



Motilal Oswal
MOST Focused Midcap 30 Fund
(An open ended equity scheme)

Invests in emerging wealth creators

Name of the scheme	This product is suitable for investors who are seeking*	
<p>Motilal Oswal MOST Focused Midcap 30 Fund (MOST Focused Midcap 30) (An open ended equity scheme)</p>	<ul style="list-style-type: none"> • Long-term capital growth • Investment in equity and equity related instruments in a maximum of 30 quality midcap companies having long-term competitive advantages and potential for growth 	<p style="text-align: center;">Riskometer</p>  <p style="text-align: center;">Investors understand that their principal will be at Moderately High risk</p>

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

Our Investment Philosophy

At Motilal Oswal Asset Management Company (MOAMC), our investment philosophy and investing style is centered on 'Buy Right: Sit Tight' principle.

Buy Right Stock Characteristics

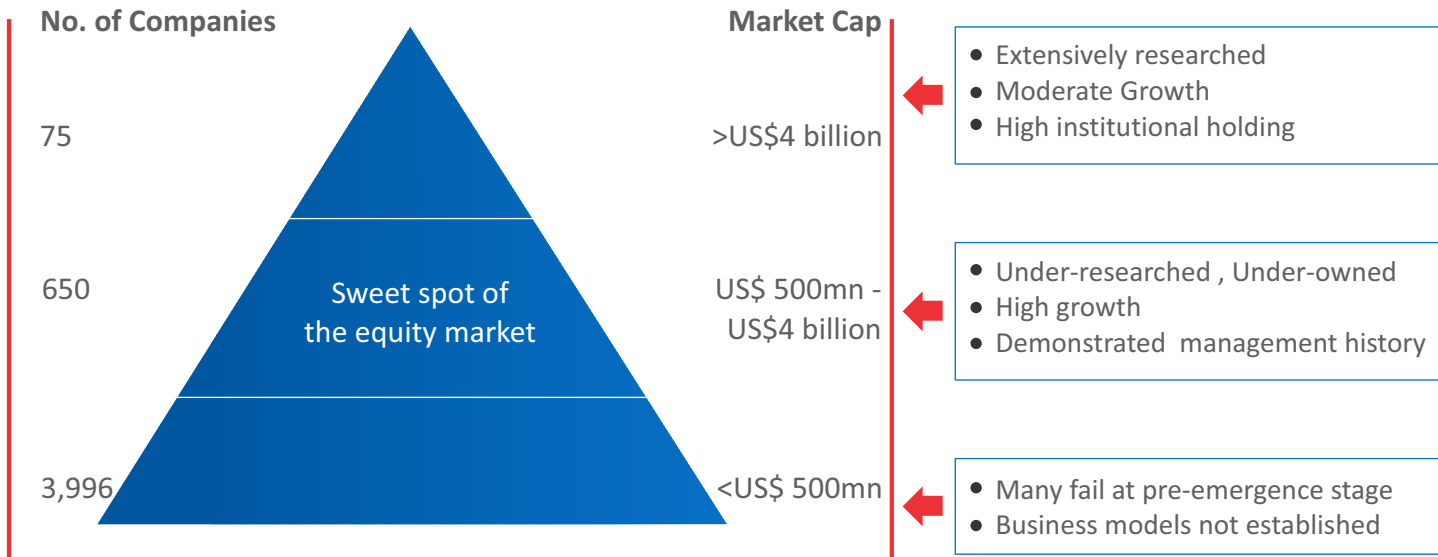
QGLP

- **'Q'uality** denotes quality of the business and management
- **'G'rowth** denotes growth in earnings and sustained RoE
- **'L'ongevity** denotes longevity of the competitive advantage or economic moat of the business
- **'P'rice** denotes our approach of buying a good business for a fair price rather than buying a fair business for a good price

Sit Tight Approach

- **Buy and Hold:** We are strictly buy and hold investors and believe that picking the right business needs skill and holding onto these businesses to enable our investors to benefit from the entire growth cycle needs even more skill.
- **Focus:** Our portfolios are high conviction portfolios with 20 to 25 stocks being our ideal number. We believe in adequate diversification but over-diversification results in diluting returns for our investors and adding market risk

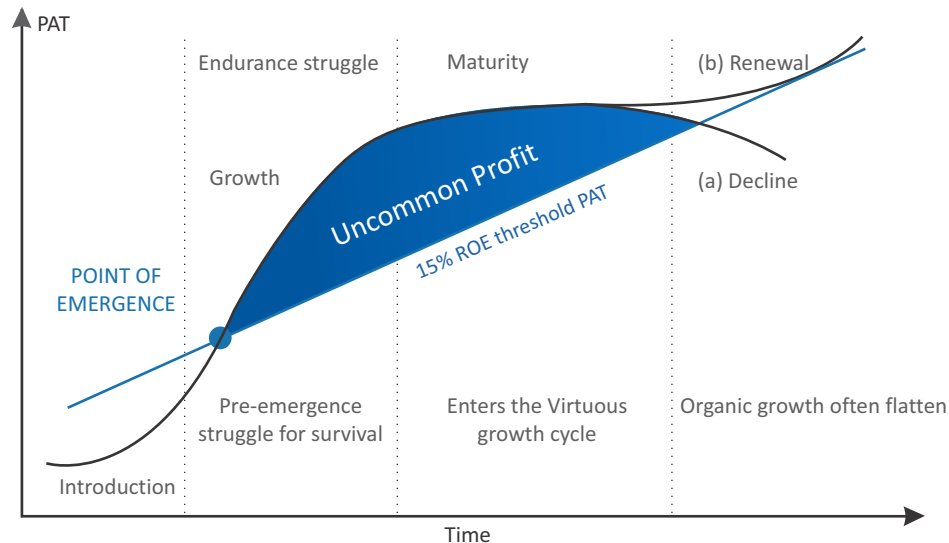
MOST Focused Midcap 30 targets an unique and relatively untapped opportunity



- The sweet spot of the Indian markets is replete with investment ideas in the midcap space
- Midcaps offer excellent balance between strong growth and a demonstrable history of management success

MOST Focused Midcap 30 aims to capture 'Emergence to Endurance' winners

Mapping Emergence and Endurance to a company's typical lifecycle



Source: 18th Motilal Oswal Wealth Creation Study (WCS)

- Motilal Oswal 18th Wealth Creation Study (WCS) maps the journey of Emergence* to Endurance
- The study highlights how large investment gains were made by identifying players entering their virtuous growth cycle, a majority of such companies being midcaps

* Emergence: A company is said to have emerged when it crosses the threshold ROE of 15% for the first time in its history

Successful 'Emergence to Endurance' leads to disproportionate wealth creation

	Market Capitalization on inclusion in Nifty Free Float Midcap 100 Index		Market Capitalization as part of Nifty 50 as on March 31, 2016	PAT CAGR (FY06-16)(%)
Axis Bank	July'05 6.0 bn	176x	1058 bn	33
Kotak Bank	July'05 50 bn	25x	1249 bn	15
Lupin	July'05 30 bn	22x	667 bn	29
Asian Paints	July'05 42 bn	20x	833 bn	24
IndusInd Bank	July'05 21 bn	27x	576 bn	51

- Companies which have successfully transitioned from Midcap to Large cap have created disproportionate wealth (average MCap. CAGR of 37%, over FY05-16 for above companies)
- Outstanding earnings growth tends to be a key feature in this journey of wealth creation (average PAT CAGR of 26%, over FY05-16 for above companies)

Source : Capitaline & Internal Analysis, Mar 31, 2016.

The Stocks mentioned herein are for general and comparison purpose only and not a complete disclosure of every material fact. It should not be construed as investment advice to any party. Past performance may or may not be sustained in future

'Emergence to Endurance' winners are products of large or expanding Industry Profit Pools

India Inc's Profit Pool breakdown by sector				
10 Highest profit generating sectors		% share	10 Lowest profit generating sectors	
Sector	2014 PAT (INR Billion)		Sector	2014 PAT (INR Billion)
Financials	1,117	28	Airlines	-52
Oil & Gas	785	20	Alcoholic Beverages	-41
Technology - Software	454	11	Sugar	-27
Metals & Mining	435	11	Telecom Equipment	-14
Automobiles	263	7	Trading	-9
Utilities - Power	217	5	Ship-building	-7
Consumer - Non-durables	209	5	Computer Education	-5
Healthcare	155	4	Hotels & Restaurants	-5
Cement	45	1	Technology - Hardware	-3
Auto Ancillaries	45	1	Glass & Glass Products	-2
Total of Above	3,726	94	Total of Above	-166
Total Corporate PAT	3,947	100	Total Corporate PAT	3,947

- If an industry has a high profit pool, a company with the right value proposition/strategy can claim a rising share of this pool and emerge a Value Creator over time.

Source: 19th Motilal Oswal Wealth Creation Study (WCS) Data for FY2015.

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Midcaps: High on Growth and Speed of Wealth Creation

Over the years, majority of the fastest wealth creators, in 'Motilal Oswal Wealth Creation Study (WCS)' have been Midcaps
Motilal Oswal Wealth Creation Study (over 2012-2014) Fastest Wealth Creators

2014		2013		2012	
Company	5 Year Price CAGR%	Company	5 Year Price CAGR%	Company	5 Year Price CAGR%
Eicher Motors	94	TTK Prestige	95	TTK Prestige	89
Bajaj Finance	93	Eicher Motors	59	LIC Housing Finance	57
Supreme Inds	88	Page Industries	51	Coromandel Intl.	54
Amara Raja Batteries	84	Wockhardt	50	Eicher Motors	52
Page Industries	78	Grasim Industries	50	Indusind bank	50
IndusInd Bank	73	GRUH Finance	47	MMTC	48
HCL Technologies	69	GSK Consumer	47	Jindal steel	47
Aurobindo Pharma	68	Supreme Industries	45	Bata India	41
Havells India	67	Lupin	45	Titan Ind	40
Ipca Labs	67	Godrej Consumer	44	GSK Consumer	39

Midcaps have typically grown higher than large caps over 5 and 7-year

	5-Yr CAGR(%)		7-Yr CAGR(%)	
	Nifty 50 Index	Nifty Free Float Midcap 100 Index	Nifty 50 Index	Nifty Free Float Midcap 100 Index
Revenue	15.0	19.0	15.8	20.9
EBITDA	11.4	20.4	14.1	20.0
EPS	6.4	8.6	10.1	16.1
Dividend	12.0	11.2	10.3	13.8

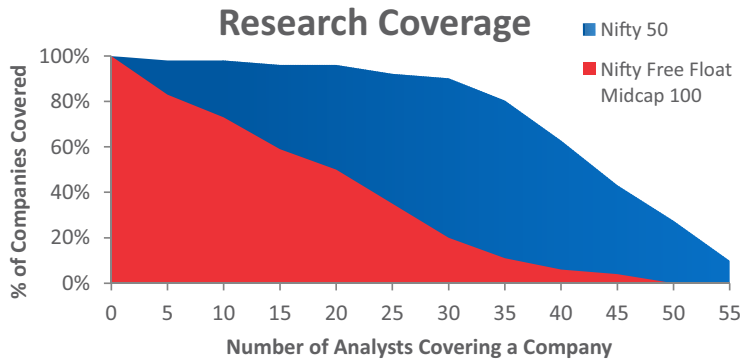
Source : Bloomberg & Internal Analysis, 19th Motilal Oswal Wealth Creation Study, Data as on Feb 28, 2015 Calendar Years

The Stocks mentioned above are used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy. It should not be construed as investment advice to any party. The stocks may or may not be part of our portfolio/strategy/ schemes. Past performance may or may not be sustained in future

Midcaps: Under-Researched & Under-Owned

Under Researched:

Fewer analysts cover midcap companies



Source: Bloomberg & MOAMC Internal Analysis, Data as on Sep 30, 2016.

Under owned:

FII and MF ownership levels in midcaps are significantly lower than those in large caps

Ownership	Nifty 50	Nifty Free Float Midcap 100 Index
Promoters	44%	60%
FII & FDI	25%	15%
FI & Banks	2%	1%
Insurance & MF	11%	7%
Public	7%	8%
Others	11%	8%
Total	100%	100%

Source: Capitaline and MOAMC internal analysis, Data as on Sep 30, 2016.

Midcaps: Geared to the Indian Economy

Midcaps

Only 16% revenues of all companies and 10% of revenues of non-financial sector companies are international or influenced by international factors

Large Caps

39% revenues of all companies and 31% of revenues of non-financial sector companies are international or influenced by international factors

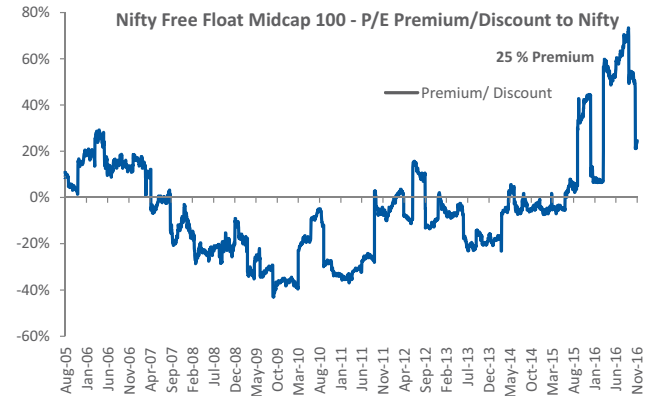
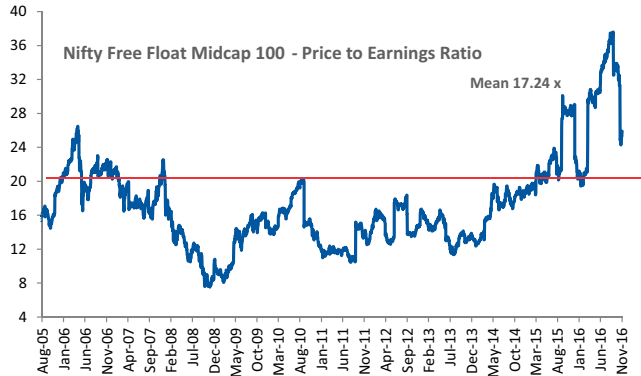
Nifty 50		
Company Name	Weightage in Index (%)	International Exposure
Infosys	6.44	86%
TCS	4.00	94%
Tata Motors	2.93	67%
Sun Pharma.Inds.	2.54	75%
HCL Technologies	1.50	81%
Dr Reddy's Labs	1.32	71%
Lupin	1.19	53%
Tech Mahindra	1.00	78%
Wipro	0.99	75%
Hindalco Inds.	0.74	79%

Nifty Free Float Midcap 100 Index		
Company Name	Weightage in Index (%)	International Exposure
Voltas	1.26	22%
Oracle Financial	1.22	77%
Strides Arcolab	1.19	90%
Mindtree	0.96	87%
Tata Global Beverages	0.93	42%
Crisil	0.85	59%
Apollo Tyres	0.84	32%
Mphasis	0.76	90%
Tata Communications	0.54	51%
Wockhardt	0.53	72%

Source : IISL, Bloomberg & MOAMC Internal Analysis, Data as on Nov 30, 2016.

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Midcaps trade at attractive valuations on a risk-adjusted basis



Particulars	Nifty 50	Nifty Free Float Midcap 100 Index
Value (31 Dec 2008)	2,959	3,736
Value (30 Sep 2016)	8,225	14,907
Annualized Returns	13.78%	19.09%
Annualized Standard Deviation	19.75%	19.51%
Sharpe Ratio	0.37	0.64
Beta with market	1.00	0.83

Source : IISL, MOAMC, Risk Free Rate 6.51%

Source : Bloomberg & Internal Analysis, Data as on Nov 30, 2016, Note: Past performance may or may not be sustained in future

In reality, midcaps have delivered better risk-adjusted returns v/s large caps

Motilal Oswal

MOST Focused Midcap 30 Fund
(MOST Focused Midcap 30)

MOST Focused Midcap 30 – Key Features

Quality, Growth, Longevity and Price (QGLP)

- Will invest in companies with:
- Enduring economic moats that ensure quality and longevity
- High growth potential
- Buying a good business at a fair price.

'Buy and Hold' Strategy

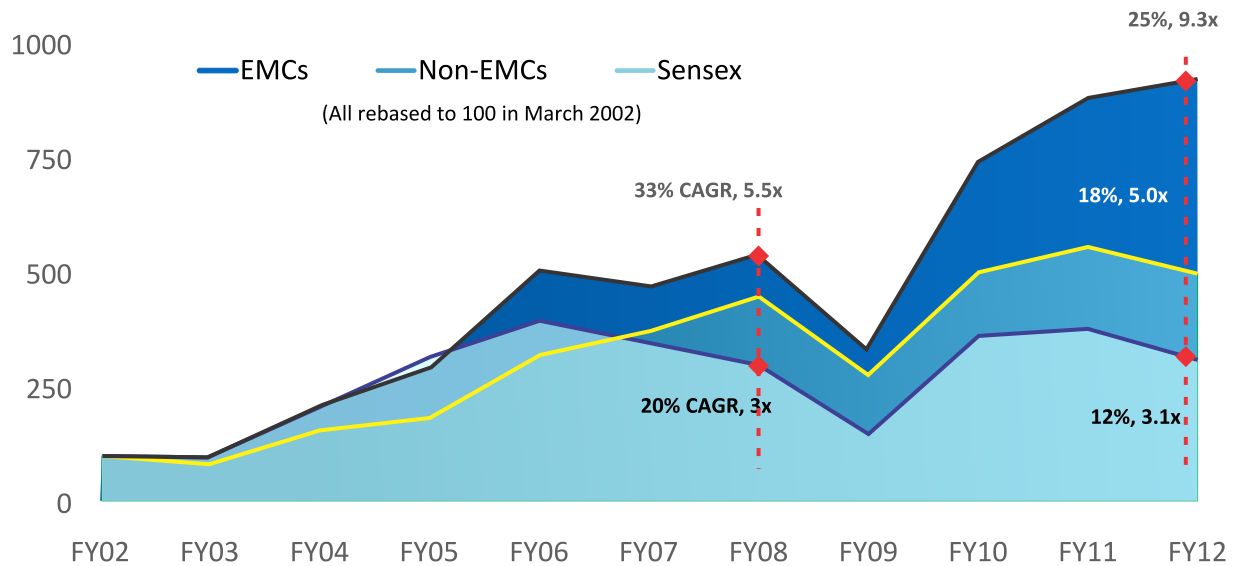
- Long term growth over economic cycles
- Enables compounding of growth
- Low Churn: Cost Efficient
- Portfolio churn driven by fundamentals over valuations

Focused, High Conviction Portfolio Construct

- Maximum 30 stocks
- Bottom-up stock picking
- Optimal Diversification

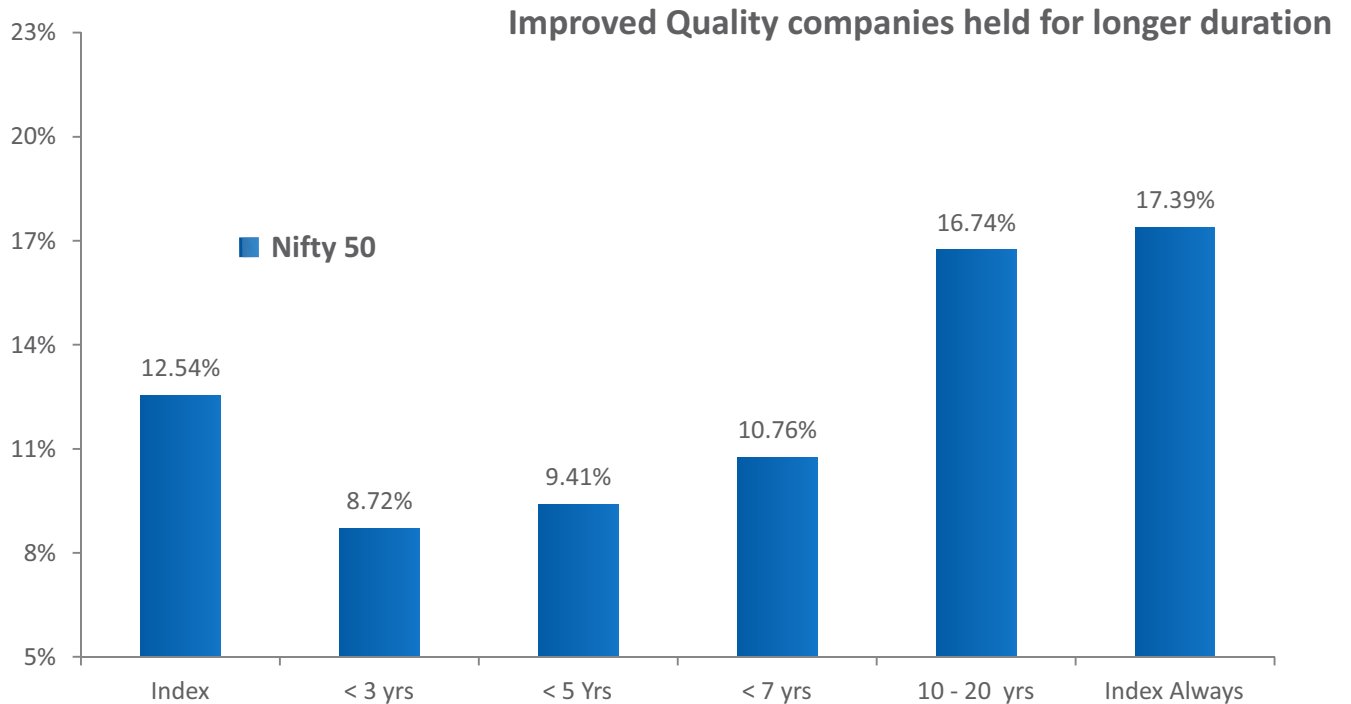
Quality companies are those which have enduring economic moats (EMC's)

Payoff profile of EMCs, Non-EMCs and Sensex



Source: 17th Motilal Oswal Wealth Creation Study (WCS) Data upto FY2012

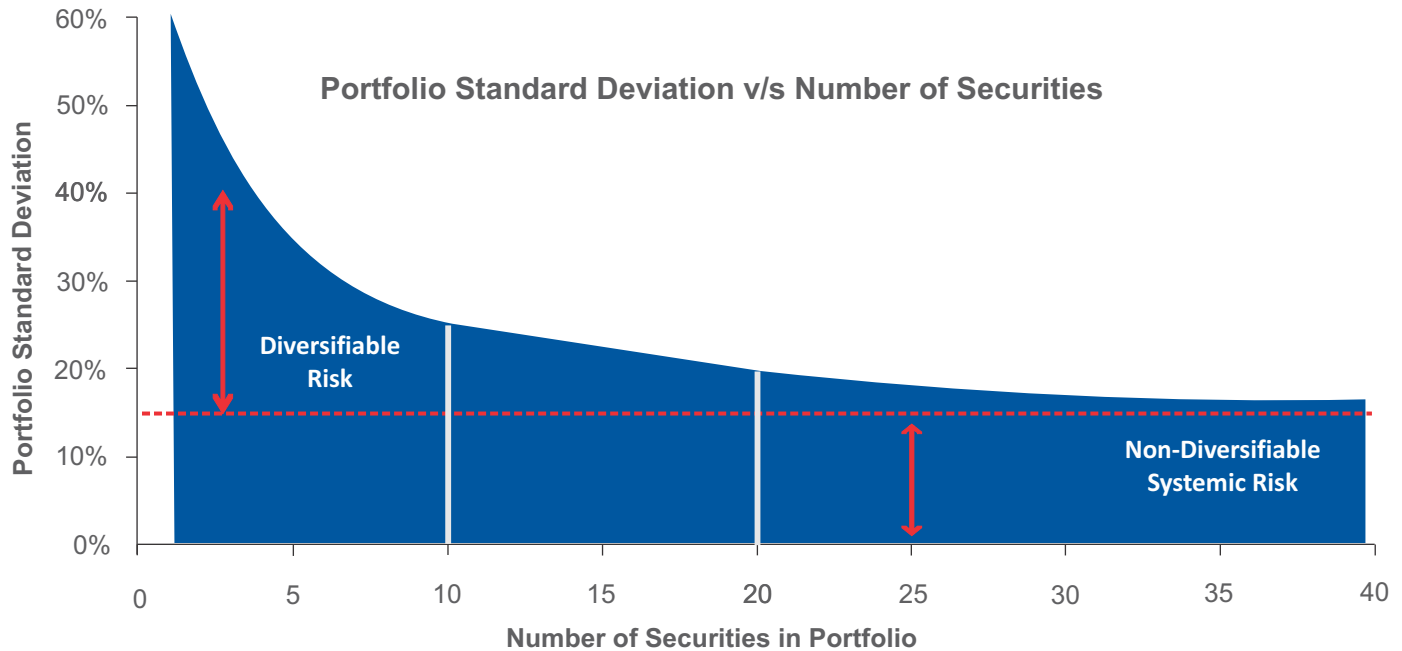
Why "Buy and Hold"



Source : MOAMC internal analysis, Data as on Nov 30, 2016

Note: Past performance may or may not be sustained in future. The above graph is only for illustration purpose and should not be construed as recommendation.

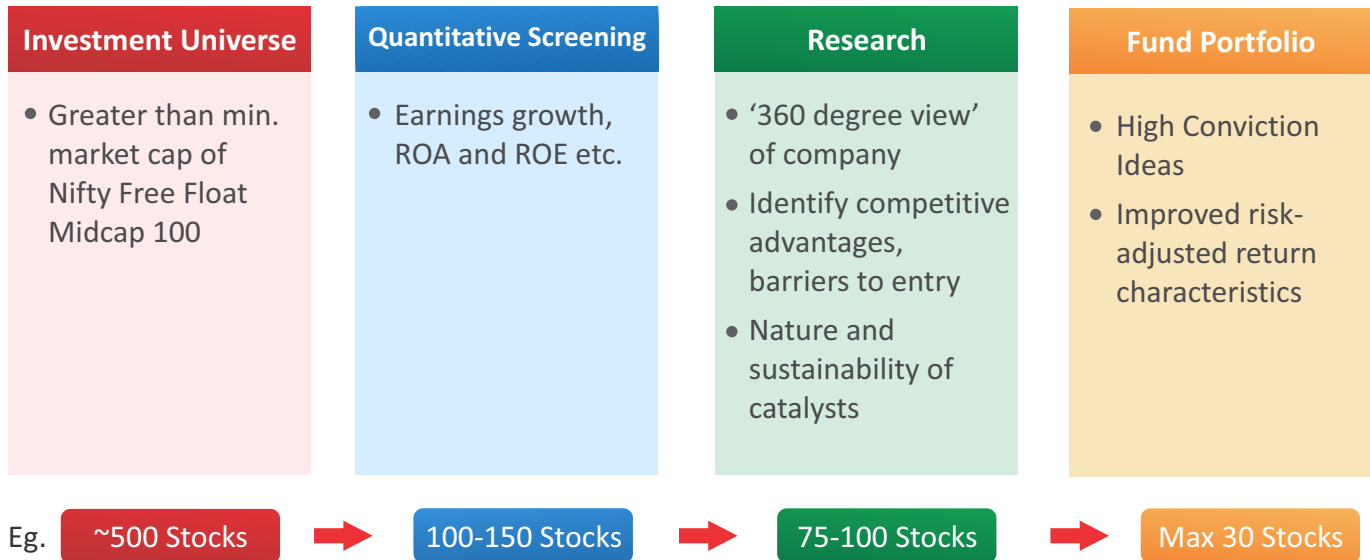
Focus on seeking optimal diversification



Source: An Introduction to Risk and Return Concepts and Evidence by Franco Modigliani and Gerald A. Pogue

Investment Process - Stock Screening

Top down analysis market views, thematic drivers, winner categories and categories winners



A business we understand

Favourable long term economics

Able and trustworthy management

Margin of Safety

For Whom

- Investors who like to invest with a Long-term wealth creation view and believe that wealth is created by 'BUY RIGHT SIT TIGHT' i.e. buying quality companies and riding their growth cycle .

Investment Horizon

- Medium to Long Term

Number of Stocks

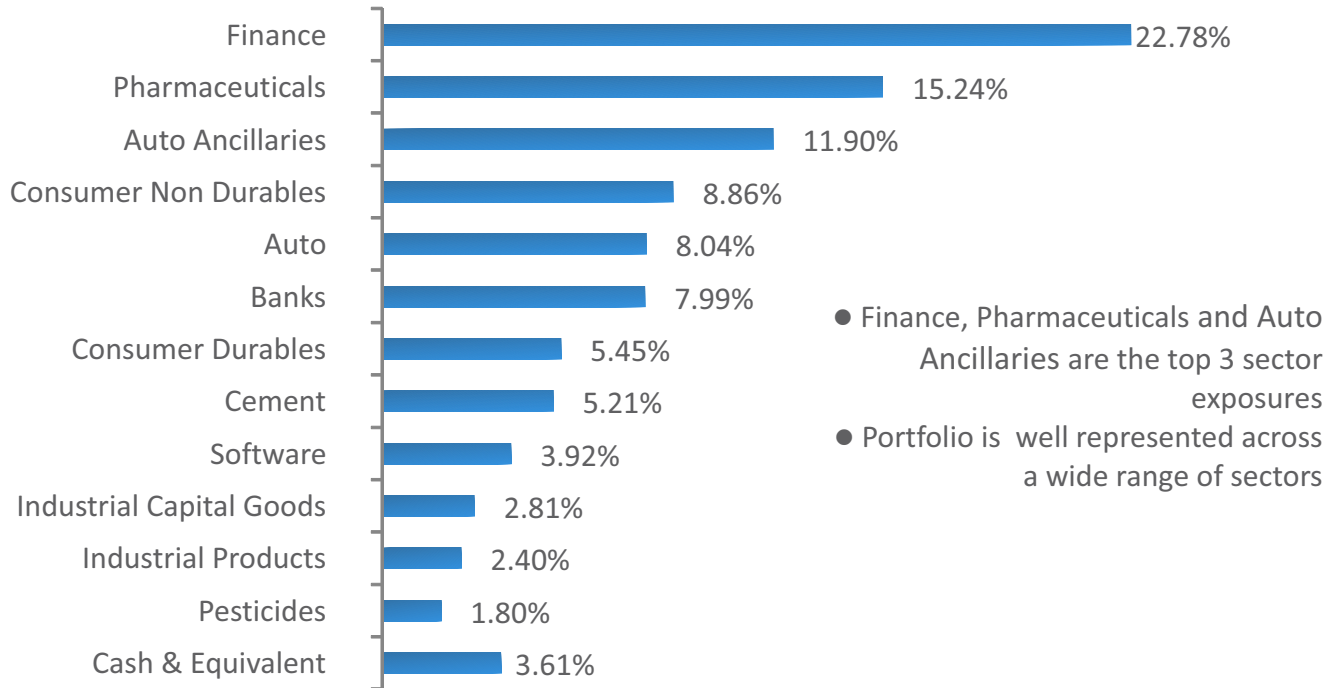
- Maximum 30 stocks

Allocations

- Minimum 65%:between Top 101st and 200th listed companies by market capitalization
- Maximum 25%: beyond the Top 200th listed company and with market capitalization not lower than INR 600 cr.
- Maximum 10% : Debt, Money Market Instruments, G-Sec, Bonds, Cash and cash equivalents, etc.
 - * subject to maximum of 30 companies

Type of Scheme:	An open ended equity scheme
Investment Objective:	The investment objective of the Scheme is to achieve long term capital appreciation by investing in a maximum of 30 quality mid-cap companies having long-term competitive advantages and potential for growth. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.
Benchmark:	Nifty Free Float Midcap 100 Index
Entry/Exit Load:	Nil
Plans:	Regular Plan and Direct Plan
Options (Under each plan):	Dividend (Payout and Reinvestment) and Growth
Minimum Application Amount:	Rs. 5,000/- and in multiples of Re. 1/- thereafter.
Additional Application Amount:	Rs. 1,000/- and in multiples of Re. 1/- thereafter.
Systematic Investment Plan (SIP):	Minimum installment amount - Rs. 1,000/- (weekly/ fortnightly/monthly) and Rs. 2,000/- (quarterly) and in multiples of Re. 1/- thereafter with minimum of 6 installments for weekly/fortnightly/monthly frequency and minimum 3 installments for quarterly frequency. The dates for Auto Debit Facility shall be on the 1st, 7th, 14th, 21st or 28th of every month.
Minimum Redemption Amount:	Rs. 1,000/- and in multiples of Re. 1/- thereafter or account balance, whichever is lower

Sector Allocation



Data as on Nov 30, 2016

Industry classification as recommended by AMFI

TOP 10 Holdings

Name of Instrument	% to Net Assets
Max Financial Services Limited	9.19
RBL Bank Limited	7.99
Amara Raja Batteries Limited	7.75
CRISIL Limited	5.76
Ajanta Pharma Limited	5.60
Havells India Limited	5.45
TVS Motor Company Limited	5.28
The Ramco Cements Limited	5.21
Jubilant Life Sciences Limited	4.87
Alkem Laboratories Limited	4.76

- TOP 5 Stocks % to NAV=36.30%
- TOP 10 Stocks % to NAV =61.87%
 - Currently we Hold 22 Stocks

Data as on Nov 30, 2016



Siddharth Bothra
Sr. Vice President
Fund Manager

For Equity Component:

Mr. Siddharth Bothra: He has a rich experience of more than 15 years in the field of research and investments. Prior to joining Motilal Oswal AMC he had an extensive stint with Motilal Oswal Securities Ltd as senior analyst in the institutional equities division covering various sectors. During his stint with Motilal Oswal Securities Mr. Bothra won various recognition such as: ZEE Business TV - India's Best Analyst Awards 2009 Infrastructure, ET Reuters Starmine Awards No.1 Earnings Estimator 2009 Real Estate & No. 2 Stock Picker 2010 Real Estate.

He has also worked with broking outfits like Achemy Share & Stocks and VCK Share & Stocks in the past.

He has done his Post Graduate Program (PGP) from Indian School of Business (ISB), Hyderabad, which included an international MBA exchange program with NYU Stern Leonard N. Stern School of Business, New York.

Funds managed by Mr. Siddharth Bothra: Motilal Oswal MOST Focused 25 Fund and Motilal Oswal MOST Focused Midcap 30 Fund. He is also the Co-Fund Manager for Motilal Oswal MOST Focused Multicap 35 Fund and Motilal Oswal MOST Focused, Dynamic Equity Fund

He has been appointed as the Fund Manager w.e.f. November 23, 2016 vide addendum dated November 22, 2016.

For Debt Component:

Mr. Abhiroop Mukherjee - He is B.com (H), MBA with over 9 years of experience in Trading Fixed Income Securities viz. G-sec, T-bills, Corporate Bonds CP, CD etc. He has earlier worked with PNB GILTS LTD. as a WDM Dealer for the period 2007-2011

Funds Managed by Mr. Abhiroop Mukherjee : He is the Fund manager for the debt component of Motilal Oswal MOST Focused 25 Fund, Motilal Oswal MOST Ultra Short Term Bond Fund, Motilal Oswal MOST Focused Midcap 30 Fund, Motilal Oswal MOST Focused Multicap 35 Fund, Motilal Oswal MOST Focused Dynamic Equity Fund and Motilal Oswal MOST Focused Long Term Fund

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Statutory Details: Constitution : Motilal Oswal Mutual Fund has been set up as a trust under the Indian Trust Act, 1882. Trustee: Motilal Oswal Trustee Company Limited. **Investment Manager:** Motilal Oswal Asset Management Company Ltd. (CIN: U67120MH2008PLC188186)
Sponsor: Motilal Oswal Securities Ltd.

Past performance of the Sponsor/ AMC/ Mutual Fund and its affiliates does not indicate the future performance of the scheme and may not provide a basis of comparison with other investments.

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

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Website: www.motilalosalmf.com



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