

Motilal Oswal Nifty 200 Momentum 30 Index Fund & ETF

Frequently Asked Questions

— What is Factor Investing?

A factor is any characteristic that helps explain the long-term risk and return of the asset class. Factor investing is an investment approach that involves targeting such specific factors in a systematic manner. Popular factors include Momentum, Quality, Value, Low Volatility, Size, etc.

— What is Momentum factor?

Assets tend to maintain recent price trends in the future and the momentum factor strategy tries to take advantage of this phenomena. The momentum strategy buys securities that have performed well in the recent past and sells securities that are not doing well.

— What is Motilal Oswal Nifty 200 Momentum 30 ETF's objective?

The Scheme seeks to provide returns that, before expenses, correspond to the total returns of the securities as represented by the Nifty 200 Momentum 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.

— What is Motilal Oswal Nifty 200 Momentum 30 Index Fund's 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 Nifty200 Momentum 30 TRI, subject to tracking error. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved

— Are these schemes actively managed or passively managed?

These schemes are passively managed. A Demat account and a trading account is required to invest in units of Motilal Oswal Nifty 200 Momentum 30 ETF. However to invest in Motilal Oswal Nifty 200 Momentum 30 Index Fund, one does not require a Demat or trading account.

— Where would the fund manager invest my money?

Both the Motilal Oswal Nifty 200 Momentum 30 ETF and Motilal Oswal Nifty 200 Momentum 30 Index Fund invests in companies that are part of the Nifty200 Momentum 30 Index. The Index aims to track the performance of the top 30 companies within the Nifty 200 selected based on their Normalised Momentum Score.

— What is the Index methodology? How often will the index be rebalanced?

The Nifty200 Momentum 30 Index aims to track the performance of 30 highest momentum stocks across large and mid-cap universe. The Momentum Score for each stock is based on recent 6-month and 12-month price return, adjusted for volatility. The index is rebalanced on a semi-annual basis.

— How would I possibly benefit by investing in Nifty200 Momentum 30 Index?

The Nifty200 Momentum 30 Index helps an investor take exposure to the momentum factor. It is a systematic way to capture changing trends and thereby enhance returns, but it is imperative to know that historically the momentum strategy has experienced larger drawdowns.

How can an investor invest in these schemes?

Motilal Oswal Nifty 200 Momentum 30 ETF - An investor can invest in the scheme through stock exchange via broker in case of units not being in multiples of creation unit. In case if he wishes to buy in multiples of creation unit size, he can do so directly through the AMC.

Motilal Oswal Nifty 200 Momentum 30 Index Fund - Like any other mutual fund, an investor can buy fund units from any mutual fund distributor or intermediary and also from the website of Motilal Oswal Asset management (www.motiloswalmf.com).

What is the tax liability on gains arising out of investing in these schemes?

As per Income Tax Act, all domestic equity mutual funds attract taxation of 'Indian Equity' i.e. Equity Taxation. The gains for a holding period of less than one year are treated as short-term capital gains and for more than 1 year is treated as long-term capital gains. It is recommended to consult tax advisors for detailed information.

What is the minimum application amount?

Motilal Oswal Nifty 200 Momentum 30 ETF -

During NFO: Rs 500/- and in multiples of Re 1/- thereafter

Ongoing basis:

On Exchange – Investors can buy/sell in round lot of 1 unit and in multiples thereafter

Directly with Mutual Fund – Buy/sell units in unit size of 25,000 and in multiples thereafter

Motilal Oswal Nifty 200 Momentum 30 Index Fund -

During NFO and Ongoing basis: Lumpsum and SIP – Rs 500/- and in multiples of Re 1/- thereafter

Is STP / SIP & SWP is allowed in this fund?

No, STP's/SIP's and SWP's are not allowed for investments in Motilal Oswal Nifty 200 Momentum 30 ETF. While STP's/SIP's and SWP's are allowed for investments in Motilal Oswal Nifty 200 Momentum 30 Index Fund.

Is there an entry/exit load?

Motilal Oswal Nifty 200 Momentum 30 ETF - There is 'NIL' entry/exit load

Motilal Oswal Nifty 200 Momentum 30 Index Fund - There is 'NIL' exit load if redeemed after 15 days from the date of allotment, else 1% exit load if redeemed on or before 15 days from the date of allotment.

Are there any restrictions on purchase/withdrawal? Is there a lock-in period?

There are no restrictions either on purchase/withdrawals. The funds have 'NO' lock-in period.

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Name of the scheme	Scheme Riskometer	Benchmark Riskometer Nifty 200 Momentum 30 TRI
Motilal Oswal Nifty 200 Momentum 30 ETF (An open ended fund replicating / tracking the Nifty 200 Momentum 30 Index)		
This product is suitable for investors who are seeking*	Investors understand that their principal will be at Very High risk	
<ul style="list-style-type: none"> Return that corresponds to the total returns of the Nifty 200 Momentum 30 Total Return Index subject to tracking error. Long term capital growth 		
Name of the scheme	Scheme Riskometer	Benchmark Riskometer Nifty 200 Momentum 30 TRI
Motilal Oswal Nifty 200 Momentum 30 Index Fund (An open ended fund replicating / tracking the Nifty 200 Momentum 30 Total Return Index)		
This product is suitable for investors who are seeking*	Investors understand that their principal will be at Very High risk	
<ul style="list-style-type: none"> Return that corresponds to the total returns of the Nifty 200 Momentum 30 Total Return Index subject to tracking error. Long term capital growth 		

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

Mutual Fund investments are subject to market risks, read all scheme related documents carefully