



SECTION I
SCHEME INFORMATION DOCUMENT

Motilal Oswal Large and Midcap Fund
(An open ended equity scheme investing in both large cap and mid cap stocks)

(Scheme Code: MOTO/O/E/LMF/19/03/0013)

This product is suitable for investors who are seeking*	Scheme Risk-o-meter	Benchmark Risk-o-meter NIFTY Large Midcap 250 Total Return Index
<ul style="list-style-type: none"> • Long term capital appreciation • Investment predominantly in equity and equity related instruments of large and midcap stocks. 	 <p align="center">Riskometer Investors understand that their principal will be at Very High risk</p>	 <p align="center">Riskometer Benchmark riskometer is at Very High risk</p>

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

Offer for Units of face value Rs. 10 per unit during the New Fund Offer and Continuous offer for Units at NAV based price.

Name of Mutual Fund	Motilal Oswal Mutual Fund
Name of the Sponsor	Motilal Oswal Financial Services Limited (MOFSL)
Name of Asset Management Company (AMC)	Motilal Oswal Asset Management Company Limited (MOAMC)
Name of Trustee Company	Motilal Oswal Trustee Company Limited
Address	Registered Office: 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 Centers / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Motilal Oswal Mutual Fund (MOMF), Standard Risk Factors, Special Considerations, Tax and Legal issues and general

information on www.motilaloswalmf.com.

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

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

This 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 Large and Midcap Fund (“The scheme”)
II.	Category of the Scheme	Large and Midcap Fund
III.	Scheme type	An open ended equity scheme investing in both large cap and mid cap stocks
IV.	Scheme code	MOTO/O/E/LMF/19/03/0013
V.	Investment objective	The investment objective is to provide medium to long-term capital appreciation by investing primarily in Large and Midcap stocks. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.
VI.	Liquidity	The Scheme offers Units for subscription and redemption at Applicable NAV on all Business Days on an ongoing basis. As per SEBI Regulations, the Mutual Fund shall dispatch redemption proceeds within 3 Working days of receiving a valid redemption request. A penal interest of 15% per annum or such other rate as may be prescribed by SEBI from time to time, will be paid in case the redemption proceeds are not made within 3 Working days from the date of receipt of a valid redemption request.
VII.	Benchmark (Total Return Index)	NIFTY Large Midcap 250 Total Return Index
VIII.	NAV disclosure	The NAV will be calculated on all business days and shall be disclosed in the manner specified by SEBI. The AMC shall update the NAVs on its website 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 NAVs are not available before commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs. Further, AMC will extend facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard. Further details in Section II.
IX.	Applicable timelines	As per SEBI Regulations, the Mutual Fund shall dispatch redemption proceeds within 3 Working days of receiving a valid redemption request. All the IDCW payments shall be in accordance and compliance with SEBI regulations, as amended from time to time.

<p>X.</p>	<p>Plans and Options Plans/Options and sub options under the Scheme</p>	<p>The Scheme has two Plans: (i) Regular Plan and (ii) Direct Plan</p> <p>Regular Plan is for Investors who purchase/subscribe units in a Scheme through any Distributor (AMFI Registered Distributor/ARN Holder).</p> <p>Direct Plan is for investors who purchase/subscribe units in a Scheme directly with the Fund and is not routed through a Distributor (AMFI Registered Distributor/ARN Holder).</p> <p>Each Plan offers the following Options: (a) Growth Option (b) IDCW* Option (with IDCW Payout and Re-investment facility)</p> <p>Growth Option- All Income earned and realized profit in respect of a unit issued under that will continue to remain invested until repurchase and shall be deemed to have remained invested in the option itself which will be reflected in the NAV.</p> <p>IDCW Option- Under this Option, the Trustee reserves the right to declare IDCW under the Scheme depending on the net distributable surplus available under the Option. It should, however, be noted that actual declaration of IDCWs and the frequency of distribution will depend, inter-alia, on the availability of distributable surplus and will be entirely at the discretion of the Trustees or any Committee authorised by them.</p> <p>If IDCW payable under the IDCW payout option is equal to or less than Rs.500/-, then it would be compulsorily re-invested in the Option of the Scheme.</p> <p>Pursuant to clause 11.3 of SEBI Master Circular No. SEBI /HO/IMD/IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, IDCW can be distributed out of investor’s capital (Equalization Reserve), which is part of sale price that represents realized gains. *Income Distribution cum capital withdrawal option</p> <p>The AMC reserves the right to introduce further Options as and when deemed fit.</p> <p>Default Plan Investors subscribing Units under Direct Plan of a Scheme should indicate “Direct Plan” against the Scheme name in the application form. Investors should also mention “Direct” in the ARN column of the application form.</p> <p>The table showing various scenarios for treatment of application under “Direct/Regular” Plan is as follows:</p>
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Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured
1	Not mentioned	Not mentioned	Direct
2	Not mentioned	Direct	Direct
3	Not mentioned	Regular	Direct
4	Mentioned	Direct	Direct
5	Direct	Not Mentioned	Direct
6	Direct	Regular	Direct
7	Mentioned	Regular	Regular
8	Mentioned	Not Mentioned	Regular

In cases of wrong/ invalid/ incomplete ARN code mentioned on the application form, the application will be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of application form from the investor/distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load, if applicable.

If the investor does not clearly specify the choice of option at the time of investing, it will be deemed that the investor has opted for Growth option and in case he does not specify payout/re-investment under IDCW option, it will be deemed to be IDCW re-investment.

XI.	Load Structure	<p>Entry Load: Nil Exit Load: 1% - if redeemed on or before 15 days of allotment, nil thereafter.</p> <p>For details on load structure, please refer to Section on Load Structure in this Document.</p> <p>No Exit Load will be applicable in case of switch between the Schemes, Motilal Oswal Focused Fund, Motilal Oswal Midcap Fund, Motilal Oswal Flexi Cap Fund, Motilal Oswal Balanced Advantage Fund, Motilal Oswal Large and Midcap Fund, Motilal Oswal Multi Asset Fund and other schemes as may be amended by AMC vide its addendum issued in this regard. No Load shall be imposed for switching between Options within the Scheme. Further, it is clarified that there will be no exit load charged on a switch-out from Regular to Direct plan within the same scheme.</p>										
XII.	Minimum Application Amount/switch in	<p>For Lumpsum: Rs. 500/- and in multiples of Re. 1/- thereafter.</p> <p>For Systematic Investment Plan (SIP):</p> <table border="1"> <thead> <tr> <th>SIP Frequency</th> <th>Minimum Instalment Amount</th> <th>Number of Instalments</th> <th>Choice of Day/Date</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			SIP Frequency	Minimum Instalment Amount	Number of Instalments	Choice of Day/Date				
SIP Frequency	Minimum Instalment Amount	Number of Instalments	Choice of Day/Date									

		Weekly	Rs. 500/- and multiple of Re. 1/- thereafter	Minimum – 12 Maximum – No Limit	Any day of the week from Monday to Friday
		Fortnightly	Rs. 500/- and multiple of Re. 1/- thereafter	Minimum – 12 Maximum – No Limit	1 st & 14 th , 7 th & 21 st and 14 th & 28 th
		Monthly	Rs. 500/- and multiple of Re. 1/- thereafter	Minimum – 12 Maximum – No Limit	Any day of the month except 29 th , 30 th or 31 st
		Quarterly	Rs. 1,500/- and multiple of Re. 1/- thereafter	Minimum – 4 Maximum – No Limit	Any day of the month for each quarter (i.e. January, April, July, October) except 29 th , 30 th or 31 st
		Annual	Rs. 6,000/- and multiple of Re. 1/- thereafter	Minimum – 1 Maximum – No Limit	Any day or date of his/her preference
		<p>In case the SIP date is not specified or in case of ambiguity, the SIP transaction will be processed on 7th of the every month in which application for SIP registration was received and if the end date is not specified, SIP will continue till it receives termination notice from the investor. In case, the date fixed happens to be a holiday / non-business day, the same shall be affected on the next business day. No Post Dated cheques would be accepted for SIP.</p> <p>Note: Provisions for Minimum application amount are not applicable in case of mandatory investments by the Designated Employees of the AMC in accordance with clause 6.10 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 as amended from time to time.</p>			
XIII.	Minimum Additional Purchase Amount	Rs. 500/- and in multiples of Re. 1/- thereafter.			
XIV.	Minimum Redemption/switch out amount	<p>Rs. 500 and in multiples of Re. 1/- thereafter or account balance, whichever is lower.</p> <p>Note: Provisions for Minimum application amount are not applicable in case of mandatory investments by the Designated Employees of the AMC in accordance with clause 6.10 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 as amended from time to time.</p>			

<p>XV.</p>	<p>Segregated portfolio/side pocketing disclosure</p>	<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, 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>The AMC / Trustee shall decide on creation of segregated portfolio of the Scheme in case of a credit event/actual default at issuer level. Accordingly, Investor holding units of segregated portfolio may not able to liquidate their holding till the time recovery of money from the issuer. The Security comprised of segregated portfolio may not 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>
<p>XVI.</p>	<p>Stock lending/short selling</p>	<p>Subject to the SEBI Regulations as applicable from time to time, the Scheme may, if the Trustees permit, participate in securities lending.</p> <p>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 time, the Scheme intends to engage in Stock Lending.</p> <p>The Scheme shall adhere to the following limits should it engage in Stock Lending.</p> <ul style="list-style-type: none"> • 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 counter party (as may be applicable). <p>Subject to the SEBI Regulations as applicable from time to time, the Scheme may, participate in securities lending.</p> <p>For Details, kindly refer SAI.</p>
<p>XVII.</p>	<p>How to Apply and other details</p>	<p>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.</p> <p>Please refer to the SAI and Application form for the instructions</p>

		Please refer Details in Section II.
XVIII.	Investor services	<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>
XIX.	Special product/facility available on ongoing basis	<p>The Special Products / Facilities available on ongoing basis are as follows:</p> <ol style="list-style-type: none"> 1. Systematic Investment Plan 2. Systematic Transfer Plan 3. Systematic Withdrawal Plan 4. Switching Option 5. NAV Appreciation Facility 6. Online Facility 7. Mobile Facility 8. Application through MF utility platform 9. Transaction through Stock Exchange 10. Transaction through electronic mode 11. Through MFSS and/or NMF II facility of NSE and BSE StAR MF facility of BSE 12. Through mobile application of Kfin i.e. 'KFinKart' 13. MFCentral as Official Point of Acceptance of Transactions (OPAT) <p>For further details of above special products / facilities, For Details, kindly refer SAI.</p>
XX.	Weblink	<p>Link for factsheet: https://www.motilaloswalmf.com/download/index-fund/factsheet</p>

		Link for TER: https://www.motilaloswalmf.com/total-expense-ratio
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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 Large and Midcap Fund is 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.

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

Sd/-

Name: Aparna Karmase

Designation: Head - Compliance, Legal & Secretarial

Date: June 26, 2024

Place: Mumbai

PART II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS

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

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Equity and Equity related instruments of Large cap companies	35	65
Equity and Equity related instruments of Mid cap companies	35	65
Equity and Equity related instruments of other than above & International Stocks*	0	30
Units of liquid/ debt schemes, Debt, Money Market Instruments, G-Secs, Cash and Cash at call, etc.	0	30
Units issued by REITs and InvITs	0	10

*The Scheme may invest in foreign securities including ADRs/ GDRs/Foreign equity and equity related instruments upto 15% of the total net assets of the Scheme. Such investments will be subject to SEBI (Mutual Funds) Regulations, 1996 and in compliance with clause 12.19 of SEBI Master Circular No. SEBI /HO/IMD/IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 and such other regulations issued from time to time.

The Scheme may invest in units of REITs/InvITs to the extent mentioned in asset allocation and in line with, SEBI (Mutual Funds) (Amendment) Regulations, 2017.

The cumulative gross exposure through equity, debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), 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.

Cash and cash equivalents as per SEBI letter no. SEBI/HO/IMD-II/DOF3/ OW/P/ 2021/ 31487 / 1 dated November 03, 2021 which includes T-bills, Government Securities and Repo on Government Securities having residual maturity of less than 91 Days, shall not be considered for the purpose of calculating gross exposure limit

The Scheme may review the above pattern of investments based on views on Indian equities and asset liability management needs. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

Indicative Table:

Sl. no	Type of Instrument	Percentage of exposure	Circular references*
1.	Securities Lending	<p>The Scheme intends to engage in Stock Lending. The Scheme shall adhere to the following limits should it engage in Stock Lending.</p> <ul style="list-style-type: none"> • 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 counter party (as may be applicable). <p>Subject to the SEBI Regulations as applicable from time to time, the Scheme may, participate in securities lending.</p>	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 time.
2.	Equity Derivatives for non-hedging purposes	The portfolio may hold cash depending on the market condition. Exposure by the Scheme in derivative instruments shall not exceed 50% of the total Debt and Equity portion of the Scheme respectively. The Fund shall not write options or purchase instruments with embedded written options.	In accordance with clause 12.25 of Master Circular May 19, 2023.
3.	Securitized Debt	Not Applicable	Not Applicable
4.	Overseas Securities	Not Applicable	Not Applicable
5.	ReITS and InVITS	Not Applicable	Not Applicable
6.	AT1 and AT2 Bonds	Not Applicable	Not Applicable
7.	Any other instrument	Not Applicable	Not Applicable

Change in Asset Allocation Pattern

Subject to the Regulations and clause 2.9 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023; the asset allocation pattern indicated above for the Scheme may change from time to time. In the event of deviation from the mandated asset allocation of the Scheme mentioned in the SID due to passive breaches (occurrence of instances not arising out of omission and commission of AMC), then the AMC shall rebalance the portfolio within a period of 30 business days. Where the portfolio is not rebalanced within 30 business days, justification writing, including details taken to rebalance the portfolio shall be placed before the Investment Committee. The Investment Committee, if so desires, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period.

In case, the portfolio of scheme is not rebalanced within the aforementioned mandated plus extended timelines, AMCs shall:

- i) not be permitted to launch any new scheme till the time the portfolio is rebalanced.
- ii) not to levy exit load, if any, on the investors exiting such scheme(s).

Rebalancing due to Short Term Defensive Consideration:

Subject to the Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations, legislative amendments and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute.

These proportions can vary depending upon the perception of the fund manager; the intention being at all times to seek to protect the interests of the Unit holders. In accordance with clause 1.14.1.2 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, such changes in the investment pattern will be for short term on defensive considerations only and the fund manager will rebalance the portfolio within 30 calendar days from the date of deviation.

The exposure to large cap stocks which are classified as such by Securities and Exchange Board of India (SEBI) or Association of Mutual Funds in India (AMFI) from time to time, in terms of clause 2.7.2 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 and as per clause 2.7.3. ,this list would be uploaded on AMFI website and updated every six months; accordingly, the fund manager will rebalance the portfolio of the Scheme within the stipulated period (at present 1 month).

B. WHERE WILL THE SCHEME INVEST

The Scheme will invest in Equity and Equity related instruments including derivatives, Debt instruments, Money Market Instruments, G-Sec, Cash and cash equivalents, REITs and InvITs, etc. to the extent mentioned in asset allocation and in line with SEBI MF Regulations.

For detailed information kindly refer Section II (A).

C. WHAT ARE THE INVESTMENT STRATEGIES

The investment objective is to generate returns by investing in a combined portfolio of equity and equity related instruments including derivatives, Debt instruments, money market instruments, REITs and InvITs.

Equity Investment: The Fund shall follow an active investment style using bottom-up stock picking. The Fund managers shall identify and invest in shares of businesses run by high quality management & having sustainable and scalable business models. They shall invest in shares of high quality businesses having sustainable and scalable business models thus using QGLP (Quality, Growth, Longevity & Price) as the key evaluation parameters. The businesses should have strong earnings growth prospects and be available at reasonable valuations.

The Fund Portfolio shall comprise of high conviction stock ideas from across market-capitalization levels/sectors. The portfolio stocks may be potentially concentrated in a few market capitalization levels/sectors which are expected to do well and have lower downside risk

Debt and Money Market: The Fund shall invest in Debt Instruments including Government Securities, Corporate Debt, Other debt instruments and Money Market Instruments with average maturity less than equal to 12 months to protect the portfolio downside during market downturn.

Investments in Derivative Instruments

The Scheme may invest in various derivative instruments which are permissible under the applicable Regulations and shall also be subject to the investment objective and strategy of the Scheme and the internal limits if any, as laid down from time to time. These include but are not limited to futures (both stock and index) and options (stock and index).

Derivatives are financial contracts of pre-determined fixed duration, like stock futures/options and index futures and options, whose values are derived from the value of an underlying primary financial instrument such as interest rates, exchange rates, commodities, and equities.

Derivatives can be either exchange traded or can be over the counter (OTC). Exchange traded derivatives are listed and traded on stock exchanges whereas OTC derivative transactions are generally structured between two counterparties.

The risks associated with derivatives are similar to those associated with equity investments. The additional risks could be on account of

- Illiquidity
- Potential mis - pricing of the Futures/Options
- Inability of derivatives to correlate perfectly with the underlying (Indices, Assets, Exchange Rates)
- Cost of hedge can be higher than adverse impact of market movements
- An exposure to derivatives in excess of the hedging requirements can lead to losses
- An exposure to derivatives can also limit the profits from a genuine investment transaction

Exchange traded derivative contracts in stocks and indices in India are currently cash settled at the time of maturity.

The Scheme will comply with all the applicable circulars issued by SEBI as regard to derivatives.

(a) Limit for investment in Derivative instruments

In accordance with clauses 7.5.1.4 and 12.25 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, the following conditions shall apply to the Scheme's participation in the Derivatives market. The investment restrictions applicable to the Scheme's participation in the Derivatives market will be as prescribed or varied by SEBI from time to time.

i. Position limit for the Mutual Fund in index options contracts

- a. The Mutual Fund's position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
- b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for the Mutual Fund in index futures contracts

- a. The Mutual Fund's position limit in all index futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per stock Exchange.
- b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit for hedging for the Mutual Fund:

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

- a. Short positions in index Derivatives (short futures and long puts) shall not exceed (in notional value) the Fund's holding of stocks.
- b. Long positions in index Derivatives (long futures and long calls) shall not exceed (in notional value) the Mutual Fund's holding of cash, Government Securities, T-Bills and similar instruments.

iv. Position limit for the Mutual Fund for stock based Derivative contracts

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

The combined futures and options position limit shall be 20% of the applicable Market Wide Position Limit (MWPL).

v. Position limit for each scheme of the Mutual Fund

The scheme-wise position limit requirements shall be:

- a. For stock option and stock futures contracts, the gross open position across all Derivative contracts on a particular underlying stock of the Scheme shall not exceed the higher of:

1% of the free float market capitalisation (in terms of number of shares) or 5% of the open interest in the Derivative contracts on a particular underlying stock (in terms of number of contracts).
- b. This position limits shall be applicable on the combined position in all Derivative contracts on an underlying stock at a stock exchange.
- c. For index based contracts, the Fund shall disclose the total open interest held by its schemes or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all Derivative contracts on that underlying index.

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

Exposure Limits

The cumulative gross exposure through equity, debt, derivative positions and REIT and InvIT shall not exceed 100% of the net assets of the Scheme. The Fund shall not write options or purchase instruments with embedded written options. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:

- a. Hedging positions are the Derivative positions that reduce possible losses on an existing position in Securities and till the existing position remains.
- b. Hedging positions cannot be taken for existing Derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned above.
- c. Any Derivative instrument used to hedge has the same underlying security as the existing position being hedged.
- d. The quantity of underlying associated with the Derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.

However, exposure due to Derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned above.

Concepts and Examples:

Futures

Futures (Index & Stocks) are forward contracts traded on the exchanges & have been introduced both by BSE and NSE. Currently futures of 1 month (near month), 2 months (next month) and 3 months (far month) are presently traded on these exchanges. These futures expire on the last working Thursday of the respective months.

Illustration with Index Futures

In case the Nifty near month future contract is trading at say, Rs. 9,600, and the fund manager has a view that it will depreciate going forward; the Scheme can initiate a sale transaction of Nifty futures at Rs. 9,610 without holding a portfolio of equity stocks or any other underlying long equity position. Once the price falls to Rs. 9,500 after say, 20 days, the Scheme can initiate a square-up transaction by buying the said futures and book a profit of Rs. 110.

Correspondingly, if the fund manager has a positive view he can initiate a long position in the index / stock futures without an underlying cash/ cash equivalent subject to the extant regulations.

There are futures based on stock indices as mentioned above as also futures based on individual stocks. The profitability of index /stock future as compared to an individual security will inter-alia depend upon:

- The Carrying cost,
- The interest available on surplus funds, and

- The transaction cost

Example of a typical future trade and the associated costs:

Particulars	Index Future	Actual Purchase of Stocks
Index at the beginning of the month	9,600	9,600
Price of 1 Month Future	9,620	-
A. Execution Cost: Carry and other index future costs	20	-
B. Brokerage Costs (0.05% of Index Future and 0.12% for spot stocks)	4.81	11.52
C. Gains on Surplus Funds: (Assumed 6.00% p.a. return on 85% of the money left after paying 15% margin)	40.325	0
(6.00% * 9600 * 85% * 30days / 365)		
Total Cost (A+B-C)	-15.51	11.52

Few strategies that employ stock /index futures and their objectives:

A. Arbitrage

1. Buying spot and selling future: Where the stock of a company “A” is trading in the spot market at Rs. 100 while it trades at Rs. 102 in the futures market, then the Scheme may buy the stock at spot and sell in the futures market thereby earning Rs. 2.

Buying the stock in cash market and selling the futures results into a hedge where the Scheme has locked in a spread and is not affected by the price movement of cash market and futures market. The arbitrage position can be continued till expiry of the future contracts when there is a convergence between the cash market and the futures market. This convergence enables the Scheme to generate the arbitrage return locked in earlier.

2. Selling spot and buying future: In case the Scheme holds the stock of a company “A” at say Rs. 100 while in the futures market it trades at a discount to the spot price say at Rs. 98, then the Scheme may sell the stock and buy the futures.

On the date of expiry of the stock future, the Scheme may reverse the transactions (i.e. buying at spot & selling futures) and earn a risk-free Rs. 2 (2% absolute) on its holdings without any dilution of the view of the fund manager on the underlying stock.

Further, the Scheme can still benefit from any movement of the price in the upward direction, i.e. if on the date of expiry of the futures, the stock trades at Rs. 110 which would be the price of the futures too, the Scheme will have a benefit of Rs. 10 whereby the Scheme gets the 10% upside movement together with the 2% benefit on the arbitrage and thus getting a total return of 12%. The corresponding return in case of holding the stock would have been 10%.

Note: The same strategy can be replicated with a basket of Nifty-50 stocks (Synthetic NIFTY) and the Nifty future index.

B. Buying/ Selling Stock future:

When the Scheme wants to initiate a long position in a stock whose spot price is at say, Rs.100 and futures

is at 98, then the Scheme may just buy the futures contract instead of the spot thereby benefiting from a lower cost.

In case the Scheme has a bearish view on a stock which is trading in the spot market at Rs.98 and the futures market at say Rs. 100, the Scheme may subject to regulations, initiate a short position in the futures contract. In case the prices align with the view and the price depreciates to say Rs. 90, the Scheme can square up the short position thereby earning a profit of Rs.10 vis-a- vis a fall in stock price of Rs. 8.

C. Hedging:

The Scheme may use exchange-traded derivatives to hedge the equity portfolio. Both index and stock futures and options may be used to hedge the stocks in the portfolio.

D. Alpha Strategy:

The Scheme will seek to generate alpha by superior stock selection and removing market risks by selling appropriate index. For example, one can seek to generate positive alpha by buying a bank stock and selling Bank Nifty future.

Risk associated with these strategies:

1. Lack of opportunities
2. Inability of derivatives to correlate perfectly with underlying security and
3. Execution Risk, whereby ultimate execution takes place at a different rates than those devised by the strategy.

Execution of these strategies depends upon the ability of the fund manager to identify and execute based on such opportunities. These involve significant uncertainties and decision of 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.

Option Contracts (Stock and Index)

An Option gives the buyer the right, but not the obligation, to buy (call) or sell (put) a stock at an agreed upon price during a certain period of time or on a specific date.

Options are used to manage risk or as an investment to generate income. The price at which underlying security is contracted to be purchased or sold is called the Strike Price.

Options that can be exercised on or before the expiration date are called American Options while, Options that can be exercised only on the expiration date are called European Options

Options Risk / Return Pay – off Table

	Stock / Index Options	Buy Call	Sell Call	Buy Put	Sell Put
1.	View on Underlying	Positive	Negative	Negative	Positive
2.	Premium	Pay	Receive	Pay	Receive
3.	Risk Potential	Limited to premium paid	Receive	Limited to premium paid	Receive
4.	Return Potential	Unlimited	Premium Received	Unlimited	Premium Received

Note: The above table is for the purpose of explaining concept of options contract. As per the current Regulations, the Scheme(s) cannot write option or purchase instrument with embedded write option.

Option contracts are of two types - Call and Put

Call Option:

A call option gives the buyer, the right to buy specified quantity of the underlying asset at the set strike price on or before expiration date and the seller (writer) of call option however, has the obligation to sell the underlying asset if the buyer of the call option decides to exercise the option to buy.

Put Option:

A put option gives the buyer the right to sell specified quantity of the underlying asset at the set strike price on or before expiration date and the seller (writer) of put option however, has the obligation to buy the underlying asset if the buyer of the put option decides to exercise his option to sell.

Index Options / Stock Options

Index options / Stock options are termed to be an efficient way of buying / selling an index/stock compared to buying / selling a portfolio of physical shares representing an index for ease of execution and settlement. The participation can be done by buying / selling either Index futures or by buying a call/put option.

The risk are also different when index /stock futures are bought/sold vis-a-vis index/ stocks options as in case of an index future there is a mark to market variation and the risk is much higher as compared to buying an option, where the risk is limited to the extent of premium paid.

In terms of provision of clause 12.25.1 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 the Scheme shall not write options or purchase instruments with embedded written options.

The illustration below explains how one can gain using Index call / put option. These same principals of profit / loss in an Index option apply in Toto to that for a stock option.

Call Option

Suppose an investor buys a Call option on 1 lot of Nifty 50 (Lot Size: 75 units)

- Nifty index (European option)
- Nifty 1 Lot Size: 75 units
- Spot Price (S): 9600
- Strike Price (x): 9700 (Out-of-Money Call Option)
- Premium: 37

Total Amount paid by the investor as premium $[75*37] = 2775$

There are two possibilities i.e. either the index moves up over the strike price or remains below the strike price.

Case 1- The index goes up

- **An investor sells the Nifty Option described above before expiry:**

Suppose the Nifty index moves up to 9900 in the spot market and the premium has moved to Rs 250 and there are 15 days more left for the expiry. The investor decides to reverse his position in the market by selling his 1 Nifty call option as the option now is In the Money.

His gains are as follows:

- Nifty Spot: 9600
- Current Premium: Rs.250
- Premium paid: Rs.37
- Net Gain: $\text{Rs.250} - \text{Rs.37} = \text{Rs.213}$ per unit
- Total gain on 1 lot of Nifty (75 units) = Rs.15,975 (75×213)

In this case the premium of Rs.250 has an intrinsic value of Rs. 200 per unit and the remaining Rs. 50 is the time value of the option.

- **An investor exercises the Nifty Option at expiry**

Suppose the Nifty index moves up to 9800 in the spot market on the expiry day and the investor decides to reverse his position in the market by exercising the Nifty call option as the option now is in the money.

His gains are as follows:

- Nifty Spot: 9800
- Premium paid: Rs.37
- Exercise Price: 9700
- Receivable on exercise: $9800 - 9700 = 100$
- Total Gain: Rs. 4725 $\{(100 - 37) \times 75\}$

In this case the realised gain is only the intrinsic value, which is Rs.100, and there is no time value.

Case 2 - The Nifty index moves to any level below 9700

Then the investor does not gain anything but on the other hand his loss is limited to the premium paid:

Net Loss is Rs.2775 (Loss is capped to the extent of Premium Paid) ($\text{Rs } 37 \text{ Premium paid} \times \text{Lot Size: } 75 \text{ units}$).

Put Option

Suppose an investor buys a Put option on 1 lot of Nifty 50.

- Nifty 1 Lot Size: 75 units
- Spot Price (S): 9600
- Strike Price (x): 9500 (Out-of-Money Put Option)
- Premium: 40
- Total Amount paid by the investor as premium $[75 \times 40] = 3000$

There are two possibilities i.e. either the index moves over the strike price or moves below the strike price.

Let us analyze these scenarios.

Case 1 - The index goes down

- **An investor sells the Nifty Option before expiry:**

Suppose the Nifty index moves down to 9400 in the spot market and the premium has moved to Rs. 140 and there are 15 days more left for the expiry. The investor decides to reverse his position in the market by selling his 1 Nifty Put Option as the option now is in the money. His gains are as follows:

- Nifty Spot: 9400
- Premium paid: Rs.40
- Net Gain: $\text{Rs.140} - \text{Rs.40} = \text{Rs.100}$ per unit

- Total gain on 1 lot of Nifty (75 units) = Rs.7500 (100*75)

In this case the premium of Rs.140 has an intrinsic value of Rs. 100 per unit and the remaining Rs.40 is the time value of the option.

- **An investor exercises the Nifty Option at expiry (It is an European Option)**

Suppose the Nifty index moves down to 9400 in the spot market on the expiry day and the investor decides to reverse his position in the market by exercising the Nifty Put Option as the option now is in the money.

His gains are as follows:

- Nifty Spot: 9400
- Premium paid: Rs.40
- Exercise Price: 9500
- Gain on exercise: 9500-9400 = 100
- Total Gain: Rs.4500 $\{(100-40)*75\}$

In this case the realised amount is only the intrinsic value, which is Rs.100, and there is no time value in this case.

Case 2 - If the Nifty index stays over the strike price which is 9500, in the spot market then the investor does not gain anything but on the other hand his loss is limited to the premium paid.

- Nifty Spot: >9600
- Net Loss Rs.3000 (Loss is capped to the extent of Premium Paid) (Rs. 40 Premium paid*Lot Size:75 units)

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

Securities Lending

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

The Scheme may lend securities from its portfolio in accordance with the Regulations and clause 12.11 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 SEBI (Mutual Funds) Regulations, 1996. The AMC/Fund shall also adhere to guidelines issued under Securities Lending Scheme, 1997. Securities' lending shall enable the Scheme to earn income that may partially offset its expenses and thereby reduce the effect these expenses have on the Scheme's ability to provide investment returns that correspond generally to the performance of its Basket. The Scheme will pay reasonable administrative and custodial fees in connection with the lending of securities. The Scheme will be exposed to the risk of loss should a borrower default on its obligation to return the borrowed securities. The Scheme share of income from the lending collateral will be included in the Scheme's gross income. The Fund will comply with the conditions for securities lending specified by SEBI Regulations and circulars approved intermediary.

Portfolio Turnover

Portfolio Turnover is defined as the lower of sales or purchase divided by the average corpus during a specified period of time. The Scheme, being an open ended Scheme, it is expected that there would be a number of subscriptions and redemptions on a daily basis. However, it is difficult to measure with reasonable accuracy the likely turnover in the portfolio of the Scheme.

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

The performance of the Scheme will be benchmarked against NIFTY Large Midcap 250 Total Return Index. The Scheme is being benchmarked against the Index mentioned above, since the asset allocation and composition of its benchmark index is in line with the asset allocation pattern and investment strategy of the Scheme and is most suited for comparing performance of the Scheme.

The AMC/Trustee reserves the right to change the benchmark for evaluation of performance of the Scheme from time to time in conformity with investment objective of the Scheme and appropriateness of the benchmark, subject to SEBI Regulations and other prevailing guidelines, if any.

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

The above benchmark is in accordance with clause 1.9 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 on 'Guiding Principles for bringing uniformity in Benchmarks of Mutual Fund Schemes' and the list published by AMFI in this regard on Tier 1 benchmark for equity schemes.

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
Mr. Ajay Khandelwal Managing this fund since December 11, 2023	Age: 45 years Qualification: 1.CFA Level 3 2.PGDM – MBA - TAPMI, Manipal 3. B.E. – Electrical Engineer - MITS, Gwalior	Fund Manager – Motilal Oswal Large and Midcap Fund, Motilal Oswal ELSS Tax Saver Fund, Motilal Oswal Small Cap Fund, Motilal Oswal Large Cap Fund, Motilal Oswal Multicap Fund, Motilal Oswal Quant Fund.	Ajay has a 14 years' experience in fund management and research related activity. Prior to joining Motilal Oswal Asset Management Company Limited he has worked with Canara Robeco Asset Management Company Limited handling Small Cap Fund.
Mr. Niket Shah	Age: 38 years Qualification: Masters in Business	Fund Manager – Motilal Oswal Large and Midcap Fund, Motilal Oswal Midcap Fund, Motilal Oswal ELSS Tax Saver Fund, Motilal	Niket has 14 years of overall experience. Motilal Oswal Asset

<p>Managing Since: October 20, 2023</p>	<p>Administration (MBA – Finance)</p>	<p>Oswal Flexi Cap Fund, Motilal Oswal Small Cap Fund, Motilal Oswal Large Cap Fund, Motilal Oswal Multicap Fund</p>	<p>Management Company Ltd.– Vice President – Associate Fund Manager. Motilal Oswal Securities Ltd. – Head of Midcaps Research. Edelweiss Securities Ltd – Research Analyst – Midcaps. Religare Capital Markets Ltd – Associate Research Analyst – Midcaps</p>
<p>Mr. Rakesh Shetty Fund Manager – Debt Component</p> <p>Managing Since: November 22, 2022</p>	<p>Age: 43 years</p> <p>Qualification: Bachelors of Commerce (B.Com)</p>	<p>Fund Manager –</p> <p>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.</p> <p>Fund Manager – Debt Component: 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 S&P BSE Low Volatility ETF, Motilal Oswal S&P BSE Low Volatility Index Fund, Motilal Oswal S&P BSE Healthcare</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 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>

SID of Motilal Oswal Large and Midcap Fund

		ETF, Motilal Oswal S&P BSE Financials ex Bank 30 Index Fund, Motilal Oswal S&P BSE Enhanced Value Index Fund, Motilal Oswal S&P BSE Enhanced Value ETF, Motilal Oswal S&P BSE Quality Index Fund, Motilal Oswal S&P BSE Quality ETF, Motilal Oswal Developed Market Ex US ETFs Fund of Funds, Motilal Oswal Nifty 500 ETF, Motilal Oswal Nifty Realty ETF, Motilal Oswal Nifty Smallcap 250 ETF, Motilal Oswal Multicap Fund, Motilal Oswal Nifty India Defence Index Fund	
Mr. Ankush Sood Fund Manager – Foreign Securities Managing Since: November 11, 2022	Age: 27 Years Qualification: B. Tech in Electronics & Telecommunications from MPSTME, NMIMS Mumbai. MBA (Tech) with Major in Finance & Minor in Analytics from SBM, NMIMS Mumbai.	Fund Manager – Motilal Oswal Large and Midcap Fund, Motilal Oswal Midcap Fund, Motilal Oswal Focused 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 Nasdaq 100 ETF, Motilal Oswal Nasdaq Q50 ETF, Motilal Oswal Developed Market Ex US ETFs Fund of Funds, Motilal Oswal Multicap Fund.	Mr. Ankush Sood has prior experience prominently in Institutional Sales Trading Function. He has been associated with Motilal Oswal Financial Services Limited wherein he was primarily responsible for Servicing Domestic & Foreign Institutional Clients.

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>

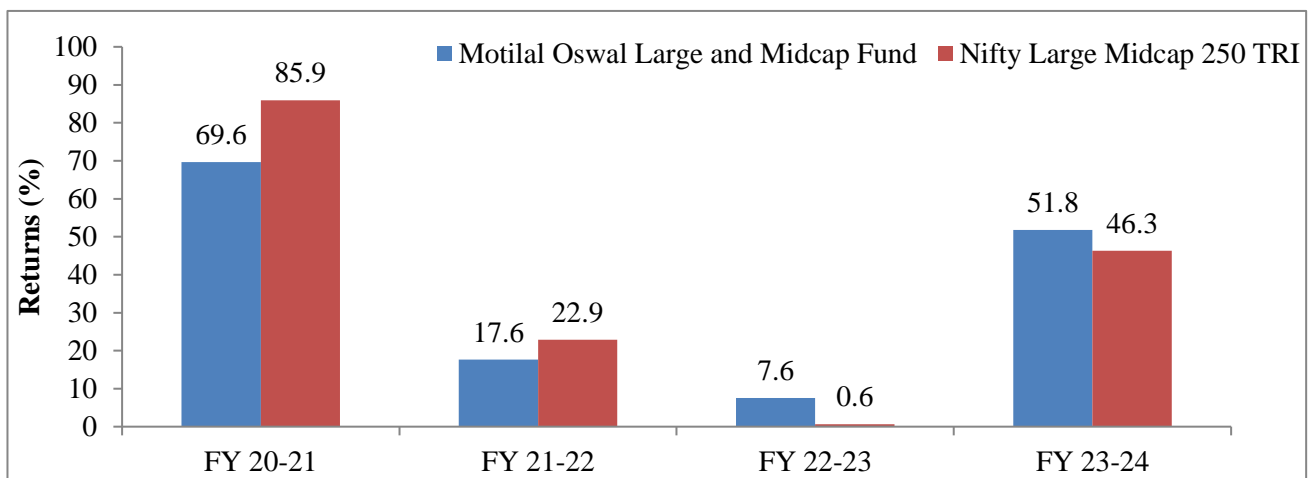
The Trustees have ensured that the Scheme is a new product offered by Motilal Oswal Mutual Fund and is not a minor modification of its existing Scheme.

G. HOW HAS THE SCHEME PERFORMED

Performance of the scheme as on May 31, 2024 as follows:

Compounded Annualised Returns	Scheme Returns (%)	Benchmark Returns (%)
	Motilal Oswal Large and Midcap Fund	Nifty Large Midcap 250 Total Return Index
Returns for the last 1 year	48.79%	41.08%
Returns for the last 3 year	24.75%	21.09%
Returns since inception	24.27%	23.89%

Absolute Return for the last Four (4) financial year



H. ADDITIONAL SCHEME RELATED DISCLOSURES

i. Scheme's Portfolio Holdings

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

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 Etf/Index Funds Through A Functional Website Link That Contains Detailed Description

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. Scheme's Portfolio Turnover Ratio

The Portfolio Turnover Ratio of the Scheme as on May 31, 2024, is 0.85.

v. Aggregate investment in the Scheme by:

Sr. No.	Category of Persons	Net Value		Market Value
		Units	NAV per unit	
	Concerned scheme's Fund Manager(s)			
1.	Mr. Ajay Khandelwal	12673.006	29.394	372511.610
2.	Mr. Niket Shah	25626.959	29.394	753281.400
3.	Mr. Rakesh Shetty	1770.229	29.394	52034.290
4.	Mr. Ankush Sood	2029.617	29.394	59658.770

The above data includes units invested in the Scheme as per the SEBI Circular on Alignment of interest of Key Employees of Asset Management Companies (AMCs) with the Unitholders of the Mutual Fund Schemes dated April 28, 2021.

vi. Investments of AMC in the Scheme – Details to be provided vide functional website link.

In accordance with Regulation 28(4) of SEBI (Mutual Funds) (Amendment) Regulations, 2014 the Sponsor or AMC shall invest not less than 1 % of the amount raised in the NFO or fifty lakh rupees, whichever is less, in the growth option of the scheme and such investment shall not be redeemed unless the scheme is wound up

Or

AMC will invest in the scheme, pursuant to clause 6.9.2 of SEBI Master Circular No. SEBI /HO/IMD/IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 on Alignment of interest of AMCs with the Unitholders of MF Schemes as per the amount determined by applying the Risk Value % on the Quarterly Average Assets under management (QAAuM).

Whichever is higher

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

For details refer <https://www.motilaloswalmf.com/download/regulatory-updates>

PART III- OTHER DETAILS

A. COMPUTATION OF NAV

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

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

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

No. of Units outstanding under Scheme on the Valuation Day

The NAV will be calculated up to four decimals.

The NAV shall be calculated and disclosed on each business day. The computation of NAV shall be in conformity with SEBI Regulations and guidelines as prescribed from time to time.

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:

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

the repurchase price shall not be lower than 95% of the NAV. For other details such as policies w.r.t computation of NAV, rounding off, investment in foreign securities, procedure in case of delay in disclosure of NAV etc. refer to SAI.

B. NEW FUND OFFER (NFO) EXPENSES

These expenses that 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 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.

Particulars	% p.a. of daily Net Assets
Investment Management and Advisory Fees	
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 1 bps)	
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*	Upto 2.25%
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c)	Upto 2.25%
Additional expenses under regulation 52 (6A) (c)	Upto 0.05%
Additional expenses for gross new inflows from specified cities under Regulation 52 (6A)(b)#	Upto 0.30%

*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.

#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.

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

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

The recurring expenses of the Scheme (excluding additional expenses under regulation 52(6A)(c) and additional distribution expenses for gross inflows from specified cities), as per SEBI Regulations are as follows:

First Rs.500 crore	Next Rs.250 crore	Next Rs.1,250 crore	Next Rs.3,000 crore	Next Rs.5,000 crore	Next Rs.40,000 crore	on the balance of the assets
2.25%	2.00%	1.75%	21.60%	1.50%	Total expense ratio reduction of 0.05% for every increase of Rs.5,000 crores of daily net assets or part thereof.	1.05%

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. The TER of the Direct Plan will be lower to the extent of the distribution expenses/commission which is charged in the Regular Plan and no commission for distribution of Units will be paid / charged under the Direct 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.
3. GST on brokerage and transaction cost paid for execution of trade, if any, shall be within the limit prescribed under regulation 52 of the SEBI Regulations.

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:

Additional TER can be charged up to 30 basis points on daily net assets of the scheme as per regulation 52 of SEBI (Mutual Funds) Regulations, 1996 (hereinafter referred to as Regulations), if the new inflows from beyond top 30 cities are at least (a) 30% of gross new inflows in the scheme or (b) 15% of the average assets under management (year to date) of the scheme, whichever is higher Provided that expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities

In case inflows from beyond top 30 cities is less than the higher of (a) or (b) above, additional TER on daily net assets of the scheme shall be charged as follows:

$$\frac{\text{Daily net assets} \times 30 \text{ basis points} \times \text{New inflows from beyond top 30 cities}}{365 \times \text{Higher of (a) or (b) above}}$$

* 366, wherever applicable.

The top 30 cities shall mean top 30 cities based on Association of Mutual Funds in India (AMFI) data on 'AUM by Geography – Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year.

The additional TER on account of inflows from beyond top 30 cities so charged shall be clawed back in case the same is redeemed within a period of 1 year from the date of investment.

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.motilaloswalmf.com) atleast three working days prior to the effective date of the change. Investors can refer to "Total Expense Ratio" section on <https://www.motilaloswalmf.com/downloads/mutual-fund/totalexpensratio> 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	10,000	10,000
Net asset before expenses	11,500	11,500
Expenses other than Distribution Expenses _0.15%	17.25	17,25
Distribution Expenses 0.50%	57.50	0.00
Returns after Expenses at the end of the Year	1,425.25	1,482.75

1. 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.
2. It is assumed that the expenses charged are evenly distributed throughout the year. The expenses of the Direct Plan under the Scheme may vary with that of the Regular Plan under the Scheme.
3. 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 exit load charged (net of GST) will be credited back to the Scheme. 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.motilaloswalmf.com or may call at toll free no. 91 8108622222 and +91 2240548002 or your distributor.

Type of Load	Load chargeable (as %age of NAV)
Entry	NIL
Exit	1% if redeemed on or before 15 days of allotment, Nil - If redeemed after 15 days from the date of allotment. No Exit Load will be applicable in case of switch between the Schemes, Motilal Oswal Focused Fund, Motilal Oswal Midcap Fund, Motilal Oswal Flexi Cap, Motilal Oswal Balanced Advantage Fund and Motilal Oswal Equity Hybrid Fund, Motilal Oswal Multi Asset fund and other schemes as may be amended by AMC vide its addendum issued in this regard. Further, it is clarified that there will be no exit load charged on a switch-out from Regular to Direct plan within the same scheme. No Load shall be imposed for switching between Options within the Scheme.

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

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. No Load shall be imposed for switching between Options within the Scheme.

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

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

1. The addendum detailing the changes will be attached to SID and Key Information Memorandum (KIM). The addendum will be circulated to all the distributors so that the same can be attached to all SID and KIM already in stock.
2. Arrangements shall be made to display the changes/modifications in the SID in the form of a notice in all Investor Service Centres and distributors/brokers offices.
3. The introduction of the exit load 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 an Addendum in respect of such changes on its website (www.motilaloswalmf.com).
5. Any other measure that the Mutual Fund shall consider necessary.

Waiver of the load: Not Applicable

SECTION II

I. INTRODUCTION

A. DEFINITIONS/INTERPRETATION

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

B. RISK FACTORS

Standard Risk Factors:

- Investment in Mutual Fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rate of the securities in which the Scheme invests fluctuates, the value of your investment in the Scheme may go up or down depending on various factors and forces affecting the capital market/debt 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 can go up or down depending on the factors and forces affecting the securities markets.
- 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, yield, return and/or its ability to meet its objectives.

- **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 constituents of underlying index after the ex-dividend date of the constituents. However in practice, the dividend is received with a lag. This can lead to 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 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 linked to index, it may be affected by a general decline in the Indian 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.

- **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 Money Market Instruments

- **Price-Risk or Interest-Rate Risk:** Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.

- **Credit Risk**
Credit Risk means that the issuer of a security may default on interest payments or even paying back the principal amount on maturity. (i.e. the issuer may be unable to make timely principal and interest payments on the security). Even where no default occurs, the prices of security may go down because the credit rating of an issuer goes down. It must be, however, noted that where the Scheme has invested in Government securities, there is no risk to that extent.
- **Liquidity or Marketability Risk:** This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.
- **Reinvestment Risk:** Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
- **Pre-payment Risk:** Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the fund to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.
- **Spread Risk:** In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.
- Different types of securities in which the scheme would invest as given in the SID carry different levels and types of risk. Accordingly, the scheme's risk may increase or decrease depending upon its investment pattern. E.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively more risky than bonds, which are AAA rated.
- **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 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 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.

- **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.

- **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 investing in Government of India Securities**

- Market Liquidity risk with fixed rate Government of India Securities even though the Government of India Securities market is more liquid compared to other debt instruments, on certain occasions, there could be difficulties in transacting in the market due to extreme volatility leading to constriction in market

volumes. Also, the liquidity of the Scheme may suffer in case the relevant guidelines issued by Reserve Bank of India undergo any adverse changes.

- Interest Rate risk associated with Government of India Securities - while Government of India Securities generally carry relatively minimal credit risk since they are issued by the Government of India, they do carry price risk depending upon the general level of interest rates prevailing from time to time. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates decline, the prices of fixed income securities increase. The extent of fall or rise in the prices is a function of the coupon rate, days to maturity and the increase or decrease in the level of interest rates. The price-risk is not unique to Government of India Securities. It exists for all fixed income securities. Therefore, their prices tend to be influenced more by movement in interest rates in the financial system than by changes in the government's credit rating. By contrast, in the case of corporate or institutional fixed income Securities, such as bonds or debentures, prices are influenced by their respective credit standing as well as the general level of interest rates.

- **Risks associated with investing in TREPS Segments**

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

- **Risk associated with investing in Repo of Corporate Bond Securities**

To the extent the scheme invests in Repo of Corporate Bond Securities, the scheme will be subject to following risks –

Corporate Bond Repo will be subject to counter party risk. The Scheme will be exposed to credit risk on the underlying collateral– downward migration of rating. The scheme may impose adequate haircut on the collateral to cushion against any diminution in the value of the collateral. Collateral will require to be rated AA and above rated where potential for downgrade/default is low. In addition, appropriate haircuts are applied on the market value of the underlying securities to adjust for the illiquidity and interest rate risk on the underlying instrument.

Liquidity of collateral: In the event of default by the counterparty, the scheme would have recourse to recover its investments by selling the collateral in the market. If the underlying collateral is illiquid, then the Mutual Fund may incur an impact cost at the time of sale (lower price realization).

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

This summary of tax implications given in the taxation section (Units and Offer Section III) 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.

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.

C. 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 an actively managed scheme, it will invest in the securities as per fund manager’s discretion 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>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>
<p>Risks associated with money market investment</p>	
<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>

II. INFORMATION ABOUT THE SCHEME

A. WHERE WILL THE SCHEME INVEST

The Scheme will invest in Equity and Equity related instruments including derivatives. The Scheme may invest its corpus in units of Liquid Schemes and Money Market Instruments.

Subject to the Regulations and other prevailing Laws as applicable, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

- Equity and Equity related instruments including derivatives
- Units of Liquid Schemes and Money Market Instruments (including reverse repos, Commercial Deposit, Commercial Paper, Treasury Bills and Tri-Party Repos) permitted by SEBI/RBI or in alternative investment for the call money market as may be provided by RBI to meet the liquidity requirements.
- Derivative including Index Futures, Stock Futures, Index Options and Stock Options etc. and such other derivatives instruments permitted under Regulations.
- Investment in units of Real Estate Investment Trust (REIT) & Infrastructure Investment Trust (InvIT)
- Pending deployment of funds as per the investment objective of the Scheme, the funds may be parked in short term deposits of scheduled commercial banks, subject to guidelines and limits specified by SEBI.
- Mutual Fund units
- Any other instruments as may be permitted by RBI/SEBI under prevailing laws from time to time.

The investment restrictions and the limits are specified in the Schedule VII of SEBI Regulations which is mentioned in the section 'Investment Restrictions'.

The Securities mentioned above could be listed, unlisted, secured, unsecured, rated or unrated and of any maturity. The Securities may be acquired through initial public offerings, secondary market operations, and rights offers or negotiated transactions.

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 20% 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.

Limit for investment in derivatives instruments

In accordance with clauses 7.5.1.5 and 12.25 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, the following conditions shall apply to the Scheme's participation in the Derivatives market. The investment restrictions applicable to the Scheme's participation in the Derivatives market will be as prescribed or varied by SEBI from time to time. The

Scheme shall under normal circumstances not have exposure of more than 20% of its net assets in derivative instruments.

i. Position limit for the Mutual Fund in index options contracts

1. The Mutual Fund's position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
2. This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for the Mutual Fund in index futures contracts

1. The Mutual Fund's position limit in all index futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per stock Exchange.
2. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Position limit for the Mutual Fund for stock based derivative contracts:

1. The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts will be as follows:-
2. The combined futures and options position limit shall be 20% of the applicable Market Wide Position Limit (MWPL).

iv. Position limit for the Scheme:

1. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of the Scheme shall not exceed the higher of:
2. 1% of the free float market capitalisation (in terms of number of shares) or 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
3. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a stock exchange.
4. For index based contracts, the Fund shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

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

Concepts and Examples:

Futures

Futures (Index & Stocks) are forward contracts traded on the exchanges & have been introduced both by BSE and NSE. Currently futures of 1 month (near month), 2 months (next month) and 3 months (far month) are presently traded on these exchanges. These futures expire on the last working Thursday of the respective months.

Illustration with Index Futures

In case the Nifty near month future contract is trading at say, Rs. 9,600, and the fund manager has a view that it will depreciate going forward; the Scheme can initiate a sale transaction of Nifty futures at Rs. 9,610 without holding a portfolio of equity stocks or any other underlying long equity position. Once the price

falls to Rs. 9,500 after say, 20 days, the Scheme can initiate a square-up transaction by buying the said futures and book a profit of Rs. 110.

Correspondingly, if the fund manager has a positive view he can initiate a long position in the index / stock futures without an underlying cash/ cash equivalent subject to the extant regulations.

There are futures based on stock indices as mentioned above as also futures based on individual stocks. The profitability of index /stock future as compared to an individual security will inter-alia depend upon:

- The Carrying cost,
- The interest available on surplus funds, and
- The transaction cost

Example of a typical future trade and the associated costs:

Particulars	Index Future	Actual Purchase of Stocks
Index at the beginning of the month	9,600	9,600
Price of 1 Month Future	9,620	-
D. Execution Cost: Carry and other index future costs	20	-
E. Brokerage Costs (0.05% of Index Future and 0.12% for spot stocks)	4.81	11.52
F. Securities Transaction Tax (STT) (Index Future - NIL and 0.10% for spot stocks)	0	9.6
G. Gains on Surplus Funds: (Assumed 6.00% p.a. return on 85% of the money left after paying 15% margin)	40.325	0
(6.00%*9600*85%*30days/365)		
Total Cost (A+B+C-D)	-15.515	21.12

Few strategies that employ stock /index futures and their objectives:

Buying/ Selling Stock future:

When the Scheme wants to initiate a long position in a stock whose spot price is at say, Rs.100 and futures is at 98, then the Scheme may just buy the futures contract instead of the spot thereby benefiting from a lower cost.

In case the Scheme has a bearish view on a stock which is trading in the spot market at Rs.98 and the futures market at say Rs. 100, the Scheme may subject to regulations, initiate a short position in the futures contract. In case the prices align with the view and the price depreciates to say Rs. 90, the Scheme can square up the short position thereby earning a profit of Rs.10 vis-a- vis a fall in stock price of Rs. 8.

Risk associated with these strategies:

1. Lack of opportunities
2. Inability of derivatives to correlate perfectly with underlying security and
3. Execution Risk, whereby ultimate execution takes place at a different rates than those devised by the strategy.

Execution of these strategies depends upon the ability of the fund manager to identify and execute based on such opportunities. These involve significant uncertainties and decision of 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.

Option Contracts (Stock and Index)

An Option gives the buyer the right, but not the obligation, to buy (call) or sell (put) a stock at an agreed upon price during a certain period of time or on a specific date.

Options are used to manage risk or as an investment to generate income. The price at which underlying security is contracted to be purchased or sold is called the Strike Price.

Options that can be exercised on or before the expiration date are called American Options while, Options that can be exercised only on the expiration date are called European Options

Options Risk / Return Pay – off Table

Stock / Index Options		Buy Call	Sell Call	Buy Put	Sell Put
5.	View on Underlying	Positive	Negative	Negative	Positive
6.	Premium	Pay	Receive	Pay	Receive
7.	Risk Potential	Limited to premium paid	Receive	Limited to premium paid	Receive
8.	Return Potential	Unlimited	Premium Received	Unlimited	Premium Received

Note: The above table is for the purpose of explaining concept of options contract. As per the current Regulations, the Scheme(s) cannot write option or purchase instrument with embedded write option.

Option contracts are of two types - Call and Put

Call Option:

A call option gives the buyer, the right to buy specified quantity of the underlying asset at the set strike price on or before expiration date and the seller (writer) of call option however, has the obligation to sell the underlying asset if the buyer of the call option decides to exercise the option to buy.

Put Option:

A put option gives the buyer the right to sell specified quantity of the underlying asset at the set strike price on or before expiration date and the seller (writer) of put option however, has the obligation to buy the underlying asset if the buyer of the put option decides to exercise his option to sell.

Index Options / Stock Options

Index options / Stock options are termed to be an efficient way of buying / selling an index/stock compared to buying / selling a portfolio of physical shares representing an index for ease of execution and settlement. The participation can be done by buying / selling either Index futures or by buying a call/put option.

The risk are also different when index /stock futures are bought/sold vis-a-vis index/ stocks options as in case of an index future there is a mark to market variation and the risk is much higher as compared to buying an option, where the risk is limited to the extent of premium paid.

In terms of provision of clause 12.25.1 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, the Scheme shall not write options or purchase instruments with embedded written options.

The illustration below explains how one can gain using Index call / put option. These same principals of profit / loss in an Index option apply in Toto to that for a stock option.

Call Option

Suppose an investor buys a Call option on 1 lot of Nifty 50 (Lot Size: 75 units)

- Nifty index (European option)
- Nifty 1 Lot Size: 75 units
- Spot Price (S): 9600
- Strike Price (x): 9700 (Out-of-Money Call Option)
- Premium: 37

Total Amount paid by the investor as premium $[75*37] = 2775$

There are two possibilities i.e. either the index moves up over the strike price or remains below the strike price.

Case 1- The index goes up

- **An investor sells the Nifty Option described above before expiry:**

Suppose the Nifty index moves up to 9900 in the spot market and the premium has moved to Rs 250 and there are 15 days more left for the expiry. The investor decides to reverse his position in the market by selling his 1 Nifty call option as the option now is In the Money.

His gains are as follows:

- Nifty Spot: 9600
- Current Premium: Rs.250
- Premium paid: Rs.37
- Net Gain: $Rs.250 - Rs.37 = Rs.213$ per unit
- Total gain on 1 lot of Nifty (75 units) = Rs, 15,975 $(75*213)$

In this case the premium of Rs.250 has an intrinsic value of Rs. 200 per unit and the remaining Rs. 50 is the time value of the option.

- **An investor exercises the Nifty Option at expiry**

Suppose the Nifty index moves up to 9800 in the spot market on the expiry day and the investor decides to reverse his position in the market by exercising the Nifty call option as the option now is in the money.

His gains are as follows:

- Nifty Spot: 9800
- Premium paid: Rs.37
- Exercise Price: 9700
- Receivable on exercise: $9800 - 9700 = 100$
- Total Gain: Rs. 4725 $\{(100 - 37) * 75\}$

In this case the realised gain is only the intrinsic value, which is Rs.100, and there is no time value.

Case 2 - The Nifty index moves to any level below 9700

Then the investor does not gain anything but on the other hand his loss is limited to the premium paid: Net Loss is Rs.2775 (Loss is capped to the extent of Premium Paid) (Rs 37 Premium paid*Lot Size: 75 units).

Put Option

Suppose an investor buys a Put option on 1 lot of Nifty 50.

- Nifty 1 Lot Size: 75 units
- Spot Price (S): 9600
- Strike Price (x): 9500 (Out-of-Money Put Option)
- Premium: 40
- Total Amount paid by the investor as premium $[75*40] = 3000$

There are two possibilities i.e. either the index moves over the strike price or moves below the strike price.

Let us analyze these scenarios.

Case 1 - The index goes down

- **An investor sells the Nifty Option before expiry:**

Suppose the Nifty index moves down to 9400 in the spot market and the premium has moved to Rs. 140 and there are 15 days more left for the expiry. The investor decides to reverse his position in the market by selling his 1 Nifty Put Option as the option now is in the money. His gains are as follows:

- Nifty Spot: 9400
- Premium paid: Rs.40
- Net Gain: $Rs.140 - Rs.40 = Rs.100$ per unit
- Total gain on 1 lot of Nifty (75 units) = $Rs.7500 (100*75)$

In this case the premium of Rs.140 has an intrinsic value of Rs. 100 per unit and the remaining Rs.40 is the time value of the option.

- **An investor exercises the Nifty Option at expiry (It is an European Option)**

Suppose the Nifty index moves down to 9400 in the spot market on the expiry day and the investor decides to reverse his position in the market by exercising the Nifty Put Option as the option now is in the money.

His gains are as follows:

- Nifty Spot: 9400
- Premium paid: Rs.40
- Exercise Price: 9500
- Gain on exercise: $9500-9400 = 100$
- Total Gain: $Rs.4500 \{(100-40)*75\}$

In this case the realised amount is only the intrinsic value, which is Rs.100, and there is no time value in this case.

Case 2 - If the Nifty index stays over the strike price which is 9500, in the spot market then the investor does not gain anything but on the other hand his loss is limited to the premium paid.

- Nifty Spot: >9600

- Net Loss Rs.3000 (Loss is capped to the extent of Premium Paid) (Rs. 40 Premium paid*Lot Size:75 units)

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.

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 further that the Mutual Fund may engage in securities lending and borrowing specified by the Board.

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. For the purpose of determining the above limit, a combination of positions of the underlying securities and stock derivatives will be considered.
4. Transfers of investments from one scheme to another scheme in the same Mutual Fund shall be allowed only if,
 - (a) such transfers are done at the prevailing market price for quoted instruments on spot basis.
[Explanation - "Spot basis" shall have same meaning as specified by stock exchange for spot transactions;]
 - (b) the securities so transferred shall be in conformity with investment objective of the scheme to which such transfer has been made and the Policy on Inter Scheme Transfer prepared in compliance with clause 12.30 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 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.
6. The provisions of clause 12.16 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 pertaining to pending deployment of funds of a Scheme in

terms of investment objectives of the Scheme, will not apply to term deposits placed as margins for trading in cash and derivatives market

7. The Scheme shall not make any investment in:
 - (a) any unlisted security of an associate or group company of the sponsor; or
 - (b) any security issued by way of private placement by an associate or group company of the sponsor; or
 - (c) the listed securities of group companies of the sponsor which is in excess of 25 per cent of the net assets.
8. The Scheme shall not make any investment in any fund of funds scheme.
9. The Scheme shall not invest more than 10% of its NAV in the equity shares or equity related instruments of any company. For the purpose of determining the above limit, a combination of positions of the underlying securities and stock derivatives will be considered.
10. All investments by the scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed.
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 term loans will be advanced by the Scheme.
13. Applicable limits for investment in units of REITs/InvITs:
 - a. No Mutual Fund under all its scheme shall own more than 10% of units issued by a single issuer of REIT and InvITs
 - b. At a single Mutual Fund scheme level:
 - i. not more than 10% of its NAV in the units of REIT and InvITs and
 - ii. not more than 5% of its NAV in the units of REIT and InvITs issued by a single issuer.
14. The Scheme shall not invest more than 10% 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 SEBI Act. Such investment limit may be extended to 12% of the NAV of the Scheme with the prior approval of the Boards of the Trustee Company and the AMC;
Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and Tri-Party repos on government securities or treasury bills;

Further, in accordance with SEBI Circular dated November 29, 2022, within the limits specified above, following prudential limits shall be followed for the scheme:

The scheme shall not invest more than:

- 10% of its NAV in debt and money market securities rated AAA; or
- 8% of its NAV in debt and money market securities rated AA; or
- 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.

Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with SEBI.

15. 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 10% 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

16. In terms of clause 12.1 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, Mutual fund scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used by mutual funds for hedging.

However, mutual fund schemes may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio and as per respective investment limits and timelines mentioned by SEBI from time to time, subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.

SEBI vide Circular dated April 28, 2020 has allowed the existing unlisted NCDs to be grandfathered till maturity, such NCDs are herein referred to as “identified NCDs.

Accordingly, mutual funds schemes can transact in such identified NCDs and the criteria specified above shall not be applicable for such identified NCDs, Subject to compliance with investment due diligence and all other applicable investment restrictions as given below:-

A mutual fund scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the scheme. All such investments shall be made with the prior approval of the Board of Trustees and the Board of Asset Management Company.

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.

17. Investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. by mutual fund schemes shall be subject to the following:
- Investments should only be made in such instruments, including bills rediscounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.
 - Exposure of mutual fund schemes in such instruments, shall not exceed 5% of the net assets of the schemes.
 - All such investments shall be made with the prior approval of the Board of MC and the Board of trustees

Sector exposure-

In accordance with clause 12.9 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, the total exposure to a single sector shall not exceed 20% of the net assets of the Scheme. The sectoral classification shall be as per the classification provided by AMFI, as amended from time to time. However, this limit is not applicable for investments in Bank CDs, Tri-Party Repo (TPR), Government Securities, Treasury Bills, AAA rated securities issued by Public Financial Institutions and Public Sector Banks and short-term deposits of scheduled commercial banks. Provided an additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the Scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only; Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.

18. Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 20% of the net assets of the scheme.
19. Group exposure - The total exposure of the Scheme in a particular group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the Scheme. Such investment limit may be extended to 25% of the net assets of the Scheme with the prior approval of the Board of Trustees. The investments of the scheme in debt and money market instruments of group companies of both the sponsor and the asset management company shall not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the scheme with the prior approval of the Board of Trustees.

For this purpose, a group means a Group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

20. Limits for investment in Instruments having Special Features shall be as follows:
- No Mutual Fund under all its schemes shall own more than 12% of such instruments issued by a single issuer
 - A Mutual Fund scheme shall not invest –as specified at clause 1 of the Seventh Schedule of SEBI MF Regulations and other prudential limits with respect to the debt instruments.
21. 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.
22. The Scheme will comply with any other Regulations applicable to the investments of Mutual Funds from time to time.

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

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 equity scheme investing in both large cap and mid cap stocks.

(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.

(iv) Any safety net or guarantee provided: The Scheme does not provide any safety net or guaranteed or assured returns.

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations and Clause 1.14.1.4 of SEBI Master Circular for Mutual Funds dated May 19, 2023 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:

- SEBI has reviewed and provided its comments on the proposal
 - A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
 - The Unitholders are given an option for a period of atleast 30 calendar days to exit at the prevailing Net Asset Value without any exit load.
 - In addition to the conditions specified above for bringing change in the fundamental attributes of any scheme, trustees shall take comments of the Board before bringing such change(s).

D. OTHER SCHEME SPECIFIC DISCLOSURES

Listing and transfer of units	<p>It is not proposed to list the units issued under this scheme. However, the Mutual Fund may at its sole discretion list the Units on one or more stock exchanges at a later date.</p> <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>Physical Units which are held in the form of account statement: Any addition / deletion of name from the folio of the unitholder is deemed as transfer of unit who are capable of holding units. Transfer of unit(s) shall be subject to payment of applicable stamp duty by the unitholder(s) and applicable laws. The Fund will not be bound to recognize any other transfer. The above provisions in respect of deletion of names will not be applicable in case of death of Unit holder (in respect of joint holdings) as this is treated as transmission of Units and not transfer.</p>
Dematerialization and Rematerialization of units	<p><u>Dematerialization:</u></p> <ol style="list-style-type: none"> i. The Units of the Scheme will be available only in the dematerialized (electronic) mode. ii. The Investor under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL and will be required to indicate in the application the Depository Participant's name, Depository Participant's ID Number and beneficiary account number of the applicant with the Depository Participant or such details requested in the Application Form / Transaction Form. iii. The Units of the Scheme will be issued / repurchased and traded compulsorily in dematerialized form. iv. Applications without relevant details of his / her / their depository account are liable to be rejected. v. If KYC details of the investor including IPV is not updated with DP, the applications are liable to be rejected. <p><u>Rematerialization</u></p> <p>Rematerialization of Units will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 1996 as may be amended from time to time.</p> <p>The process for rematerialization is as follows:</p> <ol style="list-style-type: none"> i. The investor will submit a remat request to his/her DP for rematerialization of holdings in his/her account. ii. If there is sufficient balance in the investor's account, the DP will generate a Rematerialization Request Number (RRN) and the same is entered in the space provided for the purpose in the rematerialization request form.

	<ul style="list-style-type: none"> iii. The DP will then dispatch the request form to the AMC/ R&T agent. iv. The AMC/ R&T agent accepts the request for rematerialization prints and dispatches the account statement to the investor and sends electronic confirmation to the DP. v. The DP will inform the investor about the changes in the investor account following the acceptance of the request
<p>Minimum Target amount (This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return.)</p>	Not Applicable
<p>Dividend Policy (IDCW)</p>	<p>The Trustees may declare IDCW subject to the availability of distributable surplus calculated in accordance with SEBI (Mutual Funds) Regulations, 1996. The actual declaration of IDCW and the frequency of distribution will be entirely at the discretion of the Trustees. There is no assurance or guarantee to Unit holders as to the rate of IDCW distribution nor that the IDCWs will be declared regularly, though it is the intention of the Mutual Fund to make regular IDCW distribution under the IDCW Plan. The IDCW would be paid to the Unitholders whose names appear in the Register of Unitholders as on the record date.</p> <p>IDCW Distribution Procedure In accordance with SEBI Regulations, the procedure for IDCW distribution would be as under:</p> <p>When units are sold, and sale price (NAV) is higher than face value of the unit, a portion of sale price that represents realized gains is credited to an Equalization Reserve Account and which can be used to pay IDCW. IDCW can be distributed out of investor's capital (Equalization Reserve), which is part of sale price that represents realized gains. The Trustee reserves the right to change/modify the aforesaid requirements at a later date in line with SEBI directives from time to time.</p> <p>Quantum of IDCW and the record date will be fixed by the Trustee in their meeting. IDCW so decided shall be paid, subject to availability of distributable surplus. Within one calendar day of decision by the Trustee, the AMC shall issue notice to the public communicating the decision about the IDCW including the record date, 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, whichever is issued earlier.</p>

	<p>Record date shall be the date, which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of Unitholders for receiving IDCWs. The Record Date will be 5 calendar days from the date of issue of notice. The notice will, in font size 10, bold, categorically state that pursuant to payment of IDCW, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable). The NAV will be adjusted to the extent of IDCW distribution and statutory levy, if any, at the close of business hours on record date. Before the issue of such notice, no communication indicating the probable date of IDCW declaration in any manner whatsoever will be issued by Mutual Fund.</p>
<p>Allotment (Detailed procedure)</p>	<p>The Fund will allot units and dispatch statement of accounts within 5 working days from the closure of the NFO. The units of the Scheme would be allotted at the face value of Rs. 10/- on the allotment date. Investors under the Scheme will have an option to hold the Units either in dematerialized (electronic) form or in physical form. In case of investors opting to hold Units in dematerialized mode, the Units will be credited to the investors' depository account (as per the details provided by the investor) not later than 5 working days from the date of closure of the NFO. Further, a holding statement could be obtained from the Depository Participants by the Investor. In case of investors opting to hold the Units in physical mode, on allotment, the AMC/Fund will send to the Unitholders, an account statement specifying the number of units allotted by way of physical form (where email address is not registered) and/or email and/or SMS within 5 Business Days from the date of closure of New Fund Offer to the registered address/e-mail address and/or mobile number. Normally, no certificates will be issued. However, on request from the Unitholder, Unit certificates will be issued for the same. The AMC will issue a Unit certificate to the applicant within 5 Business Days of the receipt of request for the certificate. Unit certificate, if issued, must be duly discharged by the Unit holder(s) and surrendered along with the request for redemption/switch or any other transaction of Units covered therein. The AMC shall, on production of instrument of transfer together with relevant unit certificates, register the transfer and return the unit certificate to the transferee within thirty days from the date of such production.</p> <p>As per regulation 37, The units shall be freely transferrable.</p> <p>The allotment of units is subject to realization of the payment instrument. Any application for subscription of units may be rejected if found incomplete by the AMC/Trustee. Refer Section 'Account Statements' under the 'Ongoing Offer Details' for details regarding account statements.</p>

Refund	If application is rejected, full amount will be refunded within 5 working days of closure of NFO. If refunded later than 5 working days @ 15% p.a. for delay period will be paid and charged to the AMC.
<p>Who can invest</p> <p>This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.</p>	<p>This is an indicative list and you are requested to consult your financial advisor. The following are eligible to subscribe to the units of the Scheme:</p> <ol style="list-style-type: none"> 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. NRIs and PIOs who are residents of U.S. and Canada cannot invest in the Schemes of MOMF. # 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.

	<p>20. Such other categories of investors permitted by the Mutual Fund from time to time, in conformity with the SEBI Regulations.</p> <p>21. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, PAN details as mentioned under the paragraph “Anti Money Laundering and Know Your Customer”, updated bank account details including cancelled original cheque leaf of the new account and his specimen Signature duly authenticated by his banker. No further transactions shall be allowed till the status of the minor is changed to major.</p> <p>22. Pursuant to clause 17.6 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 investors are required to note that the minor shall be the sole unit holder in a folio. Joint holders will not be registered.</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>Investors are requested to refer SAI for detailed information.</p>
Who cannot invest	<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. <p>United States Person (“U.S. person”*) as defined under the laws of the United States of America except lump sum subscription, System Investment Plan (SIP), switch transactions, Systematic Transfer Plan (STP), Systematic Withdrawal Plan (SWP), Motilal Oswal Fixed Amount Benefit Plan and Motilal Oswal Value Index (MOVI) Pack Plan requests received from Non-resident Indians / Persons of Indian origin residing in United States of America (USA) 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, as the case may be, as and when identified by the AMC / Mutual Fund, which are</p>

	<p>not in compliance with the terms and conditions prescribed in this regard.</p> <p>3. 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> <p>Note: It is mandatory to complete the KYC requirements for all unit holders, including for all joint holders and the guardian in case of folio of a minor investor</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 (https://www.motilaloswalmf.com/contact-us) should be specified</p> <p>Please refer to the SAI and Application form for the instructions.</p> <ol style="list-style-type: none"> 1. link for the list of official points of acceptance, collecting banker details etc. 2. name, address and contact no. of Registrar and Transfer Agent (R&T), email id of R&T, website address of R&T, official points of acceptance, collecting banker details etc. on back cover page. <p>To inform investors that it is mandatory to mention their bank account numbers in their applications/requests for redemption.</p>
Where can you submit the filled up applications.	<p>During the ongoing period, the applications can be submitted at any of the branches of the collecting bankers (if appointed) or at the Designated Collection Center (DCC)/ Investor Service Center (ISC) of MOMF as mentioned in the SID and also at DCC and ISC of our Registrar and Transfer Agent (RTA), Kfin Technologies Ltd. The details of RTA’s DCC and ISC are available at the link www.kfintech.com. A list of the addresses is given at the end of SID.</p> <p>The AMC reserves the right to appoint additional collecting bankers during the NFO Period and change the bankers and/or any of the bankers appointed subsequently</p>

<p>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.</p>	<p>Units once redeemed/repurchased will not be re-issued</p>
<p>Restrictions, if any, on the right to freely retain or dispose of units being offered.</p>	<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 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>Physical Units which are held in the form of account statement: Any addition / deletion of name from the folio of the unitholder is deemed as transfer of unit who are capable of holding units. Transfer of unit(s) shall be subject to payment of applicable stamp duty by the unitholder(s) and applicable laws. The Fund will not be bound to recognize any other transfer.</p> <p>The above provisions in respect of deletion of names will not be applicable in case of death of Unit holder (in respect of joint holdings) as this is treated as transmission of Units and not transfer.</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>As per clause 8.4.6.2 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 in respect of purchase of units of mutual fund schemes (except liquid and overnight schemes), closing NAV of the day shall be applicable on which the funds are available for utilization irrespective of the size and time of receipt of such application subject to cut-off timing provisions.</p> <p>Considering the above, Cut-off timings with respect to Subscriptions/Purchases including switch – in shall be as follows:</p>

- In respect of valid applications received by 3.00 p.m. on a Business Day and where the funds for the entire amount of subscription / purchase / switch-ins as per the application are credited to the bank account of the Scheme before the cut-off time i.e. available for utilization before the cut-off time- the closing NAV of the day shall be applicable.
- In respect of valid applications received after 3.00 p.m. on a Business Day and where the funds for the entire amount of subscription / purchase as per the application are credited to the bank account of the Scheme before the cut-off time of the next Business Day i.e. available for utilization before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable.
- In respect of valid applications with an outstation cheques or demand drafts not payable at par at the Official Points of Acceptance where the application is received, the closing NAV of day on which the cheque or demand draft is credited shall be applicable.
- In respect of valid applications, the time of receipt of applications or the funds for the entire amount are available for utilization, whichever is later, will be used to determine the applicability of NAV.

In case of other facilities like Systematic Investment Plan (SIP), Systematic Transfer Plan (STP), etc., the NAV of the day on which the funds are available for utilization by the Target Scheme shall be considered irrespective of the instalment date.

Redemptions including switch – outs:

- In respect of valid applications received upto 3.00 p.m. by the Mutual Fund, closing NAV of the day of receipt of application, shall be applicable.
- In respect of valid applications received after 3.00 p.m. by the Mutual Fund, the closing NAV of the next business day shall be applicable.

The AMC reserves the right to change / modify the aforesaid requirements at a later date in line with SEBI directives from time to time.

Transaction through online facilities/ electronic mode: The time of transaction done through various online facilities/electronic modes offered by the AMC, for the purpose of determining the applicability of NAV, would be the time when the request of purchase/redemption/switch/SIP/STP of units is received on the

	<p>servers of AMC/RTA as per terms and conditions of such facilities.</p> <p>In case of a time lag between the amount of subscription being debited to the investor's bank account and the subsequent credit into the Scheme's bank account, the applicability of NAV for transactions where NAV is to be applied based on actual realization of funds by the Scheme, may be impacted. The AMC/its bankers/its service providers would not be liable for any such delay/lag and consequent pricing of units.</p> <p>Transaction through Stock Exchange: With respect to investors who transact through the stock exchange, Applicable NAV shall be reckoned on the basis of the time stamping as evidenced by confirmation slip given by stock exchange mechanism.</p>
Minimum amount for purchase/switches into the Scheme	<p>Minimum amount for purchase/switch-in: Rs. 500/- and in multiples of Re. 1/- thereafter.</p> <p>Minimum additional purchase: Rs. 500/- and in multiples of Re. 1/- thereafter.</p> <p>AMC may revise the minimum/maximum amounts and the methodology for new/additional subscriptions, as and when necessary. Such change may be brought about after taking into account the cost structure for a transaction/account and /or Market practices and/or the interest of existing Unit holders. Further, such changes shall only be applicable to transactions from the date of such a change, on a prospective basis.</p>
Minimum Redemption/switch-out Amount	<p>Rs. 500/- and in multiples of Re.1/- thereafter or account balance, whichever is lower.</p> <p>In case the Investor specifies the number of Units and amount, the number of units shall be considered for Redemption. In case the unit holder does not specify the number or amount, Mutual Fund shall reject the transaction. If the balance Units in the Unit holder's account does not cover the amount specified in the redemption request, then the Mutual Fund shall reject the transaction. If the balance Units in the Unit holder's account is less than the specified in the redemption request, then the Mutual Fund shall reject the transaction.</p> <p>In case of Units held in dematerialized mode, the Unitholder can give a request for Redemption only in number of Units. Request for subscriptions can be given only in amount. Depository participants of registered Depositories to process only redemption request of units held in Demat form.</p>
Accounts Statements	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days</p>

	<p>of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).</p> <p>A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month by mail or email on or before 15th of the succeeding month.</p> <p>Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable</p> <p>For further details, refer SAI.</p>
Dividend/ IDCW	<p>The IDCW warrants shall be dispatched to the Unitholders within 30 days of the date of declaration of the IDCW. In case of failure to despatch IDCW proceeds within 30 days, the AMC shall be liable to pay interest to the Unit Holders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum) and the same shall be calculated from the record date.</p>
Redemption	<p>The redemption or repurchase proceeds shall be despatched to the Unitholders within 3 working days from the date of redemption or repurchase.</p> <p>Further, AMCs may also use modes of dispatch such as speed post, courier etc. for payments including refunds to unitholders in addition to the registered post with acknowledgement due.</p>
Right to limit Redemptions	<p>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 conditions, impose restriction on redemption of Units of the Schemes. The following requirements will be observed before imposing restriction on redemptions:</p> <ol style="list-style-type: none"> a. 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: <ol style="list-style-type: none"> i. Liquidity issues - when market at large becomes illiquid affecting almost all securities rather than any issuer specific security. AMCs should have in place sound internal liquidity management tools for schemes. Restriction on redemption cannot be used as an ordinary tool in order to

	<p>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>ii. 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>iii. 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>b. Restriction on redemption may be imposed for a specific period of time not exceeding 10 working days in any 90 days' period.</p> <p>c. Any such imposition requires specific approval of Board of AMCs and Trustees and the same shall be immediately informed to SEBI.</p> <p>d. When restriction on redemption is applied the following procedure shall be followed:</p> <p>a) Redemption requests upto Rs. 2lakh will not be subject to such restriction.</p> <p>b) 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> <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</p>
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	<p>Trustees or the AMC unless it has been confirmed in writing by the AMC and/or payment has been received.</p> <p>Physical Units which are held in the form of account statement: Additions/deletion of names in case of Units held in other than demat mode in the form of account statement will not be allowed under any folio of the Scheme. However, on request from the Unitholder, Unit certificates will be issued in lieu of account statement for the same. The AMC will issue a Unit certificate to the applicant within 5 Business Days of the receipt of request for the certificate. Unit certificate, if issued, must be duly discharged by the Unit holder(s) and surrendered along with the request for redemption/switch or any other transaction of Units covered therein. The AMC shall, on production of instrument of transfer together with relevant unit certificates, register the transfer and return the unit certificate to the transferee within thirty days from the date of such production.</p> <p>The above provisions in respect of deletion of names will not be applicable in case of death of Unit holder (in respect of joint holdings) as this is treated as transmission of Units and not transfer.</p>
Bank Mandate	<p>As per SEBI requirements, it is mandatory for an investor to provide his/her bank account number in the Application Form.</p> <p>The Bank Account details as mentioned with the Depository should be mentioned. If depository account details furnished in the application form are invalid or not confirmed in the depository system, the application may be rejected. The Application Form without the Bank account details would be treated as incomplete and rejected.</p>
Delay in payment of redemption / repurchase proceeds	<p>The AMC shall be liable to pay interest to the Unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).</p>
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 amounts, redemption amounts remaining unclaimed based on expiry of payment instruments will be identified on a</p>

	<p>monthly basis and amounts of unclaimed redemption would be deployed in the respective Unclaimed Amount Plan(s) as follows:</p> <ul style="list-style-type: none"> • Motilal Oswal Liquid Fund - Unclaimed IDCW - Upto 3 years, • Motilal Oswal Liquid Fund - Unclaimed IDCW - Greater than 3 years, • 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/ IMDPoD-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>
<p>Disclosure w.r.t investment by minors</p>	<p>Minors are eligible to invest through Parents/Lawful Guardian. AMC will follow uniform process ‘in respect of investments made in the name of a minor through a guardian’ by SEBI vide 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 guardian.</p> <p>The process of minor attaining major and status of investment etc. is mention in Statement of Additional Information (SAI).</p>

KYC Requirements	<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>
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OTHER DETAILS

A. Periodic Disclosures such as Half yearly disclosures, half yearly results, annual report

<p>Net Asset Value This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>AMC will declare separate NAV under Regular Plan and Direct Plan of the Scheme. 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>In case NAV of Corporate Debt Market Development Fund ('CDMDF') units is not available by 9.30 p.m. of same Business Day, NAV declaration timing for Mutual Fund 62 SID of Motilal Oswal Liquid Fund Schemes holding units of CDMDF shall be 10.00 a.m. on next business day instead of 11.00 p.m. on same Business Day.</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 (https://www.motilaloswalmf.com/download/regulatory-updates) and on AMFI website within 10 days from the close of each month. 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</p>

	<p>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>https://www.motilaloswalmf.com/download/month-end-portfolio</p>
Scheme Summary Document	<p>The AMC has provided on its website(https://www.motilaloswalmf.com/download/scheme-summary-documents) Scheme summary document which is a standalone scheme document for all the Schemes which contains all the details of the Scheme.</p>
Half yearly Disclosures: Financial Results	<p>The Mutual Fund shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on its website(https://www.motilaloswalmf.com/download/financials).</p> <p>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 (https://www.motilaloswalmf.com/download/financials) 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</p>

	<p>their website (Mutual Funds Performance Top Performing Mutual Funds to Invest in India (motilaloswalmf.com)) wherein the investor can access information with regard to scheme's AUM, investment objective, expense ratios, portfolio details and past performance of all the schemes.</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. 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>

B. TRANSPARENCY/NAV DISCLOSURE

The NAV will be calculated on all business days and shall be disclosed in the manner specified by SEBI. The AMC shall update the NAVs on its website 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 NAVs are not available before commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs. Further, AMC will extend facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard.

C. TRANSACTION CHARGE AND STAMP DUTY

- **Transaction charges**

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

- i. For existing investor in a Mutual Fund: Rs.100/- per subscription of Rs. 10,000/- and above;
- ii. For first time investor in Mutual Funds: Rs.150/- per subscription of Rs. 10,000/- and above.

However, there will be no transaction charge on:

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

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

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

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

Details to be provided in SAI.

D. ASSOCIATE TRANSACTIONS

Please refer to Statement of Additional Information (SAI)

E. TAXATION

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 01, 2024:

Nature of Income	Equity Oriented	
	Resident Investor	Mutual Fund
Long Term Capital Gains	10% above 1Lac	Nil
Short Term Capital Gains	15%	Nil
Income Distributed under IDCW	Slab rate (Applicable rate)	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 POINT OF ACCEPTANCE OF TRANSACTIONS (OPAT) AND INVESTOR SERVICE CENTER (ISC):

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 of MOFSL are as follows:

Link for Brief on litigation cases:

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