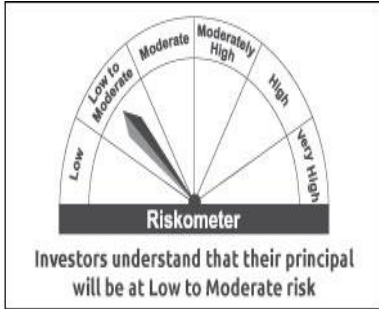
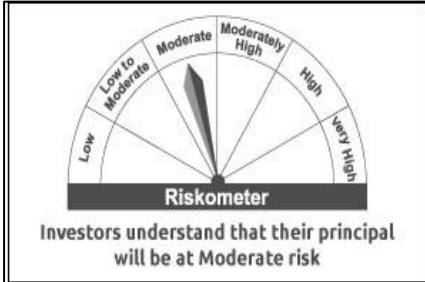




**SCHEME INFORMATION DOCUMENT  
MOTILAL OSWAL ULTRA SHORT TERM FUND**

An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months (**B-I** A Relatively Low Interest Rate Risk and Moderate Credit Risk)  
(Scheme code: - MOTO/O/D/USD/13/08/0005)

<p><b>This product is suitable for investors who are seeking*</b></p> <ul style="list-style-type: none"> <li>• Optimal returns consistent with moderate levels of risk</li> <li>• Investment in debt securities and money market securities with Macaulay duration of the portfolio between 3 months and 6 months.</li> </ul>	<p align="center"><b><u>Scheme Risk- O- Meter</u></b></p>  <p align="center">Investors understand that their principal will be at Low to Moderate risk</p>	<p align="center"><b><u>Benchmark Risk-o-meter</u></b> <b><u>CRISIL Ultra Short Duration Fund B-I – Total Return Index</u></b></p>  <p align="center">Investors understand that their principal will be at Moderate risk</p>
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\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

*Pursuant to the provisions of clause 17.5 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, Potential Risk Class (Maximum risk the scheme can take)			
Max Credit Risk of scheme→ Max Interest Rate Risk of the scheme ↓	Relatively Low (Class A: CRV >=12)	Moderate (Class B : CRV >=10)	Relatively High (Class C: CRV <10)
Relatively Low Class I: (MD<=1 year)		<b>B-I</b>	
Moderate Class II: (MD<=3 years)			
Relatively High Class III: Any Macaulay duration			

**Continuous Offer of Units at NAV based prices**

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

**The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date and circulars issued thereunder filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.**

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Motilal Oswal Mutual Fund (MOMF), Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on [www.motilaloswalmf.com](http://www.motilaloswalmf.com).

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

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

This SID is dated **June 26, 2024**

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**Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME**

<b>Sr. No.</b>	<b>Title</b>	<b>Description</b>
<b>I.</b>	<b>Name of the scheme</b>	Motilal Oswal Ultra Short Term Fund
<b>II.</b>	<b>Category of the Scheme</b>	Ultra Short Duration Fund
<b>III.</b>	<b>Scheme type</b>	An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months ( <b>B-I</b> -A Relatively Low Interest Rate Risk and Moderate Credit Risk)
<b>IV.</b>	<b>Scheme code</b>	MOTO/O/D/USD/13/08/0005
<b>V.</b>	<b>Investment objective</b>	<p>The investment objective of the Scheme is to generate optimal returns consistent with moderate levels of risk and liquidity by investing in debt securities and money market securities.</p> <p>However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved</p>
<b>VI.</b>	<b>Liquidity/listing details</b>	<p>The Scheme offers Units for subscription and redemption at Applicable NAV on all Business Days on an ongoing basis.</p> <p>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 2 Working days from the date of receipt of a valid redemption request.</p> <p>The units of the Scheme are presently not proposed to be listed on any stock exchange.</p>
<b>VII.</b>	<b>Benchmark (Total Return Index)</b>	<p>The performance of the Scheme will be benchmarked against CRISIL Ultra Short Duration Fund B-I– Total Return Index.</p> <p>CRISIL Ultra Short Term Debt Index seeks to track the performance of ultra-short term debt portfolio comprising of short term AAA/AA rated bonds and 6 months and 1-year CPs and CDs.</p> <p>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.</p>
<b>VIII.</b>	<b>NAV disclosure</b>	The AMC will declare separate NAV under Regular Plan and Direct Plan of the Scheme. 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 <a href="http://www.motilaloswalmf.com">www.motilaloswalmf.com</a> and also on AMFI website <a href="http://www.amfiindia.com">www.amfiindia.com</a> by 11.00 p.m. on every business

		<p>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 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>For further details kindly refer Section II.</p>																										
<b>IX.</b>	<b>Applicable timelines</b>	<p>Mutual Fund shall dispatch redemption proceeds within 3 Business Days of receiving a valid Redemption request.</p> <p>All the IDCW payments shall be in accordance and compliance with SEBI regulations, as amended from time to time.</p>																										
<b>X.</b>	<b>Plans and Options</b> Plans/Options and sub options under the Scheme	<p>IDCW* Option (with IDCW Payout and Reinvestment) and Growth</p> <p><b>IDCW Option-</b> 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 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> <table border="1"> <thead> <tr> <th>Plan</th> <th>Options Sub-Options/</th> <th>Facility</th> <th>Frequency</th> <th>Record date</th> </tr> </thead> <tbody> <tr> <td rowspan="5"><b>Regular and Direct</b></td> <td>IDCW</td> <td>IDCW Re-investment</td> <td>Daily</td> <td>Every business day</td> </tr> <tr> <td>IDCW</td> <td>IDCW Re-investment</td> <td>Weekly</td> <td>Every Friday*</td> </tr> <tr> <td>IDCW</td> <td>IDCW Re-investment</td> <td>Fortnightly</td> <td>Every 2nd &amp; 4th Friday* of the Month</td> </tr> <tr> <td>IDCW</td> <td>IDCW Re-investment /Payout</td> <td>Monthly</td> <td>Every last Friday* of the month</td> </tr> <tr> <td>IDCW</td> <td>IDCW Re-investment /Payout</td> <td>Quarterly</td> <td>Every last Friday* of the quarter</td> </tr> </tbody> </table> <p>* If Friday is a holiday, then the record date shall be the next Business day.</p>	Plan	Options Sub-Options/	Facility	Frequency	Record date	<b>Regular and Direct</b>	IDCW	IDCW Re-investment	Daily	Every business day	IDCW	IDCW Re-investment	Weekly	Every Friday*	IDCW	IDCW Re-investment	Fortnightly	Every 2nd & 4th Friday* of the Month	IDCW	IDCW Re-investment /Payout	Monthly	Every last Friday* of the month	IDCW	IDCW Re-investment /Payout	Quarterly	Every last Friday* of the quarter
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		<p><b>Growth Option-</b> 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>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.</p> <p>*Income Distribution cum capital withdrawal option</p> <p>The AMC reserves the right to introduce further Options as and when deemed fit.</p> <p>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. The table showing various scenarios for treatment of application under “Direct/Regular” Plan is as follows:</p> <table border="1" data-bbox="662 1064 1465 1518"> <thead> <tr> <th>Scenario</th> <th>Broker mentioned by the investor</th> <th>Code mentioned by the investor</th> <th>Plan mentioned by the investor</th> <th>Default Plan to be captured</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Not mentioned</td> <td></td> <td>Not mentioned</td> <td>Direct</td> </tr> <tr> <td>2</td> <td>Not mentioned</td> <td></td> <td>Direct</td> <td>Direct</td> </tr> <tr> <td>3</td> <td>Not mentioned</td> <td></td> <td>Regular</td> <td>Direct</td> </tr> <tr> <td>4</td> <td>Mentioned</td> <td></td> <td>Direct</td> <td>Direct</td> </tr> <tr> <td>5</td> <td>Direct</td> <td></td> <td>Not Mentioned</td> <td>Direct</td> </tr> <tr> <td>6</td> <td>Direct</td> <td></td> <td>Regular</td> <td>Direct</td> </tr> <tr> <td>7</td> <td>Mentioned</td> <td></td> <td>Regular</td> <td>Regular</td> </tr> <tr> <td>8</td> <td>Mentioned</td> <td></td> <td>Not Mentioned</td> <td>Regular</td> </tr> </tbody> </table> <p>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.</p> <p>The Scheme does not offer IDCW Option.</p> <p>For detailed disclosure on default plans and options, kindly refer SAI.</p>	Scenario	Broker mentioned by the investor	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
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<b>XI.</b>	<b>Load Structure</b>	<b>Entry and Exit Load: Nil</b>																																													

<b>XII.</b>	<b>Minimum Application Amount/switch in</b>	<b>For Lumpsum:</b> Rs. 500/- and in multiples of Re. 1/- thereafter.			
		<b>For Systematic Investment Plan (SIP):</b>			
		<b>SIP Frequency</b>	<b>Minimum Instalment Amount</b>	<b>Number of Instalments</b>	<b>Choice of Day/Date</b>
		Daily	Rs. 100/- and multiple of Re. 1/- thereafter	1 month (30 days)	Any Business Day.
		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 <sup>st</sup> & 14 <sup>th</sup> , 7 <sup>th</sup> & 21 <sup>st</sup> and 14 <sup>th</sup> & 28 <sup>th</sup>
		Monthly	Rs.500/- and multiple of Re. 1/- thereafter	Minimum – 12 Maximum – No Limit	Any day of the month except 29 <sup>th</sup> , 30 <sup>th</sup> or 31 <sup>st</sup>
		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 <sup>th</sup> , 30 <sup>th</sup> or 31 <sup>st</sup>
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 7<sup>th</sup> 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 and Minimum Redemption 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>					
<b>XIII.</b>	<b>Minimum Additional Purchase Amount</b>	Rs.500/- and in multiples of Re. 1/- thereafter.			

XIV.	<b>Minimum Redemption/switch out amount</b>	Rs.500/- and in multiples of Re. 1/- thereafter or account balance, whichever is lower.  Note: Provisions for Minimum Application Amount and Minimum Redemption 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.
XV.	<b>New Fund Offer Period</b> This is the period during which a new scheme sells its units to the investors.	NFO opens on: NA NFO closes on: NA
XVI.	<b>New Fund Offer Price:</b> This is the price per unit that the investors have to pay to invest during the NFO.	NA
XVII.	<b>Segregated portfolio/side pocketing disclosure</b>	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.  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.  For further details, kindly refer SAI.
XVIII	<b>Swing pricing disclosure</b>	<b>Swing Pricing</b> Swing pricing refers to a process for adjusting a scheme's Net Asset Value (NAV) to effectively pass on transaction costs stemming from



significant net capital activity (i.e., flows into or out of the fund) to the investors associated with that activity. It is aimed at reducing the impact of large redemptions on existing investors by reducing dilution of the value of a fund's units.

**Applicable on schemes Circumstances when Swing Pricing Triggered**

In a liquidity-challenged environment, quoted bid/ask spreads and overall trading cost can widen and may not be representative of the executed prices that can be achieved in the market. Swing pricing is needed to address issues in addition to costs of bid-offer spread and transaction costs, particularly arising during market dislocation in the mutual fund industry or in the underlying bond market. Further, liquidity is concentrated in high quality paper and during market dislocation, very high risk aversion is observed and in terms of yield of bonds, spread over benchmark spike, particularly for relatively lower quality paper. Accordingly, swing pricing, an anti-dilution adjustment that seeks to protect investors in a fund from performance dilution as a result of significant outflows from the fund, particularly during market dislocation.

**Mandatory Swing pricing during market dislocation**

The swing pricing framework will be made applicable only for scenarios related to net outflows from the above mentioned Schemes. SEBI will determine 'market dislocation' either based on AMFI's recommendation or suo-moto. Once market dislocation is declared, it will be notified by SEBI that swing pricing will be applicable for a specified period. Subsequent to the announcement of market dislocation, the swing pricing framework shall be mandated only for open ended debt schemes which –

- High or Very High Risk on the most recent risk-o-meter in terms clause 4.10 of SEBI master circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023AND
- Classified themselves in any of the cell A-III, B-II, B-III, C-I, C-II and C-III of Potential Risk Class (PRC) Matrix.

A minimum swing factor as under shall be made applicable to the schemes as mentioned in the addendum dated December 28, 2021 and the NAV will be adjusted for swing factor. This will be applicable to both purchase and redemption for the above mentioned schemes during market dislocation period announced by SEBI

<b>Minimum swing factor<sup>^</sup></b>			
<b>Maximum Credit Risk of scheme →</b>	<b>Class A (CR V* &gt;=12)</b>	<b>Class B (CR V* &gt;=10)</b>	<b>Class C (CR V* &lt;10)</b>
<b>Maximum Interest Rate Risk of the scheme ↓</b>			
Class I:	Optional	Option	1.5%

(Macaulay Duration <=1 year)		al	
Class II: (Macaulay Duration <=3 years)	Optional	1.25%	1.75%
Class III: Any Macaulay Duration	1%	1.5%	2%

^ Swing pricing shall be made applicable to all unitholders at PAN level with an exemption for redemptions upto Rs. 2 lacs for each scheme.

\*Credit Risk Value

When swing pricing framework is triggered, and swing factor is made applicable, both the incoming and outgoing investors shall get NAV adjusted for swing factor.

Swing pricing shall be made applicable to all unitholders at PAN level with an exemption for redemptions upto Rs. 2 lacs for each mutual fund scheme for both normal times and market dislocation.

Transaction Covered for applicability of Swing Factor

- a) Subscription including Switch in
- b) Redemption including switch out Transactions Excluded / Exempted
- c) Redemption upto 2 lacs (aggregated at PAN level) per scheme
- d) Reinvestment of income/capital distribution
- e) Intra Scheme Switch transactions (i.e. within the scheme) such as
  - i) switch from direct plan to growth plan within the scheme or vice versa or
  - ii) Switch from Income Distribution cum capital withdrawal option to Growth Option or
  - iii) other similar transactions

When swing pricing framework is triggered and swing factor is made applicable, both the incoming and outgoing investors shall get NAV adjusted for swing factor.

		<p>Impact of Swing Pricing on incoming and outgoing unitholders/investors:</p> <ol style="list-style-type: none"> <li>1) Unswung NAV – Rs.10/- This is before applying swing factor.</li> <li>2) Mandatory Swing Factor - 1.50% (C I Please refer minimum swing pricing table above)</li> <li>3) NAV after Adjustment of swing factor: <math>(100 - 1.5\% \text{ of } 100) = (100 - 1.50) = \text{Rs. } 98.5</math></li> </ol> <p style="text-align: right;">Subscription Amount                      Rs.100,00,000/-</p> <p style="text-align: right;">No of units to be allotted (10000000/98.50) = 101522.843</p> <p style="text-align: right;">Redemption Amount Rs.100,00,000/-</p> <p style="text-align: center;">-</p> <p style="text-align: right;">No of units to be redeemed              (10000000/98.50) = 101522.84</p> <p><b>Disclosures:</b> The adjusted NAV's will be calculated and disclosed on every Business Day during market dislocation period. The AMC shall prominently disclose the NAVs under a separate head on the website of the Fund (<a href="http://www.motilaloswalmf.com">www.motilaloswalmf.com</a>) and of the Association of Mutual Funds in India- AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) by 11 p.m. on every Business Day. The scheme performance shall be computed based on unswung NAV. Disclosures pertaining to NAV adjusted for swing factor along with the performance impact shall be made in specific format as mandated by SEBI in the SIDs and in scheme wise Annual Reports and Abridged summary and the same will be disclosed on the website prominently only if swing pricing framework has been made applicable for the said mutual fund scheme.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;">Sr. No.</th> <th style="width: 20%;">Period of applicability of swing pricing</th> <th style="width: 15%;">Scheme name</th> <th style="width: 10%;">Unswung NAV</th> <th style="width: 10%;">Swing factor applied</th> <th style="width: 40%;">Whether optional or mandatory</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p>For Details, kindly refer SAI</p>	Sr. No.	Period of applicability of swing pricing	Scheme name	Unswung NAV	Swing factor applied	Whether optional or mandatory						
Sr. No.	Period of applicability of swing pricing	Scheme name	Unswung NAV	Swing factor applied	Whether optional or mandatory									
<b>XIX.</b>	<b>Stock lending/short selling</b>	<p>The scheme is not engaged in Stock Lending Activity. For Details, kindly refer SAI</p>												
<b>XX.</b>	<b>How to Apply and other details</b>	<p>Investors should mandatorily use the Application Forms, Transactions Request, included in the KIM and other standard forms available at the Investor Service Centers/ <a href="http://www.motilaloswalmf.com">www.motilaloswalmf.com</a>, for any financial/non-financial transactions. Any transactions received in any non-standard forms are liable to be rejected.</p>												

		Please refer Details in Section II.
<b>XXI.</b>	<b>Investor services</b>	<p><b><u>For General Service request and Complaint Resolution</u></b></p> <p><b>Mr. Juzer Dalal</b>  <b>Motilal Oswal Asset Management Company Limited</b>  10<sup>th</sup> Floor, Rahimtullah Sayani Road, Opp. Parel ST Depot,  Prabhadevi, Mumbai – 400025  Tel No.: +91 8108622222 and +91 22 40548002  Fax No.: 02230896884  Email.: <a href="mailto:amc@motilaloswal.com">amc@motilaloswal.com</a></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 <a href="http://www.motilaloswalmf.com">www.motilaloswalmf.com</a> for complete details.</p> <p>Investor may also approach the Compliance Officer / CEO of the AMC. The details including, inter-alia, name &amp; address of Compliance Officer &amp; CEO, their e-mail addresses and telephone numbers are displayed at each offices of the AMC.</p>
<b>XXII</b>	<b>Special product/facility available on ongoing basis</b>	<p>The Special Products / Facilities available on an Ongoing basis are as follows:</p> <ul style="list-style-type: none"> <li>A. Systematic Investment Plan (SIP)</li> <li>B. Systematic Transfer Plan</li> <li>C. Systematic Withdrawal Plan</li> <li>D. Switching Option</li> <li>E. NAV Appreciation Facility</li> <li>F. IDCW Transfer Plan</li> <li>G. Mobile Facility</li> <li>H. Online Facility</li> <li>I. Application through MF utility platform</li> <li>J. Transaction through Stock Exchange</li> <li>K. Transaction through electronic mode</li> <li>L. Through MFSS and/or NMF II facility of NSE and BSE StAR MF facility of BSE</li> <li>M. Through mobile application of Kfin i.e. 'KTRACK'</li> <li>N. MF Central as Official Point of Acceptance of Transactions (OPAT)</li> </ul>
<b>XXIII</b>	<b>Weblink</b>	<p><a href="https://www.motilaloswalmf.com/download/factsheets">https://www.motilaloswalmf.com/download/factsheets</a>  <a href="https://www.motilaloswalmf.com/total-expense-ratio">https://www.motilaloswalmf.com/total-expense-ratio</a></p>

## **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 Ultra Short Term Fund approved by them is a new product offered by Motilal Oswal Mutual Fund and is not a minor modification of any existing scheme/fund/product.

**Place: Mumbai**  
**Date: June 26, 2024**

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

**Sd/-**  
**Aparna Karmase**  
**Head- Compliance, Legal and Secretarial**

## Part II. INFORMATION ABOUT THE SCHEME

### A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

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

<b>Instrument</b>	<b>Indicative Allocation (% of total assets)</b>	<b>Risk Profile High/Medium/ Low</b>
Debt Instruments including Government Securities, Corporate Debt, Other debt instruments, Term Deposits and Money Market Instruments with portfolio Macaulay# duration between 3 months and 6 months*	0% - 100%	Low
Units issued by Real Estate Investment Trust (REITs) and Infrastructure Investment Trust (InvITs)	0% to 10%	Medium to High

\*Though the Macaulay duration of the portfolio would be between 3 months and 6 months, individual security duration will be less than equal to 12 months. #The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.

Money Market Instruments include T-Bills, and Government securities with an unexpired maturity upto one year, TREPS & Repo/ Reverse Repo. The scheme will not invest in Securitised debt, foreign securities, corporate repo & reverse repo and derivatives.

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 debt, repo transactions, money market 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.

The Scheme will retain the flexibility to invest in the entire range of securities as per investment objectives of the Scheme and as per the SEBI Regulations. The Scheme will maintain an average maturity of its portfolio between 3 months to 6 months.

Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations, 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 substantially depending upon the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and for defensive considerations only

In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days from the request of CDMDF. Further, an incremental contribution to CDMDF shall be made every six months within 10 working days from the end of half year starting from December 2023 to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

However, in case of winding up of contributing Scheme, inter-scheme transfers within the same Mutual Fund or across Mutual Funds may be undertaken. Further, investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF.

### **Indicative Table**

Sl. no	Type of Instrument	Percentage of exposure	Circular references*
1.	Securities Lending	NA	NA
2.	Equity Derivatives for non-hedging purposes	NA	NA
3.	Securitized Debt	NA	NA
4.	Overseas Securities	NA	NA
5.	ReITS and InVITS	NA	NA
6.	AT1 and AT2 Bonds	NA	NA
7.	Corporate repo & reverse repo	NA	NA
8.	Any other instrument	NA	NA

### **Change in Asset Allocation**

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).

### **B. WHERE WILL THE SCHEME INVEST?**

The fund will invest in Money Market Instruments (Mibor linked instruments, CPs, T-Bills, CDs) and/or other Short Term debt instruments (Floating Rate Notes, Short Tenor NCDs, FDs and /or Less than 1year maturity G-Secs). The Scheme may also invest in the units of REIT and InvIT.

### **Investment in CDMDF**

In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI

circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM.

**For detailed information kindly refer Section II (A).**

### **C. WHAT ARE THE INVESTMENT STRATEGIES?**

The Scheme shall invest in Debt Instruments including Government Securities, Corporate Debt, Other debt instruments, Term Deposits and Money Market Instruments with portfolio Macaulay# duration between 3 months and 6 months at the range of 0% – 100 %. Units issued by Real Estate Investment Trust (REITs) and Infrastructure Investment Trust (InvITs) at the range of 0 – 10 %.

The fund management team will endeavor to maintain a consistent performance in the scheme by maintaining a balance between safety, liquidity and profitability aspects of various investments. The fund manager will try to achieve an optimal risk return balance for management of the fixed income portfolios. The investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, purchasing power risk etc. While they cannot be done away with, they can be minimized by diversification and effective use of hedging techniques. The fund management team will take an active view of the interest rate movement by keeping a close watch on various parameters of the Indian economy, as well as developments in global markets. Investment in debt instruments carry various risks like Interest Rate Risk, Liquidity Risk, Credit Risk, etc. While they cannot be eliminated, they can be reduced by diversification and effective use of hedging techniques.

Investment views/decisions will be taken on the basis of following parameters:

1. Liquidity of the security.
2. Maturity profile of the instruments.
3. Quality of the Security/instrument (including the financial health of the issuer).
4. Returns offered relative to alternative investment opportunities.
5. Prevailing interest rate scenario.
6. Any other factors considered relevant in the opinion of the AMC.

#### **Portfolio Turnover**

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

#### **Contribution in Corporate Debt Market Fund**

Pursuant to regulation 43A of SEBI (Mutual Funds) Regulations, 1996 and SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, AMC shall make a one-time contribution equivalent to 2 bps of the AUM of the specified debt oriented schemes as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days of request from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF. In case of delay in contribution by the Scheme and AMC, the AMC shall be liable to pay interest at fifteen percent (15%) per annum for the period of delay.' The above mentioned change shall override the conflicting provisions, if any, and shall form an integral part of the SID & KIM of specified open ended debt-oriented schemes as mentioned above of the Fund, as amended from time to time. All the other provisions of the SID & KIM of specified open ended debt oriented schemes as mentioned above of the Fund, except as specifically modified herein above, remain unchanged



**D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?**

The performance of the Scheme will be benchmarked against CRISIL Ultra Short Duration Fund B-I– Total Return Index.

CRISIL Ultra Short Term Debt Index seeks to track the performance of ultra-short term debt portfolio comprising of short term AAA/AA rated bonds and 6 months and 1-year CPs and CDs  
Derived index from the following sub-indices:

- CRISIL 6 Month CD Index (25.00%)
- CRISIL 1 Year CD Index (20.00%)
- CRISIL 6 Month CP Index (20.00%)
- CRISIL 1 Year CP Index (15.00%)
- CRISIL AA Short Term Bond Index (9.00%)
- CRISIL AAA Short Term Bond Index (11.00%)

It is most suited for comparing the scheme’s performance. Hence it is an appropriate benchmark for the Scheme. Total Return variant of the index (TRI) will be used for performance comparison.

**E. WHO MANAGES THE SCHEME?**

Name and Designation of the fund manager	Age and Qualification	Other schemes managed by the fund manager and tenure of managing the schemes	Experience
<p><b>Mr. Rakesh Shetty</b> Fund Manager Managing the Fund since November 22, 2022</p>	<p><b>Age:</b> 43 years  <b>Qualification :</b> Bachelors of Commerce (B.Com)</p>	<p><b>Fund Manager –</b>  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.  <b>Fund Manager – Debt Component:</b> 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&amp;P 500 Index Fund, Motilal Oswal Asset Allocation Fund of Fund-Aggressive, Motilal Oswal Asset Allocation Fund of Fund-</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>

		Conservative, Motilal Oswal Nasdaq 100 Fund of Fund, Motilal Oswal Nasdaq Q50 ETF, Motilal Oswal Nifty 200 Momentum 30 Index Fund, Motilal Oswal Nifty 200 Momentum 30 ETF, Motilal Oswal BSE Low Volatility ETF, Motilal Oswal BSE Low Volatility Index Fund, Motilal Oswal BSE Healthcare ETF, Motilal Oswal BSE Financials ex Bank 30 Index Fund, Motilal Oswal BSE Enhanced Value Index Fund, Motilal Oswal BSE Enhanced Value ETF, Motilal Oswal BSE Quality Index Fund, Motilal Oswal BSE Quality ETF, Motilal Oswal Developed Market Ex US ETFs Fund of Funds, Motilal Oswal Nifty 500 ETF, Motilal Oswal Nifty Realty ETF, Motilal Oswal Nifty Smallcap 250 ETF, Motilal Oswal Multicap Fund, Motilal Oswal Nifty India Defence Index Fund, Motilal Oswal Quant Fund.	
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**F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?**

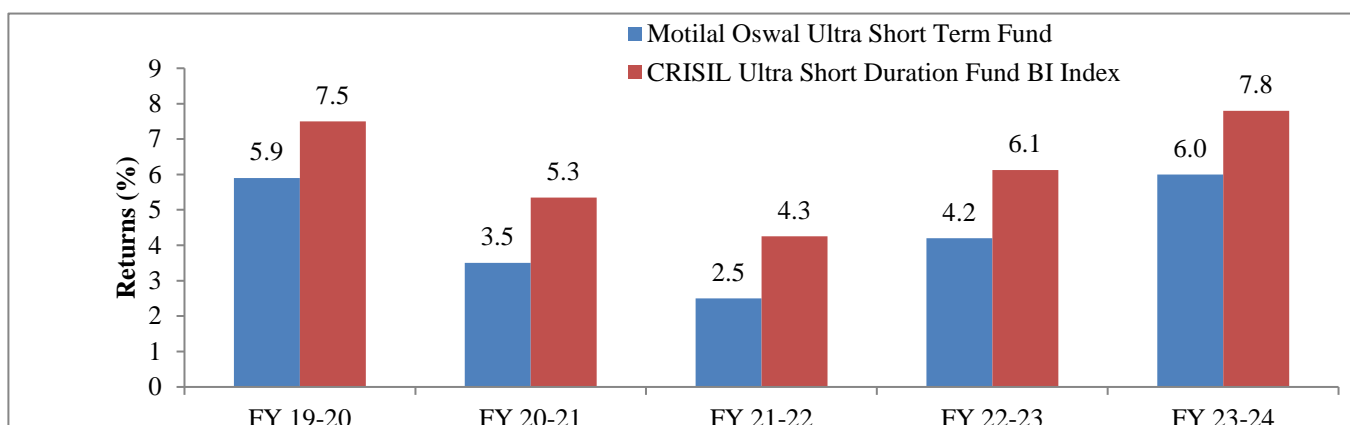
For detailed comparative table please refer link <https://www.motilaloswalmf.com/download/sid-related-documents>

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

**G. HOW HAS THE SCHEME PERFORMED?**

Compounded Returns	Annualised	Scheme Returns %	Benchmark Returns - TRI %
		Motilal Oswal Ultra Short Term Fund	CRISIL Ultra Short Term Bond Fund TRI
Returns for the last 1 year		5.97%	7.08%
Returns for the last 3 year		4.45%	5.35%
Returns for the last 5 year		4.41%	5.5%
Returns since inception		4.16%	6.56%

### Absolute Returns for each financial year for the last 5 years



Returns for one year are absolute returns and returns for more than one year are compounded annualized and date of inception is deemed to be date of allotment. Date of Allotment is September 6, 2013. Performance is for Regular Plan Growth option. Different plans have different expense structure. Past performance may or may not be sustained in future.

#### H. ADDITIONAL SCHEME RELATED DISCLOSURES

- i. Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors to be provided through a functional website link that contains detailed description.)

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

- ii. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds through a functional website link that contains detailed description

The scheme actively managed Debt scheme.

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

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

- iv. Portfolio Turnover Rate particularly for equity oriented schemes shall also be disclosed.

The scheme being Debt Oriented it's not applicable

- v. Aggregate investment in the Scheme by:

Sr. No.	Category of Persons	Net Value		Market Value ( in Rs.)
		Units	NAV per unit	
	Concerned scheme's Fund Manager(s)			
1	Rakesh Shetty	154.235	16.268	2509.110

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.

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

vi. Investments of AMC in the Scheme –

In accordance with Regulation 28(4) of SEBI (Mutual Funds) (Amendment) Regulations, 2014 th 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.

### 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:

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

No. of Units outstanding under Scheme on the Valuation Day

The NAV will be calculated up to four decimals.

The NAV will be calculated on all calendar days and disclosed in the manner specified by SEBI. 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:

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

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

#### B. NEW FUND OFFER (NFO) EXPENSES

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

#### C. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below

The AMC has estimated that upto 2.00% of the daily net assets of the scheme will be charged to the scheme as expenses for the actual current expenses being charged, the investor should refer to the website of the Fund.

Expense Head	% of daily Net Assets
Investment Management and Advisory Fees	Upto 2.00%
Trustee fee	
Audit fees	

Custodian fees	
Registrar & Transfer Agent Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and IDCW redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps for cash trades.	
Goods and Service Tax (GST) on expenses other than investment management and advisory fees	
GST on brokerage and transaction cost	
Other Expenses*	
<b>Maximum total expense ratio (TER) permissible under Regulation 52(6) (a) and (6) (c) (ii)</b>	<b>Upto 2.00%</b>
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 up fronting 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.

SEBI has prescribed the maximum annual recurring expenses that can be charged to the Scheme. Annual Scheme Recurring Expenses shall be within the limits stated in Regulations 52(6) and subject to a percentage limit of Daily Net Assets as in the table below:

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
2.00%	1.75%	1.50%	1.35%	1.25%	Total expense ratio reduction of 0.05% for every increase of Rs.5,000 crores of daily net assets or part thereof.	0.80%

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..

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

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.

The Mutual Fund would update the current expense ratios on the website ([www.motilaloswalmf.com](http://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/totalexpenseratio> for Total Expense Ratio (TER) details.

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.

#### **Illustration of impact of expense ratio on returns of the Scheme**

	<b>Regular Plan</b>	<b>Direct Plan</b>
Net asset before expenses	11,000	11,000
Expenses other than Distribution Expenses _0.15%	16.5	16.5
Distribution Expenses 0.50%	55	
Returns after Expenses at the end of the Year	10,929	10,984
Returns on invested amount after expenses (Rs)	929	984
% Returns after Expenses at the end of the Year	9.29%	9.84%

Please Note:

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

#### **D. LOAD STRUCTURE**

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the Scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC [www.motilaloswalmf.com](http://www.motilaloswalmf.com) or may call at toll free no. +91 8108622222 and +91 22 40548002 or your distributor.



<b>Type of Load</b>	<b>Load chargeable (as %age of NAV)</b>
Entry	Nil
Exit	Nil

Please Note that:

1. Exit load charged to the investors will be credited back to the scheme net of service tax.
2. No Load shall be imposed for switching between Options within the Scheme.
3. Bonus Units and Units issued on reinvestment of IDCWs shall not be subject to entry and exit load.
4. For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres.

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

### **Changing the Load Structure:**

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.

### **Any change in the load structure shall be applicable on prospective basis.**

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 the addendum on its website [www.motilaloswalmf.com](http://www.motilaloswalmf.com)
5. Any other measure that the Mutual Fund shall consider necessary.

## **Section II**

### **I. Introduction**

#### **A. Definitions/interpretation**

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

#### **B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME**

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

#### **C. Risk factors**

##### **- Standard Risk Factors:**

- Investment in Mutual Fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rate of the securities in which the Scheme invests fluctuates, the value of your investment in the Scheme may go up or down depending on various factors and forces affecting the capital market/debt market.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme.
- Motilal Oswal Liquid Fund is name of the Scheme and it 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.
- 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.

- **Market Risk**

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

- **Regulatory Risk**

Any changes in trading regulations by NSE or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/discount to NAV.

- **Asset Class Risk**

The returns from the types of securities in which the Scheme invests may under perform from the various general securities markets or different asset classes. Different types of securities in which the scheme would invest as given in the SID carry different levels and types of risk. Different types of securities tend to go through cycles of out-performance and under-performance in comparison with the general securities markets. Accordingly, the scheme's risk may increase or decrease depending upon its investment pattern.

- **Interest Rate Risk**

Changes in interest rates will affect the Scheme's Net Asset Value. The prices of securities usually increase as interest rates decline and usually decrease as interest rates rise. The extent of fall or rise in the prices is guided by modified duration, which is a function of the existing coupon, days to maturity and increase or decrease in the level of interest rate. The new level of interest rate is determined by the rate at which the government raises new money and/or the price levels at which the market is already dealing in existing securities. Prices of long-term securities generally fluctuate more in response to interest rate changes than short-term securities. The price risk is low in the case of the floating rate or inflation-linked bonds. The price risk does not exist if the investment is made under a repo agreement. Debt markets, especially in developing markets like India, 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.

Modified Duration is a measure of price sensitivity, the change in the value of investment to a 1% change in the yield of the investment.

- **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.

- **Settlement Risk**

Different segments of Indian financial markets have different settlement periods and such periods may be extended

significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are uninvested and no return is earned thereon. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme's portfolio, due to the absence of a well-developed and liquid secondary market for debt securities, may result at times in potential losses to the Scheme in the event of a subsequent decline in the value of securities held in the Scheme's portfolio.

- **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 at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market. Trading Volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Different segments of the Indian financial markets have different settlement periods and such period may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. As liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Fund for redemption of units may be significant in the event of an inordinately large number of redemption requests or restructuring of the Scheme.

- **Risks associated with Segregated portfolio**

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

- **Risk factors associated with Securities Lending**

Stock Lending is a lending of securities through an SEBI 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.

- **Risks associated with short selling**

Scheme may enter into short selling transactions, subject to SEBI and RBI regulations in the matter. This will be done if the fund management team is of the view that there exists an opportunity to make trading gains. Calls for short selling will be taken after considering the liquidity, price movement & volatility of the security by the fund management team.

There can be a loss in such a transaction if the price of the security goes up instead of falling down.

- **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.

- **Liquidity Risk**

As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk.

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

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

- h. **Settlement Risk:**

Different segments of Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are uninvested and no return is earned thereon. The inability of the

Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme's portfolio, due to the absence of a well-developed and liquid secondary market for debt securities, may result at times in potential losses to the Scheme in the event of a subsequent decline in the value of securities held in the Scheme's portfolio.

- **Risks associated with investing in Government of India Securities**

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

- **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.

- **Backstop facility in form of investment in Corporate Debt Market Development Fund (CDMDF)**

CDMDF is set up as a scheme of the Trust registered as an Alternative Investment Fund ('AIF') in accordance with the SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations"). The objective of the CDMDF is to help to develop the corporate debt market by providing backstop facility to instill confidence amongst the market participants in the corporate debt/bond market during times of market dislocation and to enhance the secondary market liquidity. In times of market dislocation, CDMDF shall purchase and hold eligible corporate debt securities from the participating investors (i.e., specified debt-oriented MF schemes to begin with) and sell as markets recover. The CDMDF will thus act as a key enabler for facilitating liquidity in the corporate debt market and to respond quickly in times of market dislocation. The trigger and period for which the backstop facility will be open shall be as decided by SEBI. Thus this backstop facility will help fund managers of the aforementioned Schemes to better generate liquidity during market dislocation to help the schemes fulfill liquidity obligations under stress situation. In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes in units of Corporate Debt Market Development Fund, the aforementioned schemes shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF'). An incremental contribution to CDMDF shall be made every six months to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF. We would further like to bring to the notice of the investors that investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF.

### **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.

## **II. Information about the scheme:**

### **Where will the scheme invest –**

The corpus of the Scheme will be invested in Money Market Instruments (Mibor linked instruments, CPs, T-Bills, CDs) and/or other Short Term debt instruments (Floating Rate Notes, Short Tenor NCDs, FDs and /or Less than 1year maturity G-Secs). The Scheme may also invest in the units of REIT and InvIT. The Scheme reserves the right to invest its entire allocation in debt and money market securities in any one of the fixed income security classes. Investments in rated fixed income securities will be in securities rated by at least one recognized rating agency. Investments in unrated securities will be made with the approval of the Investment Committee of MOAMC, within

the parameters laid down by the Board of Directors of the AMC & the Trustees.

Short-term debt considerations for this Scheme include maintaining an adequate float to meet anticipated levels of redemptions, expenses, and other liquidity needs. The scheme intends to invest its assets in securities of Government of India and /or State Government to the extent of SEBI prescribed limits.

The above will depend upon the nature of securities invested. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by them as per the guidelines and regulations applicable to such transactions.

The above-mentioned securities could be listed, unlisted, secured, unsecured, rated or unrated and may be acquired through initial public offerings, secondary market offerings, private placements, rights offer, etc. To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other schemes of the Fund to the extent permitted by the Regulations. In such an event, the AMC will not charge management fees on the amounts of the Schemes so invested, unless permitted by the Regulations.

Investments may be in listed or unlisted debt instruments, as permitted under SEBI Regulations. These would cover secondary market purchases, Initial Public Offers (IPOs), other public offers, placements, rights offer, etc., subject to SEBI Regulations.

Investments in debentures, bonds and other fixed income securities will usually be in instruments, which have been assigned investment grade ratings by an approved rating agency. The instruments may be rated / unrated and listed / unlisted. In cases where the debt instrument is unrated, specific approval from the Investment Committee of MOAMC shall be obtained.

The final portfolio will depend on the availability and desirability of assets in terms of maturity profile, asset quality and yields. The portfolio formulation is a dynamic process and thus, an instrument which is attractive today may not be attractive tomorrow.

### **Investment in CDMDF**

In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM.

### **CDMDF Framework**

CDMDF shall comply with the Guarantee Scheme for Corporate Debt (GSCD) as notified by Ministry of Finance vide notification no. G.S.R. 559(E) dated July 26, 2023 and SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/128 dated July 27, 2023 and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time, which includes the framework for corporate debt market development fund. The framework will inclusive of following points:

- a) The CDMDF shall deal only in following securities during normal times: – Low duration Government Securities – Treasury bills – Tri-party Repo on G-sec – Guaranteed corporate bond repo with maturity not exceeding 7 days
- b) The fees and expenses of CDMDF shall be as follows: – During Normal times: (0.15% + tax) of the Portfolio Value charged on daily pro-rata basis. – During Market stress: (0.20% + tax) of the Portfolio Value charged on daily pro-rata basis. – “Portfolio Value” means the aggregate amount of portfolio of investments including cash balance without netting off of leverage undertaken by the CDMDF.
- c) Corporate debt securities to be bought by CDMDF during market dislocation include listed money market



instruments. The long term rating of issuers shall be considered for the money market instruments. However, if there is no long term rating available for the same issuer, then based on credit rating mapping of CRAs between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating.

d) CDMDF shall follow the Fair Pricing document, while purchase of corporate debt securities during market dislocation as specified in SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/128 dated July 27, 2023 and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time e) CDMDF shall follow the loss waterfall accounting and guidelines w.r.t. purchase allocation and trade settlement of corporate debt securities bought by CDMDF, specified in SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/128 dated July 27, 2023 and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time.

### **CHANGE IN THE INVESTMENT PATTERN**

Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations, 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 substantially depending upon the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and for defensive considerations only. The Fund shall provide exit option in accordance with the Regulations, if there is any change in the Fundamental Attributes, pursuant to the change in Investment Pattern. The securities mentioned above and such other securities, the Scheme is permitted to invest could be listed, unlisted, privately placed, secured or unsecured. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placements, right offers or negotiated deals.

The investment restrictions and the limits are specified in the Schedule VII of SEBI (Mutual Funds) Regulations, 1996 which are mentioned in the section ‘Investment Restrictions’.

### **Debt and Money Markets in India**

The instruments available in Indian Debt Market are classified into two categories, namely Government and Non - Government debt. The following instruments are available in these categories:

<b>A] Government Debt</b>	
• Central Government Debt	• State Government Loans
• Zero Coupon Bonds	State Developmental Loans
• Treasury Bills	• Coupon Bearing Bonds
• State Government Debt	• Floating Rate Bonds
• Dated Government Securities	• Coupon Bearing Bonds
<b>B] Non-Government Debt</b>	
• Instruments issued by Government Agencies and other Statutory Bodies	• Government Guaranteed Bonds
• Instruments issued by Public Sector Undertakings	• PSU Bonds
• Zero Coupon Bonds	• Instruments issued by Corporate Bodies
• Fixed Coupon Bonds	• Floating Rate Bonds
• Instruments issued by Banks and Development Financial institutions	• Non-Convertible Debentures

• Certificates of Deposit	• Fixed Coupon Debentures
• Promissory Notes	• Pass through Securities
• Commercial Paper	• Zero Coupon Debentures
• Floating Rate Debentures	

Activity in the Primary and Secondary Market is dominated by Central Government Securities including Treasury Bills. These instruments comprise close to 50% of all outstanding debt and close to 75% of the daily trading volume on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited.

In the money market, activity levels of the Government and Non-Government Debt vary from time to time. Instruments that comprise a major portion of money market activity include but are not limited to,

- Tri-party Repo on Government securities or treasury bills
- Treasury Bills
- Government Securities with a residual maturity of < 1 year
- Commercial Paper
- Certificates of Deposit
- Banks Rediscounting Scheme (BRDS)

Apart from these, there are some other options available for short tenure investments that include MIBOR linked debentures with periodic exit options and other such instruments. PSU / DFI / Corporate paper with a residual maturity of < 1 year, are actively traded and offer a viable investment option.

The following table gives approximate yields prevailing on March 31, 2021 on some of the instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macro-economic conditions and RBI policy.

<b>INSTRUMENT</b>	<b>Current Yield (% PA)</b>
Interbank Call Money	2.75-2.80
91 Day Treasury Bill	3.30-3.35
182 Day Treasury Bill	3.44-3.49
A1+ Commercial Paper	3.5-3.55 5
5 Year Government of India Security	5.7-5.75
10 Year Government of India Security	6.16-6.21
1 Year Corporate AAA	4.15-4.20
3 Year Corporate AAA	5.2-5.25

Source: CCIL & Bloomberg

Generally, for instruments issued by a non-Government entity (corporate/PSU bonds), the yield is higher than the yield on a Government Security with corresponding maturity. The difference, known as credit spread, depends on various factors including the credit rating of the entity

#### **A. What are the investment restrictions?**

All the investments by the Scheme and the Fund shall always be within the investment restrictions as specified in SEBI Regulations as amended from time to time. Pursuant to the SEBI Regulations, the following are some of the investment and other limitations as presently applicable to the Scheme.

1. No term loans will be advanced by the Scheme.
2. 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:

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

3. 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

4. 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.

In terms of clause 12.1.2 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, SEBI 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.

5. 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:
  - a) 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.
  - b) Exposure of mutual fund schemes in such instruments, shall not exceed 5% of the net assets of the schemes.
  - c) All such investments shall be made with the prior approval of the Board of MC and the Board of trustees
6. Restrictions on Investment in debt instruments having Structured Obligations / Credit Enhancements:

The investment of mutual fund schemes in the following instruments shall not exceed 10% of the debt portfolio of the schemes and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the schemes:

- a) Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and
- b) Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.

For the purpose of this provision, 'Group' shall have the same meaning as defined in clause 12.9.3.3 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023.

Investment limits as mentioned above shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.

Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares.

AMC may ensure that the investment in debt instruments having credit enhancements are sufficiently covered to address the market volatility and reduce the inefficiencies of invoking of the pledge or cover, whenever required, without impacting the interest of the investors. In case of fall in the value of the cover below the specified limit, necessary steps may be initiated to ensure protection of the interest of the investors.

7. Transfers of investments from one scheme to another scheme in the same Mutual Fund shall be allowed only if,
  - (a) such transfers are done at the prevailing market price for quoted instruments on spot basis.

[*Explanation* - “Spot basis” shall have same meaning as specified by stock exchange for spot transactions;]

- (b) the securities so transferred shall be in conformity with investment objective of the scheme to which such transfer has been made and the Policy on Inter Scheme Transfer prepared in compliance with clause 12.3 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023.
8. The Scheme may invest in another Scheme under the same AMC or any other Mutual Fund Without charging any fees, provided that aggregate inter-Scheme investment made by all the Schemes under the same management or in Schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund. Provided that this clause shall not apply to any fund of funds scheme.
9. Till the Regulations so require, the Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction or engage in badla finance.
10. Till the Regulations so require, the Fund shall get the securities purchased transferred in the name of the Fund on account of the Scheme, wherever investments are intended to be of a long-term nature.
11. 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 that, 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.

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.

12. 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.

13. Pending deployment of funds of a Scheme in securities in terms of investment objectives of the Scheme, a Mutual Fund can invest the funds of the Scheme in short-term deposits of scheduled commercial banks subject to such Guidelines may be specified by SEBI and as may be amended from time to time:
- (a) "Short Term" for such parking of funds by the Scheme shall be treated as a period not exceeding 91 days. Such short-term deposits shall be held in the name of the Scheme.
  - (b) The Scheme shall not park more than 15% of net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.
  - (c) Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
  - (d) The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
  - (e) The Scheme shall not park funds in short term deposit of a bank which has invested in that Scheme.
  - (f) The AMC will not charge any investment management and advisory fees for funds under a Plan parked in short term deposits of scheduled commercial banks.

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

14. The Fund may borrow to meet liquidity needs, for the purpose of repurchase, redemption of units or payment of interest or IDCW to the unit holders 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 Fund may borrow from permissible entities at prevailing market rates and may offer the assets of the Fund as collateral for such borrowing.
15. Till the time the Regulations so require, the Scheme shall not make any investment in:
- i Any unlisted security of an associate or group company of the sponsor; or
  - ii Any security issued by way of private placement by an associate or group company of the Sponsor; or
  - iii The listed securities of group companies of the Sponsor, which is in excess of 25% of the net assets.
16. Limits for investment in Instruments having Special Features shall be as follows:
- i. No Mutual Fund under all its schemes shall own more than 10% of such instruments issued by a single issuer
  - ii. A Mutual Fund scheme shall not invest –
    - a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and
    - b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer.

The above investment limit for a mutual fund scheme shall be within the overall limit for debt instruments issued by a single issuer, as specified at clause 1 of the Seventh Schedule of SEBI MF Regulations and other prudential limits with respect to the debt instruments.

17. 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.
  
18. 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.
  
19. Pursuant to Prudential liquidity norms for liquidity risk management for open ended Debt Schemes issued by SEBI vide circular dated November 6, 2020 & June 25, 2021 and AMFI Clarification issued from time to time have to be maintained two liquidity ratios based on Redemption at Risk(RaR) and Conditional Redemption at Risk (CRaR). 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.

#### **B. Fundamental Attributes**

Following are the Fundamental Attributes of the Scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

Type of Scheme: An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months. *(B-I A Relatively Low Interest Rate Risk and Moderate Credit Risk)*

- Investment Objective: Please refer to section 'Investment Objective'.
- Investment pattern - Please refer to section 'Asset Allocation'.

Terms of Issue: Provisions with respect to listing, repurchase, redemption, fees and expenses are mentioned in the SID.

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

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

**C. Other Scheme Specific Disclosures:**

<p>Listing and transfer of units</p>	<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>
<p>Dematerialization and Rematerialization of units</p>	<p><b><u>Dematerialization</u></b></p> <ol style="list-style-type: none"> <li>i. The Units of the Scheme will be available only in the dematerialized (electronic) mode.</li> <li>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.</li> <li>iii. The Units of the Scheme will be issued / repurchased and traded compulsorily in dematerialized form.</li> <li>iv. Applications without relevant details of his / her / their depository account are liable to be rejected.</li> <li>v. If KYC details of the investor including IPV is not updated with DP, the applications are liable to be rejected.</li> </ol> <p><b><u>Rematerialization</u></b></p> <p>Rematerialization of Units will be in accordance with the provisions of SEBI (Depositories &amp; 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"> <li>i. The investor will submit a remat request to his/her DP for rematerialization of holdings in his/her account.</li> <li>ii. If there is sufficient balance in the investor's account, the DP will generate a Rematerialization Request</li> </ol>



	<p>Number (RRN) and the same is entered in the space provided for the purpose in the rematerialization request form.</p> <p>iii. The DP will then dispatch the request form to the AMC/ R&amp;T agent.</p> <p>iv. The AMC/ R&amp;T agent accepts the request for rematerialization prints and dispatches the account statement to the investor and sends electronic confirmation to the DP.</p> <p>v. The DP will inform the investor about the changes in the investor account following the acceptance of the request</p>
<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>	<p>NA</p>
<p>Maximum Amount to be raised (if any)</p>	<p>NA</p>
<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><b>IDCW Distribution Procedure</b> 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</p>

	<p>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>
Allotment (Detailed procedure)	<p>The Fund will allot units and dispatch statement of accounts within 5 working days from the receipt of the funds. The units of the Scheme would be allotted at the applicable NAV. 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). 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 receipt of the Fund 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</p>

	<p>date of such production. As per regulation 37, The units shall be freely transferrable.</p> <p>The allotment of units is subject to realization of the payment instrument.</p> <p>Any application for subscription of units may be rejected if found incomplete by the AMC/Trustee.</p>
Refund	<p>If application is rejected, full amount will be refunded within 5 working days of receipt of the fund. If refunded later than 5 working days @ 15% p.a. for delay period will be paid and charged to the AMC.</p>
<b>Mode of Payment of IDCWs</b>	<p>The IDCW proceeds will be paid by way of cheque, IDCW Warrants / Direct Credit / National Electronic Fund Transfer (NEFT) / Real Time Gross Settlement (RTGS) / National Electronic Clearing System (NECS) or any other manner to the unitholder's bank account as recorded in the Registrar &amp; Transfer Agent's records. The AMC, at its discretion at a later date, may choose to alter or add other modes of payment.</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> <p>In case of Units under the IDCW Option held in dematerialised mode, the IDCW Payout will be credited to the bank account of the investor, as per the bank account details recorded with the DP.</p> <p>All the IDCW payments shall be in accordance and compliance with SEBI regulations, as amended from time to time.</p>

<p><b>Who can invest</b>  <b>This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.</b></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"> <li>1. Resident adult individuals, either singly or jointly (not exceeding three) or on anyone or Survivor basis.</li> <li>2. Minors through Parents/Lawful Guardian.</li> <li>3. Hindu Undivided Family (HUF) through its Karta.</li> <li>4. Partnership Firms in the name of any one of the partner.</li> <li>5. Proprietorship in the name of the sole proprietor.</li> <li>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.</li> <li>7. Banks (including co-operative Banks and Regional Rural Banks), Financial Institutions.</li> <li>8. Mutual Fund schemes registered with SEBI.</li> <li>9. Non-Resident Indians (NRIs) / Persons of Indian Origin (PIOs) residing abroad on repatriation basis and on non-repatriation basis.</li> <li>10. Foreign Portfolio Investor (FPI)</li> <li>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.</li> <li>12. Army, Air Force, Navy, Para-military funds and other eligible institutions.</li> <li>13. Scientific and Industrial Research Organizations.</li> <li>14. Multilateral Funding Agencies or Bodies Corporate incorporated outside India with the permission of Government of India and the Reserve Bank of India.</li> <li>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.</li> <li>16. Provident / Pension / Gratuity / Superannuation and such other retirement and employee benefit and other similar funds as and when permitted to invest.</li> <li>17. Qualified Foreign Investors (subject to and in compliance with the extant regulations)</li> <li>18. Other Associations, Institutions, Bodies etc. authorized to invest in the units of Mutual Fund.</li> <li>19. Trustees, AMC, Sponsor or their associates may subscribe to the units of the Scheme.</li> <li>20. Such other categories of investors permitted by the Mutual Fund from time to time, in conformity with the SEBI Regulations.</li> </ol> <p>Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required</p>
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	<p>to provide all the KYC details, PAN details as mentioned under the paragraph “Anti Money Laundering and Know Your Customer”, updated bank account details including cancelled original cheque leaf of the new account and his specimen Signature duly authenticated by his banker. No further transactions shall be allowed till the status of the minor is changed to major.</p> <p>Pursuant to clause 17.6 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 investors are required to note that the minor shall be the sole unit holder in a folio. Joint holders will not be registered.</p> <p>The minor unit holder shall be represented either by natural parent (father and mother) or by a legal guardian.</p> <p>Payment of investment shall be from the authorized banking channels and from the bank account of minor or joint account of minor with guardian.</p> <p>The process of minor attaining major and status of investment etc. is mention in Statement of Additional Information (SAI).</p>
<p><b>Who cannot invest</b></p>	<ol style="list-style-type: none"> <li>1. Persons residing in the Financial Action Task Force (FATF) Non-Compliant Countries and Territories (NCCTs).</li> <li>2. Pursuant to RBI Circular No. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in Mutual Funds.</li> <li>3. United States Person (“U.S. person”*) and NRIs residing in Canada as defined under the laws of the United States of America and Canada respectively except lump sum subscription, System Investment Plan (SIP), switch transactions, Systematic Transfer Plan (STP), Systematic Withdrawal Plan (SWP), Fixed Amount Benefit Plan (formerly known as Cash Flow Plan and Motilal Oswal Value Index (MOVI) Pack Plan requests received from Non-resident Indians / Persons of Indian origin who at the time of such investment / first time registration of specified facility are present in India and submit a physical transaction request along with such documents as may be prescribed by the AMC / Mutual Fund from time to time. The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC / Mutual Fund. 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,</li> </ol>

	<p>which are not in compliance with the terms and conditions prescribed in this regard.</p> <p>4. Such other persons as may be specified by AMC from time to time.</p> <p>*The term “U.S. person” means any person that is a U.S. person within the meaning of Regulation S under the Securities Act of 1933 of U.S. or as defined by the U.S. Commodity Futures Trading Commission or as per such further amended definitions, interpretations, legislations, rules etc., as may be in force from time to time.</p> <p>The Trustees/AMC reserves the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time and change, subject to SEBI Regulations and other prevailing statutory regulations, if any.</p> <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. Please refer to the SAI and Application form for the instructions.</p> <p>Pursuant to the clause 17.16 of SEBI Master Circular for Mutual Funds dated May 19, 2023, the Investors subscribing to units of the Scheme are compulsorily required to provide: Nomination; or A declaration form for opting out of nomination.</p> <p>The applications where neither nomination is provided nor declaration for opting out of nomination is provided, are liable to be rejected.</p>
The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	Units once redeemed/repurchased will not be re-issued
Restrictions, if any, on the right to freely retain or dispose of units being offered.	The Trustee may, in the general interest of the Unitholders of the Scheme and when considered appropriate to do so based on unforeseen circumstances/unusual market conditions, impose restriction on redemption of Units of the Schemes. The following requirements will be observed before imposing restriction on redemptions:

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:

**Liquidity issues** - when market at large becomes illiquid affecting almost all securities rather than any issuer specific security. AMC's should have in place sound internal liquidity management tools for schemes. Restriction on redemption cannot be used as an ordinary tool in order to manage the liquidity of a scheme. Further, restriction on redemption due to illiquidity of a specific security in the portfolio of a scheme due to a poor investment decision shall not be allowed.

**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.

**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

Restriction on redemption may be imposed for a specific period of time not exceeding 10 working days in any 90 days' period.

Any such imposition requires specific approval of Board of AMC's and Trustees and the same shall be immediately informed to SEBI.

When restriction on redemption is applied the following procedure shall be followed:

Redemption requests upto Rs. 2lakh will not be subject to such restriction.

In case of redemption requests above Rs. 2 lakhs, the AMC shall redeem the first Rs. 2 lakhs without restriction and remaining part over above be subject to such restriction.

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><b>Right to Limit Fresh Subscription</b></p> <p>The Trustees reserves the right at its sole discretion to withdraw / suspend the allotment / Subscription of Units in the Scheme temporarily or indefinitely, at the time of NFO or otherwise, if it is viewed that increasing the size of such Scheme may prove detrimental to the Unit holders of such Scheme. An order to Purchase the Units is not binding on and may be rejected by the Trustees or the AMC unless it has been confirmed in writing by the AMC and/or payment has been received.</p> <p><b>Physical Units which are held in the form of account statement:</b></p> <p>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>
<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 with effect from February 01, 2021, 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 – ins shall be as follows:</p>



- In respect of valid applications received by 1.30 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 1.30 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 servers of AMC/RTA as per terms and conditions of such facilities.

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.
Where can the applications for purchase/redemption switches be submitted?	<p>Please refer the AMC website <a href="https://www.motilaloswalmf.com/contact-us">https://www.motilaloswalmf.com/contact-us</a> at the following link for the list of official points of acceptance, collecting banker details etc.</p> <p>As per SEBI requirements, it is mandatory for an investor to provide his/her bank account number in the Application Form.</p>
Accounts Statements	<p>In accordance with clause 14.4.3 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 the investor whose transaction has been accepted by the MOAMC shall receive a confirmation by way of email and/or SMS within 5 Business Days from the date of receipt of transaction request, same will be sent to the Unit holders registered e-mail address and/or mobile number. Thereafter, a Consolidated Account Statement (“CAS”) shall be issued in line with the following procedure:</p> <ol style="list-style-type: none"> <li>1. Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be PAN of the first holder and pattern of holding.</li> <li>2. The CAS shall be generated on a monthly basis and shall be issued on or before 15<sup>th</sup> of the immediately succeeding month to the unit holder(s) in whose folio(s) transaction(s) has/have taken place during the month.</li> <li>3. In case there is no transaction in any of the mutual fund folios then CAS detailing holding of investments across all schemes of all Mutual Funds will be issued on half yearly basis [at the end of every six months (i.e. September/ March)] and shall be issued on or before 21<sup>st</sup> of the immediately succeeding month.</li> <li>4. Investors having MF investments and holding securities in Demat account shall receive a Consolidated Account Statement containing details of transactions across all Mutual Fund schemes and securities from the Depository by email / physical mode.</li> <li>5. Investors having MF investments and not having Demat account shall receive a Consolidated Account Statement from the MF Industry containing details of transactions across all Mutual Fund schemes by email / physical mode.</li> </ol> <p>The word ‘transaction’ shall include purchase, redemption, switch, IDCW payout, IDCW reinvestment, systematic investment plan, systematic withdrawal plan, and systematic transfer plan. CAS shall not be received by the Unit holders for the folio(s) wherein the PAN details are not updated. The Unit holders are therefore requested to ensure that the</p>

	<p>folio(s) are updated with their PAN. For Micro SIP and Sikkim based investors whose PAN details are not mandatorily required to be updated Account Statement will be dispatched by MOAMC for each calendar month on or before 10th of the immediately succeeding month.</p> <p>The Consolidated Account statement will be in accordance to clause 14.4.3 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023. In case of a specific request received from the Unit holders, MOAMC will provide the account statement to the investors within 5 Business Days from the receipt of such request. Investors are requested/encouraged to register/update their email id and mobile number of the primary holder with the AMC/RTA through our Designated Investor Service Centres (DISCs) in order to facilitate effective communication.</p> <p>Note: If the investor(s) has/have provided his/their email address in the application form or any subsequent communication in any of the folio belonging to the investor(s), Mutual Fund / Asset Management Company reserves the right to use Electronic Mail (email) as a default mode to send various communication which include account statements for transactions done by the investor(s). The investor shall from time to time intimate the Mutual Fund / its Registrar and Transfer Agents about any changes in the email address.</p> <p>For further details refer SAI.</p>
Dividend/ IDCW	The payment of dividend/IDCW to the unitholders shall be made within seven working days from the record date.
Redemption	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.</p> <p>For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated May 19, 2023.</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> <p>Restriction may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:</p>

- 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 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.
- 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.
- 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
- iv. Restriction on redemption may be imposed for a specific period of time not exceeding 10 working days in any 90 days' period.

Any such imposition requires specific approval of Board of AMCs and Trustees and the same shall be immediately informed to SEBI.

When restriction on redemption is applied the following procedure shall be followed:

Redemption requests upto Rs. 2lakh will not be subject to such restriction.

In case of redemption requests above Rs. 2 lakhs, the AMC shall redeem the first Rs. 2 lakhs without restriction and remaining part over above be subject to such restriction.

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><b>Right to Limit Fresh Subscription</b></p> <p>The Trustees reserves the right at its sole discretion to withdraw / suspend the allotment / Subscription of Units in the Scheme temporarily or indefinitely, at the time of NFO or otherwise, if it is viewed that increasing the size of such Scheme may prove detrimental to the Unit holders of such Scheme. An order to Purchase the Units is not binding on and may be rejected by the Trustees or the AMC unless it has been confirmed in writing by the AMC and/or payment has been received.</p> <p><b>Physical Units which are held in the form of account statement:</b></p> <p>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	As per SEBI requirements, it is mandatory for an investor to provide his/her bank account number in the Application Form. The Bank Account details as mentioned with the Depository should be mentioned. If depository account details furnished in the application form are invalid or not confirmed in the depository system, the application may be rejected. The Application Form without the Bank account details would be treated as incomplete and rejected.
Delay in payment of redemption / repurchase proceeds/dividend	The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide clause 14.2 of SEBI Master Circular for Mutual Funds dated May 19, 2023 by SEBI for the period of such delay.
Unclaimed Redemption Amount	In accordance with clause 14.3 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, Mutual Funds shall provide the details of investors on their website like, their name, address, folios, etc. The website

	<p>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 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"> <li>• Motilal Oswal Liquid Fund - Unclaimed Redemption - Upto 3 years</li> <li>• Motilal Oswal Liquid Fund - Unclaimed Redemption - Greater than 3 years</li> </ul> <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>Provided that such schemes where the unclaimed redemption and IDCW amounts are deployed shall be only those 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 14.3.1 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023. Further, no exit load shall be charged in these plans and TER of such plan shall be capped as per TER of direct plan of such scheme or at 50bps whichever is lower.</p>
Disclosure w.r.t investment by minors	<p>Minors through Parents/Lawful Guardian. AMC will follow uniform process ‘in respect of investments made in the name of a minor through a guardian’ in terms of clause 17.6.1 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023.</p> <p>Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, PAN details as mentioned under the paragraph “Anti Money Laundering and Know Your Customer”, updated bank account details including cancelled original cheque leaf of the new account and his specimen</p>

	<p>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>
<p><b>KYC Requirements</b></p>	<p>Investor are requested to take note that it is mandatory to complete the KYC requirements (including updation of Permanent Account Number) for all unit holders, including for all joint holders and the guardian in case of folio of a minor investor. Accordingly, financial transactions (including redemptions, switches and all types of systematic plans) and non-financial requests are liable to be rejected, if the unit holders have not completed the KYC requirements. Notwithstanding in the above cases, the AMC reserves the right to ask for any requisite documents before processing of financial and non-financial transactions or freeze the folios as appropriate. Unit holders are advised to use the applicable KYC Form for completing the KYC requirements and submit the form at the point of acceptance. Further, upon updation of PAN details with the KRA (KRA-KYC)/ CERSAI (CKYC), the unit holders are requested to intimate us/our Registrar and Transfer Agent their PAN information along with the folio details for updation in our records.</p>

### III. Other Details

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

<p><b>Net Asset Value</b> 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 <a href="http://www.motilaloswalmf.com">www.motilaloswalmf.com</a> and also on AMFI website <a href="http://www.amfiindia.com">www.amfiindia.com</a> 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><b>Monthly &amp; Annual Disclosure of Risk-o-meter</b></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 (<a href="https://www.motilaloswalmf.com/download/regulatory-updates">https://www.motilaloswalmf.com/download/regulatory-updates</a>) and on AMFI website within 10 days from the close of each month.</p> <p>Additionally, MOMF shall disclose the risk level of all schemes as on March 31 of every year, along with number of times the risk level has changed over the year, on its website and AMFI website.</p>
<p><b>Disclosure of Benchmark Risk-o-meter</b></p>	<p>Pursuant to clause 5.16.1 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 20, the AMC shall disclose risk-o-meter of the scheme and benchmark in all disclosures including promotional material or that stipulated by SEBI wherever the performance of the scheme vis-à-vis that of the benchmark is disclosed to the investors in which the unit holders are invested as on the date of such disclosure. <a href="https://www.motilaloswalmf.com/download/month-end-portfolio">https://www.motilaloswalmf.com/download/month-end-portfolio</a></p>
<p><b>Scheme Summary Document</b></p>	<p>The AMC has provided on its</p>



	<p>website(<a href="https://www.motilaloswalmf.com/download/scheme-summary-documents">https://www.motilaloswalmf.com/download/scheme-summary-documents</a>) Scheme summary document which is a standalone scheme document for all the Schemes which contains all the details of the Scheme.</p>
<b>Half yearly Disclosures: Financial Results</b>	<p>The Mutual Fund shall within one month from the close of each half year, that is on 31<sup>st</sup> March and on 30<sup>th</sup> September, host a soft copy of its unaudited financial results on its website(<a href="https://www.motilaloswalmf.com/download/financials">https://www.motilaloswalmf.com/download/financials</a>). 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>
<b>Annual Report</b>	<p>The Mutual Fund / AMC will host the Annual Report of the Schemes on its website (<a href="https://www.motilaloswalmf.com/download/financials">https://www.motilaloswalmf.com/download/financials</a>) and on the website of AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) 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 (<a href="http://www.motilaloswalmf.com">www.motilaloswalmf.com</a>) and on the website of AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>).</p>
<b>Product Dashboard</b>	<p>In accordance with clause 5.8.4 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, the AMC has designed and developed the dashboard on their website (<a href="https://www.motilaloswalmf.com">Mutual Funds Performance   Top Performing Mutual Funds to Invest in India (motilaloswalmf.com)</a>) 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>
<b>Investor services</b>	<p><b>Mr. Juzer Dalal</b>  <b>Motilal Oswal Asset Management Company Limited</b>  10th Floor, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai – 400025</p>

	<p>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 <a href="http://www.motilaloswalmf.com">www.motilaloswalmf.com</a> for complete details.</p> <p>Investor may also approach the Compliance Officer / CEO of the AMC. The details including, inter-alia, name &amp; address of Compliance Officer &amp; 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>
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#### **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](http://www.motilaloswalmf.com) and also on AMFI website [www.amfiindia.com](http://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 charges and stamp duty-**

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

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

However, there will be no transaction charge on:

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

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

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

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

For details refer SAI.

**D. Associate Transactions-**

Please refer to Statement of Additional Information (SAI)

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

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

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

Particulars	Debt Oriented Fund	
	Resident Investor	Mutual Fund
Dividend Income	Slab rate (Applicable Rate)	Nil
Long Term Capital Gains#	Not Applicable	Nil
Short Term Capital Gains	Slab rate (Applicable Rate)	Nil
Tax on dividend distributed to unit holders	Slab rate	Nil

\*subject to grandfathering clause

**F. Rights of Unitholders-** Please refer to SAI for details.

**G. List of official points of acceptance:**

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

**Kfin Technologies Limited (Official Collection Centres)**

**Registrar**

KFin Technologies Limited

Address: Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally  
Hyderabad Rangareddi TG 500032 IN

Tel: 040 79611000 / 67162222

Toll Free No: 18004254034/35

Email: [compliance.corp@kfintech.com](mailto:compliance.corp@kfintech.com)

Website: [www.kfintech.com/](http://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>