Kotak Mutual Fund

Kotak FMP Series 192

NFO Opens – Monday, March 14, 2016

NFO Closes – Monday, March 28, 2016

What are FMPs?

FMPs are close-ended debt funds which have an objective to generate returns through investments in debt and money market instruments with a view to reduce the interest rate risk. They invest in debt and money market securities, maturing on or before maturity of the scheme.

What are the benefits of FMPs?

- **Fixed tenure** – just like traditional investment avenues such as fixed deposits, FMPs have a fixed tenure.
- **Low risk** – FMPs generally have low to negligible exposure to interest rate risk as the securities are normally held till maturity and are thus less prone to volatility in interest rates.
- **Potential for better returns** – Longer tenure FMPs normally invest into high yield debt issuances of various issuers and hold them till maturity with an aim to benefit from the prevailing interest rates. Thus they have a better potential for returns than short term schemes such as liquid and ultra-short term schemes.
- **Tax Benefit** – FMPs have better taxation than traditional savings instrument such as fixed deposits. (Illustration given below).

What are scheme details for the Kotak FMP Series 192?

Tenure	1100 days
Benchmark	CRISIL Composite Bond Fund Index
Minimum application amount	Rs. 5,000/- and in multiples of Rs 10 for purchase and switch-ins

What are the asset allocation and the intended allocation of Kotak FMP Series 192?

The asset allocation under the Scheme, under normal circumstances, will be as follows: Debt Securities (excluding money market instruments) – 80% to 100%, Money Market instruments – 0% to 20%, and Government Securities – 0% to 20%. The Scheme will ensure adherence to the floors and ceilings within a range of 5% of the intended allocation (in %) against each sub asset class/credit rating.

Instruments	**Credit Rating**				
	AAA	**AA**	**A**	**A1+**	**BBB**
CDs	-	-	-	-	-
CPs	-	-	-	0 - 5%	-
NCDs	-	95 - 100%	-	-	-
Any other instruments	-	-	-	-	-

Positive variation in investment towards higher credit rating in the same instrument is allowed.

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Please refer to the scheme information document for details on notes related to the intended allocation and asset allocation.

Tax efficiency illustration:

FMPs which have tenure greater than 3 years are more tax efficient than traditional savings instruments such as fixed deposits. This is because gains from investment in Mutual Funds, if redeemed after 3 years, are considered long-term capital gains. Given below is an illustration to explain the concept taking the tenure of Series 192.

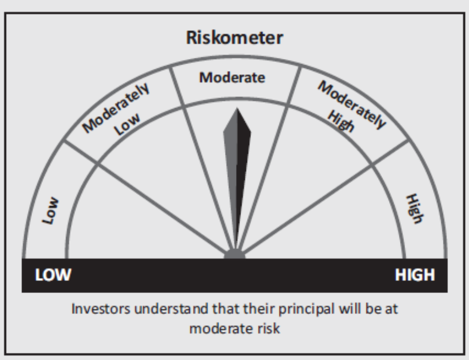
Particulars	Fund with Indexation	Fixed Deposit
Assumed Pre-tax annualized yield	8.00%	8.00%
Tenure in days	1,100	1,100
Applicable Tax Rate (%)	23.07%	34.608%
Amount Invested (Rs.)	100,000	100,000
Interest/Gains for Maturity Period (Rs.)	26,104	26,104
Value at Maturity (Rs.)	126,104	126,104
Assumed Indexation rate	6.00%	NA
Indexed cost (Rs.)	126,248	NA
Gain after Indexation	0	NA
Tax Liability (Rs.)	0	9,034
Post tax gross value (Rs.)	126,104	117,070
Post tax annualized return	8.00%	5.37%

This calculation is for the purpose of explaining the concept of indexation and should not be considered as indicative returns of the scheme. Tax rate is assuming the investor is subject to highest tax rate and invests in growth option. The above may not be construed as tax advice and it is recommended that the investor consult his/her tax advisor to ascertain their tax benefits. Returns from FMPs are subject to market fluctuations. Returns from fixed deposits are assured returns and are not linked to market fluctuations. Investments in fixed deposits are insured up to Rs. 1,00,000 whereas there is no such insurance for investment in mutual funds.

Disclaimers:

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

This product is suitable for investors who are seeking*
Income over a long investment horizon
Investment in floating rate securities, debt & money market securities



*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.