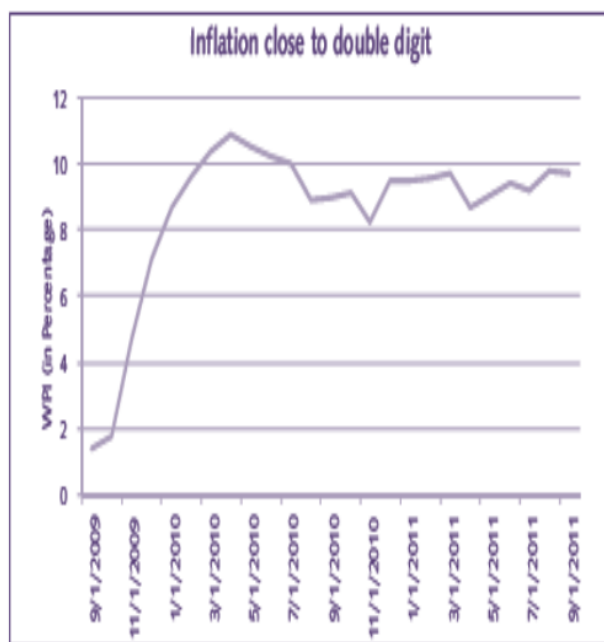
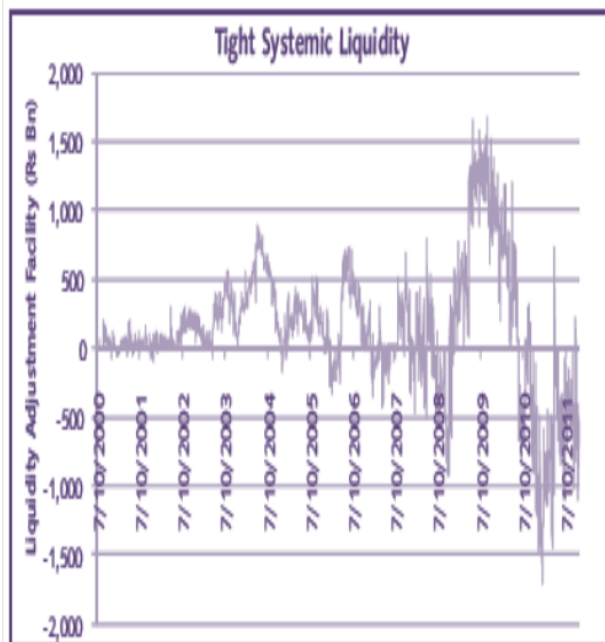
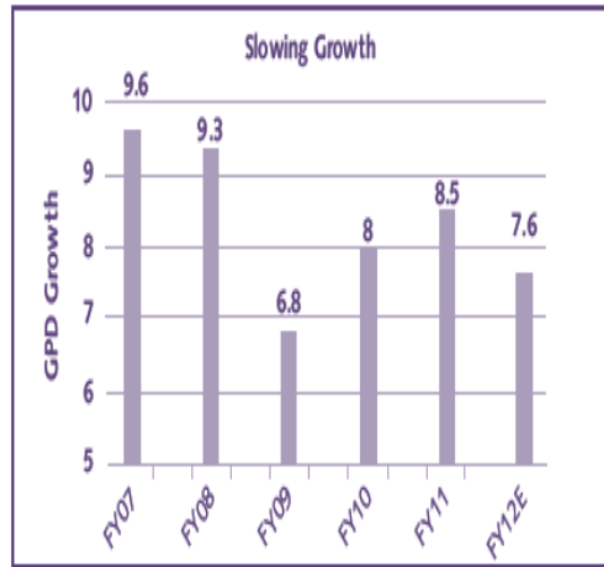
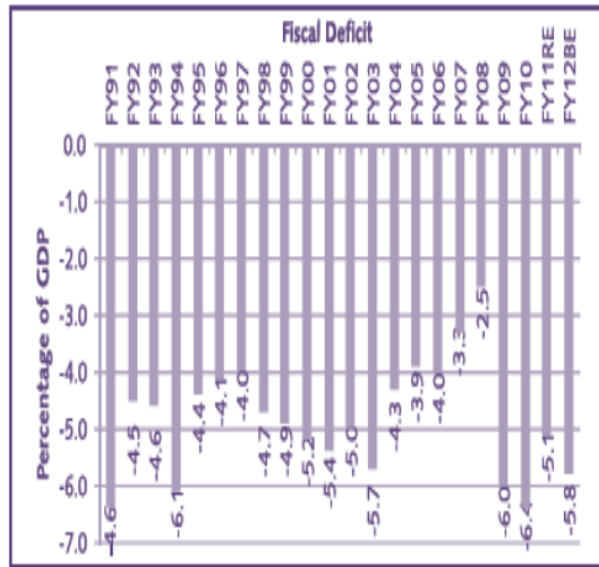


**Product Features**

| | |
|--|--|
| Type of the scheme | An Open Ended Gilt Scheme |
| Investment Objective | The primary investment objective of the Scheme is to generate credit risk-free returns by investing in a portfolio of securities issued by the Central Government and State Government. |
| Investment Pattern | The Motilal Oswal MOST 10 year Gilt Fund would primarily invest in 10 year Benchmark Government Security: 90%-100%; Other Government Securities (7 to 12 years), T-Bills, Cash Management Bills, CBLO & Repo: 0-10%. |
| Benchmark | 10 Year Benchmark GOI Dated Security and CRISIL Gilt Index. |
| Expense Ratio | 0.99% |
| Load Structure | Entry Load: Nil Exit Load: 0.50% for exit within 3 months |
| Plans & Options | The Scheme will have two plans. Growth and Dividend. The Dividend plan will have Dividend payout & Dividend Reinvestment options. |
| Minimum Application Amount | Rs.10,000 & in multiples of Re. 1 thereafter |
| Systematic Investment Plan (SIP) Facility | Minimum installment amount - Rs. 1,000 and Rs 2,000 respectively for Monthly and Quarterly frequency respectively and in multiples of Re 1 thereafter. |
| NFO Period | NFO Opens: 21st November, 2011 NFO Closes: 5th December, 2011 |
| Fund Manager | Mr. Abhiroop Mukherjee, B.com (H), MBA 4yrs Experience in Trading Fixed Income Securities viz. G-Sec, T-bills, Corporate Bonds CP, CD etc. Earlier worked with PNB GILTS LTD. as WDM dealer for 2007-2011 |



Interest rates have increased significantly in recent months.....



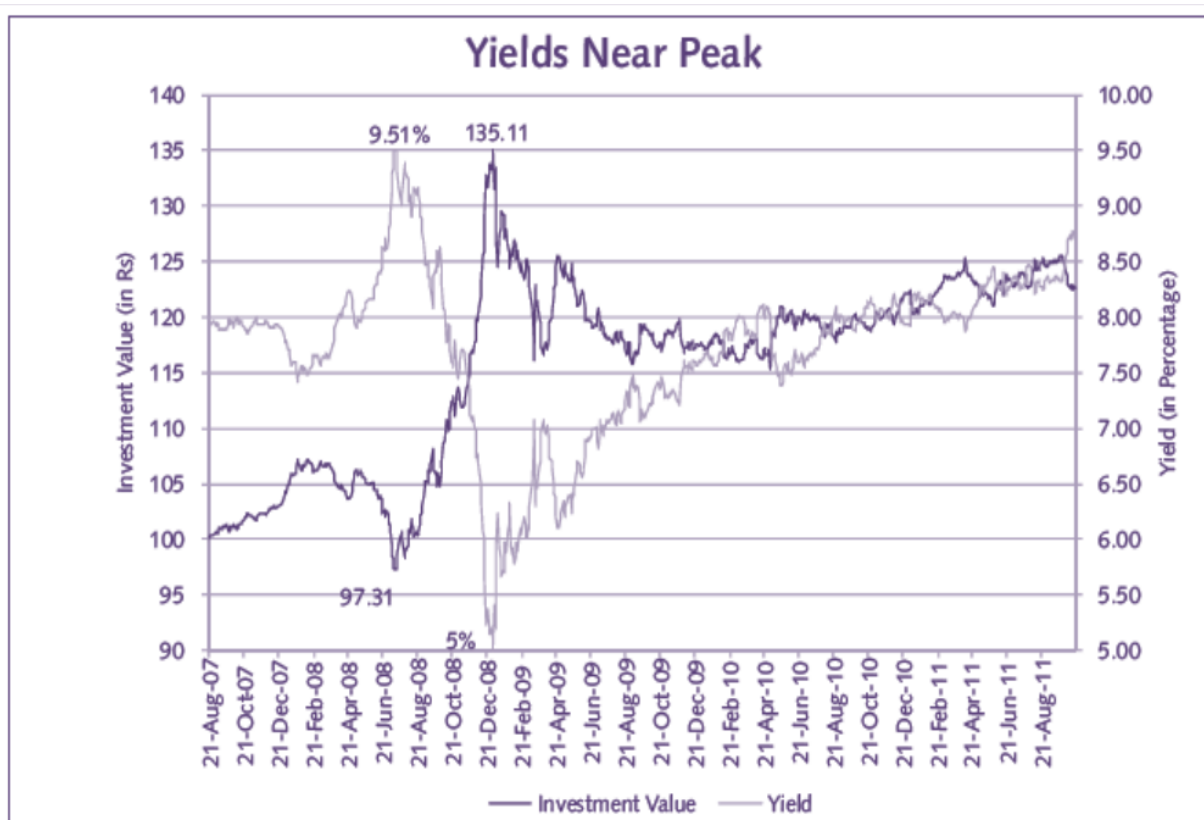


Interest Rate Outlook.....

Interest rates expected to decline

- Systemic liquidity expected to improve as capital investments are decelerating and high interest rates are leading to strong deposit growth.
- Inflation momentum turning negative & expected to ease.

Interest Rates (Yields) Nearing Peak



The above charts show that there is inverse relation between Investment Value & Yields i.e. when yields are high, investment value is low & as yields start to fall investment value rises. Currently, the yields are hovering around 8.75% – 9.00% which are near the peak & are expected to fall going forward which will in turn increase the investment value from current levels.



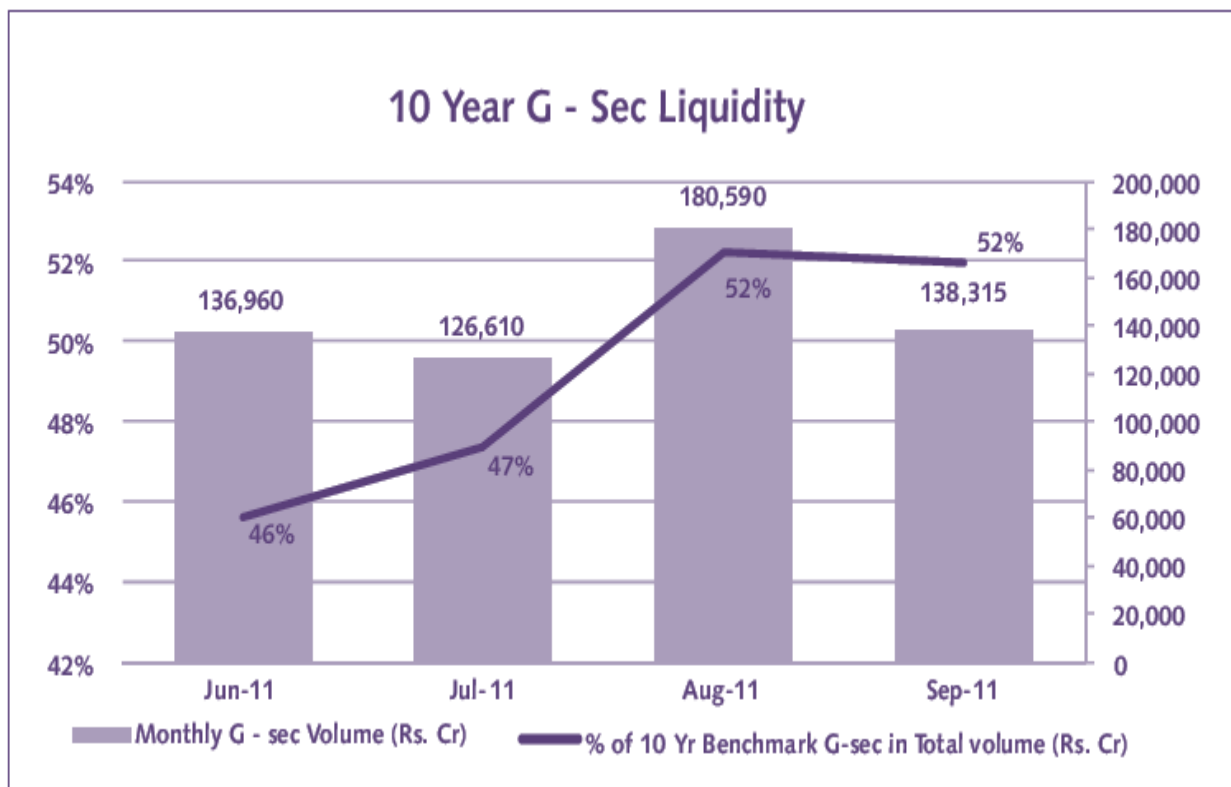
Case for Investment 10 Year G-Sec.....

Interest rates nearing its 9 year peak

- Provides an opportunity to play the interest rate cycle.
- Long duration bonds are a good way to play it.

Government securities (G-Sec)

- Provides access to liquid and Credit-Risk free investment
- Low risk premium - sovereign guarantee
- Low illiquidity premium – G-Secs are most liquid part of bond market



Total Outstanding Government of India Securities Rs.2,387,333.47 Cr



Risks.....

- Interest Rate & bond price have inverse relationship ie if interest rate moves up, bond price depreciates & vice versa impacting the returns
- Adverse interest movements can lead to erosion of capital

Tax Implications.....

- Similar to any other Debt Fund .The dividends would be tax free in the hands of investors.
- Units held for a period of 1 Year & above are eligible for indexation benefits



Why invest in MOST 10 Year Gilt Fund.....

- The Motilal Oswal MOST 10 Year Gilt Fund would primarily invest in Government bonds:

| Security | Investment | Risk |
|---|------------|--------------|
| 10 Year Benchmark G-Sec | 90% - 100% | Low |
| Other Government Securities (7 to 12 years), T-Bills, Cash Management Bills, CBLO & Repo | 0 – 10% | Medium - Low |

- Access to 10 Year Benchmark G-Sec
- Purest play on the interest rate cycle
- No active duration management
- 10 year Benchmark G-Sec is the highly liquid segment of the Bond market
- Credit risk free returns
- Indexation benefit
- Different from other Gilt funds

| MOST 10 Year Gilt Fund | Other Gilt Funds |
|---|---|
| Replicates the characteristics of the 10 Year Benchmark G-Sec | Invests in basket of securities with varying maturities |
| Invests pre dominantly in the 10 Year Benchmark Government security | No certainty in the investment duration |
| Purest play on the interest rate cycle | Not necessarily purest play on interest rate cycle due to investments in varying maturities |
| No fund manager risk as no active duration management | Active duration calls being taken leading to fund manager risk |
| Most liquid segment of the market | Also invests in relatively lesser liquid instruments |



Advantage of SIP over one time investment.....

An investor who is not having a lump-sum amount to invest and also does not want to take much risk on his investment should always select a 'Systematic Investment Plan' option. This will enable him to invest regularly i.e. improve investing discipline. Also, the investor stands to benefit from rupee cost averaging. The advantage of rupee cost averaging is that the Net asset value (NAV) is averaged out, as the investor will be entering the fund at different NAVs, which may be higher or lower depending on the market condition.

Let us take the example of 'Mr. A' wherein he has started investing in units every month since he issued the first cheque on 5th Dec 2011.

Investment in fund 'X' of Mr. A

| Period | Investment (Rs.) | NAV (Rs./unit) | Units allocated |
|--------------|--------------------|----------------|----------------------|
| 5 Dec,11 | 10,00,000 | 10.00 | 1,00,000 |
| 5 Jan,12 | 10,00,000 | 9.00 | 1,11,111.11 |
| 5 Feb,12 | 10,00,000 | 10.2 | 98,039.21 |
| Total | C=30,00,000 | | d=3,09,150.32 |

- Actual average NAV = Rs 9.73 per unit
- NAV for Mr. A= Rs.9.70per unit (c/d)

The above table shows clearly how rupee cost averaging works and how it was beneficial to 'Mr. A'. The actual average NAV of a fund is Rs 9.73 per unit, but the average NAV for 'Mr. A' is Rs.9.70 per unit, which is lower than the current NAV.

We advise investors with 12 – 24 mths horizon to “SUBSCRIBE” to the new fund offer of Motilal Oswal MOST 10 Year Gilt Fund in SIP format.



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