

# Motilal Oswal S&P BSE Quality ETF & Index Fund

## Frequently Asked Questions

### What is Factor Investing?

A factor is any characteristic that helps explain the long-term risk and return of the asset class. Factor investing is an investment approach that involves targeting such specific factors in a systematic manner. Popular factors include Momentum, Low Volatility, Value, Quality, Size, etc.

### What is Quality Factor?

The Quality factor seeks to look out for companies with durable business models and sustainable competitive advantages. It has been observed that such high-quality stocks tend to outperform low-quality stocks, over a long time horizon, as they are better equipped to weather adverse economic conditions. The Quality factor tries to capture this premium by buying such companies using a number of filters.

### What is Motilal Oswal S&P BSE Quality ETF's 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 Quality Total Return Index, subject to tracking error. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved.

### What is Motilal Oswal S&P BSE Quality Index Fund's 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 Quality Total Return Index, subject to tracking error. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved.

### Are these schemes actively managed or passively managed?

These schemes are passively managed. A Demat account and a trading account is required to invest in units of Motilal Oswal S&P BSE Quality ETF. However to invest in Motilal Oswal S&P BSE Quality Index Fund, one does not require a Demat or trading account.

### Where would the fund manager invest my money?

Both the Motilal Oswal S&P BSE Quality ETF and Motilal Oswal S&P BSE Quality Index Fund invests in companies that are part of the S&P BSE Quality Index. The Index is designed to track the performance of the 30 companies in the S&P BSE LargeMidCap with the highest quality, as measured by their quality score.

### What is the Index methodology? How often will the index be rebalanced?

The S&P BSE Quality Index aims to track the performance of 30 high quality stocks across large and mid-cap universe. These companies are identified using various filters like high earnings, quality of earnings and low debt. The index is rebalanced on a semi-annual basis.

### How would I possibly benefit by investing in S&P BSE Quality Index?

The S&P BSE Quality Index helps an investor take exposure to the Quality Factor. It is a systematic way to identify quality companies that are generally resilient to setbacks & perform well in various market conditions, especially during bear and recovery markets, to enhance returns.

## How can an investor invest in these schemes?

**Motilal Oswal S&P BSE Quality ETF** - An investor can invest in the scheme through stock exchange via broker in case of subscription amount not being in excess of 25crs. Incase if he wishes to buy in amount excess of 25crs, he can do so directly through the AMC. However, the same limit is not applicable to Market makers.

**Motilal Oswal S&P BSE Quality Index Fund** - Like any other mutual fund, an investor can buy fund units from any mutual fund distributor or intermediary and also from the website of Motilal Oswal Asset management ([www.motilalosalmf.com](http://www.motilalosalmf.com)).

## What is the tax liability on gains arising out of investing in these schemes?

As per Income Tax Act, all domestic equity mutual funds attract taxation of 'Indian Equity' i.e. Equity Taxation. The gains for a holding period of less than one year are treated as short-term capital gains and for more than 1 year is treated as long-term capital gains. It is recommended to consult tax advisors for detailed information.

## What is the minimum application amount?

**Motilal Oswal S&P BSE Quality ETF** -

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

**Ongoing basis:**

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

**Directly with Mutual Fund** – Buy/sell units of the Scheme where the subscription amount is in excess of 25crs. However, the same limit is not applicable to Market makers.

**Motilal Oswal S&P BSE Quality Index Fund** -

**During NFO and Ongoing basis:** Lumpsum and SIP – Rs 500/- and in multiples of Re 1/- thereafter

## Is STP / SIP & SWP is allowed in this fund?

No, STP's/SIP's and SWP's are not allowed for investments in Motilal Oswal S&P BSE Quality ETF. While STP's/SIP's and SWP's are allowed for investments in Motilal Oswal S&P BSE Quality Index Fund.

## Is there an entry/exit load?

**Motilal Oswal S&P BSE Quality ETF** - There is 'NIL' entry/exit load

**Motilal Oswal S&P BSE Quality Index Fund** - There is 'NIL' entry load.

There is 'NIL' exit load if redeemed after 15 days from the date of allotment, else 1% exit load if redeemed on or before 15 days from the date of allotment.

## Are there any restrictions on purchase/withdrawal? Is there a lock-in period?

There are no restrictions either on purchase/withdrawals. The funds have 'NO' lock-in period.

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| Name of the scheme(s)  | These products are suitable for investors who are seeking*   | Scheme(s) Riskometer  |
|--|--|---|
| Motilal Oswal S&P BSE Quality Index Fund<br>(An open ended fund replicating / tracking the S&P BSE Quality Total Return Index)   | <ul style="list-style-type: none"> <li>Returns that correspond to the total returns of the securities as represented by the S&amp;P BSE Quality Total Return Index, subject to tracking error.</li> <li>Long term capital growth.</li> </ul> |   |
| Motilal Oswal S&P BSE Quality ETF<br>(An open ended fund replicating / tracking the S&P BSE Quality Total Return Index) BSE Scrip Code and NSE Symbol: The scheme is proposed to be listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Please note that the scrip code and NSE symbol will be generated post listing of the scheme. | <ul style="list-style-type: none"> <li>Return that corresponds generally to the total returns of the S&amp;P BSE Quality Index subject to tracking error.</li> <li>Long term capital growth.</li> </ul>                                      |   |
| *Investors should consult their financial advisers if in doubt about whether the product is suitable for them.   |  | Investors understand that their principal will be at Very High risk |

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