ACE | ADVICE ON COMBINATION OF EQUITIES

EQUITY EXPERTS FOR OVER 30 YEARS

MOTILAL OSWAL
Investment Services

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INTELLIGENT ADVISORY PORTFOLIOS

What are Intelligent Advisory Portfolios

A diverse range of pre-packaged equity portfolios ideal for both traders and investors who want to participate in the markets but do not have enough time to manage their portfolios.

Why invest in Intelligent Advisory Portfolios

- **Robo** managed investment process
- **Flexible investment** modes of Lump Sum and SIP
- **Customized** portfolio for every investor/trader
- **Real time** portfolio re-balancing
- **Power of discretion** on every recommendation
- **No lock-in** period
- **24 x 7 tracking** of portfolio.

What makes Intelligent Advisory Portfolios different from other investment products?

Criteria	Intelligent Advisory Portfolios	MF	PMS
Portfolio management	Artificial Intelligence to manage products	Manually managed	Manually managed
Approach	Process driven approach	Fund Manager discretion	Fund Manager discretion
Execution	Advisory Recommendations. Execution only after client confirmation	Execution without client confirmation	Execution without client confirmation

**Intelligent Advisory Portfolios are non-PMS products and provide only advisory recommendations. Further, investor has the choice whether to execute or not the rendered advice under these portfolios*

Explore our diverse range of Intelligent Advisory Portfolios.

Product Comparison

	FundTech	Small Cap	Large Cap	Industry Champ	Midcap & Smallcap	SmarT
Risk Appetite	Moderate	High	Moderate to Low	Moderate	High	Moderate to High
Suitable for	Investors & Positional Traders	Investors	Investors	Investors	Investors	Positional Traders
Ideal Horizon	3-5 years	3-5 years	3-5 years	3-5 years	3-5 years	1 year

FundTech

What is FundTech Portfolio?

An intelligent portfolio with a combination of fundamental and technical parameters which is suitable for investors who want to invest in companies with positive financial trend subject to thresholds of Quality and Valuation.

Why invest in FundTech Portfolio?

- Portfolio is kept **well diversified** between Large, Mid and Small Cap stocks
- Shortlisting based on multiple **technical and fundamental** criteria such as financial results and price movement
- **Continuous tracking** to replace non-performing stocks

Stock Selection Criteria

- Portfolio comprising of 10 to 20 stocks depending on investment amount
- Screening of stocks based on quality & valuation forecasts with an upward financial trend
- Maximum exposure of 40% in any sector & 10% in a single stock
- Exclusion of stocks in bearish zone as per technical parameters like RSI, Bollinger band, etc.

Rebalancing Criteria

- Continuous re-evaluation of portfolio incase of adverse change only in the stock selection criteria
- Corporate governance issue in the company
- Underperformance against benchmark BSE 500 of over 20%

Who should invest in FundTech Portfolio?

Investors and positional traders with moderate risk appetite and investment horizon of minimum 3-5 years.

FundTech Portfolio back tested period (October 2012 to October 2018)

FundTech Portfolio

Investment Year	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years
Oct-12	25.9%	49.8%	50.5%	49.9%	46.7%	32.9%
Oct-13	78.2%	64.6%	58.9%	52.5%	34.3%	
Oct-14	52.0%	50.1%	44.7%	25.2%		
Oct-15	48.2%	41.2%	17.3%			
Oct-16	34.6%	4.4%				
Oct-17	-19.0%					

BSE 500 Performance

Investment Year	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years
Oct-12	7.6%	22.0%	14.4%	13.7%	15.3%	11.5%
Oct-13	38.4%	18.1%	15.8%	17.3%	12.3%	
Oct-14	0.7%	5.9%	11.0%	6.5%		
Oct-15	11.3%	16.5%	8.5%			
Oct-16	21.9%	7.2%				
Oct-17	-5.8%					

Performance in the above image is just an illustration on the basis of back tested performance. Back tested performance is not a guarantee to future LIVE performance. Please read the terms & conditions before subscribing to the product

Small Cap

What is Small Cap Portfolio?

A systematic delivery based equity portfolio that consists of small cap stocks which have potential for high earnings growth.

Why invest in Small Cap Portfolio?

- Highly **liquid portfolio** with **optimistic earnings** upgrade
- Stocks selected by evaluating aspects like **profitability, volatility & valuation**
- Only **dividend paying** stocks are selected in the portfolio

Stock Selection Criteria

- Only stocks ranked between Top 251 to 700 companies by market capitalization listed on NSE with recent earnings upgrade are selected
- Highly pledged promoter holding stocks are filtered out
- 360 degree selection criteria to check profitability through return on equity, valuation through PE, dividend yield and leverage by analysing debt to equity ratio
- Use of intelligent filters to select liquid stocks

Rebalancing Criteria

- Quarterly rebalancing in-line with stock selection criteria
- Corporate governance issues in the company

Who should invest in Small Cap Portfolio?

Investors with a high risk appetite and an investment horizon of minimum 3-5 years.

Small Cap Portfolio back tested period (2014 to 2019)

	Small Cap Portfolio				
Investment Year	**1 Year**	**2 Years**	**3 Years**	**4 Years**	**5 Years**
2014	87.89%	44.17%	33.86%	30.36%	24.29%
2015	15.72%	16.31%	17.83%	14.09%	
2016	16.91%	18.90%	13.55%		
2017	20.94%	11.90%			
2018	3.54%				

	Nifty Small Cap 100				
Investment Year	**1 Year**	**2 Years**	**3 Years**	**4 Years**	**5 Years**
2014	77.84%	34.88%	22.28%	30.59%	15.09%
2015	7.21%	4.70%	19.90%	5.16%	
2016	2.25%	26.78%	4.48%		
2017	57.30%	5.62%			
2018	-29.08%				

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Large Cap

What is Large Cap Portfolio?

A long-term equity portfolio that consists of large cap stocks with an objective to generate steady returns over a period of time (minimum 3 years).

Why invest in Large Cap Portfolio?

- Stocks selected with **unique filters** to reduce risk
- Liquid and stable stocks aligned with a **consistent investment strategy**
- Allocation of your money among different stocks is done using a **quantitative model** to provide **maximum diversification.**

Stock Selection Criteria

- Only liquid stocks from Top 150 companies by market capitalization listed on NSE are selected.
- Use of liquidity and volatility filters to select stocks
- Exclusion of stocks with low liquidity and pledged promoter holdings

Rebalancing Criteria

- Quarterly rebalancing in-line with stock selection criteria.
- Corporate governance issues in the company

Who should invest in Large Cap Portfolio?

Investors with a moderate-to-low risk appetite and an investment horizon of minimum 3-5 years.

Large Cap Portfolio back tested period (2014 to 2019)

	Large Cap Portfolio				
Investment Year	1 Year	2 Years	3 Years	4 Years	5 Years
2014	46.09%	31.09%	18.74%	20.70%	18.24%
2015	17.62%	7.06%	13.26%	12.16%	
2016	-2.53%	11.15%	10.39%		
2017	26.79%	17.50%			
2018	8.89%				

	Nifty 50				
Investment Year	1 Year	2 Years	3 Years	4 Years	5 Years
2014	31.39%	12.27%	9.09%	13.68%	11.49%
2015	-4.06%	-0.59%	8.33%	7.01%	
2016	3.00%	15.10%	10.97%		
2017	28.65%	15.20%			
2018	3.15%				

Industry Champ

What is Industry Champ portfolio?

A theme based intelligent portfolio which identifies leaders of their respective industry and show growth in value characteristics with expected high return ratio.

Why invest in Industry Champ Portfolio?

- Portfolio built with **Fundamental bottom up research** with convenience of model fund investing
- **Uniquely designed** risk management framework to ensure superior risk adjusted returns
- **Consistent application of growth** in value philosophy ensuring consistent out-performance

Stock Selection Criteria

The stock selection is based on Bottom up Fundamental research.

- **Quality:** Companies with improving return ratios
- **Growth:** Companies with above average growth than peers
- **Valuation:** Margin of safety for out-performance in 2-3 years
- **No of stocks in the portfolio:** 15-25 stocks
- **Maximum allocation in a stock:** +7% of its weight in benchmark.
- **Market Cap Allocation**
  - Large Cap: Max 70% and Min 30%
  - Mid Cap: Max 70% and Min 30%
  - Small Cap: Max 15% and Min 0%

Rebalancing Criteria

Strictly based on fundamentals

Who should invest in Industry Champ Portfolio?

Investors with moderate risk appetite with an investment horizon of minimum 3-5 years.

Industry Champ Portfolio back tested performance

	Industry Champ Portfolio					
Benchmark	6 Months	1 Year	3 Years	5 Years	5 Years CAGR	Since Inception (last 10 years)
Industry Champ	9%	8%	23%	86%	13%	407%
Nifty Large Mid 250	6%	4%	20%	35%	6%	151%

Performance in the above image is just an illustration on the basis of back tested performance. Please read the terms & conditions before subscribing to the product.

Midcap & Smallcap

What is Midcap & Smallcap Portfolio?

An intelligent equity portfolio with active investing across capitalization spread of investment universe by identifying companies with improving fundamentals.

Why invest in Midcap & Smallcap Portfolio?

Portfolio built with **Fundamental bottom up research Information** mining, financial modelling, building investment thesis, active & rigorous tracking for changes in earnings & quality outlook

Stocks selected by evaluating aspects like **quality, growth and valuation**

Uniquely designed risk management framework to ensure superior risk adjusted returns

Stock Selection Criteria

The stock selection is based on Bottom up Fundamental research. Companies where the return ratios are growing or are sustainably higher are preferred. Also, the company should fit into the model's deductive reasoning framework.

- **No of stocks in the portfolio:** 20-30 stocks
- **Maximum allocation in a sector:** +/(-) 12% of Index weight
- **Maximum allocation in a stock:** Maximum Weight on any stock will be +7% of its weight in the benchmark
- **Market Cap Allocation**
  - Mid Cap: Max 80% and Min 50%
  - Small Cap: Max 50% and Min 20%
- **Liquidity Criteria:**

  90% of the portfolio is into stocks with more than ₹1Cr average daily turnover of NSE & BSE combined

Rebalancing Criteria

Strictly based on fundamentals

Who should invest in Midcap & Smallcap Portfolio?

Investors with high risk appetite with an investment horizon of minimum 3-5 years.

Midcap & Smallcap Portfolio back tested performance

Midcap & Smallcap Portfolio

Performance	6 Months	1 Year	3 Years	5 Years	5 Years CAGR	Since Inception (last 10 years)
Midcap & Smallcap	15%	11%	10%	94%	14%	502%
Nifty Mid Small Cap 400	9%	3%	7%	32%	6%	148%
Nifty Small Cap 100	4%	-4%	-15%	0%	0%	67%

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SmarT

What is SmarT Portfolio?

An equity portfolio with the objective to generate returns from trading opportunities in fundamentally strong stocks through the support of technical trends.

Why invest in SmarT Portfolio?

- Opportunity to generate returns from **momentum based ideas**
- **Disciplined trading approach** with specified time horizon, stop loss & target price
- **Maximum 3 ideas** open at any given point of time

Stock Selection Criteria

- Short term momentum based trades in good quality stocks
- Use of technical indicators to identify momentum based ideas

Stock Exit Criteria

- Stop Loss: 2% to 3% stop loss with feature of trailing stop loss
- Target Achieved: Stock gains between 4% to 6% and minimum 3%
- Time Lapse: Holding period of 2 weeks or 10 trading days, whichever is earlier

Who should invest in SmarT Portfolio

Positional traders with investible surplus of ₹ 3 lakhs with moderate to high risk appetite & investment horizon of 1 year.

Terms of the Product

Minimum Investment	₹ 3 lakhs
Additional Investment	Multiple of ₹ 30,000
Withdrawals	Full / Partial – Multiples of ₹ 30,000

Terms of the Product

(FundTech | Small Cap | Large Cap | Industry Champ | Midcap & Smallcap)

To help you make your investment journey smoother, you can either opt for **Lump Sum investment mode** or **SIP investment mode.**

Lump Sum mode	• **For FundTech, Small Cap & Large Cap :** Option to start one time investment with minimum amount of ₹ 2,50,000 • **For Industry Champ and Midcap & Smallcap :** Option to start one time investment with minimum amount of ₹ 5,00,000 • Option to select **Profit Sharing model** or **Subscription Fee model** • **2% exit load** on profit sharing model incase of full withdrawal within 6 months of investment • **Partial or Full withdrawal** option available • **Top-up investment** in multiples of ₹ 50,000
SIP mode	• Option to invest systematically on monthly basis with min. amt of ₹ 10,000 • Under SIP mode you can only opt for **Profit sharing model** • Only full withdrawal option available • In case of Top-ups, investment will be done under Lump Sum mode

*Kindly note, there will be **NO SIP mode** for **Industry Champ and Midcap & Smallcap** portfolios.

Subscription Fee Model (available for Lump Sum mode only)

Under Subscription Fee model, potential investors will be charged **2%** of their investment amount. Below are a few scenarios of this model:

Scenarios	Minimum investment	Investment date	Subscription fees	Top-up investment	Top - up date	Subscription fees post top-up
1	2,00,000	1^{st} Jan, 2018	4,000	-	-	-
2	2,00,000	1^{st} Jan, 2018	4,000	2,00,000	1^{st} Jul, 2018	2,000*
3	2,00,000	1^{st} Jan, 2018	4,000	6,00,000	1^{st} Jul, 2018	6,000*

*Subscription fees of ₹ 2,000 and ₹ 6,000 is charged on 6 months pro-rata basis. In case of top-up in the 1^{st} year, subscription fees will be charged on pro-rata basis. 0.5% standard brokerage will be charged. Minimum brokerage of ₹ 25 applicable on all orders.

Profit Sharing Model (available for both Lump Sum and SIP mode)

Under Profit Sharing model, potential investors will be charged **20% of their profit on higher watermarking^** only if their portfolios earn over a hurdle rate of 10%. Profit sharing will be on quarterly basis. Below is a scenario of this model:

Inv Date	Inv Amount	Q1 AUM	Q1 Hurdle Amt	Q2 AUM	Q2 Hurdle Amt	Q3 AUM	Q3 Hurdle Amt	Q4 AUM	Q4 Hurdle Amt
01-Jul-19	3,00,000	3,23,486	3,07,500	3,30,000	3,15,000	3,40,000	3,22,500	3,45,000	3,30,000
Profit			15,986		15,000		17,500		15,000
Profit Sharing Amount			3,197		3,000		3,500		3,000
Previous Bill Amount			-		3,197		3,197		3,500
Net Bill Amount			3,197		#		303		#

Example: In case of 25% portfolio returns, 20% profit sharing will be charged only on 15% returns amount.

Profit sharing will be done on quarterly basis. 1% standard brokerage will be charged.

Minimum brokerage of ₹ 25 applicable on all orders.

^Higher watermarking is the highest level in value that a portfolio has reached.

#Profit sharing is not charged this quarter because the profit amount is not above the previous quarter's profit amount.

How to Invest

Through Lumpsum

1. Login to MO Investor App/Web & select your desired product under Advisory Products - ACE section
2. Fill in the risk profiling questionnaire and accept the terms and conditions
3. Enter your desired amount and click on Generate Portfolio to start your investment

Through SIP

1. Login to MO Investor App/Web & select your desired product under Advisory Products - ACE section
2. Fill in the risk profiling questionnaire and accept the terms and conditions.
3. **Select Start SIP.** Enter your desired monthly investment amt, date & click Proceed to start your investment.

Portfolio will be generated and you will receive a notification for confirmation. Post confirmation the investment is done.

Options to confirm orders section

- **Notification** on MO Investor App
- Login to **MO Investor Web**
- **Email** on registered email address
- **SMS** on registered mobile number
- **Auto Call** on your registered mobile number
- Confirmation from **Dealer/Advisor** through OTP

*Not available for SmarT Portfolio

MO Investor App

Available on

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MO Investor Web

Visit www.motilaloswal.com > Login to MO Investor > Select **Advisory Products - ACE** from the menu

For more information, email us - advisoryproducts@motilaloswal.com