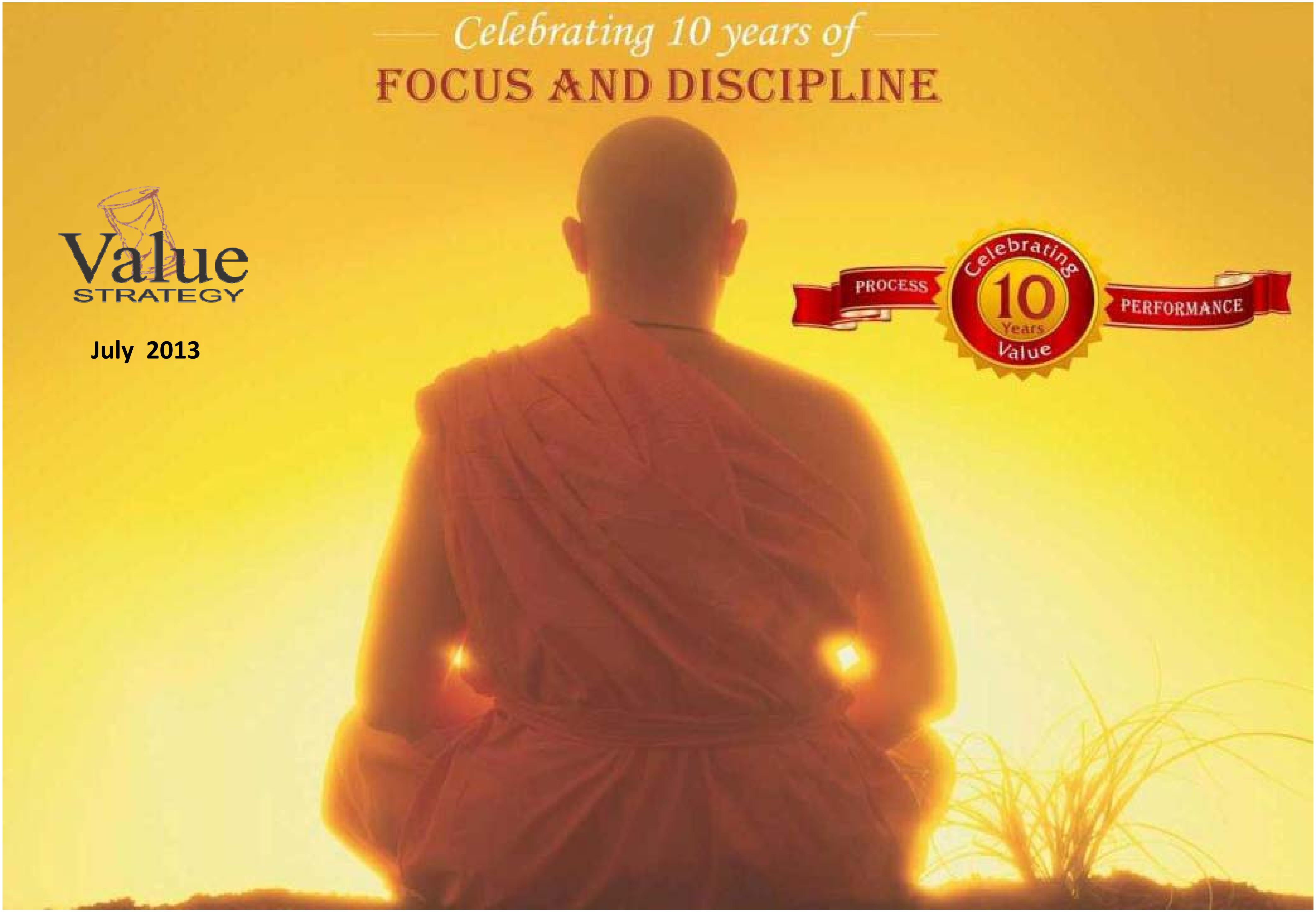
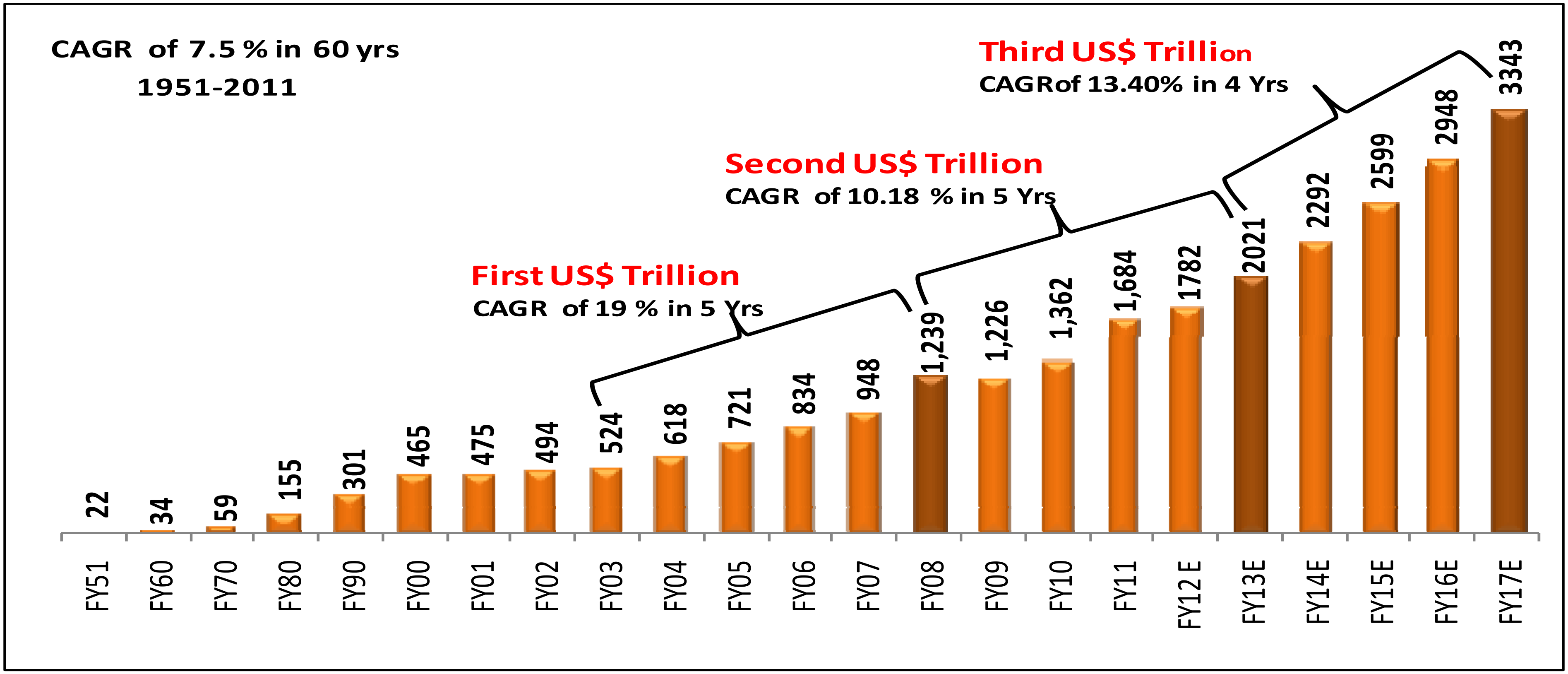

Celebrating 10 years of
FOCUS AND DISCIPLINE
Value STRATEGY
July 2013
PROCESS
Celebrating 10 Years Value
PERFORMANCE

Contents

India's Next Trillion Dollar Era

- **60 years for the first US$ 1 trillion of GDP**
- **5 years to the NTD as India reaches US$ 2 trillion this year**

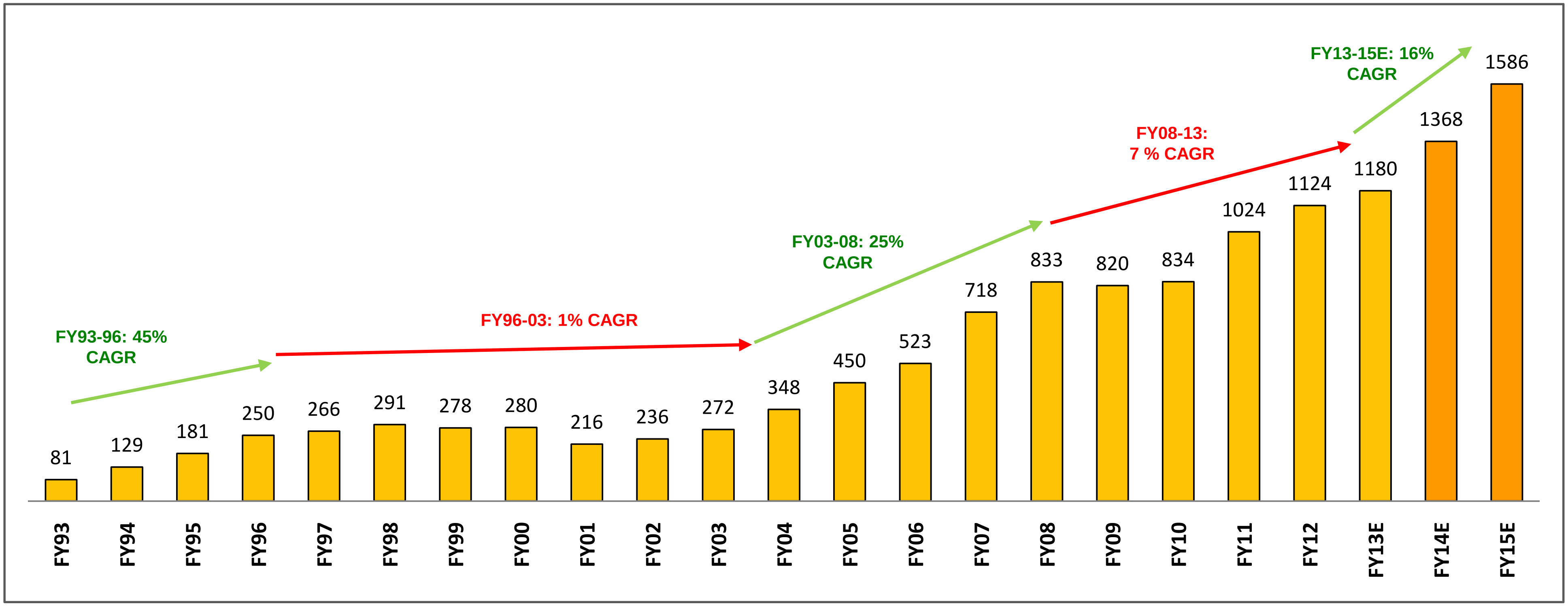


Above forward-looking statements are based on external current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results.

Source: Motilal Oswal Securities Ltd, as on Mar , 2012

New Cycle of Earnings Growth

The chart below indicates the sensex expected Earnings Per Share (EPS) growth from FY13E -FY15E.

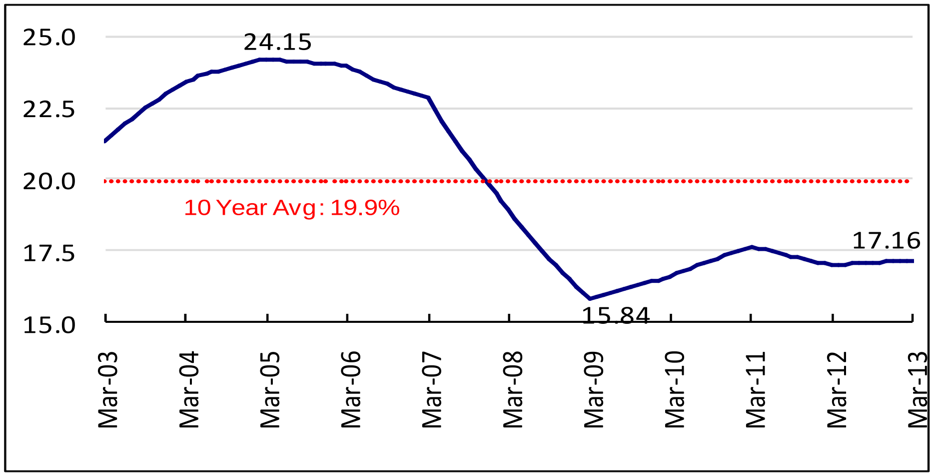


Above forward-looking statements are based on external current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results.

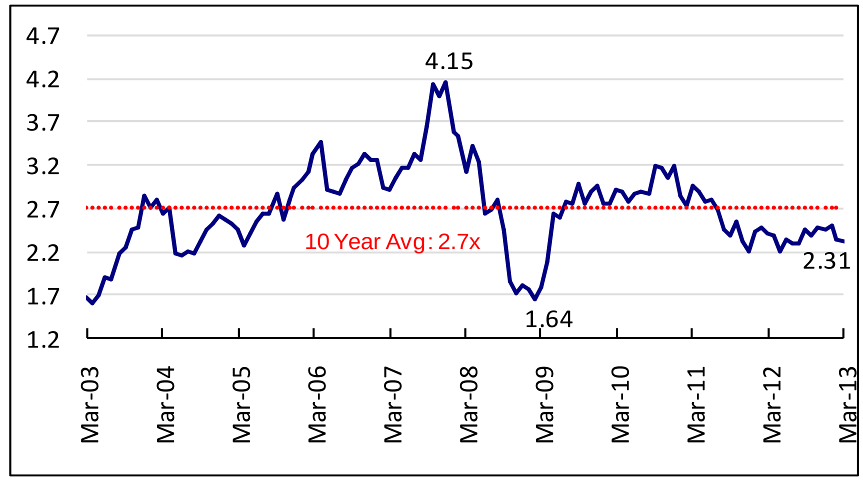
Source: Motilal Oswal Securities Ltd, as on Mar 2013

Current Valuations Below Decadal Average

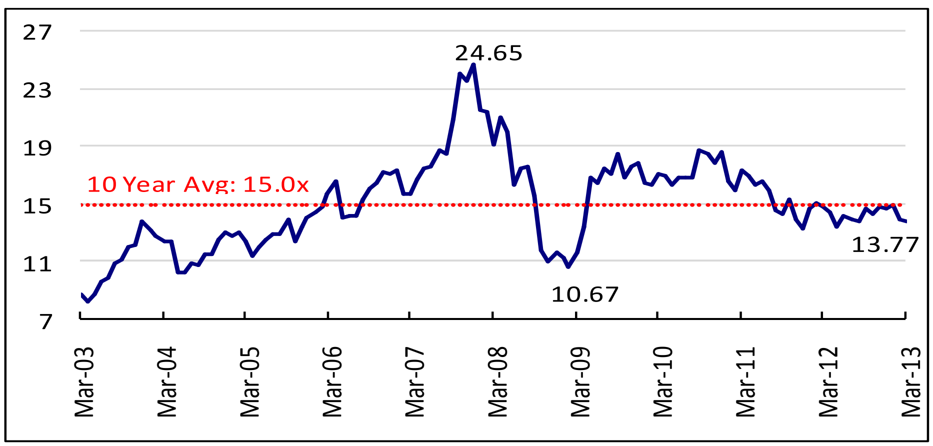
SENSEX P/E (x)



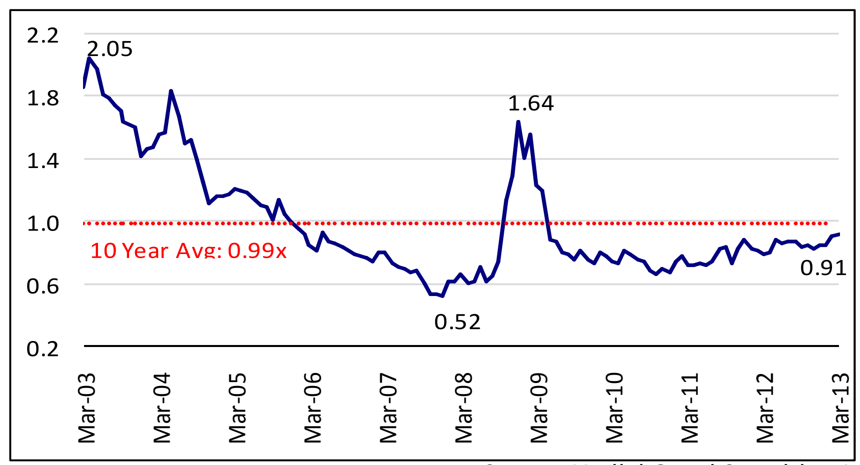
SENSEX P/B (x)



SENSEX ROE (%)



SENSEX EARNINGS YIELD Vs BOND YIELD (%)



Source: Motilal Oswal Securities Ltd.

Why MOAMC- PMS ?

- India's leading PMS Service Providers, with Assets under Management of approx Rs.1300 Crores.
- Our Flagship "Value Strategy" has consistently outperformed the benchmark across market cycles over a 10 year period.
- Motilal Oswal PMS has one of the largest active accounts (more than 4300) on PMS Platform.
- Value Strategy's performance is rated by internationally reputed agency Morningstar every quarter.
- MOAMC - PMS has active clients in 138 different cities right from Agra to Vijaywada ; a testimony of strong acceptance of our PMS across the length & breadth of the country.

Data as on 30th June 2013

Investments in Securities are subject to market and other risks and there is no assurance or guarantee that the objectives of any of the strategies of the Portfolio Management Services (PMS) will be achieved. Performance data shown as of Model Client .Investors in the PMS Product are not being offered any guaranteed/assured returns. Past performance of the portfolio manager does not indicate the future performance for any of the strategies. The names of the portfolios do not in any manner indicate their prospects or return. The investments may not be suited to all categories of investors. Neither Motilal Oswal Asset Management Company Ltd. (MOAMC), nor any person connected with it, accepts any liability arising from the use of this material. The portfolio manager is not responsible for any loss or shortfall resulting from the operation of the strategy. Recipient shall understand that the aforementioned statements cannot disclose all the risks and characteristics.

Why Value ?

- Value Investing
  - Wealth Creator- Value Investing
  - Buy & Hold Philosophy
  - Value Philosophy
  - Rigorous Investment Process
- Value Strategy
- Superlative Performance

Wealth Creator- Value Investing

- A business is prudently picked for investment after a thorough study of its underlying hidden long-term potential.
- Value Investment involves determining the Intrinsic value of a stock, and investing in it if the difference between the value and the stock price provides a sufficient Margin of Safety.
- "We don't get paid for activity, just for being right. As to how long we'll wait, we'll wait indefinitely." - Warren Buffett

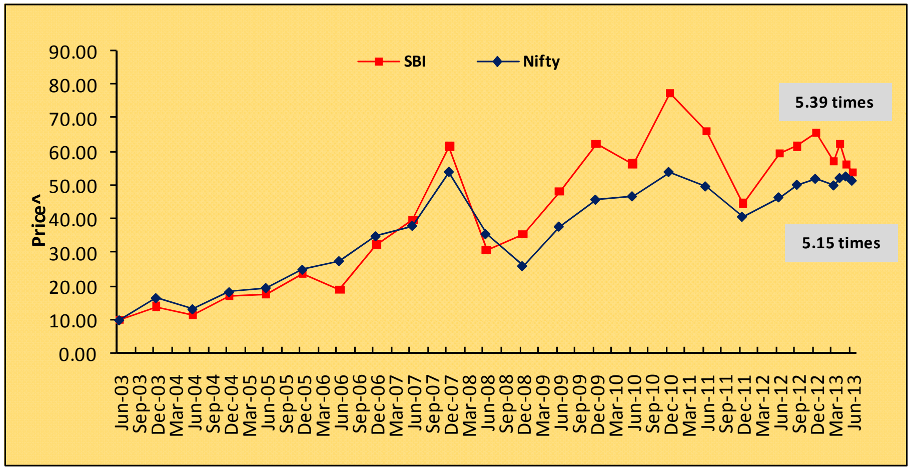
Stock	Purchase Date	Adjusted Purchase Price *	Current Market Price 30-Jun-13	% Growth
Bosch Ltd.	Jun-03	497.00	9047.90	1721%
Hero MotoCorp Limited	Jun-03	253.65	1663.05	556%
State Bank Of India	Jun-03	360.00	1953.80	443%
Glaxo Smithkline Pharmaceuticals Limited	Oct-04	440.00	2334.40	431%
HDFC Limited	Jan-06	241.80	890.15	268%
HDFC Bank	Jul-08	201.00	669.50	233%
Infosys Limited	Jan-05	975.29	2498.85	156%
Nestle India Limited	Nov-09	2628.00	4854.00	85%

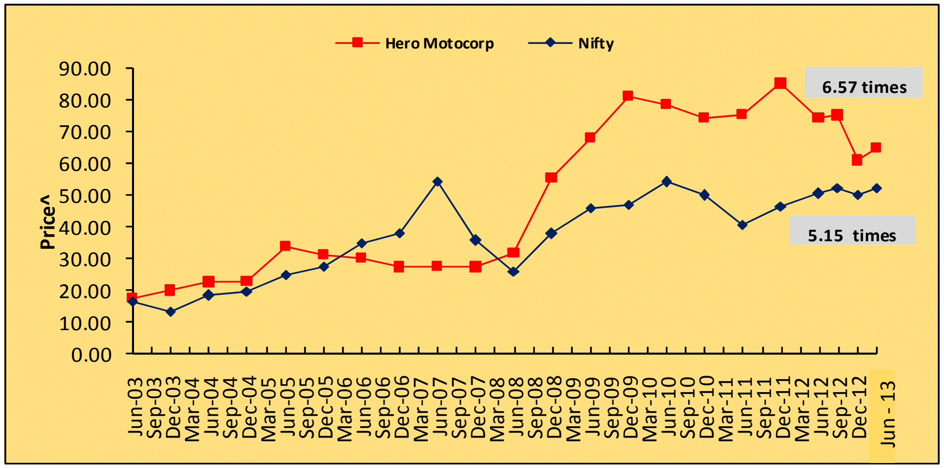
Source: MOAMC

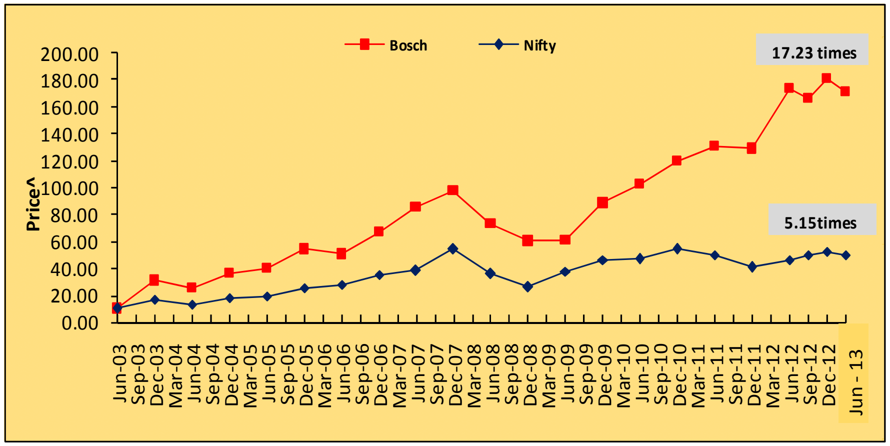
Please Note: The above returns are of a Model Client. Returns of Individual clients may differ depending on factors such as time of entry/exit / additional inflows in the strategy . Past performance may or may not sustained in future.

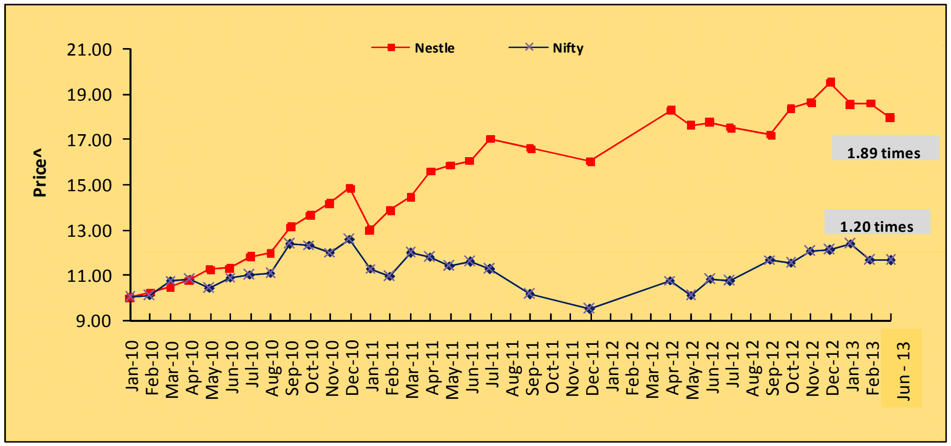
Buy & Hold Approach

- **BUY & HOLD strategy, leading to very low churn, lower costs and enhanced returns**









Source: MOAMC/ Nifty

^For relative comparison, base has been taken as 10 for all the above charts. Based on the closing market prices of 30th Jun 2013. Please Note: The above strategy returns are of a Model Client. Returns of Individual clients may differ depending on factors such as time of entry/exit / additional inflows in the strategy . Past performance may or may not sustained in future.

Value STRATEGY

Value Philosophy

- **Focus on Return on Net Worth**
  - Companies which are likely to earn 20-25 % on its net worth going forward.
- **Margin of safety**
  - To purchase a piece of great business at a fraction of its true value.
- **Balance between growth and value**
  - The focus is on buying undervalued companies
  - Buying stable earnings / cash flows in reasonably priced assets
- **Long-term investment View**
  - Strongly believe that "Money is made by investing for the long term"
- **Bottom Up Approach**
  - To identify potential long-term wealth creators by focusing on individual companies and their management bandwidth.
- **Focused Strategy Construct**
  - The strategy should not consist of more than 15-20 stocks

Value STRATEGY

Rigorous Investment Process

Top Down analysis: market views, thematic drivers, winner categories, category winners

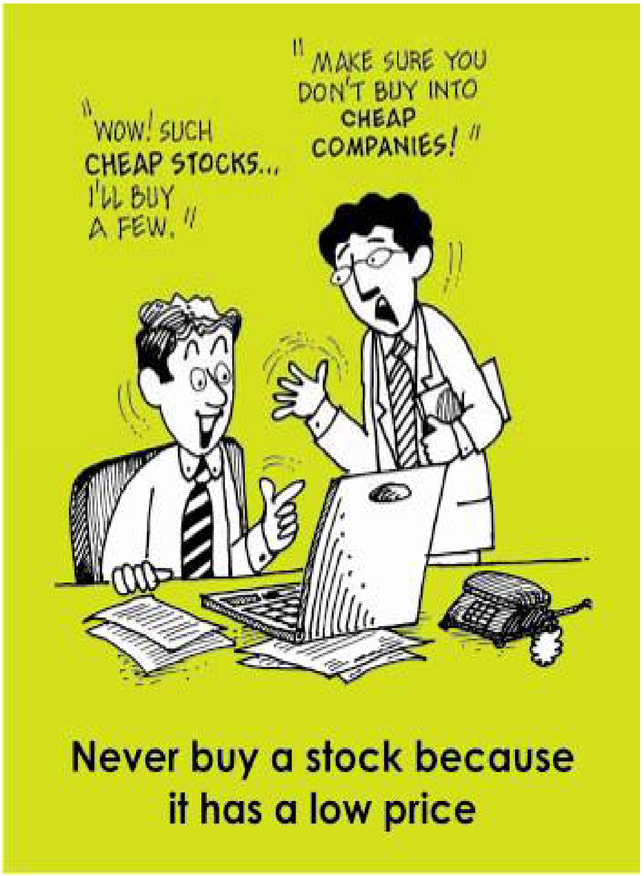
INVESTMENT UNIVERSE	QUANTITATIVE SCREEN *(focus on earnings, FCF, ROA & ROE)*	FUNDAMENTAL ANALYSIS	FUND PORTFOLIO
Existing/ Emerging blue chips	Secular growth thesis Discount to intrinsic value >30%	'360 degree view' of company Identify competitive advantages	High Conviction Ideas Superior risk-adjusted return characteristics
Event driven 'special situations'	Accelerating earnings growth/ upward revision Discount to intrinsic value >50%	Nature, duration, sustainability of catalyst Barriers to entry	
	500 Stocks	80-100 Stocks	15-20 Stocks

THE ZEN OF INVESTING

Value Strategy

- Strategy Objective
- Investment Style & Timing
- Maximum Buy Price Discipline
- Risk-Return Matrix
- Strategy Construct
- Model Holding
- Investment Committee
- Fund Structure

Strategy Objective



- The Strategy aims to benefit from the long term compounding effect on investments done in good businesses, run by great business managers for superior wealth creation

Investment Style & Timing

- Buy undervalued stock and sell overvalued stock, irrespective of Index movements.

- The below mentioned table gives the performance of the Stocks after exiting from the Strategy.

Scrip Name	Buy Date	Adjusted Buy Price	Sell Date	Adjusted Sell Price	CMP *	Scrip Returns post selling	Value Returns post selling	Nifty Returns post selling
Balkrishna Industries	14-Jan-04	24.20	31-Aug-05	169.32	204.95	2%	12%	12%
BHEL	23-Jun-03	27.38	26-Mar-07	224.31	174.25	-4%	11%	7%
Ranbaxy	06-Nov-07	442.02	11-Jun-08	570.65	309.05	-11%	10%	5%
Tata Steel Ltd	06-Nov-07	857.40	29-Mar-10	648.20	273.75	-23%	5%	3%
DLF	06-Jul-07	576.18	10-Jul-08	458.55	181.70	-17%	11%	7%
Bharti Airtel Ltd	25-Apr-03	17.24	07-Mar-12	329.20	291.75	-9%	6%	9%

All Returns are annualized

Data* as 30th June 2013

Source: MOAMC

Please Note: Past performance may or may not be sustained in future. The strategy may or may not have any present or future position in these stocks. The companies mentioned above are only for the purpose of explaining the concept and should not be construed as recommendations from MOAMC.

Maximum Buying Price (MBP) Discipline

Snapshot of the Account Performance Statement of a Client who has invested in the Value Strategy at peak market levels

Account Performance Statement				
From 5-Jan-08 To 30 - Jun -13				
Strategy Name: Value Strategy				
Corpus Detail		**Asset Allocation**		
Activation Date	05-Jan-08	**Asset Class**	**Market Value**	**%**
Initial Investment	2,500,000.00	Equity	2,975,543.85	99.33
Additions	612792.88	Debt	0.00	0.00
Withdrawals	802,439.80	Mutual Funds	0.00	0.00
Net	2,310,353.08	Derivatives	0.00	0.00
Dividend Paid	154,908.60	Cash & Cash Equivalent	19,964.98	0.67
Current Strategy Value	2,995,508.83	Total	2,995,508.83	100.00
Total Gain (Including dividends)	840,064.35			
Performance Analysis				
	Above Period	**Last 1 Year**	**Since Inception**	
Returns %	**Weighted**	**Weighted**	**Weighted**	**Annualised**
Strategy	28.00	2.44	28.00	4.60
CNX Nifty	-2.12	11.40	-2.12	-0.39

The tables shows that the client's investment in Value Strategy at the peak(i.e. 21000) index levels has generated a positive return of 28.00 % vs return of -2.12 % for Nifty. This is a result of following the strict discipline of Stock MBP without market timing.

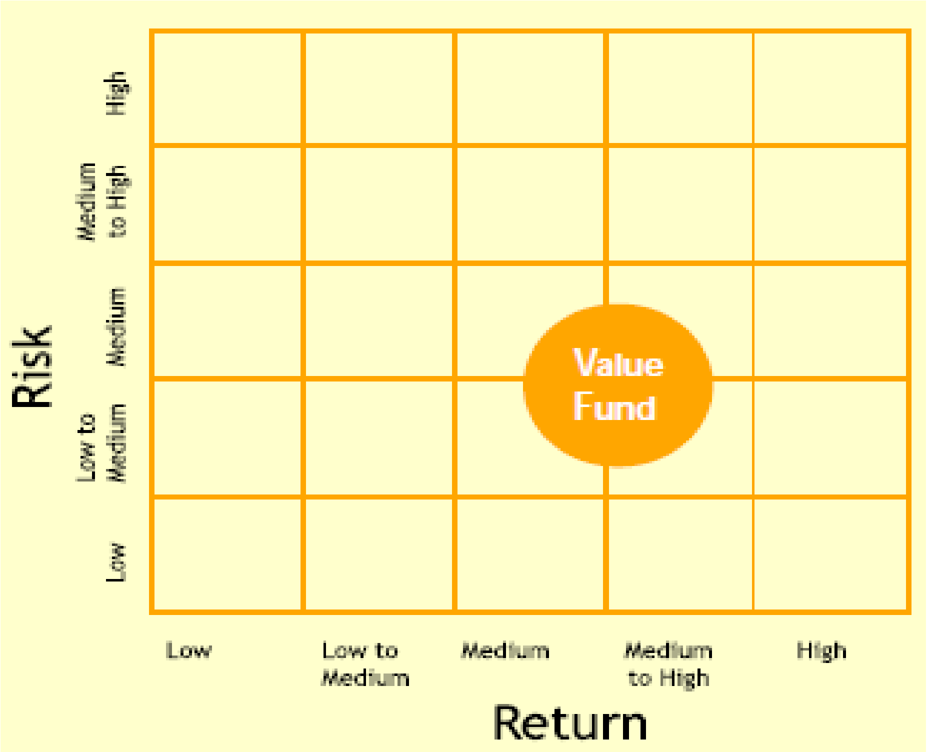
Please Note: Sample a/c statement –this is only for illustration purposes. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Strategy returns are shown above are post fees & expenses.^ Based as per the closing market prices on 30th Jun 2013.

Source: MOAMC-PMS

Risk-Return Matrix & Strategy Construct

- Investment Horizon:
  - Medium to Long Term (3 Years +)

- For Whom:
  - Investors who like to invest with a Long-term wealth creation view.

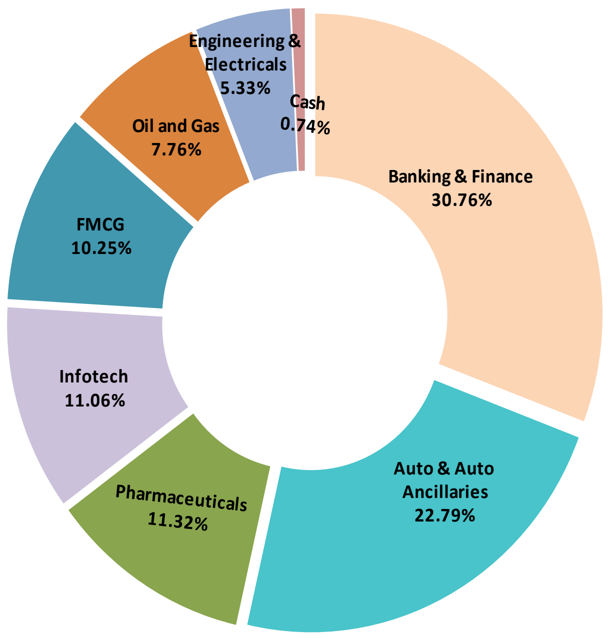


Strategy Construct

- Allocations - Market capitalization
  - Large Caps : 65 % - 100%
  - Mid Caps: 0% - 35%
- No. of Stock
  - 15-20 stocks for a portfolio
- Scrip Allocation
  - Not more than 10% –12% in a single stock
- Sector Allocation Limit
  - 35% in a sector

Model Holding

Sector Allocation



Top Holdings

Scrip Name	(%) of Holding
HDFC Bank Ltd.	13.27
Bosch Ltd.	11.28
Nestle India Ltd.	10.25
Housing Development Finance Corporation Ltd.	9.26
State Bank Of India	8.23
Infosys Technologies Ltd.	7.36
GlaxoSmithkline Pharmaceuticals Ltd.	6.96
Eicher Motors Ltd.	6.89
Larsen & Toubro Ltd.	5.33

Above 5%

Please Note: These stocks are a part of the existing Value PMS strategy as on 30th June 2013. These Stocks may or may not be bought for new clients. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. The strategy may or may not have any present or future holdings in these stocks. The companies mentioned above are only for the purpose of explaining the concept and should not be construed as recommendations from MOAMC. Strategy returns are shown above are post fees & expenses.^ Based as per the closing market prices on 30th June 2013 .

Source: MOAMC

Mr. Raamdeo Agrawal - Chairman of the Investment Committee

- **Mr. Raamdeo Agrawal** is a Co-founder and Joint Managing Director of Motilal Oswal Financial Services Ltd.
- Mr. Agrawal is also a Director on the Board of Motilal Oswal Asset Management Co. Ltd.
- He is the key driving force behind strong research capability as well as a renowned Value investor, and has also been instrumental in setting up the investment management philosophy of the firm.
- He has an extensive experience of more than 25 years in Financial Service Sector.
- Mr. Agrawal is an Associate of Institute of Chartered Accountant of India.
- One of India's foremost Value Investors and author of the 'Wealth Creation Study since its inception in 1996.
- In 1986, he wrote the book **Corporate Numbers Game**, along with co-author Mr. Ram K Piparia.

Fund Manager

Manish Sonthalia, VP & Fund Manager

- 17 Years Experience in Equity Research, Fund Management
- Qualifications – FCA, ICWAI, CS, MBA
- Past Experience : He has been Vice President – Equity Strategy at Motilal Oswal
- Fund Manager with PMS since 2006

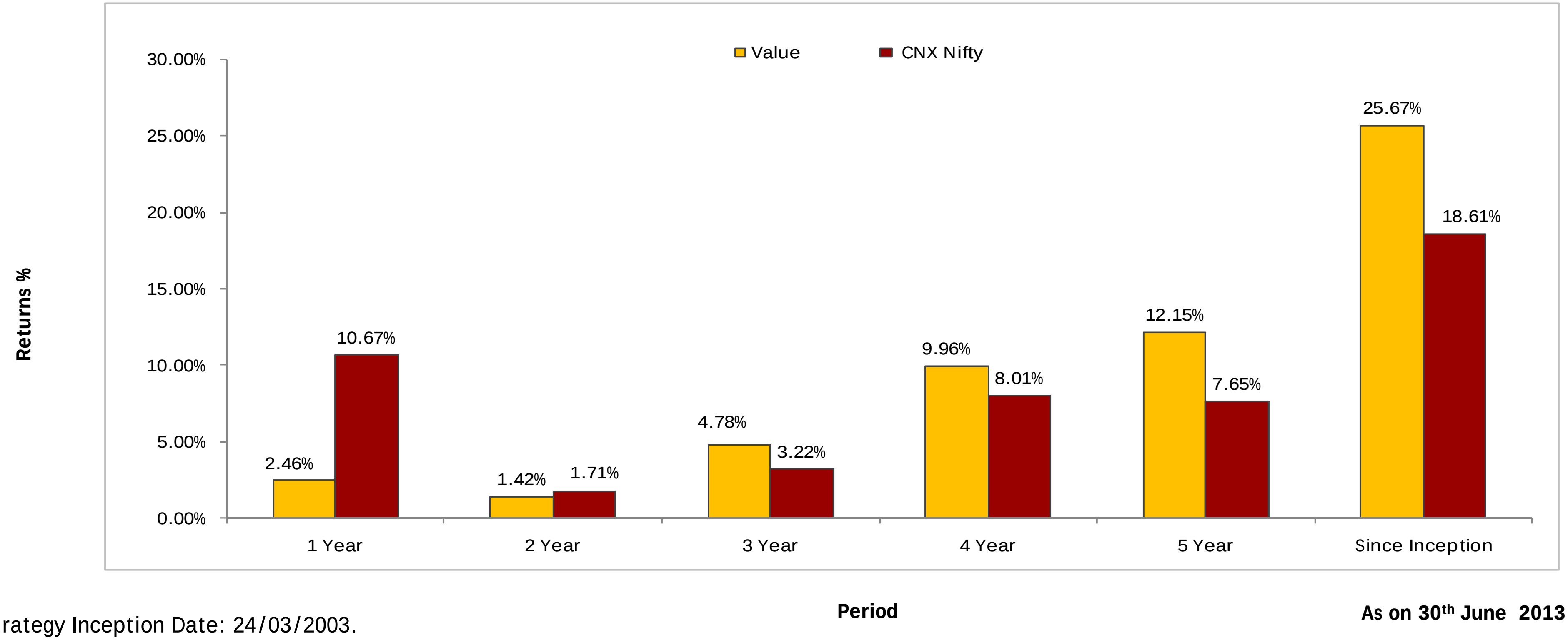
Fund Structure

Mode of payment	By Fund Transfer/Cheque and/or Stock Transfer
Investment Horizon	Medium to Long Term (3 Years +)
Benchmark	S&P CNX Nifty Index
Account Activation	Next business day of Clearance of funds
Portfolio Valuation	Closing NSE market prices of the previous day
Operations	•Investments managed on individual basis •Third party Custodian for funds and securities
Reporting	•Monthly Performance Statement •Transaction, Holding & Corporate Action Reports •Annual CA certified statement of the Account
Servicing	•Dedicated Relationship Manager •Web access for portfolio tracking

Performance Track Record

- Since Inception Value Strategy has delivered a CAGR returns of 25.67% vs. Nifty returns of 18.61%, an outperformance of 7.06 %(CAGR).

All Figures in %



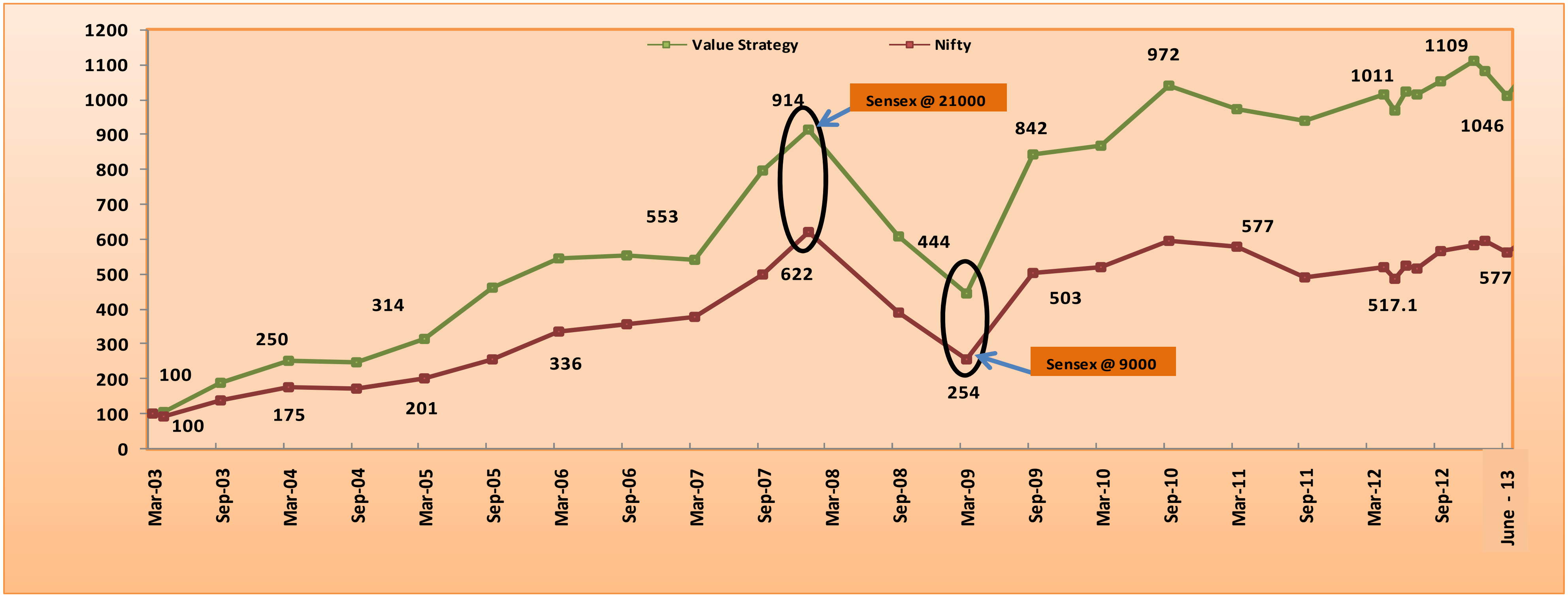
As on 30th June 2013

Strategy Inception Date: 24/03/2003.

Please Note: The Above strategy returns are of a Model Client who is a part of existing Value Strategy. Returns of individual clients may differ depending on time of entry in the strategy. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Returns above 1 year are annualized. Strategy returns shown above are post fees & expenses.

Performance Since Inception

The chart below illustrates Rs.1 crore invested in Value PMS in March 2003 is worth Rs. 10.46 crores as on 30th June 2013 . For the same period Rs.1 crore invested in Nifty is now worth Rs. 5.77 crores.



Strategy Inception Date: 24/03/2003.

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Risk Analysis – By Morning Star

- The Value strategy has outperformed the benchmark with a lower level of volatility and has managed to deliver strong returns while offering defensive characteristics, reducing losses during periods of market downturn but participating in the upside.

5 Years Data	Portfolio	Benchmark		3 years	5 years
Beta	0.68	1.00	Portfolio Returns		
R2	81.63	100.00	Value Strategy	5.51	8.21
Up Capture Ratio	70.94	100.00	Benchmark*	2.68	3.72
Down Capture Ratio	68.07	100.00	Standard Deviation		
Sharpe Ratio	-0.10	-0.25	Value Strategy	15.78	25.78
Sortino Ratio	-0.12	-0.29	Benchmark*	21.15	32.33

Source : Motilal Oswal AMC/Morningstar Direct, Data as on 31/03/2013, returns annualized using model strategy * CNX Nifty Index

Thank You

Risk Disclosure And Disclaimer

Registered Office: Portfolio Management Services Department
Motilal Oswal Asset Management Company Limited Palm Spring Centre, 2nd Floor, Link Road, Malad (West), Mumbai - 400 064
SEBI Certificate of Registration as Portfolio Manager INP 000000670