. 500/- and in multiples of Re. 1/- thereafter.	
<b>Systematic Investment Plan (SIP):</b>	Weekly SIP	Rs. 500 and in multiples of Re.1/- thereafter (Minimum Installment – 12)
	Fortnightly SIP	
	Monthly SIP	
	Quarterly SIP	Rs. 1,500 and in multiples of Re.1/- thereafter (Minimum Installment – 4)
	Annual SIP	Rs. 6,000 and in multiples of Re. 1/- thereafter (Minimum Installment – 1)
	The Dates of Auto Debit Facility shall be on the 1 <sup>st</sup> , 7 <sup>th</sup> , 14 <sup>th</sup> , 21 <sup>st</sup> or 28 <sup>th</sup> of every month	
<b>Minimum Redemption Amount:</b>	Rs. 500/- and in multiples of Re. 1/- thereafter or account balance, whichever is lower.	

# Sector Allocation



- **Banks, Finance and Software are the top 3 sector exposures**
- **Portfolio is well represented across a wide range of sectors**

## TOP 10 Holdings

Scrip	Weightage (%)
HDFC Bank Limited	10.22%
Axis Bank Limited	7.41%
Housing Development Finance Corporation Limited	7.20%
Larsen & Toubro Limited	6.33%
Infosys Limited	6.12%
Bajaj Finance Limited	4.62%
Maruti Suzuki India Limited	4.50%
RBL Bank Limited	4.44%
HDFC Life Insurance Company Limited	4.37%
Tata Consultancy Services Limited	4.27%

- **TOP 5 Stocks % to NAV= 37.28%**
- **Top 10 Stocks % to NAV= 59.48%**



Mr. Akash Singhania  
Fund Manager

## For Equity Component:

**Mr. Akash Singhania:** He has overall 13 years of experience and more than 11 years of experience in Fund management. He is the Fund Manager of the Scheme, Motilal Oswal Midcap 30 Fund and Associate Fund Manager of Motilal Oswal Equity Hybrid Fund

Prior to joining MOAMC, he was associated with DHFL Pramerica AMC as Deputy CIO Equities, Deutsche AMC - DWS Mutual Fund as Head of Equities & ICICI Prudential AMC as Senior Analyst - PMS. In addition, he also held important roles in organizations like Ernst& Young, KPMG and PWC in his formative years.

Mr. Singhania has completed his PGDM (MBA) Finance & Marketing from IIM Lucknow, Chartered Accountancy in Accounting & Auditing from ICAI in 2001 & he is a qualified Company Secretary - Corporate Laws & Taxation from ICSI -2001.





**Mr. Swapnil Mayekar**  
Fund Manager

**For Foreign securities:**

**Mr Swapnil Mayekar-** Mr. Mayekar has 10 years of experience in the financial services industry. He has been part of fund management & product development team for Motilal Oswal Asset Management Company Limited (Mutual Fund) for last 5 years. His key area of expertise is quantitative analysis, creating customized indices, model testing and building research database.

His last assignment was with Business Standard Limited as a Research Associate. He has done his post-graduation in Commerce (Finance Management) from University of Mumbai.

Others Fund Managed by Mr. Swapnil Mayekar: Motilal Oswal Nasdaq 100 ETF.



**Mr. Abhiroop Mukherjee**  
Fund Manager

**For Debt Component:**

**Mr Abhiroop Mukherjee-** He is a B.com (H), MBA with 10 years of experience in trading Fixed Income Securities. He has also worked with PNB GILTS LTD. as a WDM Dealer.

**Funds Managed:** Motilal Oswal Ultra Short Term Fund. He is also the Fund manager for the debt component of Motilal Oswal Midcap 30 Fund, Motilal Oswal Focused 25 Fund, Motilal Oswal Multicap 35 Fund, Motilal Oswal Dynamic Fund, Motilal Oswal Long Term Equity Fund, Motilal Oswal Liquid Fund and Motilal Oswal Nasdaq 100 FOF

# Disclaimer

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Please Read Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully before investing.

**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 Ltd. **Investment Manager:** Motilal Oswal Asset Management Company Ltd. (CIN: U67120MH2008PLC188186) **Sponsor:** Motilal Oswal Securities Ltd.

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

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Website: [www.motilalosalmf.com](http://www.motilalosalmf.com)



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