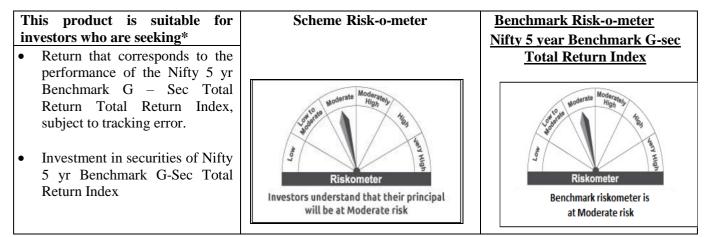


SCHEME INFORMATION DOCUMENT SECTION I

Motilal Oswal Nifty 5 YR Benchmark G Sec ETF

(An open ended Scheme replicating/tracking Nifty 5 yr Benchmark G-Sec Total Return Index) (A-III A Relatively Low Interest Rate Risk and Relatively Low Credit Risk) (Scheme code: - MOTO/O/O/EET/20/07/0022) (Scrip Code (NSE Symbol: MOGSEC and BSE Code: 543250)



*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

Max Credit Risk of	Relatively Low (Class A:	Moderate	Relatively High
scheme→ Max Interest	CRV >=12)	(Class B : CRV	(Class C: CRV
Rate Risk of the scheme \downarrow		>=10)	<10)
Relatively Low Class I:			
(MD<=1 year)			
Moderate Class II: (MD<=3			
years)			
Relatively High Class III:	A-III		
Any Macaulay duration			

Potential Risk Class

Continuous Offer of Units at NAV based prices

Name of Mutual Fund	Motilal Oswal Mutual Fund (MOMF)	
Name Asset Management Company	Motilal Oswal Asset Management Company Limited	
(AMC)	(MOAMC)	
Name Trustee Company	Motilal Oswal Trustee Company Limited (MOTC)	
Address	Registered Office:	
	10th Floor, Motilal Oswal Tower, Rahimtullah Sayani	
	Road, Opp. Parel ST Depot, Prabhadevi, Mumbai-	
	400025	
Website	https://www.motilaloswalmf.com/	

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date and circulars issued thereunder 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.

The Scheme Information Document 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 Scheme Information Document 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 (MOMF), Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on www.motilaloswalmf.com.

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

The Scheme Information Document (Section I and II) should be read in conjunction with the SAI and not in isolation.

This SID is dated June 26, 2024.

TABLE OF CONTENTS	PAGE NO
SECTION I	
I. HIGHLIGHTS / SUMMARY OF THE SCHEME	4
DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY	9
II. INFORMATION ABOUT THE SCHEME	
A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS	10
B. WHERE WILL THE SCHEME INVEST	11
C. WHAT ARE THE INVESTMENT STRATEGIES	12
D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE	13
E. WHO MANAGES THE SCHEME	13
F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE	15
MUTUAL FUND	
G. HOW HAS THE SCHEME PERFORMED	15
H. ADDITIONAL SCHEME RELATED DISCLOSURES	15
III. Units and Offer	
A. COMPUTATION OF NAV	16
B. NEW FUND OFFER (NFO) EXPENSES	17
C. ANNUAL SCHEME RECURRING EXPENSES	17
D. LOAD STRUCTURE	20
SECTION II	
I. INTRODUCTION	
A. DEFINITIONS	22
B. RISK FACTORS	22
C. MINIMUM INVESTOR REQUIREMENT	28
D. SPECIAL CONSIDERATION	28
II. INFORMATION ABOUT THE SCHEME	
A. WHERE WILL THE SCHEME INVEST	39
B. WHAT ARE THE INVESTMENT RESTRICTIONS	40
C. FUNDAMENTAL ATTRIBUTES	42
D. INDEX METHODOLOGY	43
E. OTHER SCHEME SPECIFIC DISCLOSURES	44
III. OTHER DETAILS	
A. PERIODIC DISCLOSURES	55
B. TRANSPARENCY/ NAV DISCLOSURES	57
C. TRANSACTION CHARGES AND STAMP DUTY	58
D. ASSOCIATE TRANSACTIONS	58
E. TAXATION	59
F. RIGHTS OF UNITHOLDERS	59
G. LIST OF OFFICAL POINTS OF ACCEPTANCE	59
I. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF	60
INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE	~ ~
BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY	
REGULATORY AUTHORITY	

Part I HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	Title	Description	
I.	Name of the scheme	Motilal Oswal Nifty 5 YR Benchmark G Sec ETF	
II.	Category of the Scheme	Exchange Traded Fund	
III.	Scheme type	An open ended scheme replicating/tracking Nifty 5 yr Benchmark G- Sec Total Return Index (A relatively high interest rate risk and relatively Low credit risk.)	
IV.	Scheme code	MOTO/O/O/EET/20/07/0022	
V.	Investment objective	The Scheme seeks investment return that corresponds total returns of the securities as represented by the Nifty 5 yr Benchmark G-Sec Total Return Index, subject to tracking error.	
		However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	
VI.	Liquidity/listing details	On the Exchange The units of the Scheme can be bought / sold on all trading days on the National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) where the Scheme are listed.	
		The AMC/Trustee reserves the right to list the units of the Scheme on any other recognized stock exchange as and when the AMC/Trustee consider it necessary in the interest of the Unitholders of the Scheme.	
		The price of the Units in the secondary market on the Stock Exchange(s) will depend on demand and supply at that point of time. The AMC will appoint Authorized Participant(s) to provide liquidity in secondary market on an ongoing basis.	
		Directly with the Mutual Fund	
		For Eligible investors*: Direct transaction pertaining to subscription / redemption shall be facilitated by AMC for investors only for transactions greater than INR 25 Cr. (termed as eligible investors). Any order placed for redemption or subscription directly with the AMC must be execution value of greater than INR 25 Cr.	
		For Market makers: The number of units of the Scheme that Market Makers/authorized participant can subscribe is 25,000 units and in multiples thereafter.	
		Dematerialization : The Units of the Scheme are available only in dematerialized (electronic)	

		form. Investors intending to invest in Units of the Scheme will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units during NFO and in ongoing offer directly from the fund in Creation Unit Size. In case the demat details are not mentioned in the application or the mentioned details are incorrect / incomplete/illegible/ambiguous, such applications will be rejected. The Units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form. *the provisions relating to Eligible investors will not be applicable for the below mentioned investors till October 31, 2024– a. Schemes managed by Employee Provident Fund Organisation, India b. Recognized Provident Funds, approved gratuity funds and approved superannuation funds under Income tax act, 1961.
VII.	Benchmark (Total Return Index)	Benchmark G-sec Total Return Index. As the Scheme is an ETF Scheme and would invest in securities constituting Index, the said index is an appropriate benchmark for the Scheme.
		Total Return variant of the index (TRI) will be used for performance comparison.
VIII.	NAV disclosure	The NAV will be calculated on all business days and shall be disclosed in the manner specified by SEBI. The AMC shall update the NAVs on its website <u>www.motilaloswalmf.com</u> and also on AMFI website <u>www.amfiindia.com</u> before 11.00 p.m. on every business day. If the NAVs are not available before 11.00 p.m. on any business day, the reason for delay in uploading NAV would be explained to AMFI in writing. If the NAVs are not available before 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 NAVs. The reason for delay in uploading NAV would be explained to AMFI in writing. Further, AMC will extend facility of sending latest available NAVs to
L		Further Details in Section II.
IX.	Applicable timelines	On the Exchange: As the Scheme is listed on the exchange, the investor can sell units on an ongoing basis on the NSE at the traded prices. The units are redeemed in round lots of 1 unit. Directly with the Mutual Fund: All direct redemption transaction by MMs / APs and other eligible investors shall be at intra-day NAV based on the actual execution price of the underlying portfolio. The number of units of the Scheme that authorized participant can redeem is 2,00,000 units and in multiples thereafter.

	·	
		For Other eligible investors*: Direct transaction pertaining to redemption shall be facilitated by MOAMC for investors only for transactions greater than INR 25 Cr. (termed as other eligible investors). The aforesaid threshold shall not be applicable for MMs and shall be periodically reviewed. All direct transaction by Market Makers and other eligible investors shall be at intra-day NAV based on the actual execution price of the underlying portfolio. The following provision of relevant circulars shall not be applicable:
		The requirement of "cut-off" timing for NAV applicability as prescribed by SEBI from time to time shall not be applicable for direct transaction with AMCs in ETFs by Market Makers and other eligible investors.
		In case of the above scenarios, applications received from investors for redemption upto 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day.
		Any person transacting with the fund will have to reimburse transaction charges -brokerage, STT, demat charges etc, if any.
		*the provisions relating to Eligible investors will not be applicable for the below mentioned investors till October 31, 2024– a. Schemes managed by Employee Provident Fund Organisation, India b. Recognized Provident Funds, approved gratuity funds and approved superannuation funds under Income tax act, 1961
X.	Plans and Options	The Scheme does not offer any Plans/Options for investment.
	Plans/Options and	
	sub	
	options under the Scheme	
XI.	Load Structure	Entry & Exit Load: Nil
XII.	Minimum Application Amount/switch in	On Exchange : Investors can buy/sell units of the Scheme in round lot of 1 unit and in multiples thereof.
		Directly with the Mutual Fund For Eligible investors*:
		Direct transaction pertaining to subscription / redemption shall be facilitated by AMC for investors only for transactions greater than INR 25 Cr. (termed as other eligible investors). Any order placed for redemption or subscription directly with the AMC must be execution value of greater than INR 25 Cr.
		For Market makers: The number of units of the Scheme that Market Makers/authorized participant can subscribe is 2,00,000 units and in multiples thereafter.
		*the provisions relating to Eligible investors will not be applicable for the below mentioned investors till October 31, 2024 – a. Schemes managed by Employee Provident Fund Organisation, India

		b. Recognized Provident Funds, approved gratuity funds and approved	
		superannuation funds under Income tax act, 1961.	
		superainfution rands ander meonie tait act, 1901.	
XIX.	Stock lending/short	The scheme shall not engage in Stock Lending/Short Selling	
ліл.	selling	The scheme shan not engage in Stock Lending/Short Sening	
XX.	How to Apply and other details	T This section must be read in conjunction with Statement of Addition Information Fund (herewith referred as "SAI"). Investors shou mandatorily use the Application Forms, Transactions Request include in the KIM and other standard forms available at the Investor Servic Centers/ www.motilaloswalmf.com, for any financial/non-financi transactions. Any transactions received in any non-standard forms a liable to be rejected.	
		Please refer to the SAI and Application form for the instructions	
		Please refer Details in Section II.	
XXII	Investor services	For General Service request and Complaint Resolution	
•		Mr. Juzer Dalal Motilal Oswal Asset Management Company Limited 10 th Floor, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai – 400025 Tel No.: +91 8108622222 and +91 22 40548002 Fax No.: 02230896884 Email.: <u>amc@motilaloswal.com</u>	
		Investors are advised to contact any of the Designated Collection Center / Investor Service Center or the AMC by calling the toll free no. of the AMC at +91 8108622222	
		1 22 40548002.	
		vestors can also visit our website <u>www.motilaloswalmf.com</u> for complete details.	
		 Investor may also approach the Compliance Officer / CEO of the AMC. The details including, inter-alia, name & address of Compliance Officer & CEO, their e-mail addresses and telephone numbers are displayed at each offices of the AMC. For any grievances with respect to transactions through stock exchange mechanism, Unit Holders must approach either their stock broker or the investor grievance cell of the respective stock exchange or their distributor.: 	
XXI V	Special product/facility available during the NFO and on ongoing basis	e Scheme does not offer any special products.	

XXV.	Weblink	https://www.motilaloswalmf.com/download/factsheets	
		https://www.motilaloswalmf.com/total-expense-ratio	

DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

- (i) The Scheme Information Document submitted 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 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.
- (v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct
- (vi) A confirmation that the AMC has complied with the compliance checklist applicable for Scheme Information Documents and other than cited deviations/ that there are no deviations from the regulations
- (vii) 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.
- (viii) The Trustees have ensured that the Motilal Oswal Nifty 5 YR Benchmark G Sec ETF approved by them is a new product offered by Motilal Oswal Mutual Fund and is not a minor modification of any existing scheme/fund/product.

Place: Mumbai Date: June 26, 2024 For Motilal Oswal Asset Management Company Limited (Investment Manager for Motilal Oswal Mutual Fund)

Sd/-

Aparna Karmase Head- Compliance, Legal and Secretarial

PART II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS

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

Instruments	Indicative Allocations (% of total assets)	
	Minimum	Maximum
Securities constituting Nifty 5 yr Benchmark G- Sec Total Return Index	95	100
Money Market instruments, units of liquid scheme or Motilal Oswal Liquid Fund including TREPS	0	5

The cumulative gross exposure through underlying Index, Money Market instruments and units of liquid scheme or Motilal Oswal Liquid Fund including TREPS shall not exceed 100% of the net assets of the scheme or guidelines as may be specified by SEBI from time to time

The Scheme, will hold all the securities that comprise of underline Index in the same proportion as the index. Expectation is that, over a period of time, the tracking error of the Scheme relative to the performance of the Underlying Index will be relatively low.

The Investment Manager would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible. There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Underlying Index.

Pending deployment of funds as per investment objective may be parked in short term deposits of scheduled commercial banks, subject to guidelines and limits specified by SEBI.

Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)

Sl. no	Type of Instrument	Percentage of exposure	Circular references*
1.	Securities Lending/ Stock Lending	Not Applicable	N.A.
2.	Equity Derivatives for non- hedging purposes	Not Applicable	N.A.
3.	Securitised Debt.	Not Applicable	N.A.
4	repo in corporate debt and corporate reverse repo.	Not Applicable	N.A.

SID of Motilal Oswal Nifty 5 YR Benchmark G Sec ETF

5	unrated debt instrument.	Not Applicable	N.A.
6	Credit Default Swaps (CDS).	Not Applicable	N.A.
0	Credit Default Swaps (CDS).		IN.A.
7	debtinstrumentshavingStructuredObligationsCredit Enhancements	Not Applicable	N.A.
8		n securities covered under clause 12.2 R / 2023/74 dated May 19, 2023	of SEBI Master Circular No. SEBI

Change in Asset Allocation

Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. In the event that the asset allocation of the Scheme should deviate from the ranges as noted in the asset allocation table above, then the portfolio of the Scheme will be rebalanced by the Fund Manager to the position indicated in the asset allocation table above. Such changes in the asset allocation will be for short term and defensive considerations. In case of deviation, if any, from the asset allocation pattern, the AMC shall rebalance the portfolio within a period of 7 calendar days. Where the portfolio is not rebalanced within 7 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action.

Portfolio rebalancing:

In case of change in constituents of the index due to periodic review, the portfolio of ETF shall be rebalanced within 7 calendar days. Any transactions undertaken in the scheme portfolio of ETF in order to meet the redemption and subscription obligations shall be done while ensuring that post such transactions replication of the portfolio with the index is maintained at all points of time.

B. WHERE WILL THE SCHEME INVEST

The Scheme would invest in securities comprising the Nifty 5 yr Benchmark G-Sec Total Return Index in the same proportion (weightage) as in the Index and track the benchmark index. The Scheme may also invest in money market instruments, in compliance with Regulations to meet liquidity requirements.

Money Market instruments includes Commercial Paper, Commercial Bills, Treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, Certificate of deposit, Bills Rediscounting, Repos, Triparty Repo, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time.

A brief narration of Money Market Instruments are as under:

1. Certificate of Deposits (CDs) is a negotiable money market instrument issued by scheduled commercial banks and select all- India Financial Institutions that have been permitted by the RBI to raise short term resources.

- 2. Commercial Paper (CPs) is an unsecured negotiable money market instrument issued in the form of promissory note, generally issued by the corporates, primary dealers and all India Financial Institutions as an alternative source of short term borrowings. They are issued at a discount to the face value as may be determined by the issuer. CP is traded in secondary market and can be freely bought and sold before maturity.
- 3. Treasury Bills (T-Bills) are issued by the Government of India to meet their short term borrowing requirements. T-Bills are issued for maturities of 91 days, and 364 days. T-bills are issued at a discount to their face value and redeemed at par.
- 4. Tri-party Repo.
- 5. Securities created and issued by the Central Governments as may be permitted by RBI, securities guaranteed by the Central Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). Central Government Securities are sovereign debt obligations of the Government of India with zero-risk of default and issued on its behalf by RBI. They form part of Government's annual borrowing programme and are used to fund the fiscal deficit along with other short term and long term requirements. Such securities could be fixed rate, fixed interest rate with put/call option, zero coupon bond, floating rate bonds, capital indexed bonds, Fixed Interest security with staggered maturity payment etc.
 - 6. Repo (Repurchase Agreement) or Reverse Repo is a transaction in which two parties agree to sell and purchase the same security with an agreement to purchase or sell the same security at a mutually decided future date and price. The transaction results in collateralized borrowing or lending of funds. When the seller sells the security with an agreement to repurchase it, it is Repo transaction whereas from the perspective of buyer who buys the security with an agreement to sell it at a later date, it is reverse repo transaction. The scheme can participate in Repo/Reverse Repo in G-Secs and T-Bills.

The Scheme, being a G- Sec Scheme replicating a Constant Maturity index, may invest in securities with residual maturity within +/- 10% of maturity range of the index.

For detailed information kindly refer Section II.

C. WHAT ARE THE INVESTMENT STRATEGIES

The Scheme employs an investment approach designed to track the performance of Nifty 5 yr Benchmark G- Sec Index. The Scheme seeks to achieve this goal by investing in securities constituting the Nifty 5 yr Benchmark G- Sec 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 money market instruments to meet the liquidity and expense requirements. The Scheme may also take exposure in other G- Sec 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 and accordingly the portfolio of the scheme will be rebalanced within a period of 7 calendar days.

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.

Tracking Error

Tracking error is defined as the annualized standard deviation of the difference between the daily returns of the Underlying Index and the NAV of the Scheme based on past one year rolling data shall not exceed 2%. Theoretically, the corpus of the Scheme has to be fully invested in the securities comprising the Underlying Index in the same proportion of weightage as the securities have in the Underlying Index. However, it is not possible to invest as per the objective due to reason that the Scheme has to incur expenses, corporate actions pertaining to the Basket 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 Basket. 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 subscriptions, redemption, etc.
- 3. Corporate actions
- 4. The Scheme has to invest in the securities in whole numbers and has to round off the quantity of securities shares.
- 5. Changes in the constituents of the underling Basket. Whenever there are any changes, the Scheme has to reallocate its investment as per the revised Basket but market conditions may not offer an opportunity to rebalance its portfolio to match the Basket and such delay may affect the NAV of the Scheme.
- 6. Lack of Liquidity

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 shall not exceed by 2%.

In case of unavoidable circumstances in the nature of force majeure, which are beyond the control of the AMC, the tracking error may exceed 2% and the same will be intimated to the Trustees with corrective actions taken by the AMC, if any.

Tracking Difference:

Tracking difference i.e. the annualized difference of daily returns between the index or goods and the NAV of the ETF will be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

The performance of the Scheme will be benchmarked to Nifty 5 yr Benchmark G-sec Total Return Index. As the Scheme is an ETF Scheme and would invest in securities constituting Index, the said index is an appropriate benchmark for the Scheme.

Total Return variant of the index (TRI) will be used for performance comparison.

E. WHO MANAGES THE SCHEME?

Name and Designation of the fund manager	Age and Qualification	Other schemes managed by the fund manager	Experience
Mr. Rakesh Shetty	Age: 43 years	Fund Manager –	He has more than 15 years of

Fund	Qualification:		overall experience and
Manager –	B Bachelors of	Motilal Oswal Liquid Fund, Motilal	expertise
Debt	Commerce	Oswal Ultra Short Term Fund,	in trading in equity, debt
Component	(B. Com)	Motilal Oswal Gold and Silver ETFs	segment, Exchange Trade
Component	(D. Com)	Fund of Funds, Motilal Oswal Nifty 5	Fund's
Fund			
		year benchmark G-Sec ETF, Motilal	management, Corporate
Manager		Oswal 5 Year G-Sec Fund of Fund.	Treasury and Banking. Prior to
Managing			joining Motilal Oswal Asset
Since		Fund Manager – Debt Component:	Management Company
November		Motilal Oswal Large and Midcap	Limited, he has worked
22, 2020		Fund, Motilal Oswal Midcap Fund,	with Company engaged in
		Motilal Oswal Focused Fund,	Capital Market Business
		Motilal Oswal ELSS Tax Saver Fund,	wherein he was
		Motilal Oswal Balanced Advantage	in charge of equity and debt
		Fund, Motilal Oswal Multi Asset	ETFs, customized indices and
		Fund, Motilal Oswal Flexi Cap Fund,	has also
		Motilal Oswal Small Cap Fund,	been part of product
		Motilal Oswal Large Cap	development
		Fund, Motilal Oswal S&P 500 Index	<u> </u>
		Fund,,Motilal Oswal Asset Allocation	
		Fund of Fund- Aggressive, Motilal	
		Oswal Asset Allocation Fund of Fund-	
		Conservative, Motilal Oswal Nasdaq	
		100 Fund of Fund, Motilal Oswal	
		Nasdaq Q50 ETF, Motilal Oswal Nifty	
		200 Momentum 30 Index Fund,	
		Motilal Oswal Nifty 200 Momentum	
		30 ETF, Motilal Oswal S&P BSE Low	
		Volatility ETF, Motilal Oswal S&P	
		BSE Low Volatility Index Fund,	
		Motilal Oswal S&P BSE Healthcare	
		ETF, Motilal Oswal S&P BSE	
		Financials ex Bank 30 Index Fund,	
		· · · · · · · · · · · · · · · · · · ·	
		Motilal Oswal S&P BSE Enhanced	
		Value Index Fund, Motilal Oswal	
		S&P BSE Enhanced Value ETF,	
		Motilal Oswal S&P BSE Quality	
		Index Fund, Motilal Oswal S&P BSE	
		Quality ETF, Motilal Oswal	
		Developed Market Ex US ETFs Fund	
		of Funds, Motilal Oswal Nifty 500	
		ETF, Motilal Oswal Nifty Realty ETF,	
		Motilal Oswal Nifty Smallcap 250	
		ETF, Motilal Oswal Multicap Fund,	
		Motilal Oswal Nifty India Defence	
		Index Fund	

F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?

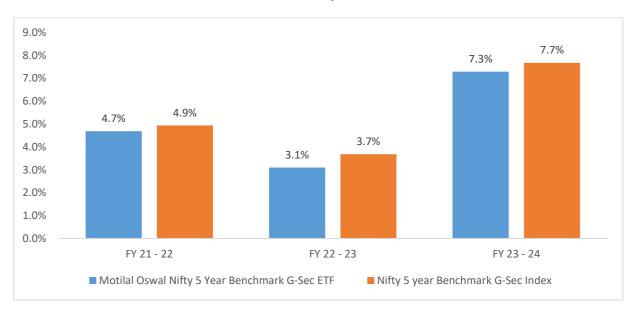
For detailed comparative table please refer the link <u>https://www.motilaloswalmf.com/download/sid-related-documents</u>

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.

G. HOW HAS THE SCHEME PERFORMED

Compounded Annualised		
Returns	Scheme Returns (%)	Benchmark Returns (%)
Returns for the last 1 year	6.31%	6.75%
Returns for the last 3 year	4.75%	5.16%
Returns Since inception	4.50%	4.87%

The Performance of the Scheme as on May 31, 2024 is as follows:



Absolute Return for the last three (3) financial years

H. ADDITIONAL SCHEME RELATED DISCLOSURES

1. TOP 10 HOLDINGS OF THE SCHEME:

Please find below link to access the Top 10 holdings of the scheme <u>https://www.motilaloswalmf.com/download/factsheets</u>

2. DISCLOSURE OF NAME AND EXPOSURE TO TOP 7 ISSUERS, STOCKS, GROUPS AND SECTORS AS A PERCENTAGE OF NAV OF THE SCHEME

Please find below link to access above mentioned details of the scheme <u>https://www.motilaloswalmf.com/download/factsheets</u>

3. PORTFOLIO TURNOVER RATE:

The Portfolio Turnover Ratio of the Scheme, Motilal Oswal Nifty 5 year Benchmark G-Sec ETF as on May 31, 2024 is <u>3.46</u>

4. FUNCTIONAL WEBSITE LINK FOR PORTFOLIO DISCLOSURE:

Please find below link to access the portfolio disclosure of the scheme <u>https://www.motilaloswalmf.com/download/month-end-portfolio</u>

5. AGGREGATE INVESTMENT IN THE SCHEME BY CONCERNED FUND MANAGER:

Sr. No.	Category of Persons	Net Value		Market Value (in Rs.)
	Concerned scheme's Fund Manager(s)	Units	NAV per unit	
1.			Nil	

6. INVESTMENTS OF AMC IN THE SCHEME -

In accordance with Regulation 28(4) of SEBI (Mutual Funds) (Amendment) Regulations, 2014 the Sponsor or AMC has invested a portion of its assets into the Scheme as seed capital to the extent mandated and such seed capital will not be redeemed or withdrawn by the AMC until the winding up of the Scheme.

In addition to investments as mandated under Regulation 28(4) of the Regulations as mentioned above, the AMC may invest in the Scheme during the continuous offer period subject to the SEBI (MF) Regulations. The AMC shall not charge investment management fees on investment by the AMC in the Scheme.

For the details pertaining to the said investment visit <u>https://www.motilaloswalmf.com/download/regulatory-updates</u>

PART III- OTHER DETAILS

A. 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:

NAV (Rs.) = Market or Fair Value of Scheme's investments + Receivables + Accrued Income + Other Assets - Accrued Expenses- Payables- Other Liabilities

No. of Units outstanding under Scheme on the Valuation Day

The NAV will be calculated up to four decimals.

The NAV shall be calculated and announced on each working day.

Hence, for the purposes of valuation and calculating NAV of the Scheme for a particular day, the last available prices of securities on principal stock exchange shall be considered (which would be the previous day's closing prices). This will enable the disclosure of the NAV of the Scheme before the deadline as provided by SEBI guidelines.

ILLUSTRATION OF NAV:

If the net assets of the Scheme, after considering applicable expenses, are Rs.10,45,34345.34 and units outstanding are 10,00,0000, then the NAV per unit will be computed as follows:

10,45,34,345.34 / 10,00,000 = Rs. 10.4534 per unit (rounded off to four decimals)

Repurchase/ Resale is at Net Asset Value (NAV) related prices with repurchase/ resale loads as applicable (within limits) as specified under SEBI Regulations 1996, While determining the price of the units, the fund will ensure that the repurchase price is not lower than 95 per cent of the Net Asset Value.

B. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees, marketing and advertising, registrar expenses, printing and stationary, bank charges etc. The NFO expenses were borne by the AMC.

C. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the Scheme. These expenses include but are not limited to Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer agents' fees & expenses, marketing and selling costs etc.

The AMC has estimated that upto 1.00% of the daily net assets of the scheme will be charged to the scheme as expenses as permitted under Regulation 52 of SEBI (MF) Regulations. For the actual current expenses being charged, the investor should refer to the website of the Fund. For more details, also refer to the notes below the table.

Particulars	% p.a. of daily Net Assets
Investment Management and Advisory Fees	Unter 1.000/
Trustee fee	Upto 1.00%
Audit fees	

SID of Motilal Oswal Nifty 5 YR Benchmark G Sec ETF

Custodian fees	
Registrar & Transfer Agent Fees	
Marketing & Selling expense including agents' commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost toward investor and Education fund	
Brokerage and transaction cost pertaining to distribution of unit	
Cost of providing account statements and IDCW/ redemption cheques	
and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 1bps)**	
Incentives paid to Market Makers, if any [^]	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash	
and derivative market trades respectively	
Goods and Service Tax (GST) on expenses other than investment	
management and advisory fees	
GST on brokerage and transaction cost	
Other Expenses*	
Maximum total expense ratio (TER) permissible under Regulation	Upto 1.00%
52 (6) (c)	0000
Additional expenses for gross new inflows from specified cities under	-
Regulation 52 (6A)(b)#	

*Any other expenses which are directly attributable to the Scheme, may be charged with approval of the Trustee within the overall limits as specified in the Regulations except those expenses which are specifically prohibited.

\$ As per clause 10.1.3 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, it has been decided that inflows of amount upto Rs. 2,00,000/- per transaction, by the individual investors shall be considered as inflows from retail investors.

All scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily be paid from the scheme only within the regulatory limits and not from the books of the Asset Management Companies (AMC), its associate, sponsor, trustee or any other entity through any route. Provided that the expenses that are very small in value but high in volume may be paid out of AMC's books. Such expenses can be paid out of AMC's books at actuals or not exceeding 2 bps of respective scheme AUM, whichever is lower

However, the upfront trail commission shall be paid from AMC's books for inflows through SIPs from new investors as per the applicable regulations. The said commission shall be amortized on daily basis to the scheme over the period for which the payment has been made. A complete audit trail of upfronting of trail commissions from the AMC's books and amortization of the same to scheme(s) thereafter shall be made available for inspection. The said commission should be charged to the scheme as 'commissions' and should also account for computing the TER differential between regular and direct plans in each scheme.

^ As per clause 10.1.16 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, it is hereby clarified that with effect from July 1, 2022, incentive to be paid to Market Makers, if any shall be charged to the ETF scheme but within the maximum permissible limit of TER.

Following are the principles of incentive structure:

- MOAMC may decide to pay compensation or remuneration to MMs depending upon various criteria such as volumes, bid-ask spread, inventory maintain by MMs / APs.
- Maintenance by MM of minimum unit creation size of ETF available on both bid and ask side of trades, as may be decided by AMC and MM from time to time.

** As per clause 10.1.16 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, it has been decided that with effect from July 1, 2022, the charges applicable for investor education and awareness initiatives from ETFs shall be 1bps of daily net assets of the scheme.

The expenses towards Investment Management and Advisory Fees under Regulation 52 (2) and the various subheads of recurring expenses mentioned under Regulation 52 (4) of SEBI (MF) Regulations are fungible in nature. Thus, there shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 52 (2) and (4) respectively. Further, the additional expenses under Regulation 52(6A)(c) shall also be incurred towards any of these expense heads.

The purpose of the above table is to assist the investor in understanding the various costs & expenses that the investor in the Scheme will bear directly or indirectly. These estimates have been made in good faith as per the information available to the AMC and the above expenses (including investment management and advisory fees) are subject to inter-se change and may increase/decrease as per actual and/or any change in the Regulations, as amended from time to time.

In addition to expenses under Regulation 52(6) and (6A), AMC may charge GST on investment and advisory fees, expenses other than investment and advisory fees and brokerage and transaction cost as below:

- 1. GST on investment and advisory fees charged to the scheme will be in addition to the maximum limit of TER as prescribed in regulation 52 (6) of the SEBI Regulations.
- 2. GST on expenses other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit of TER as per regulation 52 of the SEBI Regulations.

In accordance with Regulation 52(6A), the following expenses can be charged in addition to the existing total recurring expenses charged under Regulation 52(6):

Brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 % in case of cash market transactions and 0.05 % in case of derivatives transactions;

In accordance with Regulation 52(6A), the following expenses can be charged in addition to the existing total recurring expenses charged under Regulation 52(6):

Brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 % in case of cash market transactions and 0.05 % in case of derivatives transactions;

The Mutual Fund would update the current expense ratios on the website (<u>www.motilaloswalmf.com</u>) atleast three working days prior to the effective date of the change. Investors can refer to "Total Expense Ratio" section on <u>https://www.motilaloswalmf.com/downloads/mutual-fund/totalexpenseratio</u> for Total Expense Ratio (TER) details.

Illustration of Impact of expense ratio on the returns of the Scheme

Particulars	Regular Plan	Direct Plan
Amount Invested at the beginning of the year	N.A	10,000
Net Assets before Expenses		11,500
Expenses other than Distribution Expenses_0.40%		46.00
Distribution Expenses		0
Returns after Expenses at the end of the Year		11,454.00

Please Note:

- The purpose of the above illustration is purely to explain the impact of expense ratio charged to the Scheme and should not be construed as providing any kind of investment advice or guarantee of returns on investments.
- It is assumed that the expenses charged are evenly distributed throughout the year.
- Calculations are based on assumed NAVs, and actual returns on your investment may be more, or less.
- Any tax impact has not been considered in the above example, in view of the individual nature of the tax implications. Each investor is advised to consult his or her own financial advisor.

D. 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 https://www.motilaloswalmf.com/ or may call at toll free no. 91 8108622222 and +91 22 40548002 or your distributor.

Type of Load	Load chargeable (as %age of NAV)		
Entry	Nil In terms of clause 10.1.16 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, 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.

Please Note that:

SID of Motilal Oswal Nifty 5 YR Benchmark G Sec ETF

- 1. Exit load charged to the investors will be credited back to the scheme net of service tax.
- 2. No Load shall be imposed for switching between Options within the Scheme.
- 3. Bonus Units and Units issued on reinvestment of IDCWs shall not be subject to entry and exit load.
- 4. Repurchase/ Resale is at Net Asset Value (NAV) related prices with repurchase/ resale loads as applicable (within limits) as specified under SEBI Regulations 1996, While determining the price of the units, the fund will ensure that the repurchase price is not lower than 95 per cent of the Net Asset Value.
- 5. For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres.

The investor is requested to check the prevailing load structure of the Scheme before investing.

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.

* Liquidity window for Investors of ETFs with AMCs

The redemption of units of the Scheme upto INR 25 Crores, directly with AMC, without any exit load, in case of the following scenarios:

- i. Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or
- ii. No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or
- iii. Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.

In case of the above scenarios, applications received from investors for redemption upto 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day.

The above instances shall be tracked by the AMC on a continuous basis and in case if any of the above mentioned scenario arises, the same shall be disclosed on the website of AMC.

SECTION II

I. INTRODUCTION

A. DEFINITIONS/INTERPRETATION

For detailed description please refer https://www.motilaloswalmf.com/download/sid-related-documents

B. 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.
- The NAV of the Scheme may be affected by change in the general market conditions, factors and forces affecting capital markets in particular, level of interest rates, various market related factors and trading volumes.
- Changes in Government policy in general and changes in tax benefits applicable to mutual funds may impact the returns to Investors in the Scheme.
- Investors in the Scheme are not being offered any guaranteed/indicated returns.

Scheme Specific Risk Factors

The Scheme is subject to the principal risks described below. Some or all of these risks may adversely affect Scheme's NAV, trading price, yield, return and/or its ability to meet its objectives.

• Market Risk

The Scheme's NAV will react to stock market movements. The Investor may lose money over short or long period due to fluctuation in Scheme's NAV in response to factors such as performance of companies whose stock comprises the underlying portfolio, economic and political developments, changes in interest rates, inflation and other monetary factors and movement in prices of underlining investments.

<u>Risk associated with investing in fixed income securities and Money Market Instruments</u>

a. **Credit risk:** Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. will be unable to make timely principal and interest payments on the security). Because of this risk, debentures are sold at a yield spread above those offered on Treasury securities, which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.

- b. **Counterparty risk:** Counterparty refers to the counterparty's inability to honor its commitments (payment, delivery, repayment, etc.) and to risk of default. This risk relates to the quality of the counterparty to which the scheme has exposures. Losses can occur in particular for the settlement/delivery of financial instruments.
- c. **Interest Rate risk:** This risk is associated with movements in interest rate depends on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/depreciate if the interest rates fall/rise. However, if the investments are held on till maturity of the investments, the value of the investments will not be subjected to this risk.
- d. **Reinvestment risk:** This risk arises from uncertainty in the rate at which cash flows from the securities may be reinvested. This is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon prevailing market rates at the time the coupons are received.
- e. Liquidity or Marketability Risk: This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market.
- f. Different types of fixed income securities in which the Scheme would invest carry different levels and types of risk. Accordingly, the Scheme risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, bonds, which are AAA rated, are comparatively less risky than bonds, which are AA rated.
- g. The Net Asset Value (NAV) of the Scheme, to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the Scheme is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.

• Risks associated with investing in Government of India Securities

- a. Market Liquidity risk with fixed rate Government of India Securities even though the Government of India Securities market is more liquid compared to other debt instruments, on certain occasions, there could be difficulties in transacting in the market due to extreme volatility leading to constriction in market volumes. Also, the liquidity of the Scheme may suffer in case the relevant guidelines issued by Reserve Bank of India undergo any adverse changes.
- b. Interest Rate risk associated with Government of India Securities while Government of India Securities generally carry relatively minimal credit risk since they are issued by the Government of India, they do carry price risk depending upon the general level of interest rates prevailing from time to time. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates decline, the prices of fixed income securities increase. The extent of fall or rise in the prices is a function of the coupon rate, days to maturity and the increase or decrease in the level of interest rates. The price-risk is not unique to Government of India Securities. It exists for all fixed income securities. Therefore, their prices tend to be influenced more by movement in interest rates in the financial system than by changes in the government's credit rating. By contrast, in the case of corporate or institutional fixed income Securities, such as bonds or debentures, prices are influenced by their respective credit standing as well as the general level of interest rates.

• Market Trading Risks

a. Absence of Prior Active Market: Although the scheme will be listed on stock exchange, there can be no

assurance that an active secondary market will develop or be maintained.

- b. Lack of Market Liquidity: Trading in the units of the scheme on stock exchange may be halted because of market conditions or for reasons that in view of stock exchange or SEBI, trading in the units of the scheme are not advisable. In addition, trading of the units of the scheme are subject to trading halts caused by extraordinary market volatility and pursuant to stock exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of stock exchange necessary to maintain the listing of the units of the scheme will continue to be met or will remain unchanged.
- c. Units of the scheme may trade at prices other than NAV: The units of the scheme may trade above or below their NAV. The NAV of the scheme will fluctuate with changes in the market value of scheme holdings. The trading prices of the units of the scheme will fluctuate in accordance with changes in their NAV as well as market supply and demand for the units of the scheme. However, given that units of the scheme can be created and redeemed in creation units directly with the fund, it is expected that large discounts or premiums to the NAV of units of the scheme will not sustain due to arbitrage opportunity available.
- d. Regulatory Risk: Any changes in trading regulations by stock exchange or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/discount to NAV.
- e. Right to Limit Redemptions: The Trustee, in the general interest of the unit holders of the scheme 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 depending on the total "Saleable Underlying Stock" available with the fund.
- f. Redemption Risk: Investors may note that even though the Scheme is open-ended Scheme, the Scheme would ordinarily repurchase units in creation unit size. Thus unit holdings less than the creation unit size can only be sold through the secondary market on the exchange.
- g. Asset Class Risk: The returns from the types of securities in which the scheme invest may underperform returns of general securities markets or different asset classes. Different types of securities tend to go through cycles of out-performance and under-performance in comparison of securities markets.
- h. Passive Investments: As the scheme proposes to invest not less than 95% of the net assets in the securities of the benchmark Index, the Scheme will not be actively managed. The Scheme may be affected by a general decline in the Indian markets relating to its Underlying Index. The Scheme invests in the securities included in its underlying index regardless of their investment merit.
- i. The units will be issued only in demat form through depositories. The records of the depository are final with respect to the number of units available to the credit of unit holder. Settlement of trades, repurchase of units by the mutual fund depends up on the confirmations to be received from depository (ies) on which the mutual fund has no control.
- j. Tracking Error Risk: The Fund Manager would not be able to invest the entire corpus exactly in the same proportion as in the underlying index due to certain factors such as the fees and expenses of the respective scheme, corporate actions, cash balance, changes to the underlying index and regulatory policies which may affect AMC's ability to achieve close correlation with the underlying index of the scheme. The scheme's returns may therefore deviate from those of its underlying index. "Tracking Error" is defined as the standard deviation of the difference between daily returns of the underlying index and the NAV of the respective

scheme. Tracking Error may arise due to the following reasons: -

- Expenditure incurred by the fund.
- The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses. The fund may not be invested at all times as it may keep a portion of the funds in cash to meet redemptions or for corporate actions.
- Corporate actions such as debenture or warrant conversion, rights, merger, change in constituents etc.
- Rounding off of quantity of shares in underlying index.
- Disinvestments to meet redemptions, recurring expenses, IDCW payouts etc.
- Execution of large buy / sell orders
- Transaction cost (including taxes and insurance premium) and recurring expenses
- Realisation of Unit holders' funds
- Index provider undertakes a periodical review of the scripts that comprise the underlying index and may either drop or include new securities. In such an event, the fund will try to reallocate its portfolio but the available investment/reinvestment opportunity may not permit absolute mirroring immediately.

It will be the endeavor of the fund manager to keep the tracking error as low as possible. Under normal circumstances, such tracking error is not expected to exceed 2% per annum. However, in case of certain corporate actions 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.

• Concentration Risk:

The scheme may have no diversification within its portfolio. This could have implications on the performance of the scheme. The scheme may be more sensitive to economic, business, political or other changes and this may lead to sizeable fluctuation in the Net Asset Value of the scheme.

Motilal Oswal 5 Year G- Sec ETF Fund will restricts its investments only in the Security of the underlying index (Nifty 5 yr Benchmark G sec Index) which replicates a single security and will therefore be subject to the risks associated with such concentration.

• Right to Limit Redemptions

The Trustee, in the general interest of the unit holders 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 subject to the guidelines/circulars issued by the Regulatory Authorities from time to time.

• Asset Class Risk

The returns from the types of securities in which the Scheme invests may under perform from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of outperformance and under-performance in comparison with the general securities markets.

• Trading through mutual fund trading platforms of BSE and/ or NSE

In respect of transaction in Units of the Scheme through BSE and/ or NSE, allotment and redemption of Units on any Business Day will depend upon the order processing/settlement by BSE and/ or NSE and their respective clearing corporations on which the Mutual Fund has no control.

<u>Risks associated with Segregated portfolio:</u>

The AMC / Trustee shall decide on creation of segregated portfolio of the Scheme in case of a credit event/actual default at issuer level. Accordingly, Investor holding units of segregated portfolio may not able to liquidate their holding till the time recovery of money from the issuer. The Security comprised of segregated portfolio may not realize any value. Further, Listing of units of segregated portfolio in recognized stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

• Risk associated with ETF

1. Market risk:

ETFs are typically designed to track the performance of certain indices, market sectors, or groups of assets such as stocks, bonds, or commodities. ETF managers may use different strategies to achieve this goal, but in general they do not have the discretion to take defensive positions in declining markets. Investors must be prepared to bear the risk of loss and volatility associated with the underlying index/assets.

2. Tracking errors:

Tracking errors refer to the disparity in performance between an ETF and its underlying index/assets. Tracking errors can arise due to factors such as the impact of transaction fees and expenses incurred to the ETF, changes in composition of the underlying index/assets, and the ETF manager's replication strategy.

3. Trading at discount or premium:

An ETF may be traded at a discount or premium to its Net Asset Value (NAV). This price discrepancy is caused by supply and demand factors, and may be particularly likely to emerge during periods of high market volatility and uncertainty.

4. Liquidity risk:

Authorized participants (APs) are Exchange Participants that provide liquidity to facilitate trading in ETFs. Although most ETFs are supported by one or more APs, there is no assurance that active trading will be maintained.

- 5. As the units of the Scheme are 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.
- 6. 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.

- 7. Though the Scheme is listed on the NSE and BSE, 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.
- 8. 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.
- 9. 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.
- 10. 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.
- 11.Investors can directly approach the AMC for redemption of units of ETFs, for transaction of up to INR 25 Cr. without any exit load, in case of the following scenarios:
 - i. Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or
 - ii. No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or
 - iii. Total bid size on the exchange is less than half of creation unit size daily, averaged over a period of 7 consecutive trading days.
- 12. Tracking error may arise due to various reasons like fees and expenses charged to the Scheme, IDCW received, corporate actions, change in the Underlying Index, etc. Tracking error has an impact on the performance of the Scheme. The Scheme's returns may therefore deviate from those of its Underlying Basket. However, the Fund would endeavor to keep the tracking error as low as possible.

Risks associated with investing in TREPS Segments

The mutual fund is a member of securities and TREPS segments of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in TREPS segments are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments. The members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL). The mutual fund is exposed to the extent of its contribution to the default fund of CCIL at any given point in time. In the event that the default waterfall is triggered and the contribution of the mutual

fund is called upon to absorb settlement/default losses of another member by CCIL, the scheme may lose an amount equivalent to its contribution to the default fund allocated to the scheme on a pro-rata basis.

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.

C. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

The Scheme/Plan shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme/Plan(s). In case the Scheme / Plan(s) does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme / Plan(s) shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days' notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

D. SPECIAL CONSIDERATIONS

- 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 and 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. It is the responsibility of any persons in possession of this SID or SAI and any persons wishing to apply for units pursuant to this SID to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction. Any changes in SEBI/Stock Exchange/RBI regulations and other applicable laws/regulations could have an effect on such investments and valuation thereof.

- 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 advice 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.
- Redemptions due to change in the fundamental attributes of the Scheme or due to any other reasons may entail tax consequences. The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise.
- The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that the Scheme is wound up for the reasons and in the manner provided in SAI.

The Mutual Fund may disclose details of the investor's account and transactions there under 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.

- Motilal Oswal Asset Management Company Limited (MOAMC) undertakes the following activities other than that of managing the Schemes of MOMF and has also obtained NOC from SEBI for the same:
 - a. MOAMC is a registered Portfolio Manager under SEBI (Portfolio Managers) Regulations, 1993 bearing registration number INP000000670 dated August 21, 2017.
 - b. MOAMC acts as an Investment Manager to the Schemes of Motilal Oswal Alternative Investment Trust and is registered under SEBI (Alternative Investment Funds) Regulations, 2012 as Category III AIF bearing registration number IN/AIF3/13-14/0044 and IN/AIF3/19-20/0799 respectively.
 - c. MOAMC has incorporated a wholly owned subsidiary in Mauritius which acts as an Investment Manager to the funds based in Mauritius.
 - d. MOAMC has incorporated a wholly owned subsidiary in India which currently undertakes Investment Advisory Services/Portfolio Management Services to offshore clients.

AMC confirms that there is no conflict of interest between the aforesaid activities managed by AMC. In the situations of unavoidable conflicts of interest, the AMC undertakes that it shall satisfy itself that adequate disclosures are made of source of conflict, potential 'material risk or damage' to investor interest and develop parameters for the same.

• Apart from the above-mentioned activities, the AMC may undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, if any of such activities are not in conflict with the activities of the mutual fund subject to receipt of necessary regulatory approvals and approval of Trustees and by ensuring

compliance with provisions of regulation 24(b) (i to viii). Provided further that the asset management company may, itself or through its subsidiaries, undertake portfolio management services and advisory services for other than broad based fund till further directions, as may be specified by the Board, subject to compliance with the following additional conditions:-

- i) it satisfies the Board that key personnel of the asset management company, the system, back office, bank and securities accounts are segregated activity wise and there exist system to prohibit access to inside information of various activities;
- ii) it meets with the capital adequacy requirements, if any, separately for each of such activities and obtain separate approval, if necessary under the relevant regulations.

Explanation: For the purpose of this regulation, the term 'broad based fund' shall mean the fund which has at least twenty investors and no single investor account for more than twenty five percent of corpus of the fund.

- The Trustee, in the general interest of the unit holders 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.
- As the liquidity of the Scheme's investments may sometimes be restricted by trading volumes and settlement periods, the time taken by the Fund for Redemption of Units may be significant in the event of an inordinately large number of Redemption requests. The Trustee has the right to limit redemptions under certain circumstances. Please refer to the section "Right to limit Redemption".
- 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 and rules/guidelines issued thereunder by SEBI and/or RBI and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/Unitholder/ any other person.
- <u>Termination of the scheme(s)</u>

The Trustees reserve the right to terminate the scheme at any time. Regulation 39(2) of the SEBI Regulations provides that any scheme of a mutual fund may be wound up after repaying the amount due to the unitholders:

- (a) On the happening of any event which, in the opinion of the trustees, requires the scheme to be wound up; or
- (b) If seventy-five percent of the unitholders of a scheme pass a resolution that the scheme be wound up; or
- (c) If SEBI so directs in the interest of the unitholders.
- (d) Where a scheme is wound up under the above Regulation, the trustees shall give a notice disclosing the circumstances leading to the winding up of the scheme:
 - (a) to SEBI; and
 - (b) in two daily newspapers having circulation all over India & a vernacular newspaper circulating at the place where the mutual fund is formed.

In case of termination of the scheme, regulation 41 of the SEBI (mutual Funds) Regulations, 1996 shall apply.

• <u>Compliance with Foreign Accounts Tax Compliance Act (FATCA) / Common Reporting Standards</u> (CRS)

The Central Board of Direct Taxes (CBDT) has notified Rules 114F to 114H (pertaining to FATCA-CRS), as part of the Income-tax Rules, 1962, which require Indian financial institutions such as Motilal Oswal Mutual Fund to seek additional personal, tax and beneficial owner information and certain certifications and documentation from its investors/unitholders. Please note that applications for account opening could be liable to be rejected where such FATCA-CRS related information or documentation is not provided. In relevant cases, the Mutual Fund will have to, inter-alia, report account information (e.g. holdings, redemptions or IDCW) to tax authorities / other agencies, as may be required. In this respect, the Mutual Fund would rely on the relevant information provided by its Registrar and would also use its discretion. The onus to provide accurate, adequate and timely information would be that of the investor. In this regard, any change in the information provided should be intimated to the Mutual Fund promptly, i.e., within 30 days by the investors/unitholders.

Investors/Unitholders should consult their own tax advisors regarding the FATCA/CRS requirements with respect to their own situation and investment in the schemes of MOMF.

Disclaimers:

NSE Indices Ltd.

The Product(s) are not sponsored, endorsed, sold or promoted by NSE INDICES LIMITED (formerly known as India Index Services & Products Limited ("IISL")). NSE INDICES LIMITED does not make any representation or warranty, express or implied, to the owners of the Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly or the ability of the Nifty 5 yr Benchmark G – Sec Index to track general stock market performance in India. The relationship of NSE INDICES LIMITED to the Issuer is only in respect of the licensing of the Indices and certain trademarks and trade names associated with such Indices which is determined, composed and calculated by NSE INDICES LIMITED without regard to the Issuer or the Product(s). NSE INDICES LIMITED does not have any obligation to take the needs of the Issuer or the owners of the Product(s) into consideration in determining, composing or calculating the Nifty 5 yr Benchmark G – Sec Index. NSE INDICES LIMITED is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation by which the Product(s) is to be converted into cash. NSE INDICES LIMITED has no obligation or liability in connection with the administration, marketing or trading of the Product(s).

NSE INDICES LIMITED do not guarantee the accuracy and/or the completeness of the Nifty 5 yr Benchmark G – Sec Index or any data included therein and NSE INDICES LIMITED shall have not have any responsibility or liability for any errors, omissions, or interruptions therein. NSE INDICES LIMITED does not make any warranty, express or implied, as to results to be obtained by the Issuer, owners of the product(s), or any other person or entity from the use of the Nifty 5 yr Benchmark G – Sec Index or any data included therein. NSE INDICES LIMITED 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, NSE INDICES LIMITED expressly disclaim any and all liability for any claims ,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.

An investor, by subscribing or purchasing an interest in the Product(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

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/5236 dated July 03, 2020 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 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."

BSE

"BSE Limited ("the Exchange") has given vide its letter dated July 01, 2020 permission to Motilal Oswal Mutual Fund to use the Exchange's name in this SID as one of the Stock Exchanges on which this Mutual Fund's Unit are proposed to be listed. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to Motilal Oswal Mutual Fund. The Exchange does not in any manner:-

- warrant, certify or endorse the correctness or completeness of any of the contents of this SID; or
- warrant that this scheme's unit will be listed or will continue to be listed on the Exchange; or

• take any responsibility for the financial or other soundness of this Mutual Fund, its promoters, its management or any scheme or project of this Mutual Fund;

And it should not for any reason be deemed or construed that this SID has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any unit of <u>Motilal Oswal Nifty 5</u> <u>YR Benchmark G Sec ETF</u> of this 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 for any other reason whatsoever"

<u>Computation of Unit creation for Subscription and Redemption of Units directly with the Fund by Market</u> <u>Makers/ Authorized Participants</u>

Each Creation Unit consists of 20,000 units of Motilal Oswal Nifty 5 YR Benchmark G Sec ETF. 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 Motilal Oswal Nifty 5 YR Benchmark G Sec ETF that investors can create / redeem is 20,000 units 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 May 31, 2024 for Motilal Oswal Nifty 5 YR Benchmark G Sec ETF is as follows:

Security Name	Adjusted Closing Market Price	Purchaseable	Adjusted
	(NSE)	Units	Value
7.32% GOI (MD 13/11/2030)	O GOI (MD 13/11/2030) 101.3476		10,900

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:

Date	02-Jun-24
Index Value	5,621.52
Tracking Ratio	100
NAV	55.5517
Creation Unit	20000
Amount	1111034
CU Amount	1104688.84
Accrued Interest	4432.67
Cash Component	1912.49

The above is just an example to illustrate the calculation of cash component. Cash Component will vary depending upon the actual charges incurred. Please note:

- Transaction charges like brokerage, depositary charges etc. are payable by the investor on per creation request and will be as determined by the AMC at the time of transaction.
- Cash component is an indicative amount and will be collected/paid as applicable on the date of purchase/redemption. It will vary depending upon the actual charges incurred and other incidental charges for creating units.
- For accrued interest calculation of dated Government securities, the day count convention of 30/360 is followed.

Creation of segregated portfolio:

A. Introduction:

SEBI vide clause 4.4.4 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, has advised that portfolios by mutual fund schemes investing in debt and money market instruments should have provision in the concerned SID for creating portfolio segregation.

Segregated Portfolio: The portfolio comprising of debt and money market instruments, which might be affected by a credit event and shall also include the unrated debt or money market instruments affected by actual default.

Main Portfolio: Scheme portfolio excluding segregated portfolio Total Portfolio: Scheme portfolio including the securities affected by credit events

B. Need for segregated portfolio:

While very stringent internal credit evaluation norms are being followed by AMC/Mutual Fund, the risk of credit downgrade in portfolio companies due to various factors cannot be ruled out. In the event of credit downgrade the downgrade instrument generally become illiquid making it very difficult for the fund manager to dispose of such instrument/s. In such an event segregation of such an instrument from the main portfolio will prevent the distressed asset(s) damaging the returns generated from more liquid and better-performing assets of the portfolio. It also provides fair treatment to all existing, incoming and outgoing investors, as any recovery from the issuer in future would get distributed among those investors, who would have suffered a loss due to downgrade event.

C. Credit Events

Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:

- 1) Downgrade of a debt or money market instrument to 'below investment grade', or
- 2) Subsequent downgrades of the said instruments from 'below investment grade', or
- 3) Similar such downgrades of a loan rating.

The most conservative rating shall be considered, if there is difference in rating by multiple CRAs, Creation of segregated portfolio shall be based on issuer level credit events as detailed at "Credit Events" and implemented at the ISIN level.

Actual default (for unrated debt or money market instruments)

In case of unrated debt or money market instruments, the actual default of either the interest or principal amount by the issuer.

On occurrence of any default, the AMC shall inform AMFI immediately about the actual default by the issuer. Subsequent to dissemination of information by AMFI about actual default by the issuer, the AMC might segregate the portfolio of debt or money market instruments of the said issuer.

D. Segregate portfolio creation process

Creation of segregated portfolio shall be optional and at the discretion of the AMC/ Trustees.

- a. The AMC may decide on creation of segregated portfolio on the day of credit event/ actual default (as applicable). Segregated portfolio has to be created at the issuer level i.e. the scheme having multiple segregated portfolios will have multiple segregated portfolios. Once decided, AMC shall
 - i. Seek Trustee prior approval,

- ii. Issue a press release immediately mentioning its intention to segregate such debt and money market instrument and its impact to investors. It should also disclose that the segregation shall be subject to trustee approval. Additionally, the said press release to be prominently disclosed on the website of the AMC.
- iii. The Trustee approval has to be secured in not more than one business day from the credit event/actual default date & meanwhile the subscription and redemption in the scheme shall be suspended for processing with respect to creation of units and payment on redemptions.

E. On receipt of the Trustee approval –

- i. The segregated portfolio shall be created effective from credit event/actual default date
- ii. AMC shall issue press release immediately mentioning all details pertaining to the segregated portfolio. The said information shall also be submitted to SEBI.
- iii. An e-mail or SMS should be sent to all unit holders of the concerned scheme.
- iv. The NAV of both segregated and main portfolio shall be disclosed from the day of the credit event/ Actual Default.
- v. All existing investors in the scheme as on the day of the credit event/actual default date will be allotted equal number of units in the segregated portfolio as held in the main portfolio.
- vi. No redemption or subscription will be allowed in the segregated portfolio/s. However, AMC shall enable the listing of the units of the segregated portfolio on recognized stock exchange within 10 working days from the date of its creation and shall also enable transfer of units on receipt of transfer request.

b. If the trustees do not approve the proposal to segregate portfolio, AMC shall issue a press release immediately informing investors of the same.

F. Disclosure Requirements

Communication to the investors, NAV disclosure and other disclosure including scheme performance requirements for segregated portfolio shall be as per the norms specified in the above SEBI circular.

MOAMC will comply with all communication requirements /disclosure requirements prescribed by SEBI in an event of creation of segregated portfolio. This shall include disclosures of NAV, issue of account statement, press release announcing credit event and creation of segregated portfolio/s, Disclosure of segregated portfolio in (Monthly/Half Yearly) portfolio statement, etc.

The information regarding number of segregated portfolios created in a scheme shall appear prominently under the name of the scheme at all relevant places such as SID, KIM-cum-Application Form, advertisement, AMC and AMFI websites, etc.

If the Trustee rejects the segregated portfolio proposal then AMC to issue press release and inform the decision of the Trustee to investors, post which subscription and redemption applications will be processed based on the NAV of total portfolio.

G. Valuation of security:

From the date of credit downgrade to non-investment grade, the Security shall be valued based on principal of fair valuation & hair cut prescribed by the AMFI till the time valuation agency(ies) start providing valuation for the security.

The valuation of the instruments/portfolio shall be done based on the quote/price obtained from the independent valuation agency(ies). In cases where quote/price is not available from an independent agency, the Valuation Committee will decide the methodology for valuation of such instruments/portfolio.

All subscription and redemption requests for which NAV of the day of credit event/ Actual Default or subsequent day is applicable will be processed as per the existing circular on applicability of NAV as under: i. Upon trustees' approval to create a segregated portfolio –

- Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.
- Investors subscribing to the scheme will be allotted units only in the main portfolio based on its NAV.
- ii. In case trustees do not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio.

H. Total Expense Ratio (TER) for segregated portfolio:

AMC shall not charge investment and advisory fees on the segregated portfolio.

TER (including legal charges and excluding the investment and advisory fees) shall be charged pro-rata basis only on upon recovery of investment in the segregated portfolio. The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. The maximum TER limit shall be same as applicable to the main portfolio. TER in excess of limit shall be borne by AMC. However, the costs related to segregated portfolio shall in no case be charged to the main portfolio.

The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence.

I. Distribution of recovery:

Any recovery of investment of the segregated portfolio/s (including recovery after write-off) shall be distributed immediately to the investors in proportion to their holdings in the segregated portfolio/s.

J. Monitoring of segregated portfolio:

Trustees shall monitor the compliance of the SEBI Circular in respect of creation of segregated portfolio and disclosure in this respect shall be made in Half-Yearly Trustee reports to be filed with SEBI.

K. Evaluation of negative impact on the performance incentives:

In order to avoid mis-use of the segregated portfolio, Trustees will put in place a mechanism to evaluate the negative impact of such segregation, on the performance incentives of the Fund Managers, Chief Investment Officers (CIOs), etc. involved in the investment process of securities under the segregated portfolio, mirroring the existing mechanism for performance incentives of MOAMC., including claw back of such amount to the segregated portfolio of the scheme.

The amount forfeited shall be credited to the segregated portfolio of the concern scheme(s) in the ratio of value of the securities downgraded in the respective schemes before the credit event.

L. Action Taken Report:

AMC shall put sincere efforts to recover the bad investment. An Action Taken Report should be prepared and placed before the Board of Trustee meeting/s till the matter is finally resolved.

Illustration of segregated portfolio

The below table shows how a security affected by a credit event will be segregated and its impact on investors: Portfolio Date: May 31, 2024 Downgrade Event Date: May 31, 2024

Mr. X is holding 1000 units of the scheme for an amount of Rs 12,323.10 (1,000 *12.3231)

Security	Rating	Type of the security	Quant ity	Market Price Per Unit (Rs)	Market Value (Rs)	% of Net Assets
8.50% A Ltd.	CRISIL AAA	NCD	500	101.4821	50,741.05	41.18%
9.00 % B Ltd.	CRISIL AA+	NCD	25	120.00	3000.00	2.43%
8.75% C Ltd.	CRISIL AA+	NCD	25	100.7341	2518.35	2.04%
8.00% D Ltd.	CRISIL AA+	NCD	375	102.7886	38,545	31.28%
Cash & cash equivalents					28,425.52	23.07%
Net Assets					1,23,230.63	100.00%
Unit capital (no of units)					10,000.000	
NAV (In Rs)					12.3231	
Security downgraded	9.00% B Ltd.	from AA+	to D			
Valuation Marked down by	75.00%		÷	all be providing ard haircut mat	g the valuation prix.	price post

Portfolio before downgrade event

Total Portfolio as on May 31, 2024

Security	Rating	Type of	Quanti	Market Price	Market	% of Net
		the	ty	Per Unit (Rs)	Value	Assets
		security			(R s)	
8.50% A Ltd.	CRISIL	NCD	500	101.4821	50,741.05	41.94%
	AAA					
9.00 % B	CRISIL	NCD	25	30.00	750	0.62%
Ltd.	D					
8.75% C Ltd.	CRISIL	NCD	25	100.7341	2518.35	2.08%
	AA+					
8.00% D Ltd.	CRISIL	NCD	375	102.7886	38,545	31.86%
	AA+					
Cash & cash					28,425.52	23.50%
equivalents						
Net Assets					120,980.63	100.00%

Unit capital (no of units)			10,000.000	
NAV (In Rs)			12.0981	

Main Portfolio as on May 31, 2024

Security	Rating	Type of the	Quan	Market	Market	% of
		security	tity	Price Per	Value	Net
			· ·	Unit (Rs)	(Rs)	Assets
8.50% A Ltd.	CRISIL	NCD	500	101.4821	50,741.05	42.20%
	AAA					
8.75% C Ltd.	CRISIL	NCD	25	100.7341	2518.35	2.09%
	AA+					
8.00% D Ltd.	CRISIL	NCD	375	102.7886	38,545	32.06%
	AA+					
Cash & cash					28,425.52	23.64%
equivalents						
Net Assets					120,230.6	100.00
					3	%
Unit capital					10,000.00	
(no of units)					0	
NAV (In Rs)					12.0231	

Segregated Portfolio as on May 31, 2024

Security	Rating	Type of the security	Quanti ty	Market Price Per Unit (Rs)	Market Value (Rs)	% of Net Assets
9.00 % B Ltd.	CRISIL D	NCD	25	30.00	750	100%
Net Assets					750	100.00 %
Unit capital (no of units)					10,000.00 0	
NAV (In Rs)					0.075	

Net impact on value of holding of Mr. X after creation of segregation portfolio

	Main Portfolio	Segregated Portfolio	Total Value
No. of Units	1,000	1000	
NAV (in Rs)	12.0231	0.075	
Total Value (in Rs)	12,023.10	75	12,098.10

Listing of Mutual Fund schemes that are in the process of winding up

When the schemes in the process of winding-up in terms of Regulation 39(2)(a) of MF Regulations, its units shall be listed on recognized stock exchange provide an exit to investors, subject to compliance with listing formalities as stipulated by the stock exchange.

However, pursuant to listing, trading on stock exchange mechanism will not be mandatory for investors, rather, if they so desire, may avail an optional channel to exit provided to them.

Trading in units of such a listed scheme that is under the process of winding up, shall be in dematerialised form. AMCs shall enable transfer of such units which are held in form of Statement of Account (SoA) / unit certificates.

Detailed operational modalities for trading and settlement of units of MF schemes that are under the process of winding up, shall be finalized by the stock exchanges where units of such schemes are being listed, in consultation with SEBI. The operational modalities shall include the following:

a. Mechanism for order placement, execution, payment and settlement;

b. Enabling bulk orders to be placed for trading in units;

c. Issue related to suspension of trading, declaration of date for determining the eligibility of unitholders etc. in respect of payments to be made by the AMC as part of the winding up process;

d. Disclosures to be made by AMCs including disclosure of NAV on daily basis and scheme portfolio periodically etc.

The stock exchange will develop a mechanism along with RTA for trading and settlement of such units held in the form of SoA/ Unit Certificate

The AMC, its sponsor, employees of AMC and Trustee shall not be permitted to transact (buy or sell) in the units of such schemes that are under the process of being wound up. The compliance of the same will be monitored both by the Board of AMC and Trustee.

II. INFORMATION ABOUT THE SCHEME

A. INVESTMENT BY THE SCHEME

The Scheme would invest in securities comprising the Nifty 5 yr Benchmark G-Sec Total Return Index in the same proportion (weightage) as in the Index and track the benchmark index. The Scheme may also invest in money market instruments, in compliance with Regulations to meet liquidity requirements.

Money Market instruments includes Commercial Paper, Commercial Bills, Treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, Certificate of deposit, Bills Rediscounting, Repos, Triparty Repo, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time.

A brief narration of Money Market Instruments are as under:

- 7. Certificate of Deposits (CDs) is a negotiable money market instrument issued by scheduled commercial banks and select all- India Financial Institutions that have been permitted by the RBI to raise short term resources.
- 8. Commercial Paper (CPs) is an unsecured negotiable money market instrument issued in the form of promissory note, generally issued by the corporates, primary dealers and all India Financial Institutions as an alternative source of short term borrowings. They are issued at a discount to the face value as may be determined by the issuer. CP is traded in secondary market and can be freely bought and sold before maturity.
- Treasury Bills (T-Bills) are issued by the Government of India to meet their short term borrowing requirements. T-Bills are issued for maturities of 91 days, and 364 days. T-bills are issued at a discount to their face value and redeemed at par.
- 10.Tri-party Repo.

- 11. Securities created and issued by the Central Governments as may be permitted by RBI, securities guaranteed by the Central Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). Central Government Securities are sovereign debt obligations of the Government of India with zero-risk of default and issued on its behalf by RBI. They form part of Government's annual borrowing programme and are used to fund the fiscal deficit along with other short term and long term requirements. Such securities could be fixed rate, fixed interest rate with put/call option, zero coupon bond, floating rate bonds, capital indexed bonds, Fixed Interest security with staggered maturity payment etc.
 - 12.Repo (Repurchase Agreement) or Reverse Repo is a transaction in which two parties agree to sell and purchase the same security with an agreement to purchase or sell the same security at a mutually decided future date and price. The transaction results in collateralized borrowing or lending of funds. When the seller sells the security with an agreement to repurchase it, it is Repo transaction whereas from the perspective of buyer who buys the security with an agreement to sell it at a later date, it is reverse repo transaction. The scheme can participate in Repo/Reverse Repo in G-Secs and T-Bills.

The Scheme, being a G- Sec Scheme replicating a Constant Maturity index, may invest in securities with residual maturity within +/- 10% of maturity range of the index.

B. 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 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 10% 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 investment objective of the scheme to which such transfer has been made and the Policy on Inter Scheme Transfer prepared in compliance with clause 12.3 of SEBI

Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023

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. Provided that this clause shall not apply to any fund of funds scheme.

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 the following guidelines issued by SEBI and as may be amended from time to time.

Pursuant to clause 12.16 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, where the cash in the scheme is parked in short term deposits of Scheduled Commercial Banks pending deployment, the scheme shall abide by the following guidelines:

(a) "Short Term" for such parking of funds by the Scheme shall be treated as a period not exceeding 91 days. Such short-term deposits shall be held in the name of the Scheme.

(b) The Scheme shall not park more than 15% of net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.

(c) Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.

(d) The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.

(e) The Scheme shall not park funds in short term deposit of a bank which has invested in that Scheme.

Trustees/AMCs shall also ensure that the bank in which a scheme has STD do not invest in the said scheme until the scheme has STD with such bank

(f) The AMC will not charge any investment management and advisory fees for funds under a Plan parked in short term deposits of scheduled commercial banks.

(g) The above provisions will not apply to term deposits placed as margins for trading in cash and derivatives market.

8. For the purpose listed debt instruments shall include listed and to be listed debt instruments.

All fresh investments by mutual fund schemes in CPs would be made only in CPs which are listed or to be listed and would be restricted to residual portion of 5%.

9. 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 % of the net assets.

10. The Scheme shall not make any investment in any fund of funds scheme.

11. The Mutual Fund may borrow to meet liquidity needs, for the purpose of repurchase, redemption of units or payment of interest or IDCW 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.

12. No sponsor of a mutual fund, its associate or group company including the asset management company of the fund, through the schemes of the mutual fund or otherwise, individually or collectively, directly or indirectly, have

a. 10% or more of the share-holding or voting rights in the asset management company or the trustee company of any other mutual fund; or

b. representation on the board of the asset management company or the trustee company of any other mutual fund.

13. The Scheme will comply with any other Regulations applicable to the investments of Mutual Funds from time to time.

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.

Compliance w.r.t. clause 3.4 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 -- Portfolio Concentration Norms for Equity Exchange Traded Funds (ETFs) and Index Funds:

In order to address the risk related to portfolio concentration in ETFs, it has been decided to adopt the following norms:

a) The index shall have a minimum of 10 stocks as its constituents.

b) For a sectoral/ thematic Index, no single stock shall have more than 35% weight in the index. For other than sectoral/ thematic indices, no single stock shall have more than 25% weight in the index.

c) The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index.

d) The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

With respect to the above, Motilal Oswal Nifty 5 YR Benchmark G Sec ETF ensures compliance with the aforesaid norms.

C. 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: An open Ended scheme replicating/tracking Nifty 5 yr Benchmark G-Sec Total Return Index (A relatively high interest rate risk and relatively Low credit risk.).

(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.
- In addition to the conditions specified above for bringing change in the fundamental attributes of any scheme, trustees shall take comments of the Board before bringing such change(s).

D. INDEX METHODOLOGY

Nifty 5 yr Benchmark G-Sec Index

- Index Objective: The Nifty 5 yr Benchmark G-Sec Index is a single bond index tracking the most liquid 5 year benchmark security issued by the Government of India.
- Methodology:
 - Eligible Universe All bonds issued by the Government of India (excluding special bonds, FRB, IIGS).
 - Security Selection An eligible bond whose total traded volume during the review period is equal to or more than 1.10x of the existing bond is selected.
 - Weighting -
 - **Reconstitution** Fortnightly
 - Index Returns as on May 31, 2024:

Data Label	Nifty Smallcap 250 Index
Absolute Returns	
1 Month	1.1%
2 Month	1.2%
3 Month	1.8%
6 Month	4.3%
9 Month	5.8%
Annualized Returns	

1 Year	6.8%
3 Year	5.2%
5 Year	6.8%
7 Year	7.1%
10 Year	8.1%
15 Year	7.6%

E. OTHER SCHEME SPECIFIC DISCLOSURES:

Listing and transfer of units	The units of Motilal Oswal Nifty 5 YR Benchmark G Sec ETF are listed on the NSE & BSE and the trading is as per the normal settlement cycle.
Dematerialization of units	i. The Units of the Scheme will be available only in the dematerialized (electronic) mode.
	 The Investor under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL and will be required to indicate in the application the Depository Participant's name, Depository Participant's ID Number and beneficiary account number of the applicant with the Depository Participant or such details requested in the Application Form / Transaction Form.
	iii. The Units of the Scheme will be issued / repurchased and traded compulsorily in dematerialized form.
	iv. Applications without relevant details of his / her / their depository account are liable to be rejected.
	v. If KYC details of the investor including IPV is not updated with DP, the applications are liable to be rejected.
Minimum Target amount	Not Applicable
Maximum Amount to be raised (i any)	Not Applicable
Allotment	All the units of the scheme are freely transferable and allotted on the basis of credit realization.
Refund	Not applicable

Who can invest	This	is an indicative list and you are requested to consult your
This is an indicative list and	finaı	ncial advisor. The following are eligible to subscribe to the units
investors shall consult their	of th	e Scheme:
financial advisor to ascertain		
whether the scheme is	1.	Resident adult individuals, either singly or jointly (not exceeding
		three) or on anyone or Survivor basis.
suitable to their risk profile.	2.	Minors through Parents/Lawful Guardian. AMC will follow
		uniform process 'in respect of investments made in the name of
		a minor through a guardian' in terms of clause 17.6.1 of SEBI
		Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR /
		2023/74 dated May 19, 2023.
	3.	Hindu Undivided Family (HUF) through its Karta.
	4.	Partnership Firms in the name of any one of the partner.
	5.	Proprietorship in the name of the sole proprietor.
	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.
	7.	Banks (including co-operative Banks and Regional Rural
		Banks), Financial Institutions.
	8.	Mutual Fund schemes registered with SEBI.
	9.	Non-Resident Indians (NRIs) / Persons of Indian Origin (PIOs)
		residing abroad on repatriation basis and on non-repatriation
		basis. NRIs and PIOs who are residents of U.S. and Canada
		cannot invest in the Schemes of MOMF. [#]
	10.	Foreign Institutional Investors (FII) registered with SEBI on
		repatriation basis (subject to RBI approval).
		Foreign Portfolio Investors registered with SEBI.
	12.	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.
	13.	Army, Air Force, Navy, Para-military funds and other eligible
	1 4	institutions.
		Scientific and Industrial Research Organizations.
	15.	Multilateral Funding Agencies or Bodies Corporate incorporated
		outside India with the permission of Government of India
	1.0	Reserve Bank of India.
	16.	Overseas Financial Organizations which have entered into an
		arrangement for investment in India, inter-alia with a Mutual
		Fund registered with SEBI and which arrangement is approved by Coverament of India
	17	by Government of India.
	1/.	Provident / Pension / Gratuity / Superannuation and such other
		retirement and employee benefit and other similar funds as and when normitted to invest
	18	when permitted to invest. Other Associations, Institutions, Bodies etc. authorized to invest
	10.	Other Associations, Institutions, Bodies etc. authorized to invest in the units of Mutual Fund
		in the units of Mutual Fund.

	19. Trustees, AMC, Sponsor or their associates may subscribe to the
	units of the Scheme.
	20. Such other categories of investors permitted by the Mutual Fund
	from time to time, in conformity with the SEBI Regulations. 21. Upon the minor attaining the status of major, the minor in whose
	name the investment was made, shall be required to provide all
	the KYC details, PAN details as mentioned under the paragraph
	"Anti Money Laundering and Know Your Customer", updated
	bank account details including cancelled original cheque leaf of
	the new account and his specimen Signature duly authenticated
	by his banker. No further transactions shall be allowed till the
	status of the minor is changed to major.
	22. Pursuant to clause 17.6 of SEBI Master Circular No. SEBI
	/HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023
	investors are required to note that the minor shall be the sole unit holder in a folio. Joint holders will not be registered.
	noider in a tono. Joint noiders will not be registered.
	The minor unit holder shall be represented either by natural parent
	(father and mother) or by a legal guardian. Payment of investment
	shall be from the authorised banking channels and from the bank
	account of minor or joint account of minor with guardian.
	The process of minor attaining major and status of investment etc. is
	mention in Statement of Additional Information (SAI).
	Investors are requested to refer SAI for detailed information.
W/L	1. Demonstration in the Piecewich Action Tests Press (PATE)
Who cannot invest	1. Persons residing in the Financial Action Task Force (FATF) Non-Compliant Countries and Territories (NCCTs).
	2. Pursuant to RBI Circular No. 14 dated September 16, 2003,
	Overseas Corporate Bodies (OCBs) cannot invest in Mutual
	Funds.
	3. United States Person ("U.S. person"*) and NRIs residing in
	Canada as defined under the laws of the United States of
	America and Canada respectively except lump sum
	subscription, System Investment Plan (SIP), switch
	transactions, Systematic Transfer Plan (STP), Systematic Withdrawal Plan (SWP), Fixed Amount Benefit Plan (formerly
	known as Cash Flow Plan and Motilal Oswal Value Index
	(MOVI) Pack Plan requests received from Non-resident
	Indians / Persons of Indian origin who at the time of such
	investment / first time registration of specified facility are
	present in India and submit a physical transaction request along
	with such documents as may be prescribed by the AMC /
	Mutual Fund from time to time. The AMC shall accept such
	investments subject to the applicable laws and such other terms
	and conditions as may be notified by the AMC / Mutual Fund.

	applicable laws for such investments. The AMC / Mutual Fund reserves the rights to put the transaction requests on hold / reject the transaction request / reverse allotted units, as the case may be, as and when identified by the AMC / Mutual Fund, which are not in compliance with the terms and conditions prescribed in this regard.
	 Such other persons as may be specified by AMC from time to time.
	*The term "U.S. person" means any person that is a U.S. person within the meaning of Regulation S under the Securities Act of 1933 of U.S. or as defined by the U.S. Commodity Futures Trading Commission or as per such further amended definitions, interpretations, legislations, rules etc., as may be in force from time to time.
	The Trustees/AMC reserves the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time and change, subject to SEBI Regulations and other prevailing statutory regulations, if any.
How to Apply and other details	This section must be read in conjunction with Statement of Additional Information Fund (herewith referred as "SAI"). Investors should mandatorily use the Application Forms, Transactions Request, included in the KIM and other standard forms available at the Investor Service Centers/ <u>www.motilaloswalmf.com</u> , for any financial/non- financial transactions. Any transactions received in any non-standard forms are liable to be rejected.
	Investors are advised to fill up the details of their bank account numbers on the application form in the space provided. In order to protect the interest of the Unit holders from fraudulent encashment of cheques, SEBI has made it mandatory for investors in mutual funds to state their bank account numbers in their applications. SEBI has also made it mandatory for investors to mention their Permanent Account Number (PAN) transacting in the units of Motilal Oswal Mutual Fund (herewith referred as "MOMF"), irrespective of the amount of transaction.
	Please also note that the KYC is mandatory for making investment in mutual funds schemes irrespective of the amount, for details please refer to SAI. The application (both direct application and application routed through Distributor) should be complete in all respects along with the cheque / pay order / demand draft / other payment instruction should be submitted at the Investor Service Center, Official Point of Acceptance of Transaction, at the registered and corporate office of the AMC and the office of the Registrar during their Business Hours

F	
	on their respective Business Day. No outstation cheques or stock invests will be accepted. Currently, the option to invest in the Scheme through payment mode as Cash is not available. The Trustees reserves the right to change/modify above provisions at a later date.
	Investors can execute transactions online through the official website <u>https://www.motilaloswalmf.com/investonline</u> , Please refer to the SAI and Application form for the detailed instructions.
The policy regarding reissue of	Units once redeemed/repurchased will not be re-issued
repurchased units, including the maximum extent, the manner of	
reissue, the entity (the scheme or	
the AMC) involved in the same.	
	Units of the Scheme which are issued in demat (electronic) form will
	be transferred and transmitted in accordance with the provisions of
being offered.	SEBI (Depositories and Participants) Regulations, as may be
being offered.	amended from time to time.
Cut off timing for subscriptions/	The requirement of "cut-off" timing for NAV applicability as prescribed by SEBI from time to time shall not be applicable for direct
redemptions/ switches	transaction with AMCs in ETFs by MMs / APs and other eligible
	investors.
This is the time before which your	
application (complete in all respects) should reach the official points of acceptance.	In case of the underneath scenarios, applications received from investors for redemption upto 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day.
official points of acceptance.	Investors can directly approach the AMC for redemption of units of ETFs, for transaction of up to INR 25 Cr. without any exit load, in
	case of the following scenarios:
	a. Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7
	continuous trading days, or
	b. No quotes for such ETFs are available on stock $a_{1}a_{2}a_{3}a_{4}a_{5}a_{5}a_{5}a_{5}a_{5}a_{5}a_{5}a_{5$
	exchange(s) for 3 consecutive trading days, orc. Total bid size on the exchange is less than half of creation
	units size daily, averaged over a period of 7 consecutive
	trading days.
Where can the applications for	The application forms for purchase/redemption of units directly with
purchase/redemption switches be	the Fund can be submitted at the registered office of the AMC only
submitted?	by Market Makers or other eligible investors.
Minimum amount for	On the Exchange: 1 unit and in multiples thereof.
	On the Exchange. I unit and in multiples thereof.
purchase/redemption/switches	

(mention the provisions for ETFs, as Directly with the Mutual Fund:		
may be applicable, for direct For Market makers:		
subscription/redemption with AMC. The minimum amount for purchase/redemption would be in created by the subscription of the su		
	unit size of 10,000 units and in multiples thereof.	
	For other eligible investors*:	
	Direct transaction pertaining to subscription / redemption shall be facilitated by AMC for investors only for transactions greater than	
	INR 25 Cr. (termed as other eligible investors). Any order placed for	
	redemption or subscription directly with the AMC must be execution	
	value of greater than INR 25 Cr.	
	č	
	The aforesaid threshold shall not be applicable for MMs / APs and	
	shall be periodically reviewed. MMs / APs shall transact with AMC	
	only in multiples of creation unit size of respective scheme. All direct	
	transaction by MMs / APs and eligible investors shall be at intra-day	
	NAV based on the actual execution price of the underlying portfolio.	
	is the underlying portions.	
	It may be noted that:	
	The requirement of "cut-off" timing for NAV applicability as	
	prescribed by SEBI from time to time shall not be applicable for direct	
	transaction with AMCs in ETFs by MMs / APs and other eligible	
	investors.	
	*the provisions relating to Eligible investors will not be applicable for	
	the below mentioned investors till October 31, 2024–	
	a. Schemes managed by Employee Provident Fund Organisation,	
	India	
	b. Recognized Provident Funds, approved gratuity	
Accounts Statements		
Accounts Statements	• Units issued by the AMC under the scheme shall be credited to the	
	investor's beneficiary account with a Depository Participant (DP) of CDSL or NSDL. The AMC will credit the units to the beneficiary	
	account of the unitholder within five business days from the date of	
	receipt of credit of the Cash. With a view to create one record for	
	all financial assets of every individual. In accordance with clause	
	14.4.3 of SEBI Master Circular dated May 19, 2023 enabled a	
	single consolidated view of all the investments of an investor in	
	Mutual Funds (MF) and securities held in demat form with the	
	Depositories. In accordance with the above, the following shall be	
	applicable for unitholders having a Demat Account.	
	11	
	• Investors having MF investments and holding securities in Demat	
	account shall receive a Single Consolidated Account Statement	
	from the Depository.	

• Consolidation of account statement shall be done on the basis of
PAN. In case of multiple holding, it shall be PAN of the first holder
and pattern of holding. The CAS shall be generated on a monthly
basis.

If there is any transaction in any of the Demat accounts of the investor or in any of his mutual fund folios depositories shall send the CAS within ten days from the month end. In case there is no transaction in any of the mutual fund folios and demat accounts then CAS with holding details shall be sent to the investor on half yearly basis. The Consolidated Account statement will be in accordance to clause 14.4.3 of SEBI Master Circular No. SEBI /HO/IMD/IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023. Investors are requested/encouraged to register/update their email id and mobile number of the primary holder with the AMC/RTA through our Designated Investor Service Centres (DISCs) in order to facilitate effective communication

Annual Account Statement:

The Mutual Fund shall provide the Account Statement to the Unitholders who have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement, the account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme. Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated.

Note: If the investor(s) has/have provided his/their email address in the application form or any subsequent communication in any of the folio belonging to the investor(s), Mutual Fund / Asset Management Company reserves the right to use Electronic Mail (email) as a default mode to send various communication which include account statements for transactions done by the investor(s). The investor shall from time to time intimate the Mutual Fund / its Registrar and Transfer Agents about any changes in the email address.

It may be noted that the primary holder's own email id and mobile no should be provided for speed and ease of communication in a convenient and cost effective manner, and to help prevent fraudulent transactions.

Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.	
	For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated May 19, 2023	
Bank Mandate	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.	
	Notwithstanding any of the above conditions, any application may be accepted or rejected at the sole and absolute discretion of the Trustee.	
Delay in payment of redemption , repurchase proceeds/dividend	The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide clause 14.2 of SEBI Master Circular for Mutual Funds dated May 19, 2023 by SEBI for the period of such delay	
Unclaimed Redemption Amount	 In accordance with clause 14.3 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, Mutual Funds shall provide the details of investors on their website like, their name, address, folios, etc. The website shall also include the process of claiming the unclaimed amount along with necessary forms and document. Further, the unclaimed amount along with its prevailing value shall be disclosed to investors separately in their periodic statement of accounts/CAS. Further, pursuant to said circular on treatment of unclaimed redemption, redemption amounts remaining unclaimed based on expiry of payment instruments will be identified on a monthly basis and amounts of unclaimed redemption would be deployed in the respective Unclaimed Amount Plan(s) as follows: Motilal Oswal Liquid Fund - Unclaimed Redemption - Upto 3 years Motilal Oswal Liquid Fund - Unclaimed Redemption - Greater than 3 years. 	
	Investors are requested to note that pursuant to the circular investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along-with the	

 income earned on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. by Minors through Parents/Lawful Guardian. AMC will follow uniform process 'in respect of investments made in the name of a minor
through a guardian' in terms of clause 17.6.1 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023.
Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, PAN details as mentioned under the paragraph "Anti Money Laundering and Know Your Customer", updated bank account details including cancelled original cheque leaf of the new account and his specimen Signature duly authenticated by his banker. No further transactions shall be allowed till the status of the minor is changed to major.
The minor unit holder shall be represented either by natural parent (father and mother) or by a legal guardian. Payment of investment shall be from the authorised banking channels and from the bank account of minor or joint account of minor with guardian.
The process of minor attaining major and status of investment etc. is mention in Statement of Additional Information (SAI).
Investor are requested to take note that it is mandatory to complete the KYC requirements (including updation of Permanent Account Number) for all unit holders, including for all joint holders and the guardian in case of folio of a minor investor. Accordingly, financial transactions (including redemptions, switches and all types of systematic plans) and non-financial requests are liable to be rejected, if the unit holders have not completed the KYC requirements. Notwithstanding in the above cases, the AMC reserves the right to ask for any requisite documents before processing of financial and non-financial transactions or freeze the folios as appropriate. Unit holders are advised to use the applicable KYC Form for completing the KYC requirements and submit the form at the point of acceptance. Further, upon updation of PAN details with the KRA (KRA-KYC)/ CERSAI (CKYC), the unit holders are requested to intimate us/our Registrar

	and Transfer Agent their PAN information along with the folio details	
	for updation in our records.	
Role of Authorised Participant Market Makers	/The role of Authorised Participants is to offer liquidity of the units the Scheme on the Stock Exchange where the Units are liste Authorised Participants may offer to buy and sell quotes (bid and a quotes) on the Exchanges such that buy and sell orders get execut in the market subject to price compatibility. Authorised Participan may for the purpose of creating liquidity subscribe or redeem the un of the Scheme directly with the Mutual Fund.	
Purchase / Sale of the units of	ofBuying / Selling of units of the Scheme on the Exchange is just like	
Scheme on the Exchange	buying / selling any other normal listed security. If an investor has bought units, an investor has to pay the purchase amount to the broker / subbroker 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.	
	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. 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.	
Transaction handling charges	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 b	
	recoverable from the transacting authorized participant.	
Cost of trading on the Stock	Investor will have to bear the cost of brokerage and other applicable	
Exchange	statutory levies e.g. Securities Transaction Tax, etc. when the units	
	are bought or sold on the stock exchange.	

I. OTHER DETAILS

A. PERIODIC DISCLOSURES

Net Asset Value 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.	The NAV will be calculated on all business days and disclosed in the manner specified by SEBI. The AMC shall update the NAVs on its website www.motilaloswalmf.com and also on AMFI website www.amfiindia.com by 10.00 a.m. on next business day. If the NAVs are not available before 10.00 a.m. on next business day, the reason for delay in uploading NAV would be explained to AMFI in writing. 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.	
	Investors can also contact the office of the AMC to obtain the NAV of the Scheme.	
	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 <u>https://www.motilaloswalmf.com</u> /.	
	Intra-day indicative NAV will not have any bearing on the creation or redemption of units directly with the Fund. iNAV of an ETF shall be disclosed on a continuous basis on the NSE, where the units of these ETFs are proposed to be listed and traded. The iNAV shall be disclosed within a maximum time lag of 15 seconds from underlying market.	
Monthly & Annual Disclosure of Risk- o-meter		
	Additionally, MOMF shall disclose the risk level of all schemes as on March 31 of every year, along with number of times the risk level has changed over the year, on its website and AMFI website.	
Disclosure of Benchmark Risk-o- meter	O- Pursuant to clause 5.16.1 of SEBI Master Circular No. SE /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 202 the AMC shall disclose risk-o-meter of the scheme a benchmark in all disclosures including promotional material that stipulated by SEBI wherever the performance of the schem vis-à-vis that of the benchmark is disclosed to the investors which the unit holders are invested as on the date of su disclosure. <u>https://www.motilaloswalmf.com/download/monte- end-portfolio</u>	

Scheme Summary Document	The AMC has provided on its website(<u>https://www.motilaloswalmf.com/download/scheme-</u>			
	summary-documents) Scheme summary document which is a			
	standalone scheme document for all the Schemes which contains			
	all the details of the Scheme.			
Half yearly Disclosures: Financial	The Mutual Fund shall within one month from the close of each			
Results	half year, that is on 31 st March and on 30 th September, host a so			
	copy of its unaudited financial results on its websi			
	(<u>https://www.motilaloswalmf.com/download/financials</u>). The mutual fund shall publish an advertisement disclosing the bosting			
	mutual fund shall publish an advertisement disclosing the hosting of such financial results on their website, in atleast one English			
	daily newspaper having nationwide circulation and in a			
	newspaper having wide circulation published in the language of			
	the region where the Head Office of the Mutual Fund is situated.			
Annual Report	The Mutual Fund / AMC will host the Annual Report of the			
	Schemes on its website			
	(<u>https://www.motilaloswalmf.com/download/financials</u>) and on			
	the website of AMFI (www.amfiindia.com) not later than four months (or such other period as may be specified by SEBI from			
	months (or such other period as may be specified by SEBI from time to time) from the date of closure of the relevant accounting			
	year (i.e. 31st March each year).			
	year (i.e. 51st Watch each year).			
	The Mutual Fund / AMC shall mail the scheme annual reports or			
	abridged summary thereof to those investors whose e-mail			
	addresses are registered with MOMF. The full annual report or			
	abridged summary shall be available for inspection at the Head			
	Office of the Mutual Fund and a copy shall be made available to the investors on request at free of cost.			
	the investors on request at nee of cost.			
	Investors who have not registered their e-mail id will have to			
	specifically opt-in to receive a physical copy of the Annual Report			
	or Abridged Summary thereof.			
	MOMF will publish an advertisement every year in the all India			
	edition of at least two daily newspapers, one each in English and			
	Hindi, disclosing the hosting of scheme wise Annual Report on			
	the AMC website			
	(https://www.motilaloswalmf.com/download/financials) and on			
	the website of AMFI (<u>www.amfiindia.com</u>).			
Product Dashboard	In accordance with clause 5.8.4 of SEBI Master Circular No.			
	SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19,			
	2023, the AMC has designed and developed the dashboard on			
	their website(<u>Mutual Funds Performance Top Performing</u>			
	Mutual Funds to Invest in India (motilaloswalmf.com) wherein			
	the investor can access information with regard to scheme's AUM, investment objective, expense ratios, portfolio details and			
	past performance of all the schemes.			
Associate Transactions	Please refer to Statement of Additional Information (SAI)			
Disclosure of Tracking Error	The tracking error i.e. the annualized standard deviation of the			
	difference in daily returns between the underlying index or goods			

	and the NAV of the ETF/ Index Fund, based on past one year rolling data shall not exceed 2%.	
	In case of unavoidable circumstances in the nature of force majeure, which are beyond the control of the AMC, the tracking error may exceed 2% and the same will be intimated to the Trustees with corrective actions taken by the AMC, if any.	
	For ETFs in existence for a period of less than one year, the annualized standard deviation shall be calculated based on available data.	
	The Scheme shall disclose the tracking error based on past one year rolling data, on a daily basis, on the website of AMC and AMFI.	
Disclosure of Tracking Difference	Tracking difference i.e. the annualized difference of daily returns between the index or goods and the NAV of the Scheme will be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 years, 5 years, 10 years and since the date of allotment of units.	
Investor services	Mr. Juzer DalalMotilal Oswal Asset Management Company Limited10th Floor, Rahimtullah Sayani Road, Opp. Parel ST Depot,Prabhadevi, Mumbai – 400025Tel No.: +91 8108622222 and +91 22 40548002Fax No.: 02230896884Email.: amc@motilaloswal.com	
	Investors are advised to contact any of the Designated Collection Center / Investor Service Center or the AMC by calling the toll free no. of the AMC at +91 8108622222 +91 22 40548002.	
	Investors can also visit our website www.motilaloswalmf.com for complete details.	
	Investor may also approach the Compliance Officer / CEO of the AMC. The details including, inter-alia, name & address of Compliance Officer & CEO, their e-mail addresses and telephone numbers are displayed at each offices of the AMC.	
	For any grievances with respect to transactions through stock exchange mechanism, Unit Holders must approach either their stock broker or the investor grievance cell of the respective stock exchange or their distributor.	

B. TRANSPARENCY/NAV DISCLOSURE

The NAV will be calculated on all business days and disclosed in the manner specified by SEBI. The AMC shall update the NAVs on its website <u>www.motilaloswalmf.com</u> and also on AMFI website <u>www.amfiindia.com</u> by 11.00 p.m. on any 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.

Investors can also contact the office of the AMC to obtain the NAV of the Scheme.

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 https://www.motilaloswalmf.com/. Intra-day indicative NAV will not have any bearing on the creation or redemption of units directly with the Fund.

iNAV of an ETF shall be disclosed on a continuous basis on the BSE and NSE, where the units of these ETFs are proposed to be listed and traded. The iNAV shall be disclosed within a maximum time lag of 15 seconds from underlying market.

C. TRANSACTION CHARGES AND STAMP DUTY

The AMC/Mutual Fund shall deduct the Transaction Charges on purchase / subscription received from first time mutual fund investors and investors other than first time mutual fund investors through the distributor or through the stock exchange platforms viz. BSE Star MF/ NSE NMF II platforms (who have specifically opted-in to receive the transaction charges) as under:

i. For existing investor in a Mutual Fund: Rs.100/- per subscription of Rs,10,000/- and above;

ii. For first time investor in Mutual Funds: Rs.150/- per subscription of Rs,10,000/- and above.

However, there will be no transaction charge on:

- i. Subscription of less than Rs. 10,000/-; or
- ii. Transactions other than purchases/subscriptions relating to new inflows such as Switch/STP/SWP/DTP, etc.; or
- iii. Direct subscription (subscription not routed through distributor); or
- iv. Subscription routed through distributor who has chosen to 'Opt-out' of charging of transaction charge.

The transaction charge as mentioned above will be deducted by AMC from subscription amount of the Unitholder and paid to distributor and the balance shall be invested in the Scheme.

The distributors shall also have the option to either opt in or opt out of levying transaction charge based on type of the product.

Pursuant to Notification No. S.O. 1226(E) and G.S.R. 226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019 and Clause 10.1 of SEBI Master Circular dated May 19, 2023, a stamp duty @ 0.005% of the transaction value would be levied on applicable mutual fund transactions, with effect from July 01, 2020. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase/ switch-in transactions to the unitholders would be reduced to that extent.

Details to be provided in SAI.

D. ASSOCIATE TRANSACTIONS- Please refer to Statement of Additional Information (SAI)

E. TAXATION-

For details on taxation please refer to the clause on Taxation in the SAI apart from the following:

Motilal Oswal Mutual Fund is a Mutual Fund registered with SEBI and is governed by the provisions of Section 10(23D) of the Income Tax Act, 1961. Accordingly, any income of a fund set up under a scheme of a SEBI registered mutual fund is exempt from tax. The following information is provided only for general information purposes and is based on the Mutual Fund's understanding of the Tax Laws as of this date of Document. Investors / Unitholders should be aware that the relevant fiscal rules or their explanation may change. There can be no assurance that the tax position or the proposed tax position will remain same. In view of the individual nature of tax benefits, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Scheme.

Nature of Income	Equity Oriented		
	Resident Investor	Mutual Fund	
Long Term Capital Gains	10% above Rs.1 Lac*	Nil	
Short Term Capital Gains	15%	Nil	

The below Tax Rates shall be applicable w.e.f. April 01, 2024:

*subject to grandfathering clause

Capital Gains tax rates are excluding Surcharge & education cess.

For details on taxation, please refer to the clause on Taxation in the Scheme Additional Information (SAI).

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 spec ific amount of tax and other implications arising out of his or her participation in the schemes.

F. RIGHTS OF UNITHOLDERS- Please refer to SAI for details.

G. LIST OF OFFICIAL POINTS OF ACCEPTANCE:

To get more information on list of official point of acceptance, Please refer link: https://www.motilaloswalmf.com/contact-us

Kfin Technologies Limited (Official Collection Centres)

Registrar

KFin Technologies Limited Address: Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddi TG 500032 IN Tel: 040 79611000 / 67162222 Toll Free No: 18004254034/35 Email: compliance.corp@kfintech.com Website: www.kfintech.com/

To view the complete details of designated collection centres / Investor Service centres of KFin Technologies Limited Please visit link on MOMF website <u>https://www.motilaloswalmf.com/contact-us</u>.

I. 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

Details of pending litigations of MOFSL are as follows:

Link for Brief on litigation cases: https://www.motilaloswalmf.com/download/sid-related-documents