



SCHEME INFORMATION DOCUMENT


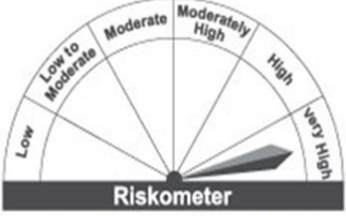
SECTION I

MOTILAL OSWAL BSE HEALTHCARE ETF

(An open-ended scheme replicating/tracking the BSE Healthcare Total Return Index)

(Scheme Code: MOTO/O/O/EET/22/03/0032)

(Scrip Code: MOHEALTH & 543563)

<p>This product is suitable for investors who are seeking*</p>	<p align="center"><u>Scheme</u></p>  <p align="center">RISKOMETER</p> <p align="center">Investors understand that their principal will be at Very High Risk.</p>	<p align="center"><u>BSE Healthcare Total Return Index</u></p>  <p align="center">Riskometer</p> <p align="center">Benchmark riskometer is at Very High risk</p>
<ul style="list-style-type: none"> Return that corresponds to the performance of BSE Healthcare Total Return Index subject to tracking error. Long term capital growth. 		

Continuous Offer of Units at NAV based prices

Name of Mutual Fund	Motilal Oswal Mutual Fund (MOMF)
Name of Asset Management Company (AMC)	Motilal Oswal Asset Management Company Limited (MOAMC)
Name of Trustee Company	Motilal Oswal Trustee Company Limited (MOTC)
Address	<u>Registered Office:</u> 10 th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai-400025
Website	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 Consideration, 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 Scheme Information Document is dated **June 26, 2024**.

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Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	Name of the scheme	Motilal Oswal BSE Healthcare ETF
II.	Category of the Scheme	Exchange Traded Fund
III.	Scheme type	An open-ended scheme replicating/tracking the BSE Healthcare Total Return Index.
IV.	Scheme code	MOTO/O/O/EET/22/03/0032
V.	Investment objective	<p>The investment objective of the scheme is to provide returns that, before expenses, correspond to the total returns of the securities as represented by the BSE Healthcare Total Return Index, subject to tracking error.</p> <p>However, there is no guarantee or assurance that the investment objective of the scheme will be achieved.</p>
VI.	Liquidity/listing details	<p>The units of Motilal Oswal BSE Healthcare ETF are listed on the NSE & BSE and the trading is as per the normal settlement cycle.</p> <p>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.</p> <p>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.</p> <p>Directly with the Mutual Fund For Eligible investors: Direct transaction with AMC pertaining to subscription / redemption by any investor other than Authorized Participants / Market Makers shall be in multiple of unit creation size and the execution value of such transaction should be more than Rs. 25 Crs.</p> <p>For Market makers: The number of units of the Scheme that Market Makers/authorized participant can subscribe to is 1,75,000 units and in multiples thereafter.</p> <p>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</p>

		<p>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 on an 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.</p> <p>The Units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form.</p> <p>*the provisions relating to Eligible investors will not be applicable for the below mentioned investors till October 31, 2024—</p> <p>a. Schemes managed by Employee Provident Fund Organisation, India</p> <p>b. Recognized Provident Funds, approved gratuity funds and approved superannuation funds under Income tax act, 1961.</p>
VII.	Benchmark Return Index (Total)	<p>The performance of the Scheme will be benchmarked to BSE Healthcare Total Return Index. As the Scheme is an Exchange Traded Fund (ETF) Scheme and would primarily invest in securities which are constituents of BSE Healthcare Index, the said index is an appropriate benchmark for the Scheme.</p> <p>Total Return variant of the index (TRI) will be used for performance comparison.</p>
VIII.	NAV disclosure	<p>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 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 NAV is not available before the commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV.</p> <p>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. Investors can also contact the office of the AMC to obtain the NAV of the Scheme.</p> <p>Further, Mutual Funds/ AMCs shall extend facility of sending latest available NAVs to investors through SMS, upon receiving a specific request in this regard. Investors can also contact the office of the AMC to obtain the NAV of the Scheme.</p> <p>For Details refer Section II.</p>

IX.	Applicable timelines	<p>On the Exchange: As the Scheme is listed on the exchange, the investor can sell units on an ongoing basis on the NSE and BSE at the traded prices. The units are redeemed in round lots of 1 unit.</p> <p>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 1,75,000 units and in multiples thereafter.</p> <p>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.</p> <p>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:</p> <p>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 AMC in ETFs by Market Makers and other eligible investors.</p> <p>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.</p> <p>Any person transacting with the fund will have to reimburse transaction charges -brokerage, STT, demat charges etc, if any.</p> <p>*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</p>
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X.	Plans and Options Plans/Options and sub options under the Scheme	The Scheme does not offer any Plans/Options for investment.
XI.	Load Structure	Entry & Exit Load: Nil
XII.	Minimum Application Amount/switch in	<p>On Exchange: Investors can buy/sell units of the Scheme in round lot of 1 unit and in multiples thereof.</p> <p>Directly with the Mutual Fund</p> <p>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.</p> <p>For Market makers: The number of units of the Scheme that Market Makers/authorized participant can subscribe is 1,75,000 units and in multiples thereafter.</p> <p>*the provisions relating to Eligible investors will not be applicable for the below mentioned investors till October 31, 2024 –</p> <p>a. Schemes managed by Employee Provident Fund Organisation, India</p> <p>b. Recognized Provident Funds, approved gratuity funds and approved superannuation funds under Income tax act, 1961.</p>
XIII.	Minimum Additional Purchase Amount	Not Applicable

<p>XIV.</p>	<p>Minimum Redemption/switch out amount</p>	<p>On the Exchange: As the Scheme is listed on the exchange, the investor can sell units on an ongoing basis on the NSE and BSE at the traded prices. The units are redeemed in round lots of 1 unit.</p> <p>Directly with the Mutual Fund: For Market makers: All direct redemption transaction by MMs / APs and 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 1,75,000 units and in multiples thereafter.</p> <p>For Eligible investors*: Direct transaction with AMC pertaining to subscription / redemption by any investor other than Authorized Participants / Market Makers shall be in multiple of unit creation size and the execution value of such transaction should be more than Rs. 25 Crs.</p> <p>All direct transaction by Market Makers and 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:</p> <p>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.</p> <p>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.</p> <p>Any person transacting with the fund will have to reimburse transaction charges -brokerage, STT, demat charges etc, if any.</p> <p>*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 Organization, India b. Recognized Provident Funds, approved gratuity funds and approved superannuation funds under Income tax act, 1961.</p>
<p>XV.</p>	<p>New Fund Offer Period</p>	<p>Not Applicable</p>

XVI.	New Fund Offer Price	Not Applicable
XVII.	Segregated portfolio/side pocketing disclosure	<p>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 with a view to,</p> <ol style="list-style-type: none"> 1) Reducing Sharp fall in NAV of Schemes. 2) Reducing Redemption pressure & liquidity risk. 3) Safeguarding good quality papers & creating confidence in market, and 4) Mitigating reputational risk. 5) Accordingly, this policy is being laid down to comply with the SEBI instructions. <p>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.</p> <p>Main Portfolio: Scheme portfolio excluding segregated portfolio Total Portfolio: Scheme portfolio including the securities affected by credit events</p> <p>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 be able to liquidate their holding till the time recovery of money from the issuer. The Security comprised of segregated portfolio may not realise any value. Further, listing of units of segregated portfolio in recognised 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.</p> <p>For further details, kindly refer SAI.</p>
XVIII	Swing pricing disclosure	Not Applicable
XIX.	Stock lending/short selling	Subject to the SEBI (MF) Regulations and in accordance with Securities Lending Scheme, 1997, SEBI vide clause 12.11 and 2.3 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, as may be amended from time to

		<p>time, the Scheme intends to engage in Stock Lending the Scheme shall adhere to the following limits should it engage in Stock Lending.</p> <p>Not more than 20% of the net assets of the Scheme can be deployed in Stock Lending.</p> <p>Not more than 5% of the net assets of the Scheme can be deployed in Stock Lending to any single approved intermediary.</p> <p>For details kindly refer SAI.</p>
XX.	How to Apply and other details	<p>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/ www.motilaloswalmf.com, for any financial/non-financial transactions. Any transactions received in any non-standard forms are liable to be rejected. Please refer to the SAI and Application form for the instructions. Please refer Details in Section II.</p>

XXII.	Investor services	<p><u>For General Service request and Complaint Resolution</u></p> <p>Mr. Juzer Dalal Motilal Oswal Asset Management Company Limited 10th Floor, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai – 400025 Tel No.: +91 8108622222 and +91 22 40548002 Fax No.: 02230896884 Email.: amc@motilaloswal.com</p> <p>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.</p> <p>Investors can also visit our website www.motilaloswalmf.com for complete details.</p> <p>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.</p> <p>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.:</p>
XXIII	Special product/facility available during the NFO and on ongoing basis	The Scheme does not offer any special products.
XXIV.	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 BSE Healthcare 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.

SD/-

Date: June 26, 2024
Place: Mumbai

Ms. Aparna Karmase
Head- Compliance, Legal and Secretarial

Part II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances, the asset allocation pattern of the Scheme is as follows:

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Constituents of BSE Healthcare Index	95%	100%
Units of Liquid Schemes and Money Market Instruments	0%	5%

Money Market Instruments includes Commercial papers, 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(RBI)/ Securities and Exchange Board of India (SEBI) from time to time.

The cumulative gross exposure through equity, derivative positions, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time will not exceed 100% of the net assets of the scheme, subject to approval if any.

The Scheme, will hold all the securities that comprise of underline Index in the same proportion as the index subject to tracking error. 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 and timelines specified by SEBI.

Indicative Table

Sl. no	Type of Instrument	Percentage of exposure	Circular references*
1.	Securities Lending	The Scheme intends to engage in Stock Lending, the Scheme shall adhere to the following limits should it engage in Stock Lending. Not more than 20% of the net assets of the Scheme can be deployed in Stock Lending. Not more than 5% of the net assets of the Scheme can be deployed in Stock Lending to any single	Subject to the SEBI (MF) Regulations and in accordance with Securities Lending Scheme, 1997, SEBI vide clause 12.11 and 2.3 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19,

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		approved intermediary.	2023, as may be amended from time to time,
2.	Equity Derivatives for non-hedging purposes	The Scheme may take exposure to equity derivatives of the index itself or its constituent stocks may be undertaken when equity shares are unavailable, insufficient or for rebalancing in case of corporate actions for a temporary period. Other than for above purposes, the Scheme will not invest in Equity Derivatives. These investments would be for a short period of time and the portfolio shall be rebalanced within 7 days. Exposure towards Equity Derivatives instruments shall not exceed 10% of the net assets of the Scheme. If the exposure falls outside the above mentioned asset allocation pattern, the portfolio to be rebalanced by AMC within 7 days from the date of said deviation.	Subject to the SEBI (MF) Regulations.
3.	Securitised Debt	The scheme will not make any investment in Securitised Debt	-
4.	Overseas Securities	The Scheme shall not invest in foreign securities.	-
5.	REITs and InvITs.	The Scheme shall not invest in REITs and InvITs.	-
6.	AT1 and AT2 bonds	The scheme shall not invest in AT1 and AT2 Bonds-	
7.	Any other instruments	<ul style="list-style-type: none"> • The Scheme shall not invest in repo in corporate debt and corporate reverse repo. • The Scheme shall not engage in short selling • The Scheme shall not invest in unrated debt instrument. • The Scheme shall not invest in Credit Default Swaps (CDS). • The Scheme will not invest in debt instruments having Structured Obligations / Credit Enhancements. • The scheme will not invest in securities covered under clause 12.2 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 	

Rebalancing due to Active Breaches:

Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view 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.

Portfolio Rebalancing due to Passive Breach:

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.

Additionally, in the event of involuntary corporate action, the scheme shall dispose the security not forming part of the underlying index within 7 days from the date of allotment/ listing.

B. WHERE WILL THE SCHEME INVEST?

The scheme would invest in the securities comprising the BSE Healthcare Total Return Index in the same proportion (weights) as in the index and track the benchmark index.

The scheme may also invest in the money market instruments, in compliance with regulation to meet liquidity requirements.

For description of the instruments, please refer Section II (A)

C. WHAT ARE THE INVESTMENT STRATEGIES?

The investment strategy would involve offering investment returns that are similar to the total returns of BSE Healthcare Total Return Index before fees / expense and subject to tracking error.

The scheme aims to invest in the constituent of BSE Healthcare Total Return Index, in the range of 95% to 100%. The scheme would also invest in units of Liquid/ debt schemes, debt and money market instruments, in the range of 0% to 5%.

Risk Control

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

identifying and measuring the risk through various risk management tools like various portfolio analytics, risk ratios, average duration and analyses the same and acts in a preventive manner.

Portfolio Turnover

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

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 dividend accumulated but not received, 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 underlying 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 BSE Healthcare Total Return Index. As the Scheme is an Exchange Traded Fund (ETF) Scheme and would primarily invest in securities which are constituents of BSE Healthcare Index, the said index is an appropriate benchmark for the Scheme.

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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 and tenure of managing the schemes	Experience
<p>Mr. Swapnil Mayekar Fund Manager Managing the Scheme since inception</p>	<p>Age: 40 years Qualification: Master of Commerce (Finance Management)</p>	<p>Motilal Oswal Nifty 50 Index Fund, Motilal Oswal Nifty 500 Index Fund, Motilal Oswal Nifty Bank Index Fund, Motilal Oswal Nifty Midcap 150 Index Fund, Motilal Oswal Nifty Next 50 Index Fund, Motilal Oswal Nifty Smallcap 250 Index Fund, Motilal Oswal Nifty 50 ETF, Motilal Oswal Nifty Midcap 100 ETF, Motilal Oswal Nasdaq 100 Fund of Fund, Motilal Oswal Nifty 200 Momentum 30 Index Fund, Motilal Oswal Nifty 200 Momentum 30 ETF, Motilal Oswal BSE Low Volatility ETF, Motilal Oswal BSE Low Volatility Index Fund, Motilal Oswal BSE Healthcare ETF, Motilal Oswal BSE Financials ex Bank 30 Index Fund, Motilal Oswal BSE Enhanced Value Index Fund, Motilal Oswal BSE Enhanced Value ETF, Motilal Oswal BSE Quality Index Fund, Motilal Oswal BSE Quality ETF, Motilal Oswal Nifty Microcap 250 Index Fund, Motilal Oswal Nifty 500 ETF, Motilal Oswal Nifty Realty ETF, Motilal Oswal Nifty Smallcap 250 ETF, Motilal Oswal Nifty India Defence Index Fund</p>	<p>Swapnil has over 14 years of experience in the fund management and product development.</p> <p>Motilal Oswal Asset Management Company Ltd. from March 2010 onwards Business Standard, Research Associate from August 2005 to February 2010.</p>
<p>Mr. Rakesh Shetty Fund Manager Managing the Scheme since November 22, 2022</p>	<p>Age: 43 years Qualification: Bachelors of Commerce (B.Com)</p>	<p>Fund Manager – Motilal Oswal Liquid Fund, Motilal Oswal Ultra Short Term Fund, Motilal Oswal Gold and Silver ETFs Fund of Funds, Motilal Oswal Nifty 5 year benchmark G-Sec ETF, Motilal Oswal 5 Year G-Sec Fund of Fund. Fund Manager – Debt Component:</p>	<p>He has more than 15 years of overall experience and expertise in trading in equity, debt segment, Exchange Trade Fund's management, Corporate Treasury and Banking. Prior to joining Motilal Oswal</p>

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	<p>Motilal Oswal Large and Midcap Fund, Motilal Oswal Midcap Fund, Motilal Oswal Focused Fund, Motilal Oswal ELSS Tax Saver Fund, Motilal Oswal Balanced Advantage Fund, Motilal Oswal Multi Asset Fund, Motilal Oswal Flexi Cap Fund, Motilal Oswal Small Cap Fund, Motilal Oswal Large Cap Fund, Motilal Oswal S&P 500 Index 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 BSE Low Volatility ETF, Motilal Oswal BSE Low Volatility Index Fund, Motilal Oswal BSE Healthcare ETF, Motilal Oswal BSE Financials ex Bank 30 Index Fund, Motilal Oswal BSE Enhanced Value Index Fund, Motilal Oswal BSE Enhanced Value ETF, Motilal Oswal BSE Quality Index Fund, Motilal Oswal 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</p>	<p>Asset Management Company Limited, he has worked with Company engaged in Capital Market Business wherein he was in charge of equity and debt ETFs, customized indices and has also been part of product development.</p>
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F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?

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

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.

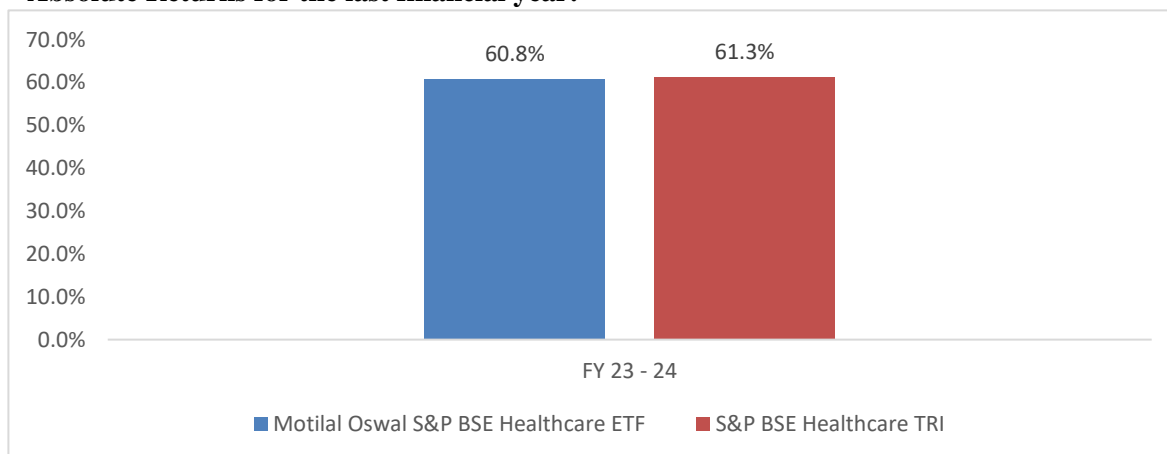
G. HOW HAS THE SCHEME PERFORMED

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

SID of Motilal Oswal BSE Healthcare ETF

Compounded Returns	Annualised Returns	Scheme Returns (%)	Benchmark Returns (%)
1 year		47.7%	48.2%
Returns since inception		26.2%	26.5%

Absolute Returns for the last financial year:



H. ADDITIONAL SCHEME RELATED DISCLOSURES

i. Scheme's portfolio holdings

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

ii. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds

Please find below link to access the top 7 issuers, stocks, Groups and sectors of the scheme
<https://www.motilaloswalmf.com/download/factsheets>

iii. Functional website link for Portfolio Disclosure - Fortnightly / Monthly/ Half Yearly.

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

iv. Portfolio Turnover Ratio of the Scheme as on May 31, 2024 is 0.04.

v. Aggregate investment in the Scheme by:

SID of Motilal Oswal BSE Healthcare ETF

Sr. No.	Category of Persons	Net Value		Market Value (in Rs.)
		Units	NAV per unit	
	Concerned scheme's Fund Manager(s)			
1.	Mr. Swapnil Mayekar	-	-	-
2.	Mr. Rakesh Shetty	-	-	-

For any other disclosure w.r.t investments by key personnel and AMC directors including regulatory provisions in this regard kindly refer SAI.

vi. Investments of AMC in the Scheme

In addition to investments as may be mandated under Regulation 28(4) of the Regulations, the AMC may invest in the Scheme during the continuous offer period subject to the SEBI (MF) Regulations.

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.

NAV of the units under the Scheme shall be calculated as follows:

$$\text{NAV (Rs.)} = \frac{\text{Market or Fair Value of Scheme's investments} + \text{Receivables} + \text{Accrued Income} + \text{Other Assets} - \text{Accrued Expenses} - \text{Payables} - \text{Other Liabilities}}{\text{No. of Units outstanding under Scheme on the Valuation Day}}$$

The NAV will be calculated up to four decimals.

The NAV Calculation shall be in accordance with SEBI MF Regulations and is available on the mutual fund website www.motilaloswalmf.com. The NAV shall be calculated and disclosed on each business day on AMFI's website www.amfiindia.com by 11.00 p.m. and also on www.motilaloswalmf.com. The computation of NAV shall be in conformity with SEBI Regulations and guidelines as prescribed from time to time.

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. 10,45,34,345.34 and units outstanding are 10,00,0000, then the NAV per unit will be computed as follows:

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

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 paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc.

The entire 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	Upto 1.00%
Trustee fee	
Audit fees	
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 52 (6) (c)	Upto 1.00%
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.

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#Additional TER will be charged based on inflows only from retail investors\$ (other than Corporates and Institutions) from B 30 cities.

\$ 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.

** 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/ Index Funds shall be 1bps of daily net assets of the scheme.

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

^ 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 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.

The expenses towards Investment Management and Advisory Fees under Regulation 52 (2) and the various sub-heads of recurring expenses mentioned under Regulation 52 (4) of SEBI (MF) Regulations will be charged in line with SEBI Mutual Fund Regulations. 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 the expense heads mentioned in the above regulation.

All fees and expenses charged in a direct plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in a regular plan.

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.

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In addition to the limits as specified in Regulation 52(6) of SEBI (Mutual Funds) Regulations 1996 or the Total Recurring Expenses (Total Expense Limit) as specified above, the following costs or expenses may be charged to the scheme:

Mutual funds/AMCs shall make complete disclosures in the half yearly report of Trustees to SEBI regarding the efforts undertaken by them to increase geographical penetration of mutual funds and the details of opening of new branches, especially at locations beyond top 30 cities.

As per AMFI letter no. 35P/ MEM-COR/ 85-a/ 2022-23 dated March 02, 2023 on B-30 Incentive Mechanism, AMC has been advised to keep the B-30 incentive structure in abeyance with effect from March 01, 2023 till any further guidelines regarding necessary safeguards are issued by SEBI. However, AMC will continue to accrue expenses in the mutual fund schemes under Regulation 52 (6A) (b) and make the payment of B-30 incentive in respect of new inflows received from B-30 locations prior to March 01, 2023.

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

Illustration of impact of expense ratio on returns of the Scheme

Particulars	Regular Plan	Direct Plan
	Amount (Rs.)	
Amount Invested at the beginning of the year	NA	10,000
Net asset before expenses		11,500
Expenses other than Distribution Expenses _0.15%		17,25
Distribution Expenses 0.50%		0.00
Returns after Expenses at the end of the Year		1,482.75

- 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 www.motilalosalwalmf.com or may call at toll free no.

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91 8108622222 and +91 22 40548002 or your distributor.

Type of Load	Load chargeable (as %age of NAV)
Entry Load	Not Applicable. In terms of clause 10.4 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.

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**

In case of 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.

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

Any imposition or enhancement in the load structure shall apply on a prospective basis and in no case the same would affect the existing investors adversely.

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

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

1. The addendum detailing the changes will be attached to SID and Key Information Memorandum (KIM). The addendum will be circulated to all the distributors so that the same can be attached to all SID and KIM already in stock.
2. Arrangements shall be made to display the changes/modifications in the SID in the form of a notice in all Investor Service Centers and distributors/brokers offices.
3. The introduction of the exit load along with the details shall be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load
4. The Fund shall display the addendum on its website (www.motilaloswalmf.com).
5. Any other measure that the Mutual Fund shall consider necessary

Section II

I. Introduction

A. Definitions/interpretation

Kindly refer the link for detailed definitions: <https://www.motilaloswalmf.com/download/sid-related-documents>

B. Requirement of Minimum Investors

As Motilal Oswal BSE Healthcare ETF is an exchange traded fund, the provision of minimum number of investors and maximum holding by the investor is not applicable as per SEBI Circular having reference no. SEBI/IMD/CIR NO 10/22701/03 dated December 12, 2003.

C. 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.
- **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.

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- 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.

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- 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, dividend 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 endeavour 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 BSE Healthcare ETF will restricts its investments only in the Security of the underlying index (BSE Healthcare Total Return 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 out-performance 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.

- **Risks associated with Segregated portfolio:**

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

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holding till the time recovery of money from the issuer. The Security comprised of segregated portfolio may not realise any value. Further, Listing of units of segregated portfolio in recognised 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. **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. The AMC does not attempt to individually select stocks or to take defensive positions in declining markets. The value of the Scheme's investments, may be affected generally by factors affecting equity markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors. Consequently, the NAV of the Units of the Scheme may fluctuate and can go up or down

2. **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.

3. **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.

4. **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.

5. **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.

6. **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.**

7. 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.
8. 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.
9. 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.
10. 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.
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 units 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, dividend, 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.

- **Risk associated with investing in fixed income securities and Money Market Instruments**

- 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 debenture 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

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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.

- **Risk associated with Investment in Units of mutual fund**

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(s) invests fluctuates, the value of your investment in the Scheme(s) may go up or down depending on the various factors and forces affecting the capital markets and money markets.

- **Risks associated with investing in Equities**

- a. Investments in the equity shares of the Companies constituting the Underlying Index are subject to price fluctuation on daily basis. The volatility in the value of equity is due to various micro and macro-economic factors like economic and political developments, changes in interest rates, etc. affecting the securities markets. This may have adverse impact on individual securities/sector and consequently on the NAV of Scheme.
- b. The Scheme would invest in the securities comprising the Underlying Index in the same proportion as the securities have in the Index. Hence, the risk associated with the corresponding Underlying Index would be applicable to the Scheme. The Underlying Index has its own criteria and policy for inclusion/exclusion of securities from the Index, its maintenance thereof and effecting corporate actions. The Fund would invest in the securities of the Index regardless of investment merit, research, without taking a view of the market and without adopting any defensive measures. The Fund would not select securities in which it wants to invest but is guided by the Underlying Index. As such the Scheme is not actively managed but is passively managed.

- c. Risks of Total Return

Dividends are assumed to be reinvested into the Nifty 500 Total Return Index after the ex-Dividend date of the constituents. However in practice, the Dividend is received with a lag and after deducting applicable withholding tax, if applicable. This can lead to some tracking error.

- **Market Risk**

The Scheme's NAV will react to stock market movements. The value of investments in the scheme may go down over a short or long period due to fluctuations in Scheme's NAV in response to factors such as
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performance of companies whose stock comprises the underlying portfolio, economic and political developments, changes in government policies, changes in interest rates, inflation and other monetary factors causing movement in prices of underlying investments.

- **Concentration risk**

This is the risk arising from over exposure to few securities/issuers/sectors.

- **Passive Investments**

The Scheme is not actively managed. Since the Scheme is replicating the underlying index, it may be affected by a general decline in the respective markets relating to its underlying index. The Scheme as per its investment objective invests in Securities which are constituents of its underlying index regardless of their investment merit. The AMC does not attempt to individually select stocks or to take defensive positions in declining markets.

- **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.

- **ETF Fund**

The Scheme being an ETF fund follows a passive investment technique and shall only invest in Securities comprising one selected index as per investment objective of the Scheme. The Fund Manager would invest in the Securities comprising the underlying index irrespective of the market conditions. If the Securities market declines, the value of the investment held by the Scheme shall decrease.

- **Risks associated with Investing in Derivatives**

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

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

- **Risks associated with 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

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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 Factors relating to Portfolio Rebalancing**

In the event that the asset allocation of the Scheme deviates from the ranges as provided in the asset allocation table in this SID, then the Fund Manager will rebalance the portfolio of the Scheme to the position indicated in the asset allocation table. However, if market conditions do not permit the Fund Manager to rebalance the portfolio of the Scheme then the AMC would notify the Board of the Trustee Company and the Investment Committee of the AMC with appropriate justifications.

- **Risks associated with Securities Lending**

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

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

- **Tracking Error Risk and Tracking Difference 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 Scheme, corporate actions, cash balance and changes to the underlying index and regulatory restrictions, lack of liquidity which may result in Tracking Error. Hence it may affect AMC's ability to achieve close correlation with the underlying index of the Scheme. The Scheme's returns may therefore deviate from 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 Scheme. The Fund Manager would monitor the Tracking Error of the Scheme on an ongoing basis and would seek to minimize the 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.

- **Risk associated with potential change in Tax structure**

This summary of tax implications given in the taxation section is based on the current provisions of the applicable tax laws. This information is provided for general purpose only. The current taxation laws may change due to change in the 'Income Tax Act 1961' or any subsequent changes/amendments in Finance Act/Rules/Regulations. Any change may entail a higher outgo to the scheme or to the investors by way of securities transaction taxes, fees, taxes etc. thus adversely impacting the scheme and its returns.

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- **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. 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.

D. Risk mitigation strategies

Risk and Description	Risk mitigates / management strategy
<u>Risks associated with Equity investment</u>	
<p><u>Market Risk</u> The Scheme is vulnerable to movements in the prices of securities invested by the Scheme, which could have a material bearing on the overall returns from the Scheme. The value of the underlying Scheme investments, may be affected generally by factors affecting securities markets, such as price and volume, volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets.</p>	Market risk is inherent to an equity scheme. Being a passively managed scheme, it will invest in the securities included in its Underlying Index.
<p><u>Liquidity risk</u> The liquidity of the Scheme’s investments is inherently restricted by trading volumes in the securities in which they invests.</p>	The Scheme will try to maintain a proper asset-liability match to ensure redemption payments are made on time and not affected by illiquidity of the underlying stocks.
<p><u>Tracking Error risk (Volatility/ Concentration risk):</u> The performance of the Scheme may not commensurate with the performance of the underlying Index viz. BSE Healthcare Index on any given day or over any given period.</p>	<p><u>Tracking Error risk (Volatility/ Concentration risk):</u> Over a short to medium period, the Scheme may carry the risk of variance between portfolio composition and Benchmark. The objectives of the scheme are too closely track the performance of the Underlying Index over the same period, subject to tracking error. The Scheme would endeavor to maintain a low</p>

	tracking error by actively aligning the portfolio in line with the Index.
<p><u>Derivatives Risk</u></p> <p>As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives since derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds.</p>	<p>Derivatives will be used in the form of Index Options, Index Futures and other instruments as may be permitted by SEBI. All derivatives trade will be done only on the exchange with guaranteed settlement. The AMC monitors the portfolio and regulatory limits for derivatives through its front office monitoring system. Exposure to derivatives of stocks or underlying index will be done based on requisite research. Exposure with respect to derivatives shall be in line with regulatory limits and the limits specified in the SID. No OTC contracts will be entered into.</p>
Risks associated with money market investment	
<p><u>Market Risk/ Interest Rate Risk</u></p> <p>As with all fixed income securities, changes in interest rates may affect the Scheme's Net Asset Value as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than do short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the NAV.</p>	<p>The Scheme may invest in money market instruments having relatively shorter maturity thereby mitigating the price volatility due to interest rate changes generally associated with long-term securities.</p>
<p><u>Liquidity or Marketability Risk</u></p> <p>This refers to the ease with which a security can be sold at or near to its valuation yield- to maturity (YTM).</p>	<p>The Scheme may invest in money market instruments having relatively shorter maturity. While the liquidity risk for short maturity securities may be low, it may be high in case of medium to long maturity securities.</p>
<p><u>Credit Risk</u></p> <p>Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security).</p>	<p>Management analysis may be used for identifying company specific risks. Management's past track record may also be studied.</p>

E. **Special Considerations**

- Prospective investors should study this SID and SAI carefully in its entirety and should not construe the contents hereof as advice 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.

- 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.

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- 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 without obtaining the prior approval of the investor/Unitholder/ any other person.
- **Termination of the scheme(s)**

The Trustees reserve the right to terminate the scheme at any time. Regulation 39(2) of the SEBI Regulations *SID of Motilal Oswal BSE Healthcare ETF*

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.

- **Compliance with Foreign Accounts Tax Compliance Act (FATCA) / Common Reporting Standards (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 for any advice on tax residency or any other aspects of FATCA -CRS. Please note that the Mutual Fund will be unable to provide any advice in this regard.

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 *SID of Motilal Oswal BSE Healthcare ETF*

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.
- b. 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.

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

E. 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.

F. 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.

G. 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
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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.

H. 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.

I. 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.

J. 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.

K. 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)

Portfolio before downgrade event

Security	Rating	Type of the security	Quantity	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%

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Net Assets					1,23,230.63	100.00%
Unit capital (no of units)					10,000.00	
NAV (In Rs)					12.3231	
Security downgraded	9.00% B Ltd.	from AA+ to D				
Valuation Marked down by	75.00%	Valuation agencies shall be providing the valuation price post consideration of standard haircut matrix.				

Total Portfolio as on May 31, 2024

Security	Rating	Type of the security	Quantity	Market Price Per Unit (Rs)	Market Value (Rs)	% of Net Assets
8.50% A Ltd.	CRISIL AAA	NCD	500	101.4821	50,741.05	41.94%
9.00 % B Ltd.	CRISIL D	NCD	25	30.00	750	0.62%
8.75% C Ltd.	CRISIL AA+	NCD	25	100.7341	2518.35	2.08%
8.00% D Ltd.	CRISIL AA+	NCD	375	102.7886	38,545	31.86%
Cash & cash equivalents					28,425.52	23.50%
Net Assets					120,980.63	100.00%
Unit capital (no of units)					10,000.00	
NAV (In Rs)					12.0981	

Main Portfolio as on May 31, 2024

Security	Rating	Type of the security	Quantity	Market Price Per Unit (Rs)	Market Value (Rs)	% of Net Assets
8.50% A Ltd.	CRISIL AAA	NCD	500	101.4821	50,741.05	42.20%
8.75% C Ltd.	CRISIL AA+	NCD	25	100.7341	2518.35	2.09%
8.00% D Ltd.	CRISIL AA+	NCD	375	102.7886	38,545	32.06%
Cash & cash equivalents					28,425.52	23.64%
Net Assets					120,230.63	100.00%
Unit capital (no of units)					10,000.00	
NAV (In Rs)					12.0231	

Segregated Portfolio as on May 31, 2024

Security	Rating	Type of the security	Quantity	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	

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NAV (In Rs)					0.075	
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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	1,000	
NAV (in Rs)	12.0231	0.075	
Total Value (in Rs)	12,023.10	75	12,098.10

Benefits of Segregated Portfolio:

1. Creation of Segregated portfolio helps ensuring fair treatment to all investors in case of a credit event/ actual default and helps in managing liquidity risk during such events;
2. Investors subscribing to the scheme post segregation of the portfolio will be allotted units only in the main portfolio based on its NAV;
3. The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.
4. Only investors who hold units in the scheme on the day of credit event/actual default shall be entitled to share the proceeds generated from the sale of the segregated asset or any future recovery(s)

Mutual Fund schemes that are in the process of winding up

The Scheme shall comply with the clause 7.2 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 in the event of Winding-up in terms of Regulation 39(2)(a) of MF Regulations.

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. Where will the scheme invest?

The scheme would invest in the securities comprising the BSE Healthcare Index in the same proportion (weights) as in the index and track the benchmark index.

The scheme may also invest in the money market instruments, in compliance with regulation to meet liquidity requirements.

Money Market instruments includes units of liquid schemes, 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, TREPS, usance bills, and any other like instruments as specified by the Reserve Bank of India (RBI)/ Securities and Exchange Board of India (SEBI) from time to time.

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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.

Investment in Derivatives

The Scheme may take an exposure to equity derivatives of constituents of the Underlying Index when securities of the Index are unavailable, insufficient or for rebalancing at the time of change in Index or in case of corporate actions, for a short period of time. The total exposure to derivatives would be restricted to 10% of the net assets of the Scheme.

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

For details on Derivatives and Options Strategies refer SAI.

Risk Associated with these Strategies

- The risk of mis-pricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

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- Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place.

B. What are the investment restrictions?

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

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

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

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

Provided further that sale of Government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

2. The Mutual Fund shall get the securities purchased or transferred in the name of the Mutual Fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.

3. The Mutual Fund under all its schemes shall not own more than 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 SEBI circular having ref. no. SEBI/HO/IMD/DF4/CIR/P/2020/202 dated October 08, 2020 as amended from time to time.

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 the SEBI Circular No. SEBI/IMD/CIR No. 1/ 91171 /07 dated April 16, 2007 read with SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019, 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
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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.

7. A mutual fund scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities and other money market instruments.

Provided that Mutual Fund Schemes may invest in unlisted non-convertible debentures up to a maximum of 5% of the debt portfolio of the scheme subject to such conditions as may be specified by the Board from time to time:

Provided further that mutual fund schemes shall comply with the norms under this clause within the time and in the manner as may be specified by the Board.

Provided further that the norms for investments by mutual fund schemes in unrated debt instruments shall be specified by the Board from time to time.

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.

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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.

14. Vide SEBI circular dated November 29, 2022, a mutual fund scheme will, within the limits specified in the clause 1 of Seventh Schedule of the MF Regulation, following prudential limits shall be followed, for schemes other than Credit risk funds:
- i. A mutual fund scheme shall not invest more than:
 - a. 10% of its NAV in debt and money market securities rated AAA; or
 - b. 8% of its NAV in debt and money market securities rated AA; or
 - c. 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.

The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit specified in clause 1 of Seventh Schedule of MF Regulation.

The long term rating of issuers shall be considered for the money market instruments. However, if there is no long term rating available for the same issuer, then based on credit rating mapping of CRAs between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating. Exposure to government money market instruments such as TREPS on G-Sec/ T-bills shall be treated as exposure to government securities

15. A mutual fund scheme shall not invest more than 5% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act.
- a. Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and collateralized borrowing and lending obligations:
 - b. Provided further that investment within such limit can be made in mortgaged backed securitised debts which are rated not below investment grade by a credit rating agency registered with the Board:

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

Compliance w.r.t. SEBI Circular dated January 10, 2019 and November 29, 2019- 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.

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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 BSE Healthcare 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 the total returns of BSE Healthcare Total Return Index.
- (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 Unit holder 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 SEBI before bringing such change(s).

D. INDEX METHODOLOGY:

ABOUT BSE Healthcare INDEX

Index Objective: The BSE Healthcare Index is designed to provide investors with a benchmark reflecting companies included in BSE All Cap that are classified as members of healthcare sector.

Index Methodology

Eligible universe – All constituents of the BSE AllCap Index

Stock selection – All stocks classified as members of the Healthcare sector according to the BSE Sector Classification System

Weighting – Constituents are weighted based on their float-adjusted market cap

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Rebalancing – The index is rebalanced quarterly in March, June, September, and December

Index Composition:

The table below lists the constituents of BSE Healthcare Index as on May 31, 2024.

CONSTITUENT NAME	INDEX WEIGHT %	Impact Cost
Aarti Drugs Ltd	0.00	0.08
Aarti Pharmalabs Ltd.	0.00	0.09
Abbott India Ltd	0.01	0.05
Advanced Enzyme Technologies Ltd	0.00	0.1
Ajanta Pharma Ltd	0.01	0.07
Alembic Pharmaceuticals Ltd	0.01	0.09
Alkem Laboratories Ltd	0.02	0.04
Ami Organics Limited	0.00	0.07
Apollo Hospitals Enterprise Ltd	0.06	0.02
Artemis Medicare Services Ltd	0.00	0.19
Aster DM Healthcare Ltd	0.01	0.07
AstraZeneca Pharm India	0.00	0.1
Aurobindo Pharma Ltd	0.03	0.03
Bajaj Healthcare Ltd	0.00	0.15
Biocon Ltd	0.01	0.04
Bliss Gvs Pharma Ltd	0.00	0.15
Blue Jet Healthcare Limited	0.00	0.11
Caplin Point Laboratories Ltd	0.00	0.08
Cipla Ltd/India	0.08	0.02
Concord Biotech Ltd	0.00	0.08
Dishman Carbogen Amics Ltd	0.00	0.12
Divi's Laboratories Ltd	0.06	0.03
Dr. Lal PathLabs Ltd	0.01	0.04
Dr Reddy's Laboratories Ltd	0.07	0.02
Eris Lifesciences Ltd	0.00	0.09
FDC Ltd	0.00	0.09
Fortis Healthcare Ltd.	0.03	0.05
Gland Pharma Ltd	0.01	0.05
GlaxoSmithKline Pharmaceuticals Ltd	0.01	0.05
Glenmark Life Sciences Ltd	0.00	0.09
Glenmark Pharmaceuticals Ltd	0.02	0.04
Global Health Ltd	0.01	0.06

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Granules India Ltd	0.01	0.05
Gufic BioSciences Ltd	0.00	0.15
Gujarat Themis Biosyn Ltd	0.00	0.54
HealthCare Global Enterprises Ltd	0.00	0.12
HESTER PHARM	0.00	0.19
Hikal Ltd.	0.00	0.09
Indoco Remedies Ltd.	0.00	0.14
Indraprastha Medical Corp. Ltd.	0.00	0.37
Innova Captab Ltd	0.00	0.17
IOL Chemicals and Pharmaceuticals Ltd	0.00	0.09
Ipca Laboratories Ltd	0.02	0.05
Jagsonpal Pharmaceuticals Ltd	0.00	0.26
J.B.Chemicals & Pharmaceuticals Ltd.	0.01	0.06
Jubilant Pharmova Sciences Ltd	0.01	0.07
Jupiter Life Line Hospitals Ltd	0.00	0.13
KMC Speciality Hospitals	0.00	0.44
Kopran Ltd	0.00	0.1
KOVAI MEDICAL CENTER & HOSPITAL LTD	0.00	0.32
Krishna Institute of Medical Sciences Ltd	0.01	0.07
Krsnaa Diagnostics Ltd	0.00	0.11
Laurus Labs Ltd	0.02	0.05
Lincoln Pharmaceuticals ltd	0.00	0.15
Lupin Ltd	0.04	0.03
Mankind Pharma Ltd	0.01	0.05
Marksans Pharma Ltd	0.00	0.08
Max Healthcare Institute Ltd	0.06	0.05
Medicamen Biotech Ltd	0.00	0.32
Metropolis Healthcare Ltd	0.00	0.05
Morepen Laboratories Ltd	0.00	0.08
Narayana Hrudayalaya Ltd	0.01	0.05
Natco Pharma Ltd	0.01	0.04
Neuland Laboratories Ltd	0.01	0.06
NGL Fine Chem Ltd	0.00	0.25
Novartis India Ltd	0.00	0.35
Panacea Biotec Ltd	0.00	0.19
Pfizer Ltd (India)	0.01	0.07
Piramal Pharma Ltd	0.01	0.05
Poly Medicare Ltd	0.01	0.1
Procter & Gamble Health Limited	0.00	0.08
Rainbow Children's Medicare Ltd	0.01	0.08

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RPG Life Sciences Ltd	0.00	0.17
Sanofi India Ltd	0.01	0.05
Sastasundar Ventures Limited	0.00	0.35
Sequent Scientific Ltd	0.00	0.1
Shalby Ltd	0.00	0.11
Shilpa Medicare Ltd	0.00	0.09
Sigachi Industries Ltd	0.00	0.11
SMS Pharmaceuticals Ltd	0.00	0.15
Solara Active Pharma Sciences Ltd	0.00	0.1
Strides Pharma Science Ltd	0.01	0.06
Sun Pharma Advanced Research Co Ltd	0.00	0.63
Sun Pharmaceutical Industries Ltd	0.16	0.02
Supriya Lifescience Ltd	0.00	0.09
Suven Life Sciences Ltd	0.00	0.41
Suven Pharmaceuticals Limited	0.01	0.09
Syncom Formulations India Ltd	0.00	0.66
Syngene International Ltd	0.01	0.04
Tarsons Products Ltd	0.00	0.12
Themis Medicare Ltd	0.00	0.24
Thyrocare Technologies Ltd	0.00	0.11
Torrent Pharmaceuticals Ltd	0.03	0.03
Unichem Laboratories Ltd	0.00	0.2
Vijaya Diagnostic Centre Limited	0.00	0.09
Vimta Labs Ltd.	0.00	0.21
Wockhardt Ltd	0.00	0.24
Yatharth Hospital & Trauma Care Services Ltd	0.00	0.09
Zydus Lifesciences Ltd	0.03	0.03

Link : <https://www.motilaloswalmf.com/etf/motilal-oswal-s&p-bse-enhanced-value-etf>

Return of Benchmark:

The table below pertains to Return of BSE Healthcare TRI as on May 31, 2024:

Absolute Returns	BSE Healthcare TRI
1 Month	-1.4%
2 Month	-0.4%
3 Month	-0.5%
6 Month	15.1%
9 Month	25.4%

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Annualized Returns	BSE Healthcare TRI
1 Year	48.3%
3 Year	13.2%
5 Year	22.1%
7 Year	15.2%
10 Year	13.7%
15 Year	17.5%

Disclaimers:

1. BSE Healthcare Total Return Index

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OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN AIPL AND LICENSEE, OTHER THAN THE LICENSORS OF AIPL (INCLUDING S&P DOW JONES INDICES AND/OR BSE).

1. 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/5595 dated August 14, 2023 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."

MOMF has obtain all other necessary statutory approvals of the concerned regulatory authorities for the offer.

The Exchange is also pleased to grant it's in principle approval of the MOMF listing application seeking permission for the units of Motilal Oswal BSE Healthcare ETF to be dealt in on the Exchange subject to MOMF completing post-offer requirements and complying with the necessary statutory, legal & listing formalities.

The validity of the letter is coterminous with the validity of SEBI approval.

2. BSE

"BSE Limited ("the Exchange") has given vide its letter LO/IPO/AH/MF/IP/ 177/2021-22 dated--December 17, 2021 permission to MOMF 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 MOMF. 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 Motilal Oswal BSE Healthcare ETF 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"

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"It is distinctly understood that the permission given by BSE Limited is not in any way be deemed or construed that the SID has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the SID. The investors are advised to refer to the SID for the full text of the Disclaimer clause of the BSE Limited"

MOMF has obtained all other necessary statutory approvals of the concerned regulatory authorities for the offer. The Exchange is also pleased to grant its in principle approval of the MOMF listing application seeking permission for the units of Motilal Oswal BSE Healthcare ETF to be dealt in on the Exchange subject to MOMF completing post-offer requirements and complying with the necessary statutory, legal & listing formalities.

Any material changes in the SID which is submitted to the Exchange for seeking In – Principle (IP) approval, and the SID circulated at the time of NFO, the changes so carried out must be brought to the notice of the Exchange at least 15 days prior to the opening of NFO. A fresh In Principle must be obtained from BSE accordingly.

The validity of the letter is coterminous with the validity of SEBI approval.

E. Principles of incentive structure for market makers (for ETFs)

On the Exchange

The units are proposed to be listed on Stock Exchange(s) to provide liquidity through secondary market. The units of the Scheme can be bought / sold on all trading days on the National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange (BSE) where the Scheme is listed.

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 with AMC pertaining to subscription / redemption by any investor other than Authorized Participants / Market Makers shall be in multiple of unit creation size and the execution value of such transaction should be more than Rs. 25 Crs.

For Market makers:

The number of units of the Scheme that Market Makers/authorized participant can subscribe to is 1,75,000 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 on an 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.

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*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.

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

Each Creation Unit consists of 1,75,000 units of Motilal Oswal BSE Healthcare 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 BSE Healthcare ETF that investors can create / redeem is 1,75,000 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 May 31, 2024 for Motilal Oswal BSE Healthcare ETF is as follows:

Company	Price	Index Weight	Quantity	Amount
Sun Pharmaceutical Industries Limited	1460.15	16.04%	671	9,79,761
Cipla Ltd	1448.15	7.97%	336	4,86,578
Dr Reddys Laboratories Ltd	5787.55	7.17%	76	4,39,854
Apollo Hospitals Enterprise Limited	5839.95	5.98%	62	3,62,077
Max Healthcare Institute Limited	752.2	5.65%	459	3,45,260
Divis Laboratories Ltd	4309.95	5.59%	79	3,40,486
Lupin Ltd	1587.9	3.90%	150	2,38,185
Aurobindo Pharma Ltd	1187	3.40%	175	2,07,725
Zydus Lifesciences Ltd	1000.7	2.58%	157	1,57,110
Fortis Healthcare Ltd	475.95	2.52%	324	1,54,208
Torrent Pharmaceuticals Ltd	2696.4	2.51%	57	1,53,695
Glenmark Pharmaceuticals Ltd	1160.75	1.77%	93	1,07,950
Alkem Laboratories Limited	4811.95	1.70%	22	1,05,863
Laurus Labs Limited	419.05	1.68%	245	1,02,667
IPCA Laboratories Ltd	1152.1	1.61%	85	97,929
Biocon Ltd	309.3	1.40%	276	85,367
Gland Pharma Limited	1839.15	1.29%	43	79,083
Abbott India Ltd	25875.95	1.40%	3	77,628
J B Chemicals and Pharma Ltd	1764.25	1.28%	44	77,627
Syngene International Ltd	672.3	1.21%	110	73,953
Glaxosmithkline Pharmaceuticals Ltd	2630.6	1.13%	26	68,396
Global Health Limited	1192.9	1.07%	55	65,610
Ajanta Pharma Ltd	2332.9	0.99%	26	60,655
Dr. Lal Pathlabs Limited	2647	0.97%	22	58,234

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Natco Pharma Ltd	998.1	0.91%	56	55,894
Piramal Pharma Limited	148.2	0.90%	370	54,834
Krishna Institute Of Medical Sciences Limited	1826.85	0.91%	30	54,806
Sanofi India Ltd	8637.25	0.81%	6	51,824
Poly Medicure Limited	1807.65	0.83%	28	50,614
Narayana Hrudayalaya Limited	1188.9	0.82%	42	49,934
Pfizer Ltd	4599.75	0.73%	10	45,998
Mankind Pharma Limited	2146.05	0.70%	20	42,921
Rainbow Childrens Medicare Limited	1302.25	0.67%	32	41,672
Aster DM Healthcare Limited	362.8	0.65%	109	39,545
Suven Pharmaceuticals Limited	622.7	0.64%	63	39,230
Strides Pharma Science Limited	862.1	0.57%	41	35,346
Granules India Limited	418.15	0.58%	84	35,125
Jubilant Pharmova Limited	685.35	0.54%	48	32,897
Alembic Pharmaceuticals Ltd	923	0.54%	35	32,305
Metropolis Healthcare Limited	1905.9	0.50%	16	30,494
Neuland Laboratories Ltd	6040.2	0.50%	5	30,201
Astrazeneca Pharma India Ltd	6162.45	0.39%	4	24,650
Vijaya Diagnostic Centre Limited	814.65	0.38%	29	23,625
Procter & Gamble Health Limited	4718.45	0.38%	5	23,592
MARKSANS PHARMA LIMITED	148.3	0.38%	158	23,431
Eris Lifesciences Limited	916.2	0.37%	24	21,989
Wockhardt Ltd	531.45	0.33%	38	20,195
Caplin Point Laboratories Limited	1289.65	0.29%	14	18,055
Aarti Pharmalabs Limited	560.85	0.28%	30	16,826
Concord Biotech Limited	1463.65	0.22%	9	13,173
FDC Limited	432.8	0.22%	30	12,984
Kovai Medical Center and Hospital Limited	4196.2	0.21%	3	12,589
Shilpa Medicare Ltd	484.85	0.19%	24	11,636
Unichem Laboratories Ltd	542.1	0.19%	21	11,384
Ami Organics Limited	1217.05	0.18%	9	10,953
Glenmark Life Sciences Limited	834.55	0.18%	13	10,849
Advanced Enzyme Technologies Limited	363.15	0.17%	29	10,531
Aarti Drugs Limited	475.15	0.16%	20	9,503
Sun Pharma Advanced Research Company Ltd	206	0.15%	44	9,064
HealthCare Global Enterprises Ltd.	360.75	0.14%	23	8,297
Morepen Laboratories Limited	46.28	0.13%	168	7,775
Sequent Scientific Limited	103.5	0.12%	73	7,556
Indoco Remedies Ltd	299.75	0.11%	23	6,894
Hikal Limited	284.9	0.11%	24	6,838
Dishman Carbogen Amcis Limited	160.9	0.11%	40	6,436
Krsnaa Diagnostics Limited	572	0.10%	11	6,292
Thyrocare Technologies Ltd	612.25	0.10%	10	6,123
Indraprastha Medical Corporation Ltd	245.95	0.10%	24	5,903
Jupiter Life Line Hospitals Limited	1177.75	0.10%	5	5,889
Supriya Lifescience Limited	366.5	0.10%	16	5,864

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IOL Chemicals and Pharmaceuticals Limited	359.6	0.08%	14	5,034
Gufic Biosciences Limited	307.9	0.08%	15	4,619
Shalby Limited	258.4	0.07%	17	4,393
RPG LIFE SCIENCES LTD	1429.15	0.06%	3	4,287
Blue Jet Healthcare Ltd	382.3	0.07%	11	4,205
Solara Active Pharma Sciences Limited	417.6	0.07%	10	4,176
Novartis India Ltd	1043.9	0.08%	4	4,176
Gujarat Themis Biosyn Ltd	378.85	0.07%	11	4,167
Yatharth Hospital And Trauma Care Services Limited	414.35	0.07%	10	4,144
Tarsons Products Limited	413.55	0.06%	10	4,136
Themis Medicare Ltd	202.8	0.06%	19	3,853
Suven Life Sciences Limited	92.55	0.06%	41	3,795
Syncom Formulations India Ltd	11.98	0.06%	316	3,786
Hester Biosciences Limited	1798.7	0.07%	2	3,597
Bliss GVS Pharma Ltd	102.65	0.06%	35	3,593
KOPRAN LTD	225.45	0.05%	15	3,382
Lincoln Pharmaceuticals Limited	561.65	0.06%	6	3,370
Artemis Medicare Services Limited	174.3	0.06%	19	3,312
SMS Pharmaceuticals Ltd	197.95	0.05%	16	3,167
Sigachi Industries Ltd	64.69	0.05%	48	3,105
Innova Captab Limited	479.7	0.05%	6	2,878
Vimta Labs Ltd	475.35	0.04%	5	2,377
NGL Fine Chem Ltd	2230.05	0.04%	1	2,230
KMC Speciality Hospitals (India) Limited	84.42	0.03%	24	2,026
Bajaj Healthcare Limited	288.3	0.03%	6	1,730
Jagsonpal Pharmaceuticals Limited	323.35	0.03%	5	1,617
Sastasundar Ventures Limited	303.5	0.02%	5	1,518
MEDICAMEN BIOTECH LIMITED	500.65	0.03%	3	1,502
Panacea Biotec Ltd	131.45	0.01%	7	920

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	31-May-24
Index Value	34,889.53
Tracking Ratio	1000
NAV	35.1334
Creation Unit	175000
Amount	6148345
CU Amount	6103525.67

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

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Please note:

1. Transaction charges like brokerage, depository charges etc. are payable by the investor on per creation request and will be as determined by the AMC at the time of transaction.
2. 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.
3. For accrued interest calculation of dated Government securities, the day count convention of 30/360 is followed.

D. Other Scheme Specific Disclosures:

Listing and transfer of units	<p>The units of the Scheme listed on the National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange (BSE)</p> <p>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.</p>
Dematerialization of units	<p>The units of the Scheme are available in the Dematerialized (electronic) mode only.</p> <p>The applicant under the Scheme are required to have a beneficiary account with a Depository Participant of NSDL/CDSL and are required to indicate in the application the DP's name, DP ID Number and beneficiary account number of the applicant with the DP.</p> <p>The units of the Scheme are issued/repurchased and traded compulsorily in dematerialized form.</p> <p>Applications without relevant details of their depository account are liable to be rejected.</p>
Minimum Target amount	N.A
Maximum Amount to be raised (if any)	There is no upper limit on the total amount to be collected.

Who can invest	<p>This is an indicative list and you are requested to consult your financial advisor. The following are eligible to subscribe to the units of the Scheme:</p> <ol style="list-style-type: none"> 1. Resident adult individuals, either singly or jointly (not exceeding three) or on anyone or Survivor basis. 2. Minors through Parents/Lawful Guardian. 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. 10. Foreign Portfolio Investor (FPI) 11. Charitable or Religious Trusts, Wakf Boards or endowments of private trusts (subject to receipt of necessary approvals as “Public securities” as required) and private trusts authorized to invest in units of Mutual Fund schemes under their trust deeds. 12. Army, Air Force, Navy, Para-military funds and other eligible institutions. 13. Scientific and Industrial Research Organizations. 14. Multilateral Funding Agencies or Bodies Corporate incorporated outside India with the permission of Government of India and the Reserve Bank of India. 15. 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 Government of India. 16. Provident / Pension / Gratuity / Superannuation and such other retirement and employee benefit and other similar funds as and when permitted to invest. 17. Qualified Foreign Investors (subject to and in compliance with the extant regulations) 18. Other Associations, Institutions, Bodies etc. authorized to invest 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
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	<p>SEBI Regulations.</p> <p>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.</p> <p>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.</p> <p>The minor unit holder shall be represented either by natural parent (father and mother) or by a legal guardian.</p> <p>Payment of investment shall be from the authorized banking channels and from the bank account of minor or joint account of minor with guardian.</p> <p>The process of minor attaining major and status of investment etc. is mention in Statement of Additional Information (SAI).</p>
<p>Who cannot invest</p>	<ol style="list-style-type: none"> 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, switch transactions, Systematic Transfer Plan (STP), Systematic Withdrawal Plan (SWP) 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. The investor shall be responsible for complying with all the 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,

	<p>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.</p> <p>4. Such other persons as may be specified by AMC from time to time.</p> <p>*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.</p> <p>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.</p>
How to Apply and other details	<p>Details regarding availability of application form from either the Investor Service Centers (ISCs)/Official Points of Acceptance(OPAs) of AMC or may be downloaded from the website of AMC should be specified</p> <p>Please refer to the SAI and Application form for the instructions.</p> <p>Pursuant to the clause 17.16 of SEBI Master Circular for Mutual Funds dated May 19, 2023, the Investors subscribing to units of the Scheme are compulsorily required to provide:</p> <p>a) Nomination; or b) A declaration form for opting out of nomination.</p> <p>Pursuant to SEBI Circular vide SEBI/HO/IMD/IMD-I POD1/P/CIR/2024/29 dated April 30, 2024 the nomination for mutual funds shall be exempted for jointly held folios</p> <p>The applications where neither nomination is provided nor declaration for opting out of nomination is provided, are liable to be rejected.</p>
The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	Units once redeemed/repurchased will not be re-issued
Restrictions, if any, on the right to freely retain or dispose of units being offered.	The Trustee may, in the general interest of the Unitholders of the Scheme and when considered appropriate to do so based on unforeseen circumstances/unusual market

	<p>conditions, impose restriction on redemption of Units of the Schemes. The following requirements will be observed before imposing restriction on redemptions:</p> <p>Restriction may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:</p> <p>Liquidity issues - when market at large becomes illiquid affecting almost all securities rather than any issuer specific security. AMC's should have in place sound internal liquidity management tools for schemes. Restriction on redemption cannot be used as an ordinary tool in order to manage the liquidity of a scheme. Further, restriction on redemption due to illiquidity of a specific security in the portfolio of a scheme due to a poor investment decision shall not be allowed.</p> <p>Market failures, exchange closures - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies.</p> <p>Operational issues - when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). Such cases can only be considered if they are reasonably unpredictable and occur in spite of appropriate diligence of third parties, adequate and effective disaster recovery procedures and systems</p> <p>Restriction on redemption may be imposed for a specific period of time not exceeding 10 working days in any 90 days' period.</p> <p>Any such imposition requires specific approval of Board of AMC's and Trustees and the same shall be immediately informed to SEBI.</p> <p>When restriction on redemption is applied the following procedure shall be followed: Redemption requests upto Rs. 2lakh will not be subject to such restriction. In case of redemption requests above Rs. 2 lakhs, the AMC shall redeem the first Rs. 2 lakhs without restriction and remaining part over above be subject to such restriction.</p>
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	<p>Units of the Scheme which are issued in demat (electronic) form will be transferred and transmitted in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time.</p> <p>Right to Limit Fresh Subscription</p> <p>The Trustees reserves the right at its sole discretion to withdraw / suspend the allotment / Subscription of Units in the Scheme temporarily or indefinitely, at the time of NFO or otherwise, if it is viewed that increasing the size of such Scheme may prove detrimental to the Unit holders of such Scheme. An order to Purchase the Units is not binding on and may be rejected by the Trustees or the AMC unless it has been confirmed in writing by the AMC and/or payment has been received.</p>
<p>Cut off timing for subscriptions/ redemptions/ switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p>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.</p> <p>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. 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:</p> <ol style="list-style-type: none"> 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 exchange(s) for 3 consecutive trading days, or c. Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.

<p>Minimum amount for purchase/redemption/switches (mention the provisions for ETFs, as may be applicable, for direct subscription/ redemption with AMC.</p>	<p>Ongoing Basis:</p> <p>On Exchange: Investors can buy/sell units of the Scheme in round lot of 1 unit and in multiples thereof.</p> <p>Directly with the Mutual Fund:</p> <p>For Eligible investors*: Direct transaction with AMC pertaining to subscription / redemption by any investor other than Authorized Participants / Market Makers shall be in multiple of unit creation size and the execution value of such transaction should be more than Rs. 25 Crs.</p> <p>*the provisions relating to Eligible investors will not be applicable for the below mentioned investors till October 31, 2024 –</p> <ol style="list-style-type: none"> 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. <p>For Market makers: The number of units of the Scheme that Market Makers/authorized participant can subscribe is 1,75,000 units and in multiples thereafter.</p>
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<p>Accounts Statements</p>	<p>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 No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 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.</p> <p>Investors having MF investments and holding securities in Demat account shall receive a Single Consolidated Account Statement from the Depository.</p> <p>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.</p> <p>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</p> <p>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</p> <p>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.</p>
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	<p>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.</p> <p>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.</p>
Redemption	The redemption or repurchase proceeds shall be despatched to the Unitholders within 3 working days from the date of redemption or repurchase.
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.
Delay in payment of redemption / repurchase proceeds/dividend	The AMC shall be liable to pay interest to the Unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).
Unclaimed Redemption Amount	<p>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 alongwith 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.</p> <p>Further, pursuant to said circular on treatment of unclaimed redemption and IDCW amounts, redemption/ IDCW amounts remaining unclaimed based on expiry of payment instruments will be identified on a monthly basis and amounts of unclaimed redemption/ IDCW would be deployed in the respective Unclaimed Amount Plan(s) as follows:</p>

	<ul style="list-style-type: none"> • Motilal Oswal Liquid Fund - Unclaimed Redemption - Upto 3 years • Motilal Oswal Liquid Fund - Unclaimed Redemption - Greater than 3 years <p>Provided that such schemes where the unclaimed redemption amounts are deployed shall be only those Overnight scheme/ Liquid scheme / Money Market Mutual Fund schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix as per Clause 17.5 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023. Further, no exit load shall be charged in these plans capped as per TER of direct plan of such scheme or at 50bps whichever is lower</p> <p>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.</p>
Disclosure w.r.t investment by minors	<p>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.</p> <p>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.</p> <p>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</p>

	<p>guardian.</p> <p>The process of minor attaining major and status of investment etc. is mention in Statement of Additional Information (SAI).</p>
<p>KYC Requirements</p>	<p>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.</p>

III. Other Details

A. Periodic Disclosures:

<p>Net Asset Value</p> <p>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>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 before 11.00 p.m. on every business day. If the NAVs are not available before 11.00 p.m. on every 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.</p> <p>Further, Mutual Funds/ AMCs shall extend facility of sending latest available NAVs to investors through SMS, upon receiving a specific request in this regard. Investors can also contact the office of the AMC to obtain the NAV of the Scheme.</p>
<p>Monthly & Annual Disclosure of Risk-o-meter</p>	<p>The fund shall communicate any change in risk-o-meter by way of Notice cum Addendum and by way of an e-mail or SMS to unitholder. Further Risk-o-meter of scheme shall be evaluated on a monthly basis and Risk-o-meter along with portfolio shall be disclosed on website and on AMFI website within 10 days from the close of each month.</p> <p>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.</p>
<p>Disclosure of Benchmark Risk-o-meter</p>	<p>Pursuant to clause 5.16.1 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 20, the AMC shall disclose risk-o-meter of the scheme and benchmark in all disclosures including promotional material or that stipulated by SEBI wherever the performance of the scheme vis-à-vis that of the benchmark is disclosed to the investors in which the unit holders are invested as on the date of such disclosure.</p>
<p>Scheme Summary Document</p>	<p>The AMC has provided on its website Scheme summary document which is a standalone scheme document for all the Schemes which contains all the details of the Scheme.</p>
<p>Half yearly Disclosures: Financial Results</p>	<p>The Mutual Fund shall within one month from the close of each half year, that is on 31st March and on 30th September,</p>

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	<p>host a soft copy of its unaudited financial results on its website. The 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.</p>
Annual Report	<p>The Mutual Fund / AMC will host the Annual Report of the Schemes on its website (www.motilaloswalmf.com) 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 time to time) from the date of closure of the relevant accounting year (i.e. 31st March each year).</p> <p>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.</p> <p>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.</p> <p>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 (www.motilaloswalmf.com) and on the website of AMFI (www.amfiindia.com).</p>
Product Dashboard	<p>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 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.</p>
Disclosure of Tracking Error	<p>The tracking error i.e. the annualized standard deviation of the difference in daily returns between the underlying index or</p>

	<p>goods and the NAV of the ETF/ Index Fund, based on past one year rolling data shall not exceed 2%.</p> <p>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.</p> <p>For ETFs in existence for a period of less than one year, the annualized standard deviation shall be calculated based on available data.</p> <p>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.</p>
<p>Disclosure of Tracking Difference</p>	<p>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.</p>
<p>Investor services</p>	<p>Mr. Juzer Dalal Motilal Oswal Asset Management Company Limited 10th Floor, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai – 400025 Tel No.: +91 8108622222 and +91 22 40548002 Fax No.: 02230896884 Email.: amc@motilaloswal.com</p> <p>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.</p> <p>Investors can also visit our website www.motilaloswalmf.com for complete details.</p> <p>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.</p> <p>For any grievances with respect to transactions through stock exchange mechanism, Unit Holders must approach either their</p>

	stock broker or the investor grievance cell of the respective stock exchange or their distributor.
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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 www.motilaloswalmf.com and also on AMFI website www.amfiindia.com 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.

D. Associate Transactions- Please refer to Statement of Additional Information (SAI)

E. Taxation-

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

The below Tax Rates shall be applicable w.e.f April 1, 2024:

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

*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).

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 <https://www.motilaloswalmf.com/contact-us> .

H. 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 are as follows:

Link for Brief on litigation cases:

<https://www.motilaloswalmf.com/download/sid-related-documents>

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