

MOST ETF FACT SHEET

November 2011

about...

Indian Bond Market

- WPI inflation continued to remain high recording Y-O-Y growth of 9.72% in September, slightly lower than August growth 9.78%.
- RBI hiked Repo & Reverse Repo rates for the 13th time since March 2010 by 25 bps each, the hike was factored into the prevailing G-Sec prices.
- The benchmark 10 yr yield ended the fortnight at 8.92% v/s previous fortnight closing of 8.68%.
- RBI announced the issuance of New 10 Yr Benchmark government bond in its auction on 4th November 2011, resulting in the yield on the existing 10 yr Benchmark G-Sec surging towards the 8.95% -9.00% levels.
- Call rates surge at the end of the fortnight, as liquidity continued to be tight, Repo injection during the month averaged ₹62000 crores in the second half from ₹45000 crores in the first half.



message from the CEO

Dear Investors

Greetings from the ETF desk. We are happy to announce the launch of our first fixed income scheme, the Motilal Oswal MOST 10 Year Gilt Fund. The benchmark paper is representative of the G-Sec market and provides one of the best long term asset allocation tools to gain exposure to a weakly correlated asset class. MOST 10 Year Gilt Fund provides such an access to the G-Sec market with low expense ratio (0.99%) along with benefits in indexation (debt taxation), interest income (dividend distribution tax) and ongoing liquidity.

As we have seen the correlations closing across asset classed, we are of the opinion that portfolios will benefit from lower correlations by investing in truly diverse and representative asset classes such as investment in the MOST Shares NASDAQ 100 for international exposure, MOST Shares Midcap 100 for domestic and the MOST 10 Year Gilt Fund for debt exposure.

Regards,

Nitin Rakesh

CEO

MOST INNOVATIVE FUND OF THE YEAR

(CNBC TV18 - CRISIL Mutual Fund Awards 2011)

MOTILAL OSWAL MUTUAL FUND

MOST SHARES M50

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 FundServices, CRISIL Ltd.

MOTILAL OSWAL
Mutual Fund

Most Shares

Acts like a fund, Trades like a share

Scheme Classification & Investment Objective: Motilal Oswal MOST Shares M50 ETF (MOST Shares M50), an open ended Exchange Traded Fund that seeks investment return that corresponds (before fees and expenses) generally to the performance of the MOST 50 Basket (Underlying Basket), subject to tracking error. **Asset Allocation:** Securities constituting MOST 50 Basket: 95%-100%; Debt and Money market instruments and cash at call: 0-5%. The total exposure to Derivatives would be restricted to 10% of the net assets of the Scheme. **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. Please read the Scheme Information Document (SID) & Statement of Additional Information (SAI) carefully before investing (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 Scheme is not a guaranteed or assured return Scheme. **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

FUND MANAGER'S SPEAK



Dear Investors,

Markets across the globe recovered some of the losses incurred in the last four months. This was driven by consensus among European leaders in finding out ways to address the deteriorating sovereign balance sheets and the risk they pose to European financial system. Efforts are being made to enable the € 440 billion European Financial Stabilization Facility (EFSF) to increase the funds available to more than € 1 trillion, by allowing the EFSF to borrow from financial markets. This has helped to ease concerns surrounding the expected losses to banks holding sovereign debt of troubled European nations. According to IMF, global growth decelerated from 4.3 percent year-on-year (y-o-y) in Q1 of 2011 to 3.7 percent in Q2, and further to an estimated 3.6 percent in Q3. The weaker global growth since Q2 has led to some correction in international commodity prices.

On the domestic front, the GDP growth rate decelerated to 7.7 percent in April-June 2011 from 8.8 percent a year ago with industrial growth decelerating to 5.6 percent in April- June 2011 from 8.7 percent a year ago. Inflation is stubbornly high at 9.6 per cent and is being

driven by primary articles, fuel & power and manufactured products. However, sequential data suggests that inflation momentum has turned down. Although the rupee touched a low of Rs 50.07 / USD, it has closed almost flat at 48.87/ USD a decline of 11 bps for the month.

On 25th Oct, RBI has further increased Repo and Reverse Repo rates by 25 bps to 8.5 percent and 7.5 percent. This is the 13th increase since March 2010. RBI has indicated that it might pause and evaluate the impact of the rate hikes. Simultaneously, it deregulated the savings account deposit rates. This step is expected to help increase the transmission efficiency of interest rates in the economy.

On the earnings front, quarterly earnings from companies in consumer goods, information technology, two wheeler and financial services sectors were in-line with or better than expectations while those from companies in power, capital goods, real estate, four wheeler, metal and telecom sectors were in-line with or weaker than expectations.

The softening global commodity prices, and the potential end to monetary tightening along with reasonable valuations provide support to equity markets. However, one needs to watch out for deteriorating Indian government finances as the government borrowing program for the year has been expanded by 11 percent and the government, in the first six months, has run up a fiscal deficit which is 70% of the full year target.

Motilal Oswal MOST Shares M50 ETF (MOST Shares M50)

During the month, S&P CNX Nifty Index increased 7.76 percent from 4,943 on 30th Sept. 2011 to 5,327 on 31 Oct. 2011. During this period, the MOST 50 Basket performed in line with the market and increased 7.72 percent from 6,807 on 30th Sept. 2011 to 7,333 on 31st Oct. 2011. The MOST Shares M50 scheme closely tracked the MOST 50 Basket. On 10th October, 2011 Coal India Limited replaced Reliance Capital Limited from S&P CNX Nifty Index. At that time, the MOST 50 Basket constitution and weightages changed and the M50 ETF was rebalanced to track the new weights.

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

The broader market strength helped the CNX Midcap Index which increased 2.44 percent from 7,094 on 30th Sept. 2011 to 7,267 on 31st Oct. 2011. The MOST Shares Midcap 100 scheme performed in line with the CNX Midcap Total Return Index. On 10th October 2011, 9 new companies were included in the CNX Midcap Index by replacing 9 existing constituents. The Midcap 100 ETF was rebalanced to the new weights.

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

In line with the NASDAQ 100 Total Return index, the MOST Shares NASDAQ 100 scheme delivered a return of 8.78 percent with its NAV appreciating from ₹107.4320 on 30th Sept. 2011 to ₹116.8672 on 31st Oct. 2011.

Regards,

Rajnish Rastogi

Fund Manager

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 Midcap 100) 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.

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	₹72.0194	
Quarterly AAUM (Sept. 30th, 2011)	₹119.32 (₹ crores)	
Tracking Error*	0.45% (Annualised)	
Total Expense Ratio ^	1.00% p.a.	
Standard Deviation	21.47 (per month)	
Sharpe Ratio#	-0.69 (per month)	
Portfolio Turnover Ratio	0.48	
	MOST 50	Nifty 50
Beta	1.00	1.02
R-Squared	1.00	0.96

*Against the benchmark MOST 50 Basket ^ Year-to-date. #Risk free returns based on 365-days T-bill cut-off of 8.6840% as on the last auction. (Data as on 31st October, 2011)

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

Fund Manager

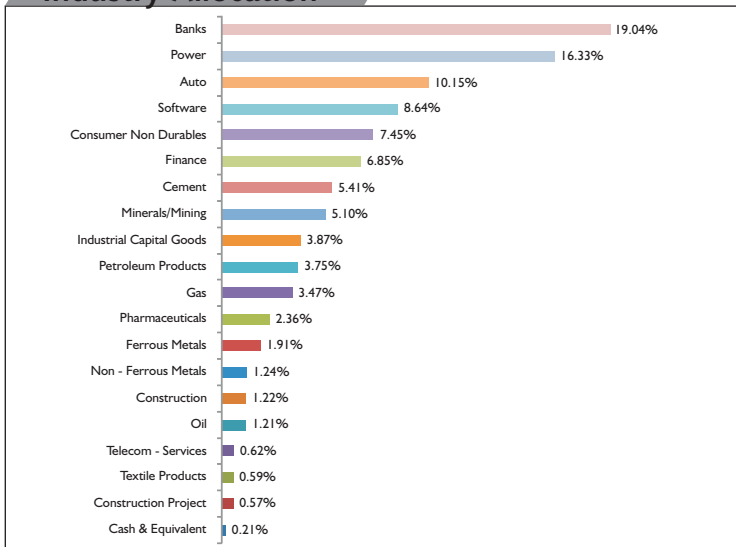
Fund Manager	Mr. Rajnish Kumar Rastogi	Experience	He has 14 years of experience in the Financial Services Industry. He has been managing this fund since inception.
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Performance

Date	Scheme		Benchmark	
	Nav Per Unit (₹)	Motilal Oswal MOST Shares M50 ETF Returns (%) ^	S&P CNX Nifty Returns (%)	MOST 50 Basket Returns (%)
September 30, 2010 To September 30, 2011	66.8706 *	-23.25%	-18.02%	-22.19%

^ Past performance may or may not be sustained in the future. * NAV as on Sept. 30, 2011 (NAV as on Sept. 30, 2010 : ₹87.1268)

Industry Allocation



(as on 31st October 2011)

Top 10 Holdings

Sr. No.	Script	Weightage in M50 ^
1	Axis Bank	7.23%
2	Mahindra & Mahindra	6.98%
3	HDFC	6.85%
4	ICICI Bank	5.08%
5	State Bank Of India	4.89%
6	Ambuja Cements	4.81%
7	Sesa Goa	4.55%
8	Reliance Infrastructure	4.01%
9	Hindustan Unilever	3.85%
10	IDFC	3.84%

(as on 31st October 2011)

^ MOST Shares M50

NOTE : Mr. Rajnish Rastogi is also the fund manager for the schemes MOST Shares Midcap 100 & MOST Shares NASDAQ 100, the schemes have not completed one year, hence performance is not provided.

MOTILAL OSWAL MUTUAL FUND MOST SHARES MIDCAP 100

About the Scheme

Scheme Name	Motilal Oswal MOST Shares Midcap 100 ETF (MOST Shares Midcap 100)
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	31 January 2011
NAV	₹7.3649
Quarterly AAUM (Sept. 30th, 2011)	₹108.89 (₹ crores)
Tracking Error*	0.25% (Annualised)
Total Expense Ratio ^	1.00% p.a.
Standard Deviation	5.30 (per month)
Sharpe Ratio#	-0.29 (per month)
Portfolio Turnover Ratio	0.69
Beta*	0.99
R-Squared*	1.00

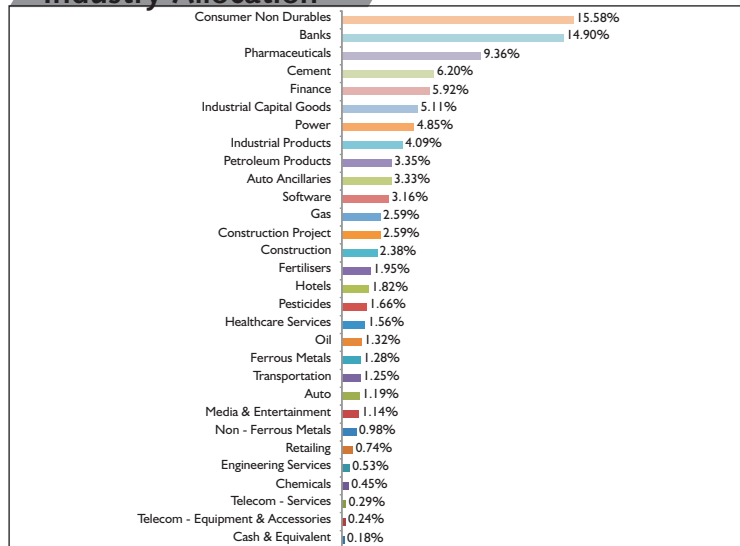
*Against the benchmark CNX Midcap Total Return Index ^ Year-to-date. # Risk free returns based on 365-days T-bill cut-off of 8.6840% as on the last auction. (Data as on 31st October, 2011)

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.
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Industry Allocation



(as on 31st October 2011)

Top 10 Holdings

Sr. No.	Scrip	Weightage in Midcap 100 ^
1	Ultratech Cement	3.76%
2	Titan Industries	3.01%
3	Yes Bank	2.53%
4	LIC Housing Finance	2.36%
5	Colgate-Palmolive	2.23%
6	Tata Chemicals	1.95%
7	Glaxosmithkline Consumer Healthcare	1.88%
8	Exide Industries	1.86%
9	Hindustan Petroleum Corp	1.84%
10	Cummins India	1.81%

(as on 31st October 2011)

^ MOST Shares Midcap 100

NOTE : Performance for MOST Shares Midcap 100 is not provided, as it has not completed one year. Mr. Rajnish Rastogi is also the fund manager for the scheme MOST Shares M50, for performance of the scheme please refer to page no. 3

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	29 March 2011
NAV	₹ 116.8672
Quarterly AAUM (Sept. 30th, 2011)	₹49.47 (₹ crores)
Tracking Error*	0.66% (Annualised)
Total Expense Ratio ^	1.00% p.a.
Standard Deviation	3.87 (per month)
Sharpe Ratio#	0.26 (per month)
Portfolio Turnover Ratio	0.34
Beta*	1.00
R-Squared*	1.00

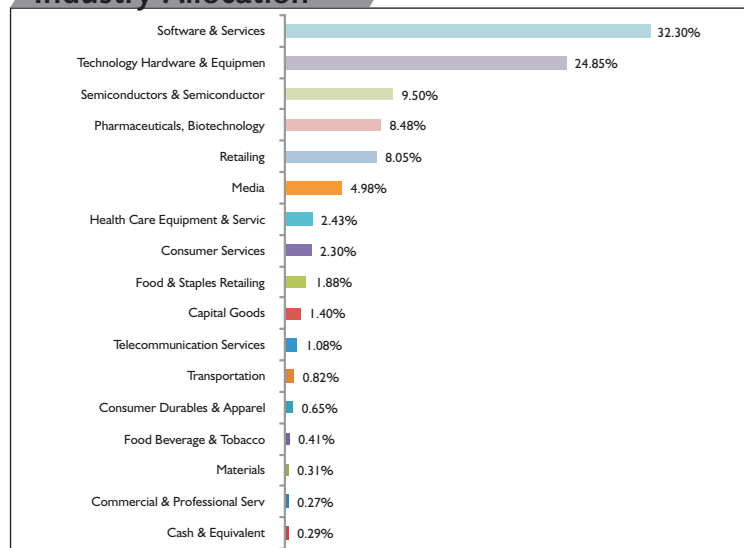
*Against the benchmark with NASDAQ 100 Total Return Index ^ Year-to-date. # Risk free returns based on 365-days T-bill cut-off of 8.6840% as on the last auction. (Data as on 31st October, 2011)

NSE Symbol	N100	ISIN Code	INF247L01031
Bloomberg Code	MOSTNDX	Entry Load	N. A.
Reuters Code	N100.NS or N100.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.
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Industry Allocation



(as on 31st October 2011)

Top 10 Holdings

Sr. No.	Scrip	Weightage in N100 ^
1	Apple Inc	14.09%
2	Microsoft Corp	8.55%
3	Oracle Corp Com	6.41%
4	Google Inc	5.70%
5	Intel Corp	4.98%
6	Cisco Sys Inc	3.84%
7	Amazon Com Inc	3.69%
8	Qualcomm Inc	3.34%
9	Amgen Inc Com	2.00%
10	Comcast Corp	1.87%

(as on 31st October 2011)

^ MOST Shares NASDAQ 100

NOTE : Performance for MOST Shares NASDAQ 100 is not provided, as it has not completed one year. Mr. Rajnish Rastogi is also the fund manager for the scheme MOST Shares M50, for performance of the scheme please refer to page no. 3



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Presenting

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Website: www.mostshares.com



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 Limited. **Investment Manager:** Motilal Oswal Asset Management Company Ltd. **Sponsor:** Motilal Oswal Securities Ltd. **Scheme Classification:** Motilal Oswal MOST 10 Year Gilt Fund (MOST 10 year Gilt Fund), an open ended gilt scheme **Investment Objective:** The primary investment objective of the Scheme is to generate credit risk-free returns by investing in a portfolio of securities issued by the Central Government and State Government. **Asset Allocation:** 10 yr Benchmark Government Security: 90%-100%; Other Government Securities (7 to 12 years), T-Bills, Cash Management Bills, CBLO & Repo: 0-10%. **Load:** Entry Load: Nil Exit Load: 0.50% for exit within 3 months **Terms of Issue:** **Minimum Application Amount:** During NFO & ongoing basis: Rs. 10,000/- and in multiples of Re. 1/-thereafter. **Face Value & Issue Price:** Offer of units of Rs. 10/- per unit during the New Fund Offer and at NAV based prices on ongoing basis. **Investor Benefits and General Services:** During NFO, Investors can also subscribe to the units through the mutual fund trading platforms viz. BSE STAR MF of Bombay Stock Exchange Limited (BSE) and Mutual Fund Service System (MFSS) of NSE. The AMC will calculate and publish the first NAV of the Scheme not later than 30 days from the closure of the NFO. Subsequently, the NAVs will be calculated and disclosed at the close of every Business Day. **Risk Factors:** (1) All the 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 10 Year Gilt Fund (MOST 10 year Gilt Fund) 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 Rs. 1 Lac towards setting up of the Mutual Fund (6) The present Scheme is not a guaranteed or assured return Scheme. **Scheme Specific Risk Factors:** The 10 yr Benchmark Government Bond is the most liquid security in the entire Government Bond market, presently it alone constitutes about 80%-90% of the entire volume of the Government Bond market. The 10 yr Benchmark however changes every year as there is a new 10 yr Benchmark Government Bond issued by the RBI as the existing one becomes a 9 yr residual maturity paper, hence the market exits from the existing paper and the focus shifts to the new 10 yr Benchmark Government Bond. For further Scheme Specific Risk Factors & other details, Please read the Scheme Information Document (SID) & Statement of Additional Information (SAI) carefully before investing. A copy of SID, SAI and KIM along with the application form are available at the office of the AMC, R&T, Distributors, or can be downloaded from www.motilaloswal.com/assetmanagement and www.mostshares.com Investors can also contact us on our toll free number 1800-200-6626 or send email at mfservice@motilaloswal.com