


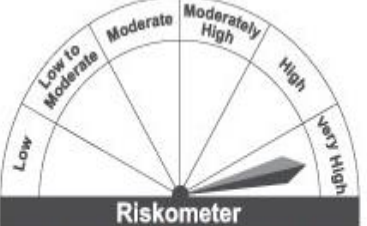


**SCHEME INFORMATION DOCUMENT**  
**SECTION I**

**Motilal Oswal Nifty India Defence Index Fund**

(An open-ended fund replicating/tracking the Nifty India Defence Total Return Index)

(Scheme Code: MOTO/O/O/OIN/24/05/0050)

<b>This product is suitable for investors who are seeking*:</b>	<b>Scheme Risk-o-meter</b>	<b>Benchmark Risk-o-meter</b> Nifty India Defence Total Return Index
<ul style="list-style-type: none"> <li>Return that corresponds to the returns of the Nifty India Defence Total Return Index, subject to tracking error</li> <li>Long term capital growth</li> </ul>	 <p align="center"><b>Riskometer</b> Investors understand that their principal will be at Very High risk</p>	 <p align="center"><b>Riskometer</b> Benchmark riskometer is at Very High risk</p>

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

The above product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

Offer for Units of Rs. 10 each for cash during the New Fund Offer and Continuous offer for Units at NAV based prices

**New Fund Offer Opens on: June 13, 2024**

**New Fund Offer Closes on: June 24, 2024**

<b>Name of Mutual Fund</b>	Motilal Oswal Mutual Fund ( <b>MOMF</b> )
<b>Name of Asset Management Company (AMC)</b>	Motilal Oswal Asset Management Company Limited ( <b>MOAMC</b> )
<b>Name of Trustee Company</b>	Motilal Oswal Trustee Company Limited ( <b>MOTC</b> )
<b>Address</b>	<u>Registered Office:</u> 10 <sup>th</sup> Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai-400025
<b>Website</b>	<a href="http://www.motilaloswalmf.com">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 Consideration, 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 Scheme Information Document is dated **June 7, 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 Nifty India Defence Index Fund
<b>II.</b>	<b>Category of the Scheme</b>	An open-ended fund replicating/tracking the Nifty India Defence Total Return Index
<b>III.</b>	<b>Scheme type</b>	Index Fund
<b>IV.</b>	<b>Scheme code</b>	MOTO/O/O/OIN/24/05/0050
<b>V.</b>	<b>Investment objective</b>	<p>The investment objective of the scheme is to provide returns that, before expenses, correspond to the total returns of the securities as represented by Nifty India Defence Total Return Index, subject to tracking error.</p> <p>However, there can be no assurance or guarantee that the investment objectives of the scheme will 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 3 Working days from the date of receipt of a valid redemption request.</p>
<b>VII.</b>	<b>Benchmark (Total Return Index)</b>	<p>Nifty India Defence Total Return Index</p> <p>The index mentioned as benchmark above, is ideal benchmark for this scheme, since the investment objective of the scheme is to replicate / track the performance of the index.</p>
<b>VIII.</b>	<b>NAV disclosure</b>	<p>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> 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</p>

		<p>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.</p> <p>Further details in Section II.</p>
<b>IX.</b>	<b>Applicable timelines</b>	As per SEBI Regulations, the Mutual Fund shall dispatch redemption proceeds within 3 Working days of receiving a valid redemption request.
<b>X.</b>	<b>Plans and Options</b> Plans/Options and sub options under the Scheme	<p>The Scheme has two Plans: Regular Plan and Direct Plan</p> <p>Regular Plan is for Investors who purchase/subscribe units in a Scheme through any Distributor (AMFI Registered Distributor/ARN Holder).</p> <p>Direct Plan is for investors who purchase/subscribe units in a Scheme directly with the Fund and is not routed through a Distributor (AMFI Registered Distributor/ARN Holder).</p> <p><b>Options (Under each plan)</b> Each Plan offers Growth Option.</p> <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>The AMC reserves the right to introduce further Options as and when deemed fit.</p> <p><b>Default Plan</b> Investors subscribing Units under Direct Plan of a Scheme should indicate “Direct Plan” against the Scheme name in the application form. Investors should also mention “Direct” in the ARN column of the application form.</p>

		<p>The table showing various scenarios for treatment of application under “Direct/Regular” Plan is as follows:</p> <table border="1"> <thead> <tr> <th>Scenario</th> <th>Broker 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>Not mentioned</td> <td>Direct</td> </tr> <tr> <td>2</td> <td>Not mentioned</td> <td>Direct</td> <td>Direct</td> </tr> <tr> <td>3</td> <td>Not mentioned</td> <td>Regular</td> <td>Direct</td> </tr> <tr> <td>4</td> <td>Mentioned</td> <td>Direct</td> <td>Direct</td> </tr> <tr> <td>5</td> <td>Direct</td> <td>Not Mentioned</td> <td>Direct</td> </tr> <tr> <td>6</td> <td>Direct</td> <td>Regular</td> <td>Direct</td> </tr> <tr> <td>7</td> <td>Mentioned</td> <td>Regular</td> <td>Regular</td> </tr> <tr> <td>8</td> <td>Mentioned</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>For detailed disclosure on plan/options kindly refer SAI.</p>	Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured	1	Not mentioned	Not mentioned	Direct	2	Not mentioned	Direct	Direct	3	Not mentioned	Regular	Direct	4	Mentioned	Direct	Direct	5	Direct	Not Mentioned	Direct	6	Direct	Regular	Direct	7	Mentioned	Regular	Regular	8	Mentioned	Not Mentioned	Regular
Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured																																			
1	Not mentioned	Not mentioned	Direct																																			
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4	Mentioned	Direct	Direct																																			
5	Direct	Not Mentioned	Direct																																			
6	Direct	Regular	Direct																																			
7	Mentioned	Regular	Regular																																			
8	Mentioned	Not Mentioned	Regular																																			
<b>XI.</b>	<b>Load Structure</b>	<p><b>Entry Load:</b> Nil  <b>Exit Load:</b> 1% if redeemed on or before 15 days of allotment, nil thereafter.</p> <p>For details on load structure, please refer to Section on Load Structure in this Document.</p>																																				
<b>XII.</b>	<b>Minimum Application Amount/switch in</b>	<p><b>During NFO and Ongoing Basis:</b></p> <p><b>For Lumpsum:</b>  Rs. 500/- and in multiples of Re. 1/- thereafter.</p> <p><b>For Systematic Investment Plan (SIP):</b></p>																																				

		<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	Minimum – 30 Days	Daily
		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>			
<b>XIII.</b>	<b>Minimum Purchase Amount</b>	<b>Additional</b>	Rs.500/- and in multiples of Re. 1/- thereafter.		
<b>XIV.</b>	<b>Minimum Redemption/switch amount</b>	<b>out</b>	Rs.500 and in multiples of Re. 1/- thereafter or account balance, whichever is lower.		

XV.	<p><b>New Fund Offer Period</b> This is the period during which a new scheme sells its units to the investors.</p>	<p><b>NFO opens on: June 13, 2024</b>  <b>NFO closes on: June 24, 2024</b></p> <p>Minimum duration to be 3 working days and will not be kept open for more than 15 days. Any changes in dates will be published through notice on AMC website i.e. <a href="https://www.motilaloswalmf.com/download/addendums">https://www.motilaloswalmf.com/download/addendums</a></p>
XVI.	<p><b>New Fund Offer Price:</b> This is the price per unit that the investors have to pay to invest during the NFO.</p>	<p>Rs. 10/- per unit</p>
XVII.	<p><b>Segregated portfolio/side pocketing disclosure</b></p>	<p>SEBI vide clause 4.4.4 of SEBI Master Circular No. SEBI /HO/IMD/IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, has advised that portfolios by mutual fund schemes investing in debt and money market instruments should have provision in the concerned SID for creating portfolio segregation with a view to,</p> <p>Segregated Portfolio: The portfolio comprising of debt and money market instruments, which might be affected by a credit event and shall also include the unrated debt or money market instruments affected by actual default.</p> <p>The AMC / Trustee shall decide on creation of segregated portfolio of the Scheme in case of a credit event/actual default at issuer level. Accordingly, Investor holding units of segregated portfolio may not be able to liquidate their holding till the time recovery of money from the issuer. The Security comprised of segregated portfolio may not realise any value. Further, listing of units of segregated portfolio in recognized stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.</p> <p>For further details, kindly refer SAI.</p>
XVIII	<p><b>Stock lending/short selling</b></p>	<p>Subject to the SEBI Regulations as applicable from time to time, the Scheme may, if the Trustees permit, participate in securities lending. Subject to the SEBI (MF) Regulations and in accordance with Securities Lending Scheme, 1997, SEBI vide clause 12.11 and 2.3 of</p>



		<p>SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, as may be amended from time to time, the Scheme intends to engage in Stock Lending. The Scheme shall adhere to the following limits should it engage in Stock Lending.</p> <ul style="list-style-type: none"> <li>• Not more than 20% of the net assets of the Scheme can be deployed in Stock Lending.</li> <li>• Not more than 5% of the net assets of the Scheme can be deployed in Stock Lending to any single counter party (as may be applicable).</li> </ul> <p>Subject to the SEBI Regulations as applicable from time to time, the Scheme may, participate in securities lending.</p> <p>For Details, kindly refer SAI</p>
<b>XIX.</b>	<b>How to Apply</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> <p>Please refer to the SAI and Application form for the instructions</p> <p>Please refer Details in Section II.</p>
<b>XX.</b>	<b>Where can applications for subscription/redemption/ switches be submitted</b>	<p>The application forms for purchase/redemption of units directly with the Fund can be submitted at the Designated Collection Center (DCC)/ Investor Service Center (ISC) of Motilal Oswal Mutual Fund as mentioned in the SID and also at DCC and ISC of our Registrar and Transfer Agent (RTA), Kfin Technologies Limited. The details of RTA's DCC and ISC are available at the link <a href="http://www.kfintech.com">www.kfintech.com</a>.</p> <p>Investors can also subscribe to the Units of the Scheme through MFSS and/or NMF II facility of NSE and BSE StAR MF facility of BSE.</p> <p>In addition to subscribing Units through submission of application in physical, investor / unit holder can also subscribe to the Units of the Scheme through RTA's website i.e. <a href="http://www.kfintech.com">www.kfintech.com</a>. The facility to transact in the Scheme is also available through mobile application of Kfin i.e. 'KFINTRACK'</p> <p>Details in section II</p>

XXI.	Investor services	<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">http://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>
XXII.	<p><b>Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)</b></p>	<p>SEBI vide clause 4.4.4 of SEBI Master Circular No. SEBI /HO/IMD/IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, has advised that portfolios by mutual fund schemes investing in debt and money market instruments should have provision in the concerned SID for creating portfolio segregation with a view to,</p> <p>Segregated Portfolio: The portfolio comprising of debt and money market instruments, which might be affected by a credit event and shall also include the unrated debt or money market instruments affected by actual default.</p> <p>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</p>

		<p>able to liquidate their holding till the time recovery of money from the issuer. The Security comprised of segregated portfolio may not realise any value. Further, listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.</p> <p>For further details, kindly refer SAI.</p>
<b>XXIII</b>	<b>Special product/facility available during the NFO and on ongoing basis</b>	<p>The Special Products / Facilities available during NFO and on an ongoing basis are as follows:</p> <ol style="list-style-type: none"> <li>1. Systematic Investment Plan</li> <li>2. Systematic Transfer Plan</li> <li>3. Systematic Withdrawal Plan</li> <li>4. Switching Option</li> <li>5. NAV Appreciation Facility</li> <li>6. Online Facility</li> <li>7. Mobile Facility</li> <li>8. Application through MF utility platform</li> <li>9. Transaction through Stock Exchange</li> <li>10. Transaction through electronic mode</li> <li>11. Through MFSS and/or NMF II facility of NSE and BSE StAR MF facility of BSE</li> <li>12. Through mobile application of Kfin i.e. 'KFinKart'</li> <li>13. MF Central as Official Point of Acceptance of Transactions (OPAT)</li> <li>14. ASBA (Available during NFO only)</li> </ol> <p>For further details of above special products / facilities, For Details, kindly refer SAI</p>
<b>XXIV</b>	<b>Weblink</b>	<p>Link for factsheet:  <a href="https://www.motilaloswalmf.com/download/factsheets">https://www.motilaloswalmf.com/download/factsheets</a>  Link for TER:  <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 Nifty India Defence Index 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 07, 2024**

**For Motilal Oswal Asset Management Company Limited**  
**(Investment Manager for Motilal Oswal Mutual Fund)**  
**Sd/-**  
**Aparna Karmase**  
**Head- Compliance, Legal and Secretarial**

## PART II. INFORMATION ABOUT THE SCHEME

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

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

Instruments	Allocations (% of total assets)		Risk Profile
	Minimum	Maximum	High / Medium / Low
Constituents of Nifty India Defence Index	95%	100%	Very High
Units of Liquid schemes and Money Market instruments	0%	5%	Low

Money Market Instruments includes Commercial papers, Commercial bills, Treasury bills, TREPS, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, Bills Rediscounting, usance bills, and any other like instruments as specified by the Reserve Bank of India(RBI)/ Securities and Exchange Board of India (SEBI) from time to time.

The cumulative gross exposure through Constituents of Nifty India Defence Total Return Index and Units of Liquid schemes/ debt schemes, debt and/or money market instruments, derivative positions, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time will not exceed 100% of the net assets of the scheme.

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

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

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

### Indicative Table

Sl. no	Type of Instrument	Percentage of exposure	Circular references*
1.	Securities Lending/ Stock Lending	<ul style="list-style-type: none"> <li>• Not more than 20% of the net assets of the Scheme can generally be deployed in Stock Lending.</li> <li>• Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending to any single counter party (as may be applicable).</li> </ul>	Subject to the SEBI (MF) Regulations and in accordance with Securities Lending Scheme, 1997, SEBI vide clause 12.11 and 2.3 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR/ 2023/74 dated May 19, 2023, as may be amended from time to time, the Scheme intends to engage in Stock Lending.
2.	Equity Derivatives for non- hedging purposes	The Scheme may take exposure to equity derivatives of the index itself or its constituent stocks may be undertaken when equity shares are unavailable, insufficient or for rebalancing in case of corporate actions for a temporary period. Other than for above purposes, the Scheme will not invest in Equity Derivatives. These investments would be for a short period of time i.e. 7 days. Exposure towards Equity Derivatives instruments shall not exceed 20% of the net assets of the Scheme. If the exposure falls outside the above mentioned asset allocation pattern, the portfolio to be rebalanced by AMC within 7 days from the date of said deviation. The Fund shall not write options or purchase instruments with embedded written options. When constituent's securities of underlying Index are available again, derivative positions in these securities would be	In accordance with clause 12.25 of Master Circular May 19, 2023.

		unwound.	
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- The scheme will not make any investment in Securitised Debt.
- The Scheme shall not invest in repo in corporate debt and corporate reverse repo.
- The Scheme shall not engage in short selling The Scheme shall not invest in unrated debt instrument.
- The Scheme shall not invest in Credit Default Swaps (CDS).
- The Scheme shall not invest in REITS/ InVITS
- The Scheme shall not invest in AT1 and AT2 bonds.
- The scheme shall have no Overseas Securities/ ADR & GDRs.
- The Scheme will not invest in debt instruments having Structured Obligations / Credit Enhancements.
- The scheme will not invest in securities covered clause 12.2 of SEBI Master Circular No. SEBI /HO/IMD/IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023.

**Rebalancing due to Active Breaches:**

Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view applicable regulations and political and economic factors. In the event that the asset allocation of the Scheme should deviate from the ranges as noted in the asset allocation table above, then the portfolio of the Scheme will be rebalanced by the Fund Manager to the position indicated in the asset allocation table above. Such changes in the asset allocation will be for short term and defensive considerations. In case of deviation, if any, from the asset allocation pattern, the AMC shall rebalance the portfolio within a period of 7 calendar days.

**Portfolio Rebalancing due to Passive Breach**

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

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

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

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

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

- Equity and Equity related instruments including derivatives

- Units of Liquid Schemes and Money Market Instruments (including reverse repos, Commercial Deposit, Commercial Paper, Treasury Bills and Tri-Party Repos) permitted by SEBI/RBI or in alternative investment for the call money market as may be provided by RBI to meet the liquidity requirements.
- Derivative including Index Futures, Stock Futures, Index Options and Stock Options etc. and such other derivatives instruments permitted under Regulations.
- Mutual Fund units
- Any other instruments as may be permitted by RBI/SEBI under prevailing laws from time to time.

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

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

**For detailed information kindly refer Section II.**

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

The Scheme follows a passive investment strategy and seeks to invest in the constituents of Nifty India Defence Total Return Index. The scheme aims to achieve returns equivalent to the benchmark subject to tracking error. The scheme would also invest in units of Liquid schemes and money market instruments as stated in the asset allocation table.

Subject to the SEBI regulations as applicable from time to time, the scheme may participate in securities lending.

#### **Investment by AMC/Sponsor in the Scheme**

For investments as may be required under Regulation 28(4) of the Regulations, the AMC may invest in the Scheme during the New Fund Offer (NFO) or continuous offer period subject to the SEBI (MF) Regulations. However, AMC shall not charge any fees on such investments.

#### **Investment of Subscription Money:**

The Mutual Fund may deploy NFO proceeds in TREPS before closure of NFO period. However, AMCs shall not charge any investment management and advisory fees on funds deployed in TREPS during the NFO period. The appreciation received from investment in TREPS shall be passed on to investors. Further, in case the minimum subscription amount is not garnered by the Scheme during the NFO period, the interest earned upon investment of NFO proceeds in TREPS shall be returned to investors, in proportion of their investments, along-with the refund of the subscription amount.



## **Portfolio Turnover**

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

## **Tracking Error**

Tracking error is defined as the standard deviation of the difference between the daily returns of the Underlying Index and the NAV of the Scheme. Theoretically, the corpus of the Scheme has to be fully invested in the securities comprising the Underlying Index in the same proportion of weightage as the securities have in the Underlying Index. However, it is not possible to invest as per the objective due to reason that the Scheme has to incur expenses, corporate actions pertaining to the Index including changes to the constituents, regulatory policies, ability of the Fund Manager to closely replicate the Underlying Index, lack of liquidity, etc. The Scheme's returns may therefore deviate from those of its Underlying Index. Tracking Error may arise due to the following reasons:

1. Fees and expenses of the Scheme.
2. Cash balance held by the Scheme due to dividend received, subscriptions, redemption, etc.
3. Halt in trading on the stock exchange due to circuit filter rules.
4. Corporate actions
5. The Scheme has to invest in the securities in whole numbers and has to round off the quantity of securities shares.
6. Delay in dividend payout, and withholding tax on dividend.
7. Changes in the constituents of the underlying Index. Whenever there are any changes, the Scheme has to reallocate its investment as per the revised Index but market conditions may not offer an opportunity to rebalance its portfolio to match the Index and such delay may affect the NAV of the Scheme.
8. Lack of Liquidity

The AMC would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible. Under normal market circumstances, such tracking error is not expected to exceed by 2% p.a.

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

Tracking Error: The Fund shall disclose the tracking error based on past one year rolling data, on a daily basis, on the website of the Mutual Fund and AMFI.

Tracking Difference: The annualized difference of daily returns between the index and the NAV of the Fund shall be disclosed on the website of the Mutual Fund and AMFI, on a monthly basis, for tenures 1 year, 3

years, 5 years, 10 years and since the date of allotment of units.

**For detailed derivatives strategies, please refer SAI.**

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

Nifty India Defence Total Return Index

The index mentioned as benchmark above, is ideal benchmark for this scheme, since the investment objective of the scheme is to replicate / track the performance of the index.

**E. WHO MANAGES THE SCHEME?**

<b>Name and Designation of the fund manager</b>	<b>Age and Qualification</b>	<b>Other schemes managed by the fund manager and tenure of managing the schemes</b>	<b>Experience</b>
<p><b>Mr. Swapnil Mayekar</b></p> <p><b>Fund Manager (Managing the funds since inception)</b></p>	<p>Age: 39 years</p> <p>Qualification: Master of Commerce (Finance Management)</p>	<p>Fund Manager - Motilal Oswal Nifty 50 Index Fund, Motilal Oswal Nifty 500 Index Fund ,Motilal Oswal Nifty Bank Index Fund, Motilal Oswal Nifty Midcap 150 Index Fund, Motilal Oswal Nifty Next 50 Index Fund ,Motilal Oswal Nifty Smallcap 250 Index Fund, Motilal Oswal Nifty 50 ETF , Motilal Oswal Midcap 100 ETF, Motilal Oswal Nasdaq 100 Fund of Fund, Motilal Oswal Nifty 200 Momentum 30 Index Fund, Motilal Oswal Nifty 200 Momentum 30 ETF, Motilal Oswal S&amp;P BSE Low Volatility Index Fund, Motilal Oswal S&amp;P BSE Low Volatility ETF, Motilal Oswal S&amp;P BSE Financials Ex Bank 30 Index Fund, Motilal Oswal S&amp;P BSE Enhanced Value ETF, Motilal Oswal S&amp;P BSE Enhanced Value Index Fund, Motilal Oswal S&amp;P BSE Healthcare ETF, Motilal Oswal S&amp;P BSE Quality ETF, Motilal Oswal S&amp;P BSE Quality Index Fund, Motilal Oswal Nifty 500 ETF, Motilal Oswal Micro cap Index , Motilal Oswal Nifty Realty ETF, Motilal Oswal Nifty Smallcap 250 ETF.</p>	<p>Swapnil has over 13 years of experience in the fund management and product development.</p> <p>Motilal Oswal Asset Management Company Ltd. from March 2010 onwards Business Standard, Research Associate from August 2005 to February 2010.</p>

<p><b>Rakesh Shetty</b></p> <p><b>Fund Manager – debt Component</b></p>	<p><b>Age:</b> 42 years</p> <p><b>Qualification:</b> Bachelors of Commerce (B.Com)</p>	<p>Fund Manager - Motilal Oswal Ultra Short Term Fund Motilal Oswal Nifty 5 Year Benchmark G-Sec ETF Motilal Oswal 5 Year G-Sec Fund of Fund Motilal Oswal Gold and Silver ETFs Fund of Fund Fund Manager – Debt Component Motilal Oswal Large and Midcap Fund, Motilal, Oswal Midcap Fund, Motilal Oswal Focused Fund, Motilal Oswal Equity Hybrid fund, Motilal Oswal Long Term Equity Fund, Motilal Oswal Dynamic Fund, Motilal Oswal MSCI EAFE Top 100 Select Index Fund, Motilal Oswal Multi Asset Fund, Motilal Oswal S&amp;P 500 Index Fund, Motilal Oswal Asset Allocation Fund of Fund, Conservative, Motilal Oswal Nasdaq 100 Fund of Fund, Motilal Oswal Flexi Cap Fund, Motilal Oswal Nasdaq Q50 ETF, Motilal Oswal Nifty 200 Momentum 30 Index Fund, Motilal Oswal Nifty 200 Momentum 30 Index Fund, Motilal Oswal S&amp;P BSE low Volatility Index Fund, Motilal Oswal S&amp;P BSE low Volatility Index Fund, Motilal Oswal S&amp;P BSE Financials Ex Bank 30 Index Fund, Motilal Oswal S&amp;P BSE Enhanced Value ETF, Motilal Oswal S&amp;P BSE Enhanced Value Index Fund, Motilal Oswal S&amp;P BSE Healthcare ETF, Motilal Oswal S&amp;P BSE Quality ETF, Motilal Oswal S&amp;P BSE Quality Index Fund , Motilal Oswal Gold and Silver ETFs Fund of Fund , Motilal Oswal Small Cap Fund, Motilal Oswal Large Cap Fund, Motilal Oswal Nifty Realty ETF, Motilal Oswal Nifty Smallcap 250 ETF.</p>	<p>He has more than 14 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>
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**F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?**

<b>Name of the Scheme</b>	<b>Investment Objective</b>	<b>Asset Allocation</b>	<b>Product Differentiation</b>	<b>Asset Under Management as on May 31, 2024 (Rs. In crores)</b>	<b>Numbers of Folios as on May 31, 2024</b>
Motilal Oswal Nifty 50 ETF	The Scheme seeks investment return that corresponds (before fees and expenses) generally to the performance of the Nifty 50 TRI (Underlying Index), subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	The Scheme would invest at least 95% in the securities constituting Nifty 50 and the balance in debt and money market instruments and cash at call.	An open ended scheme replicating Nifty 50 which invests in securities constituting Nifty 50.	39.66	5526
Motilal Oswal Nifty Midcap 100 ETF	The Scheme seeks investment return that corresponds (before fees and expenses) to the performance of Nifty Midcap 100 TRI (Underlying Index), subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	The Scheme would invest at least 95% in the securities constituting Nifty Midcap 100 and the balance in debt and money market instruments and cash at call.	An open ended scheme replicating Nifty Midcap 100 which invests in securities constituting Nifty Midcap 100 in the same proportion as in the Index.	414.41	234540
Motilal Oswal Nifty 5 Year	The Scheme seeks investment return that corresponds (before	The Scheme would invest at least 95% in the securities	An open ended scheme replicating/tracking Nifty 5 yr Benchmark	85.69	2604

Benchmark G-Sec ETF	fees and expenses) to the performance of Nifty 5 yr Benchmark G – Sec Index (Underlying Index), subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be Achieved.	constituting Nifty 5 yr Benchmark G-Sec Index and the balance in Money Market instruments, units of liquid scheme or Motilal Oswal Liquid Fund including TREPS.	G-Sec Index		
Motilal Oswal Nasdaq Q 50 ETF	The Scheme seeks investment return that corresponds with (before fees and expenses) to the performance of the NASDAQ Q-50 Index subject to tracking error and forex movement. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	The Scheme would invest at least 95% in the securities constituting Nasdaq Q 50 Index and the balance in debt and money market instruments and cash at call.	An open ended scheme replicating/ tracking Nasdaq Q-50 Total Return Index.	19.90	9069
Motilal Oswal NASDAQ 100 ETF	The Scheme seeks investment return that corresponds (before fees and expenses) generally to the performance of the Motilal Oswal NASDAQ 100 ETF NASDAQ-100 TRI, subject to tracking error.	The Scheme would invest at least 95% in the securities constituting Motilal Oswal NASDAQ 100 ETF NASDAQ-100 and the balance in Overseas Debt and Money market instruments and cash at call, mutual	The Scheme will invest in the securities which are constituents of Motilal Oswal NASDAQ 100 ETF in the same NASDAQ-100 in the same proportion as in the Index.	7534.41	206700

	However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	fund schemes or exchange traded funds based on Motilal Oswal NASDAQ 100 ETF.			
Motilal Oswal S&P BSE Low Volatility ETF	<p>The investment objective of the scheme is to provide returns that, before expenses, correspond to the total returns of the securities as represented by S&amp;P BSE Low Volatility Total Return Index, subject to tracking error.</p> <p>However, there is no guarantee or assurance that the investment objective of the scheme will be achieved.</p>	The Scheme would invest at least 95% Constituents of S&P BSE Low Volatility Index and 0-5% in Units of Liquid/ debt schemes, debt and money market instruments	An open ended fund replicating / tracking the S&P BSE Low Volatility Total Return Index	52.73	2889
Motilal Oswal Nifty 200 Momentum 30 ETF	<p>The investment objective of the scheme is to provide returns that, before expenses, closely correspond to the total returns of the securities as represented by Nifty 200 Momentum 30 Index, subject to tracking error.</p> <p>However, there is no guarantee or assurance that the investment objective of the scheme will be achieved.</p>	The Scheme would invest at least 95% Constituents of Nifty 200 Momentum 30 Index and 0-5% in Units of Liquid/ debt schemes, debt and money market instruments	An open ended fund replicating / tracking the Nifty 200 Momentum 30 Total Return Index	73.67	9838

Motilal Oswal S&P BSE Healthcare ETF	The investment objective of the scheme is to provide returns that, before expenses, correspond to the total returns of the securities as represented by S&P BSE Healthcare TRI, subject to tracking error. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved.	The Scheme would invest at least 95% Constituents of S&P BSE Healthcare Total Return Index and 0-5% in Units of Liquid/ debt schemes, debt and money market instruments	An open ended scheme replicating / tracking the S&P BSE Healthcare Total Return Index	14.11	6447
Motilal Oswal S&P BSE Enhanced Value ETF	The investment objective of the scheme is to provide returns that, before expenses, correspond to the total returns of the securities as represented by S&P BSE Enhanced Value Index, subject to tracking index. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved.	The Scheme would invest at least 95% Constituents of S&P BSE Enhanced Value Index and 0-5% in Units of Liquid/ debt schemes, debt and money market instruments	An open ended scheme replicating / tracking the S&P BSE Enhanced Value Total Return Index	80.26	19289
Motilal Oswal S&P BSE Quality ETF	The investment objective of the scheme is to provide returns that, before expenses, closely correspond to the total returns of the securities as represented by the S&P BSE Quality Total	The Scheme would invest at least 95% Constituents of S&P BSE Quality Index and 0-5% in Units of Liquid/ debt schemes, debt and money market instruments	An open ended fund replicating / tracking the S&P BSE Quality Total Return Index	15.48	1632

	Return index, subject to tracking index. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved.				
Motilal Oswal Nifty 500 ETF	The investment objective of the scheme is to provide returns that, before expenses, correspond to the total returns of the securities as represented by the Nifty 500 Total Return Index, subject to tracking error. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved.	The Scheme would invest at least 95% Constituents of Nifty 500 Index and 0-5% in Units of Liquid Schemes and Money Market Instruments	An open-ended scheme replicating/tracking the Nifty 500 Total Return Index.	34.56	11753
Motilal Oswal Nifty Realty ETF	The investment objective of the scheme is to provide returns that, before expenses, closely correspond to the total returns of the securities as represented by Nifty Realty Total Return Index, subject to tracking error. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved.	The Scheme would invest at least 95% Constituents of Nifty Realty Index and 0-5% in Units of Liquid Schemes and Money Market Instruments	An open-ended scheme replicating/tracking the Nifty Realty TR Index	20.38	5813
Motilal Oswal Nifty	The investment objective of the scheme	The scheme would invest at least 95%	An open-ended scheme	9.70	5908



Smallcap 250 ETF	is to provide total returns that, before expenses, closely correspond to the total returns of the securities as represented by Nifty Smallcap 250 Index, subject to tracking error. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved.	Constituents of Nifty Smallcap 250 Index and 0-5% Units of Liquid Schemes and Money Market Instruments	replicating/tracking the Nifty Smallcap 250 TR Index		
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Motilal Oswal Nasdaq 100 Fund of Fund	The investment objective of the Scheme is to seek returns by investing in units of Motilal Oswal Nasdaq 100 ETF.  However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	The scheme would invest 95% to 100% in Units of Motilal Oswal Nasdaq 100 ETF and balance up to 5% in Units of liquid/ debt schemes, Debt, Money Market Instruments, G-Secs, Cash and Cash at call, etc.	An open ended fund of fund scheme investing in Motilal Oswal Nasdaq 100 ETF	4671.01	227801
Motilal Oswal 5 Year Gsec Fund of Fund	The investment objective of the Scheme is to seek returns by investing in units of Motilal Oswal 5 Year G-Sec ETF.  However, there can be no assurance or guarantee that the	The scheme would invest 95% to 100% in Units of Motilal Oswal 5 Year Gsec Fund of Fund and balance up to 5% in Units of liquid/ debt schemes, Debt, Money Market Instruments, G-Secs, Triparty repo,	An open ended fund of funds scheme investing in units of Motilal Oswal 5 Year G-Sec ETF	16.88	2845

	investment objective of the Scheme would be achieved.	Reverse Repo, units of Liquid and Debt schemes of Motilal Oswal Mutual Fund.			
Motilal Oswal Asset Allocation Passive Fund of Fund – Aggressive	<p>To generate long term growth/capital appreciation by offering asset allocation investment solution that predominantly invests in passive funds such as ETF/Index Funds of equity and equity related instruments (domestic as well as international), fixed income and Gold.</p> <p>However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.</p>	<p>The Scheme would invest Minimum 95% to Maximum 100% in Units of specified schemes of Mutual Fund* and Maximum 5% in Liquid schemes/Money Market Instruments</p> <p>*Minimum 40% to Maximum 90% in Motilal Oswal Nifty 500 Index Fund / Motilal Oswal M50 ETF / Similar Domestic Equity Passive Funds, Minimum 10% to Maximum 30% in Motilal Oswal S&amp;P 500 Index Fund / Motilal Oswal NASDAQ 100 ETF, Maximum 40% in Motilal Oswal 5 Year G – Sec ETF / Similar Domestic G-Sec Passive funds and Maximum 20% in ICICI Prudential Gold ETF / Similar Domestic Gold</p>	An open ended fund of funds scheme investing in passive funds	65.58	5921

		Exchange Traded Funds.			
Motilal Oswal Asset Allocation Passive Fund of Fund – Conservative	<p>To generate long term growth/capital appreciation by offering asset allocation investment solution that predominantly invests in passive funds such as ETF/Index Funds of equity and equity related instruments (domestic as well as international), fixed income and Gold</p> <p>However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.</p>	<p>The Scheme would invest Minimum 95% to Maximum 100% in Units of specified schemes of Mutual Fund* and Maximum 5% in Liquid schemes/Money Market Instruments</p> <p>*Maximum 40% in Motilal Oswal Nifty 500 Index Fund / Motilal Oswal M50 ETF / Similar Domestic Equity Passive Funds, Maximum 20% in Motilal Oswal S&amp;P 500 Index Fund / Motilal Oswal NASDAQ 100 ETF, Minimum 40% to Maximum 90% in Motilal Oswal 5 Year G – Sec ETF / Similar Domestic G-Sec Passive Funds and Maximum 20% in Nippon India ETF Gold BeES, ICICI Prudential Gold ETF / Similar Domestic Gold Exchange Traded Funds.</p>	An open ended fund of funds scheme investing in passive funds	41.39	1685

Motilal Oswal Gold and Silver ETFs Fund of Fund	To generate returns by investing in units of Gold ETFs and Silver ETFs. However, the performance of the scheme may differ from that of the underlying gold and silver ETFs due to tracking error of the underlying exchange traded funds. There can be no assurance or guarantee that the investment objective of the scheme would be achieved.	The Scheme would invest Minimum 95% to Maximum 100% in Units of Gold ETFs & Silver ETFs and Maximum 5% in Units of liquid Scheme/ debt schemes, Debt and Money Market Instruments	An open ended fund of funds scheme investing in units of gold and silver exchange traded funds	71.87	7982
Motilal Oswal Developed Market Ex US ETFs Fund of Funds	The investment objective is to generate long term capital appreciation by investing in units of global ETFs which track the performance of Developed Markets excluding US, subject to tracking error, if any. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	The Scheme would invest Minimum 95% to Maximum 100% in Units of Developed market Ex US ETF schemes and Maximum 5% in Units of liquid Scheme and / or Money Market Instruments	An open ended fund of funds scheme investing in units of global ETFs which track the performance of Developed Markets excluding US	34.94	7247
Motilal Oswal S&P BSE Low Volatility Index Fund	The investment objective of the scheme is to provide returns that, before expenses, correspond to the total returns of	The Scheme would invest at least 95% Constituents of S&P BSE Low Volatility Index and 0-5% in Units of	An open end fund replicating / tracking the S&P BSE Low Volatility Total Return Index	52.60	2924

	the securities as represented by S&P BSE Low Volatility Total Return Index, subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.	Liquid/ debt schemes, debt and money market instruments			
Motilal Oswal Nifty Bank Index Fund	The Scheme seeks investment return that corresponds to the performance of Nifty Bank Index subject to tracking error.  However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	The Scheme would invest at least 95% Equity and equity related securities covered by Nifty Bank Total Return Index and 0-5% in Debt, Money Market Instruments, G-Secs, Cash and Cash at call, etc	An open ended scheme replicating / tracking Nifty Bank Total Return Index	566.39	28107
Motilal Oswal Nifty Midcap 150 Index Fund	The Scheme seeks investment return that corresponds to the performance of Nifty Midcap 150 Index subject to tracking error.  However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	The Scheme would invest at least 95% Equity and equity related securities covered by Nifty Midcap 150 Total Return Index and 0-5% in Debt, Money Market Instruments, G-Secs, Cash and Cash at call, etc	An open ended scheme replicating / tracking Nifty Midcap 150 Total Return Index	1593.31	108345
Motilal Oswal Nifty Smallcap	The Scheme seeks investment return that corresponds to the performance of Nifty	The Scheme would invest at least 95% Equity and equity related securities	An open ended scheme replicating / tracking Nifty	687.80	66214

250 Index Fund	Smallcap 250 Total Return Index subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	covered by Nifty Smallcap 250 Index and 0-5% in Debt, Money Market Instruments, G-Secs, Cash and Cash at call, etc	Smallcap 250 Total Return Index		
Motilal Oswal Nifty 50 Index Fund	The Scheme seeks investment return that corresponds to the performance of Nifty 50 Index subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	The Scheme would invest at least 95% Equity and equity related securities covered by Nifty 50 Total Return Index and 0-5% in Debt, Money Market Instruments, G-Secs, Cash and Cash at call, etc	An open ended scheme replicating / tracking Nifty 50 Total Return Index	479.01	33697
Motilal Oswal Nifty Next 50 Index Fund	The Scheme seeks investment return that corresponds to the performance of Nifty Next 50 Total Return Index subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	The Scheme would invest at least 95% Equity and equity related securities covered by Nifty Next 50 Total Return Index and 0-5% in Debt, Money Market Instruments, G-Secs, Cash and Cash at call, etc	An open ended scheme replicating / tracking Nifty Next 50 Total Return Index	277.63	13889
Motilal Oswal S&P 500 Index Fund	The Scheme seeks investment return that corresponds to the performance of S&P 500 Total Return Index subject to tracking error.	The Scheme would invest at least 95% Equity and equity related securities covered by S&P 500 Total Return Index and 0-5% in Debt and Money	An open ended scheme replicating / tracking S&P 500 Total Return Index	3275.42	125579

	However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved	market instruments, overseas mutual fund schemes or exchange traded funds			
Motilal Oswal Nifty 200 Momentum 30 Index Fund	The investment objective of the scheme is to provide returns that, before expenses, closely correspond to the total returns of Nifty 200 Momentum 30 Total Return Index (underlying index), subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	The Scheme would invest at least 95% Constituents of Nifty 200 Momentum 30 Total Return Index and 0-5% in Liquid schemes/ debt schemes, debt and/or money market instruments	An open ended fund replicating / tracking the Nifty 200 Momentum 30 Total Return Index	605.57	22060
Motilal Oswal S&P BSE Enhanced Value Index Fund	The investment objective of the scheme is to provide returns that, correspond to the total returns of the securities as represented by S&P BSE Enhanced Value Index, subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	The Scheme would invest at least 95% Constituents of S&P BSE Enhanced Value Index and 0-5% in Units of Liquid/ debt schemes, debt and money market instruments	An open ended fund replicating / tracking the S&P BSE Enhanced Value Total Return Index	614.86	40099

Motilal Oswal S&P BSE Quality Index Fund	The investment objective of the scheme is to provide returns that, correspond to the total returns of the securities as represented by S&P BSE Quality Total Return Index, subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	The Scheme would invest at least 95% Constituents of S&P BSE Quality Total Return Index and 0-5% in Units of Liquid schemes/ debt schemes, debt and/or money market instruments	An open ended fund replicating / tracking the S&P BSE Quality Total Return Index	16.92	2250
Motilal Oswal S&P BSE Financials ex Bank 30 Index Fund	The investment objective of the scheme is to provide returns that, before expenses, correspond to the total returns of the securities as represented by S&P BSE Financials ex Bank 30 Total Return Index, subject to tracking error. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved.	The Scheme would invest at least 95% Constituents of S&P BSE Financials ex Bank 30 Total Return Index and 0-5% in Debt and Money market instruments, units of Liquid/ debt schemes.	An open ended fund replicating / tracking the S&P BSE Financials ex Bank 30 Total Return Index	12.56	2520
Motilal Oswal Nifty 500 Index Fund	The Scheme seeks investment return that corresponds (before fees and expenses) generally to the performance of the Nifty 500 Index,	The Scheme would invest at least 95% Equity and equity related securities covered by Nifty 500 Total Return Index and 0-5% in	An open ended scheme replicating / tracking Nifty 500 Total Return Index	1134.06	34515



	subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	Debt, Money Market Instruments, G-Secs, Cash and Cash at call, etc			
Motilal Oswal Nifty Microcap 250 Index Fund	The investment objective of the scheme is to provide returns that, before expenses, correspond to the total returns of the securities as represented by Nifty Microcap 250 Total Return Index, subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	The Scheme would invest at least 95% Constituents of Nifty Microcap 250 Index and 0-5% Units of liquid schemes and/or money market instruments	An open-ended fund replicating / tracking the Nifty Microcap 250 Total Return Index	1017.42	116888

**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?**

This scheme is a new scheme and does not have any performance track record.

#### **H. ADDITIONAL SCHEME RELATED DISCLOSURES**

##### **i. Scheme's portfolio holdings:**

The Scheme is a new scheme and hence the same is not applicable.

**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 is a new scheme and hence the same is not applicable.

**iii. FUNCTIONAL WEBSITE LINK FOR PORTFOLIO DISCLOSURE:**

The Scheme is a new scheme and hence the same is not applicable.

**iv. PORTFOLIO TURNOVER RATE:**

The Scheme is a new scheme and hence the same is not applicable.

**v. AGGREGATE INVESTMENT IN THE SCHEME BY CONCERNED FUND MANAGER:**

The Scheme is a new scheme and hence the same is not applicable.

**vi. INVESTMENTS OF AMC IN THE SCHEME**

The Scheme is a new scheme and hence the same is not applicable.

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

#### **Illustration of NAV:**

If the net assets of the Scheme, after considering applicable expenses, are Rs.10,45,34,345.34 and units outstanding are 10,00,0000, then the NAV per unit will be computed as follows:

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

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

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

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

The entire NFO expenses will be borne by AMC.

### C. ANNUAL SCHEME RECURRING EXPENSES

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

The AMC has estimated that upto 1.00% of the daily average net assets of the scheme will be charged to

the scheme as expenses as permitted under Regulation 52 of SEBI (MF) Regulations. For the actual current expenses being charged, the investor should refer to the website of the Fund.

<b>Particulars</b>	<b>% p.a. of daily Net Assets</b>
Investment Management and Advisory Fees	Upto 1.00%
Trustee fee	
Audit fees	
Custodian fees	
Registrar & Transfer Agent Fees	
Marketing & Selling expense including agents' commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost toward investor and Education fund	
Brokerage and transaction cost pertaining to distribution of unit	
Cost of providing account statements and IDCW/ redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 1bps)	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades respectively	
Goods and Service Tax (GST) on expenses other than investment management and advisory fees	
GST on brokerage and transaction cost	
Other Expenses*	
<b>Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c)</b>	
Additional expenses under regulation 52 (6A) (c)	Upto 1%
Additional expenses for gross new inflows from specified cities under Regulation 52 (6A)(b)#	Upto 0.05%
	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.

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

All scheme related expenses including commission paid to distributors, by whatever name it may be called

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

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.

The expenses towards Investment Management and Advisory Fees under Regulation 52 (2) and the various sub-heads of recurring expenses mentioned under Regulation 52 (4) of SEBI (MF) Regulations will be charged in line with SEBI Mutual Fund Regulations. Thus, there shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 52 (2) and (4) respectively. Further, the additional expenses under Regulation 52(6A)(c) shall also be incurred towards any of the expense heads mentioned in the above regulation.

All fees and expenses charged in a direct plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in a regular plan. The TER of the Direct Plan will be lower to the extent of the distribution expenses/commission which is charged in the Regular Plan and no commission for distribution of Units will be paid / charged under the Direct Plan.

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

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

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

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

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

Daily net assets X 30 basis points X New inflows from beyond top 30 cities  
365\* X Higher of (a) or (b) above

\* 366, wherever applicable.

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

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

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

As per AMFI letter no. 35P/ MEM-COR/ 85-a/ 2022-23 dated March 02, 2023 on B-30 Incentive Mechanism, AMC has been advised to keep the B-30 incentive structure in abeyance with effect from March 01, 2023 till any further guidelines regarding necessary safeguards are issued by SEBI.

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.

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

Particulars	Regular Plan	Direct Plan
	Amount (Rs.)	
Amount Invested at the beginning of the year	10,000	10,000
Net asset before expenses	11,500	11,500
Expenses other than Distribution Expenses _0.15%	17.25	17,25
Distribution Expenses 0.50%	57.50	0.00
Returns after Expenses at the end of the Year	1,425.25	1,482.75

- 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 exit load charged (net of GST) will be credited back to the Scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC [www.motilaloswalmf.com](http://www.motilaloswalmf.com) or may call at toll free no. 91 8108622222 and +91 2240548002 or your distributor.

Type of Load	Load chargeable (as % age of NAV)
Entry	Nil
Exit	1%- If redeemed on or before 15 days from the date of allotment. Nil- If redeemed after 15 days from the date of allotment

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

Repurchase/ Resale is at Net Asset Value (NAV) related prices with repurchase/ resale loads as applicable (within limits) as specified under SEBI Regulations 1996, While determining the price of the units, the fund will ensure that the repurchase price is not lower than 95 per cent of the Net Asset Value. Any imposition or enhancement in the load structure shall apply on a prospective basis and in no case the same would affect the existing investors adversely. Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load. No Load shall be imposed for switching between Options within the Scheme.

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

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

**Waiver of the load:** Not Applicable

## SECTION II

### I. INTRODUCTION

#### A. DEFINITIONS/INTERPRETATION

In this SID, the following words and expressions shall have the meaning specified below, unless the context otherwise requires:

<b>Applicable NAV</b>	Unless stated otherwise in this document, 'Applicable NAV' is the Net Asset Value at the close of a Business/Working Day on which the purchase or redemption is sought by an investor and determined by the Fund.
<b>Asset Management Company / AMC / Investment Manager /MOAMC</b>	MOAMC, a Company incorporated under the provisions of the Companies Act, 1956, and approved by SEBI to act as the Asset Management Company for the Schemes of MOMF.
<b>Business Day / Working Day</b>	<p>Any day other than:</p> <ol style="list-style-type: none"><li>a. Saturday and Sunday</li><li>b. a day on which capital/debt markets/money markets in Mumbai are closed or are unable to trade for any reason</li><li>c. a day on which the Banks in Mumbai are closed or RBI is closed</li><li>d. a day on which both the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. are closed</li><li>e. a day which is public/Bank holiday at a collection centre/ investor service centre/official point of acceptance where the application is received</li><li>f. a day on which sale and repurchase of units is suspended by the Trustee/AMC</li><li>g. a day on which normal business could not be transacted due to storms, floods, bandhs, strikes or such other event as the AMC may specify from time to time.</li></ol> <p>However, the AMC reserves the right to declare any day as the Business / Working Day or otherwise at any or all collection centres / investor service centre / official point of acceptance.</p>
<b>Collecting Bank</b>	Branches of Banks during the New Fund Offer Period authorized to receive application(s) for units, as mentioned in this document.
<b>Custodian</b>	A person who has been granted a certificate of registration to carry on the business of custodian of securities by SEBI under the SEBI (Custodian of Securities) Regulations, 1996 which for the time being is Deutsche Bank AG.
<b>Cut-Off time</b>	Cut off timing in relation to subscription and redemption of Units means the outer limits of timings on a particular Business Day which are relevant for determination of Applicable NAV that is to be applied for the transaction.



<b>Debt Instruments</b>	Government securities, corporate debentures, bonds, promissory notes, money market instruments, pass through certificates, asset backed securities / securitised debt and other possible similar securities.
<b>Depository</b>	As defined in the Depositories Act, 1996 and includes National Securities Depository Ltd (NSDL) and Central Depository Services Ltd (CDSL).
<b>Depository Participant</b>	A person registered as such under sub section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.
<b>Derivative Exposure</b>	Derivative includes (i) a security derived from an equity index or from a debt instrument, equity share, loan whether secured or unsecured, risk instrument or contract for differences or any other form of security; (ii) a contract which derives its value from the prices, or index of prices, or underlying securities.
<b>Distributor</b>	Such persons/firms/ companies/ corporate who fulfil the criteria laid down by SEBI/AMFI from time to time and empaneled by the AMC to distribute/sell/market the Schemes of the Fund.
<b>Entry Load</b>	Load on repurchase/Switch-in of Units.
<b>Exit Load</b>	Load on sale / redemption/Switch-out of Units.
<b>Equity Related Instruments</b>	Equity Related Instruments includes convertible bonds and debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives and any other like instrument.
<b>Equity Derivative</b>	Equity Derivatives are financial instrument, generally traded on an exchange, the price of which is directly dependent upon (i.e. “derived from”) the value of equity shares or equity indices.  Derivatives involve the trading of rights or obligations based on the underlying, but do not directly transfer property.
<b>Foreign Portfolio Investor or FPI</b>	FPI means a person who satisfies the eligibility criteria prescribed under Regulation 4 and has been registered under Chapter II of Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations, 2014.  Provided that any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
<b>Gilts or Government Securities'</b>	Means securities created and issued by the Central Government and/or State Government (including treasury bill) or Government Securities as defined in The Government Securities Act, 2006 as amended from time to time.
<b>Investment Management Agreement / IMA</b>	Investment Management Agreement dated May 21, 2009, as amended from time to time, entered into between MOTC and MOAMC.
<b>Load</b>	In case of subscription, the amount paid by the prospective investors on purchase of a

	<p>unit (Entry Load) in addition to the Applicable NAV and in case of redemption, the amount deducted from the Applicable NAV on the redemption of unit (Exit Load).</p> <p>Presently, entry load cannot be charged by Mutual Fund scheme.</p>
<b>Money market instruments</b>	Includes Commercial papers, Commercial bills, Treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, Bills Rediscounting, Repos, Triparty Repo, usance bills, and any other like instruments as specified by the Reserve Bank of India (RBI)/ Securities Exchange of India (SEBI) from time to time.
<b>Mutual Fund</b>	MOMF, a trust set up under the provisions of Indian Trust Act, 1882 and registered with SEBI vide Registration no. MF/063/09/04.
<b>Net Asset Value / NAV</b>	Net Asset Value per unit of the Scheme calculated in the manner described in this SID or as may be prescribed by the SEBI Regulations from time to time.
<b>Nifty India Defence Total Return Index</b>	Nifty India Defence Total Return Index means an Index owned and operated by NSE Indices Limited.
<b>NRI or Non Resident Indian</b>	A person resident outside India who is a citizen of India or is a person of Indian origin as per the meaning assigned to the term under the Foreign Exchange Management (Investment in Firm or Proprietary Concern in India) Regulations, 2000.
<b>Person of Indian Origin</b>	A citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held an Indian passport; or (b) he or either of his parents or any of his grandparents was a citizen of India by virtue of Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or person referred to in sub-clause (a) or (b).
<b>Qualified Foreign Investor (QFI)</b>	<p>Qualified Foreign Investor means a person who has opened a dematerialized account with a qualified depository participant as a qualified foreign investor.</p> <p>Provided that any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.</p>
<b>Reserve Bank of India or RBI</b>	The Reserve Bank of India established under The Reserve Bank of India Act, 1934.
<b>Redemption/Repurchase</b>	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 NAV.
<b>Registrar and Transfer Agent</b>	KFin Technologies Limited, registered under the SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993.
<b>Repo or Reverse Repo</b>	Sale/Purchase of Government Securities with simultaneous agreement to repurchase/resell them at a later date.
<b>Risk o Meter</b>	Risk-o-meter forms part of the Product labelling and depicts Risk level of the scheme. The risk-o-meter of the scheme shall be in accordance with clause 5.16.1 of SEBI

	Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 and the same shall be evaluated and updated on a monthly basis.
<b>Sale / Subscription</b>	Sale or allotment of units to the Unitholder upon subscription by the investor/applicant under the Scheme.
<b>Scheme</b>	Motilal Oswal Nifty India Defence Index Fund
<b>Scheme Information Document (SID)</b>	This document issued by Motilal Oswal Mutual Fund for offering units of the Scheme.
<b>SEBI</b>	Securities and Exchange Board of India, established under Securities and Exchange Board of India Act, 1992 as amended from time to time.
<b>SEBI Regulations</b>	SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.
<b>Sponsor</b>	Motilal Oswal Financial Services Ltd. (MOFSL)
<b>Switch</b>	Redemption of a unit in any scheme (including the plans / options therein) of the Mutual Fund against purchase of a unit in another scheme (including plans/options therein) of the Mutual Fund, subject to completion of lock-in period, if any, of the units of the scheme(s) from where the units are being switched.
<b>Systematic Investment Plan or SIP</b>	Facility given to the Unit holders to invest specified sums in the Scheme on periodic basis by giving a single instruction.
<b>Systematic Transfer Plan or STP</b>	Facility given to the Unit holders to transfer sums on periodic basis from one scheme to another schemes launched by the Mutual Fund from time to time by giving a single instruction.
<b>Systematic Withdrawal Plan or SWP</b>	Facility given to the Unit holders to withdraw amounts from the Scheme on periodic basis by giving a single instruction.
<b>Statement of Additional Information (SAI)</b>	The document issued by MOMF containing details of MOMF, its constitution and certain tax, legal and general information. SAI is legally a part of the SID.
<b>Tracking Difference</b>	Tracking difference refers to annualized difference of daily returns between the index and the NAV of the ETF / Index fund.
<b>Tracking Error</b>	Tracking error is defined as the annualized standard deviation of the difference between the daily returns of the Underlying Index and the NAV of the Scheme based on past one year rolling data.
<b>TREPS</b>	Tri-party repo is a type of repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.
<b>Trustee</b>	MOTC, a Company incorporated under the Companies Act, 1956 and approved by SEBI to act as Trustee of the Schemes of MOMF.
<b>Trust Deed</b>	The Deed of Trust dated May 29, 2009 made by and between the Sponsor and the Trustee Company establishing the Mutual Fund, as amended by Deed of First Variation

	dated December 7, 2009, Deed of Second Variation dated December 17, 2009, Deed of Third Variation dated August 21, 2018 and Deed of Fourth Variation dated August 18, 2022.
<b>Unit</b>	The interest of Unitholder which consists of each unit representing one undivided share in the assets of the Scheme.
<b>Unitholder Investor</b>	/ A person holding unit(s) in the Scheme of MOMF offered under this SID.

**Interpretation:**

For all purposes of this SID, except as otherwise expressly provided or unless the context otherwise requires:

- All references to the masculine shall include feminine and all reference to the singular shall include plural and vice-versa. All references to Unit holders whether masculine or feminine include references to non-individuals unless repugnant to the context thereof.
- All references to “dollars” or “\$” refer to the Unites States Dollars and “Rs” refer to the Indian Rupees. A “crore” means “ten million” and a “lakh” means a hundred thousand.
- All references to timings relate to Indian Standard Time (IST).
- Headings are for ease of reference only and shall not affect the construction or interpretation of this Document.

**B. RISK FACTORS**

**Standard Risk Factors:**

- Investment in Mutual Fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rate of the securities in which the Scheme invests fluctuates, the value of your investment in the Scheme may go up or down depending on various factors and forces affecting the capital market/debt market.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme.
- Nifty India Defence Total Return Index is the 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.
- Changes in Government policy in general and changes in tax benefits applicable to mutual funds may impact the returns to Investors in the Scheme.
- Investors in the Scheme are not being offered any guaranteed/indicated returns.

**Scheme Specific Risk Factors**

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

- **Risks associated with investing in Equities**

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

- **Market Risk**

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

- **Concentration risk**

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

- **Passive Investments**

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

- **Right to Limit Redemptions**

The Trustee, in the general interest of the unit holders of the Scheme offered under this SID and keeping in view of the unforeseen circumstances/unusual market conditions, may limit the total number of Units which can be redeemed on any Business Day subject to the guidelines/circulars issued by the Regulatory Authorities from time to time.

- **Risk Factors relating to Portfolio Rebalancing**

In the event that the asset allocation of the Scheme deviates from the ranges as provided in the asset allocation

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

- **Index Fund**

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

### **Risks Associated with Money Market Instruments**

- **Price-Risk or Interest-Rate Risk:** Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.
- **Credit Risk**  
Credit Risk means that the issuer of a security may default on interest payments or even paying back the principal amount on maturity. (i.e. the issuer may be unable to make timely principal and interest payments on the security). Even where no default occurs, the prices of security may go down because the credit rating of an issuer goes down. It must be, however, noted that where the Scheme has invested in Government securities, there is no risk to that extent.
- **Liquidity or Marketability Risk:** This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.
- **Reinvestment Risk:** Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
- **Pre-payment Risk:** Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the fund to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.
- **Spread Risk:** In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.

- Different types of securities in which the scheme would invest as given in the SID carry different levels and types of risk. Accordingly, the scheme's risk may increase or decrease depending upon its investment pattern. E.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively more risky than bonds, which are AAA rated.

- **Risks associated with Investing in Derivatives**

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

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

- **Risks associated with Segregated portfolio**

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

- **Risks associated with Securities Lending**

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

In case the Scheme undertakes stock lending as prescribed in the Regulations, it may, at times be exposed to counter party risk and other risks associated with the securities lending. Unitholders of the Scheme should note that there are risks inherent to securities lending, including the risk of failure of the other party, in this case the

approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities lent. The Fund may not be able to sell such lent securities and this can lead to temporary illiquidity.

- **Tracking Error and Tracking Difference Risk**

The Fund Manager would not be able to invest the entire corpus exactly in the same proportion as in the underlying index due to certain factors such as the fees and expenses of the Scheme, corporate actions, cash balance and changes to the underlying index and regulatory restrictions, lack of liquidity which may result in Tracking Error. Hence it may affect AMC's ability to achieve close correlation with the underlying index of the Scheme. The Scheme's returns may therefore deviate from its underlying index. "Tracking Error" is defined as the standard deviation of the difference between daily returns of the underlying index and the NAV of the Scheme. The Fund Manager would monitor the Tracking Error of the Scheme on an ongoing basis and would seek to minimize the Tracking Error to the maximum extent possible. There can be no assurance or guarantee that the Scheme will achieve any particular level of Tracking Error relative to performance of the underlying Index. Tracking difference refers to annualized difference of daily returns between the index and the NAV of the ETF / Index fund.

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

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

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

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



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

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

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

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

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

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

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

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

### **Risk Control**

Risk is an inherent part of the investment function. Effective Risk management is critical to fund management for achieving financial soundness. Investment by the Scheme would be made as per the investment objective of the Scheme and in accordance with SEBI Regulations. AMC has adequate safeguards to manage risk in the portfolio construction process. Risk control would involve managing risk in order to keep in line with the investment objective of the Scheme. The risk control process would include identifying the risk and taking proper

measures for the same. The system has incorporated all the investment restrictions as per the SEBI guidelines and enables identifying and measuring the risk through various risk management tools like various portfolio analytics, risk ratios, average duration and analyses the same and acts in a preventive manner.

**C. Risk mitigation strategies:**

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

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

**D. Special Considerations:**

1. Prospective investors should study this SID and SAI carefully in its entirety and should not construe the contents hereof as advise relating to legal, taxation, financial, investment or any other matters and are advised to consult

their legal, tax, financial and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming units, before making a decision to invest/redeem/hold units.

2. Neither this SID and SAI nor the units have been registered in any jurisdiction. The distribution of this SID or SAI in certain jurisdictions may be restricted or totally prohibited to registration requirements and accordingly, any person who comes into possession of this SID or SAI is required to inform themselves about and to observe any such restrictions and/or legal compliance requirements of applicable laws and Regulations of such relevant jurisdiction. It is the responsibility of any persons in possession of this SID or SAI and any persons wishing to apply for units pursuant to this SID to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction. Any changes in SEBI/Stock Exchange/RBI regulations and other applicable laws/regulations could have an effect on such investments and valuation thereof.
3. The AMC, Trustee or the Mutual Fund have not authorized any person to issue any advertisement or to give any information or to make any representations, either oral or written, other than that contained in this SID or SAI or as provided by the AMC in connection with this offering. Prospective Investors are advised not to rely upon any information or representation not incorporated in the SID or SAI or as provided by the AMC as having been authorized by the Mutual Fund, the AMC or the Trustee.
4. The tax benefits described in this SID and SAI are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advice received by the AMC regarding the law and practice currently in force in India as on the date of this SID and the Unitholders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unitholder is advised to consult his / her own professional tax advisor.
5. Redemptions due to change in the fundamental attributes of the Scheme or due to any other reasons may entail tax consequences. The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise.
6. The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that the Scheme is wound up for the reasons and in the manner provided in SAI.

The Mutual Fund may disclose details of the investor's account and transactions there under to those intermediaries whose stamp appears on the application form or who have been designated as such by the investor. In addition, the Mutual Fund may disclose such details to the bankers, as may be necessary for the purpose of effecting payments to the investor. The Fund may also disclose such details to regulatory and statutory authorities/bodies as may be required or necessary.

7. MOAMC undertakes the following activities other than that of managing the Schemes of MOMF and has also obtained NOC from SEBI for the same:

- MOAMC is a registered Portfolio Manager under SEBI (Portfolio Managers) Regulations, 1993 bearing registration number INP000000670 dated August 21, 2017.
- MOAMC acts as an Investment Manager to the Schemes of Motilal Oswal Alternative Investment Trust and is registered under SEBI (Alternative Investment Funds) Regulations, 2012 as Category III AIF bearing registration number IN/AIF3/13-14/0044 and IN/AIF3/19-20/0799 respectively.
- MOAMC has incorporated a wholly owned subsidiary in Mauritius which acts as an Investment Manager to the funds based in Mauritius.
- MOAMC has incorporated a wholly owned subsidiary in India which currently undertakes Investment Advisory Services/Portfolio Management Services to offshore clients.

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

8. Apart from the above-mentioned activities, the AMC may undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, if any of such activities are not in conflict with the activities of the mutual fund subject to receipt of necessary regulatory approvals and approval of Trustees and by ensuring compliance with provisions of regulation 24(b) (i to viii). Provided further that the asset management company may, itself or through its subsidiaries, undertake portfolio management services and advisory services for other than broad based fund till further directions, as may be specified by the Board, subject to compliance with the following additional conditions: -
  - It satisfies the Board that key personnel of the asset management company, the system, back office, bank and securities accounts are segregated activity wise and there exist system to prohibit access to inside information of various activities;
  - It meets with the capital adequacy requirements, if any, separately for each of such activities and obtain separate approval, if necessary under the relevant regulations.
9. The Trustee, in the general interest of the unit holders of the Scheme offered under this SID and keeping in view of the unforeseen circumstances/unusual market conditions, may limit the total number of Units which can be redeemed on any Business Day.
10. As the liquidity of the Scheme’s investments may sometimes be restricted by trading volumes and settlement periods, the time taken by the Fund for Redemption of Units may be significant in the event of an inordinately large number of Redemption requests. The Trustee has the right to limit redemptions under certain circumstances. Please refer to the section “Right to limit Redemption”.
11. Pursuant to the provisions of Prevention of Money Laundering Act, 2002 (PMLA), if after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall have absolute discretion to report such suspicious transactions to FIU-IND (Financial Intelligence Unit – India) or such other authorities as prescribed under the rules/guidelines issued thereunder by SEBI and/or RBI and take

any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/Unitholder/ any other person.

12. Termination of the scheme(s)

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

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

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

• **Compliance with Foreign Accounts Tax Compliance Act (FATCA) / Common Reporting Standards (CRS)**

The Central Board of Direct Taxes (CBDT) has notified Rules 114F to 114H (pertaining to FATCA-CRS), as part of the Income-tax Rules, 1962, which require Indian financial institutions as such as Motilal Oswal Mutual Fund to seek additional personal, tax and beneficial owner information and certain certifications and documentation from its investors/unitholders. Please note that applications for account opening could be liable to be rejected where such FATCA-CRS related information or documentation is not provided.

In relevant cases, the Mutual Fund will have to, inter-alia, report account information (e.g. holdings, redemptions or IDCW) to tax authorities / other agencies, as may be required. In this respect, the Mutual Fund would rely on the relevant information provided by its Registrar and would also use its discretion.

The onus to provide accurate, adequate and timely information would be that of the investor. In this regard, any change in the information provided should be intimated to the Mutual Fund promptly, i.e., within 30 days by the investors/unitholders. Investors/unitholders should consult their own tax advisors for any advice on tax residency or any other aspects of FATCA -CRS.

Please note that the Mutual Fund will be unable to provide any advice in this regard.

## **Creation of segregated portfolio:**

### **A. Introduction:**

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

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

**Main Portfolio:** Scheme portfolio excluding segregated portfolio

**Total Portfolio:** Scheme portfolio including the securities affected by credit events

### **B. Need for segregated portfolio:**

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

### **C. Credit Events**

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

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

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

Actual default (for unrated debt or money market instruments)

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

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

#### **D. Segregate portfolio creation process**

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

- a. The AMC may decide on creation of segregated portfolio on the day of credit event/ actual default (as applicable). Segregated portfolio has to be created at the issuer level i.e. the scheme having multiple segregated portfolios will have multiple segregated portfolios. Once decided, AMC shall –
  - i. Seek Trustee prior approval,
  - ii. Issue a press release immediately mentioning its intention to segregate such debt and money market instrument and its impact to investors. It should also disclose that the segregation shall be subject to trustee approval. Additionally, the said press release to be prominently disclosed on the website of the AMC.
  - iii. The Trustee approval has to be secured in not more than one business day from the credit event/actual default date & meanwhile the subscription and redemption in the scheme shall be suspended for processing with respect to creation of units and payment on redemptions.
- b. On receipt of the Trustee approval –
  - i. the segregated portfolio shall be created effective from credit event/actual default date
  - ii. AMC shall issue press release immediately mentioning all details pertaining to the segregated portfolio. The said information shall also be submitted to SEBI.
  - iii. An e-mail or SMS should be sent to all unit holders of the concerned scheme.
  - iv. The NAV of both segregated and main portfolio shall be disclosed from the day of the credit event/ Actual Default.
  - v. All existing investors in the scheme as on the day of the credit event/actual default date will be allotted equal number of units in the segregated portfolio as held in the main portfolio.
  - vi. No redemption or subscription will be allowed in the segregated portfolio/s. However, AMC shall enable the listing of the units of the segregated portfolio on recognized stock exchange within 10 working days from the date of its creation and shall also enable transfer of units on receipt of transfer request.
- c. If the trustees do not approve the proposal to segregate portfolio, AMC shall issue a press release immediately informing investors of the same.

#### **E. Disclosure Requirements**

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

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



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

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

**F. Valuation of security:**

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

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

All subscription and redemption requests for which NAV of the day of credit event/ Actual Default or subsequent day is applicable will be processed as per the existing circular on applicability of NAV as under:

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

**G. Total Expense Ratio (TER) for segregated portfolio:**

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

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

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

**H. Distribution of recovery:**

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

**I. Monitoring of segregated portfolio:**

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

**J. Evaluation of negative impact on the performance incentives:**

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

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

**K. Action Taken Report:**

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

**Illustration of segregated portfolio**

The below table shows how a security affected by a credit event will be segregated and its impact on investors:

Portfolio Date: **May 31, 2024**

Downgrade Event Date: **May 31, 2024**

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

**Portfolio before downgrade event**

Security	Rating	Type of the security	Quantity	Market Price Per Unit (Rs)	Market Value (Rs)	% of Net Assets
8.50% A Ltd.	CRISIL AAA	NCD	500	101.4821	50,741.05	41.18%
9.00 % B Ltd.	CRISIL AA+	NCD	25	120.00	3000.00	2.43%
8.75% C Ltd.	CRISIL AA+	NCD	25	100.7341	2518.35	2.04%
8.00% D Ltd.	CRISIL AA+	NCD	375	102.7886	38,545	31.28%
Cash & cash equivalents					28,425.52	23.07%
Net Assets					1,23,230.63	100.00%
Unit capital (no of					10,000.00	

units)						
NAV (In Rs)					12.3231	
Security downgraded	9.00% B Ltd.	from AA+ to D				
Valuation Marked down by	75.00%	Valuation agencies shall be providing the valuation price post consideration of standard haircut matrix.				

#### Total Portfolio as on May 31, 2024

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

#### Main Portfolio as on May 31, 2024

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

#### Segregated Portfolio as on May 31, 2024

Security	Rating	Type of the security	Quantity	Market Price Per Unit (Rs)	Market Value (Rs)	% of Net Assets
9.00 % B Ltd.	CRISIL D	NCD	25	30.00	750	100%
Net Assets					750	100.00%

Unit capital (no of units)					10,000.00	
NAV (In Rs)					0.075	

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

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

#### **L. Benefits of Segregated Portfolio:**

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

#### **Mutual Fund schemes that are in the process of winding up**

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

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

#### **II. INFORMATION ABOUT THE SCHEME:**

##### **A. WHERE WILL THE SCHEME INVEST:**

The Scheme will invest in Equity and Equity related instruments including derivatives. The Scheme may invest its corpus in debt and Money Market Instruments.

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

- Equity and Equity related instruments including derivatives
- Units of Liquid Schemes and Money Market Instruments (including reverse repos, Commercial Deposit, Commercial Paper, Treasury Bills and Tri-Party Repos) permitted by SEBI/RBI or in alternative investment for the call money market as may be provided by RBI to meet the liquidity requirements.
- Derivative including Index Futures, Stock Futures, Index Options and Stock Options etc. and such other derivatives instruments permitted under Regulations.
- Mutual Fund units
- Any other instruments as may be permitted by RBI/SEBI under prevailing laws from time to time.

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

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

#### **Investment in Derivatives**

The Scheme may take an exposure to equity derivatives of constituents of the Underlying Index when securities of the Index are unavailable, insufficient or for rebalancing at the time of change in Index or in case of corporate actions, for a short period of time. The total exposure to derivatives would be restricted to 20% of the net assets of the Scheme.

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

#### **Limit for investment in derivatives instruments**

In accordance with clauses 7.5.1.5 and 12.25 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, the following conditions shall apply to the Scheme's participation in the Derivatives market. The investment restrictions applicable to the Scheme's participation in the Derivatives market will be as prescribed or varied by SEBI from time to time. . The Scheme shall under normal circumstances not have exposure of more than 20% of its net assets in derivative instruments.

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

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

2. This limit would be applicable on open positions in all options contracts on a particular underlying index.

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

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

2. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

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

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

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

**iv. Position limit for the Scheme:**

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

1% of the free float market capitalisation (in terms of number of shares) or 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).

2. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a stock exchange.

3. For index based contracts, the Fund shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

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

**Concepts and Examples:**

**Futures**

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

**Illustration with Index Futures**

In case the Nifty near month future contract is trading at say, Rs. 9,600, and the fund manager has a view that it will depreciate going forward; the Scheme can initiate a sale transaction of Nifty futures at Rs. 9,610

without holding a portfolio of equity stocks or any other underlying long equity position. Once the price falls to Rs. 9,500 after say, 20 days, the Scheme can initiate a square-up transaction by buying the said futures and book a profit of Rs. 110.

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

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

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

**Example of a typical future trade and the associated costs:**

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

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

**Buying/ Selling Stock future:**

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

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

**Risk associated with these strategies:**

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

Execution of these strategies depends upon the ability of the fund manager to identify and execute based on such opportunities. These involve significant uncertainties and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

**Option Contracts (Stock and Index)**

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

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

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

**Options Risk / Return Pay – off Table**

	<b>Buy Call</b>	<b>Sell Call</b>	<b>Buy Put</b>	<b>Sell Put</b>
<b>View on Underlying</b>	Positive	Negative	Negative	Positive
<b>Premium</b>	Pay	Receive	Pay	Receive
<b>Risk Potential</b>	Limited to premium paid	Receive	Limited to premium paid	Receive
<b>Return Potential</b>	Unlimited	Premium Received	Unlimited	Premium Received

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



## **Option contracts are of two types - Call and Put**

### **Call Option:**

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

### **Put Option:**

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

### **Index Options / Stock Options**

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

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

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

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

### **Call Option**

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

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

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

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

### **Case 1- The index goes up**

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

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

His gains are as follows:

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

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

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

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

His gains are as follows:

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

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

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

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

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

### **Put Option**

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

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

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

Let us analyze these scenarios.

### **Case 1 - The index goes down**

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

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

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

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

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

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

His gains are as follows:

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

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

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

- Nifty Spot:  $>9600$
- Net Loss  $\text{Rs.3000}$  (Loss is capped to the extent of Premium Paid) ( $\text{Rs. 40 Premium paid} \times \text{Lot Size:75 units}$ )

### **Risk Associated with these Strategies**

- The risk of mis-pricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place.

### **B. WHAT ARE THE INVESTMENT RESTRICTIONS?**

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

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

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

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

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

2. The Mutual Fund shall get the securities purchased or transferred in the name of the Mutual Fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.
3. The Mutual Fund under all its schemes shall not own more than 10% of any company's paid up capital carrying voting rights. For the purpose of determining the above limit, a combination of positions of the underlying securities and stock derivatives will be considered.
4. Transfers of investments from one scheme to another scheme in the same Mutual Fund shall be allowed only if,
  - (a) such transfers are done at the prevailing market price for quoted instruments on spot basis.  
[Explanation - "Spot basis" shall have same meaning as specified by stock exchange for spot transactions;]
  - (b) the securities so transferred shall be in conformity with investment objective of the scheme to which such transfer has been made and the Policy on Inter Scheme Transfer prepared in compliance with clause 12.30 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 as amended from time to time.
5. The Scheme may invest in another scheme under the same asset management company or any other Mutual Fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the Mutual Fund.

6. The provisions of clause 12.16 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 pertaining to pending deployment of funds of a Scheme in terms of investment objectives of the Scheme, will not apply to term deposits placed as margins for trading in cash and derivatives market
7. The Scheme shall not make any investment in:
  - (a) any unlisted security of an associate or group company of the sponsor; or
  - (b) any security issued by way of private placement by an associate or group company of the sponsor; or
  - (c) the listed securities of group companies of the sponsor which is in excess of 25 per cent of the net assets.
8. The Scheme shall not make any investment in any fund of funds scheme.
9. All investments by the scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed.
10. The Mutual Fund may borrow to meet liquidity needs, for the purpose of repurchase, redemption of units or payment of interest or dividend to the Unitholders and such borrowings shall not exceed 20% of the net asset of the Scheme and duration of the borrowing shall not exceed 6 months. The Mutual Fund may borrow from permissible entities at prevailing market rates and may offer the assets of the Mutual Fund as collateral for such borrowing.
11. No term loans will be advanced by the Scheme.
12. No sponsor of a mutual fund, its associate or group company including the asset management company of the fund, through the schemes of the mutual fund or otherwise, individually or collectively, directly or indirectly, have -
  - a. 10% or more of the share-holding or voting rights in the asset management company or the trustee company of any other mutual fund; or
  - b. representation on the board of the asset management company or the trustee company of any other mutual fund.

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

### **C. FUNDAMENTAL ATTRIBUTES**

Following are the Fundamental Attributes of the Scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations and in terms of Clause 1.14 of SEBI Master Circular for Mutual Funds dated May 19, 2023:

- (i) Type of a Scheme: An open-ended fund replicating/tracking the Nifty India Defence Total Return Index

(ii) Investment Objective:

The investment objective of the scheme is to provide returns that, before expenses, correspond to the total returns of the securities as represented by Nifty India Defence Total Return Index, subject to tracking error.

However, there can be no assurance or guarantee that the investment objectives of the scheme will be achieved.

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

(iii) Terms of Issue: Provisions with respect to listing, repurchase, redemption, fees and expenses are mentioned in the SID. Aggregate fees and expenses charged to the scheme.

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

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

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

**D. INDEX METHODOLOGY:**

**Nifty India Defence Index**

- **Index Objective:** The Nifty India Defence Index aims to track the performance of a portfolio of stocks that broadly represent the Defence theme.
- **Methodology:**
  - **Eligible Universe** – Constituents of the Nifty Total Market index
  - **Security Selection** –
    - i. Stocks forming part of the Basic Industries
    - ii. Stocks which are present in the Society of Indian Defence Manufacturers (SIDM) member

list as of the review date and obtain at least 10% of revenues from the Defence segment are eligible to be included in the index

- **Weighting** – Based on Free-Float Market cap
- **Capping** – Single stock cap of 20%
- **Reconstitution** - Reconstitution on a Semi-Annual basis in March and September
- **Index Composition as on March 31, 2024:**

S No.	Company Name	Weightages
1	HINDUSTAN AERONAUTICS LTD.	20.79%
2	BHARAT ELECTRONICS LTD.	20.21%
3	SOLAR INDUSTRIES INDIA LTD.	18.66%
4	BHARAT DYNAMICS LTD.	7.38%
5	COCHIN SHIPYARD LTD.	5.69%
6	DATA PATTERNS (INDIA) LTD.	5.36%
7	MAZAGOAN DOCK SHIPBUILDERS LTD.	5.18%
8	ASTRA MICROWAVE PRODUCTS LTD.	4.63%
9	MTAR TECHNOLOGIES LTD.	3.00%
10	ZEN TECHNOLOGIES LTD.	2.88%
11	GARDEN REACH SHIPBUILDERS & ENGINEERS LTD.	2.09%
12	MISHRA DHATU NIGAM LTD.	1.76%
13	DCX SYSTEMS LTD.	1.11%
14	PARAS DEFENCE AND SPACE TECHNOLOGIES LTD.	0.81%
15	IDEAFORGE TECHNOLOGY LTD.	0.43%

Link: <https://www.niftyindices.com/indices/equity/thematic-indices/nifty-india-defence>

- **Index Performance as on March 28, 2024:**

Stats	Annualized returns	Annualized Volatility
1 Year	119.1%	23.1%
3 Year	71.5%	23.7%
5 Year	44.7%	25.7%

#### **Portfolio Concentration Norms:**

In line with clause 3.4 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, specifies following portfolio concentration norms to be adopted by index fund:

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

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

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

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

Following are the details of the underlying Index constituents in compliance with the above regulatory requirements:

<b>Parameter</b>	
Total Number of Securities	15
Highest Weight of a Security in Index	20.79%
Total weight of Top 3 Constituents	59.66%

The Fund Manager reserves the right to invest in such instruments and securities as may be permitted from time to time and which are in line with the investment objective of the scheme it should include subject to prior approval from SEBI, if any.

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

**E. 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 of units and Rematerialization of units</p>	<p><b><u>Dematerialization</u></b></p> <p>The Units of the Scheme will also be available in the Dematerialized (electronic) mode, if so selected by the Investor in the Application Form.</p> <p>i. The Units of the Growth Option issued under the Scheme, will be distinct from each other and would have different ISINs.</p> <p>ii. The Investor under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL</p>

	<p>/ CDSL and will be required to indicate in the application the DP's name, DP ID Number and beneficiary account number of the applicant with the Depository Participant or such details requested in the Application Form / Transaction Form.</p> <p>iii. For Investors proposing to hold Units in dematerialized mode, applications without relevant details of his / her / its Depository account are liable to be rejected.</p> <p>iv. If KYC details of the investor including IPV is not updated with DP, the Units will be allotted in non-demat mode subject to compliance with necessary KYC provisions.</p> <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> <p>i. The investor will submit a remat request to his/her DP for rematerialization of holdings in his/her account.</p> <p>ii. If there is sufficient balance in the investor's account, the DP will generate a Rematerialization Request Number (RRN) and the same is entered in the space provided for the purpose in the rematerialization request form.</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>The DP will inform the investor about the changes in the investor account following the acceptance of the request</p>
<p>Minimum Target amount</p> <p>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. However, if AMC fails to refund the amount within 5 business days, interest</p>	<p>Rs. 5 Crores</p>

<p>as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 5 business days from the date of closure of the subscription list.</p>	
<p>Maximum Amount to be raised (if any)</p>	<p>There is no upper limit on the total amount to be collected in the New Fund Offer</p>
<p>Allotment</p>	<p>Subject to the receipt of the minimum subscription amount, allotment would be made to all the valid applications of the Unitholders received during the New Fund Offer (NFO) period. The Fund will allot units and dispatch statement of accounts within 5 working days from the closure of the NFO. The units of the Scheme would be allotted at the face value of Rs. 10/- on the allotment date. Investors under the Scheme will have an option to hold the Units either in dematerialized (electronic) form or in physical form. In case of investors opting to hold Units in dematerialized mode, the Units will be credited to the investors' depository account (as per the details provided by the investor) not later than 5 working days from the date of closure of the NFO. Further, a holding statement could be obtained from the Depository Participants by the Investor. In case of investors opting to hold the Units in physical mode, on allotment, the AMC/Fund will send to the Unitholders, an account statement specifying the number of units allotted by way of physical form (where email address is not registered) and/or email and/or SMS within 5 Business Days from the date of closure of New Fund Offer to the registered address/e-mail address and/or mobile number. Normally, no certificates will be issued. However, on request from the Unitholder, Unit certificates will be issued for the same. The AMC will issue a Unit certificate to the applicant within 5 Business Days of the receipt of request for the certificate. Unit certificate, if issued, must be duly discharged by the Unit holder(s) and surrendered along with the request for redemption/switch or any other transaction of Units covered therein. The AMC shall, on production of instrument of transfer together with relevant unit certificates, register the transfer and return the unit certificate to the transferee within thirty days from the date of such production. As per regulation 37, The units shall be freely transferrable.</p> <p>The allotment of units is subject to realization of the payment instrument. Any application for subscription of units may be rejected if found incomplete by the AMC/Trustee. Refer Section 'Account Statements' under the 'Ongoing Offer Details' for details regarding account statements.</p>

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

	<p>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.</p> <p>16. Provident / Pension / Gratuity / Superannuation and such other retirement and employee benefit and other similar funds as and when permitted to invest.</p> <p>17. Qualified Foreign Investors (subject to and in compliance with the extant regulations)</p> <p>18. Other Associations, Institutions, Bodies etc. authorized to invest in the units of Mutual Fund.</p> <p>19. Trustees, AMC, Sponsor or their associates may subscribe to the units of the Scheme.</p> <p>20. Such other categories of investors permitted by the Mutual Fund from time to time, in conformity with the SEBI Regulations.</p> <p>21. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, PAN details as mentioned under the paragraph “Anti Money Laundering and Know Your Customer”, updated bank account details including cancelled original cheque leaf of the new account and his specimen Signature duly authenticated by his banker. No further transactions shall be allowed till the status of the minor is changed to major.</p> <p>22. Pursuant to clause 17.6 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 investors are required to note that the minor shall be the sole unit holder in a folio. Joint holders will not be registered.</p> <p>The minor unit holder shall be represented either by natural parent (father and mother) or by a legal guardian. 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>
Who cannot invest	<p>1. Persons residing in the Financial Action Task Force (FATF) Non-Compliant Countries and Territories (NCCTs).</p> <p>2. Pursuant to RBI Circular No. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in</p>

	<p>Mutual Funds.</p> <p>3. United States Person (“U.S. person”*) and NRIs residing in Canada as defined under the laws of the United States of America and Canada respectively except lump sum subscription, switch transactions, Systematic Transfer Plan (STP), Systematic Withdrawal Plan (SWP) requests received from Non-resident Indians / Persons of Indian origin who at the time of such investment / first time registration of specified facility are present in India and submit a physical transaction request along with such documents as may be prescribed by the AMC / Mutual Fund from time to time. The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC / Mutual Fund. The investor shall be responsible for complying with all the applicable laws for such investments. The AMC / Mutual Fund reserves the rights to put the transaction requests on hold / reject the transaction request / reverse allotted units, as the case may be, as and when identified by the AMC / Mutual Fund, which are not in compliance with the terms and conditions prescribed in this regard.</p> <p>4. Such other persons as may be specified by AMC from time to time.</p> <p>*The term “U.S. person” means any person that is a U.S. person within the meaning of Regulation S under the Securities Act of 1933 of U.S. or as defined by the U.S. Commodity Futures Trading Commission or as per such further amended definitions, interpretations, legislations, rules etc., as may be in force from time to time.</p> <p>The Trustees/AMC reserves the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time and change, subject to SEBI Regulations and other prevailing statutory regulations, if any.</p>
How to Apply	<p>Details regarding availability of application form from either the Investor Service Centers (ISCs)/Official Points of Acceptance(OPAs) of AMC or may be downloaded from the website of AMC should be specified</p> <p>Please refer to the SAI and Application form for the instructions.</p>
Where can you submit the filled up applications.	<p>During the NFO and ongoing period, the applications can be submitted at any of the branches of the collecting bankers (if appointed) or at the Designated Collection Center (DCC)/ Investor Service Center (ISC) of MOMF as mentioned in the</p>

	<p>SID and also at DCC and ISC of our Registrar and Transfer Agent (RTA), Kfin Technologies Ltd. The details of RTA's DCC and ISC are available at the link <a href="http://www.kfintech.com">www.kfintech.com</a>. A list of the addresses is given at the end of SID.</p> <p>The AMC reserves the right to appoint additional collecting bankers during the NFO Period and change the bankers and/or any of the bankers appointed subsequently</p>
<p>The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.</p>	<p>Units once redeemed/repurchased will not be re-issued</p>
<p>Restrictions, if any, on the right to freely retain or dispose of units being offered.</p>	<p>The Trustee may, in the general interest of the Unitholders of the Scheme and when considered appropriate to do so based on unforeseen circumstances/unusual market conditions, impose restriction on redemption of Units of the Schemes. The following requirements will be observed before imposing restriction on redemptions:</p> <ol style="list-style-type: none"> <li>a. Restriction may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as: <ol style="list-style-type: none"> <li>i. <b>Liquidity issues</b> - 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.</li> <li>ii. <b>Market failures, exchange closures</b> - 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.</li> <li>iii. <b>Operational issues</b> - when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). Such</li> </ol> </li> </ol>

	<p>cases can only be considered if they are reasonably unpredictable and occur in spite of appropriate diligence of third parties, adequate and effective disaster recovery procedures and systems</p> <p>b. Restriction on redemption may be imposed for a specific period of time not exceeding 10 working days in any 90 days' period.</p> <p>c. Any such imposition requires specific approval of Board of AMC's and Trustees and the same shall be immediately informed to SEBI.</p> <p>d. When restriction on redemption is applied the following procedure shall be followed:</p> <p>a) Redemption requests upto Rs. 2lakh will not be subject to such restriction.</p> <p>b) In case of redemption requests above Rs. 2 lakhs, the AMC shall redeem the first Rs. 2 lakhs without restriction and remaining part over above be subject to such restriction.</p> <p>Units of the Scheme which are issued in demat (electronic) form will be transferred and transmitted in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time.</p> <p><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</p>
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	<p>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>Cut-off timings with respect to Subscriptions/Purchases including switch – in shall be as follows:</p> <ul style="list-style-type: none"> <li>• In respect of valid applications received by 3.00 p.m. on a Business Day and where the funds for the entire amount of subscription / purchase / switch-ins as per the application are credited to the bank account of the Scheme before the cut-off time i.e. available for utilization before the cut-off time- the closing NAV of the day shall be applicable.</li> <li>• In respect of valid applications received after 3.00 p.m. on a Business Day and where the funds for the entire amount of subscription / purchase as per the application are credited to the bank account of the Scheme before the cut-off time of the next Business Day i.e. available for utilization before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable.</li> <li>• 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.</li> <li>• 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.</li> </ul>

	<p>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.</p>
<p>Where can the applications for purchase/redemption switches be submitted?</p>	<p>The application forms for purchase/redemption of units directly with the Fund can be submitted at the Designated Collection Center (DCC)/ Investor Service Center (ISC) of Motilal Oswal Mutual Fund as mentioned in the SID and also at DCC and ISC of our Registrar and Transfer Agent (RTA), KFin Technologies Limited. The details of RTA's DCC and ISC are available at the link <a href="https://www.kfintech.com/contact-us/">https://www.kfintech.com/contact-us/</a>. it is mandatory to mention their bank account numbers in their applications/requests for redemption.</p> <p>Investors can also subscribe to the Units of the Scheme through MFSS and/or NMF II facility of NSE and BSE StAR MF facility of BSE.</p> <p>In addition to subscribing Units through submission of application in physical, investor / unit holder can also subscribe to the Units of the Scheme through RTA's website i.e. <a href="http://www.kfintech.com/">www.kfintech.com/</a> . The facility to transact in the Scheme is also available through mobile application of Kfin i.e. 'KFINTRACK'</p>
<p>Minimum amount for purchase/redemption/switches (mention the provisions for ETFs, as may be applicable, for direct subscription/redemption with AMC.</p>	<p><b>Purchase:</b></p> <p>Minimum amount for purchase/switch-in: Rs. 500/- and in multiples of Re. 1/- thereafter.</p> <p>Minimum additional purchase: Rs. 500/- and in multiples of Re. 1/- thereafter.</p> <p>AMC may revise the minimum/maximum amounts and the methodology for new/additional subscriptions, as and when necessary. Such change may be brought about after taking into account the cost structure for a transaction/account and /or Market practices and/or the interest of existing Unit holders. Further, such changes shall only be applicable to transactions from the date of such a change, on a prospective basis.</p> <p><b>Redemption:</b></p> <p>Rs. 500/- and in multiples of Re.1/- thereafter or account</p>

	<p>balance, whichever is lower.</p> <p>In case the Investor specifies the number of Units and amount, the number of units shall be considered for Redemption. In case the unit holder does not specify the number or amount, Mutual Fund shall reject the transaction. If the balance Units in the Unit holder's account does not cover the amount specified in the redemption request, then the Mutual Fund shall reject the transaction. If the balance Units in the Unit holder's account is less than the specified in the redemption request, then the Mutual Fund shall reject the transaction.</p> <p>In case of Units held in dematerialized mode, the Unitholder can give a request for Redemption only in number of Units. Request for subscriptions can be given only in amount. Depository participants of registered Depositories to process only redemption request of units held in Demat form.</p>
<p><b>Minimum balance to be maintained and consequences of non-maintenance</b></p>	<p>There is no requirement of minimum balance.</p>
<p>Accounts Statements</p>	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).</p> <p>A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month by mail or email on or before 15th of the succeeding month.</p> <p>Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable</p> <p>For further details, refer SAI.</p>

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>
Bank Mandate	<p>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.</p> <p>Notwithstanding any of the above conditions, any application may be accepted or rejected at the sole and absolute discretion of the Trustee.</p>
Delay in payment of redemption / repurchase proceeds	<p>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</p>
Unclaimed Redemption Amount	<p>In accordance with clause 14.3 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, Mutual Funds shall provide the details of investors on their website like, their name, address, folios, etc. The website shall also include the process of claiming the unclaimed amount alongwith necessary forms and document. Further, the unclaimed amount along with its prevailing value shall be disclosed to investors separately in their periodic statement of accounts/CAS.</p> <p>Further, pursuant to said circular on treatment of unclaimed redemption, 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><b>Disclosure w.r.t investment by minors</b></p>	<p>Minors through Parents/Lawful Guardian. AMC will follow uniform process 'in respect of investments made in the name of a minor through a guardian' in terms of clause 17.6.1 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023.</p> <p>Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, PAN details as mentioned under the paragraph "Anti Money Laundering and Know Your Customer", updated bank account details including cancelled original cheque leaf of the new account and his specimen Signature duly authenticated by his banker. No further transactions shall be allowed till the status of the minor is changed to major.</p> <p>The minor unit holder shall be represented either by natural parent (father and mother) or by a legal guardian. Payment of investment shall be from the authorised banking channels and from the bank account of minor or joint account of minor with guardian.</p> <p>The process of minor attaining major and status of investment etc. is mention in Statement of Additional Information (SAI).</p>

### III. OTHER DETAILS

#### A. PERIODIC DISCLOSURES

<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 AMC will calculate and disclose the first NAV of the Scheme within a period of 5 business days from the date of allotment. Subsequently, 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 every business day, the reason for delay in uploading NAV would be explained to AMFI in writing. If the NAV is not available before the commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV. 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 and on AMFI website within 10 days from the close of each month. Additionally, MOMF shall disclose the risk level of all schemes as on March 31 of every year, along with number of times the risk level has changed over the year, on its website and AMFI website.</p>
<p><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.</p>
<p><b>Scheme Summary Document</b></p>	<p>The AMC has provided on its website Scheme summary document which is a standalone scheme document for all the Schemes which contains all the details of the Scheme.</p>
<p><b>Half yearly Disclosures: Financial Results</b></p>	<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. The mutual fund shall publish an advertisement disclosing the hosting of such</p>

	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.
<b>Annual Report</b>	<p>The Mutual Fund / AMC will host the Annual Report of the Schemes on its 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>) 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>	In accordance with clause 5.8.4 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, the AMC has designed and developed the dashboard on their website wherein the investor can access information with regard to scheme's AUM, investment objective, expense ratios, portfolio details and past performance of all the schemes.
<b>Associate Transactions</b>	Please refer to Statement of Additional Information (SAI)
<b>Disclosure of Tracking Error</b>	<p>The tracking error i.e. the annualized standard deviation of the difference in daily returns between the underlying index or goods and the NAV of the ETF/ Index Fund, based on past one year rolling data shall not exceed 2%.</p> <p>In case of unavoidable circumstances in the nature of force majeure, which are beyond the control of the AMC, the tracking error may exceed 2% and the same will be intimated to the Trustees with corrective actions taken by the AMC, if any.</p> <p>For ETFs in existence for a period of less than one year, the annualized standard deviation shall be calculated based on</p>

	<p>available data.</p> <p>The Scheme shall disclose the tracking error based on past one year rolling data, on a daily basis, on the website of AMC and AMFI.</p>
<b>Disclosure of Tracking Difference</b>	<p>Tracking difference i.e. the annualized difference of daily returns between the index or goods and the NAV of the Scheme will be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 years, 5 years, 10 years and since the date of allotment of units.</p>
<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  Tel No.: +91 8108622222 and +91 22 40548002  Fax No.: 02230896884  Email.: amc@motilalosal.com</p> <p>Investors are advised to contact any of the Designated Collection Center / Investor Service Center or the AMC by calling the toll free no. of the AMC at +91 8108622222 +91 22 40548002.</p> <p>Investors can also visit our website <a href="http://www.motilalosalmf.com">www.motilalosalmf.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>

## **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.motilalosalmf.com](http://www.motilalosalmf.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.

Details to be provided in SAI.

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

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

Motilal Oswal Mutual Fund is a Mutual Fund registered with SEBI and is governed by the provisions of Section 10(23D) of the Income Tax Act, 1961. Accordingly, any income of a fund set up under a scheme of a SEBI registered mutual fund is exempt from tax. The following information is provided only for general information purposes and is based on the Mutual Fund's understanding of the Tax Laws as of this date of Document. Investors / Unitholders should be aware that the relevant fiscal rules or their explanation may change. There can be no assurance that the

tax position or the proposed tax position will remain same. In view of the individual nature of tax benefits, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Scheme

The below Tax Rates shall be applicable w.e.f April 1, 2023:

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

\*subject to grandfathering clause

Capital Gains tax rates are excluding Surcharge & education cess.

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

The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.

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

#### **H. 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> .

## **I. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY**

This section contains the details of penalties, pending litigation, and action taken by SEBI and other regulatory and Govt. Agencies.

1. All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed.

### **Not Applicable**

2. In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to shareholders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.
  - a) An investor has as filed an appeal in SAT to which SEBI is first party and AMC is second respondent in the matter of the segregation of portfolio to be applied retrospectively in Motilal Oswal Ultra Short Term Fund, a scheme which had been impacted by the credit default in 2018. The SAT proceeding on the subject matter is ongoing.
  - b) During the period May 2012 to July 2023, the NSE has levied penalties/fines on MOFSL, aggregating to Rs. 957235198.12 on account of various reasons viz: non-submission of UCC details, short collection of margins & violation of market wide position limit in F&O segment, observations made during the course of inspections. However the aforesaid penalties/fines as levied by NSE have been duly paid.
  - c) During the period May 2012 to July 2023, the BSE has levied penalties/fines aggregating to Rs. 10370018.15 on account of various reasons viz: non-submission of UCC details, settlement of transactions through delivery versus payment, observations made during the course of inspections, etc. However the aforesaid penalties/fines as levied by BSE have been duly paid.
  - d) During the period March 2018 to July 2023, the NCDEX has levied penalties/fines on MOFSL, aggregating to INR Rs. 14738569.32 on account of Margin Shortfall Penalty. However the aforesaid penalties/fines as levied by NCDEX have been duly paid.
  - e) During the period March 2018 to July 2023, the MCX has levied penalties/fines on MOFSL, aggregating to INR Rs. 127958303.69 on account of various reasons viz: late/non submission of details pertaining to

Enhanced Supervision, Margin Shortfall Penalty, etc. However the aforesaid penalties/fines as levied by MCX have been duly paid.

- f) During the period April 2013 to August 2022, the CDSL has levied penalties/fines aggregating to Rs. 1682890.92 on account of reasons viz: non-collection of proof of identity of clients, deviation in following of transmission procedure etc; whereas from penalty of Rs. 846303.56 /-were levied by NSDL during the course of MOFSL operations. However the aforesaid penalties/fines as levied by CDSL and NSDL have been duly paid.

Details of pending litigations of MOSL are as follows:

<b>Sr. No.</b>	<b>Case Title</b>	<b>Fact Of Case</b>	<b>Court/Forum (Pending Cases)</b>
1	Suresh Chand Gupta VS MOFSL	Being Aggrieved by Appeal Arbitration Award, Client filed u/s 34 Arbitration Appeal	Arbitration Appeal
2	MOFSL VS Pankaj G Sachdev	Being aggrieved MOFSL has filed the Appeal Arbitration challenging Arbitration award	Arbitration Appeal
3	PANKAJ SACHDEV HUF VS MOFSL	Cross Appeal filed by Client against MOFSL's Appeal Arbitration	Arbitration Appeal
4	MOFSL VS HUZAN MINOO BHAYA	Being aggrieved by Arbitration Award, MOFSL filed appeal arbitration.	Arbitration Appeal
5	VIRANDER ARORA VS MOFSL	Client Filed Arbitration Challenging the GRC Order. Alleging Unauthorized Trades	Arbitration
6	MOFSL VS Sonal Axay Shah	Being aggrieved MOFSL filed Arbitration Challenging GRC Order	Arbitration
7	Vinita Choudhary VS MOFSL	Client Filed Arbitration Challenging the GRC Order. Alleging Unauthorized Trades	Arbitration
8	MOFSL VS Anil Kumar T Shah	Being aggrieved MOFSL has filed the Arbitration Challenging GRC Order	Arbitration
9	Mr. Ved Prakash Agarwal VS MOFSL	Client has filed Arbitration challenging GRC order Alleging Unauthorized trades	Arbitration

10	Anil Vallbhadas Agrawal VS MOFSL	Client has filed Appeal Arbitration challenging Arbitration Award Alleging Unauthorized trades	Arbitration Appeal
11	MOFSL VS Sudip Datta Ray	Being Aggrieved by Arbitration Award. MOFSL filed Appeal Arbitration against client's claim of inducement and unauthorized trades	Arbitration Appeal
12	Swapnil Shinde VS MOFSL	Client has filed Arbitration Challenging GRC Order alleging Software Glitch	Arbitration
13	Varun Gupta VS MOFSL	Client has filed Arbitration Challenging GRC Order	Arbitration
14	MOFSL VS Pinaki Mandal	Being Aggrieved by Arbitration Award, MOFSL filed Appeal Arbitration against client's claim of unauthorized trades	Arbitration Appeal
15	MOFSL VS PUTUL BALA MANDAL	Being Aggrieved by Arbitration Award, MOFSL filed Appeal Arbitration against client's claim of unauthorized trades	Arbitration Appeal
16	Bhanuchandra J Doshi VS MOFSL	Client has filed Appeal u/s 34 challenging the dismissal of Appeal arbitration	Arbitration Appeal
17	Srinivasan A VS MOFSL	Client has filed Appeal u/s 37, challenging the dismissal of 34 Application	Arbitration Appeal
18	Deepika Agarwal VS MOFSL	Client being aggrieved has filed Arbitration challenging GRC Order	Arbitration
19	MOFSL VS Apurba Biswas	MOFSL Being Aggrieved by the Appellate Award has filed the Application u/s 34 before Chief Judge Hyderabad challenging the Appeal Award dated April 11, 2023.	Arbitration Appeal
20	MOFSL VS JOY PAUL CHEEYEDAN	Aggrieved by Appellate Arbitration Award, we had filed Sec 34 Application before District Court -Ernakulam	Arbitration Appeal

21	MOFSL VS CHENTHAMARAKSHAN PV	Aggrieved by Appellate Arbitration Award, we had filed Sec 34 Application before District Court -Ernakulam	Arbitration Appeal
22	MOFSL VS MAYA PHILIP	Aggrieved by Appellate Arbitration Award, we had filed Sec 34 Application before District Court -Ernakulam	Arbitration Appeal
23	MOFSL VS C UNNIKRISHNAN	Aggrieved by Appellate Arbitration Award, we had filed Sec 34 Application before District Court -Ernakulam	Arbitration Appeal
24	MOFSL VS Zeeshana Khan	Aggrieved by the Award passed in Appellate Arbitration Tribunal we had challenged the award in Sec 34 before High Court of Delhi	Arbitration Appeal
25	MOFSL VS Pradeep Shivnarayan Rathi	Aggrieved by the Award passed in Appellate Arbitration Tribunal, we had filed sec 34 application before the High Court Bombay	Arbitration Appeal
26	MOFSL VS Vijay Kumar Gupta	Aggrieved by the Appellate Award we had filed Sec 34 application in the case.	Arbitration Appeal
27	MOFSL VS Satish Sadanand Karekar	Aggrieved by the Appeal Award passed in Appellate Arbitration Tribunal, we had filed sec 34 application before the High Court Bombay.	Arbitration Appeal
28	Vandana Gupta VS MOFSL	Bring aggrieved by the Appeal Arbitration Award, Client preferred u/s 34 Arbitration Application.	Arbitration Appeal
29	MOFSL VS Rajiv Garg	We have filed an appeal against the order of the Appellate Arbitral Tribunal staying the execution of Award.	Arbitration Appeal
30	Utkarsh Divakar Mehta VS MOFSL, Nidhi Investment (BA)	Being aggrieved Client preferred u/s 34 Arbitration Appeal challenging the appeal arbitration award.	Arbitration Appeal

31	PSR Padmaja VS MOFSL	Client preferred u/s 34 Arbitration Application challenging the Arbitration Award.	Arbitration Appeal
32	Anand Jatin Desai VS MOFSL	Being aggrieved by Appeal Arbitration Award, Client filed u/s 34 Arbitration Application.	Arbitration Appeal
33	Shilpa Anand Desai VS MOFSL	Being aggrieved by Appellate Arbitration Award, Client has filed u/s 34 Arbitration proceeding	Arbitration Appeal
34	MOFSL VS Partik Singla	Being Aggrieved by the Appellate Arbitration award MOFSL filed Sec 34.	Arbitration Appeal
35	MOFSL VS Sangeeta Gupta	Aggrieved by the Appellate Award we had filed Sec 34 application in the case.	Arbitration Appeal
36	Zeeshana Kha VS MOFSL	Aggrieved by the Award passed in Appellate Arbitration Tribunal Client had challenged the award in Sec 34 before High Court of Delhi	Arbitration Appeal
37	MBA Consulting India Pvt Ltd VS MOFSL	MBA Consulting has filed the case for recovery of pending invoices for services provided by them MOFSL.	Arbitration
38	MOFSL VS VERGHESE KURUVILLA	Aggrieved by Appellate Arbitration award, we had filed Sec 34 application before District Court Ernakulam	Arbitration Appeal
39	MOFSL VS Grace Varghese	Aggrieved by the Award passed in Appellate Arbitration, we had filed sec 34 application challenging the arb appeal award.	Arbitration Appeal
40	MOFSL VS PRAKASH SANTLAL JHAWAR	Sec 34 petition filed in Bombay Challenging the Appellate Arbitration Award, Client alleged UT in his account and amount was admitted in IGRP, which was challenged by us before the Arbitration & Appellate Arbitration Tribunal of NSE.	Arbitration Appeal

41	MOFSL VS Navdeep Singh	MOFSL filed Arbitration claiming the Ledger Debit. Original Arbitral Award rejected the claim. So, u/s 34 Application filed against the Client before Civil Court.	Arbitration Appeal
42	Dhanera Diamonds VS MOFSL	MOFSL has received an award for Rs. 80.74 Crore in our favour. The Client has filed an appeal challenging the award before the court.	Arbitration Appeal
43	MOFSL VS Piyali Mitra	Being aggrieved by Appellate Arbitration award, MOFSL filed u/s 34 Arbitration before Civil Jurisdiction. The Client alleged all trades are unauthorized and claimed Rs. 2.69 cr.	Arbitration Appeal
44	MOFSL VS LIZAMMA GEORGE	Aggrieved by Appellate Arbitration Award, we had initiated Sec. 34 Application before the District Court - Ernakulam	Arbitration Appeal
45	MOFSL VS Mariyam Abdul Majeed	Aggrieved by Appellate Arbitration Award, we had prefer an Appeal U/Sec. 34 of the Arbitration and Conciliation Act	Arbitration Appeal
46	Ravi Kumar Reddy Gaddam VS MOFSL	The Appellant has challenged the Arbitration Award by filing Section 34 application before district court.	Arbitration Appeal
47	MOFSL VS NARAYANAN MOOTHATHU	Being Aggrieved by the Award passed in Appellate Arbitration of NSE, We had filed Sec 34 Appln before the District Court Ernakulam.	Arbitration Appeal
48	MOFSL VS THOMAS A.V.	Being Aggrieved by the Award passed by Appellate Arbitration Panel of NSE, we had filed Sec 34 Application before District Court Ernakulam.	Arbitration Appeal



49	MOFSL VS Dr. Abdul Majeed	Being Aggrieved by the award passed in Appellate Arbitration Tribunal of NSE, we had challenged the award before district court u/sec. 34 of Arb. Act.	Arbitration Appeal
50	Rakshak Kapoor VS MOFSL	Client has filed an appeal against the order of the High Court allowing application of MOFSL u/s34 of Arbitration Act whereby the claim of MOFSL was granted.	Arbitration Appeal
51	MOFSL VS Rupinder Anand	Aggrieved by Appellate Award, MOSL has filed Appeal to set aside the Appellate Award.	Arbitration Appeal
52	MOCBPL VS Satish Bhalla HUF	MOCBPL had initially filed Arbitration to recover the debit balance from the client. Bring Aggrieved by the Award, the Client has filed Arbitration appeal u/s. 34 before Bombay High Court. High Court passed an order by remanding back the matter and appointing fresh arbitrator	Arbitration
53	MOFSL VS AFP Ideas and Execution Pvt Ltd.	Aggrieved by Appellate Award, MOSL has filed Appeal to set aside the Appellate Award.	Arbitration Appeal
54	MOFSL VS Samrat Deb	Aggrieved by Appellate Arbitration Award, MOSL filed Appeal 34 Arbitration proceeding. The allegation of the Client about unauthorised trade in F&O segment and square off of SIP.	Arbitration Appeal
55	Asha Devi Jain VS MOFSL	Client preferred Appeal u/s 34.	Arbitration Appeal
56	MOFSL VS Thangavel Krishnamurthy	Aggrieved by Appellate Award, MOSL has filed Appeal to set aside the lower bench Award and claimed outstanding debit amount	Arbitration Appeal
57	Rahul Gupta VS MOSL	Aggrieved by the Appellate Arbitration Award, the client filed appeal to set aside the Award.	Arbitration Appeal

58	Balasubramanya S VS MOFSL	MOSL had filed Arbitration against the IGRP order. However, Award was passed against MOSL. Aggrieved by said award, MOSL filed appeal which was awarded in favour of MOSL. Aggrieved by appellate award, client has filed appeal u/s. 34.	Arbitration Appeal
59	MOFSL VS Shiv Prasad Jallan	Being Aggrieved by IG Order against MOSL, MOSL preferred Arbitration proceedings in which award was passed against MOSL. MOSL preferred appeal. The Appellate Award was also passed against MOSL; and now MOSL has filed Application u/s. 34.	Arbitration Appeal
60	Rajesh Tiwari VS MOFSL	Client has challenged the Order of the High Court, Mumbai.	Arbitration Appeal
61	Moti Dadlani VS MOFSL	Moti Dadlani aggrieved by the lower bench award have filed appeal in Bombay High Court U/Sec. 34	Arbitration Appeal
62	MOFSL VS Mamta Agarwal & Shankar Das	Aggrieved by Award, MOSL filed Appeal before Mumbai Highcourt	Arbitration Appeal
63	MOFSL VS Shakuntala Koshta	Aggrieved by Award dated April 4, 2016, MOSL filed Appeal	Arbitration Appeal
64	Shakuntala Koshta VS MOFSL	The Client being aggrieved by the Award passed in favor, filed 34 before District Court Jabalpur	Arbitration Appeal
65	MOFSL VS Vinay Chillalsetti	Aggrieved by the Appellate Award at NSE, Bangalore MOSL filed an Appeal before District Court at Bangalore.	Arbitration Appeal
66	Rohtash VS MOFSL	The client has alleged the unauthorized trading in both cash and F&O segment in their account.	Arbitration Appeal

67	Surender Goel VS MOFSL	The Client has made allegations regarding the debits in his account and few illegal adjustments. The Client being aggrieved by the Award and appellate Award, filed appeal u/s. 34 at High Court, Delhi	Arbitration Appeal
68	Tapan Dhar VS MOFSL	Being aggrieved by the Appellate Bench Award, the client filed Application u/s. 34 before the City Civil Court at Kolkata.	Arbitration Appeal
69	Shanti Goel VS MOFSL	The Sub broker has alleged regarding the some illegal debits in her account. The Lower bench of the Arbitration passed Award in favor of MOSL and hence, aggrieved by the said Award and Appellate Award the sub broker filed the appeal u/s. 34 at Delhi High Court.	Arbitration Appeal
70	MOFSL VS Vinay Chillalsetti	We have filed Appeal u/s. 34 before Chennai High Court	Arbitration Appeal
71	MOFSL VS Anil Agarwal	Being aggrieved by the Award passed by High Court in application u/s 34 appeal is filed by MOSL before High Court, Mumbai. MOSL filed notice of Motion before High Court Mumbai and it is pending for hearing.	Arbitration Appeal
72	MOFSL VS Idea Internationals Pvt. Ltd.	Being aggrieved by the Award passed by High Court in application u/s 34 appeal is filed by MOSL before High Court, Mumbai.	Arbitration Appeal
73	MOFSL VS Idea Internationals Pvt. Ltd.	Being aggrieved by the Award passed by High Court in application u/s 34 appeal is filed by MOSL before High Court, Mumbai.	Arbitration Appeal

74	MOFSL VS Sandeep Paul	Being aggrieved by the Appellate Bench Award, the client filed Application u/s. 34 before the High Court, Delhi	Arbitration Appeal
75	S&D Financial VS MOFSL	The Arbitration Department, of the NSE had, vide their award dated September 22, 2006, ("Award"), directed that the S&D Financial to pay MOSL Rs.7,63,667/- alongwith simple interest thereon @ 18% p.a. from October 16, 2006 till the actual date of repayment. The Client has challenged the Award before High Court, Kolkata.	Arbitration Appeal
76	MOFSL VS Infrastructure Leasing and Financial Services Limited, (IL & FS) & 4 Ors	Rejection of bidding for Business Arcade property	Civil Case
77	MOFSL, Ajay Menon VS SEBI	MOFSL and Mr. Ajay Menon has filed a writ petition before the Bombay High Court. challenging SEBI notice regarding the disqualification of Mr. Menon as a director.	Civil Case
78	Mr. Jagdeepbhai Piyushkumar Choliya VS MOFSL	Client has filed Special Civil Application before High court of Gujarat challenging the order of Small Causes Court	Civil Case
79	Sahebrao Ramdas Patil VS MOFSL	Client filed case that MOFSL has done Unauthorized trading in F&O for brokerage wherein the client suffered loss and was also charged got penalty on margin shortage	Civil Case
80	Arihant Kumar Sethia VS MOFSL	IPO allotment wrongly transferred in the account of Harshad Shah (Client) . The original IPO Applicant was Mr. Arihant Sethia. ( 50 Share of Avenue Supermarts	Civil Case

		Ltd)	
81	PRITAM GHOSH, KOUSHIK SENGUPTA VS MOFSL	Client has filed injunction suit to injunct Motilal Oswal from changing the Authorised Person details	Civil Case
82	Mrs. Poonam Pamnani & Ors. VS MOFSL	The Legal heirs of the deceased BA have filed succession matter before the district court the obtain the succession certificate and are claiming the amount deposited by the BA at the begining. However the same stands paid after adjusting the debit balance under derivative and case segment	Civil Case
83	Sandeep Goel VS MOFSL	Claimant filed civil suit against Rajeev Goel and other. We have been made party in the civil proceeding.	Civil Case
84	Sandeep Goel VS MOFSL	Claimant filed Misc. Civil cases against Rajeev Goel. We are made party to the civil proceeding.	Civil Case
85	PRITAM GHOSH VS MOFSL	Matter is been filed between directors wherein MOFSL is a formal party and there is no prayer against MOFSL	Civil Case
86	MANISHA ASHOK GERA VS MOFSL	Civil Suit filed by family member against the nominee of deceased client. MOFSL only party to the proceeding.	Civil Case
87	Avula Anjamma VS MOFSL	PETITION FILED FOR SUCCESSION CERTIFICATE FOR Client Name Avula Anjamma.	Civil Case
88	Mr Prakash VS MOFSL	Plaint filed under order VII Rule 1 of C.P.C. O.S. NO 476 OF 2022 before district court at Krishnagiri.	Civil Case
89	Hardik M Kotecha VS MOFSL, SEBI	Client has filed writ challenging SEBI new margin system	Civil Case

90	MOFSL VS Anand Jatin Desai	We have filed section 9 application for securing award amount.	Civil Case
91	MOFSL VS Shilpa Anand Desai	We have filed a petition u/s 9 for securing award amount.	Civil Case
92	Mamta Nagpal VS MOFSL	The client has filed the petition for unauthorised trading done in her account and claiming the loss amount to be refunded to her.	Civil Case
93	ROY PORUTHUKAREN VS MOFSL	PETITION FILED UDER ORDER XXXIX RULE 2A R/W SECTION 151 OF CPC, 1908. Petitionthereatnes civil prison for voliotion of order of temporary prohibitory injuncion dated 23.12.2021 passed in I.A. 2429/2021	Civil Case
94	Alankar Bhivgade VS MOFSL	Succession application filed by Alankar Bhivgade vs Avinash Bhivgade.	Civil Case
95	MOFSL , PCS Commodities Limited VS SEBI , MCX , MCXCCL , Dhanera Diamonds	MOFSL has filed a writ petition against SEBI and MCX for crude DDR circular dated April 21, 2020, settling crude oil prices at negative.	Civil Case
96	Rajiv Garg VS MOFSL, SEBI, MCX, MCXCCL, Priyanka	Client has filed a writ petition challenging MCX Crude Circular dated April 21, 2020 fixing settlement prices in negative.	Civil Case
97	Dhanera Diamonds VS MOFSL, MCX MCXCCL	Dhanera Diamonds has filed a Commercial Suit against MCX, MCXCCL and MOFSL challenging the MCX circular dated April 21, 2020. The client has alleged that it is not required to pay any money to MOFSL as the circular of MCX is not correct. Further, he has claimed money from the parties on the basis of close price of April 21, 2020 at 5PM.	Civil Case

98	Sunil Goel VS MOFSL, SEBI, BSE LTD, CDSL, NSDL, Real Growth Commercial Ltd, UOI, ICICI Bank, Kotak Mahindra Bank, HDFC Bank, Kotak Securities, Reliance Securities, NJ India Invest Pvt Ltd, Orbis Financial Ltd	As per SEBI direction, the DMAT accounts of the Applicant had frozen. Plaintiff had challenged the SEBI order.	Civil Case
99	Green Valliey Industries Ltd VS MOFSL	The plaintiff has filed a suit for specific performance of the settlement agreement dated August 31, 2018	Civil Case
100	MOFSL VS Anuj Jaipuria	Execution proceedings filed against the Award dated 1st July, 2016.	Civil Case
101	Anju Kapoor VS MOFSL	Client filed the Suit for recovery against MOFSL claiming 5 Lakhs as principal along with interest.	Civil Case
102	Karan Kapoor VS MOFSL	Client filed the Suit for recovery against MOFSL claiming 15 Lakhs as principal along with interest.	Civil Case
103	Sukhuvinder Singh & anr v/s Navratna Co-Op Housing Society Ltd & others VS MOFSL	Plaintiff filed suit for allotment of covered car parking. No claim against MOFSL.	Civil Case
104	M/s Natwarlal Shamaldas & Co VS MOFSL	Landlord filed the suit for cancellation of tenancy and eviction of tent premises.	Civil Case
105	Manoj Agarwal VS MOFSL, Kajaria Ceramisc Ltd, MCA Share Transfer Agent, Bidya Financial Services	Client filed the Suit for recovery against Kajaria Ceramisc Ltd and other. MOFSL proforma party to the proceeding and no prayer against MOFSL.	Civil Case
106	MOFSL VS K P Siva	We have filed execution proceedings against client to recover Arbitration Award	Civil Case

		amount.	
107	MOFSL VS R Krishna	We have filed an execution proceedings to recover the Arbitration Award amount from the client.	Civil Case
108	Rajeet Singh VS MOWMPL	MOWMPL employee filed an application before appropriate authority to claim Gratuity amount.	Miscellaneous
109	MOFSL VS Thomas Demello	We have filed execution proceedings to recover the Arbitration Award amount.	Civil Case
110	Shakuntal Koshta VS MOFSL	Client filed application to transfer 34 Arbitration proceeding from Bhopal to Jabalpur.	Miscellaneous
111	MOFSL VS Vishal Chaudhary	Execution application filed before Civil Court, Dheradun to recover the awarded amount.	Civil Case
112	MOCBPL VS Suvarna Lunawat	Execution application filed by MOCBPL to recover the awarded amount.	Civil Case
113	RUMKY CHAKRABORTY VS MOSL, Dipayan Sebgupta	Client filed the Money Suit for recovery against both MOSL and the BA Dipayan Sebgupta claiming 20 Lakhs as principal along with 18% interest.	Civil Case
114	MOFSL VS Kalavati Kishorebhai Mawani	Being Award in our favor, we have filed execution proceedings to execute the decree to recover the outstanding dues.	Civil Case
115	MOFSL VS Pradnya Sarkhot	Suit is filed under specific performance of agreement.	Civil Case



116	Nirtex VS MOFSL, MOSL, MOFSL, MOWMPL, MOCBPL, PASSIONATE INVESTMENT, BK AGARWAL, MOTILAL OSWAL, RAMDEV AGARWAL, NAVEEN AGARWAL, PRAVIN TRIPATHI, VIVEK PARANJPE, SAMRAT SANYAL, AJAY MENON, HARSH JOSHI, RAJESH DHARMSHI	Nirtex has filed Commercial Suit against MOSL and Ors which is still pending for hearing. We have received the copy of the Plaint filed. The same is handed over to Dewen Dwarkadas for necessary actions.	Civil Case
117	Ketan Shah VS MOCBPL, MOSL, MOFSL, MOWMPL, PASSIONATE INVESTMENT, BK AGARWAL, MOTILAL OSWAL, RAMDEV AGARWAL, NAVEEN AGARWAL, PRAVIN TRIPATHI, VIVEK PARANJPE, SAMRAT SANYAL, AJAY MENON, HARSH JOSHI, RAJESH DHARMSHI	Ketan Shah has filed Commercial Suit against MOSL and Ors which is still pending for hearing. We have received the copy of the Plaint filed. The same is handed over to Dewen Dwarkadas for necessary actions.	Civil Case
118	MOFSL VS Moti Dadlani	Execution proceedings filed against the Award dated 2nd Feb, 2016.	Civil Case

119	MOFSL VS Limelight	Arbitrator has passed award in favour of MOFSL. We have filed an application before Mumbai High Court for transfer of decree from Mumbai to Kolkata and the same is pending.	Civil Case
120	MOFSL VS UCO BANK	MOSL has filed an application for restoring the possession of the Licensed premises at Ghatkopar.	Civil Case
121	MOFSL VS ANIL REDDY M	We have filed execution proceedings.	Civil Case
122	MOFSL VS Srinivas Reddy Morthalla	We have filed execution proceedings.	Civil Case
123	MOSL , Mr. Johnny Ishwardas Kirpalani , Mr. Harish Devidas Thawani , Watermark System (India) Private Limited , Goldcrest Capital Markets Pvt. Ltd. , Motilal Oswal Securities Ltd. , Mr. Nikhil Khandelwal , NSEL Investors Forum (NIFF) VS Union of India , Enforcement Directorate , Forward Market Commission , Warehousing Development and Regulatory Authority , Serious Fraud investigation Officer , State of Maharashtra. , National Spot Exchange , Financial Technologies (India) Limited , National Agricultural Cooperative Marketing Federation Of India Ltd. , Mr. Jignesh Shah , Mr. Shankarlal Guru , Anjani Sinha , Mr. B.D. Pawar , Mr. Joseph Massey , Mr. Shreekant Javalgekar , Mr. Ramanathan Devarajan , The Maharashtra State Agricultural Marketing Board	NSEL default matter	Civil Case

124	Financial Technologies (India) Ltd, Antony Verghese, Jay Ganesh of Mumbai, Mahendra Mayekar VS MOCBPL , Union of India, Forward Market Commission, National Spot Exchange Limited, NSEL Investor's Action Group, MMTC Limited, NSEL aggrieved and Recovery Commission NAARA, Syndicate Bank, Standard Chartered Bank, DBS Bank Ltd Singapore, Punjab National Bank (International) Limited	FT + NSEL- Merger	Civil Case
125	Col Dinesh Chander Sood VS MOFSL		Civil Case
126	Prashant Jare VS MOFSL	Client had received a fraud link for making payment. He invested Rs. 5000 on this link which was not received by MOFSL. client is disputing the same under Consumer Protection Act	Civil Case
127	C. Unnikrishnan VS MOFSL	Client has filed Consumer Complaint after receipt of Sec 34 Application challenging Appellate Arbitration Award	Civil Case
128	Varghese Pathrose VS MOFSL	Client being aggrieved by Arbitration Award in favor of MOFSL has approached Consumer Forum for resolution of his dispute	Civil Case
129	Chentamarakshan.P.V VS MOFSL	The client has filed consumer dispute on the grounds of fixed assurances on PMS type services for which he incurred loss and has claimed the same under UT.	Civil Case

130	Chentamarakshan PV VS MOFSL	Client filed consumer matter for claiming UT for the trades done before March 2018	Civil Case
131	JANAKI M VS MOFSL	Client claiming fraud in the form of UT for trades for the entire trade period	Civil Case
132	Ranakben Yogeshkumar Parikh, Yogeshbhai Javharbhai Parikh VS MOFSL	Client has alleged UT in her account and have filed consumer case	Civil Case
133	MOFSL VS Sneha Sheela Ramachandran	Appeal is filed against the order dated 30.09.2021 passed by Consumer Disputes Redressal Forum, Kasaragod in C.C.No.55/2014	Civil Case
134	Sunita Golecha (Investcare Securities-Jodhpur) VS MOFSL	The complainant is alleging unauthorised trades and has stated that the square off done in her account was at a far low price and was illegal.	Civil Case
135	Mahe-e-Anjum VS MOFSL	The complainant is alleging unauthorised trades and has stated that the square off done in her account was at a far low price and was illegal.	Civil Case
136	S. Sunil Kumar VS MOFSL	Client being aggrieved by the Service filed case in Consumer Forum.	Civil Case
137	Shivakant Upadhyay VS MOFSL	Case paper Not received with Summons	Civil Case
138	Col. Dinesh Chandra Sood VS MOFSL	Client filed consumer case due to deficiency in services.	Civil Case
139	K.M. Mathew VS MOFSL, Hedge Equities Limited	Client Claimed UT in his account.	Civil Case
140	Jitendra Mahadev Gadre VS MOFSL	District Commission dismissed client matter on limitation been aggrieved by said order appeal is preferred by client	Civil Case

141	Ms. Anthony Mary Arulraj VS MOFSL	The client has alleged that trades were executed in her account without her consent and knowledge	Civil Case
142	S. Ramchandhandran VS MOFSL	The Complaint is filed challenging the unauthorized trades.	Civil Case
143	Rahul Dave VS MOFSL	Client's father's account was operated by Mr. Rahul Maheshwari. The Client was opened the new account so as to transfer the shares from his father's account to his new account. The sub-broker failed to transfer the same.	Civil Case
144	Naresh Sharma VS MOFSL	The complainant has challenged the order of the Haridwar Consumer Forum as the said order has been made ex-parte, we need to file appeal to set aside the said order and also need to represent in the present appeal filed against us at Deharadun Forum	Civil Case
145	Sandeep Singh VS MOFSL	The client has alleged that he had applied for FPOs of the Powergrid Corporation of India. The said Application was made through MOSL. Whereas, due to wrong punching of the Application, the client neither received the shares nor he received the refund.	Civil Case
146	Anil Kumar Thakur VS MOFSL	The Client has alleged that an amount of Rs. 73764/- The client has alleged that MOSL not clear the Debit balance in his account. Consumer forum notice received by us on 10-Aug-10. For Argument	Civil Case
147	Kanhaiya Agarwal VS MOFSL	The Client has alleged that 1525 shares sold without the consent of the client	Civil Case

148	Ms. Ranjana Lakhe Rajesh Lohitkar VS MOFSL	The Consumer Complaint filed against MOSL for unauthorized trades.	Civil Case
149	Akhileshwar prasad Sinha VS MOFSL	consumer court Matter handled by the Franchisee	Civil Case
150	Sadiq Ali Khan VS MOFSL	consumer coomplaint before the district consumer dispute redressel Forum- krishna district Vijaywada between Md. Sadiq Ali Khan and MOSL	Civil Case
151	Pratima Mishra VS MOFSL	The complainant has alleged the difference in margin shortage. The client claimed that shortage was nil before January 21 and it has not been considered by MOSL and scrip was sold.	Civil Case
152	Intiaz Ahmad VS MOFSL	The complainant has alleged that the shares purchased by him were sold by MOSL without his consent and intimation at a far lower price thereby causing huge loss, for recovering of which the said complaint has been filed as violation of SEBI rules.	Civil Case
153	Ashok Kumar Singh VS MOFSL	The complainant has alleged that the shares purchased by him were sold by MOSL without his consent and intimation at a far lower price thereby causing huge loss, for recovering of which the said complaint has been filed as violation of SEBI rules.	Civil Case
154	Vijayalaxmi Sarda VS MOFSL	The complainant has alleged that certain shares were sold and purchased by MOSL without the complainants instructions, and is also alleging unauthorised trades in his account	Civil Case

155	Vijaya Choudhary VS MOFSL, M.R. Portfolio	The Complaint is filed challenging the unauthorized trades.	Civil Case
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3. SEBI has initiated Adjudication vide letter dated December 11, 2019, for transactions of a customer in the scrip of Zylog Systems Limited. MOFSL has accepted the order for trading in ZSL from person other than client without any authority i.e. the trade order was issued by Mr. P Srikanth, husband of Client, Mrs. Srikanth Sripriya instead of client herself. With regard to aforesaid, MOFSL sent the reply to SEBI on December 30, 2019 thereby denying the said allegations and to understand the reasons for issuance of said notice without any factual background. MOFSL sent reply to SEBI on May 20, 2020. Further our officials attended the video hearing with SEBI officials on 26<sup>th</sup> May, 2020. SEBI issued an Order dated 28<sup>th</sup> May, 2020 whereby they disposed-of the SCN without any penalty or action. The matter is disposed off.
4. SEBI has initiated adjudication notice against MOFSL vide notice no. SEBI/HO/EAD/EAD4/P/OW/2021/27159/3 dated 05th October, 2021 under rule 4(1) of SEBI (Procedure for holding inquiry and Imposing penalties) rules, 1995 in the matter of Resurgere Mines and Minerals India Limited (RMMIL) Personal Hearing scheduled by SEBI held on 4th April 2022. SEBI issued Adjudication order GR/PU/2022-23/17202-17225 dated 21<sup>st</sup> June, 2022 wherein SEBI have taken no action against MOSL (i.e. MOFSL after merger)
5. SEBI has sent show cause notice vide letter no: SEBI/EAD-3/BM/LD/31186/2021 against MOFSL dated November 01, 2021 based on Rule 4(1) of SEBI (Procedure of Holding inquiry and Imposing Penalties) Rules 1995 and Rule 4 (1) of Securities Contract Regulation (Procedure of Holding inquiry and Imposing Penalties) Rules 2005 where non-compliances observed during inspection viz: Mis-utilisation of client funds, Incorrect Reporting/Short collection of Margin, Client funding beyond stipulated time, Discrepancies in CKYC process, Non maintenance of evidence of client order placement, incorrect reporting of Weekly Enhanced Supervision data, are highlighted and have asked to revert with clarifications and supporting within 21 days from date of notice. MOFSL had asked for extension to file the revert which was considered by SEBI. Later, MOFSL had filed its reply to SEBI on 28th December, 2021. Personal hearing was conducted on 14th Feb 2022. Basis direction of Adjudicating officer we have filed additional data w.r.t Margin reporting wherein funds were transferred from one segment to another. SEBI vide adjudication order NO. ORDER/BM/LD/2022-23/16301 dated 29th April, 2022 have imposed the penalty of Rs. 25 lakhs which we have paid to SEBI on 23rd May, 2022. As a corrective action on mis-utilization of funds and post Enhanced Supervision circular issued on Sept, 2016, we have not invested any client's funds into non-cash component. We invest only in cash and cash equivalents.
6. Motilal Oswal Financial Services Limited (MOFSL) has received Show Cause Notice under sections 11(1), 11(4), 11(4A), 11B(1) and 11B (2) of SEBI Act, r/w rule 4(1) of SEBI (Procedure for holding inquiry and imposing penalty ) Rules, 1995, in the matter of CNBC Awaz Show Co-hosted by Mr. Hemant Ghai. It is inter alia alleged that MOFSL did not ensure adequate supervision of its Authorized Person (AP) MAS Consultancy Services. The matter is currently pending.

- a. During the period May 2012 to June 2023, the NSE has levied penalties/fines on MOFSL, aggregating to Rs. 1162917168.36 on account of various reasons viz: non-submission of UCC details, short collection of margins & violation of market wide position limit in F&O segment, observations made during the course of inspections. However the aforesaid penalties/fines as levied by NSE have been duly paid.
- b. During the period May 2012 to June 2023, the BSE has levied penalties/fines aggregating to Rs. 10365018.15 on account of various reasons viz: non-submission of UCC details, settlement of transactions through delivery versus payment, observations made during the course of inspections, etc. However the aforesaid penalties/fines as levied by BSE have been duly paid.
- c. During the period March 2018 to June 2023, the NCDEX has levied penalties/fines on MOFSL, aggregating to INR Rs. 14733310.53 on account of Margin Shortfall Penalty. However the aforesaid penalties/fines as levied by NCDEX have been duly paid.
- d. During the period March 2018 to June 2023 , the MCX has levied penalties/fines on MOFSL, aggregating to INR Rs. **106401570.87** on account of various reasons viz: late/non submission of details pertaining to Enhanced Supervision, Margin Shortfall Penalty, etc. However the aforesaid penalties/fines as levied by MCX have been duly paid.
- e. During the period April 2013 to May 2023, the CDSL has levied penalties/fines aggregating to Rs. 1649073.41 on account of reasons viz: non-collection of proof of identity of clients, deviation in following of transmission procedure etc; whereas from penalty of Rs. 830370.04 were levied by NSDL during the course of MOFSL operations. However the aforesaid penalties/fines as levied by CDSL and NSDL have been duly paid.

*MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench. The existing registration no(s) of MOSL would be used until receipt of new MOFSL registration numbers.*

7. SEBI has initiated adjudication notice against MOFSL vide notice no. SEBI/HO/EAD/EAD4/P/OW/2021/27159/3 dated 05th October, 2021 under rule 4(1) of SEBI (Procedure for holding inquiry and Imposing penalties) rules, 1995 in the matter of Resurgere Mines and Minerals India Limited (RMMIL) Personal Hearing scheduled by SEBI held on 4th April 2022. SEBI issued Adjudication order GR/PU/2022-23/17202-17225 dated 21<sup>st</sup> June, 2022 wherein SEBI have taken no action against MOSL (i.e. MOFSL after merger)
8. SEBI has sent show cause notice vide letter no: SEBI/EAD-3/BM/LD/31186/2021 against MOFSL dated November 01, 2021 based on Rule 4(1) of SEBI (Procedure of Holding inquiry and Imposing Penalties) Rules 1995 and Rule 4 (1) of Securities Contract Regulation (Procedure of Holding inquiry and Imposing Penalties) Rules 2005 where non-compliances observed during inspection viz: Mis-utilisation of client funds, Incorrect



Reporting/Short collection of Margin, Client funding beyond stipulated time, Discrepancies in CKYC process, Non maintenance of evidence of client order placement, incorrect reporting of Weekly Enhanced Supervision data, are highlighted and have asked to revert with clarifications and supporting within 21 days from date of notice. MOFSL had asked for extension to file the revert which was considered by SEBI. Later, MOFSL had filed its reply to SEBI on 28th December, 2021. Personal hearing was conducted on 14th Feb 2022. Basis direction of Adjudicating officer we have filed additional data w.r.t Margin reporting wherein funds were transferred from one segment to another. SEBI vide adjudication order NO. ORDER/BM/LD/2022-23/16301 dated 29th April, 2022 have imposed the penalty of Rs. 25 lakhs which we have paid to SEBI on 23rd May, 2022. As a corrective action on mis-utilization of funds and post Enhanced Supervision circular issued on Sept, 2016, we have not invested any client's funds into non-cash component. We invest only in cash and cash equivalents.

Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party should also be disclosed separately.

**None**

Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed.

**None**

**The Scheme under this Scheme Information Document was approved by the Trustees in their Board Meeting dated April 24, 2024. 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.**