

Tax Saving and the essence
of 'Buy Right : Sit Tight',
now in one product

Motilal Oswal Long Term Equity Fund (MOFLTE)

(An open-ended equity linked saving scheme with a
statutory lock in of 3 years and tax benefit)



| Name of the scheme | This product is suitable for investors who are seeking* | |
|--|---|--|
| <p>Motilal Oswal Long Term Equity Fund (MOFLTE)</p> <p>(An open-ended equity linked saving scheme with a statutory lock-in of 3 years and tax benefit)</p> | <ul style="list-style-type: none">• Long-term capital growth• Investment predominantly in equity and equity related instruments; |  <p>Riskometer</p> <p>The Riskometer is a semi-circular gauge with five segments: Low, Moderately Low, Moderate, Moderately High, and High. A needle points to the 'Moderately High' segment. Below the gauge, it states: 'Investors understand that their principal will be at Moderately High risk'.</p> |

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

It's an open secret that...

“ Taxes grow
without rains ”

Investments for Tax Saving

It's a well known fact that the Government of India provides tax rebate under sec 80C of the Income Tax Act, 1961. Anybody investing upto Rs. 1,50,000 per year into a specified list of investment products is eligible for this amount to be reduced from their taxable income. The list of specified products includes various items like bank deposits, small savings schemes, equity linked saving schemes of mutual funds, bonds, etc. So basically the Government is telling you that it is important to plan for the future and make right investments in that direction. In the process, of course, the nation benefits from long term investible surpluses which can then be ploughed into various long term funding requirements. If you do this right investment with a plan for your future, they are happy to forgo tax revenues to encourage you to do the right thing! There is only one catch, that such products have a lock-in ranging from three years to seven or eight or ten years depending on what product you pick; time horizon may vary but lock in is a must! Now we all know that if one has to necessarily lock-in money, we might as well lock it in to a product which has least lock-in with highest possible potential for return to take us closer to our goals.

Motilal Oswal AMC as always encourages its investors to BUY RIGHT : SIT TIGHT. What better than to get a tax benefit for doing just that – “BUY RIGHT : SIT TIGHT” with sec 80C tax benefits!

Saving Tax Under Section 80C?

| Commonly used Tax Saving Avenue | Minimum Investment | Lock - in Tenure | Returns* | Taxability |
|---------------------------------|--------------------|------------------|-----------------|-------------------------|
| ELSS | 500 | 3 years | Market linked | Tax Free |
| PPF | 500 | 15 years | 8.70% | Tax Free |
| NSC | 100 | 5 years | 8.50% | Interest Income Taxable |
| | | 10 years | 8.80% | |
| Bank Deposits | 100 | 5 years | 9.75% (at best) | Interest Income Taxable |
| Pension Products | Product Specific | Product Specific | 7-10% | Annuity Taxable |

Source: Economic Times | For Financial year 2015-16.

*The rate of return(s) used above is assumed and excludes loads and taxes. The above investment representation is used for explaining the concept and for illustration purpose only and should not be construed as an assurance on minimum returns and safeguard of capital. It should not be used for development or implementation of an investment strategy. Investors are requested to note the fiscal laws may change from time to time and there can be no guarantee that the current tax position may continue in future.

What is ELSS?

ELSS or Equity Linked Saving Schemes,

are the Mutual Fund offerings that allow you to **save taxes** while giving you an opportunity to **create wealth** by investing into equities.

Why ELSS?

If you have risk bearing capacity, then ELSS is an ideal option.

ELSS are similar to diversified equity mutual funds.

Wealth creation potential of equity markets cannot be denied. However equities are known to be volatile and thus many investors stay away for the fear of losing money during downturns in the market.

ELSS offers long term investing with one of the shortest lock-in period amongst Tax Savings investment Avenues (mandatory 3 years of lock-in period).

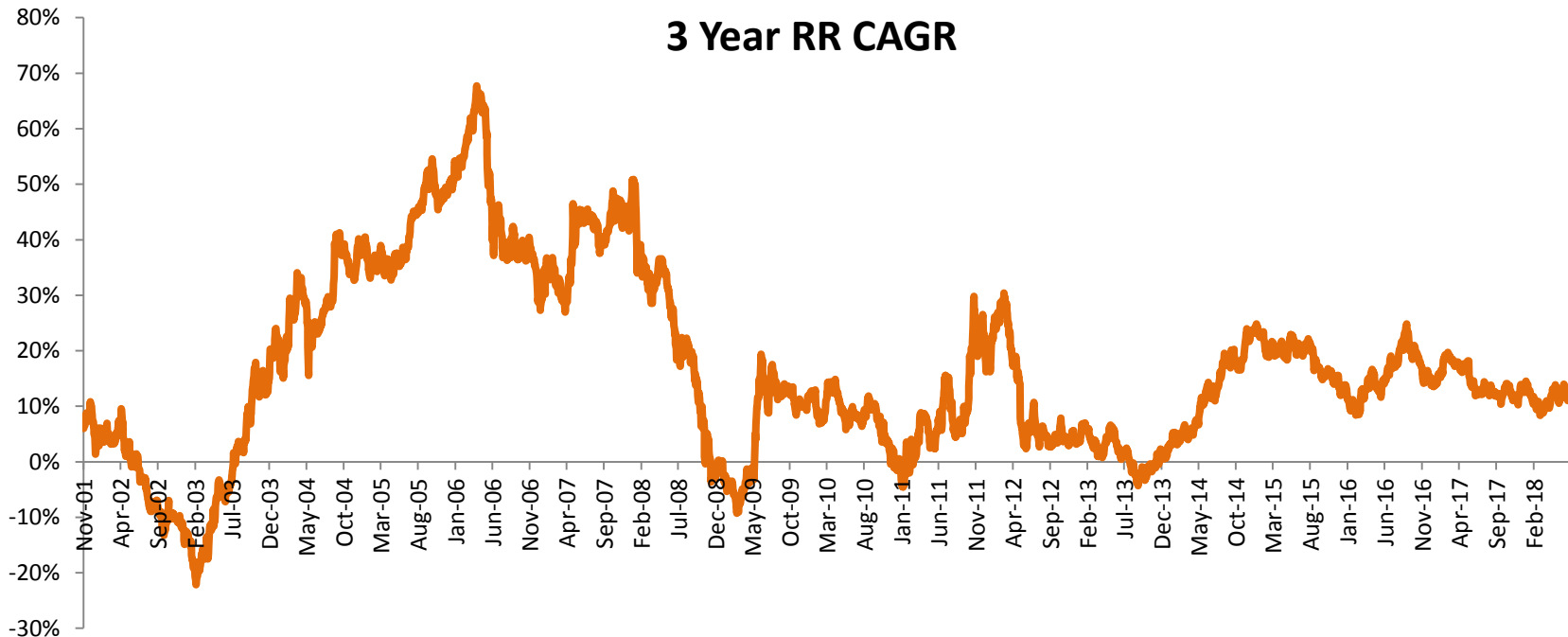
The lock-in period ensures that short term market volatility is ignored and focus is only on the long term wealth creation.

You can invest into ELSS and deduct upto Rs. 1,50,000 from your taxable income to effectively reduce your tax liability under section 80C of Income Tax Act, 1961.

Investors are advised to consult their tax advisor in view of individual nature of tax benefits. Further, Tax deduction(s) available u/s 80C of the Income Tax Act, 1961 is subject to conditions specified therein. Investors are requested to note that fiscal laws may change from time to time and there can be no guarantee that the current tax position may continue in the future.

Over **81%** of the time, Nifty 500 Index has delivered **positive returns** on 3 years rolling basis

Historically, the hit and miss ratio has been 4:1 for generating positive returns considering 3 years of investments in Nifty 500 Index at any given point in time



Source: MOAMC internal analysis, Data as on June 30, 2018

Motilal Oswal Long Term Equity Fund

Type of the Scheme

- An open-ended equity linked saving scheme with a statutory lock-in of 3 years and tax benefit

Category

- ELSS

Investment Objective

- To generate long term capital appreciation from a diversified portfolio of predominantly equity and equity related instruments. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.

Investment Strategy

- The Scheme will invest in securities across asset classes (debt and equity) and across sectors and capitalization levels.

Asset Allocation

- 80%-100% - Equity and Equity Related Instruments
- 0%-20% - Debt Instruments, Money Market Instruments, G-Secs, Cash and Cash at call, etc.

For Whom ?

- For investors seeking potential growth of equities with the added advantage of tax savings under Section 80C of the Income Tax Act,1961

Our Investment Philosophy – ‘BUY RIGHT SIT TIGHT’

At Motilal Oswal Asset Management Company (MOAMC), our investment philosophy and investing style is centred 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

A business we
“understand”

Favourable “long term
economics”

Margin of “safety”

Able and trustworthy
“management”

About the Scheme

The investment objective of the scheme is to generate long-term capital appreciation from a diversified portfolio of predominantly equity and equity related instruments. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.

MOFLTE would endeavour to construct such a portfolio that the product is best suited for medium and long term investment.

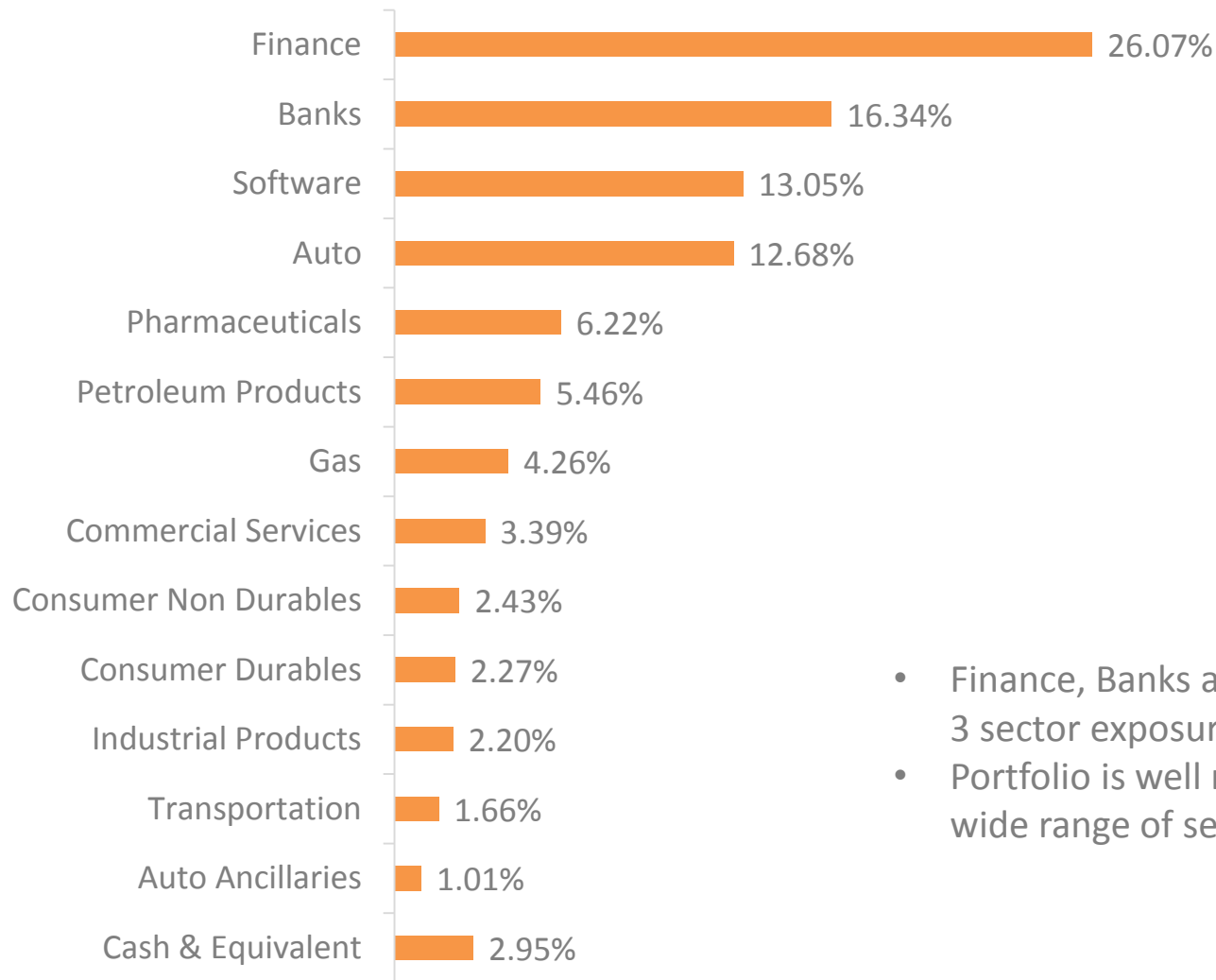
High conviction ideas with improved risk-adjusted return characteristics.

'360 degree view' of company to identify competitive advantages.

Fund Details

| | | |
|--|---|--|
| Type of Scheme | An open-ended equity linked savings scheme with a statutory lock-in of 3 years and tax benefit | |
| Scheme Category | ELSS | |
| Investment Objective: | The investment objective of the Scheme is to achieve long term capital appreciation from a diversified portfolio of predominantly equity and equity related instruments. However, there can be no guarantee that the investment objective of the scheme would be achieved | |
| Benchmark: | Nifty 500 TRI | |
| Entry/Exit Load: | Entry : Nil Exit: 1% - If redeemed on or before 1 year from the date of allotment; Nil - If redeemed after 1 year from the date of allotment No Exit Load applies for switch between MOF25, MOF30, MOF35 & MOFDYNAMIC. No Load for switch between Options within the Scheme. Investors have option to withdraw up to 12% p.a. of original investment cost (OIC) within 1 year (from date of investment) with no exit load. If the withdrawal amount is beyond 12% p.a. of OIC, the normal exit load applies on the amount greater than 12 % p.a. | |
| Plans: | Regular Plan and Direct Plan | |
| Options (Under each plan): | Dividend (with Payout facility) and Growth | |
| Minimum Application Amount: | Rs. 500/- and in multiples of Rs. 500/- thereafter | |
| Additional Application Amount: | Rs. 500/- and in multiples of Rs.500/- thereafter | |
| Systematic Investment Plan (SIP): | Weekly SIP / Fortnightly SIP / Monthly SIP | Rs. 500/- and in multiples of Rs. 500/- thereafter (Minimum Installment – 12) and Rs. 1000/- and in multiples of Rs. 500/- thereafter (Minimum Installment – 6) |
| | Quarterly SIP | Rs. 2000/- and in multiples of Rs. 500/- thereafter (Minimum Installment – 3) |
| | Annual SIP | Rs. 5000/- and in multiples of Rs. 500/- thereafter (Minimum Installment – 1) |
| | The Dates of Auto Debit Facility shall be on the 1st, 7th, 14th ,21st or 28th of every month. | |
| Minimum Redemption Amount: | Rs. 500/- and in multiples of Re. 1/- thereafter or account balance, whichever is lower. | |

Sector Allocation



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

TOP 10 Holdings

| Name of Instrument | % of Net Assets |
|---|-----------------|
| Housing Development Finance Corporation Limited | 9.07% |
| HDFC Bank Limited | 8.98% |
| IndusInd Bank Limited | 7.36% |
| Infosys Limited | 6.85% |
| Maruti Suzuki India Limited | 5.34% |
| Tata Elxsi Limited | 5.10% |
| Eicher Motors Limited | 4.89% |
| ICICI Lombard General Insurance Company Limited | 4.28% |
| Petronet LNG Limited | 4.26% |
| Max Financial Services Limited | 4.18% |

- TOP 5 Stocks % to NAV= 37.60%
- TOP 10 Stocks % to NAV= 60.31%
- Currently we hold 27 Stocks

Date as on July 31, 2018

Fund Manager Profile



Mr. Gautam Sinha Roy
Fund Manager

For Equity Component:

Mr Gautam Sinha Roy : He has close to 15 years of rich and varied experience in fund management and research. He is the Fund Manager for the scheme Motilal Oswal Long Term Equity Fund, Motilal Oswal Dynamic Fund and Motilal Oswal Multicap 35 Fund.

He is also the Co- Fund manager for Motilal Oswal Focused 25 Fund. He has also worked with IIFL Capital (Singapore), Mirae Asset Global Investments, Edelweiss Capital and GE Capital Intl. Services prior to joining Motilal Oswal group, where he has worked for the last five years. He is an alumnus of IIM Calcutta (2003) and holds an honors degree in Chemical Engineering.



Ms. Snigdha Sharma
Associate Fund Manager

Associate Fund Manager For Equity Component:

Ms Snigdha Sharma : She has more than 10 years of rich and diverse work experience, on both buy and sell side of equity research across India and US markets. Prior to joining Motilal Oswal AMC, she has worked with Goldman Sachs, Fidelity International, Karma Capital and Axis Capital. She has an MBA in Finance from Indian Institute of Science, Bangalore and a B.Tech in Mechanical Engineering from NIT, Raipur.

Funds managed by Ms. Snigdha Sharma: She is Associate Fund Manager for Motilal Oswal Multicap 35 Fund, Motilal Oswal Dynamic Fund and Motilal Oswal Long Term Equity Fund.



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 and Motilal Oswal Long Term Equity Fund.

Disclaimer

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

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

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**BUY RIGHT
SIT TIGHT**

