

SCHEME INFORMATION DOCUMENT

Motilal Oswal MOST Focused Long Term Fund (MOST Focused Long Term)

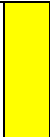
(An open ended equity linked saving Scheme with a 3 year lock-in)

This product is suitable for investors who are seeking*

- Long-term capital growth;
- Investment predominantly in equity and equity related instruments;
- High risk  (BROWN)

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

Note: Risk is represented as:

 <i>(BLUE) investors understand that their principal will be at low risk</i>	 <i>(YELLOW) investors understand that their principal will be at medium risk</i>	 <i>(BROWN) investors understand that their principal will be at high risk</i>
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Offer for face value of Rs. 10/- per unit for cash during the New Fund Offer Period and at NAV based prices during Continuous Offer

New Fund Offer Opens on: _____

New Fund Offer Closes on: _____

Scheme re-opens for continuous sale and repurchase within 5 Business Days from the date of allotment

Name of Mutual Fund	Motilal Oswal Mutual Fund
Name and Address of Asset Management Company (AMC)	Motilal Oswal Asset Management Company Limited <u>Registered and Corporate Office Address:</u> 10th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025
Name and Address of Trustee Company	Motilal Oswal Trustee Company Limited <u>Registered Office Address:</u> Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (W), Mumbai – 400064 <u>Corporate Office Address:</u> 10th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025

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

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

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Motilal Oswal Mutual Fund, Tax and Legal issues and general information on www.motilaloswal.com/Asset-Management and www.mostshares.com

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

The SID should be read in conjunction with the SAI and not in isolation.

This SID is dated October 21, 2014.

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HIGHLIGHTS/SUMMARY OF THE SCHEME

Name of the Scheme	Motilal Oswal MOST Focused Long Term Fund (MOST Focused Long Term)			
Type of the Scheme	An open ended equity linked saving scheme with a 3 year lock-in. The Scheme has been prepared in accordance with the notifications dated November 3, 2005 and December 13, 2005 issued by the Department of Economic affairs, Ministry of Finance, Government of India. Eligible Investors in the Scheme (who are “Assesse” as per the ELSS Rules) are entitled to deductions of the amount invested in Units of the Scheme to such extent (presently Rs. 1,50,000/-) under Section 80C of the Income Tax Act, 1961 and subject to such conditions as may be notified from time to time. The Scheme is an Equity Linked Savings Scheme and intends to meet the requirements of any other notifications/ regulations that may be prescribed by the Government/ regulatory bodies from time to time.			
Investment Objective	The investment objective of the scheme is to generate long-term capital appreciation from a diversified portfolio of predominantly equity and equity related instruments. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.			
Investment Pattern	Instruments	Indicative Allocations (% of total assets)		Risk Profile
		Minimum	Maximum	High/Medium/Low
	Equity & equity related instruments	80	100	High
	Debt Instruments, Money Market Instruments, G-Secs, Cash and Cash at call, etc.	0	20	Low to Medium
Target amount in NFO	Rs. 10 Crore			
Liquidity	The Scheme offers Units for subscription at Applicable NAV on all Business Days on an ongoing basis. Redemption of Units can be made only after a period of three years (lock-in period) from the date of allotment of Units proposed to be redeemed. The first repurchase price will be published/declared only after 1 year from the date of first allotment under the Scheme and thereafter on every business day. As per SEBI Regulations, the Mutual Fund shall despatch redemption proceeds within 10 Business Days of receiving a valid redemption request. A penal interest of 15% per annum or			

	such other rate as may be prescribed by SEBI from time to time, will be paid in case the redemption proceeds are not made within 10 Business Days from the date of receipt of a valid redemption request.
Benchmark	CNX 500 Index The AMC/Trustee reserves the right to change the benchmark for evaluation of the performance of the Scheme from time to time, subject to SEBI Regulations and other prevailing guidelines if any.
Transparency/NAV Disclosure	The AMC will calculate and disclose the first NAV of the Scheme within 5 Business Days from the date of allotment. Subsequently, the NAV will be calculated on all business days. The NAV of the Scheme shall be published at least in two daily newspapers. The AMC shall update the NAVs on its website www.motilaloswal.com/Asset-Management and www.mostshares.com and also on AMFI website www.amfiindia.com before 9.00 p.m. on every business day. If the NAV is not available before the commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV. The AMC shall disclose the Portfolio of the Scheme within one month from the close of each half year (i.e. 31st March and 30th September) either by sending a complete statement to all the Unitholders or by publishing the same by way of advertisement in one national English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated. The portfolio statement will also be displayed on the website of the AMC and AMFI. Further, the AMC shall also disclose the portfolio of the Scheme as on the last day of the month on AMC's website (www.mostshares.com and www.motilaloswal.com/Asset-Management) on or before the tenth day of the succeeding month. The Investors will be able to view and download this monthly portfolio from the AMC's website. The AMC shall also make available the Annual Report of the Scheme within four months of the end of the financial year.
Loads	Entry Load: Nil Exit Load: Nil For details on load structure, please refer to Section on Load Structure in this Document.

Plans/Options	The Scheme has two Plans: Regular Plan and Direct Plan Regular Plan is for Investors who purchase/subscribe units in a Scheme through any Distributor (AMFI Registered Distributor/ARN Holder). Direct Plan is for investors who purchase/subscribe units in a Scheme directly with the Fund and is not routed through a Distributor (AMFI Registered Distributor/ARN Holder). Each Plan offers the following Options: (a) Growth Option (b) Dividend Option (with Payout facility) Under Dividend Option, the Fund will endeavor to declare dividends from time to time depending on the availability of distributable surplus. The AMC reserves the right to introduce further Plans / Options as and when deemed fit.
Default Plan/Option	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. However, in case Distributor code is mentioned in the application form but “Direct Plan” is mentioned against the Scheme name, then the Distributor code will be ignored and the application will be processed under Direct Plan. Further, where application is received without mentioning Distributor code or where “Direct” is mentioned in the ARN Column, then the application will be processed under Direct Plan. If the investor does not clearly specify the choice of option at the time of investing, it will be deemed that the investor has opted for Growth option.
Minimum Application Amount	Minimum Application Amount: Rs. 500/- and in multiples of Rs. 500/- thereafter. Additional Purchase: Rs. 500/- and in multiples of Rs. 500/- thereafter.
Lock-in period	Unitholders can redeem Units on all Business Days subject to the completion of a lock-in period of three years from the date of allotment of Units proposed to be redeemed, as prescribed in the ELSS Guidelines. The Trustee reserves the right to change the lock-in period

	prospectively from time to time, in the event of amendment(s) in the ELSS guidelines.
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I. INTRODUCTION

A. RISK FACTORS

Standard Risk Factors:

- Investment in Mutual Fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rate of the securities in which the Scheme invests fluctuates, the value of your investment in the Scheme may go up or down depending on various factors and forces affecting the capital market/debt market.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme.
- The name of the Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 100,000 made by it towards setting up the Fund.
- The present Scheme is not a guaranteed or assured return Scheme.

Scheme Specific Risk Factors

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

- As per the provision of lock-in under the ELSS Guidelines, the ability of Unitholders to realize returns in the Scheme is restricted for the first three years from the date of their allotment.
- **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 Scheme. 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, should there be a subsequently decline in the value of the securities held in the Schemes portfolio.

The Scheme may find itself invested in unlisted securities either by choice or 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.

- **Market Risk**

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

- **Asset Class Risk**

The returns from the types of securities in which the Scheme invests may under perform from the various general securities markets or different asset classes. Different types of securities 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 Scheme has invested in Government securities, there is no risk to that extent.

- **Liquidity or Marketability Risk**

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

- **Right to Limit Redemptions**

The Trustee, in the general interest of the Unitholders of the Scheme offered under this SID and keeping in view of unforeseen circumstances/unusual market conditions, may limit the total number of Units which can be redeemed on any Business Day. This could also happen in the event of receipt of inordinately large number of redemption requests or a restructuring of a Scheme portfolio

- **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.

- **Risk associated with securities lending**

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

In case the Scheme undertakes securities 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 deposited with the approved intermediary. The Fund may not be able to sell such lent securities and this can lead to temporary illiquidity.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

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

C. SPECIAL CONSIDERATIONS

- Prospective investors should study this SID and SAI carefully in its entirety and should not construe the contents hereof as advice 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, 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.
- 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.
- In case the AMC or its Sponsor or its Shareholders or their affiliates/associates or group companies make substantial investment, either directly or indirectly in the Scheme redemption of Units by these entities may have an adverse impact on the performance of the Scheme. This may also affect the ability of the other Unit holders to redeem their Units.
- The Scheme has been framed in accordance with the ELSS Rules and other prevailing laws. The tax benefits described in this SID and SAI are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advice received by the AMC regarding the law and practice currently in force in India as on the date of this SID and the Unitholders should be aware that the relevant fiscal rules or their interpretation may

change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unitholder is advised to consult his / her own professional tax advisor.

- 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.
- 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.
- 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 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.

D. DEFINITIONS

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

Applicable NAV	Unless stated otherwise in this document, 'Applicable NAV' is the Net Asset Value at the close of a Business/Working Day on which the purchase or redemption is sought by an investor and determined by the Fund.
Asset Management Company / AMC / Investment Manager	Motilal Oswal Asset Management Company Limited, a Company incorporated under the provisions of the Companies Act, 1956, and approved by SEBI to act as the Asset Management Company for the Schemes of Motilal Oswal Mutual Fund.
Business Day / Working Day	Any day other than: (a) Saturday and Sunday (b) a day on which capital/debt markets/money markets in

	Mumbai are closed or are unable to trade for any reason (c) a day on which the Banks in Mumbai are closed or RBI is closed (d) a day on which both the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. are closed (e) a day which is public/Bank holiday at a collection centre/ investor service centre/official point of acceptance where the application is received (f) a day on which sale and repurchase of units is suspended by the Trustee/AMC (g) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes or such other event as the AMC may specify from time to time. However, the AMC reserves the right to declare any day as the Business / Working Day or otherwise at any or all collection centres / investor service centre / official point of acceptance.
Cash Management Bills (CMBs)	Cash Management Bills or CMB are short term discounted papers issued by the Reserve Bank of India on behalf of the Government of India, these papers are same as treasury bills. The CMBs are issued for maturities less than 91 days. Ref: RBI notification; RBI/2009-10/139 having reference number DBOD. No.Ret.BC.36/12.02.001/2009-10 dated September 01, 2009
Custodian	A person who has been granted a certificate of registration to carry on the business of custodian of securities by SEBI under the SEBI (Custodian of Securities) Regulations, 1996 which for the time being is Citibank N.A.
Cut-Off time	Cut off timing in relation to subscription and redemption of Units means the outer limits of timings on a particular Business Day which are relevant for determination of Applicable NAV that is to be applied for the transaction.
Depository	As defined in the Depositories Act, 1996 and includes National Securities Depository Ltd (NSDL) and Central Depository Services Ltd (CDSL).
Depository Participant	Means a person registered as such under sub section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.
Distributor	Such persons/firms/ companies/ corporate who fulfil the criteria laid down by SEBI/AMFI from time to time and empanelled by the AMC to distribute/sell/market the Schemes of the Fund.
Dividend	Income distributed by the Mutual Fund on the Units.
ELSS or ELSS Guidelines or ELSS Rules	Equity Linked Savings Scheme, 2005, as notified by the Ministry of Finance (Department of Economic Affairs) vide notification dated 03 November, 2005 and amended vide notification dated 13 December, 2005 and such other notifications issued thereafter.

Entry Load	Load on Sale/Switch-in of Units.
Exit Load	Load on repurchase / redemption/Switch-out of Units.
FII	Foreign Institutional Investors (FII) means an institution established and incorporated outside India, and registered with SEBI under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
Foreign Portfolio Investor or FPI	FPI means a person who satisfies the eligibility criteria prescribed under Regulation 4 and has been registered under Chapter II of Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations, 2014.
Govts or Government Securities'	Means securities created and issued by the Central Government and/or State Government (including treasury bill) or Government Securities as defined in The Government Securities Act, 2006 as amended from time to time.
Investment Management Agreement / IMA	Investment Management Agreement dated May 21, 2009, as amended from time to time, entered into between Motilal Oswal Trustee Company Ltd. and Motilal Oswal Asset Management Company Ltd.
Load	In case of subscription, the amount paid by the prospective investors on purchase of a unit (Entry Load) in addition to the Applicable NAV and in case of redemption, the amount deducted from the Applicable NAV on the redemption of unit (Exit Load). Presently, entry load cannot be charged by Mutual Fund scheme.
Money market instruments	Includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, Collateralised Borrowing & Lending Obligation (CBLO), certificate of deposit, usance bills and any other like instruments as specified by the SEBI / RBI from time to time.
Mutual Fund	Motilal Oswal Mutual Fund, a trust set up under the provisions of Indian Trust Act, 1882 and registered with SEBI vide Registration no. MF/063/09/04.
Net Asset Value / NAV	Net Asset Value per unit of the Scheme calculated in the manner described in this SID or as may be prescribed by the SEBI Regulations from time to time.
New Fund Offer / NFO	Offer for purchase of units of the Scheme during the New Fund Offer Period as describe hereinafter.
NFO Period	The date on or the period during which initial subscription of units of the Scheme can be made.
NRI or Non Resident Indian	A person resident outside India who is a citizen of India or is a person of Indian origin as per the meaning assigned to the term under the Foreign Exchange Management (Investment in Firm or Proprietary Concern in India) Regulations, 2000.
Qualified Foreign Investor (QFI)	A person resident in a country that is compliant with Financial Action Task Force (FATF) standards and that is a signatory to International organization of Securities Commission's (IOSCO's) Multilateral Memorandum of Understanding,

	Provided that such person is not resident in India, Provided further that such person is not registered with SEBI as Foreign Institutional Investor/FPI or Sub-account. Explanation- For the purposes of this clause: (1) the term "Person" shall carry the same meaning under Section 2(31) of the Income Tax Act, 1961 (2) the phrase "resident in India" shall carry the same meaning as in the Income Tax Act, 1961 (3) "resident" in a country, other than India, shall mean resident as per the direct tax laws of that country.
Person of Indian Origin	A citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held an Indian passport; or (b) he or either of his parents or any of his grandparents was a citizen of India by virtue of Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or person referred to in sub-clause (a) or (b).
RBI	The Reserve Bank of India established under The Reserve Bank of India Act, 1934.
Redemption/Repurchase	Redemption of units of the Scheme as permitted under applicable regulations.
Registrar and Transfer Agent	Karvy Computershare Pvt. Ltd., registered under the SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993,
Repo or Reverse Repo	Sale/Purchase of Government Securities with simultaneous agreement to repurchase/resell them at a later date.
Scheme	Motilal Oswal MOST Focused Long Term Fund (MOST Focused Long Term)
Scheme Information Document (SID)	This document issued by Motilal Oswal Mutual Fund for offering units of the Scheme.
SEBI	Securities and Exchange Board of India, established under Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI Regulations	SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.
Sponsor	Motilal Oswal Securities Ltd.
Statement of Additional Information (SAI)	The document issued by Motilal Oswal Mutual Fund containing details of Motilal Oswal Mutual Fund, its constitution and certain tax, legal and general information. SAI is legally a part of the SID.
Trustee	Motilal Oswal Trustee Company Ltd., a Company incorporated under the Companies Act, 1956 and approved by SEBI to act as Trustee of the Schemes of Motilal Oswal Mutual Fund.
Unit	The interest of Unitholder which consists of each unit representing one undivided share in the assets of the Scheme.
Unitholder / Investor	A person holding unit(s) in the Scheme of Motilal Oswal Mutual Fund offered under this SID.

Interpretation:

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

- all references to the masculine shall include feminine and all reference to the singular shall include plural and vice-versa.
- all references to “dollars” or “\$” refer to the United States Dollars and “Rs” refer to the Indian Rupees. A “crore” means “ten million” and a “lakh” means a hundred thousand.
- all references to timings relate to Indian Standard Time (IST).

E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

- (i) The draft Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- (ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed Scheme.
- (iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

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

Sd/-

**Sarika Shah
Compliance Officer**

**Place: Mumbai
Date: October 21, 2014**

II. INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME

An open ended equity linked saving scheme with a 3 year lock-in.

Eligible Investors in the Scheme (who are “Assesse” as per the ELSS Rules) are entitled to deductions of the amount invested in Units of the Scheme to such extent (presently Rs. 1,50,000/-) under Section 80C of the Income Tax Act, 1961 and subject to such conditions as may be notified from time to time. The Scheme has been prepared in accordance with the notifications dated November 3, 2005 and December 13, 2005 issued by the Department of Economic affairs, Ministry of Finance, Government of India and intends to meet the requirements of any other notifications/ regulations that may be prescribed by the Government/ regulatory bodies from time to time.

B. INVESTMENT OBJECTIVE

The investment objective of the scheme is to generate long-term capital appreciation from a diversified portfolio of predominantly equity and equity related instruments.

However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.

C. ASSET ALLOCATION

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

Instruments	Indicative Allocations (%of total assets)		Risk Profile
	Minimum	Maximum	High/Medium/Low
Equity & equity related instruments	80	100	High
Debt Instruments, Money Market Instruments, G-Secs, Cash and Cash at call, etc	0	20	Low to Medium

Money Market Instruments include CMBs, T-Bills, and Government securities with an unexpired maturity upto one year, CBLOs & Repo/ Reverse Repo.

The Scheme may invest in derivative products from time to time only if permitted under ELSS Rules. In such event, the exposure to derivative instruments shall not exceed 50% of the total Net Assets of Scheme. The Scheme shall not write options or purchase instruments with embedded written options. The Scheme may use derivatives for such purposes as maybe permitted by the Regulations, including for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI from time to time. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.

The Scheme may engage in Stock Lending, as and when permitted under the applicable regulations and ELSS rules. In such event, the Scheme shall not participate in securities

lending 20% of total Net Assets of the Scheme and would limit its exposure with regard to securities lending for a single intermediary to the extent of 5% of the total net assets at the time of lending.

The scheme will not invest in foreign securities, securitized debt, corporate debt repo and corporate reverse repo. The scheme shall not undertake short selling.

The scheme shall invest in equity and equity related instruments, debt and money market instruments as per the investment objective of the scheme. While it is the intention of the Scheme to maintain the maximum exposure guidelines provided in the table above, there may be instances when these percentages may be exceeded. Typically, this may occur while the Scheme is new and the corpus is small thereby causing diversification issues.

The Scheme may review the above pattern of investments based on views on Indian equities and asset liability management needs. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. Subject to SEBI Regulations/ELSS Guidelines, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations, legislative amendments and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions may vary depending upon the perception of the fund manager; the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and for defensive considerations only. In case of deviation, if any, from the asset allocation pattern, the AMC shall rebalance the portfolio within a period of 30 calendar days. Where the portfolio is not rebalanced within 30 Business Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action.

D. INVESTMENT BY THE SCHEME

The Scheme will invest in Equity and Equity related instruments, Debt instruments, Money Market Instruments, G-Sec, Cash and cash equivalents, etc.

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

- Equity and Equity related instruments
- Debt securities and Money Market Instruments (including reverse repos and CBLOs).
- Derivatives as may be permitted by SEBI / RBI/ ELSS Guidelines.
- Pending deployment of funds as per the investment objective of the Scheme, the funds may be parked in short term deposits of scheduled commercial banks, subject to guidelines and limits specified by SEBI.
- Any other instruments as may be permitted by RBI/SEBI/ELSS Guidelines regulatory authorities under prevailing laws from time to time.

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

Equity related instruments include cumulative convertible preference shares and fully convertible debentures and bonds of companies. It may also include partly convertible issues of debentures and bonds including those issued on rights basis subject to the condition that, as far as possible, the nonconvertible portion of the debentures so acquired or subscribed, shall be disinvested within a period of twelve months.

In accordance with the Equity Linked Savings Scheme (ELSS) guidelines, investments in equity and equity related instruments shall be to the extent of at least 80% of net assets of the scheme in equity and equity related instruments as specified above. The Scheme will strive to invest its funds in the manner stated above within a period of six months from the date of closure of the NFO. However, in exceptional circumstances, this requirement may be dispensed with by the Scheme in order that the interest of the investors is protected.

The Securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The Securities may be acquired through initial public offerings, secondary market operations, and private placement, rights offers or negotiated transactions. The scheme may invest the funds of the scheme in short term deposits of scheduled commercial banks as permitted under extant regulations as per SEBI Circular No. SEBI/IMD/CIR No.9/20306/03 dated November 12, 2003, SEBI Circular No. SEBI/IMD/Cir No.1/91171/07 dated April 16, 2007 and Clause 8 of Seventh Schedule of Mutual Funds Regulations, 1996. As per the stated Regulations, Mutual Funds shall not park more than 15% of their net assets in short term deposits of all scheduled commercial banks put together. This limit however may be raised to 20% with prior approval of the Trustees. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of the total deployment by the Mutual Fund in short term deposits.

E. INVESTMENT STRATEGY

The Scheme will invest in securities across asset classes (debt and equity) and across sectors and capitalization levels. Emphasis will be placed on identifying high quality/high & sustainable growth companies for investment.

The fund shall follow an active investment style using bottom-up stock picking. The fund managers shall identify and invest in shares of high quality businesses having sustainable and scalable business models thus using QGLP (Quality, Growth, Longevity & Price) as the key evaluation parameters. The businesses should have strong earnings growth prospects and be available at reasonable valuations. The fund shall be benchmark agnostic with a portfolio of high conviction stock ideas from across market-capitalization levels/ sectors. The portfolio stocks could be potentially concentrated in a few market capitalization levels/ sectors which have very low downside risk.

While making investment decisions, besides other factors, the impact of the prevailing economic environment over the medium to long term prospects of the companies will also be taken into consideration. The AMC will endeavour to meet the investment objective of the Scheme while maintaining a balance between safety, liquidity and return on investments.

Risk Control

Risk is an inherent part of the investment function. Effective Risk management is critical to fund management for achieving financial soundness. Investment by the Scheme would be made as per the investment objective of the Scheme and in accordance with SEBI Regulations. AMC has adequate safeguards to manage risk in the portfolio construction process. Risk control would involve managing risk in order to keep in line with the investment objective of the Scheme. The risk control process would include identifying the risk and taking proper measures for the same. The system has incorporated all the investment restrictions as per the SEBI guidelines and enables identifying and measuring the risk through various risk management tools like various portfolio analytics, risk ratios, average duration and analyses the same and acts in a preventive manner.

Securities Lending

Securities 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 the applicable SEBI and when permitted by ELSS guidelines. The AMC/Fund shall also adhere to guidelines issued under Securities Lending Scheme, 1997. Securities' lending shall enable the Scheme to earn income that may partially offset its expenses and thereby reduce the effect these expenses have on the Scheme's ability to provide investment returns that correspond generally to the performance of its Basket. The Scheme will pay reasonable administrative and custodial fees in connection with the lending of securities. The Scheme will be exposed to the risk of loss should a borrower default on its obligation to return the borrowed securities. The Scheme share of income from the lending collateral will be included in the Scheme's gross income. The Fund will comply with the conditions for securities lending specified by SEBI Regulations and circulars. The Scheme will not lend more than 20% of its corpus and will not exceed more than 5% through a single intermediary.

Investment by AMC in the Scheme

AMC may invest in the Scheme during the New Fund Offer or on an ongoing basis in accordance with the SEBI Regulations. The AMC shall not charge investment management fees on investment by the AMC in the Scheme.

Portfolio Turnover

The Scheme, being an open ended Scheme, it is expected that there would be a number of subscriptions and redemptions (subject to lock-in period) on a daily basis. However, it is difficult to measure with reasonable accuracy the likely turnover in the portfolio of the Scheme.

Differentiation of Motilal Oswal MOST Focused Long Term Fund (MOST Focused Long Term) with other existing Equity Schemes of Motilal Oswal Mutual Fund

Motilal Oswal MOST Focused Long Term Fund (MOST Focused Long Term) is an open ended equity linked saving scheme with a 3 year lock-in which seeks to generate long-term capital appreciation from a diversified portfolio of predominantly equity and equity related

instruments. The scheme proposes to invest 80% to 100% in Equity and equity related instruments and 0% to 20% in debt instruments, Money Market Instruments, G-Secs, Cash and cash equivalents. The following table shows the differentiation of the Scheme with the existing Equity Schemes of Motilal Oswal Mutual Fund:

Name of the Scheme	Investment Objective	Asset Allocation	Product Differentiation
Motilal Oswal MOST Shares M50 ETF (MOST Shares M50)	The Scheme seeks investment return that corresponds (before fees and expenses) generally to the performance of the Nifty (Underlying Index), subject to tracking error.	The Scheme would invest at least 95% in the securities constituting Nifty and the balance in debt and money market instruments and cash at call.	MOST Shares M50 is an open ended exchange traded fund which invests in securities constituting CNX Nifty Index.
Motilal Oswal MOST Shares Midcap 100 ETF (MOST Shares Midcap100)	The Scheme seeks investment return that corresponds (before fees and expenses) to the performance of CNX Midcap Index (Underlying Index), subject to tracking error.	The Scheme would invest at least 95% in the securities constituting CNX Midcap Index and the balance in debt and money market instruments and cash at call.	MOST Shares Midcap100 is an open ended Index exchange traded fund which invests in securities constituting CNX Midcap Index in the same proportion as in the Index.
Motilal Oswal MOST Shares NASDAQ-100 ETF (MOST Shares NASDAQ 100)	The Scheme seeks investment return that corresponds (before fees and expenses) generally to the performance of the NASDAQ-100 Index, subject to tracking error.	The Scheme would invest at least 95% in the securities constituting NASDAQ-100 Index and the balance in Overseas Debt and Money market instruments and cash at call, mutual fund schemes or exchange traded funds based on NASDAQ-100 Index.	The Scheme will invest in the securities which are constituents of NASDAQ-100 Index in the same proportion as in the Index.
Motilal Oswal MOST Shares Gold ETF	The investment objective of the Scheme is to provide return by investing in Gold Bullion. The	The Scheme would invest at least 95% in the Gold Bullion and the balance in Government	The Scheme is an Open ended Exchange Traded Fund that provides returns by investing in Gold Bullion.

(MOSt Gold Shares)	performance of the fund will be benchmarked to the Spot Gold Price. However, the performance of scheme may differ from that of the underlying index due to tracking error.	Securities, Money Market Instruments and cash at call.	
Motilal Oswal MOSt Focused 25 Fund	The investment objective of the Scheme is to achieve long term capital appreciation by investing in upto 25 companies with long term sustainable competitive advantage and growth potential. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.	The Scheme would invest at least 90% in Equity and equity related instruments and balance in Debt and Money Market Instruments, G-Secs, Bonds	The Scheme is an open ended equity scheme with an investment objective to achieve long term capital appreciation by investing in upto 25 companies with long term sustainable competitive advantage and growth potential. The asset allocation of the Scheme is investing upto 65% in equity and equity related instruments from Top 100 listed companies by market capitalization and upto 25% in equity and equity related instruments of the next 50 companies by market capitalization and the balance upto 10% in debt, money market instruments, G-secs, Bonds, cash and cash equivalents, etc.
Motilal Oswal MOSt Focused Midcap 30 Fund (MOSt Focused Midcap 30)	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.	The Scheme would invest at least 65-100% in Equity and equity related instruments* selected between Top 101 st and 200 th listed companies by market capitalization and upto 25% in Equity and equity related instruments* beyond the Top 200 th listed company and with market capitalization not	The Scheme is an open ended equity scheme with investment objective to achieve long term capital appreciation by investing in 65-100% in Equity and equity related instruments* selected between Top 101 st and 200 th listed companies by market capitalization and upto 25% in Equity and equity related instruments* beyond the Top 200 th listed company and and with market capitalization not lower than INR 600 crs and balance 10% in Debt,

		lower than INR 600 crs and balance 10% in Debt, Money Market Instruments, G-Sec, Bonds, Cash and cash equivalents, etc. *subject to overall limit of 30 companies.	Money Market Instruments, G-Sec, Bonds, Cash and cash equivalents, etc. *subject to overall limit of 30 companies
Motilal Oswal MOST Focused Multicap 35 Fund (MOST Focused Multicap 35)	The investment objective of the Scheme is to achieve long term capital appreciation by primarily investing in a maximum of 35 equity & equity related instruments across sectors and market-capitalization levels.	The scheme would invest 65% to 100% in Equity and equity related instruments and balance up to 35% in debt instruments, Money Market Instruments, G-Secs, Cash and cash equivalents. *subject to overall limit of 35 companies	The scheme is an open ended diversified equity scheme which with an objective to achieve long term capital appreciation by investing in securities across sectors and market capitalization levels.

F. FUNDAMENTAL ATTRIBUTES

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

(i) Type of a Scheme: An open ended equity linked savings scheme with a 3 year lock-in.

(ii) Investment Objective:

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

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

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

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which

would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.

G. BENCHMARK INDEX

The performance of the Scheme will be benchmarked against CNX 500 Index.

The Trustee reserves the right to change the benchmark for evaluation of performance of the Scheme from time to time in conformity with investment objective of the Scheme and appropriateness of the benchmark subject to SEBI Regulations and other prevailing guidelines, if any.

H. FUND MANAGER

For Equity Component of the Scheme

Name of the Fund Manager	Mr. Gautam Sinha Roy
Age	35 Years
Designation	Vice President
Qualification	B.E (Honors) from Jadavpur University, Kolkata and PGDM from IIM-Calcutta.
Years of Experience	Mr. Roy has close to 11 years of experience in the fund management and investment research. • Motilal Oswal Asset Management Company Ltd.-from April 2014 onwards • Motilal Oswal Securities Ltd.- Vice President-from January 2013 to March 2014 • IIFL Capital Pte. Ltd.-Investment Analyst-from December 2008 to December 2012 • Mirae Asset Global Investments (India) Pvt. Ltd–Designation- Investment Analyst-from November 2007 to November 2008 • Edelweiss Capital Ltd.-Senior Manager-Research from October 2005 to October 2007 • Genpact Ltd.- Assistant Manager- from January 2004 to October 2005 • Bennett, Coleman & Co. Ltd-Deputy Manager- from June 2003 to December 2003 Mr. Gautam Sinha Roy is also fund manager of the Scheme, Motilal Oswal MOST Focused Multicap 35 Fund.

For Debt Component of the Scheme

Name of the Fund Manager	Mr. Abhiroop Mukherjee
Age	32
Designation	Senior Manager- Fixed Income
Qualification	B.Com (Honours), PGDM (Finance)
Years of Experience	Mr. Abhiroop Mukherjee has over 7 years of experience in the Fixed Income Securities trading and fund management. • Motilal Oswal Asset Management Company Ltd. - Senior Manager- Fixed Income from May 2011 onwards • PNB Gilts Ltd. - Assistant Vice President - Fixed Income from April 2007 to May 2011 Mr. Abhiroop Mukherjee is fund manager of the Schemes, Motilal Oswal MOST 10 year Gilt Fund and Motilal Oswal MOST Ultra Short Term Bond Fund.

I. INVESTMENT RESTRICTIONS

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

1. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:
Provided that a Mutual Fund may engage in securities lending and borrowing specified by the SEBI,
Provided further that a Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the SEBI/ELSS Guidelines,
Provided further that sale of Government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
2. The Mutual Fund shall get the securities purchased or transferred in the name of the Mutual Fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.
3. The Mutual Fund under all its schemes shall not own more than 10% of any company's paid up capital carrying voting rights.
4. Transfers of investments from one scheme to another scheme in the same Mutual Fund shall be allowed only if,
(a) such transfers are done at the prevailing market price for quoted instruments on spot basis.
[Explanation - "Spot basis" shall have same meaning as specified by stock exchange for spot transactions;]

- (b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
- 5. The Scheme may invest in another scheme under the same asset management company or any other Mutual Fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the Mutual Fund.
- 6. Pending deployment of funds of a Scheme in terms of investment objectives of the Scheme, the Mutual Fund may invest the funds of the scheme in short-term deposits of scheduled commercial banks, subject to the following guidelines issued by SEBI and as may be amended from time to time:
 - (a) "Short Term" for such parking of funds by the Scheme shall be treated as a period not exceeding 91 days. Such short-term deposits shall be held in the name of the Scheme.
 - (b) The Scheme shall not park more than 15% of net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.
 - (c) Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
 - (d) The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
 - (e) The Scheme shall not park funds in short term deposit of a bank which has invested in that Scheme.
 - (f) The AMC will not charge any investment management and advisory fees for funds under a Plan parked in short term deposits of scheduled commercial banks.
 - (a) The above provisions will not apply to term deposits placed as margins for trading in cash and derivatives market.
- 7. The Scheme shall not make any investment in :
 - (a) any unlisted security of an associate or group company of the sponsor; or
 - (b) any security issued by way of private placement by an associate or group company of the sponsor; or
 - (c) the listed securities of group companies of the sponsor which is in excess of 25 per cent of the net assets.
- 8. The Scheme shall not invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any company :

Provided that, the limit of 10 per cent shall not be applicable for investments in case of index fund or sector or industry specific scheme.
- 9. The Scheme shall not invest more than 5% of its NAV in unlisted equity shares or equity related instruments.
- 10. The Scheme shall not invest more than 15% of its NAV in debt instruments issued by a single issuer, which are rated not below the investment grade by a credit rating agency authorized to carry out such activity under the Act. Such investment limit may be extended to 20% of the NAV of the Scheme with the prior approval of Board of Directors of Trustees Company and AMC, till the time the Regulations require such approvals. Provided further that investment within such limit can be made in mortgaged backed securitized debt which are rated not below investment grade by a rating agency registered with the Board. However such limit shall not be applicable to investments in government securities.

11. The Scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investments in such instruments shall not exceed 25% of the NAV of the Scheme. All such investments shall be made with the prior approval of the Board of Directors of the Trustee Company and AMC, till the time the Regulations require such approvals.
12. The Scheme shall not invest more than 30% of its net assets in money market instruments of an issuer. Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.
13. The Mutual Fund may borrow to meet liquidity needs, for the purpose of repurchase, redemption of units or payment of interest or dividend to the Unitholders and such borrowings shall not exceed 20% of the net asset of the Scheme and duration of the borrowing shall not exceed 6 months. The Mutual Fund may borrow from permissible entities at prevailing market rates and may offer the assets of the Mutual Fund as collateral for such borrowing.
14. The Scheme shall not make any investment in any fund of funds Scheme.
15. No term loans will be advanced by the Scheme.
16. The Scheme will comply with any other Regulations applicable to the investments of Mutual Funds from time to time.

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

J. SCHEME PERFORMANCE

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

III. UNITS AND OFFER

This section provides details you need to know for investing in the Scheme.

A. NEW FUND OFFER (NFO)

New Fund Offer Period This is the period during which a new scheme sells its units to the investors.	NFO opens on: _____ NFO closes on: _____ The AMC/Trustee reserves the right to close the NFO of the Scheme before the above mentioned date. The AMC/Trustee reserves the right to extend the NFO period, subject to the condition that NFO shall not be open for more than 3 months. Any such closure/extension shall be announced by way of notice published in one daily newspaper.
New Fund Offer Price: This is the price per unit that the investors have to pay to invest during the NFO.	Rs.10/- per unit.
Minimum Amount for Application in the NFO	Rs. 500/- and in multiples of Re.500/- thereafter.
Minimum Target amount: This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within 5 business days, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 5 business days from the date of closure of the subscription list.	Rs.10 Crore.

Maximum Amount to be raised (if any) This is the maximum amount which can be collected during the NFO period, as decided by the AMC.	There is no upper limit on the total amount to be collected in the New Fund Offer.
Plans / Options	The Scheme offers two Plans: Regular Plan and Direct Plan Regular Plan is for Investors who purchase/subscribe units in a Scheme through any Distributor (AMFI Registered Distributor/ARN Holder). Direct Plan is for investors who purchase /subscribe units in a Scheme directly with the Fund and is not routed through a Distributor (AMFI Registered Distributor/ARN Holder). Direct Plan will have a lower expense ratio excluding distribution expenses, commission for distribution of Units etc. There will be no separate portfolio for Direct Plan and Regular Plan. Further, both the options i.e. Growth and Dividend will have common portfolio under the Scheme. Each Plan offers the following Options: (a) Growth Option (b) Dividend Option (with Payout facility) (a) Growth Option: Under this Option, dividend will not be declared. Income/profits received/earned on the Scheme's corpus would be accumulated by the Fund as capital accretion & will remain invested in the Scheme and will be reflected in the Net Asset Value (NAV) of Units under this Option. (b) Dividend Option: Under this option, dividends will be declared (subject to deduction of tax at source and statutory levies, if any) at periodic intervals at the discretion of the Trustees, subject to availability of distributable surplus. On payment of dividend, the NAV of the Units under dividend option will fall to the extent of the dividend payout and applicable statutory levies, if any. All the dividend payments shall be in accordance and compliance with SEBI Regulations, as applicable from time to time. Following facility is available under this Option:

	Dividend Payout facility Under this option, Dividends, if declared, will be paid (subject to deduction of dividend distribution tax and statutory levy, if any) to those Unitholders, whose names appear in the register of Unitholders on the record date. The AMC reserves the right to introduce/discontinue further Plans / Options as and when deemed fit.
Default Plan / Option	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. However, in case Distributor code is mentioned in the application form but “Direct Plan” is mentioned against the Scheme name, then the Distributor code will be ignored and the application will be processed under Direct Plan. Further, where application is received without mentioning Distributor code or where “Direct” is mentioned in the ARN Column, then the application will be processed under Direct Plan. If the investor does not clearly specify the choice of option at the time of investing, it will be deemed that the investor has opted for Growth option.
Dividend Policy	The Trustees may declare dividend subject to the availability of distributable surplus calculated in accordance with SEBI (Mutual Funds) Regulations, 1996. The actual declaration of dividend and the frequency of distribution will be entirely at the discretion of the Trustees. There is no assurance or guarantee to Unit holders as to the rate of dividend distribution nor that the dividends will be declared regularly, though it is the intention of the Mutual Fund to make regular dividend distribution under the Dividend Plan. The dividend would be paid to the Unitholders whose names appear in the Register of Unitholders as on the record date. Dividend Distribution Procedure In accordance with SEBI Regulations, the procedure for Dividend distribution would be as under: Quantum of dividend and the record date will be fixed by the Trustee in their meeting. Dividend so decided shall be paid, subject to availability of distributable surplus. Within one calendar day of decision by the Trustee, the AMC shall issue notice to the public communicating the decision about the dividend including the record date, in one English daily newspaper having nationwide circulation as well as in a

	newspaper published in the language of the region where the head office of the Mutual Fund is situated. Record date shall be the date, which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of Unitholders for receiving dividends. The Record Date will be 5 calendar days from the date of issue of notice. The notice will, in font size 10, bold, categorically state that pursuant to payment of dividend, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable). The NAV will be adjusted to the extent of dividend distribution and statutory levy, if any, at the close of business hours on record date. Before the issue of such notice, no communication indicating the probable date of dividend declaration in any manner whatsoever will be issued by Mutual Fund.
Mode of Payment of Dividends	The dividend proceeds will be paid by way of cheque, Dividend Warrants / Direct Credit / National Electronic Fund Transfer (NEFT) / Real Time Gross Settlement (RTGS) / National Electronic Clearing System (NECS) or any other manner to the unitholder's bank account as recorded in the Registrar & Transfer Agent's records. The AMC, at its discretion at a later date, may choose to alter or add other modes of payment. In case of Units under the Dividend Option held in dematerialised mode, the Dividend Payout will be credited to the bank account of the investor, as per the bank account details recorded with the DP. All the dividend payments shall be in accordance and compliance with SEBI regulations, as amended from time to time.
Dematerialization	The Units of the Scheme will also be available in the Dematerialized (electronic) mode, if so selected by the Investor in the Application Form. - The Units of the Growth Option and Dividend Options, issued under the Scheme, will be distinct from each other and would have different ISINs. - The Investor under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL / CDSL and will be required to indicate in the application the DP's name, DP ID Number and beneficiary account number of the applicant with the Depository Participant or such details requested in the Application Form / Transaction Form. - For Investors proposing to hold Units in dematerialized

	mode, applications without relevant details of his / her / its Depository account are liable to be rejected. iv. If KYC details of the investor including IPV is not updated with DP, the Units will be allotted in non-demat mode subject to compliance with necessary KYC provisions.
Rematerialization	Rematerialization of Units will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 1996 as may be amended from time to time. The process for rematerialisation is as follows: - The investor will submit a remat request to his/her DP for rematerialisation of holdings in his/her account. - If there is sufficient balance in the investor's account, the DP will generate a Rematerialisation Request Number (RRN) and the same is entered in the space provided for the purpose in the rematerialisation request form. - The DP will then dispatch the request form to the AMC/ R&T agent. - The AMC/ R&T agent accepts the request for rematerialisation prints and dispatches the account statement to the investor and sends electronic confirmation to the DP. - The DP will inform the investor about the changes in the investor account following the acceptance of the request.
Allotment	Subject to the receipt of the minimum subscription amount, allotment would be made to all the valid applications of the Unitholders received during the New Fund Offer (NFO) period. The Fund will allot units and dispatch statement of accounts within 5 business days from the closure of the NFO. The units of the Scheme would be allotted at the face value of Rs. 10/- on the allotment date. Investors under the Scheme will have an option to hold the Units either in dematerialized (electronic) form or in physical form. In case of investors opting to hold Units in dematerialized mode, the Units will be credited to the investors' depository account (as per the details provided by the investor) not later than 5 Business Days from the date of closure of the NFO. Further, an holding statement could be obtained from the Depository Participants by the Investor.

	In case of investors opting to hold the Units in physical mode, on allotment, the AMC/Fund will send to the Unitholders, an account statement specifying the number of units allotted by way of physical form (where email address is not registered) and/or email and/or SMS within 5 Business Days from the date of closure of New Fund Offer to the registered address/e-mail address and/or mobile number. Normally, no certificates will be issued. However, on request from the Unitholder, Unit certificates will be issued for the same. The AMC will issue a non-transferable Unit certificate to the applicant within 5 Business Days of the receipt of request for the certificate. Unit certificate, if issued, must be duly discharged by the Unit holder(s) and surrendered along with the request for redemption/switch or any other transaction of Units covered therein. Allotment of units under the Scheme would be at the discretion of the Trustee. The Trustees reserve the right to reject any application without assigning any reason thereof. Refer Section 'Account Statements' under the 'Ongoing Offer Details' for details regarding account statements.
Refund	In accordance with the Regulations, if the Scheme fails to collect the minimum subscription amount as specified above, the Fund shall be liable to refund the subscription amount money to the applicants. Full amount will be refunded within 5 business days of closure of NFO. If the Fund refunds the application amount later than 5 business days, interest @ 15% p.a. for delay period will be paid and charged to the AMC.
Who can invest This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.	This is an indicative list and you are requested to consult your financial advisor. The following are eligible to subscribe to the units of the Scheme: 1. Resident adult individuals, either singly or jointly (not exceeding three) or on anyone or Survivor basis. 2. Minors through Parents/Lawful Guardian. 3. Hindu Undivided Family (HUF) through its Karta. 4. Partnership Firms in the name of any one of the partner. 5. Proprietorship in the name of the sole proprietor. 6. Companies, Body Corporate, Societies, (including registered co-operative societies), Association of Persons, Body of Individuals, Clubs and Public Sector

	Undertakings registered in India if authorized and permitted to invest under applicable laws and regulations. 7. Banks (including co-operative Banks and Regional Rural Banks), Financial Institutions. 8. Mutual Fund schemes registered with SEBI. 9. Non-Resident Indians (NRIs) / Persons of Indian Origin (PIOs) residing abroad on repatriation basis and on non-repatriation basis. 10. Foreign Institutional Investors (FII) registered with SEBI on repatriation basis (subject to RBI approval) and Foreign Portfolio Investor (FPI) 11. Charitable or Religious Trusts, Wakf Boards or endowments of private trusts (subject to receipt of necessary approvals as “Public securities” as required) and private trusts authorized to invest in units of Mutual Fund schemes under their trust deeds. 12. Army, Air Force, Navy, Para-military funds and other eligible institutions. 13. Scientific and Industrial Research Organizations. 14. Multilateral Funding Agencies or Bodies Corporate incorporated outside India with the permission of Government of India and the Reserve Bank of India. 15. Overseas Financial Organizations which have entered into an arrangement for investment in India, inter-alia with a Mutual Fund registered with SEBI and which arrangement is approved by Government of India. 16. Provident / Pension / Gratuity / Superannuation and such other retirement and employee benefit and other similar funds as and when permitted to invest. 17. Qualified Foreign Investors (subject to and in compliance with the extant regulations) 18. Other Associations, Institutions, Bodies etc. authorized to invest in the units of Mutual Fund. 19. Trustees, AMC, Sponsor or their associates may subscribe to the units of the Scheme. 20. Such other categories of investors permitted by the Mutual Fund from time to time, in conformity with the SEBI Regulations. Anyone specified above can invest in the Scheme, but presently only Investors / Unitholders defined as "Assessee" under the ELSS Guidelines will be eligible for tax exemption under Section 80 C of the Income Tax Act, 1961. Who can not invest? 1. Non-Resident Indians (NRIs) residing in the Financial Action Task Force (FATF) Non Compliant Countries
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	and Territories (NCCTs). 2. Pursuant to RBI Circular No. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in Mutual Funds. 3. NRIs and PIOs who are residents of the United States of America/defined as United States Persons under applicable laws/statutes and the residents of Canada. 4. Such other persons as may be specified by AMC from time to time.
Where can you submit the filled up applications	During the NFO period, the applications can be submitted at any of the branches of the collecting bankers or Investor Service Centres of Motilal Oswal Asset Management Company Limited. For details, please refer end of this document. Investors can also subscribe to the Units of the Scheme through MFSS facility of NSE and BSE StAR MF facility of BSE during the NFO period. The AMC reserves the right to appoint additional collecting bankers during the NFO Period and change the bankers and/or any of the bankers appointed subsequently.
How to Apply	Please refer to the SAI and Application form for the instructions.
Listing	Motilal Oswal MOST Focused Long Term Fund (MOST Focused Long Term) is an open ended equity linked savings scheme under which sale and repurchase (subject to the 3 year lock-in) will be made on a continuous basis and therefore listing on stock exchanges is not envisaged. However, the AMC/Trustee reserves the right to list the units as and when the AMC/Trustee considers it necessary in the interest of Unitholders of the Scheme.
Special Products / facilities available during the NFO	The Mutual Fund will offer ASBA facility during the NFO of the Scheme. ASBA is an application containing authorisation given by the Investor to block the application money in his specified bank account towards the subscription of the units offered during the NFO of Scheme. 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 his/her application is selected for allotment of units. Please refer to the SAI for more details.

The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	Units once redeemed/repurchased will not be re-issued.
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B. ONGOING OFFER DETAILS

Ongoing Offer Period This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.	The Units of the Scheme(s) will be available for subscription at applicable NAV based prices, not later than 5 business days from the date of allotment of Units of the Scheme.
Ongoing price for subscription (purchase)/switch-in (from other schemes/plans of the Mutual Fund) by investors This is the price you need to pay for purchase/switch-in.	Ongoing price for subscription (purchase) by investors will be the applicable NAV of the Plan/Option selected. In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged for purchase / additional Purchase/ switch-in accepted for the scheme with effect from August 01, 2009. Similarly, no entry load will be charged with respect to applications for registrations under Systematic Investment Plans. The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder. Further, Pursuant to SEBI circular No. SEBI/IMD/CIR No. 14/120784/08 dated March 18, 2008, with effect from April 1, 2008, no entry load or exit load shall be charged in respect of bonus units and of units allotted on reinvestment.
Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors This is the price you will receive for redemptions/switch outs.	At the applicable NAV subject to prevailing exit load, if any. The units shall be redeemed after the lock in period of 3 years from the date of allotment.
Cut off timing for subscriptions/ redemptions/ switches	Cut-off time is the time before which the Investor's Application Form(s) (complete in all respects) should reach the Official Points of Acceptance to be entitled to the Applicable NAV of that Business Day.

This is the time before which your application (complete in all respects) should reach the official points of acceptance.

An application will be considered accepted on a Business Day, subject to it being complete in all respects and received and time stamped upto the relevant Cut-off time mentioned below, at any of the Official Points of Acceptance of transactions. Where an application is received and the time stamping is done after the relevant Cut-off time the request will be deemed to have been received on the next Business Day.

Cut off timing for subscriptions / purchases / switch- ins for an amount less than Rs. 2,00,000 (Rs. Two lakh only)

For Purchases including switch-ins:

- i. In respect of valid applications received by 3.00 p.m. by the Fund along with a local cheque or a demand draft payable at par at the Official Point(s) of Acceptance where the application is received, the closing NAV of the day on which application is received shall be applicable.
- ii. In respect of valid applications received after 3.00 p.m. by the Fund along with a local cheque or a demand draft payable at par at the Official Point(s) of Acceptance where the application is received, the closing NAV of the following Business Day shall be applicable.
- iii. In respect of valid applications with an outstation cheques or demand drafts not payable at par at the Official Points of Acceptance where the application is received, the closing NAV of day on which the cheque or demand draft is credited shall be applicable.

Cut off timing for subscriptions / purchases / switch- ins amount equal to or greater than Rs. 2,00,000 (Rs. Two lakh only)

- i. In respect of valid applications received for an amount equal to or more than Rs. 2 lakh upto 3.00 p.m. at the Official Point(s) of Acceptance and where the funds for the entire amount of subscription / purchase/switch-ins as per the application are credited to the bank account of the Scheme before the cut-off time i.e. available for utilization before the cut-off time- the closing NAV of the day shall be applicable.
- ii. In respect of valid applications received for an amount equal to or more than Rs. 2 lakh after 3.00 p.m. at the Official Point(s) of Acceptance and where the funds for the entire amount of subscription / purchase as per the application are credited to the bank account of the Scheme before the cut-off time of the next Business Day i.e. available for utilization before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable.
- iii. Irrespective of the time of receipt of applications for an amount equal to or more than Rs. 2 lakh at the Official Point(s) of

	Acceptance, where the funds for the entire amount of subscription/purchase/ switch-ins as per the application are credited to the bank account of the Scheme before the cut-off time on any subsequent Business Day i.e. available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable. It is clarified that all multiple applications for investment at the Unit holders' PAN and holding pattern level in a Scheme (irrespective of amount or the plan/option/sub-option) received on the same Business Day, will be aggregated to ascertain whether the total amount equals to Rs. 2 lakh or more and to determine the applicable Net Asset Value. Transactions in the name of minor received through guardian will not be aggregated with the transaction in the name of same guardian. The criteria for aggregation of multiple transactions shall be as decided by the AMC at its sole discretion from time to time. <u>For Redemption/ Repurchases/Switch out</u> - In respect of valid application accepted at an Official Points of Acceptance up to 3 p.m. on a Business Day by the Fund, the closing NAV of that day will be applicable. - In respect of valid application accepted at an Official Point of Acceptance as listed in the SAI, after 3 p.m. on a Business Day by the Fund, the closing NAV of the next Business Day will be applicable.
Where can the applications for purchase/redemption switches be submitted?	The applications for purchase/redemption/switches of units directly with the Fund would be submitted at the any of the ISCs / Official Points of Acceptance including AMC's Corporate office. The AMC may designate additional centres of the Registrar as the Official Points of Acceptance during the Ongoing Offer Period and change such centres, if necessary.
Minimum amount for purchase//switches into the Scheme	Minimum amount for purchase/switch-in: Rs. 500/- and in multiples of Rs. 500/- thereafter. Minimum additional purchase: Rs. 500/- and in multiples of Rs. 500/- thereafter. AMC may revise the minimum/maximum amounts and the methodology for new/additional subscriptions, as and when necessary and subject to the ELSS Rules. Such change may be brought about after taking into account the cost structure for a transaction/account and /or Market practices and/or the interest of existing Unit holders and/or ELSS Rules. Further, such changes shall only be applicable to transactions from the date of such a change, on a prospective basis.

Minimum Redemption/switch-out Amount	Rs.500/- and in multiples of Re.1/- thereafter or the balance in the unit holder's folio, whichever is lower. In case the Investor specifies the number of Units and amount, the number of units shall be considered for Redemption. In case the unit holder does not specify the number or amount, all the units will be redeemed. If the balance Units in the Unit holder's account does not cover the amount specified in the redemption request, then the Mutual Fund shall redeem the entire balance of Units in account of the Unitholder. In case of Units held in dematerialized mode, the Unitholder can give a request for Redemption only in number of Units. Request for subscriptions can be given only in amount. Depository participants of registered Depositories to process only redemption request of units held in Demat form. Redemption / switch out shall be subject to compulsory lock in period of 3 years.										
Minimum balance to be maintained and consequences of non maintenance.	There is no requirement of minimum balance.										
Special Products available	I. Systematic Investment Plan (SIP) During Continuous Offer, a Unit holder may enrol 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: <table border="1" data-bbox="602 1318 1455 1856"> <tr> <td data-bbox="602 1318 964 1472">Minimum amount per SIP installment under weekly/fortnightly/monthly SIP</td><td data-bbox="964 1318 1455 1472">Rs. 1,000/- and multiple of Re. 1/- thereafter.</td></tr> <tr> <td data-bbox="602 1472 964 1583">Minimum amount per SIP installment under Quarterly SIP</td><td data-bbox="964 1472 1455 1583">Rs. 2,000/- and multiple of Re. 1/- thereafter.</td></tr> <tr> <td data-bbox="602 1583 964 1776">No. of SIP Installments a) Minimum b) Maximum</td><td data-bbox="964 1583 1455 1776">Six installments (weekly/fortnightly/monthly) Three installments (quarterly) No Limit</td></tr> <tr> <td data-bbox="602 1776 964 1814">Periodicity</td><td data-bbox="964 1776 1455 1814">Weekly/fortnightly/Monthly/Quarterly</td></tr> <tr> <td data-bbox="602 1814 964 1856">Dates available for SIP</td><td data-bbox="964 1814 1455 1856">1st, 7th, 14th, 21st or 28th of every</td></tr> </table>	Minimum amount per SIP installment under weekly/fortnightly/monthly SIP	Rs. 1,000/- and multiple of Re. 1/- thereafter.	Minimum amount per SIP installment under Quarterly SIP	Rs. 2,000/- and multiple of Re. 1/- thereafter.	No. of SIP Installments a) Minimum b) Maximum	Six installments (weekly/fortnightly/monthly) Three installments (quarterly) No Limit	Periodicity	Weekly/fortnightly/Monthly/Quarterly	Dates available for SIP	1 st , 7 th , 14 th , 21 st or 28 th of every
Minimum amount per SIP installment under weekly/fortnightly/monthly SIP	Rs. 1,000/- and multiple of Re. 1/- thereafter.										
Minimum amount per SIP installment under Quarterly SIP	Rs. 2,000/- and multiple of Re. 1/- thereafter.										
No. of SIP Installments a) Minimum b) Maximum	Six installments (weekly/fortnightly/monthly) Three installments (quarterly) No Limit										
Periodicity	Weekly/fortnightly/Monthly/Quarterly										
Dates available for SIP	1 st , 7 th , 14 th , 21 st or 28 th of every										

	Facility	month. 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.
	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 SIP.		
II. Systematic Transfer Plan (STP) During Continuous Offer, a Unit holder may enroll 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) to the other schemes (Transferee Scheme) of the Mutual Fund. The terms and conditions for investing in STP are as follows :		
	Minimum amount per STP installment under weekly/fortnightly/monthly STP	Rs. 1,000/- and multiple of Re. 1/- thereafter.
	Minimum amount per STP installment under Quarterly STP	Rs. 2,000/- and multiple of Re. 1/- thereafter.
	No. of STP Instalments	Six instalments
	a) Minimum	(monthly/weekly/fortnightly)
	b) Maximum	Three instalments (quarterly)
	Periodicity	No Limit
	Dates available for STP Facility	Weekly/fortnightly/Monthly/Quarterly
	Applicable NAV and Cut-off time	1 st , 7 th , 14 th , 21 th or 28 th of every month.
		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.		

	III. 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. The AMC may close a unit holder's account if the balance falls below the specified minimum amount for the scheme. Unit holders may change the amount indicated in the SWP, subject to the 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: <table border="1" data-bbox="602 695 1438 1451"> <tr> <td>Minimum amount per SWP installment under weekly/ fortnightly/monthly SWP</td><td>Rs. 1,000/- and multiple of Re. 1/- thereafter.</td></tr> <tr> <td>Minimum amount per SWP instalment under Quarterly SWP</td><td>Rs. 2,000/- and multiples of Re. 1/- thereafter.</td></tr> <tr> <td>No. of SWP Instalments a) Minimum b) Maximum</td><td>Six instalments (monthly/weekly/fortnightly) Three instalments (quarterly) No Limit</td></tr> <tr> <td>Periodicity</td><td>Weekly/Fortnightly/ Monthly/Quarterly</td></tr> <tr> <td>Dates available for SWP Facility</td><td>1st, 7th, 14th, 21th or 28th of every month/ quarter.</td></tr> <tr> <td>Applicable NAV and Cut-off time</td><td>Applicable NAV and cut-off time as prescribed under the Regulation shall be applicable.</td></tr> </table> The Trustee/AMC reserves the right to change/modify the terms and conditions of the SWP.	Minimum amount per SWP installment under weekly/ fortnightly/monthly SWP	Rs. 1,000/- and multiple of Re. 1/- thereafter.	Minimum amount per SWP instalment under Quarterly SWP	Rs. 2,000/- and multiples of Re. 1/- thereafter.	No. of SWP Instalments a) Minimum b) Maximum	Six instalments (monthly/weekly/fortnightly) Three instalments (quarterly) No Limit	Periodicity	Weekly/Fortnightly/ Monthly/Quarterly	Dates available for SWP Facility	1 st , 7 th , 14 th , 21 th or 28th of every month/ quarter.	Applicable NAV and Cut-off time	Applicable NAV and cut-off time as prescribed under the Regulation shall be applicable.
Minimum amount per SWP installment under weekly/ fortnightly/monthly SWP	Rs. 1,000/- and multiple of Re. 1/- thereafter.												
Minimum amount per SWP instalment under Quarterly SWP	Rs. 2,000/- and multiples of Re. 1/- thereafter.												
No. of SWP Instalments a) Minimum b) Maximum	Six instalments (monthly/weekly/fortnightly) Three instalments (quarterly) No Limit												
Periodicity	Weekly/Fortnightly/ Monthly/Quarterly												
Dates available for SWP Facility	1 st , 7 th , 14 th , 21 th or 28th of every month/ quarter.												
Applicable NAV and Cut-off time	Applicable NAV and cut-off time as prescribed under the Regulation shall be applicable.												
Accounts Statements	For Units held in non demat mode An allotment confirmation specifying the number of Units allotted will be sent to the applicant's registered e-mail address and/or mobile number by way of e-mail and/or SMS within five Business Days from the date of closure of the NFO Period. Thereafter, Consolidated Account Statement (CAS) will be sent for each calendar month to Unitholder(s) in whose folio(s) transaction(s) has/have taken place during the month, on or before 10th day of the												

	succeeding month. A Consolidated Account Statement (CAS) shall contain details of all the transactions (including purchase, redemption, switch, dividend payout, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions) during the month and holding at the end of the month across all schemes of all mutual funds including transaction charges paid to the distributor. For the purpose of sending CAS, common investor across mutual funds shall be identified by their Permanent Account Number (PAN). In case the folio has more than one registered holder, the first named Unit holder will receive CAS/account statements. Further, the CAS holding across all schemes of all mutual funds at the end of every six months (i.e. September/ March), shall be sent by mail/e-mail on or before 10th day of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period. The half yearly consolidated account statement will be sent by e-mail to the Unit holders whose e-mail address is available, unless a specific request is made to receive in physical. In case of specific request received from investors, Mutual Funds shall provide the account statement to the investors within 5 business days from the receipt of such request without any charges. The AMC shall send first account statement for a new folio separately with all details registered in the folio by way of a physical account statement and/or an e-mail to the investor's registered address / e-mail address not later than five business days from the date of closure of the initial subscription list. The account statements shall be non-transferable. For Units held in Demat mode Unitholder who has opted to hold Units in demat mode will receive a the holding/transaction statements directly from his/her depository participant at such a frequency as may be defined in the Depositories Act, 1996 or regulations made there under or on specific request. The Units allotted will be credited to the DP account of the Unit holder as per the details provided in the application form. All Units will rank pari passu, among Units within the same plan/option in the Scheme concerned as to assets, earnings and the receipt of dividend distributions, if any, as may be declared by the Trustee. For SIP transactions: Account Statement for SIP will be despatched once every quarter
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	ending March, June, September and December within 10 working days of the end of the respective quarter. A soft copy of the Account Statement shall be mailed to the investors under SIP to their e-mail address on a monthly basis, if so mandated. However, the first Account Statement under SIP shall be issued within 10 working days of the initial investment/transfer. In case of specific request received from investors, Mutual Funds shall provide the account statement (SIP) to the investors within 5 working days from the receipt of such request without any charges. 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.
Dividend	The dividend warrants shall be dispatched to the Unitholders within 30 days of the date of declaration of the dividend.
Redemption	The redemption or repurchase proceeds shall be despatched to the Unitholders within 10 working days from the date of redemption or repurchase. (Investment in the scheme will have to be kept for a minimum period of three years from the date of allotment of Units. After the said period of three years, the Unit holders shall have the option to tender the Units to the Mutual Fund for Redemption / Switch. It may, however, be noted that in the event of death of the Unit holder, the nominee or legal heir, (subject to production of requisite documentary evidence to the satisfaction of the AMC) as the case may be, shall be able to redeem the investment only after the completion of one year or any time thereafter, from the date of allotment of the Units to the deceased Unit Holder.)
Delay in payment of redemption / repurchase proceeds / Dividend	The AMC shall be liable to pay interest to the Unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).
Bank Account Details	As per SEBI requirements, it is mandatory for an investor to provide his/her bank account number in the Application Form. The Bank Account details as mentioned with the Depository should be mentioned. If depository account details furnished in the application form are invalid or not confirmed in the depository system, the

	application may be rejected. The Application Form without the Bank account details would be treated as incomplete and rejected. Notwithstanding any of the above conditions, any application may be accepted or rejected at the sole and absolute discretion of the Trustee.
Right to limit Redemptions	The Trustee, in the general interest of the Unitholders 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.
Restrictions, if any, on the right to freely retain or dispose of Units being offered.	Units of the Scheme which are issued in demat (electronic) form will be transferred and transmitted in accordance with the provisions of SEBI (Depositories and Participants) Regulations/ELSS Notifications, as may be amended from time to time. Right to Limit Fresh Subscription The Trustees reserves the right at its sole discretion to withdraw / suspend the allotment / Subscription of Units in the Scheme temporarily or indefinitely, at the time of NFO or otherwise, if it is viewed that increasing the size of such Scheme may prove detrimental to the Unit holders of such Scheme. An order to Purchase the Units is not binding on and may be rejected by the Trustees or the AMC unless it has been confirmed in writing by the AMC and/or payment has been received. Units which are not in demat are not transferable The Units of the Scheme which are held in physical form are not transferable. In view of the same, additions/deletion of names in case of Units held in other than demat mode will not be allowed under any folio of the Scheme. The above provisions in respect of deletion of names will not be applicable in case of death of Unit holder (in respect of joint holdings) as this is treated as transmission of Units and not transfer.

C. PERIODIC DISCLOSURES

Net Asset Value This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.	The AMC will calculate and disclose the first NAV of the Scheme within a period of 5 business days from the date of allotment. Subsequently, the NAV will be calculated on all business days. The NAV of the Scheme shall be published at least in two daily newspapers. The AMC shall update the NAVs on its website www.motilaloswal.com/Asset-Management and www.mostshares.com and also on AMFI website www.amfiindia.com before 9.00 p.m. on every business day. If the NAV is not available before the commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund
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	would be able to publish the NAV. Investors can also contact the office of the AMC to obtain the NAV of the Scheme.
Monthly Portfolio Disclosures	The Mutual Fund shall disclose the portfolio of the Scheme as on the last day of the month on AMC's website (www.mostshares.com and www.motilaloswal.com/Asset-Management) on or before the tenth day of the succeeding month. The Investors will be able to view and download this monthly portfolio from the AMC's website.
Half yearly Disclosures: Portfolio / Financial Results This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.	The Mutual Fund shall disclose the portfolio of the Scheme as on the last day of the month on AMC's website (www.mostshares.com and www.motilaloswal.com/Asset-Management) on or before the tenth day of the succeeding month. The Investors will be able to view and download this monthly portfolio from the AMC's website. The Mutual Fund shall publish a complete statement of the Scheme portfolio within one month from the close of each half year (i.e. 31st March and 30th September), by way of an advertisement at least, in one national English daily and one regional newspaper in the language of the region where the head office of the Mutual Fund is located. The Mutual Fund may opt to send the portfolio to all Unit holders in lieu of the advertisement (if applicable). The Portfolio Statement will also be displayed on the website of the AMC/Mutual Fund and AMFI. Further, the Mutual Fund shall within one month from the close of each half year, that is on 31st March and on 30th 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.
Annual Report	The Scheme wise Annual Report or an abridged summary thereof shall be mailed/e-mailed to all the Unitholders of the Scheme, not later than four months from the date of closure of relevant financial year i.e. March 31 each year. The scheme wise Annual Report or an abridged summary thereof shall be sent (i) by e-mail to the Unitholders whose e-mail address is available with the Fund and (ii) in physical copy to the Unitholders whose e-mail address is not available with the Fund and/or those Unitholders who have opted/requested for the same. Further, the annual report will be available for inspection at the registered office of the AMC and copy shall be made available on

	specific request. Also, the Scheme wise annual report and an abridged summary thereof shall be displayed on our website www.motilaloswal.com/Asset-Management and www.mostshares.com and AMFI's website www.amfiindia.com and the link of the same will be displayed prominently on the website of the Fund.
Associate Transactions	Please refer to Statement of Additional Information (SAI).
Taxation The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.	This Scheme is an Equity Linked Savings Scheme under which eligible Investors in the Scheme (who are "Assesse" as per the ELSS Rules) are entitled to deductions of the amount invested in Units of the Scheme to such extent (presently Rs. 1,50,000/-) under Section 80C of the Income Tax Act, 1961 and subject to such conditions as may be notified from time to time. For details on taxation, please refer to the clause on Taxation in the Scheme Additional Information (SAI).
Investor services	Mr. Sudhindra Desai Motilal Oswal Asset Management Co. Ltd. 10 th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400025 Tel No.: 1800-200-6626 Fax No. 02230896884 Email.: mfservice@motilaloswal.com Investors are advised to contact any of the ISC or the AMC by calling the toll free no. of the AMC at 1800-200-6626. Investors can also visit our website www.motilaloswal.com/Asset-Management and www.mostshares.com for complete details

D. COMPUTATION OF NAV

The Net Asset Value (NAV) per unit under the Scheme will be computed by dividing the net assets of the Scheme by the number of units outstanding on the valuation day. The Mutual Fund will value its investments according to the valuation norms, as specified in Schedule VIII of the SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time.

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

$$\text{NAV (Rs.)} = \text{Market or Fair Value of Scheme's investments} + \text{Receivables} + \text{Accrued Income} + \text{Other Assets} - \text{Accrued Expenses} - \text{Payables} - \text{Other Liabilities}$$

No. of Units outstanding under Scheme on the Valuation Day

The NAV will be calculated up to two 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.

IV. FEES AND EXPENSES

This section outlines the expenses that will be charged to the Scheme.

A. NEW FUND OFFER (NFO) EXPENSES

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

B. ANNUAL SCHEME RECURRING EXPENSES

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

The AMC has estimated that the following expenses will be charged to the Scheme, as permitted under Regulation 52 of SEBI (MF) Regulations. For the actual current expenses being charged, the investor should refer to the website of the Fund.

Particulars	% p.a. of daily Net Assets
Investment Management and Advisory Fees	Upto 2.50%
Trustee fee	
Audit fees	
Custodian fees	
Registrar & Transfer Agent Fees	
Marketing & Selling expense including agents' commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and dividend/ redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	

Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades respectively	
Service tax on expenses other than investment management and advisory fees	
Service tax on brokerage and transaction cost	
Other Expenses	
Maximum total expense ratio (TER) permissible under Regulation 52 (6)	Upto 2.50%
Additional expenses under regulation 52 (6A) (c)	Upto 0.20%
Additional expenses for gross new inflows from specified cities under Regulation 52 (6A)(b)	Upto 0.30%

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

The TER of the Direct Plan will be lower to the extent of the distribution expenses/commission which is charged in the Regular Plan.

The recurring expenses of the Scheme (excluding additional expenses under regulation 52(6A)(c) and additional distribution expenses for gross inflows from specified cities), as per SEBI Regulations are as follows:

- (i) On the first Rs. 100 crores of the daily net assets - 2.50%
- (ii) On the next Rs. 300 crores of the daily net assets - 2.25%
- (iii) On the next Rs. 300 crores of the daily net assets - 2.00%
- (iv) On the balance of the assets - 1.75%

In accordance with Regulation 52(6A), the following expenses can be charged in addition to the existing total recurring expenses charged under Regulation 52(6):

- a. brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 % in case of cash market transactions and 0.05 % in case of derivatives transactions;

Any payment towards brokerage and transaction costs, over and above the said 12 bps and 5 bps for cash market and derivatives transactions respectively, shall be charged to the Scheme within the total recurring expenses limit specified under Regulation 52 of SEBI Regulations. Any expenditure in excess of the said limit will be borne by the AMC/Trustees/Sponsors.

- b. additional expenses upto 30 basis points on daily net assets of the scheme, if the new inflows from such cities as specified by SEBI from time to time are at least: (a) 30% of

gross new inflows in the scheme or (b) 15% of the average assets under management (year to date) of the scheme, whichever is higher.

In case, the inflows from such cities is less than the higher of (a) or (b) above, such additional expenses on daily net assets of the scheme will be charged on a proportionate basis.

The expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities

The amount incurred as expenses on account of inflows from such cities so charged shall be credited back to the Scheme in case, the said inflows are redeemed within a period of 1 year from the date of investment.

Currently, SEBI has specified that the above additional expenses may be charged for inflows from beyond 'Top 15 cities.' The top 15 cities shall mean top 15 cities based on Association of Mutual Funds in India (AMFI) data on 'AUM by Geography – Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year.

- c. additional expenses not exceeding 0.20% of daily net assets of the scheme, towards investment & advisory fees and/or towards recurring expenses as specified under 52(2) and 52(4) of the Regulations.

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

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

The Direct Plan shall have a lower expense ratio to the extent of distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under the Direct Plan.

The AMC shall charge the investment management and advisory fees and the total recurring expenses of the Scheme in accordance with the limits prescribed from time to time under the SEBI Regulations. Expenses over and above the prescribed ceiling will be borne by the AMC / Trustee / Sponsor.

The current expense ratios will be updated on the Fund's website, www.mostshares.com within two working days mentioning the effective date of the change.

C. LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the Scheme. This exit load charged (net of service tax) will be credited back to the Scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC www.motilaloswal.com/Asset-Management and www.mostshares.com or may call at toll free no. 1800-200-6626 or your distributor.

Type of Load	Load chargeable (as %age of NAV)
Entry	NIL
Exit	NIL

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

The Redemption Price however, will not be lower than 93% of the NAV, and the Sale Price will not be higher than 107% of the NAV, provided that the difference between the Redemption Price and Sale price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time which is presently 7% calculated on the Sale Price.

Any imposition or enhancement in the load structure shall apply on a prospective basis and in no case the same would affect the existing investors adversely. Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load. No Load shall be imposed for switching between Options within the Scheme.

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

For any change in the load structure, the AMC would undertake the following steps:

1. The addendum detailing the changes will be attached to SID and Key Information Memorandum (KIM). The addendum will be circulated to all the distributors so that the same can be attached to all SID and KIM already in stock.
2. Arrangements shall be made to display the changes/modifications in the SID in the form of a notice in all Investor Service Centres and distributors/brokers offices.
3. The introduction of the exit load along with the details shall be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load.
4. A public notice may be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
5. The Fund shall display the addendum on its website (www.motilaloswal.com/Asset-Management and www.mostshares.com).
6. Any other measure that the Mutual Fund shall consider necessary.

D. Waiver of Load

Not Applicable

E. Transaction charges

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 (who have specifically opted-in to receive the transaction charges) as under :

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

However, there will be no transaction charge on:

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

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

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

V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

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

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

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

Not Applicable

2. In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to shareholders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.
 - a. During the period April 2011 to August 2014, the NSE has levied penalties/fines on Motilal Oswal Securities Ltd. (MOSL), aggregating to Rs 44823404/- on account of various reasons viz: non-submission of UCC details, delayed reporting of computer to computer link data, short collection of margins & violation of market wide position limit in F&O segment, observations made during the course of inspections.
 - b. During the period April 2011 to August 2014, the BSE has levied penalties/fines aggregating to Rs. 343705/-on account of various reasons viz: non-submission of UCC details, settlement of transactions through delivery versus payment, observations made during the course of inspections, etc.
 - c. During the period April 2011 to August 2014, the CDSL has levied penalties/fines aggregating to Rs. 279 on account of reasons viz: non-collection of proof of identity of clients, deviation in following of transmission procedure etc; whereas penalty of Rs. 30825 were levied by NSDL during the course of MOSL operations.
3. Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed.
 - a. SEBI had pursuant to its investigation in the Initial Public Offering (IPO) of Vaswani Industries Ltd. (VIL) had observed that there were large scale of bids withdrawals and cheques were not banked along with bids applications or cheques returned or payment were stopped in the RII and NII categories. SEBI, for the purpose of further analysis has shortlisted Motilal Oswal Securities Limited (“**MOSL**”) along with other sub-syndicate members and called upon to show cause as to why action should not be taken under Regulation 25 and 27 of SEBI (Intermediaries) Regulation, 2008.. The said Show Cause Notice has been issued alleging that MOSL have violated the provisions of Section 12 A (a), (b) and (c) of the Securities and Exchange Board of India Act, 1992, Regulation 3 (b) and (d), 4 (1), 4 (2) (a) and (b) of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 and Clause 6 (a) of Schedule XI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. MOSL has replied to

the above said show cause notice. **Awaiting for the communication from SEBI in the matter.**

- b. SEBI had pursuant to its investigations in the scrips Pyramid Samira Theatre Ltd. had restrained Mr. Shailesh Jayantilal Shah, Mr. Rajesh Jayantilal Shah and Ms. Ritaben Rohitkumar Shah from buying, selling or dealing in the securities market. SEBI had observed that MOSL and some other brokers have executed trades on behalf of above three clients after debarment order and SEBI through its notice has called upon to show cause as to why further action under SEBI (Intermediaries) Regulations, 2008 should not be taken against MOSL for alleged violation of the provisions of Regulation 27 (xv) and 27 (xvii) r/w Regulations 26 (xv) of the Broker Regulations and clauses A (1), A (2) and A (5) of the Code of Conduct for Brokers as specified in Schedule II under Regulation 7 of the Broker Regulations. MOSL has explained to SEBI the reasons for such occurrence and requested SEBI to drop further proceedings in the matter. **The order of SEBI is awaited in this regard.**
- c. SEBI pursuant to a complaint from client Shri C.R. Mohanraj alleging unauthorised trading, issued a letter dated 29th April 2014 to MOSL notifying appointment of an Adjudicating Officer as per SEBI regulations to hold inquiry and adjudge violation of SEBI Regulations and issued show cause as to why an inquiry should not be held against us in terms of Rule 4 of SEBI (Procedure for holding inquiry and imposing Penalties by Adjudicating Officer) Rules 1995 read with section 15-I of SEBI Act 1992 and why penalty should not be imposed on you under the provisions of section 15HB of the SEBI Act. The said Show Cause Notice has been issued alleging that MOSL have violated Regulation 18 and Clause A(1), A(2), A(4), A(5), B(4)(a), B(4)(b) and B(7) of the Code of Conduct for Stock Brokers as specified under Scheduled II read with Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 and SEBI circular No. SEBI/MIRSD/DPS-1/Cir-31/2004 dated August 26, 2004. MOSL has replied to the above said show cause notice and requested for an opportunity to undertake inspection of all documents and records relied upon by SEBI.
4. Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party should also be disclosed separately.

None

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

None

The Scheme under this Scheme Information Document was approved by the Trustees at their meeting held on October 17, 2014. The Trustees have ensured that the Scheme is a new product offered by Motilal Oswal Mutual Fund and is not a minor modification of its existing Scheme/Fund/Product.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

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

Sd/-

**Aashish P Somaiyaa
Chief Executive Officer**

**Place: Mumbai
Date: October 21, 2014**