

Motilal Oswal S&P BSE Low Volatility 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, Quality, Value, Low Volatility, Size, etc.

What is Low Volatility Factor?

Traditional wisdom suggests higher returns can only be achieved by taking higher risks. Empirical research has challenged such pre-conceived notions by showing a strategy where securities with low-volatility (low risk) tend to outperform the broad-market over the long-term. The Low Volatility Factor tries to capture this premium by buying securities which have higher stability in price movements.

What is Motilal Oswal S&P BSE Low Volatility 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 Low Volatility TRI, 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 Low Volatility 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 Low Volatility TRI, 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 Low Volatility ETF. However to invest in Motilal Oswal S&P BSE Low Volatility 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 Low Volatility ETF and Motilal Oswal S&P BSE Low Volatility Index Fund invests in companies that are part of the S&P BSE Low Volatility Index. The 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.

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

The S&P BSE Low Volatility Index aims to track the performance of 30 lowest volatile stocks across large and mid-cap universe. The Volatility for each stock is based on recent 12-month price return. The index is rebalanced on a semi-annual basis.

How would I possibly benefit by investing in S&P BSE Low Volatility Index?

The S&P BSE Low Volatility Index helps an investor take exposure to the Low Volatility Factor. It is a systematic way to capture stocks that exhibit defensive characteristics with the potential to enhance returns.

How can an investor invest in these schemes?

Motilal Oswal S&P BSE Low Volatility ETF - An investor can invest in the scheme through stock exchange via broker in case of units not being in multiples of creation unit. In case if he wishes to buy in multiples of creation unit size, he can do so directly through the AMC.

Motilal Oswal S&P BSE Low Volatility 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.motiloswalmf.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 Low Volatility 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 in unit size of 30,000 and in multiples thereafter

Motilal Oswal S&P BSE Low Volatility 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 Low Volatility ETF. While STP's/SIP's and SWP's are allowed for investments in Motilal Oswal S&P BSE Low Volatility Index Fund.

Is there an entry/exit load?

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

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

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

Name of the scheme	Scheme Riskometer	Benchmark Riskometer S&P BSE Low Volatility Total Return Index
Motilal Oswal S&P BSE Low Volatility Index Fund (An open end fund replicating / tracking the S&P BSE Low Volatility Total Return Index)		
This product is suitable for investors who are seeking*	Investors understand that their principal will be at Very High risk	
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*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

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