

Lead with **Momentum** that Adapts

Introducing

Motilal Oswal Active Momentum Fund

Adaptive

Monthly Portfolio Rebalancing

Agile

Portfolio of Momentum stocks

Alpha

Aims to Outperform its Benchmark



NFO

Opens: 24th Feb 2025

Closes: 10th Mar 2025



What is it

Momentum investing refers to the strategy of investing in stocks that have shown strong past performance, with the expectation that they may continue to perform well in the short term.



Price is Paramount

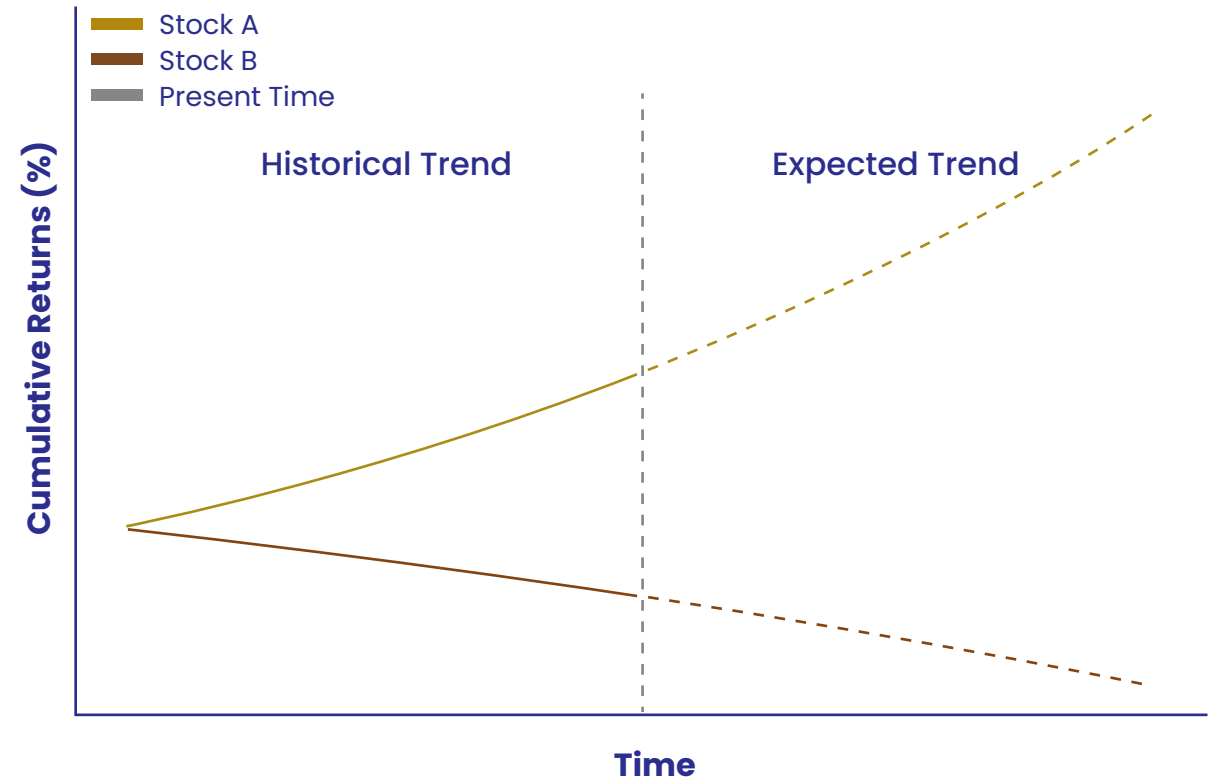
For momentum, price is everything. Stock performance forms the underlying basis for entry/exit.



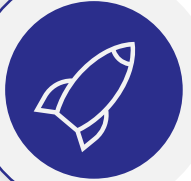
How you may have experienced it?

Preference for movies by directors with recent success.

Momentum Effect: Past Winners Keep Winning



How Does Momentum Work?



Market Persistence

Trends persists as investors gradually act on information, potentially influencing price movements



Human Biases

Human biases, such as herd behavior, can influence investors to follow trends, which may amplify price movements. This can contribute to both upward and downward momentum.



Feedback Loop

Rising prices attracts inflows and further reinforces momentum. Similarly negative momentum causes outflow.

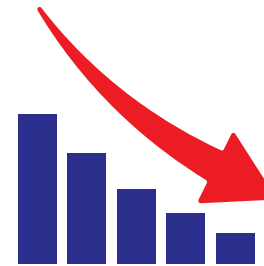
Momentum Mechanism



Buy when market trends upwards

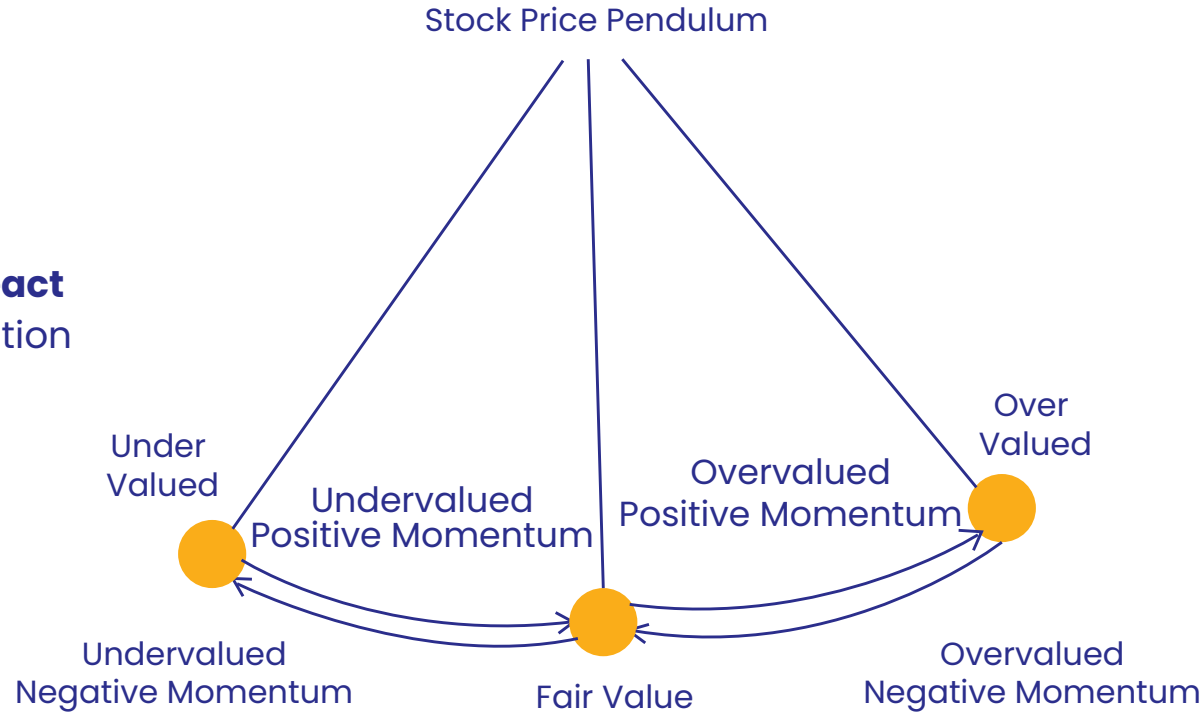


Trend solidifies



Sell when market trends downwards

Investors generally **over-react** or **under-react** to information

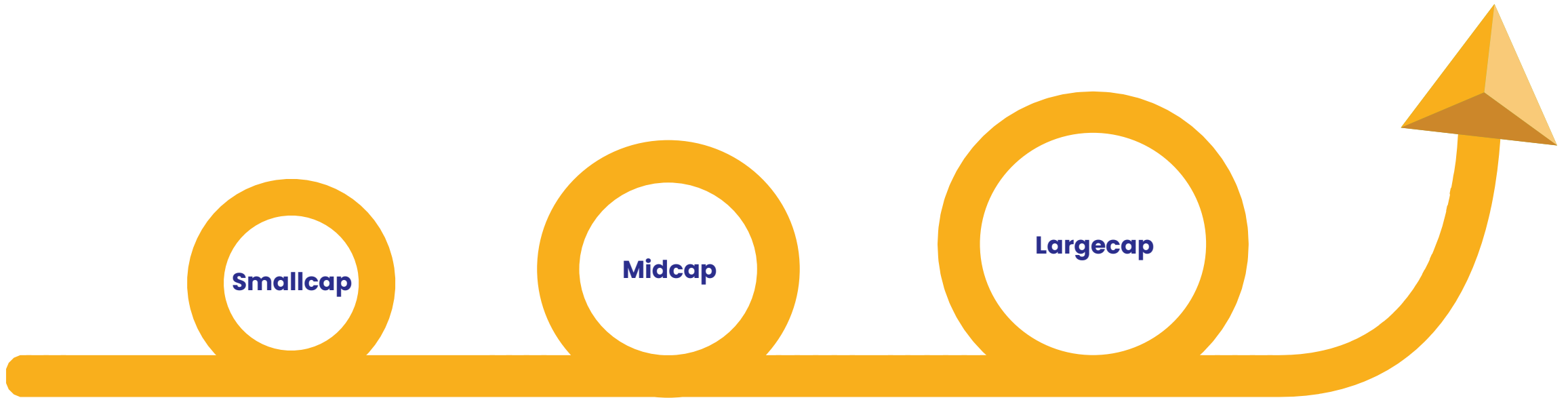


Majority of the investors exhibit **irrational behavior**

“There is substantial evidence that indicates that stocks that perform the best (worst) over a three to 12 month period tend to continue to perform well (poorly) over the subsequent three to 12 months.”

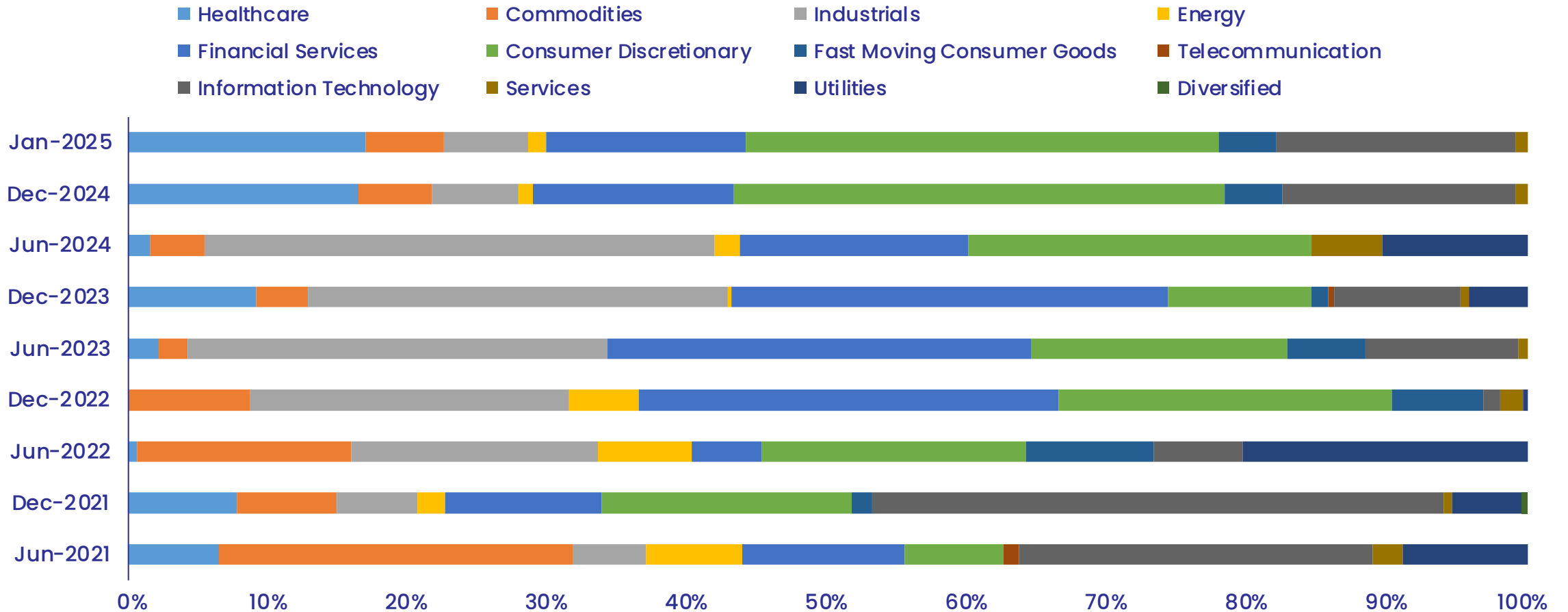
– **Narasimhan Jegadeesh and Sheridan Titman (Fathers of Momentum Investing)**

Offers exposure to stocks that in highest momentum across Large, Mid and Small Cap. Dynamically adjusting across market caps to capture highest trending stock opportunities.



Momentum adapts quickly to market trends

Nifty 500 Momentum 50 Index can catch market trends early with dynamic sector rotation because of momentum methodology



Source/Disclaimer: niftyindices. Performance as of close of 01-Apr-05 to 31-Jan-25. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy.

The sector mentioned herein are for general assessment purpose only and not a complete disclosure of every material fact. It should not be construed as investment advice to any party. Factor-based investing involves risks specific to each factor and may lead to underperformance in certain market conditions. There can be no assurance that the objectives of the investment strategy or the factors discussed will be achieved. Past performance may or may not be sustained in future. Investors should consult with their financial advisor before making any investment decisions.

Value of ₹1,00,000 invested on 1st April, 2005

15X

(14.5%) CAGR

14,54,040

Nifty 50

Since April 2005, Nifty 50 has grown by 15 times

60X

(22.9%) CAGR

59,94,700

Nifty 500 Momentum 50

Since April 2005, momentum index has grown by 71 times

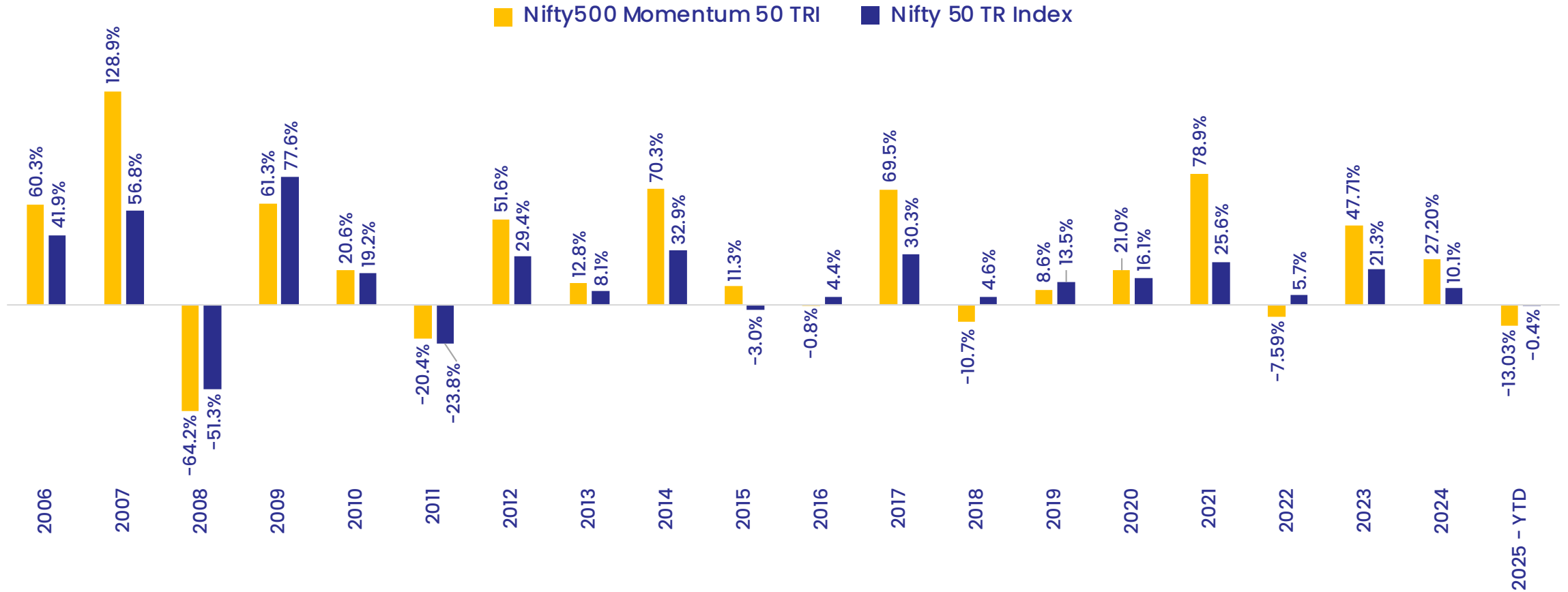
**Motilal Oswal
Active
Momentum**

Aims to beat
Nifty 500 Momentum 50
Benchmark and Index

Calendar Year Returns of Momentum Index

“Nifty 500 Momentum 50” has outperformed “Nifty 50” in 13 out of last 19 years

Calendar Year Returns



Source/Disclaimer: niftyindices. Performance as of close of 31-Dec-06 to 31-Jan-25. *2025 till year to date. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above graph is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy.

The performance is based on historical data and may vary in the future depending on market conditions and economic factors.

Risk and Return of two popular Momentum Indices

	Data Label	Nifty200 Momentum 30 TRI	Nifty 500 Momentum 50 TRI	Nifty 50 TRI
Annualized Returns	1 year	2.9%	-0.6%	9.6%
	3 year	15.2%	16.9%	12.0%
	5 year	21.3%	26.0%	15.8%
	10 year	17.8%	18.6%	11.7%
	15 year	19.2%	21.1%	12.4%
Annualized Volatility	1 year	22.9%	26.3%	13.8%
	3 year	19.6%	21.4%	13.9%
	5 year	22.1%	23.0%	19.0%
	10 year	19.5%	20.6%	16.5%
	15 year	18.4%	19.1%	16.6%

Source/Disclaimer: niftyindices. Performance as of close of 01-Apr-05 to 31-Jan-25. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above chart is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy.

The performance is based on historical data and may vary in the future depending on market conditions and economic factors.

Motilal Oswal Active Momentum Model seeks to add alpha over Momentum Index and Market Benchmark (NSE 500) by deploying a proprietary momentum strategy based on the interpretation of our famous QGLP (Quality, Growth, Longevity & Price) framework

- A. Monthly rebalancing:** ensures the portfolio adapts swiftly to changing market and business cycles.
- B. Momentum-driven stock selection:** The model scores all stocks in the universe monthly, tilting the portfolio toward those exhibiting the highest momentum to stay aligned with evolving market conditions.
- C. Governance Filtering:** We apply governance and fundamental screening to exclude unfavourable stocks from the momentum universe.
- D. Enhanced risk-adjusted returns:** By removing under-performing stocks from the momentum selection process, we improve portfolio quality and mitigate downside risk.



Momentum Scoring: Portfolio constructed using stocks with high momentum.



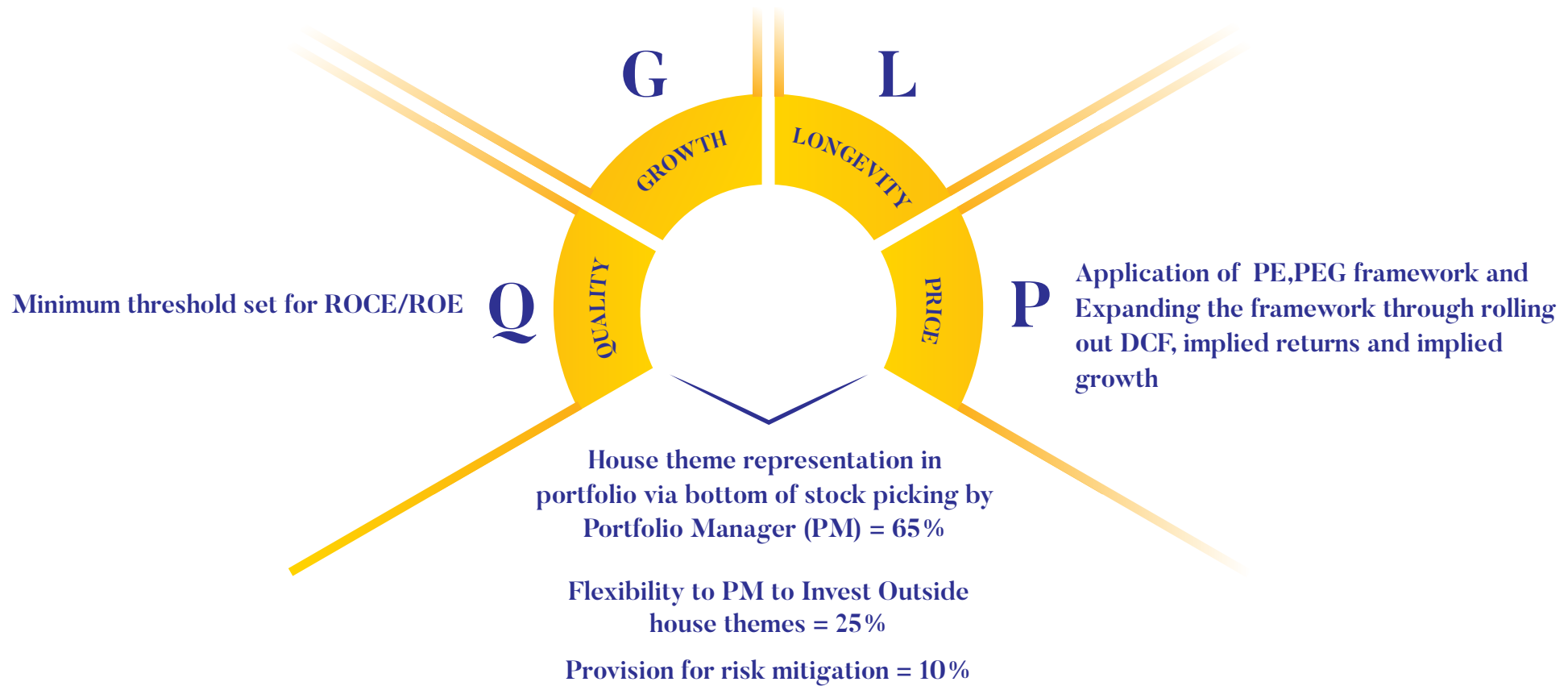
Comprehensive Filtering: We apply a fundamental screen on the momentum universe.



Frequent Assessment: Assesses momentum on a monthly basis.

Disciplined investing following “QGLP” investment process

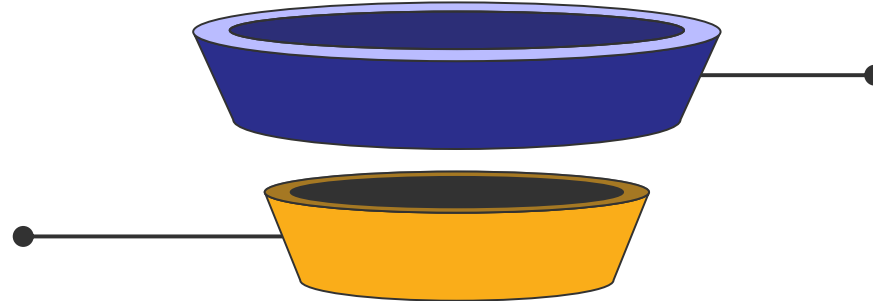
Ensuring Longevity of Growth by investing in sustainable themes identified by the Investment team collectively



Investment Universe
The starting investment universe includes the Top 500 stocks by market cap.



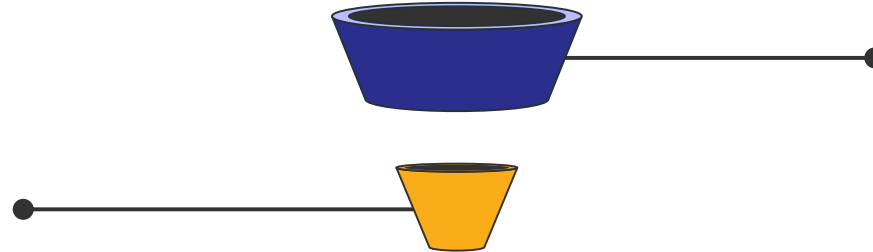
Screening Criteria
Select stocks with high momentum scores. Exclude stocks with unfavourable fundamentals.



Scoring Criteria
Momentum is computed across multiple timeframes as part of the investment strategy.

Portfolio Selection
Top ~30 stocks are equal weighted.

Rebalance
Portfolio rebalanced monthly.



Name of Scheme	Motilal Oswal Active Momentum Fund
Type	An open-ended equity scheme following momentum factor theme
Category of Scheme	Thematic fund
Entry/ Exit Load	<p>Exit:</p> <p>1%-If redeemed within 3 months from the day of allotment.</p> <p>Nil-If redeemed after 3 months from the date of allotment.</p> <p>Exit Load will be applicable on switch-options amongst the Schemes of Motilal Oswal Mutual Fund. No Load shall be imposed for switching between Options within the Scheme. Further, it is clarified that there will be no exit load charged on a switch-out from Regular to Direct plan within the same scheme.</p>
Plans	Regular Plan & Direct Plan
Options (Under each plan)	IDCW Option & Growth Option
Minimum Application Amount	Rs. 500/- and in multiples of Re. 1/- thereafter
Minimum Redemption Amount	Rs. 500/- and in multiples of Re. 1/- thereafter or account balance, whichever is lower.

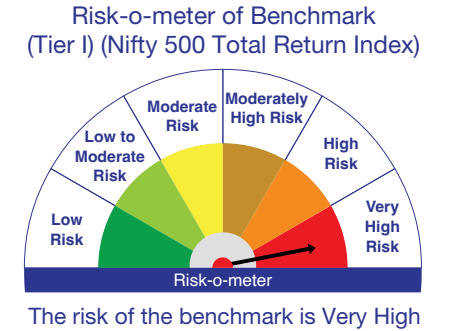
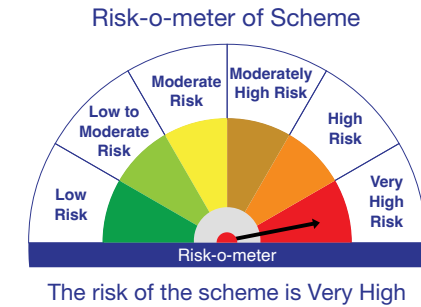
Name of the scheme:

Motilal Oswal Active Momentum Fund (An open-ended equity scheme following momentum factor theme)

This product is suitable for investors who are seeking*

- Capital appreciation over long term
- Investing predominantly in equity or equity related instrument that exhibit momentum characteristics

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



Product labelling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

Benchmark NIFTY 500 Index disclaimer: The “Product” offered by “the issuer” is not sponsored, endorsed, sold or promoted by NSE Indices Limited (formerly known as India Index Services & Products Limited (IISL)). NSE Indices Limited does not make any representation or warranty, express or implied (including warranties of merchantability or fitness for a particular purpose or use) and disclaims all liability to the owners of “the Product” or any member of the public regarding the advisability of investing in securities generally or in the “the Product” linked to NIFTY 500 Index or particularly in the ability of the NIFTY 500 Index to track general stock market performance in India.

The views, facts and figures in this document are as of 31st January 2025, unless stated otherwise, and could change without any notice.

The sectors mentioned herein do not constitute any recommendation and the scheme may or may not have any future position in these sectors. The information in this document alone is not sufficient and should not be used for the development or implementation of an investment strategy. Neither the Sponsors/the AMC/ the Trustee Company/ their associates/ any person connected with it, accepts any liability arising from the use of this information. While utmost care has been exercised while preparing this document, the Sponsors/ the AMC/ the Trustee Company/ their associates/ any person connected with it, do not warrant the completeness or accuracy of the information and disclaim all liabilities, losses and damages arising out of the use of this information. The recipients of this material should rely on their investigations and take their own professional advice.

Statutory Details of the fund:

Investing in the Scheme involves risks, including but not limited to market risk, business risk, liquidity risk, and risks associated with momentum trading. The Scheme follows a thematic approach, which may lead to higher volatility and concentrated exposure within certain sectors or themes. Momentum strategies may result in early entry, late exit, or missed trends, potentially affecting performance. Frequent portfolio rebalancing may lead to significant losses in volatile market conditions. The Scheme carries risks related to market volatility, momentum trading, and thematic concentration, which may result in higher volatility and potential losses. There is no guarantee that the Scheme will achieve its investment objective. Investors should carefully consider these risks before investing.

Please refer the Scheme Information Document for complete details about the scheme. Copy of all Scheme related documents along with the application form can be obtained from any of our AMC offices / Customer Service Centres/ distributors as well as from our website <https://www.motilaloswalmf.com/>.

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on our current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. The Scheme involves risks like market, business, liquidity, and momentum trading risks. Thematic exposure may cause higher volatility and losses, with frequent rebalancing in volatile markets. There is no guarantee the Scheme will achieve its objective, and investors should consider these risks before investing. Readers shall be fully responsible / liable for any decision taken on the basis of this material. Adaptive portfolio rebalancing is a strategy that helps to maintain desired investment mix over time, as per scheme objectives.

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



Thank You