



Motilal Oswal Asset Management Company Ltd.
 CIN: U67120MH2008PLC188186
 Corp. & Regd. Off.: Motilal Oswal Tower,
 10th Floor, Rahimtullah Sayani Road,
 Opp. Parel ST Depot, Prabhadevi, Mumbai – 400025
 Tel.: +91 81086 22222 / +91 22 40548002
 Fax: +91 22 50362365

August 31, 2020

Dear Investor,

Sub: Change in fundamental attributes of the scheme, Motilal Oswal Dynamic Fund (MOFDYNAMIC)

At the outset, we would like to extend our sincere thanks to you for your valued investment in the scheme Motilal Oswal Dynamic Fund (MOFDYNAMIC), an open ended dynamic asset allocation fund.

The scheme, MOFDYNAMIC was launched on September 27, 2016. The current asset under management of the Scheme is Rs.1,109.07 as on July 31, 2020.

This letter serves as a written communication to you in accordance with the requirements of Regulation 18 (15A) under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (“SEBI Regulations”) about the proposed changes to be carried out to the fundamental attributes of the scheme and providing you an option to switch-out/redeem the units held by you in the Scheme at the prevailing net asset value (NAV) within a period of 30 days without any exit load if you do not approve of the proposed changes.

Unit holders are hereby informed that the Board of Directors of Motilal Oswal Asset Management Company Limited (MOAMC) and Motilal Oswal Trustee Company Limited (MOTC), Investment Manager and Trustee to Motilal Oswal Mutual Fund respectively have approved the change in fundamental attributes of the scheme, Motilal Oswal Dynamic Fund (MOFDYNAMIC) in their meeting held on **January 18, 2020**.

MOFDYNAMIC was launched for asset allocation between equity and debt based on in-house MOVI (Motilal Oswal Value Index). The MOVI helps gauge attractiveness of the equity market. A low MOVI level indicates that the market valuation appears to be cheap and one may allocate a higher percentage of their investments to Equity as an asset class. The rationale to make the change in the key terms of MOFDYNAMIC by changing the Net Equity Allocation band is given below:

The Fund has minimum 30% equity despite higher valuation so the management has smoothen it from MOVI levels of 100-130+. The Fund has proposed a larger band at MOVI levels of 90-100 wherein the equity allocation is at midlevel of around 70% (range of 60-75 as medium risk). Below this level of MOVI the equity allocation the fund will have high equity risk and again smoothen out. Further, since the existing range of allocation is narrow and with market volatility results in frequent churn and challenges of execution in managing net equity exposure.

MOVI LEVELS	NET EQUITY	
	Existing	Proposed
LESS THAN 70	100	100
70-80	90-95	85-95
80-90	80-85	75-85
90-100	70-75	60-75
100-110	55-60	50-60
110-120	40-45	40-50
120-130	30-40	30-40
GREATER THAN 130	30-40	30-40

The changes proposed in the SID & KIM of MOFDYNAMIC given above amounts to changes in the fundamental attributes of the Scheme. Hence, in accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996, all the existing unit holders under the Scheme are given an option to exit the Scheme(s) at the applicable Net Asset Value without any exit load on such redemption. This option is valid for a period of 30 days from publishing the notice. The above change in the fundamental attribute of the Scheme(s) will be effective from October 08, 2020.

SEBI vide its letter dated March 06, 2020 having reference no IMD/DF3/OW/P/2020/8632/1 has taken note of the aforementioned changes in the fundamental attribute of the Scheme.

Since, the changes proposed in the SID & KIM of the Designated Schemes amounts to change in the fundamental attributes of the Scheme. Hence, in accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996, all the existing unit holders under the Scheme are given an option to exit the Scheme(s) at the applicable Net Asset Value without any exit load on such redemption. This option is valid for a period of 30 days from publishing the notice. The above change in the fundamental attribute of the Scheme(s) will be effective from October 08, 2020.

If a Unit holder has no objection to the above proposals, no action needs to be taken by him and it would be deemed that such Unit holder has consented to the above proposals.

If a Unit holder disagrees to the above proposals, then they are requested to go through the below information on exit option.

Unit holder investor does not wish to continue in the designated scheme, unit holders of the scheme have the option to switch-out or redeem the units held by them at the prevailing NAV without being charged any exit load during the exit option period. The Unit holders are entitled to exercise exit option during the period commencing from September 08, 2020 and closing on October 07, 2020 (both days inclusive) ('Option Exercise Period'). During the Option Exercise Period, the Unit holders have following options:

- a) Redeem their units [partly or fully] at applicable NAV;
- b) Switch their units [partly or fully] to any of the schemes of MOMF at applicable NAV; or
- c) Remain invested in the Scheme.

Unit holders are requested to note of the following conditions for switch out/redemption:

- The redemption/switch-out can be done by submitting a switch-out / redemption request form between (T day) to (T+30 days) (both days inclusive), subject to the terms and conditions set out in this letter, to any of our official points of acceptance within the applicable cut-off time mentioned in the scheme information document.
- In exit option will not be available to those unitholders who have pledged their units and on which the Fund has marked lien unless the release of pledged is obtained and communicated to the Fund/Registrar before applying for the redemption.
- In case of units held in demat mode redemption request is required to be submitted to the depository participant on or before the close of business hours of October 7, 2020 (T+30 days).
- The offer to exit is merely an option and is not compulsory.
- The redemption warrant/cheque will be mailed / redemption proceeds will be credited within 10 working days from the date of receipt of the redemption request.
- Redemption/switch out by the unit holders due to change in fundamental attributes of MOFDYNAMIC or due to any other reasons may entail tax consequences. In view of individual nature of tax consequences, Unit holders are advised to consult his / her / their professional tax advisor.
- Please note that if you do not exercise your exit option on or before October 7, 2020 or if we do not receive your request for switch-out / redemption on or October 7, 2020 by 3.00 pm or the applicable cut-off timings as on October 7, 2020, you would be deemed to have consented to the proposed proposal.

Securities Transaction Tax will be borne by AMC during the exit period.

Unit holders under the Scheme are/will be sent a communication in this regard, through an appropriate mode of communication (post, courier, email, etc). For any further assistance/clarification, Unit holders may contact any of our Investor Service Centres.

Unit holders are requested to kindly take note of the above.

All the other terms and conditions of the SID and KIM of the Scheme, MOFDYNAMIC shall be read with the addendum issued. This addendum forms an integral part of the SID and KIM of MOFDYNAMIC. All other contents remain unchanged.

In case you need any other clarifications, please call us at 91 8108622222, +91 22 40548002 and our Investor Relations Officer will be happy to assist you. You may also email us at mfservice@motilaloswal.com.

We thank you for your patronage and assure you that we will do our best to maintain the confidence and trust you have reposed in us.

Sincerely Yours,

**For Motilal Oswal Asset Management Company Limited
(Investment Manager to Motilal Oswal Mutual Fund)**

Sd/-

**Navin Agarwal
Managing Director & Chief Executive Officer**

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