

MOTILAL OSWAL MUTUAL FUND PRESENTS

MOST SHARES M50

NIFTY 50 REMIXED



India's
First

Motilal Oswal MOST Shares M50 Exchange Traded Fund

An Open Ended Exchange Traded Fund

India's first Fundamentally weighted ETF based on Nifty

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January 2012

MOTILAL OSWAL
Mutual Fund

MOST
Shares

Acts like a fund, Trades like a share

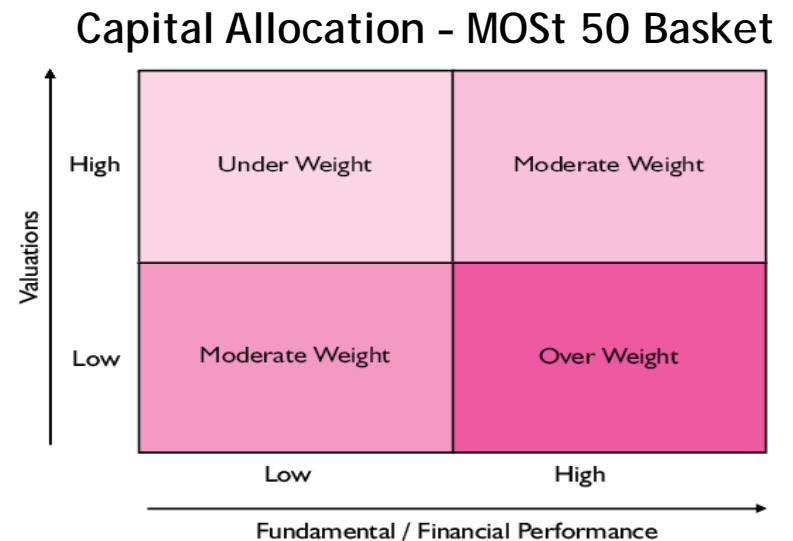
MOST 50 Basket

- India's first and only fundamentally weighted basket based on the S&P CNX NIFTY Index (Nifty 50).
- Aims at combining the benefit of active capital allocation principles with passive execution, thereby eliminating the bias of size & expensiveness in an investment portfolio.
- Capital allocation to all Nifty 50 stocks.
- Capital allocation determined by using MOAMC*'s proprietary pre-defined "4 factor" methodology methodology that assigns weights based on
 - Shareholder funds / networth / shareholder equity
 - Return on equity (RoE)
 - Plowback ratio and
 - Price
- Capital allocation is based on a modified equal weight methodology with four capital allocation levels
 - First category : 2-5 stocks with 6-8% allocation
 - Second category : 3-7 stocks with 4-6% allocation
 - Third category : 9-15 stocks with 2.5-4% allocation
 - Fourth category : remaining of the 50 stocks with remaining capital allocated equally
- Capital allocation rebalanced whenever there is change in Nifty 50 constituents or 12 months from last rebalance, whichever is earlier.
- Total return basket with dividend being re-invested 45 days after the constituent goes ex-dividend.
- Day to day management of the basket components / weights being done by India Index Services & Products Ltd. (IISL - A Joint Venture between Crisil Ltd. & National Stock Exchange of India Ltd.) based on the above pre-defined rules.

*MOAMC : Motilal Oswal Asset Management Company Ltd. For further details, please refer to Scheme Information Document (SID) of the scheme.

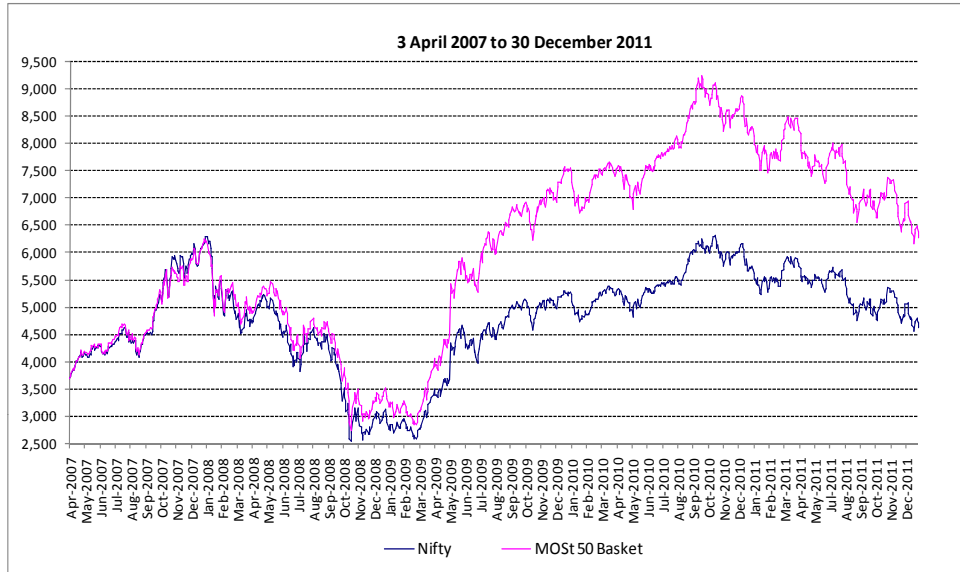
INVESTMENT FEATURES

	Market Cap Index	MOST 50 Basket
Weightage to stocks	Based on stock's Market Capitalization.	Based on stock's fundamentals.
Implication	Higher allocation to stocks with bigger market capitalization irrespective of their underlying fundamentals.	Higher allocation to stocks with better financial performance and reasonable valuation.
	Weight of stock is not reduced even if it becomes expensive or have poor financial performance.	Periodic rebalancing of MOST 50 Basket ensures higher capital remains allocated to stocks with good financial performance and reasonable valuations



- Capital allocation in a Market Cap based index gives primary credence to size of company.
 - Expansion in valuations lead to increasing weightage of a stock in the Index thereby increasing investors exposure to an already expensive stock, when in fact it should be the reverse.
 - Conversely, companies with depressed valuations tend to be underweight, especially at times of extreme pessimism, when in fact it should be the reverse.
- MOST 50 Basket attempts to correct this by
 - Allocating higher capital to stocks with superior fundamentals and reasonable valuations.
 - Allocating lower capital to stocks with inferior fundamentals & valuations

MOST 50 Basket Performance



Source : IISL, MOAMC

	MOST 50 Basket	NIFTY
Value (3 April 2007)	3,691	3,691
Value (30 December 2011)	6,270	4,624
Annualized Returns	11.82%	4.87%
Annualized Standard Deviation	29.37%	29.98%
Beta with market	0.95	
Sharpe Ratio	0.12	(0.12)
Source : IISL, MOAMC, Risk Free Rate assumed at 8.3535 %		

Sectors	25-Mar-11		10-Oct-11	
	NIFTY	MOST 50	NIFTY	MOST 50
Banking & Financial Services	26.34	27.65	27.91	29.13
Oil Production	13.57	1.83	12.80	1.83
Oil Mkt / Dist	1.72	4.26	1.74	7.30
Technology	14.03	2.43	12.75	8.52
Capital equipment	7.67	4.87	9.07	4.87
Power	5.93	17.30	5.86	12.78
FMCG	7.23	1.22	6.95	7.30
Auto	7.17	12.17	6.87	9.39
Metals & Mining	6.60	9.13	6.96	7.91
Pharma	3.58	2.43	3.25	2.43
Telecom	2.84	1.22	3.07	1.22
Cement	2.83	14.87	1.98	6.70
Real Estate	0.52	0.61	0.78	0.61

Over weight Underweight Equal weight (+/- 0.50%)

Source : NSE

Annualized Returns	NIFTY	MOST 50 Basket
1 Year	-24.62%	-28.86%
3 Years	16.04%	23.24%
Since Inception of MOST 50 Basket*	11.81%	4.86%

Data as on December 30, 2011

Disclaimer - *The date of inception of the MOST 50 Basket is April 3, 2007. At the time of inception, the value of MOST 50 Basket is equal to the closing value of Nifty i.e. the Base value of MOST 50 Basket is Rs. 3690.65. Past Performance may or may not be sustained in future. Past performance is no guarantee of future results. Source : IISL and MOAMC

MOST SHARES M50 ETF

- India's first and only fundamentally weighted ETF based on the S&P CNX NIFTY Index (Nifty 50). It seeks investment returns that generally corresponds to the performance of the MOST 50 Basket*.
- Capital allocation of the ETF passively replicates the MOST 50 Basket with no discretion on capital allocation with Fund Manager / AMC.
- Complete transparency with daily portfolio disclosure.
- A mutual fund scheme with benefit of trading at real-time prices.
- Low cost structure (Total expense ratio of 1% against > 2% for other traditional investment products)
- Tax efficient exposure to the Indian Market.
- No Entry or Exit loads.
- Fund Manager: Rajnish Rastogi
 - 15 Years Experience in Fund Management and Equity Research
 - Qualifications - CFA, M. Tech (Mgmt & Systems) and B.Tech from Indian Institute of Technology (I.I.T.)

* Before fees & expenses; Subject to tracking error

MOST SHARES M50 ETF

Top Holdings (%)			
	M50 ETF	MOST 50 Basket	Nifty 50
H D F C	7.59	7.61	6.16
Mahindra & Mahindra	6.43	6.45	2.23
Axis Bank	5.89	5.91	1.49
Ambuja Cements	5.63	5.64	0.83
Hindustan Unilever	4.88	4.89	2.98
State Bank of India	4.86	4.87	2.97
Wipro	4.71	4.72	1.45
ICICI Bank	4.37	4.38	5.61
Sesa Goa	4.19	4.20	0.45
Power Grid Corporation of India	4.06	4.07	1.01
I T C	3.99	4.00	7.70
NTPC	3.80	3.81	1.46
HCL Technologies	3.78	3.78	0.68
GAIL (India)	3.68	3.69	1.23
Reliance Infrastructure	3.44	3.45	0.33
Infrastructure Development Finance	3.11	3.11	0.77
Bharat Heavy Electricals	2.90	2.90	1.34
Bharat Petroleum Corporation	2.82	2.82	0.44
Cairn India	0.76	0.77	0.81
Tata Motors	0.74	0.74	2.22

(As on 30th December 2011)

Scheme Details

Date of Allotment	July 28 2010	
NAV (INR)	61.5442	
Quarterly AAUM (Dec.30th 2011) (Rs. crores)	86.20	
Tracking Error*	0.43% (Annualised)	
Total Expense Ratio [^]	1.00% p.a.	
Standard Deviation	21.94 (Annualised)	
Sharpe Ratio [#]	-1.08 (Annualised)	
Portfolio Turnover Ratio	0.59	
	MOST 50 Basket	Nifty
Beta	1.00	1.03
R - Squared	1.00	0.97

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

Performance

Date	Scheme		Benchmark	
	Nav Per Unit (Rs.)	Motial Oswal MOST Shares M50 ETF Returns (%) [^]	S&P CNX Nifty Returns (%)	MOST 50 Basket Returns (%)
December 31, 2010 to December 30, 2011	61.5442 *	-29.36%	-24.62%	-28.86%

NSE Symbol	M50
Bloomberg Code	MOSTM50
Reuters Code	M50.NS
ISIN Code	INF247L01015

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

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Readers should before investing in the Scheme make their own investigation and seek appropriate professional advice. **Statutory Details:** **Statutory Details:** **Constitution:** Motilal Oswal Mutual Fund has been set up as a trust under the Indian Trust Act, 1882. **Trustee:** Motilal Oswal Trustee Company Ltd. **Investment Manager:** Motilal Oswal Asset Management Company Ltd. **Sponsor:** Motilal Oswal Securities Ltd. **Scheme Classification & Investment Objective:** Motilal Oswal MOST Shares M50 ETF (MOST Shares M50), an open ended Exchange Traded Fund that seeks investment return that corresponds (before fees and expenses) generally to the performance of the MOST 50 Basket (Underlying Basket), subject to tracking error. **Asset Allocation:** Securities constituting MOST 50 Basket: 95%-100%; Debt and Money market instruments and cash at call: 0-5%. The total exposure to Derivatives would be restricted to 10% of the net assets of the Scheme. **Load:** Entry Load: Nil Exit Load: Nil **Terms of Issue:** **On the Exchange:** The units of the Scheme are listed on the Capital Market Segment on National Stock Exchange of India Ltd. (NSE). On NSE, the units of the Scheme can be purchased/sold in round lot of 1 unit and in multiples thereafter. **Directly with the Fund:** The minimum number of units of the Scheme that investors can create/redeem in exchange of portfolio deposit and cash component is 50,000 units and in multiples thereof. The NAV will be calculated and disclosed at the close of every Business Day. **Risk Factors:** (1) All Mutual Funds and securities investments are subject to market risks and there can be no assurance that the Scheme's objectives will be achieved (2) As the price / value / interest rates of the securities in which the Scheme invests fluctuates, the Net Asset Value (NAV) of units issued under the Scheme may go up or down depending upon the factors and forces affecting the securities market (3) Past performance of the Sponsor/AMC/Mutual Fund and its affiliates does not indicate the future performance of the Scheme and may not provide a basis of comparison with other investments (4) Motilal Oswal MOST Shares M50 ETF (MOST Shares M50) is the name of the Scheme and does not in any manner indicate either the quality of the Scheme, its future prospects and returns. Investors are therefore urged to study the terms of offer carefully and consult their Investment Advisor before they invest in the Scheme (5) The Sponsor is not responsible or liable for any loss or shortfall resulting from the operation of the Mutual Fund beyond the initial contribution made by it of an amount of Rs. 1 Lac towards setting up of the Mutual Fund (6) Motilal Oswal Asset Management Company Limited (MOAMC) has no previous experience in managing a Mutual Fund. (7) The present Scheme is not a guaranteed or assured return Scheme. **Scheme Specific Risk Factors:** Investment in the scheme shall be subject to various other risk factors including but not limited to risk associated with investment in Equities such as trading volumes, settlement risk, liquidity risk, default risk, tracking error risk, calculating agent risk, Underlying Basket risk, risk associated with investment in derivatives, risk of fundamentally weighted Basket, risk of total return, etc. **IISL Disclaimer:** The MOST 50 Basket is not sponsored, endorsed, sold or promoted by India Index Services & Products Limited (IISL). MOST 50 Basket has been developed by MOAMC and IISL has calculated and maintained as per the specifications and requirements of MOAMC. 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Thank You