

MOST

FACT SHEET

January 2012

Highlights

- Returns of 10yr Government bond are a combination of Coupon & Capital appreciation
- 10 Yr Government bonds appreciate in value as yields decline.
- Yields came down from 9% (close to 9 yr peak) to 8.56% (on 30/12/2011).
- RBI indicated shifting its monetary stance from inflation control to supporting growth as inflation internals soften
- Primary article inflation is down to 2.26% as of week ending 23/12/2011.



message from the CEO

Dear Investors,

I would like to greet everyone a very happy new year!

On behalf of the Motilal Oswal Mutual Fund, I am wishing you all the best as we begin another journey of challenges, victories, lessons and changes in the year ahead. Let me take this opportunity to thank each one of you for the response to all our three funds we launched in calendar year 2011; MOST Shares Midcap 100, MOST Shares NASDAQ 100 and our latest offering MOST 10 Year Gilt Fund. Your conviction on our 1st to market products, have further strengthened our belief in offering innovative products which offer a unique value proposition to your investment portfolios.

I am also delighted to inform you that we have added Smart Trigger Option (STO) feature in MOST 10 Year Gilt Fund, this will empower investors to make the most of market movements without the hassle of constant tracking.

Once again, to everyone in the Motilal Oswal Mutual fund family – our people, our investors, and our business partners – Wish you all a happy and prosperous new year.

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.

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,

Although 2008 crisis showed that deleveraging balance sheets and prudent spending was important for households and corporate, the bygone year has highlighted the importance of deleveraging balance sheets and prudent spending for companies and nation states. The nation states which have high level of debt accompanied with high level of fiscal deficit saw significant pressures on their currencies, lowering of debt ratings and difficulty in raising short term and long term debt. This led to US credit rating being downgraded to lower than AAA for the first time by S&P. Various European nations, found raising short term and long term funds difficult. Inflation in emerging markets also rose to high levels driven in part by high food inflation and in part by high commodity inflation.

The year saw Indian macro-economic issues gaining importance with widening fiscal deficit, current account deficit and worsening balance of payment (BoP) getting attention. Inflation in Indian economy continued to remain high with wholesale price index (WPI) remaining at more than 9 per cent for most of the year although it has moderated to 9.1 per cent in November. High inflation forced the Reserve Bank of India (RBI) to continue with monetary tightening. RBI raised

Repo Rates from 6.25 per cent at the start of the year to 8.5 per cent by the end. This along with slowing global growth led to moderation of Indian GDP growth with 1HFY12 growth coming in at 7.3 percent in 1HFY12 down from 8.6 percent a year ago. Since then, industrial performance has deteriorated further with a 5.1 per cent contraction in Index of Industrial Production (IIP) in October, the first contraction after June 2009. Corporate margins in Q2 of 2011-12 moderated significantly as compared with their levels in Q1. The decline in margins was largely on account of higher input costs, higher interest costs and declining pricing power. Slowdown in corporate growth is being further re-affirmed by slowdown of auto sales with four wheeler sales being muted and two wheeler sales slowing down to below 8 per cent growth for the month of December compared to more than 15 per cent growth in the preceding months. On the fiscal front, the central government has indicated that it might miss its budgeted fiscal deficit target of 460 bps of the GDP, by 75-100 bps driven by higher subsidies (oil, fertilizer, and others) and lower than estimated revenue collections. The deceleration in merchandise exports in October – November compared to 1HFY12 accompanied with continued strong imports has led to widening trade deficit and put pressure on current account. FIIs pulled out capital from Indian equity capital markets with USD 0.65 bn being withdrawn in CY11 compared with an inflow of USD 29.3 bn in CY10 and USD 17.64 bn in CY09. The deteriorating fiscal, current account and BoP situation has led to Rupee depreciating to 53.266 to one US Dollar as of 30th Dec 2011, a decline of 18.87 percent from ₹44.81 as of 31st Dec 2010.

However, by end of the year, most governments have recognized these issues and are working on finding solutions to these issues. Europe is working towards a tighter monetary and fiscal union. 6 central banks including US Fed, ECB took actions on 30th Nov to improve US Dollar liquidity support for European banks. China is working on keeping inflation in its economy under control. Further, the Chinese central bank has reduced its lending rates and cash reserve requirements. The US economic growth in Q3 was better than in Q2, although still substantially below trend, is showing signs of strength.

On the domestic front, in order to reduce the pressure on Rupee, RBI has taken several measures to attract capital inflows. Limits on investment in government and corporate debt instruments by foreign investors were increased. The ceilings on interest rates payable on non-resident deposits were raised. The all-in-cost ceiling for external commercial borrowings was increased. At the same time, government has allowed qualified foreign investors the flexibility of investing not just in Indian mutual funds but also in equities of Indian companies. Indian inflation momentum indicators show continuing signs of moderation. Primary article inflation for the week ending Dec 17 came in at 2.70. Commodity inflation is expected to remain muted as a result of low global growth. With inflation expected to ease, RBI has indicated that the balance between inflation and growth in its policy measures is expected to shift towards supporting growth. We expect this to result in a drop in interest rates in the Indian economy in the next 12 to 18 months.

The promising agricultural prospects, declining inflation (both commodity and agricultural), along with the expected easy monetary stand of RBI, and reasonable market valuations is laying the ground work for the next bull-run.

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), Motilal Oswal MOST Shares NASDAQ-100 ETF (MOST Shares NASDAQ100) and Motilal Oswal MOST 10 Year Gilt Fund (MOST 10 Year Gilt Fund) 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	28 July 2010	
NAV	₹61.5442	
Quarterly AAUM (Dec. 30th, 2011)	₹86.20 (₹ crores)	
Tracking Error*	0.43% (Annualised)	
Total Expense Ratio ^	1.00% p.a.	
Standard Deviation	21.94 (Annualised)	
Sharpe Ratio#	-1.08 (Annualised)	
Portfolio Turnover Ratio	0.59	
	MOST 50	Nifty 50
Beta	1.00	1.03
R-Squared	1.00	0.97

*Against the benchmark MOST 50 Basket ^ Year-to-date. #Risk free returns based on 365-days T-bill cut-off of 8.3535% as on the last auction. (Data as on 30th December, 2011)

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

Fund Manager

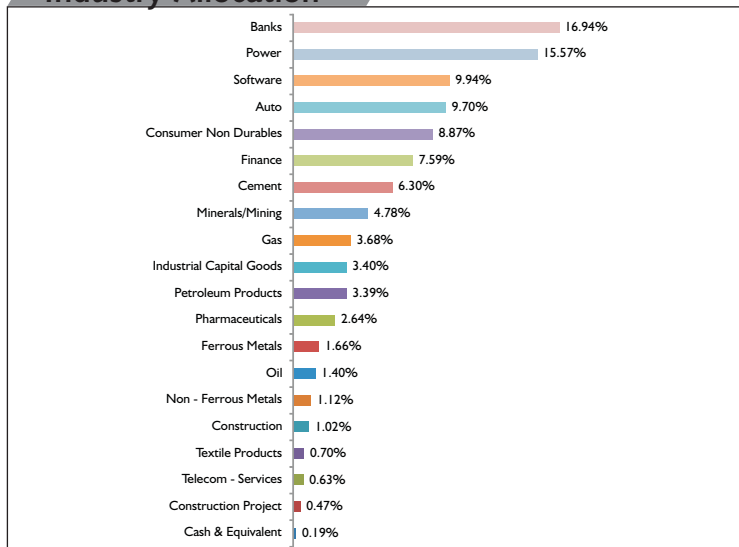
Fund Manager	Mr. Rajnish Kumar Rastogi	Experience	He has 14 years of experience in the Financial Services Industry. He has been managing this fund since inception.
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Performance

Date	Scheme		Benchmark	
	Nav Per Unit (₹)	Motilal Oswal MOST Shares M50 ETF Returns (%) ^	S&P CNX Nifty Returns (%)	MOST 50 Basket Returns (%)
December 31, 2010 To December 30, 2011	61.5442*	-29.36%	-24.62%	-28.86%

^ Past performance may or may not be sustained in the future. * NAV as on Dec. 30, 2011 (NAV as on Dec. 31, 2010 : ₹87.1199)

Industry Allocation



(as on 30th December 2011)

Top 10 Holdings

Sr. No.	Scrip	Weightage in M50 ^
1	H D F C	7.59%
2	M & M	6.43%
3	Axis Bank	5.89%
4	Ambuja Cements	5.63%
5	Hindustan Unilever	4.88%
6	State Bank Of India	4.86%
7	Wipro	4.71%
8	ICICI Bank	4.37%
9	Sesa Goa	4.19%
10	Power Grid Corp	4.06%

(as on 30th December 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.

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	₹6.1982
Quarterly AAUM (Dec. 30th, 2011)	₹78.67 (₹ crores)
Tracking Error*	0.23% (Annualised)
Total Expense Ratio ^	1.00% p.a.
Standard Deviation	5.64 (per month)
Sharpe Ratio#	-0.51 (per month)
Portfolio Turnover Ratio	0.82
Beta*	1.00
R-Squared*	1.00

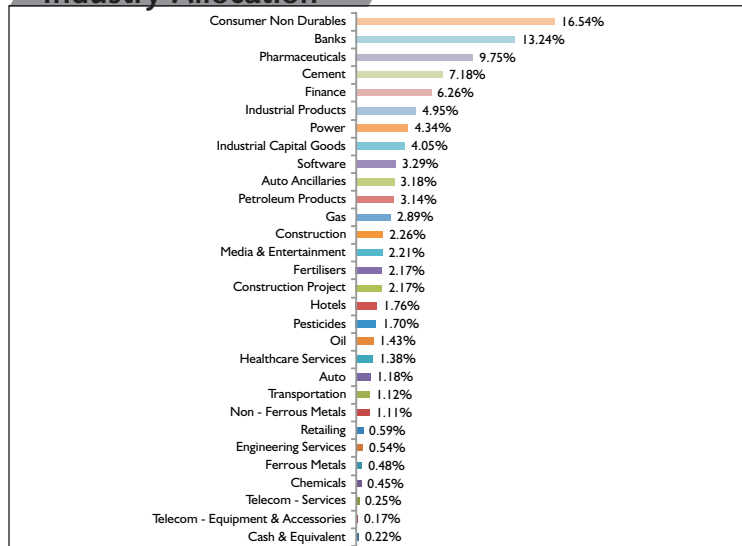
*Against the benchmark CNX Midcap Total Return Index ^ Year-to-date. # Risk free returns based on 365-days T-bill cut-off of 8.3535% as on the last auction. (Data as on 30th December, 2011)

NSE Symbol	MI00	ISIN Code	INF247L01023
Bloomberg Code	MOST100	Entry Load	N. A.
Reuters Code	MI00.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 30th December 2011)

Top 10 Holdings

Sr. No.	Script	Weightage in Midcap 100 ^
1	Ultratech Cement	4.51%
2	Titan Industries	2.80%
3	LIC Housing Finance	2.64%
4	Colgate-Palmolive	2.61%
5	Glaxosmithkline Consumer Healthcare	2.40%
6	Yes Bank	2.29%
7	Tata Chemicals	2.17%
8	Divis Lab	1.95%
9	Exide Industries	1.91%
10	Power Finance Corp	1.90%

(as on 30th December 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	₹121.3300
Quarterly AAUM (Dec. 30th, 2011)	₹49.89 (₹ crores)
Tracking Error*	0.59% (Annualised)
Total Expense Ratio ^	1.00% p.a.
Standard Deviation	3.80 (per month)
Sharpe Ratio#	0.28 (per month)
Portfolio Turnover Ratio	0.46
Beta*	1.00
R-Squared*	1.00

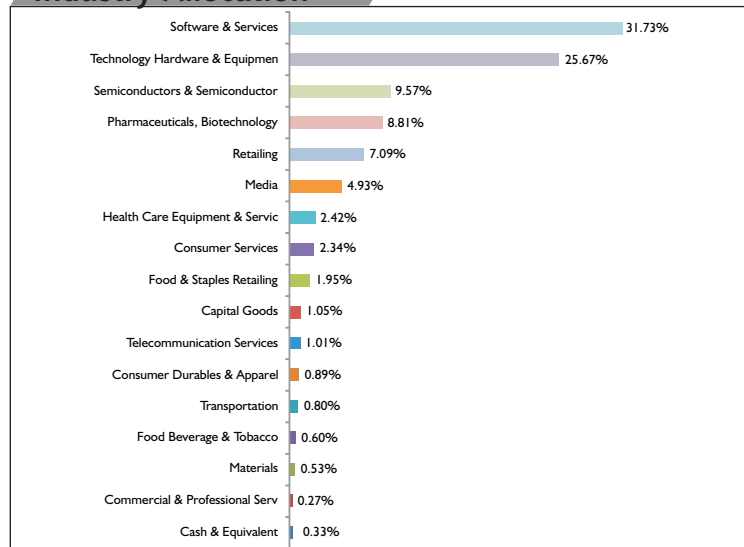
*Against the benchmark with NASDAQ 100 Total Return Index ^ Year-to-date. # Risk free returns based on 365-days T-bill cut-off of 8.3535% as on the last auction. (Data as on 30th December, 2011)

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 30th December 2011)

Top 10 Holdings

Sr. No.	Scrip	Weightage in N100 ^
1	Apple Inc	14.96%
2	Microsoft Corp	8.70%
3	Google Inc	6.53%
4	Oracle Corp Com	5.17%
5	Intel Corp	4.97%
6	Cisco Sys	3.90%
7	Qualcomm Inc	3.66%
8	Amazon Com	3.14%
9	Amgen Inc	2.25%
10	Comcast Corp	1.98%

(as on 30th December 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

About the Scheme

Scheme Name	Motilal Oswal MOST 10 Year Gilt Fund (MOST 10 Year Gilt Fund)
Type of Scheme	An Open Ended Gilt Scheme
Investment Objective	The primary investment objective of the scheme is to generate credit risk - free return by investing in a portfolio of securities issued by the Central Government & State Government. However there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.
Benchmark	10 Year Benchmark GOI Date Security* and CRISIL Gilt Index * NDS OM (Negotiated Dealing System Order Matching) Last traded Price.
Continuous Offer	Minimum Application Amount : ₹10,000 /- and in multiples of ₹1 /- thereafter. Additional Application Amount : ₹1000 /- and in multiples of ₹1/- thereafter.

Scheme Details

Date of Allotment	12 December 2011	
NAV (Dec. 30th, 2011)	Dividend	₹9.9966
	Growth	₹9.9966
Quarterly AAUM (Dec. 30th, 2011)	₹17.38 (₹ crores)	
Total Expense Ratio ^	0.99% p.a.	

ISIN Code

Motilal Oswal Most 10 Year Gilt Fund - Growth	INF247L01049
Motilal Oswal Most 10 Year Gilt Fund - Dividend Reinvestment	INF247L01056
Motilal Oswal Most 10 Year Gilt Fund - Dividend Payout	INF247L01064

Load

Entry	Nil
Exit	0.5% if redeemed within 3 months

Fund Manager

Fund Manager	Mr Abhiroop Mukherjee	Experience	He has over 4 year experience in the Fixed Income trading. He has been managing this fund since inception.
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Portfolio

Security	Rating	NAV
8.79% GOI 2021	Sovereign	92.17%
Cash/REPO/CBLO/Others	Sovereign	7.83%

(as on 30th December 2011)

Quantitative Indicators

Average Maturity	9.09 Years
Modified Duration	5.45 Years

(as on 30th December 2011)

NOTE : Performance of MOST 10 year gilt fund is not provided as it has not completed one year.