

RETAIL RESEARCH
MOST Focused Midcap 30 Fund

Motilal Oswal Mutual Fund has launched a New Fund named 'MOST Focused Midcap 30 Fund', an open Ended growth scheme. The NFO opens for subscription on Feb 03, 2014, and closes on Feb 17, 2014. The target amount in NFO is Rs. 10 crore.

Investment objective: The investment objective of the Scheme is to achieve long term capital appreciation by investing in a maximum of 30 quality midcap 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.

Investment Pattern:

Instruments	Indicative Allocations (%of total assets)		Risk Profile
	Minimum	Maximum	
Equity and equity related instruments selected between Top 101st and 200th listed companies by market capitalization	65	100	High
Equity and equity related instruments beyond the Top 200th listed company and with market capitalization not lower than the smallest company in the CNX Midcap Index	0	25	High
Debt, Money Market Instruments, G-Sec, Bonds, Cash and cash equivalents, etc	0	10	Low

Investment Strategy:

The portfolio will essentially follow MOAMC's QGL philosophy – i.e. invest in Quality businesses with reasonable Growth potential and with sufficient Longevity of that growth potential.

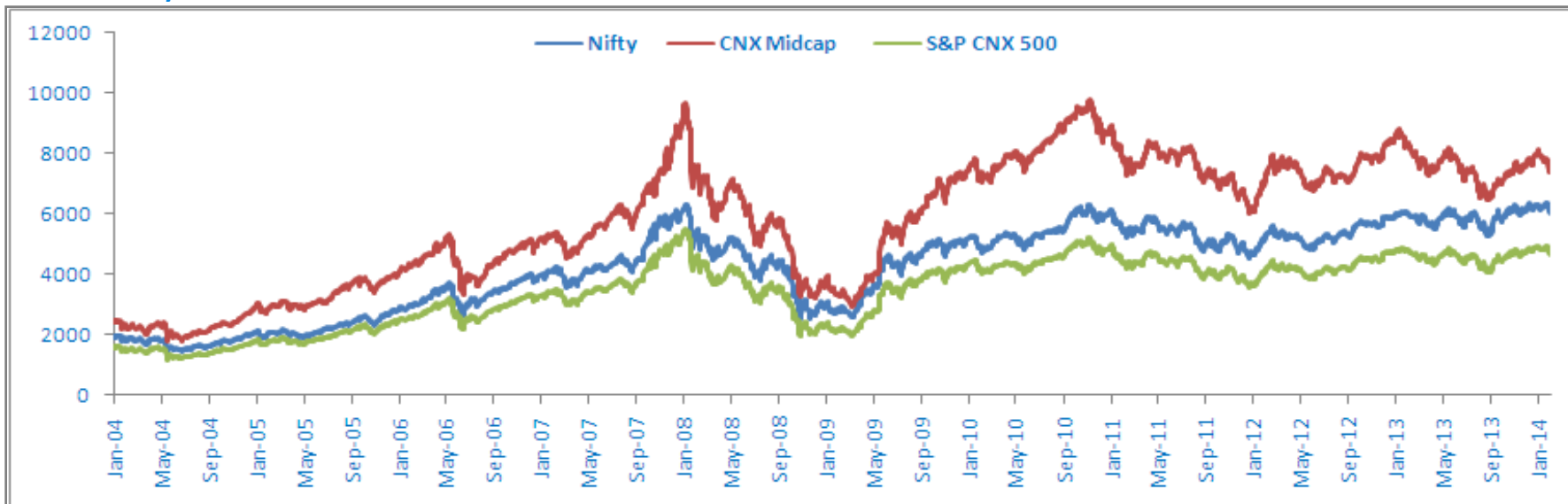
The scheme shall follow an active investment style and will seek to invest in midcap companies with a strong competitive position or economic moat, good business prospects, run by a competent management that will help them achieve good growth over the medium to long term and available at reasonable valuations.

The fund shall practice a focused, high-conviction portfolio strategy with a low-churn, buy and hold approach to investing. It will typically select companies from beyond the Top 100 listed entities on the Indian stock exchanges with market capitalization not lower than the smallest constituent of the scheme's benchmark, i.e. the CNX Midcap Index.

The long-term India growth story provides an excellent platform for small and mid-size businesses to unleash their growth potential and to emerge as large cap companies of the future. India has a plethora of mid-size listed companies and their number has only risen in recent years. We believe the midcap universe in India even today presents similar such investment opportunities from a medium to long term perspective. Besides, midcaps are typically found to be under-owned and under-researched and hence provide a large universe of exciting investment prospects. 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.

Risks: Investment in Mutual Fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.

Growth of key Benchmarks over a decade:



Performance of the Equity Diversified Mid-cap Category:

The schemes that included in Equity Diversified Mid-cap category have posted notable returns over the long runs. Given in the longer tenure, Mid-cap funds outperformed other equity oriented and other equity diversified categories such as Large cap and Multi cap categories with huge margin (see the chart above). Meanwhile, in the recent short term period, the midcap schemes posted small returns. They are best suited for high risk appetite investors for minimum time frame of 3 years or so. Investing through SIP is advisable at this period considering the high volatile nature in the equity market.

**Better Performing schemes from Equity Diversified Mid-cap category:**

Scheme Name	Launch Date	Latest Corpus (Rs Crs)	Expense Ratio(%)	6 Months Absolute	1 Year CAGR	3 Years CAGR	5 Years CAGR	Standard Deviation
SBI Emerging Businesses Fund (G)	Aug-04	1292	2.18	8.75	-10.61	12.97	31.61	0.78
HDFC Mid-Cap Opportunities Fund (G)	May-07	3049	2.47	22.21	7.28	10.69	27.82	0.84
ICICI Pru Discovery Fund (G)	Jul-04	3052	2.33	20.86	2.72	7.21	29.57	0.89
IDFC Premier Equity Fund (G)	Sep-05	3706	2.25	17.21	4.86	10.53	27.75	0.80
Average of Midcap Category			2.60	18.82	0.96	6.31	23.52	0.92
Nifty				5.70	0.05	2.78	16.60	
CNX Midcap				11.22	-10.75	-1.69	17.77	

NAV value as of 02 Feb 2014. Returns are point to point.

Fund Manager:

The scheme will be jointly managed by Mr. Taher Badshah and Mr. Abhiroop Mukherjee. Mr. Taher Badshah holds BE (Electronics) and MMS (Finance) from the University of Mumbai.. He has over 18 years of experience in the fund management and investment research. Mr. Taher Badshah is also fund manager of the Scheme, Motilal Oswal MOST Focused 25 Fund. Mr. Abhiroop Mukherjee holds B.Com (Honours), PGDM (Finance). Mr. Abhiroop Mukherjee has over 7 years of experience in the Fixed Income Securities trading and fund management. Mr. Abhiroop Mukherjee is fund manager of the Schemes, Motilal Oswal MOST 10 year Gilt Fund and Motilal Oswal MOST Ultra Shot Term Bond Fund.

Investment Details:

Particulars	MOST Focused Midcap 30 Fund
Type of Scheme	An open- ended Equity fund
Benchmark	CNX Midcap
Fund Managers	Mr. Taher Badshah and Mr. Abhiroop Mukherjee
Plans	Regular Plan and Direct Plan
Options for Investment	Growth Option & Dividend Option (with Payout and Re-investment facility)
Minimum Investment Amount	Rs. 5,000 and in multiples of Rs. 1 thereafter
Minimum Redemption / Repurchase Amount	Rs. 1,000 and in multiples of Re. 1/- thereafter or account balance, whichever is lower.
Exit Load	Exit Load: 2% if redeemed/switched-out on or before 1 year from date of allotment, Nil, if redeemed/switched-out after 1 year from the date of allotment.



Performance of the schemes managed by the AMC:

Scheme Name	Category	Launch Date	Latest Corpus (Rs Crs)	6 Months Absolute	1 Year CAGR	3 Years CAGR	Standard Deviation
Motilal Oswal MoSt Focused 25 Fund (G)	Equity Diversified	Apr-13	121.28	7.89			0.98
Motilal Oswal MOSt Shares M50 ETF	Equity ETFs	Jun-10	42.38	7.79	-4.34	0.13	1.29
Motilal Oswal MoSt Shares Midcap 100 ETF	Equity ETFs	Jan-11	35.51	11.92	-9.58	-0.56	1.12
Motilal Oswal MoSt Shares NASDAQ-100 ETF	Global ETFs	Mar-11	88.46	16.87	51.80		1.01
CNX Midcap				11.22	-10.75	-1.69	
Nasdaq (US)				13.17	30.61	14.96	
Nifty				5.70	0.05	2.78	

NAV value as of 02 Feb 2014. Returns are point to point.

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