

# Invest in one of the popular indices



## Introducing Motilal Oswal Nifty Next 50 Index Fund

Less volatility and long term returns make Large Cap Index a popular choice among investors.

**NFO** Opens: 03<sup>rd</sup> Dec, 2019  
Closes: 17<sup>th</sup> Dec, 2019

To invest, contact your Financial Advisor or  
Call: 81086 22222 or 022-4054 8002  
Visit: [www.motilaloswalmf.com](http://www.motilaloswalmf.com)

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**MOTILAL OSWAL**  
Asset Management

**MUTUAL  
FUND**

Name of the scheme	This product is suitable for investors who are seeking*	Riskometer
Motilal Oswal Nifty Next 50 Index Fund (MOFNEXT50) (An open ended scheme replicating / tracking Nifty Next 50 Index)	<ul style="list-style-type: none"> <li>Return that corresponds to the performance of Nifty Next 50 Index subject to tracking error</li> <li>Equity and equity related securities covered by Nifty Next 50 Index</li> <li>Long term capital growth</li> </ul>	<p>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.

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



## Why invest in an Index Fund?

- Index Funds are an easy and convenient way to invest in an index (such as the Sensex and the Nifty).
- **Eliminates fund manager risk** and therefore the risk of underperforming the benchmark
- **Diversification** – Generally tracks broad based indices thus reducing the impact of decline in value of any one stock or industry, sector
- **Low Costs** – Since index funds are passively managed, cost are kept relatively low
- **Long-term** – Fund managers change and funds close down frequently. An investor who is looking to invest for over 10 years+ is better suited for index funds

## Percentage of Actively Managed Large-cap Funds Outperformed by the Index

Fund Category	Comparison Index	1 Year (%)	3-Year (%)	5-Year(%)	10-Year (%)
Indian Equity Large-Cap	S&P BSE 100	77	83	66	61

Source: S&P Dow Jones Indices LLC, Morningstar, and Association of Mutual Funds in India. Data as of 28 June 2019.

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.



## Ability to withstand downturn

	Nifty Next 50 TRI	Nifty Midcap 150 TRI	Nifty Smallcap 250 TRI
01 January 2008 to 27 February 2009	-62.7%	-64.4%	-68.4%
03 January 2011 to 30 December 2011	-31.3%	-31.6%	-35.8%
29 January 2018 to 28 February 2019	-12.1%	-15.5%	-29.1%

- Large caps fall less during periods of market turmoil compared to mid & small caps
- Rising global volatility warrants investment in stable segments

Source: MOFSL Report

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## Large-cap Funds performance vs Benchmark

	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Large-cap Funds Category Average	11.6	5.3	12.2	7.8	12.3	10.8
Top 10 Large- Cap Average (Based on 5 Year Returns)	13.5	6.8	14.0	9.3	13.5	12.8
Indices						
Nifty 50 TRI	12.5	9.3	15.5	8.4	12.4	10.7
Nifty Next 50 TRI	5.4	-1.3	10.8	10.4	15.1	12.7

- Nifty Next 50 TRI has outperformed most large-cap funds in India in the 5 years and above time horizon
- ETFs + index funds have grown from INR 5000 crore to over 1.5 lakh crore over last 5 years

Source: MFI Explorer; MOAMC Internal Research. Data as of 29 November 2019

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## About Nifty Next 50 Index

- The NIFTY Next 50 Index represents 50 companies from NIFTY 100 after excluding the NIFTY 50 companies.
- NIFTY Next 50 is computed using free float market capitalization method wherein the level of the index reflects total free float market value of all the stocks in the index relative to a particular base market capitalization value.
- NIFTY Next 50 Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETFs and structured products.



## About Motilal Oswal Nifty Next 50 Index Fund

**Type of Scheme:** An open ended scheme replicating/tracking Nifty Next 50 Index

**Investment Objective:** The scheme seeks investment return that corresponds (before fees and expenses) to the performance of Nifty Next 50 Index (underlying index), subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

**Benchmark:** Nifty Next 50 Index TRI

**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.

**Entry Load:** Nil

**Fund Manager:** Mr. Swapnil Mayekar