

Innovation Meets Conviction

Introducing
**Motilal Oswal
Innovation Opportunities Fund**



THINK **EQUITY**
THINK **MOTILAL OSWAL**



NFO 
29th Jan to 12th Feb 2025

What is Innovation?



Innovation is Coherent with Non-Linearity



Advancements in Technology deliver innovation



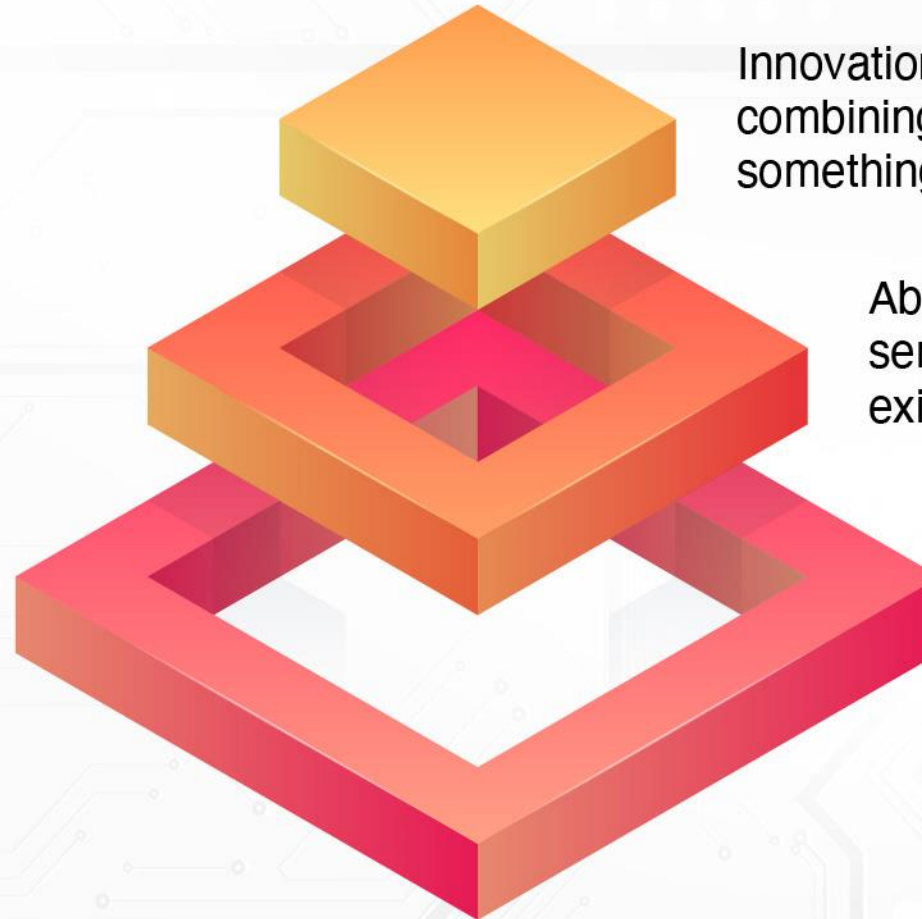
Innovation broods adaptability and improvement



Permanent Solutions to Temporary Problems



Breakthroughs in Industry and Lifestyle bring forth an inflection point setting the course for Non - Linearity



Innovation can emerge from combining ideas to create something impactful

Ability to create new products/ideas, services, processes or improving existing model

Innovation often addresses unmet needs or challenges, creating new opportunities

What Causes Innovation?



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Technological Advancements

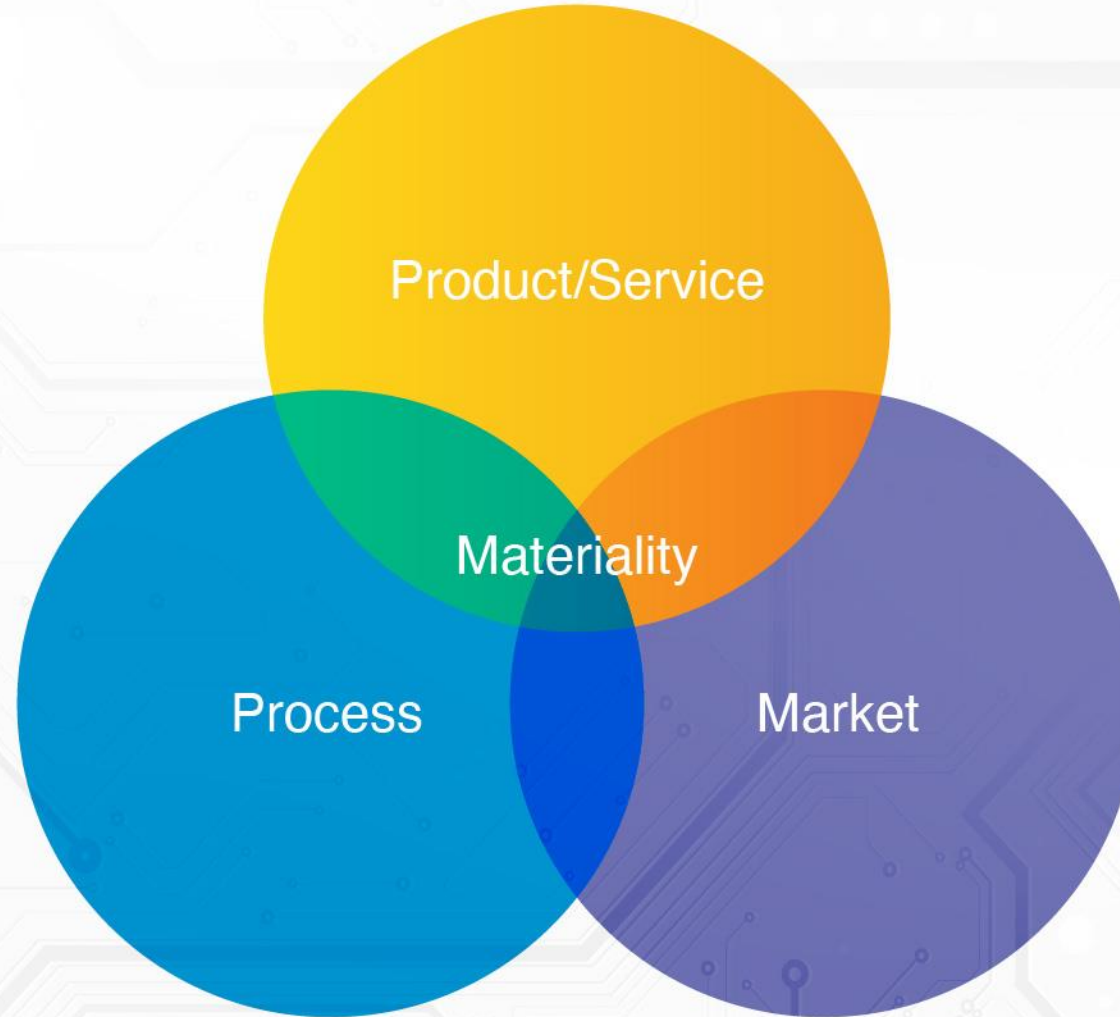
improving the process through tech

Value Migration

early identification helps in maximizing the investment gains

Necessity is the mother of Innovation

need to bridge the gap between expectations and actual growth potential



New Product Developments

process of creating new ideas/products/services

Service Improvements

development of new and improved services

Examples of Product/Services, Market & Process Innovation



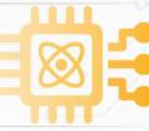
Company	Product/Services
Apple	iPod
Apple	iPad
Novo Nordisk	Ozempic (Semaglutide)
MCX	Commodity Derivatives Exchange
Paytm	Digital Wallets
Google	Quantum AI Lab
Healthify	Digital Health & Wellness
Real Estate	High End Luxury
Auto & Automobile	Electric Vehicles & ADAS

Company	Market
Urban Company	End-to-End Doorstep Services
Avenue Supermarts	Supermarket/ Hypermarket Chain
Honasa Consumer	Digital Beauty & Personal Care
Brainbees Solutions	Asia's Largest Online Portal for Baby & Kids Products
FSN E-Commerce	Manufacturing, Selling & Distributing beauty, wellness, fitness, personal, health, skin and hair care products
Cultfit	Health & Fitness
Ola/Uber	Ride-Hailing, Food Delivery, Courier

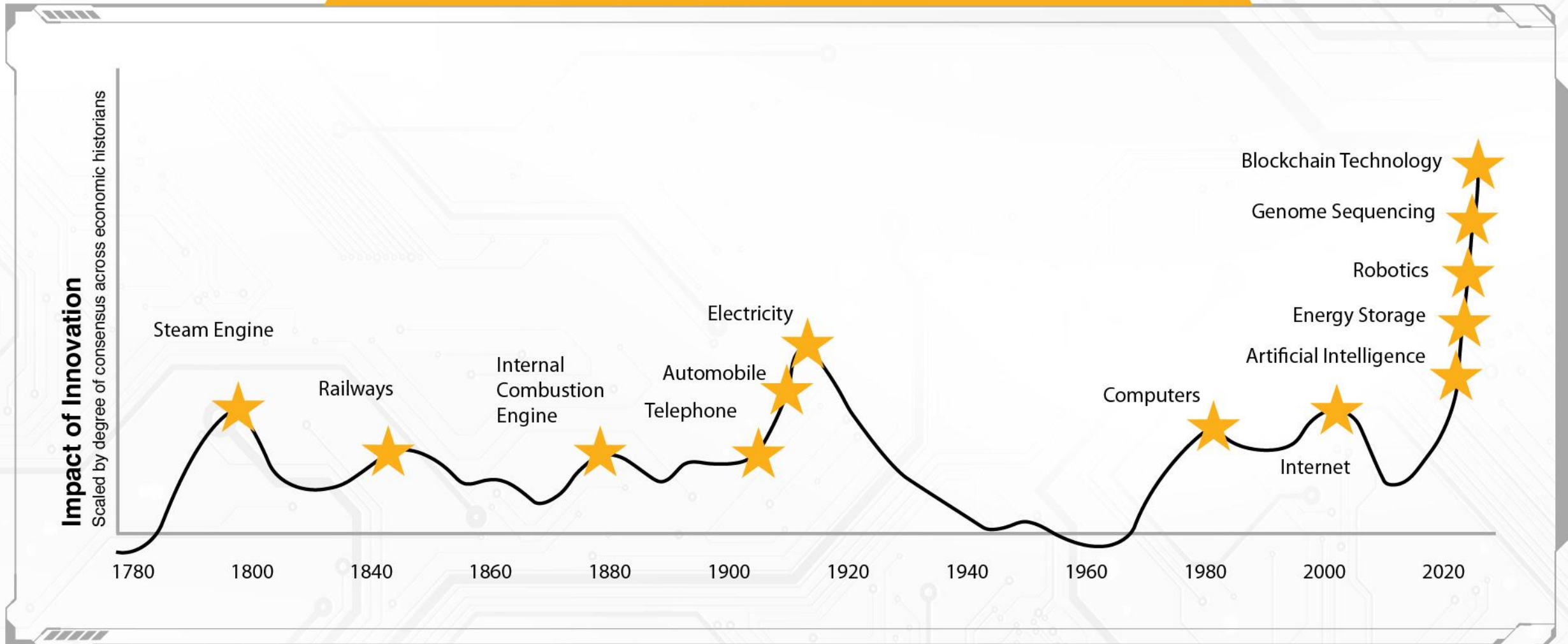
Company/Sectors	Process
Travel	Bullet Trains
Kfin Tech	KYC Process
Policy Bazaar	One Platform Insurance
AI	Media
Exchanges	Hedging
Banks	Online Banking
Online Payments	UPI

Innovation Accelerates Business Scale up and Returns





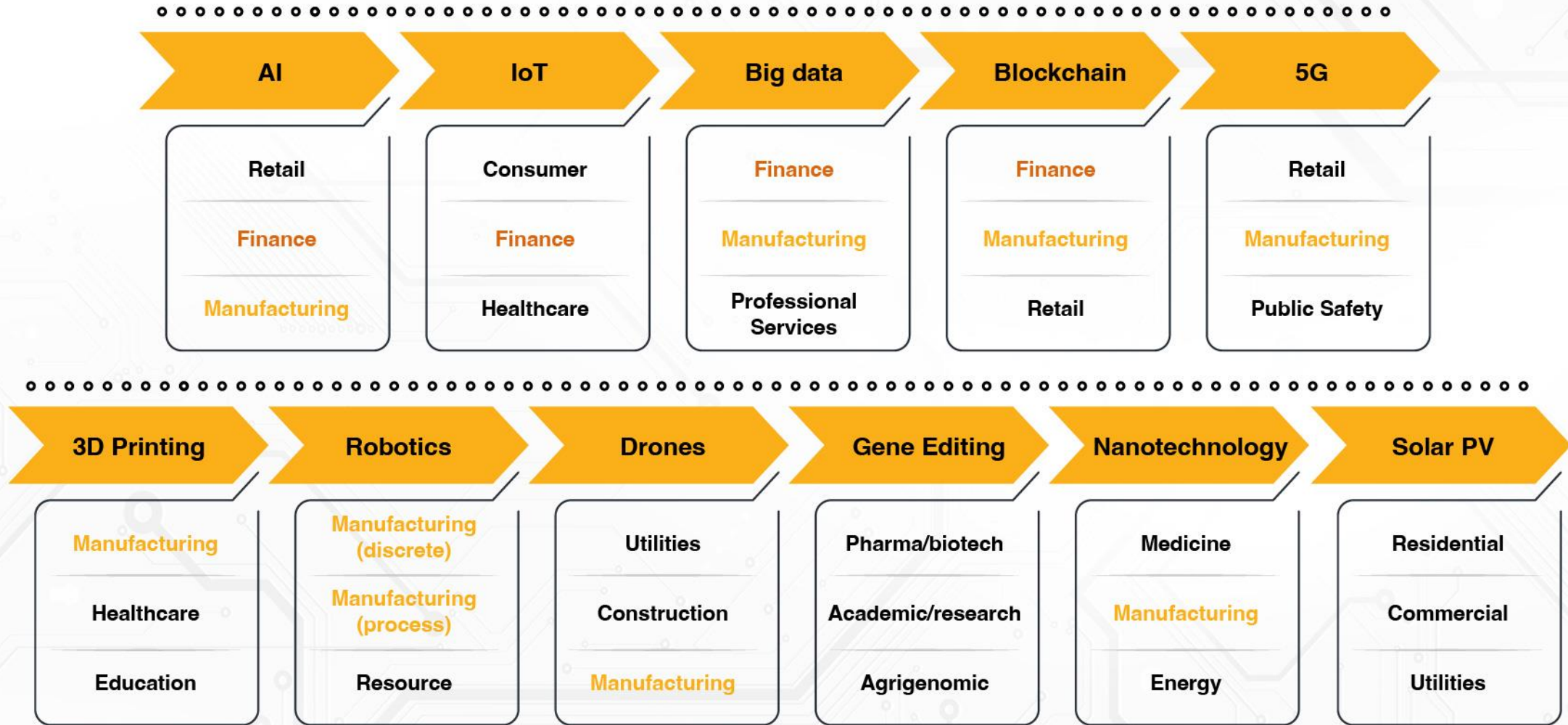
Innovation timeline of major products / services



Innovation cuts through different sectors



Technology creates opportunities to discover distinct market segments and transform business practices.

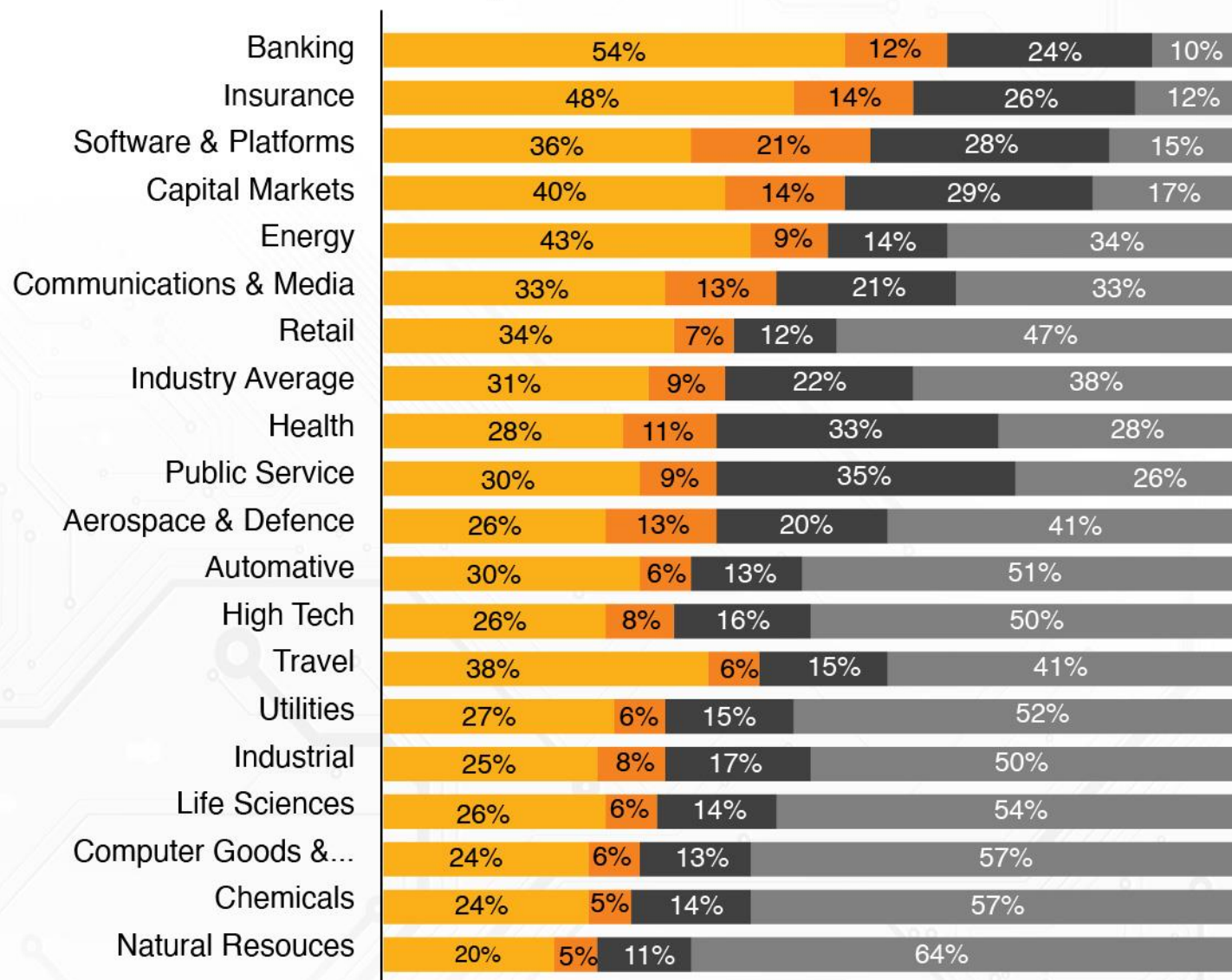


Source: UNCTAD (United Nations Conference on Trade and Development). Past performance may or may not be sustained in future. The above graph/stock/sector is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy.

Innovation leads to automation in processes



Potential for AI-Led Job Displacement



Work time distribution by industry and potential AI impact

Based on their employment levels in the US in 2021

- Higher potential for automation
- Higher potential for augmentation
- Lower potential for augmentation & automation

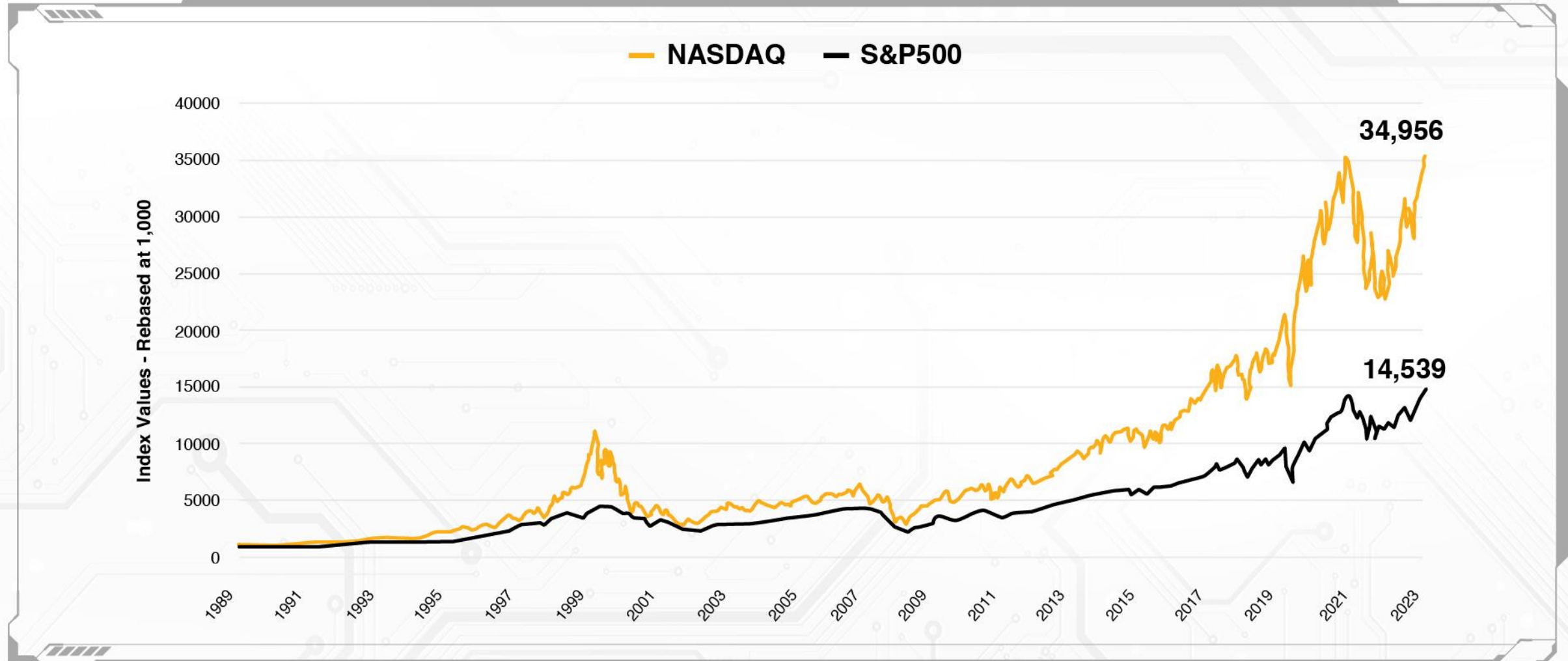
40% of working hours across industries can be impacted by Large Language Models (LLMs)

Innovation has the potential to generate sustainable long-term wealth



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NASDAQ reflects innovative companies; Nasdaq's 35x Returns Outpace S&P 500's 14x Over 34 Years

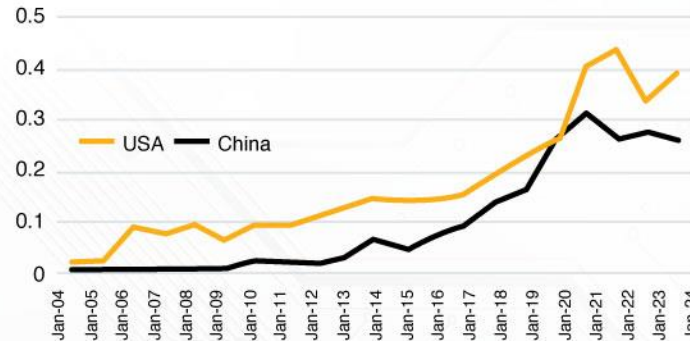


Source: NASDAQ Composite Index, Bloomberg. Past performance may or may not be sustained in future. The above graph/sector is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy.

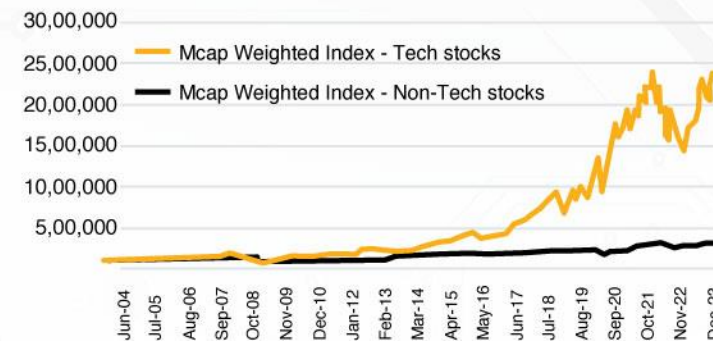
US and China have higher representation of technology led companies



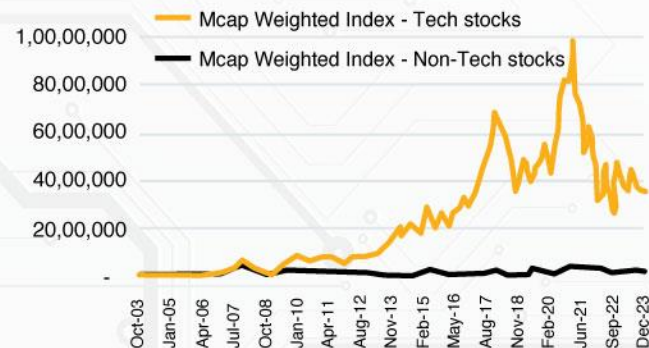
Share of Tech in Top 100



US Tech vs Non- Tech Stocks Index



China Tech vs Non - Tech Stocks Index



As the market cap of New age / innovation grew, the gap between the stock prices of innovative companies and traditional businesses also grew.

Innovation in Investing





01

Benefit from positive disruptions

02

Mitigating innovation driven competitive risks in existing portfolios

03

Benefit from Non linearity – entirely new products/markets

04

Anti-fragility and leveraged insurance for portfolios

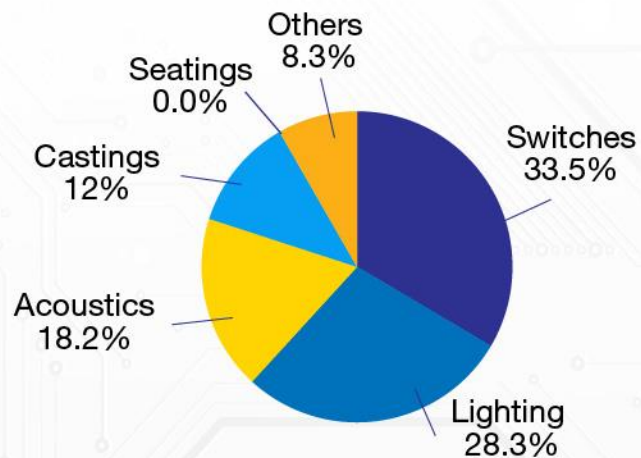
Case Study # 1: Product Innovation By Automotive Ancillary



Then

FY2017

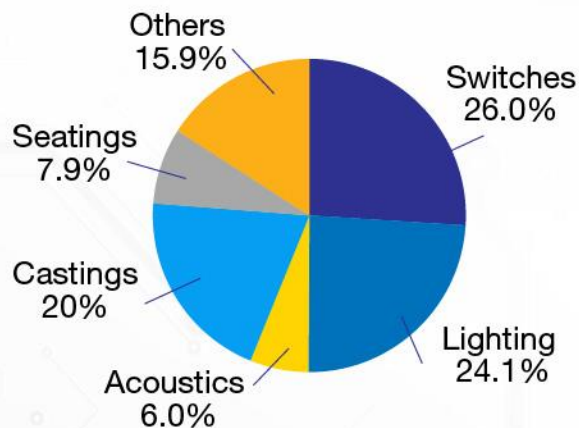
An automotive ancillary focused on Switches, Lighting and Acoustics



Now

FY2024

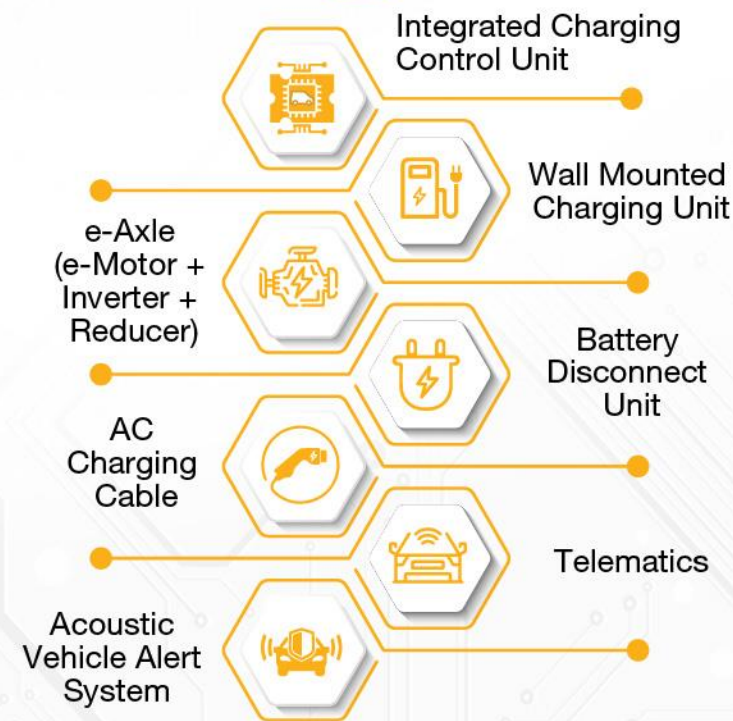
Diversified portfolio of offerings beyond core led by technical partnerships and strategic acquisitions to propel content per vehicle



	FY17-24
Switches	18%
Lighting	20%
Acoustics	5%
Castings	32%
Seatings	NA
Others	34%
Consol Revenue CAGR	23%

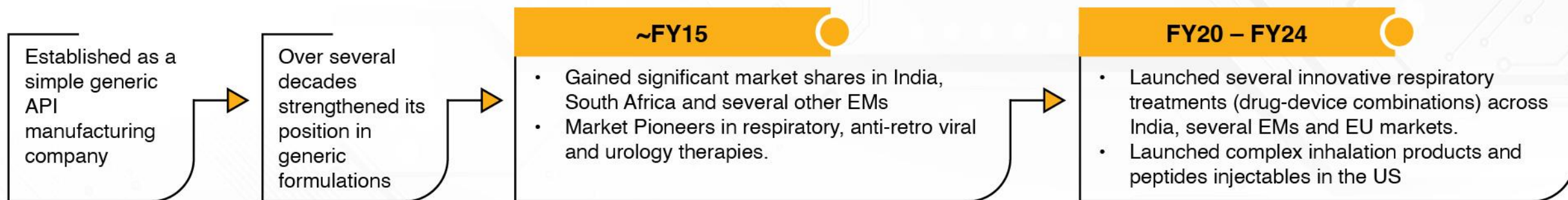
Future

Establishing presence in EV related components to strengthen its capabilities and market position



Case Study # 2: Product Innovation By A Pharma Company

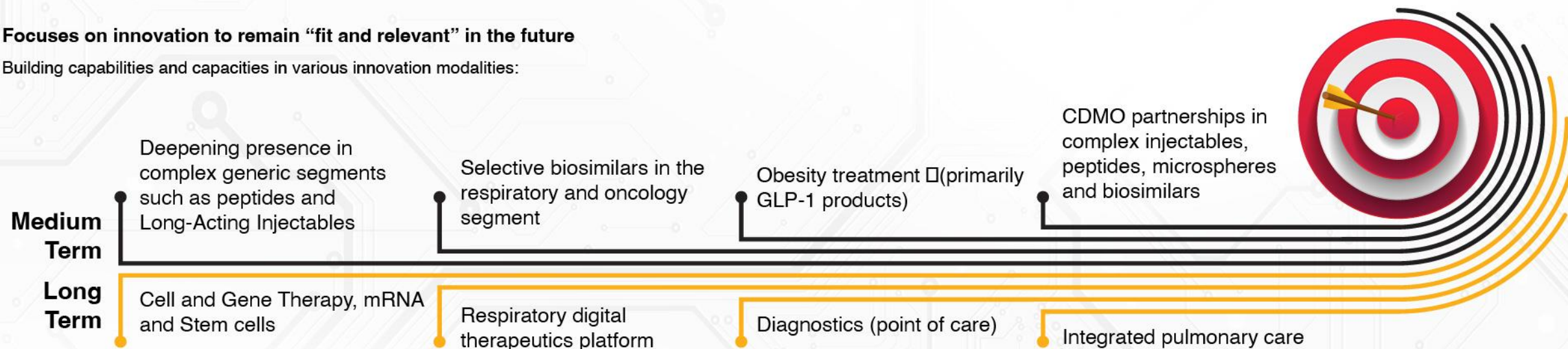
Investing in complex, innovative and new-age platforms are differentiated



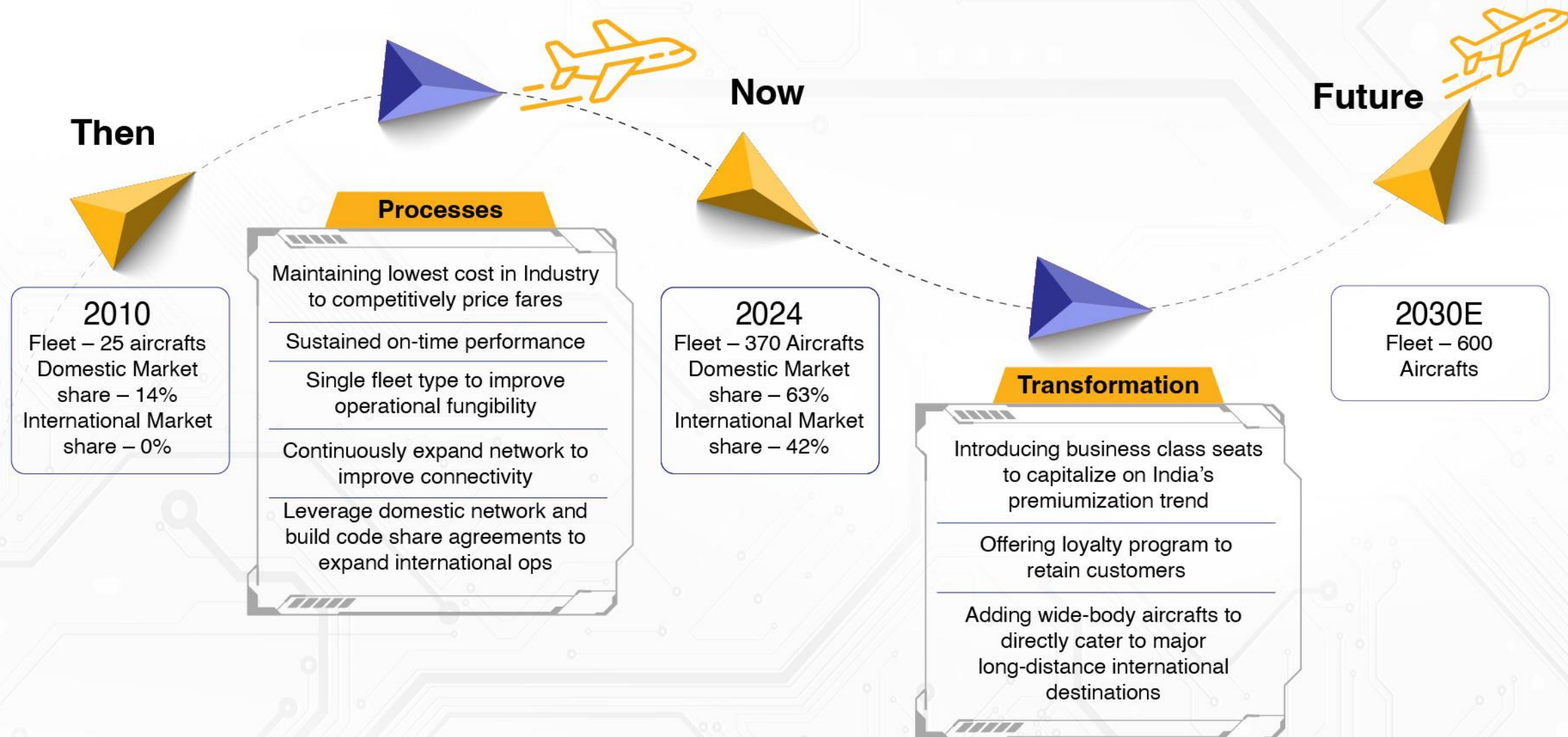
	~FY15	FY24	FY28 & beyond
EBITDA margin %	17-18%	24%	> 25%
RoCE %	9-10%	18%	20 – 25%
% share of US sales from complex areas			

Focuses on innovation to remain “fit and relevant” in the future

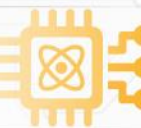
Building capabilities and capacities in various innovation modalities:



Case Study # 3: Process Innovation By Major Airline Company



Case Study # 4: Process Innovation- Engineering R&D Focused Tech Company



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2008-2010

The engineering division technologies had improved its revenue from US\$33mn to US\$40mn with a CAGR of 10%

2010-2015

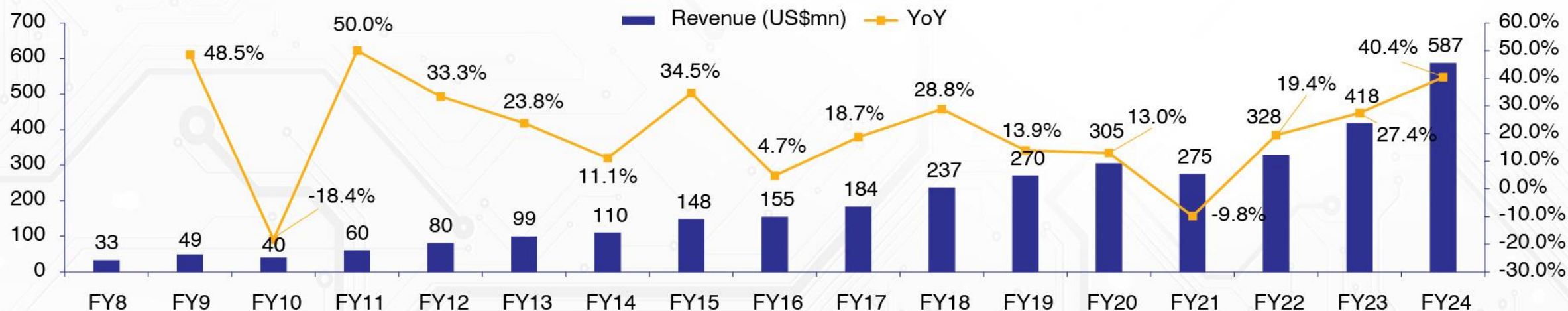
The company has augmented its capabilities in the areas of product design, vehicle diagnostics, telematics etc. through a combination of investments and acquisitions

2015-2020

With an increase in the scale of operations, the company continued to deliver strong mid teen growth which is superior to the competition

2020-2024

The company has further augmented its offerings with strong capability addition pertaining to software and feature development, diagnostics, embedded software automation and software integration amongst others



Case Study # 5: Process Innovation



A specialty chemicals company with track record of strategic process innovation through consistent R&D

Various catalysts have been developed in-house through R&D, which are used across process developments

- Improved Productivity
- Enhanced Yields
- Cost efficiency

The company distinguishes its processes from conventional processes and optimise use of non-toxic raw materials

- Lower effluent generation
- Products that are not as harmful to the end-consumer as conventionally produced chemicals

Pioneered the commercialization of catalytic-reactions in production processes

Among the large producers globally of functionally critical specialty chemicals

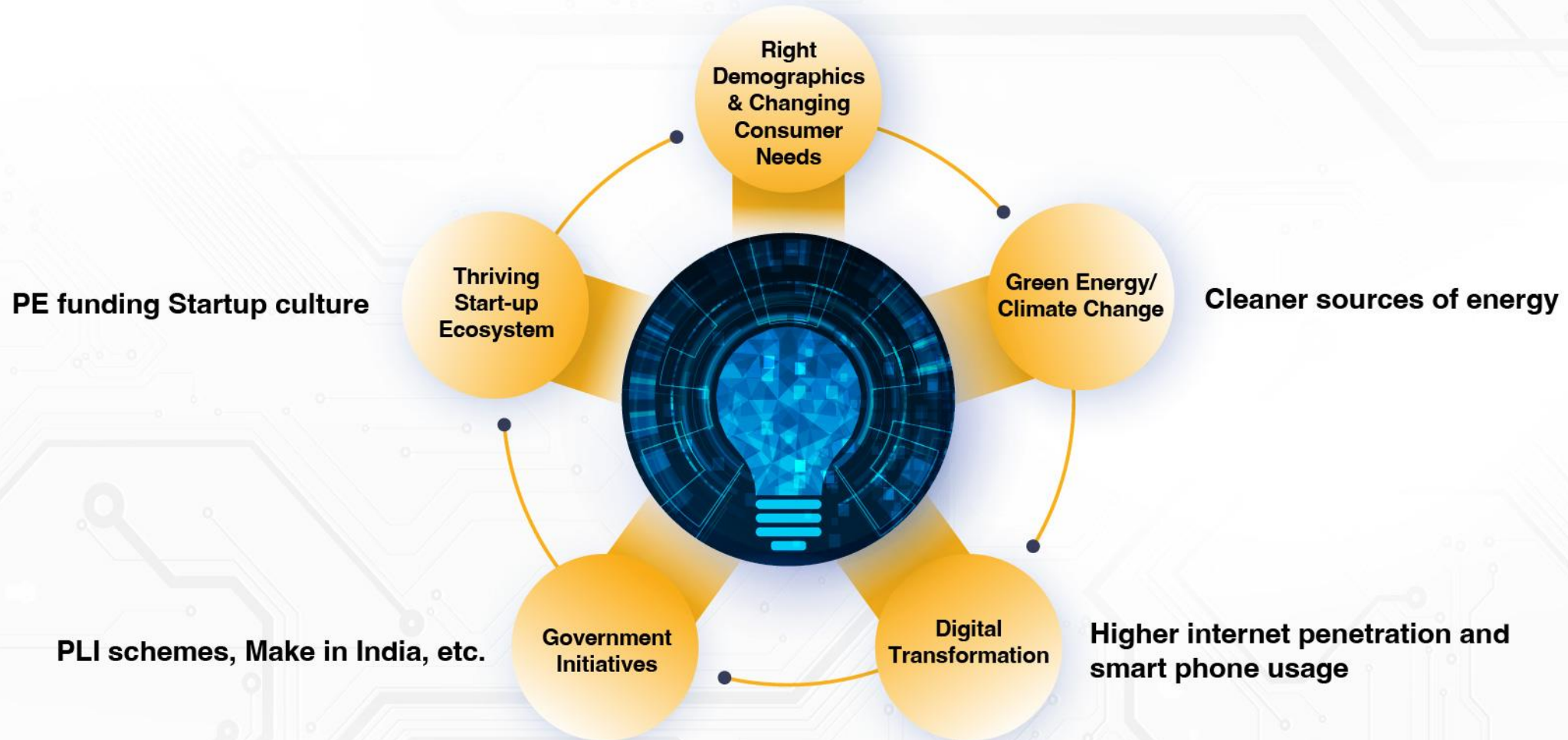
Why Innovation?

India is at the cusp of Innovation

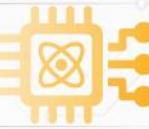




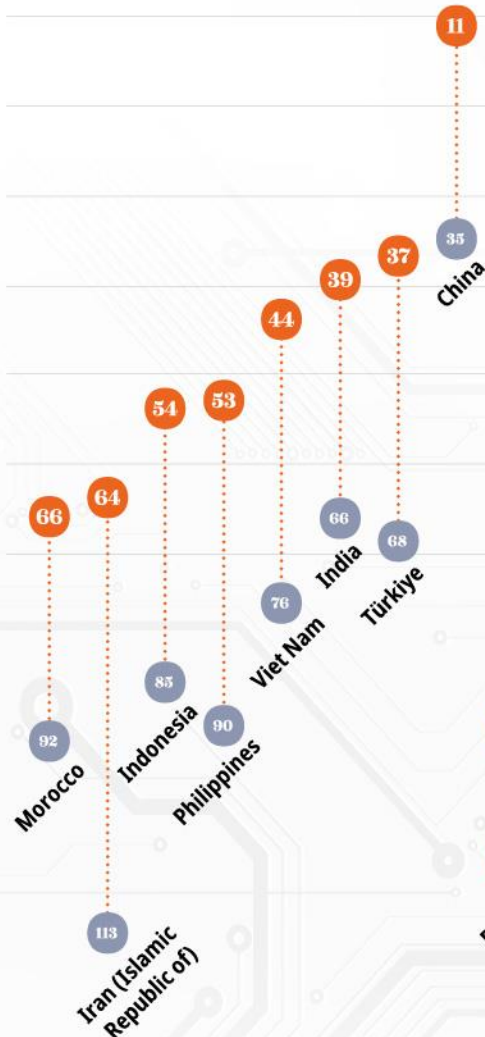
Convenience & faster deliveries. Increasing disposal incomes higher spending.



Global Innovation Index: India's steady progress on the path of development



Top climbers since 2013



Top climbers since 2019



China (11th), Türkiye (37th), India (39th), Viet Nam (44th), the Philippines (53rd). Indonesia (54th), the Islamic Republic of Iran (64th) and Morocco (66th) are the group of middle-income economies within the G11 top 70 which have climbed fastest in the ranking since 2013.

Standout economies 5-year innovation surge, 2019-2024

In the last five years, Indonesia (54th), Mauritius (55th), Saudi Arabia (47th), Qatar (49th), Brazil (50th) and Pakistan (91st) ascended the most (in order of their rank progression).

- 2024 position
- 2013 position
- 2019 position



Country	#Of Unicorns in 2024	#Total Valuation 2024 (Billions USD)
United States	656	2111.7
China	168	640.7
India	71	192.24
United Kingdom	53	176.69
Germany	30	79.45
France	26	61.03
Israel	25	56.32
Canada	21	52.23



Robust ecosystem

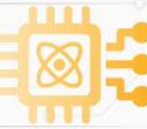
Policy Support

**India is becoming
self-sufficient**

**Innovation opportunity
across any sector/theme**

**Innovative companies are
underrepresented (India doesn't
have a separate index for
innovation)**

AIM to Innovate: Government's Flagship initiative to create & promote innovation



Impact created



Motilal Oswal Innovation Opportunities Fund





Risk Management Framework for Consistency & Sustainability of Performance



Stock Weightage & Stock Sizing

Minimum and maximum exposure limits set



Sector Sizing

Limits on sector deviations relative to benchmark



Diversification Strategy

Portfolio size capped up to 35 stocks



Profit Taking / Stop Loss Framework

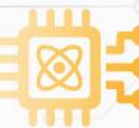
Proprietary framework for measuring triggers



Stringent Liquidity Framework

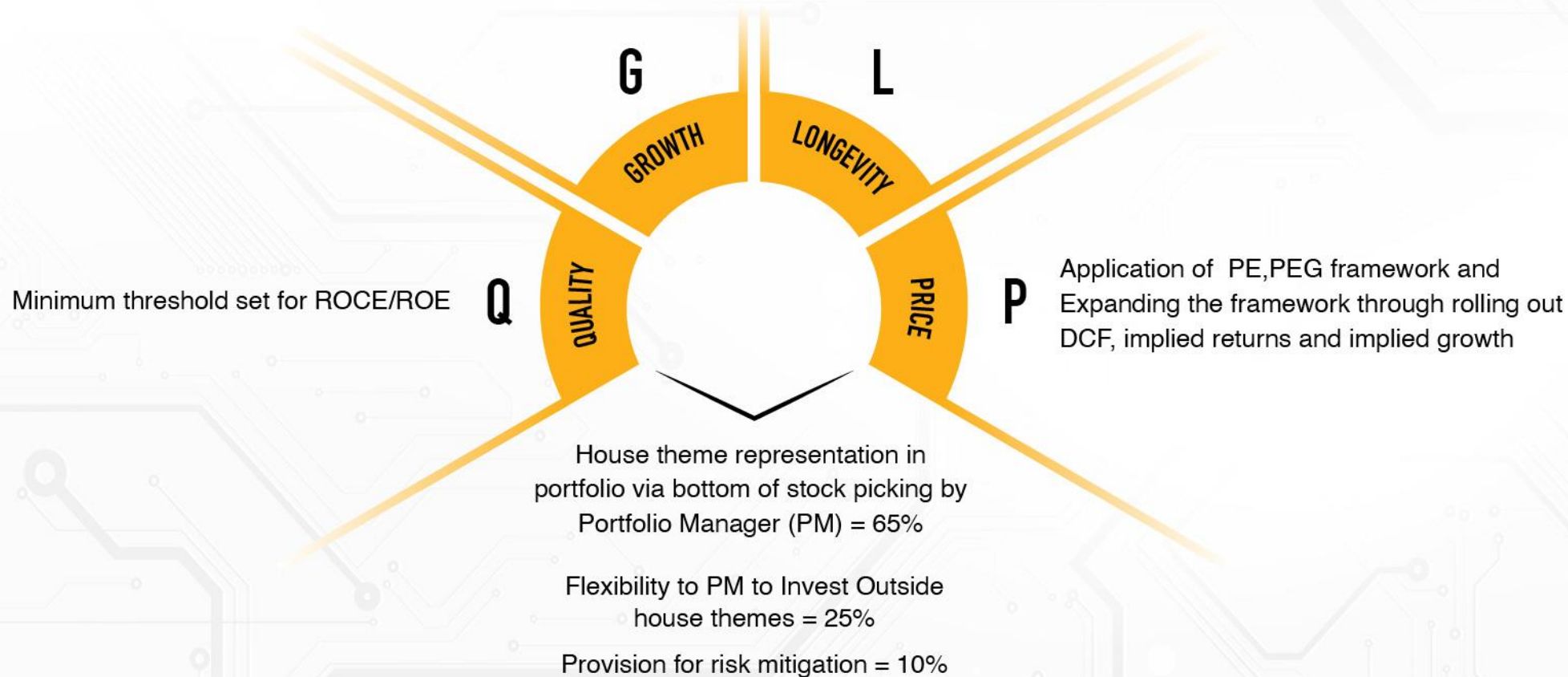
Ensuring efficient management for ability to take necessary action

Disciplined investing following “QGLP” investment process



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



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Who can Invest?



1

Investors looking for a true to label innovation fund

2

Investors looking to participate in India's innovation growth story

3

Investors looking to diversify their portfolio and willing to allocate in a thematic fund

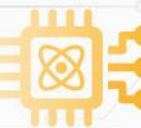
4

Want specialised exposure to disruptive and innovative companies that will benefit from the adoption of innovative strategies or following the innovation theme.

5

Investors with long term horizon, having high risk appetite





Niket Shah (Fund Manager)

- Rich Experience: Over 12 years of experience. Prior to joining MOAMC, he was associated with MOSL as Head of Midcaps Research from February 2013 to March 2018, Edelweiss Securities Ltd. as Research Analyst - Midcaps from March 2010 to January 2013 and Religare Capital Markets Ltd. as Associate Research Analyst - Midcaps from June 2008 to March 2010
- Qualification: Masters in Business Administration (MBA – Finance), Welingkar Institute of Management studies.
- Fund Manager: Motilal Oswal Midcap Fund, Motilal Oswal Flexi Cap Fund, Motilal Oswal Small Cap Fund, Motilal Oswal Large Cap Fund, Motilal Oswal Multi Cap Fund and more.



Atul Mehra (Fund Manager)

- Rich Experience: Over 15 years of experience. Motilal Oswal Asset Management Company Ltd – Senior Vice President – Fund Manager – PMS and AIFs. (2013 – 2023) Edelweiss Capital Ltd – Research Analyst (2008-13)
- Academic background: CFA Charterholder CFA Institute, Charlottesville, Virginia, USA, Masters in commerce; Mumbai University Bachelor's in commerce, Mumbai University, HR College of Commerce and Economics
- Fund Manager: Motilal Oswal Large and Midcap Fund, Motilal Oswal Focused Fund, Motilal Oswal ELSS Tax Saver Fund, Motilal Oswal Balanced Advantage Fund, Motilal Oswal Multi Asset Fund, Motilal Oswal Flexi Cap Fund and more.



Sunil Sawant (Fund Manager- Overseas Department)

- Past experience: He has worked with Sharekhan, Aditya Birla and Angel Broking as Equity Dealer and Advisor. He has been associated in capital market industry since 2009.
- Excellent academic background: Master of Commerce (M. Com) .
- Fund Manager: Motilal Oswal Large and Midcap Fund, Motilal Oswal Midcap Fund, Motilal Oswal Focused Fund, Motilal Oswal Balanced Advantage Fund, Motilal Oswal Multi Asset Fund, Motilal Oswal Flexi Cap Fund



Rakesh Shetty (Fund Manager, For Debt Component)

- Rich Experience: Over 15 years. Expertise in trading in equity, debt segment, Exchange Trade Fund's management, Corporate Treasury and Banking. Prior to joining Motilal Oswal Asset Management Company Limited, he has worked with Company engaged in Capital Market Business wherein he was in charge of equity and debt ETFs, customized indices and has also been part of product development.
- Academic background: Bachelors of Commerce (B.Com)
- Fund Manager: Motilal Oswal Large and Midcap Fund, Motilal Oswal Midcap Fund, Motilal Oswal Focused Fund, Motilal Oswal ELSS Tax Saver Fund, Motilal Oswal Liquid Fund, Motilal Oswal Ultra Short Term Fund and more.



Name of Scheme	Motilal Oswal Innovation Opportunities Fund
Type	An open-ended equity scheme following innovation theme
Category of Scheme	Thematic fund
Entry/ Exit Load	Entry : Nil Exit : 1%-If redeemed within 90 days from the day of allotment. Nil-If redeemed after 90 days from the date of allotment. No Exit Load will be applicable in case of switches between all the active schemes of MOMF.
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.



Scheme Specific Risk Factors: The Scheme is subject to the principal risks described below. Some or all of these risks may adversely affect Scheme's NAV, yield, return and/or its ability to meet its objectives.

Risk associated with Innovation fund: The Scheme invests predominantly in equity / equity related instruments of entities engaged in and/or expected to benefit from innovation theme. It is possible that such innovation are short term and/or do not crystalize in a manner commensurate with expectations thereby affecting the prospects of companies held in the portfolio of the Scheme. The Scheme is thematic in nature, hence will be affected by the risks associated with the innovation theme. Owing to high concentration risk for thematic scheme, risk of capital loss is high. There is an element of unpredictable market cycles that could run for extended periods. Thus, investing in a thematic fund could involve potentially higher volatility and risk.

Risk associated with thematic / sectoral fund: Investing in a Thematic fund is based on the premise that the Fund will seek to invest in companies belonging to a group of sectors benefiting from the theme. This will limit the capability of the Fund to invest in some other sectors. The scheme being thematic in nature will be affected by the risks associated with Innovation sector and hence concentration risk is expected to be high.

Also, as with all equity investing, there is the risk that companies benefitting from the theme will not achieve its expected earnings results, or that an unexpected change in the market (due to Government Policies or Macro Economic factors) or within the company may occur, both of which may adversely affect investment results. Thus, investing in a thematic fund could involve potentially greater volatility and risk.



Name of the scheme

Motilal Oswal Innovation Opportunities Fund

This product is suitable for investors who are seeking*

- Capital appreciation over long term
- Investing predominantly in equity or equity related investments of companies that will benefit from the adoption of innovative strategies or following the innovation theme.

Risk-o-meter of Scheme



The risk of the scheme is Very High

Risk-o-meter of Benchmark
Nifty 500 Total Return Index



The risk of the benchmark is Very High

*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.

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



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Statutory Details: Constitution: Motilal Oswal Mutual Fund has been set up as a trust under the Indian Trust Act, 1882. Trustee: Motilal Oswal Trustee Company Limited. Investment Manager: Motilal Oswal Asset Management Company Ltd. (CIN: U67120MH2008PLC188186) Sponsor: Motilal Oswal Financial Services Ltd

The Scheme focuses on equity of companies benefiting from innovation, which may not always meet expectations, affecting portfolio performance. Being thematic, it carries high concentration and capital loss risk, with unpredictable market cycles. This results in higher volatility and potential risk for investors.

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

For any Mutual Fund queries, please call us on +91 81086 22222 /+91 22 40548002 (Press 1) or write to mfservice@molaloswal.com



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Thank You