

# MOTILAL OSWAL MUTUAL FUND

# MOST SHARES M50

## An Open Ended Exchange Traded Fund

### NIFTY 50 REMIXED

Fact Sheet September 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.

After remaining range bound in August when Nifty 50 increased by 0.09% from 5,398 to 5,402, the index moved up by 11.5% from 5,402 to 6,030 on account of FII inflows in the month of September. During this two month period, companies have shown widely diverse price appreciation with Tata Motors, State Bank of India and HDFC moving up 31%, 31% and 27% respectively while Suzlon Energy, Reliance Communication and Reliance Power declining by 10%, 9% and 7% respectively.

In this period, the MOST 50 Basket has increased by 12.11% from 7,803 as on 28th July 2010 to 8,748 on 30th September 2010 and the NAV of MOST Shares M50, after deducting expenses, has increased by 11.67%.

The MOST 50 Basket has been overweight in the Top 5 stocks of Nifty 50 while being underweight in the worst 5 stocks of Nifty 50. The MOST 50 Basket is overweight in 20 companies, with allocation of 73% against an allocation of 25% by Nifty 50. This has contributed to a slight under-performance of 0.10%. The MOST 50 Basket is underweight on 26 companies, where the allocation is only 24% against an allocation of 72% by Nifty50. This underweight allocation has helped MOST 50 Basket deliver an out-performance of 0.45% against the Nifty 50 index.

The overweight positions in Autos (Tata Motors), Metals (Hindalco), & Oil Marketing Companies (Bharat Petroleum) and underweight positions in Oil (Reliance) has helped the performance of the MOST 50 Basket. However, its performance has been impacted by its overweight positions in Power (Tata Power, & Power Grid Corporation of India) & Capital Goods (BHEL) along with its underweight positions in Construction (L&T) and Telecom services (Bharti Airtel).

Agricultural output in India is expected to rebound because of the good monsoons this year. The resultant strength in consumption along with improvement in capital spending is expected to help improve corporate earnings visibility and provide support to the market. However, high valuations and volatile global liquidity flows are a risk in the near future.

India Index Services & Products Ltd. has published that the Nifty 50 constituents will be changed 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 will be rebalanced on 1st October 2010 and MOST Shares M50 capital allocation will also be changed to track the changes in the MOST 50 Basket.

The revised portfolio, iNAV, etc. is available on the website : [www.mostshares.com](http://www.mostshares.com)

### Performance

	Benchmark		Scheme
	MOST 50 Basket	NIFTY*	M50^
Since Inception	12.11%	11.72%	11.65%

(as on 30th September 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	₹ 87.13	
AUM	311.02 (₹crores)	
Tracking Error*	0.18% (Annualised)	
Total Expense Ratio^	1.00% p.a.	
Standard Deviation	0.06 (per month)	
Sharpe Ratio#	0.82 (per month)	
Portfolio Turnover Ratio	0.08	
	with MOST 50	with Nifty 50
Beta	1.01	0.85
R-Squared	1.00	0.98

\*Against the benchmark MOST 50 Basket ^Year-to-date. # Risk free returns based on 364-days T-bill cut-off of 6.6964%, as on the last auction. (Data as on 30th Sept. 2010)

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

