

MOTILAL OSWAL MUTUAL FUND  
**MOST SHARES M50**  
 An Open Ended Exchange Traded Fund  
 NIFTY50 REMIXED

Fact Sheet October 2010

Fund Manager Speak

Dear Investors,

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. It attempts to deliver superior investment performance by trying to allocate more capital to companies which are expected to deliver relatively stronger returns and less capital to companies which are expected to deliver relatively poorer returns.

The Nifty index underwent changes on 1st October 2010 with ABB, Idea Cellular and Unitech being replaced by Bajaj Auto, Dr Reddy's Laboratories and Sesa Goa. The MOST 50 Basket was rebalanced on 1st October 2010 and MOST Shares M50 capital allocation was also changed to track the changes in the MOST 50 Basket.

During the last month markets remained range bound with Nifty closing at 6,017 at the end of October 2010, compared to 6,030 at the end of September 2010. During this month, Dr Reddy's Laboratories, Tata Consultancy Services and Reliance Industries moved up 15%, 13.6% and 11% respectively while Bharti Airtel, National Thermal Power Corporation and Tata Steel declined by 11%, 10% and 9.6% respectively.

On 29th October 2010, the last working day of October, the MOST 50 Basket closed at 8,691 compared with 8,748 on 30th September 2010 and the NAV of MOST Shares M50, after deducting expenses, closed at Rs. 86.06 on 29th Oct 2010.

The MOST 50 Basket is, currently, overweight in 18 companies, with allocation of 68% against an allocation of 22% in Nifty50 to these companies. This has contributed to an under-performance of 0.22%. The MOST 50 Basket is underweight in 27 companies, where the allocation is only 28.90% against an allocation of 74.70% by Nifty50. This underweight allocation also has contributed to an under-performance of 0.22% compared to the Nifty50 index.

The overweight positions in Autos (Tata Motors, Bajaj Autos), and underweight positions in Banks & Financial Services (HDFC Bank), Consumer Non-Durables (ITC) and Telecom (Bharti Airtel) has helped the performance of the MOST 50 Basket. However, its performance has been impacted by its overweight positions in Metals (SAIL, Tata Steel and Sesa Goa) & Software (Wipro, HCL Technologies) along with its underweight positions in Pharmaceuticals (Dr Reddy's Lab, Cipla) and Oil (Reliance).

The Earnings of the Nifty constituents are either in line or better than expected. The strength in consumption along with improvement in capital spending is expected to help improve corporate earnings visibility and provide support to the market. Global money supply is becoming highly volatile and is expected to be influenced by the second round of Quantitative Easing in USA. Increased volatility in global money supply along with high valuations in the domestic markets are risks in the near future.

Performance

	Benchmark		Scheme
	MOST 50 Basket	NIFTY*	M50^
Since Inception	11.38 %	11.49 %	10.29 %

(as on 29th October 2010) Note: Returns shown above are absolute returns. Past performance may or may not be sustained in future. \*S&P CNX Nifty Index ^MOST Shares M50

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.

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. 50000 units and in multiples thereof.

Scheme Details

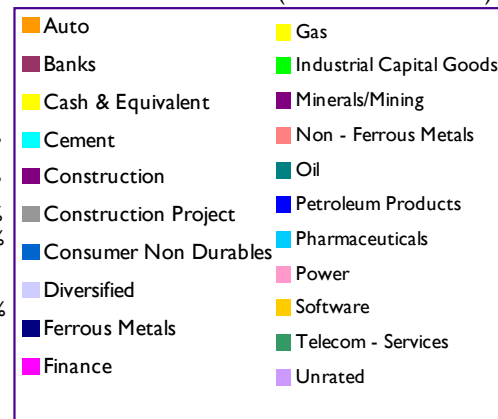
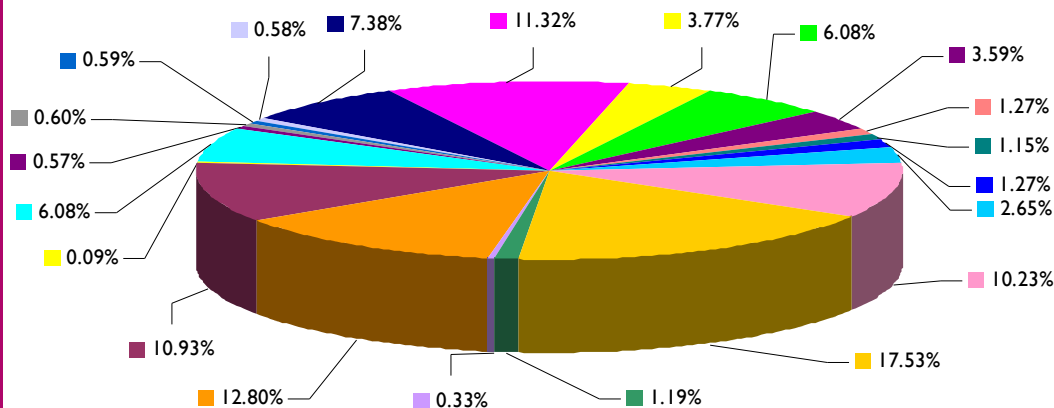
Date of Allotment	July 28, 2010	
NAV	₹ 86.0604	
AUM	315.82 (₹crores)	
Tracking Error*	0.67% (Annualised)	
Total Expense Ratio^	1.00% p.a.	
Standard Deviation	0.05 (per month)	
Sharpe Ratio#	0.49 (per month)	
Portfolio Turnover Ratio	0.44	
	with MOST 50	with Nifty 50
Beta	1.02	0.90
R-Squared	1.00	0.97

\*Against the benchmark MOST 50 Basket ^Year-to-date. # Risk free returns based on 364-days T-bill cut-off of 7.0858%, as on the last auction. (Data as on 29th Oct. 2010)

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

## Industry Allocation

(as on 31st Oct. 2010)



## Portfolio Holdings

(as on 31st Oct. 2010)

Equity	Weightage in M50	Weightage in Nifty50	Equity	Weightage in M50	Weightage in Nifty50	Equity	Weightage in M50	Weightage in Nifty50
ACC	0.61%	0.56%	ICICI Bank	3.83%	7.50%	Reliance Infrastructure	0.59%	0.82%
Ambuja Cements	0.61%	0.64%	Infosys Technologies	6.80%	8.05%	Reliance Power	0.60%	0.32%
Axis Bank	0.58%	2.10%	IDFC	0.60%	1.29%	Sesa Goa	3.59%	0.69%
Bajaj Auto	3.77%	1.18%	ITC	0.59%	5.05%	Siemens	0.61%	0.69%
Bharat Heavy Electricals	4.82%	2.17%	Jaiprakash Associates	4.86%	0.78%	State Bank of India	4.75%	4.57%
Bharat Petroleum Corpn.	0.59%	0.53%	Jindal Steel & Power	0.60%	1.52%	Steel Authority of India	3.47%	0.64%
Bharti Airtel	0.54%	2.23%	Kotak Mahindra Bank	0.60%	0.95%	Sterlite Industries ( India )	0.62%	1.50%
Cairn India	0.58%	0.78%	Larsen & Toubro	0.60%	6.05%	Sun Pharmaceuticals Ind.	0.64%	0.89%
Cipla	0.67%	1.01%	Mahindra & Mahindra	3.89%	1.76%	Suzlon Energy	0.65%	0.26%
DLF	0.57%	0.71%	Maruti Suzuki India	0.66%	1.15%	Tata Consultancy Services	0.69%	3.00%
Dr. Reddy's Laboratories	0.70%	1.17%	NTPC	0.55%	1.40%	Tata Motors	3.87%	2.08%
GAIL (India)	3.77%	1.24%	ONGC	0.57%	2.47%	Tata Power Co.	5.04%	1.27%
HCL Technologies	3.52%	0.54%	Power Grid Corp.	3.45%	0.32%	Tata Steel	3.31%	2.05%
HDFC	3.44%	4.99%	Punjab National Bank	0.61%	0.97%	Wipro	6.52%	1.19%
HDFC Bank	0.56%	4.52%	Ranbaxy Laboratories	0.64%	0.50%			
Hero Honda Motors	0.61%	1.00%	Reliance Capital	7.28%	0.52%	<b>Fixed Deposit</b>	0.33%	-
Hindalco Industries	0.65%	1.54%	Reliance Communications	0.65%	0.67%	<b>Cash</b>	0.09%	-
Hindustan Unilever	0.58%	1.73%	Reliance Industries	0.68%	10.43%	<b>Grand Total</b>	<b>100.00%</b>	<b>100.00%</b>

## 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) is the name of the Scheme and does not in any manner indicate either the quality of the Scheme, 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 ₹ 1 Lac towards setting up of the Mutual Fund. (6) The present scheme is not a guaranteed or assured return scheme. Please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully before investing.

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