

## Motilal Oswal Asset Mutual Fund (MOMF) launches 'Motilal Oswal Digital India Fund'

*The NFO opens on 11<sup>th</sup> October 2024 and closes on 25<sup>th</sup> October 2024*

**Mumbai, 11<sup>th</sup> October 2024:** Motilal Oswal Asset Mutual Fund (MOMF) today announced the launch of its latest new fund offer "Motilal Oswal Digital India Fund". The fund is an open-ended equity scheme investing in Digital Space, focusing on Technology, Telecom, Media, Entertainment and other related ancillary sectors for investors who are looking at capital appreciation in the long term.

### **Key Fund Details:**

**NFO Period:** 11<sup>th</sup> October 2024 – 25<sup>th</sup> October 2024

**Investment Objective:** The primary investment objective of the scheme is to generate long-term growth of capital by predominantly investing in digital and technology-dependent companies, hardware, peripherals and components, software, telecom, media, internet and e-commerce and other companies engaged in or leveraging digitisation.

**Benchmark:** BSE Teck Total Return Index

**Portfolio Strategy:** The fund will have a Focused Portfolio. The investment framework would be to invest in quality companies expected to have a higher future growth.

**Investor Profile:** Tailored for investors seeking capital appreciation over the long term by investing predominantly in equities and equity-related instruments of digital and technology-related companies.

**According to MOAMC internal research, India is among the top two countries in the world in many key dimensions of digital adoption, including:**

- i) Internet penetration, which has increased fourfold since 2014 and is expected to reach one billion by next year
- ii) Smartphone users, who have increased thirtyfold since 2010
- iii) UPI usage, and digital business operations. India has about 1,013 million smartphone users and 751.5 million high-speed internet users. As of July 2024, more than 350 million people in India use UPI for daily transactions, totalling INR 144 Bn.

Digital payments have become a central modus operandi for most transactions, especially in rural India, where 38% of users use digital payments. The average Indian spends approximately 6hrs 45 mins online daily, with the highest traffic on e-commerce websites, social media platforms, and online markets places among others. Over the last five years, SaaS companies, B2B online platforms, digital ads, the software industry, Fintech, Foodtech, Insurtech, and digital logistics have all experienced significant growth in both industry size and revenue. This has resulted in creating an exponential digital opportunity that is valued to be approx. \$900 billion.

**Speaking on the digital fund space, Mr. Prateek Agrawal, MD and CEO of Motilal Oswal Asset Management Company** said, *"India's internet economy is expected to grow rapidly as is the case in the US, China and around the world. Strong and sustained business growth is the key to obtain good investing results. It is a theme that we have been focused on and finds representation in most of our diversified funds and now we are bringing a fund focused on the theme. The fund is tailored for investors seeking capital appreciation over long term by investing predominantly in equities and equity related instruments of digital and technology related companies."*

Using the Quality, Growth, Longevity and Price (QGLP) framework, the Motilal Oswal Digital India Fund utilizes a disciplined approach to investing. It further utilizes the Risk Management Framework to ensure consistent and sustainable performance, the Profit Taking/Stop Loss Framework, and the Stringent Liquidity Framework to evaluate stock weightage, stock size, sector sizing, and diversification strategy.

**Niket Shah, Chief Investment Officer, Motilal Oswal AMC** said, *“India is poised to become a world leader in digital infrastructure and deployment. Compared to the United States, India has reached a tipping point in the digital space, with an estimated 10% e-retail penetration by 2027. However, there is a long runway for tech growth in India, as none of the top ten stocks in the country are digital, and only two are in the IT sector. The IT sector's representation in India is currently very low in comparison to the global market, presenting a huge opportunity of growth”.*

*“Our Digital India fund utilises bottom up and top down approach with proprietary QGLP framework, Internet digital company valuation methodology derived strategically for hi-conviction portfolio. We look forward to driving the digital fund space forward with Digital India Fund”,* added **Niket Shah**.

*“With all the digital ecosystem pillars in place, India is poised to see phenomenal growth of Digital ecosystem and native digital companies across industries like e-commerce, SaaS, online travel, online media, online food delivery, fintech, edtech, health tech, and online ride-hailing etc. Digital ecosystem is estimated to grow to \$900-\$1000 billion by 2030, compared to \$155-175 billion in 2022. Digital intensity is increasing with time where an average Indian is spending 6 hours and 45 minutes daily online connected through multiple digital devices. With a higher share of productive time being spent online daily, a higher share of wallet is likely to be spent online over time. Digital is penetrating newer industries at an accelerated pace and the young generation is very well versed with digital apps. These trends further reinforce the growth potential of native digital businesses in India.”* added **Varun Sharma, Exec Grp VP, MOAMC**.

Referring to **Motilal Oswal's 26<sup>th</sup> Annual Wealth Creation Study by Raamdeo Agrawal, Chairman of MOFSL: Atoms to Bits**, MOAMC is positive about the opportunities in Technology sector and India is ready to unlock its digital potential.

The Fund Management Team:

1. Niket Shah, CIO and Fund Manager, MOMF
2. Ajay Khandelwal, Fund Manager, MOMF
3. Santosh Singh, Fund Manager, MOMF
4. Atul Mehra, Fund Manager, MOMF
5. Rakesh Shetty, Fund Manager, MOMF – (Debt Component)
6. Sunil Sawant, Fund Manager, MOMF – (Overseas Component)

**Data Source: MOIE, RBI, Ministry of Commerce, ICRA**

**Product Labelling:**

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| <p><b>Name of the scheme</b><br/>Motilal Oswal Digital India Fund (An open-ended equity scheme investing in Digital space, focusing on Technology, Telecom, Media, Entertainment and other related ancillary sectors)</p> <p><b>This product is suitable for investors who are seeking*</b></p> <ul style="list-style-type: none"> <li>• Capital appreciation over long term</li> <li>• Investing predominantly in equities and equity related instruments of digital and technology related companies.</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> | <p><b>Investors understand that their principal will be at Very High risk</b></p> <p><b>Benchmark Riskometer is at Very High risk</b></p> |
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Please refer to SID & SAI for understanding the Risk Factors associated with investing in Motilal Oswal Digital India Fund. 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.

For scheme specific Risk factors refer Scheme information document of the Fund [https://www.motilaloswalmf.com/CMS/assets/uploads/Documents/3b61b-nfo-sid-motilal-oswal-digital-india-fund\\_clean-copy.pdf](https://www.motilaloswalmf.com/CMS/assets/uploads/Documents/3b61b-nfo-sid-motilal-oswal-digital-india-fund_clean-copy.pdf)

### **About Motilal Oswal Asset Management Company:**

Motilal Oswal Group possesses a legacy in equities for over 3 decades. Motilal Oswal Asset Management Company Ltd. (MOAMC) is registered with SEBI as the Investment Manager for Motilal Oswal Mutual Fund. It was incorporated on November 14, 2008. It provides Investment Management and Advisory Services to investors based within and outside India and has Mutual Funds, AIFs and Portfolio Management Services business

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

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