

MOTILAL OSWAL MUTUAL FUND

MOST SHARES M50

An Open Ended Exchange Traded Fund

NIFTY 50 REMIXED

Fact Sheet January 2011

Fund Manager Speak

Dear Investors,

Motilal Oswal MOST Shares M50 ETF (MOST Shares M50) invests in securities in the same proportion as the MOST 50 Basket. The MOST 50 Basket is a fundamentally weighted basket based on S&P CNX Nifty Index (Nifty 50), which invests in all 50 constituents of Nifty 50. It attempts to deliver superior investment performance by trying to allocate more capital to companies which are expected to deliver relatively stronger returns and less capital to companies which are expected to deliver relatively poorer returns.

Macro-economic concerns i.e. high current account deficit, increasing inflation and high fiscal deficit has made global investors withdraw capital in the first month of the year. As a result markets had one of the worst months in the recent past with Nifty dropping 10.25% from 6,135 on 31st Dec 2010 to 5,506 on 31st Jan 2011.

Among the Nifty constituents, there were only two stocks which registered gains, HCL Technologies and Siemens which moved up 7.6% and 4.1% and 16.3% respectively. Among top decliners among the Nifty constituents were DLF, Reliance Capital and J P Associates which declined -23.3%, -21.6% and -21.48% respectively. Although the MOST 50 Basket also was impacted by this weakness in the market, it outperformed Nifty by 51 bps falling by 9.73% from 8,813 to 7,955 during the same period.

The MOST 50 Basket is, currently, overweight 18 companies, with allocation of 67.3% against an allocation of 22.4% by Nifty 50 to these companies. This has contributed to an out-performance of 14 bps. The MOST 50 Basket is underweight on 27 companies, where the allocation is only 29.8% against an allocation of 74.7% by Nifty50. This underweight allocation contributed to an out-performance of 37 bps compared with Nifty. The overweight positions in software, power, metals and capital goods and underweight positions in construction, oil & gas, and telecom services has helped the performance of the MOST 50 Basket. However, its performance has been impacted by its overweight positions in autos, cement, along with its underweight positions in banks & financial services.

The scheme has started lending the securities held by the Scheme wherein it would earn fees for lending securities to borrowers.

With the recent correction, equity valuations have become reasonable. The markets are starting to factor in concerns about inflation, high current account deficit and high fiscal deficit. At the same time, the government has started acting on trying to correct some of the ills from the "Scams" that came to light in the last few months. The resilience shown by the capital markets in light of reasonable foreign institutional investor outflows in the last two months and the government actions on various fronts are expected to contribute towards improving market sentiment in the coming months.

About the Scheme

Scheme Name	Motilal Oswal MOST Shares M50 ETF (MOST Shares M50)
Type of Scheme	An open ended Exchange Traded Fund
Investment Objective	The Scheme seeks investment return that corresponds (before fees and expenses) generally to the Performance of the MOST 50 Basket (Underlying Basket), subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.
Benchmark	MOST 50 Basket and S&P CNX Nifty Index
Continuous Offer	On NSE: Investors can buy/sell units of the Scheme in round lot of 1 unit and in multiples thereof. Directly with the Mutual Fund: Investors can buy/sell units of the Scheme only in creation unit size i.e. 50000 units and in multiples thereof.

Fund Manager

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

Scheme Details

Date of Allotment	July 28, 2010	
NAV	₹ 78.5915	
AUM	212.57 (₹crores)	
Tracking Error*	0.58% (Annualised)	
Total Expense Ratio^	1.00% p.a.	
Standard Deviation	0.06 (per month)	
Sharpe Ratio#	-0.08 (per month)	
Portfolio Turnover Ratio	0.75	
	with MOST 50	with Nifty 50
Beta	1.00	0.95
R-Squared	1.00	0.98

*Against the benchmark MOST 50 Basket. ^Year-to-date. # Risk free returns based on 365-days T-bill cut-off of 7.594%, as on the last auction. (Data as on 31st Jan. 2011)

Performance

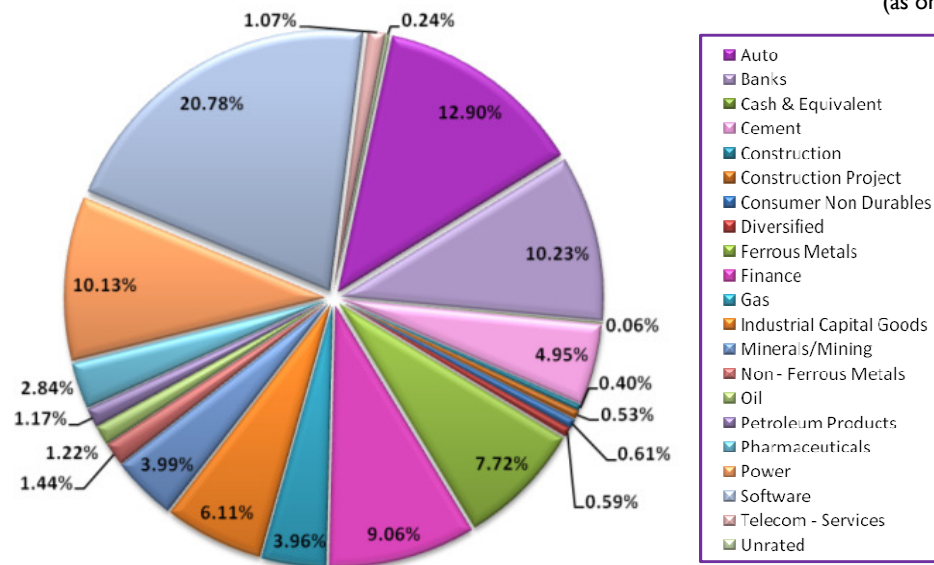
	Benchmark		Scheme
	MOST 50 Basket	NIFTY*	M50^
6 month	2.37%	2.58%	1.35%
Since Inception	1.95%	2.01%	0.72%

(as on 31st January, 2011) Note: Returns shown above are absolute returns. Past performance may or may not be sustained in future. *S&P CNX Nifty Index ^MOST Shares M50

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

Industry Allocation

(as on 31st Jan. 2011)



Portfolio Holdings

(as on 31st Jan. 2011)

Equity	Weightage in M50	Weightage in Nifty50	Equity	Weightage in M50	Weightage in Nifty50	Equity	Weightage in M50	Weightage in Nifty50
ACC	0.67%	0.61%	ICICI Bank	3.68%	7.17%	Reliance Infrastructure	0.44%	0.60%
Ambuja Cements	0.60%	0.63%	Infosys Technologies	7.81%	9.16%	Reliance Power	0.56%	0.45%
Axis Bank	0.54%	1.94%	IDFC	0.49%	0.95%	Sesa Goa	3.99%	0.76%
Bajaj Auto	3.40%	1.03%	ITC	0.61%	5.24%	Siemens	0.69%	0.79%
Bharat Heavy Electricals	4.79%	2.14%	Jaiprakash Associates	3.68%	0.58%	State Bank of India	4.36%	4.15%
Bharat Petroleum Corp.	0.55%	0.48%	Jindal Steel & Power	0.63%	1.57%	Steel Authority of India	3.15%	0.57%
Bharti Airtel	0.58%	2.37%	Kotak Mahindra Bank	0.54%	0.82%	Sterlite Industries (India)	0.66%	1.59%
Cairn India	0.66%	0.86%	Larsen & Toubro	0.53%	5.33%	Sun Pharmaceuticals Industries	0.73%	1.01%
Cipla	0.69%	1.03%	Mahindra & Mahindra	4.14%	1.92%	Suzlon Energy	0.63%	0.22%
DLF	0.40%	0.49%	Maruti Suzuki India	0.58%	1.01%	Tata Consultancy Services	0.84%	3.59%
Dr. Reddy's Labs.	0.76%	1.24%	NTPC	0.58%	1.47%	Tata Motors	4.19%	2.36%
GAIL (India)	3.96%	1.29%	Oil & Natural Gas Corpn	0.56%	2.42%	Tata Power Co.	4.91%	1.23%
HCL Technologies	4.68%	0.71%	Power Grid Corporation of India	3.64%	0.83%	Tata Steel	3.94%	2.38%
HDFC Bank	0.54%	4.43%	Punjab National Bank	0.57%	0.90%	Wipro	7.45%	1.35%
Hero Honda Motors	0.59%	0.95%	Ranbaxy Laboratories	0.66%	0.51%			
Hindalco Industries	0.78%	1.82%	Reliance Capital	5.13%	0.36%	Fixed Deposits	0.24%	
Hindustan Unilever	0.59%	1.73%	Reliance Communications	0.49%	0.50%	Cash & Cash Equivalents	0.06%	
HDFC	3.44%	4.97%	Reliance Industries	0.62%	9.49%	Grand Total	100.00%	100.00%

Risk Disclosure and Disclaimer

Statutory Details: Constitution: Motilal Oswal Mutual Fund has been set up as a trust under the Indian Trust Act, 1882. **Trustee:** Motilal Oswal Trustee Company Ltd. **Investment Manager:** Motilal Oswal Asset Management Company Ltd. **Sponsor:** Motilal Oswal Securities Ltd.

Risk Factors: (1) All Mutual Funds and securities investments are subject to market risks and there can be no assurance that the Scheme's objectives will be achieved (2) As the price / value / interest rates of the securities in which the Scheme invests fluctuates, the Net Asset Value (NAV) of units issued under the Scheme may go up or down depending upon the factors and forces affecting the securities market (3) Past performance of the Sponsor/ AMC/ Mutual Fund and its affiliates does not indicate the future performance of the Scheme and may not provide a basis of comparison with other investments (4) Motilal Oswal MOST Shares M50 ETF (MOST Shares M50) 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 ₹ 1 Lac towards setting up of the Mutual Fund. (6) The present scheme is not a guaranteed or assured return scheme. Please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully before investing.

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