

# – Invest in Quality



Introducing

## Motilal Oswal S&P BSE Quality Index Fund

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

**THINK EQUITY  
THINK MOTILAL OSWAL**

**NFO PERIOD**

29<sup>th</sup> July 2022 - 12<sup>th</sup> August 2022

**INDEX  
FUNDS**  
by  
MOTILAL OSWAL

# — 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 Quality, Momentum, Quality, and Value**

# What is Factor Investing?

Defining descriptors for each Factor

For e.g., ROE, Accrual ratio and Financial Leverage for Quality



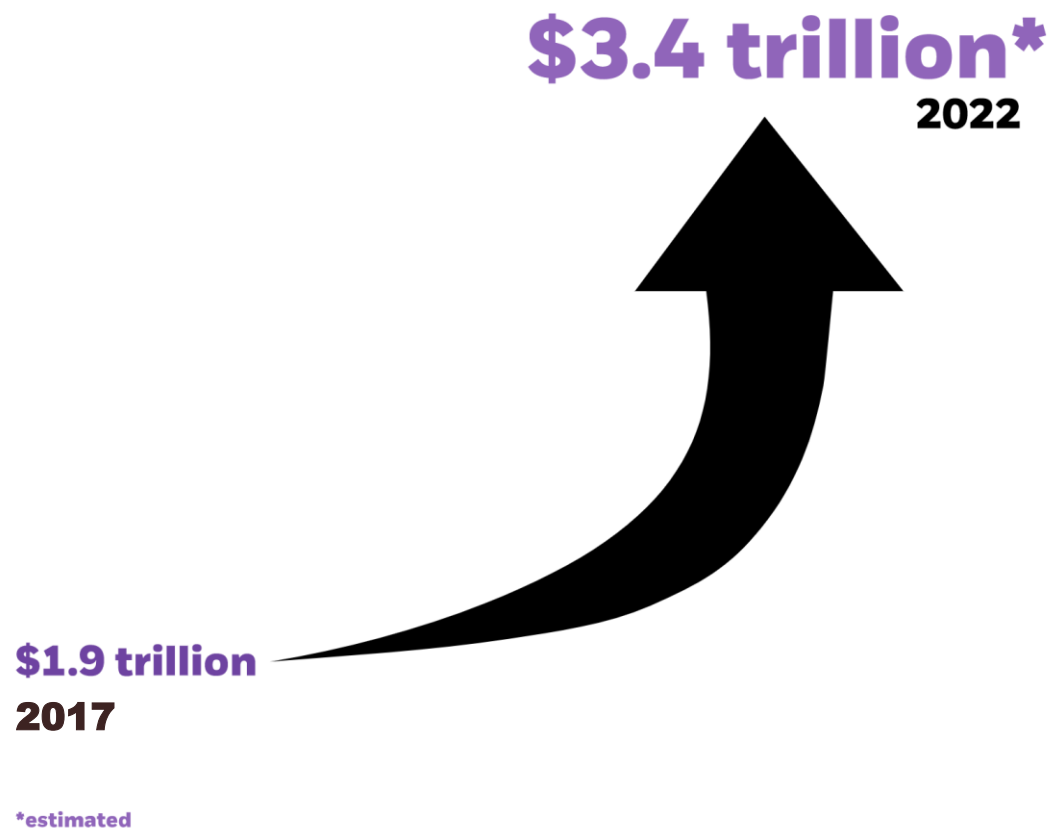
Establishing rules to select a portfolio of companies using these descriptors



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%	Quality -6.5%
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%	Value -6.7%
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%	Low Vol -8.7%
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%	Nifty 200 -9.4%
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. -20.9%

Color legend	Low Vol	S&P BSE Low Volatility TRI
	Value	S&P BSE Quality 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 30-June-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>	26.5%	24.7%	26.2%	37.4%	28.9%
<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 Quality TRI

Source/Disclaimer: niftyindices, S&P BSE, MOAMC Research. Performance as of close of 30-June-07 to 30-June-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	48.6%	67.8%	69.5%	77.6%
3 year	40.5%	79.8%	91.1%	87.5%
5 year	28.9%	91.3%	95.9%	98.4%
7 year	25.5%	100.0%	100.0%	100.0%
10 year	25.9%	99.9%	99.9%	99.9%

Low Vol = S&P BSE Low Volatility TRI

Quality = S&P BSE Quality TRI

Momentum = Nifty200 Momentum 30 TRI

Value = S&P BSE Quality TRI

Source/Disclaimer: niftyindices, S&P BSE. Performance as of close of 16-Sep-05 to 30-June-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 Quality Factor

# — We always prefer

Best School/College



**Quality** education

Best Car



**Quality** ride

Best Hospital



**Quality** healthcare

So why not choose the best **Quality** when it comes to **Investing**?

# Quality

The Quality factor is described as capturing companies with durable business models and sustainable competitive advantages.

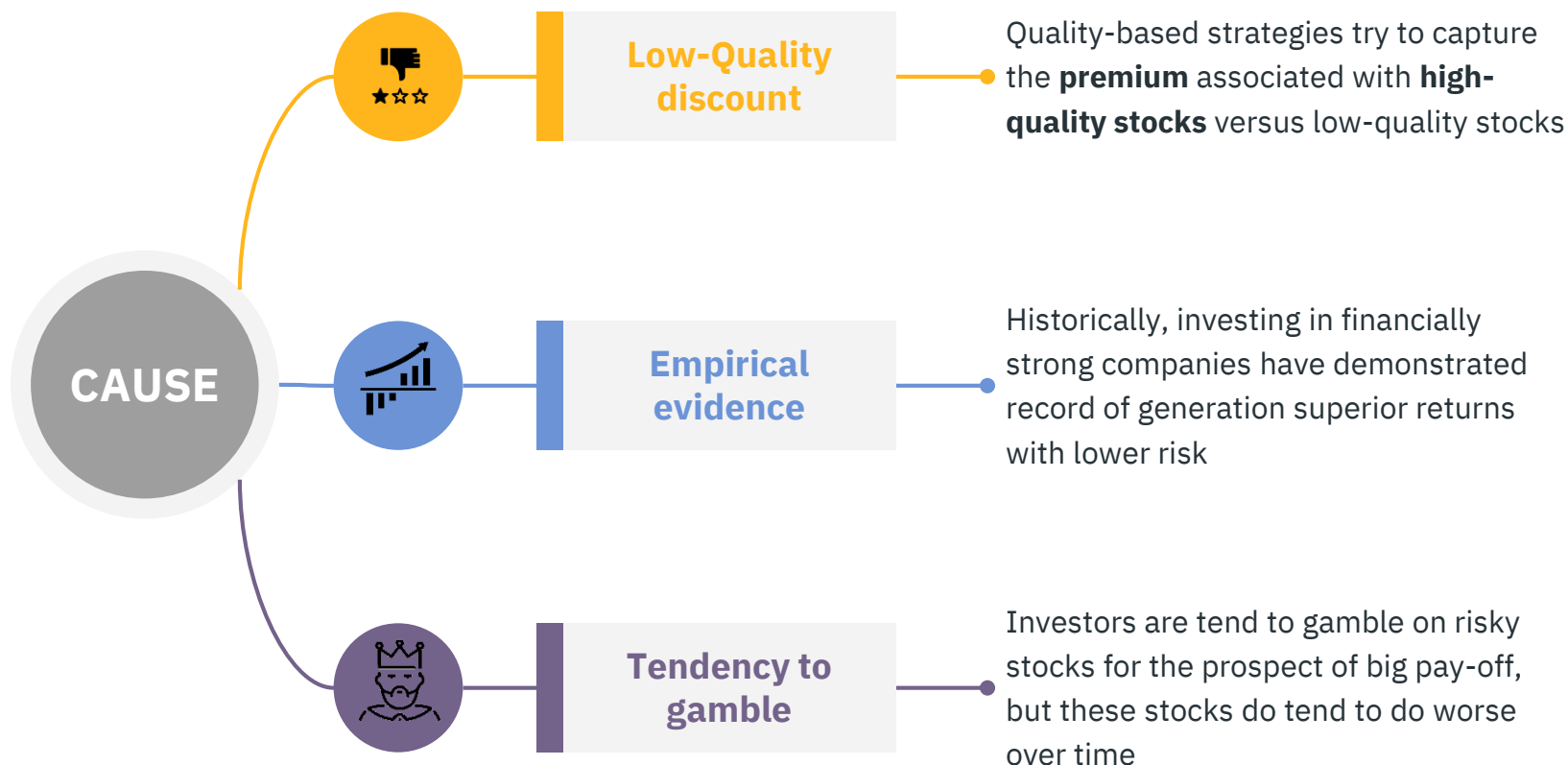
When you're purchasing a new car, you might consider characteristics like longevity, safety, and fuel economy.



**Commonly Used Descriptor: Return on Equity, Accrual ratio, Financial Leverage ratio**

# Why does Quality premium exist?

While it is difficult to ascertain why the premium exists, some of the drivers may include:



# What will you prefer?

While comparing the below two companies, what will you prefer?

	Company A	Company B
Earnings growth	High	Low
Debt/Equity	Low	High
Quality of Earnings	High cash flow	Low cash flow

**RoE, Low Debt & Quality of earnings filter in the Quality factor ensures only companies with the highest earnings, low leverage & best books are included in the portfolio**

Source/Disclaimer: The above is used for explaining the concept and 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.

# — S&P BSE Quality Index

# Motilal Oswal S&P BSE Quality ETF



## Type of Scheme

An open ended fund replicating/tracking S&P BSE Quality 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 where the subscription amount is in excess of 25crs. However, the same limit is not applicable to Market makers.



## Date of Allotment

22-Aug-2022



## NFO Period

29-Jul-2022 to 12-Aug-2022



## 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 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



## Exit Load

Nil



## Fund Manager

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



## Indicative Total Expense Ratio

0.30%

Source: MOAMC; As of 30-Jun-22. Mutual Fund Investments are subject to market risks, read all scheme related documents carefully

# — Motilal Oswal S&P BSE Quality Index Fund



## Type of Scheme

An open ended fund replicating/tracking S&P BSE Quality 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 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



## 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

22-Aug-2022



## Fund Manager

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



## NFO Period

29-Jul-2022 to 12-Aug-2022



## Indicative Total Expense Ratio

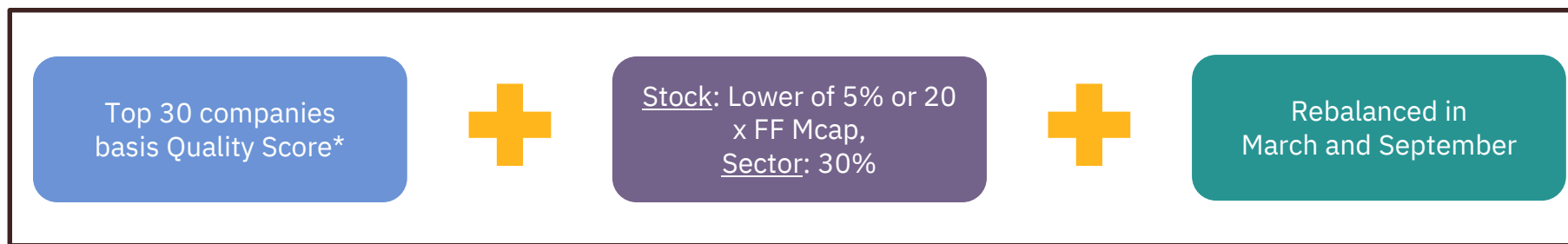
Regular – 1.00%, Direct – 0.35%

Source: MOAMC; As of 30-Jun-22. Mutual Fund Investments are subject to market risks, read all scheme related documents carefully



# Index methodology

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



**S&P BSE Quality Index**

Source: S&P BSE; Data as on 30-Jun-22; \*Calculated using RoE, Financial leverage & Accruals ratio. Index launch date – 03-Dec-15; Index base date – 16-Sep-05. For detailed methodology visit [S&Pglobal.com](https://www.spglobal.com)

# Quality score

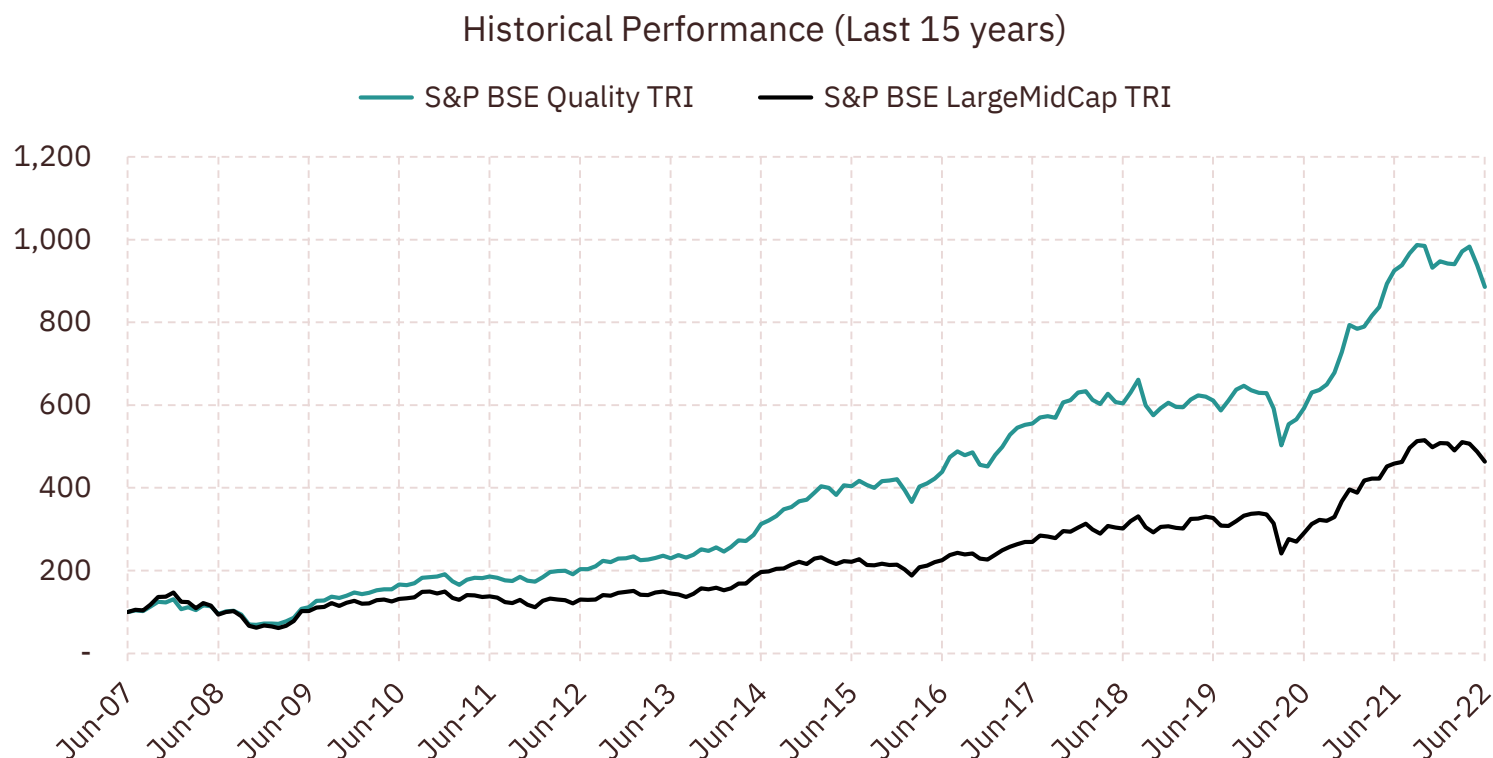
Quality score is calculated basis below three filters



Source: For detailed methodology please visit [S&Pglobal.com](https://www.spglobal.com); Data as on 30-Jun-22;

# Long-term historical outperformance

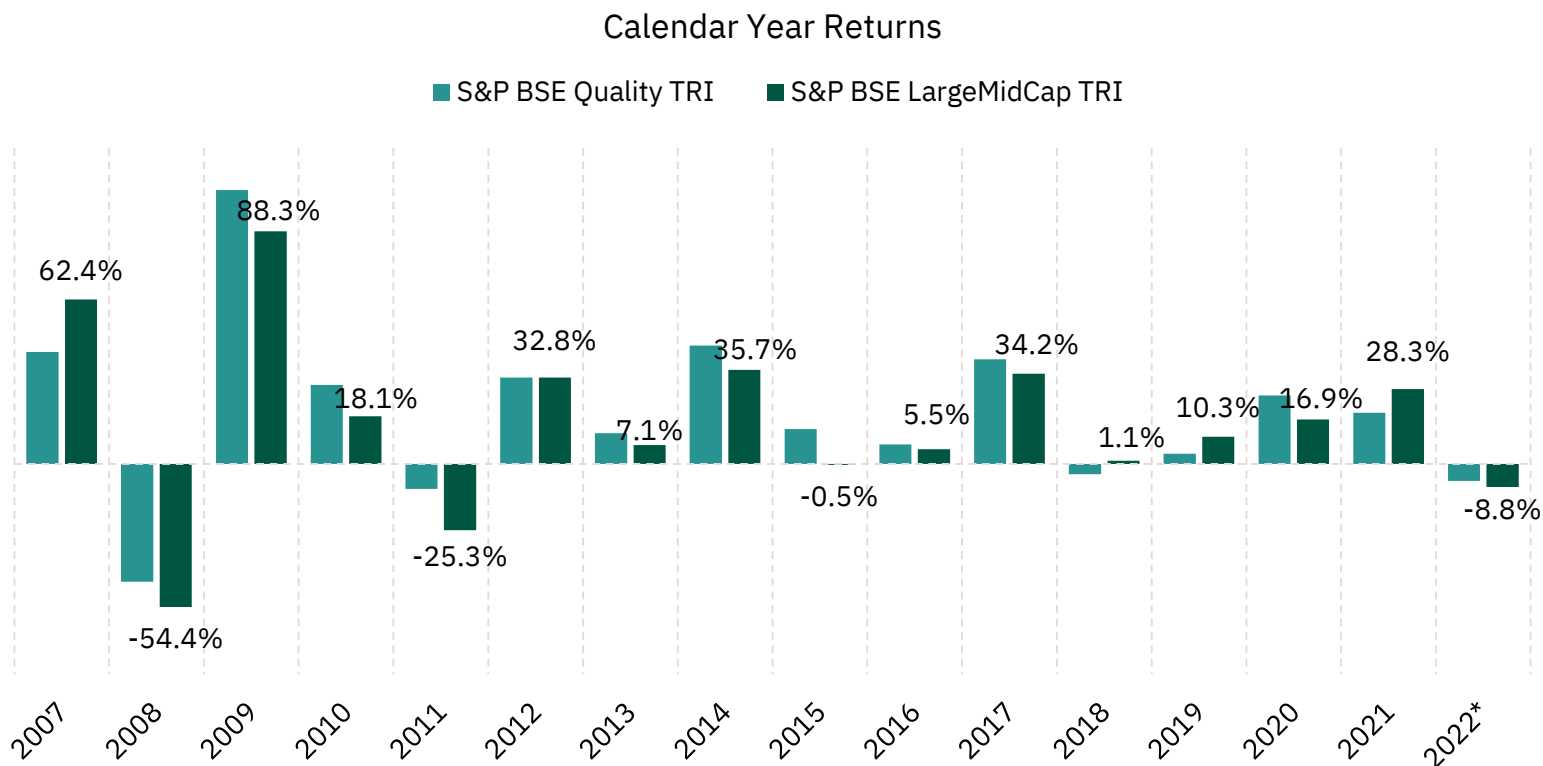
**S&P BSE Quality TRI has significantly outperformed the S&P BSE LargeMidCap TRI over the last 15 years**



Source/Disclaimer: S&P BSE; Performance as of close of 30-Jun-07 to 30-Jun-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

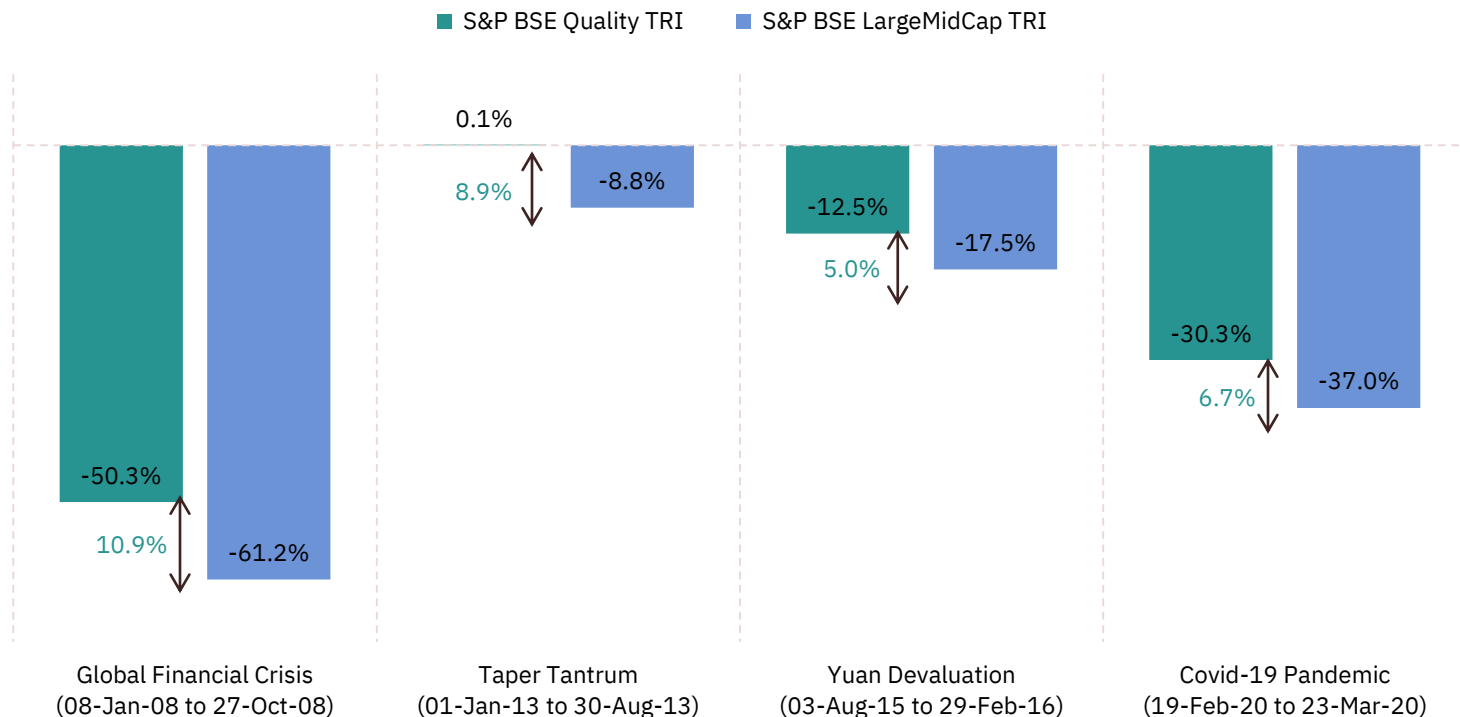
S&P BSE Quality TRI has outperformed the S&P BSE LargeMidCap TRI in 11 out of last 16 years\*



Source/Disclaimer: S&P BSE; Performance as of close of 31-Dec-06 to 30-Jun-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 be used for development or implementation of an investment strategy.

# Large outperformance during Global crises

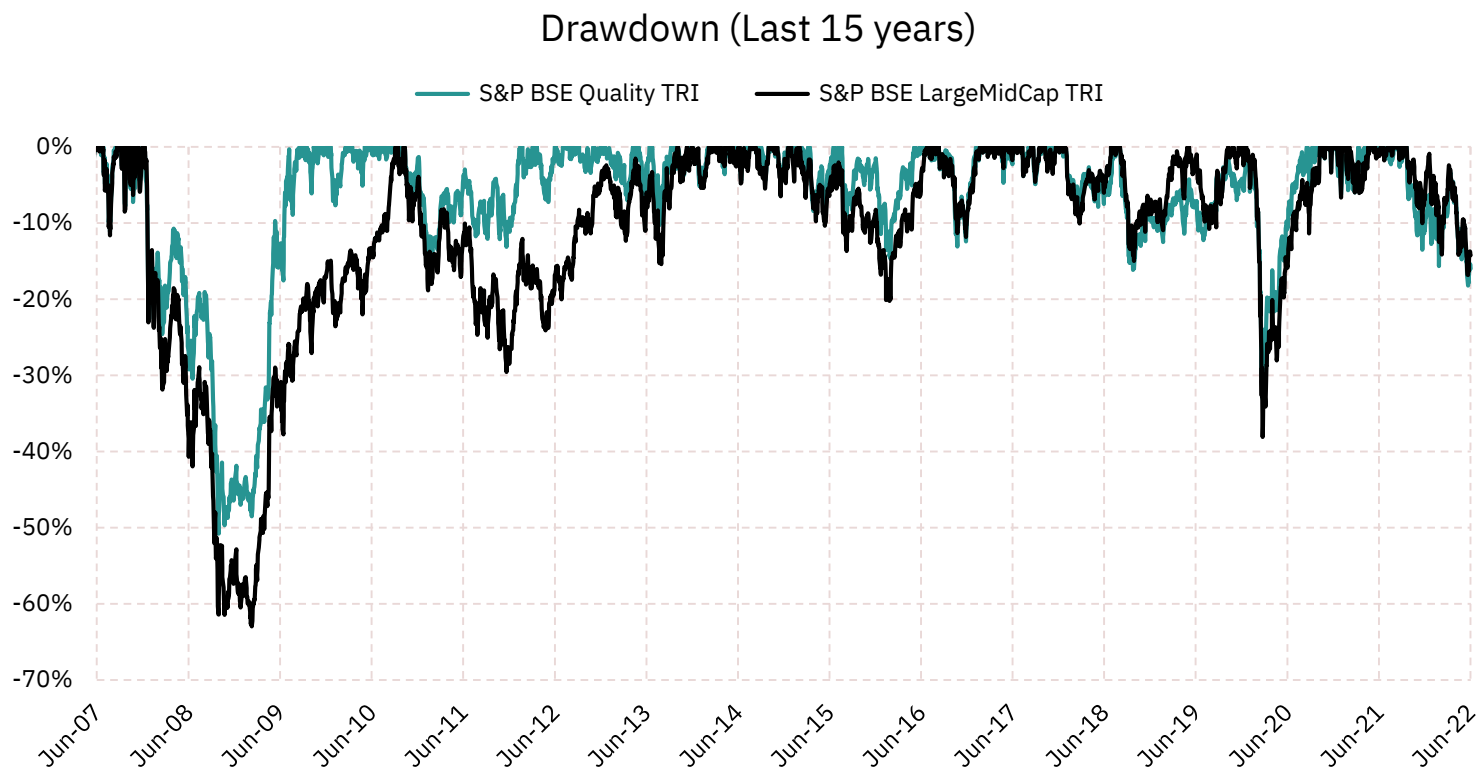
S&P BSE Quality TRI has seen significantly smaller declines during tail events, providing good downside protection



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.

# — Lower drawdowns over last 15 years

**S&P BSE Quality TRI has historically seen smaller drawdowns than S&P BSE LargeMidCap TRI**



Source/Disclaimer: S&P BSE; Performance as of close of 30-Jun-07 to 30-Jun-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
S&P BSE Quality TRI	CAGR	-4.2%	13.2%	9.8%	15.9%	15.7%
S&P BSE LargeMidCap TRI		1.1%	12.3%	11.5%	13.6%	10.8%
S&P BSE Quality TRI	Annualised Volatility	16.6%	18.9%	16.3%	14.7%	17.8%
S&P BSE LargeMidCap TRI		17.3%	22.2%	18.8%	16.8%	21.6%
S&P BSE Quality TRI	Risk Adjusted Returns	-0.252	0.698	0.598	1.078	0.880
S&P BSE LargeMidCap TRI		0.064	0.555	0.612	0.809	0.499

Source/Disclaimer: S&P BSE; Performance as of close of 30-Jun-07 to 30-Jun-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.

# Performance vs Nifty 50

Data Label		1 year	3 year	5 year	10 year	15 year
S&P BSE Quality TRI	CAGR	-4.2%	13.2%	9.8%	15.9%	15.7%
Nifty 50 TRI		1.7%	11.6%	12.0%	13.0%	10.3%
S&P BSE Quality TRI	Annualised Volatility	16.6%	18.9%	16.3%	14.7%	17.8%
Nifty 50 TRI		17.1%	22.7%	19.1%	17.1%	22.1%
S&P BSE Quality TRI	Risk Adjusted Returns	-0.252	0.698	0.598	1.078	0.880
Nifty 50 TRI		0.097	0.511	0.630	0.760	0.468

Source/Disclaimer: S&P BSE; Performance as of close of 30-Jun-07 to 30-Jun-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.



# Index SIP returns

S&P BSE Quality TRI	1 Year	3 Year	5 Year	7 year	10 Year
Returns	-14.3%	13.0%	10.9%	11.5%	13.7%
Amount Invested	1,20,000	3,60,000	6,00,000	8,40,000	12,00,000
Market Value	1,10,589	4,36,830	7,88,181	12,66,005	24,57,208

Data as of close of June 30, 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 02-Jul-2012 to 30-Jun-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 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 Quality TRI	S&P BSE LargeMidCap TRI	S&P BSE Quality TRI	S&P BSE LargeMidCap TRI
Average	17.0%	11.4%	18.0%	12.0%
Median	16.8%	12.1%	18.1%	12.8%
Min	-4.1%	-7.6%	1.7%	-1.7%
Max	43.2%	32.9%	31.2%	23.7%
Returns Range	% of Total Observation			
Negative	2.4%	4.7%	0.0%	0.2%
0% to 10%	13.7%	33.3%	5.4%	34.4%
10% to 15%	19.7%	33.6%	18.6%	35.1%
15% to 20%	83.9% } 32.5%	62.0% } 19.7%	94.6% } 38.7%	65.4% } 27.4%
Above 20%	31.7%	8.7%	37.3%	3.0%

Source/Disclaimer: S&P BSE. 250 trading days assumed in one year. Performance data since 16-Sep-05 to 30-Jun-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?

High quality stocks tend to  
give superior return over  
long term

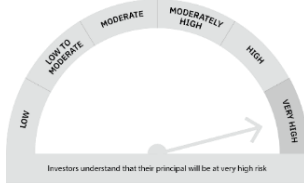
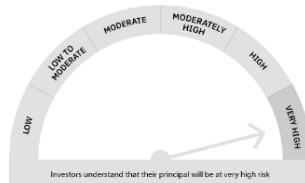
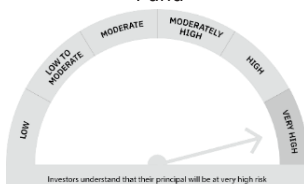
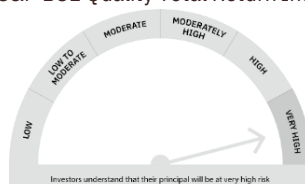
High quality stocks have  
lower risk

Has historically performed  
well during market  
downturns\*

Low cost

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

# Product Suitability

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

# Limitations of Quality Factor

## Market Cycles



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

## Quality Definition

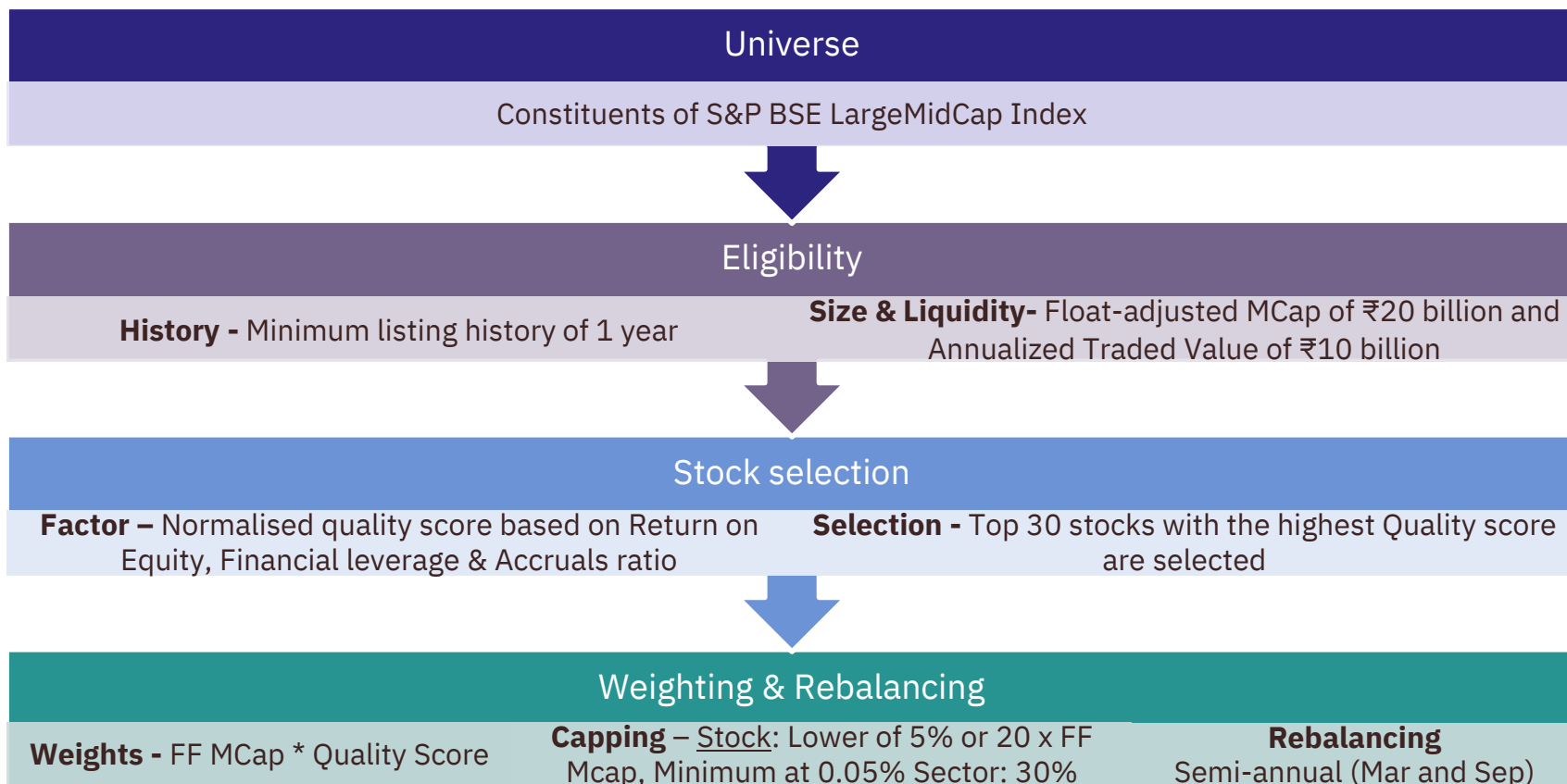


**Although high quality companies essentially means one with healthy profits and have low debt, but the definition of quality seems to be different for different people.**

# — Annexure

# Index methodology

**Index Objective:** The S&P BSE Quality Index is designed to track the performance of high quality stocks in the S&P BSE LargeMidCap as determined by their quality score.



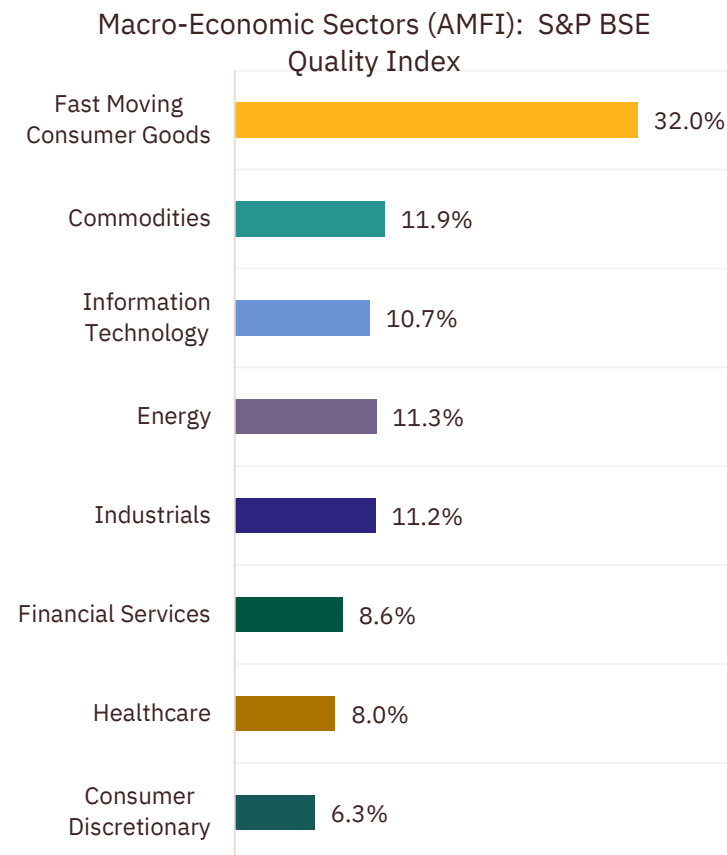
Source/Disclaimer: S&P BSE; Data as on 30-Jun-2022. Index launch date – 03-Dec-15; Index base date – 16-Sep-05. For detailed methodology please visit [niftyindices.com](http://niftyindices.com). The above table is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy.

# S&P BSE Quality Index composition

## Top 10 Constituents

S. No.	Constituent Name	Weight
1	ITC Ltd	6.4%
2	Britannia Industries Ltd.	5.9%
3	Bharat Electronics Ltd	5.5%
4	Nestle India Ltd	5.4%
5	Coal India Ltd	5.3%
6	Page Industries Ltd	5.2%
7	Marico Ltd	5.2%
8	IndusInd Bank Ltd	4.8%
9	Bharat Petroleum Corp Ltd	4.8%
10	Tata Consultancy Services Ltd	4.8%
--	<b>Total</b>	<b>53.2%</b>

## Macro-Economic Sector Coverage

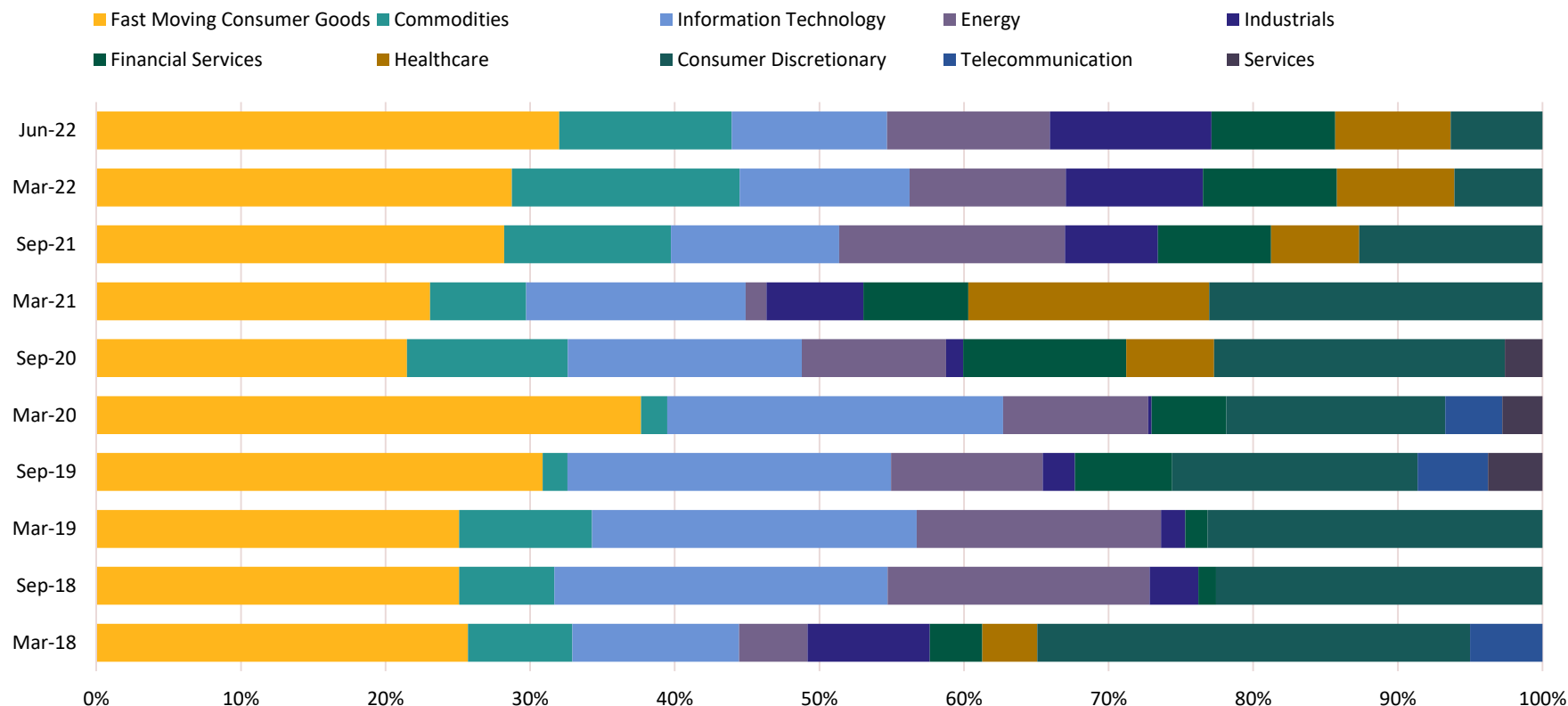


Source/Disclaimer: S&P BSE. Data as of 30-Jun-2022. Sectors - Macro Economic Sectors as per AMFI Industry Classification. The stocks/sectors mentioned above are used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. 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.



# FMCG consistently maintaining the top spot

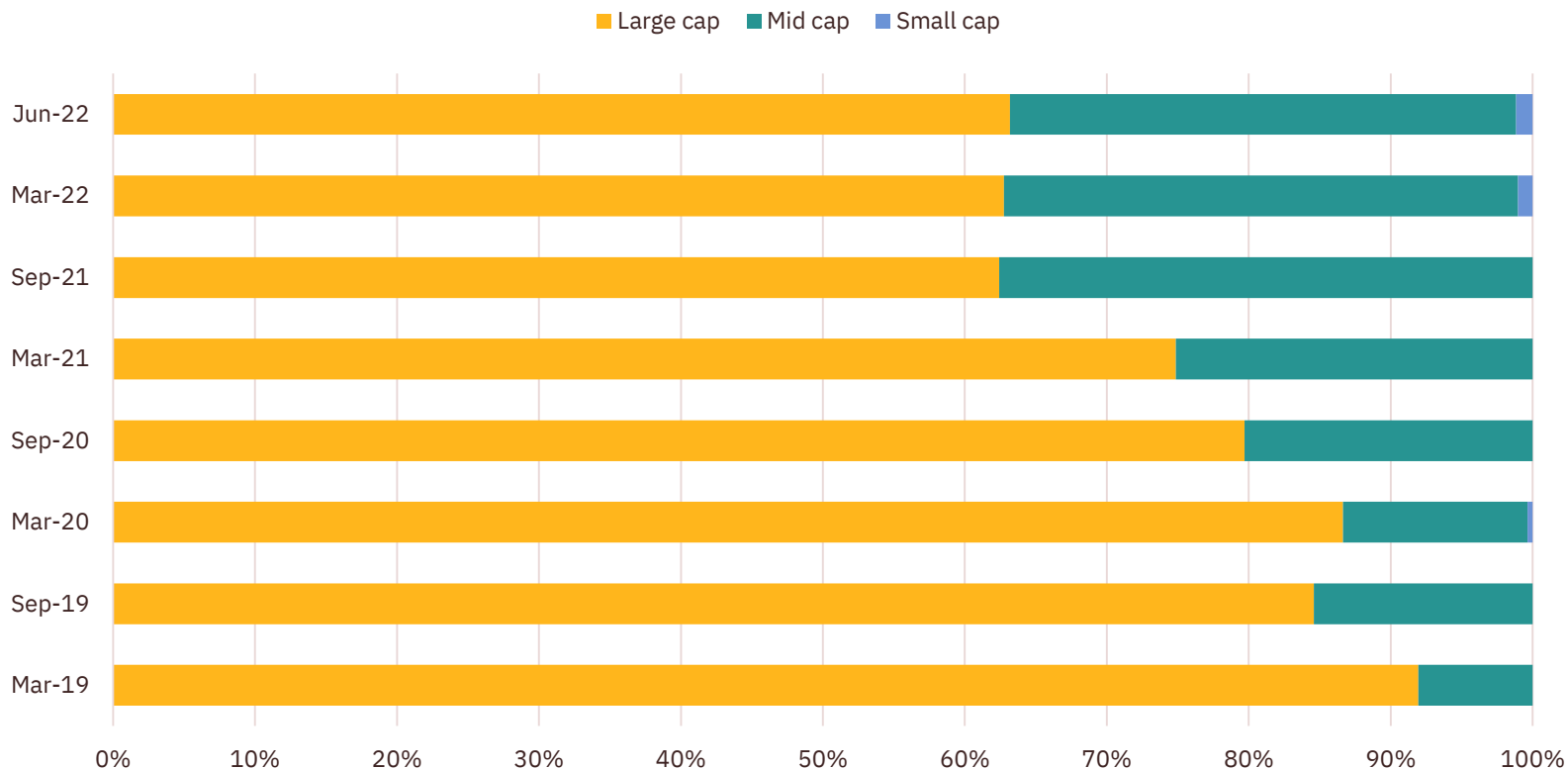
The Index has seen high sector churn in terms of services & telecom moving out and healthcare moving in



Source/Disclaimer: S&P BSE; Data from 31-Mar-18 to 30-Jun-2022. Sectors – Basic Industry as per AMFI Industry Classification as on 31-Dec-21. The industries 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

Post covid-19, S&P BSE Quality Index has seen increasing share among the midcap stocks



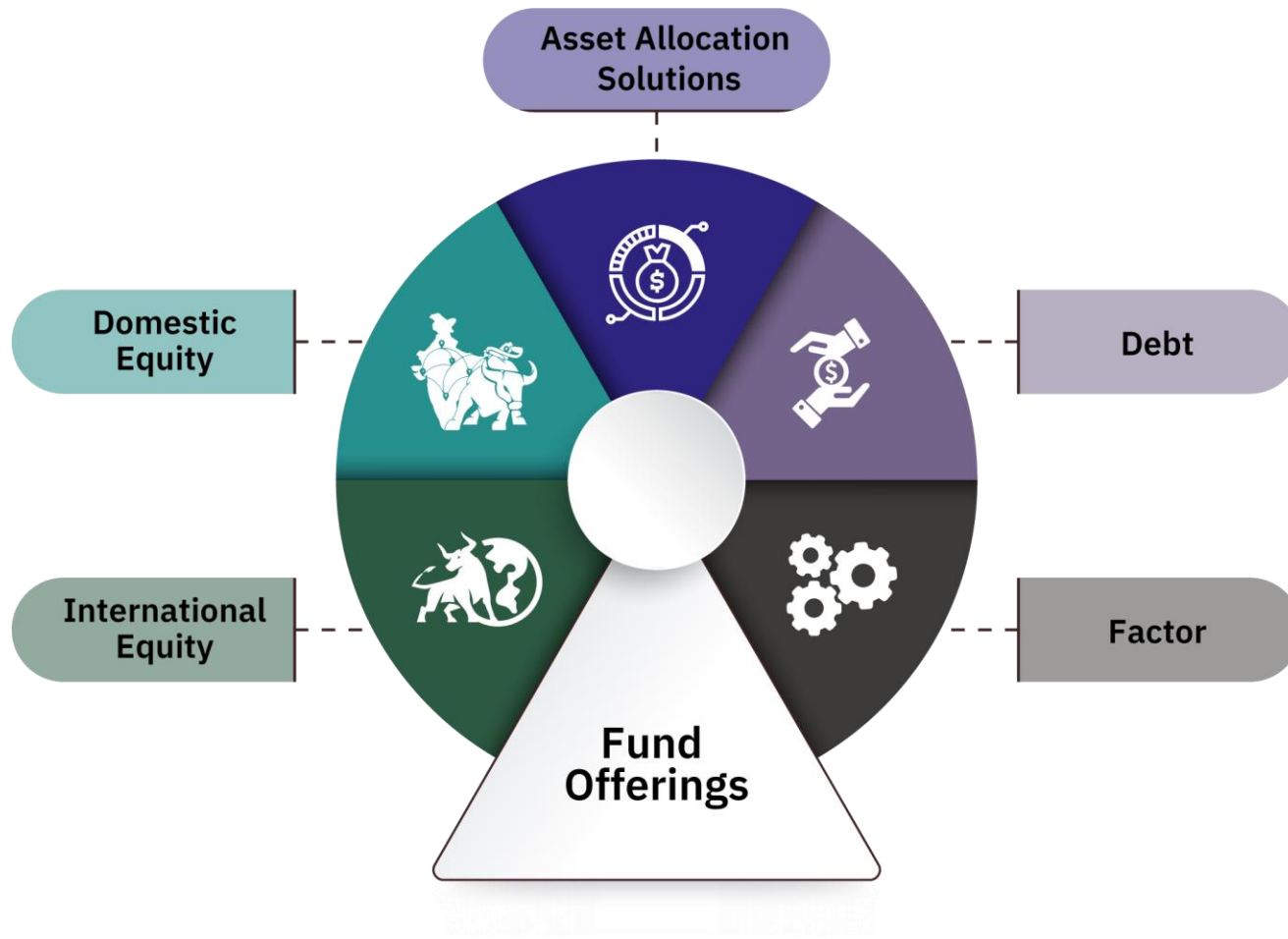
Source/Disclaimer: S&P BSE; Data from 31-Mar-19 to 30-Jun-2022. Size classification as per AMFI. The sectors mentioned above are used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. The sectors may or may not be part of our portfolio/strategy/schemes. It should not be construed as investment advice to any party.

# Index methodology

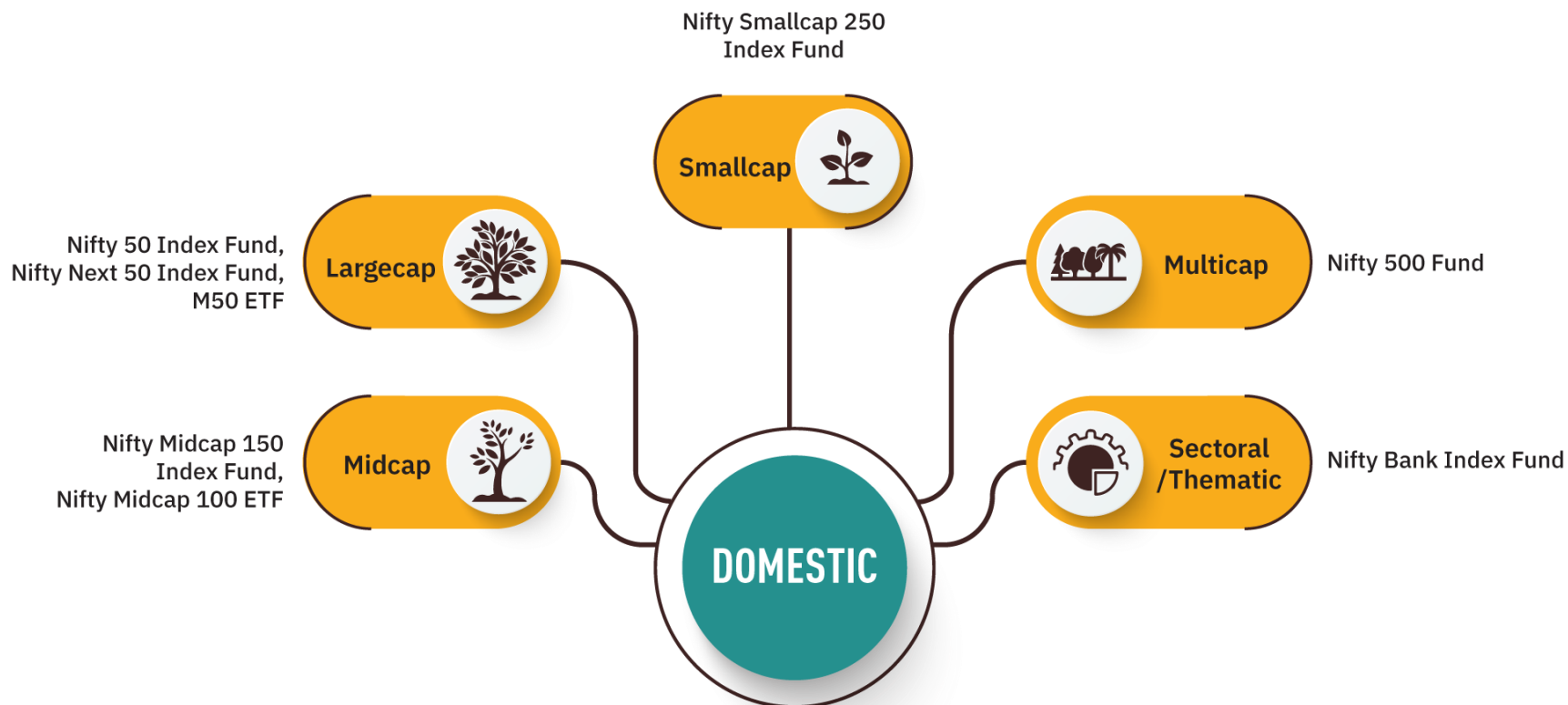
	S&P BSE Quality Index	Nifty200 Momentum 30 Index	S&P BSE Low Volatility Index	S&P BSE Quality Index
<b>Constituents</b>	30	30	30	30
<b>Universe</b>	S&P BSE LargeMidCap	Nifty 200	S&P BSE LargeMidCap	S&P BSE LargeMidCap
<b>Eligibility Criteria</b>	Float-adjusted MCap of ₹20 billion and annualized traded 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 30-Jun-2022; For detailed methodology please visit [asiaindex.co.in](http://asiaindex.co.in) and [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.

# Motilal Oswal Passive Fund Offerings



# Motilal Oswal Passive Fund Offerings



# Motilal Oswal Passive Fund Offerings



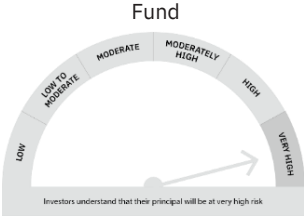
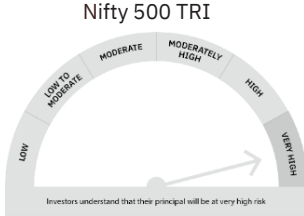
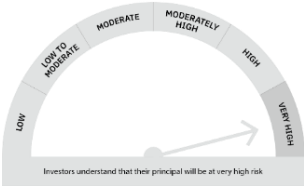
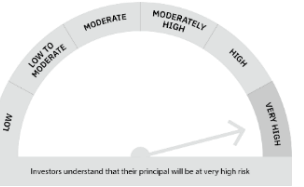

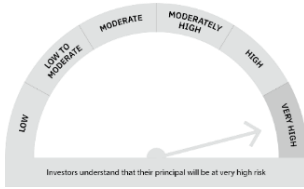
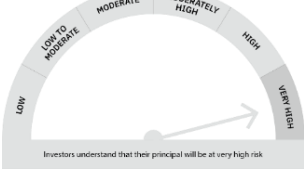
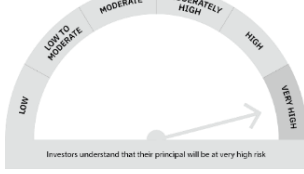
# Product Suitability

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 <p>Investors understand that their principal will be at very high risk</p>	Nifty 50 TRI <p>Investors understand that their principal will be at very high risk</p>
<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 <p>Investors understand that their principal will be at very high risk</p>	Nifty Next 50 TRI <p>Investors understand that their principal will be at very high risk</p>
<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 <p>Investors understand that their principal will be at very high risk</p>	Nifty Midcap 150 TRI <p>Investors understand that their principal will be at very high risk</p>
<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 <p>Investors understand that their principal will be at very high risk</p>	Nifty Smallcap 250 TRI <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

**INDEX  
FUNDS**  
by  
Motilal Oswal

Name of the Scheme	This product is suitable for investors who are seeking*	Scheme Riskometer	Benchmark Riskometer
<b>Motilal Oswal Nifty 500 Index Fund</b> (An open ended scheme replicating / tracking Nifty 500 Index)	<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>		
<b>Motilal Oswal Nifty 50 ETF</b> (Formerly known as Motilal Oswal M50 ETF) (An open ended scheme replicating/tracking Nifty 50 Index) (BSE: 590115, NSE: MOM50)	<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>		
<b>Motilal Oswal Nifty Midcap 100 ETF</b> (Formerly known as Motilal Oswal Midcap 100 ETF) (An open ended scheme replicating/tracking Nifty Midcap 100 Index) (BSE: 536960, NSE: MOM100)	<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>		
<b>Motilal Oswal Nifty Bank Index Fund</b> (An open ended scheme replicating / tracking Nifty Bank Index)	<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>		

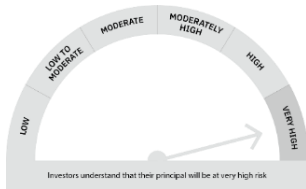
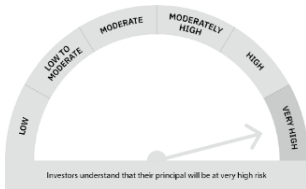
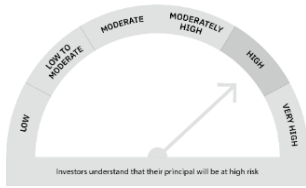
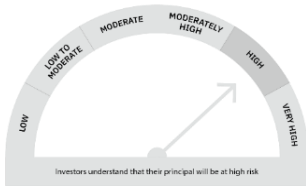
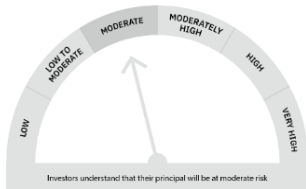
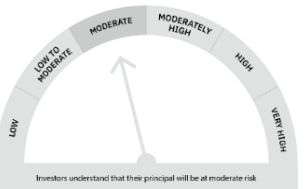


# Product Suitability

Name of the Scheme	This product is suitable for investors who are seeking*	Scheme Riskometer	Benchmark Riskometer
<b>Motilal Oswal S&amp;P 500 Index Fund</b> (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>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>
<b>Motilal Oswal NASDAQ 100 ETF</b> (An open ended scheme replicating/tracking NASDAQ-100 Index) (BSE: 533385, NSE: MOFN100)	<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>
<b>Motilal Oswal NASDAQ 100 Fund of Fund</b> (An open ended fund of fund scheme investing in Motilal Oswal Nasdaq 100 ETF)	<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>

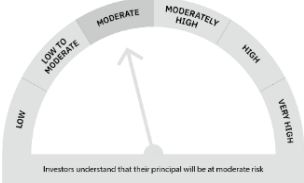


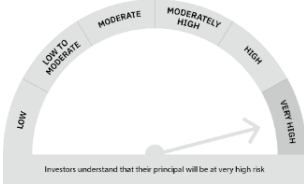
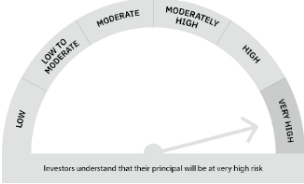
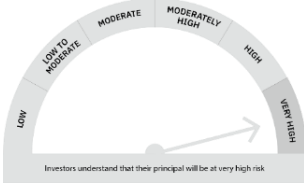
\*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

# Product Suitability

Name of the Scheme	This product is suitable for investors who are seeking*	Scheme Riskometer	Benchmark Riskometer
<b>Motilal Oswal Asset Allocation Passive Fund of Fund – Aggressive</b> (An open ended fund of funds scheme investing in passive funds)	<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>	Fund  <p>Investors understand that their principal will be at very high risk</p>	50% Nifty 500 TRI + 20% S&P 500 TRI (INR) + 10% Domestic Price of Gold + 20% Nifty 5 Yr Benchmark G-Sec Index  <p>Investors understand that their principal will be at very high risk</p>
<b>Motilal Oswal Asset Allocation Passive Fund of Fund – Conservative</b> (An open ended fund of funds scheme investing in passive funds)	<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>	Fund  <p>Investors understand that their principal will be at high risk</p>	30% Nifty 500 TRI + 10% S&P 500 TRI (INR) + 10% Domestic Price of Gold + 50% Nifty 5 Yr Benchmark G-Sec Index  <p>Investors understand that their principal will be at high risk</p>
<b>Motilal Oswal Nifty 5 Year Benchmark G-sec ETF</b> (Formerly known as Motilal Oswal 5 Year G-sec) (An open ended scheme replicating/tracking Nifty 5 yr Benchmark G-Sec Index) (BSE: 543250, NSE: MOGSEC)	<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>	Fund  <p>Investors understand that their principal will be at moderate risk</p>	Nifty 5 yr Benchmark G-Sec Index  <p>Investors understand that their principal will be at moderate risk</p>

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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 5 Year G-sec FoF</b> (An open ended fund of funds scheme investing in units of Motilal Oswal 5 Year G-Sec ETF)	<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>	Fund  <p>Investors understand that their principal will be at moderate risk</p>	Nifty 5 yr Benchmark G-Sec Index  <p>Investors understand that their principal will be at moderate risk</p>
<b>Motilal Oswal MSCI EAFE Top 100 Select Index Fund</b> (An open ended scheme replicating/ tracking MSCI EAFE Top 100 Select Index)	<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>	Fund  <p>Investors understand that their principal will be at very high risk</p>	MSCI EAFE Top 100 Select Index (INR)  <p>Investors understand that their principal will be at very high risk</p>
<b>Motilal Oswal NASDAQ Q 50 ETF</b> (An open ended scheme replicating/ tracking Nasdaq Q-50 Index) (BSE: 543437, NSE:MONQ50)	<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>	Fund  <p>Investors understand that their principal will be at very high risk</p>	NASDAQ Q-50 Total Return Index (INR)  <p>Investors understand that their principal will be at very high risk</p>

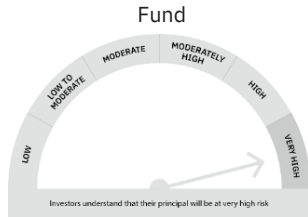
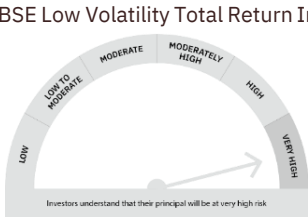
\*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

# Product Suitability

Name of the Scheme	This product is suitable for investors who are seeking*	Scheme Riskometer	Benchmark Riskometer
<b>Motilal Oswal Nifty 200 Momentum 30 ETF</b> (An open ended fund replicating / tracking the Nifty 200 Momentum 30 Total Return Index) (BSE: 543465, NSE: MOMOMENTUM)	<ul style="list-style-type: none"> <li>Return that corresponds to the total returns of the Nifty 200 Momentum 30 Total Return Index subject to tracking error</li> <li>Long term capital growth</li> </ul>	Fund 	Nifty 200 Momentum 30 TRI 
<b>Motilal Oswal Nifty 200 Momentum 30 Index Fund</b> (An open ended fund replicating / tracking the Nifty 200 Momentum 30 Total Return Index)	<ul style="list-style-type: none"> <li>Return that corresponds to the total returns of the Nifty 200 Momentum 30 Total Return Index subject to tracking error</li> <li>Long term capital growth</li> </ul>	Fund 	Nifty 200 Momentum 30 TRI 
<b>Motilal Oswal S&amp;P BSE Low Volatility ETF</b> (An open ended fund replicating / tracking the S&P BSE Low Volatility Total Return Index) (BSE: 543501, NSE: MOLOWVOL)	<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>	Fund 	S&P BSE Low Volatility Total Return Index 

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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 S&amp;P BSE Low Volatility Index Fund</b> (An open ended fund replicating / tracking the S&P BSE Low Volatility Total Return Index)	<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>S&amp;P BSE Low Volatility Total Return Index</p> 

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# – Thank You

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

- **John C. Bogle**

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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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## BSE

The Bombay Stock Exchange Limited (“the Exchange”) has given vide its letter dated February 10, 2011 permission to the Mutual Fund to use the Exchange’s name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund’s units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. The Exchange does not in any manner:-

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