

Motilal Oswal Asset Management Company Limited
Registered & Corporate Office: 10th Floor, Motilal Oswal Tower,
Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025
Toll free No. +91 8108622222, +91 22 40548002
E-mail – mfservice@motilaloswal.com
CIN – U67120MH2008PLC188186
Website: www.motilaloswalmf.com and www.mostshares.com

Notice cum Addendum to the Scheme Information Document (SID) and Key Information Memorandum (KIM) of the Scheme(s) of Motilal Oswal Mutual Fund (MOMF)

Pursuant to SEBI circular SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/631 dated September 29, 2021, following disclosures are incorporated in the Scheme Information Document (SID) and Key Information Memorandum (KIM) of Motilal Oswal Liquid Fund and Motilal Oswal Ultra Short Term Fund.

Swing Pricing

Swing pricing refers to a process for adjusting a scheme's Net Asset Value (NAV) to effectively pass on transaction costs stemming from significant net capital activity (i.e., flows into or out of the fund) to the investors associated with that activity. It is aimed at reducing the impact of large redemptions on existing investors by reducing dilution of the value of a fund's units.

Applicable on schemes Circumstances when Swing Pricing Triggered

In a liquidity-challenged environment, quoted bid/ask spreads and overall trading cost can widen and may not be representative of the executed prices that can be achieved in the market.

Swing pricing is needed to address issues in addition to costs of bid-offer spread and transaction costs, particularly arising during market dislocation in the mutual fund industry or in the underlying bond market. Further, liquidity is concentrated in high quality paper and during market dislocation, very high risk aversion is observed and in terms of yield of bonds, spread over benchmark spike, particularly for relatively lower quality paper. Accordingly, swing pricing, an anti-dilution adjustment that seeks to protect investors in a fund from performance dilution as a result of significant outflows from the fund, particularly during market dislocation.

Mandatory Swing pricing during market dislocation

The swing pricing framework will be made applicable only for scenarios related to net outflows from the above mentioned Schemes.

SEBI will determine 'market dislocation' either based on AMFI's recommendation or suo-moto. Once market dislocation is declared, it will be notified by SEBI that swing pricing will be applicable for a specified period.

Subsequent to the announcement of market dislocation, the swing pricing framework shall be mandated only for open ended debt schemes which

- High or Very High Risk on the most recent risk-o-meter in terms of SEBI circular SEBI/HO/IMD/DF3/CIR/P/2020/197 dated October 5, 2020,

AND



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- Classified themselves in any of the cell A-III, B-II, B-III, C-I, C-II and C-III of Potential Risk Class (PRC) Matrix in terms of SEBI circular SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/573 dated June 7, 2021.

A minimum swing factor as under shall be made applicable to the schemes mentioned above and the NAV will be adjusted for swing factor. This will be applicable to both purchase and redemption for the above mentioned schemes during market dislocation period announced by SEBI.

Minimum swing factor[^]			
Maximum Credit Risk of scheme →	Class A (CRV* ≥12)	Class B (CRV* ≥10)	Class C (CRV* <10)
Maximum Interest Rate Risk of the scheme ↓			
Class I: (Macaulay Duration ≤1 year)	Optional	Optional	1.5%
Class II: (Macaulay Duration ≤3 years)	Optional	1.25%	1.75%
Class III: Any Macaulay Duration	1%	1.5%	2%

[^] Swing pricing shall be made applicable to all unitholders at PAN level with an exemption for redemptions upto Rs. 2 lacs for each scheme.

*Credit Risk Value

When swing pricing framework is triggered, and swing factor is made applicable, both the incoming and outgoing investors shall get NAV adjusted for swing factor.

Swing pricing shall be made applicable to all unitholders at PAN level with an exemption for redemptions upto Rs. 2 lacs for each mutual fund scheme for market dislocation.

Transaction Covered for applicability of Swing Factor

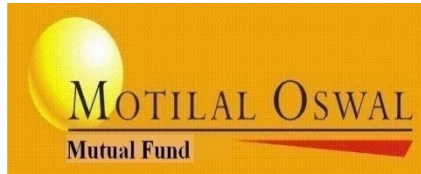
- Subscription including Switch in
 - Redemption

including switch out

Transactions Excluded /

Exempted

- Redemption upto 2 lacs (aggregated at PAN level) per scheme



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- b) Reinvestment of income/capital distribution
- c) Intra Scheme Switch transactions (i.e. within the scheme) such as
 - i) switch from direct plan to growth plan within the scheme or vice versa or
 - ii) Switch from Income Distribution cum capital withdrawal option to Growth Option or
 - iii) other similar transactions

When swing pricing framework is triggered and swing factor is made applicable, both the incoming and outgoing investors shall get NAV adjusted for swing factor.

Impact of Swing Pricing on incoming and outgoing unitholders/investors:

- 1) Unswung NAV – Rs.10/- This is before applying swing factor.
- 2) Mandatory Swing Factor - 1.50% (C I Please refer minimum swing pricing table above)
- 3) NAV after Adjustment of swing factor: $(100 - 1.5\% \text{ of } 100) = (100 - 1.50) = \text{Rs. } 98.5$

Subscription Amount	Rs.100,00,000/-
No of units to be allotted	$(10000000/98.50) =$
101522.843	Redemption Amount
Rs.100,00,000/-	
No of units to be redeemed	$(10000000/98.50) = 101522.84$

Disclosures:

The adjusted NAV's will be calculated and disclosed on every Business Day during market dislocation period. The AMC shall prominently disclose the NAVs under a separate head on the website of the Fund (www.motilalosalmf.com) and of the Association of Mutual Funds in India- AMFI (www.amfiindia.com) by 11 p.m. on every Business Day. The scheme performance shall be computed based on unswung NAV.

Disclosures pertaining to NAV adjusted for swing factor along with the performance impact shall be made in specific format as mandated by SEBI in the SIDs and in scheme wise Annual Reports and Abridged summary and the same will be disclosed on the website prominently only if swing pricing framework has been made applicable for the said mutual fund scheme.



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Sr. No.	Period of applicability of swing pricing	Scheme name	Unswing NAV	Swing factor applied	Whether optional or mandatory

This addendum will form an integral part of the SID & KIM of the schemes. All other terms & conditions of the SID & KIM read with other addendums including type of scheme & risk-o-meter remain unchanged.

All other terms & conditions of the aforesaid Schemes of MOMF shall remain unchanged.

This addendum shall form an integral part of the SID / KIM of the aforesaid Schemes of MOMF as amended from time to time.

Place: Mumbai	For Motilal Oswal Asset Management Company Limited (Investment Manager for Motilal Oswal Mutual Fund)
Date: December 28, 2021	Sd/- Navin Agarwal Managing Director & Chief Executive Officer

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