

— Don't let stock market volatility affect you



Introducing -

## Motilal Oswal S&P BSE Low Volatility ETF & Index Fund

(An open ended fund replicating / tracking the S&P BSE Low Volatility Total Return Index)

28<sup>th</sup> February 2022

**NFO**

Opens: 4<sup>th</sup> March, 2022

Closes: 16<sup>th</sup> March, 2022



# — Introduction to Factors

# What are Factors?



A factor is any characteristic that helps explain the long-term risk and return performance of an asset.



Factors are the foundation of investing - Building blocks in every investing process.



Commonly known Factors are Low Volatility, Momentum, Quality, and Value

# What is Factor Investing?

Defining descriptors for each Factor

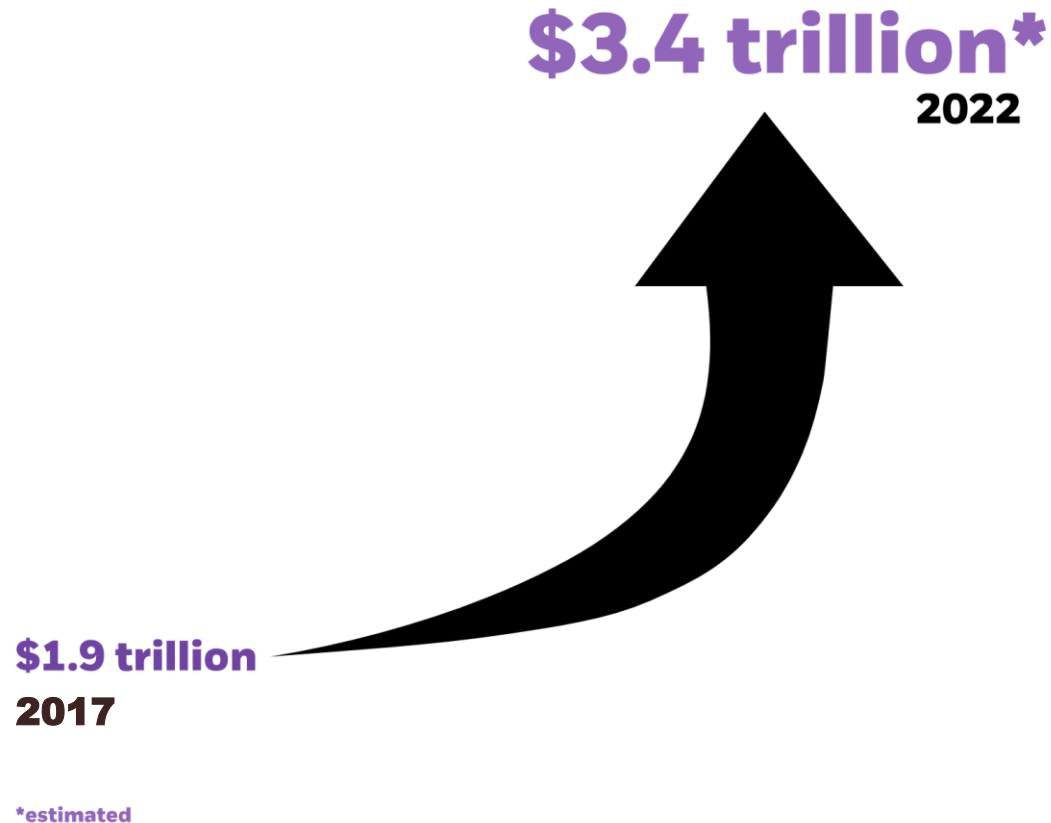
For e.g., 6M / 12M Price return for Momentum

Establishing rules to select a portfolio of companies using these descriptors

Applying these rules to create portfolios periodically – for e.g., semi-annually

**What factor investing isn't – Ambiguous !**

# Factor Industry growth



Source: BlackRock, Simfund for mutual fund data, BlackRock for ETF data, eVestment and Preqin for institutional and alternative data. Mutual fund and ETF data as of 12/31/17, eVestment and Preqin as of 9/30/17. Excludes fund of funds. Projections exclude the impact of beta.

# Winners keep changing

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022*
Low Vol -41.7%	Value 125.5%	Quality 30.0%	Quality -9.6%	Value 42.3%	Mom. 12.9%	Mom. 49.6%	Low Vol 13.5%	Value 16.6%	Mom. 57.5%	Low Vol 8.7%	Mom. 10.6%	Low Vol 26.8%	Value 56.9%	Value 6.0%
Quality -44.8%	Quality 104.0%	Low Vol 26.1%	Low Vol -12.7%	Mom. 38.8%	Quality 11.6%	Quality 44.9%	Quality 13.2%	Mom. 9.6%	Value 46.0%	Nifty 200 0.3%	Nifty 200 10.0%	Quality 26.0%	Mom. 53.8%	Quality -0.7%
Value -52.4%	Low Vol 89.2%	Value 25.4%	Mom. -16.1%	Nifty 200 33.6%	Low Vol 11.0%	Low Vol 42.9%	Mom. 10.8%	Quality 7.4%	Quality 39.7%	Mom. -1.7%	Low Vol 5.3%	Mom. 20.0%	Nifty 200 28.9%	Nifty 200 -3.7%
Nifty 200 -56.1%	Nifty 200 88.8%	Mom. 19.8%	Nifty 200 -26.1%	Quality 32.8%	Nifty 200 5.9%	Value 40.0%	Nifty 200 -0.8%	Nifty 200 5.1%	Nifty 200 35.2%	Quality -3.9%	Quality 3.9%	Nifty 200 16.8%	Quality 19.4%	Low Vol -5.9%
Mom. -60.0%	Mom. 69.3%	Nifty 200 15.6%	Value -39.0%	Low Vol 32.3%	Value -7.0%	Nifty 200 37.3%	Value -15.8%	Low Vol 4.4%	Low Vol 30.2%	Value -26.9%	Value -7.3%	Value 12.8%	Low Vol 19.3%	Mom. -6.9%

Color legend	Low Vol	S&P BSE Low Volatility TRI
	Value	S&P BSE Enhanced Value TRI
	Mom.	Nifty200 Momentum 30 TRI
	Quality	S&P BSE Quality TRI
	Nifty 200	Nifty 200 TRI

- **No single Factor has outperformed others consistently**
- **Adding Factors to your portfolio can help improve risk-adjusted returns**

Source/Disclaimer: niftyindices, S&P BSE. Performance as of close of 31-Dec-07 to 28-Feb-22. \*2022 Year To Date (YTD). Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above graph is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy.

# Performance across Market Cycles

Market Cycle	Value	Quality	Low Vol	Momentum	Nifty 200 TRI
<b>Bull</b>	29.9%	26.9%	28.0%	42.3%	31.4%
<b>Bear</b>	-48.9%	-27.1%	-25.6%	-38.5%	-41.9%
<b>Recovery</b>	45.1%	41.0%	37.8%	38.6%	36.5%

- **Momentum tends to significantly outperform in Bull market cycles**
- **Quality and Low Vol offer good downside protection and tend to outperform in Bear markets**
- **Value tends to outperform when the market is recovering from a bear phase**

Low Vol = S&P BSE Low Volatility TRI

Quality = S&P BSE Quality TRI

Momentum = Nifty200 Momentum 30 TRI

Value = S&P BSE Enhanced Value TRI

Source/Disclaimer: niftyindices, S&P BSE, MOAMC Research. Performance as of close of 31-Jan-07 to 28-Feb-22. All Performance numbers in CAGR. Bear market defined as >20% fall from peak to trough. Recovery defined as the recovery from trough to previous peak. Bull market defined as rising market after recovery. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above graph is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy.

# Rolling return outperformance

Odds of Outperformance vs Nifty 200 TRI				
Rolling Period	Value	Quality	Low Vol	Momentum
1 year	47.7%	68.8%	71.0%	78.2%
3 year	39.0%	79.8%	92.8%	87.2%
5 year	29.7%	94.0%	96.7%	98.4%
7 year	26.4%	100.0%	100.0%	100.0%
10 year	27.3%	100.0%	100.0%	100.0%

Low Vol = S&P BSE Low Volatility TRI

Quality = S&P BSE Quality TRI

Momentum = Nifty200 Momentum 30 TRI

Value = S&P BSE Enhanced Value TRI

Source/Disclaimer: niftyindices, S&P BSE. Performance as of close of 16-Sep-05 to 28-Feb-22. 250 trading days assumed in one year. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above graph is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy.



# — The Low Volatility Factor

# Low Volatility

A Low volatility strategy involves buying stocks which have higher stability in price movements

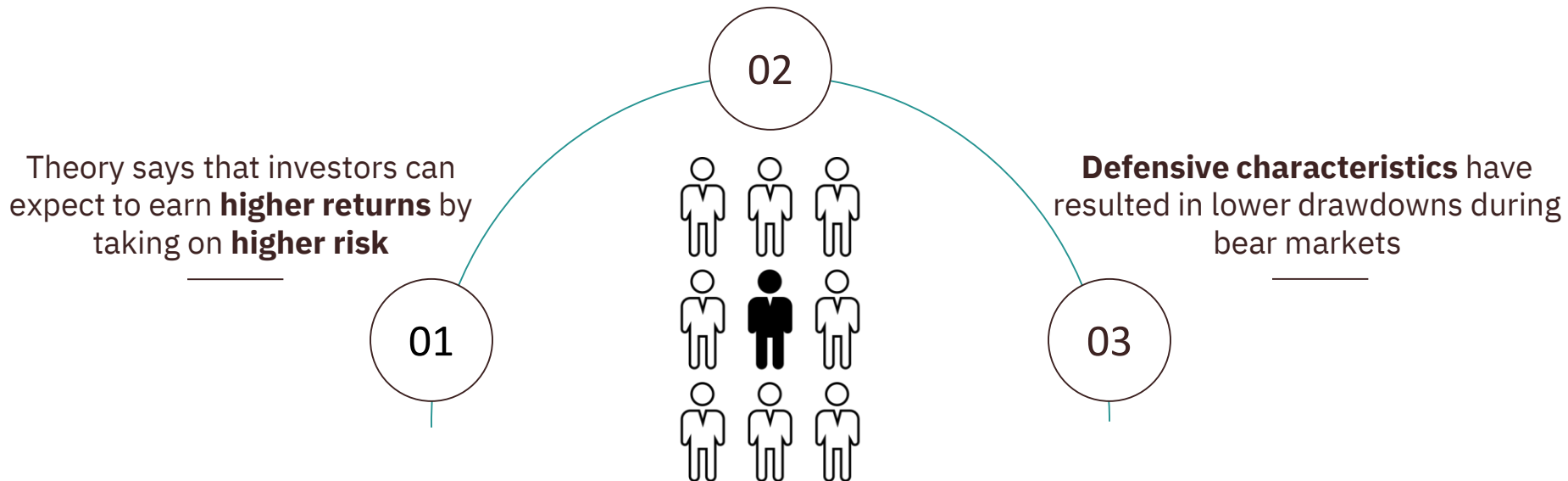
If you want a writing career with relatively reliable income, you'll likely choose to be a copy-writer at a large company than a self-employed author.



**Commonly Used Descriptor: Beta, Standard Deviation**

# The Low Volatility Anomaly

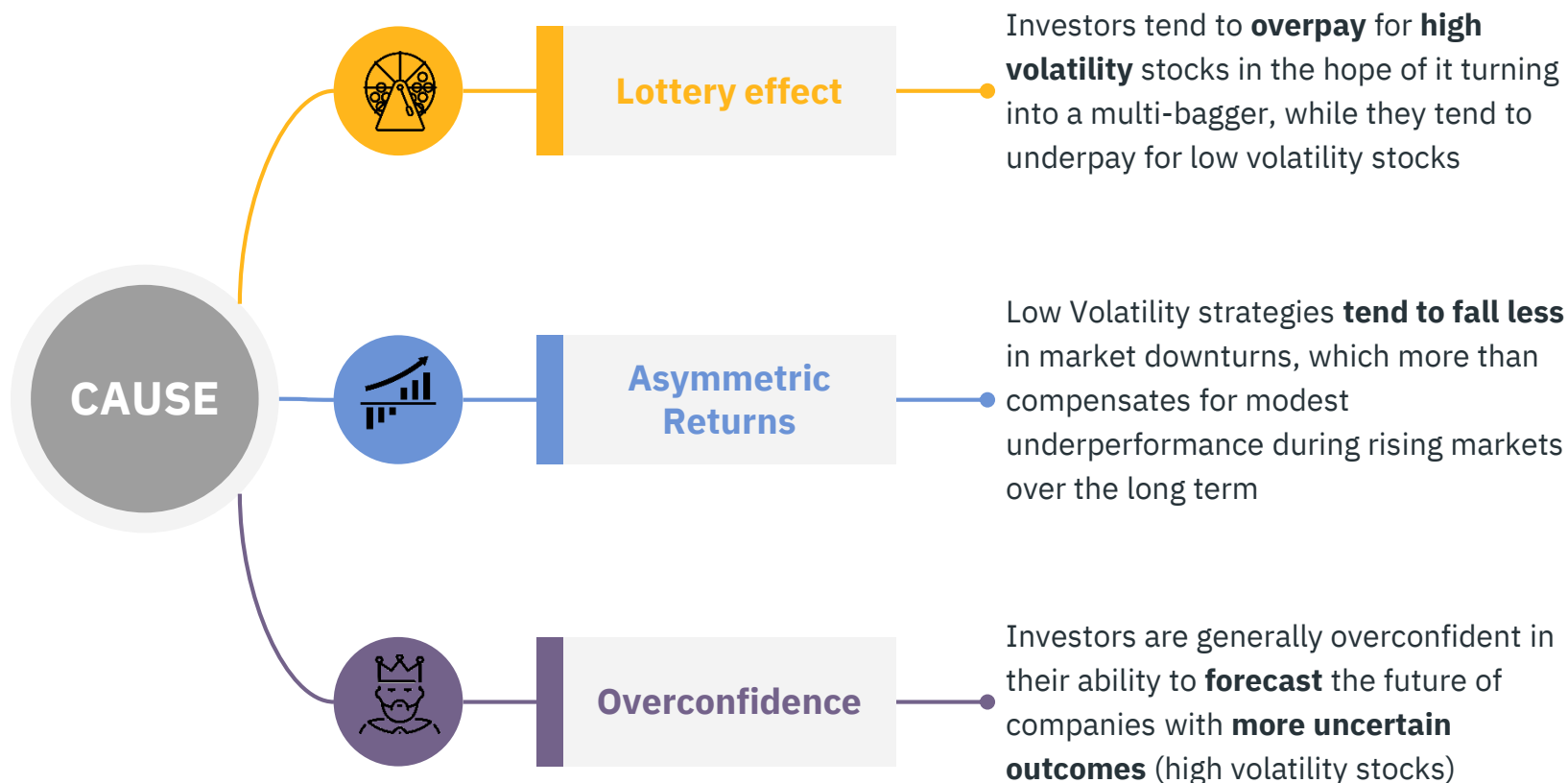
However, **empirical research** has shown that the strategy of buying **low-volatility stocks** tends to **outperform** the broad-market over the **long-term**



Perhaps the “greatest anomaly in finance”

Source: [Low Volatility and High Beta: A Study in Backtest Integrity \(spglobal.com\)](https://www.spglobal.com)

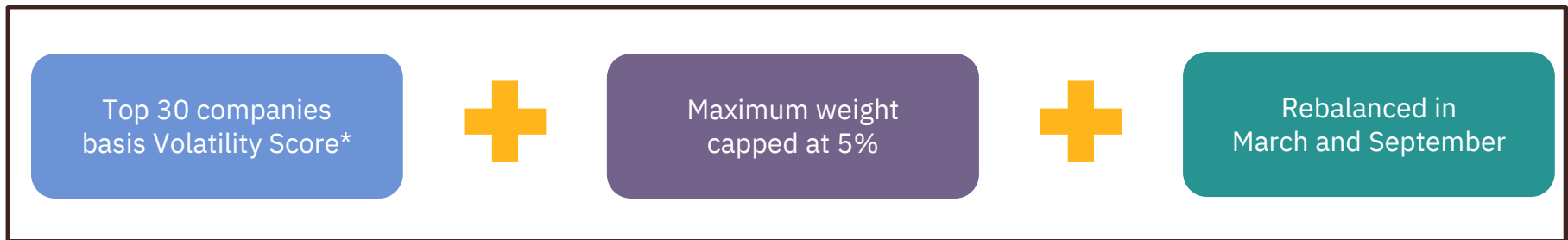
# Why does Low Volatility strategy work?



# — S&P BSE Low Volatility Index

# Index methodology

**Constituents of  
S&P BSE LargeMidCap Index**

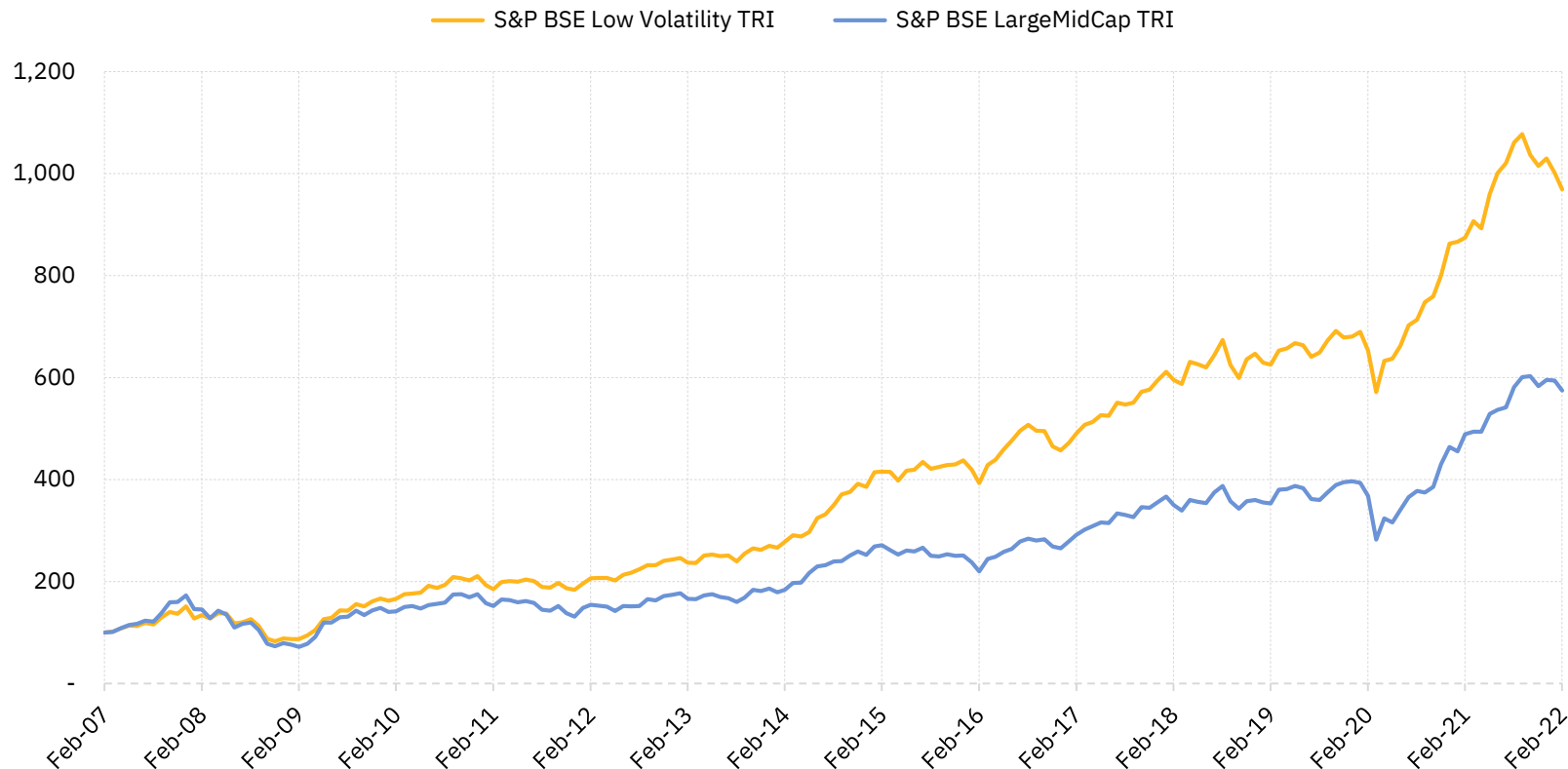


**S&P BSE Low Volatility Index**

Source: S&P BSE; Data as on 28-Feb-22; \*Standard deviation of daily price returns over last 1 year. Index launch date – 03-Dec-15; Index base date – 16-Sep-05

# Long-term historical outperformance

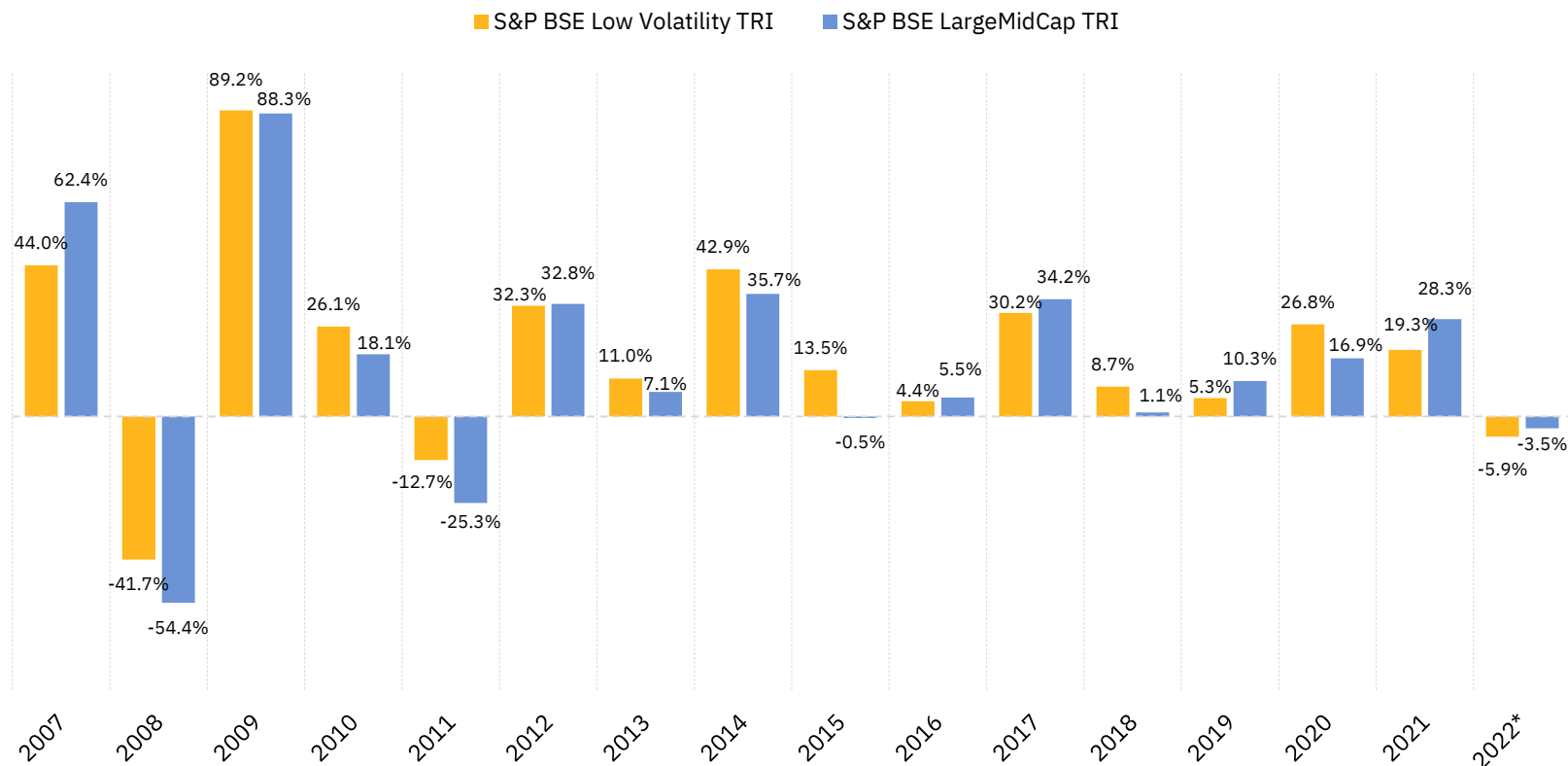
S&P BSE Low Volatility TRI has significantly outperformed the S&P BSE LargeMidCap TRI over the last 15 years



Source/Disclaimer: S&P BSE; Performance as of close of 28-Feb-07 to 28-Feb-22. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. 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.

# Calendar year returns

S&P BSE Low Volatility TRI has outperformed the S&P BSE LargeMidCap TRI in 9 out of last 16 years\*

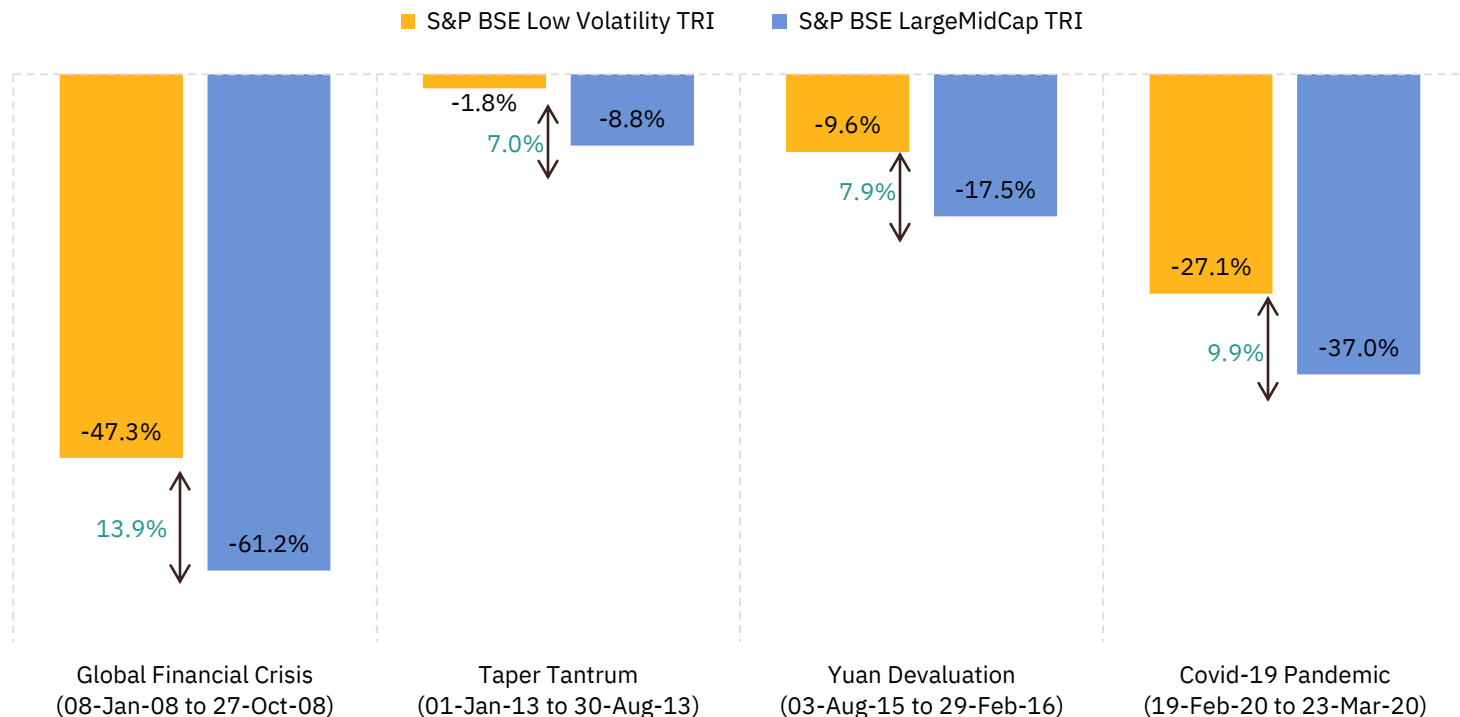


Source/Disclaimer: S&P BSE; Performance as of close of 31-Dec-06 to 28-Feb-22. \*2022 Year To Date (YTD). Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above graph is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy.



# Large outperformance during Global crises

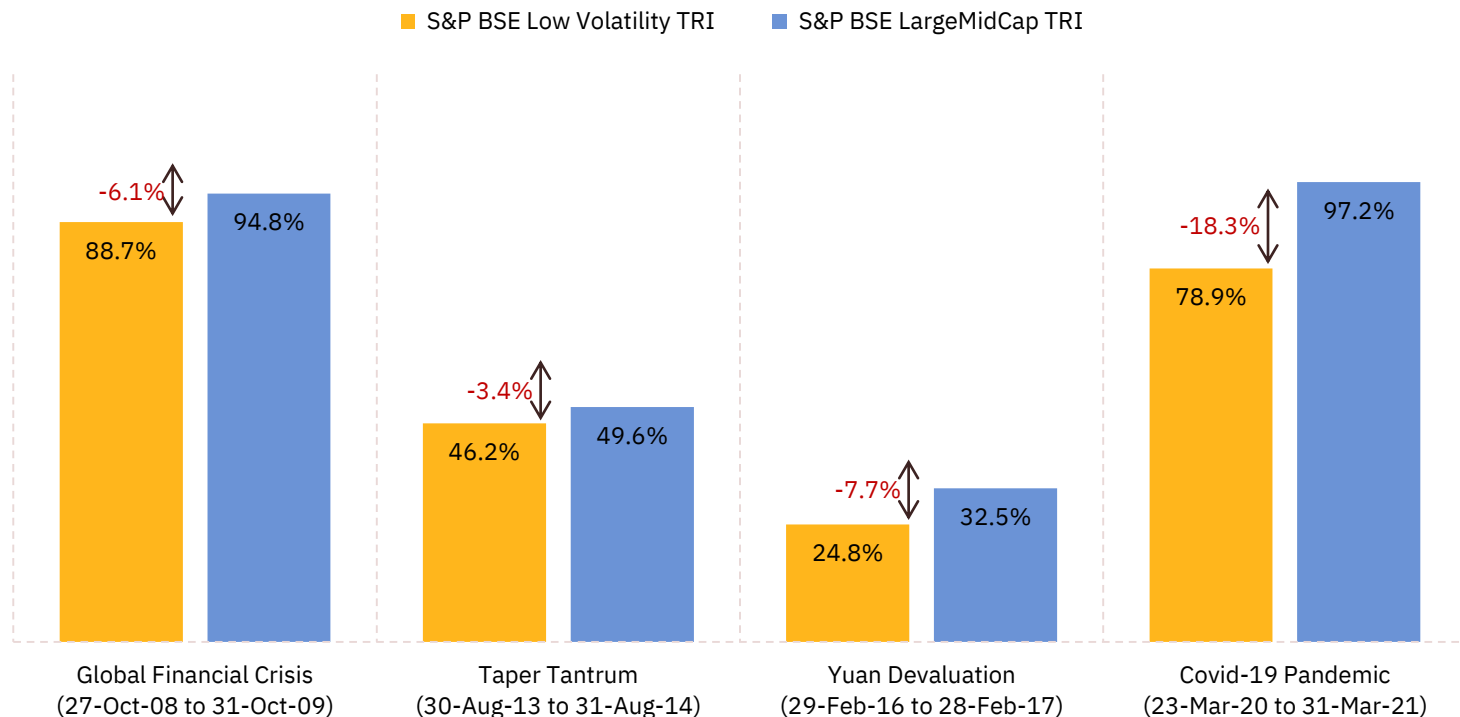
S&P BSE Low Volatility TRI has seen significantly smaller declines during tail events, providing good downside protection



Source/Disclaimer: S&P BSE; Performance as of close of 08-Jan-08 to 23-Mar-20. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. 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.

# Smaller underperformance during recovery

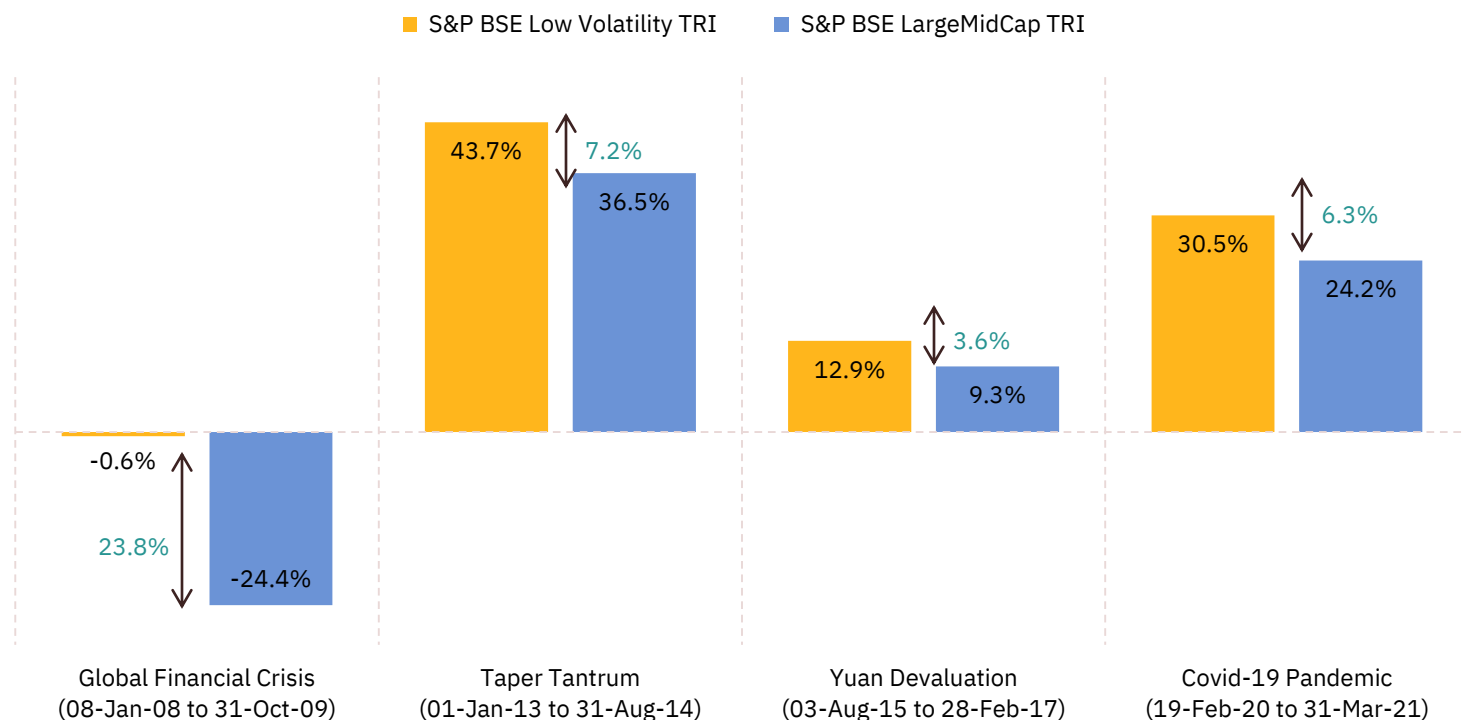
S&P BSE Low Volatility TRI has seen smaller underperformance in the 12-months after a tail event



Source/Disclaimer: S&P BSE; Performance as of close of 27-Oct-08 to 31-Mar-21. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above graph is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy.

# Gaining more by losing less

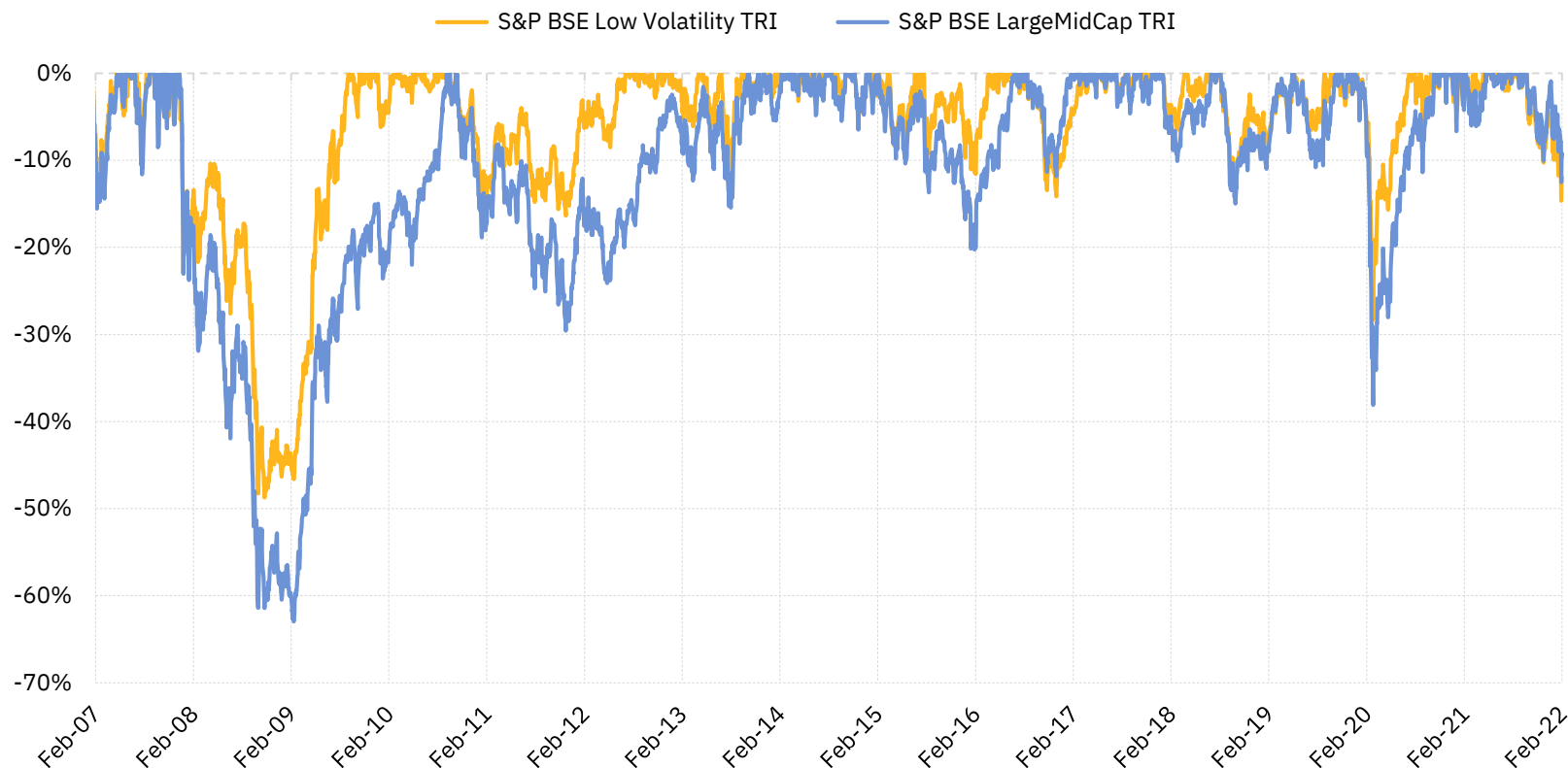
**S&P BSE Low Volatility TRI tends to fall less during tail events, which more than compensates for relative underperformance during recovery phase after these events**



Source/Disclaimer: S&P BSE; Performance as of close of 08-Jan-08 to 31-Mar-21. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. 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.

# Lower drawdowns over last 15 years

S&P BSE Low Volatility TRI has historically seen smaller drawdowns than S&P BSE LargeMidCap TRI



Source/Disclaimer: S&P BSE; Performance as of close of 28-Feb-07 to 28-Feb-22. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. 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.

# Risk-return profile

Data Label		1 year	3 year	5 year	10 year	15 year
<b>S&amp;P BSE Low Volatility TRI</b>	<b>CAGR</b>	<b>10.8%</b>	<b>15.7%</b>	<b>14.6%</b>	<b>16.7%</b>	<b>16.3%</b>
S&P BSE LargeMidCap TRI		17.5%	17.6%	14.5%	14.0%	12.4%
<b>S&amp;P BSE Low Volatility TRI</b>	<b>Annualised Volatility</b>	<b>12.3%</b>	<b>16.4%</b>	<b>14.1%</b>	<b>13.2%</b>	<b>16.3%</b>
S&P BSE LargeMidCap TRI		15.9%	21.7%	18.2%	16.7%	21.6%
<b>S&amp;P BSE Low Volatility TRI</b>	<b>Risk Adjusted Returns</b>	<b>0.884</b>	<b>0.959</b>	<b>1.035</b>	<b>1.271</b>	<b>1.006</b>
S&P BSE LargeMidCap TRI		1.100	0.811	0.797	0.841	0.572

Source/Disclaimer: S&P BSE; Performance as of close of 28-Feb-07 to 28-Feb-22. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above graph is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy.

# Performance vs Nifty 50

Data Label		1 year	3 year	5 year	10 year	15 year
<b>S&amp;P BSE Low Volatility TRI</b>	<b>CAGR</b>	<b>10.8%</b>	<b>15.7%</b>	<b>14.6%</b>	<b>16.7%</b>	<b>16.3%</b>
Nifty 50 TRI		17.0%	17.3%	15.0%	13.4%	11.8%
<b>S&amp;P BSE Low Volatility TRI</b>	<b>Annualised Volatility</b>	<b>12.3%</b>	<b>16.4%</b>	<b>14.1%</b>	<b>13.2%</b>	<b>16.3%</b>
Nifty 50 TRI		15.8%	22.2%	18.6%	17.0%	22.1%
<b>S&amp;P BSE Low Volatility TRI</b>	<b>Risk Adjusted Returns</b>	<b>0.884</b>	<b>0.959</b>	<b>1.035</b>	<b>1.271</b>	<b>1.006</b>
Nifty 50 TRI		1.076	0.778	0.810	0.792	0.535

Source/Disclaimer: S&P BSE; Performance as of close of 28-Feb-07 to 28-Feb-22. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above graph is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy.

# Index SIP returns

S&P BSE Low Volatility TRI	1 Year	3 Year	5 Year	7 year	10 Year
Returns	-4.1%	16.3%	14.3%	14.0%	15.6%
Amount Invested	1,20,000	3,60,000	6,00,000	8,40,000	12,00,000
Market Value	1,17,337	4,58,163	8,56,913	13,81,172	27,12,559

Data as of close of Feb 28, 2022. For SIP returns, monthly investment of INR 10,000/- invested on the first business day of every month has been considered. Performance is calculated using Total Return Index, with zero cost/expenses. Past performance may or may not be sustained in the future

Source/Disclaimer: S&P BSE; Performance as of Close of 01-Mar-2011 to 28-Feb-2022; Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. The above table 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. The SIP amount, tenure of SIP, expected rate of return are assumed figures for the purpose of explaining the concept of advantages of SIP investments. The actual result may vary from depicted results depending on scheme selected. It should not be construed to be indicative of scheme performance in any manner. The above are not scheme SIP returns, but simulation of index SIP returns. Past performance may or may not be sustained in future.

# Rolling returns

	3 Year Rolling Returns		5 Year Rolling Returns	
	S&P BSE Low Volatility TRI	S&P BSE LargeMidCap TRI	S&P BSE Low Volatility TRI	S&P BSE LargeMidCap TRI
Average	16.5%	11.3%	17.2%	11.9%
Median	15.8%	12.0%	17.5%	12.7%
Min	-1.8%	-7.6%	3.7%	-1.7%
Max	35.8%	32.9%	28.5%	23.7%
Returns Range	% of Total Observation			
Negative	0.4%	4.8%	0.0%	0.2%
0% to 10%	12.8%	34.1%	2.8%	35.4%
10% to 15%	30.7%	33.4%	26.2%	33.8%
15% to 20%	86.7% } 29.3%	61.1% } 18.7%	97.2% } 49.7%	64.2% } 27.6%
Above 20%	26.7%	9.0%	21.3%	3.0%

Source/Disclaimer: S&P BSE. 250 trading days assumed in one year. Performance data since 16-Sep-05 to 28-Feb-22. All Performance data in INR. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. The above table 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



# Why should you invest?

Good starting  
point for someone  
worried about  
market volatility

Lower volatility  
than market

Long-term  
historical  
outperformance  
vs market

More effective  
during market  
crashes\*

Low cost Index  
Fund and ETF

Source/Disclaimer: \*Based on historical data, S&P BSE Low Volatility TRI showcases lower drawdowns than broad-based indices during market crashes (refer slide 17)

# Motilal Oswal S&P BSE Low Volatility ETF



## Type of Scheme

An open ended fund replicating/tracking S&P BSE Low Volatility Total Return Index



## Minimum Application Amount

**During the NFO** – Rs 500/- and in multiples of Re 1/- thereafter

**Ongoing basis** –

**On Exchange** – Investors can buy/sell units of the Scheme in round lot of 1 unit and in multiples thereafter

**Directly with Mutual Fund** – Buy/sell units of the Scheme in unit size of 30,000 and in multiples thereafter



## Investment Objective

The investment objective of the scheme is to provide returns that, before expenses, correspond to the total returns of the securities as represented by S&P BSE Low Volatility Total Return Index, subject to tracking error. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved



## Exit Load

Nil



## Date of Allotment

23-Mar-2022



## Fund Manager

Mr. Swapnil Mayekar &  
Mr. Abhiroop Mukherjee (debt component)



## NFO Period

04-Mar-2022 to 16-Mar-2022



## Indicative Total Expense Ratio

Regular – 0.35%

Source: MOAMC; As of 28-Feb-22. Mutual Fund Investments are subject to market risks, read all scheme related documents carefully

# Motilal Oswal S&P BSE Low Volatility Index Fund



## Type of Scheme

An open ended fund replicating/tracking S&P BSE Low Volatility Total Return Index



## Minimum Application Amount

### During the NFO:

**Lumpsum and SIP** – Rs 500/- and in multiples of Re 1/- thereafter

### Ongoing basis:

**Lumpsum and SIP** – Rs 500/- and in multiples of Re 1/- thereafter



## Investment Objective

The investment objective of the scheme is to provide returns that, before expenses, correspond to the total returns of the securities as represented by S&P BSE Low Volatility Total Return Index, subject to tracking error. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved



## Exit Load

1% if redeemed on or before 15 days from allotment date, Nil if redeemed after 15 days from allotment date



## Date of Allotment

23-Mar-2022



## Fund Manager

Mr. Swapnil Mayekar &  
Mr. Abhiroop Mukherjee (debt component)



## NFO Period

04-Mar-2022 to 16-Mar-2022



## Indicative Total Expense Ratio

Regular – 1.00%, Direct – 0.40%

Source: MOAMC; As of 28-Feb-22. Mutual Fund Investments are subject to market risks, read all scheme related documents carefully

# Limitations of Low Volatility Factor

## Market Cycles




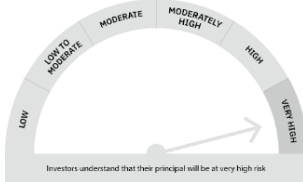
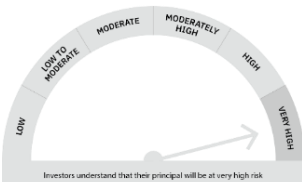
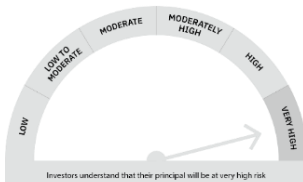
Low Volatility factor performs differently in different market cycles, making it important to understand its cyclical nature

## High Churn



For indices based on the Volatility Factor, the churn is generally very high (~50%) compared to a broad-based index like Nifty 500

# Product Suitability

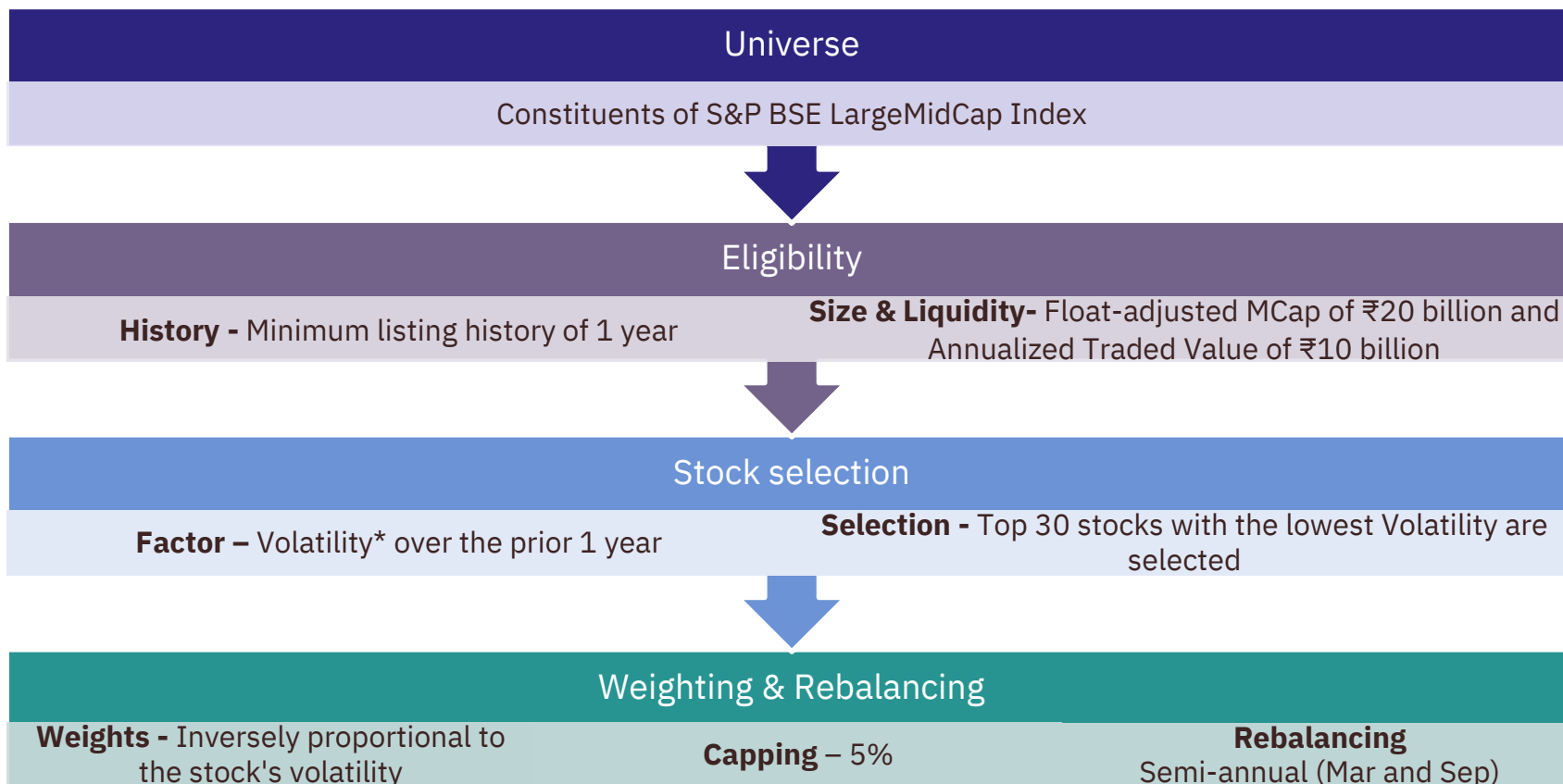
Name of the Scheme	This product is suitable for investors who are seeking*	Scheme Riskometer	Benchmark Riskometer
<p><b>Motilal Oswal S&amp;P BSE Low Volatility ETF</b> (An open ended fund replicating / tracking the S&amp;P BSE Low Volatility Total Return Index)</p>	<ul style="list-style-type: none"> <li>Return that corresponds to the total returns of the S&amp;P BSE Low Volatility Total Return Index subject to tracking error</li> <li>Long term capital growth</li> </ul>	<p>Fund</p>  <p>Investors understand that their principal will be at very high risk</p>	<p>S&amp;P BSE Low Volatility Total Return Index</p>  <p>Investors understand that their principal will be at very high risk</p>
<p><b>Motilal Oswal S&amp;P BSE Low Volatility Index Fund</b> (An open ended fund replicating / tracking the S&amp;P BSE Low Volatility Total Return Index)</p>	<ul style="list-style-type: none"> <li>Return that corresponds to the total returns of the S&amp;P BSE Low Volatility Total Return Index subject to tracking error</li> <li>Long term capital growth</li> </ul>	<p>Fund</p>  <p>Investors understand that their principal will be at very high risk</p>	<p>S&amp;P BSE Low Volatility Total Return Index</p>  <p>Investors understand that their principal will be at very high risk</p>

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

# — Annexure

# Index methodology

**Index Objective:** The S&P BSE Low Volatility Index is designed to track the performance of the 30 companies in the S&P BSE LargeMidCap with the lowest volatilities, as measured by standard deviation.



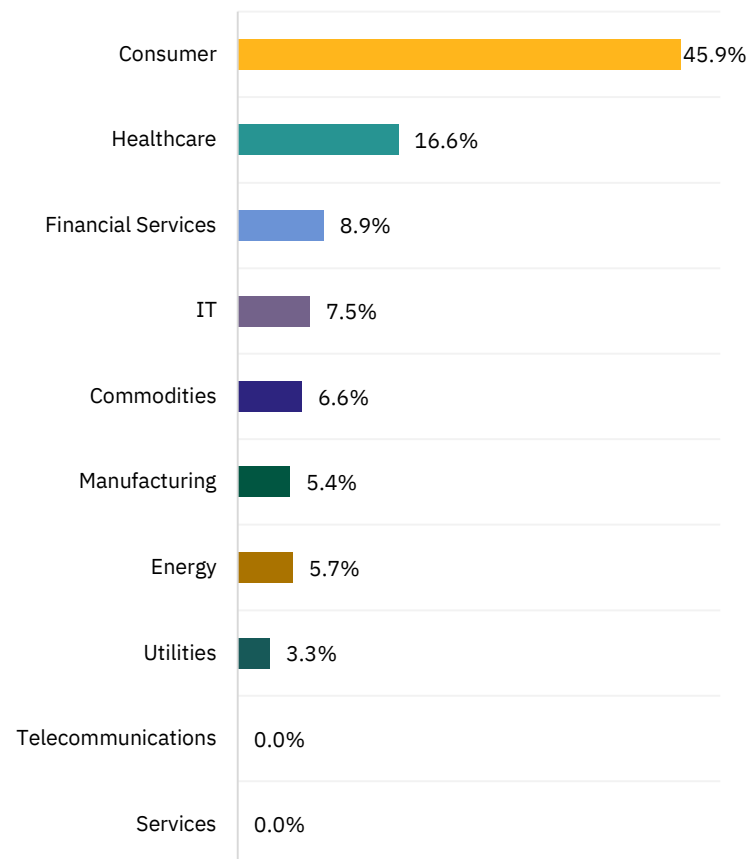
Source/Disclaimer: S&P BSE; Data as on 28-Feb-2022; \*Standard deviation of daily price returns over last 1 year. Index launch date – 03-Dec-15; Index base date – 16-Sep-05. For detailed methodology please visit [niftyindices.com](http://niftyindices.com). The above table is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy.

# S&P BSE Low Volatility Index composition

## Top 10 Constituents

S. No.	Constituent Name	Weight
1	Gillette India Ltd	4.3%
2	Maruti Suzuki India Ltd	4.2%
3	Dabur India Ltd	4.0%
4	Abbott India Ltd	4.0%
5	Pidilite Industries Ltd	4.0%
6	Infosys Ltd	3.9%
7	Itc Ltd	3.8%
8	Glaxosmithkline Pharmaceuticals Ltd	3.7%
9	Britannia Industries Ltd.	3.7%
10	Colgate-Palmolive India Ltd	3.7%
--	<b>Total</b>	<b>39.3%</b>

## Macro-Economic Sector Coverage

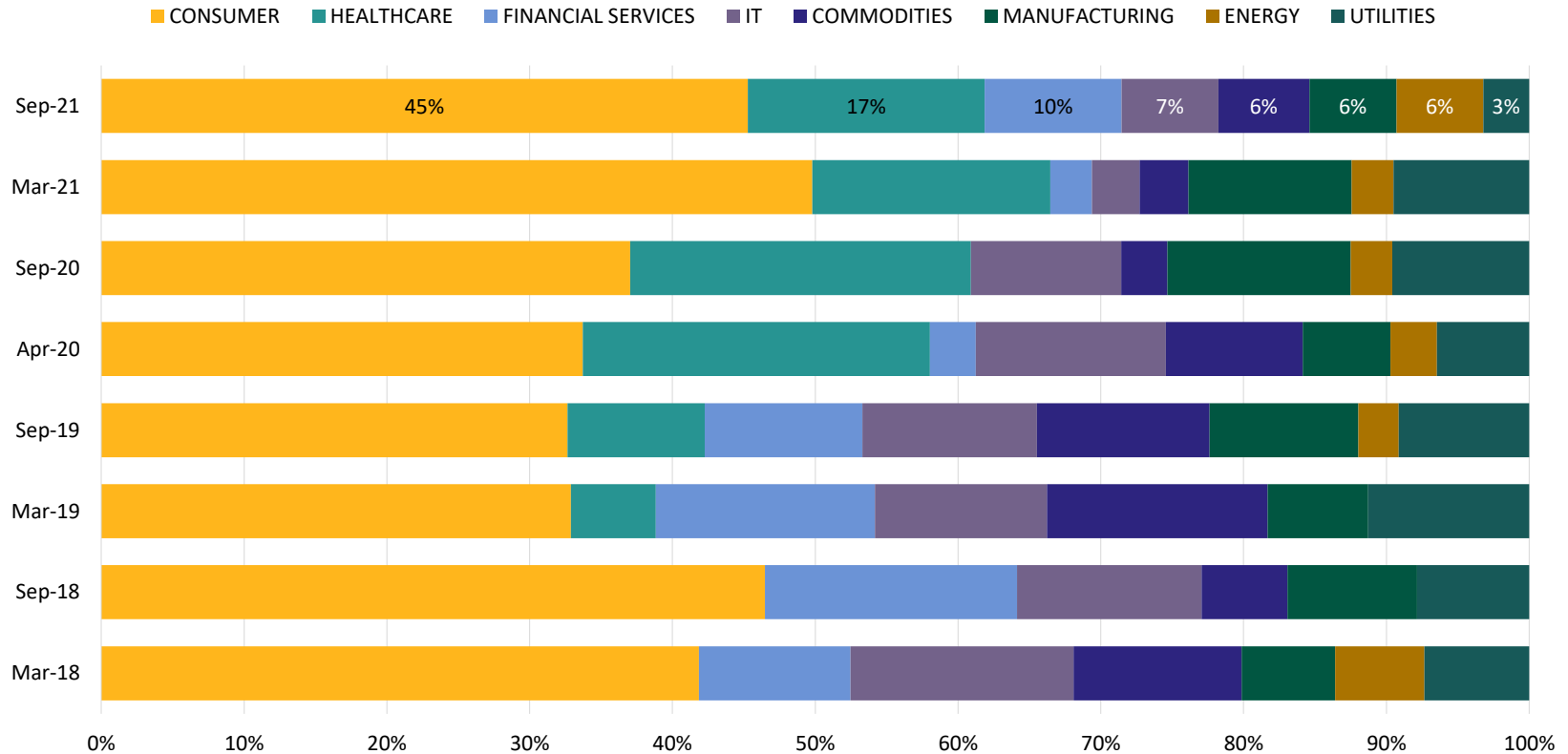


Source/Disclaimer: S&P BSE. Data as of 28-Feb-2022. Sectors - Macro Economic Sectors as per AMFI Industry Classification. The stocks/sectors mentioned above are used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. The stock may or may not be part of our portfolio/strategy/ schemes. It should not be construed as investment advice to any party. Past performance may or may not be sustained in future.



# Historical skew towards consumer sectors

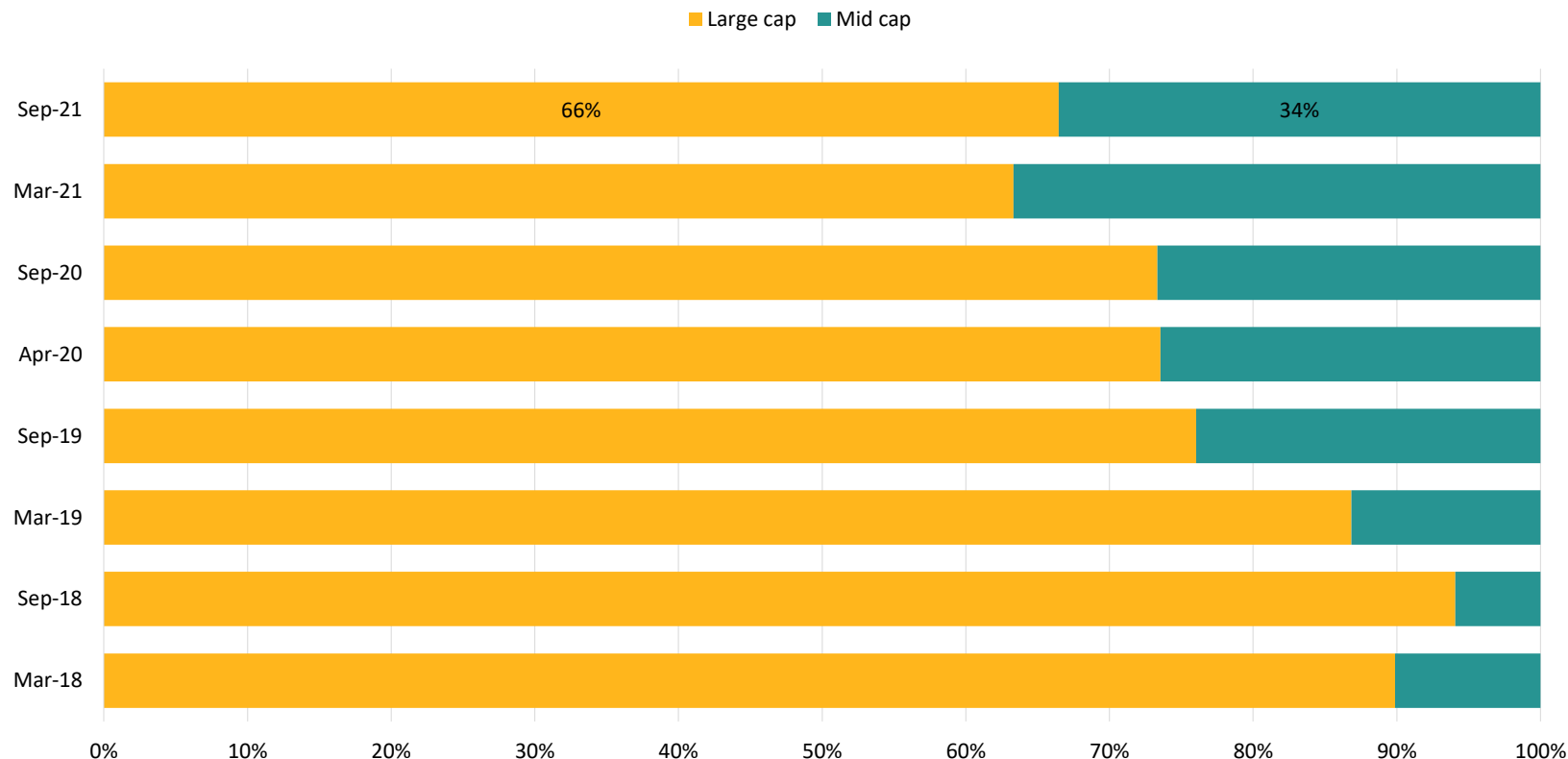
## S&P BSE Low Volatility Index has historically been overweight on the Consumer sector



Source/Disclaimer: S&P BSE; Data from 31-Mar-18 to 30-Sep-2021. Sectors - Macro Economic Sectors as per AMFI Industry Classification as on 31-Dec-21. The sectors mentioned above are used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. The sectors may or may not be part of our portfolio/strategy/schemes. It should not be construed as investment advice to any party.

# Growing share of Midcaps

S&P BSE Low Volatility Index has largely been skewed towards Large-caps



Source/Disclaimer: S&P BSE; Data from 31-Mar-18 to 30-Sep-2021. Size classification as per AMFI. The sectors mentioned above are used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. The sectors may or may not be part of our portfolio/strategy/schemes. It should not be construed as investment advice to any party.

# Risk-return profile

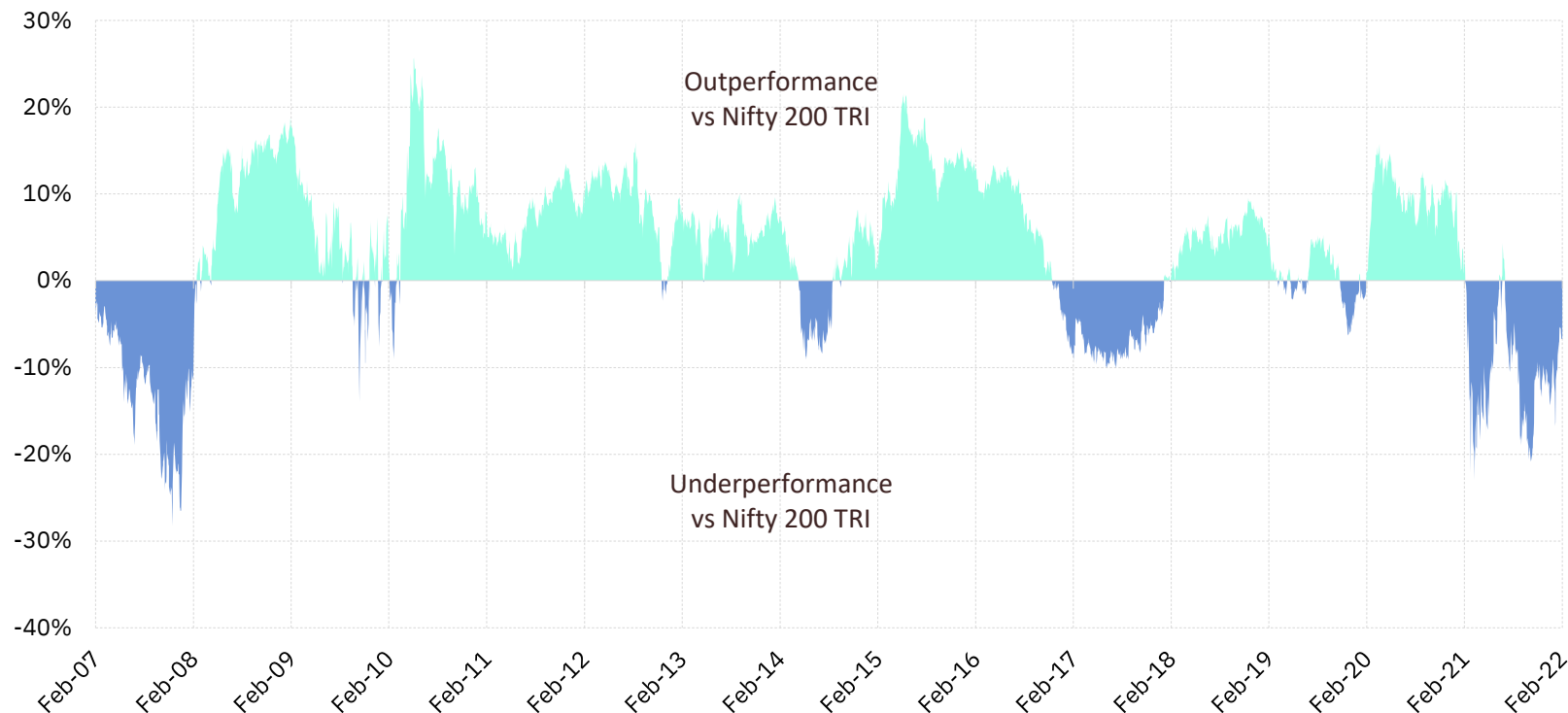
Data Label		1 year	3 year	5 year	10 year	15 year
<b>S&amp;P BSE Low Volatility TRI</b>	<b>CAGR</b>	<b>10.8%</b>	<b>15.7%</b>	<b>14.6%</b>	<b>16.7%</b>	<b>16.3%</b>
Nifty 200 TRI		18.0%	17.5%	14.4%	13.9%	11.9%
<b>S&amp;P BSE Low Volatility TRI</b>	<b>Annualised Volatility</b>	<b>12.3%</b>	<b>16.4%</b>	<b>14.1%</b>	<b>13.2%</b>	<b>16.3%</b>
Nifty 200 TRI		16.0%	21.6%	18.3%	16.8%	21.7%
<b>S&amp;P BSE Low Volatility TRI</b>	<b>Risk Adjusted Returns</b>	<b>0.884</b>	<b>0.959</b>	<b>1.035</b>	<b>1.271</b>	<b>1.006</b>
Nifty 200 TRI		1.127	0.811	0.791	0.829	0.550

Source/Disclaimer: S&P BSE; Performance as of close of 28-Feb-07 to 28-Feb-22. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above graph is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy.

# Periods of historical underperformance

S&P BSE Low Volatility TRI has in the past seen periods of significant underperformance vs Nifty 200 TRI

Excess 1 year Rolling Returns



Source/Disclaimer: niftyindices, S&P BSE; Performance as of close of 28-Feb-07 to 28-Feb-22. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. 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.

# Combining Low Vol and Momentum

Data Label		1 year	3 year	5 year	10 year	15 year
<b>Low Vol : Momentum (50:50)</b>	<b>CAGR</b>	<b>24.3%</b>	<b>19.7%</b>	<b>17.7%</b>	<b>19.7%</b>	<b>17.7%</b>
Nifty 200 TRI		18.0%	17.5%	14.4%	13.9%	11.9%
<b>Low Vol : Momentum (50:50)</b>	<b>Annualised Volatility</b>	<b>16.3%</b>	<b>19.2%</b>	<b>16.6%</b>	<b>15.3%</b>	<b>18.9%</b>
Nifty 200 TRI		16.0%	21.6%	18.3%	16.8%	21.7%
<b>Low Vol : Momentum (50:50)</b>	<b>Risk Adjusted Returns</b>	<b>1.487</b>	<b>1.026</b>	<b>1.072</b>	<b>1.288</b>	<b>0.939</b>
Nifty 200 TRI		1.127	0.811	0.791	0.829	0.550

Low Vol = S&P BSE Low Volatility TRI

Momentum = Nifty200 Momentum 30 TRI

Source/Disclaimer: Index values- niftyindices, S&P BSE; Performance as of close of 28-Feb-07 to 28-Feb-22. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. The above table is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

# Combining Low Vol and Momentum

	3 Year Rolling Returns		5 Year Rolling Returns	
	Low Vol : Momentum (50:50)	Nifty 200 TRI	Low Vol : Momentum (50:50)	Nifty 200 TRI
Average	16.9%	10.9%	17.9%	11.5%
Median	16.5%	11.6%	19.1%	12.1%
Min	-1.5%	-7.9%	3.9%	-1.8%
Max	32.5%	30.6%	28.3%	22.0%
Returns Range	% of Total Observation			
Negative	0.4%	6.7%	0.0%	1.3%
0% to 10%	16.3%	34.8%	6.4%	35.8%
10% to 15%	24.6%	32.6%	22.6%	32.9%
15% to 20%	<b>83.3%</b> } 26.1%	<b>58.5%</b> } 17.4%	<b>93.6%</b> } 29.9%	<b>62.8%</b> } 28.6%
Above 20%	32.6%	8.6%	41.1%	1.3%

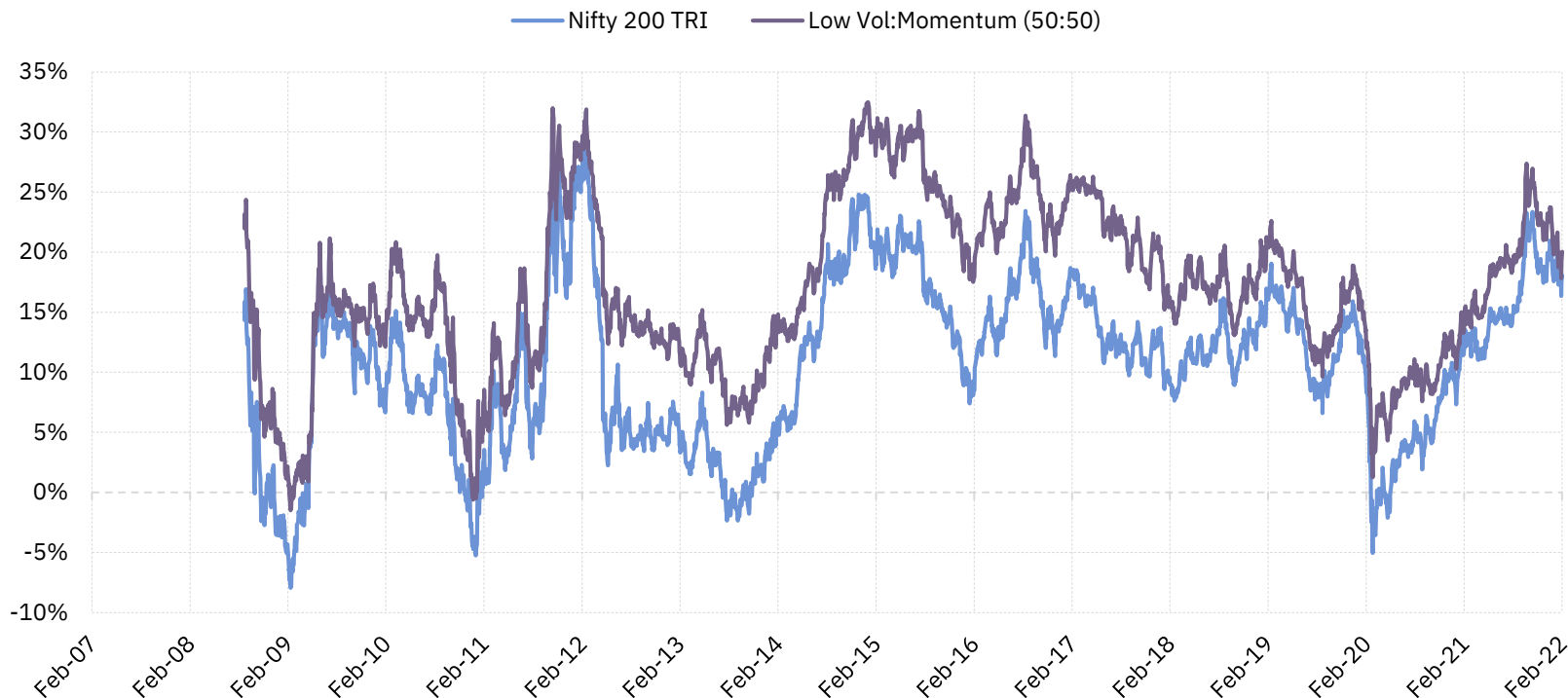
Low Vol = S&P BSE Low Volatility TRI  
 Momentum = Nifty200 Momentum 30 TRI

Source/Disclaimer: Index values- niftyindices, S&P BSE; Performance as of close of 16-Sep-05 to 28-Feb-22. 250 trading days assumed in one year. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. The above table is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

# Combining Low Vol and Momentum

50:50 combination of Low Vol and Momentum has outperformed Nifty 200 TRI in 99.9% of all 3 year rolling periods

## 3 year Rolling Returns



Low Vol = S&P BSE Low Volatility TRI

Momentum = Nifty200 Momentum 30 TRI

Source/Disclaimer: Index values- niftyindices, S&P BSE; Performance as of close of 16-Sep-05 to 28-Feb-22. 250 trading days assumed in one year. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. The above table is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

# Blending Low Volatility in your portfolio

Allocations	Parameters	1 year	3 year	5 year	10 year	15 year
<p>Nifty 500 100.0%</p>	<b>Returns*</b>	18.8%	18.2%	14.5%	14.2%	12.0%
	<b>Volatility*</b>	15.9%	21.3%	18.0%	16.6%	21.4%
	<b>Risk Adj. Returns</b>	1.177	0.857	0.805	0.853	0.563
<p>Low Vol 15.0%</p> <p>Nifty 500 85.0%</p>	<b>Returns*</b>	17.6%	17.9%	14.6%	14.6%	12.7%
	<b>Volatility*</b>	15.2% ↓	20.3% ↓	17.2% ↓	15.9% ↓	20.3% ↓
	<b>Risk Adj. Returns</b>	1.160	0.883 ↑	0.847 ↑	0.918 ↑	0.627 ↑
<p>Low Vol 30.0%</p> <p>Nifty 500 70.0%</p>	<b>Returns*</b>	16.4%	17.5%	14.6%	15.0%	13.5%
	<b>Volatility*</b>	14.5% ↓	19.3% ↓	16.5% ↓	15.2% ↓	19.4% ↓
	<b>Risk Adj. Returns</b>	1.136	0.906 ↑	0.888 ↑	0.984 ↑	0.693 ↑

Source/Disclaimer: Index values- niftyindices, S&P BSE; Nifty 500 = Nifty 500 TRI, Low Vol = S&P BSE Low Volatility TRI. Data as on 28-Feb-2022. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. The above table 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.



# Index methodology

	S&P BSE Quality Index	Nifty200 Momentum 30 Index	S&P BSE Low Volatility Index	S&P BSE Enhanced Value Index
<b>Constituents</b>	30	30	30	30
<b>Universe</b>	S&P BSE LargeMidCap	Nifty 200	S&P BSE LargeMidCap	S&P BSE LargeMidCap
<b>Eligibility Criteria</b>	Float-adjusted MCap of ₹20 billion and annualized traded value of ₹10 billion	1. Listing history of 1 year 2. Available for trading in derivative segment	1. Listing history of 1 year 2. Float-adjusted MCap of ₹20 billion and annualized traded value of ₹10 billion	Float-adjusted MCap of ₹20 billion and annualized traded value of ₹10 billion
<b>Score</b>	Normalized quality score based on <b>RoE, Financial leverage, Accruals ratio</b>	6-month and 12-month <b>price return</b> , adjusted for volatility	<b>Volatility</b> over the prior one year	Normalised value score based on <b>book value-to-price, earnings-to-price and sales-to-price</b>
<b>Weightage</b>	FF MCap * Quality Score	FF MCap * Normalised Momentum Score	Inversely proportional to the stock's volatility	FF MCap * Value Score
<b>Capping</b>	<u>Stock</u> : Lower of 5% or 20 x FF Mcap, Minimum at 0.05% <u>Sector</u> : 30%	Lower of 5% or 5 x FF Mcap	5%	<u>Stock</u> : Lower of 5% or 20 x FF Mcap, Minimum at 0.05% <u>Sector</u> : 30%
<b>Reconstitution</b>	Semi-annually in March and September	Semi-annually in June and December	Semi-annually in March and September	Semi-annually in March and September

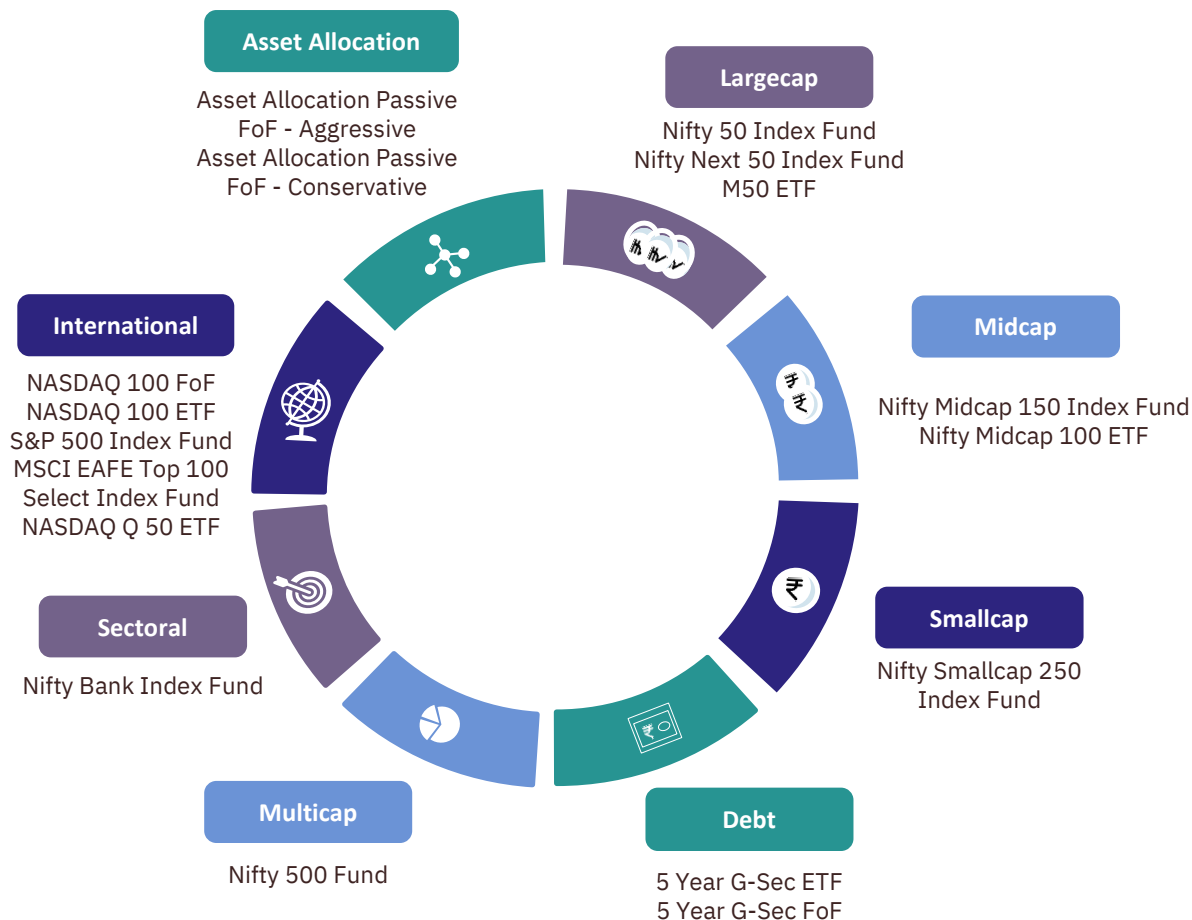
Source/Disclaimer : S&P BSE, niftyindices; Data as on 28-Feb-2022; For detailed methodology please visit asiaindex.co.in and niftyindices.com. The above table is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy.

# Risk-return profile

	Data Label	S&P BSE Enhanced Value TRI	S&P BSE Quality TRI	S&P BSE Low Volatility TRI	Nifty200 Momentum 30 TRI	Nifty 200 TRI
<b>Annualized Returns</b>	1 year	34.5%	19.2%	10.8%	37.1%	18.0%
	3 year	23.3%	16.5%	15.7%	23.1%	17.5%
	5 year	9.4%	13.5%	14.6%	20.3%	14.4%
	10 year	9.5%	12.8%	12.9%	18.3%	11.2%
	15 year	9.3%	17.0%	16.7%	22.4%	13.9%
<b>Annualized Volatility</b>	1 year	23.4%	14.9%	12.3%	21.7%	16.0%
	3 year	28.4%	18.3%	16.4%	23.1%	21.6%
	5 year	25.6%	15.8%	14.1%	20.0%	18.3%
	10 year	25.2%	15.5%	13.8%	19.7%	17.5%
	15 year	25.4%	14.6%	13.2%	18.4%	16.8%

Source/Disclaimer: niftyindices, S&P BSE; Performance as of close of 28-Feb-07 to 28-Feb-22. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above graph is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy.

# Motilal Oswal Passive Fund Offerings



One of the largest AMC in India in the International segment

Only AMC with funds across all major segments

# – Thank You

“Don’t look for the needle in the haystack. Just buy the haystack!”

- **John C. Bogle**

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# Product Suitability

Name of the Scheme	This product is suitable for investors who are seeking*	Scheme Riskometer	Benchmark Riskometer
<b>Motilal Oswal Nifty 50 Index Fund</b> (An open ended scheme replicating / tracking Nifty 50 Index)	<ul style="list-style-type: none"> <li>Return that corresponds to the performance of Nifty 50 Index subject to tracking error</li> <li>Equity and Equity related securities covered by Nifty 50 Index</li> <li>Long-term capital growth</li> </ul>	Fund 	Nifty 50 TRI 
<b>Motilal Oswal Nifty Next 50 Index Fund</b> (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>	Fund 	Nifty Next 50 TRI 
<b>Motilal Oswal Nifty Midcap 150 Index Fund</b> (An open ended scheme replicating / tracking Nifty Midcap 150 Index)	<ul style="list-style-type: none"> <li>Return that corresponds to the performance of Nifty Midcap 150 Index subject to tracking error</li> <li>Equity and Equity related securities covered by Nifty Midcap 150 Index</li> <li>Long-term capital growth</li> </ul>	Fund 	Nifty Midcap 150 TRI 
<b>Motilal Oswal Nifty Smallcap 250 Index Fund</b> (An open ended scheme replicating / tracking Nifty Smallcap 250 Index)	<ul style="list-style-type: none"> <li>Return that corresponds to the performance of Nifty Smallcap 250 Index subject to tracking error</li> <li>Equity and Equity related securities covered by Nifty Smallcap 250 Index</li> <li>Long-term capital growth</li> </ul>	Fund 	Nifty Smallcap 250 TRI 

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

# Product Suitability

Name of the Scheme	This product is suitable for investors who are seeking*	Scheme Riskometer	Benchmark Riskometer
<p><b>Motilal Oswal Nifty 500 Fund</b> (An open ended scheme replicating / tracking Nifty 500 Index)</p>	<ul style="list-style-type: none"> <li>Return that corresponds to the performance of Nifty 500 Index subject to tracking error</li> <li>Equity and Equity related securities covered by Nifty 500 Index</li> <li>Long-term capital growth</li> </ul>	<p>Fund</p> <p>Investors understand that their principal will be at very high risk</p>	<p>Nifty 500 TRI</p> <p>Investors understand that their principal will be at very high risk</p>
<p><b>Motilal Oswal M50 ETF</b> (An open ended scheme replicating/tracking Nifty 50 Index)</p>	<ul style="list-style-type: none"> <li>Return that corresponds generally to the performance of Nifty 50 Index (Underlying Index), subject to tracking error</li> <li>Investment in equity securities of Nifty 50 Index</li> </ul>	<p>Fund</p> <p>Investors understand that their principal will be at very high risk</p>	<p>Nifty 50 TRI</p> <p>Investors understand that their principal will be at very high risk</p>
<p><b>Motilal Oswal Midcap 100 ETF</b> (An open ended scheme replicating/tracking Nifty Midcap 100 Index)</p>	<ul style="list-style-type: none"> <li>Return that corresponds generally to the performance of Nifty Midcap 100 Index subject to tracking error</li> <li>Investment in equity securities of Nifty Midcap 100 Index</li> </ul>	<p>Fund</p> <p>Investors understand that their principal will be at very high risk</p>	<p>Nifty Midcap 100 TRI</p> <p>Investors understand that their principal will be at very high risk</p>
<p><b>Motilal Oswal Nifty Bank Index Fund</b> (An open ended scheme replicating / tracking Nifty Bank Index)</p>	<ul style="list-style-type: none"> <li>Return that corresponds to the performance of Nifty Bank Index subject to tracking error</li> <li>Equity and Equity related securities covered by Nifty Bank Index</li> <li>Long-term capital growth</li> </ul>	<p>Fund</p> <p>Investors understand that their principal will be at very high risk</p>	<p>Nifty Bank TRI</p> <p>Investors understand that their principal will be at very high risk</p>

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

# Product Suitability

Name of the Scheme	This product is suitable for investors who are seeking*	Scheme Riskometer	Benchmark Riskometer
<p><b>Motilal Oswal S&amp;P 500 Index Fund</b> (An open ended scheme replicating / tracking S&amp;P 500 Index)</p>	<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>Fund</p> <p>Investors understand that their principal will be at very high risk</p>	<p>S&amp;P 500 TRI (INR)</p> <p>Investors understand that their principal will be at very high risk</p>
<p><b>Motilal Oswal NASDAQ 100 ETF</b> (An open ended scheme replicating/tracking NASDAQ-100 Index)</p>	<ul style="list-style-type: none"> <li>Return that corresponds generally to the performance of NASDAQ 100 Index subject to tracking error</li> <li>Investment in equity securities of NASDAQ 100 Index</li> </ul>	<p>Fund</p> <p>Investors understand that their principal will be at very high risk</p>	<p>NASDAQ 100 TRI (INR)</p> <p>Investors understand that their principal will be at very high risk</p>
<p><b>Motilal Oswal NASDAQ 100 Fund of Fund</b> (An open ended fund of fund scheme investing in Motilal Oswal Nasdaq 100 ETF)</p>	<ul style="list-style-type: none"> <li>Long term capital appreciation</li> <li>Return that corresponds to the performance of Motilal Oswal NASDAQ 100 ETF (MON100) Scheme through investment in units of MON100</li> </ul>	<p>Fund</p> <p>Investors understand that their principal will be at very high risk</p>	<p>NASDAQ 100 TRI (INR)</p> <p>Investors understand that their principal will be at very high risk</p>

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

# Product Suitability

Name of the Scheme	This product is suitable for investors who are seeking*	Scheme Riskometer	Benchmark Riskometer
<p><b>Motilal Oswal Asset Allocation Passive Fund of Fund – Aggressive</b> (An open ended fund of funds scheme investing in passive funds)</p>	<ul style="list-style-type: none"> <li>To generate long term growth/capital appreciation by offering asset allocation</li> <li>Investment solution that predominantly invests in passive funds such as ETF/Index Funds of equity and equity related instruments (domestic as well as international), fixed income and Gold</li> </ul>	<p>Fund</p>	<p>50% Nifty 500 TRI + 20% S&amp;P 500 TRI (INR) + 10% Domestic Price of Gold + 20% Nifty 5 Yr Benchmark G-Sec Index</p>
<p><b>Motilal Oswal Asset Allocation Passive Fund of Fund – Conservative</b> (An open ended fund of funds scheme investing in passive funds)</p>	<ul style="list-style-type: none"> <li>To generate long term growth/capital appreciation with relatively lower volatility by offering asset allocation</li> <li>Investment solution that predominantly invests in passive funds such as ETF/Index Funds of equity and equity related instruments (domestic as well as international), fixed income and Gold</li> </ul>	<p>Fund</p>	<p>30% Nifty 500 TRI + 10% S&amp;P 500 TRI (INR) + 10% Domestic Price of Gold + 50% Nifty 5 Yr Benchmark G-Sec Index</p>
<p><b>Motilal Oswal 5 Year G-sec ETF</b> (An open ended scheme replicating/tracking Nifty 5 yr Benchmark G-Sec Index)</p>	<ul style="list-style-type: none"> <li>Return that corresponds generally to the performance of Nifty 5 yr Benchmark G-sec Index subject to tracking error</li> <li>Investment in securities of Nifty 5 yr Benchmark G-sec Index</li> </ul>	<p>Fund</p>	<p>Nifty 5 yr Benchmark G-Sec Index</p>

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



# Product Suitability

Name of the Scheme	This product is suitable for investors who are seeking*	Scheme Riskometer	Benchmark Riskometer
<p><b>Motilal Oswal 5 Year G-sec FoF</b> (An open ended fund of funds scheme investing in units of Motilal Oswal 5 Year G-Sec ETF)</p>	<ul style="list-style-type: none"> <li>Long term capital appreciation</li> <li>Return that corresponds generally to the performance of the Scheme, Motilal Oswal 5 Year G-Sec ETF through investment in units of Motilal Oswal 5 Year G-Sec ETF</li> </ul>	<p>Fund</p> <p>Investors understand that their principal will be at moderate risk</p>	<p>Nifty 5 yr Benchmark G-Sec Index</p> <p>Investors understand that their principal will be at moderate risk</p>
<p><b>Motilal Oswal MSCI EAFE Top 100 Select Index Fund</b> (An open ended scheme replicating/ tracking MSCI EAFE Top 100 Select Index)</p>	<ul style="list-style-type: none"> <li>Returns that corresponds to the performance of MSCI EAFE Top 100 Select Index, subject to tracking error.</li> <li>Long term capital growth.</li> </ul>	<p>Fund</p> <p>Investors understand that their principal will be at very high risk</p>	<p>MSCI EAFE Top 100 Select Index (INR)</p> <p>Investors understand that their principal will be at very high risk</p>
<p><b>Motilal Oswal NASDAQ Q 50 ETF</b> (An open ended scheme replicating/ tracking Nasdaq Q-50 Index)</p>	<ul style="list-style-type: none"> <li>Return that corresponds to the performance of the NASDAQ Q-50 TR Index subject to tracking error and forex movement.</li> <li>Long term capital growth.</li> </ul>	<p>Fund</p> <p>Investors understand that their principal will be at very high risk</p>	<p>NASDAQ Q-50 Total Return Index (INR)</p> <p>Investors understand that their principal will be at very high risk</p>

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

# Disclaimers & Risk Factors



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**Passive Investments** - The Scheme is not actively managed. Since the Scheme is linked to index, it may be affected by a general decline in the Indian markets relating to its underlying index. The Scheme as per its investment objective invests in Securities which are constituents of its underlying index regardless of their investment merit. The AMC does not attempt to individually select stocks or to take defensive positions in declining markets.

**Index Fund** - The Scheme being an index scheme follows a passive investment technique and shall only invest in Securities comprising one selected index as per investment objective of the Scheme. The Fund Manager would invest in the Securities comprising the underlying index irrespective of the market conditions. If the Securities market declines, the value of the investment held by the Scheme shall decrease.

## Risks associated with overseas investment

To the extent the assets of the scheme are invested in overseas financial assets, there may be risks associated with currency movements, restrictions on repatriation and transaction procedures in overseas market. Further, the repatriation of capital to India may also be hampered by changes in regulations or political circumstances as well as the application to it of other restrictions on investment. In addition, country risks would include events such as introduction of extraordinary exchange controls, economic deterioration, and bi-lateral conflict leading to immobilisation of the overseas financial assets and the prevalent tax laws of the respective jurisdiction for execution of trades or otherwise.

### Currency Risk:

The fund may invest in overseas mutual fund / foreign securities as permitted by the concerned regulatory authorities in India. Since the assets will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes/fluctuations in the value of the foreign currencies relative to the Indian Rupee.

### Country Risk:

The Country risk arises from the inability of a country, to meet its financial obligations. It is the risk encompassing economic, social and political conditions in a foreign country, which might adversely affect foreign investors' financial interests.

Investors are requested to note that they will be bearing the recurring expenses of the fund of funds (FoF) scheme, in addition to the expenses of underlying schemes in which the fund of funds scheme makes investments.

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

# Disclaimers & Risk Factors



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