

# MOTILAL OSWAL MUTUAL FUND

Fact Sheet April 2011

## Fund Manager Speak

Dear Investors,

During the last month, the Indian markets were volatile with Nifty decreasing 1.44% from 5,834 as on 31st March '11 to 5,750 as on 29th April '11 while CNX Midcap Index increased 2% from 8,040 as on 31st March '11 to 8,201 as on 29th April '11. High crude prices, high inflation and persistence of global turmoil led to markets being very volatile. Reserve Bank of India in its latest policy statement changed its stance to containing inflation primarily while managing growth. It raised the repo rate to 7.25% and reverse repo rate to 6.25%. The central government has also been hinting at potential increase in prices of oil products (diesel, kerosene and LPG) as the oil prices have risen to USD 120 per barrel from USD 75 per barrel when the last change in their prices was made.

The high interest environment coupled with high crude oil, metal and commodity prices are expected to reduce the sales growth of companies on one hand while reducing the profit margins for interest rate sensitive companies and consumers of commodities. This is expected to reduce the earnings growth prospects of the Indian markets in the coming fiscal. In such an environment, Indian markets are expected to remain under pressure.

At the same time, US Federal Reserve has stated that it would keep interest rates low for a reasonable period of time, thereby allowing US economic growth momentum to strengthen. This has led to the US markets showing reasonable resilience in the last month with NASDAQ 100 Index increasing 2.89% from 2,336.52 as on 30th March '11 to 2,401 as on 29th April '11.

### Motilal Oswal MOST Shares M50 ETF (MOST Shares M50)

Motilal Oswal MOST Shares M50 ETF (MOST Shares M50) invests in securities in the same proportion as the MOST 50 Basket. The MOST 50 Basket is a fundamentally weighted basket based on S&P CNX Nifty Index (Nifty 50), which invests in all 50 constituents of Nifty 50.

The MOST 50 Basket was also impacted by the decline observed in the large cap stocks and declined from 8,255 as on 31st March '11 to 8,243 as on 29th April '11, outperforming Nifty 50 by 1.30%. The overweight positions in auto and cement sectors and underweight positions in technology & oil & gas sectors has helped the performance of the MOST 50 Basket. However, its performance has been impacted by its overweight positions in capital equipment, financial services along with the underweight positions in telecom services.

### Motilal Oswal MOST Shares Midcap 100 ETF (MOST Shares M100)

Motilal Oswal MOST Shares Midcap 100 ETF (MOST Shares M100) is an open ended Index Exchange Traded Fund that invests in securities in the same proportion as the CNX Midcap Index. It attempts to deliver returns that correspond (before fee and expenses) to the performance of CNX Midcap Index, subject to tracking error. The CNX Midcap Index is an index developed and maintained by India Index Services & Products Ltd (IISL).

The market strength had a positive impact on the scheme with its NAV increasing 1.91% from ₹ 8.615 on 31st March '11 to ₹ 8.215 on 29th April '11.

During the month, Indiabulls Real Estate Limited was removed from the CNX Midcap Index at close of business on 20th April '11 and Pantaloons Retail (India) was included in the index. The scheme was rebalanced to bring its weights in line with the new weights at that incidence.

### Motilal Oswal MOST Shares NASDAQ-100 ETF (MOST Shares NASDAQ 100)

Motilal Oswal MOST Shares NASDAQ-100 ETF (MOST Shares NASDAQ 100) is an open ended Index Exchange Traded Fund that invests in securities in the same proportion as the NASDAQ-100 Index. It attempts to deliver returns that correspond (before fee and expenses) to the performance of NASDAQ-100 Index, subject to tracking error. The NASDAQ-100 Index is an index developed and maintained by NASDAQ OMX.

The market strength had a positive impact on the scheme with its NAV increasing 2.12% from ₹104.6721 on 31st March '11 to ₹106.8907 as on 29th April '11.

On 1st April '11, the scheme sold shares in Genzyme Corp and purchased shares of Alexion Pharma as Genzyme Corp was replaced by Alexion Pharmaceuticals in the NASDAQ-100 Index on 4th April '11. NASDAQ OMX had informed that the capital allocation of NASDAQ-100 Index would change on 2nd May '11. In order to bring the capital allocations of the scheme in-line with the NASDAQ-100 Index weights, the scheme was rebalanced at close of markets on 29th April '11.



**Eligibility Criteria & Methodology:** Motilal Oswal MOST Shares M50 ETF (MOST Shares M50) won the CNBC TV18 - CRISIL Mutual Fund Awards 2011 in the Category – Most Innovative Fund of the Year. In total 13 schemes/plans/themes were eligible for the award universe. Mutual fund schemes/plans/themes launched in 2010 across all categories and nominated by Asset Management Companies to CRISIL were considered for the award. The award is based on CRISIL's assessment of the product concept, marketing and distribution channels, timeliness of launch and mobilization attributable to the scheme. Past performance is no guarantee of future results. Rankings and Award Source: CRISIL Fund Services, CRISIL Ltd.

Featured Inside: ♦ MOST Shares M50; ♦ MOST Shares M100; ♦ MOST Shares NASDAQ 100

# MOST SHARES M50

## An Open Ended Exchange Traded Fund

### NIFTY 50 REMIXED

### About the Scheme

Scheme Name	Motilal Oswal MOST Shares M50 ETF (MOST Shares M50)
Type of Scheme	An open ended Exchange Traded Fund
Investment Objective	The Scheme seeks investment return that corresponds (before fees and expenses) generally to the Performance of the MOST 50 Basket (Underlying Basket), subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.
Benchmark	MOST 50 Basket and S&P CNX Nifty Index
Continuous Offer	On NSE: Investors can buy/sell units of the Scheme in round lot of 1 unit and in multiples thereof. Directly with the Mutual Fund: Investors can buy/sell units of the Scheme only in creation unit size i.e. 50,000 units and in multiples thereof.

### Scheme Details

Date of Allotment	July 28, 2010	
NAV	₹ 81.2316	
AUM	186.40 (₹crores)	
Tracking Error*	0.52% (Annualised)	
Total Expense Ratio <sup>^</sup>	1.00% p.a.	
Standard Deviation	0.06 (per month)	
Sharpe Ratio <sup>#</sup>	-0.03 (per month)	
Portfolio Turnover Ratio	1.09	
	with MOST 50	with Nifty 50
Beta	1.00	1.00
R-Squared	1.00	0.96

\*Against the benchmark MOST 50 Basket <sup>^</sup>Year-to-date. <sup>#</sup> Risk free returns based on 365-days T-bill cut-off of 7.7567%, as on the last auction. (Data as on 29th April 2011)

### Performance

	Scheme		Benchmark	
	M50 <sup>^</sup>	MOST 50 Basket	NIFTY <sup>*</sup>	
6 month	-5.61%	-5.16%	-4.46%	
Since Inception	4.10%	5.63%	6.52%	

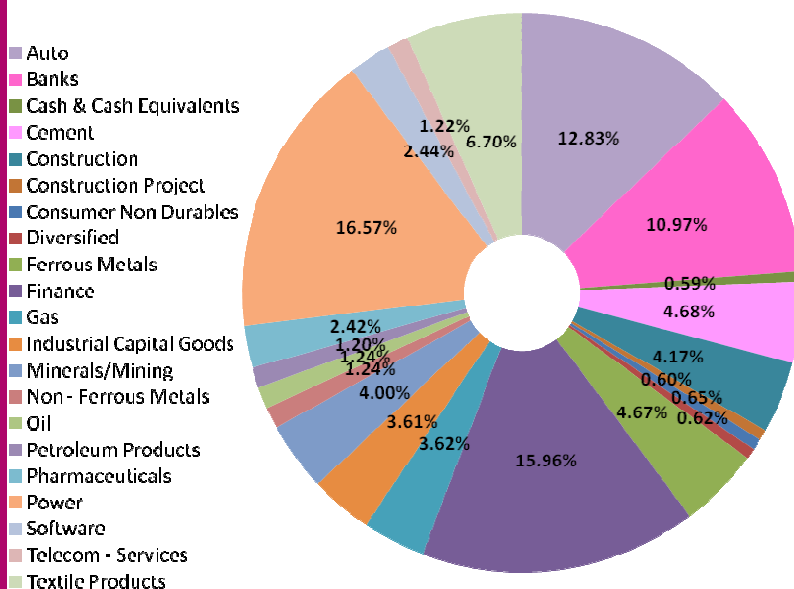
(as on 29th April 2011) Note: Returns shown above are absolute returns. Past performance may or may not be sustained in future. \*S&P CNX Nifty Index <sup>^</sup>MOST Shares M50

NSE Symbol	M50	ISIN Code	INF247L01015
Bloomberg Code	MOSTM50	Entry Load	N. A.
Reuters Code	M50.NS	Exit Load	NIL

### Fund Manager

Fund Manager	Mr. Rajnish Kumar Rastogi
Experience	He has 14 years of experience in the Financial Services Industry. He has been managing this fund since inception.

### Industry Allocation



(as on 29th April 2011)

### Top 10 Holdings

Sr. No.	Equity	Weightage in M50
1	Tata Power Co.	6.82%
2	Grasim Industries	6.70%
3	Infrastructure Development Finance Company	6.27%
4	Housing Development Finance Corporation	5.11%
5	State Bank of India	4.93%
6	Reliance Infrastructure	4.80%
7	Reliance Capital	4.58%
8	Ambuja Cements	4.05%
9	Sesa Goa	4.00%
10	Mahindra & Mahindra	3.97%

(as on 29th April 2011)

# MOST SHARES M100

(An Open Ended Index Exchange Traded Fund)

## About the Scheme

Scheme Name	Motilal Oswal MOST Shares Midcap 100 ETF (MOST Shares M100)
Type of Scheme	An open ended Index Exchange Traded Fund
Investment Objective	The Scheme seeks investment return that corresponds (before fees and expenses) to the performance of CNX Midcap Index (Underlying Index), subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.
Benchmark	CNX Midcap Index
Continuous Offer	On NSE: Investors can buy/sell units of the Scheme in round lot of 1 unit and in multiples thereof. Directly with the Mutual Fund: Investors can buy/sell units of the Scheme only in creation unit size i.e. 2,50,000 units and in multiples thereafter

## Scheme Details

Date of Allotment	January 31, 2011
NAV	₹ 8.2153
AUM	119.35 (₹ crores)
Tracking Error*	0.38% (Annualised)
Total Expense Ratio^	1.00% p.a.
Standard Deviation	0.08 (per month)
Sharpe Ratio#	0.07 (per month)
Portfolio Turnover Ratio	0.17
Beta	1.00
R-Squared	1.00

\*Against the benchmark CNX Midcap Index ^Year-to-date. # Risk free returns based on 365-days T-bill cut-off of 7.7567%, as on the last auction. (Data as on 29th April 2011)

## Performance

	Scheme	Benchmark
	M100^	CNX Midcap Index
Since Inception	3.70%	3.51%

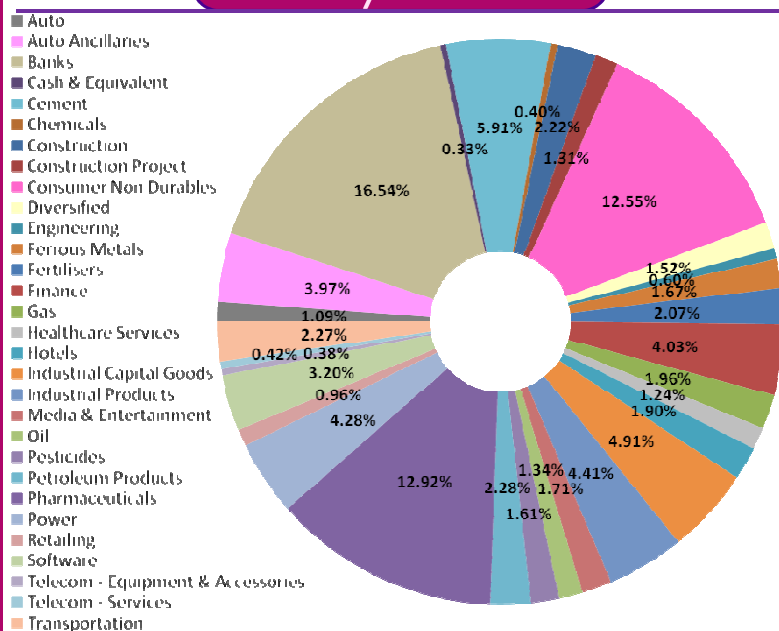
(as on 29th April 2011) Note: Returns shown above are absolute returns. **Past performance may or may not be sustained in future.** ^MOST Shares M100

NSE Symbol	M100	ISIN Code	INF247L01023
Bloomberg Code	MOST100	Entry Load	N. A.
Reuters Code	M100.NS	Exit Load	NIL

## Fund Manager

Fund Manager	Mr. Rajnish Kumar Rastogi
Experience	He has 14 years of experience in the Financial Services Industry. He has been managing this fund since inception.

## Industry Allocation



(as on 29th April 2011)

## Top 10 Holdings

Sr. No.	Equity	Weightage in M100
1	Ultra Tech Cement	3.35%
2	Lupin	3.28%
3	Titan Industries	2.62%
4	Yes Bank	2.29%
5	Union Bank of India	2.26%
6	Exide Industries	2.21%
7	Cummins India	2.16%
8	LIC Housing Finance	2.08%
9	Tata Chemicals	2.07%
10	Hindustan Petroleum Corporation	1.94%

(as on 29th April 2011)

# MOST SHARES NASDAQ 100

## About the Scheme

Scheme Name	Motilal Oswal MOST Shares NASDAQ-100 ETF (MOST Shares NASDAQ 100)
Type of Scheme	An open ended Index Exchange Traded Fund
Investment Objective	The Scheme seeks investment return that corresponds (before fees and expenses) generally to the performance of the NASDAQ-100 Index, subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.
Benchmark	NASDAQ-100 Index
Continuous Offer	On NSE & BSE: Investors can buy/sell units of the Scheme in round lot of 1 unit and in multiples thereof. Directly with the Mutual Fund: Investors can buy/sell units of the Scheme only in creation unit size i.e. 100,000 units and in multiples thereafter

## Scheme Details

Date of Allotment	March 29, 2011		
NAV	₹ 106.8907		
AUM	51.40 ( ₹crores)		
Total Expense Ratio <sup>^</sup>	1.00% p.a.		
<sup>^</sup> Year-to-date. (Data as on 29th April 2011)			
NSE Symbol/ BSE Code	NI00	ISIN Code	INF247L01031
Bloomberg Code	MOSTNDX	Entry Load	N. A.
Reuters Code	NI00.NS or NI00.BO	Exit Load	NIL

## Fund Manager

Fund Manager	Mr. Rajnish Kumar Rastogi
Experience	He has 14 years of experience in the Financial Services Industry. He has been managing this fund since inception.

## Performance

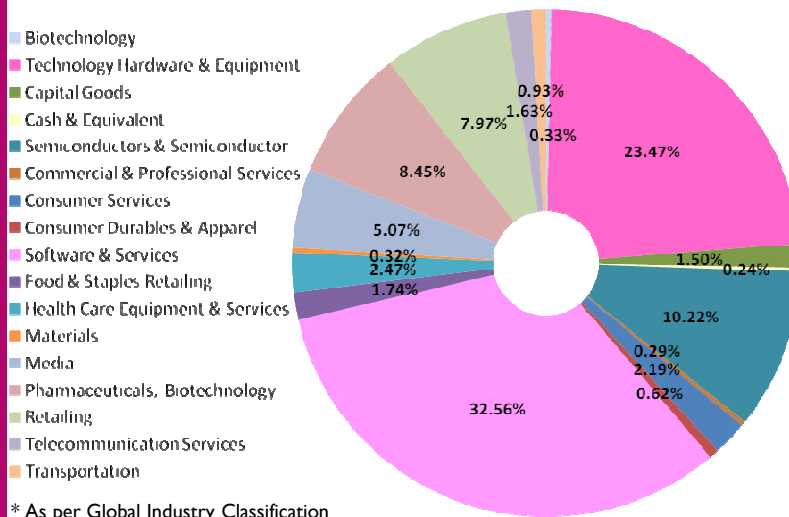
	Scheme	Benchmark - NASDAQ-100 Index	
	NI00 <sup>^</sup>	Returns in INR*	Returns in USD
Since Inception	3.54%	3.60%	4.64%

(as on 29th April 2011) Note: Returns shown above are absolute returns.

\*NASDAQ-100 Index returns in INR are based on exchange rate used in calculating the scheme's NAV. Past performance may or may not be sustained in future.

<sup>^</sup>(MOST Shares NASDAQ 100)

## Industry Allocation\*



\* As per Global Industry Classification Standard (GICS) taken from Bloomberg

(as on 29th April 2011)

## Top 10 Holdings

Sr. No.	Equity	Weightage in NI00
1	Apple	12.06%
2	Microsoft Corporation	8.22%
3	Oracle Corporation	6.85%
4	Google	5.13%
5	Intel Corporation	4.79%
6	Cisco Systems	3.65%
7	QUALCOMM	3.51%
8	Amazon.com	3.33%
9	Comcast Corporation	2.04%
10	Amgen	1.99%

(as on 29th April 2011)

## Risk Disclosure and Disclaimer

**Statutory Details: Constitution:** Motilal Oswal Mutual Fund has been set up as a trust under the Indian Trust Act, 1882. Trustee: Motilal Oswal Trustee Company Ltd. Investment Manager: Motilal Oswal Asset Management Company Ltd. Sponsor: Motilal Oswal Securities Ltd.

**Risk Factors:** (1) All Mutual Funds and securities investments are subject to market risks and there can be no assurance that the Scheme's objectives will be achieved (2) As the price / value / interest rates of the securities in which the Scheme invests fluctuates, the Net Asset Value (NAV) of units issued under the Scheme may go up or down depending upon the factors and forces affecting the securities market (3) Past performance of the Sponsor/AMC/Mutual Fund and its affiliates does not indicate the future performance of the Scheme and may not provide a basis of comparison with other investments (4) Motilal Oswal MOST Shares M50 ETF (MOST Shares M50), Motilal Oswal MOST Shares Midcap 100 ETF (MOST Shares MI00) and Motilal Oswal MOST Shares NASDAQ-100 ETF (MOST Shares NASDAQ100) are the name of the Schemes and does not in any manner indicate either the quality of the Schemes, its future prospects and returns. Investors are therefore urged to study the terms of offer carefully and consult their Investment Advisor before they invest in the Scheme (5) The Sponsor is not responsible or liable for any loss or shortfall resulting from the operation of the Mutual Fund beyond the initial contribution made by it of an amount of Rs. 1 Lac towards setting up of the Mutual Fund (6) The present Schemes are not guaranteed or assured return Schemes. Please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully before investing.