

# Invest in the world's biggest brands

## Introducing Motilal Oswal S&P 500 Index Fund



- World's Largest Index in World's Largest Economy- now in India
- 63 year track record – one of the world's oldest
- Invest in top 500 companies of the US Stock Market - The world's largest economy
- Truly Global- over 40% sales is from overseas.

**THINK EQUITY  
THINK MOTILAL OSWAL**

**INDEX FUNDS** EASY  
ECONOMICAL  
EFFECTIVE  
by MOTILAL OSWAL

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

To invest,  
Contact your financial advisor

Data as of 30-April-2020;

Source: S&P Dow Jones Indices; Paper on - sp-500-global-sales-2018; Published in August 2019. For world's largest economy – world bank GDP number.

The Stocks mentioned above are used to explain the concept and is for illustration 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.

Name of the scheme	This product is suitable for investors who are seeking*	Riskometer
Motilal Oswal S&P 500 Index Fund (MOFSP500) (An open ended scheme replicating / tracking S&P 500 Index)	<ul style="list-style-type: none"> <li>• Return that corresponds to the performance of S&amp;P 500 Index subject to tracking error</li> <li>• investment in equity securities of S&amp;P 500 Index</li> </ul>	 <p>Investors understand that their principal will be at High risk</p>

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



## Key Attributes of S&P 500 Index

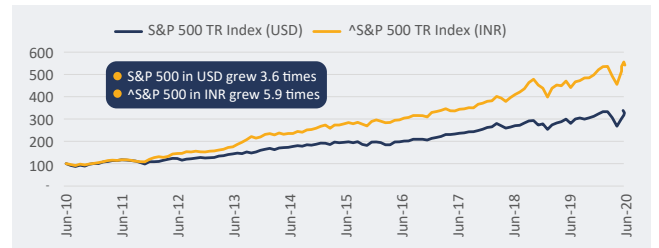
- **Very long track record** of over 63 years; index was launched in 1957
- **Global Exposure** - In 2018, more than 40% of the sales of S&P 500 constituents were reported from foreign countries
- **Very low correlation** – Historically, the S&P 500 Index noted very low correlation of 15% with Nifty 50 and Nifty 500 Indices; potential for diversification.
- **Attractive Valuation** – With current correction in S&P 500 index, the valuation multiples (PE, PB and Div Yield) looks attractive



## Dollar Hedge

Due to depreciation of Indian Rupee, S&P 500 Index returns in Indian Rupees are generally higher than returns in US Dollar. (10 year before as of 30-June-2010, the INR-USD rate was 46.6 which depreciated to 75.5/USD as of 30-June-2020 i.e. a depreciation of ~62% over last 10 years)

Data Source: Index Values - Bloomberg, Forex Rate - RBI/Thomson Reuter and MOFSL; Performance as of Close of 30-June-2010 – 30-June-2020. 'A' denotes the index currency conversion. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. 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.



## Performance

	Data Label	1 Year	3 Year	5 Year	7 Year	10 Year	15 Year
<b>CAGR</b>	^S&P 500 TR Index (INR)	15.8%	16.1%	14.2%	15.6%	19.4%	12.8%
	Nifty 500 TRI	-11.2%	1.8%	5.5%	10.7%	8.0%	11.8%
<b>Annualized Volatility</b>	^S&P 500 TR Index (INR)	34.0%	23.0%	19.9%	18.5%	18.5%	20.9%
	Nifty 500 TRI	29.4%	19.7%	17.8%	17.2%	16.9%	22.0%

Source: Bloomberg, Forex Rate - RBI/Thomson Reuter and MOAMC; Performance as of Close of 30-June-2005 to 30-June-2020. 'A' denotes the index currency conversion. Performance results have many inherent limitations and no representation.



## Performance

Constituent Name	Index Weight
Microsoft Corp	5.89%
Apple Inc.	5.77%
Amazon Com Inc	4.39%
Facebook Inc	2.08%
Alphabet Inc A	1.64%
Alphabet Inc	1.60%
Johnson & Johnson	1.43%
Berkshire Hathaway Inc	1.35%
Visa Inc	1.26%
Procter & Gamble Co	1.14%



## Fun Facts



Leading 500 companies in US

Bluest of Blue Chips



One of the factors used in the forecast of economic direction

Gauge of Economy



Top 4 passive funds by AUM world wide tracks S&P 500 Index

Largest Index AUM



Investors like Warren Buffett, Burton Malkiel & John Bogle recommend S&P 500 index fund

One of the Preferred Mode



## Why invest in an Index Fund?

- **Eliminates fund manager** risk and therefore the risk of under-performing the benchmark
- **Diversification** – Broad market indices are typically diversified across sectors
- **Low Costs** – Index Funds are typically carry lower expense ratio as compared to actively managed mutual funds
- **Long-term** – Passive Funds are typically more transparent as compared to actively managed funds. Its stocks selection methodology is publically available.



## About Motilal Oswal S&P 500 Index Fund

### Investment Objective.

The Scheme seeks investment return that corresponds to the performance of S&P 500 Index subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.

**Benchmark-** S&P 500 Index (TRI)

**Total Expense Ratio-** Regular – 1.19%

**Monthly AUM-** ₹ 237.63 (Cr)

**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.

**Inception Date** - 28 April 2020

**Fund Manager-** Mr. Herin Visaria (Foreign Securities) & Mr. Abhiroop Mukherjee (Debt Securities)