



## **STATEMENT OF ADDITIONAL INFORMATION**

This Statement of Additional Information (SAI) contains details of Motilal Oswal Mutual Fund, its constitution and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document).

### **Asset Management Company:**

**Motilal Oswal Asset Management Company Limited ('MOAMC')**

#### **Registered and Corporate Office Address:**

10<sup>th</sup> Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400025  
CIN: U67120MH2008PLC188186

### **Trustee:**

**Motilal Oswal Trustee Company Limited ('MOTC')**

#### **Registered Office Address:**

10<sup>th</sup> Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400025  
CIN: U93090MH2008PLC188187

### **Mutual Fund:**

**Motilal Oswal Mutual Fund ('MOMF')**

#### **Registered and Corporate Office Address:**

10<sup>th</sup> Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400025

**Visit:** <https://www.motilaloswalmf.com>

**This SAI is dated June 30, 2024**

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## I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANY

### A. CONSTITUTION OF MUTUAL FUND

Motilal Oswal Mutual Fund (the “Mutual Fund”) has been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882). Motilal Oswal Financial Services Limited is the Sponsor and Motilal Oswal Trustee Company Limited is the Trustee to the Fund. The Trust Deed has been registered under the Indian Registration Act, 1908. MOMF was registered with SEBI under SEBI (Mutual Funds) Regulations, 1996 on December 29, 2009 bearing Registration number MF/063/09/04. 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. The Mutual Fund was registered with SEBI under Registration Code MF 063/09/04D. The office of the Mutual Fund is at 10th Floor, Motilal Oswal Tower, Rahimtullah Sayani road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400025.

### B. SPONSOR

Motilal Oswal Mutual Fund is sponsored by Motilal Oswal Financial Services Limited (**MOFSL**). The Sponsor is the Settlor of the Mutual Fund Trust. The Settlor has entrusted a sum of Rs. 1 Lakh to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

In order to simplify the holding structure and to bring the operational entities directly under MOFSL, Motilal Oswal Securities Limited (MOSL) erstwhile sponsor of MOMF has been merged with MOFSL, whereby all the assets and liabilities of MOSL including its business and investments has been transferred to MOFSL. As a result of the same, the entire shareholding of MOAMC and MOTC held by MOSL has been transferred to MOFSL under the operation of law of the Scheme with effect from August 21, 2018. As a result of the aforesaid restructuring, the shareholding of MOAMC and MOTC and Sponsor of MOMF has been changed from MOSL to MOFSL.

MOFSL is a public limited company listed on BSE and NSE. Pursuant to the internal restructuring of the Motilal Oswal Group of Companies, the lending business of MOFSL has been transferred to Motilal Oswal Finvest Limited, wholly owned subsidiary of the MOFSL on August 20, 2018. Pursuant to Amalgamation of MOSL with MOFSL and their respective Shareholders (“Scheme”) being effective from August 21, 2018, MOFSL carries on the business of MOSL with effect from August 21, 2018. After receipt of SEBI approval on 05<sup>th</sup> February, 2019 on name change, MOFSL is now a SEBI registered Trading Member registered with BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX). MOFSL is now a SEBI registered Depository Participant registered with Central Depository Services Ltd, (CDSL) and National Securities Depository Limited (NSDL). Hence, MOFSL will now execute transactions in capital markets/equity derivatives/commodity derivatives/ currency derivatives segments on behalf of its clients which include retail customers (including high net worth individuals), mutual funds, foreign institutional investors, financial institutions and corporate clients. Besides stock broking, it also offers a bouquet of financial products and services to its client base. It is registered with the SEBI as Research Analyst, Investment Advisor, Portfolio Manager and with various other bodies / agencies like IRDA, AMFI, CERSAI, KRA agencies (CVL, Dotex, NDML, CAMS and Karvy) etc. Further, MOFSL, along with its subsidiaries, offers a diversified range of financial products and services such as loan against shares, investment activities, private wealth management, broking and distribution, asset management business, housing finance, institutional equities, private equity and investment banking.

**Financial Performance (Audited) of MOFSL (past three years):**

(Rs. in Lakhs)

Particulars	2023-2024	2022-23	2021-22
Net Worth	5,91,594	4,45,354	4,24,411
Total Income	4,59,670	2,69,271	2,61,144
Profit after Tax	1,49,038	56,891	70,682
Asset under Management, if any	NA	NA	NA

**C. THE TRUSTEE**

Motilal Oswal Trustee Company (“the Trustee”), through its Board of Directors, shall discharge its obligations as Trustee of MOMF. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI MF Regulations and will also review the activities carried on by the AMC. MOTC is registered under the Companies Act, 1956 and was incorporated on November 14, 2008. 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.

**Details of Trustee Directors:**

Name	Age (In years)	Qualification	Brief Experience
<b>Mr. Vijay Agarwal, Independent Director</b>	68	Master of Commerce and Fellow Member of Institute of Chartered Accountants of India (ICAI).	<ul style="list-style-type: none"> <li>Mr. Vijay Agarwal is a Practicing Chartered Accountant with rich experience and expertise in the field of Taxation.</li> <li>Mr. Agarwal is into Independent Practice since 1980 and has extensive exposure to the Books of Big Corporate. He has travelled extensively in India for Audit purpose.</li> <li>Presently he is on the Board of various listed companies and is also associated with several NGOs such as Society for Promotion of Area Resource Centres (SPARC), Sanskar India Foundation etc.</li> </ul>
<b>Mr. Sandip Ghose Independent Director</b>	71	M.A. (History)	<ul style="list-style-type: none"> <li>Mr. Sandip Ghose holds a Master’s Degree in History (M.A.) and is an alumnus of Anderson School of Management UCLA, and Columbia Business School, among others. Sandip Ghose is also the former Director of the National Institute of Securities Markets (NISM), an educational initiative of SEBI.</li> <li>He has overseen the school of regulatory and supervisory studies which acts as a staff college for SEBI officers.</li> </ul>

			<ul style="list-style-type: none"> <li>• Mr. Ghose has vast experience and knowledge of the financial sector. Prior to taking over as a Director of NISM, Mr. Ghose was the Head of Human Resources in the Reserve Bank of India (RBI).</li> <li>• As a central banker by profession, Mr. Ghose was the Chief of Staff and Advisor to three successive RBI Governors - Dr. C. Rangarajan, Dr. Bimal Jalan, and Dr. Y.V. Reddy over a period of nine years. During his career, Mr. Ghose has received several prestigious awards including an Honorary Doctoral Degree by the EILM University, Sikkim.</li> </ul>
<b>Mr. Viraj Kulkarni, Independent Director</b>	64	<p>Fellow Member of Institute of Company Secretaries of India &amp; B.Com, (Mumbai University)</p> <p>Fellow Member of Institute of Company Secretaries of India (ICSI).</p>	<ul style="list-style-type: none"> <li>• Mr. Viraj Kulkarni has an overall 29 years of in-depth and diverse exposure in emerging and advanced capital market at Senior Management level as well as Entrepreneurial aspects which also includes 12 years as an expert Country Manager of Securities Services of Leading Global Banks in India and Switzerland. Mr. Kulkarni's primary role was to strategize and develop Securities services franchise.</li> <li>• His Industry exposures relates to Corporate Banking, Regulatory, Compliance, Capital Markets, Securities and Fund Services &amp; Brokerage business. Mr. Kulkarni has an excellent understanding and exposure to Global practices and Global Markets.</li> </ul>
<b>Mr. Niren Srivastava, Associate Director</b>	44	B. A. (Lucknow University), M. B. A (ICFAI University)	<ul style="list-style-type: none"> <li>• Mr. Niren Srivastava has over 20 years of experience in the financial services industry, with a strong background in HR.</li> <li>• Prior to joining Motilal Oswal Group, he has held leadership positions at various business verticals in the financial services business of Aditya Birla Group, where he successfully implemented HR initiatives. At ABG, he led important HR portfolios across both legacy and start-up businesses and was recognized for his contributions at the financial services &amp; group level as one of role models and distinguished achievers</li> <li>• Mr. Srivastava has excelled in various areas including HR Business Partnership, Strategic Workforce Planning, Rewards Systems and Wellness led Employee Engagement.</li> <li>• He has an extensive experience and expertise having worked across the spectrum of Financial</li> </ul>

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**Out of 4 Directors on the Board of MOTC, 3 (i.e. 3/4<sup>th</sup>) Directors are Independent Directors.**

**DUTIES AND RESPONSIBILITIES OF THE TRUSTEE UNDER THE TRUST DEED AND THE SEBI REGULATIONS:**

The duties and responsibilities of the Trustee shall be in accordance with Regulation 18 under Chapter III of the Regulations and Trust Deed. The Trustees shall discharge such duties and responsibilities as provided in the Regulations and Trust Deed.

1. The Trustees and the Asset Management Company has taken the prior approval of the SEBI to enter into an investment management agreement.
2. The Investment Management Agreement contains clauses as are mentioned in the Fourth Schedule of the SEBI (MF) Regulations and such other clauses as are necessary for the purpose of entrusting investment management of the Mutual Fund.
3. The Trustees have a right to obtain from the AMC such information as is considered necessary by it
4. The Trustee have approved the policy on broker empanelment by the asset management company and have ensured that AMC has been diligent in empaneling the brokers in monitoring n monitoring securities transactions with brokers and avoiding undue concentration of business with any broker
5. The Trustee shall maintain arm’s length relationship with companies, institutions, financial intermediaries or bodies corporate with which the Trustee may be associated in any capacity in carrying out their responsibilities. A Director shall not participate in the meetings of the Trustee Company when any decisions for investments in which he may be interested are taken. Each Director of the Trustee shall furnish particulars of interest which he may have in any other company or institution or financial intermediary or any corporate by virtue of his position as director, partner or with which he/she may be associated in any other capacity.
6. The Trustee shall take into their custody or under their control all the property of the Schemes of the Mutual Fund and hold it in trust for the unit-holders.
7. It shall be the duty of the Trustee to act in the interest of the unit holders.
8. It shall be the duty of the Trustee to provide or cause to provide information to the unit holders and SEBI as may be required by SEBI from time to time.
9. The Trustee shall take reasonable care to ensure that the funds under various Schemes floated, are managed by the AMC in accordance with the Trust Deed and SEBI Regulations.
10. The Trustee shall have powers to dismiss the AMC under the specific events with the prior approval of the Board in accordance with the regulations.
11. The Trustee shall supervise the collection of any income due to be paid to the scheme and for claiming any repayment of tax and holding any income received in trust for the holders.
12. The Trustee shall not acquire nor allow the AMC to acquire any assets out of the Trust Fund and/or unit capital which involves the assumption of unlimited liability or results in the encumbrances of Trust Fund and/or unit capital in any way.
13. No amendments to the Trust Deed shall be carried out without the prior approval of SEBI and unit holder’s approval would be obtained where it affects the interest of Unit holders in such manner as may be prescribed by SEBI from time to time.

**Other Duties and Responsibilities of Trustees**

1. The Trustee is responsible for entering into an Investment Management Agreement with the AMC by which the latter is entrusted with the task of floating and managing the Schemes of Mutual Fund.
2. The Trustee shall have the right to obtain from the AMC such information as is considered necessary by the Trustee and shall review all reports and compliance procedures from the AMC.

3. The Trustee shall ensure before the launch of any Scheme that the AMC has:
  - a. Systems in place for its back office, dealing room and accounting;
  - b. Appointed all key personnel including fund manager(s) for the Scheme and submitted to the Trustee their bio-data which shall contain the educational qualifications, past experience in the securities market within fifteen days of their appointment;
  - c. Appointed auditors to audit the accounts of the Scheme;
  - d. Appointed a compliance officer who will be responsible for monitoring compliance with Act, Rules and regulations, notifications, guidelines and instructions issued by the SEBI or the Central Government and to redress investor grievances;
  - e. Appointed registrars and lay down parameters for their supervision;
  - f. Prepared a compliance manual and designed internal control mechanisms including internal audit systems;
  - g. Specified norms for empanelment of brokers and marketing agents; and
  - h. Obtained, wherever required under the regulations, prior in-principle approval from the recognised stock exchange(s) where units are proposed to be listed.
4. The Trustee shall ensure that the AMC has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
5. The Trustee shall ensure that the AMC has not given any undue or unfair advantage to any associates or dealt with any of the associates of the AMC in any manner detrimental to the interest of the holders of the units.
6. The Trustee shall ensure that the transactions entered into by the AMC are in accordance with the Regulations and the Schemes.
7. The Trustee shall ensure that the AMC has been managing the Mutual Fund Schemes independently of other activities and have taken adequate steps to ensure that the interest of the investors of the Schemes are not being compromised with those of any other Scheme or of other activities of the AMC.
8. The Trustee are required to ensure that all the activities of the AMC are in accordance with the provisions of the Regulations and shall exercise general and specific due diligence as required under the Regulations.
9. Where the Trustee have reason to believe that the conduct of the business of the Fund is not in accordance with these Regulations and the provisions of the Schemes launched there under, they shall forthwith take such remedial steps as are necessary by them and to immediately inform SEBI of the violation and the action taken by it.
10. Each Trustee shall file the details of his transactions of dealings in securities with the Mutual Fund within the time and manner as may be specified by the Board from time to time as may be specified under the SEBI (Mutual Funds) Regulations, 1996 from time to time.
11. The Trustee shall be accountable for and is required to be the custodian of the Fund's property of the Schemes and to hold the same in trust for the benefit of the Unit holders in accordance with the Regulations and the provisions of the Trust Deed.
12. The Trustee shall take steps to ensure that the transactions of the Fund are in accordance with the provisions of the Trust Deed.
13. The Trustees are responsible for the calculation of any income due to be paid to the Mutual Fund and also of any income received in the Mutual Fund for the holders of the units of the Schemes in accordance with the Regulations and the Trust Deed.
14. The Trustee is required to obtain the consent of the Unit holders of the Scheme:
  - a. When the Trustee is required to do so by SEBI in the interest of the Unit holders of the Scheme; or
  - b. Upon a requisition made by three-fourths of the Unit holders of the Scheme; or
  - c. When the majority of the Directors of Trustee decide to wind up the Scheme or pre-maturely redeem the Units.
15. The Trustee shall ensure that no change in the fundamental attributes of the Schemes or the trust or the fees and expenses payable or any changes which would modify the Schemes and affects the interest of Unit holders shall be carried out unless:-
  - a) a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a Marathi newspaper published in the region where the Head Office of the Mutual Fund is situated; and

- b) the unit holders are given an option to exit at the prevailing Net Asset Value without any exit load regardless of unit of Schemes held.
16. The Trustee shall call for the details of transactions in securities by the key personnel of the AMC in their own names or on behalf of the AMC and shall report to SEBI as and when required;
  17. The Trustee shall quarterly review all transactions carried out between the mutual fund, AMC and its associates;
  18. The Trustee shall review the net worth of the AMC on quarterly basis and in case of any shortfall ensure that the AMC makes up for the shortfall as per the clause (f) of sub-regulation (1) of regulation 21 of the Regulations.
  19. The Trustee shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the unit holders.
  20. The Trustee shall ensure that there is no conflict of interest between the manner of deployment of its net worth by the AMC and the interests of the unit holders;
  21. The Trustee shall periodically review the investor complaints received and redressal of the same by the AMC.
  22. The Trustees shall abide by the code of conduct as specified in the Fifth Schedule of SEBI Regulations.
  23. The Trustee shall furnish to SEBI on a half yearly basis or at such frequency as may be prescribed by SEBI from time to time-
    - a. a report on the activities of the Mutual Fund;
    - b. a certificate stating the Directors have satisfied themselves that there have been no instances of self-dealing or front running by any of the Trustee, Directors and key personnel of the AMC; and
    - c. a certificate to the effect that the AMC has been managing the Schemes independently of any other activities and in case any activities of the nature referred to in sub Regulation (b) of Regulation 24 of the Regulations have been undertaken, the AMC has taken adequate steps to ensure that the interest of the unit holders is adequately protected.
  24. The independent Directors of the Trustee are required to give their comments on the report received from the AMC regarding the investments by the Mutual Fund in the securities of the group companies of the sponsor.
  25. The Trustees shall ensure the fairness of the fees and expenses charged by the AMCs.
  26. The Trustees shall review the performance of AMC in its schemes vis-a-vis performance of peers or the appropriate benchmarks.
  27. The Trustees shall ensure that the AMCs have put in place adequate systems to prevent mis-selling to increase assets under their management and valuation of the AMCs.
  28. The Trustees shall ensure that operations of AMCs are not unduly influenced by the AMCs Sponsor, its associates and other stakeholders of AMCs.
  29. The Trustees shall ensure that undue or unfair advantage is not given by AMCs to any of their associates/group entities.
  30. The Trustees shall be responsible to address conflicts of interest, if any, between the shareholders/stakeholders/associates of the AMCs and unitholders.
  31. The Trustees shall ensure that the AMC has put in place adequate systems to prevent misconduct including market abuse/misuse of information by the employees, AMC and connected entities of the AMCs.
  32. The Trustee shall exercise due diligence as under:

### **General Due Diligence**

The Trustee shall:

- a. be discerning in the appointment of the directors on the Board of the AMC;
- b. review the desirability of continuance of the AMC if substantial irregularities are observed in any of the Schemes and shall not allow the AMC to float new Schemes;
- c. ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons;
- d. ensure that all service providers are holding appropriate registrations from the Board or concerned regulatory authority;
- e. arrange for test checks of service contracts; and



- f. Immediately report to SEBI of any special developments in the Fund.

### **Specific Due Diligence**

The Trustee shall:

- a. obtain internal audit reports at regular intervals from independent auditors appointed by the Trustee;
  - b. obtain compliance certificates at regular intervals from the AMC;
  - c. hold meeting of the Board of the Trustee Company frequently and ensure that atleast 6 such meeting shall be held in each year;
  - d. consider the reports of the independent auditor and compliance reports of the AMC at the meetings of the Board of the Trustee Company for appropriate action;
  - e. maintain records of the decisions of the Board of the Trustee Company at their meetings and of the minutes of the meetings;
  - f. prescribe and adhere to a code of ethics by the Trustee, AMC and its personnel; and
  - g. Communicate in writing to the AMC of the deficiencies and check on the rectification of deficiencies.
33. Notwithstanding anything contained herein above from points (1) to (26) the Trustees shall not be held liable for any act done in good faith if they have exercised adequate due diligence honestly.
34. The Independent Directors of the Trustee shall pay specific attention to the following, as may be applicable namely: -
- a. The Investment Management Agreement and the compensation paid under the same;
  - b. Service contracts with associates - whether the AMC has charged higher fees than outside contractors would have charged for the same services;
  - c. Selection of the AMC's independent directors;
  - d. Securities transactions involving associates to the extent such transactions are permitted;
  - e. Selecting and nominating individuals to fill independent director vacancies;
  - f. Code of ethics have been designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transaction;
  - g. The reasonableness of fees paid to the Sponsors, AMC and any others for services provided;
  - h. Principal underwriting contracts and their renewals; and
  - i. Any service contract with the associates of the AMC.

### **Trustee's Supervisory Role:**

The Trustee shall review the information and operation of the Mutual Fund based on the periodic reports on the compliance of mandatory regulatory requirements, obtained from the compliance officer on a regular basis. The Compliance Officer has direct reporting line to the Board of Directors of the Trustees. Further, the Trustee has constituted an Audit Committee and appointed an independent internal auditor for conducting internal audit of the books and records of the Fund. The internal auditor submits their report directly to the Trustee.

The Regulations provide that the Trustee meetings will be held once in every two calendar months and at least six such meetings will be held in a year. Quorum for the meeting of the Board of Trustee Company shall not be constituted unless one independent director is present at the meeting.

In compliance with above provision, during the financial year 2023-2024, Six (6) meetings of the Board of Directors of the Trustee Company were held.

The Trustee shall also ensure that:

- investments are of the permitted kind and within the set limits;
- the Fund assets are duly protected;
- transactions in units under a Scheme are properly executed by the AMC with reference to the pricing of the units and payments into and out of the Fund;
- adequate internal controls are provided for by the AMC;

- income due to the Fund is properly accounted for;
- all expenses and charges to the Schemes are as permitted; and
- Distributions from the Fund are done properly.

Further, SEBI vide Circular No. SEBI/HO/IMD/DF4/CIR/P/2020/0000000151 dated August 10, 2020 stated that the Trustees shall appoint a dedicated officer having professional qualification and minimum 5 years of experience in finance and financial services related field for providing administrative assistance to Trustees in monitoring various activities of the AMCs.

The officer so appointed, shall be employee of the Trustees and directly report to the Trustees.

The scope of work for the said officer shall be specified by Trustees from time to time to support the role and responsibilities of the Trustees. The officer shall accordingly assist the Trustees and discharge the activities assigned to him.

The said officer shall be treated as access person.

Further, Trustees shall have standing arrangements with independent firms for special purpose audit and/or to seek legal advice in case of any requirement as identified and whenever considered necessary.

The expenditure incurred for the above shall be charged under the clause 52(b) (iv) “fees and expenses of trustees of SEBI (Mutual Funds) Regulations, 1996.

Notwithstanding the above, the Trustees shall however continue to be liable for discharge of various fiduciary responsibilities as cast upon them in the SEBI (Mutual Funds) Regulations, 1996.

## II. ASSET MANAGEMENT COMPANY

MOAMC is public a limited company incorporated under the Companies Act, 1956 on November 14, 2008, having its Registered Office at 10th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai - 400025. MOAMC has been appointed as the Investment Manager to MOMF vide Investment Management Agreement (IMA) dated May 21, 2009, executed between MOTC and MOAMC.

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

- a) MOAMC is registered with SEBI as a Portfolio Manager vide registration no. INP000000670 under SEBI (Portfolio Managers) Regulations 1993.
- b) MOAMC acts as an Investment Manager to the Schemes of Motilal Oswal Alternative Investment Trust (MOAIT) and is registered under SEBI (Alternative Investment Funds) Regulations, 2012 as Category III AIF bearing registration number IN/AIF3/13-14/0044 and IN/AIF3/19-20/0799 respectively.
- c) MOAMC has incorporated a wholly owned subsidiary in Mauritius which acts as an Investment Manager to the funds based in Mauritius.
- d) MOAMC has incorporated a wholly owned subsidiary in India which currently undertakes Investment Advisory Services to offshore clients.

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

Apart from the above-mentioned activities, the AMC may undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, if any of such activities are not in conflict with the activities of the mutual fund subject to receipt of necessary regulatory approvals and approval of Trustees and by ensuring compliance with provisions of regulation 24(b) (i to viii). Provided further that the asset management company may, itself or through its subsidiaries, undertake portfolio management services and advisory services for other than broad based fund till further directions, as may be specified by the Board, subject to compliance with the following additional conditions: -

- i) it satisfies the Board that key personnel of the asset management company, the system, back office, bank and securities accounts are segregated activity wise and there exist system to prohibit access to inside information of various activities;
- ii) it meets with the capital adequacy requirements, if any, separately for each of such activities and obtain separate approval, if necessary under the relevant regulations.

Explanation: —For the purpose of this regulation, the term ‘broad based fund’ shall mean the fund which has at least twenty investors and no single investor account for more than twenty-five percent of corpus of the fund.

**Details of AMC Directors:**

<b>Name</b>	<b>Age (In years)</b>	<b>Qualification</b>	<b>Brief Experience</b>
<b>Mr. Raamdeo Agrawal Associate Director</b>	66	B.Com and ACA	Mr. Raamdeo Agrawal is a Co-founder and Joint Managing Director of Motilal Oswal Financial Services Ltd. He is the key driving force behind strong research capability as well as a renowned Value investor, and has also been instrumental in setting up the investment management philosophy of the firm. He has an extensive experience of more than 3 decades in Financial Service Sector. He is a member of the National Committee on Capital Markets of the Confederation of Indian Industry. He has been authoring the annual Motilal Oswal Wealth Creation Study since its inception in 1996. He is also a Director on the Board of various Companies.
<b>Mr. R.S. Sanghai Independent Director</b>	60	Fellow Member of Institute of Chartered Accountants of India (ICAI).	Mr. R. S. Sanghai is a Qualified Practicing Chartered Accountant (CA) having brilliant Academics and has secured All India Rank in C.A. Examinations. He has also pursued proficiencies in various arena such as International Taxation, IFRS/ Ind AS, Business Valuation, MSME, International and Domestic Transfer Pricing.  He is the Founder partner of M/s. R.S.Sanghai & Associates (CA Firm). He has a rich experience for more than 37 Years in the area of Auditing (Internal Audits, Statutory Audits, Tax Audits etc.) and in other areas like Business Advisory Services in relation to Business Restructuring, Cost cutting measures to various Business Segments, CxO Services to Logistics & Packaging Company etc.
<b>Mr. Vipul Choksi Independent Director</b>	63	Fellow Member of Institute of Chartered Accountants of India (ICAI). Qualified Insolvency Professional	Mr Vipul Choksi is currently the Senior Partner in Shah Gupta & Co. He has a vivid expertise in the area of Assurance and Taxation Practice. He also has as rich experience of three decades in handling the audits of large corporates in Banking, Insurance, NBFCs and Mutual Funds, Housing Finance Company, Steel, Textile, Cement and Infrastructure. He was former Chairman of the Western Indian Regional Council of the Institute of Chartered Accountant of India (ICAI) and was associated with various other committees of ICAI. He was also the Former President of Chamber of Tax Consultant. Currently, he is Editor of Monthly Journal of the Chamber of Tax Consultants.
<b>Mr. Prateek Agrawal Managing Director and</b>	53	• PGDM, Finance and Management from Xavier Institute of	<ul style="list-style-type: none"> <li>• Mr. Prateek Agrawal has long distinguished experience in Asset Management Business, investment banking, advisory services and sell side research.</li> <li>• Prior to joining Motilal Oswal Asset Management Company Limited, he was associated with ASK Investment Managers</li> </ul>

<b>Chief Executive Officer</b>		<p>Management, Bhubaneswar</p> <ul style="list-style-type: none"> <li>• Bachelor of Engineering (B.E.) in Electronic from National Institute of Technology, Rourkela</li> </ul>	<p>Private Limited as Business Head and Chief Investment Officer wherein he has provided leadership to various departments.</p> <ul style="list-style-type: none"> <li>• In his earlier role, he worked as Head of Equity with BNP Paribas Mutual Fund &amp; BOI AXA Mutual Fund and Head of Research in SBI Capital Market. He has also been part of the core team that built start-ups fund houses on the Buy-side.</li> </ul> <p>His key strengths are equity money management, team building, and conceptualizing and establishing scalable processes that enable performance delivery with lean teams.</p>
<b>Ms. Swanubhuti Jain, Women Director</b>	43	<p>Post-Graduation Diploma in Sales and Marketing Management, NMIMS, MA in Philosophy - Mumbai University, Shastri (Graduation in Sanskrit medium in Logic, Philosophy &amp; Literature), Rajasthan University.</p>	<p>Ms. Swanubhuti Jain has more than 18 years of experience in diverse Fintech organizations spanning Insurance, Stock Broking, Investment Banking, Commodities &amp; Consulting etc. creating businesses from the scratch in multi dimension organizations from Startup Ecosystem to global MNCs.</p> <p>She has widespread cross-functional experience in Business Development, Operations and Delivery Excellence with strong analytical, problem solving &amp; leadership abilities. Ms. Jain is deft in turning around underperforming business units through process improvement, cost-cutting &amp; multilateral negotiations.</p> <p>At present, Ms. Swanubhuti Jain is affiliated with JITO Incubation &amp; Innovation Foundation (JIIF) where she is leading all business verticals of Startup ecosystem including JITO Angel Network, JITO Incubation Centre, Co-working and AIF Registration.</p>
<b>Mr. Himanshu Vyapak, Independent Director</b>	48	<p>Graduate in Economics, MBA (Gold Medalist), Fellow member of (FIII - Non Life) from Insurance Institute of India, CFP, Claritas (CFA)</p>	<p>Mr. Himanshu has an experience of over 22 years across Asset Management; Banking &amp; NBFCs. Mr. Himanshu was previously associated with Reliance Nippon Life Asset Management Limited as a Deputy CEO since October 2003 up to April 2019 wherein he has been instrumental in expanding the Company's footprints in both domestic &amp; international territories. Mr. Himanshu has also held key positions with ICICI bank and Escorts Finance across his tenure.</p> <p>Mr. Himanshu is a member on the Board of studies of Prin. LN Welinkar Institute of Management Development &amp; Research. Mr. Himanshu is recently involved with the social cause of skilling &amp; improving employability of marginalized sections of society for BFSI Industry through his non-profit company i.e. ID Finxperts Skilling Foundation.</p>

## **POWERS, DUTIES, OBLIGATIONS AND RESPONSIBILITIES OF THE ASSET MANAGEMENT COMPANY**

The duties, responsibilities of the AMC shall be governed by the Regulations and the Investment Management Agreement. The AMC, in the course of managing the affairs of the Mutual Fund, has the powers inter-alia to:

1. Floating Scheme(s) of the Mutual Fund after approval of the same by Trustees as well as SEBI and investing and managing the funds mobilized under various schemes, in accordance with the provisions of the Trust Deed and the Regulations.
2. Invest in, acquire, hold, manage or dispose of all or any securities and to deal with, engage in and carry out all other functions and to transact all businesses pertaining to the Fund.
3. Keep the moneys belonging to the Trust with scheduled banks and Custodians as it may deem fit.
4. Obtain, wherever required under the regulations, prior in-principle approval from the recognized stock exchange(s) where units are proposed to be listed.
5. Issue, sell purchase and cancel units under any Scheme as per the terms of respective scheme of the Mutual Fund.
6. Repurchase the units that are offered for repurchase and hold, reissue or cancel them.
7. Formulate strategies, lay down policies for deployment of funds under various Schemes and set limits collectively or separately for privately placed debentures, unquoted debt instruments, securitized debts and other forms of variable securities which are to form part of the investments of the Trust Funds.
8. Arrange for investments, deposits or other deployment as well as disinvestments or refund out of the Trust Funds as per the set strategies and policies.
9. Make and give receipts, releases and other discharges for moneys payable to the Trust and for the claims and demands of the Trust.
10. Get the units under any Scheme listed on any one or more stock exchanges in India or abroad.
11. Open one or more bank accounts for the purposes of the Fund, to deposit and withdraw money and fully operate the same;
12. Pay for all costs, charges and expenses, incidental to the administration of the Trust and the management and maintenance of the Trust property, Custodian and/or any other entities entitled for the benefit of the Fund, audit fee, management fee and other fees.
13. Furnish compliance reports to the Trustees as prescribed by SEBI.
14. Provide or cause to provide information to SEBI and the Unit holders as may be specified by SEBI.
15. Generally, do all acts, deeds, matters and things which are necessary for any object, purpose or in relation to the Mutual Fund in any manner or in relation to any Scheme of the Mutual Fund.
16. Ensure that no Scheme Information Document (SID) of a Scheme, Key Information Memorandum (KIM), Abridged Half yearly results and Annual Results are issued or published without the prior approval of the Trustee.
17. Ensure that the delivery of scrips purchased is taken and that the delivery is given in case of scrips sold and Mutual Fund in no case engages in short selling or carry forward transactions or badla finance.

The AMC shall abide by the Code of Conduct as specified in the Fifth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended from time to time. The AMC shall:

1. Maintain high standards of integrity and fairness in all their dealings and in the conduct of their business.
2. Take reasonable steps and exercise due diligence to ensure that the investment of money pertaining to any Scheme is not contrary to the provisions of the SEBI Regulations and the Trust Deed.
3. Exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
4. Render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.

The independent directors of the AMC will pay specific attention to the following as may be applicable namely:

1. The Investment Management Agreement and the compensation paid under the Agreement.
2. Service contracts with affiliates - whether the company has charged higher fees than outside contractors for the same services.
3. Securities transactions involving affiliates to the extent such transactions are permitted.
4. Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.

5. The reasonableness of fees paid to Sponsors, AMC and any others for services provided.
6. Principal underwriting contracts and renewals.
7. Any service contracts with the associates of the company.

Under the SEBI Regulations, duties and responsibilities of AMC are as under:

1. The AMC shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of these regulations and the trust deed.
2. The AMC shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
3. The AMC shall obtain, wherever required under these regulations, prior in-principle approval from the recognized stock exchange(s) where units are proposed to be listed.
4. The AMC shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the asset management company.
5. The AMC shall submit to the trustees quarterly reports (or at such intervals as may be required by the Trustees or SEBI) of each year on its activities and the compliance with these regulations.
6. The trustees at the request of the AMC may terminate the assignment of the AMC at any time. Provided that such termination shall become effective only after the trustees have accepted the termination of assignment and communicated their decision in writing to the asset management company.
7. Notwithstanding anything contained in any contract or agreement or termination, the AMC or its directors or other officers shall not be absolved of liability to the Mutual Fund for their acts of commission or omissions, while holding such position or office.
8. The Chief Executive Officer of the asset management company shall ensure that the mutual fund complies with all the provisions of the regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the unit holders and shall also be responsible for the overall risk management function of the mutual fund.
9. The Chief Executive Officer shall also ensure that the Asset Management Company has adequate systems in place to ensure that the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of these regulations are adhered to in letter and spirit. Any breach of the said Code of Conduct shall be brought to the attention of the Board of Directors of the Asset Management Company and Trustees.
10. An AMC shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the Mutual Fund in all its schemes. Provided that for the purpose of this sub-regulation, aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the Mutual Fund. Provided further that the aforesaid limit of 5% shall apply for a block of any three months.
11. An AMC shall not purchase or sell securities through any broker (other than the broker associated with Sponsors) which is average of 5% or more of the aggregate purchases and sale of securities made by the Mutual Fund in all its schemes, unless the AMC has recorded in writing the justification for exceeding the limit of 5% and reports of all such investments are sent to the trustees on a quarterly basis. Provided that the aforesaid limit shall apply for a block of three months or as may be prescribed by SEBI from time to time.
12. An AMC shall not utilise the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities. Provided that an AMC may utilise such services if disclosure to that effect is made to the unit holders and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the Mutual Fund.

Provided further that the Mutual Funds shall disclose at the time of declaring half-yearly and yearly results;

- any underwriting obligations undertaken by the schemes of the Mutual Funds with respect to issue of securities associate companies,
- devolvement, if any,
- subscription by the schemes in the issues lead managed by associate companies

- Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies have acted as arranger or manager.
13. The AMC shall file with the trustees the details of transactions in securities by the key personnel of the AMC in their own name or on behalf of the AMC and shall also report to the SEBI, as and when required by the SEBI.
  14. In case the AMC enters into any securities transactions with any of its associates a report to that effect shall be sent to the trustees at its next meeting.
  15. In case any company has invested more than 5 per cent of the net asset value of a scheme (such other limits as may be prescribed from time to time under SEBI Regulations), the investment made by that scheme or by any other scheme of the same Mutual Fund in that company or its subsidiaries shall be brought to the notice of the trustees by the AMC and be disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment. Provided the latter investment has been made within one year of the date of the former investment calculated on either side.
  16. The AMC shall file with the trustees and the SEBI –
    - detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment and any change in the interest of Directors every six months; and
    - a quarterly report to the trustees giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or the AMC as the case may be, by the Mutual Fund during the said quarter.
  17. Each director of the AMC shall file the details of his transactions of dealing in securities with the trustees on a quarterly basis in accordance with the guidelines issued by the SEBI.
  18. The AMC shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.
  19. The AMC shall appoint registrars and share transfer agents who are registered with the SEBI. Provided if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the trustees shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.
  20. The AMC shall abide by the Code of Conduct as specified in the Fifth Schedule.
  21. The AMC shall:
    - not act as a Trustee of any Mutual Fund;
    - not undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, if any of such activities are not in conflict with the activities of the mutual fund, subject to receipt of necessary regulatory approvals and approval of Trustees and by ensuring compliance with provisions of regulation 24(b) (i to viii). Provided further that the asset management company may, itself or through its subsidiaries, undertake portfolio management services and advisory services for other than broad based fund till further directions, as may be specified by the Board, subject to compliance with the following additional conditions:-
      - i) it satisfies the Board that key personnel of the asset management company, the system, back office, bank and securities accounts are segregated activity wise and there exist system to prohibit access to inside information of various activities;
      - ii) it meets with the capital adequacy requirements, if any, separately for each of such activities and obtain separate approval, if necessary under the relevant regulations.

Explanation: —For the purpose of this regulation, the term ‘broad based fund’ shall mean the fund which has at least twenty investors and no single investor account for more than twenty-five percent of corpus of the fund.

- not invest in any of its Scheme unless full disclosure of its intention to invest has been made in the Scheme Information Document; Provided that the AMC shall not be entitled to charge any fees on its investment in that Scheme;
- not acquire any assets out of the trust fund which involves the assumption of any liability which is unlimited or which may result in encumbrance of the Scheme property in any way.

22. The AMC shall report and disclose all the transactions in debt and money market securities, including inter scheme transfers, as specified by the Board.
23. The Managing Director and Chief Executive Officer of AMC shall ensure that the Mutual Fund complies with all the provisions of SEBI (Mutual Funds) Regulations, 1996 and guidelines/circulars issued in relation thereto from time to time and that the investments made by the Fund Managers are in the interest of the Unitholders and shall also be responsible for overall risk management function of the Mutual Fund.
24. The AMC shall keep and maintain proper books of accounts, records and documents for each Scheme so as to explain its transactions and to disclose at any time the financial position of each Scheme and in particular to give a true and fair view of the state of affairs of the Fund and such records shall be maintained for a period of eight years.

### KEY PERSONNEL OF ASSET MANAGEMENT COMPANY

Name	Age (In years)	Qualification	Brief Experience
<b>Mr. Prateek Agarwal</b> – Managing Director and Chief Executive Officer	53	<ul style="list-style-type: none"> <li>PGDM, Finance and Management from Xavier Institute of Management, Bhubaneswar</li> <li>Bachelor of Engineering (B.E.) in Electronic from National Institute of Technology, Rourkela</li> </ul>	<ul style="list-style-type: none"> <li>Mr. Prateek Agrawal has long distinguished experience in Asset Management Business, investment banking, advisory services and sell side research.</li> <li>Prior to joining Motilal Oswal Asset Management Company Limited, he was associated with ASK Investment Managers Private Limited as Business Head and Chief Investment Officer wherein he has provided leadership to various departments.</li> <li>In his earlier role, he worked as Head of Equity with BNP Paribas Mutual Fund &amp; BOI AXA Mutual Fund and Head of Research in SBI Capital Market. He has also been part of the core team that built start-ups fund houses on the Buy-side.</li> <li>His key strengths are equity money management, team building, and conceptualizing and establishing scalable processes that enable performance delivery with lean teams.</li> </ul>
<b>Mr. Akhil Chaturvedi</b> Executive Director	47	B.com (University of Mumbai); MBA (Marketing) and Master of Arts (Accounts and Finance) from University of Leeds, United Kingdom	<ul style="list-style-type: none"> <li>Mr. Chaturvedi has more than 21 years of rich experience in sales, distribution, client advisory (Wealth management) and business development from companies such as Birla Sun Life Asset Management Ltd., Global Finance Ltd and Daiwa Asset Management Pvt. Ltd.</li> <li>His last assignment was with Daiwa Asset Management Pvt. Ltd. as Head-Retail Sales where he was responsible for sales, distribution and preparation of business plan and strategies for launch of Mutual Fund Schemes.</li> </ul>
<b>Ms. Aparna Karmase</b>	46	B.Com, C.S., LL.B	<ul style="list-style-type: none"> <li>Ms. Aparna Karmase has extensive experience of more than 21 years in asset management industry in the field of</li> </ul>



Head- Compliance, Legal, Secretarial and Internal Audit			<p>Compliance, Company Secretary, Legal and Risk management across the tenure. Prior to this assignment, she was Sr. Vice President – Compliance with Invesco Asset Management (India) Private Ltd.</p> <ul style="list-style-type: none"> <li>Ms. Karmase was also been associated with BNP Paribas Asset Management India Private Ltd. and Prudential ICICI Asset Management Company Ltd.</li> </ul>
<b>Mr. Juzer Dalal</b> Head – Operations and Finance	38	Bachelor of Commerce degree from Mumbai University & Chartered Accountant ( Institute of Chartered Accountants of India)	<ul style="list-style-type: none"> <li>Mr. Juzer has 12 years of rich experience in Mutual Fund industry.</li> <li>He began his career in 2009 as an Assistant Manager for Treasury Operations with HDFC Mutual Fund. In April 2013, he joined the esteemed Mahindra Group to start the AMC business under the umbrella of their financial services arm. He was part of the core team which was responsible for setting up systems and processes for both AMC Finance &amp; Operations of the Mutual Fund.</li> <li>In April 2018, Mr. Juzer joined Motilal Asset Management Company Limited handling Mutual Fund Operations. Now he is appointed as Head of Operations and Finance for overseeing critical functions viz. Fund Administration, RTA Operations and Finance.</li> </ul>
<b>Mr. Gulam Siddique</b> Head - Risk Management	43	B.Com, Chartered Accountant (CA)	<ul style="list-style-type: none"> <li>Mr. Siddique has an overall experience of more than 13 years spanning in the areas of Operational Risk, Internal Audit, Business Continuity Planning, and Design &amp; Implementation of Internal Control. Prior to this, Mr. Siddique was associated with Aditya Birla Sun Life Asset Management Limited as Head-Internal Audit &amp; Operational Risk where he was responsible for Operational Risk Management &amp; Development and Implementation of Risk based audit framework. He was also associated with UTI Asset Management Company Limited overseeing Internal Audit for the Company.</li> </ul>
<b>Mr. Niket Shah</b> Chief Investment Officer	38	MBA Finance (Welingkar Institute of Management studies)	<ul style="list-style-type: none"> <li>Mr. Niket has 12 years of overall experience. He has done his Master’s in Business Administration (MBA) in Finance from Welingkar Institute of Management studies.</li> <li>Prior to joining MOAMC, he was associated with MOSL as Head of Midcaps Research from February 2013 to March 2018, Edelweiss Securities Ltd. as Research Analyst - Midcaps from March 2010 to January 2013 and Religare Capital Markets Ltd. as Associate Research Analyst - Midcaps from June 2008 to March 2010.</li> </ul>
<b>Mr. Ajay Khandelwal</b> Fund Manager – Equity	44	CFA Level 3 PGDM – MBA - TAPMI, Manipal	<ul style="list-style-type: none"> <li>Mr Ajay Khandelwal has around 13 years of experience in fund management and research activity. Earlier he was associated with Canara Robeco Asset Management Company as Fund Manager, where he used to take active part in fund management activity of Small Cap Fund.</li> </ul>

		B.E. – Electrical Engineer - MITS, Gwalior	<ul style="list-style-type: none"> <li>• He started his professional journey as a Research Analyst in BOI AXA Investment Managers, where he used to research on Information Technology (IT) and Banking, Financial Services and Insurance (BFSI) industry, understanding the sector and company specification through data analysis.</li> </ul>
<b>Mr. Atul Mehra</b> Fund Manager Equity Component	35	CFA Charter holder, CFA Institute, Charlottesville, Virginia, USA Masters in commerce; Mumbai University Bachelor's in commerce, Mumbai University, HR College of Commerce and Economics	<ul style="list-style-type: none"> <li>• Atul has over 15 years of overall experience.</li> <li>• Motilal Oswal Asset Management Company Ltd – Senior Vice President – Fund Manager – PMS and AIFs. (2013 – 2023) Edelweiss Capital Ltd – Research Analyst (2008-13)</li> </ul>
<b>Mr. Swapnil Mayekar</b> Fund Manager – Exchange Traded Funds and Index Schemes	37	MCOM from Mumbai university and Advanced Diploma in Business Administration from Welingkar, Mumbai	<ul style="list-style-type: none"> <li>• Mr. Swapnil Mayekar has rich experience in the field of Research. He had earlier worked with organization like Business Standard Limited where he was primarily responsible for research on Banking Sector, Mutual Fund, Debt market, International and Indian Stock Market using valuation models. He is associated with MOAMC since March 2010 where his primarily role is to develop model structure, to perform portfolio assessments on a periodic basis for investment strategies &amp; models and analysis of Exchange Traded Funds, Mutual fund scheme and stocks.</li> </ul>
<b>Mr. Rakesh Shetty-</b> Fund Manager and Dealer - Fixed Income	42	Bachelors of Commerce (B.Com)	<ul style="list-style-type: none"> <li>• Mr. Rakesh Shetty has more than 13 years of overall experience and expertise in trading in equity, debt segment, Exchange Trade Fund's management, Corporate Treasury and Banking.</li> <li>• 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.</li> </ul>
<b>Mr. Santosh Kumar Singh</b> Fund Manager - Equity	45	Chartered Accountant (CA) and Chartered Financial Analyst (CFA)	<ul style="list-style-type: none"> <li>• Mr. Santosh Kumar Singh has over 17 years of experience across his tenure. Mr. Singh was associated with Haitong International Securities Ltd. as Head of Research and Lead Analyst where he was responsible for Research product and overall Research strategy. He was also associated with SG Asia Holdings as an analyst and also with Espirito Santo Securities as Lead analyst. Mr. Singh was ranked No.1 analyst in India in the Asia money polls for insurance sector continuously for three years from 2015 to 2017.</li> </ul>

<b>Mr. Rouhak Shah – Head of Dealing and Fund Manager</b>	38	CFA Level 1 (USA), MBA Finance, Masters in Commerce with PGDBA from CIMR, Bachelor of Management Studies	<ul style="list-style-type: none"> <li>Mr. Rouhak Shah has more than 13 years of overall experience in the field of equity dealing, Technical Analysis, good command on Developing Risk Parameters for avoiding financial risk, Market Intelligence etc.</li> <li>Prior to his association with MOAMC, he has worked with ICICI Prudential Life Insurance Limited &amp; Kotak Life Insurance Limited as an Equity Dealer.</li> </ul>
<b>Mr. Ankush Sood- Dealer and Fund Manager for Foreign Securities</b>	27	B.Tech in Electronics & Telecommunications from MPSTME, NMIMS Mumbai and MBA(Tech) with Major in Finance & Minor in Analytics from SBM, NMIMS Mumbai	<ul style="list-style-type: none"> <li>Mr. Ankush Sood has prior experience prominently in Institutional Sales Trading Function. He has been associated with Motilal Oswal Financial Services Limited wherein he was primarily responsible for Servicing Domestic &amp; Foreign Institutional Clients.</li> </ul>
<b>Mr. Rahul Adaniya - Chief Marketing Officer</b>	45	Strategic Management in Digital Era IIM Lucknow, Uttar Pradesh MBA Sardar Patel University BBA, Sardar Patel University	<ul style="list-style-type: none"> <li>Mr Rahul Adaniya has more than 20 years of experience in leading Brand Marketing, Media Management, Marketing and Business Development wherein he has also played a prominent role Advertising and Marketing</li> <li>Mr. Adaniya has rich experience &amp; expertise in Brand Marketing and Media Management</li> </ul>
<b>Mr. Jaideep Ti-brewala</b> Chief of Information Security Officer	50	Bachelor of Engineering (B.E.), Master of Science-IT	
<b>Mr. Rajkumar Dhiman- Head of Digital Business</b>	45	PGDBA in Marketing and Finance from the Institute of Technology and Management and Bachelor's Degree in Mechanical Engineering.	<ul style="list-style-type: none"> <li>Mr. Rajkumar Dhiman has more than 16 years of experience in leading Digital Transformation, Marketing and Business Development in Asset Management Industry wherein he has also played a prominent role of Head of Digital Sales. He has extensive exposure of handling Digital vertical, other Business Strategy roles, Digital Distribution / Alliances and Product Development for more than a decade. Mr. Dhiman has rich experience &amp; expertise in Digital Products, Marketing and Distribution.</li> </ul>
<b>Mr. Dishant Mehta – Passive Dealer</b>	35	Bachelors of Science (B.SC)	<ul style="list-style-type: none"> <li>Mr. Dishant Mehta has more than 11 years of experience and expertise in Financial markets across different segment -Equities, Derivatives, Commodities and Currencies. Managed Institutional and Foreign Portfolio Investment clients.</li> </ul>

**Note:**

**Recording of Investment Decisions:**

The Fund Managers of the Scheme(s) are responsible for making buy / sell decisions in respect of the securities in the Scheme's portfolio. It is the responsibility of the AMC to ensure that the investments are made as per the internal / Regulatory guidelines, Scheme investment objectives and in the best interest of the Unitholders of the Scheme. The investment decisions will be taken for the Schemes keeping in view the market conditions and all the relevant aspects. Where an investment is proposed to be made for the first time in any scrip/security issued by a company, this will be preceded by making a research report justifying such investment by a member of the investment management team. The AMC will review all the investments made by the Schemes. The investment decisions of the Schemes will be carried out by the designated fund manager under the supervision of the Chief Executive Officer wherever applicable. All investment decisions of the Scheme will be recorded in accordance with SEBI Regulations. The Fund may follow internal guidelines approved by the Board of AMC and Trustees from time to time. Internal guidelines shall be subject to change and may be amended from time to time and such amendments will be approved by the Board of AMC and Trustees.

**Review of performance of Scheme(s) by Board of AMC and Trustees:**

A detailed review of the Schemes of the Fund will be placed before the Board of Directors of AMC and the Trustee on a periodical basis. The review will contain information about the inflow in the Schemes, outflow/redemption from the Schemes and the performance of the Schemes. The Board of AMC and Trustee will review the performance of the Schemes vis-à-vis the benchmark. The AMC/Trustee reserves the right to change the benchmark for evaluation of performance of the Schemes from time to time in conformity with investment objective of the Schemes and appropriateness of the benchmark subject to SEBI Regulations, and other prevailing guidelines, if any. Total Return variant of the index (TRI) will be used for performance comparison.

**III. SERVICE PROVIDERS**

<b>Service Provider</b>	<b>Name</b>	<b>Address</b>	<b>SEBI Registration Number</b>
<b>Custodian</b>	Duetsche Bank A.G.	Duetsche Bank House, Hazarimal Somani Marg, Fort, Mumbai 400001	IN/CUS/003
<b>Registrar / Transfer Agent / Dividend Paying Agent*</b>	KFin Technologies Limited (formerly known as Karvy Fintech Pvt. Ltd.)	KFin Technologies Limited Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddi TG 500032 IN Tel: 040 79611000 / 67162222 Toll Free No: 18004254034/35 Email: compliance.corp@kfintech.com Website: <a href="http://www.kfintech.com/">www.kfintech.com/</a>	INR 000000221
<b>Statutory Auditors</b>	M/s. S.R. Batliboi & Co. LLP	The Ruby, Ruby Tower, Senapati Bapat Marg, Dadar, Mumbai, Maharashtra 400028	Not Applicable
<b>Legal Counsel</b>	There is no retained legal counsel to the Mutual Fund/AMC. However, the AMC uses the services of renowned legal counsel, if need arises.		Not Applicable
<b>Fund Accountant</b>	Duetsche Bank A.G.	Duetsche Bank House, Hazarimal Somani Marg, Fort, Mumbai 400001	IN/CUS/003
<b>Collecting Banker</b>	During the New Fund Offer of the Scheme, the AMC shall appoint banks(s) registered with SEBI as Collecting Banker(s) to accept the applications for		Not Applicable

	investment into the Scheme on such terms and conditions as may be decided by the AMC from time to time. The list of the Collecting Bankers will be disclosed in the SID as and when the Schemes are launched.	
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\*The Board of Trustees and AMC have satisfied themselves, after undertaking appropriate due diligence, that Kfin Technologies Ltd. has adequate capacity to discharge responsibility with regard to processing of applications, dispatch of Account Statement/redemption proceeds to unit holders etc. within the prescribed time limit as per SEBI Regulations and also sufficient capacity to handle the investors complaints.

#### IV. CONDENSED FINANCIAL INFORMATION

##### 1. Motilal Oswal Midcap Fund

Historical Per Unit Statistics	Motilal Oswal Midcap Fund					
Inception date	February 24, 2014					
	April 1, 2023 to March 31, 2024		April 1, 2022 to March 31, 2023		April 1, 2021 to March 31, 2022	
	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan
NAV at the beginning of the year (as on April 1)	54.7405	48.9587	49.5676	44.8509	35.8735	32.8429
IDCW	NIL	NIL	NIL	NIL	NIL	NIL
NAV at the end of the year (as on March 31)	89.5363	79.1994	55.2204	49.3921	49.6213	44.9008
Annualised return* (%)	65.8	63.9	11.3	10.0	36.9	35.3
Benchmark Returns	61.4%		2.8%		27.3%	
Net Assets end of period (Rs. Crs.)	3998.55	4988.14	1820.06	1980.66	1368.68	1272.71
Ratio of Recurring Expenses to net assets	0.56	1.67	0.7	1.76	1.8	0.73

##### 2. Motilal Oswal Focused Fund

Historical Per Unit Statistics	Motilal Oswal Focused Fund					
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<b>Inception date</b>	<b>May 13, 2013</b>					
	<b>April 1, 2023 to March 31, 2024</b>		<b>April 1, 2022 to March 31, 2023</b>		<b>April 1, 2021 to March 31, 2022</b>	
	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>
NAV at the beginning of the year (as on April 1)	36.0109	31.6246	35.6249	31.6567	29.8214	33.1570
IDCW	NIL	NIL	NIL	NIL	NIL	NIL
NAV at the end of the year (as on March 31)	47.2939	41.0643	35.8429	31.48	31.2795	35.1994
Annualised return* (%)	35.2	33.6	1.8	0.6	13.1	11.8
Benchmark Returns	43.8%				19.8%	
Net Assets end of period (Rs. Crs.)	3998.55	4988.14	1820.06	1980.66	1368.68	1272.71
Ratio of Recurring Expenses to net assets	0.77	1.9	0.81	1.91	1.90	0.84

### 3. Motilal Oswal Large and Midcap Fund

<b>Historical Per Unit Statistics</b>	<b>Motilal Oswal Large and Midcap Fund</b>					
<b>Inception date</b>	<b>October 17, 2019</b>					
	<b>April 1, 2023 to March 31, 2024</b>		<b>April 1, 2022 to March 31, 2023</b>		<b>April 1, 2021 to March 31, 2022</b>	
	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>
NAV at the beginning of the year (as on April 1)	17.9063	16.911	16.4498	15.7781	13.8085	13.461
IDCW	15.4905	14.8341	NIL	NIL	NIL	NIL
NAV at the end of the year (as on March 31)	27.4635	25.5842	17.8844	16.8923	16.3724	15.7045
Annualised return* (%)	57.9	55.7	9.2	7.6	13.1	11.8
Benchmark Returns	49.4%		0.6		19.8	
Net Assets end of period (Rs. Crs.)	1171.52	2491.94	448.21	1039.65	383.59	784.32
Ratio of Recurring Expenses to net assets	0.47	1.85	0.62	1.96	2.02	0.73

#### 4. Motilal Oswal ELSS Tax Saver Fund

Historical Per Unit Statistics	Motilal Oswal ELSS Tax Saver Fund					
Inception date	January 21, 2015					
	April 1, 2023 to March 31, 2024		April 1, 2022 to March 31, 2023		April 1, 2021 to March 31, 2022	
	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan
NAV at the beginning of the year (as on April 1)	29.8769	26.8018	28.0550	25.4829	22.3952	24.3500
IDCW	NIL	NIL	NIL	NIL	NIL	NIL
NAV at the end of the year (as on March 31)	46.5952	41.3021	29.8743	26.802	25.3013	27.8541
Annualised return* (%)	60.4	58.5	7.3	5.9	13.1	11.8
Benchmark Returns	43.8		-1.2%		19.8%	
Net Assets end of period (Rs. Crs.)	898.22	2306.91	597.76	1593.08	610.85	1585.84
Ratio of Recurring Expenses to net assets	0.62	1.82	0.69	1.87	1.85	0.68

#### 5. Motilal Oswal Liquid Fund

Historical Per Unit Statistics	Motilal Oswal Liquid Fund					
Inception date	January 21, 2015					
	April 1, 2023 to March 31, 2024		April 1, 2022 to March 31, 2023		April 1, 2021 to March 31, 2022	
	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan
NAV at the beginning of the year (as on April 1)	12.0051	11.928	11.3921	11.3361	11.0001	11.0379
IDCW	NIL	NIL	NIL	NIL	NIL	NIL
NAV at the end of the year (as on March 31)	12.8295	12.7282	11.9978	11.9209	11.3351	11.3911
Annualised return* (%)	6.8	6.8	5.3	5.2	5.0	5.0
Benchmark Returns	7.3%		5.8%		5.6%	
Net Assets end of period (Rs. Crs.)	254.78	270.45	238.98	195.05	367.06	250.51
Ratio of Recurring Expenses to net assets	0.2	0.35	0.2	0.35	0.35	0.2

#### 6. Motilal Oswal Ultra Short Term Fund

<b>Historical Per Unit Statistics</b>	<b>Motilal Oswal Ultra Short Term Fund</b>					
<b>Inception date</b>	<b>September 6, 2013</b>					
	<b>April 1, 2023 to March 31, 2024</b>		<b>April 1, 2022 to March 31, 2023</b>		<b>April 1, 2021 to March 31, 2022</b>	
	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>
NAV at the beginning of the year (as on April 1)	15.0919	14.473	14.4037	13.8819	13.538	13.9509
IDCW	NIL	NIL	NIL	NIL	NIL	NIL
NAV at the end of the year (as on March 31)	16.0971	15.3368	15.0843	14.4663	13.8807	14.4024
Annualised return* (%)	6.1	6.1	4.7	4.2	4.2	4.2
Benchmark Returns	7.3%		6.1%		5.1%	
Net Assets end of period (Rs. Crs.)	20.16	145.32	18.90	81.27	21.79	62.16
Ratio of Recurring Expenses to net assets	0.51	1	0.5	0.99	0.99	0.4

#### 7. Motilal Oswal Balanced Advantage Fund

<b>Historical Per Unit Statistics</b>	<b>Motilal Oswal Balanced Advantage Fund</b>					
<b>Inception date</b>	<b>September 27, 2016</b>					
	<b>April 1, 2023 to March 31, 2024</b>		<b>April 1, 2022 to March 31, 2023</b>		<b>April 1, 2021 to March 31, 2022</b>	
	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>
NAV at the beginning of the year (as on April 1)	15.8409	14.6742	16.1312	15.1306	14.6692	15.4439
IDCW	NIL	NIL	NIL	NIL	NIL	NIL
NAV at the end of the year (as on March 31)	21.1234	19.3356	15.7358	14.5784	14.9779	15.9678
Annualised return* (%)	37.0	35.3	-1.5	-2.7	11.3	10.0
Benchmark Returns	22.9%		1.8%		12.0%	
Net Assets end of period (Rs. Crs.)	189.63	1045.97	63.74	563.00	90.24	871.34
Ratio of Recurring Expenses to net assets	0.92	2.12	0.93	2.13	2.02	0.81

#### 8. Motilal Oswal Flexi Cap Fund



Historical Per Unit Statistics	Motilal Oswal Flexi Cap Fund					
Inception date	April 28, 2014					
	April 1, 2023 to March 31, 2024		April 1, 2022 to March 31, 2023		April 1, 2021 to March 31, 2022	
	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan
NAV at the beginning of the year (as on April 1)	33.9826	31.2667	35.3723	32.8278	31.8517	34.0126
IDCW	NIL	NIL	NIL	NIL	NIL	NIL
NAV at the end of the year (as on March 31)	52.7861	48.1693	33.9033	31.1958	32.2551	34.7544
Annualised return* (%)	58.9	57.6	-1.5	-2.7	16.7	19.8
Benchmark Returns	43.8%		1.8%		19.8%	
Net Assets end of period (Rs. Crs.)	4300.78	5359.60	3966.27	4114.36	4518.14	5171.88
Ratio of Recurring Expenses to net assets	0.77	1.6	0.78	1.6	1.58	0.77

### 9. Motilal Oswal S&P 500 Index Fund

Historical Per Unit Statistics	Motilal Oswal S&P 500 Index Fund					
Date of allotment	April 28, 2020					
	April 1, 2023 to March 31, 2024		April 1, 2022 to March 31, 2023		April 1, 2021 to March 31, 2022	
	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan
NAV at the beginning of the year (as on April 1)	15.4519	15.1763	15.6114	15.4182	13.1262	13.2119
IDCW	NIL	NIL	NIL	NIL	NIL	NIL
NAV at the end of the year (as on March 31)	20.1215	19.6489	15.2119	14.9413	15.6122	15.8076
Annualised return* (%)	32.3%	31.6%	-4.3%	-3.8%	19.8%	20.5%
Benchmark Returns	33.7%		-2.8%		22.0%	
Net Assets end of period (Rs. Crs.)	2197.82	1092.04	1716.29	897.61	975.50	1836.38
Ratio of Recurring Expenses to net assets	0.44	1	0.4	0.95	0.95	0.4

Past performance may or may not be sustained in future

\*Annualized Returns have been calculated since inception of the schemes

## 10. Motilal Oswal Multi Asset Fund

Historical Per Unit Statistics	Motilal Oswal Multi Asset Fund					
Date of allotment	August 04, 2020					
	April 1, 2023 to March 31, 2024		April 1, 2022 to March 31, 2023		April 1, 2021 to March 31, 2022	
	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan
NAV at the beginning of the year (as on April 1)	11.2463	10.855	11.1479	10.8832	10.437	10.3339
IDCW	NIL	NIL	NIL	NIL	NIL	NIL
NAV at the end of the year (as on March 31)	13.2008	12.5768	11.2173	10.828	11.1321	10.8682
Annualised return* (%)	19.2	16.2	-0.37	0.77	5.46	6.96
Benchmark Returns	15.8		5.25		8.49	
Net Assets end of period (Rs. Crs.)	24.02	76.59	19.91	96.60	24.69	171.58
Ratio of Recurring Expenses to net assets	0.76	1.86	0.72	1.82	1.82	0.61

*Past performance may or may not be sustained in future*

\*Annualized Returns have been calculated since inception of the schemes

## 11. Motilal Oswal 5 Year G-Sec ETF

Historical Per Unit Statistics	Motilal Oswal 5 Year G-Sec ETF		
Date of allotment	December 10, 2020		
	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023	April 1, 2021 to March 31, 2022
	NAV at the beginning of the year (as on April 1)	49.6470	47.4253
IDCW	NIL	NIL	Nil
NAV at the end of the year (as on March 31)	51.1769	49.6390	47.4182
Annualised return* (%)	7.3%	3.1%	4.7%

Benchmark Returns	7.7%	3.7%	4.9%
Net Assets end of period (Rs. Crs.)	87.94	55.13	71.33
Ratio of Recurring Expenses to net assets	0.17	0.14	0.14

*Past performance may or may not be sustained in future*

\*Annualized Returns have been calculated since inception of the schemes

## 12. Motilal Oswal Asset Allocation Passive Fund of Fund – Aggressive

Historical Per Unit Statistics	Motilal Oswal Asset Allocation Passive Fund of Fund – Aggressive					
Date of allotment	March 12,2021					
	April 1, 2023 to March 31, 2024		April 1, 2022 to March 31, 2023		April 1, 2021 to March 31, 2022	
	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan
NAV at the beginning of the year (as on April 1)	11.6007	11.6674	11.6007	11.6674	10.0140	10.0171
IDCW	NIL	NIL	NIL	NIL	NIL	NIL
NAV at the end of the year (as on March 31)	11.5386	11.6726	11.5386	11.6726	11.5416	11.6079
Annualised return* (%)	29.4%	28.7%	0.6%	0.0%	17.1%	16.5%
Benchmark Returns	29.3%		1.6%		18.8%	
Net Assets end of period (Rs. Crs.)	35.23	29.36	26.95	26.90	19.89	45.51
Ratio of Recurring Expenses to net assets	0.14	0.67	0.05	0.59	0.59	0.5

*Past performance may or may not be sustained in future*

\*Annualized Returns have been calculated since inception of the schemes

## 13. Motilal Oswal Asset Allocation Passive Fund of Fund – Conservative

Historical Per Unit Statistics	Motilal Oswal Asset Allocation Passive Fund of Fund – Conservative					
Date of allotment	March 12,2021					
	April 1, 2023 to March 31, 2024		April 1, 2022 to March 31, 2023		April 1, 2021 to March 31, 2022	
	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan
NAV at the beginning of the year (as on April 1)	11.1725	11.2435	11.2435	11.1725	10.0415	10.045

IDCW	NIL	NIL	NIL	NIL	NIL	NIL
NAV at the end of the year (as on March 31)	13.75	13.5212	11.4252	11.293	11.128	11.1984
Annualised return* (%)	20.4	19.7	1.48	2.02	11.82	12.5
Benchmark Returns	19.9%		3.09%		13.4%	
Net Assets end of period (Rs. Crs.)	21.01	22.01	18.07	25.26	13.24	52.56
Ratio of Recurring Expenses to net as-sets	0.02	0.54	0.04	0.63	0.66	0.5

*Past performance may or may not be sustained in future*

\*Annualized Returns have been calculated since inception of the schemes

#### 14. Motilal Oswal 5 Year G-Sec Fund Of Fund

Historical Per Unit Statistics	Motilal Oswal 5 Year G-Sec Fund Of Fund					
Date of allotment	October 6, 2021					
	April 1, 2023 to March 31, 2024		April 1, 2022 to March 31, 2023		April 1, 2021 to March 31, 2022	
	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan
NAV at the beginning of the year (as on April 1)	11.1725	11.2435	10.1694	10.1730	-	-
IDCW	NIL	NIL	Nil	Nil	Nil	Nil
NAV at the end of the year (as on March 31)	11.2223	11.202	10.4622	10.4740	10.1674	10.1709
Annualised return* (%)	7.1%	7.1%	2.9	3.0	1.71	1.71
Benchmark Returns	7.7%		3.09%		3.7%	
Net Assets end of period (Rs. Crs.)	21.01	22.01	3.18	6.86	14.35	4.01
Ratio of Recurring Expenses to net as-sets	0.13	0.2	0.03	0.10	0.10	0.03

*Past performance may or may not be sustained in future*

*Since the scheme has not completed 1 year absolute returns has being given.*

#### 15. Motilal Oswal Nifty 200 Momentum 30 Index Fund

<b>Historical Per Unit Statistics</b>	<b>Motilal Oswal Nifty 200 Momentum 30 Index Fund</b>					
<b>Date of allotment</b>	<b>February 10,2022</b>					
	<b>April 1, 2023 to March 31, 2024</b>	<b>April 1, 2022 to March 31, 2023</b>	<b>February 10, 2022 to March 31, 2022</b>			
	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>
NAV at the beginning of the year (as on April 1)	9.0927	9.0239	10.0507	10.0595	-	-
IDCW	Nil	Nil	Nil	Nil	Nil	Nil
NAV at the end of the year (as on March 31)	15.3218	15.1048	8.9936	9.0616	9.9839	9.9925
Annualised return* (%)	69.1	68.0	-9.92	-9.32	-0.16	-0.75
Benchmark Returns	70.0%				-9.18%	
Net Assets end of period (Rs. Crs.)	346.33	92.80	94.06	39.02	108.62	20.08
Ratio of Recurring Expenses to net assets	0.28	0.95	0.28	0.95	0.95	0.29

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given.*

#### **16. Motilal Oswal Nifty 200 Momentum 30 ETF Fund (From date of inception to March 31, 2023)**

<b>Historical Per Unit Statistics</b>	<b>Motilal Oswal Nifty 200 Momentum 30 ETF Fund</b>		
<b>Date of allotment</b>	<b>February 10,2022</b>		
	<b>April 1, 2023 to March 31, 2024</b>	<b>April 1, 2022 to March 31, 2023</b>	<b>February 10, 2022 to March 31, 2022</b>
	<b>Regular Plan</b>	<b>Regular Plan</b>	<b>Regular Plan</b>
NAV at the beginning of the year (as on April 1)	36.8255	204.542	-
IDCW	Nil	Nil	
NAV at the end of the year (as on March 31)	62.1289	36.7001	203.1794
Annualised return* (%)	69.3%	-9.7	0.44
Benchmark Returns	70.0%	-9.2%	34.7%

Net Assets end of period (Rs. Crs.)	42.46	15.27	6.58
Ratio of Recurring Expenses to net assets	0.3	0.3	0.3

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given.*

#### 17. Motilal Oswal Nasdaq Q 50 ETF (From date of inception to March 31, 2023)

Historical Per Unit Statistics	Motilal Oswal NASDAQ Q 50 ETF		
Date of allotment	December 23, 2021		
	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023	December 23, 2021 to March 31, 2022
	Regular Plan	Regular Plan	Regular Plan
NAV at the beginning of the year (as on April 1)	54.1739	55.9094	-
IDCW	Nil	Nil	Nil
NAV at the end of the year (as on March 31)	63.1857	53.2249	56.9094
Annualised return* (%)	18.8%	-6.47	-12.79
Benchmark Returns	19.9%	-6.35%	-4.3%
Net Assets end of period (Rs. Crs.)	20.69	23.82	18.64
Ratio of Recurring Expenses to net assets	0.39	0.38	0.39

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given.*

#### 18. Motilal Oswal BSE Low Volatility Index Fund

Historical Per Unit Statistics	Motilal Oswal BSE Low Volatility Index Fund					
Date of allotment	March 23, 2022					
	April 1, 2023 to March 31, 2024		April 1, 2022 to March 31, 2023		March 23, 2022 to March 31, 2022	
	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan

NAV at the beginning of the year (as on April 1)	10.9068	10.8393	10.1344	10.1360	-	-
IDCW	NIL	NIL	NIL	NIL	NIL	NIL
NAV at the end of the year (as on March 31)	15.5152	15.3234	10.8183	10.8851	10.0429	10.0444
Annualised return* (%)	42.5%	41.7%	7.7	8.4	0.43	0.44
Benchmark Returns	43.9%		8.3%		0.6%	
Net Assets end of period (Rs. Crs.)	53.76	20.21	5.79	11.89	9.58	2.74
Ratio of Recurring Expenses to net assets	0.39	0.99	0.35	0.95	0	0

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given.*

#### 19. Motilal Oswal BSE Low Volatility ETF (From date of inception to March 31, 2023)

Historical Per Unit Statistics	Motilal Oswal BSE Low Volatility ETF		
Date of allotment	March 23, 2022		
	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023	March 23, 2022 to March 31, 2022
	Regular Plan	Regular Plan	Regular Plan
NAV at the beginning of the year (as on April 1)	24.4585	114.5859	-
IDCW	Nil	NIL	Nil
NAV at the end of the year (as on March 31)	34.9762	24.4051	113.5533
Annualised return* (%)	43.3%	7.5	0.45
Benchmark Returns	43.9%	8.3%	7.70%
Net Assets end of period (Rs. Crs.)	43.07	14.86	11.10
Ratio of Recurring Expenses to net assets	0.28	0.27	0

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given.*

#### 20. Motilal Oswal BSE Healthcare ETF

<b>Historical Per Unit Statistics</b>	<b>Motilal Oswal BSE Healthcare ETF</b>	
<b>Date of allotment</b>	<b>July 29, 2022</b>	
	<b>April 1, 2023 to March 31, 2024</b>	<b>July 29, 2022 to March 31, 2023</b>
	<b>Regular Plan</b>	<b>Regular Plan</b>
NAV at the beginning of the year (as on April 1)	22.007	-
IDCW	Nil	Nil
NAV at the end of the year (as on March 31)	35.301	21.9582
Annualised return* (%)	60.8%	-4.1
Benchmark Returns	61.3%	-3.9%
Net Assets end of period (Rs. Crs.)	12.94	5.74
Ratio of Recurring Expenses to net assets	0.21	0.21

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given.*

## 21. Motilal Oswal BSE Financials ex Bank 30 Index Fund

<b>Historical Per Unit Statistics</b>	<b>Motilal Oswal BSE Financials ex Bank 30 Index Fund</b>			
<b>Date of allotment</b>	<b>March 23, 2022</b>			
	<b>April 1, 2023 to March 31, 2024</b>		<b>April 1, 2022 to March 31, 2023</b>	
	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>
NAV at the beginning of the year (as on April 1)	10.9068	10.8393	-	-
IDCW	NIL	NIL	Nil	Nil
NAV at the end of the year (as on March 31)	15.5152	15.3234	9.1672	9.1240
Annualised return* (%)	50.4%	51.5%	-8.3%	-8.8%
Benchmark Returns	51.7%		-6.8%	



Net Assets end of period (Rs. Crs.)	7.51	3.98	2.10	2.03
Ratio of Recurring Expenses to net as-sets	0.29	0.99	0.35	1.12

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given.*

## 22. Motilal Oswal BSE Enhanced Value Index Fund

Historical Per Unit Statistics	Motilal Oswal BSE Enhanced Value Index Fund			
Date of allotment	March 23, 2022			
	April 1, 2023 to March 31, 2024		August 22, 2022 to March 31,2023	
	Direct Plan	Regular Plan	Direct Plan	Regular Plan
NAV at the beginning of the year (as on April 1)	11.8169	11.7697	-	-
IDCW	Nil	Nil	Nil	Nil
NAV at the end of the year (as on March 31)	22.1986	21.9633	11.7177	11.6714
Annualised return* (%)	89.5%	88.2%	17.2%	16.7%
Benchmark Returns	92.2%		18.1%	
Net Assets end of period (Rs. Crs.)	274.08	68.49	13.37	6.09
Ratio of Recurring Expenses to net as-sets	0.33	0.98	0.27	0.96

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given.*

## 23. Motilal Oswal BSE Enhanced Value ETF

Historical Per Unit Statistics	Motilal Oswal BSE Enhanced Value ETF	
Date of allotment	August 22, 2022	
	April 1, 2023 to March 31, 2024	August 22, 2022 to March 31,2023
	Regular Plan	Regular Plan
NAV at the beginning of the year (as on April 1)	48.1477	-

IDCW	Nil	NIL
NAV at the end of the year (as on March 31)	91.1701	47.7401
Annualised return* (%)	91.0%	17.8%
Benchmark Returns	92.2%	18.1%
Net Assets end of period (Rs. Crs.)	53.58	6.96
Ratio of Recurring Expenses to net assets	0.29	0.29

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given.*

#### **24. Motilal Oswal BSE Quality Index Fund (From date of inception to March 31, 2023)**

<b>Historical Per Unit Statistics</b>	<b>Motilal Oswal BSE Quality Index Fund</b>			
<b>Date of allotment</b>	<b>August 22, 2022</b>			
	<b>April 1, 2023 to March 31, 2024</b>		<b>August 22, 2022 to March 31,2023</b>	
	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>
NAV at the beginning of the year (as on April 1)	10.1824	10.1417	-	-
IDCW	NIL	NIL	NIL	NIL
NAV at the end of the year (as on March 31)	15.2721	15.1039	10.1437	10.1037
Annualised return* (%)	50.6	49.5	1.4	1.0
Benchmark Returns	51.9%		2.2%	
Net Assets end of period (Rs. Crs.)	10.35	3.27	3.09	1.92
Ratio of Recurring Expenses to net assets	0.34	0.99	0.31	0.96

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given.*

#### **25. Motilal Oswal BSE Quality ETF (From date of inception to March 31, 2023)**

<b>Historical Per Unit Statistics</b>	<b>Motilal Oswal BSE Quality ETF</b>
<b>Date of allotment</b>	<b>August 22, 2022</b>

	<b>April 1, 2023 to March 31, 2024</b>	<b>August 22, 2022 to March 31,2023</b>
	<b>Regular Plan</b>	<b>Regular Plan</b>
NAV at the beginning of the year (as on April 1)	115.6538	-
IDCW	Nil	Nil
NAV at the end of the year (as on March 31)	174.057	115.2131
Annualised return* (%)	51.1	1.4
Benchmark Returns	51.9%	2.2%
Net Assets end of period (Rs. Crs.)	12.89	6.92
Ratio of Recurring Expenses to net as-sets	0.27	0.27

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given*

## **26. Motilal Oswal Large Cap Fund (From date of inception to February 6, 2024)**

<b>Motilal Oswal Large Cap Fund</b>		
<b>Historical Per Unit Statistics</b>	<b>February 6, 2024 to March 31,2024</b>	
<b>Inception Date</b>	<b>February 6, 2024</b>	
	<b>Direct Plan</b>	<b>Regular Plan</b>
NAV at the beginning	9.9793	9.9782
IDCW	NIL	NIL
NAV at the end of the year (as on March 31)	10.2322	10.2114
Annualised return* (%)	1.6	1.5
Benchmark Returns	1.1%	
Net Assets end of period (Rs. Crs.)	167.83	602.18
Ratio of Recurring Expenses to net assets	0.84	2.19

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given*

## **27. Motilal Oswal Small Cap Fund (From date of inception to December 26, 2023)**

<b>Motilal Oswal Small Cap Fund</b>		
<b>Historical Per Unit Statistics</b>	<b>December 26, 2023 to March 31,2024</b>	
<b>Inception Date</b>	<b>December 26, 2023</b>	
	<b>Direct Plan</b>	<b>Regular Plan</b>
NAV at the beginning		
IDCW	NIL	NIL
NAV at the end of the year (as on March 31)	10.463	10.4224
Annualised return* (%)	5.0	4.7
Benchmark Returns	8.3	
Net Assets end of period (Rs. Crs.)	368.65	1155.81
Ratio of Recurring Expenses to net assets	0.5	1.97

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given*

#### **28. Motilal Oswal Nifty Smallcap 250 ETF (From date of inception to March 15, 2024)**

<b>Motilal Oswal Nifty Smallcap 250 ETF</b>	
<b>Historical Per Unit Statistics</b>	<b>March 15, 2024 to March 31,2024</b>
<b>Inception Date</b>	<b>March 15, 2024</b>
	<b>Regular Plan</b>
NAV at the beginning	Nil
IDCW	Nil
NAV at the end of the year (as on March 31)	14.3586
Annualised return* (%)	2.2%
Benchmark Returns	64.1%
Net Assets end of period (Rs. Crs.)	6.03
Ratio of Recurring Expenses to net assets	0.27

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given*

#### **29. Motilal Oswal Realty ETF (From date of inception to March 15, 2024)**

<b>Motilal Oswal Realty ETF</b>
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<b>Historical Per Unit Statistics</b>	<b>March 15, 2024 to March 31,2024</b>
<b>Inception Date</b>	<b>March 15, 2024</b>
	<b>Regular Plan</b>
NAV at the beginning	Nil
IDCW	Nil
NAV at the end of the year (as on March 31)	90.1081
Annualised return* (%)	4.8%
Benchmark Returns	133.4%
Net Assets end of period (Rs. Crs.)	7.57
Ratio of Recurring Expenses to net assets	0.35

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given*

### **30. Motilal Oswal Nifty 500 ETF (From date of inception to March 15, 2024)**

<b>Motilal Oswal Nifty 500 ETF</b>	
<b>Historical Per Unit Statistics</b>	<b>September 29, 2023 to March 31,2024</b>
<b>Inception Date</b>	<b>September 29, 2023</b>
	<b>Regular Plan</b>
NAV at the beginning	Nil
IDCW	Nil
NAV at the end of the year (as on March 31)	20.3113
Annualised return* (%)	17.3%
Benchmark Returns	40.5%
Net Assets end of period (Rs. Crs.)	29.05
Ratio of Recurring Expenses to net assets	0.27

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given*

**31. Motilal Oswal Nifty Microcap 250 Index Fund (From date of inception to February 6, 2024)**

<b>Motilal Oswal Nifty Microcap 250 Index Fund</b>		
<b>Historical Per Unit Statistics</b>	<b>July 5, 2023 to March 31,2024</b>	
<b>Inception Date</b>	<b>July 5, 2023</b>	
	<b>Direct Plan</b>	<b>Regular Plan</b>
NAV at the beginning	14.5485	14.4736
IDCW	NIL	NIL
NAV at the end of the year (as on March 31)	14.0707	13.9986
Annualised return* (%)	40.7%	40.0%
Benchmark Returns	86.1%	
Net Assets end of period (Rs. Crs.)	510.52	304.72
Ratio of Recurring Expenses to net assets	0.29	0.98

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given*

**32. Motilal Oswal Developed Market Ex US ETFs FOFs (From date of inception to February 6, 2024)**

<b>Motilal Oswal Developed Market Ex US ETFs FOFs</b>		
<b>Historical Per Unit Statistics</b>	<b>September 21, 2023 to March 31,2024</b>	
<b>Inception Date</b>	<b>September 21, 2023</b>	
	<b>Direct Plan</b>	<b>Regular Plan</b>
NAV at the beginning	NIL	NIL
IDCW	NIL	NIL
NAV at the end of the year (as on March 31)	11.4506	11.4264
Annualised return* (%)	14.5%	14.3%
Benchmark Returns	86.1%	
Net Assets end of period (Rs. Crs.)	23.45	12.59
Ratio of Recurring Expenses to net assets	0.11	0.51

*Past performance may or may not be sustained in future*

*\*Since the scheme has not completed 1 year absolute returns has being given*

## V. RISK FACTORS

### 1. Standard Risk Factors:

#### a. Standard Risk Factors for investments in Mutual Fund

- Investment in Mutual Fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
  - As the price / value / interest rate of the securities in which the Schemes have invested fluctuates, the value of your investment in the Schemes may vary 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 for any of the Schemes.
    - The names of the Schemes does not in any manner indicate either the quality of the Schemes or its future prospects and returns.
    - The Sponsor is not responsible or liable for any loss resulting from the operation of the Schemes beyond the initial contribution of Rs. 100,000 made by it towards setting up the Fund.
    - The NAV of the Schemes can go up or down depending on the factors and forces affecting the securities markets.
    - Changes in Government policy in general and changes in tax benefits applicable to mutual funds may impact the returns to Investors in the Schemes.
    - Investors in the Schemes are not being offered any guaranteed/indicated returns.

#### b. Risk factors of not maintaining average AUM of Rs. 20 crores on half yearly rolling basis (Applicable only for open ended debt oriented schemes)

An open ended scheme is required to maintain an average AUM of Rs. 20 Crore on half yearly rolling basis. In case of breach of the same, the AMC shall take all the steps to scale up the AUM of the debt scheme(s) within a period of six months. Failing which, the scheme needs to be wind up as per the provisions of Regulation 39 (2) (c) of SEBI (Mutual Funds) Regulations, 1996.

#### c. 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 mis-pricing 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.

#### **d. Other risk factors**

- **Credit risk:** Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. will be unable to make timely principal and interest payments on the security). Because of this risk debentures are sold at a yield spread above those offered on Treasury securities, which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.
- **Counterparty risk:** Counterparty refers to the counterparty's inability to honor its commitments (payment, delivery, repayment, etc.) and to risk of default. This risk relates to the quality of the counterparty to which the scheme has exposures. Losses can occur in particular for the settlement/delivery of financial instruments.
- **Interest Rate risk:** This risk is associated with movements in interest rate depends on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/depreciate if the interest rates fall/rise. However, if the investments are held on till maturity of the investments, the value of the investments will not be subjected to this risk.
- **Reinvestment risk:** This risk arises from uncertainty in the rate at which cash flows from the securities may be reinvested. This is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon prevailing market rates at the time the coupons are received.
- **Liquidity or Marketability Risk:** This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market.
- **Different types of fixed income securities in which the Scheme would invest carry different levels and types of risk.** Accordingly, the Scheme risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, bonds, which are AAA rated, are comparatively less risky than bonds, which are AA rated.
- **The Net Asset Value (NAV) of the Scheme, to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates.** The NAV of the Scheme is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
- **Settlement Risk:** Different segments of Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are uninvested and no return is earned thereon. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme's portfolio, due to the absence of a well-developed and liquid secondary market for debt securities, may result at times in potential losses to the Scheme in the event of a subsequent decline in the value of securities held in the Scheme's portfolio.
- **Risks associated with investing in Government of India Securities a. Market Liquidity risk with fixed rate Government of India Securities even though the Government of India Securities market is more liquid compared to other debt instruments, on certain occasions, there could be difficulties in transacting in the market due to extreme volatility leading to constriction in market volumes. Also, the liquidity of the Scheme may suffer in case the relevant guidelines issued by Reserve Bank of India undergo any adverse changes.**
- **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).

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

CDMDF is set up as a scheme of the Trust registered as an Alternative Investment Fund ('AIF') in accordance with the SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations"). The objective of the CDMDF is to help to develop the corporate debt market by providing backstop facility to instill confidence amongst the market participants in the corporate debt/bond market during times of market dislocation and to enhance the secondary market liquidity. In times of market dislocation, CDMDF shall purchase and hold eligible corporate debt securities from the participating investors (i.e., specified debt-oriented MF schemes to begin with) and sell as markets recover. The CDMDF will thus act as a key enabler for facilitating liquidity in the corporate debt market and to respond quickly in times of market dislocation. The trigger and period for which the backstop facility will be open shall be as decided by SEBI. Thus this backstop facility will help fund managers of the aforementioned Schemes to better generate liquidity during market dislocation to help the schemes fulfill liquidity obligations under stress situation. In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes in units of Corporate Debt Market Development Fund, the aforementioned schemes shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF'). An incremental contribution to CDMDF shall be made every six months to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF. We

would further like to bring to the notice of the investors that investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF.

- **Model Risk**

The applicable Scheme proposes to invest in a diversified portfolio of equity and equity related instruments by screening, selecting and weighting stocks based on an in-house proprietary quantitative model. This model will factor in various fundamental, technical, quantitative and qualitative factors. The model has been designed on the basis of rigorous back -testing and research of fundamental investment principals and tenets of factor investing. There is no guarantee that the factor model will generate higher returns as compared to the benchmark.

- **Market Risk**

The applicable Scheme's NAV will react to stock market movements. The Investor may lose money over short or long period due to fluctuation in Scheme's NAV in response to factors such as performance of companies whose stock comprises the underlying portfolio, economic and political developments, changes in interest rates, inflation and other monetary factors and movement in prices of underlining investments.

- **Risks associated with investing in Equities**

Equity and Equity related instruments on account of its volatile nature are subject to price fluctuations on daily basis. The volatility in the value of the equity and equity related instruments is due to various micro and macro-economic factors affecting the securities markets. This may have adverse impact on individual securities /sector and consequently on the NAV of applicable Scheme. The inability of the applicable Scheme to make intended securities purchases due to settlement problems could cause the Scheme to miss certain investment opportunities as in certain cases, settlement periods may be extended significantly by unforeseen circumstances. Similarly, the inability to sell securities held in the schemes portfolio may result, at times, in potential losses to the scheme, should there be a subsequently decline in the value of the securities held in the schemes portfolio. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments. This may impact the ability of the unit holders to redeem their units. In view of this, the Trustee has the right, in its sole discretion to limit redemptions (including suspending redemptions) under certain circumstances. The Scheme may find itself invested in unlisted securities due to external events or corporate actions. This may increase the risk of the portfolio as these unlisted securities are inherently illiquid in nature and carry larger liquidity risk as compared to the listed securities or those that offer other exit options to the investors. Investments in equity and equity related securities involve high degree of risks and investors should not invest in the Scheme unless they can afford to take the risk of losing their investment.

- **Right to Limit Redemptions**

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

- **Asset Class Risk**

The returns from the types of securities in which the Schemes invests may underperform from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of out-performance and under-performance in comparison with the general securities markets.

- **Interest Rate Risk**

Changes in interest rates will affect the Scheme's Net Asset Value. The prices of securities usually increase as interest rates decline and usually decrease as interest rates rise. The extent of fall or rise in the prices is guided by

duration, which is a function of the existing coupon, days to maturity and increase or decrease in the level of interest rate. The new level of interest rate is determined by the rate at which the government raises new money and/or the price levels at which the market is already dealing in existing securities. Prices of long-term securities generally fluctuate more in response to interest rate changes than short-term securities. The price risk is low in the case of the floating rate or inflation-linked bonds. The price risk does not exist if the investment is made under a repo agreement. Debt markets, especially in developing markets like India, can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the NAV.

- **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 applicable Scheme has invested in Government securities, there is no risk to that extent.

- **Liquidity or Marketability Risk**

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

- **Risks associated with Segregated portfolio**

The AMC / Trustee shall decide on creation of segregated portfolio of the applicable 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 Stock Lending**

Stock Lending is a lending of securities through an SEBI approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed. In case the applicable Scheme undertakes stock lending as prescribed in the Regulations, it may, at times be exposed to counter party risk and other risks associated with the securities lending. Unitholders of the Scheme should note that there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities lent. The Fund may not be able to sell such lent securities and this can lead to temporary illiquidity.

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

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

• **Risk associated with investing in Money Market Instruments**

**a. Credit risk:** Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. will be unable to make timely principal and interest payments on the security). Because of this risk debenture are sold at a yield spread above those offered on Treasury securities, which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.

**b. Counterparty risk:** Counterparty refers to the counterparty's inability to honor its commitments (payment, delivery, repayment, etc.) and to risk of default. This risk relates to the quality of the counterparty to which the scheme has exposures. Losses can occur in particular for the settlement/delivery of financial instruments.

**c. Interest Rate risk:** This risk is associated with movements in interest rate depends on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/depreciate if the interest rates fall/rise. However, if the investments are held on till maturity of the investments, the value of the investments will not be subjected to this risk. **d. Reinvestment risk:** This risk arises from uncertainty in the rate at which cash flows from the securities may be reinvested. This is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon prevailing market rates at the time the coupons are received.

**d. Liquidity or Marketability Risk:** This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market.

e. Different types of fixed income securities in which the Scheme would invest carry different levels and types of risk. Accordingly, the Scheme risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, bonds, which are AAA rated, are comparatively less risky than bonds, which are AA rated.

f. The Net Asset Value (NAV) of the Scheme, to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the Scheme is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.

**g. Settlement Risk:** Different segments of Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are un invested and no return is earned thereon. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme's portfolio, due to the absence of a well-developed and liquid secondary market for debt securities, may result at times in potential losses.

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

a. Market Liquidity risk with fixed rate Government of India Securities even though the Government of India Securities market is more liquid compared to other debt instruments, on certain occasions, there could be difficulties in transacting in the market due to extreme volatility leading to constriction in market volumes. Also, the liquidity of the Scheme may suffer in case the relevant guidelines issued by Reserve Bank of India undergo any adverse changes.

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

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

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

• **Risk associated with 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.

• **Market Trading Risks**

- a. Absence of Prior Active Market: Although the scheme will be listed on stock exchange, there can be no assurance that an active secondary market will develop or be maintained.
- b. Lack of Market Liquidity: Trading in the units of the scheme on stock exchange may be halted because of market conditions or for reasons that in view of stock exchange or SEBI, trading in the units of the scheme are not advisable. In addition, trading of the units of the scheme are subject to trading halts caused by extraordinary market volatility and pursuant to stock exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of stock exchange necessary to maintain the listing of the units of the scheme will continue to be met or will remain unchanged.
- c. Units of the scheme may trade at prices other than NAV: The units of the scheme may trade above or below their NAV. The NAV of the scheme will fluctuate with changes in the market value of scheme holdings. The trading prices of the units of the scheme will fluctuate in accordance with changes in their NAV as well as market supply and demand for the units of the scheme. However, given that units of the scheme can be created and redeemed in creation units directly with the fund, it is expected that large discounts or premiums to the NAV of units of the scheme will not sustain due to arbitrage opportunity available.

- d. **Regulatory Risk:** Any changes in trading regulations by stock exchange or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/discount to NAV.
- e. **Right to Limit Redemptions:** The Trustee, in the general interest of the unit holders of the scheme and keeping in view of the unforeseen circumstances/unusual market conditions, may limit the total number of units which can be redeemed on any business day depending on the total “Saleable Underlying Stock” available with the fund.
- f. **Redemption Risk:** Investors may note that even though the Scheme is open-ended Scheme, the Scheme would ordinarily repurchase units in creation unit size. Thus unit holdings less than the creation unit size can only be sold through the secondary market on the exchange.
- g. **Asset Class Risk:** The returns from the types of securities in which the scheme invest may underperform returns of general securities markets or different asset classes. Different types of securities tend to go through cycles of out-performance and under-performance in comparison of securities markets.
- h. **Passive Investments:** As the scheme proposes to invest not less than 95% of the net assets in the securities of the benchmark Index, the Scheme will not be actively managed. The Scheme may be affected by a general decline in the Indian markets relating to its Underlying Index. The Scheme invests in the securities included in its underlying index regardless of their investment merit.
- i. The units will be issued only in demat form through depositories. The records of the depository are final with respect to the number of units available to the credit of unit holder. Settlement of trades, repurchase of units by the mutual fund depends up on the confirmations to be received from depository (ies) on which the mutual fund has no control.
- j. **Tracking Error Risk:** The Fund Manager would not be able to invest the entire corpus exactly in the same proportion as in the underlying index due to certain factors such as the fees and expenses of the respective scheme, corporate actions, cash balance, changes to the underlying index and regulatory policies which may affect AMC’s ability to achieve close correlation with the underlying index of the scheme. The scheme’s returns may therefore deviate from those of its underlying index. "Tracking Error" is defined as the standard deviation of the difference between daily returns of the underlying index and the NAV of the respective scheme. Tracking Error may arise due to the following reasons: -
- Expenditure incurred by the fund.
  - The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses. The fund may not be invested at all times as it may keep a portion of the funds in cash to meet redemptions or for corporate actions.
  - Corporate actions such as debenture or warrant conversion, rights, merger, change in constituents etc.
    - Rounding off of quantity of shares in underlying index.
    - Disinvestments to meet redemptions, recurring expenses, dividend payouts etc.
    - Execution of large buy / sell orders
    - Transaction cost (including taxes and insurance premium) and recurring expenses
    - Realisation of Unit holders’ funds

- Index provider undertakes a periodical review of the scripts that comprise the underlying index and may either drop or include new securities. In such an event, the fund will try to reallocate its portfolio but the available investment/reinvestment opportunity may not permit absolute mirroring immediately.

It will be the endeavour of the fund manager to keep the tracking error as low as possible. Under normal circumstances, such tracking error is not expected to exceed 2% per annum. However, in case of certain corporate actions and market volatility during rebalancing of the portfolio following the rebalancing of the underlying index, etc. or in abnormal market circumstances, the tracking error may exceed the above limits. There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Index.

- **Concentration Risk:**

The scheme may have no diversification within its portfolio. This could have implications on the performance of the scheme. The scheme may be more sensitive to economic, business, political or other changes and this may lead to sizeable fluctuation in the Net Asset Value of the scheme.

- **Risk associated with ETF**

1. **Passive Investments:**

As the scheme proposes to invest not less than 95% of the net assets in the securities of the benchmark Index, the Scheme will not be actively managed. The Scheme may be affected by a general decline in the Indian markets relating to its Underlying Index. The Scheme invests in the securities included in its underlying index regardless of their investment merit. The AMC does not attempt to individually select stocks or to take defensive positions in declining markets. The value of the Scheme's investments, may be affected generally by factors affecting equity markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors. Consequently, the NAV of the Units of the Scheme may fluctuate and can go up or down

2. **Market risk:**

ETFs are typically designed to track the performance of certain indices, market sectors, or groups of assets such as stocks, bonds, or commodities. ETF managers may use different strategies to achieve this goal, but in general they do not have the discretion to take defensive positions in declining markets. Investors must be prepared to bear the risk of loss and volatility associated with the underlying index/assets.

3. **Tracking errors:**

Tracking errors refer to the disparity in performance between an ETF and its underlying index/assets. Tracking errors can arise due to factors such as the impact of transaction fees and expenses incurred to the ETF, changes in composition of the underlying index/assets, and the ETF manager's replication strategy.

4. **Trading at discount or premium:**

An ETF may be traded at a discount or premium to its Net Asset Value (NAV). This price discrepancy is caused by supply and demand factors, and may be particularly likely to emerge during periods of high market volatility and uncertainty.

5. Liquidity risk:  
Authorized participants (APs) are Exchange Participants that provide liquidity to facilitate trading in ETFs. Although most ETFs are supported by one or more APs, there is no assurance that active trading will be maintained.
6. As the units of the Scheme are listed on the Stock Exchange, trading in the units of the Scheme may be halted due to market conditions or for reasons that in the view of the Exchange Authorities or SEBI. There could also be trading halts caused by extraordinary market volatility and pursuant to NSE/BSE and SEBI circuit filter rules and the Scheme would not be able to buy/sell securities in case of subscriptions/redemptions, which may impact the Scheme. Further, there can be no assurance that the requirements of the exchange necessary to maintain the listing of the Scheme will continue to be met or will remain unchanged.
7. Listing and trading of the units are undertaken on the Stock Exchanges within the rules, regulation and policy of the Stock Exchange and SEBI. Any change in trading rules, regulation and policy by the regulatory authority would have a bearing on the trading of the units of the Scheme and its prices.
8. Though the Scheme is listed on the NSE and BSE, there is no assurance that an active secondary market will develop or be maintained. Hence, there would be times when trading in the units of the Scheme would be infrequent.
9. The NAV of the Scheme reflect the valuation of its investment and any changes in market value of its investments would have a bearing on its NAV. When the units are traded on the Stock Exchange, the units of the Scheme may trade at prices which can be different from the NAV due to various factors like demand and supply for the units of the Scheme, perceived trends in the market outlook, etc.
10. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases due to settlement problems could cause the Scheme to miss certain investment opportunities as in certain cases, settlement periods may be extended significantly by unforeseen circumstances. Similarly, the inability to sell securities held in the Scheme portfolio may result, at times, in potential losses to the Scheme, and there can be a subsequent decline in the value of the securities held in the Scheme portfolio.
11. Investors can directly approach the AMC for redemption of units of ETFs, for transaction of up to INR 25 Cr. without any exit load, in case of the following scenarios:
  - i. Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or
  - ii. No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or
  - iii. Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.
12. Tracking error may arise due to various reasons like fees and expenses charged to the Scheme, dividend, corporate actions, change in the Underlying Index, etc. Tracking error has an impact on the performance of



the Scheme. The Scheme's returns may therefore deviate from those of its Underlying Basket. However, the Fund would endeavor to keep the tracking error as low as possible.

- **Risk Factors relating to Portfolio Rebalancing**

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

- **Risks associated with investing in Funds of Funds Scheme**

- Investors may please note that they will be bearing the expenses of the relevant fund of funds scheme in addition to the expenses of the underlying scheme in which the fund of funds scheme makes investment.
  - The Scheme may invest in units of underlying ETFs. Hence the Scheme's performance may depend upon the performance of the underlying scheme. Any change in the investment policies or the fundamental attributes of the underlying schemes could affect the performance of the Scheme.
  - The Portfolio disclosure of the Scheme will be limited to providing the particulars of the underlying scheme where the Scheme has invested and will not include the investments made by the underlying Scheme.
  - The fund assets are invested in units of ETFs by buying and selling units on the exchange/s at the market price. The same may be at a variance to the underlying NAV of the fund, due to market expectations, demand supply of the units, etc. To that extent the performance of scheme shall be at variance with that of the underlying scheme.
  - In addition to buying or selling of ETF units on the exchange, FOF scheme may create or redeem ETF units directly from AMC subject to provisions mentioned in prospectus and regulatory documents of underlying ETFs. As a result, the returns of the Scheme may differ from the underlying schemes.
  - The liquidity of the Scheme's investments may be inherently restricted by trading volumes, settlement periods and transfer procedures. In the event of an inordinately large number of redemption requests, or of a re-structuring of the Scheme's investment portfolio, these settlement periods and liquidity risk may become significant.
  - The NAV of the scheme to the extent invested in Money market securities are likely to be affected by changes in the prevailing rates of interest and are likely to affect the value of the Scheme's holdings and thus the value of the Scheme's Units.
  - While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is finally sold.
- **Compliance with Foreign Accounts Tax Compliance Act "FATCA" / Common Reporting Standards "CRS"**

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

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

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

- **Risks associated with overseas investment**

To the extent the assets of the scheme are invested in overseas financial assets, there may be risks associated with currency movements, restrictions on repatriation and transaction procedures in overseas market. Further, the repatriation of capital to India may also be hampered by changes in regulations or political circumstances as well as the application to it of other restrictions on investment. In addition, country risks would include events such as introduction of extraordinary exchange controls, economic deterioration, and bi-lateral conflict leading to immobilisation of the overseas financial assets and the prevalent tax laws of the respective jurisdiction for execution of trades or otherwise.

- **Currency Risk:**

The fund will invest in overseas / foreign ETFs as permitted by the concerned regulatory authorities in India. Since the assets will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes/fluctuations in the value of the foreign currencies relative to the Indian Rupee.

- **Country Risk:**

The Country risk arises from the inability of a country, to meet its financial obligations. It is the risk encompassing economic, social and political conditions in a foreign country, which might adversely affect foreign investors' financial interests.

**The above mentioned risk factors differs from case to case basis for the relevant applicable schemes of Motilal Oswal Mutual Fund.**

## **2. Special Considerations**

- 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.
- 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. Any changes in SEBI/Stock Exchange/RBI regulations and other applicable laws/regulations could have an effect on such investments and valuation thereof.
- The AMC, Trustee or the Mutual Fund have not authorized any person to issue any advertisement or to give any information or to make any representations, either oral or written, other than that contained in this SID or SAI or as provided by the AMC in connection with this offering. Prospective Investors are advised not to rely upon any information or representation not incorporated in the SID or SAI or as provided by the AMC as having been authorized by the Mutual Fund, the AMC or the Trustee.
- The tax benefits described in this SID and SAI are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advise received by the AMC regarding the law and practice currently in force in India as on the date of this SID and the Unitholders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position

prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unitholder is advised to consult his / her own professional tax advisor.

- Redemptions due to change in the fundamental attributes of the Scheme or due to any other reasons may entail tax consequences. The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise.
- The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that the Scheme is wound up for the reasons and in the manner provided in SAI.
- The Mutual Fund may disclose details of the investor's account and transactions there under to those intermediaries whose stamp appears on the application form or who have been designated as such by the investor. In addition, the Mutual Fund may disclose such details to the bankers, as may be necessary for the purpose of effecting payments to the investor. The Fund may also disclose such details to regulatory and statutory authorities/bodies as may be required or necessary.
- MOAMC undertakes the following activities other than that of managing the Schemes of MOMF and has also obtained NOC from SEBI for the same:
  - a. MOAMC is a registered Portfolio Manager under SEBI (Portfolio Managers) Regulations, 1993 bearing registration number INP000000670 dated August 21, 2017.
  - b. MOAMC acts as an Investment Manager to the Schemes of Motilal Oswal Alternative Investment Trust and is registered under SEBI (Alternative Investment Funds) Regulations, 2012 as Category III AIF bearing registration number IN/AIF3/13-14/0044 and IN/AIF3/19-20/0799 respectively.
  - c. MOAMC has incorporated a wholly owned subsidiary in Mauritius which acts as an Investment Manager to the funds based in Mauritius.
  - d. MOAMC has incorporated a wholly owned subsidiary in India which currently undertakes Investment Advisory Services/Portfolio Management Services to offshore clients.

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

- Apart from the above-mentioned activities, the AMC may undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, if any of such activities are not in conflict with the activities of the mutual fund subject to receipt of necessary regulatory approvals and approval of Trustees and by ensuring compliance with provisions of regulation 24(b) (i to viii). Provided further that the asset management company may, itself or through its subsidiaries, undertake portfolio management services and advisory services for other than broad based fund till further directions, as may be specified by the Board, subject to compliance with the following additional conditions: -
  - i) it satisfies the Board that key personnel of the asset management company, the system, back office, bank and securities accounts are segregated activity wise and there exist system to prohibit access to inside information of various activities;
  - ii) it meets with the capital adequacy requirements, if any, separately for each of such activities and obtain separate approval, if necessary under the relevant regulations.Explanation: —For the purpose of this regulation, the term 'broad based fund' shall mean the fund which has at least twenty investors and no single investor account for more than twenty-five percent of corpus of the fund.

- The Trustee, in the general interest of the unit holders of the Scheme offered under this SID and keeping in view of the unforeseen circumstances/unusual market conditions, may limit the total number of Units which can be redeemed on any Business Day.
- As the liquidity of the Scheme’s investments may sometimes be restricted by trading volumes and settlement periods, the time taken by the Fund for Redemption of Units may be significant in the event of an inordinately large number of Redemption requests. The Trustee has the right to limit redemptions under certain circumstances. Please refer to the section “Right to limit Redemption”.
- Pursuant to the provisions of Prevention of Money Laundering Act, 2002 (PMLA), if after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall have absolute discretion to report such suspicious transactions to FIU-IND (Financial Intelligence Unit – India) or such other authorities as prescribed under the rules/guidelines issued thereunder by SEBI and/or RBI and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/Unitholder/ any other person. Investors applying for subscription of Units offered directly with the Fund (i.e. not routed through any distributor/agent) hereinafter referred to as 'Direct Plan' will be subject to a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of Units will be paid / charged under Direct Plan and therefore, shall not in any manner be construed as an investment advice offered by the Mutual Fund/AMC. The subscription of Units through Direct Plan is a facility offered to the investor only to execute his/her/their transactions at a lower expense ratio. Before making an investment decision, Investors are advised to consult their own investment and other professional advisors.

## VI. HOW TO APPLY

This section must be read in conjunction with the Section “Units and Offer” of the SID.

### A. Special Products / Facilities offered by the AMC/Schemes

#### a) Systematic Investment Plan (SIP)

During Continuous Offer, a Unit holder may enroll for Systematic Investment Plan (SIP) and choose to invest specified sums in the Scheme on periodic basis by giving a single instruction. SIP allows investors to invest a fixed amount of Rupees on specific dates on periodic basis by purchasing Units of the Scheme at the Purchase Price prevailing at such time. The terms and conditions for investing in SIP are as follows:

SIP Frequency	Minimum Instalment Amount	Number of Instalments	Choice of Day/Date
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
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\*Daily SIP frequency shall be applicable only to the designated schemes of MOMF.

Applicable NAV and cut-off time as prescribed under the Regulation shall be applicable.

In case the SIP date is not specified or in case of ambiguity, the SIP transaction will be processed on 7th of 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.

Apart from the above following additional Features shall be for the investors:

SIP Frequency	Minimum Instalment Amount	Number of Instalments
Weekly, Fortnightly and Monthly	Rs.1000/- and multiple of Re. 1/- thereafter	Minimum – 6 Maximum – No Limit

#### Systematic Investment Plan (SIP) @ WhatsApp

This facility enables existing investors to transact through the WhatsApp application to execute purchase transactions of SIP in a simplified manner.

The procedure to transact through WhatsApp is given below:

1. Add our number +91 93722 05812 in your contacts and only if you are existing investor the below steps to be followed
2. Go to your WhatsApp, select the number and type 'Hi' from your registered mobile number
3. From there on the journey is built in such a way that our smart bot will guide Investor to take relevant steps
4. Enter registered PAN
5. Select registered Account Type
6. Select Mode of Payment - Lump sum | SIP
7. Select Fund serial number shown on the image
8. Enter serial number and the Amount
9. Investor would be shown his order to review which contains his selected fund, Amount, encrypted bank a/c, Folio number
10. Disclaimer pertaining to mutual fund shall be displayed
11. Further to the disclaimer a confirmation of the order investor will have to enter the OTP
12. On entering the OTP the Investor is sent a payment link where the Investor goes to his bank account & authorizes payment for the transaction.
13. the investor will receive an encrypted payment link to do his payment.
14. On successful payment the investor would receive the confirmation message.

The Trustee/AMC reserves the right to change/modify the terms and conditions of the SIP.

#### SIP Booster" facility (SIP Booster)

- 1) SIP Booster online facility offers frequency at immediate, quarterly, half-yearly and yearly intervals. In case the SIP Booster frequency is not specified, it will be considered as yearly frequency. Similarly, this facility has also become available to all the physical mode of applications or the applications received through offline Mode at a frequency of quarterly, half-yearly and yearly intervals (except immediate interval) with effect

from August 30, 2021.

- 2) The minimum SIP Booster amount would be Rs.100/- and in multiples of Re. 1/- thereafter for all the schemes of the Fund that offer SIP facility except Motilal Oswal Long Term Equity Fund Plan wherein minimum SIP Booster amount would be Rs.500/- and in multiples of Rs. 500 thereafter.
- 3) In case the investor does not specify SIP Booster amount, Rs.100/- will be considered as the SIP Booster amount (in case of Motilal Oswal Long Term Equity Fund, Rs.500/- will be considered as SIP Booster amount) and the request will be processed accordingly.
- 4) SIP Booster facility would be available to all Existing and new SIP enrollments through online and Physical mode (except for immediate interval in Physical mode). Existing investors who have enrolled for SIP with the maximum amount for debit are also eligible to avail SIP Booster facility and will be required to submit OTM Mandate' at least 20 calendar days before the SIP Booster start month. In case SIP Instalment after SIP Booster exceeds the maximum amount for debit, then the request for SIP Booster will be processed up to the maximum amount for debit. Further, if the investor revises the maximum amount for debit, then such an increase in amount will be effective from the next SIP Booster cycle. However, the maximum amount registered for the debit mandate cannot be reduced.
  - a) Existing investors registered for SIP through ECS / Direct Debit facility and intending to avail SIP Booster facility will be required to register for new OTM mandate and on activation of the OTM, the same would be applied on their active SIP to perform uninterrupted SIP debit instructions with SIP Booster details.
  - b) Maximum Limit will allow investors to set a highest SIP amount. Once the SIP reaches this set maximum limit it would stop any further additions and the SIP would thereafter continue with the last boosted amount, until the investor upgrades the limit.

**An Illustration: The SIP Booster facility will work as follows:**

Details of SIP registered	SIP Booster facility
<ul style="list-style-type: none"> <li>➤ Fixed SIP Instalment amount: Rs. 5,000/-</li> <li>➤ SIP Period: April 1, 2019 till March 31, 2022 (3 years)</li> <li>➤ SIP date: 1<sup>st</sup> of every month (36 Instalments)</li> </ul>	By providing / choosing the following additional details, an investor can avail SIP Booster facility. Example: <ul style="list-style-type: none"> <li>➤ SIP Booster Amount: Rs. 1,000/-</li> <li>➤ SIP Booster Frequency: Every 6 months</li> <li>➤ Max Sip limit :10,000</li> </ul>

No(s).	SIP (In Rs.) (A)	SIP Booster amount (In Rs.) (B)	Monthly SIP Instalments Amount after SIP Booster (in Rs.) (A+B)
1 to 6	5,000	N.A.	5,000
7 to 12	5,000	1,000	6,000
13 to 18	6,000	1,000	7,000
19 to 24	7,000	1,000	8,000
25 to 30	8,000	1,000	9,000
31 to 36	9,000	1,000	10,000

Once your SIP amount reaches maximum booster limit specified by you, subsequent Instalments will be processed with the maximum booster limit amount.

#### Instant Systematic Investment Plan (ISIP)

Investors can start his/her SIP on the same day, he can pay towards his 1<sup>st</sup> debit instalment by using another online payment mode viz. Net banking, UPI, RTGS, NEFT etc. and his subsequent SIP debit instruction would be registered on his registered OTM| URN mandate. In case the chosen date falls on a Non-Business Day, then the SIP will be processed on the immediate next Business Day. In case the SIP date is not specified or in case of ambiguity, the SIP transaction will be processed on the 15<sup>th</sup> of each month/quarter. In case the end date is not specified, the SIP will continue till it receives termination request from the investor or till the time the bank mandate is debited, whichever is earlier.

#### SIP Pause Facility

Under this facility an existing investor who has an ongoing SIP will have an option to temporarily pause the SIP instalments for a specific period of time. Upon expiry of the specified period, the SIP Instalments would restart automatically.

The features, terms, and conditions for availing the facility are as follows:

- a) The facility shall be available only for SIPs registered under monthly frequency with a SIP Instalment amount of Rs.1,000/- and above
- b) Investors/ Unit holders can opt for the facility only twice during the tenure of a particular SIP
- c) The minimum gap between the pause request and next SIP Instalment date should be atleast 12 calendar days
- d) The facility shall get activated from immediate next eligible Instalment from the date of receipt of SIP Pause request
- e) The facility can be opted for minimum 1 Instalment and up to a maximum of 6 Instalments
- f) The facility available on BSE StAR MF Platform Similarly for SIP registered through Mutual Fund Utility (“MFU”), other Stock exchange platforms and Channel Partners, investors may opt for this facility, if the same is being provided by the respective platform.
- g) The facility once registered cannot be cancelled.
- h) Investors/ Unit holders can opt for the facility currently through mobile application of Kfintech i.e. ‘KFinKart’. The facility shall be extended to online platforms of MOAMC subsequently.
- i) AMC/Trustee reserves the right to amend the terms and conditions of the SIP Pause facility and/or withdraw the said facility.

#### **b) Systematic Transfer Plan (STP)**

During Continuous Offer, a Unit holder may enrol for Systematic Transfer Plan (STP) and choose to Switch from this Scheme to another Option or Scheme (other than Exchange Traded Funds) of the Mutual Fund, which is available for investment at that time.

This facility enables Unitholders to transfer fixed amount periodically from their Unit holdings in the Scheme (Transferor Scheme) to the other schemes (Transferee Scheme) of the Mutual Fund Scheme.

In case the amount (as specified) to be transferred under STP is not available in the Transferor Scheme in the unit holder’s account for any reason, the residual amount will be transferred to the Transferee Scheme and STP will be ceased.

The terms and conditions for investing in STP are as follows:

For registering or discontinuing Systematic Transfer Plans shall be subject to an advance notice of 7 (seven) calendar days.

Minimum amount per STP Instalment under Daily/weekly/fortnightly/monthly STP	Rs. 500/- and multiple of Re. 1/- thereafter.
Minimum amount per STP Instalment under Quarterly STP	Rs. 1500/- and multiple of Re. 1/- thereafter.
No. of STP Instalments a) Minimum  b) Maximum	Twelve Instalments (Daily) Six instalments (monthly/weekly/fortnightly) Three instalments (quarterly)  No Limit
Periodicity	Daily/ Weekly/fortnightly/Monthly/ Quarterly
Dates available for STP Facility	1 <sup>st</sup> , 7 <sup>th</sup> , 14 <sup>th</sup> , 21 <sup>st</sup> or 28 <sup>th</sup> of every month.
Applicable NAV and Cut-off time	Applicable NAV and cut-off time as prescribed under the Regulation shall be applicable.

The Trustee/AMC reserves the right to change/modify the terms and conditions of the STP.

### c) Systematic Withdrawal Plan (SWP)

Investors can use the SWP facility for regular inflows. Withdrawals can be made by informing the AMC or Registrar of the specified withdrawal dates and minimum amount as per the table below. The amount will be converted into units at the applicable repurchase price on that date and will be subtracted from the units with the unit holder. In case the amount as specified by the unit holder is not available in the Scheme for any reason, SWP will be processed for the residual amount and SWP will be ceased. Unit holders may change the amount indicated in the SWP, subject to the fresh application and minimum amount specified. The SWP may be terminated on written notice from the unit holder and it will terminate automatically when all the units of the unit holder are liquidated or withdrawn from the account.

The features of Systematic Withdrawal Plan (SWP) are as under:

For registering or discontinuing Systematic Transfer Plans shall be subject to an advance notice of 7 (seven) calendar days

Minimum amount per SWP Instalment under weekly/ fortnightly/ monthly/Annual SWP	Rs. 500/- and multiple of Re. 1/- thereafter.
Minimum amount per SWP Instalment under Quarterly SWP	Rs. 1500/- and multiples of Re. 1/- thereafter.



No. of SWP Instalments	
a) Minimum	Twelve instalments (monthly/weekly/fortnightly) Four instalments (quarterly) One Instalment (Annual) No Limit
b) Maximum	
Periodicity	Weekly/Fortnightly/ Monthly/Quarterly/Annual
Dates available for SWP Facility	1 <sup>st</sup> , 7 <sup>th</sup> , 14 <sup>th</sup> , 21 <sup>st</sup> or 28 <sup>th</sup> of every month/ quarter.
Applicable NAV and Cut-off time	Applicable NAV and cut-off time as prescribed under the Regulation shall be applicable.

The Trustee/AMC reserves the right to change/modify the terms and conditions of the SWP.

#### **d) Switching Option**

This Option will be useful to Unit holders who wish to alter the allocation of their investment among the scheme(s) / plan(s) 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) in order to meet their changed investment needs.

The Switch will be effected by way of a Redemption of Units from the Scheme/ Plan and a reinvestment of the Redemption proceeds in respective Plan(s) under the Scheme and accordingly, to be effective, the Switch must comply with the Redemption rules of the Scheme/ Plan and the issue rules of the respective Plan(s) under the Scheme (e.g. as to the minimum number of Units that may be redeemed or issued, Exit/ Entry Load etc). The price at which the Units will be Switched-out of the respective Scheme/ Plan will be based on the Redemption Price, and the proceeds will be invested in respective Plan(s) under the Scheme at the NFO price.

The Switch request can be made on a pre-printed form or by using the relevant tear off section of the Transaction Slip enclosed with the Account Statement, which should be submitted at / may be sent by mail to any of the ISCs.

#### **e) NAV Appreciation facility**

Under this option, Unitholder are being provided with an option to switch an amount equal to the periodic appreciation on the investment on weekly, fortnightly and monthly frequencies. Under this option, the Unitholder transfers only proportionate amount equal to the appreciation in the investment over the last month. The Unitholder has to mention a “Start Date”. The Dates available under this facility are 1<sup>st</sup>, 7<sup>th</sup>, 14<sup>th</sup>, 21<sup>st</sup> or 28<sup>th</sup> of the month. The first Switch will happen after one month from the start date. In case the Unitholder purchases additional Units, the amount to be transferred would be equal to the appreciation generated on its investments, provided the appreciation is at least Rs. 1,000/-. In the absence of any appreciation or appreciation less than Rs. 1,000/- as mentioned above, the Switch under this option will not be made for that month. The Units in the Scheme/Option from which the Switch-out is sought will be redeemed at the Applicable NAV of the Scheme/Option on the respective dates on which such Switches are sought and the amount in the scheme/plan/option to which the Switch-in is sought will be allotted at the Applicable NAV of such scheme/plan/option on the respective dates. In case the day on which the

transfer is sought is a Non- Business Day for the Scheme(s), the same will be processed on the immediately following Business Day.

The Trustees reserve the right to change/modify the terms and conditions or withdraw above facility.

**f) Online Facility**

This facility enables the investors to transact online through the official website <https://www.motilal-oswalmf.com/investonline/>. Accordingly, the said website will also be considered as an official point of acceptance. Investors can execute transactions online for purchase, switch, Systematic Investment Plan (SIP), Systematic Transfer Plan and Redemption for units of schemes of Motilal Oswal Mutual Fund and other services as may be introduced by Motilal Oswal Mutual Fund from time to time.

**g) Mobile Application:**

This facility enables investors to transact through the official application to execute transactions for purchases, SIP, STP, redemptions, switches, view portfolio valuation, download the account statements and avail such other services as may be introduced by the Fund from time to time on their mobile handsets.

**h) Motilal Oswal Value Index (MOVI) Pack Plan**

Motilal Oswal Value Index (MOVI) Pack Plan is a Systematic Transfer Plan (STP) from select debt/liquid scheme into select equity scheme that enables allocation between debt and equity asset classes. It allows Unit holders holding units in non-demat form to take advantage of fluctuations in equity market valuations and not just market levels based on MOVI. Under this facility, Investors may opt to transfer amounts from Motilal Oswal Liquid Fund\* (referred to as Transferor Scheme) to appropriate active Scheme (referred to as Transferee Scheme) with allocations based on MOVI levels. The transfers will be enabled in the reverse as well.

The Salient features of the Plan are as under:

- a) MOVI helps gauge equity market. The Index is calculated taking into account Price to Earnings, Price to Book and IDCW Yield of the Nifty 50 Index.
- b) A low MOVI level indicates that the market valuation appears to be cheap and one may allocate a higher percentage of their investments to Equity as an asset class. A high MOVI level indicates that the market valuation appears to be expensive and that one may reduce their equity allocation.
- c) NSE Indices Ltd is the calculating agent of NIFTY MOVI. NSE Indices Ltd shall calculate, compile, maintain and provide NIFTY MOVI values to Motilal Oswal Asset Management Company Ltd. NIFTY MOVI values will be published on the MOAMC website on a daily basis.
- d) Transfer: This transfer is made from the Transferor Scheme to the Transferee Scheme, on the date of allocation based on NIFTY MOVI levels.
- e) Reverse Transfer: This transfer is made from the Transferee Scheme to the Transferor Scheme, when appreciation in the market value of the Transferee Scheme results in a breach of the prescribed allocation level as determined by NIFTY MOVI.
- f) This Plan presently offers two enrolment options:
  - a. One Time Investment
  - b. Systematic Transfer Plan (STP) with a minimum of 6 Instalments.
- g) Minimum amount under this Plan is as follows:

Options	Minimum Amount of Transfer (Rs.)
One Time Investment	Rs. 500/- and in multiples of Re. 1/- thereafter
STP	Rs. 500/- and in multiples of Re. 1/- thereafter

h) The date of allocation will be the 15<sup>th</sup> of every month. In case the date of allocation falls on a Non-Business

Day or falls during a book closure period, the immediate following Business Day will be considered as the date of allocation.

**Note:** Under ‘One Time Investment’ enrolment option, in addition to the 15<sup>th</sup> of every month, allocation will occur on the business day succeeding the date of enrolment into the MOVI Pack Plan.

- i) Under ‘STP’ enrolment option, if the Unit holder has an existing Systematic Investment Plan (SIP) in the Transferor scheme where the date of SIP falls on a date later than or on 15<sup>th</sup> of every month, then allocation for that amount will occur on 15<sup>th</sup> of the subsequent month.
- j) On the date of allocation, the prescribed percentage of the amount will be transferred in the Transferee Scheme at the closing NAV of the same day i.e. date of allocation.
- k) The AMC will require upto 7 calendar days from the date of submission of valid enrolment forms to register the Investor under this Plan. Therefore, in the intervening period i.e. date of submission of enrolment form and date of registration, if the date of allocation is crossed, then the same will be considered at the next date of allocation.
- l) The amount transferred under this Plan from the Transferor Scheme to Transferee Scheme shall be effective by redeeming units of Transferor Scheme at applicable NAV, (subject to the applicable exit load, if any) and subscribing to the units of the Transferee Scheme at applicable NAV on the date of allocation.
- m) Unit holders can discontinue the Plan at any time by providing a written request which shall be made effective within 7 calendar days of the date of receipt of the said request.
- n) This Plan will be automatically terminated if all units are liquidated or withdrawn or pledged or upon receipt of intimation of death of the unit holder.
- o) Unit holders should note that investor details and mode of holding (single, joint, anyone or survivor) in the Transferee Scheme will be as per the existing folio number of the Transferor Scheme. Units will be allotted under the same folio number.
- p) Any change in methodology of MOVI would only be carried out by obtaining prior consent of the Board of Trustees of Motilal Oswal Trustee Company Limited, the Trustees to Motilal Oswal Mutual Fund.
- q) Given the two way movement of investments between funds, liquidity at times may be restricted by trading volumes, settlement periods, and inordinately large number of redemption requests or restructuring of the Scheme. This may impact the performance of the underlying scheme.

Investors may approach/consult their tax consultants in regard to the treatment of the transfer of units from the tax point of view.

Investors are required to refer to the terms and conditions mentioned in the enrolment form.

The Trustee/AMC reserves the right to change/modify the terms and conditions of the MOVI Pack Plan or withdraw this facility.

This facility will also be available for transfer into any other equity scheme of Motilal Oswal Mutual Fund that may be launched in future.

**i) Motilal Oswal Fixed Amount Benefit Plan (FAB) Plan for Designated Scheme**

FAB plan enables investor to withdraw a regular sum from his investments in the eligible Schemes of MOMF at fixed percentage of original investments at a predefined frequency irrespective of the movement in market value of the investments and would be subject to the availability of account balance of the investor.

**The Salient features of the FAB Plan are as under:**

- a) FAB Plan offers an investor the advantage of withdrawing a fixed percentage from his or her investments at the specified date for a designated tenure period at a predefined frequency i.e. monthly, quarterly and annually.
- b) It is applicable for lump sum investments only. The payout will be calculated on the basis of each lump sum investment.
- c) Monthly withdrawal for FAB Plan is Rs 500/-  
It presently offers four options:
- d) 6% p.a., @8% p.a. @10% p.a. and @ 12% p.a. of original cost of investment shall be introduced as follows:
  - FAB Plan @ 6% p.a. of original cost of investment. The payouts for monthly and quarterly frequency would be at the rate of 0.5% and 1.5% respectively.
  - FAB Plan @ 8% p.a. of original cost of investment. The payouts for monthly and quarterly frequency would be at the rate of 0.67% and 2.0% respectively.
  - FAB Plan @ 10% p.a. of original cost of investment. The payouts for monthly and quarterly frequency would be at the rate of 0.83% and 2.5% respectively.
  - FAB Plan @ 12% p.a. of original cost of investment. The payouts for monthly and quarterly frequency would be at the rate of 1.00% and 3.0% respectively

**Illustration: For calculation of FAB Plan @6% p.a., @8% p.a., @10% p.a. and @12% p.a. for Quarterly frequency:**

<b>Particulars</b>	<b>At 6% p.a.</b>	<b>At 8% p.a.</b>	<b>At 10% p.a.</b>	<b>At 12% p.a.</b>
<b>Investment Date (First Lump sum Investment)</b>	<b>1- Dec- 21</b>	<b>1- Dec- 21</b>	<b>1- Dec- 21</b>	<b>1- Dec- 21</b>
Cost of Investment	100000	100000	100000	100000
NAV at the time of investment	15.44	15.44	15.44	15.44
Units Allotted	6476.01	6476.01	6476.01	6476.01
<b>First Cashflow Date</b>	<b>1- Mar- 22</b>	<b>1- Mar- 22</b>	<b>1- Mar- 22</b>	<b>1- Mar- 22</b>
NAV	14.72	14.72	14.72	14.72
Amount to be Redeemed	1500	2000	2500	3000
Units Redeemed	101.90	135.87	169.84	203.80
Balance Units	6374.11	6340.14	6306.18	6272.21
<b>Second Cashflow Date</b>	<b>1- Jun -22</b>	<b>1- Jun -22</b>	<b>1- Jun -22</b>	<b>1- Jun -22</b>
NAV	14.41	14.41	14.41	14.41
Amount to be Redeemed	1500	2000	2500	3000
Units Redeemed	104.12	138.82	173.53	208.24
Balance Units	6269.99	6201.32	6132.65	6063.97

- e) In case of ambiguity FAB Plan will be processed as per the following default action:

<b>Default withdrawal option</b>	6% p.a. of original cost of investment
<b>Default frequency</b>	Monthly
<b>Default date</b>	7 <sup>th</sup> of the month
<b>Default Deferment</b>	12 months from the date of investment**
<b>Default Scheme</b>	Motilal Oswal Balanced Advantage Fund

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f) Dates available for FAB Plan:

<b>Monthly &amp; Quarterly Frequency</b>	1st, 7th, 14th, 21st or 28th
<b>Annual Frequency</b>	Any day of the year

- g) In case of partial redemptions, the payouts will further happen on the original investment cost and not the balance investment.
- h) In case of the account balance available under the folio is less than the desired payout amount, the redemption will be processed for the available amount in the folio and the folio would be closed.
- i) The AMC will require 7 calendar days from the date of submission of valid enrolment form to register the Investor under FAB Plan. Therefore, in the intervening period i.e. date of submission of enrolment form and date of registration, if the date of payout is crossed, then the same will be considered at the next date of payout.
- j) Investors can discontinue with this facility at any time by providing a valid form which shall be made effective within 7 calendar days of the date of receipt of the said request. Therefore, in the intervening period i.e. date of submission of form and date of registration, if the date of payout is crossed, then the same will be considered at the next date of payout.
- k) This facility will be automatically terminated if all units are liquidated or withdrawn or pledged or upon receipt of intimation of death of the investor.
- l) Investors are required to refer to the terms and conditions mentioned in the form.
- m) The Trustee/AMC reserves the right to change/modify the terms and conditions of the FAB Plan or withdraw of this facility.
- n) Investor at any time would have an option under FAB plan to choose that their withdrawal in % terms be linked to market value of their investment (at the time of such application) but would not have an option to start the plan at particular investment amount and/or linked market value (Including the Top-ups). E.g. In case initial investment was Rs.1,00,000, and current market value has changed to Rs.1,50,000; investor has the option for FAB Plan to be applicable on new (current) market value.

**j) Application through MF utility platform**

Motilal Oswal Asset Management Company Limited (MOAMC) has entered into an agreement with **MF Utilities India Private Limited (“MFUI”)**, a “Category II – Registrar to an Issue” under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, for usage of MF Utility (“MFU”) - a shared services initiative of various Asset Management Companies, which acts as a transaction aggregation portal for transacting in multiple Schemes of various Mutual Funds with a single form and a single payment instrument.

Accordingly, all financial and non-financial transactions pertaining to the schemes of Motilal Oswal Mutual Fund except Exchange Traded Funds (ETFs) can be done through MFU either electronically on [www.mfuonline.com](http://www.mfuonline.com) as and when such a facility is made available by MFUI or physically through the authorized **Points of Service (“POS”)** of MFUI with effect from the respective dates as published on MFUI website against the POS locations. The list of POS of MFUI is published on the website of MFUI at [www.mfuindia.com](http://www.mfuindia.com) as may be updated from time to time. The Online Transaction Portal of MFU i.e. [www.mfuonline.com](http://www.mfuonline.com) and the POS locations of MFUI will be in addition to the existing Official Points of Acceptance (“OPA”) of Motilal Oswal Mutual Fund.

The uniform cut-off time as prescribed under SEBI (Mutual Funds) Regulations, 1996 and as mentioned in the Scheme Information Document (SID) / Key Information Memorandum (KIM) of respective schemes of Motilal Oswal Mutual Fund shall be applicable for applications received on the portal of MFUI i.e. [www.mfuonline.com](http://www.mfuonline.com). However, investors should note that transactions on the MFUI portal shall be subject to the eligibility of the investors, any terms & conditions as stipulated by MFUI / Motilal Oswal Mutual Fund / MOAMC from time to time and any law for the time being in force.

Investors are requested to note that, MFUI will allot a **Common Account Number (“CAN”)**, a single reference number for all investments in the Mutual Fund industry, for transacting in eligible schemes of various Mutual Funds through MFUI and to map existing folios, if any. Investors can create a CAN by submitting the CAN Registration Form (CRF) and necessary documents at the MFUI POS. MOAMC and/or its Registrar and Transfer Agent (RTA) shall provide necessary details to MFUI as may be needed for providing the required services to investors / distributors through MFUI. Investors are requested to visit the websites of MFUI i.e. [www.mfuindia.com](http://www.mfuindia.com) to download the relevant forms.

For any queries or clarifications related to MFUI, please contact the Customer Care of MFUI on 1800-266-1415 (during the business hours on all days except Sunday and Public Holidays) or send an email to [clientservices@mfuindia.com](mailto:clientservices@mfuindia.com).

#### **k) Transaction through Stock Exchange**

Mutual Fund also offers facility of transacting in the Units of the select Schemes/Plans/ Options through the platforms as may be provided by Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Investors desirous of transacting through the stock exchange mode shall submit applications to registered stock brokers or distributors registered with NSE or BSE.

The facility of transacting through the stock exchange mechanism enables investors to buy and sell the Units of the Scheme(s) through the stock brokers or distributors registered with the BSE and/or NSE in accordance with the guidelines issued by SEBI and operating guidelines and directives issued by NSE, BSE or such other recognized stock exchange in this regard. Investors desirous of transacting through the stock exchange mode may be required to have a demat account with NSDL/CDSL.

The Mutual Fund will not accept any request for transactions or service requests in respect of Units bought under this facility in demat mode directly.

The AMC/Fund will not send any account statement in respect of Units bought in demat mode or accept any request for statement as the units will be credited in demat account of the investor and their DPs should be approached for issuance of statement. Investors may note that the facility of transacting through the stock exchange mode is currently being offered only for select schemes of the Mutual Fund.

For any grievances with respect to transactions through stock exchange mechanism, Investors must approach either stock broker or the investor grievances cell of the respective stock exchange. The Fund or the AMC will not be liable for any transactions processed based on the transaction details provided by the stock exchanges.

#### **l) Transaction through electronic mode**

Subject to the investor fulfilling certain terms and conditions stipulated by the AMC as under, MOAMC, MOMF or any other agent or representative of the AMC, Mutual Fund, the Registrar may accept transactions through any electronic mode (“fax/web/ electronic transactions”) as permitted by SEBI or other regulatory authorities:

- a) The acceptance of the fax/web/electronic transactions will be solely at the risk of the transmitter of the fax/web/electronic transactions and the recipient shall not in any way be liable or responsible for any loss, damage caused to the transmitter directly or indirectly, as a result of the transmitter sending or purporting to send such transactions.
- b) The recipient will also not be liable in the case where the transaction sent or purported to be sent is not processed on account of the fact that it was not received by the recipient.
- c) The transmitter's request to the recipient to act on any fax/web/electronic transmission is for the transmitter's convenience and the recipient is not obliged or bound to act on the same.

- d) The transmitter acknowledges that fax/web/electronic transactions is not a secure means of giving instructions/ transactions requests and that the transmitter is aware of the risks involved including those arising out of such transmission.
- e) The transmitter authorizes the recipient to accept and act on any fax/web/ electronic transmission which the recipient believes in good faith to be given by the transmitter and the recipient shall be entitled to treat any such fax/web/ electronic transaction as if the same was given to the recipient under the transmitter's original signature.
- f) The transmitter agrees that security procedures adopted by the recipient may include signature verification, telephone call backs which may be recorded by tape recording device and the transmitter consents to such recording and agrees to cooperate with the recipient to enable confirmation of such fax/web/ electronic transaction requests.
- g) The transmitter accepts that the fax/web/ electronic transactions shall not be considered until time stamped as a valid transaction request in the Scheme in line with SEBI Regulations. It would be considered as a final document as against the original document submitted subsequently for the purpose of records.
- h) In consideration of the recipient from time to time accepting and at its sole discretion acting on any fax/ web/electronic transaction request received / purporting to be received from the transmitter, the transmitter agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, MOMF and Trustees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on fax/web/ electronic transaction requests including relying upon such fax/ electronic transaction requests purporting to come from the Transmitter even though it may not come from the Transmitter. The AMC reserves the right to discontinue the facility at any point of time.
- m) 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.**  
Stock Exchanges are required to allow investors to directly access infrastructure of recognised stock exchange to purchase and redeem Mutual Fund units from Mutual Fund/AMC  
Investors can avail this facility as and when the same is made available by Stock Exchanges. KYC compliant investors can registered themselves on Stock Exchanges by providing their PAN and creating their profile on the said platform. Stock Exchanges will allot the identification number upon receipt of signed and scanned registration form.  
Further upon receipt of authorisation by the Stock Exchanges platform the investor can commence the transaction
- n) 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. [www.kfintech.com](http://www.kfintech.com) . The facility to transact in the Scheme is also available through mobile application of Kfin i.e. 'KFINTRACK'.**
- o) MFCentral as Official Point of Acceptance of Transactions (OPAT)**  
Pursuant to clause 16.6 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, with respect to complying with the requirements of RTA inter-operable Platform for enhancing investors' experience in Mutual Fund transactions / service requests, the QRTA's, Kfin Technologies Limited and Computer Age Management Services Limited (CAMS) have jointly developed MFCentral, a digital platform for Mutual Fund investors.

MFCentral is created with an intent to be a one stop portal / mobile app for all Mutual fund investments and service-related needs that significantly reduces the need for submission of physical documents by enabling various digital / physical services to Mutual fund investors across fund houses subject to applicable T&Cs of



the Platform. MFCentral will be enabling various features and services in a phased manner. MFCentral may be accessed using <https://mfcentral.com/> and a Mobile App in future.

Any registered user of MFCentral, requiring submission of physical document as per the requirements of MFCentral, may do so at any of the designated Investor Service Centres/ Collection Centres of KFin Technologies Limited or CAMS.

**Investors/unit holders are requested to take note of the following:**

- a) Returned cheques will not be presented again for collection and the accompanying application forms shall not be considered for allotment. In case the returned cheque(s) are presented again the necessary charges are liable to be debited to the investor.
- b) Where the application for purchase is accompanied by a cheque then the investor/unit holder at the time of their purchase must provide the details of their pay-in bank account (i.e. account from which a subscription payment is made) and their pay-out bank account (i.e. account into which redemption/IDCW proceeds are to be paid).
- c) It is expressly understood that at the time of investment, the Investor has the express authority to invest in units of MF and AMC/Trustee/MF will not be responsible, if such investment is ultravires the relevant constitution.

The above broadly covers the various modes of payment for mutual fund subscriptions. Any other mode of payment as introduced by Mutual Fund will also be covered under these provisions and the Mutual Fund/AMC reserves the right to change/alter the above provisions.

The Mutual Fund/AMC reserves the right at its absolute discretion to reject/not process the application which does not comply with the above provisions and refund the application money and shall not be liable in any manner whatsoever for such rejections.

**1) Subscription by NRIs/PIOs/FPIs**

Reserve Bank of India has granted general permission to domestic mutual funds referred to in Clause (23D) of Section 10 of the Income Tax Act, 1961 to issue units and repurchase units of their Schemes which are approved by the SEBI to Non Resident Indians and Persons of Indian Origin residing abroad (NRIs) / Foreign Portfolio Investors (FPIs) to invest in / redeem units of the mutual funds subject to conditions set out in the said regulations [Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000] at their places of residence or location as the case may be.

**2) Repatriation basis**

NRI/PIO applications on a repatriation basis will be accepted, if the amount representing the investment is received by inward remittance through normal banking channels or by debit to Non-Resident (External) Rupee Account (NRE)/Foreign Currency (Non-Resident) Account (FCNR) maintained with the authorized dealer.

FII/FPIs shall pay their subscription either by inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Non-Resident Rupee Account maintained by the FII/FPI with a designated branch of an authorized dealer. The application must provide the FII's Special Non Resident Rupee Deposit Account details maintained with any one of the RBI designated banks.

**3) Non-Repatriation basis**

In case of NRIs/PIOs seeking to apply on a non-repatriation basis, payment may be made by inward remittance through normal banking channels or by debit to the NRE/FCNR/Non-Resident Ordinary Rupee (NRO) account maintained with the authorized dealer.



All cheques/drafts accompanying applications for repatriation or non-repatriation basis should be made and crossed "Account Payee Only". In case Indian Rupee drafts are purchased abroad or from FCNR/NRE A/c, an account debit certificate from the Bank issuing the draft confirming the debit shall also be enclosed.

FII/FPIs are not allowed to invest on non-repatriable basis.

**4) Additional mode of payment through Applications Supported by Blocked Amount (“ASBA”) (only applicable during New Fund Offer)**

In terms of SEBI circular No. SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2010, an investor can subscribe to the New Fund Offer (NFO) of Mutual Fund launched on or after July 1, 2010, through the ASBA facility by applying for the units offered by the Schemes in the ASBA application form and following the procedure as prescribed therein.

“Applications Supported by Blocked Amount” or “ASBA” is an application containing an authorization given by the Investor to block the application money in his specified bank account towards the subscription of Units offered during the NFO of the Schemes of Motilal Oswal Mutual Fund. If an investor is applying through ASBA facility, the application money towards the subscription of Units shall be debited from his specified bank account only if application of the investor is selected for allotment of Units.

Investors under ASBA can also subscribe to NFO of the Schemes by making physical or electronic application through Self Certified Syndicate Bank (“SCSB”) for utilising ASBA facility.

**Benefits of Applying through ASBA facility:**

- The Investor need not issue a cheque of a demand draft, as the investor needs to submit the ASBA application form accompanying an authorization to block the account to the extent of application money towards subscription of units in the NFO. The investor can use the balance money, if any, for other purposes.
- Release/unblocking of blocked funds after allotment is done instantaneously.
- As the application amount remains in the investor’s bank account, the investor continues to earn interest till the allotment is made, when an application is made under ASBA facility
- Refunds of money to the investors do not arise as the application money towards subscription of units is debited only on the allotment of units.

**5) ASBA Procedure**

- i. An investor intending to subscribe to the units during NFO through ASBA facility shall submit a duly completed ASBA application form to a SCSB with whom such investor’s bank account is maintained.
- ii. The ASBA Application Form towards the subscription of units can be submitted through one of the following modes:
  - submit the form physically with the Designated Branches (DBs) of SCSB (“Physical ASBA”); or
  - submit the form electronically through the internet banking facility offered by the SCSB (“Electronic ASBA”).
- iii. An acknowledgement will be given by the SCSB in the form of the counter foil or specifying the application number for reference. Such acknowledgement does not guarantee, in any manner, that the investors will be allotted the units he has applied for.
- iv. Note: The application would be rejected by the Bank, if the bank account specified in the ASBA application form does not have sufficient credit balance to meet the application money towards the subscription of units in the NFO.
- v. On acceptance of physical or electronic ASBA, the SCSB shall block funds available in the specified bank account to the extent of application money specified in ASBA application Form.

- vi. Application money towards the subscription of units shall be blocked in the account until (i) allotment of units is made or (ii) the application is rejected.
- vii. SCSBs shall unblock the bank accounts for (i) transfer of requisite money to the Mutual Fund / scheme bank account against each valid application on allotment or (ii) in case the application is rejected.
- viii. The list of SCSBs and their DBs where ASBA application form can be submitted is available on the websites of BSE (www.bseindia.com), NSE (www.nseindia.com) and SEBI (www.sebi.gov.in) and shall also be given in the ASBA application form.

#### **Grounds for Technical Rejections of ASBA application forms**

ASBA application forms can be rejected, at the discretion of Registrar and Transfer Agent of Motilal Oswal Mutual Fund or AMC or SCSBs including but not limited on the following grounds:-

- i. Applications by persons not competent to contract under the Indian Contract Act, 1872, including but not limited to minors, insane persons etc.
- ii. Mode of ASBA i.e. either physical ASBA or electronic ASBA is not selected or ticked.
- iii. ASBA application form without the stamp of the SCSB.
- iv. Application by any person outside India if not in compliance with applicable foreign and Indian laws.
- v. Bank account details not given/incorrect details given.
- vi. Duly certified Power of Attorney, if applicable, not submitted along with the ASBA application form.
- vii. No corresponding records available with the Depositories matching the parameters namely (a) Names of the ASBA applicants (including the order of names of joint holders) (b) DP ID (c) Beneficiary account number or any other relevant details pertaining to the Depository account.

#### **Mechanism for Redressal of Investor Grievances:**

All grievances relating to the ASBA facility may be addressed to the respective SCSBs, giving complete details such as name & address of the applicant, number of units applied for, counterfoil or the application reference given by the SCSBs, DBs or CBs, amount paid on application and the Designated Branch or the collection centre of the SCSB where the application form was submitted.

If the SCSB has not resolved the grievance, investors should write to KFin Technologies Limited (Karvy), Hyderabad, Registrar and Transfer Agent of MOMF.

#### **NON-ACCEPTANCE OF THIRD PARTY PAYMENTS**

Third Party Payment” refers to payment made from a bank account other than that of the first unitholder/applicant. For a payment to be not considered as a third party payment, the sole holder or the 1st holder of the folio (depending upon whether the folio is ‘singly’ or ‘jointly’ held) must be one of the joint holders of the bank account from which payment is made.

In accordance with PMLA and AMFI guidelines dated August 16, 2010 on ‘Risk mitigation process against Third-Party Cheques in mutual fund subscriptions’, applications to schemes of the Fund accompanied by a Third Party payment will be rejected except in the following exceptional circumstances, subject to submission of documents and declarations:

1. Payment by Parents/Grand-Parents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs.50,000/- (each regular purchase or per SIP installment). However, Association of Mutual Funds in India [AMFI] vide its Best Practice Guidelines Circular no 135/BP/23/2011-12 dated 29th April 2011 has clarified that payment made by a guardian whose name is registered in the records of Mutual Fund in that folio will not be treated as a Third Party Payment.
2. Payment by Employer on behalf of employee under Systematic Investment Plans through Payroll deductions.
3. Custodian on behalf of a Foreign Institutional Investor (FII) or a Client.

4. Payment by Asset Management Company to a Distributor empanelled with it on account of commission/incentive etc. in the form of the Mutual Fund Units of the Funds managed by such AMC through Systematic Investment Plans or lump sum / one-time subscription, subject to compliance with SEBI Regulations and Guidelines issued by AMFI, from time to time.
5. Payment by Corporate to its Agent/Distributor/Dealer (similar arrangement with Principal-agent relationship), on account of commission/incentive payable for sale of its goods/services, in the form of the Mutual Fund Units through Systematic Investment Plans or lump sum / one-time subscription, subject to compliance with SEBI Regulations and Guidelines issued by AMFI, from time to time.

In case of exceptions mentioned above, the investors will be required to comply with the following requirements:

- i) Mandatory Know Your Client (KYC) for Investor (guardian in case of minor) and the person making the payment i.e. KYC Acknowledgement Letter of the Investor and the person making the payment has to be attached to the application form.
- ii) A duly filled “Third Party Payment Declaration Form” from the Investor (guardian in case of minor) and the person making the payment stating the details of the bank account from which the payment is made and the relationship with the Investor.

To substantiate that the payment is not a third party payment i.e. the payment is not from a bank account where the first unit holder is not a bank account holder, investors must mention the bank account number, bank name and branch address from where the payment is issued on the application form. These details should match with the details on payment cheque/ document (as applicable).

In case the bank account holder’s name/s is not pre-printed on the payment instrument, investor should attach latest and certified bank pass book copy/bank statement or letter from bank certifying that the investor maintains the account with the bank, in order to substantiate that the first named Unit holder is one of the joint holders of the bank account.

The AMC reserves a right to reject the transaction or call for additional details, if payment bank account and other details are not mentioned in the application form and/or do not match with payment instrument and/or necessary documents/declaration are not attached or are insufficient. In case the funds are transferred to the Mutual Fund account prior to the application rejection, then amount transferred may not be refunded or redeemed unless the investor establishes KYC with additional documentation.

### **PMLA AND KYC REQUIREMENTS**

KYC is mandatory under the Prevention of Money Laundering Act, 2002 (**PMLA**) for all investors irrespective of the amount of investment (including Switch, transfer of units, minor to major status change & Systematic Investment Plan/Systematic Transfer Plan registered). SEBI vide circular no. MIRSD/SE/Cir-21/2011 dated October 05, 2011 issued guidelines for uniform KYC requirements for investors while opening accounts with any intermediary in the securities market (w.e.f January 01, 2012). In order to bring this into effect, SEBI has appointed KYC Registration Agencies (KRA’s) who will act as a central authority to maintain records of KYC compliant investors in the securities market. This is in order to avoid duplication of KYC process with every intermediary. As a result, once the client has done KYC with a SEBI registered intermediary, he/she need not undergo the same process again with another intermediary.

Further, PAN issued by the Income Tax authorities is used as the sole identification number for all investors transacting in the securities market including mutual funds, irrespective of the amount of transaction. Thus, all investors (including resident and non-resident investors) are required to provide PAN, along with a certified\* copy of the PAN card for all transactions in Units of the schemes of the Fund irrespective of the amount of transaction. Hence, it is mandatory for all investors (including joint holders, guardians of minors and NRIs) to mention the PAN on the application form. In the absence of this, application will be rejected.

PAN will not be required in case of Systematic Investment Plans (SIPs) where aggregate of installments in a financial year i.e. April to March does not exceed Rs 50,000/- (hereafter referred to as - Micro Investments). This exemption will be applicable only to investments by individuals, Non Resident Indian. Accordingly, w.e.f February 11, 2013, where the aggregate of the lump sum investment (fresh & additional purchase) and micro SIP installments by an investor based on the rolling 12 month period/in a financial year i.e. April to March does not exceed Rs. 50,000/-. It shall be exempt from the requirement of PAN. However, requirements of Know Your Customer (KYC) shall be mandatory.

Requirements of Know Your Customer (KYC) shall be mandatory. Accordingly, investors seeking the above exemption for PAN still need to submit the PAN exempt issued by SEBI registered KRA (KYC Registration Authority), irrespective of the amount of investment. For the purpose of identifying Micro Investments, the value of investments at the Investor level (first holder) will be aggregated based on the unique ID number mentioned on the KYC Acknowledgment and such aggregation shall be done irrespective of the number of folios/ accounts under all the schemes of the fund which the investor had invested. This exemption will be available only to Micro investment made by the individuals being Indian citizens (including NRIs, Joint holders\*, minors acting through guardian and sole proprietary firms not having PAN). Person of Indian Origin (PIO), Hindu Undivided Family (HUF), Qualified Foreign Investor (QFI) and other categories of investors will not be eligible for this exemption. However, investors are required to furnish an attested copy (self-attested / attested by an AMFI registered distributor bearing its AMFI Registration Number) of any of the photo identification documents along with the proof of address as specified in the application form. PAN requirement is also exempt for investors residing in the state of Sikkim, Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government). However, this would be subject to verifying the veracity of the claim of the specified organizations or residents of Sikkim, by collecting sufficient documentary evidence in support of their claim for such an exemption. Please refer to the application form for details of the document(s) which are required to be submitted in such cases.

\* In case of joint holders, first holder must not possess a PAN.

The Detailed procedures/requirements for accepting PAN exempt investments shall be as specified by the AMC / Trustee from time to time and their decision in this behalf will be final and binding.

### **Uniform implementation of KYC requirements**

AMFI vide its Best Practice Guidelines Circular No. 62/ 2015-2016 dated September 18, 2015 captioned Uniform implementation of KYC requirements to overcome KYC related issues, has mandated the following:

- a. To mandatorily provide the Ultimate Beneficial Ownership declaration/information failing which the application(s) for fresh or additional subscriptions/switches, as the case may be, shall be liable to be rejected.
- b. To mandatorily provide additional KYC information / details as prescribed in the Application Form.

Further, the AMC shall not accept any transactions (whether fresh or additional subscriptions / switches) pertaining to 'KYC-On Hold' cases, unless and until the Investors / Unitholders submits KYC missing information or updated information and / or complete IPV.

### **CKYC**

SEBI vide circular no. CIR/MIRSD/ 66 /2016 dated July 21, 2016 read along with SEBI Circular no. CIR/MIRSD/120 /2016 dated November 10, 2016, has intimated about operationalisation of Central KYC Records Registry (CKYCR). Further, AMFI vide circular dated December 22, 2016 has prescribed new CKYC forms which shall be applicable for prospective customers.

Accordingly, with effect from February 1, 2017, all new individual customers who have never done KYC under KRA (KYC Registration Agency) regime i.e., customers who are new to KRA system and whose KYC are not registered or verified in the KRA system shall be required to provide KYC Identification Number (KIN) generated

from CKYCR system or submit CKYCR form. It may be noted that the requirement of PAN would continue to be mandatory for completing the CKYCR process. The forms are available on the website of the fund and at the official points of acceptance of transactions of the AMC. The KYC requirements shall be governed by SEBI Circulars/notifications and AMFI Guidelines which may change from time to time.

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

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

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

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

### **Ultimate Beneficial Owner(s) (UBO(s)):**

Pursuant to SEBI Master Circular no. CIR/ISD/AML/3/2010 dated December 31, 2010 on anti-money laundering standards and SEBI Circular no. CIR/MIRSD/2/2013 dated January 24, 2013 on identification of Beneficial Ownership, investors (other than Individuals) are required to provide details of Ultimate Beneficial Owner(s) (“UBO(s)”) and submit proof of identity (viz. PAN with photograph or any other acceptable proof of identity prescribed in common KYC form) of UBO(s).

As per these guidelines, UBO means ‘Natural Person’, or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted, and includes a person who exercises ultimate effective control over a legal person or arrangement. Investors are requested to refer to the ‘UBO Declaration’ for details of UBO.

In accordance with AMFI Best practices guidelines Circular no. 62/2015-16 dated September 18, 2015, it is mandatory for investors to provide beneficial ownership details failing which the transaction for additional subscription (including switches) will be liable to be rejected.

However, systematic transactions such as Systematic Investment Plan (SIP)/ Systematic Transfer Plan (STP) etc. already registered till December 31, 2015 are exempted from the above stipulations.

However, the investor or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a company, is exempted from the provisions of UBO.

### **B. Default scenarios available to the investors under plans/options of the Schemes.**

Investors subscribing Units under Direct Plan of a Scheme should indicate “Direct Plan” against the Scheme name in the application form. Investors should also mention “Direct” in the ARN column of the application form.

The table showing various scenarios for treatment of application under “Direct/Regular” Plan is as follows:

<b>Scenario</b>	<b>Broker Code mentioned by the investor</b>	<b>Plan mentioned by the investor</b>	<b>Default Plan to be captured</b>
1	Not mentioned	Not mentioned	Direct
2	Not mentioned	Direct	Direct
3	Not mentioned	Regular	Direct
4	Mentioned	Direct	Direct
5	Direct	Not Mentioned	Direct
6	Direct	Regular	Direct
7	Mentioned	Regular	Regular
8	Mentioned	Not Mentioned	Regular

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

### **C. SUSPENSION OF SALE/REDEMPTION/SWITCHING OPTIONS OF UNITS**

The Trustee may decide to temporarily suspend determination of NAV of the Schemes and consequently sale/redemption/switch of units, in any of the following events:

- 1) When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Schemes are closed otherwise than for ordinary holidays.
- 2) When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Schemes are not reasonable or would not reasonably be practicable without being detrimental to the interests of Unit holders.
- 3) In the event of breakdown if the means of communication used for the valuation of investments of the Schemes without which the value of the securities of the Schemes cannot be accurately calculated.
- 4) During periods of extreme volatility of markets which in the opinion of the AMC are prejudicial to the interests of the Unit holders of the Schemes.
- 5) In case of natural calamities, external aggression, internal disturbances, strikes, riots and bandhs.
- 6) In the event of any force majeure or disaster that affects the normal functioning of the AMC or the Registrar.
- 7) If so directed by SEBI.
- 8) In case of breach of limits for investment in derivatives as specified in SEBI Circulars or relevant Regulation.
- 9) In case of breach of limits for investment in foreign securities as specified in SEBI Circulars or relevant Regulation.

In the eventualities mentioned in points 1 to 7 above, the time limits indicated above, for processing of requests for purchase and redemption of Units will not be applicable. In case of eventuality mentioned in point 8 and 9 above, the Fund would suspend sale of units until such time the Schemes are able to comply with the relevant SEBI Regulations, Circulars & guidelines.

However, the suspension or restriction of redemption facility under the Schemes shall be made applicable only after the approval from Board of Directors of the AMC and Trustee. Till the Regulations require, the approval from the Board of AMC and Trustee giving details of circumstances and justification for the proposed action will also be informed to SEBI in advance.

#### **D. RIGHT TO LIMIT REDEMPTION**

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:

- 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:
  - (i) **Liquidity issues** - when market at large becomes illiquid affecting almost all securities rather than any issuer specific security. AMCs should have in place sound internal liquidity management tools for schemes. Restriction on redemption cannot be used as an ordinary tool in order to manage the liquidity of a scheme. Further, restriction on redemption due to illiquidity of a specific security in the portfolio of a scheme due to a poor investment decision shall not be allowed.
  - (ii) **Market failures, exchange closures** - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies.
  - (iii) **Operational issues** - when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). Such cases can only be considered if they are reasonably unpredictable and occur in spite of appropriate diligence of third parties, adequate and effective disaster recovery procedures and systems
- b. Restriction on redemption may be imposed for a specific period of time not exceeding 10 working days in any 90 day period.
- c. Any such imposition requires specific approval of Board of AMCs and Trustees and the same shall be immediately informed to SEBI.
- d. When restriction on redemption is applied the following procedure shall be followed:
  - 1 Redemption requests upto Rs. 2 lakh will not be subject to such restriction.  
In case of redemption requests above Rs. 2 lakhs, the AMC shall redeem the first Rs. 2 lakhs without restriction and remaining part over above be subject to such restriction.

#### **VII. RIGHTS OF UNITHOLDERS OF THE SCHEME**

- 1) Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
- 2) When the Mutual Fund declares an Income Distribution cum Capital Withdrawal (IDCW)/dividend under a scheme, IDCW/ dividend warrants shall be dispatched to the Unit Holders within 7 working days from the record date of IDCW/dividend. Consolidated Account Statement ('CAS') at mutual fund industry level for each calendar month will be issued on or before 15th day of succeeding month to all unit holders having financial transactions and who have provided valid Permanent Account Number (PAN). For folios not included in the CAS, the AMC shall issue a monthly account statement to the unit holders, pursuant to any financial transaction done in such folios; the monthly statement will be send on or before 15th day of succeeding month. In case of a specific request received from the unit holders, the AMC shall provide the account statement to the unit holder within 5 business days from the receipt of such request. If a Unit holder so desires the Mutual Fund shall issue a Unit certificate (non- transferable) within 5 Business Days of the receipt of request for the certificate.

In case of Unit Holders holding units in the dematerialized mode, the Fund will not send the account statement / unit certificate to the Unit Holders. The statement provided by the Depository Participant will be equivalent to the account statement.

Pursuant to SEBI Circular no. SEBI/IMD/CIR No 18/198647/2010 dated March 15, 2010, in respect of New Fund Offers (NFOs) of Schemes launched on or after July 1, 2010, Account Statement [Allotment Advice in respect of units held in demat (electronic) mode] shall be dispatched within five business days from the closure of the NFO and all the schemes [except Equity Linked Savings Scheme (ELSS)] shall be available for ongoing repurchase/ sale/trading within five business days of allotment.

The first-named Unit holder shall receive the account statements, all notices and correspondence with respect to the account, as well as the proceeds of any Redemption requests or IDCW or other distributions. In addition, such holder shall have the voting rights, as permitted, associated with such Units as per the applicable guidelines.

- 3) The Mutual Fund shall dispatch redemption or repurchase proceeds within 3 working days of accepting the valid redemption or repurchase request. For schemes investing at least 80% of total assets in such permissible overseas investments, 5 Working Days of accepting the valid redemption or repurchase request. Further, in case of exceptional scenarios as prescribed by AMFI vide its communication no. AMFI/ 35P/ MEM-COR/ 74 / 2022-23 dated January 16, 2023, read with clause 14.1.3 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 (SEBI Master Circular), the AMC may not be able to adhere with the timelines prescribed above
- 4) The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the Unit holders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
- 5) The appointment of the AMC for the Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the Scheme.
- 6) 75% of the Unit holders of a Scheme can pass a resolution to wind up a Scheme.
- 7) The Trustee shall obtain the consent of the Unit holders:
  - whenever required to do so by SEBI, in the interest of the Unit holders.
  - whenever required to do so if a requisition is made by three- fourths of the Unit holders of the Scheme.
  - when the majority of the trustees decide to wind up a scheme in terms of clause (a) of sub regulation (2) of regulation 39 of SEBI (Mutual Funds) Regulations, 1996 or prematurely redeem the units of a close ended scheme.
- 8) The trustees shall ensure that no change in the fundamental attributes of any scheme, the fees and expenses payable or any other change which would modify the scheme and affect the interest of the unit holders is carried out by the asset management company, unless it complies with sub-regulation (26) of regulation 25 of SEBI (Mutual Funds) Regulations, 1996.
- 9) In specific circumstances, where the approval of Unit holders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.
- 10) The annual report containing accounts of the AMC would be displayed on the website of the AMC (i.e. <https://www.motilaloswalmf.com/> ). Unitholders, if they so desire, may request for the annual report of the AMC.
- 11) In accordance with SEBI Circular No. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011 and SEBI Circular no. CIR/MRD/DP/31/2014 dated November 12, 2014 the investor whose transaction has been accepted by the



MOAMC shall receive a confirmation by way of email and/or SMS within 5 Business Days from the date of receipt of transaction request, same will be sent to the Unit holders registered e-mail address and/or mobile number. Thereafter, a Consolidated Account Statement (“CAS”) shall be issued in line with the following procedure:

- a) Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be PAN of the first holder and pattern of holding.
- b) The CAS shall be generated on a monthly basis and shall be issued on or before 10th of the immediately succeeding month to the unit holder(s) in whose folio(s) transaction(s) has/have taken place during the month.
- c) case there is no transaction in any of the mutual fund folios then CAS detailing holding of investments across all schemes of all Mutual Funds will be issued on half yearly basis [at the end of every six months (i.e. September/ March)]
- d) Investors having MF investments and holding securities in Demat account shall receive a Consolidated Account Statement containing details of transactions across all Mutual Fund schemes and securities from the Depository by email / physical mode.
- e) Investors having MF investments and not having Demat account shall receive a Consolidated Account Statement from the MF Industry containing details of transactions across all Mutual Fund schemes by email / physical mode.
- f) The word ‘transaction’ shall include purchase, redemption, switch, IDCW payout of IDCW, IDCW reinvestment of IDCW, systematic investment plan, systematic withdrawal plan, and systematic transfer plan. CAS shall not be received by the Unit holders for the folio(s) wherein the PAN details are not updated. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN. For Micro SIP and Sikkim based investors whose PAN details are not mandatorily required to be updated Account Statement will be dispatched by MOAMC for each calendar month on or before 10th of the immediately succeeding month.
- g) The Consolidated Account statement will be in accordance to SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016 and SEBI circular no. SEBI/HO/IMD/DF2/ CIR/P/2018/137 dated October 22, 2018. In case of a specific request received from the Unit holders, MOAMC will provide the account statement to the investors within 5 Business Days from the receipt of such request. Investors are requested/encouraged to register/update their email id and mobile number of the primary holder with the AMC/RTA through our Designated Investor Service Centres (DISCs) in order to facilitate effective communication.

Note: If the investor(s) has/have provided his/their email address in the application form or any subsequent communication in any of the folio belonging to the investor(s), Mutual Fund / Asset Management Company reserves the right to use Electronic Mail (email) as a default mode to send various communication which include account statements for transactions done by the investor(s). The investor shall from time to time intimate the Mutual Fund / its Registrar and Transfer Agents about any changes in the email address.

## **VIII. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS**

### **Principles of Fair Valuation**

Mutual fund shall value its investments in accordance with the following overarching principles so as to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time:

- (a) The valuation of investments shall be based on the principles of fair valuation i.e. valuation shall be reflective of the realizable value of the securities/assets. The valuation shall be done in good faith and in true and fair manner through appropriate valuation policies and procedures.

- (b) The policies and procedures approved by the Board of the asset management company shall identify the methodologies that will be used for valuing each type of securities/assets held by the mutual fund schemes. Investment in new type of securities/assets by the mutual fund scheme shall be made only after establishment of the valuation methodologies for such securities with the approval of the Board of the asset management company.
- (c) The assets held by the mutual funds shall be consistently valued according to the policies and procedures. The policies and procedures shall describe the process to deal with exceptional events where market quotations are no longer reliable for a particular security.
- (d) The asset management company shall provide for the periodic review of the valuation policies and procedures to ensure the appropriateness and accuracy of the methodologies used and its effective implementation in valuing the securities/assets. The Board of Trustee and the Board of asset management company shall be updated of these developments at appropriate intervals. The valuation policies and procedures shall be regularly reviewed (at least once in a Financial Year) by an independent auditor to seek to ensure their continued appropriateness.

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.

## **COMPUTATION OF NAV**

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

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

The NAV will be calculated up to four decimals. However, the AMC reserves the right to declare the NAVs up to additional decimal places as it deems appropriate. Separate NAV will be calculated and disclosed for each Plan/Option.

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 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.

### **A. Policy of computation of NAV**

The Policy on computation of NAV is published on the website of the Company.

### **B. Policy for computation of NAV in foreign securities**

The Policy on computation of NAV is published on the website of the Company.

### **C. Procedure in case of delay in disclosure in NAV**

The NAV will be calculated on all business days and shall be disclosed in the manner specified by SEBI. The AMC shall update the NAVs on its website [www.motilaloswalmf.com](http://www.motilaloswalmf.com) and also on AMFI website [www.amfiindia.com](http://www.amfiindia.com) before 11.00 p.m. on every business day. If the NAVs are not available before 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. The reason for delay in uploading NAV would be explained to AMFI in writing. Further, AMC will extend facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard.

## IX. TAX, LEGAL AND GENERAL INFORMATION

### A. Tax Information

The following summary outlines the key tax implications applicable to unit holders based on the relevant provisions under the Income-tax Act, 1961 ('Act') and Finance Act, 2023 ('FA 2023') (collectively called 'the relevant provisions').

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 / Unit holders 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.

#### • TAXABILITY FOR THE MUTUAL FUND

##### 1) Income of the Mutual Fund

MOMF is a Mutual Fund registered with SEBI and is governed by the provisions of Section 10(23D) of the Act. Accordingly, any income of a fund set up under a scheme of a SEBI registered mutual fund is exempt from tax.

##### 2) Dividend Distribution Tax<sup>1</sup>

#### **Taxability of Dividend up to FY 2019-20**

Mutual fund was required to pay Dividend Distribution Tax (DDT) under section 115R of the Act on the Dividend declared, distributed or paid to its unitholders at the rates applicable including surcharge and cess based on the type of Schemes as follows:

- a) Debt Schemes of Mutual Fund (other than Infrastructure Debt fund for NRI is taxable at 5.824%) 29.12% (including surcharge @12%, 4% Health & Education cess on income distributed to individuals, HUFs and NRIs.
- b) 34.944% (including surcharge @12%, 4% Health & Education Cess , on income distributed to persons other than an individual or a HUF.
- c) Any income distributed by **Equity Oriented Fund\*** is liable for Dividend distribution tax @11.648 % including Surcharge.

The said Dividends were not subject to tax in the hands of the unitholders as per section 10(35) of the Act as any income received from a debt mutual fund scheme or an equity mutual fund scheme was totally exempt from tax.

#### **Taxability of Dividend from FY 2020-21 onwards**

With effect from 1 April 2020, FA 2020 has abolished the DDT charged under section 115R of the Act on the **Dividends** paid by the Mutual Fund and transferred the tax burden completely in the hands of the recipient resulting in abolition of exemption to unitholders available under section 10(35) of the Act. The Dividend is

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<sup>1</sup> For the purpose of determining the tax payable by the scheme, the amount of distributed income has to be increased to such amount as would, after reduction of tax on such increased amount, be equal to the income distributed by the Mutual Fund. In other words, the amount payable to unit holders is to be grossed up for determining the tax payable and accordingly, the effective tax rate would be higher.

now taxable in the hands of the unitholders at normal tax slab rates (mentioned in taxation of investors) subject to the following withholding of taxation by Mutual Fund:

<b>Tax Implications in Dividend received by unit holders</b>	<b>Withholding of Taxation by Mutual Fund</b>
Individual / HUF / Domestic Company	10% on Dividend amount above INR 5000 in a financial year under section 194K of the Act
NRI**	20% (plus applicable surcharge stated below and cess) under section 196A of the Act

\*\*Taxability in the hands of NRI shall be subject to benefits (if any) available under the Double Tax Avoidance Agreement (DTAA).

While the tax withholding rate above may be final tax rate in case of NRIs, the resident individual / HUF / Domestic Company will have to discharge tax at following tax rates after reducing tax withholding as stated above:

#### **Income-tax rates for Individuals (including NRIs)**

<b>Total Income</b>	<b>Tax Rates (c)</b>
<b>Up to INR 250,000</b>	<b>Nil</b>
<b>INR 250,001 to INR 500,000</b>	<b>5%</b>
<b>INR 500,001 to INR 1,000,000</b>	<b>20%</b>
<b>INR 1,000,001 and above</b>	<b>30%</b>

<b>Total Income</b>	<b>Tax Rates (c)</b>
<b>Up to INR 3,00,000</b>	<b>Nil</b>
<b>INR 3,00,001 to INR 6,00,000</b>	<b>5%</b>
<b>INR 6,00,001 to INR 9,00,000</b>	<b>10%</b>
<b>INR 9,00,001 to INR 12,00,000</b>	<b>15%</b>
<b>INR 12,00,001 to INR 15,00,000</b>	<b>20%</b>
<b>INR 1,500,001 and above</b>	<b>30%</b>

In case of domestic companies, the short-term capital gains are taxable at

- 30% or
- 25% - If the total turnover of the domestic company does not exceed INR 400 crores during financial year 2022- 2023 or
- 22% - This lower rate is optional and is applicable to domestic companies opting to discharge taxes at 22% and fulfils conditions in section 115BAA or
- 15% - This lower rate is optional for companies engaged in manufacturing business (set-up & registered on or after 1 October 2019) subject to fulfillment of certain conditions as provided in section 115BAB.

In case of foreign companies, the short-term capital gains are taxable at the rate of 40% and in case of Foreign Portfolio Investor (FPI), as per section 115AD of the Act at the rate of 30%.

- a) In addition to the aforesaid tax, surcharge at the following rates is also payable in case of Individuals and HUF:
- i 10% where total income exceeds 50 lakhs but is less than INR 1 crore;
  - ii 15% on total income exceeding INR 1 Crore but less than INR 2 crore;
  - iii 25% on total income (excluding the income by way of Dividend) exceeding INR 2 Crore but less than INR 5 crore and
  - iv 37% on total income (excluding the income by way of Dividend) exceeding INR 5 Crore.
- b) In case of foreign companies, at the rate of 2% where the income exceeds INR1 crore but up to INR10 crore and at the rate 5% where the income exceeds INR 10 crore;
- c) In case of domestic company, at the rate of 7% where the income exceeds INR1 crore but up to INR10 crore and at the rate 12% where the income exceeds INR 10 crore . The tax computed in case of domestic companies whose income is chargeable to tax under section 115BAA or section 115BAB shall be increased by a surcharge at the rate of 10%.

A Health & Education Cess of 4% on total income-tax is payable by all categories of taxpayers.

\* Equity oriented Fund of Fund means a mutual fund specified under section 10(23D) of the Act which invests minimum of 65% of the total proceeds in the units of another fund which is traded on recognised stock exchange and such other fund also invests a minimum of 65 percent of its total proceeds in equity shares of listed domestic companies.

#### **Taxability of Dividends from FY 2021-22 onwards**

The Dividend is now taxable in the hands of the unitholders at normal tax slab rates (mentioned in taxation of investors) subject to the following withholding of taxation by Mutual Fund:

<b>Tax Implications in Dividend received by unit holders</b>	<b>Withholding of Taxation by Mutual Fund</b>
Individual / HUF / Domestic Company	10% on Dividend amount above INR 5000 in a financial year under section 194K of the Act
NRI**	20% (plus applicable surcharge stated below and cess) under section 196A of the Act

\*\*Taxability in the hands of NRI shall be subject to benefits (if any) available under the Double Tax Avoidance Agreement (DTAA).

While the tax withholding rate above may be final tax rate in case of NRIs, the resident individual / HUF / Domestic Company will have to discharge tax at following tax rates after reducing tax withholding as stated above:

#### **Income-tax rates for Individuals (including NRIs)**

<b>Total Income</b>	<b>Tax Rates (c)</b>
<b>Up to INR 250,000</b>	<b>Nil</b>
<b>INR 250,001 to INR 500,000</b>	<b>5%</b>
<b>INR 500,001 to INR 1,000,000</b>	<b>20%</b>
<b>INR 1,000,001 and above</b>	<b>30%</b>

<b>Total Income</b>	<b>Tax Rates (c)</b>
<b>Up to INR 3,50,000</b>	<b>Nil</b>
<b>INR 3,00,001 to INR 6,00,000</b>	<b>5%</b>
<b>INR 6,00,001 to INR 9,00,000</b>	<b>10%</b>
<b>INR 9,00,001 to INR 12,00,000</b>	<b>15%</b>
<b>INR 12,00,001 to INR 15,00,000</b>	<b>20%</b>
<b>INR 1,50,001 and above</b>	<b>30%</b>

In case of domestic companies the short-term capital gains are taxable at

- 30% or
- 25% - If the total turnover of the domestic company does not exceed INR 400 crores during financial year 2022- 2023 or
- 22% - This lower rate is optional and is applicable to domestic companies opting to discharge taxes at 22% and fulfils conditions in section 115BAA or
- 15% - This lower rate is optional for companies engaged in manufacturing business (set-up & registered on or after 1 October 2019) subject to fulfillment of certain conditions as provided in section 115BAB.

In case of foreign companies, the short-term capital gains are taxable at the rate of 40% and in case of Foreign Portfolio Investor (FPI), as per section 115AD of the Act at the rate of 30%.

- d) In addition to the aforesaid tax, surcharge at the following rates is also payable in case of Individuals and HUF:
- i 10% where total income exceeds 50 lakhs but is less than INR 1 crore;
  - ii 15% on total income exceeding INR 1 Crore but less than INR 2 crore;
  - iii 25% on total income (excluding the income by way of Dividend) exceeding INR 2 Crore but less than INR 5 crore and
  - iv 37% on total income (excluding the income by way of Dividend) exceeding INR 5 Crore.
- e) In case of foreign companies, at the rate of 2% where the income exceeds INR1 crore but up to INR10 crore and at the rate 5% where the income exceeds INR 10 crore;
- f) In case of domestic company, at the rate of 7% where the income exceeds INR1 crore but up to INR10 crore and at the rate 12% where the income exceeds INR 10 crore . The tax computed in case of domestic companies whose income is chargeable to tax under section 115BAA or section 115BAB shall be increased by a surcharge at the rate of 10%.

A Health & Education Cess of 4% on total income-tax is payable by all categories of taxpayers.

\* Equity oriented Fund of Fund means a mutual fund specified under section 10(23D) of the Act which invests minimum of 65% of the total proceeds in the units of another fund which is traded on recognised stock exchange and such other fund also invests a minimum of 65 percent of its total proceeds in equity shares of listed domestic companies.

### 3) Securities Transaction Tax ('STT')

STT is levied on the value of taxable securities transactions which is collected by the Mutual Funds and deposited in the Government Treasury as under:

<b>Transaction</b>	<b>Rate of STT (%)</b>	<b>Payable by</b>
Purchase/Sale of equity shares (delivery based)	0.1	Purchaser /

		Seller
Purchase of units of equity oriented mutual fund (delivery based)	Nil	Purchaser
Sale of units of equity oriented mutual fund (delivery based)	0.001	Seller
Sale of equity shares, units of business trust, units of equity oriented mutual fund (non-delivery based)	0.025	Seller
Sale of an option in securities	0.0625	Seller
Sale of an option in securities, where option is exercised	0.125	Purchaser
Sale of a futures in securities	0.0125	Seller
Sale of units of an equity oriented fund to the Mutual Fund	0.001	Seller
Sale of unlisted equity shares and units of business trust under an initial offer	0.2	Seller

\*STT will also be deducted on an equity oriented fund at the time of redemption/switch to other schemes

## • TAXABILITY OF THE UNIT HOLDERS IN THE FUND

### 1) Income from units

#### Capital Gains:

The characterization of gains / losses arising from sale / transfer of units as capital gains or business income would depend on whether the units are treated as stock in trade or capital asset.

In this regard, the Central Board of Direct Taxes ('CBDT') has issued a circular No. 4 of 2007 dated June 15, 2007, which reiterates the principles laid down in certain judicial precedents for characterization of income. Further, it advises the Assessing Officers to consider the total effect of all the principles outlined in the earlier judicial decisions in determining whether the shares are held as investments, giving rise to capital gains or as stock in trade, giving rise to business profits.

Further, the CBDT issued Circular no. 6/2016 dated 29 February, 2016, has clarified that the Assessing Officers would not dispute any income arising from transfer of listed shares and securities held for more than 12 months, if the same was treated as, and offered to tax under, the head 'Capital Gains', subject to genuineness of the transaction being established.

Under Section 2(29A) read with 2(42A) of the Act, units of a mutual fund are treated as a long-term capital asset if they are held for a period of more than 36 months (for schemes other than equity oriented) and for a period of more than 12 months (for equity oriented schemes) preceding the date of transfer. Units held for not more than 36 months (for schemes other than equity oriented) and for not more than 12 months (for equity oriented schemes) preceding the date of their transfer are short-term capital assets.

#### Long-term capital gains

As per section 112 of the Act, income arising on transfer of units (other than equity oriented) being long-term capital assets by resident and non-resident investors, would be chargeable to tax at the rate of 20% with indexation.

In case of an individual or Hindu Undivided Family ('HUF'), being a resident, where the total income as reduced by the long-term capital gains is below the maximum amount not chargeable to tax (i.e. upto INR 500,000 for very senior citizens, upto INR 300,000 for senior citizens, upto INR 250,000 in case of other individuals, including women, not being a senior citizen), the long term capital gains shall be reduced to the extent of the shortfall and only the balance long term capital gains will be subject to the applicable rate of tax on capital gains.

A) In addition to the aforesaid tax, surcharge at the following rates is also payable in case of Individuals and HUF:

1. 10% where total income exceeds 50 lakhs but is less than INR 1 crore;
2. 15% on total income exceeding INR 1 Crore but less than INR 2 crore;

3. 25% on total income exceeding INR 2 Crore but less than INR 5 crore and
  4. 37% on total income exceeding INR 5 Crore.
- B) In case of foreign companies, at the rate of 2% where the income exceeds INR1 crore but up to INR10 crore and at the rate 5% where the income exceeds INR 10 crore;
- C) In case of domestic company, at the rate of 7% where the income exceeds INR1 crore but up to INR10 crore and at the rate 12% where the income exceeds INR 10 crore.
- A Health & Education Cess of 4% on total income-tax is payable by all categories of taxpayers.

A tax rebate of INR 12,500 shall be available in case of individuals having total income of less than INR 500,000 after reducing the deductions under chapter VI-A (Section 80C, 80D and so on). Benefit of the same is available to the taxpayers who has not opted to file their Income Tax return as per section **115BAC**.

In case of non-resident investors, provisions of the DTAA entered by Government of India with the Government of the country in which the investor is resident shall apply, if the same are more beneficial.

Long term capital gains on sale of listed Equity shares / units of equity oriented fund in excess of INR 1 lakh will be taxed at @ 10% (plus surcharge and cess as applicable in case of short term capital gains referred in section 111A stated below) without the benefit of indexation. However while calculating capital gain, cost of acquisition shall be actual cost of acquisition or market value as on 31<sup>st</sup> Jan 2018 whichever is higher, in case such listed shares are acquired on or before 30 January 2018.

Income by way of long-term capital gains exempt under section 10(38) of the Act up to Rs 1Lac, would be taken into account while computing the book profits of a Company for the purpose of Minimum Alternate Tax payable under section 115JB of the Act as the case may be.

#### Short-term capital gains

Short-term capital gains arising on units (other than equity oriented funds) will be taxed at the rates (given in table below) applicable to that unit holder as per the provisions of the Act.

In case of an individual or HUF, being a resident, where the total income as reduced by the short term capital gains is below the maximum amount not chargeable to tax (i.e. upto INR 500,000 for very senior citizens, upto INR300,000 for all senior citizens and upto INR250,000 including women, not being a senior citizen, in case of other individuals), the short term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such short term capital gains shall be computed at the applicable slab rates given in below table.

Income-tax rates for Individuals (including NRIs)

<b>Total Income</b>	<b>Tax Rates (c)</b>
<b>Up to INR 250,000</b>	<b>Nil</b>
<b>INR 250,001 to INR 500,000</b>	<b>5%</b>
<b>INR 500,001 to INR 1,000,000</b>	<b>20%</b>
<b>INR 1,000,001 and above</b>	<b>30%</b>

<b>Total Income</b>	<b>Tax Rates (c)</b>
<b>Up to INR 3,00,000</b>	<b>Nil</b>
<b>INR 3,00,001 to INR 6,00,000</b>	<b>5%</b>



<b>INR 6,00,001 to INR 9,00,000</b>	<b>10%</b>
<b>INR 9,00,001 to INR 12,00,000</b>	<b>15%</b>
<b>INR 12,00,001 to INR 15,00,000</b>	<b>20%</b>
<b>INR 1,500,001 and above</b>	<b>30%</b>

In case of domestic companies the short-term capital gains are taxable at

- 30% or
- 25% - If the total turnover of the domestic company does not exceed INR 400 crores during financial year 2022-23 or
- 22% - This lower rate is optional and is applicable to domestic companies opting to discharge taxes at 22% and fulfils conditions in section 115BAA or
- 15% - This lower rate is optional for companies engaged in manufacturing business (set-up & registered on or after 1 October 2019) subject to fulfillment of certain conditions as provided in section 115BAB.

In case of foreign companies, the short-term capital gains are taxable at the rate of 40% and in case of FPI, as per section 115AD of the Act at the rate of 30%

- a) In addition to the aforesaid tax, surcharge at the following rates is also payable in case of Individuals and HUF:
  - i 10% where total income exceeds 50 lakhs but is less than INR 1 crore;
  - ii 15% on total income exceeding INR 1 Crore but less than INR 2 crore;
  - iii 25% on total income exceeding INR 2 Crore but less than INR 5 crore and
  - iv 37% on total income exceeding INR 5 Crore.
- b) In case of foreign companies, at the rate of 2% where the income exceeds INR1 crore but up to INR10 crore and at the rate 5% where the income exceeds INR 10 crore;
- c) In case of domestic company, at the rate of 7% where the income exceeds INR1 crore but up to INR10 crore and at the rate 12% where the income exceeds INR 10 crore.

A Health & Education Cess of 4% on total income-tax is payable by all categories of taxpayers.

The aforesaid tax rates are not applicable to the case covered by section 111A of the Act discussed in the paragraph below).

As per section 111A of the Act, short term capital gains arising from the sale (redemption) of a unit of an equity oriented fund or listed equity shares, where such sale (redemption) attracts STT, is taxable at the rate of 15%. In addition to the aforesaid tax, surcharge and education cess is also payable. While the surcharge and cess remains same as stated earlier in case of domestic and foreign companies, surcharge applicable in case of Individuals and HUF is as follows:

- i 10% where total income exceeds 50 lakhs but is less than INR 1 crore;
- ii 15% on total income exceeding INR 1 Crore.

- Units held as Stock-in-trade and rebate of STT

Where the units are treated as 'stock in trade' and the profits arising from the sale of units are taxed under the head "Profits & Gains of business or profession", the amount equal to the STT paid by the unit holder can be claimed as deductible expenses.

- Deduction under Section 54F

A deduction in respect of the taxable long-term capital gains on transfer of units could be claimed under Section 54F of the Act in the hands of Individual & HUF, subject to fulfillment of certain conditions specified in the section. This section requires purchase/ construction of residential house within specified period. However, if the

amount of purchase/construction is less than the net consideration realized on sale or redemption of units, only proportionate capital gains would be exempt from tax.

From 1st April 2022, 15 per cent surcharge on LTCG on sale of listed stocks or mutual funds has now been extended to LTCG tax on all assets such as real estate property, physical gold, debt funds, and debentures.

- Set-off and carry forward of losses

The capital loss resulting from sale of units would be available for set off against other capital gains made by the investor and would reduce the tax liability of the investor to that extent. However, losses on transfer of long-term capital assets would be allowed to be set-off only against gains from transfer of long-term capital assets and the balance long-term capital loss shall be carried forward separately for a period of eight assessment years to be set off only against long-term capital gains. However, losses on transfer of short-term capital assets would be allowed to be set-off against gains from transfer of long-term & short – term capital assets and the balance short-term capital loss shall be carried forward separately for a period of eight assessment years to be set off against long-term capital gain & short- term capital gain.

- Bonus Stripping

Where a person buys units (original units) within a period of three months before the record date, receives bonus units on such original units, and then sells the original units within a period of nine months after the record date and continues to hold the bonus units and incurs a loss, then the loss incurred on sale of such original units shall be ignored while computing the income chargeable to tax but shall be deemed to be the cost of acquisition of the bonus units.

- Switching from one scheme to another

As stated in the respective Scheme Information Documents, switching from one Scheme / option to another Scheme / option will be effected by way of redemption of units of the relevant Scheme / option and reinvestment of the redemption proceeds in the other Scheme / option selected by the unit holder. Hence, switching will attract the same implications as applicable on transfer of such units.

- Taxability of segregated portfolios of a mutual fund scheme

The period of holding for units in the segregated portfolio to be reckoned from the period for which the original units in the main portfolio were held by the unitholder. Acquisition cost of units in segregated portfolio to be proportionate to the NAV of assets transferred to the segregated portfolio to the NAV of the total portfolio immediately before the segregation. The cost of acquisition of the original units in the main portfolio to be reduced by the acquisition cost of units in the segregated portfolio.

- Consolidation of Schemes

Transfer of units upon consolidation of mutual fund schemes of two or more schemes of mutual fund in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains tax under section 47(xviii) of the Act. Further, transfer of units upon consolidation of plans within mutual fund schemes in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains tax under section 47(xix) of the Act.

- STT

STT would be chargeable as specified above in point 3 of 'taxability for the mutual fund' on purchase and sale of units of an equity oriented scheme by the unit holders.

- Tax withholding:

- Resident Investors

As per Circular no. 715 dated August 8, 1995 issued by the CBDT in case of resident Unit holders, no tax is required to be deducted at source from capital gains arising at the time of repurchase or redemption of the units.

Further, vide press release dated 4 February 2020, it has been clarified that withholding under section 194K of the Act is not applicable on capital gains arising on redemption of units of Mutual Fund.

#### FPIs

Under section 196D of the Act, no tax is required to be deducted at source on income way of capital gains earned by a FPI.

#### Non-resident Investors other than FPI's

Under Section 195 of the Act, the Mutual Fund is required to deduct tax at source at the rate of 20% /10% (without indexation) on any long-term capital gains arising to nonresident investors from units other than units of an equity oriented scheme. Long term capital gains from equity oriented schemes & listed equity shares are liable to be withhold @10% if the capital gain exceed Rs 1Lakh during the financial year starting from April 1, 2018.

In respect to short-term capital gains from units other than units of an equity oriented scheme, tax is required to be deducted at source at the rate of 30% (Assuming Highest tax bracket for investor) if the payee unit holder is a non-resident non-corporate and at the rate of 40% if the payee unit holder is a foreign company. In case of equity oriented schemes, tax is required to be deducted at the rate of 15% for both corporate and non-corporate non-resident unit holders.

Further, the aforesaid tax to be deducted is required to be increased by surcharge and Health & Education Cess, as applicable (rates stated in earlier paragraphs).

As per circular no. 728 dated October 30, 1995 issued by the CBDT, in the case of a remittance to a country with which a Double Tax Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee.

- Religious and Charitable Trusts

Investment in Units of the Fund by Religious and Charitable Trusts is an eligible investment under Section 11(5) of the Act read with Rule 17C of the Income Tax Rules, 1962. However, such investment may be permitted only subject to the state legislation governing Religious and Charitable Trusts in this regard, wherever applicable.

- DTAA

The tax rates given hereinabove are subject to any relief that an investor may be entitled to claim under the relevant DTAA.

#### Taxation of Gifts

Section 56(2) of the Act provides that the aggregate fair market value (exceeding INR50, 000) of any property, including units of mutual funds, received without consideration or for inadequate consideration (from persons or in situations other than those exempted under proviso to Section 56(2) (x) of the Act) will be included in the computation of total income of the recipient and be subject to tax.

#### Please note:

The tax incidence to investors could vary materially based on residential status, characterization of income (i.e. capital gains versus business profits) accruing to them. The Information provided here is general in nature. Please consult your financial planner before taking decision

## **B. LEGAL INFORMATION**

## **NOMINATION**

Pursuant to Regulation 29A of the SEBI (MF) Regulations, the Fund/AMC is providing an option to the Unitholder to nominate (in the manner prescribed under the Regulations), a person(s) in whom the Units held by him shall vest in the event of his death.

The investors / Unitholders are requested to note that a maximum of three nominees can be registered for a Folio. In case of multiple nominees, the Ratio of nomination has to be clearly specified in the nomination form / request letter. If the Ratio of nomination is not explicitly stated, then the nomination shall be treated at 'Equal Ratio'.

### **1) Who can nominate/be nominees?**

Individuals, on their own behalf, singly or jointly can nominate. Non-individuals including company, PSU, AOP, BOI, society, trust (other than religious or charitable trust), body corporate, partnership firm, Karta of Hindu Undivided Family, Bank, FII/FPI, holder of Power of Attorney cannot nominate. For nomination to a religious or charitable trust, the investor should attach a proof or certificate that the trust being nominated is religious or charitable trust. The Nominee shall not be a trust, other than a religious or charitable trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A non-resident Indian can be a Nominee subject to the exchange controls in force, from time to time.

A minor can be nominated and in that event, the name and address of the guardian of the minor nominee shall be provided by the Unitholder. Nomination can also be in favour of the Central Government, State Government, a local authority, any person designated by virtue of his office or a religious or charitable trust.

### **2) How to Nominate?**

A Unitholder can, at the time an application is made, or by subsequently writing to an ISCs, request for a nomination form in order to nominate not more than three individuals, to receive the units upon his/her death, subject to completion of the necessary formalities e.g. proof of death of the unitholder, signature of the nominees, furnishing of proof of guardianship in case a nominee is a minor, execution of indemnity bond or such other document as may be required from the nominee(s) in favour of and to the satisfaction of the Mutual Fund, the AMC, or the Trustee. If the Units are held jointly, all joint unitholders will be required to sign the nomination form irrespective of the mode of holding being 'Anyone or Survivor' or 'Joint'. Nomination form cannot be signed by Power of attorney (PoA) holders. Every new nomination for a folio/account will overwrite the existing nomination. Investors may please note that nomination is mandatory for folios held in the name of a single individual. Nomination cannot be made in a folio held 'on behalf of a minor'. Further, investors who do not wish to nominate are required to confirm at the time of making an application of their non-intention to nominate.

Investors shall indicate clearly the percentage of allocation/ share in favour of each of the nominees against their names, and such allocation/share shall be in whole numbers without any decimals. In the event of the investor not indicating the percentage of allocation/share for each of the nominees, the AMC shall settle the claim equally amongst all the nominees.

Pursuant to SEBI Circular SEBI/HO/IMD/IMD-II DOF3/P/CIR/2022/82 dated June 15, 2022 read with SEBI/HO/IMD/IMD-I DOF1/P/CIR/2022/105 dated July 29, 2022, mandated Unitholders to submit nomination details or opt our declaration for investor subscriber to mutual fund units on or after October 1, 2022 through Physical or Online as per the choice of Unitholder.

### **3) Effects of nomination/cancellation of nomination**

Nomination in respect of units stands rescinded upon redemption of units. Cancellation of nomination can be made only by those individuals who hold units on their own behalf, singly or jointly, and who made the original nomination. On cancellation, the nomination shall stand rescinded and the AMC/Mutual Fund shall not be under

any obligation to transfer the units in favour of any of the nominees. Transfer of units/ payment to a nominee of the sums shall be valid and effectual against any demand made upon the Trust/AMC, and shall discharge the Trust/AMC of all liability towards the estate of the deceased unit holder and his/her successors and legal heirs, executors and administrators.

However, the investors should be aware that the nominee(s) may not acquire title or beneficial interest in the property by virtue of the nomination and that neither the Fund nor the AMC nor the Registrar and Transfer Agent of the Fund will be bound to transfer the units to the nominee in the event of any dispute in relation to the nominee's entitlement to the units.

If the Mutual Fund or the AMC or the Trustee were to incur or suffer any claim, demand, liabilities, proceedings or if any actions are filed or made or initiated against any of them in respect of or in connection with the nomination, they shall be entitled to be indemnified absolutely for any loss, expenses, costs, and charges that any of them may suffer or incur absolutely from the investor's estate.

For units held in electronic form with the Depository, the nomination details provided by the unit holder to the depository will be applicable to the units of the Schemes. Such nomination including any variation, cancellation or substitution of Nominee(s), shall be governed by the rules and bye-laws of the Depository. Payment to the nominee of the sums shall discharge the Fund of all liability towards the estate of the deceased unit holder and his/her legal successors/legal heirs.

In case nomination has been made for demat account with joint holders, in the event of death of any of the joint holder(s), the securities will be transmitted to the surviving holder(s). Only in the event of death of all the joint holder(s), the securities will be transmitted to the nominee.

In case nomination is not made by the sole holder of demat account, the securities would be transmitted to the account of legal heir(s), as may be determined by an order of the competent court.

## **TRANSFER OF UNITS**

Units of the Schemes held in physical form shall be non-transferable. Further units of the schemes of the Fund held in demat form are freely transferable under the depository system and in accordance with the provisions of the SEBI (Depositories and Participants) Regulations, 1996. From one demat account to another demat account. However, restriction on transfer of units of ELSS during locking period shall continue to be as per ELSS guidelines. However, if a transferee becomes a holder of units by the operation of law or upon enforcement of a pledge, then the AMC shall, subject to production of such evidence, which in its opinion is sufficient, proceed to effect the transfer, if intended transferee is otherwise eligible to hold the units. In all such cases, if the transferee is not eligible to hold the Units, the Units will be redeemed and the proceeds will be disbursed to the transferee, if such transferee is entitled to the same. All such changes shall be carried out in line with the applicable laws and the decision of the AMC shall be considered final.

Any addition/deletion of name from the folio of the Unitholder is deemed as transfer of Units. In view of the same, additions/deletions of names will not be allowed under any folio of the Scheme. The said provisions in respect of deletion of names will not be applicable in case of death of a Unit holder (in respect of joint holdings) as this is treated as transmission of Units and not transfer.

The list the documents required for transmission under various situations is explained in the following paragraphs:

1. Deletion of names of the deceased unit holders in case of death of 2nd and/or 3rd Holder.
  - i. Request Form (Form T1) from surviving unit holder(s) requesting for Deletion of Name of Deceased 2nd and/or 3rd Holder. ([Click here to download](#))
  - ii. Death Certificate in original or photocopy duly attested by a Notary Public or a Gazetted Officer.

- iii. Fresh Bank Mandate Form along with cancelled cheque of the new bank account (only if there is a change in existing bank mandate)
- iv. Fresh Nomination Form in case there is no nomination or a change in existing nomination is desired by the surviving unit holders. (Click here to download forms)
- v. KYC Acknowledgment OR KYC Form of the surviving unit holder(s), if not KYC compliant.

2. Transmission of Units to surviving unit holder(s) in case of death of the 1st holder

- i. Transmission Request Form (Form T2) for Transmission of Units to the surviving unit holder/s. (Click here to download)
- ii. Death Certificate of the deceased unit holder(s) in original OR photocopy duly attested by a Notary Public or a Gazet-ted Officer.
- iii. Copy of PAN Card of the Surviving Joint Holder(s) (if PAN is not provided already)
- iv. Cancelled cheque of the new first unit holder, with the claimant's name pre-printed OR Recent Bank Statement/Passbook (not more than 3 months old) of the new first holder.
- v. KYC Acknowledgment OR KYC Form of the surviving unit holder(s), if not KYC compliant.

3. Transmission of Units to the registered Nominee/s in case of death of Sole or All unit holders

- i. Transmission Request Form (Form T3) for Transmission of Units in favour of the Nominee(s). (Click here to download)
- ii. Death Certificate of the deceased unit holder(s) in original OR photocopy duly attested by a Notary Public or a Gazet-ted Officer.
- iii. Copy of Birth Certificate, in case the Nominee is a minor.
- iv. Copy of PAN Card of the Nominee(s) / Guardian (in case the Nominee is a minor)
- v. KYC Acknowledgment OR KYC Form of the Nominee(s) / Guardian (where Nominee is a Minor)
- vi. Cancelled cheque with the Nominee's name pre-printed OR Copy of the Nominee's recent Bank Statement/Passbook (which is not more than 3 months old).
- vii. If the transmission amount is upto .2 Lakh,

Nominee's signature attested by the Bank Manager as per Annexure-Ia. In case the Nominee is a Minor, signature of the Guardian (as per the bank account of the Minor or the joint account of the Minor with the Guardian) shall be attested.

If the transmission amount is for more than 2 Lakh, as an operational risk mitigation measure, signature of the Nominee shall be attested by a Notary Public or a Judicial Magistrate First Class (JMFC) in the space provided for signature attestation in the TRF itself below the signature of the claimant. (Click here to download)

4. Transmission of Units to the Claimant/s on death of Sole unit holder or All unit holders, where there is NO NOMINATION registered

- i. Transmission Request Form (Form T3) for Transmission of Units to the Claimant (Click here to download)
- ii. Death Certificate of the deceased unit holder(s) in original OR photocopy duly attested by a Notary Public or a Gazette Officer.
- iii. Copy of Birth Certificate in case the Claimant is a minor.
- iv. Copy of PAN Card of the Claimant / Guardian (in case the Claimant is a minor).
- v. KYC Acknowledgment OR KYC Form of the Claimant / Guardian (in case the Claimant is a Minor)
- vi. Cancelled cheque with the claimant's name pre-printed OR Copy of the Claimant's recent Bank Statement/Passbook (which is not more than 3 months old).

If the transmission amount is up to .2 Lakh –

- a. Bank Attestation of signature of the Claimant by the Bank Manager as per Annexure-Ia. In case the Claimant is a Minor, the signature of the Guardian (as per the bank account of the Minor or the joint account of the Minor with the Guardian) shall be attested. (Click here to download)
- b. Any appropriate document evidencing relationship of the claimant/s with the deceased unit holder/s.
- c. Bond of Indemnity - as per Annexure-II . to be furnished by Legal Heirs for Transmission of Units without production of Legal Representation. (Click here to download)

Provided that in case the legal heir(s)/claimant(s) is submitting the Succession Certificate or Probate of Will or Letter of Administration wherein the claimant is named as a beneficiary, an affidavit as per Annexure-III from such legal heir/claimant(s) alone would be sufficient; i.e., Bond of Indemnity is not required. (Click here to download)

- d. Individual Affidavits to be given by each legal heir as per Annexure-III (Click here to download)
- e. NOC from other Legal Heirs as per Annexure – IV, where applicable.(Click here to download)

If the transmission amount is more than .2 Lakh –

- a. Signature of the Claimant duly attested by a Notary Public or a Judicial Magistrate First Class (JMFC) in the space provided for signature attestation in the TRF itself below the signature of the claimant. In case the Claimant is a Minor, the signature of the Guardian (as per the bank account of the Minor or the joint account of the Minor with the Guardian) shall be attested.
- b. Individual Affidavits to be given each legal heir as per Annexure-III (Click here to download)
- c. Any one of the documents mentioned below:
  - Notarised copy of Probated Will; OR
  - Succession Certificate issued by a competent court; OR
  - Letter of Administration or court decree, in case of Intestate Succession.

#### 5. Change of Karta upon death of the Karta of Hindu Undivided Family (HUF)

If the case of a HUF, the property of the HUF is managed by the Karta and the HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF will need to appoint a new Karta, who needs to submit following documents for transmission:

- i. Request Form (Form T4) for change of Karta upon demise of the registered Karta. (Click here to download)
- ii. Death Certificate of the deceased Karta in original OR photocopy duly attested by a Notary Public or a Gazette Officer.
- iii. Bank's letter certifying that the signature and details of new Karta have been updated in the bank account of the HUF & attesting the Signature of the new Karta as per Annexure-1b. (Click here to download)
- iv. KYC Acknowledgment OR KYC Form of the new Karta and the HUF, if not KYC compliant.
- v. Indemnity Bond as per Annexure V signed by all surviving coparceners (including new Karta).
- vi. If the transmission amount is upto .2 Lakh, any appropriate document evidencing relationship of the new Karta and the other coparceners with the deceased Karta.
- vii. If the transmission amount is more than .2 Lakh, any one of the documents mentioned below –
  - Notarized copy of Settlement Deed, or
  - Notarized copy of Deed of Partition, or
  - Notarized copy of Decree of the relevant competent court.

#### 6. Transmission of Units to the Claimant/s upon death of the Karta of HUF, where there is no surviving coparcener or the HUF has been dissolved/partitioned after demise of the Karta

- i. Transmission Request Form (Form T5) for Transmission of Units to the Claimant. (Click here to download)
- ii. Death Certificate of the deceased Karta in original OR photocopy duly attested by a Notary Public or a Gazette Officer.

- iii. Copy of Birth Certificate in case the Claimant is a minor.
- iv. Copy of PAN Card of the Claimant(s) / Guardian (in case the Claimant is a minor)
- v. KYC Acknowledgment OR KYC Form of the Claimant(s) / Guardian (in case the Claimant is a Minor)
- vi. Cancelled cheque with the claimant's name pre-printed OR Copy of the Claimant's recent Bank Statement/Passbook (which is not more than 3 months old).
- vii. If the transmission amount is upto .2 Lakh, attestation of signature of the claimant by Bank Manager as per Annex-ure-Ia. In case the claimant is a Minor, the signature of the Guardian (as per the Minor's bank account / Minors joint account with the Guardian) shall be attested. (Click here to download)

If the transmission amount is for more than .2 Lakh, signature of the claimant shall be attested by a Notary Public or a Judicial Magistrate First Class (JMFC) in the space provided for signature attestation in the TRF itself below the signature of the claimant.

- viii. Bond of Indemnity to be furnished by the Claimant as per Annexure-VI. (Click here to download)
- ix. If the HUF has been dissolved/partitioned by the surviving members after demise of the Karta, the transmission of units should be effected only on the basis of any of the following documents:
  - Notarized copy of Settlement Deed, OR
  - Notarized copy of Deed of Partition, OR
  - Notarized copy of Decree of the relevant competent Court.

## 7. Clarifications

- a. In case of death of the 1st holder, if there are two surviving joint holders, the surviving 2nd holder will be treated as the new primary / 1st holder.
- b. PAN card copy of the nominee /claimant/s need not be insisted separately, if the same is available in KYC data. In case of residents of Sikkim, appropriate Id. proof shall be collected in lieu of PAN card.
- c. Where the units are to be transmitted to a claimant who is a minor, various documents like KYC, PAN, Indemnity should be of the Guardian of the minor nominee / legal heir. Bank Attestation of the Signature of the Guardian of the minor shall be as per the bank account of the Minor or the joint account of the Minor with the Guardian.
- d. In case of multiple nominees/ claimants, the monetary threshold of more than ?2 lakh for the purpose of obtaining the Indemnity Bond shall be the determined on the basis of the aggregate value of the Units under all the folios for which the claim is being submitted as per the latest NAV as on the date of receipt of the claim, before dividing / splitting the claim amongst multiple nominees or claimants/ surviving co-parceners.
- e. Also, where there are more than one nominees / legal heirs (claimants) in a folio or set of folios, the nominees / legal heirs should be encouraged / requested to submit the Transmission request together, so that all the Units held by the de-ceased unit holder(s) could be transmitted in one-go to for operational efficiency and convenience.
- f. If the deceased unit holder(s) held units in several folios, as 1st holder(s) in some folios and as joint holder in other(s), a single claim form may be accepted for operational ease, provided the ALL the deceased holders are common across the multiple folios (irrespective of the order of names) AND the nominee(s) / claimant(s) is/are also common/same across ALL the folios.
- g. Once a transmission request is received, it is incumbent upon the AMC/RTA to determine if the deceased unit holder had any unit holdings under any other scheme / folio, and put a flag in the system against all other folios of the deceased unit holder, basis PAN / PEKRN with a suitable communication to the surviving unit holders / nominee/s (if any, regis-tered against the folios) to submit the claim form with reqd. documents in respect of the remaining folios.
- h. In such cases where the deceased was the 1st holder in respect any one of the folios/funds, units in all other holdings across all other folios/schemes, where the deceased was the 1st unit holder shall be 'Stop' marked/blocked against any further transactions basis PAN or PEKRN.
- i. The process and documentation for transmission of units where the claimant / nominee is a mentally unsound person, shall be the same as applicable to a Minor claimant, except that the Guardian shall be a court appointed guardian. Addi-tionally, a Medical Certificate from an appropriate registered medical practitioner may be obtained regarding the Men-tally unsound person.



j. Copies of all supporting documents submitted for settlement of the claim, such as the Death Certificate of the de-ceased, Birth certificate of the minor, Probate of Will, Succession Certificate, Letter of Administration shall be duly at-tested by a Notary Public or a Gazette Officer.

k. If the transmission amount is for more than ₹2 Lakh, as an operational risk mitigation measure, the signature of the Nominee/ Claimant shall be attested only by a Notary Public or a Judicial Magistrate First Class (JMFC) in lieu of bank-er's attestation. For this purpose, space has been provided for signature in the TRF itself below the signature of the claimant.

l. While the list of documents mentioned above should be taken in all cases, in specific cases and situations related to transmission of units that are not enumerated in section 1 to 6 above, AMCs should adopt proper due diligence and re-quest for appropriate documents depending on the circumstances of each case and apply the general principles enumerated in sections above before transmitting the units in favour of the claimant/s.

### **GIFT FACILITY**

The Unitholder can, at any time after the allotment of Units, write to the ISC, requesting for a Gift Form to gift his/her Units by way of a transfer of Units to the extent permitted under the SEBI (Mutual Funds) Regulations, 1996 / applicable law(s) to a person eligible to be an investor as per the terms of the SID. The Mutual Fund may arrange to transfer the Units in accordance with the terms of the Gift Deed executed by the donor Unit holder out of his / her Unit balance in accordance with applicable law(s) and subject to the compliance with such documentary requirements by the donor Unitholder to the satisfaction of the Mutual Fund/AMC if the donee is otherwise eligible to hold units of mutual funds. Gift in favour of a NRI/PIO/OCI/QFI will be subject to permission, general or specific, as per the applicable laws under the Foreign Exchange Management Act, 1999. The transfer of unitholdings to the donee in accordance with the terms of the Gift Deed and a receipt thereof shall be a valid discharge of the AMC/Mutual Fund of its obligations towards the donor Unitholder. The donor Unitholder agrees to be liable/responsible for any loss that may result from a transfer of Units thereof made in good faith by the AMC/ Mutual Fund at the request of the Donor Unitholder/s. The facility of gifting of Units is not permitted if the Units are held in electronic/demat mode.”

### **TRANSMISSION OF UNITS**

In accordance with AMFI BP 135/BP/ 110 /2023-24 dated January 31, 2024 to enhance ease of dealing in securities markets and with a view to make the transmission process more efficient and investor friendly, SEBI has simplified the procedure for transmission of securities vide the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 (“LODR Amendment Regulations”) notified through Gazette Notification no. SEBI/LAD-NRO/GN/2022/80 dated April 25th, 2022). Further, vide circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/65 dated May 18, 2022, titled “Simplification of procedure and standardization of formats of documents for transmission of securities” SEBI had specified the formats for various documents for processing of transmission of securities.

SEBI has, vide letter no. SEBI/HO/IMD/IMD-POD-1/P/OW/2023/51245/1 dated December 19, 2023 taken note of the draft guidelines submitted by AMFI. Additionally, SEBI has advised that AMFI may consider incorporating the following provisions:

1. In case of Legal Heirship Certificate or its equivalent certificate issued by a competent Government Authority, the same may be accompanied with following documents:

a. A notarized indemnity bond from the legal heir(s)/ claimant(s), in the format as may be specified by AMFI, and;

b. No objection from all non-claimants (remaining legal heirs), in the format as may be specified by AMFI.

2. In case of Registered Will, the same may be accompanied with a notarized indemnity bond from the claimant (appropriate beneficiary of the Will) to whom the units are transmitted, in the format as may be specified by AMFI.

For list of documents required for transmission of units, investors are required to refer website of the Fund [www.motilaloswalmf.com](http://www.motilaloswalmf.com).

Additionally, in accordance with the AMFI Best Practice Circular No. 53A/2014-15 dated March 30, 2015 on “Clarification in respect of AMFI Best Practices Guidelines circular No. 53 dated February 11, 2015 read with AMFI Best Practices Guidelines 20 dated February 9, 2011 regarding “Transmission of Units” and SEBI Circular dated December 24, 2019 on “Investments in units of Mutual funds in the name of minor through guardian and ease of process for transmission of units, the following will be applicable:

- For Transmission of Units to the registered nominee(s) in case of death of Sole or All unit holder, the indemnity bond from the nominee(s) is not required.
- For Transmission of Units, where no nomination has been made, Letters from claimant/s to the Fund/AMC/RTA requesting for transmission of units; Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager; Bank account details of the new first unit holder along with attestation by a bank manager or cancelled cheque bearing the account details and account holders name; KYC Compliance of the claimant/s; Indemnity Bond from legal heir/s; Individual affidavits from legal heir/s, if the transmission amount is below Rs 2 lac, any appropriate document evidencing relationship of the claimant/s with the deceased unitholder/s and if the transmission amount is Rs 2 lac or more, any one of the following documents a. Notarized copy of Probated Will, b. Legal heir certificate or succession certificate or claimant’s certificate issued by competent court, or letter of administration, in case of intestate succession. However, in cases, where claimant has submitted any one of the document as mentioned above, but probated will/ succession certificate/ letter of administration does not have any mention of mutual fund units, the indemnity bond along with individual affidavits from all the legal heirs will be required.
- MOAMC will not accept any “Transmission-cum-Redemption” requests. The request for redemption of Units will be accepted only after processing the request for transmission of Units with proper documentation. • The AMC will implement image based processing wherever the claimant is a nominee or a joint holder in the investor folio.
- The AMC will have a dedicated, Central Help Desk and a webpage carrying relevant information and instructions in order to provide assistance on the transmission process.
- The AMC will adopt a common Transmission Request Form and NOC form. All such forms and formats will be made available on the website of the AMC, RTA and AMFI.
- The AMC will implement a uniform process for treatment of unclaimed funds to be transferred to the claimant including the unclaimed IDCW .
- The AMC will not accept requests for redemption from a claimant pending completion of the transmission of units in his /her favour.
- The Stamp duty payable by the claimant with respect to the indemnity bond and affidavit, will be in accordance with the stamp duty prescribed by law.
- For list of documents required for transmission of units, investors are required to refer website of the Fund [www.motilaloswalmf.com](http://www.motilaloswalmf.com).

### **1) Transmission of Units in ELSS**

#### **•Repurchase of Units under ELSS upon death of the Unitholder**

As per Rule 3(e) of Equity Linked Saving Scheme, 2005 notified by the Government of India:

“In the event of the death of the assessee, the nominee or legal heir, as the case may be, shall be able to withdraw the investment only after the completion of one year from the date of allotment of the units to the assessee or any time thereafter”.

Thus, in the event of the death of the unitholder under ELSS, the nominee or legal heir, shall be able to withdraw the investment under ELSS only after the completion of one year from the date of allotment of units to the investor, but before completion of three years lock-in.

The Stamp duty payable by the claimant with respect to the indemnity bond and affidavit, shall be in accordance with the stamp duty prescribed by law.

## **PLEDGE/ASSIGNMENT OF UNITS**

A unit holder may pledge/assign units of the Schemes in favour of scheduled Commercial banks, financial institutions, non-banking financial companies (NBFCs) or any other body Corporate as a security for raising loans. Units can be pledged by completing the requisite forms/formalities as may be required by the Fund. The AMC and/or the Registrar will record a pledge/charge/lien against the units pledged.

The Pledgor may not be allowed to redeem Units so pledged until the bank/financial institutions/NBFCs to which the units are pledged provides a written authorization to the Fund that the pledge/charge/lien may be removed.

As long as the Units are pledged, the Pledgee will have complete authority to redeem such Units. If the units are lodged by the Unit holder for redemption or transfer to another person it will be deemed that the same are released from the pledge and the Fund shall deal with the units as per the request of the member if otherwise in order.

In case the unit pledge are of close ended scheme and if the units are under pledge at the time of maturity of the Scheme, then the AMC reserves the right to pay the maturity amount to the person/bank/financial institution/non-banking finance companies (NBFCs)/any other body in whose favour the lien has been marked. An intimation of such payment will be sent to the investor. The AMC thereafter shall not be responsible for any claims made by the investor/third party on account of such payments.

For units of the Schemes issued and held in Demat form, the rules of Depository applicable for pledge will be applicable for Pledge/Assignment of units of the Schemes.

## **DURATION OF THE SCHEMES/WINDING UP**

### **For Open Ended Schemes**

The duration of the Schemes is perpetual. The AMC, the Fund and the Trustees reserve the right to make such changes/alterations in the Schemes (including the charging of fees and expenses) to the extent permitted by the applicable SEBI Regulations. However, in terms of the Regulations, a Scheme may be wound up after repaying the amount due to the Unit holders:

1. On the happening of any event, which in the opinion of the Trustee(s), requires the Scheme to be wound up; or
2. Seventy five percent (75%) of the Unit holders of the Scheme pass a resolution that the Scheme be wound up, or
3. If SEBI so directs in the interest of the Unit holders.

Where the Scheme is so wound up, the Trustees shall give notice within one day, disclosing the circumstances leading to the winding up of the scheme to SEBI and in two daily newspapers with circulation all over India and also in a vernacular newspaper circulating at the place where the Mutual Fund is formed.

Provided that where a scheme is to be wound up under Regulation 39(2)(a), the trustees shall obtain consent of the unit holders participating in the voting by simple majority on the basis of one vote per unit and publish the results of voting within forty five days from the publication of newspaper notice as specified under point (b) above and if trustees fail to obtain the required consent of the unitholders then, the schemes shall be reopened for business activities from the second business day after publication of results of the voting.

Further in case of non-fulfillment of SEBI Circular dated December 12, 2003 relating to Minimum Number of Investors in Scheme(s)/ Plans of Mutual Funds the provisions of Regulation 39(2)(c) of SEBI (Mutual Funds) Regulations, 1996 would become applicable automatically without any reference from SEBI. Accordingly, the scheme(s) shall be wound up by following the guidelines laid down by SEBI. Please refer to the Scheme Information Document of respective scheme(s) for more details.

### **For Close Ended Scheme**

The duration of a Close Ended Scheme would be till the maturity date and will be fully redeemed on such maturity date. The Scheme can be converted to an open ended scheme, if:

The Scheme Information Document of the scheme discloses the option and the period of such conversion. The Unit holders are provided with an option to redeem their units in full.

A close ended Scheme may be allowed to be rolled over if the purpose, period and other terms of roll over and all other material details of the Scheme including the likely composition of the assets immediately before the roll over, the net assets and the net assets value of the Scheme are disclosed to the unit holders and a copy of the same has been filed with SEBI.

The Trustee reserves the right to convert the close ended Scheme to an open ended Scheme after complying with provisions of SEBI (Mutual Funds) Regulations. The Trustees may also roll over the Scheme for a further period at their discretion after complying with Mutual Funds Regulations.

The close ended Scheme may be wound up before the maturity of the Scheme after complying with necessary regulations. Where the Scheme is so wound up, the Trustees shall give notice of the circumstances leading to the winding up of the Scheme to SEBI and in two daily newspapers with circulation all over India and also in one vernacular newspaper with circulation at the place where the Mutual Fund is formed.

### **Effect of Winding Up**

On and from the date of the publication of notice of winding up, the Trustee or the AMC, as the case may be, shall:

- i. Cease to carry on any business activities in respect of the Scheme so wound up;
- ii. Cease to create or cancel Units in the Scheme;
- iii. Cease to issue or redeem Units in the Scheme.

### **Procedure and manner of Winding up**

In the event of the Scheme being wound up, the AMC shall proceed as follows:

1. The Trustee shall call the meeting of the unit holders to consider and to approve by simple majority of the Unit holders present and voting at the meeting for authorizing the Trustee, the AMC or any other person to take steps for the winding up of the Scheme.
2. The Trustee, the AMC or the person authorized as above shall dispose of the assets of the Scheme concerned in the best interest of unit holders of the Scheme.
3. The proceeds of sale realized in pursuance of the above, shall be first utilized towards discharge of such liabilities as are due and payable under the Scheme and after making the provisions for meeting the expenses

- connected with such winding up, the balance shall be paid to Unit holders in proportion to their respective interest in the assets of the Scheme, as on the date when the decision for winding up was taken.
4. On completion of the winding up, the AMC shall forward to SEBI and the unit holders a report on the winding up, detailing the circumstances leading to the winding up, the steps taken for disposal of the assets of the Scheme before winding up, expenses of the Scheme for winding up, net assets available for distribution to the Unit holders and a certificate from the auditors of the Fund.
  5. Notwithstanding anything contained herein above, the provisions of the Regulations in respect of disclosures of half-yearly reports and annual reports shall continue to be applicable until winding up is completed or the Scheme ceases to exist.
  6. After the receipt of the report referred to above, if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.

In addition to the above, an open-ended scheme may also be wound up if the scheme/investment Plan fails to fulfill the condition of a minimum of 20 investors on an ongoing basis for each calendar quarter.

Further, an average AUM of Rs. 20 crore on half yearly rolling basis has to be maintained for all open ended debt oriented schemes. In case of breach of the this provisions, the AMC shall scale up the AUM of such scheme within prescribed period so as to comply with the provisions, failing which the provisions of Regulation 39(2)(c) of the Regulations related to winding up of scheme would become applicable.

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

Every close-ended scheme and units of segregated portfolio shall be listed on recognized stock exchanges. SEBI vide Circular No SEBI/HO/IMD/DF3/CIR/P/2020/086 dated May 20,2020, has extended the provisions for listing of the mutual funds units which are in the process of winding up. Accordingly in terms of regulation 39(2)(a) i.e on the happening of any event which, in the opinion of the trustees, requires the scheme to be wound up the units of Mutual Fund schemes which are in the process of winding-up shall be listed on the recognized stock exchange to allow the investor an exit option. However, SEBI has also clarified that the trading of the investor on the stock exchange is not mandatory, This is an exit option given to investor if they desire to take exit from the scheme. Trading in such listed scheme which is under process of winding up, shall be done only in demat form. AMCs shall enable transfer of such units which are held in form of Statement of Account (SoA) / unit certificates.

#### **Change in Static Information**

Investors, for whom the KYC process has been previously completed, should submit their request for change in static information, viz. name, address, status, signature, etc. to any of the Point of Services (PoS) appointed by CDSL Ventures Ltd /Intermediary through whom the uniform KYC was recorded. Investors, who have not complied with the KYC requirement, may submit their request for change in static information to the AMC's Registrar. Other information such as bank account details, IDCW sub option etc. may be changed by Unit Holders by submitting a written request to the Registrar. Such changes will be effected within 5 Business Days of the valid signed request reaching the office of the Registrar at Chennai, and any interim financial transactions like purchase, redemption, switch, payment of IDCW etc. will be effected with the previously registered details only. If any change in static information is submitted along with a financial transaction, the change will be handled separately and the financial transaction may be processed with the previously registered details. Unit Holders are therefore advised to provide requests for change in static information separately and not along with financial transactions. Investors transacting through the stock exchange mechanism should approach their respective Depository Participant for non-financial requests/applications such as change of address, change of bank, etc.

- i) Any request for change of bank mandate details will be entertained only if the Unit Holder provides any of the following documents along with the designated change request form.

- ii) copy of a cheque leaf of the new bank account (where the account number and name is printed on the cheque) or
- iii) a cancelled cheque pertaining to the new bank account (where the account number and name is printed on the cheque) or
- iv) a letter from the new bank certifying the bank account details, including the MICR code & IFSC Code (where available)
- v) Any request for change of bank mandate details without the above mentioned documents will be considered invalid and will not be processed.
- vi) Any change in IDCW sub option due to additional investment or Unit Holder request will be applicable to the entire Units in the IDCW option of the scheme/plan concerned.
- vii) Unit Holders may write to the AMC or the Registrar to change the broker code of their transactions or to remove the broker code. Any such request will be handled on a prospective basis and the change in broker code will be effected within 5 days from the date when the Registrar receives the request at its office.

In compliance to AMFI Best Practice Guidelines circular No. 17/10-11 dated October 22, 2010, the Mutual Fund has introduced Multiple Bank Account Registration Facility for its unit holders, where in Unit holder can register more than one bank account with the Mutual Fund to receive redemption/ IDCW proceeds. The Unit holder may choose to receive the redemption/ IDCW proceeds in any of the bank accounts, the details of which are registered under the facility by specifying the same in the “Bank Accounts Registration form” which will be available at our Investor Service Centers/Registrar and Transfer Agents offices and on the website of the Fund, this facility was introduced w.e.f November 15, 2010.

#### **Consolidation of Folios**

In case an investor has multiple folios, the AMC reserves the right to consolidate all the folios into one folio, based on such criteria as may be determined by the AMC from time to time. In case of additional purchases in same scheme / fresh purchase in new scheme, if the investor fails to provide the folio number, the AMC reserves the right to allot the units in the existing folio, based on such integrity checks as may be determined by the AMC from time to time.

#### **Treatment of Unclaimed IDCW and Redemption**

In accordance with SEBI Circular dated February 25, 2016, 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.

Further, pursuant to said circular on treatment of unclaimed redemption and IDCW amounts, redemption/ IDCW amounts remaining unclaimed based on expiry of payment instruments will be identified on a monthly basis and amounts of unclaimed redemption/IDCW would be deployed in the respective Unclaimed Amount Plan(s) as follows:

- Motilal Oswal Liquid Fund - Unclaimed IDCW - Upto 3 years,
- Motilal Oswal Liquid Fund - Unclaimed IDCW - Greater than 3 years,
- Motilal Oswal Liquid Fund - Unclaimed Redemption - Upto 3 years
- Motilal Oswal Liquid Fund - Unclaimed Redemption - Greater than 3 years

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.

## 1) Investment made on behalf of Minor

### • Accounts of Minor:

- i. The minor, through Parents/Lawful Guardian, shall be the first and the sole holder in an account/folio. There shall not be any joint accounts/folios with minor as the first or joint holder
- ii. Guardian in the folio on behalf of the minor should be either a natural guardian (i.e. father or mother) or a court appointed legal guardian. A document evidencing the relationship should be submitted to the AMC/Registrar of Fund.
- iii. The following documents evidencing the date of birth of the minor shall mandatorily be required while opening the account on behalf of minor:
  - a. Birth certificate of the minor, or
  - b. School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or
  - c. Passport of the minor, or

Any other suitable proof evidencing the date of birth of the minor.

RTA shall send an advance notice prior to 30 days from the minor attaining major. The communication will be sent to the registered E-mail id 1) Request letter OR a duly filled and signed Minor Attaining Major request form.

AMC will follow uniform process 'in respect of investments made in the name of a minor through a guardian' by SEBI vide circular no SEBI/HO/IMD/DF3/CIR/P/2019/166 dated December 24, 2019.

- 1) Copy of Pan card of the unitholder (Unit holder needs to apply for Pan card in case not applied already)
- 2) KYC Acknowledgement OR KYC application form in case unit holder not KYC compliant already (refer the list of supporting documents on the backside of KYC form)
- 3) Cancelled cheque leaf with name of the unitholder pre-printed or Self attested photocopy of bank statement/passbook. (Unit holder needs to change his/her status in his/her existing bank account from Minor to Major OR open a new bank account immediately upon becoming a major)
- 4) Annexure I – Banker's attestation of the signature of the unitholder.
- 5) Nomination Form.

The forms can be downloaded from the 'Downloads' section on our website <https://www.motilaloswalmf.com/>

Upon receipt of the aforesaid documents, the details shall be updated in the folio. Please note in case of non-receipt of the request before the date of minor attaining majority;

- a. The guardian shall not be allowed undertake any financial or non-financial transactions from the date of the minor attaining majority.
- b. All existing standing instructions like SIP, SWP & STP, if registered for a period beyond the date on which the minor attains majority, will cease to be executed from the date of the minor attaining majority.
- c. The unitholder (erstwhile minor) will need to submit a fresh SIP, STP, SWP mandate in the prescribed form while applying for change in status from minor to major, in order to continue the SIP, STP, and SWP.

### • Change in Guardian:

In case there is a change in the guardian of the minor either due to mutual consent or demise of existing guardian, the following documents will be required to be submitted to the AMC/Registrar in order to register the

## C. General Information

### 1. Inter-Scheme Transfer

The transfer of investments from one Scheme to another Scheme in the same mutual fund shall be allowed only if:

- i. Such transfers are done at the prevailing market price for quoted investments on spot basis. and transfers of unquoted securities will be made at fair valuation price, as per the policy laid down by the Trustee from time to time; and
- ii. The securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfers have been made.

**Explanation:** ‘Spot basis’ shall have same meaning as specified by Stock Exchange for spot transaction.

## 2. Aggregate investment in the Scheme under the following categories:

In accordance with Paragraph on ‘Scheme Related Disclosures’ of SEBI Master Circular for Mutual Funds dated May 19, 2023, please find below the aggregate investment in the respective Scheme(s) by Board of Directors of Motilal Oswal Asset Management Company Limited (MOAMC) and key personnel as on May 2024:

Scheme Name	Aggregate amount invested in the Scheme as on May 31, 2024 (market value in Rs.)		
	AMC’s Board of Directors	Key personnel (excluding Fund Man- ager)	Fund Manager
Motilal Oswal Asset Allocation Passive Fund of Fund - Aggressive	0	0	6053.59
Motilal Oswal Asset Allocation Passive Fund of Fund - Conservative	0	0	4462.27
Motilal Oswal Nifty Bank Index Fund	32612715.56	0	0
Motilal Oswal Flexi Cap Fund	5183324548	17602533.36	7937494.87
Motilal Oswal Balanced Advantage Fund	654334.48	1964412.31	5177450.77
Motilal Oswal Developed Market Ex US ETFs Fund of Funds	1228.21	15790.8	207.55
Motilal Oswal Midcap Fund	4831357406	10543542.1	9327195.83
Motilal Oswal Large Cap Fund	105729.36	302397.26	17911402.18
Motilal Oswal Liquid Fund	245697.76	726906.03	9165.44
Motilal Oswal Large and Midcap Fund	266001280.1	3603601.79	1451366.95
Motilal Oswal ELSS Tax Saver Fund	5215937264	4916292.49	1517401.43
Motilal Oswal Multi Asset Fund	64813.82	206802.81	819369.91
Motilal Oswal Focused Fund	713255427.4	2938845.41	1361007.61
Motilal Oswal Gold and Silver ETF FOF	0	12327.83	772.03
Motilal Oswal Nifty Microcap 250 Index Fund	0	441508.39	132454.47
Motilal Oswal Nasdaq 100 Fund of Fund	0	1016086.45	49714.76
Motilal Oswal Nifty Next 50 Index Fund	0	125744.32	0



Motilal Oswal BSE Enhanced Value Index Fund	0	1188775.84	0
Motilal Oswal Small Cap Fund	562044817	664055	465658.11
Motilal Oswal Nifty Smallcap 250 Index Fund	113000240.8	843815.45	0
Motilal Oswal S&P 500 Index Fund	40.4824	51297.62	0
Motilal Oswal Ultra Short Term Fund	67356.46	166559.41	2509.11

### 3. Dematerialisation and Rematerialisation procedures

Option to hold Units in dematerialized (demat) form:

Option to subscribe/hold Units in dematerialized (demat) form:

Pursuant clause 14.4.2 of SEBI Master Circular for Mutual Funds dated May 19, 2023, an option to subscribe in dematerialized (demat) form the units of all the Scheme(s)/Plan(s)/Options(s) is provided to the investors effective October 1, 2011.

Consequently, the Unit holders under the Scheme(s)/Plan(s) /Options(s) shall have an option to subscribe/ hold the Units in demat form in accordance with the provisions laid under the respective Scheme(s)/Plan(s) /Options(s) and in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time. If the demat account details are found to be invalid, the investor shall continue to hold the units in physical form.

In case, the Unit holder desires to hold the Units in a Dematerialized / Rematerialized form at a later date, the request for conversion of units held in non-demat form into Demat (electronic) form or vice-versa should be submitted along with a Demat/ Remat Request Form to their Depository Participants.

The option to subscribe/hold units in demat option is available for SIP transactions. However, the units shall be allotted based on the applicable NAV as per the SID and shall be credited to investors demat account on weekly basis upon realization of funds. For e.g. Units will be credited to investors demat account every Monday for realization status received in last week from Monday to Friday.

Investors may kindly note that, no statement of account will be generated by the Registrar & Transfer Agent ('Kfin') and all those folios for which demat conversion request is received will be blocked for generation of statement of account. Investors may kindly note that if folio number is provided along with additional subscription (against demat folio), the same will be treated as new transaction and fresh folio will be created.

The DPs shall send the unit balances / confirmations to the investors. The Investors have to approach his/ her DP for all change request updates /holding statements. The R&T of the Mutual Fund shall not accept any requests for change from the investors. Investors shall also note that partial allotment / conversion of units to Demat within the scheme shall not be permitted.

The existing demat account can be used for holding and converting mutual fund units in dematerialised form. The following process can be followed for dematerialization:

#### 1. How to apply for / get allotment of units in Demat mode?

Investors opting for demat units of Mutual Fund Schemes (under Direct and Regular Plan) during New Fund Offer and Ongoing Subscription are required to mandatorily provide the details of existing Demat account (Depository Participant (DP) ID and Client ID details and also known as Beneficiary id) held at either CDSL or NSDL. Please note that if the in case the demat account is held with CDSL then 16 digits account number needs to be mentioned and if demat account is held at NSDL then the, DP id is prefixed with IN followed by 6 digits and Client id as 8 digits need to be mentioned in the application form. It is always advisable for investor to enclose a copy of latest Client Master List (CML) not later than 3 months received from the Depository Participant along with complete application form. Investor must ensure that the Demat account mentioned is Active. Investor must also ensure that Name (s) of the applicants, PAN, Tax status, holding pattern mentioned in the application form should match with Client Master List submitted. Once the aforementioned details are shared, the Mutual Fund Units will be credited to the Investor's Demat Account through Corporate Action. The same can be verified by the investor in their Demat Holding statement obtained from depository participant.

## **2. How to convert the units held in Statement of Accounts (SoA) mode to Demat mode?**

Investors holding units of mutual fund scheme in physical form (Statement of Account), may convert them easily in demat form through Depository Participants (DP). Investors having a demat account are not be required to open a separate demat account just for mutual fund units. The procedure for converting mutual funds units held in Physical form into demat form is as below: -

- i. Obtain Conversion Request Form (CRF) from your DP.
- ii. Fill-up the CRF and sign it (as per the signature available in the application). In case of joint holders, all holders should sign the form.
- iii. The holding pattern in DP (as per Client master list) should match with Physical form (SOA).
- iv. Submit the CRF along-with the Statement of Account to your DP.
- v. Please mention correct folio number ( refer SOA ) in the appropriate place in the CRF
- vi. In case of lock-in schemes (i.e., ELSS scheme), please fill up separate CRFs i.e., lock in date wise.
- vii. After due verification, the DP would send such CRF to the respective depository where Investor is having Demat account.
- viii. Depository will send that CRF details to Registrar and Transfer Agent (RTA).
- ix. Post verification, the RTA will confirm the conversion request raised by the DP and the mutual fund units will be credited in your demat account.
- x. In case of rejection, necessary communication will be sent to the investor. Details of your existing investments in mutual fund units can be found in the Statement of Account received from Mutual Fund or KFin Technologies Limited. This information is also available in the Consolidated Account Statement (CAS) that investors receive from your depository. All existing mutual fund investments through Systematic Investment Plan (SIP) mode can also be converted into demat form.

### **3. How to convert the units held in Demat mode to Rematerialisation i.e., Physical (Statement of Account)?**

Re-materialisation is the process of converting units from demat mode to physical mode i.e., Statement of Account mode. To re-materialise mutual fund units, submit the following documents as mentioned below: i. Investors need to approach their respective DP and submit the duly filled and signed Remat Request Form (RRF) for each ISIN, fund, or folio. ii. The documents need to be submitted alongwith the form are as follows: a. Self-attested Address proof copy (any one of these) - Voters ID, Driving Licence, Passport, Aadhaar, Bank statement. If Aadhaar is submitted as proof, please ensure that a masked Aadhaar is submitted, i.e., black out the first 8 digits of the Aadhaar number. Only the last four digits should be visible. b. Self-attested PAN copy. iii. Upon verification of such request, the DP shall forward these documents to the respective AMC/RTA for further processing. iv. Post verification, the AMC / RTA will confirm the status of conversion request executed by DP and the mutual fund units are extinguished from the Investor's demat account. These Demat units are then converted into Physical (i.e., Statement of Account).

### **4. How to Redeem mutual fund units held in demat form?**

Investors can redeem mutual fund units held in demat form through DP or stock exchanges (through stock-broker).

Through your DP: i. Obtain Redemption Request Form from your DP. ii. Submit the Redemption Request Form duly filled and signed by all the Unit Holders to your DP. iii. While submitting the redemption request, investor should mention only free units excluding lock-in or pledge units if any as these Locked in or Pledged units are not eligible for Redemption. iv. After due verification, DP will execute electronic redemption request. It will be electronically forwarded to the respective depository in which client is having demat account. v. Depository will send all such electronic Redemption Request to the respective Asset Management Company (AMC) / Registrar and Transfer Agent (RTA) vi. The AMC / RTA will verify the redemption request and if in order, confirm it in depository system. This will result in debit/extinguishment of mutual fund units from your demat account opted for redemption. vii. AMC / RTA will arrange the credit of redemption amount to the bank account which is linked to your demat account on the schedule date. viii. Once the request is successfully processed, desired units will be extinguished from your DP account. b. Through Broker/ Mutual Fund Distributor in Exchange Platform. i. Place Redemption order with your stockbroker/mutual fund distributor. ii. Deliver/transfer the required number of units redeem to broker//mutual fund distributor by submitting a delivery instruction slip (DIS) to your DP. iii. Delivery should be in favour of designated Clearing Member Pool account of the concerned Clearing Corporation. Kindly ensure that delivery instruction is submitted as per the timelines prescribed by your DP. The DIS slip should be filled with proper market type, settlement no, ISIN and number of units. iv. Upon receipt of such valid order and units, RTA /AMC processes the redemption with appropriate Net Asset Value and transfer the funds to the clearing house as per schedule. v. The Clearing Corporation will credit the funds to investor's bank account directly as per Unique Client Code through usual settlement process. 1. Is switch-transaction permissible if the units are held in Demat? Yes, demat switch transactions are processed in demat holding also through exchange/clearing corporation. The mechanism is same as in case of normal redemption and subscription. Post processing of switch-out redemption, switch-in (subscription) is processed and equivalent units are settled to clearing house for on-ward credit to the investor's DP account. However, Systematic Transfer Plan & Systematic Withdrawal Plan are not permitted in demat. 2. Procedure for change in investor's profile / bank account details etc. in respect of units held in demat mode?

In case of any modifications of bank account, address, contact details etc in the demat folios, the investor needs to update in his/her Demat account through their respective Depository Participant (DP). DP follows prescribed guidelines for such profile modifications as formulated by respective Depositories (NSDL/CDSL) in their operating manual. There is no need for the investors to submit any Non-Commercial Transaction (NCT) request to RTA as the basic information are shared by both NSDL/CDSL to RTAs on weekly basis. However, few processes are outlined below based upon the information collated from depositories operating manual. The said process mentioned here is just for information only. Therefore, the investor is advised to approach his DP and provide appropriate documents and information as per depository process.

a. **Change in Registered Bank Account** Investors can change bank account details registered in their demat account any time by submitting a written request (prescribed format) to their DP duly signed by all holders. The investor will also need to provide supporting documents for the new bank account such as copy of passbook or account statement or cancelled Statement of Additional Information as on December 29, 2023 cheque leaf with account holder's name printed, bank account number, bank name, IFSC / MICR. DP follows prescribed guidelines for such profile modifications as formulated by respective Depositories (NSDL/CDSL) in their operating manual.

b. **Change of address** Investors can change their address in the depository system by submitting a written request (prescribed format) to their DP. Such a request should be duly signed by all holders. Following documents should be submitted along with the request –

- i. Latest Statement of Transaction (SoT) of the Demat account.
- ii. Self-attested copy of any proof of identity document like PAN card, Passport, Voter identity card, Aadhaar card, Driving license, NREGA card.
- iii. Self-attested copy of any document as proof of new address Passport, Voter's identity card, Aadhaar card, Driving license.

The investor would be required to produce original document for the purpose of verification of photocopy by the DP. The investor or their authorized representative should sign the application once again in the presence of the officials of the Participant. Once the request for change in address is processed in the depository system, an email is sent by NSDL to the account holder(s) informing the update, in addition to intimation from the DP. For more details, you may reach out to respective DP for detailed overview.

## **A. ASSOCIATE TRANSACTION**

### **1) Underwriting obligations with respect to issues of Associate Companies during the FY 2021 – 2022 FY 2022-2023 and FY 2023-2024:**

The schemes of the Mutual Fund have not entered into any underwriting obligation with respect to issues of associate companies, and have no devolvement.

### **2) Subscription in issues lead managed by the Sponsor or any of its associates during the FY 2021 – 2022 FY 2022-2023 and FY 2023-2024:**

The schemes of the Mutual Fund have not entered into any subscription in issues lead managed by the Sponsor or any of its associates.

### **3) Subscription to any issue equity or debt on private placement basis where the sponsor or its associate Companies have acted as arranger or manager during the FY 2021 – 2022 FY 2022-2023 and FY 2023-2024:**

The schemes of the Mutual Fund have not subscribed in equity or debt on private placement basis where the sponsor or its associate Companies have acted as arranger or manager.

**4) Brokerage and Commission paid to Associates during the past three financial years including current year**

a) *Brokerage paid to associates/related parties/group companies of Sponsor/AMC for Secondary Market Transactions*

Name of associates / related parties / group companies of Sponsor / AMC	Nature of association / Nature of relation	Years	Value of transaction		Brokerage paid	
			Rs. Cr	% (Total value of transaction)	Rs. Cr	% (Total brokerage paid)
Motilal Oswal Financial Services Ltd.	Sponsor	2021-2022	1,122.95	2.96	1.24	5.74
		2022-2023	1,463.95	3.46	1.68	5.99
		2023-2024	1499.57	3.29	7.63	4.38

b) *Commission paid to associates/related parties/group companies of Sponsor/AMC for Distribution and Sale of Units:*

Name of associates / related parties / group companies of Sponsor / AMC	Nature of association / Nature of relation	Years	Business given		Commission paid	
			Rs. Cr	% (Total business received)	Rs. Cr	% (Total commission paid)
Motilal Oswal Financial Services Ltd.	Sponsor	2021-2022	273.22	2.57	8.69	5.96
Motilal Oswal Wealth Management Ltd.	Associate		86.43	0.81	3.5	2.4
Motilal Oswal Financial Services Ltd.	Sponsor	2022-2023	205.72	4.42	6.9	5.07
Motilal Oswal Wealth Management Ltd.	Associate		54.72	1.18	1.91	1.41
Motilal Oswal Financial Services Limited	Sponsor	2023-24	521.13	6.47	7.63	4.38
Motilal Oswal Wealth Management Limited	Associate		284.70	3.54	2.48	1.42

**5) As provided under the SEBI Regulations, the Scheme shall not make any investments in:**

- Any unlisted security of an associate or group company of the Sponsor; or
- Any security issued by way of private placement by an associate or group company of the Sponsor; or
- The listed securities of group companies of the Sponsor in excess of 25% of the assets of all the Schemes of the Mutual Fund

The AMC, on behalf of the Fund, may utilise the services of Sponsors, group companies and any other subsidiary or associate company of the Sponsors established or to be established at a later date, in case such a company (including their employees or relatives) is in a position to provide the requisite services to the AMC. The AMC will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arms-length basis and at a mutually agreed terms and conditions to the extent and limits permitted under the SEBI Regulations. Appropriate disclosures, wherever required, shall be made by the AMC.

The AMC will, before investing in the securities of the group companies of the Sponsor, evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Scheme. Investments by the Scheme in the securities of the group companies will be subject to the limits under the Regulations.

The AMC, Sponsor or any associate may invest in units of the Schemes (the existing Schemes, including Schemes as may be launched from time to time). The percentage of such investments will vary from time to time. However the AMC shall not charge any management fees on its own investment in the units of the Schemes of the Fund. The AMC will also invest a portion of its assets into the Scheme as seed capital to the extent mandated by the SEBI Regulations and such seed capital will not be redeemed or withdrawn by the AMC until the winding up of the Scheme.

### **UNDERWRITING**

The Schemes will not accept underwriting and sub underwriting obligations.

### **LENDING OF SECURITIES**

The Schemes may lend securities from its portfolio in accordance with the Regulations and the applicable SEBI guidelines. Securities' lending shall enable the Schemes to earn income that may partially offset the expenses of the Schemes and thereby reduce the effect of the expenses have on the Schemes ability to provide investment returns. The Schemes will pay reasonable administrative and custodial fees in connection with the loan of securities. The Schemes will be exposed to the risk of loss should a borrower default on its obligation to return the borrowed securities. The Schemes share of income from the lending of securities will be included in the Schemes gross income. The Fund will comply with the conditions for securities lending specified by the SEBI.

In case of the schemes, Motilal Oswal Nifty Bank Index Fund, Motilal Oswal Nifty 500 Fund Motilal Oswal Nasdaq 100 ETF, Motilal Oswal BSE Quality ETF, Motilal Oswal Nifty Smallcap 250 Index Fund, Motilal Oswal Nifty Next 50 Index Fund the AMC shall adhere to following limits:

- 1) A scheme shall have maximum exposure to single intermediary shall be 50 % of market value of its equity portfolio or upto limits specified by SEBI.
- 2) A scheme shall not lend more than 75% of its corpus

In case of the Equity Schemes i.e. Motilal Oswal Focused Fund, Motilal Oswal Midcap Fund, Motilal Oswal Flexi Cap Fund, Motilal Oswal Long Term Equity Fund, Motilal Oswal Balanced Advantage Fund, Motilal Oswal Flexi cap Fund, , Motilal Oswal Large and Midcap Fund, Motilal Oswal Multi Asset Fund, Motilal Oswal BSE Quality ETF, Motilal Oswal BSE Enhanced Value ETF, Motilal Oswal BSE Low Volatility Index Fund Motilal Oswal BSE Enhanced Value Index Fund, Motilal Oswal BSE Healthcare ETF, Motilal Oswal BSE Low Volatility ETF, Motilal Oswal BSE Quality Index Fund, Motilal Oswal S&P 500 Index Fund and Motilal Oswal Equity Hybrid Fund the AMC shall adhere to following limits:

- 1) The Scheme shall not deploy more than 20% of the net assets of the scheme and 5% of the net assets of the Scheme to any single intermediary

### **BORROWING OF SECURITIES**

If the Mutual Funds are permitted to borrow stocks, the Schemes may in appropriate circumstances borrow stocks in accordance with SEBI guidelines, which may be issued in this regard. The respective Scheme may bear the interest charged on such borrowings.

### **Policy for Borrowing**

In terms of Regulations as presently prevailing, each Scheme shall have powers to borrow up to a maximum of 20% of the net assets of such Scheme as on the date of borrowing for a maximum duration of 6 months or as may be permitted under prevailing regulations. This borrowing shall be used only to meet repurchase/redemption of units/ IDCW s or interest payouts as a temporary liquidity measure as per Regulation 44(2) of Chapter VI of SEBI (Mutual Funds) Regulations, 1996, on such terms (as to creation of charge on the properties of the Scheme, rate of interest, margins etc.) as the Trustee/AMC considers to be in the interest of investors. Such borrowings, if raised, may result in a cost, which would be dealt with in consultation with the Trustee.

**Website**

MOAMC owns independent website having URL <https://www.motilalosalwalmf.com/> for its Schemes.

The information contained on this website is intended for information purposes only. The information contained on this website should not be construed as any form of advice, recommendation or suggestion, to buy or sell any mutual fund units, shares or any other financial instruments or avail any services to any individual or entity. MOAMC/MOMF shall not be responsible for the loss or damage caused due to incorrect, inaccurate or erroneous information or data available on this website.

The website is for the exclusive purpose of transactions to be carried out within the territorial jurisdiction of India and all such transactions shall be governed by the laws in India. Notice is hereby given that Non Resident Indians (NRI's) and Foreign Nationals accessing this web site and opting to transact thereon shall do so after due verification at their end of their eligibility to do so. MOMF undertakes no responsibility for such pre-eligibility of qualification on part of Non-Resident Indians (NRI's) or Foreign Nationals to transact on this website.

Information other than that relating specifically to MOAMC, MOMF and its products, is for information purposes only and should not be relied upon as a basis for investment decisions. MOMF/ MOAMC / Motilal Oswal Trustee Company Limited/ Sponsor, Motilal Oswal Financial Services Limited and its affiliates are not liable for damages caused by any performance, failure of performance, error, omission, interruption, deletion, defect, delay in transmission or operations, computer virus, communications line failure, and unauthorized access to the personal accounts. MOMF is not responsible for any technical failure or malfunctioning of the software or delays of any kind.

**Mode of Holding**

An application can be made by up to a maximum of three applicants. Applicants must specify the 'mode of holding' in the Application Form.

If an application is made by one Unit Holder only, then the mode of holding will be considered as 'Single'.

If an application is made by more than one investors, they have an option to specify the mode of holding as either 'Jointly' or 'Anyone or Survivor'.

In either of the cases referred above i.e. application made by one investor/more than one investor, the Fund shall not entertain requests for including any other person as a joint holder once the application has been accepted.

If the mode of holding is specified as 'Jointly', all instructions to the Fund would have to be signed by all the Unit Holders, jointly. The Fund will not be empowered to act on the instruction of any one of the Unit Holders in such cases.

If the mode of holding is specified as 'Anyone or Survivor', an instruction signed by any one of the Unit Holders will be acted upon by the Fund. It will not be necessary for all the Unit Holders to sign.

If an application is made by more than one investor and the mode of holding is not specified, the mode of holding would be treated as joint. The Fund will not be empowered to act on the instruction of any one of the Unit Holders in such cases.

In all cases, all communication to Unit holders (including account statements, statutory notices and communication, etc.) will be addressed to the first-named Unit holder. All payments, whether for redemptions, IDCW s, etc. will be made favouring the first-named Unit holder. The first named Unit holder shall have the right to exercise the voting rights associated with such Units as per the applicable guidelines.

Investors should carefully study the paragraphs on “Transfer and Transmission” and “Nomination Facility” before ticking the relevant box pertaining to the mode of holding in the Application Form.

Units held in electronic form with the depository shall adhere to the rules of the depository for operation of such DP accounts.

### **Folio Number**

Each investor will be identified by a Folio Number. Folio number should be quoted in all communications. Units held in electronic form with the depository shall not be assigned a folio number. Unit holders shall quote Depository Participant Identification No. and Client Identification No. in all its communications.

### **Investor's Personal Information**

The AMC may share investors' personal information with the following third parties:

1. Registrar, Banks and/or authorised external third parties who are involved in transaction processing, dispatches, etc. of investors' investment in the Schemes;
2. Distributors or Sub-brokers through whom applications of investors are received for the Schemes; or
3. Any other organizations for compliance with any legal or regulatory requirements or to verify the identity of investors for complying with anti-money laundering requirements.

### **Payment of Redemption Proceeds**

Repurchase proceeds will be paid by cheques, marked “Account Payee Only” and payments will be made in favour of the Unit holder (in case there are more than one registered holder, then the payment will be made in name of first holder only) with the Bank account number furnished to the Fund. Redemption cheques will be sent to the address of the unit holder as registered with the Fund and in case of the joint holding, to the address of the first unit holder.

As per the SEBI Regulations, the Mutual Fund is required to dispatch redemption proceeds within 3 working days for Domestic Schemes and 5 Business Days for schemes investing atleast 80% of total assets in such permissible overseas investments, from the date of receiving the redemption/repurchase request.

A fresh account statement will also be sent to the unit holder redeeming units, indicating the new balance to the credit in the account, along with the redemption cheque.

### **Repurchase by Non-Resident Investors**

For NRI's, Redemption proceeds will be remitted depending upon the source of investment as follows:

#### **(i) Repatriation basis**

When Units have been purchased through remittance in foreign exchange from abroad or by cheque/draft issued from the proceeds of the Unit holder's Foreign Currency Non Resident (FCNR) deposit or from funds held in the Unit holder's Non Resident (external) (NRE) account kept in India, the proceeds can be remitted to the Unit holder in foreign currency (any exchange rate fluctuation will be borne by the Unit holders). The proceeds can also be sent to his India address for crediting to his NRE/FCNR/Non Resident (Ordinary) Account, if desired by the Unit holders.

#### **(ii) Non Repatriation Basis**

When Units have been purchased from funds held in the Unit holder's Non Resident (Ordinary) Account, the proceeds will be sent to the Unit holder's Indian address for crediting to the Unit holders Non Resident (Ordinary) Account.

For FII's, the designated branch of the authorized dealer may allow remittance of net sale/maturity proceeds (after payment of taxes) or credit the amount to the foreign currency or Non Resident Rupee Account of the FII maintained in accordance with the approval granted to it by the Reserve Bank of India.



The Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while converting the rupee amount in foreign exchange in the case of transactions with NRIs/FIIs.

Refunds, interest, IDCW s, other distributions, if any, and maturity proceeds/repurchase price will be payable in Indian Rupees only.

#### **Set-off**

The AMC shall have the right to set-off IDCW amounts, redemption amounts or any other amounts that may be payable to an investor under the Scheme :

- against redemption proceeds already paid by the AMC in respect of units created without realizing the subscription amounts, and/or
- Against any excess payments made (and, in the case of payments by cheque, whether encashed or not) to such investor, under the Scheme or under any other Scheme of the Fund managed by the AMC in the same folio or any other folio of such investor in the Fund.

#### **Distributors**

The Fund intends to utilize the services of selected financial intermediaries for distribution and may pay brokerage to them depending upon the efficiency and other factors as may be decided by the AMC. The AMC is the sole authority to select such financial intermediary/intermediaries who would distribute the Schemes. Further, the AMC may appoint one or more exclusive distributors, at its discretion, based on the parameters decided by the AMC.

#### **Documents Available for Inspection**

The following documents will be available for inspection at 10<sup>th</sup> Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai - 400025 during business hours on any day (excluding Saturdays, Sundays and public holidays).

- a. Memorandum & Articles of Association of AMC.
- b. Investment Management Agreement.
- c. Trust Deed and amendments thereto, if any.
- d. Mutual Fund Registration Certificate.
- e. Agreement with the Mutual Fund and the Custodian.
- f. Agreement with Registrars' and Transfer Agents.
- g. Consent of the Auditors to act in the said capacity.
- h. Consent of the Legal Advisors to act in the said capacity.
- i. Securities and Exchange Board of India (Mutual Fund) Regulations, 1996 and amendments from time to time thereto.
- j. Indian Trust Act, 1882.

### **C. Investor Grievance Redressal Mechanism**

Investor can approach the office of AMC or Registrar or any of the Branches of Registrar for redressal of their Grievances. The AMC has appointed Mr. Juzer Dalal as Investor Relation Officer. He can be contacted at registered office of the Company at:

#### **Motilal Oswal Asset Management Company Limited**

10<sup>th</sup> Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai – 400025.

**Email:** [amc@motilaloswal.com](mailto:amc@motilaloswal.com)

**Toll Free No.:** +91 8108622222 and +91 22 40548002

Investor may also approach the Compliance Officer / CEO of the AMC. The details including, inter-alia, name & address of Compliance Officer & CEO, their e-mail addresses and telephone numbers are displayed at each offices of the AMC.

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.

In case the investor is not satisfied with the redressal by the Investment Manager, the investor may lodge a complaint on SEBI's web based complaints redress system (SCORES).

Details of Investor Complaints received and redressed during last three financial years are as below:

### 1. For the period April 2021 - March 2022

Complaint code	Type of complaints	(a) No. of complaints pending at the beginning of the period	(b) No. of complaints received during the period	Action on (a) and (b)								
				Resolved					No n Action-able *	Pending		
				With in 30 days	30-60 days	60-180 days	Beyond 180 days	Average time taken ^ (in days)		0-3 months	6-12 months	Beyond 12 months
I A	Non receipt of amount declared under Income Distribution cum Capital Withdrawal option	0	3	3	0	0	0	4.6	0	0	0	0
I B	Interest on delayed payment of amount declared under Income Distribution cum Capital Withdrawal option	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	1	24	25	0	0	0	5	0	0	0	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	2	2	0	0	0	9	0	0	0	0
II B	Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	0

<b>II C</b>	<b>Data corrections in Investor details</b>	0	96	96	0	0	0	1	0	0	0	0
<b>II D</b>	<b>Non receipt of Annual Report/Abridged Summary</b>	0	0	0	0	0	0	0	0	0	0	0
<b>III A</b>	<b>Wrong switch between Schemes</b>	0	3	3	0	0	0	9	0	0	0	0
<b>III B</b>	<b>Unauthorized switch between Schemes</b>	0	0	0	0	0	0	0	0	0	0	0
<b>III C</b>	<b>Deviation from Scheme attributes</b>	0	0	0	0	0	0	0	0	0	0	0
<b>III D</b>	<b>Wrong or excess charges/load</b>	0	0	0	0	0	0	0	0	0	0	0
<b>III E</b>	<b>Non updation of changes viz. address, PAN, bank details, nomination, etc</b>	0	57	56	1	0	0	1	0	0	0	0
<b>III F</b>	<b>Delay in allotment of Units</b>	0	0	0	0	0	0	0	0	0	0	0
<b>III G</b>	<b>Unauthorized Redemption</b>	0	0	0	0	0	0	0	0	0	0	0
<b>IV</b>	<b>Others **</b>	1	252	252	0	0	0	2	0	1	0	0

# including against its authorized persons/ distributors/ employees. etc.

\*Non actionable means the complaint that are incomplete / outside the scope of the mutual fund

^ Average Resolution time is the sum total of time taken to resolve each complaint in days, in the current month divided by total number of complaints resolved in the current month.

\*\* If others include a type of complaint which is more than 10% of overall complaint, provide that reason separately

Example: Complaint number from I A to III E is 1000 and Others alone is 500 and transmission linked complaints (within others) are 200 then provide Transmission as separate reason (V) along with all other parameters

<b>Others</b>	<b>Count</b>
ACT ST-Soft copy	1
ACT-ST-Capital Gains Statement Request	1
Amount debited but units not allotted	4
Amount not debited	5
AUM not transfer not processed	2
Bank details wrongly updated/ not updated	11
Brokerage Not received/ incorrect amount received	3
Change in Address	1
Change of broker code not processed/ wrongly updated	21
Change of broker/ EUIN/ RIA code confirmation	8

consolidation not processed	2
Contact Details wrongly updated/ not updated	1
Empanelment not processed	1
Error in transaction	15
EUIN not updated/ wrongly updated	1
Excess amount debited	1
Generic information about folio	1
GST related	2
Incorrect amount transferred / incorrect date	2
Investment not reflecting in portfolio-Mobile app issue	1
Joint holder details wrongly/ not updated	6
NAV/ Valuation/ Dashboard not updated	3
Nominee name wrongly captured/ nominee not updated	14
Pan wrongly captured	2
Procedure - Redemption	2
Procedure Minor to major	2
Product information AMC MF	1
Purchase amount wrongly captured	1
Purchase confirmation	3
Purchase not processed	30
Purchase not processed/ Delay in allotment of units	1
Purchase refund not received	5
QC Pending	1
Redemption confirmation/ details	1
Redemption not received	1
Redemption transaction not processed	1
RIA code not updated	1
RIA code not updated / Wrongly updated	3
Scheme Master Request	1
SIP Amount not debited	1
SIP Cancellation not processed	8
SIP cancellation status	1
SIP not registered	12
SIP registration status	4
SIP rejected wrongly	1
SIP Transaction rejection	6
SIP transaction status	6
SIP wrongly registered two times for one application form	1
Social Media Queries AMC	1
STP not processed	3
STP registration Status	2

STP transaction not processed	1
Switch not processed	3
SWP cancellation status	1
SWP registration confirmation	2
SWP Registration process	1
Transaction not triggered	2
Transmission not processed/ processed wrongly	5
Units allotted in incorrect Plan	3
units allotted in incorrect scheme / Option	1
Units are not mapped in Demat mode	3
Units not credited to the demat account	1
Units not dematerialized/ not reflecting in Demat account	20
units not reflecting in the demat account	1
<b>Grand Total</b>	<b>253</b>

**2. For the period April 2022 - March 2023**

<b>Redressal of Complaints received during</b>	<b>April 22 - March 23</b>
<b>Name of the Mutual Fund</b>	<b>Motilal Oswal Mutual Fund</b>
<b>Total Number of Folios</b>	<b>1931078</b>

<b>Part A: Total complaints report (including complaints received through SCORES)</b>													
<b>Com-plaint code</b>	<b>Type of com-plaints</b>	<b>(a) No. of complaints pending at the beginning of the period</b>	<b>(b) No of complaints re-ceived during the pe-riod</b>	<b>Action on (a) and (b)</b>									
				<b>Resolved</b>					<b>Non Ac-tiona-ble*</b>	<b>Pending</b>			
				<b>Withi n 30 days</b>	<b>30-60 days</b>	<b>60-180 days</b>	<b>Be-yond 180 days</b>	<b>Av-er-age tim e tak en ^ (in day s)</b>		<b>0-3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>Be-yond 12 months</b>
<b>IA</b>	<b>Non receipt of amount de-clared</b>	0	1	1	0	0	0	7	0	0	0	0	0

	<b>under In- come Distri- bution cum Capi- tal With- drawal option</b>												
<b>I B</b>	<b>Inter- est on de- layed pay- ment of amoun t de- clared under In- come Distri- bution cum Capi- tal With- drawal option</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>I C</b>	<b>Non receipt of Re- demp- tion Pro- ceeds</b>	0	8	8	0	0	0	13	0	0	0	0	0
<b>I D</b>	<b>Inter- est on de- layed pay- ment of Re- demp- tion</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>II A</b>	<b>Non receipt of</b>	0	1	1	0	0	0	21	0	0	0	0	0

	Statement of Account/ Unit Certificate												
II B	Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	0	0
II C	Data corrections in Investor details	0	169	169	0	0	0	0	0	0	0	0	0
II D	Non receipt of Annual Report/A bridge d Summary	0	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0	0

<b>III D</b>	<b>Wrong or excess charges/load</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>III E</b>	<b>Non updation of changes viz. address, PAN, bank details, nomination, etc</b>	0	68	68	0	0	0	1	0	0	0	0	0
<b>III F</b>	<b>Delay in allotment of Units</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>III G</b>	<b>Unauthorized Redemption</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>IV</b>	<b>Others **</b>	1	120	119	2	0	0	4	0	0	0	0	0
	<b>TO-TAL</b>	1	367	366	2	0	0	46	0	0	0	0	0

# including against its authorized persons/ distributors/ employees. etc.

\*Non actionable means the complaint that are incomplete / outside the scope of the mutual fund

^ Average Resolution time is the sum total of time taken to resolve each complaint in days, in the current month divided by total number of complaints resolved in the current month.

\*\* If others include a type of complaint which is more than 10% of overall complaint, provide that reason separately  
Example : Complaint number from I A to III E is 1000 and Others alone is 500 and transmission linked complaints (within others) are 200 then provide Transmission as separate reason (V) along with all other parameters

<b>Others</b>	<b>Count</b>
AMC old contact number reflecting in AMC website	1
Amount debited but units not allotted	4
Bank details not reflecting in Kbolt	1
Brokerage not received	1



Change of bank request wrongly rejected	1
Change of broker request wrongly rejected	1
Consolidation of folios request wrongly rejected	1
Correction in Scheme name	1
Correction in SIP amount	1
Correction in SIP frequency	1
DIT Portal issue	1
Email id wrongly updated who is not invested in MO	1
Error in transaction	7
Folio not unfreeze	1
Fund performance	2
Incorrect scheme name updated	1
Incorrect SIP amount registered	1
Incorrect SIP frequency registered	1
NAV Credit realization	1
Non receipt of dividend proceed	1
OTP not received	2
Performance	1
POA and HDFC bank details without request	1
Purchase credit realization	1
Purchase not processed	1
Purchase refund not received	4
Purchase transaction not processed	1
Redemption not processed	4
Redemption request rejected wrongly	1
Refund payout not received	4
RIA code updated without investor request	1
RIA code wrongly updated	1
RIA removal request not processed	1
SIP amount debited from incorrect bank a/c	1
SIP amount debited units not allotted	1
SIP amount not debited	5
SIP amount not debited/Suspend scheme	1
SIP amount wrongly registered	2
SIP amount wrongly debited	1
SIP cancellation not processed	4
SIP frequency wrongly registered	1
SIP last date wrongly captured	1
SIP mandate wrongly rejected	1
SIP not cancelled	1
SIP not debited	2

SIP not processed	3
SIP not registered	4
SIP processed in incorrect plan	1
SIP registered without knowledge of investor	1
SIP rejection and refund	1
SIP transaction not processed	1
SIP transaction rejection	2
SIP wrongly rejected	2
SIP wrongly reported in the folio	1
STP not processed	3
STP not processed in Temporary scheme	1
Switch not processed	2
Transaction not processed	1
Transaction not reflecting in dash board	1
Transmission not processed	2
Unable to do online purchase transaction	1
Unable to do switch transaction through online	1
Units allotted in incorrect folio	1
Units allotted in incorrect option	1
Units allotted in wrong scheme name	1
Units difference after transmission	1
Units are not allotted in DMAT mode	8
Units not dematerialized/ not reflecting in Demat account	3
Withheld brokerage not received	1
Wrongly processed the application form	1
Wrongly debited the bank account	1
Wrongly triggered to register nominee name	1
<b>Grand Total</b>	<b>121</b>

**3. For the period April 2023 - March 2024**

<b>Redressal of Complaints received during</b>	<b>April 23-March 24</b>
<b>Name of the Mutual Fund</b>	<b>Motilal Oswal Mutual Fund</b>
<b>Total Number of Folios</b>	<b>2962091</b>

Part A: Total complaints report (including complaints received through SCORES)													
Complaint code	Type of complaints	(a) No. of complaints pending at the beginning of the period	(b) No of complaints received during the period	Action on (a) and (b)									
				Resolved					Non Actionable *	Pending			
				Within 30 days	30-60 days	60-180 days	Beyond 180 days	Average time taken ^ (in days)		0-3 months	3-6 months	6-12 months	Beyond 12 months
I A	Non receipt of amount declared under Income Distribution cum Capital Withdrawal option	0	0	0	0	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of amount declared under Income Distribution cum Capital Withdrawal optio	0	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	14	13	0	0	0	1	0	1	0	0	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	0	0	0	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	0	0
II C	Data corrections in Investor details	0	326	326	0	0	0	0	0	0	0	0	0
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0	0

III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	98	98	0	0	0	0	0	0	0	0	0
III F	Delay in allotment of Units	0	0	0	0	0	0	0	0	0	0	0	0
III G	Unauthorized Redemption	0	0	0	0	0	0	0	0	0	0	0	0
IV	Others **	0	260	257	2	0	0	1	0	1	0	0	0

# including against its authorized persons/ distributors/ employees. etc.

\*Non actionable means the complaint that are incomplete / outside the scope of the mutual fund

^ Average Resolution time is the sum total of time taken to resolve each complaint in days, in the current month divided by total number of complaints resolved in the current month.

\*\* If others include a type of complaint which is more than 10% of overall complaint, provide that reason separately

Example : Complaint number from I A to III E is 1000 and Others alone is 500 and transmission linked complaints (within others) are 200 then provide Transmission as separate reason (V) along with all other parameters

Others	Count
Amount deducted as LUMPSUM instead of SIP	1
Addition bank not removed	1
ARN wrongly updated	1
Bank detatils not reflected in SOA	1
Brokerage not received	3
Change of broker code request wrongly rejected	1
COB initimation wrongly triggered	1
Contact details confirmation not sent	2
Credit realization	6
DIT related issues	1

Erroneously reported the transmission	1
Error in transaction	13
Excess amount debited	5
Feedback	1
Folio not unfreeze	2
Incorrect Correct address updated	2
Incorrect SIP amount captured	2
Investment details	1
Lien request wrongly rejected	1
Mobile app issue -switch query	1
Mobile App issue-Unable to do purchase	1
Multiple folio created wrongly	1
Multiple SIP Registered wrongly	1
Nominee name updated without request	1
Online transaction issues AMC MF	5
OTM Cancellation	1
OTP not received	1
PAN not showing in SOA	1
Procedure - Change of mode of holding	1
Product related enquiry	8
Protfolio details triggered to unregistered email id	1
Purchase confirmation	1
Purchase not processed/ Delay in allotment of units	27
Refund not received	8
RIA code erroneously updated	1
RIA code removal request not processed	1
RIA code request wrongly rejected	1
RM Code not updated in SOA	1
SIP amount not debited	3
SIP amount wrongly registered	1
SIP amt wrognly captured	8
SIP Cancellation date wrongly captured	1

SIP cancellation not done	3
SIP details not reflecting in SOA	1
SIP frequency not updated	1
SIP installment rejection	1
SIP not debited	15
SIP not processed	11
SIP not registered	12
SIP not triggered	5
SIP option was incorrectly registered	1
SIP pause request not processed	1
SIP registration shows twice instead of one	1
SIP registration status	1
SIP rejected wrongly	1
SIP rejection letter incorrectly sent as SWP	1
SIP status shows wrongly	1
SIP transaction wrongly rejected	2
SIP wrongly rejected	2
SOA Address is Showing Blur	1
STP details not reflected in SOA	1
STP entry not removed	1
STP intimation was inadvertently triggered	1
STP not processed	2
STP not registered	2
STP status wrongly reflecting In SOA & Kbolt	2
STP wrongly registered twice	1
SWP intimation wrongly sent	1
SWP not processed	5
Switch transaction TAT issue	1
The sip amount wrongly updated	2
Transaction confirmation not received	1
Transaction not processed/ incorrectly processed	1
Transaction not triggered	2
Transmission not processed	3
Transmission request wrongly rejected	2
Unable to add multiple bank	1

Unable to cancel the SIP	1
Unable to do investment under minor	1
Unable to login Mobile app issue	1
Unable to redeem the fund	5
Unable to register SIP	2
Units allotted in incorrect scheme/ option	28
Units not dematerialised/not reflecting in demat account	8
unpledge request was erroneously processed	1
unpledge was erroneously processed twice	1
<b>Grand Total</b>	<b>260</b>

#### **D. Information pertaining to Investments by the Schemes of the Fund**

The Scheme may invest in derivative products from time to time, for portfolio rebalancing and hedging purposes. The Scheme may enter into forward contracts, future contracts or buy or sell options or any other 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.

Exposure by the Scheme in equity derivative instruments shall not exceed 50% of total equity portfolio and exposure to debt derivative instruments shall not exceed 50% of the total debt portfolio of the scheme. Exposure in equity derivative instruments will be applicable for both hedging and non-hedging purpose.

##### **(a) Limit for investment in Derivative instruments**

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

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

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

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

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

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

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

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

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

a. Short positions in index Derivatives (short futures and long puts) shall not exceed (in notional value) the Fund's holding of stocks.

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

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

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

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

#### **v. Position limit for each scheme of the Mutual Fund**

The scheme-wise position limit requirements shall be:

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

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

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

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

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

#### **Exposure Limits for all schemes**

The cumulative gross exposure to Equity, Debt, REITS and InvITs will not exceed 100% of the Net Assets of the Scheme. The Fund shall not write options or purchase instruments with embedded written options. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:

a. Hedging positions are the Derivative positions that reduce possible losses on an existing position in Securities and till the existing position remains.

b. Hedging positions cannot be taken for existing Derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned above.

c. Any Derivative instrument used to hedge has the same underlying security as the existing position being hedged.



d. The quantity of underlying associated with the Derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.

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

### Concepts and Examples:

#### Futures

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

#### Illustration with Index Futures

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

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

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

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

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

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

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

##### A. Arbitrage

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

Buying the stock in cash market and selling the futures results into a hedge where the Scheme has locked in a spread and is not affected by the price movement of cash market and futures market. The arbitrage position can

be continued till expiry of the future contracts when there is a convergence between the cash market and the futures market. This convergence enables the Scheme to generate the arbitrage return locked in earlier.

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

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

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

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

#### **B. Buying/ Selling Stock future:**

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

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

#### **C. Hedging:**

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

#### **D. Alpha Strategy:**

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

#### **Risk associated with these strategies:**

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

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

#### **Option Contracts (Stock and Index)**

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

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

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

### Options Risk / Return Pay – off Table

Stock / Index Options		Buy Call	Sell Call	Buy Put	Sell Put
1.	<b>View on Underlying</b>	Positive	Negative	Negative	Positive
2.	<b>Premium</b>	Pay	Receive	Pay	Receive
3.	<b>Risk Potential</b>	Limited to premium paid	Receive	Limited to premium paid	Receive
4.	<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 is also different when index /stock futures are bought/sold vis-a-vis index/ stocks options as in case of an index future there is a mark to market variation and the risk is much higher as compared to buying an option, where the risk is limited to the extent of premium paid.

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

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

#### Call Option

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

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

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

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

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

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

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

His gains are as follows:

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

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

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

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

His gains are as follows:

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

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

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

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

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

### **Put Option**

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

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

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

### **Let us analyze these scenarios.**

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

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

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

- Nifty Spot: 9400

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

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

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

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

His gains are as follows:

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

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

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

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

**Risk Associated with these Strategies**

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

**Swing Pricing**

Swing pricing refers to a process for adjusting a scheme's Net Asset Value (NAV) to effectively pass on transaction costs stemming from significant net capital activity (i.e., flows into or out of the fund) to the investors associated with that activity. It is aimed at reducing the impact of large redemptions on existing investors by reducing dilution of the value of a fund's units.

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

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

## Mandatory Swing pricing during market dislocation

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

High or Very High Risk on the most recent risk-o-meter in terms of clause 17.4 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023

AND

Classified themselves in any of the cell A-III, B-II, B-III, C-I, C-II and C-III of Potential Risk Class (PRC) Matrix in terms of clause 17.5 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023

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

<b>Minimum swing factor<sup>^</sup></b>			
<b>Maximum Credit Risk of scheme →</b>	<b>Class A (CR V* ≥12)</b>	<b>Class B (CR V* ≥10)</b>	<b>Class C (CR V* &lt;10)</b>
<b>Maximum Interest Rate Risk of the scheme ↓</b>			
Class I: (Macaulay Duration ≤1 year)	Optional	Optional	1.5%
Class II: (Macaulay Duration ≤3 years)	Optional	1.25%	1.75%
Class III: Any Macaulay Duration	1%	1.5%	2%

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

\*Credit Risk Value

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

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

Transaction Covered for applicability of Swing Factor

- a) Subscription including Switch in
- b) Redemption including switch out Transactions Excluded / Exempted
- a) Redemption upto 2 lacs (aggregated at PAN level) per scheme

- b) Reinvestment of income/capital distribution
- c) Intra Scheme Switch transactions (i.e. within the scheme) such as
  - i) switch from direct plan to growth plan within the scheme or vice versa or
  - ii) Switch from Income Distribution cum capital withdrawal option to Growth Option or
  - iii) other similar transactions

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

Impact of Swing Pricing on incoming and outgoing unitholders/investors:

- 1) Unswung NAV – Rs.10/- This is before applying swing factor.
- 2) Mandatory Swing Factor - 1.50% (C I Please refer minimum swing pricing table above)
- 3) NAV after Adjustment of swing factor:  $(100 - 1.5\% \text{ of } 100) = (100 - 1.50) = \text{Rs. } 98.5$

Subscription Amount	Rs.100,00,000/-
No of units to be allotted	$(10000000/98.50) = 101522.843$
	Redemption Amount
	Rs.100,00,000/-
No of units to be redeemed	$(10000000/98.50) = 101522.84$

### Disclosures:

The adjusted NAV's will be calculated and disclosed on every Business Day during market dislocation period. The AMC shall prominently disclose the NAVs under a separate head on the website of the Fund ([www.motilaloscwalmf.com](http://www.motilaloscwalmf.com)) and of the Association of Mutual Funds in India- AMFI ([www.amfiindia.com](http://www.amfiindia.com)) by 11 p.m. on every Business Day. The scheme performance shall be computed based on unswung NAV. Disclosures pertaining to NAV adjusted for swing factor along with the performance impact shall be made in specific format as mandated by SEBI in the SIDs and in scheme wise Annual Reports and Abridged summary and the same will be disclosed on the website prominently only if swing pricing framework has been made applicable for the said mutual fund scheme.

### 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:

- ii. 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.
- iii. 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: December 29, 2023**

**Downgrade Event Date: December 29, 2023**

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 units)					10,000.00	
NAV (In Rs)					12.3231	

<b>Security downgraded</b>	9.00% B Ltd.	from AA+ to D
<b>Valuation Marked down by</b>	75.00%	Valuation agencies shall be providing the valuation price post consideration of standard haircut matrix.

**Total Portfolio as on December 29, 2023**

Security	Rating	Type of the security	Quantity	Market Price Per Unit (Rs)	Market Value (Rs)	% of Net Assets	
8.50% Ltd.	A	CRISIL AAA	NCD	500	101.4821	50,741.05	41.94%
9.00 % Ltd.	B	CRISIL D	NCD	25	30.00	750	0.62%
8.75% Ltd.	C	CRISIL AA+	NCD	25	100.7341	2518.35	2.08%
8.00% Ltd.	D	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 December 29, 2023**

Security	Rating	Type of the security	Quantity	Market Price Per Unit (Rs)	Market Value (Rs)	% of Net Assets	
8.50% Ltd.	A	CRISIL AAA	NCD	500	101.4821	50,741.05	42.20%
8.75% Ltd.	C	CRISIL AA+	NCD	25	100.7341	2518.35	2.09%
8.00% Ltd.	D	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 December 29, 2023**

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%

<b>Net Assets</b>					750	100.00 %
<b>Unit capital (no of units)</b>					10,000.00 0	
<b>NAV (In Rs)</b>					0.075	

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

	<b>Main Portfolio</b>	<b>Segregated Portfolio</b>	<b>Total Value</b>
<b>No. of Units</b>	1,000	1000	
<b>NAV (in Rs)</b>	12.0231	0.075	
<b>Total Value (in Rs)</b>	12,023.10	75	12,098.10

#### 4. Stock Lending

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

The Scheme may lend securities from its portfolio in accordance with the Regulations and clause 12.11 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023, 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.

#### E. 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;
- 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:

1. Subscription of less than Rs. 10,000/-; or
2. Transactions other than purchases/subscriptions relating to new inflows such as Switch/STP/SWP etc.; or
3. Direct subscription (subscription not routed through distributor); or
4. 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.

## **X. DISCLOSURES AND REPORTS BY THE FUND**

### **1. Account Statement/Consolidated Account Statement**

In accordance with clause 14.4.3 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023 the investor whose transaction has been accepted by the MOAMC shall receive a confirmation by way of email and/or SMS within 5 Business Days from the date of receipt of transaction request, same will be sent to the Unit holders registered e-mail address and/or mobile number. Thereafter, a Consolidated Account Statement (“CAS”) shall be issued in line with the following procedure:

1. Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be PAN of the first holder and pattern of holding.
2. The CAS shall be generated on a monthly basis and shall be issued on or before 15th of the immediately succeeding month to the unit holder(s) in whose folio(s) transaction(s) has/have taken place during the month.
3. In case there is no transaction in any of the mutual fund folios then CAS detailing holding of investments across all schemes of all Mutual Funds will be issued on half yearly basis [at the end of every six months (i.e. September/ March)] and shall be issued on or before 21st of the immediately succeeding month.
4. Investors having MF investments and holding securities in Demat account shall receive a Consolidated Account Statement containing details of transactions across all Mutual Fund schemes and securities from the Depository by email / physical mode.
5. Investors having MF investments and not having Demat account shall receive a Consolidated Account Statement from the MF Industry containing details of transactions across all Mutual Fund schemes by email / physical mode.

The word ‘transaction’ shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, and systematic transfer plan. CAS shall not be received by the Unit holders for the folio(s) wherein the PAN details are not updated. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN. For Micro SIP and Sikkim based investors whose PAN details are not mandatorily required to be updated Account Statement will be dispatched by MOAMC for each calendar month on or before 10th of the immediately succeeding month.

The Consolidated Account statement will be in accordance to clause 14.4.3 of SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1 / P/ CIR / 2023/74 dated May 19, 2023. In case of a specific request received from the Unit holders, MOAMC will provide the account statement to the investors within 5 Business Days from the receipt of such request. Investors are requested/encouraged to register/update their email id and mobile number of the primary

holder with the AMC/RTA through our Designated Investor Service Centres (DISCs) in order to facilitate effective communication

Note: If the investor(s) has/have provided his/their email address in the application form or any subsequent communication in any of the folio belonging to the investor(s), Mutual Fund / Asset Management Company reserves the right to use Electronic Mail (email) as a default mode to send various communication which include account statements for transactions done by the investor(s). The investor shall from time to time intimate the Mutual Fund / its Registrar and Transfer Agents about any changes in the email address.

The Mutual Fund / AMC shall disclose portfolio (along with ISIN) in a user friendly & downloadable spreadsheet format, as on the last day of the month/half year for the scheme(s) on its website ([www.motilaloswalmf.com](http://www.motilaloswalmf.com)) and on the website of AMFI ([www.amfiindia.com](http://www.amfiindia.com)) within 10 days from the close of each month/half year.

In case of investors whose email addresses are registered with MOMF, the AMC shall send via email both the monthly and half yearly statement of scheme portfolio within 10 days from the close of each month/half year respectively.

The AMC shall publish an advertisement every half-year, in the all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the half yearly statement of the schemes portfolio on the AMC's website ([www.motilaloswalmf.com](http://www.motilaloswalmf.com)) and on the website of AMFI ([www.amfiindia.com](http://www.amfiindia.com)). The AMC shall provide physical copy of the statement of scheme portfolio on specific request received from investors.

## **2. Half yearly results**

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 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

## **3. Annual report**

The Mutual Fund / AMC will host the Annual Report of the Schemes on its website ([www.motilaloswalmf.com](http://www.motilaloswalmf.com)) and on the website of AMFI ([www.amfiindia.com](http://www.amfiindia.com)) not later than four months (or such other period as may be specified by SEBI from time to time) from the date of closure of the relevant accounting year (i.e. 31st March each year).

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.

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.

MOMF will publish an advertisement every year in the all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of scheme wise Annual Report on the AMC website ([www. motilaloswalmf.com](http://www.motilaloswalmf.com)) and on the website of AMFI ([www.amfiindia.com](http://www.amfiindia.com)).

**Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable.**

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