



## **SCHEME INFORMATION DOCUMENT**

# **Motilal Oswal MOST Shares Midcap 100 ETF (MOST Shares MI00)**

(An open ended Index Exchange Traded Fund)

**Offer for Units having face value of Rs. 10/- per unit for cash at an allotment price during the New Fund Offer Period and at NAV based prices during Continuous Offer**

**New Fund Offer Opens on: January 12, 2011**

**New Fund Offer Closes on: January 24, 2011**

**Scheme re-opens for continuous sale or repurchase  
on or before February 8, 2011**

Name of Mutual Fund	Motilal Oswal Mutual Fund
Name of Asset Management Company (AMC)	Motilal Oswal Asset Management Company Limited
Name of Trustee Company	Motilal Oswal Trustee Company Limited
Address	81/82, 8th Floor, Bajaj Bhavan, Nariman Point, Mumbai 400 021
Website	<a href="http://www.motilaloswal.com/assetmanagement">www.motilaloswal.com/assetmanagement</a> <a href="http://www.mostshares.com">www.mostshares.com</a>

**The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (hereinafter referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document (SID).**

The SID sets forth concisely the information about the Scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this SID after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

**The investors are advised to refer to the Statement of Additional Information (SAI) for details of Motilal Oswal Mutual Fund, Tax and Legal issues and general information on [www.motilaloswal.com/assetmanagement](http://www.motilaloswal.com/assetmanagement) and [www.mostshares.com](http://www.mostshares.com)**

**SAI is incorporated by reference (is legally a part of the SID). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.**

**The SID should be read in conjunction with the SAI and not in isolation.**

This SID is dated January 3, 2011.

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## HIGHLIGHTS/SUMMARY OF THE SCHEME

<b>Name of the Scheme</b>	<b>Motilal Oswal MOST Shares Midcap 100 ETF (MOST Shares M100)</b>
<b>Type of the Scheme</b>	An open ended Index Exchange Traded Fund
<b>Investment Objective</b>	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.
<b>Investment</b>	The Scheme will invest in the securities which are constituents of CNX Midcap Index in the same proportion as in the Index.
<b>Liquidity</b>	<b>On the Exchange</b> The units of the Scheme can be bought/sold on all trading days on the National Stock Exchange of India Ltd. (NSE) where the Scheme would be listed.  <b>Directly with the Mutual Fund</b> The Scheme offers units for subscription / redemption directly with the Mutual Fund in creation unit size.
<b>Benchmark</b>	CNX Midcap Index
<b>Transparency/NAV Disclosure</b>	The AMC will calculate and disclose the NAV of the Scheme on all business days. The NAV of the Scheme shall be published at least in two daily newspapers. The AMC will update the NAVs on its website <a href="http://www.motilaloswal.com/assetmanagement">www.motilaloswal.com/assetmanagement</a> and <a href="http://www.mostshares.com">www.mostshares.com</a> and also on AMFI website <a href="http://www.amfiindia.com">www.amfiindia.com</a> before 9.00 p.m. on every business day. If the NAV is not available before the commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV.  The AMC shall disclose the Portfolio of the Scheme within one month from the close of each half year (i.e. 31st March and 30th September) either by sending a complete statement to all the Unitholders or by publishing the same by way of advertisement in one national English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated. The portfolio statement will also be displayed on the website of the AMC and AMFI.  The AMC shall also make available the Annual Report of the Scheme within four months of the end of the financial year.  The AMC may also calculate intra-day indicative NAV (computed based on snapshot prices of the underlying securities traded and available on NSE) and will be updated during the market hours on its website <a href="http://www.motilaloswal.com/assetmanagement">www.motilaloswal.com/assetmanagement</a> and <a href="http://www.mostshares.com">www.mostshares.com</a> . Intra-day indicative NAV will not have any bearing on the subscription or redemption of units directly with the Fund by the Authorised Participant / Large Investor.
<b>Loads</b>	Entry Load: Not Applicable  Exit Load: Nil
<b>Minimum Application Amount</b>	<b>During NFO:</b> Rs. 10,000/- and in multiples of Re. 1/- each.  <b>Continuous Offer:</b> <b>On Exchange:</b> Investors can buy/sell units of the Scheme in round lot of 1 unit and in multiples thereof. <b>Directly with the Mutual Fund:</b> Investors can buy/sell units of the Scheme in creation unit size.
<b>Face Value</b>	The face value of each unit of the Scheme will be Rs.10/-. On allotment, the value of each unit of the Scheme would be approximately equal to 1/1000th of the value of CNX Midcap Index.
<b>Listing</b>	The units of the Scheme are proposed to be listed on the National Stock Exchange of India Ltd. (NSE).
<b>Dematerialization</b>	The units of the Scheme will be available in Dematerialization form only.

# I. INTRODUCTION

## RISK FACTORS

### Standard Risk Factors:

- Investment in Mutual Fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rate of the securities in which the Scheme invests fluctuates, the value of your investment in the Scheme may go up or down depending on various factors and forces affecting the capital market.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme.
- The name of the Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 100,000 made by it towards setting up the Fund.
- The present Scheme is not a guaranteed or assured return Scheme.

### Scheme Specific Risk Factors:

- **Risks associated with investing in Equities**
  - a. Investments in the equity shares of the Companies constituting the Underlying Index are subject to price fluctuation on daily basis. The volatility in the value of equity is due to various micro and macro economic factors like economic and political developments, changes in interest rates, etc. affecting the securities markets. This may have adverse impact on individual securities/sector and consequently on the NAV of Scheme.
  - b. The Scheme would invest in the securities comprising the Underlying Index in the same proportion as the securities have in the Index. Hence, the risk associated with the corresponding Underlying Index would be applicable to the Scheme. The Underlying Index has its own criteria and policy for inclusion/exclusion of securities from the Index, its maintenance thereof and effecting corporate actions. The Fund would invest in the securities of the Index regardless of investment merit, research, without taking a view of the market and without adopting any defensive measures. The Fund would not select securities in which it wants to invest but is guided by the Underlying Index. As such the Scheme is not actively managed but is passively managed.
  - c. As the units of the Scheme are proposed to be listed on the Stock Exchange, trading in the units of the Scheme may be halted due to market conditions or for reasons that in the view of the Exchange Authorities or SEBI. There could also be trading halts caused by extraordinary market volatility and pursuant to NSE/BSE and SEBI circuit filter rules and the Scheme would not be able to buy/sell securities in case of subscriptions/redemptions, which may impact the Scheme. Further, there can be no assurance that the requirements of the exchange necessary to maintain the listing of the Scheme will continue to be met or will remain unchanged.
  - d. Listing and trading of the units are undertaken on the Stock Exchanges within the rules, regulation and policy of the Stock Exchange and SEBI. Any change in trading rules, regulation and policy by the regulatory authority would have a bearing on the trading of the units of the Scheme and its prices.
  - e. Though the Scheme is proposed to be listed on the stock exchange, there is no assurance that an active secondary market will develop or be maintained. Hence, there would be times when trading in the units of the Scheme would be infrequent.
  - f. The NAV of the Scheme reflect the valuation of its investment and any changes in market value of its investments would have a bearing on its NAV. When the units are traded on the Stock Exchange, the units of the Scheme may trade at prices which can be different from the NAV due to various

factors like demand and supply for the units of the Scheme, perceived trends in the market outlook, etc.

- g. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases due to settlement problems, could cause the Scheme to miss certain investment opportunities as in certain cases, settlement periods may be extended significantly by unforeseen circumstances. Similarly, the inability to sell securities held in the Scheme portfolio may result, at times, in potential losses to the Scheme, and there can be a subsequent decline in the value of the securities held in the Scheme portfolio.
- h. Investors should note that even though the Scheme is an open ended Scheme, subscription/redemptions directly with the Fund would be limited to such investors who have the ability to subscribe/redeem the units of the Scheme in specific lot sizes. Generally, these lot sizes are larger as compared to normal funds. Even though this Scheme is open ended due to large lot size, very few investors can directly subscribe and redeem the units of the Scheme. However, investors wishing to subscribe/redeem units in other than specific lot sizes can do so by buying/selling the same on the Stock Exchange unless no quotes are available on the exchange for 3 trading days consecutively.
- i. Tracking error may arise due to various reasons like fees and expenses charged to the Scheme, dividend received, corporate actions, change in the Underlying Index, etc. Tracking error have an impact on the performance of the Scheme. The Scheme's returns may therefore deviate from those of its Underlying Index. However, the Fund would endeavour to keep the tracking error as low as possible.
- j. Risks of investing in the Midcap sector
  - Given the lower liquidity in small cap equity shares, achieving the investment objectives may be affected.
  - The companies, being smaller in size, are more prone to adverse effects of prolonged general economy wide adversity such as a slow down or recession.
- **Risks associated with Investing in Derivatives**

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of the fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is a possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counterparty") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Scheme may not be able to sell or purchase derivative quickly enough at a fair price. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.
- **Risks associated with Securities Lending**

Securities Lending is a lending of securities through an approved intermediary to a borrower under an agreement for a specified

period with the condition that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed.

In case the Scheme undertakes stock lending as prescribed in the Regulations, it may, at times be exposed to counter party risk and other risks associated with the securities lending. Unitholders of the Scheme should note that there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities lent. The Fund may not be able to sell such lent securities and this can lead to temporary illiquidity.

## B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

As Motilal Oswal MOST Shares Midcap 100 ETF (MOST Shares M100) is an exchange traded fund, the provisions of minimum number of investors and maximum holding by the investor is not applicable as per SEBI Circular having reference no. SEBI/IMD/CIR NO 10/22701/03 dated December 12, 2003.

## C. SPECIAL CONSIDERATIONS, IF ANY

- Prospective investors should study this SID and SAI carefully in its entirety and should not construe the contents hereof as advise relating to legal, taxation, financial, investment or any other matters and are advised to consult their legal, tax, financial and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming units, before making a decision to invest/redeem/hold units.
- Neither this SID, SAI nor the units have been registered in any jurisdiction. The distribution of this SID or SAI in certain jurisdictions may be restricted or totally prohibited to registration requirements and accordingly, any person who comes into possession of this SID or SAI is required to inform themselves about and to observe any such restrictions and/or legal compliance requirements.
- The AMC, Trustee or the Mutual Fund have not authorized any person to issue any advertisement or to give any information or to make any representations, either oral or written, other than that contained in this SID or SAI or as provided by the AMC in connection with this offering. Prospective Investors are advised not to rely upon any information or representation not incorporated in the SID or SAI or as provided by the AMC as having been authorized by the Mutual Fund, the AMC or the Trustee.
- The tax benefits described in this SID and SAI are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advise received by the AMC regarding the law and practice currently in force in India as on the date of this SID and the Unitholders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unitholder is advised to consult his / her own professional tax advisor.
- The Mutual Fund may disclose details of the investor's account and transactions thereunder to those intermediaries whose stamp appears on the application form or who have been designated as such by the investor. In addition, the Mutual Fund may disclose such details to the bankers, as may be necessary for the purpose of effecting payments to the investor. The Fund may also disclose such details

to regulatory and statutory authorities/bodies as may be required or necessary.

- Pursuant to the provisions of Prevention of Money Laundering Act, 2002 (PMLA), if after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall have absolute discretion to report such suspicious transactions to FIU-IND (Financial Intelligence Unit – India) or such other authorities as prescribed under the rules/guidelines issued thereunder by SEBI and/or RBI and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/ Unitholder/ any other person.

## Disclaimers:

### 1. IISL

- (i) "The Product i.e. Motilal Oswal MOST Shares Midcap 100 ETF (MOST Shares M100) is not sponsored, endorsed, sold or promoted by India Index Services & Products Limited ("IISL"). IISL does not make any representation or warranty, express or implied, to the owners of the Product or any member of the public regarding the advisability of investing in securities generally or in the Product particularly or the ability of the CNX Midcap Index to track general stock market performance in India. The relationship of IISL to the Licensee is only in respect of the licensing of certain trademarks and trade names of its Index which is determined, composed and calculated by IISL without regard to the Licensee or the Product. IISL does not have any obligation to take the needs of the Licensee or the owners of the Product into consideration in determining, composing or calculating CNX Midcap Index. IISL is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Product to be issued or in the determination or calculation of the equation by which the Product is to be converted into cash. IISL has no obligation or liability in connection with the administration, marketing or trading of the Product".
- (ii) "IISL does not guarantee the accuracy and/or the completeness of CNX Midcap Index or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. IISL does not make any warranty, express or implied, as to results to be obtained by the Licensee, owners of the product, or any other person or entity from the use of CNX Midcap Index or any data included therein. IISL makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, IISL expressly disclaim any and all liability for any damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages".
- (iii) "An investor, by subscribing or purchasing an interest in the Product, will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it".

### 2. NSE

"As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/155108-G dated January 03, 2011 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document

has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund.

Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

## D. DEFINITIONS

In this SID, the following words and expressions shall have the meaning specified below, unless the context otherwise requires:

<b>Applicable NAV</b>	Unless stated otherwise in this document, 'Applicable NAV' is the Net Asset Value at the close of a Business/Working Day on which the purchase or redemption is sought by an investor and determined by the Fund.
<b>Asset Management Company / AMC / Investment Manager</b>	Motilal Oswal Asset Management Company Limited, a Company incorporated under the provisions of the Companies Act, 1956, and approved by SEBI to act as the Asset Management Company for the Schemes of Motilal Oswal Mutual Fund.
<b>Authorised Participant</b>	Member of the Stock Exchanges having trading terminals on which the units of the Scheme are listed and who are appointed by the AMC to give two way quotes on the stock exchanges and who deal in creation unit size for the purpose of purchase and sale of units directly from the Mutual Fund.
<b>Business Day / Working Day</b>	Any day other than: (a) Saturday and Sunday (b) a day on which capital/debt markets in Mumbai are closed or are unable to trade for any reason (c) a day on which the Banks in Mumbai are closed or RBI is closed (d) a day on which both the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. are closed (e) a day which is public/Bank holiday at a collection centre/ investor service centre/official point of acceptance where the application is received (f) a day on which sale and repurchase of units is suspended by the Trustee/AMC (g) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes or such other event as the AMC may specify from time to time. However, the AMC reserves the right to declare any day as the Business / Working Day or otherwise at any or all collection centres / investor service centre / official point of acceptance.
<b>Creation Unit</b>	It is the fixed number of units of the Scheme, which is exchanged for a basket of securities of the Underlying Index called the "Portfolio Deposit" and a "Cash Component". For redemption of units it is vice versa, i.e. a fixed number of units of the Scheme and cash component are exchanged for Portfolio Deposit.
<b>Custodian</b>	A person who has been granted a certificate of registration to carry on the business of custodian of securities by SEBI under the SEBI (Custodian of Securities) Regulations, 1996 which for the time being is Citibank N.A.
<b>Depository</b>	A body corporate as defined in the Depositories Act, 1996 (22 of 1996) and includes National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL).
<b>Depository Participant</b>	A person registered as a participant under Sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.
<b>Exit Load</b>	Load on repurchase / redemption of units.
<b>Exchange / Stock Exchange</b>	Recognized Stock Exchange(s) where the units of the Scheme are listed.
<b>Exchange Traded Fund / ETF</b>	A fund whose units are listed on an exchange and can be bought/ sold at prices quoted on the exchange or in creation unit size by handing over/receiving the portfolio deposit and the cash component at the applicable NAV.
<b>FII</b>	Foreign Institutional Investors (FII) means an institution established and incorporated outside India, and registered with SEBI under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
<b>Index Fund</b>	A mutual fund scheme, which invests in securities in the same proportion that constitute the Underlying Index.
<b>IISL</b>	India Index Services & Products Ltd., a joint venture between CRISIL Ltd. and National Stock Exchange of India Ltd. (NSE).
<b>Investment Management Agreement / IMA</b>	Investment Management Agreement dated May 21, 2009, as amended from time to time, entered into between Motilal Oswal Trustee Company Ltd. and Motilal Oswal Asset Management Company Ltd.
<b>Large Investor</b>	For the purpose of subscription and redemption of units of the Scheme directly with the Fund, Investors who deal in creation unit size other than Authorised Participant.
<b>Load</b>	In case of subscription, the amount paid by the prospective investors on purchase of a unit (Entry Load) in addition to the Applicable NAV and in case of redemption, the amount deducted from the Applicable NAV on the redemption of unit (Exit Load). Presently, entry load cannot be charged by Mutual Fund scheme.

<b>CNX Midcap Index</b>	CNX Midcap Index means an Index owned and operated by India Index Services & Products Ltd. (IISL).
<b>Money market instruments</b>	Includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, Collateralised Borrowing & Lending Obligation (CBLO), certificate of deposit, usance bills and any other like instruments as specified by the SEBI / RBI from time to time.
<b>Mutual Fund</b>	Motilal Oswal Mutual Fund, a trust set up under the provisions of Indian Trust Act, 1882 and registered with SEBI vide Registration no. MF/063/09/04.
<b>Net Asset Value / NAV</b>	Net Asset Value per unit of the Scheme calculated in the manner described in this SID or as may be prescribed by the SEBI Regulations from time to time.
<b>New Fund Offer / NFO</b>	Offer for purchase of units of the Scheme during the New Fund Offer Period as describe hereinafter.
<b>NFO Period</b>	The date on or the period during which initial subscription of units of the Scheme can be made i.e. January 12, 2011 to January 24, 2011 subject to extension, if any.
<b>RBI</b>	The Reserve Bank of India established under The Reserve Bank of India Act, 1934.
<b>Redemption/Repurchase</b>	Redemption of units of the Scheme as permitted
<b>Registrar and Transfer Agent</b>	Kavy Computershare Pvt. Ltd., registered under the SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, currently acting as registrar to the Scheme, or any other Registrar appointed by the AMC from time to time.
<b>Sale / Subscription</b>	Sale or allotment of units to the Unitholder upon subscription by the investor/applicant under the Scheme.
<b>Scheme</b>	Motilal Oswal MOST Shares Midcap 100 ETF (MOST Shares M100)
<b>Scheme Information Document / SID</b>	This document issued by Motilal Oswal Mutual Fund for offering units of the Scheme.
<b>SEBI</b>	Securities and Exchange Board of India, established under Securities and Exchange Board of India Act, 1992 as amended from time to time.
<b>SEBI Regulations</b>	SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.
<b>Sponsor</b>	Motilal Oswal Securities Ltd.
<b>Statement of Additional Information / SAI</b>	The document issued by Motilal Oswal Mutual Fund containing details of Motilal Oswal Mutual Fund, its constitution and certain tax, legal and general information. SAI is legally a part of the SID.
<b>Tracking Error</b>	The extent to which the NAV of the Scheme moves in a manner inconsistent with the movements of the Underlying Index on any given day or over any given period of time due to any cause or reason whatsoever including but not limited to expenditure incurred by the Scheme, dividend payouts if any, all cash not invested at all times as it may keep a portion of funds in cash to meet redemption, purchase price different from the closing price of securities on the day of rebalance of Index, etc.
<b>Trustee</b>	Motilal Oswal Trustee Company Ltd., a Company incorporated under the Companies Act, 1956 and approved by SEBI to act as Trustee of the Schemes of Motilal Oswal Mutual Fund.
<b>Unit</b>	The interest of Unitholder which consists of each unit representing one undivided share in the assets of the Scheme.
<b>Unitholder / Investor</b>	A person holding unit(s) in the Scheme of Motilal Oswal Mutual Fund offered under this SID.

#### Interpretation:

For all purposes of this SID, except as otherwise expressly provided or unless the context otherwise requires :

- all references to the masculine shall include feminine and all reference to the singular shall include plural and vice-versa.
- all references to "dollars" or "\$" refer to the Unites States Dollars and "Rs." refer to the Indian Rupees. A "crore" means "ten million" and a "lakh" means a hundred thousand.
- all references to timings relate to Indian Standard Time (IST).

#### E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

- (i) the Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- (ii) all legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed Scheme.
- (iv) the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

For **Motilal Oswal Asset Management Company Limited**  
(Asset Management Company for Motilal Oswal Mutual Fund)

Sd/-

**SINKI JAIN**  
Compliance Officer

Place : Mumbai  
Date : January 3, 2011

## II. INFORMATION ABOUT THE SCHEME

### A. TYPE OF THE SCHEME

An open ended Index Exchange Traded Fund.

### B. 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.

### C. ASSET ALLOCATION

The asset allocation pattern of the Scheme would be as follows:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Minimum	Maximum	High/Medium/ Low
Securities constituting CNX Midcap Index	95	100	Medium to High
Debt and Money market instruments and cash at call	0	5	Low to Medium

The above stated percentages are indicative and not absolute.

The Scheme may take an exposure to equity derivatives of Underlying Index or constituents of the Underlying Index for short duration when securities of the Underlying Index are not readily available in needed quantities within the required time frame, or for rebalancing at the time of change in Underlying Index or in case of corporate actions. The total exposure to derivatives would be restricted to 10% of the net assets of the Scheme. The combined exposure of equity shares, debt instruments and gross notional exposure of derivative instruments shall not exceed 100% of the net assets of the Scheme.

### D. INVESTMENT BY THE SCHEME

#### Investment in Equity and equity related Instruments

The Scheme will invest in the securities which are constituents of CNX Midcap Index in the same proportion as in the Underlying Index. The investments restriction and the limits are specified in Schedule VII of SEBI (Mutual Funds) Regulations, 1996 which are mentioned in the section 'Investment Restrictions'.

#### Investment in Debt and Money market instruments

The Scheme may also invest in debt and money market instruments. The investment restrictions and the limits are specified in the Schedule VII of SEBI (Mutual Funds) Regulations, 1996 which are mentioned in the section 'Investment Restrictions'.

#### Investment in Derivatives

The Scheme may take an exposure to equity derivatives of Underlying Index or constituents of the Underlying Index when securities of the Underlying Index are not readily available in needed quantities within the required time frame, or for rebalancing at the time of change in Underlying Index or in case of corporate actions, for a short period of time. The total exposure to derivatives would be restricted to 10% of the net assets of the Scheme.

The Scheme may use derivative instruments such as stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments that are permissible or may be permissible in future under applicable regulations and such investments shall be in accordance with the investment objective of the Scheme.

Index futures/options are meant to be an efficient way of buying/selling an index compared to buying/selling a portfolio of physical shares representing an index for ease of execution and settlement. Index futures/options can be an efficient way of achieving the scheme's investment objective. Notwithstanding the pricing, they can help in reducing the Tracking Error in the Scheme. Index futures/options may avoid the need for trading in individual components of the index, which may not be possible at times, keeping in mind the circuit filter system and the liquidity in some of the individual stocks. Index futures/options

can also be helpful in reducing the transaction costs and the processing costs on account of ease of execution of one trade compared to several trades of shares comprising the Underlying Index and will be easy to settle compared to physical portfolio of shares representing the Underlying Index.

In case of investments in index futures/options, the risk/reward would be the same as investments in portfolio of shares representing an index. However, there may be a cost attached to buying an index future/option. Further there could be an element of settlement risk, which could be different from the risk in settling physical shares. This settlement risk is likely to be minimized if the exchange acts as the clearing corporation and the counter party, as is the practice in the developed markets. The Scheme will not maintain any leveraged or trading positions.

#### Limit for investment in derivatives instruments

In accordance with SEBI circulars nos. DNP/Cir-29/2005 dated September 14, 2005, DNP/Cir-30/2006 dated January 20, 2006 and SEBI/DNP/Cir-31/2006 dated September 22, 2006, the following conditions shall apply to the Scheme's participation in the derivatives market. The investment restrictions applicable to the Scheme's participation in the derivatives market will be as prescribed or varied by SEBI or by the Trustees (subject to SEBI requirements) from time to time.

- i. Position limit for the Mutual Fund in index options contracts**
  - a. The Mutual Fund's position limit in all index options contracts on a particular Underlying Index shall be Rs. 500 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
  - b. This limit would be applicable on open positions in all options contracts on a particular Underlying Index.
- ii. Position limit for the Mutual Fund in index futures contracts**
  - a. The Mutual Fund's position limit in all index futures contracts on a particular Underlying Index shall be Rs. 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
  - b. This limit would be applicable on open positions in all futures contracts on a particular Underlying Index.
- iii. Additional position limit for hedging for the Mutual Fund:**

In addition to the position limits at point (i) and (ii) above, the Mutual Fund may take exposure in equity index derivatives subject to the following limits:

  1. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
  2. Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.
- iv. Position limit for the Mutual Fund for stock based derivative contracts:**

The position limit for the Fund in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts shall be as follows:

  1. For stocks having applicable market-wise position limit (MWPL) of Rs. 500 crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or Rs. 300 crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or Rs. 150 crores, whichever is lower.
  2. For stocks having applicable market-wise position limit (MWPL) less than Rs. 500 crores, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or Rs. 50 crore whichever is lower.

**v. Position limit for the Scheme:**

1. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of the Scheme shall not exceed the higher of :  
1% of the free float market capitalisation (in terms of number of shares) or 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
2. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a stock exchange.

As and when SEBI amends the limits in position limits for exchange traded derivative contracts in future, the aforesaid position limits, to the extent relevant, shall be read as if they were substituted with the SEBI amended limits.

## **E. INVESTMENT STRATEGY**

The Scheme employs an investment approach designed to track the performance of CNX Midcap Index. The Scheme seeks to achieve this goal by investing in securities constituting the CNX Midcap Index in same proportion as in the Index. The Scheme will invest at least 95% of its total assets in the securities comprising the Underlying Index. The Scheme may also invest in debt and money market instruments to meet the liquidity and expense requirements. The Scheme may also take exposure in derivative instruments for short duration when securities of the Underlying Index are not readily available in needed quantities within the required time frame, or for rebalancing at the time of change in Underlying Index or in case of corporate actions.

### **Risk Mitigation and Portfolio Diversification**

The CNX Midcap index consists of 100 midcap constituents and uses free float market capitalization method to allocate capital. This ensures that the index is well diversified. Free float based capital allocation ensures that due consideration is given to liquidity of underlying constituents. Currently the highest capital allocation made in the index is less than 4%.

### **Risk Control**

Risk is an inherent part of the investment function. Effective Risk management is critical to fund management for achieving financial soundness. Investment by the Scheme would be made as per the investment objective of the Scheme and in accordance with SEBI Regulations. AMC has adequate safeguards to manage risk in the portfolio construction process. Risk control would involve managing risk in order to keep in line with the investment objective of the Scheme. The risk control process would include identifying the risk and taking proper measures for the same. Further, AMC has implemented Bloomberg Portfolio Order Management System as the Front Office System for managing risk. The system has incorporated all the investment restrictions as per the SEBI guidelines and enables identifying and measuring the risk through various risk management tools like various portfolio analytics, risk ratios, average duration and analyses the same and acts in a preventive manner.

### **Portfolio Turnover**

Portfolio Turnover is defined as the lower of sales or purchase divided by the average corpus during a specified period of time. Generally, Portfolio Turnover would depend upon the rebalancing of the portfolio due to change in composition of the Index or due to corporate actions of the securities constituting the Index.

### **Investment by AMC in the Scheme**

AMC may invest in the Scheme during the New Fund Offer or on an ongoing basis in accordance with the SEBI Regulations. The AMC shall not charge investment management fees on investment by the AMC in the Scheme.

## **Investment of Subscription Money**

The Mutual Fund / AMC shall commence investment out of the NFO proceeds received in accordance with the investment objectives of the Scheme only on or after the closure of the NFO period.

### **Securities Lending**

Securities Lending is lending of securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed.

The Scheme may lend securities from its portfolio in accordance with the Regulations and the applicable SEBI guidelines. Securities' lending shall enable the Scheme to earn income that may partially offset its expenses and thereby reduce the effect these expenses have on the Scheme's ability to provide investment returns that correspond generally to the performance of its Index. The Scheme will pay reasonable administrative and custodial fees in connection with the lending of securities. The Scheme will be exposed to the risk of loss should a borrower default on its obligation to return the borrowed securities. The Scheme share of income from the lending collateral will be included in the Scheme's gross income. The Fund will comply with the conditions for securities lending specified by SEBI Regulations and circulars issued from time to time.

The maximum exposure of each Scheme to a single intermediary in the stock lending programme at any point of time would be limited to 50% of the market value of its equity portfolio or such limits as may be specified by SEBI. Each Scheme will not lend more than 75% of its corpus.

### **Tracking Error**

Tracking error is defined as the standard deviation of the difference between the daily returns of the Underlying Index and the NAV of the Scheme. Theoretically, the corpus of the Scheme has to be fully invested in the securities comprising the Underlying Index in the same proportion of weights as the securities have in the Underlying Index. However, deviations from the stated index replication may occur due to reason that the Scheme has to incur expenses, corporate actions pertaining to the Index including changes to the constituents, regulatory policies, ability of the Fund Manager to closely replicate the Underlying Index, etc. The Scheme's returns may therefore deviate from those of its Underlying Index. Tracking Error may arise due to the following reasons: -

1. Fees and expenses of the Scheme.
2. Cash balance held by the Scheme due to dividend received, subscriptions, redemption, etc.
3. Halt in trading on the stock exchange due to circuit filter rules.
4. Corporate actions
5. The Scheme has to invest in the securities in whole numbers and has to round off the quantity of securities shares.
6. Dividend payout.
7. Changes in the constituents of the underlying Index. Whenever there are any changes, the Scheme has to reallocate its investment as per the revised Index but market conditions may not offer an opportunity to rebalance its portfolio to match the Index and such delay may effect the NAV of the Scheme.

The AMC would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible. Under normal market circumstances, such tracking error is not expected to exceed by 2% p.a. However, in case of events like, dividend issuance by constituent members, rights issuance by constituent members, and market volatility during rebalancing of the portfolio following the rebalancing of the Underlying Index, etc. or in abnormal market circumstances, the tracking error may exceed the above limits. There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Index.

## Differentiation of Motilal Oswal MOST Shares Midcap 100 ETF (MOST Shares M100) with other existing Scheme of Motilal Oswal Mutual Fund

MOST Shares M100 is an open ended index exchange traded fund that invests at least 95% in securities constituting CNX Midcap Index, while the balance in debt and money market instruments and cash at call. The following table shows the differentiation of the Scheme with the existing Scheme of Motilal Oswal Mutual Fund, namely, Motilal Oswal MOST Shares M50 ETF:

Name of the Scheme	Investment Objective	Asset Allocation	Product Differentiation	AUM (Rs. Crores) (As on Dec. 31, 2010)	No. of Folios (As on Dec. 31, 2010)
Motilal Oswal MOST Shares M50 ETF (MOST Shares M50)	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.	The Scheme would invest at least 95% in the securities constituting MOST 50 Basket and the balance in debt and money market instruments and cash at call.	MOST Shares M50 is an open ended exchange traded fund which invests in securities constituting MOST 50 Basket.	280.94	13,509

## F. FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the Scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

- (i) Type of a Scheme: Open Ended Index Exchange Traded Fund
- (ii) Investment Objective:
  - Investment Objective: Please refer to section 'Investment Objective'.
  - Investment pattern - Please refer to section 'Asset Allocation'.
- (iii) Terms of Issue: Provisions with respect to listing, repurchase, redemption, fees and expenses are mentioned in the SID.

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.

## G. BENCHMARK INDEX

The performance of the Scheme will be benchmarked to CNX Midcap Index. As the Scheme is an Index Scheme and would primarily invest in securities which are constituents of CNX Midcap Index, the said index is an appropriate benchmark for the Scheme.

The Trustees reserves the right to change the benchmark or select an additional index for evaluation of performance of the Scheme from time to time in conformity with the investment objective and appropriateness of the benchmark subject to SEBI Regulations and other prevailing guidelines, if any.

## H. FUND MANAGER

Mr. Rajnish Rastogi is the Fund Manager of the Scheme.

Mr. Rastogi, aged 39 years, is a CFA Charter holder given by the CFA Institute, USA, a B.Tech. (Electrical Engineering) from Indian Institute of Technology, Delhi and an M.Tech. (Management & Systems) from Indian Institute of Technology, Delhi. He has 14 years of experience in the Financial Services Industry. Prior to joining Motilal Oswal Asset Management Company Limited, he was Director - Investments at HSBC Private Equity Advisors (India) Pvt. Ltd., Mumbai. Earlier he had worked as Associate Director at IL&FS Investment Managers Ltd. between July 2006 to April 2008 where he was responsible for making private equity investments. He was Head Research at CRISIL Research between Jan. 2004 to July 2006 and was responsible for Industry Research and Company Research undertaken by CRISIL. Between May 1999 to May 2003, he had worked at Alliance Bernstein LLP, New York, USA (NYSE AB) where he helped the firm make investment decisions for

technology, telecom and healthcare sectors for its Strategic Value Fund and Advance Value Hedge Fund. At Motilal Oswal Asset Management Company Limited, he is designated as the Co-Head - Equities and is the Fund Manager of Motilal Oswal MOST Shares M50 ETF.

## I. INVESTMENT RESTRICTIONS

The following are the investment restrictions as contained in the Seventh Schedule and amendments thereof to SEBI (MF) Regulations which are applicable to the Scheme at the time of making investments:

1. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

Provided that a Mutual Fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the SEBI:

Provided further that a Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the SEBI:

Provided further that sale of Government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
2. The Mutual Fund shall get the securities purchased or transferred in the name of the Mutual Fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.
3. The Mutual Fund under all its schemes shall not own more than ten per cent of any company's paid up capital carrying voting rights.
4. Transfers of investments from one scheme to another scheme in the same Mutual Fund shall be allowed only if,
  - (a) such transfers are done at the prevailing market price for quoted instruments on spot basis.

[Explanation - "Spot basis" shall have same meaning as specified by stock exchange for spot transactions;]
  - (b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
5. The Scheme may invest in another scheme under the same asset management company or any other Mutual Fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the Mutual Fund.
6. Pending deployment of funds of a Scheme in terms of investment objectives of the Scheme, the Mutual Fund may invest the funds of the scheme in short-term deposits of scheduled commercial banks, subject to such Guidelines may be specified by SEBI.
7. The Scheme shall not make any investment in :
  - (a) any unlisted security of an associate or group company of the sponsor; or

- (b) any security issued by way of private placement by an associate or group company of the sponsor; or
  - (c) the listed securities of group companies of the sponsor which is in excess of 25 per cent of the net assets.
8. The Scheme shall not make any investment in any fund of funds scheme.
  9. The Scheme shall not invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any company :  
**Provided that**, the limit of 10 per cent shall not be applicable for investments in case of index fund or sector or industry specific scheme.
  10. The Scheme shall not invest more than 5% of its NAV in the unlisted equity shares or equity related instruments in case of open ended scheme and 10% of its NAV in case of close ended scheme.
  11. The Mutual Fund may borrow to meet liquidity needs, for the purpose of repurchase, redemption of units or payment of interest or dividend to the Unitholders and such borrowings shall not exceed 20% of the net asset of the Scheme and duration of the borrowing shall not exceed 6 months. The Mutual Fund may borrow from permissible entities at prevailing market rates and may offer the assets of the Mutual Fund as collateral for such borrowing.

All investment restrictions shall be applicable at the time of making investments. The AMC/Trustees from time to time may alter these investment restrictions in conformity with the SEBI Regulations, so as to permit the Scheme to make its investments in the full spectrum of permitted investments to achieve its investment objective.

## J. SCHEME PERFORMANCE

This Scheme is a new scheme and does not have any performance track record.

## K. ABOUT CNX MIDCAP INDEX

### Objective

The medium capitalised segment of the stock market is being increasingly perceived as an attractive investment segment with high growth potential. The primary objective of the CNX Midcap Index is to capture the movement and be a benchmark of the midcap segment of the market.

### Method of Computation

CNX Midcap is computed using free float market capitalization weighted method w.e.f. February 26, 2010, wherein the level of the index reflects

the free float market value of all the stocks in the index relative to a particular base period. The method also takes into account constituent changes in the index and importantly corporate actions such as stock splits, rights, etc. without affecting the index value. CNX Midcap Index was computed using market capitalization weighted method from the launch date till February 25, 2010.

### Base Date and Value

The CNX Midcap Index has a base date of Jan. 1, 2003 and a base value of 1000.

### Criteria for Selection of Constituent Stocks

The constituents and the criteria for the selection judge the effectiveness of the index. Selection of the index set is based on the following criteria:

- All the stocks, which constitute more than 5% market capitalization of the universe (after sorting the securities in descending order of market capitalization), shall be excluded in order to reduce the skewness in the weightages of the stocks in the universe.
- After step (a), the weightages of the remaining stocks in the universe is determined again.
- After step (b), the cumulative weightage is calculated.
- After step (c), companies which form part of the cumulative percentage in ascending order upto first 75 percent (i.e. upto to 74.99 percent) of the revised universe shall be ignored.
- After step (d), all the constituents of S&P CNX Nifty shall be ignored.
- From the universe of companies remaining after step (e) i.e. 75th per cent and above, first 100 companies in terms of highest market capitalization, shall constitute the CNX Midcap Index subject to fulfillment of the criteria mentioned below.

### Trading Interest

All constituents of the CNX Midcap Index must have a minimum listing record of 6 months. In addition, all candidates for the Index are also evaluated for trading interest, in terms of volumes and trading frequency.

### Financial Performance

All companies in the CNX Midcap Index have a minimum track record of three years of operations with a positive net worth.

### Others

A company which comes out with a IPO will be eligible for inclusion in the index, if it fulfills the normal eligibility criteria for the index for a 3 month period instead of a 6 month period.

### III. UNITS AND OFFER

This section provides details you need to know for investing in the Scheme.

#### A. NEW FUND OFFER (NFO)

<p><b>New Fund Offer Period</b></p> <p>This is the period during which a new scheme sells its units to the investors.</p>	<p>NFO opens on: January 12, 2011</p> <p>NFO closes on: January 24, 2011</p> <p>The AMC reserve the right to extend the NFO period, subject to the condition that NFO shall not be open for more than 15 days. Any such extension shall be announced by way of notice published in one daily newspaper.</p>																		
<p><b>New Fund Offer Price</b></p> <p>This is the price per unit that the investors have to pay to invest during the NFO.</p>	<p>The units being offered will have a face value of Rs. 10/- each and will be issued at an allotment price.</p>																		
<p><b>Minimum Amount for Application in the NFO</b></p>	<p>Rs. 10,000/- and in multiples of Re.1/- thereafter.</p>																		
<p><b>Minimum Target amount</b></p> <p>This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within 5 business days, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 5 business days from the date of closure of the subscription list.</p>	<p>Rs. 1 Crore during the New Fund Offer.</p>																		
<p><b>Maximum Amount to be raised (if any)</b></p> <p>This is the maximum amount which can be collected during the NFO period, as decided by the AMC.</p>	<p>There is no upper limit on the total amount to be collected in the New Fund Offer.</p>																		
<p><b>Plans/Options Offered</b></p>	<p>The Scheme offers only Growth Option.</p>																		
<p><b>Dividend Policy</b></p>	<p>The Trustees may declare dividend subject to the availability of distributable surplus calculated in accordance with SEBI (MF) Regulations. The actual declaration of dividend and the frequency of distribution will be entirely at the discretion of the Trustees. The dividend would be paid to the Unitholders whose names appear in the Register of Unitholders as on the record date.</p> <p>There is no assurance or guarantee to the Unitholders as to the rate of dividend nor that the dividend would be paid regularly. If the Fund declares dividend, the NAV will stand reduced by the amount of dividend and dividend distribution tax (if applicable) paid. All the dividend payments shall be in accordance and compliance with SEBI &amp; NSE Regulations, as applicable from time to time.</p>																		
<p><b>Allotment</b></p>	<p>Subject to the receipt of the minimum subscription amount, allotment would be made to all the valid applications of the Unitholders received during the NFO Period. Allotment would be completed within 5 business days after the closure of the NFO.</p> <p>The units of the Scheme would be allotted at a price approximately equal to 1/1000th of the CNX Midcap Index on the allotment date.</p> <p><b>Example of allotment of units during the NFO</b></p> <table border="1" data-bbox="730 1346 1481 1473"> <tr> <td>Amount Collected (Rs.)</td> <td>1,000,000,000</td> </tr> <tr> <td>Suppose Value of CNX Midcap Index as on Dec. 31, 2010</td> <td>8,857.20</td> </tr> <tr> <td>Allotment Price (1/1000th of CNX Midcap Index)</td> <td>Rs. 8.8572</td> </tr> <tr> <td>Units allotted (Rs. 1,000,000,000/8.8572)</td> <td>112,902,497.00</td> </tr> </table> <p>All units would be allotted in whole numbers and no fractional units will be allotted. Hence, the number of units allotted would be rounded off to the earlier decimal.</p> <p><b>Example of Units allotted to the Investor</b></p> <table border="1" data-bbox="730 1599 1481 1809"> <tr> <td>Minimum Investment (a)</td> <td>Rs. 10,000</td> </tr> <tr> <td>Allotment Price per unit (b)</td> <td>Rs. 8.8572</td> </tr> <tr> <td>Number of units allotted rounded off (c = a/b)</td> <td>1,129</td> </tr> <tr> <td>Value of units allotted (d = b x c)</td> <td>Rs. 9,999.78</td> </tr> <tr> <td>Balance amount for fractional units refunded to investor (e = a - d)</td> <td>Rs. 0.22</td> </tr> </table> <p>The above is just an example to illustrate the allotment of units.</p> <p>Allotment of units under the Scheme would be at the discretion of the Trustee. The Trustees reserve the right to reject any application without assigning any reason thereof.</p> <p>An allotment advice stating the number of units allotted would be dispatched by ordinary post to each Unitholder, not later than 5 business days after the closure of NFO and the units will be credited to the DP account of the applicant as per the details provided in the application form. Any excess amount, if any, would be refunded to the Unitholder.</p>	Amount Collected (Rs.)	1,000,000,000	Suppose Value of CNX Midcap Index as on Dec. 31, 2010	8,857.20	Allotment Price (1/1000th of CNX Midcap Index)	Rs. 8.8572	Units allotted (Rs. 1,000,000,000/8.8572)	112,902,497.00	Minimum Investment (a)	Rs. 10,000	Allotment Price per unit (b)	Rs. 8.8572	Number of units allotted rounded off (c = a/b)	1,129	Value of units allotted (d = b x c)	Rs. 9,999.78	Balance amount for fractional units refunded to investor (e = a - d)	Rs. 0.22
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Balance amount for fractional units refunded to investor (e = a - d)	Rs. 0.22																		

<p><b>Refund</b></p>	<p>In accordance with the Regulations, if the Scheme fails to collect the minimum subscription amount as specified above, the Fund shall be liable to refund the subscription amount money to the applicants.</p> <p>In addition to the above, refund of subscription money to applicants whose applications are invalid for any reason whatsoever or where the Demat details provided in the application form does not match with the details with the Depository records, will commence immediately after the allotment process is completed. Full amount will be refunded within 5 business days of closure of NFO. If the Fund refunds the application amount later than 5 business days, interest @ 15% p.a. for delay period will be paid and charged to the AMC.</p>
<p><b>Who can invest</b></p> <p>This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.</p>	<p>This is an indicative list and you are requested to consult your financial advisor. The following are eligible to subscribe to the units of the Scheme:</p> <ol style="list-style-type: none"> <li>1. Resident adult individuals, either singly or jointly (not exceeding three) or on anyone or Survivor basis.</li> <li>2. Minors through Parents/Lawful Guardian.</li> <li>3. Hindu Undivided Family (HUF) through its Karta.</li> <li>4. Partnership Firms in the name of any one of the partner.</li> <li>5. Proprietorship in the name of the sole proprietor.</li> <li>6. Companies, Body Corporate, Societies, (including registered co-operative societies), Association of Persons, Body of Individuals, Clubs and Public Sector Undertakings registered in India if authorized and permitted to invest under applicable laws and regulations.</li> <li>7. Banks (including co-operative Banks and Regional Rural Banks), Financial Institutions.</li> <li>8. Mutual Fund schemes registered with SEBI.</li> <li>9. Non-Resident Indians (NRIs) / Persons of Indian Origin (PIOs) residing abroad on repatriation basis and on non-repatriation basis.</li> <li>10. Foreign Institutional Investors (FII) registered with SEBI on repatriation basis (subject to RBI approval).</li> <li>11. Charitable or Religious Trusts, Wakf Boards or endowments of private trusts (subject to receipt of necessary approvals as "Public securities" as required) and private trusts authorized to invest in units of Mutual Fund schemes under their trust deeds.</li> <li>12. Army, Air Force, Navy, Para-military funds and other eligible institutions.</li> <li>13. Scientific and Industrial Research Organizations.</li> <li>14. Multilateral Funding Agencies or Bodies Corporate incorporated outside India with the permission of Government of India Reserve Bank of India.</li> <li>15. Overseas Financial Organizations which have entered into an arrangement for investment in India, <i>inter-alia</i> with a Mutual Fund registered with SEBI and which arrangement is approved by Government of India.</li> <li>16. Provident / Pension / Gratuity / Superannuation and such other retirement and employee benefit and other similar funds as and when permitted to invest.</li> <li>17. Other Associations, Institutions, Bodies etc. authorized to invest in the units of Mutual Fund.</li> <li>18. Trustees, AMC, Sponsor or their associates may subscribe to the units of the Scheme.</li> <li>19. Such other categories of investors permitted by the Mutual Fund from time to time, in conformity with the SEBI Regulations.</li> </ol>
<p><b>Where can you submit the filled up applications</b></p>	<p>During the NFO period, the applications can be submitted at any of the branches of the collecting banker or Investor Service Centres of Motilal Oswal Asset Management Company Limited or offices of stock brokers registered with NSE and BSE. For details, please refer end of this document.</p> <p>Motilal Oswal Mutual Fund has appointed HDFC Bank as collecting banker for the New Fund Offer.</p> <p>AMC reserves the right to appoint additional collecting bankers during the NFO Period and change the bankers and/or any of the bankers appointed subsequently.</p> <p>As per the provisions of SEBI Circular No. SEBI/IMD/Cir No. 11/183204 dated November 13, 2009, investors who wish to subscribe to the units may register with trading members of National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Ltd. (BSE) by submitting the application form and required documentation as prescribed. The respective trading member would then place orders in the NSE's and BSE's mechanism for subscription of units.</p>
<p><b>How to Apply</b></p>	<p>Please refer to the SAI and Application Form for the instructions.</p>

<b>Listing</b>	The units of the Scheme would be listed on National Stock Exchange of India Ltd. (NSE) within 5 business days of allotment. The AMC reserves the right to list the units of the Scheme on any other recognized stock exchange.
<b>Dematerialization</b>	i. The units of the Scheme are available in the Dematerialized (electronic) mode. ii. The applicant under the Scheme are required to have a beneficiary account with a Depository Participant of NSDL/CDSL and are required to indicate in the application the DP's name, DP ID Number and beneficiary account number of the applicant with the DP. iii. The units of the Scheme are issued/repurchased and traded compulsorily in dematerialized form. Applications without relevant details of their depository account are liable to be rejected.
<b>Special Products / facilities available during the NFO</b>	The Mutual Fund will offer ASBA facility during the NFO of the Scheme. ASBA is an application containing authorisation given by the Investor to block the application money in his specified bank account towards the subscription of the units offered during the NFO of Scheme. If an Investor is applying through ASBA facility, the application money towards the subscription of units shall be debited from his specified bank account only if his/her application is selected for allotment of units. Please refer to the SAI for more details.
<b>The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same</b>	Units once redeemed/repurchased will not be re-issued.
<b>Restrictions, if any, on the right to freely retain or dispose of units being offered</b>	As the units of the Scheme will be issued in demat form, the units will be transferred and transmitted in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. The delivery instructions for transfer of Units will have to be lodged with the Depository Participant (DP) in the requisite form as may be required from time to time and transfer will be effected in accordance with the rules/regulations as may be in force governing transfer of securities in demat form.

## B. ONGOING OFFER DETAILS

<b>Ongoing Offer Period</b> This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.	The Scheme will re-open on an ongoing basis within 10 business days after the date of closure of the NFO.
<b>Ongoing price for subscription (purchase) / switch-in (from other schemes / plans of the Mutual Fund) by investors</b> This is the price you need to pay for purchase/switch-in.	<b>On the Exchange :</b> As the Scheme would be listed on the exchange, the investor can buy units on an ongoing basis on the National Stock Exchange of India Ltd. (NSE) at the traded prices which may be close to the actual NAV of the Scheme. The units are purchased in round lots of 1 unit. <b>Directly with the Mutual Fund :</b> The authorized participant/large investor can subscribe the units of the Scheme directly with the Mutual Fund only in creation unit size at the applicable NAV of the Scheme. The number of units of the Scheme that authorized participant/large investor can subscribe is 2,50,000 units and in multiples thereafter.
<b>Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors</b> This is the price you will receive for redemptions/switch outs.	<b>On the Exchange :</b> As the Scheme would be listed on the exchange, the investor can sell units on an ongoing basis on the National Stock Exchange of India Ltd. (NSE) at the traded prices. The units are redeemed in round lots of 1 unit. <b>Directly with the Mutual Fund :</b> The authorized participant/large investor can redeem the units of the Scheme directly with the Mutual Fund only in creation unit size at the applicable NAV of the Scheme. The number of units of the Scheme that authorized participant/large investor can redeem is 2,50,000 units and in multiples thereafter.
<b>Procedure for subscribing / redeeming units directly with the fund</b>	The Large Investor / Authorised Participant can subscribe/ redeem units of the Scheme directly with the Mutual Fund only in creation unit size as per the procedure given below. The Creation Unit is fixed number of units of the Scheme, which is exchanged for a basket of shares underlying the Index called the Portfolio Deposit and a Cash Component. Thus, each Creation Unit would comprise of two components viz. Portfolio and Cash. The Portfolio Deposit is the basket of securities, in the same proportion as in the Underlying Index. The Cash component is the difference between the applicable net asset value of creation unit and the market value of the securities. This difference will represent accrued dividends, accrued annual charges including management fees and residual cash in the Scheme. In addition the Cash Component will include transaction charges to the extent charged by the third parties such as Custodian/DP, equalization of dividend and other incidental expenses for Creating Units. The value of both the components changes from time to time and will be announced on our website on daily basis.

	<p>The number of units of the Scheme that investors can create in exchange of the Portfolio Deposit and Cash Component is 2,50,000 units and in multiples thereof.</p> <p>The facility of creating units in Creation Unit size is available to the Authorised Participants (whose names will be available on our website <a href="http://www.motilaloswal.com/assetmanagement">www.motilaloswal.com/assetmanagement</a> and <a href="http://www.mostshares.com">www.mostshares.com</a>) and large investors.</p> <p><b>For creating units of the Scheme in creation unit size:</b></p> <p>The Authorised Participant/Large Investor would transfer the requisite basket of securities comprising the constituents of CNX Midcap Index constituting the Portfolio Deposit to the Mutual Fund's designated DP account while the Cash Component has to be paid to the AMC by way of cheques / pay order / demand draft. On confirmation of the same, the AMC will have the respective number of units of the Scheme credited to the depository account of Authorised Participant / Large Investor.</p> <p><b>For redeeming units of the Scheme in creation unit size:</b></p> <p>The Authorised Participant / Large Investor would transfer the requisite number of units of the Scheme equaling the creation unit to the Fund's designated DP account. On confirmation of the same, the AMC will pay the redemption proceeds in kind by transferring the Portfolio Deposit to the depository account of Authorised Participant/Large Investor and pay the Cash Component, if any.</p> <p>The Fund may allow cash purchases/cash redemption of the units of the Scheme in Creation Unit Size by Large Investor/Authorised Participant. Purchase request/Redemption request shall be made by such investor to the Fund whereupon the Fund shall arrange to buy/sell the underlying portfolio of securities on behalf of the investor.</p>
<p><b>Cut off timing for subscriptions / redemptions / switches</b></p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p>The cut-off time for accepting subscription / redemption of units of the Scheme directly with the Fund would be 3.00 p.m. on any business day. However, as the Scheme is an Exchange Traded Fund, the subscriptions and redemptions of units would be based on the Portfolio Deposit and Cash Component as defined by the Fund for that respective business day.</p>
<p><b>Where can the applications for purchase / redemption switches be submitted?</b></p>	<p>The applications for purchase/redemption of units directly with the Fund would be submitted at the AMC's Corporate office.</p>
<p><b>Minimum amount for purchase/redemption/switches</b></p>	<p><b>On the Exchange:</b> 1 unit and in multiples thereof.</p> <p><b>Directly with the Mutual Fund:</b> The minimum amount for purchase/redemption would be in creation unit size of 2,50,000 units and in multiples thereof.</p>
<p><b>Minimum balance to be maintained and consequences of non maintenance</b></p>	<p>Nil</p>
<p><b>Special Products available</b></p>	<p>The Scheme does not offer any special products.</p>
<p><b>Accounts Statements</b></p>	<p>As the units of the Scheme are in demat, the depository participant with whom the Unitholder has a depository account will send a statement of transactions in accordance with the byelaws of the depository which will contain the details of transaction of units.</p> <p>Allotment of units and dispatch of Allotment Advice to FIIs will be subject to RBI approval, if required.</p> <p>Units allotted under this Scheme are transferable subject to the provisions of the Depositories Act, SEBI (Depository and Depository Participant) Regulations, 1996 and other applicable provisions.</p> <p>Note: The AMC may not furnish separate accounts statement to the Unitholders since the statement of accounts furnished by depository participant will contain the details of transactions in these units and this would be deemed to be adequate compliance with the requirements of SEBI regarding dispatch of statement of accounts.</p>
<p><b>Dividend</b></p>	<p>The dividend warrants shall be dispatched to the Unitholders within 30 days of the date of declaration of the dividend.</p>
<p><b>Redemption</b></p>	<p>The redemption or repurchase proceeds shall be dispatched to the Unitholders within 10 working days from the date of redemption or repurchase.</p>
<p><b>Delay in payment of redemption / repurchase proceeds</b></p>	<p>The AMC shall be liable to pay interest to the Unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).</p>
<p><b>Bank Account Details</b></p>	<p>As per SEBI requirements, it is mandatory for an investor to provide his/her bank account number in the Application Form. The Bank Account details as mentioned with the Depository should be mentioned. If depository account details furnished in the application form are invalid or not confirmed in the depository system, the application may be rejected. The Application Form without the Bank account details would be treated as incomplete and rejected.</p> <p>Notwithstanding any of the above conditions, any application may be accepted or rejected at the sole and absolute discretion of the Trustee.</p>

<b>Role of Authorised Participant</b>	The role of Authorised Participants is to proffer liquidity of the units of the Scheme on the Stock Exchange where the Units are listed. Authorised Participants may offer to buy and sell quotes (bid and ask quotes) on the Exchanges such that buy and sell orders get executed in the market subject to price compatibility. Authorised Participants may for the purpose of creating liquidity subscribe or redeem the units of the Scheme directly with the Mutual Fund.
<b>Purchase / Sale of the units of Scheme on the Exchange</b>	<p>Buying / Selling of units of the Scheme on the Exchange is just like buying / selling any other normal listed security. If an investor has bought units, an investor has to pay the purchase amount to the broker / sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the exchange. If an investor has sold units, an investor has to deliver the units to the broker / sub-broker before the securities pay-in day of the settlement cycle on the exchange. The units (in the case of units bought) and the funds (in the case of units sold) are paid out to the broker on the payout day of the settlement cycle on the exchange. The trading member would pay the money or units to the investor in accordance with the time prescribed by the stock exchange regulation.</p> <p>If an investor has bought units, he/she should give standing instructions for 'Delivery-In' to his/her DP for accepting units in his/her beneficiary account. An investor should give the details of his/her beneficiary account and the DP-ID of his/her DP to his/her trading member. The trading member will transfer the units directly to his/her beneficiary account on receipt of the same from exchange clearing corporation.</p> <p>An investor who has sold units should instruct his/her Depository Participant (DP) to give 'Delivery Out' instructions to transfer the units from his/her beneficiary account to the Pool Account of his/her trading member through whom he/she have sold the units. The details of the pool a/c of his/her trading member to which the units are to be transferred, unit quantity etc. should be mentioned in the Delivery Out instructions given by him/her to the DP. The instructions should be given well before the prescribed securities pay-in day. SEBI has advised that the Delivery Out instructions should be given at least 24 hours prior to the cut-off time for the prescribed securities pay-in to avoid any rejection of instructions due to data entry errors, network problems, etc.</p>
<b>Transaction handling charges</b>	Transaction handling charges include brokerage, depository participant charges, uploading charges and such other charges that the Mutual Fund may have to incur in the course of accepting the portfolio deposit or for giving a portfolio of securities as consideration for a redemption request. Such transaction handling charges shall be recoverable from the transacting authorized participant/large investor.
<b>Cost of trading on the Stock Exchange</b>	Investor will have to bear the cost of brokerage and other applicable statutory levies e.g. Securities Transaction Tax, etc. when the units are bought or sold on the stock exchange.
<b>Right to limit Redemptions</b>	The Trustee, in the general interest of the Unitholders of the Scheme offered under this SID and keeping in view of the unforeseen circumstances/unusual market conditions, may limit the total number of units which can be redeemed on any Business Day.

### Example of Creation and Redemption of Units

Each Creation Unit consists of 2,50,000 units of Motilal Oswal MOST Shares Midcap 100 ETF (MOST Shares M100). As explained earlier, the Creation Unit is made up of 2 components i.e. Portfolio Deposit and Cash Component. The Portfolio Deposit will be determined by the Fund as per the weights of each security in the Underlying Index. The value of this Portfolio Deposit will change due to change in prices during the day. The number of shares of each security that constitute the Portfolio Deposit will remain constant unless there is any corporate action in the Underlying Index or there is a rebalance in the Underlying Index.

The example of Creation Unit as on December 31, 2010 for Motilal Oswal MOST Shares Midcap 100 ETF (MOST Shares M100) is as follows:

<b>Security in the Underlying Index</b>	<b>Quantity</b>	<b>Price</b>	<b>Value (INR)</b>
Ackruti City Ltd.	7	250.60	1,754.20
Adani Power Ltd.	259	130.35	33,760.65
Aditya Birla Nuvo Ltd.	34	841.45	28,609.30
Allahabad Bank	124	225.90	28,011.60
Alstom Projects India Ltd.	13	686.85	8,929.05
Amtek Auto Ltd.	90	136.90	12,321.00
Anant Raj Industries Ltd.	70	107.20	7,504.00
Andhra Bank	146	150.45	21,965.70
Apollo Hospitals Enterprise Ltd.	51	455.25	23,217.75
Areva T&D India Ltd.	41	324.95	13,322.95
Ashok Leyland Ltd.	405	64.00	25,920.00
Asian Paints Ltd.	28	2,878.70	80,603.60
Aurobindo Pharma Ltd.	16	1,313.90	21,022.40
Aventis Pharma Ltd.	5	1,941.95	9,709.75

<b>Security in the Underlying Index</b>	<b>Quantity</b>	<b>Price</b>	<b>Value (INR)</b>
Bajaj Hindusthan Ltd.	69	118.85	8,200.65
Balrampur Chini Mills Ltd.	100	87.90	8,790.00
Bank of Maharashtra	62	66.35	4,113.70
BEML Ltd.	11	1,032.25	11,354.75
Bharat Forge Ltd.	83	379.10	31,465.30
Biocon Ltd.	43	420.85	18,096.55
Britannia Industries Ltd.	36	413.50	14,886.00
Cadila Healthcare Ltd.	32	777.80	24,889.60
Century Textile & Industries Ltd.	34	428.15	14,557.10
CESC Ltd.	36	365.05	13,141.80
Chennai Petroleum Corp Ltd.	30	247.25	7,417.50
Colgate-Palmolive India Ltd.	41	869.85	35,663.85
Corp Bank	16	636.20	10,179.20
Crompton Greaves Ltd.	235	309.95	72,838.25
Cummins India Ltd.	60	785.95	47,157.00
Deccan Chronicle Holdings Ltd.	55	109.55	6,025.25
Divi's Laboratories Ltd.	39	646.85	25,227.15
Educomp Solutions Ltd.	29	531.75	15,420.75
EIH Ltd.	92	114.60	10,543.20
Engineers India Ltd.	41	333.45	13,671.45
Exide Industries Ltd.	285	166.90	47,566.50
Gillette India Ltd.	2	1,861.60	3,723.20
GlaxoSmithKline Consumer Healthcare Ltd.	14	2,338.30	32,736.20
Glenmark Pharmaceuticals Ltd.	86	362.10	31,140.60
Godrej Consumer Products Ltd.	65	386.90	25,148.50
Godrej Industries Ltd.	41	191.05	7,833.05
Great Eastern Shipping Co Ltd.	66	344.25	22,720.50
GVK Power & Infrastructure Ltd.	450	40.55	18,247.50
HCL Infosystems Ltd.	67	117.45	7,869.15
Hindustan Petroleum Corp Ltd.	103	391.65	40,339.95
HMT Ltd.	3	69.25	207.75
Housing Development & Infrastructure Ltd.	145	194.95	28,267.75
HT Media Ltd.	32	146.00	4,672.00
IDBI Bank Ltd.	213	165.05	35,155.65
IFCI Ltd.	420	67.30	28,266.00
India Cements Ltd.	143	108.00	15,444.00
Indiabulls Real Estate Ltd.	192	139.25	26,736.00
Indian Bank	53	246.80	13,080.40
Indian Hotels Co Ltd.	313	96.60	30,235.80
Indian Overseas Bank	131	146.60	19,204.60
Indraprastha Gas Ltd.	43	341.95	14,703.85
ING Vysya Bank Ltd.	42	368.40	15,472.80
IRB Infrastructure Developers Ltd.	51	225.10	11,480.10
IVRCL Infrastructures & Projects Ltd.	150	128.55	19,282.50
Jammu & Kashmir Bank Ltd.	14	782.50	10,955.00
Jet Airways India Ltd.	10	765.30	7,653.00
Jindal Saw Ltd.	92	182.35	16,776.20
Kansai Nerolac Paints Ltd.	10	899.55	8,995.50
KSK Energy Ventures Ltd.	60	134.90	8,094.00
Lanco Infratech Ltd.	427	63.45	27,093.15
LIC Housing Finance Ltd.	187	195.40	36,539.80
Lupin Ltd.	146	482.45	70,437.70
Madras Cements Ltd.	85	106.15	9,022.75
Mahanagar Telephone Nigam	171	55.00	9,405.00
Marico Ltd.	141	119.70	16,877.70
MAX India Ltd.	91	147.60	13,431.60
Motherson Sumi Systems Ltd.	83	182.10	15,114.30
Mphasis Ltd.	45	672.80	30,276.00
Nirma Ltd.	22	232.20	5,108.40
Oriental Bank of Commerce	76	405.30	30,802.80

Security in the Underlying Index	Quantity	Price	Value (INR)
Patni Computer Systems Ltd.	29	476.50	13,818.50
Petronet LNG Ltd.	186	124.95	23,240.70
Pfizer Ltd./India	5	1,134.50	5,672.50
Piramal Healthcare Ltd.	62	469.95	29,136.90
Procter & Gamble Hygiene & Health Care Ltd.	5	1,867.25	9,336.25
Punj Lloyd Ltd.	129	111.85	14,428.65
Rashtriya Chemicals & Fertilizers Ltd.	25	101.95	2,548.75
Shipping Corp of India Ltd.	105	130.70	13,723.50
Shree Cement Ltd.	7	2,020.65	14,144.55
Shriram Transport Finance Co. Ltd.	82	781.05	64,046.10
Sterling Biotech Ltd.	111	103.25	11,460.75
Sun TV Network Ltd.	56	525.90	29,450.40
Syndicate Bank	108	128.10	13,834.80
Tata Chemicals Ltd.	108	393.90	42,541.20
Tata Global Beverages Ltd.	249	108.10	26,916.90
Tech Mahindra Ltd.	21	702.40	14,750.40
Thermax Ltd.	28	871.55	24,403.40
Titan Industries Ltd.	12	3,594.95	43,139.40
Torrent Power Ltd.	105	276.40	29,022.00
UCO Bank	124	116.10	14,396.40
Ultratech Cement Ltd.	61	1,084.25	66,139.25
Union Bank of India	140	347.10	48,594.00
United Phosphorus Ltd.	202	172.95	34,935.90
Vijaya Bank	124	101.80	12,623.20
Welspun Corp Ltd.	75	169.55	12,716.25
Yes Bank Ltd.	147	312.80	45,981.60
<b>Total</b>			<b>2,187,410.50</b>

Value of Portfolio Deposit : Rs. 2,187,410.50

Value of Cash Component : Rs. 26,889.50

Total Value of Creation Unit : Rs. 2,214,300.00

The Value of Portfolio Deposit and Cash Component would vary from time to time and would be declared by the Fund on a daily basis.

The cash component is arrived in the following manner:

CNX Midcap Index	8,857.20
Number of units comprising one Creation Unit	250,000
NAV per unit (appx. 1/1000th of CNX Midcap Index)	8.8572
Value of 1 Creation Unit	2,214,300.00
Value of Portfolio Deposit (pre defined basket of securities of the Underlying Index)	2,187,410.50
Cash Component	26,889.50

The above is just an example to illustrate the calculation of cash component. Cash Component will vary depending upon the actual charges incurred like Custodial Charges and other incidental charges for creating units.

#### Disclosure of Creation/Redemption of Units on AMC's website

On a daily basis, the AMC would disclose the Creation unit for subscription/redemption of units on the AMC's website i.e. [www.motilaloswal.com/assetmanagement](http://www.motilaloswal.com/assetmanagement) and [www.mostshares.com](http://www.mostshares.com) i.e. value of Portfolio Deposit, basket of securities and the number of shares of each securities, and value of Cash Component.

### C. PERIODIC DISCLOSURES

<p><b>Net Asset Value</b></p> <p>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>The AMC shall calculate and announce the first NAV of the Scheme within a period of 5 business days from the date of allotment.</p> <p>Subsequently, the AMC shall declare the NAV of the Scheme on every business day on AMFI's website <a href="http://www.amfiindia.com">www.amfiindia.com</a> by 9.00 p.m. and also on our website <a href="http://www.motilaloswal.com/assetmanagement">www.motilaloswal.com/assetmanagement</a> and <a href="http://www.mostshares.com">www.mostshares.com</a>. If the NAV is not available before the commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV.</p> <p>Investors can also call the office of the AMC to obtain the NAV of the Scheme.</p> <p>The AMC may also calculate intra-day indicative NAV (computed based on snapshot prices of the underlying securities traded and available on NSE) and will be updated during the market hours on its website <a href="http://www.motilaloswal.com/assetmanagement">www.motilaloswal.com/assetmanagement</a> and <a href="http://www.mostshares.com">www.mostshares.com</a>. Intra-day indicative NAV will not have any bearing on the creation or redemption of units directly with the Fund.</p>
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<p><b>Half yearly Disclosures: Portfolio / Financial Results</b></p> <p>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>The Mutual Fund shall publish a complete statement of the Scheme portfolio and the unaudited financial results, within one month from the close of each half year (i.e. 31st March and 30th September), by way of an advertisement at least, in one National English daily and one regional newspaper in the language of the region where the head office of the Mutual Fund is located. The Portfolio statement and the unaudited financial result would also be placed on our website and AMFI website.</p> <p>The Mutual Fund may opt to send the portfolio to all Unitholders in lieu of the advertisement (if applicable).</p>
<p><b>Half Yearly Results</b></p>	<p>The Mutual Fund and AMC shall before the expiry of one month from the close of each half year i.e. 31st March and 30th September, publish its unaudited financial results in one national English daily newspaper and in a regional newspaper published in the language of the region where the Head Office of the Mutual Fund is situated. The half yearly financial result would also be placed on our website <a href="http://www.motilaloswal.com/assetmanagement">www.motilaloswal.com/assetmanagement</a> and <a href="http://www.mostshares.com">www.mostshares.com</a> and AMFI website <a href="http://www.amfiindia.com">www.amfiindia.com</a>.</p>
<p><b>Annual Report</b></p>	<p>The Scheme wise Annual Report or an abridged summary thereof shall be mailed to all Unitholders within four months from the date of closure of the relevant accounts year i.e. 31st March each year.</p> <p>Further, the full text of the annual report will be available for inspection at the office of the Fund and copy shall be made available on specific request on payment of nominal fees, if any. Also the Scheme wise annual report will be displayed on our website <a href="http://www.motilaloswal.com/assetmanagement">www.motilaloswal.com/assetmanagement</a> and <a href="http://www.mostshares.com">www.mostshares.com</a> and AMFI website <a href="http://www.amfiindia.com">www.amfiindia.com</a>.</p>
<p><b>Associate Transactions</b></p>	<p>Please refer to Statement of Additional Information (SAI).</p>
<p><b>Taxation</b></p> <p>The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.</p>	<p>For details on taxation please refer to the section 'Taxation on investing in Mutual Funds' in the SAI.</p>
<p><b>Investor services</b></p>	<p><b>Mr. Sanjay Dongre</b>  <b>Motilal Oswal Asset Management Company Limited</b>  81/82, 8th Floor, Bajaj Bhavan  Nariman Point, Mumbai - 400 021  Tel. No.: 022 -39804120  Email.: <a href="mailto:sanjay.dongre@motilaloswal.com">sanjay.dongre@motilaloswal.com</a>  <a href="mailto:mfservice@motilaloswal.com">mfservice@motilaloswal.com</a></p> <p>Investors are advised to contact any of the ISC or the AMC by calling the toll free no. of the AMC at 1800-200-6626. Investors can also visit our website <a href="http://www.motilaloswal.com/assetmanagement">www.motilaloswal.com/assetmanagement</a> and <a href="http://www.mostshares.com">www.mostshares.com</a> for complete details.</p>

#### D. COMPUTATION OF NAV

The Net Asset Value (NAV) per Unit under the Scheme will be computed by dividing the net assets of the Scheme by the number of units outstanding on the valuation day. The Mutual Fund will value its investments according to the valuation norms, as specified in Schedule VIII of the SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time.

The Net Asset Value (NAV) of the units under the Scheme shall be calculated as follows:

$$\text{NAV (Rs.)} = \frac{\text{Market or Fair Value of Scheme's investments} + \text{Current Assets (including accrued expenses)} - \text{Current Liabilities and Provision}}{\text{No. of Units outstanding under Scheme on the Valuation Day}}$$

The NAV will be calculated up to four decimals.

The AMC will calculate and disclose the first NAV of the Scheme within a period of 5 business days from the date of allotment. Subsequently, the NAV shall be calculated and announced on each working day. The computation of NAV shall be in conformity with SEBI Regulations and guidelines as prescribed from time to time.

## IV. FEES AND EXPENSES

This section outlines the expenses that will be charged to the Scheme.

### A. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationery, bank charges etc.

The entire NFO expenses will be borne by the AMC.

### B. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the Scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

The AMC has estimated the following annual recurring expenses on weekly average net assets of the Scheme. For the actual current expenses being charged, the investor should refer to the website of the Mutual Fund.

Particulars	(% per annum to weekly average Net Assets)
Investment Management & Advisory Fee	0.75
Custodial Fees	0.05
Registrar & Transfer Agent Fees including cost related to providing accounts statement, dividend/ redemption cheques/warrants etc.	0.05
License fees / listing fees and other such expenses	0.15
Audit Fees / Fees and expenses of trustees	0.05
Marketing & Selling Expenses	0.40
Other expenses	0.05
<b>Total Recurring Expenses</b>	<b>1.50</b>

These estimates have been made in good faith as per the information available to the Investment Manager and are subject to change inter-se and the maximum investment management fees charged shall be as per SEBI (MF) Regulations. The types of expenses charged would be in accordance with SEBI (MF) Regulations.

As per SEBI Regulations, the maximum annual scheme recurring expenses including the investment management fees that can be charged to the Scheme is 1.50% of weekly average net assets. Further, as per SEBI (MF) Regulations, the investment management fees shall not exceed 0.75% of the weekly average net assets for Index Scheme. The recurring expenses incurred in excess of the limits specified by SEBI (MF) Regulations will be borne by the AMC.

The Mutual Fund would update the current expense ratios on its website within two working days mentioning the effective date of the change.

### C. LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the Scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC [www.motilaloswal.com/assetmanagement](http://www.motilaloswal.com/assetmanagement) and [www.mostshares.com](http://www.mostshares.com) or may call at toll free no. 1800-200-6626 or your distributor.

Type of Load	Load chargeable (as %age of NAV)
Entry	Nil In terms of SEBI Circular having reference No. SEBI/IMD/ CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.
Exit Load	Nil

There is no entry/exit load on units of the Scheme bought or sold through the secondary market on the Stock Exchange. However, an investor would be paying cost in the form of a bid and ask spread and brokerage, as charged by his broker for buying/selling units of the Scheme.

### Exit Load for Redemption in Cash

In case of redemption of units of the Scheme for less than Creation Unit Size, directly with the Fund, where there have been no quotes on the exchange for 3 trading days consecutively, an investor can sell its units of the Scheme to the Fund with an exit load of 1% of NAV of the Scheme.

From the exit load including Contingent Deferred Sales Charge (CDSC) charged to the Unitholders by the Scheme, a maximum of 1% of the redemption value shall be retained by the Scheme in a separate account and will be utilised towards meeting the selling and distribution expenses including commissions to the distributor. Any amount in excess of 1% of the redemption value shall be credited to the Scheme immediately.

The investor is requested to check the prevailing load structure of the Scheme before investing. For any change in load structure, AMC will issue an addendum and display it on the website/Investor Service Centres.

Any imposition or enhancement in the load structure shall apply on a prospective basis and in no case the same would affect the existing investors adversely. Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load.

Under the Scheme, the AMC reserves the right to modify/alter the load structure if it so deems fit in the interest of smooth and efficient functioning of the scheme, subject to maximum limits as prescribed under the SEBI Regulations. The load may also be changed from time to time and in case of exit/redemption, load may be linked to the period of holding.

For any change in the load structure, the AMC would undertake the following steps:

1. The addendum detailing the changes will be attached to SID and Key Information Memorandum (KIM). The addendum will be circulated to all the distributors so that the same can be attached to all SID and KIM already in stock.
2. Arrangements shall be made to display the changes/modifications in the SID in the form of a notice in all Investor Service Centres and distributors/brokers offices.
3. The introduction of the exit load/CDSC along with the details shall be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load/CDSC.
4. A public notice may be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
5. The Fund shall display the addendum on its website ([www.motilaloswal.com/assetmanagement](http://www.motilaloswal.com/assetmanagement) and [www.mostshares.com](http://www.mostshares.com)).
6. Any other measure that the Mutual Fund shall consider necessary.

## IV. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

## V. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

This section contains the details of penalties, pending litigation, and action taken by SEBI and other regulatory and Govt. Agencies.

1. All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed.

### Not Applicable

2. In case of Indian Sponsor(s), details of all monetary penalties imposed and/or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/or the AMC and/ or the Board of Trustees/ Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.

- a. During the period January 2009 to November 2010, the NSE has levied penalties/fines on Motilal Oswal Securities Ltd. (MOSL), aggregating to Rs. 2.01 million on account of various reasons viz: non-submission of UCC details, delayed reporting of computer to computer link data, short collection of margins & violation of market wide position limit in F&O segment, observations made during the course of inspections.
- b. During the period October 2007 to November 2010, the BSE has levied penalties/fines aggregating to Rs. 1.51 million on account of various reasons viz: non-submission of UCC details, settlement of transactions through delivery versus payment, observations made during the course of inspections, etc.
- c. During the period April 2007 to November 2010, the CDSL has levied penalties/fines aggregating to Rs. 42000 on account of reasons viz: non-collection of proof of identity of clients, deviation in following of transmission procedure etc; whereas penalty of Rs. 275 were levied by NSDL during the course of MOSL operations.

3. Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed thereunder including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed.

- a. In 2002 SEBI has investigated MOSL in the case of Amaraja Batteries Limited and the enquiry officer had warned the company to be cautious in future. Subsequently, SEBI's Chairman, in his final order, has agreed to the observations of enquiry officer.
- b. During the period from 1999 to 2001, SEBI has investigated MOSL for dealing in shares of M/s Cyberspace Limited. MOSL had purchased and sold shares on behalf of their clients during the investigation period. Scrutiny of the ledger

accounts revealed that MOSL had not taken any upfront payment from the clients before the clients had started to deal with MOSL. Hence because of MOSL's failure to exercise due diligence, skill and care while dealing on behalf of their clients, it has been warned by SEBI to be careful in future.

- c. SEBI has served a Show Cause Notice dated January 19, 2005, on MOSL, under Section 6 (1) of the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, ("**Enquiry Notice**"), to enquire into dealings by clients of MOSL during May 2004. The Notice alleges that the sale of shares by MOSL on behalf of its clients depressed share prices, and consequently, the Enquiry Notice required MOSL to show cause as to why action should not be taken for alleged violation of various SEBI regulations governing stock brokers and regulations prohibiting price manipulation, 'Know Your Client' norms and certain SEBI circulars. SEBI has also served a notice dated November 17, 2006, on MOSL, under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer), Rules, 1995, ("**Adjudication Notice**"), with allegations primarily relating to the same facts covered in the Enquiry Notice and alleged violation of SEBI circulars in relation to trading by MOSL, requiring MOSL to show cause as to why proceedings to impose monetary penalties should not be initiated. MOSL had tendered a detailed factual response dated February 28, 2005 and had also responded to the Adjudication Notice placing reliance on the response to the Enquiry Notice. SEBI vide its order dated March 28, 2008 has disposed off all proceedings against MOSL in the said matter and no penalty has been levied in this regard.
- d. SEBI had passed a general ad interim ex-parte order dated April 27, 2006 in connection with 21 IPOs and had directed some depository participants, including MOSL, not to open fresh demat accounts pending investigations. The said ad interim ex-parte order was treated as a show cause notice by SEBI. Upon MOSL showing cause and making representations, SEBI after hearing all relevant facts, passed another interim order dated August 31, 2006 removing the restriction on MOSL in relation to opening of fresh demat accounts. An enquiry officer appointed by SEBI had served a notice dated February 9, 2007, on MOSL under Regulation 6 of the SEBI (Procedure for Holding Enquiry and Imposing Penalties), Regulations, 2002, ("**DP Enquiry Notice**"), in connection with the MOSL's depository participant operations in relation to some of the 21 IPOs referred to in the ad interim ex-parte order dated April 27, 2006. The DP Enquiry Notice required MOSL to show cause as to why action ought not to be taken for (i) allegedly aiding and abetting various allottees who opened fictitious demat accounts, and, (ii) alleged breach of "Know Your Client" norms, and a consequent breach of securities laws including the SEBI DIP Guidelines. MOSL responded to the DP Enquiry notice vide their letter dated April 3, 2007, wherein it, (i) demonstrated in detail as to how it has complied with applicable SEBI Guidelines, instructions and directions, both in letter and in spirit; and, (ii) presented detailed findings of an independent auditor empanelled with SEBI. Subsequently, SEBI vide their letter dated November 3, 2009 has forwarded the Enquiry Report dated October 23, 2009 and has asked MOSL to file its reply or apply for consent order. Accordingly, MOSL has expressed its intention to apply for Consent Terms vide letter dated November 26, 2009.

The high powered advisory committee of SEBI recommended the case for settlement on payment of Rs. 5,00,000/- towards settlement charges. MOSL paid the above amount and accordingly SEBI has disposed off the pending inquiring proceedings against MOSL.

- e. SEBI had pursuant to its investigations in the scrips Pyramid Saimira Theatre Ltd. had restrained Mr. Shailesh Jayantilal Shah, Mr. Rajesh Jayantilal Shah and Ms. Ritaben Rohitkumar Shah from buying, selling or dealing in the securities market. SEBI had observed that MOSL and some other brokers have executed trades on behalf of above three clients after debarment order and SEBI through its notice has called upon to show cause as to why further action under SEBI (Intermediaries) Regulations, 2008 should not be taken against MOSL for alleged violation of the provisions of Regulation 27 (xv) and 27 (xvii) r/w Regulations 26 (xv) of the Broker Regulations and clauses A (1), A (2) and A (5) of the Code of Conduct for Brokers as specified in Schedule II under Regulation 7 of the Broker Regulations. MOSL has explained to SEBI the reasons for such occurrence and we have applied to SEBI for settlement of the case through consent terms.
4. Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party should also be disclosed separately.

**None**

5. Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed.

**None**

**The Scheme under this Scheme Information Document was approved by the Trustees at their meeting held on October 27, 2010. The Trustees have ensured that the Scheme is a new product offered by Motilal Oswal Mutual Fund and is not a minor modification of its existing Scheme/Fund/Product.**

**Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.**

For **Motilal Oswal Asset Management Company Limited**  
(Asset Management Company for Motilal Oswal Mutual Fund)

Sd/-

**NITIN RAKESH**  
*Chief Executive Officer & Managing Director*

Place: Mumbai  
Date: January 3, 2011

## LIST OF DESIGNATED COLLECTION CENTRES

### MOTILAL OSWAL ASSET MANAGEMENT COMPANY LIMITED

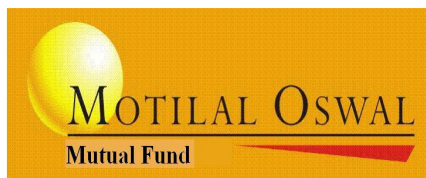
81/82, 8th floor, Bajaj Bhavan, Nariman Point, Mumbai - 400021.

### HDFC BANK LIMITED

**Ahmedabad:** Astral Tower, Near Mithakhali Six Road, Navrangpura, Ahmedabad-380 009 • **Ajmer:** Near Suchna Kendra, Adj. to Swami Complex, Ajmer (Raj)-305 001 • **Akola:** Sethi Heights, 1st Floor, Opp. Zilla Parishad, Akola-444 001 • **Aligarh:** 3-316 Bhalla Complex, Ramghat Road, Aligarh-202 001 (U.P.) • **Allahabad:** 58, SP Marg, Civil Lines, Allahabad-211 003 • **Amravati:** C/o Rasik Plaza, Morshi Road, Jaystambh Chowk, Amravati-444 601 • **Amritsar:** 26 Kennedy Avenue, First Floor, Amritsar-143 001 • **Asansol:** P. C. Chatterjee Market, Rambandhu Talaw, Asansol-713 303 • **Bangalore:** Cash Management Services "Salco Centre" # 8/24, Richmond Road, Bangalore-560 025 • **Baroda:** 1st Floor, Fortune Tower, Vadodara Stock Exchange Building, Opp. Parsi Agiyari, Sayajigunj, Baroda-390 005 • **Bharuch:** 127, Alfa Society, Link Road, Bharuch-392 001 • **Bhilai:** Chauhan Estate, G.E. Road, Supela, Bhilai-490 023 • **Bhilwara:** WBO, Shop No. 1-2-3-4, "A" Block, First Floor, SK Plaza, Pur Road, Bhilwara (Raj.)-311 001 • **Calicut:** Ill Floor, Simax Towers, Kannur Road, Nadakkave, Calicut-673 011 • **Chennai:** No. 115, Dr. Radhakrishnan Salai, 2nd Floor, Opp. to CSI Kalyani Hospital, Mylapore, Chennai - 600 004 • **Cochin:** First Floor, Palarivattom 25, Cochin-682 025 • **Coimbatore:** WBO, 1552, B7, First Floor, Classic Towers, Trichy Road, Coimbatore-641 018 • **Dehradun:** WBO Deptt, HDFC Bank, 56, Rajpur Road, Dehradun-248 001 • **Delhi:** Fig-Ops 1st Floor, Kailash Bldg., New Delhi-110 001 • **Deoghar:** Assam Access Road, Near Tower Chowk, Deoghar-814 112 • **Dhule:** Wholesale Banking Operations(CMS), Lane No- 6 , Mundada Arcade, Parola Road, Dhule-424 001 • **Durgapur:** Balai Commercial Complex, 3rd Floor, Benachity, Nachan Road, Durgapur-713 213 • **Erode:** No.680, Lotus Enclave, Brough Road, Erode-638 001 • **Ferozepur:** Building No.30/7, Udhm Singh Chowk, Ferozepur-152 001 • **Guwahati:** 1st Floor, Mishra Complex, Jail Raod, Fancy Bazar, Guwahati-781 001 • **Himmatnagar:** G. F. Shop No. 5-8 & First Floor 4 – 9, Kumar House, Durga Oil Mill Compound, Himmatnagar-383 001 • **Hyderabad:** WBO 1-10-60/3, Ill Floor, Suryodaya, Begumpet, Hyderabad-500 016. • **Jaipur:** HDFC Bank House, 2nd Floor, O-10, Ashok Marg, C-Scheme, Jaipur-302 001 • **Jalandhar:** 1st Floor, 911, GT Road, Nr. Narinder Cinema, Jalandhar-144 001 • **Jalgaon:** 3rd Floor, Sukan Heights, P P NO 324/2, TPS II, Near Central Bus Stand, Jalgaon-425 001 • **Jamnagar:** Abhishek, 3rd Floor, Saru Section Road, Near Savan Appartment, Jamnagar-361 008 • **Jhansi:** Damroo Cinema Complex, Civil Lines, Jhansi-284 003 • **Jodhpur:** Ist Floor, 15, Keshav Comlex, Nimbera House, Paota, Mandore Road, Jodhpur-342 010. • **Kanpur:** 15/46, 1st Floor, Civil Lines, Kanpur-208 001 • **Karad:** Besides Hotel Sangam, Kolhapur Naka, Karad-415 110 • **Kolhapur:** Gemstone, 517/A/2 E Ward New Shahupuri, Nr. Central Bus Stand, Kolhapur-416 001 • **Kolkata:** Abhilasha - II, 6 Royd Street (2nd Floor), Kolkata-700 016 • **Lucknow:** Pranay Towers, 38, Darbari Lal Sharma Marg, Lucknow-226 001 • **Madurai:** Sri Nithyakalyani Towers, No. 34 Krishnarayan Tank Street, North Veli Street, Madurai-625 001 • **Mangalore:** Ideal Towers, 1st Floor, Opp. Sharavu Ganapathi Temple, G T Road, Mangalore-575 001 • **Mehsana:** Prabhu Complex, Nr. Rajkamal Petrol Pump, Highway Road, Mehsana-384 002 • **Mumbai:** Ground Floor, Maneckji Wadia Building, Nanik Motwani Marg, Near Kala Ghoda, Opp. Mumbai University, Fort, Mumbai-400 001 • **Nadiad:** Shootout Building, College Road, Nadiad-387 001 • **Nagpur:** 2, "Mile Stone", Block No. 303 & 304, Near Lokmat Square, Wardha Road, Maharashtra, Nagpur-440 010 • **Nasik:** 3rd Floor, Archit Centre, Opp Sandeep Hotel, Chandak Circle, Link Road, Near Mahamarg Bus Stand, Nasik-422 002 • **Navsari:** Gr. Flr, Nandani Complex, Station Road, Navsari-396 445 • **Palakkad:** VIII/246, 1st Floor, Chandranagar Jn., Palakkad-678 007 • **Palanpur:** Nr. Cozy Tower, Opp. Joravar Palace, Palanpur-385 001 • **Panjim:** 301, Milroc Lar Menezes, Swami Vivekanand Road, Panjim-403 001 • **Patna:** Plot No. 651 Jamal Rd, Patna-800 002 • **Pune:** Fortune Square 3rd Floor, Deep Bungalow Chowk, Model Colony, Shivajinagar, Pune-411 016 • **Raipur:** Chawla Towers, Near Bottle House, Shankar Nagar, Raipur-492 007 • **Rajkot:** Shivalik - V, 3rd Floor, Gondal Road, Rajkot-360 002 • **Ranchi:** 56 Rohini Complex, Circular Road, Lalpur, Ranchi-834 001 • **Ratnagiri:** Show Room No.3, Mangesh Shanta, Apartment, Near Maruti Mandir, Ratnagiri-Kolhapur Highway, Ratnagiri-415 639 • **Rourkela:** Dewadi Bhavan, Rourkela-769 001 • **Salem:** 5/241-F Rathan Arcade, Five Roads, Meyyanur, Salem-636 004 • **Sangli:** 640, Venkatesh Senate, Sangli Miraj Road, Sangli-416 416 • **Shillong:** Anders Mansion, Police Bazar, Shillong-793 001 • **Shimoga:** WBO, No. 447, Sharavathi Complex, Savarlane Road, Shimoga-577 201 • **Siliguri:** 136/115 Hill Cart Road, Siliguri-734 401 • **Solapur:** 8516/11 Murarji Peth, Sun Plaza Bldg, Lucky Chowk, Solapur-413 007 • **Surat:** 1st Floor, Crossway Mall, Near Ram Chowk, Ghod Dod Road, Surat-395 007 • **Tirupati:** 19-8-180, Krishna Arcade, Beside IBP Petrol Pump, Near Annamaiah Circle, Tirupati-517 501 • **Tirupur:** No-169,Chidambaram Complex, Kumaran Road, Tirupur-641 601 • **Trichur:** Global Centre, MG Road, Trichur-680 004 • **Trichy:** No.11 Pla Kanagu Towers, 11th Cross, Main Road, Thillainagar, Trichy-620 018 • **Trivandrum:** BOB Plaza , Second Floor, T. C. 12/149(3), Pattom, Trivandrum-695 004 • **Udupi:** Panduranga Tower/ Diana Circle, Court Road, Udupi-576 101 • **Valsad:** 1st Floor, Ekta Apt., Tithal Road, Valsad-396 001.



**Motilal Oswal Asset Management Company Limited**  
81/82, 8th Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400 021.  
Tel. No.: 022 -39804120, Toll Free No.: 1800-200-6626  
Email: [mfservice@motilaloswal.com](mailto:mfservice@motilaloswal.com)  
Website: [www.motilaloswal.com/assetmanagement](http://www.motilaloswal.com/assetmanagement) and  
[www.mostshares.com](http://www.mostshares.com)



**Motilal Oswal Asset Management Company Limited**  
**Registered Office:** 81/82, 8<sup>th</sup> Floor, Bajaj Bhavan, Nariman Point, Mumbai-400021

**NOTICE CUM ADDENDUM**

Notice cum Addendum to the Scheme Information Document (SID) and Key Information Memorandum (KIM) of the following Scheme of Motilal Oswal Mutual Fund (the Fund):

The Trustees have approved the change of the short name of the Scheme, Motilal Oswal MOST Shares Midcap 100 ETF (**MOST Shares M100**) to Motilal Oswal MOST Shares Midcap 100 ETF (**MOST Shares Midcap 100**).

Accordingly, all the references to the existing short name, wherever it appears in the SID/KIM of the Scheme shall be replaced with the new name as mentioned above.

This above change is effective from May 25, 2011.

**Note:** This Addendum forms an integral part of the SID and KIM of the said Scheme. All other terms and conditions as mentioned in the SID and KIM shall remain unchanged. Investors are requested to make a note of the above change.

**Place : Mumbai**

**Date: May 20, 2011**

**For Motilal Oswal Asset Management Company Limited**  
**(Investment Manager for Motilal Oswal Mutual Fund)**

Sd/-

**Nitin Rakesh**

**Managing Director & Chief Executive Officer**

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**Scheme Classification & Investment Objective:** Motilal Oswal MOST Shares Midcap 100 ETF (**MOST Shares M100**), an open ended Index Exchange Traded Fund that seeks investment return that corresponds (before fees and expenses) to the performance of CNX Midcap Index (Underlying Index), subject to tracking error. **Load:** Entry Load: Nil Exit Load: Nil. **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 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) The name of the Scheme 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. (7) Please read the Scheme Information Document (SID) & Statement of Additional Information (SAI) carefully before investing. **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.