

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"><li>• Long-term capital growth</li><li>• Investment predominantly in equity and equity related instruments;</li></ul>	 <p><b>Riskometer</b></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

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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 Amount	Lock-in Tenure	Returns	Taxability
ELSS	500	3 Years	Market-Linked	Tax Free
PPF	500	15 Years	8.00%	Tax Free
NSC	100	5 Years	8.00%	Interest Income Taxable
Tax-saver FDs	100	5 Years	8.00% (at best)	Interest Income Taxable
Pension Products	Product Specific	Product Specific	7-10%	Annuity Taxable

\* Data as on December 31, 2018

\*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 **86%** 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

3 Year Rolling Return



Source: MOAMC internal analysis, Data as on December 31, 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

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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.

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

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High conviction ideas with improved risk-adjusted return characteristics.

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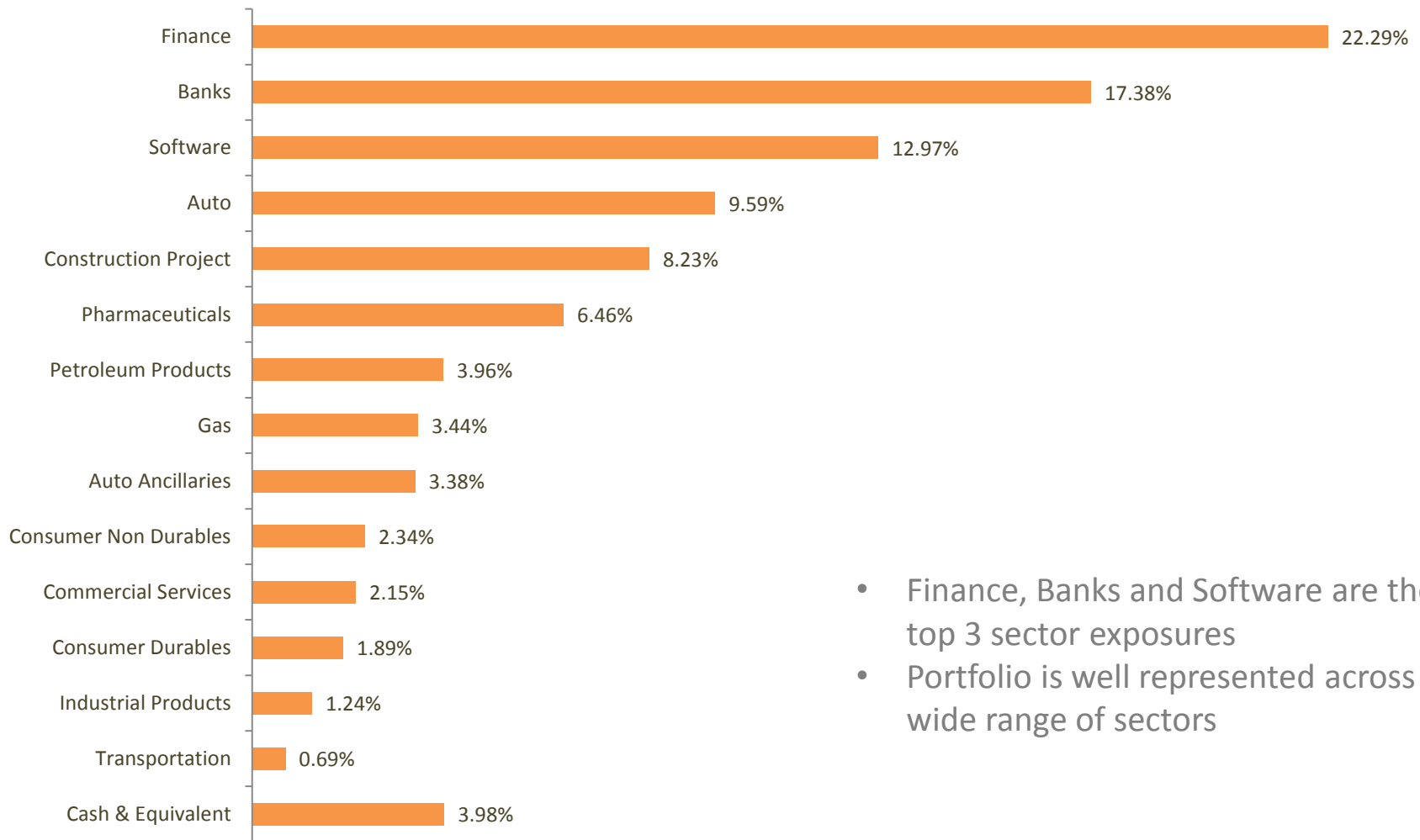
'360 degree view' of company to identify competitive advantages.

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# Fund Details

<b>Type of Scheme</b>	An open-ended equity linked savings scheme with a statutory lock-in of 3 years and tax benefit	
<b>Scheme Category</b>	ELSS	
<b>Investment Objective:</b>	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	
<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 (with Payout facility) and Growth	
<b>Minimum Application Amount:</b>	Rs. 500/- and in multiples of Rs. 500/- thereafter	
<b>Additional Application Amount:</b>	Rs. 500/- and in multiples of Rs.500/- thereafter	
<b>Systematic Investment Plan (SIP):</b>	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.	
<b>Minimum Redemption Amount:</b>	Rs. 500/- and in multiples of Re. 1/- thereafter or account balance, whichever is lower.	

# Sector Allocation



- Finance, Banks and Software 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
HDFC Bank Limited	8.59%
Infosys Limited	6.95%
Housing Development Finance Corporation Limited	6.42%
Larsen & Toubro Limited	5.85%
IndusInd Bank Limited	5.50%
Eicher Motors Limited	4.07%
Maruti Suzuki India Limited	4.06%
Bajaj Finance Limited	4.04%
Max Financial Services Limited	3.62%
Eris Lifesciences Limited	3.61%

- TOP 5 Stocks % to NAV= 33.31%
- TOP 10 Stocks % to NAV= 52.69%
- Currently we hold 33 Stocks

Date as on December 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, Motilal Oswal Long Term Equity Fund, Motilal Oswal Liquid Fund and Motilal Oswal Nasdaq 100 FOF.



# 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**

