



## COMBINED SCHEME INFORMATION DOCUMENT EQUITY SCHEMES OF KOTAK MAHINDRA MUTUAL FUND

### Continuous Offer of units of all schemes available at NAV bases prices

Name of Scheme	Type of Scheme	Scheme Re-opened on
Kotak Mahindra 50 Unit Scheme	An open ended equity scheme	January 21, 1999
Kotak Mahindra Balance Unit Scheme 99	An open ended balanced scheme	November 29, 1999
Kotak Opportunities	An open ended equity growth scheme	September 10 2004
Kotak Midcap Scheme	An open ended equity growth scheme	February 25, 2005
Kotak Classic Equity	An open ended equity growth scheme	July 27, 2005
Kotak Equity Arbitrage Scheme	An open ended equity growth scheme	October 3, 2005
Kotak Tax Saver	An open ended equity linked savings scheme	November 25, 2005
Kotak Select Focus Fund	An open ended equity scheme	September 11, 2009
Kotak Emerging Equity Scheme	An open ended equity growth scheme	Scheme converted to an open ended scheme on: March 31, 2010
Kotak Infrastructure & Economic Reform Fund (formerly known as "PineBridge Infrastructure & Economic Reform Fund")	An open ended equity scheme	February 27, 2008
Kotak World Gold Fund (formerly known as "PineBridge World Gold Fund")	An open ended fund of funds scheme	June 12, 2008
Kotak US Equity Fund (formerly known as "PineBridge India – US Equity Fund")	An open ended fund of funds scheme investing overseas	December 20, 2013

Name of Mutual Fund	<b>Kotak Mahindra Mutual Fund</b>
Name of Asset Management Company	<b>Kotak Mahindra Asset Management Company Ltd. CIN: U65991MH1994PLC080009</b>
Name of Trustee Company	<b>Kotak Mahindra Trustee Company Ltd. CIN: U65990MH1995PLC090279</b>
Address of the Companies	<b>27 BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051</b>
Corporate address of the Asset Management Company	<b>6th Floor, Vinay Bhavya Complex, 159-A, C. S. T. Road, Kalina, Santacruz (E), Mumbai - 400098</b>
Website	<b>assetmanagement.kotak.com</b>

The particulars of the Schemes have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

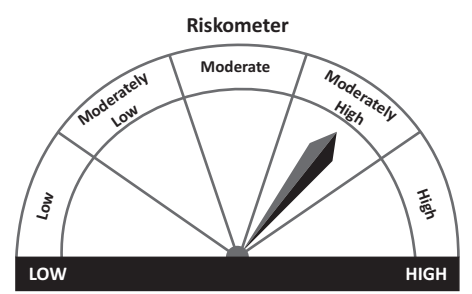
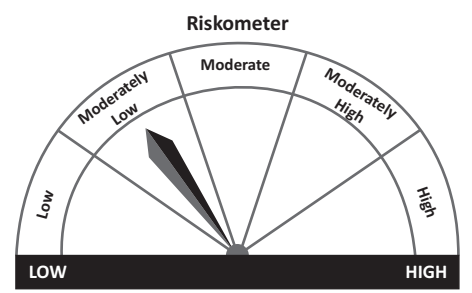
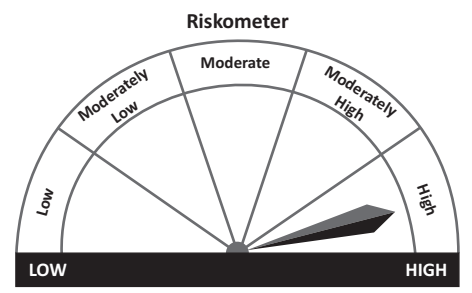
The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Kotak Mahindra Mutual Fund, Tax and Legal issues and general information on

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

# PRODUCT LABELING

Scheme Names	This product is suitable for investors who are seeking*	Riskometer
Kotak Mahindra 50 Unit Scheme	<ul style="list-style-type: none"> <li>Long term capital growth</li> <li>Investment in portfolio of predominantly equity &amp; equity related securities</li> </ul>	 <p style="text-align: center;">Investors understand that their principal will be at moderately high risk</p>
Kotak Mahindra Balance Unit Scheme 99	<ul style="list-style-type: none"> <li>Long term capital growth</li> <li>Investment in equity &amp; equity related securities balanced with income generation by investing in debt &amp; money market instruments</li> </ul>	
Kotak Opportunities	<ul style="list-style-type: none"> <li>Long term capital growth</li> <li>Investment in portfolio of predominantly equity &amp; equity related securities</li> </ul>	
Kotak Midcap Scheme	<ul style="list-style-type: none"> <li>Long term capital growth</li> <li>Investment in equity &amp; equity related securities predominantly in mid cap stocks</li> </ul>	
Kotak Classic Equity	<ul style="list-style-type: none"> <li>Long term capital growth</li> <li>Investment in portfolio of predominantly equity &amp; equity related securities</li> </ul>	
Kotak Tax Saver	<ul style="list-style-type: none"> <li>Long term capital growth with a 3 year lock in</li> <li>Investment in portfolio of predominantly equity &amp; equity related securities</li> </ul>	
Kotak Select Focus Fund	<ul style="list-style-type: none"> <li>Long term capital growth</li> <li>Investment in portfolio of predominantly equity &amp; equity related securities generally focussed on a few selected sectors</li> </ul>	
Kotak Emerging Equity Scheme	<ul style="list-style-type: none"> <li>Long term capital growth</li> <li>Investment in equity &amp; equity related securities predominantly in mid &amp; small cap companies</li> </ul>	
Kotak Equity Arbitrage Scheme	<ul style="list-style-type: none"> <li>Income from arbitrage opportunities in the equity market</li> <li>Investment in arbitrage opportunities in the cash &amp; derivatives segment of the equity market</li> </ul>	 <p style="text-align: center;">Investors understand that their principal will be at moderately low risk</p>
Kotak Infrastructure & Economic Reform Fund	<ul style="list-style-type: none"> <li>Long term capital growth</li> <li>Long term capital appreciation by investing in equity and equity related instruments of companies contributing to infrastructure and economic development of India</li> </ul>	 <p style="text-align: center;">Investors understand that their principal will be at high risk</p>
Kotak World Gold Fund	<ul style="list-style-type: none"> <li>Long term capital growth</li> <li>Long term capital appreciation by investing in units of Falcon Gold Equity Fund which in turn invests in international securities of gold production, processing and marketing companies</li> </ul>	
Kotak - US Equity Fund	<ul style="list-style-type: none"> <li>long-term capital growth</li> <li>long term capital appreciation by investing in Units of PineBridge US Large Cap Research Enhanced Fund which in turn invests in equity and equity related securities of companies having assets, products or operations in the United States.</li> </ul>	

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

## TABLE OF CONTENTS

<b>I. HIGHLIGHTS/SUMMARY OF THE SCHEMES</b>	<b>2</b>		
<b>II. INTRODUCTION</b>	<b>20</b>	(xi) Kotak World Gold Fund	48
A. Risk Factors	20	(xii) Kotak US Equity Fund	49
B. Requirement of Minimum Investors in the Scheme	27	C. Where will the scheme invest? (common to all schemes except for Kotak Tax Saver)	51
C. Special Considerations	28	D. Fundamental Attributes (common to all schemes)	57
D. Definitions (common to all schemes)	30	E. Who manages the schemes?	58
E. Due Diligence by the Asset Management Company	32	F. What are Investment Restrictions?	59
		G. How have the schemes performed?	62
<b>III. INFORMATION ABOUT THE SCHEMES</b>	<b>33</b>	<b>IV. UNITS AND OFFER</b>	<b>66</b>
A. Type of Schemes	33	A. Ongoing Offer Details	66
B. Features of the schemes (Investment Objective, Asset Allocation Pattern, Investment Strategy, Benchmark, Risk Mitigation)	33	B. Periodic Disclosures	79
(i) Kotak Mahindra 50 Unit Scheme (Kotak 50)	33	C. Computation of NAV (common to all schemes)	82
(ii) Kotak Mahindra Balance Unit Scheme 99 (Kotak Balance)	34	<b>V. FEES AND EXPENSES</b>	<b>83</b>
(iii) Kotak Opportunities	36	A. New Fund Offer (NFO) Expenses	83
(iv) Kotak Midcap	37	B. Total Expense Ratio (TER)	83
(v) Kotak Classic Equity	39	C. Load structure	85
(vi) Kotak Equity Arbitrage Fund	40	<b>VI. RIGHTS OF UNITHOLDERS</b>	<b>86</b>
(vii) Kotak Tax Saver	42	<b>VII. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY</b>	<b>86</b>
(viii) Kotak Select Focus Fund	44		
(ix) Kotak Emerging Equity Scheme	45		
(x) Kotak Infrastructure & Economic Reform Fund	47		

## I. HIGHLIGHTS/ SUMMARY OF THE SCHEME

SCHEME	Kotak 50	Kotak Balance																																																																								
<b>Type of Scheme</b>	Open-ended Equity Scheme	Open-ended Balanced Scheme																																																																								
<b>Investment Objective</b>	The investment objective of the Scheme is to generate capital appreciation from a portfolio of predominantly equity related securities. The portfolio will generally comprise of equity & equity related instruments of around 50 companies which may go upto 59 companies However, there is no assurance that the objective of the scheme will be realized.	The investment objective of the Scheme is to achieve growth by investing in equity and equity related instruments, balanced with income generation by investing in debt and money market instruments. However, there is no assurance that the objective of the scheme will be realized.																																																																								
<b>Liquidity</b>	Open-ended. Purchases and Redemptions at prices related to Applicable NAV on each Business Day.																																																																									
<b>Benchmark Index</b>	CNX Nifty	Crisil Balanced Fund Index																																																																								
<b>Transparency / NAV disclosure</b>	<p>The Mutual Fund shall update the Net asset value of the scheme on every business day on AMFI's website www.amfiindia.com by 9:00 p.m. The NAVs shall also be updated on the website of the Mutual Fund and will be published in two newspapers.</p> <p>Delay in uploading of NAV beyond 9.00 p.m. on every business day shall be explained in writing to AMFI. In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release for revised NAV shall be issued.</p> <p>The monthly portfolio of the Schemes shall be available in a user-friendly and downloadable format on the website viz. assetmanagement.kotak.com, on or before the tenth day of succeeding month.</p>																																																																									
<b>Plans under each scheme</b>	<p>Direct Plan and Regular Plan</p> <p>Direct Plan: This Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.</p> <p>Regular Plan: This Plan is for investors who wish to route their investment through any distributor.</p> <p>The portfolio of both plans will be unsegregated.</p>	<p>Direct Plan and Regular Plan</p> <p>Direct Plan: This Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.</p> <p>Regular Plan: This Plan is for investors who wish to route their investment through any distributor.</p> <p>The portfolio of both plans will be unsegregated.</p>																																																																								
<b>Default Plan</b>	<p>Investors subscribing under Direct Plan of the Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "Kotak 50 – Direct Plan".</p> <p>Investors should also indicate "Direct" in the ARN column of the application form. If the application is received incomplete with respect to not selecting Regular/Direct Plan, the application will be processed as under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Scenario</th> <th>Broker Code mentioned by the investor</th> <th>Plan mentioned by the investor</th> <th>Default Plan to be captured</th> </tr> </thead> <tbody> <tr><td>1</td><td>Not mentioned</td><td>Not mentioned</td><td>Direct Plan</td></tr> <tr><td>2</td><td>Not mentioned</td><td>Direct</td><td>Direct Plan</td></tr> <tr><td>3</td><td>Not mentioned</td><td>Regular</td><td>Direct Plan</td></tr> <tr><td>4</td><td>Mentioned</td><td>Direct</td><td>Direct Plan</td></tr> <tr><td>5</td><td>Direct</td><td>Not Mentioned</td><td>Direct Plan</td></tr> <tr><td>6</td><td>Direct</td><td>Regular</td><td>Direct Plan</td></tr> <tr><td>7</td><td>Mentioned</td><td>Regular</td><td>Regular Plan</td></tr> <tr><td>8</td><td>Mentioned</td><td>Not Mentioned</td><td>Regular Plan</td></tr> </tbody> </table> <p>In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.</p>	Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured	1	Not mentioned	Not mentioned	Direct Plan	2	Not mentioned	Direct	Direct Plan	3	Not mentioned	Regular	Direct Plan	4	Mentioned	Direct	Direct Plan	5	Direct	Not Mentioned	Direct Plan	6	Direct	Regular	Direct Plan	7	Mentioned	Regular	Regular Plan	8	Mentioned	Not Mentioned	Regular Plan	<p>Investors subscribing under Direct Plan of the Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "Kotak Balance – Direct Plan".</p> <p>Investors should also indicate "Direct" in the ARN column of the application form. If the application is received incomplete with respect to not selecting Regular/Direct Plan, the application will be processed as under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Scenario</th> <th>Broker Code mentioned by the investor</th> <th>Plan mentioned by the investor</th> <th>Default Plan to be captured</th> </tr> </thead> <tbody> <tr><td>1</td><td>Not mentioned</td><td>Not mentioned</td><td>Direct Plan</td></tr> <tr><td>2</td><td>Not mentioned</td><td>Direct</td><td>Direct Plan</td></tr> <tr><td>3</td><td>Not mentioned</td><td>Regular</td><td>Direct Plan</td></tr> <tr><td>4</td><td>Mentioned</td><td>Direct</td><td>Direct Plan</td></tr> <tr><td>5</td><td>Direct</td><td>Not Mentioned</td><td>Direct Plan</td></tr> <tr><td>6</td><td>Direct</td><td>Regular</td><td>Direct Plan</td></tr> <tr><td>7</td><td>Mentioned</td><td>Regular</td><td>Regular Plan</td></tr> <tr><td>8</td><td>Mentioned</td><td>Not Mentioned</td><td>Regular Plan</td></tr> </tbody> </table> <p>In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.</p>	Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured	1	Not mentioned	Not mentioned	Direct Plan	2	Not mentioned	Direct	Direct Plan	3	Not mentioned	Regular	Direct Plan	4	Mentioned	Direct	Direct Plan	5	Direct	Not Mentioned	Direct Plan	6	Direct	Regular	Direct Plan	7	Mentioned	Regular	Regular Plan	8	Mentioned	Not Mentioned	Regular Plan
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SCHEME	Kotak 50	Kotak Balance
<b>Options under each Plan</b>	Growth and Dividend (Payout and Reinvestment). The NAVs of the above Options will be different and separately declared; the portfolio of investments remaining the same.	Growth and Dividend (Payout and Reinvestment). The NAVs of the above Options will be different and separately declared; the portfolio of investments remaining the same.
<b>Choice of Default Option</b>	<ul style="list-style-type: none"> <li>If applicant does not indicate the choice of option between growth and dividend option in the application form then the fund will accept it as an application for growth option under respective plan.</li> <li>If applicant does not indicate the choice of dividend sub-option between dividend payout and dividend reinvestment then the fund will accept it as an application for dividend reinvestment.</li> </ul>	<ul style="list-style-type: none"> <li>If applicant does not indicate the choice of option between growth and dividend option in the application form then the fund will accept it as an application for growth option under respective plan.</li> <li>If applicant does not indicate the choice of dividend sub-option between dividend payout and dividend reinvestment then the fund will accept it as an application for dividend reinvestment.</li> </ul>
<b>Dividend Frequency</b> (Dividend is declared subject to availability and adequacy of distributable surplus)	At the discretion of the Trustees	Half Yearly
<b>Dividend Record Dates</b> (If the Record date is not a Business Day, the immediately following Business Day will be the record date)	-	25th March and 25th September every year
<b>SIP/SWP/STP/DTP Facilities</b>	Available	Available
<b>SIP Frequency &amp; Dates</b>	1st, 7th, 14th, 21st and 25th of the Month/Quarter	1st, 7th, 14th, 21st and 25th of the Month/Quarter
<b>SWP/STP Frequency</b>	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly
<b>SWP Dates</b>	1st, 7th, 14th, 21st and 25th	1st, 7th, 14th, 21st and 25th
<b>STP Dates</b>	Any Business Day	Any Business Day
<b>SWP/STP</b>	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation
<b>Minimum Investment size</b>		
<b>Initial Purchase (Non- SIP)</b>	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches
<b>Additional Purchase (Non-SIP)</b>	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches
<b>SIP Purchase</b>	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)
<b>Minimum Redemption Size</b>		
<b>In Rupees (Non- SWP/STP)</b>	Rs. 1000/-	Rs. 1000/-
<b>In Units (Non-SWP/STP)</b>	100 units	100 units
<b>In Rupees (SWP/STP)</b>	Rs. 1000/- (Subject to a minimum of 6 installments)/Entire Appreciation	Rs. 1000/- (Subject to a minimum of 6 installments)/Entire Appreciation
<b>Minimum balance to be maintained and consequences of non maintenance.</b>	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme

SCHEME	Kotak 50	Kotak Balance
<b>Cheques/ Drafts to favour</b>	<p><b>Regular Plan:</b> Cheques should be drawn in favor of Kotak 50</p> <p><b>Direct Plan:</b> Cheques should be drawn in favor of Kotak 50– Direct Plan</p>	<p><b>Regular Plan:</b> Cheques should be drawn in favor of Kotak Balance</p> <p><b>Direct Plan:</b> Cheques should be drawn in favor of Kotak Balance – Direct Plan</p>
<b>Loads:</b>		
<b>Entry</b>	<p>In terms of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.</p>	
<b>Exit</b>	<ul style="list-style-type: none"> <li>• For redemptions / switch outs (including SIP/STP) within 18 months from the date of allotment of units, irrespective of the amount of investment – 1%</li> <li>• For redemptions / switch outs (including SIP/STP) after 18 months from the date of allotment of units, irrespective of the amount of investment – NIL</li> </ul> <p>Any exit load charged (net off Service Tax, if any) shall be credited back to the respective Scheme.</p> <p>Units issued on reinvestment of dividends shall not be subject to entry and exit load.</p>	<ul style="list-style-type: none"> <li>• For redemptions / switch outs (including SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment – 1%</li> <li>• For redemptions / switch outs (including SIP/STP) after 1 year from the date of allotment of units, irrespective of the amount of investment – NIL</li> </ul> <p>Any exit load charged (net off Service Tax, if any) shall be credited back to the respective Scheme.</p> <p>Units issued on reinvestment of dividends shall not be subject to entry and exit load.</p>

SCHEME	Kotak Opportunities	Kotak Classic Equity																																																																								
<b>Type of Scheme</b>	An Open-Ended Equity Growth Scheme	An Open-ended Equity Growth Scheme																																																																								
<b>Investment Objective</b>	The investment objective of the Scheme is to generate capital appreciation from a diversified portfolio of equity and equity related securities. However, there is no assurance that the objective of the scheme will be realized.	The investment objective of the scheme is to generate capital appreciation from a diversified portfolio of equity and equity related instruments. However, there is no assurance that the objective of the scheme will be realized.																																																																								
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<b>Transparency / NAV disclosure</b>	<p>The Mutual Fund shall update the Net asset value of the scheme on every business day on AMFI's website www.amfiindia.com by 9:00 p.m. The NAVs shall also be updated on the website of the Mutual Fund and will be published in two newspapers.</p> <p>Delay in uploading of NAV beyond 9.00 p.m. on every business day shall be explained in writing to AMFI. In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release for revised NAV shall be issued.</p> <p>The monthly portfolio of the Schemes shall be available in a user-friendly and downloadable format on the website viz. assetmanagement.kotak.com. on or before the tenth day of succeeding month.</p>																																																																									
<b>Plans under each scheme</b>	<p>Direct Plan and Regular Plan</p> <p>Direct Plan: This Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.</p> <p>Regular Plan: This Plan is for investors who wish to route their investment through any distributor.</p> <p>The portfolio of both plans will be unsegregated.</p>	<p>Direct Plan and Regular Plan</p> <p>Direct Plan: This Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.</p> <p>Regular Plan: This Plan is for investors who wish to route their investment through any distributor.</p> <p>The portfolio of both plans will be unsegregated.</p>																																																																								
<b>Default Plan</b>	<p>Investors subscribing under Direct Plan of the Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "Kotak Opportunities – Direct Plan".</p> <p>Investors should also indicate "Direct" in the ARN column of the application form.</p> <p>If the application is received incomplete with respect to not selecting Regular/Direct Plan, the application will be processed as under:</p> <table border="1"> <thead> <tr> <th>Scenario</th> <th>Broker Code mentioned by the investor</th> <th>Plan mentioned by the investor</th> <th>Default Plan to be captured</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Not mentioned</td> <td>Not mentioned</td> <td>Direct Plan</td> </tr> <tr> <td>2</td> <td>Not mentioned</td> <td>Direct</td> <td>Direct Plan</td> </tr> <tr> <td>3</td> <td>Not mentioned</td> <td>Regular</td> <td>Direct Plan</td> </tr> <tr> <td>4</td> <td>Mentioned</td> <td>Direct</td> <td>Direct Plan</td> </tr> <tr> <td>5</td> <td>Direct</td> <td>Not Mentioned</td> <td>Direct Plan</td> </tr> <tr> <td>6</td> <td>Direct</td> <td>Regular</td> <td>Direct Plan</td> </tr> <tr> <td>7</td> <td>Mentioned</td> <td>Regular</td> <td>Regular Plan</td> </tr> <tr> <td>8</td> <td>Mentioned</td> <td>Not Mentioned</td> <td>Regular Plan</td> </tr> </tbody> </table> <p>In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.</p>	Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured	1	Not mentioned	Not mentioned	Direct Plan	2	Not mentioned	Direct	Direct Plan	3	Not mentioned	Regular	Direct Plan	4	Mentioned	Direct	Direct Plan	5	Direct	Not Mentioned	Direct Plan	6	Direct	Regular	Direct Plan	7	Mentioned	Regular	Regular Plan	8	Mentioned	Not Mentioned	Regular Plan	<p>Investors subscribing under Direct Plan of the Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "Kotak Classic Equity – Direct Plan".</p> <p>Investors should also indicate "Direct" in the ARN column of the application form.</p> <p>If the application is received incomplete with respect to not selecting Regular/Direct Plan, the application will be processed as under:</p> <table border="1"> <thead> <tr> <th>Scenario</th> <th>Broker Code mentioned by the investor</th> <th>Plan mentioned by the investor</th> <th>Default Plan to be captured</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Not mentioned</td> <td>Not mentioned</td> <td>Direct Plan</td> </tr> <tr> <td>2</td> <td>Not mentioned</td> <td>Direct</td> <td>Direct Plan</td> </tr> <tr> <td>3</td> <td>Not mentioned</td> <td>Regular</td> <td>Direct Plan</td> </tr> <tr> <td>4</td> <td>Mentioned</td> <td>Direct</td> <td>Direct Plan</td> </tr> <tr> <td>5</td> <td>Direct</td> <td>Not Mentioned</td> <td>Direct Plan</td> </tr> <tr> <td>6</td> <td>Direct</td> <td>Regular</td> <td>Direct Plan</td> </tr> <tr> <td>7</td> <td>Mentioned</td> <td>Regular</td> <td>Regular Plan</td> </tr> <tr> <td>8</td> <td>Mentioned</td> <td>Not Mentioned</td> <td>Regular Plan</td> </tr> </tbody> </table> <p>In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.</p>	Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured	1	Not mentioned	Not mentioned	Direct Plan	2	Not mentioned	Direct	Direct Plan	3	Not mentioned	Regular	Direct Plan	4	Mentioned	Direct	Direct Plan	5	Direct	Not Mentioned	Direct Plan	6	Direct	Regular	Direct Plan	7	Mentioned	Regular	Regular Plan	8	Mentioned	Not Mentioned	Regular Plan
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SCHEME	Kotak Opportunities	Kotak Classic Equity
<b>Options under each Plan</b>	Growth and Dividend (Payout and Reinvestment). The NAVs of the above Options will be different and separately declared; the portfolio of investments remaining the same.	Growth and Dividend (Payout and Reinvestment). The NAVs of the above Options will be different and separately declared; the portfolio of investments remaining the same.
<b>Choice of Default Option</b>	<ul style="list-style-type: none"> <li>If applicant does not indicate the choice of option between growth and dividend option in the application form then the fund will accept it as an application for growth option under respective plan.</li> <li>If applicant does not indicate the choice of dividend sub-option between dividend payout and dividend reinvestment then the fund will accept it as an application for dividend reinvestment.</li> </ul>	<ul style="list-style-type: none"> <li>If applicant does not indicate the choice of option between growth and dividend option in the application form then the fund will accept it as an application for growth option under respective plan.</li> <li>If applicant does not indicate the choice of dividend sub-option between dividend payout and dividend reinvestment then the fund will accept it as an application for dividend reinvestment.</li> </ul>
<b>Dividend Frequency</b> (Dividend is declared subject to availability and adequacy of distributable surplus)	At the discretion of the Trustees	At the discretion of the Trustees
<b>Dividend Record Dates</b> (If the Record date is not a Business Day, the immediately following Business Day will be the record date)	-	-
<b>SIP/SWP/STP/DTP Facilities</b>	Available	Available
<b>SIP Frequency &amp; Dates</b>	1st, 7th, 14th, 21st and 25th of the Month/Quarter	1st, 7th, 14th, 21st and 25th of the Month/Quarter
<b>SWP/STP Frequency</b>	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly
<b>SWP Dates</b>	1st, 7th, 14th, 21st and 25th	1st, 7th, 14th, 21st and 25th
<b>STP Dates</b>	Any Business Day	Any Business Day
<b>SWP/STP</b>	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation
<b>Minimum Investment size</b>		
<b>Initial Purchase (Non- SIP)</b>	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches
<b>Additional Purchase (Non-SIP)</b>	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches
<b>SIP Purchase</b>	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)
<b>Minimum Redemption Size</b>		
<b>In Rupees (Non- SWP/STP)</b>	Rs. 1000/-	Rs. 1000/-
<b>In Units (Non-SWP/STP)</b>	100 units	100 units
<b>In Rupees (SWP/STP)</b>	Rs. 1000/- (Subject to a minimum of 6 installments)/ Entire Appreciation	Rs. 1000/- (Subject to a minimum of 6 installments)/ Entire Appreciation
<b>Minimum balance to be maintained and consequences of non maintenance.</b>	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme



SCHEME	Kotak Opportunities	Kotak Classic Equity
<b>Cheques/ Drafts to favour</b>	<p><b>Regular Plan:</b> Cheques should be drawn in favor of Kotak Opportunities</p> <p><b>Direct Plan:</b> Cheques should be drawn in favor of Kotak Opportunities – Direct Plan</p>	<p><b>Regular Plan:</b> Cheques should be drawn in favor of Kotak Classic Equity</p> <p><b>Direct Plan:</b> Cheques should be drawn in favor of Kotak Classic Equity – Direct Plan</p>
<b>Loads:</b>		
<b>Entry</b>	<p>In terms of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.</p>	
<b>Exit</b>	<ul style="list-style-type: none"> <li>• For redemptions / switch outs (including SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment – 1%</li> <li>• For redemptions / switch outs (including SIP/STP) after 1 year from the date of allotment of units, irrespective of the amount of investment – NIL</li> </ul> <p>Any exit load charged (net off Service Tax, if any) shall be credited back to the respective Scheme.</p> <p>Units issued on reinvestment of dividends shall not be subject to entry and exit load.</p>	Nil

SCHEME	Kotak Midcap	Kotak Equity Arbitrage Fund																																																																								
<b>Type of Scheme</b>	An Open-Ended Equity Growth Scheme	An Open-Ended Equity Growth Scheme																																																																								
<b>Investment Objective</b>	The investment objective of the Scheme is to generate capital appreciation from a diversified portfolio of equity and equity related securities. However, there is no assurance that the objective of the scheme will be realized.	The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivatives segment of the equity market, and by investing the balance in debt and money market instruments. However, there is no assurance that the objective of the scheme will be realized.																																																																								
<b>Liquidity</b>	Open-ended. Purchases and Redemptions at prices related to Applicable NAV on each Business Day.																																																																									
<b>Benchmark Index</b>	CNX Midcap	Crisil Liquid Fund Index																																																																								
<b>Transparency / NAV disclosure</b>	<p>The Mutual Fund shall update the Net asset value of the scheme on every business day on AMFI's website www.amfiindia.com by 9:00 p.m. The NAVs shall also be updated on the website of the Mutual Fund and will be published in two newspapers.</p> <p>Delay in uploading of NAV beyond 9.00 p.m. on every business day shall be explained in writing to AMFI. In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release for revised NAV shall be issued.</p> <p>The monthly portfolio of the Schemes shall be available in a user-friendly and downloadable format on the website viz. assetmanagement.kotak.com on or before the tenth day of succeeding month.</p>																																																																									
<b>Plans under each scheme</b>	<p>Direct Plan and Regular Plan</p> <p>Direct Plan: This Plan is only for investors who purchase/ subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.</p> <p>Regular Plan: This Plan is for investors who wish to route their investment through any distributor.</p> <p>The portfolio of both plans will be unsegregated.</p>	<p>Direct Plan and Regular Plan</p> <p>Direct Plan: This Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.</p> <p>Regular Plan: This Plan is for investors who wish to route their investment through any distributor.</p> <p>The portfolio of both plans will be unsegregated.</p>																																																																								
<b>Default Plan</b>	<p>Investors subscribing under Direct Plan of the Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "Kotak Midcap – Direct Plan".</p> <p>Investors should also indicate "Direct" in the ARN column of the application form.</p> <p>If the application is received incomplete with respect to not selecting Regular/Direct Plan, the application will be processed as under:</p> <table border="1"> <thead> <tr> <th>Scenario</th> <th>Broker Code mentioned by the investor</th> <th>Plan mentioned by the investor</th> <th>Default Plan to be captured</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Not mentioned</td> <td>Not mentioned</td> <td>Direct Plan</td> </tr> <tr> <td>2</td> <td>Not mentioned</td> <td>Direct</td> <td>Direct Plan</td> </tr> <tr> <td>3</td> <td>Not mentioned</td> <td>Regular</td> <td>Direct Plan</td> </tr> <tr> <td>4</td> <td>Mentioned</td> <td>Direct</td> <td>Direct Plan</td> </tr> <tr> <td>5</td> <td>Direct</td> <td>Not Mentioned</td> <td>Direct Plan</td> </tr> <tr> <td>6</td> <td>Direct</td> <td>Regular</td> <td>Direct Plan</td> </tr> <tr> <td>7</td> <td>Mentioned</td> <td>Regular</td> <td>Regular Plan</td> </tr> <tr> <td>8</td> <td>Mentioned</td> <td>Not Mentioned</td> <td>Regular Plan</td> </tr> </tbody> </table> <p>In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.</p>	Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured	1	Not mentioned	Not mentioned	Direct Plan	2	Not mentioned	Direct	Direct Plan	3	Not mentioned	Regular	Direct Plan	4	Mentioned	Direct	Direct Plan	5	Direct	Not Mentioned	Direct Plan	6	Direct	Regular	Direct Plan	7	Mentioned	Regular	Regular Plan	8	Mentioned	Not Mentioned	Regular Plan	<p>Investors subscribing under Direct Plan of the Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "Kotak Equity Arbitrage Fund – Direct Plan".</p> <p>Investors should also indicate "Direct" in the ARN column of the application form.</p> <p>If the application is received incomplete with respect to not selecting Regular/Direct Plan, the application will be processed as under:</p> <table border="1"> <thead> <tr> <th>Scenario</th> <th>Broker Code mentioned by the investor</th> <th>Plan mentioned by the investor</th> <th>Default Plan to be captured</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Not mentioned</td> <td>Not mentioned</td> <td>Direct Plan</td> </tr> <tr> <td>2</td> <td>Not mentioned</td> <td>Direct</td> <td>Direct Plan</td> </tr> <tr> <td>3</td> <td>Not mentioned</td> <td>Regular</td> <td>Direct Plan</td> </tr> <tr> <td>4</td> <td>Mentioned</td> <td>Direct</td> <td>Direct Plan</td> </tr> <tr> <td>5</td> <td>Direct</td> <td>Not Mentioned</td> <td>Direct Plan</td> </tr> <tr> <td>6</td> <td>Direct</td> <td>Regular</td> <td>Direct Plan</td> </tr> <tr> <td>7</td> <td>Mentioned</td> <td>Regular</td> <td>Regular Plan</td> </tr> <tr> <td>8</td> <td>Mentioned</td> <td>Not Mentioned</td> <td>Regular Plan</td> </tr> </tbody> </table> <p>In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.</p>	Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured	1	Not mentioned	Not mentioned	Direct Plan	2	Not mentioned	Direct	Direct Plan	3	Not mentioned	Regular	Direct Plan	4	Mentioned	Direct	Direct Plan	5	Direct	Not Mentioned	Direct Plan	6	Direct	Regular	Direct Plan	7	Mentioned	Regular	Regular Plan	8	Mentioned	Not Mentioned	Regular Plan
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<b>Options under each Plan</b>	<p>Growth and Dividend (Payout and Reinvestment)</p> <p>The NAVs of the above Options will be different and separately declared; the portfolio of investments remaining the same.</p>	<p>Growth and Dividend (Payout and Reinvestment).</p> <p>The NAVs of the above Options will be different and separately declared; the portfolio of investments remaining the same.</p>																																																																								

SCHEME	Kotak Midcap	Kotak Equity Arbitrage Fund
<b>Choice of Default Option</b>	<ul style="list-style-type: none"> <li>If applicant does not indicate the choice of option between growth and dividend option in the application form then the fund will accept it as an application for growth option under respective plan.</li> <li>If applicant does not indicate the choice of dividend sub-option between dividend payout and dividend reinvestment then the fund will accept it as an application for dividend reinvestment</li> </ul>	<ul style="list-style-type: none"> <li>If applicant does not indicate the choice of option between growth and dividend option in the application form then the fund will accept it as an application for growth option under respective plan.</li> <li>If applicant does not indicate the choice of option between Monthly Dividend option and Bimonthly Dividend Option in the application form then the fund will accept it as an application for Bimonthly Dividend Option under the respective Plan</li> <li>If applicant does not indicate the choice of dividend sub-option between dividend payout and dividend reinvestment then the fund will accept it as an application for dividend reinvestment</li> </ul>
<b>Dividend Frequency</b> (Dividend is declared subject to availability and adequacy of distributable surplus)	At the discretion of the Trustees	Monthly/ Bimonthly
<b>Dividend Record Dates</b> (If the Record date is not a Business Day, the immediately following Business Day will be the record date)	-	<p><b>Monthly Dividend Option:</b> The Monday immediately preceding the last Thursday of the month (the Futures and Options expiry date)</p> <p><b>Bimonthly Dividend Option:</b> The dividend record dates will be on Monday preceding the last Thursday of the following months:</p> <ul style="list-style-type: none"> <li>November</li> <li>January</li> <li>March</li> <li>May</li> <li>July</li> <li>September</li> </ul> <p>E.g.: For the bimonthly period October – November, dividend will be declared in the month of November, with the record date being the Monday preceding the last Thursday of November.</p>
<b>SIP/SWP/STP/DTP Facilities</b>	Available	Available
<b>SIP Frequency &amp; Dates</b>	1st, 7th, 14th, 21st and 25th of the Month/ Quarter	1st, 7th, 10th, 14th, 15th, 21st, 25th & 28th of the Month/ Quarter
<b>SWP/STP Frequency</b>	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly
<b>SWP Dates</b>	1st, 7th, 14th, 21st and 25th	1st, 7th, 14th, 21st and 25th
<b>STP Dates</b>	Any Business Day	Any Business Day
<b>SWP/STP</b>	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation
<b>Minimum Investment size</b>		
<b>Initial Purchase (Non- SIP)</b>	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches
<b>Additional Purchase (Non- SIP)</b>	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches
<b>SIP Purchase</b>	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)	Rs. 500/- (Subject to a minimum of 10 SIP installments of Rs. 500/- each)
<b>Minimum Redemption Size</b>		
<b>In Rupees (Non- SWP/STP)</b>	Rs. 1000/-	Rs. 1000/-

SCHEME	Kotak Midcap	Kotak Equity Arbitrage Fund
<b>In Units (Non-SWP/STP)</b>	100 units	100 units
<b>In Rupees (SWP/STP)</b>	Rs. 1000/- (Subject to a minimum of 6 installments)/ Entire Appreciation	Rs. 1000/- (Subject to a minimum of 6 installments)/ Entire Appreciation
<b>Minimum balance to be maintained and consequences of non maintenance.</b>	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme
<b>Cheques/ Drafts to favour</b>	<b>Regular Plan:</b> Cheques should be drawn in favor of Kotak Midcap <b>Direct Plan:</b> Cheques should be drawn in favor of Kotak Midcap – Direct Plan	<b>Regular Plan:</b> Cheques should be drawn in favor of Kotak Equity Arbitrage <b>Direct Plan:</b> Cheques should be drawn in favor of Kotak Equity Arbitrage – Direct Plan
<b>Loads:</b>		
<b>Entry</b>	In terms of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.	
<b>Exit</b>	<ul style="list-style-type: none"> <li>For redemptions / switch outs (including SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment – 1%</li> <li>For redemptions / switch outs (including SIP/STP) after 1 year from the date of allotment of units, irrespective of the amount of investment – NIL</li> </ul> <p>Any exit load charged (net off Service Tax, if any) shall be credited back to the respective Scheme.</p> <p>Units issued on reinvestment of dividends shall not be subject to entry and exit load.</p>	<ul style="list-style-type: none"> <li>For redemptions / switch outs (including STP/SWP) within 90 days from the date of allotment of units, irrespective of the amount of the investment - 0.50%</li> <li>For redemptions / switch outs (including STP/SWP) after 90 days from the date of allotment of units, irrespective of the amount of the investment: Nil</li> </ul> <p>Any exit load charged (net off Service Tax, if any) shall be credited back to the Scheme.</p> <p>Units issued on reinvestment of dividends shall not be subject to entry and exit load.</p>

SCHEME	Kotak Tax Saver	Kotak Select Focus Fund																																				
<b>Type of Scheme</b>	An open ended equity linked savings scheme	An open ended equity scheme																																				
<b>Investment Objective</b>	The investment objective of the scheme is to generate long-term capital appreciation from a diversified portfolio of equity and equity related securities and enable investors to avail the income tax rebate, as permitted from time to time.  However, there is no assurance that the objective of the scheme will be realized.	The investment objective of the scheme is to generate long-term capital appreciation from a portfolio of equity and equity related securities, generally focused on a few selected sectors.  However, there is no assurance that the objective of the scheme will be realized.																																				
<b>Liquidity</b>	Purchases and redemptions at prices related to Applicable NAV. Redemption will be allowed subject to the lock in period of 3 years from the date of allotment, irrespective of the investment amount and irrespective of the type of the investor.	Open-ended. Purchases and Redemptions at prices related to Applicable NAV on each Business Day.																																				
<b>Benchmark Index</b>	CNX 500	CNX 200																																				
<b>Transparency / NAV disclosure</b>	<p>The Mutual Fund shall update the Net asset value of the scheme on every business day on AMFI's website www.amfiindia.com by 9:00 p.m. The NAVs shall also be updated on the website of the Mutual Fund and will be published in two newspapers.</p> <p>Delay in uploading of NAV beyond 9.00 p.m. on every business day shall be explained in writing to AMFI. In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release for revised NAV shall be issued.</p> <p>The monthly portfolio of the Schemes shall be available in a user-friendly and downloadable format on the website viz. assetmanagement.kotak.com, on or before the tenth day of succeeding month.</p>																																					
<b>Plans under each scheme</b>	<p>Direct Plan and Regular Plan</p> <p>Direct Plan: This Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.</p> <p>Regular Plan: This Plan is for investors who wish to route their investment through any distributor.</p> <p>The portfolio of both plans will be unsegregated.</p>	<p>Direct Plan and Regular Plan</p> <p>Direct Plan: This Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.</p> <p>Regular Plan: This Plan is for investors who wish to route their investment through any distributor.</p> <p>The portfolio of both plans will be unsegregated.</p>																																				
<b>Default Plan</b>	<p>Investors subscribing under Direct Plan of the Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "Kotak Tax Saver – Direct Plan."</p> <p>Investors should also indicate "Direct" in the ARN column of the application form. If the application is received incomplete with respect to not selecting Regular/Direct Plan, the application will be processed as under:</p> <table border="1"> <thead> <tr> <th>Scenario</th> <th>Broker Code mentioned by the investor</th> <th>Plan mentioned by the investor</th> <th>Default Plan to be captured</th> </tr> </thead> <tbody> <tr><td>1</td><td>Not mentioned</td><td>Not mentioned</td><td>Direct Plan</td></tr> <tr><td>2</td><td>Not mentioned</td><td>Direct</td><td>Direct Plan</td></tr> <tr><td>3</td><td>Not mentioned</td><td>Regular</td><td>Direct Plan</td></tr> <tr><td>4</td><td>Mentioned</td><td>Direct</td><td>Direct Plan</td></tr> <tr><td>5</td><td>Direct</td><td>Not Mentioned</td><td>Direct Plan</td></tr> <tr><td>6</td><td>Direct</td><td>Regular</td><td>Direct Plan</td></tr> <tr><td>7</td><td>Mentioned</td><td>Regular</td><td>Regular Plan</td></tr> <tr><td>8</td><td>Mentioned</td><td>Not Mentioned</td><td>Regular Plan</td></tr> </tbody> </table> <p>In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.</p>		Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured	1	Not mentioned	Not mentioned	Direct Plan	2	Not mentioned	Direct	Direct Plan	3	Not mentioned	Regular	Direct Plan	4	Mentioned	Direct	Direct Plan	5	Direct	Not Mentioned	Direct Plan	6	Direct	Regular	Direct Plan	7	Mentioned	Regular	Regular Plan	8	Mentioned	Not Mentioned	Regular Plan
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	<p>Investors subscribing under Direct Plan of the Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "Kotak Select Focus Fund – Direct Plan."</p> <p>Investors should also indicate "Direct" in the ARN column of the application form. If the application is received incomplete with respect to not selecting Regular/Direct Plan, the application will be processed as under:</p> <table border="1"> <thead> <tr> <th>Scenario</th> <th>Broker Code mentioned by the investor</th> <th>Plan mentioned by the investor</th> <th>Default Plan to be captured</th> </tr> </thead> <tbody> <tr><td>1</td><td>Not mentioned</td><td>Not mentioned</td><td>Direct Plan</td></tr> <tr><td>2</td><td>Not mentioned</td><td>Direct</td><td>Direct Plan</td></tr> <tr><td>3</td><td>Not mentioned</td><td>Regular</td><td>Direct Plan</td></tr> <tr><td>4</td><td>Mentioned</td><td>Direct</td><td>Direct Plan</td></tr> <tr><td>5</td><td>Direct</td><td>Not Mentioned</td><td>Direct Plan</td></tr> <tr><td>6</td><td>Direct</td><td>Regular</td><td>Direct Plan</td></tr> <tr><td>7</td><td>Mentioned</td><td>Regular</td><td>Regular Plan</td></tr> <tr><td>8</td><td>Mentioned</td><td>Not Mentioned</td><td>Regular Plan</td></tr> </tbody> </table> <p>In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.</p>		Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured	1	Not mentioned	Not mentioned	Direct Plan	2	Not mentioned	Direct	Direct Plan	3	Not mentioned	Regular	Direct Plan	4	Mentioned	Direct	Direct Plan	5	Direct	Not Mentioned	Direct Plan	6	Direct	Regular	Direct Plan	7	Mentioned	Regular	Regular Plan	8	Mentioned	Not Mentioned	Regular Plan
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SCHEME	Kotak Tax Saver	Kotak Select Focus Fund
<b>Options under each Plan</b>	Growth and Dividend (Payout). The NAVs of the above Options will be different and separately declared; the portfolio of investments remaining the same.	Growth and Dividend (Payout and Reinvestment) The NAVs of the above Options will be different and separately declared; the portfolio of investments remaining the same.
<b>Choice of Default Option</b>	<ul style="list-style-type: none"> <li>If applicant does not indicate the choice of option between growth and dividend option in the application form then the fund will accept it as an application for growth option under respective plan.</li> </ul>	<ul style="list-style-type: none"> <li>If applicant does not indicate the choice of option between growth and dividend option in the application form then the fund will accept it as an application for growth option under respective plan.</li> <li>If applicant does not indicate the choice of dividend sub-option between dividend payout and dividend reinvestment then the fund will accept it as an application for dividend reinvestment</li> </ul>
<b>Dividend Frequency</b> (Dividend is declared subject to availability and adequacy of distributable surplus)	At the discretion of the Trustees	At the discretion of the Trustees
<b>Dividend Record Dates</b> (If the Record date is not a Business Day, the immediately following Business Day will be the record date)	-	-
<b>SIP/SWP/STP/DTP Facilities</b>	SIP/DTP available. SWP / STP available after lock in period of three years.	Available
<b>SIP Frequency &amp; Dates</b>	1st, 7th, 14th, 21st and 25th of the Month/Quarter	1st, 7th, 10th, 14th, 15th, 21st, 25th and 28th of the Month/Quarter
<b>SWP/STP Frequency</b>	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly
<b>SWP Dates</b>	1st, 7th, 14th, 21st and 25th	1st, 7th, 14th, 21st and 25th
<b>STP Dates</b>	Any Business Day	Any Business Day
<b>SWP/STP</b>	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation
<b>Minimum Investment size</b>		
<b>Initial Purchase (Non- SIP)</b>	Rs. 500 and in multiples of Rs. 500	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches
<b>Additional Purchase (Non-SIP)</b>	Rs. 500 and in multiples of Rs. 500	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches
<b>SIP Purchase</b>	Rs. 500 and in multiples of Rs. 500	Rs. 500/- (Subject to a minimum of 10 SIP installments of Rs. 500/- each)
<b>Minimum Redemption Size</b>		
<b>In Rupees (Non- SWP/STP)</b>	Rs. 1000/	Rs. 1000/
<b>In Units (Non-SWP/STP)</b>	100 units	100 units
<b>In Rupees (SWP/STP)</b>	Rs. 1000/- (Subject to a minimum of 6 installments)/ Entire Appreciation	Rs. 1000/- (Subject to a minimum of 6 installments)/ Entire Appreciation
<b>Minimum balance to be maintained and consequences of non maintenance.</b>	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme (after expiry of lock-in period of 3 years)	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme

SCHEME	Kotak Tax Saver	Kotak Select Focus Fund
<b>Cheques/ Drafts to favour</b>	<p><b>Regular Plan:</b> Cheques should be drawn in favor of Kotak Tax Saver</p> <p><b>Direct Plan:</b> Cheques should be drawn in favor of Kotak Tax Saver – Direct Plan</p>	<p><b>Regular Plan:</b> Cheques should be drawn in favor of Kotak Select Focus</p> <p><b>Direct Plan:</b> Cheques should be drawn in favor of Kotak Select Focus – Direct Plan</p>
<b>Loads:</b>		
<b>Entry</b>	In terms of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.	
<b>Exit</b>	NIL	<ul style="list-style-type: none"> <li>• For redemptions / switch outs (including SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment – 1%</li> <li>• For redemptions / switch outs (including SIP/STP) after 1 year from the date of allotment of units, irrespective of the amount of investment – NIL</li> </ul> <p>Any exit load charged (net off Service Tax, if any) shall be credited back to the respective Scheme.</p> <p>Units and units issued on reinvestment of dividends shall not be subject to entry and exit load.</p>

SCHEME	Kotak Emerging Equity Scheme	Kotak Infrastructure & Economic Reform Fund (formerly known as "PineBridge Infrastructure & Economic Reform Fund")																																																																								
<b>Type of Scheme</b>	An open ended equity growth scheme	An open ended equity scheme																																																																								
<b>Investment Objective</b>	The investment objective of the scheme is to generate long-term capital appreciation from a portfolio of equity and equity related securities, by investing predominantly in mid and small cap companies.  However, there is no assurance that the objective of the scheme will be realized.	The investment objective of the Scheme is to generate long-term capital appreciation from a diversified portfolio of predominantly (at least 65%) equity and equity-related securities of companies involved in economic development of India as a result of potential investments in infrastructure and unfolding economic reforms.  However, there is no assurance that the objective of the scheme will be realized.																																																																								
<b>Liquidity</b>	Open-ended. Purchases and redemptions at prices related to Applicable NAV, on each Business Day.	Open-ended. Purchases and redemptions at prices related to Applicable NAV, on each Business Day.																																																																								
<b>Benchmark Index</b>	S&P BSE MIDCAP	S&P BSE - 100																																																																								
<b>Transparency / NAV disclosure</b>	The Mutual Fund shall update the Net asset value of the scheme on every business day on AMFI's website www.amfiindia.com by 9:00 p.m. The NAVs shall also be updated on the website of the Mutual Fund assetmanagement.kotak.com and will be published in two newspapers.  Delay in uploading of NAV beyond 9.00 p.m. on every business day shall be explained in writing to AMFI. In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release for revised NAV shall be issued.  The monthly portfolio of the Schemes shall be available in a user-friendly and downloadable format on the website viz. assetmanagement.kotak.com on or before the tenth day of succeeding month.	The Mutual Fund shall update the Net asset value of the scheme on every business day on AMFI's website www.amfiindia.com by 9:00 p.m. The NAVs shall also be updated on the website of the Mutual Fund assetmanagement.kotak.com and will be published in two newspapers.  Delay in uploading of NAV beyond 9.00 p.m. on every business day shall be explained in writing to AMFI. In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release for revised NAV shall be issued.  The monthly portfolio of the Schemes shall be available in a user-friendly and downloadable format on the website viz. assetmanagement.kotak.com on or before the tenth day of succeeding month.																																																																								
<b>Plans under each scheme</b>	Direct Plan and Regular Plan  Regular Plan: This Plan is for investors who wish to route their investment through any distributor.  Direct Plan: This Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.  The portfolio of both plans will be unsegregated.	Direct Plan and Regular Plan  Regular Plan: This Plan is for investors who wish to route their investment through any distributor.  Direct Plan: This Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.  The portfolio of both plans will be unsegregated.  Institutional Plan (erstwhile available under PineBridge Infrastructure & Economic Reform Fund) – Fresh subscriptions will not be accepted in the Institutional Plan. This plan will remain in existence only till the last investor redeems his / her investment from the plan																																																																								
<b>Default Plan</b>	Investors subscribing under Direct Plan of the Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "Kotak Emerging Equity Scheme – Direct Plan."  Investors should also indicate "Direct" in the ARN column of the application form. If the application is received incomplete with respect to not selecting Regular/Direct Plan, the application will be processed as under:	Investors subscribing under Direct Plan of the Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "Kotak Infrastructure and Economic Reform Fund – Direct Plan."  Investors should also indicate "Direct" in the ARN column of the application form. If the application is received incomplete with respect to not selecting Regular/Direct Plan, the application will be processed as under:																																																																								
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SCHEME	Kotak Emerging Equity Scheme	Kotak Infrastructure & Economic Reform Fund (formerly known as "PineBridge Infrastructure & Economic Reform Fund")
<b>Default Plan</b>	In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.	In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.
<b>Options under each Plan</b>	Growth and Dividend (Payout and Reinvestment) The NAVs of the above Options will be different and separately declared; the portfolio of investments remaining the same.	Growth and Dividend (Payout and Reinvestment) Investors who have invested in the dividend reinvestment option of Institutional plan, shall be allotted units in the Regular Plan in lieu of the dividend declared at applicable NAV of the corresponding option of the Regular Plan. The NAVs of the above Options will be different and separately declared; the portfolio of investments remaining the same. Investors are requested to note that, where the actual amount of dividend payout is less than Rs. 500/-, then such dividend will be compulsorily reinvested.
<b>Choice of Default Option</b>	<ul style="list-style-type: none"> <li>If applicant does not indicate the choice of option between growth and dividend option in the application form then the fund will accept it as an application for growth option under respective plan.</li> <li>If applicant does not indicate the choice of dividend sub-option between dividend payout and dividend reinvestment then the fund will accept it as an application for dividend reinvestment</li> </ul>	<ul style="list-style-type: none"> <li>If applicant does not indicate the choice of option between growth and dividend option in the application form then the fund will accept it as an application for growth option under respective plan.</li> <li>If applicant does not indicate the choice of dividend sub-option between dividend payout and dividend reinvestment then the fund will accept it as an application for dividend reinvestment</li> </ul>
<b>Dividend Frequency</b> (Dividend is declared subject to availability and adequacy of distributable surplus)	At the discretion of the Trustees	At the discretion of the Trustees
<b>Dividend Record Dates</b> (If the Record date is not a Business Day, the immediately following Business Day will be the record date)	-	-
<b>SIP/SWP/STP/DTP Facilities</b>	Available	Available
<b>SIP Frequency &amp; Dates</b>	1st, 7th, 14th, 21st and 25th of the Month/ Quarter	1st, 7th, 14th, 21st and 25th of the Month/ Quarter
<b>SWP/STP Frequency</b>	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly
<b>SWP Dates</b>	1st, 7th, 14th, 21st and 25th	1st, 7th, 14th, 21st and 25th
<b>STP Dates</b>	Any Business Day	Any Business Day

SCHEME	Kotak Emerging Equity Scheme	Kotak Infrastructure & Economic Reform Fund (formerly known as "PineBridge Infrastructure & Economic Reform Fund")
SWP/STP	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation
Minimum Investment size		
Initial Purchase (Non- SIP)	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches
Additional Purchase (Non-SIP)	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches
SIP Purchase	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)
Minimum Redemption Size		
In Rupees (Non- SWP/STP)	Rs. 1000/	Rs. 1000/
In Units (Non-SWP/STP)	100 units	100 units
In Rupees (SWP/STP)	Rs. 1000/- (Subject to a minimum of 6 installments)/ Entire Appreciation	Rs. 1000/- (Subject to a minimum of 6 installments)/ Entire Appreciation
Minimum balance to be maintained and consequences of non maintenance.	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme
Cheques/ Drafts to favour	<b>Regular Plan:</b> Cheques should be drawn in favor of Kotak Emerging Equity  <b>Direct Plan:</b> Cheques should be drawn in favor of Kotak Emerging Equity – Direct Plan	<b>Regular Plan:</b> Cheques should be drawn in favor of Kotak Infrastructure and Economic Reform Fund  <b>Direct Plan:</b> Cheques should be drawn in favor of Kotak Infrastructure and Economic Reform Fund – Direct Plan
Loads:		
Entry	In terms of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.	In terms of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.
Exit	<ul style="list-style-type: none"> <li>For redemptions / switch outs (including SIP/STP) within 2 years from the date of allotment of units, irrespective of the amount of investment – 1%</li> <li>For redemptions / switch outs (including SIP/STP) after 2 years from the date of allotment of units, irrespective of the amount of investment – NIL</li> </ul> <p>Any exit load charged (net off Service Tax, if any) shall be credited back to the Scheme.</p> <p>Units issued on reinvestment of dividends shall not be subject to entry and exit load.</p>	<ul style="list-style-type: none"> <li>For redemptions / switch outs (including SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment – 1%</li> <li>For redemptions / switch outs (including SIP/STP) after 1 year from the date of allotment of units, irrespective of the amount of investment – NIL</li> </ul> <p>Any exit load charged (net off Service Tax, if any) shall be credited back to the Scheme.</p> <p>Units issued on reinvestment of dividends shall not be subject to entry and exit load.</p>

SCHEME	Kotak World Gold Fund (formerly known as "PineBridge World Gold Fund")	Kotak US Equity Fund (formerly known as "PineBridge India – US Equity Fund")
<b>Type of Scheme</b>	An open ended Fund of Funds Scheme	An open ended fund of funds scheme investing overseas
<b>Investment Objective</b>	<p>The primary investment objective of the Scheme is to provide long term capital appreciation by investing predominantly in units of Falcon Gold Equity Fund. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes. The Scheme may also invest a certain portion of its corpus in debt and money market securities and/or units of debt/liquid schemes of Mutual Funds, in order to meet liquidity requirements from time to time.</p> <p>However, there is no assurance that the objective of the scheme will be realized.</p>	<p>The primary investment objective of the scheme is to provide long term capital appreciation by investing in units of a fund that invests predominantly in equity and equity-related securities of companies having assets, products or operations in the United States.</p> <p>However, there is no assurance that the objective of the scheme will be realized.</p>
<b>Liquidity</b>	Open-ended. Purchases and redemptions at prices related to Applicable NAV, on each Business Day.	Open-ended. Purchases and redemptions at prices related to Applicable NAV, on each Business Day.
<b>Benchmark Index</b>	Financial Times Gold Mines Total - Price Index, in USD is the benchmark of Falcon Gold Equity Fund. The above translated to INR using the RBI Reference Rate will be the benchmark of Kotak World Gold Fund.	Standard & Poor's 500 Total Return Net Index in USD is the benchmark of the underlying scheme. The same converted into INR using RBI reference rate will be the benchmark for the scheme.
<b>Transparency / NAV disclosure</b>	<p>The NAVs will be calculated and disclosed on every Business Day. However due to the difference in time zones, the NAV for the scheme for any business day (T Day) will be available on the next business day (T+1 day) by 5.00 p.m. and the same shall be updated on the website of the Fund - assetmanagement.kotak.com and of the Association of Mutual Funds in India – AMFI - www.amfiindia.com and shall be published in two newspapers.</p> <p>Delay in uploading of NAV beyond 5.00 p.m. on every business day shall be explained in writing to AMFI. In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release for revised NAV shall be issued.</p> <p>The monthly portfolio of the Schemes shall be available in a user-friendly and downloadable format on the website viz. assetmanagement.kotak.com on or before the tenth day of succeeding month.</p>	<p>The NAV for the Scheme for any Business Day (T day) will be available on the next Business Day (T+1 day) and the same shall be posted, on each Business Day on the Fund's website - assetmanagement.kotak.com and on the AMFI website – www.amfiindia.com on date of computation of NAV (T+1 day), by 10.00 am, and will be published in two newspapers.</p> <p>Delay in uploading of NAV beyond the above stated time shall be explained in writing to AMFI. In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release for revised NAV shall be issued.</p> <p>The monthly portfolio of the Schemes shall be available in a user-friendly and downloadable format on the website viz. assetmanagement.kotak.com on or before the tenth day of succeeding month.</p>
<b>Plans under each scheme</b>	<p>Direct Plan and Regular Plan</p> <p>Direct Plan: This Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.</p> <p>Regular Plan: This Plan is for investors who wish to route their investment through any distributor.</p> <p>The portfolio of both plans will be unsegregated.</p>	<p>Direct Plan and Regular Plan</p> <p>Direct Plan: This Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.</p> <p>Regular Plan: This Plan is for investors who wish to route their investment through any distributor.</p> <p>The portfolio of both plans will be unsegregated.</p>
<b>Default Plan</b>	<p>Investors subscribing under Direct Plan of the Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "Kotak World Gold Fund – Direct Plan."</p> <p>Investors should also indicate "Direct" in the ARN column of the application form.</p> <p>If the application is received incomplete with respect to not selecting Regular/Direct Plan, the application will be processed as under:</p>	<p>Investors subscribing under Direct Plan of the Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "Kotak US Equity Fund – Direct Plan."</p> <p>Investors should also indicate "Direct" in the ARN column of the application form.</p> <p>If the application is received incomplete with respect to not selecting Regular/Direct Plan, the application will be processed as under:</p>

SCHEME	Kotak World Gold Fund (formerly known as "PineBridge World Gold Fund")	Kotak US Equity Fund (formerly known as "PineBridge India – US Equity Fund")																																																																								
<b>Default Plan</b>	<table border="1" data-bbox="456 232 962 517"> <thead> <tr> <th>Scenario</th> <th>Broker Code mentioned by the investor</th> <th>Plan mentioned by the investor</th> <th>Default Plan to be captured</th> </tr> </thead> <tbody> <tr><td>1</td><td>Not mentioned</td><td>Not mentioned</td><td>Direct Plan</td></tr> <tr><td>2</td><td>Not mentioned</td><td>Direct</td><td>Direct Plan</td></tr> <tr><td>3</td><td>Not mentioned</td><td>Regular</td><td>Direct Plan</td></tr> <tr><td>4</td><td>Mentioned</td><td>Direct</td><td>Direct Plan</td></tr> <tr><td>5</td><td>Direct</td><td>Not Mentioned</td><td>Direct Plan</td></tr> <tr><td>6</td><td>Direct</td><td>Regular</td><td>Direct Plan</td></tr> <tr><td>7</td><td>Mentioned</td><td>Regular</td><td>Regular Plan</td></tr> <tr><td>8</td><td>Mentioned</td><td>Not Mentioned</td><td>Regular Plan</td></tr> </tbody> </table> <p data-bbox="456 528 962 779">In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.</p>	Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured	1	Not mentioned	Not mentioned	Direct Plan	2	Not mentioned	Direct	Direct Plan	3	Not mentioned	Regular	Direct Plan	4	Mentioned	Direct	Direct Plan	5	Direct	Not Mentioned	Direct Plan	6	Direct	Regular	Direct Plan	7	Mentioned	Regular	Regular Plan	8	Mentioned	Not Mentioned	Regular Plan	<table border="1" data-bbox="978 232 1476 517"> <thead> <tr> <th>Scenario</th> <th>Broker Code mentioned by the investor</th> <th>Plan mentioned by the investor</th> <th>Default Plan to be captured</th> </tr> </thead> <tbody> <tr><td>1</td><td>Not mentioned</td><td>Not mentioned</td><td>Direct Plan</td></tr> <tr><td>2</td><td>Not mentioned</td><td>Direct</td><td>Direct Plan</td></tr> <tr><td>3</td><td>Not mentioned</td><td>Regular</td><td>Direct Plan</td></tr> <tr><td>4</td><td>Mentioned</td><td>Direct</td><td>Direct Plan</td></tr> <tr><td>5</td><td>Direct</td><td>Not Mentioned</td><td>Direct Plan</td></tr> <tr><td>6</td><td>Direct</td><td>Regular</td><td>Direct Plan</td></tr> <tr><td>7</td><td>Mentioned</td><td>Regular</td><td>Regular Plan</td></tr> <tr><td>8</td><td>Mentioned</td><td>Not Mentioned</td><td>Regular Plan</td></tr> </tbody> </table> <p data-bbox="978 528 1476 779">In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.</p>	Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured	1	Not mentioned	Not mentioned	Direct Plan	2	Not mentioned	Direct	Direct Plan	3	Not mentioned	Regular	Direct Plan	4	Mentioned	Direct	Direct Plan	5	Direct	Not Mentioned	Direct Plan	6	Direct	Regular	Direct Plan	7	Mentioned	Regular	Regular Plan	8	Mentioned	Not Mentioned	Regular Plan
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<b>Options under each Plan</b>	<p data-bbox="456 801 962 920">Growth and Dividend (Payout and Reinvestment) The NAVs of the above Options will be different and separately declared; the portfolio of investments remaining the same.</p> <p data-bbox="456 931 962 1050">Investors are requested to note that, where the actual amount of dividend payout is less than Rs. 500/-, then such dividend will be compulsorily reinvested.</p>	<p data-bbox="978 801 1476 920">Growth and Dividend (Payout and Reinvestment) The NAVs of the above Options will be different and separately declared; the portfolio of investments remaining the same.</p> <p data-bbox="978 931 1476 1050">Investors are requested to note that, where the actual amount of dividend payout is less than Rs. 500/-, then such dividend will be compulsorily reinvested.</p>																																																																								
<b>Choice of Default Option</b>	<ul data-bbox="456 1066 962 1346" style="list-style-type: none"> <li>• If applicant does not indicate the choice of option between growth and dividend option in the application form then the fund will accept it as an application for growth option under respective plan.</li> <li>• If applicant does not indicate the choice of dividend sub-option between dividend payout and dividend reinvestment then the fund will accept it as an application for dividend reinvestment</li> </ul>	<ul data-bbox="978 1066 1476 1346" style="list-style-type: none"> <li>• If applicant does not indicate the choice of option between growth and dividend option in the application form then the fund will accept it as an application for growth option under respective plan.</li> <li>• If applicant does not indicate the choice of dividend sub-option between dividend payout and dividend reinvestment then the fund will accept it as an application for dividend reinvestment</li> </ul>																																																																								
<b>Dividend Frequency</b> (Dividend is declared subject to availability and adequacy of distributable surplus)	At the discretion of the Trustees	At the discretion of the Trustees																																																																								
<b>Dividend Record Dates</b> (If the Record date is not a Business Day, the immediately following Business Day will be the record date)	-	-																																																																								
<b>SIP/SWP/STP/DTP Facilities</b>	Available	Available																																																																								
<b>SIP Frequency &amp; Dates</b>	1st, 7th, 14th, 21st and 25th of the Month/ Quarter	1st, 7th, 14th, 21st and 25th of the Month/ Quarter																																																																								
<b>SWP/STP Frequency</b>	Weekly (Only for STP), Monthly and Quarterly	Weekly (Only for STP), Monthly and Quarterly																																																																								
<b>SWP Dates</b>	1st, 7th, 14th, 21st and 25th	1st, 7th, 14th, 21st and 25th																																																																								
<b>STP Dates</b>	Any Business Day	Any Business Day																																																																								
<b>SWP/STP</b>	Fixed Sum or Entire Appreciation	Fixed Sum or Entire Appreciation																																																																								
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SCHEME	<b>Kotak World Gold Fund</b> (formerly known as "PineBridge World Gold Fund")	<b>Kotak US Equity Fund</b> (formerly known as "PineBridge India – US Equity Fund")
<b>Initial Purchase (Non- SIP)</b>	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches
<b>Additional Purchase (Non-SIP)</b>	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches
<b>SIP Purchase</b>	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)
<b>Minimum Redemption Size</b>		
<b>In Rupees (Non- SWP/STP)</b>	Rs. 1000/	Rs. 1000/
<b>In Units (Non-SWP/STP)</b>	100 units	100 units
<b>In Rupees (SWP/STP)</b>	Rs. 1000/- (Subject to a minimum of 6 installments)/ Entire Appreciation	Rs. 1000/- (Subject to a minimum of 6 installments)/ Entire Appreciation
<b>Minimum balance to be maintained and consequences of non maintenance.</b>	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme
<b>Cheques/ Drafts to favour</b>	<b>Regular Plan:</b> Cheques should be drawn in favor of Kotak World Gold Fund  <b>Direct Plan:</b> Cheques should be drawn in favor of Kotak World Gold Fund – Direct Plan	<b>Regular Plan:</b> Cheques should be drawn in favor of Kotak US Equity Fund  <b>Direct Plan:</b> Cheques should be drawn in favor of Kotak US Equity Fund – Direct Plan
<b>Loads:</b>		
<b>Entry</b>	In terms of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.	In terms of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.
<b>Exit</b>	<ul style="list-style-type: none"> <li>For redemptions / switch outs (including SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment – 1%</li> <li>For redemptions / switch outs (including SIP/STP) after 1 year from the date of allotment of units, irrespective of the amount of investment – NIL</li> </ul> <p>Any exit load charged (net off Service Tax, if any) shall be credited back to the Scheme.</p> <p>Units issued on reinvestment of dividends shall not be subject to entry and exit load.</p>	<ul style="list-style-type: none"> <li>For redemptions / switch outs (including SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment – 1%</li> <li>For redemptions / switch outs (including SIP/STP) after 1 year from the date of allotment of units, irrespective of the amount of investment – NIL</li> </ul> <p>Any exit load charged (net off Service Tax, if any) shall be credited back to the Scheme.</p> <p>Units issued on reinvestment of dividends shall not be subject to entry and exit load.</p>

## II. INTRODUCTION

### A. Risk Factors

#### Standard Risk Factors:

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down. The value of investments may be affected, inter-alia, by changes in the market, interest rates, changes in credit rating, trading volumes, settlement periods and transfer procedures; the NAV is also exposed to Price/Interest-Rate Risk and Credit Risk and may be affected inter-alia, by government policy, volatility and liquidity in the money markets and pressure on the exchange rate of the rupee
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.
- Kotak Mahindra 50 Unit Scheme (Kotak 50), Kotak Mahindra Balance Unit Scheme 99 (Kotak Balance), Kotak Opportunities, Kotak Midcap Scheme, Kotak Classic Equity, Kotak Equity Arbitrage Fund, Kotak Tax Saver, Kotak Select Focus Fund and Kotak Emerging Market Scheme, Kotak Infrastructure & Economic Reform Fund, Kotak World Gold Fund and Kotak US Equity Fund are only names of the schemes do not in any manner indicate either the quality of the scheme or its future prospects and returns.
- The sponsor is not responsible or liable for any loss resulting from the operation of any of the scheme beyond the initial contribution of Rs.2,50,000 made by it towards setting up the Fund.
- No scheme under this scheme information document is a guaranteed or assured return scheme.

#### Scheme Specific Risk Factors

##### (i) Kotak 50

The portfolio of Kotak 50 will comprise predominantly of Equity and Equity Related instruments and there would be Moderate to High risk on account of Price Fluctuations and Volatility. Since this is not a sector scheme and plans to invest generally in upto 50 scrips but not exceeding 59 stocks, the Concentration and Sector Risks are low. The Liquidity risks are also expected to be low. Some investments may also be made in Equity based derivatives such as Options and Futures, in which case, the risks associated with such Derivatives would be also be applicable.

##### (ii) Kotak Balance

The portfolio of Kotak Balance will comprise predominantly of Equity and Equity Related instruments and there would be Moderate to High risk on account of Price Fluctuations and Volatility. Since this is not a sector scheme, the Concentration and Sector Risks are low. The Liquidity risks are also expected to be low. Some investments may also be made in Equity based derivatives such as Options and Futures, in which case, the risks associated with such Derivatives would be also be applicable. Since upto 49% of the portfolio may be invested in Debt and Money market securities, there would be Moderate Credit Risk and Moderate to Low Interest rate/Price risk.

##### (iii) Kotak Opportunities

The portfolio of Kotak Opportunities will comprise predominantly of Equity and Equity Related instruments and there would be Moderate to High risk on account of Price Fluctuations and Volatility. The Scheme can have concentrated exposure to some sectors (weightages may be different from benchmark index). Hence the performance of the Scheme can be different from the performance of the benchmark and the Concentration / Sector Risks are moderate.

The Scheme can have at a particular time significant exposure to mid-cap companies. Due to this, the beta of the Scheme could be higher vis-à-vis benchmark index. The liquidity risk is moderate as the liquidity in some of the mid cap stocks is low and may impact the Scheme if there is sudden large redemption.

The Liquidity risks are also expected to be low. Some investments may also be made in Equity based derivatives such as Options and Futures, in which case, the risks associated with such Derivatives would also be applicable.

Since some portion of the portfolio may be invested in Debt and Money market securities, there would be Moderate Credit Risk and Moderate to Low Interest rate/Price risk.

The Scheme has the flexibility to invest upto 35% in money market instruments and debt securities, and if there is a sharp upward movement in the market, the Scheme can underperform the benchmark index.

##### (iv) Kotak Midcap

The portfolio of Kotak Midcap Scheme will comprise predominantly of midcap equity stocks and there would be Moderate to High risk on account of Price Fluctuations and Volatility. The ability of the Midcap companies to withstand the changes in business cycle is limited, which may also lead to higher volatility in the stock prices of such midcap stocks. Since this is not a sector scheme and plans to invest across sectors, the Concentration and Sector Risks are low. Since the liquidity of midcap stocks is relatively lower than large cap stocks, the Liquidity risks are also expected to be relatively higher. Some investments may also be made in Equity based derivatives such as Options and Futures, in which case, the risks associated with such Derivatives would also be applicable. Since some portion of the portfolio may be invested in Debt and Money market securities, there would be Moderate Credit Risk and Moderate to Low Interest rate/Price risk.

##### (v) Kotak Classic Equity

The portfolio of Kotak Classic Equity Scheme will comprise predominantly of Equity and Equity Related instruments and there would be Moderate to High risk on account of Price Fluctuations and Volatility. The Scheme can have concentrated exposure to some sectors (weightage may be different from benchmark index). Hence the performance of the Scheme can be different from the performance of the benchmark and the Concentration / Sector Risks are moderate. The scheme shall face the risk of misjudging the prospectus and valuations of a company. Since the Scheme will invest in companies, which are fundamentally sound having attractive valuations, the liquidity risk is moderate and may impact the Scheme if there is sudden large redemption.

Some investments may also be made in Equity based derivatives such as Options and Futures, in which case, the risks associated with such Derivatives would be also be applicable.

Since some portion of the portfolio may be invested in Debt and Money market securities, there would be Moderate Credit Risk and Moderate to Low Interest rate/Price risk.

The Scheme has the flexibility to invest upto 35% in money market instruments and debt securities, and if there is a sharp upward movement in the market the Scheme can underperform the benchmark index.

##### (vi) Kotak Equity Arbitrage Fund

In case of a large redemption, the scheme may need to reverse the spot-futures transaction before the date of futures' settlement. This eventuality may lead to the basis risk.



While reversing the spot-futures transaction on the Futures & Options settlement day on the National Stock Exchange, there could be a risk of volume-weighted-average-price of the market being different from the price at which the actual reversal is processed. This may result in basis risk.

#### **(vii) Kotak Tax Saver**

Liquidity aspect of investments in the Scheme : The amount invested in the Scheme shall be subject to a lock-in of 3 years, irrespective of whether the investment would be eligible for tax benefit or not.

The above does not constitute an advice or a representation. Investors are requested to seek professional advice in this regard.

The portfolio of the scheme will comprise predominantly of Equity and Equity Related instruments and there would be Moderate to High risk on account of Price Fluctuations and Volatility. Since this is not a sector scheme and plans to invest generally in stocks across the market capitalisation, the Concentration and Sector Risks are low.

The Liquidity risks of the portfolio are also expected to be low, however, there being a 3-year lock in period, the investors will not be allowed any redemption during this period. Some investments may also be made in Equity based derivatives such as Options and Futures, in which case, the risks associated with such Derivatives would also be applicable.

#### **(viii) Kotak Select Focus Fund**

Kotak Select Focus Fund may invest substantially in equity and equity related securities and to a lesser extent in debt and money market securities. Liquidity in these investments may be affected by low trading volumes, settlement periods and delay on transfer procedures. These factors may also affect the Scheme's ability to make the intended purchases/sales, cause potential losses to the Scheme and result in the Scheme missing certain investment opportunities.

The level of concentration of sectors and stocks in this Fund is likely to be higher than a well-diversified equity fund. The risks associated with such a strategy, are likely to be higher than in a well-diversified equity fund. As the fund will be invested in a limited number of sectors the movement of the NAV may be more volatile than in the case of a diversified equity fund. Since the scheme follows a concentrated sector strategy, in case the chosen sector does not perform it could adversely impact the returns of the scheme.

Some investments may also be made in equity-based derivatives such as Options and Futures in which case, the risk associated with such derivatives would also be applicable.

Different types of securities in which the scheme would invest as given in the SID carry different levels and types of risk. Accordingly the scheme's risk may increase or decrease depending upon its asset allocation pattern. The Scheme may invest in corporate bonds. Corporate bonds carry higher amount of risk than government securities.

Further, even among corporate bonds, bonds, which are AAA rated, are comparatively less risky than bonds, which are AA rated.

The scheme may from time to time invest in domestic securitised debt, for instance, in asset backed securities or mortgage-backed securities. Typically, investments in securitised debt carry credit risk (where credit losses in the underlying pool exceed credit enhancement provided) and the reinvestment risk (which is higher as compared to the normal corporate or sovereign debt). The underlying assets in securitised debt are receivables arising from automobile loans, personal loans, loans against consumer durables, loans backed by mortgage of residential / commercial properties, etc.

The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

The scheme investments are generally guided by AMFI sector classification. Portfolio disclosure in factsheet and at other places may use industry classification of the stock. Due to this difference, though the scheme may not have focus in select sectors, the disclosures may not represent such focus.

#### **(ix) Kotak Emerging Market Scheme**

- The portfolio of Kotak Emerging Equity Scheme will comprise predominantly of equity and equity related securities and there could be Moderate to High risk on account of Price Fluctuations and volatility. The ability of the mid & small cap companies to withstand the change in the business cycle is limited, which may also lead to higher volatility in stock prices.

- Mid and small cap companies may lack depth of management, be unable to generate funds necessary for growth or development, or be developing or marketing new products or services for which the markets are not well established and may never become established. They could also suffer from disadvantages such as sub-optimal technologies, lack of bargaining power with suppliers, low entry barriers, inadequate transparency & corporate governance, limited resilience to withstand shocks of business / economic cycles etc.

- Since this is not a sector scheme and plans to invest across sectors, the concentration and sector risk is low.

- Since the liquidity in the stocks of mid & small cap companies is relatively lower than the stocks of large companies, the liquidity risk is also expected to be relatively higher. However, the diversification and flexibility to invest up to 35% in other companies (large companies) reduces the overall volatility and liquidity risk of the portfolio.

- Some investments may also be made in equity-based derivatives such as Options and Futures in which case, the risk associated with such derivatives would also be applicable.

- Different types of securities in which the scheme would invest as given in the SID carry different levels and types of risk. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. The Scheme may invest in corporate bonds. Corporate bonds carry higher amount of risk than government securities. Further, even among corporate bonds, bonds, which are AAA rated, are comparatively less risky than bonds, which are AA rated.

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#### **(x) Kotak Infrastructure & Economic Reform Fund**

- The Scheme will focus on companies which will benefit from structural changes brought about by continuing liberalization in economic policies by the Government and/or from continuing investments in infrastructure, both by the public and private sector. It is possible that such policies may not fructify or crystalize in a manner commensurate with expectations thereby affecting the prospects of companies held in the portfolio of the Scheme. Since, the NAV of the scheme is linked to the share price performance of such companies, they may outperform or underperform the

benchmark index (S&P BSE 100) and/or the constituents of the said benchmark index.

- The value of the Scheme's investments may be affected by factors affecting the securities market such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the Government, taxation laws and political, economic or other developments which may have an adverse bearing on individual securities, a specific sector or all sectors. Consequently, the NAV of the Units of the Scheme may be affected.
- Equity securities and equity related securities are volatile and prone to price fluctuations on a daily basis. The liquidity of investments made in the Scheme may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases due to settlement problems could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme's portfolio may result, at times, in potential losses to the Scheme, should there be a subsequent decline in the value of securities held in the Scheme's portfolio.
- Investments in equity and equity related securities involve a degree of risk and investors should not invest in the Scheme unless they can afford to take the risk of losing their investment.
- The liquidity and valuation of the Scheme's investments due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment.
- Investments in money market instruments involve a moderate credit risk i.e. risk of an issuer's ability to meet the principal payments. Additionally, money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is finally sold.
- Money market instruments may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of credit worthiness of the issuer of such instruments.
- The NAV of the Scheme's Units, to the extent that the Scheme is invested in fixed income securities, will be affected by changes in the general level of interest rates. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income securities can be expected to decline.
- The tax benefits described in this Scheme Information Document are as available under the prevailing taxation laws. Investors / Unit Holders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unit Holder is advised to consult his / her / their own professional tax advisor.
- The liquidity of the scheme is inherently restricted by trading volumes in securities in which it invests.
- Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger liquidity risk in comparison with securities that are listed on the exchanges or offer other exit options to the investors, including put options. The AMC may choose to invest in unlisted securities that offer attractive yields within the regulatory limit. This

may however increase the risk of the portfolio.

- Investment decisions made by the Investment Manager may not always be profitable.

#### **(xi) Kotak World Gold Fund**

- The value of the Scheme's investments may be affected by factors affecting the securities market such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the Government, taxation laws and political, economic or other developments which may have an adverse bearing on individual securities, a specific sector or all sectors.
- Consequently, the NAV of the Units of the Scheme may be affected.
- The Scheme intends to predominantly invest in Falcon Gold Equity Fund, which invests worldwide mainly in stocks issued by companies engaged primarily in the extraction, processing and marketing of gold. Further-more, up to a maximum of 25% of the assets can be invested in companies engaged in extracting, processing or marketing other precious metals, gems and colored metals. Falcon Gold Equity Fund may invest a maximum of one third of its assets into other financial instruments as defined in its prospectus. The investment objective of the Falcon Gold Equity Fund consists chiefly in achieving an appropriate level of growth. The Falcon Gold Equity Fund is a sector fund. It is suitable for investors who want to utilize interesting investment opportunities in the gold mining sector. Due to its focus, the fund is seen as an ideal supplement in the share part of a mixed portfolio. The low correlation of gold mine shares to other securities means that the fund can also be used as an ideal diversification instrument. The Scheme may also invest, at the discretion of the Investment Manager, a certain portion of its corpus in the debt/liquid schemes of Kotak Mahindra Mutual Fund. Hence scheme specific risk factors of such underlying schemes will be applicable. Investments in the Scheme will be subject to risk factors associated with investment in the Underlying Scheme and other underlying schemes in which the Scheme invests. All risks associated with such schemes, including performance of their underlying stocks, derivative instruments, stock-lending, off-shore investments etc., will therefore be applicable in the case of the Scheme. Investors who intend to invest in the Scheme are required to and deemed to have understood the risk factors of such underlying schemes.
- Investors in the Scheme may incur load charges on two occasions. First, on their investment/redemptions/switches in the options under the relevant underlying scheme(s) (including the Underlying Scheme) and second, on the Scheme's investment / redemption / switches in the options under the underlying scheme(s) (including the Underlying Scheme).
- The winding up of the Underlying Scheme may result in winding up of the Scheme itself.
- To the extent that the underlying schemes invest in corporate debt securities, they are subject to the risk of an issuer's inability to meet interest and principal payments on its debt obligations (credit risk). Debt securities may also be subject to price volatility due to factors such as changes in credit rating, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk).
- To the extent that the underlying schemes are invested in fixed income securities, the NAV of the Units issued under the Scheme is likely to be affected by changes in the general level of interest rates. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income securities can be expected to decline.



- The liquidity of the Scheme's investments may be inherently restricted by the liquidity of the underlying schemes in which it has invested.
- The Investors shall bear the recurring expenses of the Scheme in addition to those of the underlying schemes. Therefore, the returns that they may receive may be materially impacted or may, at times, be lower than the returns that the investors directly investing in the underlying schemes could obtain.
- The disclosures of portfolio for the Scheme will be limited to the particulars of the underlying schemes and money market securities where the Scheme has invested. Investors may, therefore, not be able to obtain specific details of the investments of the underlying schemes.
- Any change in the investment policies or fundamental attributes of any underlying scheme is likely to affect the performance of the Scheme.
- **Currency Risk** – Investments in Falcon Gold Equity Fund are subject to currency risk. Returns to investors are the result of a combination of returns from investments and from movements in exchange rates. For example, if the Rupee appreciates vis-à-vis the US\$, the extent of appreciation will lead to reduction in the yield to the investor. However, if the Rupee appreciates against the US Dollar by an amount in excess of the interest earned on the investment, the returns can even be negative. Again, in case the Rupee depreciates vis-à-vis the US\$, the extent of depreciation will lead to a corresponding increase in the yield to the investor. Going forward, the Rupee may depreciate (lose value) or appreciate (increase value) against the currencies of the countries where the Scheme will invest.
- **Country Risk** – Country risk arises from the inability of a country to meet its financial obligations. It is the risk encompassing economic, social and political conditions in a foreign country which might adversely affect the interests of the Scheme.

#### **Special Risk Considerations related to Falcon Gold Equity Fund:**

Investors must read these Special Risk Considerations. This section contains explanations of some of the risks that apply to Falcon Gold Equity Fund.

#### **Risks**

Investments in securities involve risks as well as opportunities for capital growth and income. These risks can arise from fluctuations in the price of securities, and - in the case of investments not denominated in the unit of account – fluctuations in foreign exchange rates.

Investments in equities involve greater risk than those in fixed interest instruments of highly rated issuers. Changes in the macroeconomic situation or the climate on the stock market may result in substantial price fluctuations.

In the case of fixed-interest securities and rights, any price fluctuations also depend on the maturities of the fixed-interest investments held for the fund. Fixed-interest investments with shorter maturities generally exhibit lower price risk than fixed interest securities with longer maturities.

A rise in the general level of interest-rate risk may lead to falling prices in the case of fixed-interest investments, while reductions in interest rates may result in price increases.

The credit risk associated with an investment, i.e. the risk that borrowers will default, cannot be entirely ruled out even if investments are carefully selected.

Investing in the subfund of an umbrella fund may involve

additional risk if the umbrella fund can be held responsible for the liabilities of each subfund. This additional risk increases when investments are made in units of different subfunds of a single umbrella fund.

#### **(xii) Kotak US Equity Fund**

- The value of the Scheme's investments may be affected by factors affecting the securities market such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the Government, taxation laws and political, economic or other developments which may have an adverse bearing on individual securities, a specific sector or all sectors. Consequently, the NAV of the Units of the Scheme may be affected.
- The Scheme intends to predominantly invest in units of PineBridge US Large Cap Research Enhanced Fund, which invests in US Large Cap Stocks (Russell 1000 and / or S&P 500). The Scheme may also invest, at the discretion of the Investment Manager, a certain portion of its corpus in the debt/liquid schemes of Kotak Mahindra Mutual Fund. Hence scheme specific risk factors of such underlying schemes will be applicable. Investments in the Scheme will be subject to risk factors associated with investment in the Underlying Scheme and other underlying schemes in which the Scheme invests. All risks associated with such schemes, including performance of their underlying stocks, derivative instruments, stock-lending, off-shore investments etc., will therefore be applicable in the case of the Scheme. Investors who intend to invest in the Scheme are required to and deemed to have understood the risk factors of such underlying schemes.
- The winding up of the Underlying Scheme may result in winding up of the Scheme itself.
- To the extent that the underlying schemes invest in corporate debt securities, they are subject to the risk of an issuer's inability to meet interest and principal payments on its debt obligations (credit risk). Debt securities may also be subject to price volatility due to factors such as changes in credit rating, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk).
- To the extent that the underlying scheme are invested in fixed income securities, the NAV of the Units issued under the Scheme is likely to be affected by changes in the general level of interest rates. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income securities can be expected to decline.
- The liquidity of the Scheme's investments may be inherently restricted by the liquidity of the underlying schemes in which it has invested.
- The Investors shall bear the recurring expenses of the Scheme in addition to those of the underlying schemes. Therefore, the returns that they may receive may be materially impacted or may, at times, be lower than the returns that the investors directly investing in the underlying schemes could obtain.
- The disclosure of portfolios for the Scheme will be limited to the particulars of the underlying schemes and money market securities where the Scheme has invested. Investors may, therefore, not be able to obtain specific details of the investments of the underlying schemes.
- Any change in the investment policies or fundamental attributes of any underlying scheme is likely to affect the performance of the Scheme.
- **Currency Risk** - Investments in PineBridge US Large Cap Research Enhanced Fund are subject to currency risk. Returns

to investors are the result of a combination of returns from investments and from movements in exchange rates. For example, if the Rupee appreciates vis-à-vis the US \$, the extent of appreciation will lead to reduction in the yield to the investor. However, if the Rupee appreciates against the US \$ by an amount in excess of the interest earned on the investment, the returns can even be negative. Again, in case the Rupee depreciates vis-à-vis the US \$, the extent of depreciation will lead to a corresponding increase in the yield to the investor. Going forward, the Rupee may depreciate (lose value) or appreciate (increase value) against the currencies of the countries where the Scheme will invest.

#### **Special Risk Considerations related to PineBridge US large Cap Research Enhanced Fund:**

Investors must read these Special Risk Considerations. This section contains explanations of some of the risks that apply to PineBridge US large Cap Research Enhanced Fund.

#### **Absence of Recourse Risk**

The Trust Deed of the underlying fund limits the circumstances under which the Manager, the Investment Managers and their affiliates can be held liable to the Fund. As a result, Unitholders may have a more limited right of action in certain cases than they would have in the absence of such a limitation.

#### **Country Risk**

Investors should also note that the underlying Fund's performance is often derived from its allocations to a country. These allocations may present greater opportunities and potential for capital appreciation, but may subject the Fund to higher risks of loss.

#### **Early Termination Risk**

In the event of the early termination of the Fund, the Fund may have to realise and distribute the remaining assets of the Fund pari passu to affected Unitholders of the fund. It is possible that at the time of such realisation or distribution, certain investments held by the Fund may be worth less than their initial acquisition cost or book value, resulting in a substantial loss to affected Unitholders. Moreover, any unamortised organisational or establishment costs or expenses in respect to the Fund may be debited against the Fund's capital at that time.

#### **Financial Markets and Regulatory Change Risk**

The laws and regulations affecting businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the Fund's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Fund. The Fund, the Manager and/or the Investment Managers may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures have been or may be adopted in certain jurisdictions, including restrictions on short selling of certain securities in certain jurisdictions. One example in particular is the recently enacted US piece of legislation, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act."). The Dodd-Frank Act contains a range of measures designed to address systemic risk in the financial services sector and will significantly increase US regulation of investment funds and managers of investment funds. These significant changes in global financial regulation may present the Fund with significant challenges and could result in losses to the Fund and increased legal, compliance and other related costs.

#### **Investment Loss Risk**

Investors should note that investment in the underlying fund may decline in value and should be prepared to sustain a total loss of their investment in the Fund. Neither the Manager, nor any of the Investment Managers, Sub-Investment Managers, Investment Advisers or sub-investment advisers appointed by the Manager in respect of the Fund, nor any of their respective subsidiaries,

affiliates, associates, agents or delegates, guarantees the performance or any future return of the Fund.

#### **Liquidity Risk**

Not all securities may be listed or rated and consequently liquidity may be low. The accumulation and disposal of holdings may be time consuming and may need to be conducted at unfavourable prices.

#### **Market Disruption Risk**

Major losses may occur in the event of disrupted markets and other extraordinary events. The risk of loss is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available from banks, dealers and other counterparties will typically be reduced in disrupted markets. Further, a financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible to liquidate affected positions and thereby expose the underlying funds to losses.

#### **Market Volatility Risk**

All types of investments and all markets are subject to market volatility based on prevailing economic conditions. Price trends are determined mainly by financial market trends and by the economic development of the issuers, who are themselves affected by the overall situation of the global economy and by the economic and political conditions prevailing in each country. Because securities fluctuate in price, the value of your investment may go up and down.

#### **Political and/or Regulatory Risk**

Political and/or regulatory changes can be unpredictable and many pose risks to investments made in that country. Changes such as: international political developments, changes in government policies, taxation, restrictions on foreign investments and currency repatriation, currency fluctuations, and other developments in the legal, regulatory and political climate, may affect the value and marketability of an investment.

#### **Redemption Risk**

Substantial redemptions from the fund could lead the Investment Manager having to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the trading performance and even cause the liquidation of the Fund. In these and other exceptional circumstances the Manager may impose restrictions on the redemption of Units. To protect investors, the Manager may impose restrictions on the redemption of Units in the Fund as a whole. In such situations, a Unitholder either may not receive its redemption proceeds until after the sale of sufficient investments to meet those redemption requests, or may not be permitted to redeem its Unitholding until one or more Dealing Days after the Dealing day to which its redemption request related, or may have its redemption request satisfied by the transfer to it of assets of the Fund in specie.

#### **Reliance on the Investment Managers Risk**

Unitholders must rely on the ability of the Investment Managers to find trading and investment opportunities consistent with the Funds' investment objectives. Unitholders do not participate in making investment decisions for the Fund. Therefore, potential investors should not purchase Units unless they are willing to permit the Investment Managers to make all investment decisions for the Fund. In this regard, Unitholders must rely on the Investment Manager's services, the continued provision of which is subject to many factors, some of which are out of the Investment Manager's control.

#### **Remittance of Principal and Investment Income Risk**

The remittance of profits earned by foreign investors in certain countries and the repatriation of their investments are governed by relevant local regulations. Pursuant to these regulations, remittances of principal and investment income of the investments and any other amounts may be subject to the approvals of the respective foreign exchange control authorities.

There is no certainty that such approvals may be obtained at all times.

### **Suspension of Dealing Risk**

In certain situations the Manager, may with the consent of the Trustee, temporarily suspend the determination of the Net Asset Value of underlying Fund. Any such suspension would result in the suspension of the issuing and redemption of the relevant underlying fund's Units to and from its Unitholders during such period of suspension.

### **Taxation Risk**

Where a Fund invests in assets that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Fund may not be able to recover such withheld tax and so any change may have an adverse effect on the Net Asset Value of the Units.

There may also be a detrimental impact on the Fund in circumstances where there has been a change in the relevant taxation legislation or practice, regarding a security in which an Investment Manager has invested, whereby an unforeseen tax liability may have to be borne by the Fund. There is also a risk of loss due to the unexpected application of a taxation law or regulation.

The attention of potential investors is drawn to the taxation risks associated with investing in the Fund.

### **Equity Risk**

The value of equity and equity-related securities will be affected by economic, political, market, and issuer-specific changes. Such changes may adversely affect securities, regardless of company specific performance. Additionally, different industries, financial markets, and securities can react differently to these changes. Such fluctuations of the Fund's value are often exacerbated in the short-term. The risk that one or more companies in a portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period.

### **Risks associated with Capital Markets or Equity Markets, common to all schemes (i.e. Markets in which Equity Shares or Equity oriented instruments are issued and traded) (common for all schemes)**

#### **Price fluctuations and Volatility:**

Mutual Funds, like securities investments, are subject to market and other risks and there can be neither a guarantee against loss resulting from an investment in the Scheme nor any assurance that the objective of the Scheme will be achieved. The NAV of the Units issued under the Scheme can go up or down because of various factors that affect the capital market in general, such as, but not limited to, changes in interest rates, government policy and volatility in the capital markets. Pressure on the exchange rate of the Rupee may also affect security prices.

#### **Concentration / Sector Risk:**

When a Mutual Fund Scheme, by mandate, restricts its investments only to a particular sector; there arises a risk called concentration risk. If the sector, for any reason, fails to perform, the portfolio value will plummet and the Investment Manager will not be able to diversify the investment in any other sector. Investments under this scheme will be in a portfolio of diversified equity or equity related stocks spanning across a few selected sectors. Hence the concentration risks could be high.

#### **Liquidity Risks:**

Liquidity in Equity investments may be affected by trading volumes, settlement periods and transfer procedures. These factors may also affect the Scheme's ability to make intended purchases/sales, cause potential losses to the Scheme and result in the Scheme missing certain investment opportunities. These factors can also affect the time taken by KMMF for redemption of

Units, which could be significant in the event of receipt of a very large number of redemption requests or very large value redemption requests. In view of this, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described in the Statement of Additional Information.

### **Potential Loss associated with Derivative Trading pertaining to Equity Markets (Not applicable for, Kotak World Gold Fund, Kotak US Equity Fund):**

- a) In case of investments in index futures, the risk would be the same as in the case of investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. In case futures are used for hedging a portfolio of stocks, which is different from the index stocks, the extent of loss could be more or less depending on the coefficient of variation of such portfolio with respect to the index; such coefficient is known as Beta.
- b) The risk (loss) for an options buyer is limited to the premium paid, while the risk (loss) of an options writer is unlimited, the latter's gains being limited to the premiums earned. However, in the case of KMMF, all option positions will have underlying assets and therefore all losses due to price-movement beyond the strike price will actually be an opportunity loss. The writer of a put option bears a risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.

### **• Potential Loss associated with Offshore Investments**

In respect of investments in ADRs/GDRs, the risks associated with underlying stocks remain the same except for the additional risk of the exchange rate of the Indian rupee vis-à-vis the currency in which ADRs/GDRs are denominated. In case of other offshore investments the risk shall be exchange rate of the Indian rupee vis-à-vis the currency in which such securities are issued and the country risk associated with an investment. Country risk would include events such as introduction of extraordinary exchange control, economic deterioration and bilateral conflict leading to immobilization of the assets.

### **Risks associated with Debt / Money Markets (i.e. Markets in which Interest bearing Securities or Discounted Instruments are traded)**

#### **i. Credit Risk:**

Securities carry a Credit risk of repayment of principal or interest by the borrower. This risk depends on micro-economic factors such as financial soundness and ability of the borrower as also macro-economic factors such as Industry performance, Competition from Imports, Competitiveness of Exports, Input costs, Trade barriers, Favourability of Foreign Currency conversion rates, etc.

Credit risks of most issuers of Debt securities are rated by Independent and professionally run rating agencies. Ratings of Credit issued by these agencies typically range from "AAA" (read as "Triple A" denoting "Highest Safety") to "D" (denoting "Default"), with about 6 distinct ratings between the two extremes.

The highest credit rating (i.e. lowest credit risk) commands a low yield for the borrower. Conversely, the lowest credit rated borrower can raise funds at a relatively higher cost. On account of a higher credit risk for lower rated borrowers lenders prefer higher rated instruments further justifying the lower yields.

#### **ii. Price-Risk or Interest-Rate Risk:**

From the perspective of coupon rates, Debt securities can be classified in two categories, i.e., Fixed Income bearing Securities and Floating Rate Securities. In Fixed Income

Bearing Securities, the Coupon rate is determined at the time of investment and paid/received at the predetermined frequency. In the Floating Rate Securities, on the other hand, the coupon rate changes - 'floats' - with the underlying benchmark rate, e.g., MIBOR, 1 yr. Treasury Bill.

Fixed Income Securities (such as Government Securities, bonds, debentures and money market instruments) where a fixed return is offered, run price-risk. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, the payment-frequency of such coupon, days to maturity and the increase or decrease in the level of interest rates. The prices of Government Securities (existing and new) will be influenced only by movement in interest rates in the financial system. Whereas, in the case of corporate or institutional fixed income securities, such as bonds or debentures, prices are influenced not only by the change in interest rates but also by credit rating of the security and liquidity thereof.

Floating rate securities issued by a government (coupon linked to treasury bill benchmark or a real return inflation linked bond) have the least sensitivity to interest rate movements, as compared to other securities. The Government of India has already issued a few such securities and the Investment Manager believes that such securities may become available in future as well. These securities can play an important role in minimizing interest rate risk on a portfolio.

### iii. Risk of Rating Migration:

The following table illustrates the impact of change of rating (credit worthiness) on the price of a hypothetical AA rated security with a maturity period of 3 years, a coupon of 10.00% p.a. and a market value of Rs. 100. If it is downgraded to A category, which commands a market yield of, say, 11.50% p.a., its market value would drop to Rs. 98.76 (i.e. 1.24%). If the security is up-graded to AAA category which commands a market yield of, say, 9.60% p.a. its market value would increase to Rs103.48 (i.e. by 3.48%). The figures shown in the table are only indicative and are intended to demonstrate how the price of a security can be affected by change in credit rating.

Rating	Yield (% p.a.)	Market Value (Rs.)
AA	11.00	100.00
If upgraded to AAA	9.60	103.48
If downgraded to A	11.50	98.76

### iv. Basis Risk:

During the life of floating rate security or a swap the underlying benchmark index may become less active and may not capture the actual movement in the interest rates or at times the benchmark may cease to exist. These types of events may result in loss of value in the portfolio. Where swaps are used to hedge an underlying fixed income security, basis risk could arise when the fixed income yield curve moves differently from that of the swap benchmark curve.

### v. Spread Risk:

In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. However depending upon the market conditions the spreads may move adversely or favourably leading to fluctuation in NAV.

### vi. Reinvestment Risk:

Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently the proceeds may get invested at a lower rate.

### vii. Liquidity Risk:

The corporate debt market is relatively illiquid vis-a- vis the

government securities market. There could therefore be difficulties in exiting from corporate bonds in times of uncertainties. Liquidity in a scheme therefore may suffer. Even though the Government Securities market is more liquid compared to that of other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. In view of this, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described elsewhere in the SAI.

### viii. Potential Loss associated with Derivative Trading pertaining to Debt Markets (Not applicable for Kotak World Gold Fund and Kotak US Equity Fund)

The use of an Interest Rate Swap ('IRS') does not eliminate the credit (default) risk on the original investment. While the fixed to floating rate IRS reduces interest rate risk caused by rise in interest rates, it also restricts the profit in case interest rates decline. In case of a floating to fixed rate swap, any subsequent rise in interest rates will result in a loss like in any fixed rate investment. Any IRS carries, the risk of default of the counter party to the swap, which may lead to a loss. Such loss is usually, a small proportion of the notional principal amount of the swap.

All the above factors may not only affect the prices of securities but also the time taken by the Fund for redemption of Units, which could be significant in the event of receipt of a very large number of redemption requests or very large value redemption requests. The liquidity of the assets may be affected by other factors such as general market conditions, political events, bank holidays and civil strife. In view of this, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described elsewhere in the SAI.

### ix. Risks associated with Securitised Debt:

The Schemes may from time to time invest in domestic securitised debt, for instance, in asset backed securities (ABS) or mortgage backed securities (MBS). Typically, investments in securitised debt carry credit risk (where credit losses in the underlying pool exceed credit enhancement provided, (if any) and the reinvestment risk (which is higher as compared to the normal corporate or sovereign debt). The underlying assets in securitised debt are receivables arising from automobile loans, personal loans, loans against consumer durables, loans backed by mortgage of residential / commercial properties, underlying single loans etc.

ABS/MBS instruments reflect the proportionate undivided beneficial interest in the pool of loans and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. Investments in securitised debt is largely guided by following factors:

- Attractive yields i.e. where securitised papers offer better yields as compared to the other debt papers and also considering the risk profile of the securitised papers.
- Diversification of the portfolio
- Better performance

Broadly following types of loans are securitised:

#### a) Auto Loans

The underlying assets (cars etc.) are susceptible to depreciation in value whereas the loans are given at high loan to value ratios. Thus, after a few months, the value of asset becomes lower than the loan outstanding. The borrowers, therefore, may sometimes tend to default on loans and allow the vehicle to be repossessed.

These loans are also subject to model risk. i.e. if a particular automobile model does not become popular, loans given for financing that model have a much higher likelihood of turning bad. In such cases, loss on sale of repossession vehicles is higher than usual.



Commercial vehicle loans are susceptible to the cyclical nature in the economy. In a downturn in economy, freight rates drop leading to higher defaults in commercial vehicle loans. Further, the second hand prices of these vehicles also decline in such economic environment.

#### **b) Housing Loans**

Housing loans in India have shown very low default rates historically. However, in recent years, loans have been given at high loan to value ratios and to a much younger borrower classes. The loans have not yet gone through the full economic cycle and have not yet seen a period of declining property prices. Thus the performance of these housing loans is yet to be tested and it need not conform to the historical experience of low default rates.

#### **c) Consumer Durable Loans**

- The underlying security for such loans is easily transferable without the bank's knowledge and hence repossession is difficult.
- The underlying security for such loans is also susceptible to quick depreciation in value. This gives the borrowers a high incentive to default.

#### **d) Personal Loans**

These are unsecured loans. In case of a default, the bank has no security to fall back on. The lender has no control over how the borrower has used the borrowed money.

Further, all the above categories of loans have the following common risks:

- All the above loans are retail, relatively small value loans. There is a possibility that the borrower takes different loans using the same income proof and thus the income is not sufficient to meet the debt service obligations of all these loans.
- In India, there is no ready database available regarding past credit record of borrowers. Thus, loans may be given to borrowers with poor credit record.
- In retail loans, the risks due to frauds are high.

#### **e) Single Loan PTC**

A single loan PTC is a securitization transaction in which a loan given by an originator (Bank/ NBFC/ FI etc.) to a single entity (obligor) is converted into pass through certificates and sold to investors. The transaction involves the assignment of the loan and the underlying receivables by the originator to a trust, which funds the purchase by issuing PTCs to investors at the discounted value of the receivables. The PTCs are rated by a rating agency, which is based on the financial strength of the obligor alone, as the PTCs have no recourse to the originator.

The advantage of a single loan PTC is that the rating represents the credit risk of a single entity (the obligor) and is hence easy to understand and track over the tenure of the PTC. The primary risk is that of all securitized instruments, which are not traded as often in the secondary market and hence carry an illiquidity risk. The structure involves an assignment of the loan by the originator to the trustee who then has no interest in monitoring the credit quality of the originator. The originator that is most often a bank is in the best position to monitor the credit quality of the originator. The investor then has to rely on an external rating agency to monitor the PTC. Since the AMC relies on the documentation provided by the originator, there is a risk to the extent of the underlying documentation between the seller and underlying borrower.

#### **• Potential Loss associated with Securities Lending (Not applicable for Kotak World Gold Fund and Kotak US Equity Fund):-**

In the case of securities lending the additional risk is that there can be temporary illiquidity of the securities that are lent out and the Fund may not be able to sell such lent-out securities, resulting in an opportunity loss. In case of a default by counterparty, the loss to the Fund can be equivalent to the securities lent.

#### **• Risk Factors Associated with Overseas Investment**

Subject to necessary approvals and within the investment objectives of the Scheme, the Scheme may invest in overseas markets which carry risks related to fluctuations in the foreign exchange rates, the nature of the securities market of the country, repatriation of capital due to exchange controls and political circumstances.

It is the AMC's belief that investment in foreign securities offer new investment and portfolio diversification opportunities into multimarket and multi-currency products. However, such investments also entail additional risks. Such investment opportunities may be pursued by the AMC provided they are considered appropriate in terms of the overall investment objectives of the Scheme. Since the Scheme may invest only partially in overseas securities, there may not be readily available and widely accepted benchmarks to measure performance of the Scheme. To manage risks associated with foreign currency and interest rate exposure, the Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated under the Regulations or by the RBI from time to time.

Overseas investments will be made subject to any/all approvals, conditions thereof as may be stipulated under the Regulations or by RBI and provided such investments do not result in expenses to the Fund in excess of the ceiling on expenses prescribed by and consistent with costs and expenses attendant to international investing. The Fund may, where necessary, appoint other intermediaries of repute as advisors, custodian/sub-custodians etc. for managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses. The fees and expenses would illustratively include, besides the investment management fees, custody fees and costs, fees of appointed advisors and sub-managers, transaction costs and overseas regulatory costs.

To the extent that the assets of the Scheme will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.

#### **B. Requirement of Minimum Investors in the Scheme**

The Scheme/Plan shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme/Plan(s). However, if such limit is breached during the NFO of the Scheme, the Fund will endeavour to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme / Plan(s) does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme / Plan(s) shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

### C. Special Considerations

- i. Prospective investors should review/study SAI along with SID carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/investment matters and are advised to consult their own professional advisor(s) as to the legal or any other requirements or restrictions relating to the subscriptions, gifting, acquisition, holding, disposal (sale, transfer, switch or redemption or conversion into money) of units and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalization, disposal (sale, transfer, switch or redemption or conversion into money) of units within their jurisdiction/nationality, residence, domicile etc. or under the laws of any jurisdiction to which they or any managed Funds to be used to purchase/gift units are subject, and also to determine possible legal, tax, financial or other consequences of subscribing/gifting to, purchasing or holding units before making an application for units.
- ii. Neither this SID and SAI, nor the units have been registered in any jurisdiction. The distribution of this SID in certain jurisdictions may be restricted or subject to registration and accordingly, any person who gets possession of this SID is required to inform themselves about, and to observe, any such restrictions. It is the responsibility of any persons in possession of this SID and any persons wishing to apply for units pursuant to this SID to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction. Any changes in SEBI/RBI regulations and other applicable laws/regulations could have an effect on such investments and valuation thereof.
- iii. Kotak Mahindra Mutual Fund/AMC has not authorised any person to give any information or make any representations, either oral or written, not stated in this SID in connection with issue of units under the Schemes. Prospective investors are advised not to rely upon any information or representations not incorporated in the SAI and SID as the same have not been authorised by the Fund or the AMC. Any purchase or redemption made by any person on the basis of statements or representations which are not contained in this SID or which are not consistent with the information contained herein shall be solely at the risk of the investor. The investor is requested to check the credentials of the individual, firm or other entity he/she is entrusting his/her application form and payment to, for any transaction with the Fund. The Fund shall not be responsible for any acts done by the intermediaries representing or purportedly representing such investor.
- iv. If the units are held by any person in breach of the Regulations, law or requirements of any governmental, statutory authority including, without limitation, Exchange Control Regulations, the Fund may mandatorily redeem all the units of any Unit holder where the units are held by a Unit holder in breach of the same. The Trustee may further mandatorily redeem units of any Unit holder in the event it is found that the Unit holder has submitted information either in the application or otherwise that is false, misleading or incomplete.
- v. If a Unit holder makes a redemption request immediately after purchase of units, the Fund shall have a right to withhold the redemption request till sufficient time has elapsed to ensure that the amount remitted by the Unit holder (for purchase of units) is realized and the proceeds have been credited to the Scheme's Account. However, this is only applicable if the value of redemption is such that some or all of the freshly purchased units may have to be redeemed to effect the full redemption.
- vi. In terms of the Prevention of Money Laundering Act, 2002 ("PMLA") the rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML) Laws, all intermediaries, including mutual funds, are required to formulate and implement a client identification programme, and to verify and maintain the record of identity and address(es) of investors.

vii. If after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall report any such suspicious transactions to competent authorities under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/Unit holder/any other person.

#### viii. For Kotak Tax Saver:

Kotak Tax Saver is open for continuous redemption subject to the completion of a lock-in period of 3 years, irrespective of the investment amount and irrespective of the type of the investor, from the date of allotment as prescribed in the existing ELSS guidelines. In case this lock-in period is changed by any subsequent notification issued by the Government and notified in the Official Gazette, the same will apply.

The units under the Scheme are offered to the Investors for enabling them to avail the benefits under clause (xiii) of Sub-section (2) of Section 80C of the Income-tax Act, 1961 (the "Act"), subject to this Scheme being eligible under any plan formulated by the Central Government by notification in the Official Gazette under this section. Investment made upto One Lakh rupees by the eligible investor being an Individual or a Hindu Undivided Family in the scheme will qualify for income tax deduction on fulfillment of the conditions of Section 80C of the Act. However, these benefits are subject to Income Tax Act and any other law for the time being in force.

However, in the event of the death of the sole unitholder, the nominee or legal heir, as the case may be, shall be able to withdraw the investment anytime after the completion of 1 year from the date of allotment of units.

The above does not constitute an advice or a representation. Investors are requested to seek professional advice in this regard.

Investment by the scheme, tax advantage to the investors, lock-in period of the investments and other features under the scheme would be changed to comply with the modifications in the applicable law(s), governing ELSS scheme, modifications thereof, issued from time to time.

#### ix. Purchase/ Redemption of units of schemes of Kotak Mahindra Mutual Fund through Stock Exchange Infrastructure

Kotak Mahindra Asset Management Company Limited (KMAMC) offers an alternate transaction platform to facilitate purchase/redemption of units in Demat form of certain schemes of Kotak Mahindra Mutual Fund on Mutual Fund Service System (MFSS) of the National Stock Exchange India Limited (NSE) and on the BSE Stock Exchange Platform for Allotment and Repurchase of Mutual Funds (BSE StAR MF System) of the Bombay Stock Exchange (BSE). KMAMC has entered into an arrangement with NSE & BSE for facilitating transactions in select Kotak Mahindra Mutual Fund schemes through the stock exchange brokers who are AMFI Certified.

- Unit holders, both existing and new, having a demat account can only participate through this facility. However, switch transactions, SWP, STP are currently not available under this facility.
- MFSS and BSE StAR MF are electronic platforms introduced by National Stock Exchange (NSE) & Bombay Stock Exchange (BSE) respectively for transacting in units of mutual funds. The units of eligible Schemes are not listed on NSE & BSE and the same cannot be traded on the Stock Exchange like shares. The window for purchase/redemption of units on MFSS and

BSE StAR MF will be available between 9:00 a.m. and 3:00 p.m. or such other timings as may be intimated by the exchanges. The applicability of NAV will be subject to guidelines issued by SEBI on Uniform cut-off timings for applicability of NAV of Mutual Fund Scheme(s)/Plan(s). Currently, the cut-off time is 3:00 p.m. for Non-Liquid Schemes.

#### **Eligible Participants**

- All trading members of NSE & BSE who are registered with AMFI as Mutual Fund Advisors and also registered with NSE & BSE as Participants will be eligible to offer this facility to investors.
- The eligible AMFI Certified Stock Exchange brokers will be considered as official point of acceptance of Kotak Mahindra Mutual Fund in accordance with provisions of SEBI circular no SEBI/IMD/Cir No. 11/78450/06 dated October 11, 2006.

#### **Eligible Investors**

- Investors having a demat account with any of the depositories and who have completed the prescribed formalities of their respective brokers.

#### **How to Purchase/ Redeem**

##### **Purchase**

- The investor is required to place an order for purchase of units (subject to applicable limits prescribed by BSE/NSE) with the AMFI certified stock exchange brokers.
- The investor should provide their depository account details to the AMFI certified stock exchange brokers.
- The broker shall enter the purchase order in the Stock Exchange system and an order confirmation slip will be issued to investor. This slip will be considered as time stamping acknowledgement.
- The investor will transfer the funds to the AMFI certified stock exchange brokers.
- Allotment details will be provided by the AMFI certified stock exchange brokers to the investor.
- Allotted units will be settled through clearing house and the units will be credited to investor's account by the broker
- Demat statement issued by the depositories will reflect the units.

##### **Redemption**

- The investor who chooses the depository mode is required to place an order, in unit terms only, for redemption (subject to applicable limits prescribed by BSE/NSE) with the AMFI certified stock exchange brokers.
- The investors should provide their Depository Participant with Depository Instruction Slip with relevant units to be credited to Clearing Corporation pool account.
- The redemption order will be entered in the system and an order confirmation slip will be issued to investor. This slip will be considered as time stamping acknowledgement.
- The redemption proceeds will be settled through clearing house and the investor account as per demat statement will be credited by the broker.

#### **Systematic Investment Plan (SIP)**

- Investor can register SIP transaction through their secondary market broker.
- SIP transaction will be registered in the respective platform
- Investor has to ensure the amount available with the broker on the SIP date.
- Units will be allotted only in demat form

The transactions carried out on the above platform shall be subject to SEBI (Mutual Funds) Regulations, 1996 and circulars / guidelines issued thereunder, and also the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) / Stock Exchanges (NSE / BSE) from time to time

#### **Note for demat holding**

- Investors would have to provide the demat account details in the application form along with supporting documents evidencing the accuracy of the demat account. Applications received without supporting documents could be processed under the physical mode.
- Investors of Kotak Mahindra Mutual Fund would also have an option of holding the units in demat form for SIP/STP transactions registered directly through Kotak Mahindra Asset Management Company Ltd. / Registrars & Transfer Agents. The units will be allotted based on the applicable NAV as per Scheme Information Document (SID) of the respective scheme. The units will be credited to investors Demat Account on weekly basis on realisation of funds.
- The option of holding SIP units in Demat form is available for investments registered through BStAR & MFSS.
- Dividend options having dividend frequency of less than a month will not be available for Purchase and Redemption through MFSS and BStAR platform.
- The minimum redemption size is 1 unit in case of redemption through MFSS and BStAR platform
- The requirement of maintaining minimum balance of 100 units shall not be applicable units held in demat mode.
- In case of non-financial requests/ applications such as change of address, change of bank details, etc. investors should approach the respective Depository Participant(s) since the units are held in demat mode.
- Investors will be sent a demat statement by Depository Participant showing the credit/debit of units to their account. Such demat statement given by the Depository Participant will be deemed to be adequate compliance with the requirements for dispatch of statement of account prescribed by SEBI.
- Investors will have to comply with Know Your Customer (KYC) norms as prescribed by BSE/NSE/CDSL/ NSDL and Kotak Mahindra Mutual Fund to participate in this facility.
- Investors should note that the terms & conditions and operating guidelines issued by NSE & BSE shall be applicable for purchase/redemption of units through the stock exchange infrastructure.
- Investors should get in touch with Investor Service Centres (ISCs) of Kotak Mahindra Mutual Fund or their respective brokers for further details.

Kotak Mahindra Asset Management Company Ltd. reserves the right to change/modify the features of this facility at a later date.

**D. Definitions (common to all schemes)**

**In this SID, the following words and expressions shall have the meaning specified below, unless the context otherwise requires:**

<b>Applicable NAV</b>	Unless stated otherwise in the SID, 'Applicable NAV' is the Net Asset Value at the close of a Business Day as of which the purchase or redemption is sought by an investor and determined by the Fund.
<b>Asset Management Company or AMC or Investment Manager</b>	Kotak Mahindra Asset Management Company Limited, the Asset Management Company incorporated under the Companies Act, 1956, and authorised by SEBI to act as Investment Manager to the Schemes of Kotak Mahindra Mutual Fund.
<b>Business Day</b>	<p>A day other than:</p> <ul style="list-style-type: none"> <li>(i) Saturday and Sunday</li> <li>(ii) a day on which Purchase and Redemption is suspended by the AMC</li> <li>(iii) a day on which both the National Stock Exchange and the Bombay Stock Exchange are closed.</li> <li>(iv) A day when Falcon Gold Equity Fund is closed for subscription/ redemption (<b>applicable to Kotak World Gold Fund</b>).</li> <li>(v) A day when PineBridge US Large Cap Research Enhanced Equity Fund is closed for subscription/redemption (<b>applicable for Kotak US Equity Fund</b>)</li> </ul> <p>Additionally, the days when the banks in any location where the AMC's Investor service center are located, are closed due to local holiday, such days will be treated as non business days at such centers for the purpose of accepting subscriptions. However if the Investor service center in such location is open on such local holidays, only redemption and switch request will be accepted at those centers provided it is a business day for the scheme.</p> <p>The AMC reserves the right to change the definition of Business Day. The AMC reserves the right to declare any day as a Business Day or otherwise at any or all ISCs.</p>
<b>Consolidated Account Statement(CAS)</b>	An account statement containing details relating to: (a) all the transactions (which includes purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan ) carried out by the investor across all schemes of all mutual funds during a specified period; (b) holding at the end of the specified period; and (c) transaction charges, if any, deducted from the investment amount to be paid to the distributor.
<b>Custodian</b>	Deutsche Bank AG and Standard Chartered Bank, acting as Custodian to the Scheme, or any other Custodian appointed by the Trustee.
<b>Dividend Option</b>	<p>Under the Dividend option, the Trustee may at any time decide to distribute by way of dividend, the surplus by way of realised profit and interest, net of losses, expenses and taxes, if any, to Unitholders if, in the opinion of the Trustee, such surplus is available and adequate for distribution. The Trustee's decision with regard to such availability and adequacy of surplus, rate, timing and frequency of distribution shall be final. The Trustee may or may not distribute surplus, even if available, by way of dividend.</p> <p>The dividend will be paid to only those Unitholders whose names appear on the register of Unitholders of the Scheme / Option at the close of the business hours on the record date, which will be announced in advance.</p> <p>The Dividend Option will be available under two sub-options – the Payout Option and the Reinvestment Option.</p> <p>Dividend Payout Option: Unitholders will have the option to receive payout of their dividend by way of Payorder / DD any other means which can be encashed or by way of direct credit / electronic payout into their account.</p> <p>Dividend Reinvestment Option: Under the reinvestment option, dividend amounts will be reinvested in the Dividend Reinvestment Option at the Applicable NAV announced immediately following the record date.</p> <p>However, the Trustees reserve the right to introduce new options and / or alter the dividend payout intervals, frequency, including the day of payout.</p>
<b>Entry Load</b>	The charge that is paid by an Investor when he invests an amount in the Scheme.
<b>Exit Load</b>	The charge that is paid by a Unitholder when he redeems Units from the Scheme.
<b>Falcon Gold Equity Fund</b>	Falcon Gold Equity Fund is a mutual fund subject to Swiss Law in the securities funds category as defined by the Investment Funds Act dated March 18, 1994
<b>FII</b>	Foreign Institutional Investors, registered with SEBI under Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.



<b>Gilts/Government Securities</b>	Securities created and issued by the Central Government and/or State Government.
<b>Growth Option</b>	Under the Growth option, there will be no distribution of income and the return to investors will be only by way of capital gains, if any, through redemption at applicable NAV of Units held by them.
<b>IMA</b>	Investment Management Agreement dated 20th May 1996, entered into between the Fund (acting through the Trustee) and the AMC and as amended up to date, or as may be amended from time to time.
<b>Investor Service Centres or ISCs</b>	Designated branches of the AMC / other offices as may be designated by the AMC from time to time.
<b>Kotak Bank/ Sponsor</b>	Kotak Mahindra Bank Limited.
<b>KMMF/Fund/ Mutual Fund</b>	Kotak Mahindra Mutual Fund, a trust set up under the provisions of The Indian Trusts Act, 1882.
<b>KMTCL/Trustee</b>	Kotak Mahindra Trustee Company Limited, a company set up under the Companies Act, 1956, and approved by SEBI to act as the Trustee for the Schemes of Kotak Mahindra Mutual Fund.
<b>MIBOR</b>	The Mumbai Interbank Offered Rate published once every day by the National Stock Exchange and published twice every day by Reuters, as specifically applied to each contract.
<b>Mutual Fund Regulations/ Regulations</b>	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended up to date, and such other regulations as may be in force from time to time.
<b>NAV</b>	Net Asset Value of the Units of the Scheme (including the options thereunder) as calculated in the manner provided in this SID or as may be prescribed by Regulations from time to time. The NAV will be computed up to three decimal places.
<b>NRI</b>	Non-Resident Indian and Person of Indian Origin as defined in Foreign Exchange Management Act, 1999.
<b>Purchase Price</b>	Purchase Price, to an investor, of Units under the Scheme (including Options thereunder) computed in the manner indicated elsewhere in this SID.
<b>PineBridge US Large Cap Research Enhanced Fund</b>	PineBridge US Large Cap Research Enhanced Fund is a sub-fund of an open ended umbrella unit trust established and authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (S.I. No. 211 of 2003), as amended.
<b>Redemption Price</b>	Redemption Price to an investor of Units under the Scheme (including Options thereunder) computed in the manner indicated elsewhere in this SID.
<b>Registrar</b>	Computer Age Management Services Private Limited ('CAMS'), acting as Registrar to the Scheme, or any other Registrar appointed by the AMC.
<b>Repo</b>	Sale of securities with simultaneous agreement to repurchase them at a later date.
<b>Reserve Bank of India/RBI</b>	Reserve Bank of India, established under the Reserve Bank of India Act, 1934.
<b>Reverse Repo</b>	Purchase of securities with a simultaneous agreement to sell them at a later date.
<b>Money Market Instruments</b>	Includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time.
<b>Scheme</b>	Kotak Mahindra 50 Unit Scheme (Kotak 50), Kotak Mahindra Balance Unit Scheme 99 (Kotak Balance), Kotak Opportunities, Kotak Midcap Scheme, Kotak Classic Equity, Kotak Equity Arbitrage Fund, Kotak Tax Saver, Kotak Select Focus Fund, Kotak Emerging Equity Scheme, Kotak Infrastructure & Economic Reform Fund, Kotak World Gold Fund and Kotak US Equity Fund.
<b>Scheme Information Document (SID)</b>	This document issued by Kotak Mahindra Mutual Fund, offering for subscription of Units of the Scheme.
<b>Statement of Additional Information (SAI)</b>	It contains details of Kotak Mahindra Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document)
<b>SEBI</b>	The Securities and Exchange Board of India.
<b>Trust Deed</b>	The Trust Deed entered into on 20th May 1996 between the Sponsor and the Trustee, as amended up to date, or as may be amended from time to time.

<b>Trust Fund</b>	The corpus of the Trust, Unit capital and all property belonging to and/or vested in the Trustee.
<b>Unit</b>	The interest of the investors in the Scheme, which consists of each Unit representing one undivided share in the assets of the Scheme.
<b>Unitholder</b>	A person who holds Unit(s) of the Scheme.
<b>Underlying Scheme(s)</b>	With reference to Kotak World Gold Fund, Falcon Gold Equity Fund incorporated in Switzerland.  With reference to Kotak US Equity Fund, PineBridge US Large Cap Research Enhanced Fund incorporated pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (S.I. No. 211 of 2003), as amended.
<b>Valuation Day</b>	Business Day of the Scheme.
<b>Words and Expressions used in this SID and not defined</b>	Same meaning as in Trust Deed.

#### **E. Due Diligence by the Asset Management Company**

It is confirmed that:

- (i) the Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- (ii) all legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed scheme.
- (iv) the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

**For Kotak Mahindra Asset Management Company Limited  
Asset Management Company for Kotak Mahindra Mutual Fund**

Place: Mumbai  
Date: June 30, 2015

**Sandeep Kamath**  
Compliance Officer

### III. INFORMATION ABOUT THE SCHEME

**Kotak 50, Kotak Balance, Kotak Opportunities, Kotak Midcap, Kotak Classic Equity, Kotak Equity Arbitrage Fund, Kotak Tax Saver, Kotak Select Focus Fund Kotak Emerging Equity Scheme, Kotak Infrastructure & Economic Reform Fund , Kotak World Gold Fund and Kotak US Equity Fund.**

#### A. Type of Schemes

Name of Scheme	Type of Scheme
Kotak Mahindra 50 Unit Scheme (Kotak 50)	An open ended equity scheme
Kotak Mahindra Balance Unit Scheme 99 (Kotak Balance)	An open ended balanced Scheme
Kotak Opportunities	An open ended equity growth scheme
Kotak Midcap Scheme	An open ended equity growth scheme
Kotak Classic Equity	An open ended equity growth scheme
Kotak Equity Arbitrage Scheme	An open ended equity growth scheme
Kotak Tax Saver	An open ended equity linked savings scheme
Kotak Select Focus Fund	An open ended equity scheme
Kotak Emerging Equity Scheme	An open ended equity growth scheme
Kotak Infrastructure & Economic Reform Fund (formerly known as "PineBridge Infrastructure & Economic Reform Fund")	An open ended equity scheme
Kotak World Gold Fund (formerly known as "PineBridge World Gold Fund")	An open ended fund of funds scheme
Kotak US Equity Fund (formerly known as "PineBridge India – US Equity Fund")	An open ended fund of funds scheme investing overseas

#### B. Features of the schemes (Investment Objective, Asset Allocation Pattern, Investment Strategy, Benchmark, Risk Mitigation)

##### (I) Kotak Mahindra 50 Unit Scheme (Kotak 50)

A.	Type of the scheme	An open ended equity scheme									
B.	Investment Objective	<p>To generate capital appreciation from a portfolio of predominantly equity and equity related securities. The portfolio will generally comprise of equity and equity related instruments of around 50 companies which may go up to 59 companies but will not exceed 59 at any point in time. Review and rebalancing will be conducted if the investment in companies exceed above 59. To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.</p> <p>Subject to the maximum amount permitted from time to time, the Scheme may invest in GDRs/ADRs of Indian companies for the Kotak 50 portfolio in the manner allowed by SEBI/RBI provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations.</p> <p>There is no assurance that the investment objective of the Scheme will be achieved.</p>									
C.	Asset Allocation	<p>The asset allocation under the Scheme, under normal circumstances, is as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Investments</th> <th>Indicative Allocation</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Equity and equity related securities</td> <td>65% to 100%</td> <td>Medium to High</td> </tr> <tr> <td>* Debt and Money Market Instruments</td> <td>0% to 35%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>*Debt securities/instruments are deemed to include securitised debt and investment in securitised debt will not exceed 50% of debt portion of the Scheme.</p> <p>Note: The asset allocation shown above is indicative and may change for a short term on defensive considerations. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above.</p>	Investments	Indicative Allocation	Risk Profile	Equity and equity related securities	65% to 100%	Medium to High	* Debt and Money Market Instruments	0% to 35%	Low to Medium
Investments	Indicative Allocation	Risk Profile									
Equity and equity related securities	65% to 100%	Medium to High									
* Debt and Money Market Instruments	0% to 35%	Low to Medium									
D.	Investment Strategy and Risk Control Measures	<p>The investment strategy of the AMC is directed to investing in stocks, which, in the opinion of the Investment Manager, are priced at a material discount to their intrinsic value. Such intrinsic value is a function of both past performance and future growth prospects. The process of discovering the intrinsic value is through in-house research supplemented by research available from other sources.</p> <p>For selecting particular stocks as well as determining the potential value of such stocks, the AMC is guided, inter alia, by one or more of the following considerations:</p> <ol style="list-style-type: none"> <li>1. The financial strength of the companies, as indicated by well recognised financial parameters;</li> </ol>									

		<ol style="list-style-type: none"> <li>2. Reputation of the management and track record;</li> <li>3. Companies that are relatively less prone to recessions or cycles, either because of the nature of their businesses or superior strategies followed by their management;</li> <li>4. Companies which pursue a strategy to build strong brands for their products or services and those which are capable of building strong franchises; and</li> <li>5. Market liquidity of the stock.</li> </ol> <p>Risk is managed by adequate diversification by spreading investments over a range of industries.</p> <p>The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market securities, provided the investments are within the limits indicated in the asset allocation pattern. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee is taken before making the investment.</p> <p>To reduce the risk of the portfolio, the Scheme also uses various derivative and hedging products from time to time, in the manner permitted by SEBI.</p> <p>Subject to the maximum amount permitted from time to time, the Scheme may invest in GDRs/ADRs, in the manner allowed by SEBI/RBI. Such investments will be in conformity with the investment objective of the Scheme and the guidelines and Regulations prevailing at the time.</p>
E	Portfolio Turnover	<p>The portfolio turnover will not normally exceed 150%.</p> <p>Portfolio turnover will exclude:</p> <ul style="list-style-type: none"> <li>• the turnover caused on account of investing the initial corpus;</li> <li>• the turnover caused on account of investing in debt and money market securities;</li> <li>• the turnover caused on account of fresh purchases and redemptions by Unitholders.</li> </ul> <p>Turnover means simple average of the aggregate of purchases and sales net of the certain exclusions. These purchases and sales invite transaction costs viz. brokerage and custodian transaction charges.</p>
F	Benchmark	<p>The performance of the Scheme is measured against CNX Nifty.</p> <p>The composition of the aforesaid benchmark is such that, it is most suited for comparing the performance of the scheme.</p> <p>The Trustees reserves right to change benchmark in future for measuring performance of the scheme.</p>
G	Risk Mitigation	<p><b>Risk control measures for investment strategy</b></p> <p>The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored and necessary action would be taken on the portfolio if required. Attribution analysis is done to monitor the under or over performance vis a vis the benchmark and the reasons for the same.</p> <p><b>Risk mitigation measures for portfolio volatility</b></p> <p>The overall volatility of the portfolio would be maintained in line with the objective of the scheme. The portfolio would be adequately diversified to mitigate volatility. Volatility would be monitored with respect to the benchmark and peer set.</p> <p><b>Risk mitigation measures for managing liquidity</b></p> <p>The scheme predominantly invests in large cap stocks which are actively traded and thereby liquid. The fund manager may also keep some portion of the portfolio in debt and money market instruments and/or cash within the specified asset allocation framework for the purpose of meeting redemptions. The liquidity would be monitored and necessary action would be taken on the portfolio if required. Stock turnover is monitored at regular intervals. The debt/money market instruments that are invested by the fund will have a short term duration.</p>
H	Securities Lending	<p>Subject to Regulations and the applicable guidelines, the Trustee may permit the Fund to engage in securities lending.</p>

## ii) Kotak Mahindra Balance Unit Scheme 99 (Kotak Balance)

A.	Type of the scheme	An open ended balanced scheme
B.	Investment Objective	<p>The investment objective of the Scheme is to achieve growth by investing in equity and equity related instruments, balanced with income generation by investing in debt and money market instruments. To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.</p> <p>Subject to the maximum amount permitted from time to time, the Fund will apply to SEBI and/or RBI for permission to invest in offshore securities including equities and equity related instruments and bonds / debentures and GDRs / ADRs of Indian companies for the portfolio. Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore securities including GDRs / ADRs, in the manner allowed by SEBI / RBI provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations.</p> <p>There is no assurance that the investment objective of the Scheme will be achieved.</p>

C	Asset Allocation	<p>The asset allocation under the Scheme, under normal circumstances, is as follows:</p> <table border="1" data-bbox="467 174 1385 353"> <thead> <tr> <th data-bbox="467 174 906 257">Investments</th> <th data-bbox="906 174 1157 257">Indicative Allocation</th> <th data-bbox="1157 174 1385 257">Risk Profile</th> </tr> </thead> <tbody> <tr> <td data-bbox="467 257 906 302">Equity and Equity related instruments</td> <td data-bbox="906 257 1157 302">51%</td> <td data-bbox="1157 257 1385 302">Medium to High</td> </tr> <tr> <td data-bbox="467 302 906 353">*Debt and Money Market instruments</td> <td data-bbox="906 302 1157 353">49%</td> <td data-bbox="1157 302 1385 353">Low to medium</td> </tr> </tbody> </table> <p>*Debt securities/instruments are deemed to include securitised debt and investment in securitised debt will not exceed 50% of the debt portion.</p> <p>Note: The asset allocation shown above is indicative and may change depending on the Fund Manager's view of the market conditions for a short term on defensive considerations. The above allocation may change to maintain the ratio required for the Scheme to qualify as equity oriented scheme under Sections 115R and 115T of Income Tax Act, 1961. Under the said provision, dividend distributed by Equity oriented schemes is exempt from dividend distribution tax. However, the equity exposure can vary between 50% and 70% of the net assets of the Scheme. If the exposure falls below the said lower limit or exceeds the upper limit, it will be restored within Seven (7) Working Days.</p>	Investments	Indicative Allocation	Risk Profile	Equity and Equity related instruments	51%	Medium to High	*Debt and Money Market instruments	49%	Low to medium
Investments	Indicative Allocation	Risk Profile									
Equity and Equity related instruments	51%	Medium to High									
*Debt and Money Market instruments	49%	Low to medium									
D	Investment Strategy and Risk Control Measures	<p><b>Balancing Equity and Debt Risk:</b> The investment strategy is aimed at exploiting the potential for capital appreciation of equity and the stable returns of debt while balancing the risks of equity with the comparative safety of debt. Emphasis is given to choosing securities, which, in the opinion of the Fund Manager, are less prone to market risk and default risk, while bearing in mind the liquidity needs arising out of the open-ended nature of the Scheme.</p> <p><b>Equity Portion:</b> The investment strategy of the AMC is directed to investing in stocks, which, in the opinion of the Fund Manager, are priced at a material discount to their intrinsic value and are less prone to market risk. Such intrinsic value is a function of both past performance and future growth prospects. The process of discovering the intrinsic value is through in-house research, supplemented by research available from other sources. For selecting particular stocks as well as determining the potential value of such stocks, the AMC will be guided, inter alia, by the following considerations:</p> <ul style="list-style-type: none"> <li>(i) The financial strength of the companies, as indicated by well recognised financial parameters;</li> <li>(ii) The reputation of the management and its track record;</li> <li>(iii) Companies that are relatively less prone to recessions or cycles, either because of the nature of their businesses or superior strategies followed by their management;</li> <li>(iv) Companies which are generally believed to be a good credit risk;</li> <li>(v) Companies which pursue a strategy to build strong brands for their products or services and those which are capable of building strong franchises; and</li> <li>(vi) The market capitalisation on, volatility and liquidity of the stock.</li> </ul> <p>Risk is distributed by spreading investments over a range of industries/sectors.</p> <p><b>Debt Portion:</b> The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market instruments/securities, Gilts/Government Securities, securities issued/guaranteed by the Central/State Governments, securities issued by public sector companies, financial institutions and/or money market instruments such as commercial paper, certificates of deposit, permitted securities under a repo agreement etc., provided the investment is within the limits indicated in the asset allocation pattern. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee is taken before making the investment. The maturity profile of debt instruments is selected in accordance with the Fund Manager's view regarding market conditions, interest rate outlook and stability of rating.</p> <p>The Scheme may invest in call money / term money market in terms of RBI guidelines in this respect.</p> <p>To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, the AMC cannot charge management fees on the amounts of the Schemes so invested, unless permitted by the Regulations.</p>									
E	Portfolio Turnover	<p>The portfolio turnover will not normally exceed 150%. Portfolio turnover will exclude:</p> <ul style="list-style-type: none"> <li>• the turnover caused on account of investing the initial corpus;</li> <li>• the turnover caused on account of investing in debt and money market securities;</li> <li>• the turnover caused on account of fresh purchases and redemptions by Unitholders.</li> </ul> <p>Turnover means simple average of the aggregate of purchases and sales net of the certain exclusions. These purchases and sales invite transaction costs viz. brokerage and custodian transaction charges.</p>									
F	Benchmark	<p>The performance of the Scheme is measured against Crisil Balanced Fund Index.</p> <p>The composition of the aforesaid benchmark is such that, it is most suited for comparing the</p>									

		performance of the scheme. The Trustees reserves right to change benchmark in future for measuring performance of the scheme.
G	Risk Mitigation	<p><b>Risk control measures for investment strategy</b> The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored and necessary action would be taken on the portfolio if required. Attribution analysis is done to monitor the under or over performance vis a vis the benchmark and the reasons for the same.</p> <p><b>Risk mitigation measures for portfolio volatility</b> The overall volatility of the portfolio would be maintained in line with the objective of the scheme. The portfolio would be adequately diversified to mitigate volatility. Volatility would be monitored on with respect to the benchmark and peer set.</p> <p><b>Risk mitigation measures for managing liquidity</b> The fund invests a significant part of its portfolio in debt and money market instruments which are actively traded and thereby liquid for the purpose of meeting redemptions. The liquidity would be monitored and necessary action would be taken on the portfolio if required. Stock turnover is monitored at regular intervals. The debt/money market instruments that are invested by the fund will contain an adequate portion to help manage the liquidity needs of the fund.</p>
H	Securities Lending	Subject to Regulations and the applicable guidelines, the Trustee may permit the Fund to engage in securities lending. The fund can temporarily lend securities held with Custodian for a fee to reputed counterparties subject to prudent limits and control for enhancing norms.

**(iii) Kotak Opportunities**

A.	Type of the scheme	An open ended equity growth scheme									
B.	Investment Objective	<p>The investment objective of the Scheme is to generate capital appreciation from a diversified portfolio of equity and equity related securities.</p> <p>The Scheme will invest in a mix of large and mid cap stocks from various sectors, which look promising, based on the growth pattern in the economy. For the purpose of determining mid cap stocks, the market capitalisation of companies will be considered. Currently, (as on May 29, 2015), mid cap stocks will comprise of stocks of companies having a market capitalisation between Rs. 4378.42 crores and Rs. 25988.43 crores in line with the methodology which is used to determine the Value Research Market Capitalisation Classification of listed stocks on the BSE. Large Cap stocks will comprise of stocks of companies having a market capitalisation of more than Rs. 25988.43 crores. The growth dynamics of the economy are changing rapidly with new and different sectors emerging as growth leaders. The Scheme will endeavour to capture the growth in various new sectors that will drive the economy at various points of time.</p> <p>Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore debt securities, in the manner allowed by SEBI/RBI, provided such investments are in conformity with the investment objectives of the Scheme and the prevailing guidelines and Regulations. To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.</p> <p>There is no assurance that the investment objective of the Scheme will be achieved.</p>									
C.	Asset Allocation	<p>The asset allocation under the Scheme, under normal circumstances, will be as follows:</p> <table border="1"> <thead> <tr> <th>Investments</th> <th>Indicative Allocation</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity Related Securities</td> <td>65% to 100%</td> <td>Medium to High</td> </tr> <tr> <td>Debt and Money Market Securities</td> <td>0% to 35%</td> <td>Low</td> </tr> </tbody> </table> <p>The Scheme will not invest in securitised debts. Note: The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Manager, on defensive consideration. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above. If the exposure falls outside the above range, it will be restored within 7 Working Days.</p>	Investments	Indicative Allocation	Risk Profile	Equity and Equity Related Securities	65% to 100%	Medium to High	Debt and Money Market Securities	0% to 35%	Low
Investments	Indicative Allocation	Risk Profile									
Equity and Equity Related Securities	65% to 100%	Medium to High									
Debt and Money Market Securities	0% to 35%	Low									
D.	Investment Strategy and Risk Control Measures	<p>The Scheme will invest across sectors based on performance and potential of companies within the sectors. It will invest in a mix of large cap and mid cap stocks. This portfolio diversification is with a view to derive superior performance compared to other diversified equity schemes. Allocations between asset classes as well as the portfolio mix between large cap and mid cap stocks will be driven by the overall macro economic situation. The portfolio construction will be based on bottom up investment ideas.</p> <p>The restructuring witnessed amongst the Indian companies over the past decade has deepened and spread across sectors. Apart from the large companies, a lot of mid cap companies have restructured and become leaner.</p> <p>As the economic growth gathers momentum and becomes broad based it will benefit the mid cap companies. This will throw large number of opportunities in the mid cap universe. Along with the fact</p>									



		<p>that mid cap stocks are generally available at lower valuations, they can also provide higher growth rates.</p> <p>The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market securities, provided the investments are within the limits indicated in the asset allocation pattern. Investment in unrated debt securities would be made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee would be taken before making the investment.</p> <p>The Scheme may invest in GDRs/ADRs, in the manner permitted by SEBI/RBI. Such investments will be in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations. The Scheme may also use various derivative and hedging products from time to time, in a manner permitted by SEBI to reduce the risk of the portfolio.</p>
E	Portfolio Turnover	<p>The portfolio turnover will not normally exceed 300%. Portfolio turnover will exclude:</p> <ul style="list-style-type: none"> <li>• the turnover caused on account of investing the initial corpus;</li> <li>• the turnover caused on account of investing in debt and money market securities; and</li> <li>• the turnover caused on account of fresh purchases and redemptions by Unitholders.</li> </ul> <p>Turnover means simple average of the aggregate of purchases and sales net of the above exclusions. These purchases and sales invite transaction costs viz. brokerage and custodian transaction charges.</p>
F	Benchmark	<p>The performance of the Scheme is measured against CNX 500.</p> <p>The composition of the aforesaid benchmark is such that, it is most suited for comparing the performance of the scheme.</p> <p>The Trustees reserves right to change benchmark in future for measuring performance of the scheme.</p>
G	Risk Mitigation	<p><b>Risk control measures for investment strategy</b></p> <p>The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored and necessary action would be taken on the portfolio if required. Attribution analysis is done to monitor the under or over performance vis a vis the benchmark and the reasons for the same.</p> <p><b>Risk mitigation measures for portfolio volatility</b></p> <p>The overall volatility of the portfolio would be maintained in line with the objective of the scheme. The portfolio would be adequately diversified to mitigate volatility. Volatility would be monitored on with respect to the benchmark and peer set</p> <p><b>Risk mitigation measures for managing liquidity</b></p> <p>A significant part of the scheme is invested in large cap stocks which are actively traded and thereby liquid. The fund manager may also keep some portion of the portfolio in debt and money market instruments and/or cash within the specified asset allocation framework for the purpose of meeting redemptions. The liquidity would be monitored and necessary action would be taken on the portfolio if required. Stock turnover is monitored at regular intervals. The debt/money market instruments that are invested by the fund will have a short term duration.</p>
H	Securities Lending	<p>Subject to the Regulations and the applicable guidelines issued by SEBI, the Trustee may permit the Fund to engage in securities lending. The Fund can temporarily lend securities held with the Custodian to reputed counter-parties, for a fee, subject to prudent limits and controls for enhancing returns.</p> <p>The Fund is allowed to lend securities subject to a maximum of 20%, in aggregate, of the net assets of the Scheme and 5% of the net assets of the Scheme in the case of a single intermediary.</p>

**(iv) Kotak Midcap**

A.	Type of the scheme	An open ended equity growth scheme
B.	Investment Objective	<p>The investment objective of the scheme is to generate capital appreciation from a diversified portfolio of equity and equity related securities.</p> <p>The Scheme will predominantly invest in midcap stocks. The stocks falling within the market capitalization range in the underlying benchmark viz CNX Midcap would be would be considered as midcap stocks. Any stock which would have a market capitalization above the highest market capitalisation in CNX Midcap would be considered as Largecap, and, any stock which has a market capitalisation below the lowest market capitalisation in CNX Midcap would be considered as smallcap. For the purpose of determining midcap stocks, the market capitalisation of companies at the end of pervious calendar quarter will be considered, and followed for subsequent calendar quarter. The portfolio will be reviewed and rebalanced within a month from the calendar quarter end, based on the classification.</p> <p>The Midcap segment consists of companies, many of whom started out small. They have survived the uncertainties of the early years and have the potential to register good growth over the long term. These companies could be tomorrow's blue chip stocks.</p> <p>Subject to the maximum amount permitted from time to time, the Scheme may invest in ADRs/GDRs or other offshore securities, in the manner allowed by SEBI/RBI, provided such investments are in conformity with the investment objectives of the Scheme and the prevailing guidelines and Regulations. The Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.</p> <p>There is no assurance that the investment objective of the Scheme will be achieved.</p>

C	Asset Allocation	<p>The asset allocation under the Scheme, under normal circumstances, will be as follows:</p> <table border="1" data-bbox="464 174 1465 474"> <thead> <tr> <th>Asset Class</th> <th>Investments</th> <th>Indicative Allocation</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>Equity and Equity related instruments</td> <td>65% to 100%</td> <td>High</td> </tr> <tr> <td>A1</td> <td>Midcap Stocks</td> <td>65% to 100%</td> <td>High</td> </tr> <tr> <td>A2</td> <td>Other than Midcap Stocks</td> <td>0 to 35%</td> <td>High</td> </tr> <tr> <td>B</td> <td>Debt and Money Market Securities</td> <td>0 to 35%</td> <td>Low</td> </tr> </tbody> </table> <p>Note: The asset allocation (between asset classes A and B) shown above is indicative and may vary according to circumstance at the discretion of the Fund Manager, on defensive consideration. Review and rebalancing will be conducted when the asset allocation (between asset classes A and B) falls outside the range indicated above. If the exposure falls outside the above range, it will be restored within Ten Working Days</p> <p>The asset allocation between A1 and A2 as indicated above shall be reviewed at the end of every calendar quarter and rebalancing, if required will be conducted within a month of review. The Scheme will not invest in securitised debt.</p>	Asset Class	Investments	Indicative Allocation	Risk Profile	A	Equity and Equity related instruments	65% to 100%	High	A1	Midcap Stocks	65% to 100%	High	A2	Other than Midcap Stocks	0 to 35%	High	B	Debt and Money Market Securities	0 to 35%	Low
Asset Class	Investments	Indicative Allocation	Risk Profile																			
A	Equity and Equity related instruments	65% to 100%	High																			
A1	Midcap Stocks	65% to 100%	High																			
A2	Other than Midcap Stocks	0 to 35%	High																			
B	Debt and Money Market Securities	0 to 35%	Low																			
D	Investment Strategy and Risk Control Measures	<p>The Scheme will invest predominantly (atleast 65%) in midcap stocks, which in the opinion of the Fund Manager offers above average earnings, growth potential and attractive valuation.</p> <p>To pursue its investment objective, the Fund Manager has the discretion to invest in other than mid cap stocks (stocks, which have a market capitalisation of above or below the market capitalisation range of midcap stocks) and related derivatives. On defensive consideration, the Scheme may also invest in debt and money market instruments.</p> <p>In order to build a diversified portfolio of investments, the Scheme will make investments across sectors. The Scheme will normally invest in companies, which have the following characteristics:</p> <ul style="list-style-type: none"> <li>• Proven products and services,</li> <li>• Record of above average earnings growth and have potential to sustain such growth,</li> <li>• Stock prices that appear to undervalue their growth prospects, and</li> <li>• Companies, which are in their early and more dynamic stage of the life cycle, but are no more considered new or emerging.</li> </ul> <p>The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market securities, provided the investments are within the limits indicated in the asset allocation pattern. Investment in unrated debt securities would be made with the prior approval of the Board of the AMC provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee would be taken before making the investment.</p> <p>Subject to the maximum amount permitted from time to time, the Scheme may invest in ADRs/GDRs or other offshore securities, in the manner allowed by SEBI/RBI, provided such investments are in conformity with the investment objectives of the Scheme and the prevailing guidelines and Regulations. The Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.</p> <p>To avoid duplication of portfolios and to reduce expenses the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, as per the Regulations, the AMC cannot charge management fees on the amounts of the Schemes so invested.</p>																				
E	Portfolio Turnover	<p>The portfolio turnover will not normally exceed 250%.</p> <p>Portfolio turnover will exclude:</p> <ul style="list-style-type: none"> <li>• the turnover caused on account of investing the initial corpus;</li> <li>• the turnover caused on account of investing in debt and money market securities; and</li> <li>• the turnover caused on account of fresh purchases and redemptions by Unitholders.</li> </ul> <p>Turnover means simple average of the aggregate of purchases and sales net of the above exclusions. These purchases and sales invite transaction costs viz. brokerage and custodian transaction charges.</p>																				
F	Benchmark	<p>The performance of the Scheme is measured against CNX Midcap.</p> <p>The composition of the aforesaid benchmark is such that, it is most suited for comparing the performance of the scheme.</p> <p>The Trustees reserves right to change benchmark in future for measuring performance of the scheme.</p>																				
G	Risk Mitigation	<p><b>Risk control measures for investment strategy</b></p> <p>The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored at and necessary action would be taken on the portfolio if required. Attribution analysis is done to monitor the under or overperformance vis a vis the benchmark and the reasons for the same.</p> <p><b>Risk mitigation measures for portfolio volatility</b></p> <p>The overall volatility of the portfolio would be maintained in line with the objective of the scheme.</p>																				



		<p>The portfolio would be adequately diversified to mitigate volatility. Volatility would be monitored with respect to the benchmark and peer set</p> <p><b>Risk mitigation measures for managing liquidity</b></p> <p>Since this is a mid cap oriented fund, liquidity risk may be higher than schemes which have a larger proportion of large cap stocks. The fund manager may also keep some portion of the portfolio in debt and money market instruments, large cap stocks and/or cash within the specified asset allocation framework for the purpose of meeting redemptions. The liquidity would be monitored and necessary action would be taken on the portfolio if required. Stock turnover is monitored at regular intervals. The debt/money market instruments that are invested by the fund will have a short term duration.</p>
H	Securities Lending	<p>Subject to the Regulations and the applicable guidelines issued by SEBI, the Trustee may permit the Fund to engage in securities lending. The Fund can temporarily lend securities held with the Custodian to reputed counter-parties, for a fee, subject to prudent limits and controls for enhancing returns.</p> <p>The Fund is allowed to lend securities subject to a maximum of 20%, in aggregate, of the net assets of the Scheme and 5% of the net assets of the Scheme in the case of a single intermediary.</p>

**(v) Kotak Classic Equity**

A.	Type of the scheme	An open ended equity growth scheme									
B.	Investment Objective	<p>The investment objective of the Scheme is to generate capital appreciation from a diversified portfolio of equity and equity related instruments.</p> <p>The Scheme will invest in stocks of companies, which are fundamentally sound but are undervalued. Undervalued stocks are stocks of those companies whose true long term potential is not yet recognised by the market. At times, the broad market takes time to appreciate the long-term potential of some fundamentally sound companies. Stocks of such companies are traded at prices below their intrinsic value and are regarded as undervalued stocks.</p> <p>We believe that, over a period of time, the price of a stock reflects the intrinsic value of the underlying company. Thus, the moving up of the price of the undervalued stock towards its intrinsic value will help us generate capital appreciation for investors.</p> <p>There is no assurance that the investment objective of the Scheme will be achieved.</p>									
C.	Asst Allocation	<p>The asset allocation under the Scheme, under normal circumstances, will be as follows:</p> <table border="1" data-bbox="470 1064 1388 1249"> <thead> <tr> <th>Investments</th> <th>Indicative Allocation</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity related Securities</td> <td>65% to 100%</td> <td>Medium to High</td> </tr> <tr> <td>Debt and Money Market Securities*</td> <td>0% to 35%</td> <td>Low</td> </tr> </tbody> </table> <p>*Debt securities/instruments are deemed to include securitised debt and investment in securitised debt will not exceed 50% of the debt portion.</p> <p><b>Note:</b> The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Manager, on defensive consideration. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above. If the exposure falls outside the above range, it will be restored within Seven Business Days.</p>	Investments	Indicative Allocation	Risk Profile	Equity and Equity related Securities	65% to 100%	Medium to High	Debt and Money Market Securities*	0% to 35%	Low
Investments	Indicative Allocation	Risk Profile									
Equity and Equity related Securities	65% to 100%	Medium to High									
Debt and Money Market Securities*	0% to 35%	Low									
D.	Investment Strategy and Risk Control Measures	<p>While investing in stocks of companies across the range of market capitalisation, the Scheme will follow a bottom up approach to identify the universe of companies. Bottom up approach de-emphasizes the relative significance of economic and market cycles, focusing instead on the analysis of individual stocks.</p> <p>Of the universe so defined, the Scheme's stock picking will broadly be guided by the following criteria: The companies which,</p> <ol style="list-style-type: none"> <li>are fundamentally sound and have long term growth potential, and</li> <li>have attractive valuations, which is the difference between the estimated intrinsic value of the business and its current market price.</li> </ol> <p>While estimating the intrinsic value of a company, some or all of the following factors will be considered:</p> <p>The future growth potential of the company, acquisition values of similar companies in comparable times, its range of products and services, its competitive position in the industry, strength of its management, its financials, etc.</p> <p>The attractive valuation could be a result of an early identification of positive fundamental changes in the underlying company, such as significant cost cutting, launch of new products, expanding distribution network, consolidation in the industry, etc.</p> <p>In an endeavour to preserve capital in bearish market conditions, the Fund Manager may invest in money or debt market securities upto 35% of the portfolio.</p> <p>The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market securities, provided the investments are within the limits indicated in the asset allocation pattern. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee is taken before making the investment.</p> <p>To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products</p>									

		<p>from time to time, in the manner permitted by SEBI.</p> <p>To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, the AMC cannot charge management fees on the amounts of the Schemes so invested, unless permitted by the Regulations.</p> <p>Subject to the maximum amount permitted from time to time, the Scheme may invest in GDRs/ADRs, in the manner allowed by SEBI/RBI. Such investments will be in conformity with the investment objectives of the Scheme and the guidelines and Regulations prevailing at the time.</p>
E	Portfolio Turnover	<p>The portfolio turnover will not normally exceed 300%.</p> <p>Portfolio turnover will exclude:</p> <ul style="list-style-type: none"> <li>the turnover caused on account of investing the initial corpus;</li> <li>the turnover caused on account of investing in debt and money market securities; and</li> <li>the turnover caused on account of fresh purchases and redemptions by Unitholders.</li> </ul> <p>Turnover means simple average of the aggregate of purchases and sales net of the above exclusions. These purchases and sales invite transaction costs viz. brokerage and custodian transaction charges.</p>
F	Benchmark	<p>The performance of the Scheme is measured against CNX 100</p> <p>The composition of the aforesaid benchmark is such that, it is most suited for comparing the performance of the scheme.</p> <p>The Trustees reserves right to change benchmark in future for measuring performance of the scheme.</p>
G	Risk Mitigation	<p><b>Risk control measures for investment strategy</b></p> <p>The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored and necessary action would be taken on the portfolio if required. Attribution analysis is done to monitor the under or overperformance vis a vis the benchmark and the reasons for the same.</p> <p><b>Risk mitigation measures for portfolio volatility</b></p> <p>The overall volatility of the portfolio would be maintained in line with the objective of the scheme. The portfolio would be adequately diversified to mitigate volatility. Volatility would be monitored with respect to the benchmark and peer set.</p> <p><b>Risk mitigation measures for managing liquidity</b></p> <p>A significant part of the scheme is invested in large cap stocks which are actively traded and thereby liquid. The fund manager may also keep some portion of the portfolio in debt and money market instruments and/or cash within the specified asset allocation framework for the purpose of meeting redemptions. The liquidity would be monitored and necessary action would be taken on the portfolio if required. Stock turnover is monitored at regular intervals. The debt/money market instruments that are invested by the fund will have a short term duration.</p>
H	Securities Lending	<p>Subject to the Regulations and the applicable guidelines issued by SEBI, the Trustee may permit the Fund to engage in securities lending. The Fund can temporarily lend securities held with the Custodian to reputed counter-parties, for a fee, subject to prudent limits and controls for enhancing returns.</p> <p>The Fund is allowed to lend securities subject to a maximum of 20%, in aggregate, of the net assets of the Scheme and 5% of the net assets of the Scheme in the case of a single intermediary.</p>

#### (vi) Kotak Equity Arbitrage Fund

A.	Type of the scheme	An open ended equity growth scheme									
B.	Investment Objective	<p>The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivatives segment of the equity market, and by investing the balance in debt and money market instruments.</p> <p>There is no assurance that the investment objective of the Scheme will be achieved.</p>									
C.	Asset Allocation	<p><b>a. The asset allocation under normal circumstances will be as follows:</b></p> <table border="1"> <thead> <tr> <th>Investments</th> <th>Indicative Allocation</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Equity and equity related instruments including derivatives</td> <td>65% to 90%</td> <td>Low to medium</td> </tr> <tr> <td>Debt and money market instruments including margin money deployed in derivatives transactions**</td> <td>10% to 35%</td> <td>Low</td> </tr> </tbody> </table> <p>Note: (i) ** Debt securities / instruments are deemed to include securitized debt and investment in securitized debt will not exceed 50% of the debt portion of the scheme.  (ii) The asset allocation as given under normal circumstances is indicative and may vary according to circumstances at the sole discretion of the Fund Manager. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above, within a reasonable period of time.</p>	Investments	Indicative Allocation	Risk Profile	Equity and equity related instruments including derivatives	65% to 90%	Low to medium	Debt and money market instruments including margin money deployed in derivatives transactions**	10% to 35%	Low
Investments	Indicative Allocation	Risk Profile									
Equity and equity related instruments including derivatives	65% to 90%	Low to medium									
Debt and money market instruments including margin money deployed in derivatives transactions**	10% to 35%	Low									

		<p><b>b. The asset allocation under defensive circumstances will be as follows:</b></p> <table border="1"> <thead> <tr> <th>Investments</th> <th>Indicative Allocation</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Equity and equity related instruments including derivatives</td> <td>0% to 65%</td> <td>Low to medium</td> </tr> <tr> <td>Debt and money market instruments including margin money deployed in derivatives transactions**</td> <td>35% to 100%</td> <td>Low</td> </tr> </tbody> </table> <p>Note: (i) ** Debt securities / instruments are deemed to include securitized debt and investment in securitized debt will not exceed 50% of the debt portion of the scheme.  (ii) Defensive circumstances are when the arbitrage opportunities in the market place are negligible or returns are lower than alternative investment opportunities as per allocation pattern. The allocation under defensive considerations will be made keeping in view the interest of the unitholders.</p>	Investments	Indicative Allocation	Risk Profile	Equity and equity related instruments including derivatives	0% to 65%	Low to medium	Debt and money market instruments including margin money deployed in derivatives transactions**	35% to 100%	Low
Investments	Indicative Allocation	Risk Profile									
Equity and equity related instruments including derivatives	0% to 65%	Low to medium									
Debt and money market instruments including margin money deployed in derivatives transactions**	35% to 100%	Low									
D	Investment Strategy and Risk Control Measures	<p>The scheme will endeavor to invest predominantly in arbitrage opportunities between spot and futures prices of exchange traded equities and the arbitrage opportunities available within the derivative segment. If suitable arbitrage opportunities are not available in the opinion of the Fund Manager, the scheme may predominantly invest in debt and money market securities.</p> <p>The fund manager will evaluate the difference between price of a stock in the futures market and in the spot market. If the price of a stock in the futures market is higher than in the spot market, after adjusting for cost and taxes, the scheme may buy the stock in the spot market and sell the same stock in equal quantity in the futures market simultaneously.</p> <p>For example, on 29-05-2015, the scheme buys 10,000 shares of XYZ Ltd. on spot @ Rs.144.40/- and at the same time sells 10,000 XYZ Ltd. futures for June 2015 expiry @ Rs.145.70. The scheme thus enters into a fully hedged transaction by selling the equity position in the futures market for expiry on 25-06-2015. If the scheme holds this position till expiry of the futures, the scheme earns an annualised net return (after adjusting brokerage, service tax and STT) of 9.03%, irrespective of what is the price of XYZ Ltd. on the date of expiry. On the date of expiry, if the price differential between the spot and futures position of the subsequent month maturity still persists, the scheme may rollover* the futures position and hold onto the position in the spot market. In case such an opportunity is not available, the scheme would liquidate the spot position and settle the futures position simultaneously.</p> <p>* Rolling over of the futures transaction means,</p> <ul style="list-style-type: none"> <li>• Unwinding the short position in the futures and simultaneously buying futures of the subsequent month maturity, and</li> <li>• Holding onto the spot position.</li> </ul> <p>There could also be instances of unwinding both the spot and the future position before the expiry of the current-month future to increase the base return or to meet redemption. Return enhancement through the use of arbitrage opportunity would depend primarily on the availability of such opportunities.</p> <p><b>Disclaimer:</b> XYZ Ltd. is a hypothetical name used only for the purpose of providing illustration. It does not refer to any company actually in existence.</p>									
E	Portfolio Turnover	<p>Turnover for the scheme is a function of the following parameters:</p> <ul style="list-style-type: none"> <li>• Purchase and repurchase of units</li> <li>• Availability of profitable arbitrage opportunities</li> <li>• Availability of profitable reverse arbitrage opportunity</li> <li>• Availability of rollover of the profitable arbitrage opportunity</li> </ul> <p>Since the extent of purchase and repurchase transactions and the above mentioned arbitrage opportunities is difficult to predict, there is no specific target with respect to the turnover of the scheme.</p> <p>Portfolio turnover will exclude:</p> <ul style="list-style-type: none"> <li>• the turnover caused on account of investing the initial corpus;</li> <li>• the turnover caused on account of investing in debt and money market securities;</li> <li>• the turnover caused on account of fresh purchases and redemptions by Unitholders.</li> <li>• the turnover caused on account of futures transactions, which are backed by delivery based transactions</li> </ul> <p>Turnover means simple average of the aggregate of purchases and sales net of the certain exclusions. These purchases and sales invite transaction costs viz. brokerage and custodian transaction charges.</p>									
F	Benchmark	<p>The performance of the Scheme is measured against Crisil Liquid Fund Index.</p> <p>The composition of the aforesaid benchmark is such that, it is most suited for comparing the performance of the scheme.</p> <p>The Trustees reserves right to change benchmark in future for measuring performance of the scheme.</p>									

G	Risk Mitigation	<p><b>Risk control measures for investment strategy</b> The fund will comply with the prescribed SEBI limits. These limits are monitored on a daily basis and necessary corrective action is taken, if required.</p> <p><b>Risk mitigation measures for portfolio volatility</b> The overall volatility of the portfolio would be maintained in line with the objective of the scheme. As the scheme is involved only in cash-futures arbitrage, the portfolio volatility depends on the spread between the cash and the futures prices.</p> <p><b>Risk mitigation measures for managing liquidity</b> A major part of the scheme is invested in liquid stocks. The fund manager may also keep some portion of the portfolio in debt and money market instruments and/or cash within the specified asset allocation framework for the purpose of meeting redemptions. Stock turnover is monitored at regular intervals.</p>
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**(vii) Kotak Tax Saver**

A.	Type of the scheme	An open ended equity linked savings scheme									
B.	Investment Objective	<p>The investment objective of the scheme is to generate long-term capital appreciation from a diversified portfolio of equity and equity related securities and enable investors to avail the income tax rebate, as permitted from time to time.</p> <p>There is no assurance that the investment objective of the Scheme will be achieved.</p>									
C.	Asset Allocation	<p>The asset allocation under the Scheme, under normal circumstances, is as follows:</p> <table border="1" data-bbox="467 795 1385 981"> <thead> <tr> <th data-bbox="467 795 906 884">Investments</th> <th data-bbox="906 795 1157 884">Indicative Allocation</th> <th data-bbox="1157 795 1385 884">Risk Profile</th> </tr> </thead> <tbody> <tr> <td data-bbox="467 884 906 929">Equity and Equity related Securities</td> <td data-bbox="906 884 1157 929">80% to 100%</td> <td data-bbox="1157 884 1385 929">Medium to High</td> </tr> <tr> <td data-bbox="467 929 906 981">Debt and Money Market Securities*</td> <td data-bbox="906 929 1157 981">0% to 20%</td> <td data-bbox="1157 929 1385 981">Low</td> </tr> </tbody> </table> <p>*Debt securities shall be deemed to include securitised debts (excluding foreign securitised debt) and investment in securitised debts shall not exceed 50% of the debt component of the Scheme. Investments may be made in foreign debt securities not exceeding 20% of the debt component of the Scheme. However, investments made in foreign debt securities would not include investment in foreign securitised debt.</p> <p>Investments may be made in GDRs/ADRs not exceeding 20% of the net assets scheme. The Scheme may engage in stock lending not exceeding 20% of the net assets of the Scheme.</p> <p>The above percentages will be reckoned at the time of investment and the above allocation is based on a steady state situation.</p> <p>Note: The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Manager, on defensive consideration. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above. If the exposure falls outside the above range, it will be restored within Seven Working Days.</p>	Investments	Indicative Allocation	Risk Profile	Equity and Equity related Securities	80% to 100%	Medium to High	Debt and Money Market Securities*	0% to 20%	Low
Investments	Indicative Allocation	Risk Profile									
Equity and Equity related Securities	80% to 100%	Medium to High									
Debt and Money Market Securities*	0% to 20%	Low									
D.	Investment Strategy and Risk Control Measures	<p>The investment polices shall be in accordance with SEBI (Mutual Funds) Regulations, 1996 and rules and guidelines for ELSS - 1992 scheme (including any modification to them) and within the following guidelines:</p> <ol style="list-style-type: none"> <li data-bbox="467 1482 1481 1617">1. The funds collected under the scheme shall be invested in equities, cumulative convertible preference shares and fully convertible debentures and bonds of companies. Investment may also be made in partly convertible issues of debentures and bonds including those issued on rights basis subject to the condition that, as far as possible, the non-convertible portion of the debentures so acquired or subscribed, shall be disinvested within a period of 12 months.</li> <li data-bbox="467 1617 1481 1751">2. It shall be ensured that funds of the scheme shall remain invested to the extent of at least 80 percent in securities specified in clause (1). The scheme shall strive to invest their funds in the manner stated above within a period of 6 months from the date of closure. In exceptional circumstances, this requirement may be dispensed with by the scheme, in order that the interests of the investors are protected.</li> <li data-bbox="467 1751 1481 1886">3. Pending investment of funds of the scheme in the required manner, the scheme may invest the funds in short-term money market instruments or other liquid instruments or both. After three years of the date of allotment of the units, the scheme may hold upto 20 percent of net assets of the plan in short-term money market instruments and other liquid instruments to enable them to redeem investment of those unitholders who would seek to tender the units for repurchase.</li> </ol> <p>The scheme will endeavour to generate superior return by investing in equity and equity linked instruments across the market capitalisations. The scheme will use bottom-up stock selection to build its portfolio. Risk will be managed by adequate diversification by spreading investments over a range of industries and companies.</p> <p>The investment strategy of the AMC is directed to investing in stocks, which, in the opinion of the Investment Manager, are priced at a material discount to their intrinsic value. Such intrinsic value is a function of both past performance and future growth prospects. The process of discovering the intrinsic value is through in-house research supplemented by research available from other sources.</p>									

		<p>For selecting particular stocks as well as determining the potential value of such stocks, the AMC is guided, inter alia, by one or more of the following considerations:</p> <ol style="list-style-type: none"> <li>1. The financial strength of the companies, as indicated by well recognised financial parameters;</li> <li>2. Reputation of the management and track record;</li> <li>3. Companies that are relatively less prone to recessions or cycles, either because of the nature of their businesses or superior strategies followed by their management;</li> <li>4. Companies which pursue a strategy to build strong brands for their products or services and those which are capable of building strong franchises; and</li> <li>5. Market liquidity of the stock.</li> </ol> <p>The Scheme is not restrained from investing in listed/unlisted and/or rated/unrated debt or money market securities, provided the investments are within the limits indicated in the asset allocation pattern. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee is taken before making the investment.</p> <p>The Scheme may invest in GDRs/ADRs, if and in the manner permitted by SEBI/RBI. Such investments will be in conformity with the investment objectives of the Scheme and the prevailing guidelines and Regulations. The Scheme may also use various derivatives from time to time, in a manner permitted by SEBI to reduce the risk of the portfolio.</p> <p>The Scheme may also use various derivatives from time to time, in a manner permitted by SEBI to reduce the risk of the portfolio.</p>
E	Portfolio Turnover	<p>The portfolio turnover will be moderate and normally will not exceed 150%. Portfolio turnover will exclude:</p> <ul style="list-style-type: none"> <li>• the turnover caused on account of investing the initial corpus;</li> <li>• the turnover caused on account of investing in debt and money market securities; and</li> <li>• the turnover caused on account of fresh purchases and redemptions by Unitholders.</li> </ul> <p>Turnover means simple average of the aggregate of purchases and sales net of the above exclusions. These purchases and sales invite transaction costs viz. Securities Transaction Tax, brokerage, custodian transaction charges, etc.</p>
F	Benchmark	<p>The performance of the Scheme is measured against CNX 500.</p> <p>The composition of the aforesaid benchmark is such that, it is most suited for comparing the performance of the scheme.</p> <p>The Trustees reserves right to change benchmark in future for measuring performance of the scheme.</p>
G	Risk Mitigation	<p><b>Risk control measures for investment strategy</b></p> <p>The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored and necessary action would be taken on the portfolio if required. Attribution analysis is done to monitor the under or overperformance vis a vis the benchmark and the reasons for the same.</p> <p><b>Risk mitigation measures for portfolio volatility</b></p> <p>The overall volatility of the portfolio would be maintained in line with the objective of the scheme. The portfolio would be adequately diversified to mitigate volatility. Volatility would be monitored with respect to the benchmark and peer set</p> <p><b>Risk mitigation measures for managing liquidity</b></p> <p>A lock-in period for the scheme enables better liquidity management. A significant part of the scheme is invested in large cap stocks which are actively traded and thereby liquid. The fund manager may also keep some portion of the portfolio in debt and money market instruments and/or cash within the specified asset allocation framework for the purpose of meeting redemptions. The liquidity would be monitored and necessary action would be taken on the portfolio if required. Stock turnover is monitored at regular intervals. The debt/money market instruments that are invested by the fund will have a short term duration.</p>
H	Securities Lending	<p>Subject to the Regulations and the applicable guidelines issued by SEBI and ELSS guidelines, the Trustee may permit the Fund to engage in securities lending. The Fund can temporarily lend securities held with the Custodian to reputed counterparties, for a fee, subject to prudent limits and controls for enhancing returns. The Fund is allowed to lend securities subject to a maximum of 20%, in aggregate, of the net assets of the Scheme and 5% of the net assets of the Scheme in the case of a single intermediary.</p> <p>Securities Lending means the lending of securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio.</p> <p>The borrower will return the securities lent on the expiry of the stipulated period or the lender can call the same back i.e. the scheme before its expiry. The fund may lend the securities for a specific period, to generate better returns on those stocks, which are otherwise bought with the intention to hold the same for a longer period of time.</p>



**(viii) Kotak Select Focus Fund**

A.	Type of the scheme	An open ended equity scheme									
B.	Investment Objective	<p>The investment objective of the scheme is to generate long-term capital appreciation from a portfolio of equity and equity related securities, generally focused on a few selected sectors.</p> <p>There is no assurance that the investment objective of the Scheme will be achieved.</p>									
C.	Asset Allocation	<p>The asset allocation under the Scheme, under normal circumstances, will be as follows:</p> <table border="1" data-bbox="467 409 1385 595"> <thead> <tr> <th data-bbox="467 409 903 499">Investments</th> <th data-bbox="908 409 1155 499">Indicative Allocation</th> <th data-bbox="1160 409 1385 499">Risk Profile</th> </tr> </thead> <tbody> <tr> <td data-bbox="467 499 903 544">Equity and Equity related Securities</td> <td data-bbox="908 499 1155 544">65% to 100%</td> <td data-bbox="1160 499 1385 544">Medium to High</td> </tr> <tr> <td data-bbox="467 544 903 595">Debt &amp; Money Market Instruments*</td> <td data-bbox="908 544 1155 595">0% to 35%</td> <td data-bbox="1160 544 1385 595">Low</td> </tr> </tbody> </table> <p>*Debt instruments shall be deemed to include securitised debts (excluding foreign securitised debt) and investment in securitised debts shall not exceed 50% of Debt and Money Market instruments. This will also include margin money for derivative transactions. The scheme may also invest in derivatives upto a maximum of 100% of the portfolio value.</p> <p>From time to time the Scheme may hold cash for the following reasons:</p> <ul style="list-style-type: none"> <li>• To meet the redemption requirements</li> <li>• Due to lag in deal date and value date of acquiring an asset</li> <li>• If in opinion of the Fund Manager it is in interest of unit holders to hold cash.</li> </ul> <p>Note: The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Manager, on defensive consideration. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above. If the exposure falls outside the above range, it will be restored within 30 days.</p>	Investments	Indicative Allocation	Risk Profile	Equity and Equity related Securities	65% to 100%	Medium to High	Debt & Money Market Instruments*	0% to 35%	Low
Investments	Indicative Allocation	Risk Profile									
Equity and Equity related Securities	65% to 100%	Medium to High									
Debt & Money Market Instruments*	0% to 35%	Low									
D.	Investment Strategy and Risk Control Measures	<p>To achieve the investment objective, the scheme will invest in equity and equity linked instruments across companies irrespective of their market capitalisations. However, the Fund Manager will generally invest in a few selected sectors, which in the opinion of the fund manager have potential to grow. To that extent it would be a concentrated strategy but managed actively. Moreover there will not be any restrictions in terms of investment in a single sector or cap on floor of investment per sector. There will be concentration in the portfolio on certain select sectors, which are in the opinion of the fund manager expected to do well.</p> <p>The selection of sectors would be driven primarily by the growth prospects and valuations of the businesses over a medium to long term as per the discretion of the fund manager. The fund manager broadly follows the sector classification suggested by AMFI; however, the sector classification of an individual stock will be decided by the fund manager as per his/her understanding about the growth driver for that stock. For example, a company classified under consumer durables may be reclassified into real estate sector by the fund manager, if in the opinion of fund manager, the stock is doing and/or expected to do well because of its other revenues arising out of real estate transactions. The Sectoral focus of the scheme is restricted to investment in equity and equity related instruments and does not extend to debt securities. The total number of sectors focussed will be kept around 50% of the sectors represented in CNX Nifty index; however the sectors/stocks selected may or may not be within the sectors represented in CNX Nifty index.</p> <p>The sectors represented in CNX Nifty index as on the last date of the previous quarter will be considered for selecting the sectors to be focused during the quarter. The asset allocation across the select sectors may be rebalanced in thirty days from the end of the quarter.</p> <p>The investment strategy of the AMC is directed to investing in stocks, which, in the opinion of the Investment Manager, are priced at a material discount to their intrinsic value. Such intrinsic value is a function of both past performance and future growth prospects. The process of discovering the intrinsic value is through in-house research supplemented by research available from other sources.</p> <p>For selecting particular stocks as well as determining the potential value of such stocks, the AMC is guided, inter alia, by one or more of the following considerations:</p> <ol style="list-style-type: none"> <li>1. The financial strength of the companies, as indicated by well recognised financial parameters;</li> <li>2. Reputation of the management and track record;</li> <li>3. Companies that are relatively less prone to recessions or cycles, either because of the nature of their businesses or superior strategies followed by their management;</li> <li>4. Companies which pursue a strategy to build strong brands for their products or services and those which are capable of building strong franchises; and</li> <li>5. Market liquidity of the stock.</li> </ol> <p>In an endeavour to preserve capital in bearish market conditions, the Fund Manager may invest in money or debt market securities upto 35% of the portfolio.</p>									



		<p>The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market securities, provided the investments are within the limits indicated in the asset allocation pattern. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above but within the limits prescribed under SEBI mutual fund regulations, approval of the Boards of both the AMC and the Trustee is taken before making the investment.</p> <p>To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time like stock specific and/or index derivatives for hedging and rebalancing purposes, in the manner permitted by SEBI.</p> <p>To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, the AMC cannot charge management fees on the amounts of the Schemes so invested, unless permitted by the Regulations.</p>
E	Portfolio Turnover	Given the nature of the scheme, the portfolio turnover ratio may be very high and AMC may change the portfolio according to Asset Allocation, commensurate with the investment objectives of the scheme. The effect of higher portfolio turnover could be higher brokerage and transaction costs.
F	Benchmark	<p>The performance of the Scheme is measured against CNX 200</p> <p>The composition of the aforesaid benchmark is such that, it is most suited for comparing the performance of the scheme.</p> <p>The Trustees reserves right to change benchmark in future for measuring performance of the scheme.</p>
G	Risk Mitigation	<p><b>Risk control measures for investment strategy</b></p> <p>The fund invests in a few select sectors which in the opinion of the fund manager are expected to grow. The selection of the sectors is primarily driven by growth prospects and valuations of the business over the medium to long term. The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored and necessary action would be taken on the portfolio if required. Attribution analysis is done to monitor the under or overperformance vis a vis the benchmark and the reasons for the same.</p> <p><b>Risk mitigation measures for portfolio volatility</b></p> <p>The overall volatility of the portfolio would be maintained in line with the objective of the scheme. The portfolio would be adequately diversified to mitigate volatility. Volatility would be monitored on with respect to the benchmark and peer set.</p> <p><b>Risk mitigation measures for managing liquidity</b></p> <p>A significant part of the scheme is invested in large cap stocks which are actively traded and thereby liquid. The fund manager may also keep some portion of the portfolio in debt and money market instruments and/or cash within the specified asset allocation framework for the purpose of meeting redemptions. The liquidity would be monitored and necessary action would be taken on the portfolio if required. Stock turnover is monitored at regular intervals. The debt/money market instruments that are invested by the fund will have a short term duration.</p>

**(ix) Kotak Emerging Equity Scheme**

A.	Type of the scheme	An open ended equity growth scheme											
B.	Investment Objective	<p>The investment objective of the scheme is to generate long-term capital appreciation from a portfolio of equity and equity related securities, by investing predominantly in mid and small cap companies. The scheme may also invest in Debt and Money Market Instruments, as per the asset allocation table. The Scheme's performance will be measured against the benchmark S&amp;P BSE MID CAP. There is no assurance that the investment objective of the Scheme will be achieved.</p>											
C.	Asset Allocation	<p>The asset allocation under the Scheme, under normal circumstances, will be as follows:</p> <table border="1"> <thead> <tr> <th>Investments</th> <th>Indicative Allocation</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Equity &amp; Equity related Securities Of which</td> <td>65% to 100%</td> <td rowspan="2">Medium to High</td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>• Mid and small cap companies</li> <li>• Other Companies</li> </ul> </td> <td>65% to 100% 0% to 35%</td> </tr> <tr> <td>Debt &amp; Money Market Instruments*</td> <td>0% to 35%</td> <td>Low</td> </tr> </tbody> </table> <p>The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Manager, on defensive consideration. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above. If the exposure falls outside the above range, it will be restored within 10 Business Days.</p>	Investments	Indicative Allocation	Risk Profile	Equity & Equity related Securities Of which	65% to 100%	Medium to High	<ul style="list-style-type: none"> <li>• Mid and small cap companies</li> <li>• Other Companies</li> </ul>	65% to 100% 0% to 35%	Debt & Money Market Instruments*	0% to 35%	Low
Investments	Indicative Allocation	Risk Profile											
Equity & Equity related Securities Of which	65% to 100%	Medium to High											
<ul style="list-style-type: none"> <li>• Mid and small cap companies</li> <li>• Other Companies</li> </ul>	65% to 100% 0% to 35%												
Debt & Money Market Instruments*	0% to 35%	Low											

		<p>If permitted by SEBI under extant regulations/guidelines, the scheme may also engage in stock lending, not exceeding 20 % of the net assets of the Scheme, provided the minimum corpus of the scheme is Rs.100 Crore. Investments will be made in derivatives instruments upto 35% of the net assets of the Scheme.</p> <p>* Debt instruments shall be deemed to include securitised debts and investment in such securitised debts shall not exceed 25% of the net assets of the scheme. The total investment value of equity, debt instruments and notional value of Investment in derivatives shall not exceed 100% of the net assets of the scheme.</p> <p>From time to time the Scheme may hold cash.</p> <p>For the purpose of determining market capitalisation, the scheme will follow the market capitalisation range as per BSE MIDCAP, or other such agency as may be designated by the AMC, at the end of every calendar quarter. Any stock which has a market capitalization above the highest market capitalisation in S&amp;P BSE Midcap would be considered as Largecap, and, any stock which has a market capitalisation below the lowest market capitalisation in S&amp;P BSE Midcap would be considered as smallcap. The scheme will reset the allocation as per the new definition within 15 Business days from the receipt of such classifications.</p>
D	Investment Strategy and Risk Control Measures	<p>The scheme will use bottom-up stock selection and invest across sectors and companies. To achieve the investment objective, the scheme will predominantly invest in equity and equity linked instruments of mid &amp; small cap companies, i.e., companies that have market capitalisation lower than the large cap companies.</p> <p>For the purpose of determining market capitalisation, the scheme will follow the market capitalisation range as per BSE MIDCAP, or other such agency as may be designated by the AMC, at the end of every calendar quarter. Any stock which has a market capitalization above the highest market capitalisation in S&amp;P BSE Midcap would be considered as Largecap, and, any stock which has a market capitalisation below the lowest market capitalisation in S&amp;P BSE Midcap would be considered as smallcap</p> <p>The universe would also include those companies coming with the IPO and whose post issue market cap (based on the issue price) would fall under above-mentioned criteria.</p> <p>The investment strategy of the AMC is directed to investing in stocks, which, in the opinion of the Fund Manager, are priced at a material discount to their intrinsic value. Such intrinsic value is a function of both past performance and future growth prospects. The process of discovering the intrinsic value is through in-house research supplemented by research available from other sources.</p> <p>For selecting particular stocks as well as determining the potential value of such stocks, the AMC is guided, inter alia, by one or more of the following considerations:</p> <ol style="list-style-type: none"> <li>The financial strength of the companies, as indicated by well-recognised financial parameters;</li> <li>Reputation of the management and track record;</li> <li>Companies that are relatively less prone to recessions or cycles, either because of the nature of their businesses or superior strategies followed by their management;</li> <li>Companies which pursue a strategy to build strong brands for their products or services and those which are capable of building strong franchises; and</li> <li>Market liquidity of the stock.</li> </ol> <p>In an endeavour to preserve capital in bearish market conditions, the Fund Manager may invest in money or debt market securities up to 35% of the portfolio.</p> <p>The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market securities, provided the investments are within the limits indicated in the Investment Pattern Table. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee is taken before making the investment.</p> <p>The Scheme may also use various derivative products from time to time, in the manner permitted by SEBI.</p> <p>To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, the AMC cannot charge management fees on the amounts of the Schemes so invested, unless permitted by the Regulations.</p>
E	Portfolio Turnover	<p>The portfolio turnover will not normally exceed 250%. Portfolio turnover will exclude:</p> <ul style="list-style-type: none"> <li>the turnover caused on account of investing the initial corpus; and</li> <li>the turnover caused on account of investing in debt and money market securities.</li> </ul> <p>Turnover means simple average of the aggregate of purchases and sales net of the above exclusions. These purchases and sales invite transaction costs viz. brokerage and custodian transaction charges. The portfolio turnover limit of 250% is essential to enable portfolio restructuring when warranted.</p>
F	Benchmark	<p>The performance of the Scheme is measured against S&amp;P BSE MIDCAP.</p> <p>The composition of the aforesaid benchmark is such that, it is most suited for comparing the performance of the scheme.</p> <p>The Trustees reserves right to change benchmark in future for measuring performance of the scheme.</p>
G	Risk Mitigation	<p><b>Risk control measures for investment strategy</b></p> <p>The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored at and necessary action would be taken on the portfolio if required. Attribution analysis is done to monitor the under</p>

	<p>or overperformance vis a vis the benchmark and the reasons for the same.</p> <p><b>Risk mitigation measures for portfolio volatility</b> The overall volatility of the portfolio would be maintained in line with the objective of the scheme. The portfolio would be adequately diversified to mitigate volatility. Volatility would be monitored with respect to the benchmark and peer set</p> <p><b>Risk mitigation measures for managing liquidity</b> Since this is a mid cap oriented fund, liquidity risk may be higher than schemes which have a larger proportion of large cap stocks. The fund manager may also keep some portion of the portfolio in debt and money market instruments, large cap stocks and/or cash within the specified asset allocation framework for the purpose of meeting redemptions. The liquidity would be monitored and necessary action would be taken on the portfolio if required. Stock turnover is monitored at regular intervals. The debt/money market instruments that are invested by the fund will have a short term duration.</p>
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**(x) Kotak Infrastructure & Economic Reform Fund** (formerly known as "PineBridge Infrastructure & Economic Reform Fund")

A.	Type of the scheme	An open ended equity scheme									
B.	Investment Objective	<p>The investment objective of the Scheme is to generate long-term capital appreciation from a diversified portfolio of predominantly (at least 65%) equity and equity-related securities of companies involved in economic development of India as a result of potential investments in infrastructure and unfolding economic reforms.</p> <p>There is no assurance that the investment objective of the Scheme will be achieved.</p>									
C.	Asset Allocation	<p>The asset allocation under the Scheme, under normal circumstances, will be as follows:</p> <table border="1"> <thead> <tr> <th>Investments</th> <th>Indicative Allocation</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Equity and equity related securities</td> <td>80% to 100%</td> <td>High</td> </tr> <tr> <td>Debt &amp; money market securities/instruments/funds</td> <td>0% to 20%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>The above Asset Allocation Pattern is only indicative. The investment manager may, in line with the investment objectives of the Scheme, alter the above pattern for a short term period, of up to 30 days, and on defensive considerations, the intention at all times being to protect the interests of the Unit Holders.</p>	Investments	Indicative Allocation	Risk Profile	Equity and equity related securities	80% to 100%	High	Debt & money market securities/instruments/funds	0% to 20%	Low to Medium
Investments	Indicative Allocation	Risk Profile									
Equity and equity related securities	80% to 100%	High									
Debt & money market securities/instruments/funds	0% to 20%	Low to Medium									
D.	Investment Strategy and Risk Control Measures	<p>India's rapid economic development and urbanization has led to an ever-increasing need to provide basic infrastructure - particularly power, telecom, water, housing, sanitation, solid waste management, roads and urban transport including airports, ports, waterways etc. Urban roads are inadequate to meet growing traffic requirements. The number of vehicles in India has increased 80-fold over the last 40 years but road length has increased by only 5%#. Efficient roadway and urban transit networks are integral to the country's continued economic development. The housing shortage in India is estimated to be in the range of nearly 40 million dwelling units. India faces chronic power shortages due to underdeveloped generation capacity as well as a porous and inefficient transmission and distribution network. Teledensity in spite of recent strides in increasing subscriber population still is low compared to the developed world.</p> <p><i># According to Mr. M Rajamani, Joint Secretary to the government of India, Ministry of Urban Development, at the 2nd Conference on financing municipalities and sub-national governments, Washington DC, September 2004.</i></p> <p>India has embarked upon an ambitious economic reform program aimed at correcting these imbalances and ensuring a balanced growth for all sections of the population on a sustained basis. Economic reform has also led to increased requirements of various goods and services essential for the sustained growth envisaged by various estimates of GDP growth.</p> <p>The financial resources required to expand these basic amenities are enormous, resulting in a significant resource gap that cannot be met from traditional central and state government grants and loans. Recognition of this funding gap has resulted in a near-universal acceptance that the private sector can and should play a larger role in the financing of infrastructure in partnership with the public sector.</p> <p>This growing area will potentially throw up a vast array of opportunities for investors. Kotak Infrastructure &amp; Economic Reform Fund will invest primarily in equity and equity related instruments either through primary or secondary purchases of companies involved in this development as a result of such potential investments in infrastructure and unfolding economic reform to take advantage of this opportunity as it appears on the economic landscape of India.</p> <p>Under normal market conditions and depending on the fund manager's views, the assets of the</p>									

		<p>Scheme would be invested across stocks that represent a broad range of sectors of the economy as mentioned below in order to ensure adequate portfolio diversification:</p> <p>(i) Infrastructure: Infrastructure companies operating in but not limited to power, oil and gas, telecom, water, housing, real estate, construction, roads, ports, airports, shipping &amp; ship building, logistics, etc. and sectors that will benefit from the development in infrastructure such as but not limited to cement, metals, capital goods and banking and financial services.</p> <p>(ii) Economic reform oriented: Companies in sectors that will benefit from the on-going liberalization in the Indian economy including relaxation in foreign exchange controls, FDI in banking and financial services and any other industry or sector where there is a trend to moving toward a freer market based model like retail, media and entertainment, mining, etc.</p> <p>The fund manager may use selective derivative strategies with a view to optimize the overall performance of the Scheme.</p>
E	Portfolio Turnover	As the portfolio of the Schemes will be actively managed, the Schemes may have a high turnover in order to achieve the investment objective. The Scheme being an open-ended Scheme, it is expected that there would be a number of Subscriptions and Redemptions on a daily basis. Therefore, it is difficult to estimate with any reasonable measure of accuracy the likely turnover in the portfolio.
F	Benchmark	S&PBSE 100
G	Risk Mitigation	<p><b>Risk control measures for investment strategy</b> The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored at and necessary action would be taken on the portfolio if required. Attribution analysis is done to monitor the under or overperformance vis a vis the benchmark and the reasons for the same.</p> <p><b>Risk mitigation measures for portfolio volatility</b> The overall volatility of the portfolio would be maintained in line with the objective of the scheme. The portfolio would be adequately diversified to mitigate volatility. Volatility would be monitored with respect to the benchmark and peer set</p> <p><b>Risk mitigation measures for managing liquidity</b> The fund manager may keep some portion of the portfolio in debt and money market instruments and/or cash within the specified asset allocation framework for the purpose of meeting redemptions. The liquidity would be monitored and necessary action would be taken on the portfolio if required. Stock turnover is monitored at regular intervals. The debt/money market instruments that are invested by the fund will have a short term duration.</p>
H	Securities Lending	Subject to Regulations and the applicable guidelines, the Trustee may permit the Fund to engage in securities lending. The fund can temporarily lend securities held with Custodian for a fee to reputed counterparties subject to prudent limits and control for enhancing norms.

**(xi) Kotak World Gold Fund** (formerly known as "PineBridge World Gold Fund")

A.	Type of the scheme	An open ended Fund of Funds Scheme									
B.	Investment Objective	<p>The primary investment objective of the Scheme is to provide long term capital appreciation by investing predominantly in units of Falcon Gold Equity Fund. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes. The Scheme may also invest a certain portion of its corpus in debt and money market securities and/or units of debt/liquid schemes of Mutual Funds, in order to meet liquidity requirements from time to time.</p> <p>However, there is no assurance that the investment objective of the Scheme will be realized.</p>									
C.	Asset Allocation	<p>The asset allocation under the Scheme, under normal circumstances, will be as follows:</p> <table border="1"> <thead> <tr> <th>Investments</th> <th>Indicative Allocation</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Units of Falcon Gold Equity Fund# &amp;/or other similar overseas mutual fund scheme(s)</td> <td>80% to 100%</td> <td>High</td> </tr> <tr> <td>Debt and money market securities and/or units of debt/liquid schemes of Domestic Mutual Funds.</td> <td>0% to 20%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>#Falcon Gold Equity Fund is a mutual fund subject to Swiss law in the "securities funds" category as defined by the Investment Funds Act dated March 18, 1994.</p> <p>The investment manager may, in line with the investment objectives of the Scheme, alter the above pattern for a short term period on defensive considerations, the intention at all times being to protect the interests of the Unit Holders.</p>	Investments	Indicative Allocation	Risk Profile	Units of Falcon Gold Equity Fund# &/or other similar overseas mutual fund scheme(s)	80% to 100%	High	Debt and money market securities and/or units of debt/liquid schemes of Domestic Mutual Funds.	0% to 20%	Low to Medium
Investments	Indicative Allocation	Risk Profile									
Units of Falcon Gold Equity Fund# &/or other similar overseas mutual fund scheme(s)	80% to 100%	High									
Debt and money market securities and/or units of debt/liquid schemes of Domestic Mutual Funds.	0% to 20%	Low to Medium									

D	Investment Strategy and Risk Control Measures	<p>The primary investment objective of the Scheme is to provide long term capital appreciation by investing predominantly in units of Falcon Gold Equity Fund. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes. The Scheme may also invest a certain portion of its corpus in debt and money market securities and/or units of debt/liquid schemes of Mutual Funds, in order to meet liquidity requirements from time to time. However, there is no assurance that the investment objective of the Scheme will be realized.</p> <p>The Falcon Gold Equity Fund is a sector fund. It is suitable for investors who want to utilize interesting investment opportunities in the gold mining sector. Due to its focus, the fund is seen as an ideal supplement in the share part of a mixed portfolio. The low correlation of gold mine shares to other securities means that the fund can also be used as an ideal diversification instrument.</p>
E	Portfolio Turnover	<p>As the scheme is an open ended fund of funds scheme, which will invest in units of overseas mutual fund, the turnover at the scheme level will be dependent on the subscriptions and redemptions by investors in the scheme. For the remaining portion of the scheme i.e., for investments in the domestic securities/ units of debt/ liquid schemes, the turnover will be a function of market opportunities.</p> <p>The scheme being an open-ended scheme, it is expected that there would be a number of subscriptions and redemptions on a daily basis. Therefore, it is difficult to estimate with any reasonable level of accuracy the likely turnover in the scheme.</p>
F	Benchmark	Financial Times Gold Mines Total - Price Index, in USD is the benchmark of Falcon Gold Equity Fund. The above translated to INR using the RBI Reference Rate will be the benchmark of Kotak World Gold Fund.
G	Risk Mitigation	<p><b>Risk control measures for investment strategy</b> The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored and necessary action would be taken on the portfolio if required.</p> <p><b>Risk mitigation measures for portfolio volatility</b> The level of portfolio volatility would be same as that of the underlying fund(s) where it invests. The fund manager would endeavor to keep minimal cash levels to keep performance deviation from the underlying fund(s) at minimum.</p> <p><b>Risk mitigation measures for managing liquidity</b> The fund manager may keep some portion of the portfolio in debt and money market instruments and/or cash within the specified asset allocation framework for the purpose of meeting redemptions. The liquidity would be monitored and necessary action would be taken on the portfolio if required.</p>

**(xii) Kotak US Equity Fund** (formerly known as "PineBridge India – US Equity Fund")

A.	Type of the scheme	An open ended Funds of Funds scheme investing overseas									
B.	Investment Objective	<p>The primary investment objective of the scheme is to provide long term capital appreciation by investing in units of fund that invest predominantly in equity and equity-related securities of companies having assets, products or operations in the United States.</p> <p>However, there is no assurance that the objective of the scheme will be realized.</p>									
C.	Asset Allocation	<p>The asset allocation under the Scheme, under normal circumstances, will be as follows:</p> <table border="1"> <thead> <tr> <th>Investments</th> <th>Indicative Allocation</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Units of PineBridge US Large Cap Research Enhanced Fund &amp;/or other similar overseas mutual fund scheme(s)*</td> <td>95% to 100%</td> <td>High</td> </tr> <tr> <td>Debt and money market securities and/or units of debt/liquid schemes of Domestic Mutual Funds.</td> <td>0% to 5%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>*similar overseas Mutual Fund schemes shall mean those schemes that have an investment objective, investment strategy &amp; risk profile/ consideration similar to PineBridge US Large Cap Research Enhanced Fund.</p> <p>The investment manager may, in line with the investment objectives of the Scheme, alter the above pattern for a short term period on defensive considerations, the intention at all times being to protect the interests of the Unit Holders. In case of any deviation from the normal asset allocation pattern, the scheme shall rebalance the same to bring it in line with the normal asset allocation within a period of 30 days.</p>	Investments	Indicative Allocation	Risk Profile	Units of PineBridge US Large Cap Research Enhanced Fund &/or other similar overseas mutual fund scheme(s)*	95% to 100%	High	Debt and money market securities and/or units of debt/liquid schemes of Domestic Mutual Funds.	0% to 5%	Low to Medium
Investments	Indicative Allocation	Risk Profile									
Units of PineBridge US Large Cap Research Enhanced Fund &/or other similar overseas mutual fund scheme(s)*	95% to 100%	High									
Debt and money market securities and/or units of debt/liquid schemes of Domestic Mutual Funds.	0% to 5%	Low to Medium									



		<p>The scheme will not invest in derivatives, securitised debts or unrated instruments.</p> <p>However, the underlying fund may invest in derivatives or unlisted securities as permitted vide SEBI circular SEBI/IMD/CIR No7/104753/07 dated September 26, 2007 for overseas investments by mutual funds.</p>
D	Investment Strategy and Risk Control Measures	<p>The primary investment objective of the scheme is to provide long term capital appreciation by investing in units of fund that invest predominantly in equity and equity-related securities of companies having assets, products or operations in the United States. The scheme currently has chosen to invest predominantly in units of PineBridge US Large Cap Research Enhanced Fund (underlying fund). However, the scheme at the discretion of the investment manager, at any time in future, may also invest in the units of other similar overseas mutual fund schemes. Similar overseas Mutual Fund schemes shall mean those schemes that have an investment objective, investment strategy &amp; risk profile/ consideration similar to PineBridge US Large Cap Research Enhanced Fund.</p> <p>The Scheme may also invest a certain portion of its corpus in debt and money market securities and/or units of debt/liquid schemes of Mutual Funds, in order to meet liquidity requirements from time to time.</p> <p>The investment objective of the underlying fund is to attain long term growth of capital by means of a diversified portfolio through investment in equity and equity-related securities of companies, at least 90% of which have assets, products or operations based in the United States or are included in the Russell 1000 Index. Up to 10% of the value of the fund may be invested in other companies which have a US Stock Exchange listing.</p> <p>Within the asset allocation, the underlying fund will invest only in US Large Cap stocks (Russell1000 and/or S&amp;P500).</p> <p>The Russell 1000 Index is constructed by the Russell Investment Group to provide a comprehensive and unbiased barometer for the large-cap segment of the US equity universe and is completely reconstituted annually to ensure new and growing equities are reflected.</p> <p>Research Enhanced incorporates subjective analyst criteria as well as quantitative criteria. Both qualitative and quantitative criteria are based upon PineBridge Investments' Global Equity process that categorizes stocks into appropriate growth categories and then applies investment criteria that is customized for a given growth category. The Investment Manager believes that the performance of equities over longer periods of time is driven by the progression of earnings. The underlying fund will strive to add value by identifying stocks with superior sustainable earnings performance. The stock selection will also be influenced by valuation levels, but only to the extent that factors have been identified which are expected to drive valuation potential to be realised in terms of earnings progression.</p> <p>Portfolio selection will adhere to an optimization process that favors stocks ranked highly through the investment manager's growth categorization process and then configures those into a portfolio in a manner to very tightly control the portfolio's tracking error to the Standard &amp; Poor's 500 Index.</p> <p>However, there is no assurance that the investment objective of the Scheme will be realized.</p>
E	Portfolio Turnover	<p>As the scheme is an open ended fund of funds scheme, which will invest in units of overseas mutual fund, the turnover at the scheme level will be dependent on the subscriptions and redemptions by investors in the scheme. For the remaining portion of the scheme i.e., for investments in the domestic securities/ units of debt/ liquid schemes, the turnover will be a function of market opportunities.</p> <p>The scheme being an open-ended scheme, it is expected that there would be a number of subscriptions and redemptions on a daily basis. Therefore, it is difficult to estimate with any reasonable level of accuracy the likely turnover in the scheme.</p>
F	Benchmark	<p>Standard &amp; Poor's 500 Total Return Index in USD is the benchmark of the underlying fund. The benchmark of Kotak US Equity Fund is Standard &amp; Poor's 500 Total Return Index, which will be translated to INR using the RBI reference rate will be the benchmark of Kotak US Equity Fund.</p>
G	Risk Mitigation	<p><b>Risk control measures for investment strategy</b> The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored at and necessary action would be taken on the portfolio if required.</p> <p><b>Risk mitigation measures for portfolio volatility</b> The level of portfolio volatility would be same as that of the underlying fund(s) where it invests. The fund manager would endeavor to keep minimal cash levels to keep performance deviation from the underlying fund(s) at minimum. The underlying fund would be reasonably diversified at a stock &amp; sector level.</p> <p><b>Risk mitigation measures for managing liquidity</b> The fund manager may keep some portion of the portfolio in debt and money market instruments and/or cash within the specified asset allocation framework for the purpose of meeting redemptions. The liquidity would be monitored and necessary action would be taken on the portfolio if required.</p>



### C. Where will the scheme invest? (common to all schemes except for Kotak Tax Saver)

Subject to the Regulations, the amount collected under each of the scheme can be invested in any (but not exclusively) of the following securities/ instruments, as per the indicative asset allocation given under the heading "How will the Scheme allocate its assets":

- a. Equity and equity related securities including convertible bonds and debentures and warrants carrying the right to obtain equity shares.
- b. Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- c. Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- d. Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee
- e. Corporate debt (of both public and private sector undertakings).
- f. Obligations/ Term Deposits of banks (both public and private sector) and development financial institutions to the extent permissible under SEBI Regulations
- g. Money market instruments permitted by SEBI/RBI, having maturities of up to one year or in alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements.
- h. Certificate of Deposits (CDs).
- i. Commercial Paper (CPs).
- j. Repo of corporate debt securities.
- k. Securitised Debt, not including foreign securitised debt.
- l. The non-convertible part of convertible securities.
- m. ADR/GDR of Indian Companies
- n. Any other domestic fixed income securities as permitted by SEBI / RBI from time to time. Derivative instruments like Interest Rate Swaps, Forward Rate Agreements and such other derivative instruments permitted by SEBI/RBI.
- o. Any other instruments / securities, which in the opinion of the fund manger would suit the investment objective of the scheme subject to compliance with extant Regulations.

Kotak Tax Saver will invest as per instruments specified in its investment strategy and under ELSS Guidelines, 1992 as modified from time to time.

#### Applicable for Kotak World Gold Fund:

At present, the scheme predominantly invests in units of Falcon Gold Equity fund. The scheme may, at the discretion of the investment manager, also invest in units of other similar overseas mutual fund schemes.

The scheme also invest a certain portion of its corpus in debt and money market securities and or units of debt/ liquid schemes of mutual funds in order to meet liquidity requirements from time to time.

Falcon Gold Equity Fund is a mutual fund subject to Swiss law in the "securities funds" category as defined by the Investment Funds Act dated March 18, 1994. The Falcon Gold Equity Fund invests worldwide mainly in stocks issued by companies engaged primarily in the extraction, processing and marketing of gold. Further-more, up to a maximum of 25% of the assets can be invested in companies engaged in extracting, processing or marketing other precious metals, gems and colored metals. Falcon Gold Equity Fund may invest a maximum of one third of its assets into other financial instruments as defined in its

prospectus. The investment objective of the Falcon Gold Equity Fund consists chiefly in achieving an appropriate level of growth. Falcon Gold Equity Fund is a sector fund. It is suitable for investors who want to utilize interesting investment opportunities in the gold mining sector. Due to its focus, the fund is seen as an ideal supplement in the share part of a mixed portfolio. The low correlation of gold mine shares to other securities means that the fund can also be used as an ideal diversification instrument.

**Investment in Overseas Financial Assets** - The Scheme may invest in Units/Securities issued by overseas Mutual Funds or Unit Trusts registered with overseas regulator and investing in securities as may be permissible and described in SEBI Circular Reference No. SEBI/IMD/CIR NO. 7/104753/07 dated September 26, 2007 as may be amended from time to time, within the overall applicable limits. Investing in overseas markets could be both rewarding as well as challenging.

**Exposure to foreign securities** - It is the AMC's belief that investment in Units/Securities issued by overseas Mutual Funds or Unit Trusts registered with overseas regulator and investing in securities as may be permissible from time to time offers new investment and portfolio diversification opportunities into multi-market and multi-currency products. However, such investments also entail additional risks. Such investment opportunities may be pursued by the AMC provided they are considered appropriate in terms of the overall investment objectives of the Scheme.

Easy access, transparent regulations and a breadth of variety in terms of classes of investors have contributed to investor confidence in the stability and functioning of global markets. Besides, better access to information on the financial health of many foreign companies helps fund managers make informed investment decisions.

Although these benefits are very attractive, one must not lose sight of the fact that risks also exist with regard to investments in foreign markets. These include fluctuating currency prices, relevant regulations of exchanges/countries, restrictions on repatriation of investments/profits, financial reporting standards, liquidity and political instability, among others.

The AMC may also invest in foreign debt securities, as deemed appropriate and in accordance with guidelines stipulated in this regard by SEBI and RBI from time to time. The AMC endeavors to manage such risks through the use of appropriate credit analysis.

Investments made from the Scheme would also be in accordance with prevailing provisions of SEBI regulations.

The securities/debt instruments mentioned above could be listed or unlisted, secured or unsecured, rated or unrated and of varying maturities and other terms of issue. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per guidelines/regulations applicable to such transactions.

#### Applicable to Kotak US Equity Fund:

The Scheme may invest in Units/Securities issued by overseas Mutual Funds or Unit Trusts registered with overseas regulator and investing in securities as may be permissible and described in SEBI Circular Reference No. SEBI/IMD/CIR NO. 7/104753/07 dated September 26, 2007 as may be amended from time to time, within the overall applicable limits.

At present, the scheme will predominantly invest in units of PineBridge US Large Cap Research Enhanced Fund (underlying fund), a sub-fund of an open-ended umbrella unit trust established and authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the

European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (S.I. No. 211 of 2003), as amended. The scheme may, at the discretion of the investment manager, may also invest in units of other similar overseas mutual fund schemes.

The underlying fund will have its investments predominantly in equity or equity related securities of companies having assets, products or operations in the United States.

Within the asset allocation, the underlying fund will invest only in US Large Cap stocks (Russell 1000 and / or S&P 500).

Assets mean and include value producing resources, tangible or intangible, that are under the ownership and control of the issuing company.

Products include services and mean anything that the issuing company can exchange with an individual or group of counterparties for compensation that can be recognized as revenue. The Scheme may also invest a certain portion of its corpus in debt and money market securities and/or units of debt/liquid schemes managed by the AMC or in the above mentioned schemes of any other Mutual Funds, in order to meet liquidity requirements from time to time provided it is in conformity to the investment objectives of the Scheme and in terms of the prevailing Regulations. In case the scheme decides to invest in units of debt/ liquid schemes no investment management fees will be charged for such investments.

Since the underlying scheme invests in companies listed on US stock exchanges, it is not expected that the underlying scheme shall have any exposure to Indian equities other than ADRs/ GDRs / IDRs which are listed on US stock exchanges. The scheme shall not have any exposure to Indian equities through P-Notes.

The cumulative exposure through units/ shares of overseas mutual fund, debt securities, money market instruments and units of debt/ liquid funds shall not exceed 100% of the net assets of the scheme.

### **Applicable to Kotak US Equity Fund**

#### **Overview of PineBridge US Large Cap Research Enhanced Fund**

##### **Basis/ Reasons for selecting the underlying scheme –**

- The Fund applies a disciplined quantitative enhanced index approach, which seeks to mitigate various risks including but not limited to equity specific, total volatility and investment loss.
- Long term track record of the fund since 2005

##### **Brief about the Underlying Fund and Country of Registration –**

The Underlying Fund is an open-ended umbrella unit trust established and authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011).

The Fund is domiciled in the country of Ireland.

##### **Date of Inception –**

August 25, 2005.

##### **Investment Objective –**

The investment objective of the underlying Fund is to attain long term growth of capital by means of a diversified portfolio through investment in equity and equity-related securities of

companies, at least 90% of which have assets, products or operations based in the United States or are included in the Russell 1000 Index. Up to 10% of the value of the underlying Fund may be invested in other companies which have a US Stock Exchange listing.

The Russell 1000 Index is constructed by the Russell Investment Group to provide a comprehensive and unbiased barometer for the large-cap segment of the US equity universe and is completely reconstituted annually to ensure new and growing equities are reflected.

##### **Asset Allocation –**

At least two-thirds of the underlying Fund's total assets will be invested in equities and equity-related securities (excluding convertibles and bonds with warrants attached) of issuers included in the Russell 1000 Index domiciled in or exercising the predominant part of their commercial activities in the United States. Within the remaining one-third, the underlying may invest in transferable securities not meeting the above requirements.

Within the asset allocation, the underlying fund will invest only in US Large Cap stocks (Russell 1000 and / or S&P 500).

Portfolio selection will adhere to an optimization process that favours stocks ranked highly through the Investment Manager's growth categorization process and then configures those into a portfolio in a manner to very tightly control the portfolio's tracking error to the Standard & Poor's 500 Index.

##### **Country/ region wise exposure –**

The fund will invest in equity / equity related securities of companies, at least 90% of which have assets, products or operations based in the United States or are included in the Russell 1000 Index and the remaining up to 10% of the value may be invested in other companies which have a US Stock Exchange listing. Thus, it is anticipated that the scheme will have its entire exposure in companies in the US.

##### **Risk Profile / Control –**

As the underlying Fund invests in equity and equity related securities, the risk profile of the scheme will be categorized as "High Risk". Some risk controls adopted by the underlying scheme are as under:

1. Equity, Market Volatility, Investment Loss, Country Selection
- a. The underlying Fund applies a disciplined quantitative enhanced index approach, which seeks to mitigate various risks including but not limited to equity specific, total volatility and investment loss. This is mainly accomplished through the application of quantitative and bottom-up multi-factor stock selection and portfolio optimization. The combination of these two has helped to generate a controlled level of tracking error (alpha volatility mitigation), standard deviation (total return volatility mitigation) and consistent alpha generation with a low down market capture ratio (investment loss mitigation).
- b. The Fund seeks to generate consistent, risk-controlled and measurable alpha by investing in a diversified portfolio of US large cap equities. Thus, country selection risk is naturally mitigated. When warranted, the Fund does reserve the right to invest in the equity of foreign entities any existing US stock exchange listed or depository receipt vehicles.

##### **Category of Eligible Investors –**

The Fund is suitable for investors who wish to participate in US equity markets. The Fund may be most appropriate for investors with a medium to long-term investment horizon, as losses may

occur due to market fluctuations.

#### Performance (%) of the underlying scheme-

The performance of Y share class as on 30 April 2015 has been provided in the table below for information of the investors. Investors are hereby informed that the portfolio of underlying Fund (i.e. C share class and Y share class along with any other share class - which shall be opened in the future) will be the same and the difference in NAV will only be to the extent of the expense ratios of these classes.

Particulars	PineBridge US Large Cap Research Enhanced Fund	Standard & Poor's 500 Total Return Net
	CAGR	CAGR
Last 1 year	12.60	12.30
Last 3 years	18.20	16
Last 5 years	15.60	13.60
Since Inception (Date of inception – August 25, 2005)	7.40	5.80

Source: Fund Factsheet – April 2015

CAGR – Compounded Annualized Growth Rate

**Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.**

#### Expense Ratio of underlying Fund–

The underlying scheme will have a total expense ratio of 1.00% of daily net assets. However, this is subject to change at the discretion of the underlying fund.

Investors should note that the overall expense ratio including the expense ratio of the underlying fund shall not exceed the SEBI specified limit from time to time.

Top 10 Holdings	% to Net Assets
Apple Inc	4.8
Mircosoft Corp	3.2
Johnson & Johnson	2.4
SPDR S&P 500	2.2
Verizon Communications	2.1
Pfizer Inc	2.0
Intel Corp	1.8
Cisco Systems	1.8
Gilead Sciences Inc	1.7
Comcast Corp	1.7
<b>Total</b>	<b>23.7</b>

**As on April 30, 2015**

**Benchmark:** Standard & Poor's 500 Total Return Net.

#### Where will the scheme invest –

**The Sub-Fund may, within the limits laid down by the Central Bank of Ireland and the underlying Fund's investment guidelines invest in the following types of investments**

- equity and equity-related securities including but not limited to common stock, preferred stock and securities which are convertible into or exchangeable for such equity securities, or which carry warrants to purchase such equity securities;
- equity index- and equity-related instruments including but not limited to, share index notes and participatory receipts / participatory certificates;
- ADRs/IDRs/GDRs;

- invest up to 10% of its Net Asset Value in regulated collective investment schemes, including relevant REITs, where the investment objectives and policies of these schemes are consistent with that of the underlying Fund and such schemes meet the criteria set out in Guidance Note 2/03 by the Central Bank of Ireland;
- hold cash and / or ancillary liquid assets and invest in Money Market Instruments which are rated investment grade by an international rating agency;
- hold deposits with credit institutions;
- engage in forward foreign exchange contracts for hedging purposes, to alter the currency exposure of the underlying assets and may also hedge currency exchange risk by using Financial Derivatives Instruments.
- within the asset allocation, the underlying fund will invest only in US Large Cap stocks (Russell 1000 and / or S&P500).
- furthermore, up to 10% of the fund's assets may be invested in securities and rights of companies which produce, process or market precious stones, strategic or other metals or invest in these areas as finance houses or holding companies.

#### Participation of schemes of Kotak Mahindra Mutual Fund in repo of corporate debt securities:

In accordance with SEBI circular no. CIR / IMD / DF / 19 / 2011 dated November 11, 2011 and CIR/IMD/DF/23/2012 dated November 15, 2012; schemes of Kotak Mahindra Mutual Fund (KMMF) shall participate in the corporate bond repo transactions w.e.f. June 21, 2013 as per the guidelines issued by Reserve Bank of India (RBI) from time to time. Currently the applicable guidelines are as under:

- The gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the concerned scheme.
- The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the concerned scheme.
- Mutual Funds shall participate in repo transactions only in AA and above rated corporate debt securities.
- In terms of Regulation 44 (2) mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months

The investment restrictions applicable to the Scheme's participation in the corporate bond repos will also be as prescribed or varied by SEBI or by the Board of Kotak Mahindra Trustee Company Limited (subject to SEBI requirements) from time to time.

The following guidelines shall be followed by Kotak Mutual Fund for participating in repo in corporate debt securities, which have been approved by the Board of AMC and Trustee Company.

- Category of counterparty to be considered for making investment:**  
All entities eligible for transacting in corporate bond repos as defined by SEBI and RBI shall be considered for repo transactions.
- Credit rating of counterparty to be considered for making investment**  
The schemes shall participate in corporate bond repo

transactions with only those counterparties who have a credit rating of AA- and higher. In case there is no rating available, the Investment Committee will decide the rating of the counterparty and report the same to the Board from time to time.

**(iii) Tenor of Repo and collateral**

As a repo seller, the schemes will borrow cash for a period not exceeding 6 months or as per extant regulations.

As a repo buyer, the Schemes are allowed to undertake the transactions for maximum maturity upto one year or such other terms as may be approved by the Investment Committee.

There shall be no restriction / limitation on the tenor of collateral.

**(iv) Applicable haircuts**

As per RBI circular RBI/2012-13/365 IDMD.PCD. 09 /14.03.02/2012-13 dated 07/01/2013, all corporate bond repo transaction will be subject to a minimum haircut given as given below:

- (1) AAA : 07.50%
- (2) AA+ : 08.50%
- (3) AA : 10.00%

The haircut will be applicable on the prevailing market value of the said security on the prevailing on the date of trade. However, the fund manager may ask for a higher haircut (while lending) or give a higher haircut (while borrowing) depending on the market prevailing liquidity situation.

**Risk envisaged and mitigation measures for repo transactions:**

Credit risks could arise if the counterparty does not return the security as contracted or interest received by the counter party on due date. This risk is largely mitigated, as the choice of counterparties is largely restricted and their credit rating is taken into account before entering into such transactions. Also operational risks are lower as such trades are settled on a DVP basis.

In the event of the scheme being unable to pay back the money to the counterparty as contracted, the counter party may dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to us. Thus the scheme may in remote cases suffer losses. This risk is normally mitigated by better cash flow planning to take care of such repayments.

**Investment in Derivatives:**

The Scheme may use derivative instruments such as index futures, stock futures, index options, stock options, warrants, convertible securities, swap agreements or any other derivative instruments that are permissible or may be permissible in future under applicable regulations, as would be commensurate with the investment objective of the Scheme. The manner of use of derivatives instruments is illustrated below:

**Hedging & Portfolio balancing**

As part of the fund management exercise under the Scheme, the Trustee may permit the use of any of the instruments mentioned above or any other instrument that may become permissible in the future under applicable regulations. Such investment in Index futures, Interest Rate Swaps, Stock options, Index Options, Stock Futures and other derivative instruments will be used with the objective of a) hedging the portfolio and/or b) rebalancing of the portfolio of the Scheme or c) for any other purpose as may be permitted by the Regulations from time to time.

The note below explains the concept of Index Futures, Options

and Interest Rate Swaps, with an example each, for the understanding of the Unitholders.

**Index Futures**

Due to ease of execution and settlement, index futures are an efficient way of buying / selling an Index compared to buying / selling a portfolio of physical shares representing an Index. Index futures can be an efficient way of achieving a Scheme's investment objectives. Index futures may do away with the need for trading in individual components of the Index, which may not be possible at times, keeping in mind the circuit filter system and the liquidity in some of the scripts. Index futures can also be helpful in reducing transaction costs and processing costs on account of ease of execution of one trade compared to several trades of shares comprising the Index and will be easy to settle compared to physical portfolio of shares representing an Index

The National Stock Exchange and the Bombay Stock Exchange introduced Index futures on Nifty (NSE-50) and Sensex (BSE 30) for three serial months. For example, in the month of October 2014, three futures were available i.e. October, November and December 2014, each expiring on the last working Thursday of the respective month

Let us assume the Nifty Index was 8300 as on Jun 11, 2015 and three future indices were available as under:

Month	Bid Price	Offer Price
Jun 2015	8309	8310
Jul 2015	8330	8332
Aug 2015	8345	8347

The Fund could buy an Index of Jun 2015 as on Jun 11, 2015 at an offer price of 8310. The Fund would have to pay the initial margin as regulated by the exchanges and settle its Index position with daily marked to market i.e. receive profits/pay losses on a daily basis.



The following is a hypothetical example of a typical index future trade and the associated costs compared with physical stocks.  
(Amount in Rupees)

Particulars	Index Future	Actual Purchase of Stocks
Index as on Jun 11, 2015	8300	8300
Jun 2014 Futures Cost	8310	
<b>A. Execution Cost</b>		
Carry costs (8310-8300)	10.00	Nil
<b>B. Brokerage Cost</b>		
Assumed at 0.03% for Index Future and 0.05% for spot stocks (0.03% of 8310) (0.05% of 8300)	2.4930	4.1500
<b>C. Securities Transaction Tax</b> STT for Index Futures is Nil STT for Spot Stocks is 0.10% (0.10% of 8300)	Nil	8.3000
<b>D. Gains on Surplus Funds</b> (Assuming 4% return on 91% of the money left after paying (9% margin) (4% x 8300 x 91% x 30 days ÷ 365)	11.5882	Nil
Cash Market/ Sale Price at expiry	8400	8400
<b>E. Brokerage on Sale</b>		
Assumed at 0.03% for Index Future and 0.05% for Spot stocks (0.03% of 8400) (0.05% of 8400)	2.5200	4.2000
<b>F. Securities Transaction Tax</b> STT for Index Futures is 0.01% STT for Spot Stocks is 0.10% (0.01% of 8400) (0.10% of 8400)	0.8400	8.4000
<b>Total Cost (A+B+C-D+E+F)</b>	<b>4.2648</b>	<b>25.0500</b>
<b>Profit</b>	<b>95.7352</b>	<b>74.95</b>

As the above example demonstrates, the cost differential between purchasing Index Future and 50 stocks comprising Nifty (NSE-50) is a function of the carrying cost, the interest earned available to Fund Managers and the brokerage cost applicable in both cases. However, as mentioned earlier, as the Indian equity markets continues to have limitations in execution of trades due to the lack of adequate liquidity and the concept of circuit breakers, index future can allow a fund to buy all the stocks comprising the index at a nominal additional cost.

Please note that the above example is hypothetical in nature and the figures, brokerage rates etc. are assumed. In case the execution and brokerage costs on purchase of Index Futures are high and the returns on surplus funds are less, buying of index future may not be beneficial as compared to buying stocks comprising the Index. The actual return may vary based on actuals and depends on final guidelines / procedures and trading mechanism as envisaged by stock exchanges and other regulatory authorities.

#### Use of futures

Futures can effectively be used as a substitute for underlying stocks e.g. if the Scheme has received fresh subscriptions and if it is not immediately possible to invest the cash so received into intended stocks, the Fund Manager can buy a Future contract and subsequently replace them by actual purchase of stocks. The reverse can be done in case of redemption of Units.

The Scheme typically holds cash in order to meet sudden redemption requests. This cash holding reduces the overall

returns of the Scheme. By buying futures relative to this cash holding the Scheme can effectively increase its exposure to the market while keeping the cash required to meet redemption requirement.

Futures will be used to hedge or rebalance the Portfolio or as permitted by the Regulations from time to time.

#### Option Contracts (Stock and Index)

In the global financial markets, particularly securities markets, options have been, for quite many years, a means of conveying rights from one party to another at a specified price on or before a specific date, at a cost, which is called Premium. The underlying instrument can be an individual stock or a stock index such as the BSE Sensex (such options being referred to as index options). Options are used widely the world over to manage risk and generate income. options may be preferred over futures as they provide asymmetric pay offs.

Option contracts are of two types - Call and Put; the former being the right, but not obligation, to purchase a prescribed number of shares at a specified price before or on a specific expiration date and the latter being the right, but not obligation, to sell a prescribed number of shares at a specified price before or on a specific expiration date. The specified price at which the shares are contracted to be purchased or sold is called the strike price. Options that can be exercised on or before the expiration date are called American Options, while those that can be exercised only on the expiration date are called European Options. In India, all

options are European Options. Option contracts are designated by the type of option, name of the underlying, expiry month and the strike price.

### Example for Options

**Buying a Call Option:** Let us assume that the Scheme buys a call option of ABC Ltd. with strike price of Rs. 3500, at a premium of Rs. 100. If the market price of ABC Ltd on the expiration date is more than Rs. 3500, the option will be exercised. The Scheme will earn profits once the share price crosses Rs. 3600 (Strike Price + Premium i.e. 3500+100). Suppose the price of the stock is Rs. 3800, the option will be exercised and the Scheme will buy 1 share of ABC Ltd. from the seller of the option at Rs 3500 and sell it in the market at Rs. 3800, making a profit of Rs. 200. In another scenario, if on the expiration date the stock price falls below Rs. 3500, say it touches Rs. 3000, the Scheme will choose not to exercise the option. In this case the Scheme loses the premium (Rs. 100), which will be the profit earned by the seller of the call option.

Thus for an option buyer, loss is limited to the premium that he has paid and gains are unlimited. The risk of an option writer i.e. the seller of the option, is unlimited while his gains are limited to the premiums earned. However, in the case of the Scheme, all option positions will have underlying assets and therefore all losses due to price-movement beyond the strike price will actually be an opportunity loss as illustrated in the example below.

**Buying a Put Option:** Let us assume that the Scheme owns shares of ABC Ltd., which are trading at Rs. 3500. The fund manager expects the price to rise to Rs. 3800 but at the same time wants to protect the downside. So, he can buy a put option at Rs. 3500 by paying a premium of, say, Rs. 100. If the stock falls to say Rs 3200 by expiry, the option becomes in-the-money by Rs. 300 and the schemes loses only the initial premium paid to buy the hedge. On the contrary, if the fund manager's view turns out to be right and the stock actually rallies to Rs. 3800, the scheme gains Rs. 300 from the stock and the hedging cost paid to buy the protection is the loss. Thus, adjusted for the hedging cost, the scheme gains Rs. 200 from the trade.

The above example is hypothetical in nature and all figures are assumed for the purpose of illustrating the use of call options in individual stocks. Similarly, analogies can be drawn to illustrate the use of put options in individual stocks, and call and put options in index.

**Note on Risk:** The risk (loss) for an option buyer is limited to the premium paid, while the risk (loss) of an option writer is unlimited, the latter's gain being limited to the premiums earned. However, in the case of the Scheme, as per current SEBI regulations, there is a blanket prohibition on writing of options (call or put).

### Interest Rate Futures

Interest Rate Futures (IRF) contract is an agreement to buy or to sell a debt instrument at a specified future date at a price that is fixed today. Exchange traded IRFs are standardised contracts based on a notional coupon bearing Government of India (GOI) security. National Securities Clearing Corporation Limited (NSCCL) is the clearing and settlement agency for all deals executed in Interest Rate Futures. NSCCL acts as legal counterparty to all deals on Interest Rate Futures contract and guarantees settlement.

### Using IRFs

#### • Directional trading

As there is an inverse relationship between interest rate movement and underlying bond prices, the futures price also moves in tandem with the underlying bond prices. If one has a strong view that interest rates will rise in the near future and wants to benefit from rise in interest rates; one can do so by taking short position in IRF contracts.

Example:

A trader expects long-term interest rate to rise. He decides to sell Interest Rate Futures contracts as he shall benefit from falling future prices.

Expectation	Position
Interest Rates going up	Short Futures
Interest Rates going down	Long Futures

- Trade Date - 1st May 2015
- Futures Delivery date - 1st June 2015
- Current Futures Price - Rs. 97.50
- Futures Bond Yield - 8.21%
- Trader sell 250 contracts of the June 2015 - 10 Year futures contract on NSE on 1st May 2015 at Rs. 97.50

Assuming the price moves to Rs. 97.15 on May 9, 2015, net MTM gain would be Rs. 1,75,000 ( $250 \times 2000 \times 97.50 - 97.15$ ) (I)

Closing out the Position

- 10th May 2015 - Futures market Price - Rs. 96.70
- Trader buys 250 contracts of June 2015 at Rs. 96.70 and squares off his position
- Therefore total profit for trader  $250 \times 2000 \times (97.15 - 96.70)$  is Rs.2,25,000 (II)
- Total Profit on the trade = INR 4,00,000 (I & II)

### Hedging

Holders of the GOI securities are exposed to the risk of rising interest rates, which in turn results in the reduction in the value of their portfolio. So in order to protect against a fall in the value of their portfolio due to falling bond prices, they can take short position in IRF contracts.

Example:

Date: 01-May-2015

Spot price of GOI Security: Rs 105.05

Futures price of IRF Contract: Rs 105.12

On 01-May-2015 XYZ bought 2000 GOI securities from spot market at Rs 105.07. He anticipates that the interest rate will rise in near future. Therefore to hedge the exposure in underlying market he may sell June 2015 Interest Rate Futures contracts at Rs 105.12

On 16-May-2015 due to increase in interest rate:

Spot price of GOI Security: Rs 104.24

Futures Price of IRF Contract: Rs 104.28

Loss in underlying market will be  $(104.24 - 105.05) \times 2000 =$  Rs 1620

Profit in the Futures market will be  $(104.28 - 105.12) \times 2000 =$  Rs 1680

### Arbitrage

Arbitrage is the price difference between the bonds prices in underlying bond market and IRF contract without any view about the interest rate movement. One can earn the risk-less profit from realizing arbitrage opportunity and entering into the IRF contract.

Example:

On 18th May, 2015 buy 6.35% GOI '20 at the current market price of Rs. 97.2485

Step 1 - Short the futures at the current futures price of Rs. 100.00 (9.00% Yield)

Step 2 - Fund the bond by borrowing up to the delivery period (assuming borrowing rate is 8.00%)

Step 3 - On 10th June 2015, give a notice of delivery to the exchange

Assuming the futures settlement price of Rs. 100.00, the invoice price would be

=  $100 \times 0.9780$

= Rs. 97.8000

Under the strategy, the trader has earned a return of



$$= (97.800 - 97.2485) / 97.2485 * 365 / 23$$

= 9.00 % (implied repo rate)

(Note: For simplicity accrued interest is not considered for calculation)

Against its funding cost of 8.00% (borrowing rate), thereby earning risk free arbitrage.

### Interest Rate Swap (IRS)

IRS is a widely used derivative product in the financial markets to manage interest rate risk. A typical transaction is a contract to exchange streams of interest rate obligation/income on a notional principal amount with a counter party, usually a bank. The two interest streams are, fixed rate on one side and floating rate on the other.

Example: Suppose the Fund holds a fixed rate bond of maturity 5 years carrying a fixed interest rate (coupon) of 6% p.a. payable half yearly. Such an investment runs the risk of depreciation if interest rates rise. To manage this risk, the Fund can enter into an IRS with another market participant, here the Fund contracts to pay fixed rate, say 5.25% p.a., and receive a floating rate (say overnight MIBOR). This transaction is done for a notional principal amount equal to the value of the investment. By such a contract a fixed rate income is offset by a fixed rate payment obligation leaving only a floating rate income stream. Thus, without actually investing in a floating rate asset, the Fund starts earning a floating rate income, reducing the risk of depreciation associated with the fixed rate investment. Following table summarises the cash flow streams:

Original investment	6% p.a.
Pay (Fixed rate)	5.25% p.a. (IRS)
Receive (Floating rate)	MIBOR
Net Flow	MIBOR + 0.75% p.a. (*)

\* (6% p.a. – 5.25 % p.a.)

The floating rate reference is defined in the swap agreement.

The above example illustrates a case of fixed to floating rate swap. A swap could be done to move from floating rate to fixed rate in a similar fashion.

Please note that the above example is hypothetical in nature and the interest rates are assumed. The actual return may vary based on actual and depends on the interest rate prevailing at the time the swap agreement is entered into.

The Scheme will be allowed to take exposure in Interest Rate Swaps only on a non-leveraged basis. A swap will be undertaken only if there is an underlying asset in the portfolio.

The Scheme may use other derivatives such as interest rate futures, etc, to meet the investment objective of the Scheme, whenever such instruments are available in the market.

### D. Fundamental Attributes (common to all schemes)

Following are the fundamental attributes of the schemes, in terms of Regulation 18 (15A) of SEBI (MF) Regulations:

- (i) Type of the scheme :As mentioned under the heading "Type of the Scheme"
- (ii) Investment Objective: As mentioned under the heading "Investment Objective"
- (iii) Investment Pattern : As mentioned under the heading "How will the scheme allocate its assets"
- (iv) Terms of Issue:
  - a. Liquidity provisions such as listing, repurchase, redemption. Investors may refer Chapter IV for detailed information on listing, repurchase and redemption.
  - b. Aggregate fees and expenses charged to the scheme. Investors may refer Chapter V on fees and expenses charged to the scheme.
  - c. Any safety net or guarantee provided - Not applicable

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load

## E. Who manages the schemes?

NAME	AGE	QUALIFICATION	BUSINESS EXPERIENCE	SCHEMES MANAGED
Mr. Harsha Upadhyaya	43 Years	Bachelor of Engineering (Mechanical) from National Institute of Technology, Suratkal '93, Post Graduate Management (Finance) from Indian Institute of Management, Lucknow '96 and Chartered Financial Analyst from the CFA Institute.	Mr. Harsha Upadhyaya has 17 years of rich experience spread over Equity Research & Fund Management. His prior stints have been with companies such as DSP BlackRock Investment Managers, Prabhudas Lilladher Pvt. Ltd, SG Asia Securities, Reliance Group and UTI Asset Management Co. Ltd.	<ul style="list-style-type: none"> <li>• Kotak Opportunities</li> <li>• Kotak Select Focus Fund</li> </ul>
Mr. Emmanuel Elango	37 Years	Mechanical Engineer, National Institute of Technology, Karnataka, Post Graduate Diploma in Management from Indian Institute of Management, Bangalore.	Mr. Emmanuel Elango's association with the AMC has been since July 2008. Mr. Elango started his career as a Designer Engineer with Bosch. After his management studies, Mr. Elango has also worked with JP Morgan and Franklin Templeton AMC in India. His total experience is 11 years.	<ul style="list-style-type: none"> <li>• Kotak Classic Equity</li> <li>• Kotak Balance</li> </ul>
Mr. Deepak Gupta	33 Years	Graduate in Commerce from Mumbai University. He is a qualified Chartered Accountant. He is a qualified Chartered Accountant. Deepak is also a Cost Accountant and has cleared the CFA (US, AIMR) Level III.	Mr. Deepak Gupta has 9 years of experience in the mutual fund industry and 6 years of experience in fund management related areas.	<ul style="list-style-type: none"> <li>• Kotak Equity Arbitrage Fund</li> <li>• Kotak Asset Allocator Fund</li> <li>• Kotak Sensex ETF</li> <li>• Kotak PSU Bank ETF</li> <li>• Kotak Nifty ETF</li> <li>• Kotak Global Emerging Market Fund (Dedicated fund manager for overseas investment)</li> <li>• Kotak World Gold Fund (Dedicated Fund Manager for overseas investment)</li> <li>• Kotak US Equity Fund (Dedicated Fund Manager for overseas investment)</li> <li>• Kotak Tax Saver</li> <li>• Kotak Multi Asset Allocation Fund</li> <li>• Kotak Equity Savings Fund</li> <li>• Kotak Banking ETF</li> </ul>
Mr. Harish Krishnan	34 years	CFA, PGDBM (IIM Kozhikode), B. Tech (Electronics & Communications)	Mr. Harish Krishnan has 10 years of experience spread over Equity Research and Fund Management. Prior to joining Kotak Mutual Fund, he was based out of Singapore and Dubai, managing Kotak's offshore funds. He has also worked at Infosys Technologies Ltd in his earlier stint. He is a Bachelor of Technology (Electronics & Communications) from Government Engineering College, Trichur, a post Graduate in Management from Indian Institute of Management, Kozhikode and a Chartered Financial Analyst from the CFA Institute.	<ul style="list-style-type: none"> <li>• Kotak 50</li> <li>• Kotak Infrastructure and Economic Reform Fund</li> <li>• Kotak India Growth Fund – Series 1</li> </ul>

Mr. Abhishek Bisen	36 Years	B A Management, MBA Finance	Mr. Abhishek Bisen has been associated with the company since October 2006 and his key responsibilities include fund management of debt schemes. Prior to joining Kotak AMC, Abhishek was working with Securities Trading Corporation Of India Ltd where he was looking at Sales & Trading of Fixed Income Products apart from doing Portfolio Advisory. His earlier assignments also include 2 years of merchant banking experience with a leading merchant banking firm.	<ul style="list-style-type: none"> <li>• Kotak Mahindra Bond Unit Scheme 99</li> <li>• Kotak Mahindra Gilt Unit Scheme 98</li> <li>• Kotak Monthly Income Plan</li> <li>• Kotak Multi Asset Allocation Fund</li> <li>• Kotak Global Emerging Market Fund</li> <li>• Kotak Gold Fund</li> <li>• Kotak Gold ETF</li> <li>• Kotak Hybrid Fixed Term Plan Series 2</li> <li>• Kotak Equity Savings Fund</li> <li>• Kotak Balance</li> </ul>
Mr. Pankaj Tibrewal	36 Years	Mr. Pankaj Tibrewal is a Graduate in Commerce from St. Xavier's College Kolkata and holds Masters degree in Finance from Manchester University.	Mr. Pankaj Tibrewal has more than 9 years experience in fund management area. Prior to joining Kotak AMC, he was in the fund management team of Principal PNB Asset Management Private Ltd.	<ul style="list-style-type: none"> <li>• Kotak Midcap</li> <li>• Kotak Monthly Income Plan</li> <li>• Kotak Emerging Equity</li> </ul>

#### F. What are Investment Restrictions?

As per the Trust Deed read with the SEBI (MF) Regulations, the following investment restrictions apply in respect of the Schemes at the time of making investments.

1. The Scheme shall not invest more than 10% of its NAV in the equity shares or equity related instruments of any company.

Provided that, the limit of 10% shall not be applicable for investments in case of index fund or sector or industry specific scheme.

However this exemption will not apply to the Kotak Select Focus Fund since it is a multisector scheme.

2. The scheme shall not invest more than 5% of its NAV in the unlisted equity shares or equity related instruments.
3. The Mutual Fund under all its Scheme(s) shall not own more than 10% of any company's paid up capital carrying voting rights.
4. The Scheme shall not invest more than 15% of its NAV in debt instruments issued by a single issuer, which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the SEBI Act. Such investment limit may be extended to 20% of the NAV of the Scheme with the prior approval of the Trustee and the Board of the AMC.
  - Provided that such limit shall not be applicable for investments in government securities.
  - Provided further that investment within such limit can be made in mortgaged backed securitised debt, which are rated not below investment grade by a credit rating agency, registered with SEBI.
5. The Scheme shall not invest more than 10% of its NAV in unrated debt instruments, issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the Scheme. All such investments shall be made with the prior approval of the Trustee and the Board of the AMC.
6. The Scheme shall not invest more than 30% of its net assets

in money market instruments of an issuer.

Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.

7. Debentures irrespective of any residual maturity period (above or below 1 year) shall attract the investment restrictions as applicable for debt instruments as specified under Clause 1 and 1 A of Seventh Schedule to the Regulations.
8. The Scheme may invest in another scheme under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same AMC or in schemes under the management of any other asset management shall not exceed 5% of the net asset value of the Mutual Fund. However the aforesaid provision will not apply to fund of funds scheme.
9. The Scheme shall not make any investments in:
  - (a) any unlisted security of an associate or group company of the Sponsors; or
  - (b) any security issued by way of private placement by an associate or group company of the Sponsors; or
  - (c) the listed securities of group companies of the Sponsors which is in excess of 25% of the net assets.
10. The Scheme shall not invest in any Fund of Funds Scheme.
11. A fund of funds scheme shall be subject to the following investment restrictions:  
A scheme shall not invest its assets other than in schemes of mutual funds, except to the extent of funds required for meeting the liquidity requirements for the purpose of repurchases or redemptions, as disclosed in the Scheme Information Document of fund of funds scheme.
12. Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed only if:-
  - (a) such transfers are made at the prevailing market price for

quoted Securities on spot basis (spot basis shall have the same meaning as specified by Stock Exchange for spot transactions.)

- (b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

13. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

- Provided that the Mutual Fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI.
- Provided further that the Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.
- Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

14. No loans for any purpose may be advanced by the Mutual Fund and the Mutual Fund shall not borrow except to meet temporary liquidity needs of the Schemes for the purpose of payment of interest or dividends to Unit Holders, provided that the Mutual Fund shall not borrow more than 20% of the net assets of each of the Schemes and the duration of such borrowing shall not exceed a period of six months.

15. The Mutual Fund shall enter into transactions relating to Government Securities only in dematerialised form.

16. The mutual fund shall get the securities purchased / transferred in the name of the fund on account of the concerned scheme, where investments are intended to be of long term nature.

17. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, a mutual fund may invest them in short term deposits of schedule commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as may be amended from time to time.

18. In accordance with SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 and SEBI Circular no. CIR/IMD/DF/24/2012 dated November 19, 2012, in case of debt schemes, the total exposure to single sector shall not exceed 30% of the net assets of the scheme. However this limit is not applicable for investments in Bank CDs, CBLO, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks.

Provided that an additional exposure to financial services sector (over and above the limit of 30%) not exceeding 10% of the net assets of the scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only;

Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 30% of the net assets of the scheme or such other percentage of net assets of the scheme, as prescribed by SEBI from time to time.

Existing debt schemes shall comply with the aforementioned requirement within a period of one year from September 13, 2012. During this one year, total exposure of existing debt schemes in a particular sector shall not increase from the levels existing (if above 30%) as on September 13, 2012.

### Limits for investment in derivatives instruments

In accordance with SEBI circulars nos. DNP/Cir-29/2005 dated September 14, 2005, DNP/Cir-30/2006 dated January 20, 2006 and SEBI/DNP/Cir-31/2006 dated September 22, 2006, the following conditions shall apply to the Scheme's participation in the derivatives market. The investment restrictions applicable to the Scheme's participation in the derivatives market will be as prescribed or varied by SEBI or by the Trustees (subject to SEBI requirements) from time to time.

i. Position limit for the Mutual Fund in equity index options contracts

a. The Mutual Fund position limit in all equity index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in equity index option contracts, whichever is higher,.

b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for the Mutual Fund in equity index futures/stock futures contracts:

The Mutual Fund position limit in all equity index futures/stock futures contracts on a particular underlying index shall be Rs. 500 crore; or 15% of the total open interest in the market in equity index futures/stock futures contracts, whichever is higher,.

This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit for hedging.

In addition to the position limits at point (i) and (ii) above, Mutual Fund may take exposure in equity index derivatives subject to the following limits:

Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.

Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.

iv. Position limit for the Mutual Fund for stock based derivative contracts

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts, :-

For stocks having applicable market-wise position limit (MWPL) of Rs. 500 crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or Rs.300 crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or Rs. 150 crores, whichever is lower.

For stocks having applicable market-wise position limit (MWPL) less than Rs. 500 crores, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or Rs. 50 crore which ever is lower.

v. Position limit for the Scheme

The position limits for the Scheme and disclosure

requirements are as follows–

For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of the Mutual Fund shall not exceed the higher of: 1% of the free float market capitalisation (in terms of number of shares).

Or

5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).

This position limit shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.

For index based contracts, the Mutual Fund shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

#### **Exposure Limits:**

As per SEBI circular no. Cir/IMD/DF/11/2010 dated August 18, 2010 on "Review of norms for investment and disclosure by Mutual Funds in derivatives", the limits for exposure towards derivatives are as under:

1. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
2. Mutual Funds shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
4. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
5. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following :-
  - a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
  - b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
  - c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.

- d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
6. Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
7. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.
8. Exposure in derivative positions shall be computed as follows:

<b>Position</b>	<b>Exposure</b>
Long Future	Futures Price * Lot Size *
Short Future	Number of Contracts
Option bought	Futures Price * Lot Size *

As and when SEBI notifies amended limits in position limits for exchange traded derivative contracts in future, the aforesaid position limits, to the extent relevant, shall be read as if they were substituted with the SEBI amended limits.

The AMC may alter these above stated restrictions from time to time to the extent the SEBI (MF) Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective. The Trustee may from time to time alter these restrictions in conformity with the SEBI (MF) Regulations.

All investment restrictions shall be applicable at the time of making investment.

#### **Investments by the AMC in the Fund**

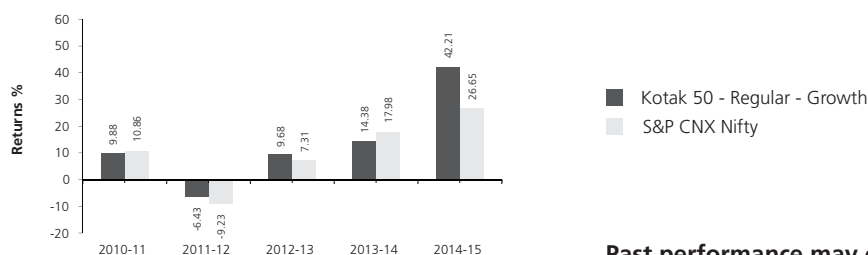
The AMC reserves the right to invest its own funds in the Scheme as may be decided by the AMC from time to time. Under the Regulations, the AMC is not permitted to charge any investment management and advisory services fee on its own investment in the Scheme.

## G. How have the schemes performed?

### Performance of the scheme as on March 31, 2015

Compounded Annualised Growth Returns (%)	Kotak 50 - Regular - Growth	S&P CNX Nifty
Returns for the last 1 Year	42.20	26.65
Returns for the last 3 Years	21.26	17.03
Returns for the last 5 Years	12.88	10.09
Since Inception (December 29, 1998)	24.54	18.71

#### Absolute Returns (%) for each financial year for the last 5 years

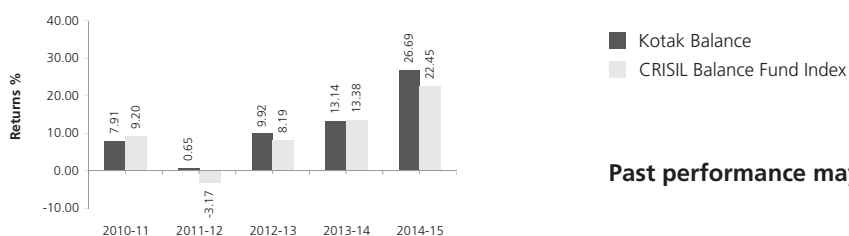


Past performance may or may not be sustained in future.

### Performance of the scheme as on March 31, 2015

Compounded Annualised Growth Returns (%)	Kotak Balance	CRISIL Balance Fund Index
Returns for the last 1 Year	26.07	22.53
Returns for the last 3 Years	16.35	14.54
Returns for the last 5 Years	11.29	9.74
Since Inception (November 25, 1999)	15.93	NA

#### Absolute Returns (%) for each financial year for the last 5 years

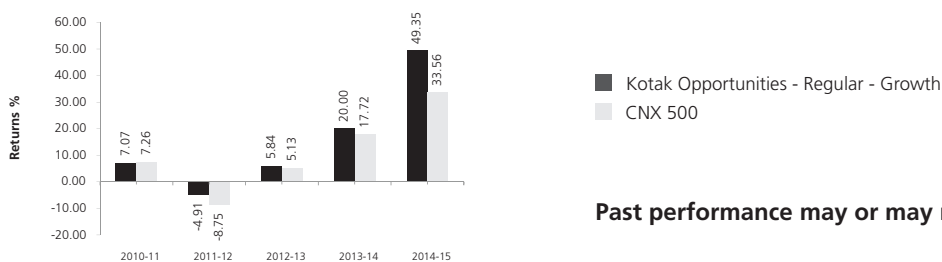


Past performance may or may not be sustained in future.

### Performance of the scheme as on March 31, 2015

Compounded Annualised Growth Returns (%)	Kotak Opportunities - Regular - Growth	CNX 500
Returns for the last 1 Year	49.35	33.56
Returns for the last 3 Years	23.77	18.22
Returns for the last 5 Years	14.05	10.09
Since Inception (September 9, 2004)	22.14	16.44

#### Absolute Returns (%) for each financial year for the last 5 years



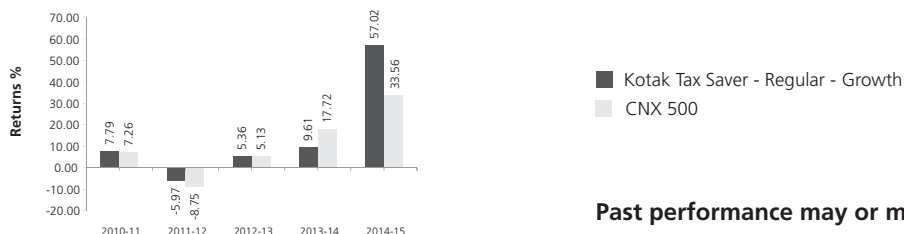
Past performance may or may not be sustained in future.



**Performance of the scheme as on March 31, 2015**

Compounded Annualised Growth Returns (%)	Kotak Tax Saver - Regular - Growth	CNX 500
Returns for the last 1 Year	57.02	33.56
Returns for the last 3 Years	21.92	18.22
Returns for the last 5 Years	12.90	10.09
Since Inception (November 23, 2005)	13.01	12.83

**Absolute Returns (%) for each financial year for the last 5 years**

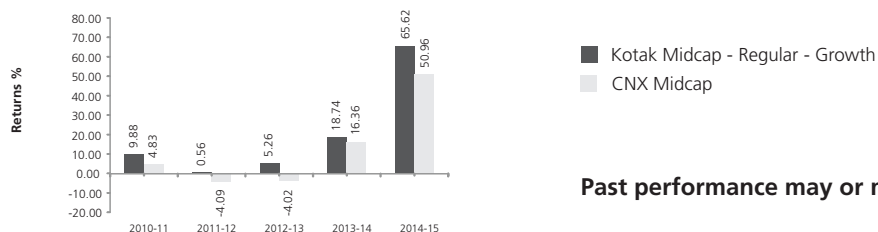


Past performance may or may not be sustained in future.

**Performance of the scheme as on March 31, 2015**

Compounded Annualised Growth Returns (%)	Kotak Midcap - Regular - Growth	CNX Midcap
Returns for the last 1 Year	65.62	50.96
Returns for the last 3 Years	27.42	19.00
Returns for the last 5 Years	17.90	11.02
Since Inception (February 24, 2005)	17.54	15.74

**Absolute Returns (%) for each financial year for the last 5 years**

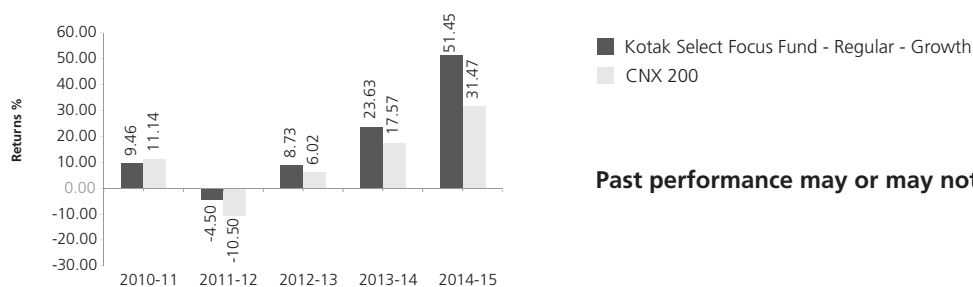


Past performance may or may not be sustained in future.

**Performance of the scheme as on March 31, 2015**

Compounded Annualised Growth Returns (%)	Kotak Select Focus Fund - Regular - Growth	CNX 200
Returns for the last 1 Year	51.45	31.47
Returns for the last 3 Years	26.71	17.88
Returns for the last 5 Years	16.30	10.03
Since Inception (September 11, 2009)	16.01	10.75

**Absolute Returns (%) for each financial year for the last 4 years**

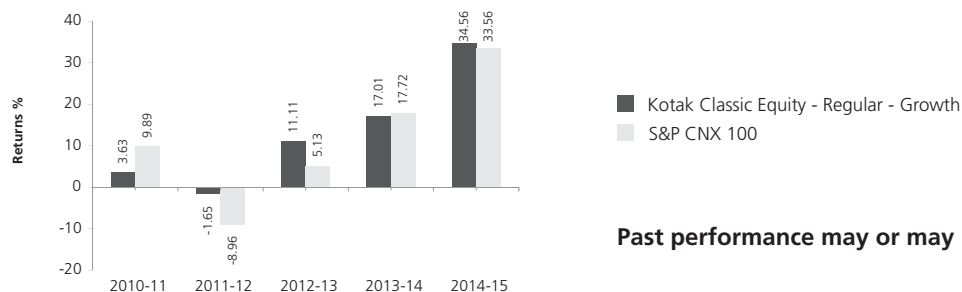


Past performance may or may not be sustained in future.

### Performance of the scheme as on March 31, 2015

Compounded Annualised Growth Returns (%)	Kotak Classic Equity - Regular - Growth	S&P CNX 100
Returns for the last 1 Year	34.56	33.56
Returns for the last 3 Years	20.47	18.22
Returns for the last 5 Years	12.23	10.09
Since Inception (July 27, 2005)	14.17	13.55

#### Absolute Returns (%) for each financial year for the last 5 years

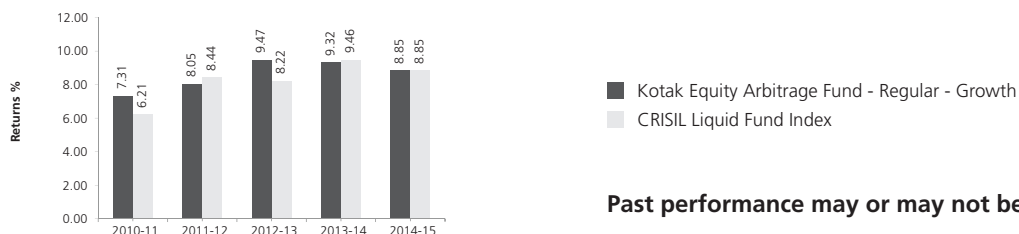


Past performance may or may not be sustained in future.

### Performance of the scheme as on March 31, 2015

Compounded Annualised Growth Returns (%)	Kotak Equity Arbitrage Fund - Regular - Growth	CRISIL Liquid Fund Index
Returns for the last 1 Year	8.85	8.98
Returns for the last 3 Years	9.20	8.89
Returns for the last 5 Years	8.59	8.26
Since Inception (September 29, 2005)	7.91	7.38

#### Absolute Returns (%) for each financial year for the last 5 years

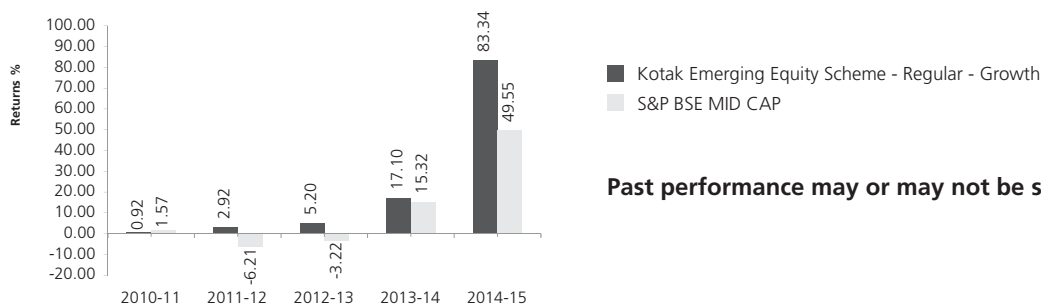


Past performance may or may not be sustained in future.

### Performance of the scheme as on March 31, 2015

Compounded Annualised Growth Returns (%)	Kotak Emerging Equity Scheme - Regular - Growth	S&P BSE Midcap
Returns for the last 1 Year	83.34	49.07
Returns for the last 3 Years	31.17	22.16
Returns for the last 5 Years	18.51	11.63
Since Inception (March 30, 2007)	12.54	15.33

#### Absolute Returns (%) for each financial year for the last 5 years

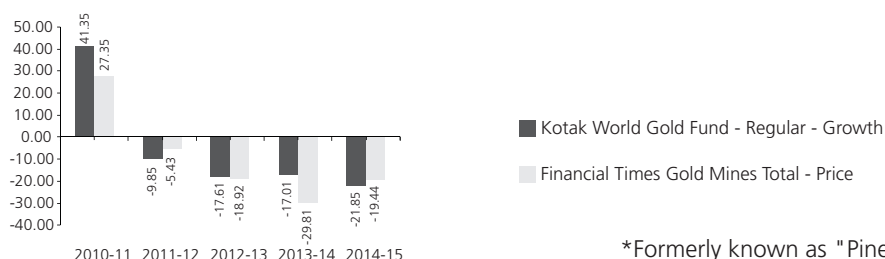


Past performance may or may not be sustained in future.

### Performance of the scheme as on March 31, 2015

Compounded Annualised Growth Returns (%)	Kotak World Gold Fund - Regular - Growth	Financial Times Gold Mines Total - Price
Returns for the last 1 Year	22.71	19.44
Returns for the last 3 Years	19.14	22.89
Returns for the last 5 Years	7.60	10.85
Since Inception (June 12, 2008)	4.22	6.19

#### Absolute Returns (%) for each financial year for the last 5 years

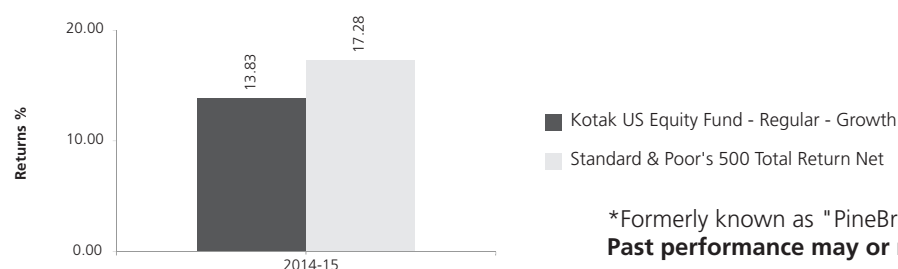


\*Formerly known as "PineBridge World Gold Fund"  
**Past performance may or may not be sustained in future.**

### Performance of the scheme as on March 31, 2015

Compounded Annualised Growth Returns (%)	Kotak US Equity Fund - Regular - Growth	Standard & Poor's 500 Total Return Net
Returns for the last 1 Year	13.83	17.28
Since Inception (December 20, 2013)	10.36	10.60

#### Absolute Returns (%) for each financial year for the last 1 years

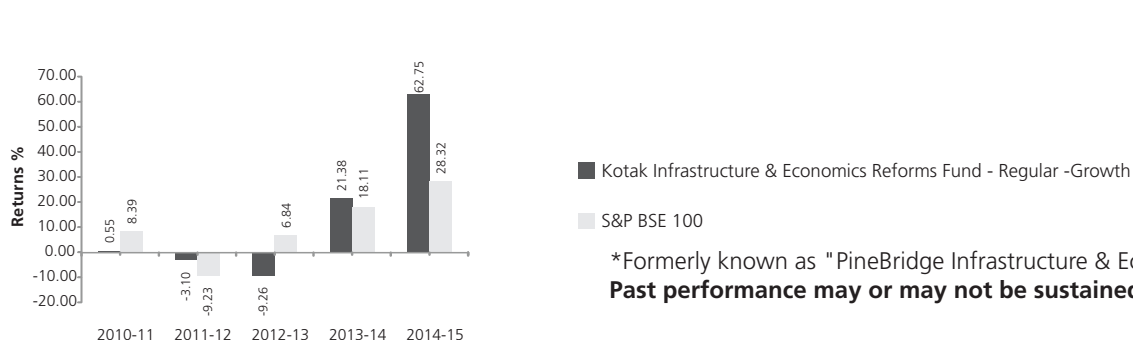


\*Formerly known as "PineBridge India - US Equity Fund"  
**Past performance may or may not be sustained in future.**

### Performance of the scheme as on March 31, 2015

Compounded Annualised Growth Returns (%)	Kotak Infrastructure & Economics Reforms Fund - Regular -Growth	S&P BSE 100
Returns for the last 1 Year	62.75	28.32
Returns for the last 3 Years	21.46	17.41
Returns for the last 5 Years	11.66	9.79
Since Inception (February 25, 2008)	6.55	6.68

#### Absolute Returns (%) for each financial year for the last 5 years



\*Formerly known as "PineBridge Infrastructure & Economic Reform Fund"  
**Past performance may or may not be sustained in future.**

## IV. UNITS AND OFFER

This section provides details you need to know for investing in the scheme.

### A. ONGOING OFFER DETAILS

<p><b>Ongoing Offer Period</b></p> <p>This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.</p>	<table border="1"> <tr> <td>Kotak Mahindra 50 Unit Scheme (Kotak 50)</td> <td>January 21, 1999</td> </tr> <tr> <td>Kotak Mahindra Balance Unit Scheme 99 (Kotak Balance)</td> <td>November 29, 1999</td> </tr> <tr> <td>Kotak Opportunities</td> <td>September 10 2004</td> </tr> <tr> <td>Kotak Midcap Scheme</td> <td>February 25, 2005</td> </tr> <tr> <td>Kotak Classic Equity</td> <td>July 27, 2005</td> </tr> <tr> <td>Kotak Equity Arbitrage Scheme</td> <td>October 3, 2005</td> </tr> <tr> <td>Kotak Tax Saver</td> <td>November 25, 2005</td> </tr> <tr> <td>Kotak Select Focus Fund</td> <td>September 11, 2009</td> </tr> <tr> <td>Kotak Emerging Equity Scheme</td> <td>Scheme converted to an open ended scheme on: March 31, 2010</td> </tr> <tr> <td>Kotak Infrastructure &amp; Economic Reform Fund (formerly known as "PineBridge Infrastructure &amp; Economic Reform Fund")</td> <td>February 27, 2008</td> </tr> <tr> <td>Kotak World Gold Fund (formerly known as "PineBridge World Gold Fund")</td> <td>June 12, 2008</td> </tr> <tr> <td>Kotak US Equity Fund (formerly known as "PineBridge India – US Equity Fund")</td> <td>December 20, 2013</td> </tr> </table>	Kotak Mahindra 50 Unit Scheme (Kotak 50)	January 21, 1999	Kotak Mahindra Balance Unit Scheme 99 (Kotak Balance)	November 29, 1999	Kotak Opportunities	September 10 2004	Kotak Midcap Scheme	February 25, 2005	Kotak Classic Equity	July 27, 2005	Kotak Equity Arbitrage Scheme	October 3, 2005	Kotak Tax Saver	November 25, 2005	Kotak Select Focus Fund	September 11, 2009	Kotak Emerging Equity Scheme	Scheme converted to an open ended scheme on: March 31, 2010	Kotak Infrastructure & Economic Reform Fund (formerly known as "PineBridge Infrastructure & Economic Reform Fund")	February 27, 2008	Kotak World Gold Fund (formerly known as "PineBridge World Gold Fund")	June 12, 2008	Kotak US Equity Fund (formerly known as "PineBridge India – US Equity Fund")	December 20, 2013
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<p><b>Ongoing price for subscription (purchase)/switch-in</b></p> <p>This is the price you need to pay for purchase/switch-in.</p>	At the applicable NAV.																								
<p><b>Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors.</b></p> <p>This is the price you will receive for redemptions/switch outs.</p> <p>Example: If the applicable NAV is Rs. 10, exit load is 2% then redemption price will be: <math>Rs. 10 * (1 - 0.02) = Rs. 9.80</math></p>	<p>The redemption will be at Applicable NAV based prices, subject to applicable exit load; if any.</p> <p>As required under the Regulations, the Fund will ensure that the Redemption Price is not lower than 93% of the NAV and the Purchase Price is not higher than 107% of the NAV, provided that the difference between the Redemption Price and Purchase Price of the Units shall not exceed the permissible limit of 7% of the Purchase Price, as provided for under the Regulations.</p>																								
<p><b>Cut off timing for subscriptions/ redemptions/ switches</b></p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p><b>Applicable NAV for Purchases/Switch-ins</b></p> <p>a) For amounts greater than or equal to Rs. 2 lakhs:</p> <ul style="list-style-type: none"> <li>(i) In respect of valid applications received upto 3.00 p.m. on a business day and entire amount is available in the mutual fund's account for utilization before the cut off time of the same day – closing NAV of the day of receipt of application;</li> <li>(ii) In respect of valid applications received after 3.00 p.m. on a business day and the entire amount is available in the mutual fund's account for utilization before cut off time of the next business day – the closing NAV of the next business day;</li> <li>(iii) Irrespective of the time of receipt of the application where the entire amount is available in Mutual fund's account for utilization before cut off time on any subsequent business day – units will be allotted at such subsequent business day's NAV.</li> </ul> <p>b) For amounts less than Rs. 2 lakhs:</p> <ul style="list-style-type: none"> <li>(i) In respect of valid applications received upto 3.00 p.m. with a local cheque or demand draft payable at par at the place where it is received – closing NAV of the day of receipt of application;</li> <li>(ii) In respect of valid applications received after 3.00 p.m. with a local cheque or</li> </ul>																								

	<p>demand draft payable at par at the place where it is received – closing NAV of the next business day.</p> <p>Notes:</p> <ol style="list-style-type: none"> <li>1. It is clarified that switches will be considered as redemption in the switch out scheme and purchase / subscription in the switch in scheme considering the value of the transactions.</li> <li>2. Cheques received on a business day may be deposited with the primary bankers of the respective location on the next business day. NAV shall be as per the applicable NAV mentioned above. To enable early sighting of funds by the schemes, investors are requested to avail of electronic facilities like RTGS / NEFT in respect of subscriptions and submit the proof of transfer of funds alongwith their applications. AMC shall not be responsible for any delay on account of banking clearance or circumstances which are beyond the control of AMC.</li> </ol> <p><b>Applicable NAV for Redemption/ Switch outs</b></p> <ol style="list-style-type: none"> <li>a) where the application received upto 3.00 pm – closing NAV of the day of receipt of application; and</li> <li>b) an application received after 3.00 pm – closing NAV of the next business day.</li> </ol> <p>Further, where the AMC or the Registrar has provided a facility to the investors to redeem /switch-out of the Scheme through the medium of Internet by logging onto specific web-sites or any other facilities offered by the AMC and where investors have signed up for using these facilities, the Applicable NAVs will be as provided above.</p> <p><b>Pursuant to AMFI circular no. 135/BP/35/2012-13 dated February 18, 2013, the following practice of aggregating split transactions is made applicable from March 4, 2013 and accordingly the closing NAV of the day on which the funds are available for utilization shall be applied where the aggregated amount of investments is Rs. 2 lacs and above as under:</b></p> <ol style="list-style-type: none"> <li>a. All transactions received on the same day (as per Time stamp rule).</li> <li>b. Transactions will include purchases, additional purchases, excluding Switches, SIP/STP and triggered transactions.</li> <li>c. Aggregations will be done on the basis of investor/s PAN. In case of joint holding, transactions with similar holding structures will be aggregated.</li> <li>d. All transactions will be aggregated where investors holding pattern is same as stated above, irrespective of whether the amount of the individual transaction is above or below Rs 2 lacs.</li> <li>e. Only transactions in the same scheme will be clubbed. This will include transactions at option level (Dividend and Growth).</li> <li>f. Transactions in the name of minor received through guardian will not be aggregated with the transaction in the name of same guardian.</li> </ol>
<p><b>Where can the applications for purchase/redemption switches be submitted?</b></p>	<p>Applications can be made either by way of a “Regular Application or Transaction slip” along with a cheque/DD or fund transfer instruction. The Fund may introduce other newer methods of application which will be notified as and when introduced. Investors should complete the Application Form and deliver it along with a cheque/draft (i.e. in case of “Regular Application”) or fund transfer instructions at any of the official points of acceptance of transactions listed below,</p> <p>First time investments can be made only by way of duly filled in application form.</p>



	<p>(1) At the Official points of acceptance of transactions as given on the back cover of this document.</p> <p>(2) For investments through switch transactions, transaction slip with application forms can be submitted at the AMC branches and CAMS Investor Service Centres &amp; branches given in the last page.</p>
<p><b>Direct Plan</b></p>	<p>With effect from January 1, 2013, all schemes covered in this document will have two plans viz, Direct Plan and Regular Plan</p> <p>Regular Plan: This Plan is for investors who wish to route their investment through any distributor.</p> <p>Direct Plan: This Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.</p> <p>The portfolio of both plans will be unsegregated.</p> <p>All characteristics such as Investment Objective, Asset Allocation Pattern, Investment Strategy, risk factors, minimum investment amount, additional investment amount, availability of options including sub options, SIP/STP/SWP/DTP facilities offered and terms and conditions including load structure will be the same for Direct Plan and Regular Plan. Except that</p> <ul style="list-style-type: none"> <li>(a) Switch of investments from Regular Plan, where the transaction has been received with broker code (whether the investments were made before or after the January 1, 2013) to Direct Plan shall be subject to applicable exit load, if any.</li> <li>(b) No exit load shall be levied: <ul style="list-style-type: none"> <li>(i) in case of switch of investment from Regular Plan, where transaction has been received without broker code (whether the investments were made before or after the January 1, 2013) to Direct Plan.</li> <li>(ii) in case of switch of investments from Direct Plan to Regular Plan.</li> </ul> </li> </ul> <p>Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan.</p> <p><b>Investments through systematic routes:</b> In case of Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP), etc registered prior to the January 1, 2013 without any distributor code under the Regular Plan, installments falling on or after February 1, 2013 will automatically be processed under the Direct Plan. However, investors who intend to continue with their future installments in Regular Plan, may opt to do so by submitting a written request to AMC before February 1, 2013.</p> <p>Investors who had registered for SIP/STP facility prior to January 1, 2013 with distributor code and wish to invest their future installments into the Direct Plan, shall make a written request to the Fund in this behalf. The Fund will take at least 15 days to process such requests. Intervening installments will continue in the Regular) Plan.</p> <p>The terms and conditions of the existing registered enrolment shall continue to apply.</p> <p><b>Redemption/Switch requests:</b> Where Units under a Scheme are held under both Direct Plan and Regular Plan, investors should clearly mention the plan from which redemption/switch requests are to be processed. If the investor does not mention the plan then the application may be rejected.</p>

Minimum application amount	Minimum application amount for purchases			
	Scheme	Initial Purchase (Non- SIP)	Additional Purchase (Non- SIP)	SIP Purchase
	<b>Kotak 50</b> (Regular and Direct plan)	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)
	<b>Kotak Balance</b> (Regular Plan and Direct Plan)	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)
	<b>Kotak Opportunities</b> (Regular Plan and Direct Plan)	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)
	<b>Kotak Midcap</b> (Regular and Direct plan)	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)
	<b>Kotak Classic Equity</b> (Regular and Direct plan)	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)
	<b>Kotak Equity Arbitrage Scheme</b> (Regular and Direct plan)	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 500/- (Subject to a minimum of 10 SIP installments of Rs. 500/- each)
	<b>Kotak Tax Saver</b> (Regular and Direct plan)	Rs. 500/- and in multiples of Rs. 500 for purchases	Rs. 500/- and in multiples of Rs. 500 for purchases	Rs. 500/- and in multiples of Rs. 500 for purchases
	<b>Kotak Select Focus Fund</b> (Regular and Direct plan)	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 500/- (Subject to a minimum of 10 SIP installments of Rs. 500/- each)
	<b>Kotak Emerging Equity Scheme</b> (Regular and Direct plan)	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)
	<b>Kotak Infrastructure &amp; Economic Reform Fund</b> (Regular and Direct plan)	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)
	<b>Kotak World Gold Fund</b> (Regular and Direct plan)	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)
	<b>Kotak US Equity Fund</b> (Regular and Direct plan)	Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches	Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each)
	<b>Minimum amount for redemption: (common for all schemes)</b> <ul style="list-style-type: none"> <li>• In Rupees (Non- SWP/STP) - Rs. 1000/- (in case of Tax Saver (Non- SWP/STP) – Rs. 500)</li> <li>• In Units (Non- SWP/STP) - 100 units</li> <li>• In Rupees (Non- SWP/STP) - Rs. 1000/- or entire appreciation /- (in case of Tax Saver (Non- SWP/STP) – Rs. 500 or entire appreciation)</li> </ul>			
<b>Minimum balance to be maintained</b>	If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme. (common for all the schemes except Kotak Tax Saver where the redemption will be processed after expiry of lock in period of 3 years).			

	<p>In case of Units held in dematerialized mode, the redemption request can be given only in number of units and the provision pertaining to minimum repurchase amount / units and minimum balance shall not be applicable to such investors.</p>
<p><b>Who can invest</b></p> <p><b>This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.</b></p>	<p>The following are eligible to apply for purchase of the Units:</p> <ul style="list-style-type: none"> <li>• Resident Indian Adult Individuals, either singly or jointly (not exceeding three).</li> <li>• Parents/Lawful guardians on behalf of Minors.</li> <li>• Companies, corporate bodies, registered in India.</li> <li>• Registered Societies and Co-operative Societies authorised to invest in such Units.</li> <li>• Religious and Charitable Trusts under the provisions of 11(5) of the Income Tax Act, 1961 read with Rule 17C of the Income Tax Rules, 1962.</li> <li>• Trustees of private trusts authorised to invest in mutual fund schemes under their trust deeds.</li> <li>• Partner(s) of Partnership Firms.</li> <li>• Association of Persons or Body of Individuals, whether incorporated or not.</li> <li>• Hindu Undivided Families (HUFs).</li> <li>• Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions and Investment Institutions.</li> <li>• Non-Resident Indians/Persons of Indian origin resident abroad (NRIs) on full repatriation or non-repatriation basis.</li> <li>• Other Mutual Funds registered with SEBI. (not applicable for Kotak World Gold Scheme)</li> <li>• Foreign Institutional Investors (FIIs) or sub-accounts of FII's registered with SEBI.</li> <li>• International Multilateral Agencies approved by the Government of India.</li> <li>• Army/Navy/Air Force, Para-Military Units and other eligible institutions.</li> <li>• Scientific and Industrial Research Organizations.</li> <li>• Provident/Pension/Gratuity and such other Funds as and when permitted to invest.</li> <li>• Public Financial Institution as defined under the Companies Act 2013.</li> <li>• Universities and Educational Institutions.</li> <li>• Foreign Portfolio Investor</li> <li>• Other schemes of Kotak Mahindra Mutual Fund may, subject to the conditions and limits prescribed in the SEBI Regulations and/or by the Trustee, AMC or Sponsor, subscribe to the Units under the Scheme.</li> </ul> <p>The list given above is indicative and the applicable law, if any, shall supersede the list.</p> <p>The following investors cannot invest in the Scheme:</p> <ul style="list-style-type: none"> <li>• U.S. Persons and Residents of Canada</li> </ul> <p>It may be noted that:</p> <ol style="list-style-type: none"> <li>a. No fresh purchases (including Systematic Investment Plans and Systematic Transfer Plans)/additional purchases/switches in any Schemes of our Mutual Fund would be allowed. However, existing Unit Holder(s) will be allowed to redeem their units from the Schemes of the Mutual Fund.</li> <li>b. If an existing Unit Holder(s) subsequently becomes a U.S. Person or Resident of Canada, then such Unit Holder(s) will not be able to purchase any additional Units in any of the Scheme of the Fund. It shall be the obligation of the Unitholder to notify such change in his/her/its status to the AMC/Mutual Fund.</li> <li>c. All existing registered Systematic Investment Plans and Systematic Transfer Plans along with related mandates would cease from the effective date;</li> <li>d. In case Kotak Mutual Fund/Kotak AMC subsequently identifies that the subscription amount is received after the effective date from U.S. Person(s) or Resident(s) of Canada, in that case the AMC/Mutual Fund at its discretion shall redeem all the units held by such person from the Scheme of the Mutual Fund at applicable Net Asset Value.</li> </ol> <p>The Trustee/AMC reserves the right to change/modify the provisions mentioned above at a later date.</p>
<p><b>How to Apply</b></p>	<p>Application form and Key Information Memorandum may be obtained from the offices of AMC or Investor Services Centers of the Registrar or distributors or downloaded from Investors are also advised to refer to Statement of Additional Information before submitting the application form.</p> <p>All cheques and drafts should be crossed "Account Payee Only" and drawn in favour the scheme name in which investment is intended to be made.</p> <p>Any application may be accepted or rejected at the sole and absolute discretion of the Trustee.</p> <p>Please refer to the SAI and Application form for the instructions.</p>

<p><b>Non acceptance of Third Party Cheques</b></p>	<p>Third Party Cheques will not be accepted by the Scheme.</p> <p><b>Definition of Third Party Cheques</b></p> <ul style="list-style-type: none"> <li>• Where payment is made through instruments issued from an account other than that of the beneficiary investor, the same is referred to as Third-Party payment.</li> <li>• In case of a payment from a joint bank account, the first holder of the mutual fund folio has to be one of the joint holders of the bank account from which payment is made. If this criterion is not fulfilled, then this is also construed to be a third party payment.</li> </ul> <p>However, afore-mentioned clause of investment with Third-Party Payment shall not be applicable for the below mentioned exceptional cases.</p> <ol style="list-style-type: none"> <li>1) Payment by Parents/Grand-Parents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs.50,000/- (each regular purchase or per SIP installment). However this restriction will not be applicable for payment made by a guardian whose name is registered in the records of Mutual Fund in that folio.</li> <li>2) Payment by Employer on behalf of employee under Systematic Investment Plans or lump sum / one-time subscription, through Payroll deductions. AMC shall exercise extra due diligence in terms of ensuring the authenticity of such arrangements from a fraud prevention and KYC perspectives.</li> <li>3) Custodian on behalf of an FII or a client.</li> </ol> <p>For pre funded instruments such as DD/Pay order it is the onus of the investor to provided adequate supporting documents to prove that such instruments are issued by debiting the first holders account.</p> <p>Kotak Mahindra Asset Management Co. Ltd. / Trustee retains the sole and absolute discretion to reject/ not process application and refund subscription money if the subscription does not comply with the specified provisions of Payment Instruments.</p>
<p><b>Listing</b></p>	<p>Since the Schemes are open-ended, it is not necessary to list the Units of the Schemes on any exchange. Liquidity is ensured to investors by the purchase and sale of Units from/to the Fund at prices related to the relevant Applicable NAV for the purpose of purchasing or redeeming Units from the Fund.</p> <p>The Trustee, however, has the right to list the Units under any of the Schemes on any stock exchange/s for better distribution and additional convenience to existing/prospective Unitholders. Even if the Units are listed, the Fund shall continue to offer purchase and redemption facility as specified in this scheme information document. Any listing will come only as an additional facility to investors who wish to use the services of a stock exchange for the purpose of transacting business in the Units of the Schemes.</p>
<p><b>Transaction Charges</b></p>	<p>Pursuant to SEBI Circular No. Cir/IMD/DF/13/2011 dated August 22, 2011, transaction charge per subscription of Rs. 10,000/- and above be allowed to be paid to the distributors of the Kotak Mahindra Mutual Fund products. The transaction charge shall be subject to the following:</p> <ol style="list-style-type: none"> <li>(a) For existing investors (across mutual funds), the distributor shall be paid Rs. 100/- as transaction charge per subscription of Rs.10,000/- &amp; above.</li> <li>(b) For first time investors, (across Mutual Funds), the distributor may be paid Rs. 150/- as transaction charge for subscription of Rs.10,000/- &amp; above.</li> <li>(c) The transaction charge shall be deducted by Kotak AMC from the subscription amount &amp; paid to the distributor (will be subject to statutory levies, as applicable) &amp; the balance amount shall be invested.</li> <li>(d) In case of Systematic Investment Plan(s), the transaction charge shall be applicable only if the total commitment through SIPs amounts to Rs.10,000/- &amp; above. In such cases the transaction charge shall be recovered in first 3/4 successful installments.</li> </ol> <p>Identification of investors as "first time" or "existing" will be based on Permanent Account Number (PAN) at the First/ Sole Applicant/ Guardian level. Hence, Unit holders are urged to ensure that their PAN / KYC is updated with the Fund. Unit holders may approach any of the Official Points of Acceptances of the Fund i.e. Investor Service Centres (ISCs) of the Fund/ offices of our Registrar and Transfer Agent, M/s. Computer Age Management Services Pvt. Ltd in this regard.</p>

	<p>The statement of accounts shall clearly state that the net investment as gross subscription less transaction charge and give the number of units allotted against the net investment.</p> <p><b>Transaction charges shall not be deducted/applicable for:</b></p> <ol style="list-style-type: none"> <li>(1) Transaction other than purchases/subscriptions such as Switch/Systematic Transfer Plan (STP)/Dividend Transfer Plan (DTP),etc.;</li> <li>(2) Purchases/Subscriptions made directly with the Fund without any ARN code.</li> <li>(3) Transactions carried out through the stock exchange platforms.</li> <li>(4) Distributors who have chosen to 'Opt Out' of charging the transaction charge based on type of the product.</li> </ol> <p>In accordance with the SEBI circular no. SEBI/IMD/CIR No. 4/ 168230/09, dated June 30, 2009, upfront commission to distributors shall be paid by the investor directly to the distributor by a separate cheque based on his assessment of various factors including the service rendered by the distributor.</p>						
<p><b>Special Products available</b></p>	<p>The Following facilities are available under the Schemes</p> <ol style="list-style-type: none"> <li>1. Systematic Investment Plan, Systematic Withdrawal Plan ( In case of Kotak Tax Saver, available after lock in period of three years) <ol style="list-style-type: none"> <li>a. SIP Booster Facility</li> </ol> </li> <li>2. Systematic Transfer Plan (In case of Kotak Tax Saver, available after lock in period of three years)</li> <li>3. Dividend Transfer Plan (DTP)</li> <li>4. Switching</li> <li>5. Dollar \$IP (This facility is available in Kotak India US Equity Fund only)</li> </ol> <p><b>Systematic Investment Plan (SIP):</b></p> <p>This facility enables investors to save and invest periodically over a longer period of time. It is a convenient way to "invest as you earn" and affords the investor an opportunity to enter the market regularly, thus averaging the acquisition cost of Units. Any Unitholder can avail of this facility subject to certain terms and conditions contained in the Application Form. The Fundamental Attributes and other terms and conditions regarding purchase/redemption, price and related matters are the same as contained in this SID.</p> <p>The first SIP can be for any date of the month on which a NAV is declared in the scheme. In respect of the second and all subsequent SIPs, investors can choose any one date:</p> <table border="1" data-bbox="611 1227 1481 1431"> <thead> <tr> <th>Scheme name</th> <th>SIP dates</th> </tr> </thead> <tbody> <tr> <td>For all schemes except Kotak Select Focus Fund and Kotak Equity Arbitrage Fund</td> <td>1st, 7th, 14th, 21st or 25th</td> </tr> <tr> <td>For Kotak Select Focus Fund and Kotak Equity Arbitrage Fund</td> <td>1st, 7th, 10th, 14th, 15th, 21st, 25th &amp; 28th</td> </tr> </tbody> </table> <p>in case of these above days fall on non-business day the transaction will be effected on the next business day of the scheme and can also choose the SIP frequency as monthly or quarterly subject however, to the condition that there shall be a minimum gap of 28 days between the first and the second SIP. The aforesaid minimum gap shall be applicable only for SIPs registered via direct / auto debit. The minimum SIP installment amount is Rs. 1000/- for all schemes except for Kotak Tax Saver where the minimum SIP amount is Rs. 500/-.</p> <p>The SIP request should be for a minimum of 6 months / quarters. The SIP payments can be made either by issue of Post Dated Cheques or by availing the Auto Debit Facility through ECS (available in select locations only) or by availing the Direct Debit Facility / Standing Instructions Facility (Unitholders may check with their bankers for availability of this facility). However, the first investment in SIP through the Auto Debit Facility or Direct Debit Facility needs to be made compulsorily by issuance of a cheque from the account from which the Auto Debit / Direct Debit is requested. Investors can also submit SIP applications along with cancelled cheque leaf of the account from where the investor intends to commence the SIP.</p> <p>If the first SIP investment is through a demand draft or pay order or the initial investment cheque is drawn from a bank account, other than the bank account mentioned in the SIP mandate, the investor has to ensure that the bank details and signatures are attested by the banker of the bank from where the SIP is initiated. Alternatively the investors should provide a copy of the cancelled cheque leaf of the bank account from where the</p>	Scheme name	SIP dates	For all schemes except Kotak Select Focus Fund and Kotak Equity Arbitrage Fund	1st, 7th, 14th, 21st or 25th	For Kotak Select Focus Fund and Kotak Equity Arbitrage Fund	1st, 7th, 10th, 14th, 15th, 21st, 25th & 28th
Scheme name	SIP dates						
For all schemes except Kotak Select Focus Fund and Kotak Equity Arbitrage Fund	1st, 7th, 14th, 21st or 25th						
For Kotak Select Focus Fund and Kotak Equity Arbitrage Fund	1st, 7th, 10th, 14th, 15th, 21st, 25th & 28th						

investor intends to do the SIP.

The load structure applicable for each installment will be as per the load structure applicable at the time of registration of SIP. Changes in load structure effected by the AMC after that date may not be applicable unless stated specifically.

SIP facility is available on MFSS/BSE StAR platform also please refer to the information mentioned under "Special Consideration".

**SIP Booster Facility:**

**Description:** It is a facility whereby an investor has an option to increase the amount of the SIP Installment by a fixed amount at pre-defined intervals. . This will enhance the flexibility of the investor to invest higher amounts during the tenure of the SIP.

**Frequency:** Half Yearly Basis and Yearly Basis.

**Functionality of frequency:**

The installment amount can be increased on a Half-Yearly and/or Yearly basis i.e. on completion of 6 months/1 year from the commencement of the first SIP.

SIP Frequency	SIP Booster Frequency	Default	Min Amount
Monthly	Half Yearly / Yearly	Yearly	Rs. 500 & in multiples of Rs. 500 thereof
Quarterly	Half Yearly / Yearly	Yearly	Rs. 500 & in multiples of Rs. 500 thereof

**Other Terms:**

- SIP Booster Facility shall be available with fresh registration of SIP only. If an existing investor wants to opt for SIP Booster facility, the existing SIP is required to be cancelled and a fresh SIP investment with SIP Booster Facility is required to be submitted.
- SIP Booster Facility will be available for all open-ended schemes of Kotak Mutual Fund where SIP facility is being currently offered.
- Investors opting for this facility, need to duly fill-in the SIP Booster Facility section of SIP Form along-with the other requisite SIP related information.
- For complete details regarding the SIP with SIP Booster facility please refer to SIP Auto Debit Form with SIP booster facility.
- All other terms & conditions applicable for regular SIP will also be applicable to SIP Booster SIP

Illustration explaining the SIP Booster facility:

- SIP period: 01-Jan-2012 to 01-Dec-2013 (2 years)
- Monthly SIP Amount: Rs 2000
- Top-up Amount Rs 1000
- Top-up frequency: Half-yearly

Installment Period	From Date	To Date	Monthly SIP Amount	SIP Booster Amount	Final monthly SIP amount
1 to 6	01-Jan-12	01-Jun-12	2000	Not Applicable	2000
7 to 12	01-Jul-12	01-Dec-12	2000	1000	3000
13 to 18	01-Jan-13	01-Jun-13	3000	1000	4000
19 to 24	01-Jul-13	01-Dec-13	4000	1000	5000

**Note:** In the above table, Monthly SIP Installment Amount increases by SIP Booster amount of Rs 1,000 at halfyearly intervals.

The Trustee/AMC reserves the right to change/modify the provisions mentioned facility at a later date.

**Systematic Withdrawal Plan:**

This facility enables the Unitholders to withdraw (subject to deduction of tax at source, if any) sums from their investments in Scheme at periodic intervals through a one-time request. The withdrawals can be made either Monthly (on 1st, 7th, 14th, 21st or 25th of every month) or Quarterly (on 1st, 7th, 14th, 21st or 25th, as the case may be. In case any of these days fall on non-business day the transaction will be effected on the next business day of the scheme. SWP registration needs to be submitted to the Registrar/ AMC 7 days prior to the date of commencement of SWP. In case the SWP



commencement date is less than 7 days from the date of submission of registration form and the date opted for, then the same would be registered for the next cycle. The AMC reserves the right to process the SWP registration request received for a period lesser than 7 days in the interest of unit holders.

Example: for Monthly SWP if the SWP date opted is 7th of every month from 7th January and submitted on 3rd January then the registration of this SWP will be from 7th February onwards.

This facility is available in two options to the Unitholders:

**Fixed Option:** Under this option, the Unitholder can seek redemption of a fixed amount of not less than Rs. 1000 from his Unit account. In this option the withdrawals will commence from the Start Date (being one of the dates indicated above) mentioned by the Unitholder in the Application Form for the facility. The Units will be redeemed at the Applicable NAV of the respective dates on which such withdrawals are sought. If the net asset value of the units outstanding on the withdrawal date is insufficient to process the withdrawal request, then the entire outstanding units will be processed. And if the available balance falls below Rs 1000 after processing of the last SWP installment then the entire amount will be processed along the last SWP installment.

**Appreciation Option:** Under this option, the Unitholder can seek redemption of an amount equal to a periodic appreciation on the investment.

The Unitholder redeems only such number of Units, which when multiplied by the Applicable NAV is, in amount terms equal to the appreciation in his investment over the last month / quarter.

The investor would need to indicate in his systematic withdrawal request, the commencement / start date from which the appreciation in investment value should be computed. The withdrawal will commence after one month/quarter (as requested by the investor) from the commencement / start date mentioned by the Unitholder in the Application Form and can, at the investor's discretion be on 1st, 7th, 14th, 21st or 25th of the month / quarter.

The Units will be redeemed at the Applicable NAV of the respective dates on which such withdrawals are sought. In case the investor purchases additional Units, the withdrawal amount would include the appreciation generated on such Units as well. In the absence of any appreciation, the redemption under this option will not be made.

For both fixed and appreciation option, the provision of minimum redemption amount / units will not be applicable for redemption made under this facility.

#### **Systematic Transfer Plan (STP)**

This facility enables the Unitholders to switch an amount from their existing investments in a Scheme/Plan/Option to another Scheme/Plan/Option of the Fund, which is available for investment at that time, at periodic intervals through a one-time request. The switch can be made weekly, monthly or quarterly. Under this facility the switch by the Unitholders should be within the same account/ folio number. The withdrawals can be made either Weekly or Monthly or Quarterly (on any business day). The amount so switched shall be reinvested in the other scheme / plan and accordingly, to be effective, the systematic transfer must comply with the redemption rules of transferor scheme and the issue rules of transferee scheme (e.g. exit / entry load etc)

STP registration needs to be submitted to the Registrar/ AMC 7 days prior to the date of commencement of STP. In case the STP commencement date is less than 7 days from the date of submission of registration form and the date opted for, then the same would be registered for the next cycle. The AMC reserves the right to process the STP registration request received for a period lesser than 7 days in the interest of unit holders.

Example: for Monthly STP if the STP date opted is 7th of every month from 7th January and submitted on 3rd January then the registration of this STP will be from 7th February onwards.

This facility offers two options to the Unitholders:

**Fixed Option:** Under this option, the Unitholder can switch fixed amount of not less than Rs. 1000/- from his Unit account. In this option the switch will commence from the Start Date mentioned by the Unitholder in the application form for the facility. The Units in the Scheme/Plan/Option from which the switch - out is sought will be redeemed at the Applicable NAV of the Scheme/Plan/Option on the respective dates on which such switches are sought and the new Units in the Scheme/Plan/Option to which the switch -

in is sought will be created at the Applicable NAV of such Scheme/Plan/Option on the respective dates. If the net asset value of the units outstanding on the transfer date is insufficient to process the withdrawal request, then the entire outstanding units will be processed. And if the available balance falls below Rs 1000 after processing of the last STP installment, then the entire amount will be processed along the last STP installment.

**Appreciation Option:** Under this option, the Unitholder can seek switch of an amount equal to the periodic appreciation on the investment. Under this option the Unit holder switches only proportionate number of Units, which when multiplied by the applicable NAV is, in amount terms equal to the appreciation in the investment over the last month/quarter.

For both Fixed and appreciation option the provision of minimum redemption and minimum investment amount / units will not be applicable for transfer / switch transactions made under this facility for both switch out and switch in schemes.

The investor has to mention a "Start Date". The first switch will happen after one month/quarter from the start date. In case the investor purchases additional Units, the amount to be switched would be equal to the appreciation generated on such Units. In the absence of any appreciation as mentioned above, the switch under this option will not be made. The Units in the Scheme/Plan/Option from which the switch - out is sought will be redeemed at the Applicable NAV of the Scheme/Plan/Option on the respective dates on which such switches are sought and the new Units in the Scheme/Plan/Option to which the switch - in is sought will be allotted at the Applicable NAV of such Scheme/Plan/Option on the respective dates.

**Dividend Transfer Plan (DTP):**

Dividend Transfer Plan (DTP) is a facility whereby the unit holders under the Dividend Options (other than Daily Reinvestment Sub-option) of the open ended Schemes of KMMF can opt to transfer their dividends to any other Investment option (other than Daily Reinvestment Sub-option) under any other open ended schemes of KMMF. DTP facility will be available to unit holder(s) holding units in non-demat form under the Dividend Option of the Transferor Schemes.

Under the DTP facility investors cannot transfer their dividends into certain category of transferee schemes viz, close ended Schemes, Exchange Traded Funds (ETFs), and Kotak Tax Saver Scheme.

Under DTP, dividend as & when declared (as reduced by the amount of applicable statutory levy) in the transferor scheme (subject to minimum of Rs.500/-) will be automatically invested without any exit load into the transferee scheme, as opted by the Unit holder. Such transfer will be treated as fresh subscription in the transferee scheme and invested at the Applicable NAV of the Transferee Scheme. If the dividend amount in the Transferor Scheme is less than Rs.500/- the dividend will be automatically reinvested in the Transferor Scheme itself and hence will not be transferred. The provision for 'Minimum Application Amount' specified in the respective transferee scheme's SID will not be applicable under DTP.

Enrolment under the DTP facility will automatically override any previous instructions for 'Dividend Payout' or 'Dividend Reinvestment' option in the transferor scheme. No Exit Load will be levied on units allotted in the Transferee Scheme under the Dividend Transfer Plan.

Unit holders who wish to enroll for the DTP facility are required to fill DTP Enrollment Form available with the ISC's, distributors/ agents and also available on the website [assetmanagement.kotak.com](http://assetmanagement.kotak.com)

The request for enrolment or cancellation for DTP must be submitted at least 7 days prior to the Record Date for the dividend. In case of the condition not being met, the enrolment would be considered valid from the immediately succeeding Record Date of the dividend, provided the difference between the date of receipt of a valid application for enrolment under DTP and the next Record Date for the dividend is not less than 7 days.

The AMC / Trustee reserve the right to change/ modify the terms and conditions of the DTP on a prospective basis.

**Switching**

Unitholders of the Scheme have the option of switching out all or part of their

	<p>investment in the Scheme/ Plan/ Option to any other Option of the Scheme or to any other Scheme / Plan/ Option of the Fund.</p> <p>A switch has the effect of redemption from a Scheme/Plan/ Option and a purchase in the other Scheme/Plan/Option to which the switching has been done and all the terms and conditions pertaining to redemption and purchase of the Units of the respective Scheme shall apply to a switch, unless otherwise specified.</p> <p>Switch is affected by redeeming Units from the Scheme/ Plan/Option and investing the net proceeds in the other Scheme/Plan/Option.</p> <ul style="list-style-type: none"> <li>• <b>Dollar \$IP</b> (This facility is available in Kotak India US Equity Fund only)</li> </ul> <p>This facility allows an Investor to invest a fixed amount of \$ on a specified date of every month/quarter. The \$ amount will be converted by the AMC in to equivalent using RBI reference rate for purchasing units of the said Scheme at the prevailing Net Asset Value (NAV) on the due date of the Dollar \$IP instalment.</p> <p>The salient features of this facility are as follows:</p> <ol style="list-style-type: none"> <li>1. The minimum instalment amount under Dollar \$IP is \$ 100 and in multiples of \$1 thereafter.</li> <li>2. Dollar \$IP request should be for a minimum of 12 months/quarters.</li> <li>3. For conversion of \$ in to, the RBI reference rate prevailing on 7th day prior to the transaction day 'T' i.e. 'T-7' shall be used. In case 'T-7' day falls on a holiday, the RBI reference rate of the immediately preceding business day will be used for conversion of \$ into.</li> </ol> <p>Following example explains conversion of \$ amount in to:</p> <p>Dollar \$IP of \$ 100 is registered to be executed on 21st of every month. In this case, Transaction date 'T' is 21st and RBI reference rate for 'T-7' i.e. 14th happens to be 1 \$ = 61.9495, the equivalent amount for Dollar \$IP installment will be 96 calculated by multiplying <math>100 \times 61.9495 = 6,194.95</math> Hence, an amount of 6,194.95 will be debited from the customer's bank account on 21st of that month. The RBI reference rate is available on the RBI Website on every business day.</p> <ol style="list-style-type: none"> <li>4. Dollar \$IP payments can be made only by availing the Direct Debit Facility through ECS. Post dated cheques will not be accepted for payments under this facility.</li> <li>5. Investors can submit application for enrolment to Dollar \$IP on any business day, however, there shall be a gap of at least 30 (thirty) Days between the submission of application form and 1st Dollar \$IP installment. If the time between the submission of the application and the Dollar \$IP date is less than 30 (thirty) days, the first installment shall be processed on the same date in the subsequent month.</li> <li>6. Since, the debits for the Dollar \$IP installments will be based on the conversion rate of \$ into, investors should note that every installment amount to be debited to his/her/their bank account shall be different. Under Dollar \$IP, investors are allowed to indicate the maximum amount in terms that can be debited to his/her/their bank account.</li> <li>7. Dollar \$IP is currently available in case of applications submitted in physical form and is not available through any online/channel or Stock Exchange platforms.</li> <li>8. Existing investors in Kotak US Equity Fund will be required to submit only the Dollar \$IP Auto Debit Form along with a cancelled cheque for availing this facility. New investors will be required to submit Application Form and Dollar \$IP Auto Debit Form along with a cancelled cheque to avail of this facility.</li> </ol> <p>All other terms &amp; conditions of existing SIP will remain the same.</p>
<p><b>Accounts Statements</b></p>	<p>Pursuant to Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, read with SEBI Circular No. Cir/IMD/DF/16/2011 dated September 8, 2011 and SEBI Circular no. CIR/MRD/DP/31/2014 dated November 12, 2014; the investor whose transaction has been accepted by Kotak Mahindra Asset Management Company Ltd. / Kotak Mahindra Mutual Fund shall receive the following:</p> <ol style="list-style-type: none"> <li>1. An allotment confirmation specifying the units allotted shall be sent by way of email and/or SMS within 5 Business Days from the date of receipt of transaction request to the Unit holder's registered e-mail address and/or mobile number.</li> <li>2. A consolidated account statement (CAS) for each calendar month on or before 10th of the succeeding month shall be sent by email (wherever investor has provided</li> </ol>

	<p>email id) or physical account statement where investor has not provided email id., across the schemes of the mutual funds and securities held in demat form with the Depositories, to all the investors in whose folio(s) transaction(s) has/have taken place during the month.</p> <ol style="list-style-type: none"> <li>3. For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN). Investors who have demat account would get his account statement from Depository irrespective of demat or physical units. Investors who don't have a demat account would get the CAS from MF CAS service provider.</li> <li>4. In case of a specific request is received from the investors, Kotak Mahindra Asset Management Company Ltd./ Kotak Mahindra Mutual Fund will provide the physical account statement to the investors.</li> <li>5. The CAS will not be received by the investors for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN and email id. Such investors will get monthly account statement from Kotak Mutual Fund in respect of transactions carried out in the schemes of Kotak Mutual Fund during the month.</li> <li>6. The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically.</li> <li>7. An Account Statement may be sent to a Unitholder using e-mail. Account Statements to be issued in lieu of Unit Certificates under the Scheme are non-transferable. These Account Statements shall not be construed as proof of title and are only computer printed statements, indicating the details of transactions under the Scheme concerned.</li> <li>8. Any discrepancy in the Account Statement / Unit Certificate should be brought to the notice of the Fund/AMC immediately. Contents of the Account Statement / Unit Certificate will be deemed to be correct if no error is reported within 30 days from the date of Account Statement / Unit Certificate.</li> </ol> <p><b>Annual Account Statement:</b></p> <ul style="list-style-type: none"> <li>• Asset management company will send consolidated account statement every half yearly (September/ March), on or before tenth day of succeeding month, detailing holding at the end of the six month, across all schemes of all mutual funds, to all such investors in whose folios no transaction has taken place during that period. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement.</li> <li>• The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme.</li> <li>• Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated.</li> </ul> <p>"Transaction" shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan .</p>
<b>Dividend</b>	<p>The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend.</p> <p>Dividend may also be paid to the Unitholder in any other manner viz., through ECS, Direct Credit or NEFT in to Bank account, RTGS facility offered RBI or through Banker's cheque, etc as the AMC may decide, from time to time for the smooth and efficient functioning of the Scheme.</p>
<b>Plans under each scheme</b>	<p>Direct Plan and Regular Plan</p> <p>Direct Plan: This Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.</p> <p>Regular Plan: This Plan is for investors who wish to route their investment through any distributor.</p> <p>The portfolio of both plans will be unsegregated.</p>
<b>Choice of default option</b>	<ul style="list-style-type: none"> <li>• If applicant does not indicate the choice of option between growth and dividend option in the application form then the fund will accept it as an application for growth option under respective plan.</li> <li>• If applicant does not indicate the choice of option between Monthly Dividend option and Bimonthly Dividend Option in the application form then the fund will accept it as an application for Bimonthly Dividend Option under the respective Plan (<b>applicable</b></li> </ul>

	<p><b>for Equity Arbitrage Fund)</b></p> <ul style="list-style-type: none"> <li>• If applicant does not indicate the choice of dividend sub-option between dividend payout and dividend reinvestment then the fund will accept it as an application for dividend reinvestment.</li> <li>• In case of Kotak Tax Saver, if the applicant does not indicate the choice of the dividend pay-out / reinvestment in the application form, then the Fund will accept it as an application for dividend payout option.</li> </ul>
<b>Redemption</b>	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 working days from the date of redemption or repurchase.</p> <p>Redemption proceeds will be paid by cheques, marked "Account Payee only" and drawn in the name of the sole holder/first-named holder (as determine by the records of the Registrar). The Bank Name and No., as specified in the Registrar's records, will be mentioned in the cheque, which will be payable at the city of the bank branch of the Unitholder. If the Unitholder resides in any other city, he will be paid by a Demand Draft payable at the city of his bank branch.</p> <p>Redemption cheques will generally be sent to the Unitholder's address, (or, if there is more than one joint holder, the address of the first-named holder) as per the Registrar's records, by courier.</p> <p>Redemption proceeds may also be paid to the Unitholder in any other manner viz., through ECS, Direct Credit or NEFT in to Bank account, RTGS facility offered RBI or through Banker's cheque, etc as the AMC may decide, from time to time for the smooth and efficient functioning of the Schemes.</p>
<b>Delay in payment of redemption / repurchase / dividend proceeds</b>	<p>The Asset Management Company shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).</p>
<b>Bank A/c Details</b>	<p>As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number. To safeguard the interest of Unitholders from loss or theft of their refund orders/redemption cheques, investors are requested to provide their bank details in the Application Form.</p> <p>In case an existing Unitholder is submitting a request for Change in his Bank Details, he needs to submit a copy of cancelled cheque leaf of the new bank account or Bank statement of the new bank account attested by his banker with seal &amp; signature of banker or letter from the Banker of the investor. In absence of the same, the request for Change in Bank Mandate is liable to be rejected.</p> <p>Investors have an option of registering their bank accounts, by submitting the necessary forms &amp; documents. At the time of redemption, investors can select the bank account to receive the amount.</p>
<b>The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.</b>	<p>Not Applicable</p>
<b>Restrictions, if any, on the right to freely retain or dispose of units being offered.</b>	<p>Units held by way of an Account Statement cannot be transferred. However, units which are held in demat form shall be freely transferable under the depository system.</p>
<b>MF utility services for Investors</b>	<p>Kotak Mahindra Asset Management Company Ltd ("the AMC") has entered into an Agreement with MF Utilities India Private Limited ("MFUI"), a "Category II – Registrar to an Issue" under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, for usage of MF Utility ("MFU") - a shared services initiative of various Asset Management Companies, which acts as a transaction aggregation portal for transacting in multiple Schemes of various Mutual Funds with a single form and a single payment instrument.</p> <p>Accordingly, all financial and non-financial transactions pertaining to Schemes of Kotak Mahindra Mutual Fund can be done through MFU either electronically on <a href="http://www.mfuonline.com">www.mfuonline.com</a> as and when such a facility is made available by MFUI or physically through the authorized Points of Service ("POS") of MFUI with effect from the respective dates as published on MFUI website against the POS locations. The list of POS of MFUI is published on the website of MFUI at <a href="http://www.mfuindia.com">www.mfuindia.com</a> as may be updated from time to time. The Online Transaction Portal of MFU i.e. <a href="http://www.mfuonline.com">www.mfuonline.com</a> and the POS locations of MFUI will be in addition to the existing Official Points of</p>

	<p>Acceptance (“OPA”) of the AMC.</p> <p>The uniform cut-off time as prescribed by SEBI and as mentioned in the SID / KIM of respective schemes shall be applicable for applications received on the portal of MFUI i.e. <a href="http://www.mfuonline.com">www.mfuonline.com</a>. However, investors should note that transactions on the MFUI portal shall be subject to the eligibility of the investors, any terms &amp; conditions as stipulated by MFUI / Mutual Fund / the AMC from time to time and any law for the time being in force.</p> <p>Investors are requested to note that, MFUI will allot a Common Account Number (“CAN”), a single reference number for all investments in the Mutual Fund industry, for transacting in multiple Schemes of various Mutual Funds through MFUI and to map existing folios, if any. Investors can create a CAN by submitting the CAN Registration Form (CRF) and necessary documents at the MFUI POS. The AMC and / or its Registrar and Transfer Agent (RTA) shall provide necessary details to MFUI as may be needed for providing the required services to investors / distributors through MFUI. Investors are requested to visit the websites of MFUI or the AMC to download the relevant forms</p>
<p><b>Foreign Account Tax Compliance</b></p>	<p>FATCA is an acronym for Foreign Account Tax Compliance Act (“FATCA”), a United States Federal law to increase compliance by US taxpayers and is intended to bolster efforts to prevent tax evasion by the US taxpayers with offshore investments. The Government of India and the United States of America (US) have reached an agreement in substance on the terms of an Inter- Governmental Agreement (IGA) and India is now treated as having an IGA in effect from April 11, 2014. The AMC/Fund are likely to be classified as a ‘Foreign Financial Institution’ (Investment Entity as per Annexure 1(i)) under the FATCA provisions. In accordance with FATCA provisions, the AMC/Mutual Fund will be required to undertake due diligence process and identify US reportable accounts and collect such information/documentary evidences of the US and/or non-US status of its investors/Unit holders and disclose such information (through its agents or service providers) as far as may be legally permitted about the holdings, investment returns and/or to US Internal Revenue Service (IRS) or the Indian Tax Authorities, as the case may be for the purpose of onward transmission to the IRS pursuant to the new reporting regime under FATCA.</p>



## B. Periodic Disclosures

### **Net Asset Value**

This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.

The Mutual Fund shall update the Net asset value of the schemes on every business day on AMFI's website [www.amfiindia.com](http://www.amfiindia.com) by 9:00 p.m. The NAVs shall also be updated on the website of the Mutual Fund [assetmanagement.kotak.com](http://assetmanagement.kotak.com) and will be published in two newspapers.

Delay in uploading of NAV beyond 9.00 p.m. on every business day shall be explained in writing to AMFI. In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release for revised NAV shall be issued.

### **NAV information for Kotak World Gold Fund:**

The Market or Fair Value of the Scheme's investment is dependent on the closing NAV of overseas mutual fund scheme and closing prices of domestic money market instruments in which investments are made.

As the Scheme will primarily invest in overseas mutual fund scheme, there is bound to be difference in time zones as compared to India and this will have an effect on the computation of NAV. The closing values for NAV computation for any given day in India may be available only after the prescribed time limit for declaration of NAV in India. The NAV of Kotak World Gold Fund for any given day shall be determined only when the NAV (for that day) of the overseas scheme in which the Scheme invests is available.

Thus, the NAV for the Scheme for any business day (T day) will be available on the next business day (T+1 day) by 5.00 p.m. and the same shall be posted, on each Business Day, on the AMC's website – [assetmanagement.kotak.com](http://assetmanagement.kotak.com) and on the AMFI website - [www.amfiindia.com](http://www.amfiindia.com) on date of computation of NAV (T+1 day). Subsequently NAV information will be sent for publication in newspapers daily.

Example:-

Assuming that the Scheme is computing NAV for June 10, 2015 i.e. Wednesday. Since the Scheme has invested in the Units of Falcon Gold Equity Fund it has to receive the NAV from Falcon Gold Equity Fund for June 10, 2015 in order to value its Investments. Falcon Gold Equity Fund is expected to send its NAV for June 10, 2015, by 2 p.m. IST on the next day i.e. on June 11, 2015. This is primarily because of the difference in geographical time zones. Therefore, Kotak Mahindra Mutual Fund will be able to compute the NAV of the Scheme for June 10, 2015 by 05.00 p.m. IST on June 11, 2015 and the NAV so computed will be the applicable NAV for transactions received on June 10, 2015 before the applicable cut-off time.

Further the NAV of June 10, 2015 will be posted on the websites of AMFI and the AMC on June 11, 2015 by 05.00 p.m. IST and the same will be published in the newspaper on the following Business Day i.e., June 12, 2015.

### **NAV information for Kotak US Equity Fund:**

The Market or Fair Value of the Scheme's investment is dependent on the closing NAV of overseas mutual fund scheme and closing prices of domestic money market instruments in which investments are made.

As the Scheme will primarily invest in overseas mutual fund scheme, there is bound to be difference in time zones as compared to India and this will have an effect on the computation of NAV. The closing values for NAV computation for any given day in India may be available only after the prescribed time limit for declaration of NAV in India. The NAV of Kotak US Equity Fund for any given day shall be determined only when the NAV (for that day) of the overseas scheme in which the Scheme invests is available.

Thus, the NAV for the Scheme for any business day (T day) will be available on the next business day (T+1 day) by 10.00 a.m. and the same shall be posted, on each Business Day, on the AMC's website – [assetmanagement.kotak.com](http://assetmanagement.kotak.com) and on the AMFI website - [www.amfiindia.com](http://www.amfiindia.com) on date of computation of NAV (T+1 day).

Example:-

Assuming that the Scheme is computing NAV for June 10, 2015 i.e. Wednesday. Since the Scheme has invested in the Units of PineBridge US Large Cap Research Enhanced Fund it has to receive the NAV from PineBridge US Large Cap Research Enhanced Fund for June 10, 2015 in order to value its Investments. PineBridge US Large Cap Research Enhanced Fund is expected to send its NAV for June 10, 2015, on the next day i.e. on June 11, 2015. This is primarily because of the difference in geographical time zones. Therefore, Kotak Mahindra Mutual Fund will be able to compute the NAV of the Scheme for June 10, 2015 by -10.00 a.m.. IST on June 11, 2015 and the NAV so computed will be the applicable NAV for transactions received on June 10, 2015 before the applicable cut-off time.

Further the NAV of June 10, 2015 will be posted on the websites of AMFI and the AMC on June 11, 2015 by - 10.00 a.m. IST and the same will be published in the newspaper on the following Business Day i.e., June 12, 2015.

<p><b>Half yearly Disclosures: Portfolio / Financial Results</b> This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>A complete statement of the portfolio of the Scheme will either be sent to all Unitholders, or published by way of an advertisement, before the expiry of one month from the close of each half year, that is the 31st of March and the 30th of September, in one English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated. The same will also be posted on the website <a href="http://assetmanagement.kotak.com">assetmanagement.kotak.com</a></p>																		
<p><b>Half Yearly Results</b></p>	<p>The soft copy of unaudited financial results shall within one month from the close of each half year i.e. 31st of March and the 30th of September, be hosted on the website <a href="http://assetmanagement.kotak.com">assetmanagement.kotak.com</a> and will be sent to AMFI for posting on its website <a href="http://www.amfiindia.com">www.amfiindia.com</a>.</p> <p>Also an advertisement of hosting of the unaudited results shall be published in one English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated.</p>																		
<p><b>Annual Report</b></p>	<p>Pursuant to SEBI Circular No. Cir/IMD/DF/16/2011 dated September 8, 2011, Annual report or Abridged Summary will be available on <a href="http://assetmanagement.kotak.com">assetmanagement.kotak.com</a> and shall be sent by way of email to the investor's registered email address or Physical copies (If investor's email address is not registered), not later than four months after the close of each financial year (March 31). The unit holders may request for a physical copy of scheme annual reports or abridged summary by writing to the Kotak Mahindra Asset Management Company Ltd./Investor Service Centre / Registrar &amp; Transfer Agents. The unit holder can get physical copies of the above mentioned reports at the registered offices at all time. The annual report shall be displayed on <a href="http://assetmanagement.kotak.com">assetmanagement.kotak.com</a></p>																		
<p><b>Associate Transactions</b></p>	<p>Please refer to Statement of Additional Information (SAI).</p>																		
<p><b>Taxation</b> The information is provided for general information purposes only. However, in view of the individual nature of tax implications, each investor is advised to consult his or her own tax adviser with respect to the specific tax implications arising out of his or her participation in the scheme.  (Equity schemes)</p>	<p><b>Applicable tax rates (Refer Notes) based on prevailing tax laws</b></p> <table border="1" data-bbox="611 936 1461 1227"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Unit holder</th> <th rowspan="2">Mutual Fund</th> </tr> <tr> <th>Resident</th> <th>FII</th> </tr> </thead> <tbody> <tr> <td>Tax on Dividend</td> <td>NIL</td> <td>NIL</td> <td>NIL</td> </tr> <tr> <td>Short Term Capital Gain</td> <td>15%</td> <td>15%</td> <td>NIL</td> </tr> <tr> <td>Long Term Capital Gain</td> <td>NIL</td> <td>NIL</td> <td>NIL</td> </tr> </tbody> </table> <p>Note (1) : The above rates would be increased by a surcharge of :</p> <p>(a) In case of resident domestic corporate unit holders:  - 7% where the total income exceeds Rs. 10,000,000 but less than / equal to Rs. 100,000,000 or  - 12% where the total income exceeds Rs. 100,000,000</p> <p>(b) In case of FII being a corporate unit holder:  - 2% where the total income exceeds Rs. 10,000,000 but less than / equal to Rs. 100,000,000 or  - 5% where the total income exceeds Rs. 100,000,000</p> <p>(c) In case of FII being a non-corporate and resident non-corporate unit holders:  - 12% where the total income exceeds Rs. 10,000,000</p> <p>Further, an additional surcharge of 3% (Education cess of 2% and Secondary &amp; Higher education Cess of 1%) would be charged on the amount of tax inclusive of surcharge for all unit holders.  Under section 10(23D) of the Income tax Act, 1961, income earned by a Mutual Fund registered with SEBI is exempt from income tax.  Since, the scheme in this SID, qualify as an equity oriented fund, Securities Transaction tax is payable by the unit holders on redemption / repurchase of units by the Fund at 0.001% of sale/redemption value w.e.f. 1 June, 2013.  <b>For further details on taxation please refer to the clause on taxation in the SAI</b></p>		Unit holder		Mutual Fund	Resident	FII	Tax on Dividend	NIL	NIL	NIL	Short Term Capital Gain	15%	15%	NIL	Long Term Capital Gain	NIL	NIL	NIL
	Unit holder		Mutual Fund																
	Resident	FII																	
Tax on Dividend	NIL	NIL	NIL																
Short Term Capital Gain	15%	15%	NIL																
Long Term Capital Gain	NIL	NIL	NIL																

**Taxation:**

The information is provided for general information purposes only. However, in view of the individual nature of tax implications, each investor is advised to consult his or her own tax adviser with respect to the specific tax implications arising out of his or her participation in the scheme.

(For Kotak World Gold Fund & Kotak US Equity Fund)

## Applicable tax rates (Refer Notes) based on prevailing tax laws

	Unit holder		Mutual Fund
	Resident	FII	
Dividend	NIL	NIL	Dividend Distribution Tax (DDT) on the dividend distributed under this scheme: a) On dividend distributed to individual and HUF: -25% [plus surcharge and edu.cess and SHEC] (refer note) b) On dividend distributed to other than Individual and HUF -30% [plus surcharge and edu.cess and SHEC] (refer note) c) On dividend distributed to a non-resident or to a foreign company by an Infrastructure Debt Fund -5% [plus surcharge and edu.cess and SHEC] (refer note) Note - The amount of distributed income referred above shall be increased to such amount as would, after reduction of the additional income-tax on such increased amount at the rate specified, be equal to the amount of income distributed by the Mutual Fund
Short Term Capital Gain (Refer note 1 below)	10%-30% as per the slab rates applicable to the assessee	30%	NIL
Long Term Capital Gain (Refer note 1 below)	20% with indexation	10% (without indexation)	NIL

Note (1) : The above rates would be increased by a surcharge of:

- In case of resident domestic corporate unit holders;
  - 7% where the total income exceeds Rs. 10,000,000 but less than / equal to Rs. 100,000,000 or
  - 12% where the total income exceeds Rs. 100,000,000
- In case of FII being a corporate unit holder;
  - 2% where the total income exceeds Rs. 10,000,000 but less than / equal to Rs. 100,000,000
  - 5% where the total income exceeds Rs. 100,000,000
- In case of FII being a non-corporate and resident non-corporate unit holders;
  - 12% where the total income exceeds of Rs. 10,000,000

Further, an additional surcharge of 3% (Education cess of 2% and Secondary & Higher education cess of 1%) would be charged on the amount of tax inclusive of surcharge as applicable, for all unit holders.

Note (2); The expression "Infrastructure debt fund" has been defined in clause 1 of regulation 49 L of the Securities and Exchange Board of India (Mutual Fund) regulations 1996. As per clause 1 of Regulation 49 L, an infrastructure debt fund scheme means a mutual fund scheme, that invests primarily (minimum 90% of scheme assets) in debt securities or securitized debt instrument of infrastructure companies or infrastructure capital companies or infrastructure projects or special purpose vehicles which are created for the purpose of facilitating or promoting investment in infrastructure, and other permissible assets in accordance with these regulations or bank loans in respect of completed and revenue generating projects of infrastructure companies or projects or special purpose vehicles.

Note 3) : Long-term capital gains in case of non-residents (other than FII) would be taxable @ 10% on transfer of capital assets, being unlisted securities, computed without giving effect to first and second proviso to section 48 i.e. without taking benefit of foreign currency fluctuation and indexation benefit.

	<p>Long term capital gains in the case of FIs would be taxable @10% on transfer of capital assets being securities without giving effect to the first and second proviso to section 48 i.e. without taking the benefit of foreign currency fluctuation and without indexation.</p> <p>Under section 10(23D) of the Income tax Act, 1961, income earned by a Mutual Fund registered with SEBI is exempt from income tax.</p> <p>Since the aforesaid schemes do not qualify as an equity oriented fund, no Securities Transaction tax is payable by the unit holders on redemption / repurchase of units by the Fund.</p> <p>For further details on taxation please refer to the clause on taxation in the SAI.</p>
<b>Investor services</b>	<p>Mr. R. Chandrasekaran, Kotak Mahindra Asset Management Company Limited 6th Floor, Kotak Towers, Building No.21, Infinity Park, Off: Western Express Highway Goregaon - Mulund Link Road, Malad (East), Mumbai 400097 Phone Number: 66056825 Fax: 6638 4455 e-mail: mutual@kotak.com</p>

### C. Computation of NAV (common to all schemes)

The NAV of the Units of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date.

The Fund shall value its investments according to the valuation norms, as specified in the Eighth Schedule of the Regulations, or such guidelines / recommendations as may be specified by SEBI from time to time. The broad valuation norms are detailed in the Statement of Additional Information.

NAV of Units under the Scheme will be calculated as shown below:

$$\text{NAV} = \frac{\text{Market or Fair Value of Scheme's investments} + \text{Current assets including Accrued Income} - \text{Current Liabilities and provisions including accrued expenses}}{\text{No. Of Units outstanding under the Scheme/Option.}}$$

NAV for the Schemes and the repurchase prices of the Units will be calculated and announced at the close of each Business Day. The NAV shall be computed upto three decimals for each scheme.

Computation of NAV will be done after taking into account dividends paid, if any, and the distribution tax thereon, if applicable. Therefore, once dividends are distributed under the Dividend Option, the NAV of the Units under the Dividend Option would always remain lower than the NAV of the Units issued under the Growth Option. The income earned and the profits realized in respect of the Units issued under the Growth Option remain invested and are reflected in the NAV of the Units.

## **V. FEES AND EXPENSES**

This section outlines the expenses that will be charged to the schemes.

### **A. New Fund Offer (NFO) Expenses**

These are ongoing schemes on the date of updating this document.

### **B. Total Expense Ratio (TER)**

Total Expense Ratio is the total of ongoing fees and operating expenses charged to the scheme, expressed as a percentage of the scheme's daily net assets.

These fees and expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, brokerage/commission, marketing and selling costs etc.

The maximum total expenses of the schemes under Regulation 52(6)(c) shall be subject to the following limits:

<b>Daily Net Assets (Rs.)</b>	<b>Kotak 50/ Kotak Balance/ Kotak Opportunities/ Kotak Midcap/ Kotak Classic Equity/ Kotak Tax Saver/ Kotak Select Focus Fund/Kotak Emerging Equity Scheme/Kotak Infrastructure &amp; Economic Reform Fund</b>	<b>Kotak Equity Arbitrage Fund</b>
First 100 crores	2.50%	2.25%
Next 300 crores	2.25%	2.00%
Next 300 crores	2.00%	1.75%
Balance assets	1.75%	1.50%

Incase of Kotak World Gold Fund and Kotak US Equity Fund, the total expense ratio (TER) of each scheme including weighted average charge levied by the underlying schemes shall not exceed 2.50% of the daily average net assets of each scheme.

### **Additional expenses which may be charged to the Schemes:**

The following additional expenses may be charged to the Schemes under Regulation 52 (6A), namely-

- Brokerage and transaction costs (including service tax) which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions. Any payment towards brokerage and transaction cost, over and above the said 12 bps and 5bps for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under regulation 52. Any expenditure in excess of the said prescribed limit (including brokerage and transaction cost, if any) shall be borne by the AMC.
- Expenses not exceeding of 0.30 % of daily net assets, if the new inflows from beyond top 15 cities are at least:
  - (i) 30 % of gross new inflows in the scheme; or
  - (ii) 15 % of the average assets under management (year to date) of the scheme; whichever is higher.Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub-clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis.  
Provided further that expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities.  
Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.
- Additional expenses upto 0.20% of daily net assets of the schemes, incurred towards different heads mentioned under Regulation 52 (2) and 52 (4).

### **Total Expense Ratio for the schemes**

The AMC has estimated the above given recurring expenses, for each scheme. Total expense ratio of each Scheme (including investment and advisory fees) will be subject to the maximum limits (as a percentage of Daily Net Assets of the Scheme) as per Regulation 52(6) & (6A), as amended from time to time, with no sub-limit on investment and advisory fees.

Expenses Structure	% of daily Net Assets for Regular Plan of below given schemes Kotak 50/ Kotak Balance/ Kotak Opportunities/ Kotak Midcap/ Kotak Classic Equity Kotak Tax Saver/ Kotak Select Focus Fund/Kotak Emerging Equity Scheme/ Kotak Infrastructure & Economic Reform Fund/ Kotak World Gold Fund and Kotak US Equity Fund	% of daily Net Assets for Regular Plan of Kotak Equity Arbitrage Fund
Investment Management and Advisory Fees	Upto 2.50%	Upto 2.25%
Trustee fee		
Audit fees		
Custodian fees		
RTA Fees		
Marketing & Selling expense incl. agent commission		
Cost related to investor communications		
Cost of fund transfer from location to location		
Cost of providing account statements and dividend redemption cheques and warrants		
Costs of statutory Advertisements		
Cost towards investor education & awareness (at least 2 bps)		
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.		
Service tax on expenses other than investment and advisory fees		
Service tax on brokerage and transaction cost		
Other Expenses		
<b>Maximum total expense ratio (TER) permissible under Regulation 52 (6)(c) (i) and (6) (a)</b>	<b>Upto 2.50%</b>	<b>Upto 2.25%</b>
Additional expenses under regulation 52 (6A) (c)	Upto 0.20%	Upto 0.20%
Additional expenses for gross new inflows from specified cities	Upto 0.30%	Upto 0.30%



**Expense Structure for Direct Plan** – The annual recurring expenses will be within the limits specified under the SEBI (Mutual Funds) Regulations, 1996.

However, Direct Plan shall have a lower expense ratio than the Regular Plan. The expenses would exclude distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan.

**Applicable for Kotak US Equity Fund:**

Distribution expenses, commission etc will not be charged in Direct Plan. The TER of the Direct Plan will be lower by atleast 10% vis-à-vis Regular Plan. Direct Plan will have a separate NAV.

**Service Tax:**

Service Tax on investment and advisory fees may be charged to the scheme in addition to the maximum limit of TER as prescribed in Regulation 52(6)(C). Service tax on other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit of TER as per Regulation 52.

The estimates are based on an amount of Rs. 100 crores for the Scheme and will change to the extent assets are lower or higher.

The aforesaid estimates are made in good faith by the Investment Manager and are subject to change inter se among the various heads of expenses and between the Plans. It may also be noted that the total expenses of the Plans will also be subject to change within the overall limits of expenses under Regulation 52. Actual expenses under any head and / or the total expenses may be more or less than the estimates. The Investment Manager retains the right to charge the actual expenses to the Fund, however the expenses charged will not exceed the statutory limit prescribed by the Regulations. Any expenditure in excess of the limits specified in Regulation 52 shall be borne by the AMC. The differential portion of expenses if any, post charging of actual expenses will be adjusted in the investment management fee charged by the investment manager. There will be no sub limit on management fee, and it shall be within the overall TER specified above.

For the actual current expenses being charged, the investor may refer to the website of the mutual fund.

**C. Load structure**

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of [assetmanagement.kotak.com](http://assetmanagement.kotak.com) or may call at 1800-22-2626 or your distributor.

Scheme	Entry Load *	Exit Load **
Kotak 50	Nil	<ul style="list-style-type: none"> <li>For redemptions / switch outs (including SIP/STP) within 18 months from the date of allotment of units, irrespective of the amount of investment – 1%</li> <li>For redemptions / switch outs (including SIP/STP) after 18 months from the date of allotment of units, irrespective of the amount of investment – NIL</li> </ul>
Kotak Balance	Nil	<ul style="list-style-type: none"> <li>For redemptions / switch outs (including SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment – 1%</li> <li>For redemptions / switch outs (including SIP/STP) after 1 year from the date of allotment of units, irrespective of the amount of investment – NIL</li> </ul>
Kotak Opportunities	Nil	
Kotak Midcap Scheme	Nil	
Kotak Select Focus Fund	Nil	
Kotak Infrastructure & Economic Reform Fund	Nil	
Kotak World Gold Fund	Nil	
Kotak US Equity Fund	Nil	<ul style="list-style-type: none"> <li>For redemptions / switch outs (including SIP/STP) within 2 years from the date of allotment of units, irrespective of the amount of investment – 1%</li> <li>For redemptions / switch outs (including SIP/STP) after 2 years from the date of allotment of units, irrespective of the amount of investment – NIL</li> </ul>
Kotak Emerging Equity Scheme	Nil	
Kotak Equity Arbitrage Scheme	Nil	<ul style="list-style-type: none"> <li>For redemptions / switch outs (including STP/SWP) within 90 days from the date of allotment of units, irrespective of the amount of the investment - 0.50%</li> <li>For redemptions / switch outs (including STP/SWP) after 90 days from the date of allotment of units, irrespective of the amount of the investment: Nil</li> </ul>
Kotak Tax Saver	Nil	Nil
Kotak Classic Equity	Nil	Nil

Units issued on reinvestment of dividends shall not be subject to entry and exit load.

\* In terms of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.

\*\* Any exit load charged (net off Service Tax, if any) shall be credited back to the respective Scheme.

Any imposition or enhancement of Load in future shall be applicable on prospective investments only. A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated. In case of changes in load structure the addendum carrying the latest applicable load structure shall be attached to all KIM and SID already in stock till it is updated.

Investors may obtain information on loads on any Business Day by calling the office of the AMC or any of the Investor Service Centers. Information on applicability of loads will also be provided in the Account Statement.

The investor is requested to check the prevailing load structure of the scheme before investing.

For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres.

## VI. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

## VII. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

SEBI Requirements	Response
Details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law.	<ul style="list-style-type: none"> <li>• During the financial year 2013-14, RBI has imposed a penalty of Rs 3.50 lacs for bouncing of SGL deal in Kotak Bond and Kotak Gilt Investment scheme. The same has been borne by KMAMC. The amount of penalty has been paid on November 12, 2013.</li> <li>• RBI has imposed a penalty of Rs. 15 lakhs in April 2011, in respect of foreign exchange derivative transactions done by KMBL with certain corporate during the period 2007-08. The amount of penalty has been paid on May 5, 2011.</li> <li>• RBI on the basis of the scrutiny carried out, had levied a penalty on KMBL a sum of Rs. 1.501 crores on account of non-adherence to certain aspects of KYC and AML guidelines. KMBL has taken necessary corrective steps in this respect. The amount of penalty has been paid July 25, 2013.</li> <li>• RBI has imposed a penalty of Rs. 10 lakh on Kotak Bank in July 2014 in the matter of loan and current accounts scrutiny of Deccan Chronicle Holding Ltd. The amount of penalty has been paid on August 5, 2014.</li> </ul>
Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party	NIL
Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party	NIL
Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency	NIL

**Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.**

Note: The Schemes under this Scheme Information document were approved by the Trustee at their meeting held on:

Kotak 50 (September 28, 1998); Kotak Balance (July 23, 1999); Kotak Opportunities (December 08, 2003); Kotak Midcap (April 28, 2004); Kotak Classic Equity (September 14, 2004); Kotak Equity Arbitrage Fund (February 22, 2005); Kotak Tax Saver (December 16, 2004); Kotak Select Focus Fund (September 7, 2007); Kotak Emerging Market Scheme (conversion of scheme to an open ended scheme was approved on December 21, 2009, Kotak Infrastructure & Economic Reform Fund \*(August 28, 2007), Kotak World Gold Fund \*(November 21, 2007) and Kotak US Equity Fund\* (April 29, 2013).

\*The migration of the above Schemes w.e.f. close of business hours on January 30, 2015 from PineBridge Mutual Fund to Kotak Mutual Fund was approved by the Trustee on September 1, 2014.

## OFFICIAL COLLECTION CENTRES

### I. KAMAMC AUTHORISED COLLECTION CENTRES

**Ahmedabad:** 9,10,11- 2nd Floor, Siddhi Vinayak complex, Shivranjani Cross Roads, Satellite, Ahmedabad - 380015. **Bangalore:** 2nd Floor, Umiya Landmark, 10/7, Lavelle Road, Bangalore - 560001. **Bhubaneswar:** 2nd Floor, Building No.24, SCR Janpath, Bapujinagar, Bhubaneswar - 751001. **Chandigarh:** Sco No 2475- 2476, 1st Floor, Sector 22 C, Chandigarh -160022. **Chennai:** No. 1-E, 1st Floor, Eldorado Building, 112, Nungambakkam High Road, Chennai - 600034. **Cochin:** Shop No: 56 & 57. 2nd Floor, Jacob DD Mall. M G Road, Shenoy's Junction, Cochin - 682035. **Goa:** 3rd Floor, Mathias Plaza, 18th June Road, Panjim, Goa - 403001. **Gurgaon:** 2nd Floor, SCO-14, Sector No 14, Gurgaon - 122001. **Guwahati:** 5th Floor, Amaze Shopping Mall (Above Vishal Mega Mart) A.T.Road, Guwahati - 781001. **Hyderabad:** No.304, 3rd Floor, Jade Arcade, Paradise Circle, M.G. Road, Hyderabad - 500003. **Jaipur:** 202, Mall-21, Opp. Raj Mandir Cinema, Bhagwandas Road, Jaipur - 302001. **Jamshedpur:** 1st Floor, Sanghi Mansion, Main Road, Sakchi Boulevard Road, Ram Mandir Area, Biustupur, Jamshedpur - 831001. **Kanpur:** Room No. 107, 1st Floor, Ratan Squire, 14/144 Chunni Ganj, Kanpur - 208001. **Kolkata:** 1st Floor, Horizon, 57 Chowranghee Road, Kolkata - 700 071. **Lucknow:** Aryans Business Park, 90 MG Marg, Lucknow - 226 001. **Ludhiana:** 1st Floor, SCO 20, Feroze Gandhi Market, Ludhiana - 141001. **Mumbai:** 6th Floor, Kotak Infinity, Building No. 21, Infinity Park, Off Western Express Highway, Gen. A K Vaidya Marg, Malad (E), Mumbai - 400097. **Mumbai (Nariman Point):** 1st Floor, Bakhtawar, 229 Nariman Point, Mumbai - 400021. **Mumbai (Thane):** Ground Floor, Shop No.2, Ram Rao Sahani Sadan, Kaka Sohni Path, Thane (W)- 400602. **Nashik:** Shop no.6, Ground Floor, Krishnaratna, Opp. Hotel Potoba, New Pandit Colony, Nashik - 422002. **New Delhi:** Kotak Mahindra Asset Management Co. Ltd., Unit No. 9A & 9C, 9th Floor, Vandana Building, Tolstoy Marg, Connaught Place, New Delhi - 110001. **Patna:** 204 Shyam Center, Besides Republic Hotel, Exhibition Road, Patna - 800001. **Pune:** Yeshwant, Office no 31, 3rd Floor, Plot No 37/10 B, Opp Lane no 9, Prabhat Road, Pune - 411004. **Vadodara:** 202, Gold Croft, Opp. Only Parathas Restaurant, Jetalpur Road, Vadodara - 390007.

### II. COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED (CAMS) - INVESTOR SERVICE CENTRES

**Ahmedabad:** 111-113, 1st Floor, Devpath Building, Off C G Road, Behind Lal Bungalow, Ellis Bridge, Ahmedabad - 380006. **Bangalore:** Trade Centre, 1st Floor, 45, Dikens Road, (Next to Manipal Centre), Bangalore - 560042. **Bhubaneswar:** 3rd Floor, Plot No - 111, Varaha Complex Building, Station Square, Kharvel Nagar, Unit 3, Bhubaneswar - 751001. **Chandigarh:** Deepak Tower, SCO 154-155, 1st Floor, Sector 17-C, Chandigarh - 160017. **Chennai:** Ground Floor No.178/10, Kodambakkam High Road, Opp. Hotel Palmgrove, Nungambakkam, Chennai - 600034. **Cochin:** 1st Floor, K C Centre, Door No. 42/227-B, Chittoor Road, Opp. North Town Police Station, Kacheripady, Cochin - 682 018. **Coimbatore:** Ground Floor, Old No. 66 New No. 86, Lokamanya Street (West), R.S.Puram, Coimbatore - 641002. **Durgapur:** 3rd Floor, City Plaza Building, City Centre, Durgapur - 713 216. **Goa:** No.108, 1st Floor, Gurudutta Bldg, Above Weekender, M G Road, Panaji, Goa - 403001. **Hyderabad:** 208, 2nd Floor, Jade Arcade, Paradise Circle, Secunderabad - 500003. **Indore:** 101, Shalimar Corporate Centre, 8-B, South tukogunj, Opp.Greenpark, Indore - 452001. **Jaipur:** R-7, Yudhisthir Marg ,C-Scheme, Behind Ashok Nagar Police Station, 63/2, The Mall, Jaipur - 302001. **Kanpur:** 1st Floor 106 to 108, CITY CENTRE Phase - II, Kanpur - 208001. **Kolkata:** Saket Building, 44 Park Street, 2nd Floor, Kolkata - 700016. **Lucknow:** Off No 4, 1st Floor, Centre Court Building, 3/C, 5 - Park Road, Hazratganj, Lucknow - 226001. **Ludhiana:** U/ GF, Prince Market, Green Field, Near Traffic Lights, Sarabha Nagar Pulli, Pakhowal Road, Ludhiana - 141002. **Madurai:** 1st Floor, 278, North Perumal Maistry street, Nadar Lane, Madurai - 625001. **Mangalore:** No. G 4 & G 5, Inland Monarch, Opp. Karnataka Bank, Kadri Main Road, Kadri, Mangalore - 575003. **Mumbai:** Rajabhadur Compound, Ground Floor, Opp Allahabad Bank, Behind ICICI Bank, 30, Mumbai Samachar Marg, Fort, Mumbai - 400023. **Nagpur:** 145 Lendra, New Ramdaspath, Nagpur - 440010. **New Delhi:** 7-E, 4th Floor, Deen Dayaal Research Institute Building, Swami Ram Tirath Nagar, Near Videocon Tower, Jhandewalan Extension, New Delhi - 110055. **Patna:** G-3, Ground Floor, Om Vihar Complex, SP Verma Road, Patna - 800001. **Pune:** Nirmitti Eminence, Off No. 6, 1st Floor, Opp Abhishek Hotel Mehandale Garage Road, Erandawane, Pune - 411004. **Surat:** Plot No.629, 2nd Floor, Office No.2-C/2-D, Mansukhlal Tower, Beside Seventh Day Hospital, Opp.Dhiraj Sons, Athwalines, Surat - 395001. **Vadodara:** 103 Aries Complex, BPC Road, Off R.C. Dutt Road, Alkapuri, Vadodara - 390007. **Vijayawada:** 40-1-68, Rao & Ratnam Complex, Near Chennupati Petrol Pump, M.G Road, Labbipet, Vijayawada - 520010. **Visakhapatnam:** 47/9/17, 1st Floor, 3rd Lane, Dwaraka Nagar, Visakhapatnam - 530016.

### III. COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED (CAMS) - TRANSACTION POINT

**Agartala :** Advisor Chowmuhan, (Ground Floor), Krishnanagar, Agartala - 799001. **Agra :** No.8, 2nd Floor, Maruti Tower, Sanjay Place, Agra - 282002. **Ahmednagar :** B, 1+3, Krishna Enclave Complex, Near Hotel Natraj, Nagar-Aurangabad Road, Ahmednagar - 414001. **Ajmer :** AMC No. 423/30, New Church Brahampuri, Opp T B Hospital, Jaipur Road, Ajmer - 305001. **Akola :** Opp. RL Science College, Civil Lines, Akola - 444001. **Aligarh :** City Enclave, Opp. Kumar Nursing Home, Ramghat Road, Aligarh - 202001. **Allahabad :** 30/2, A&B, Civil Lines Station, Besides Vishal Mega Mart, Strachey Road, Allahabad - 211001. **Alleppey :** Doctor's Tower Building, Door No. 14/2562, 1st floor, North of Iorn Bridge, Near Hotel Arcadia Regency, Allppey - 688 001. **Alwar :** 256A, Scheme No 1, Arya Nagar, Alwar - 301001. **Amaravati :** 81, Gulsham Tower, 2nd Floor, Near Panchsheel Talkies, Amaravati - 444601. **Ambala :** Opposite PEER, Bal Bhavan Road, Ambala - 134003. **Amritsar :** SCO - 18J, 'C' BLOCK RANJIT AVENUE, Amritsar - 140001. **Anand :** 101, A P Tower, Behind Sardhar Gunj, Next to Nathwani Chambers, Anand - 388001. **Anantapur :** 15-570-33, I Floor Pallavi Towers, Subash Road, Opp:Canara Bank Anantapur - 515 001 Andhra Pradesh. **Ankleshwar :** G-34, Ravi Complex, Valia Char Rasta, G I D C, Bharuch, Ankleshwar - 393002. **Asansol :** Block - G, 1st Floor, P C Chatterjee Market Complex, Rambandhu Talab, P O Ushagram, Asansol - 713303. **Aurangabad :** Office No. 1, 1st Floor, Amodi Complex, Juna Bazar, Aurangabad - 431001. **Balalore :** B C Sen Road, Balalore - 756001. **Bareilly :** F-62-63, Butler Plaza, Civil Lines, Bareilly - 243001. **Basti :** Office No. 3, 1st Floor, Jamia Shopping Complex, (Opposite Pandey School), Station Road, (Uttar Pradesh), Basti - 272002. **Belgaum :** 1st Floor, 221/2A/1B, Vaccine Depot Road, Near 2nd Railway gate, Tilakwadi, Belgaum - 590006. **Bellary :** No 60/5 Mullangi Compound, Gandhinagar Main Road (Old Gopalswamy Road), Bellary - 583101. **Berhampur :** 1st Floor, Upstairs of Aaroon Printers, Gandhi Nagar Main Road, Ganjam Dt Orissa, Berhampur - 760001. **Bhagalpur :** Krishna, 1st Floor, Near Mahadev Cinema, Dr R P Road, Bhagalpur - 812002. **Bharuch (Parent: Ankleshwar TP) :** F -108, Rangoli Complex, Station Road Bharuch - 392001. **Bhatinda :** 2907 GH, GT Road, Near Zila Parishad, Bhatinda - 151001. **Bhavnagar:** 305-306, Sterling Point, Waghawadi Road, OPP. HDFC Bank, Bhavnagar - 364002. **Bhilai :** Shop No. 117, Ground Floor, Khicharia Complex, Opposite IDBI Bank, Nehru Nagar Square, Bhilai - 490020. **Bhilwara :** Indraprastha Tower, 2nd Floor, Shyam Ki Sabji Mandi Near Mukulji Garden, Bhilwara - 311001. **Bhopal :** Plot No.13, Major Shopping Center, Zone-I, MP Nagar, Bhopal - 462011. **Bhuj :** Data Solution, Office No. 17, 1st Floor, Municipal Building, Opp Hotel Prince, Station Road, Bhuj-Kutch - 370001. **Bhusawal (Parent: Jalgaon TP) :** 3, Adelaide Apartment, Christian Mohala, Behind Gulshan-E-Iran Hotel, Amardeep Talkies Road, Bhusawal - 425201. **Bikaner :** F 4/5, Bothra Complex, Modern Market, Bikaner - 334001. **Bilaspur :** 2nd Floor, Gwalani Chambers, St Xavier School Road, In Front of CIT (Income Tax) Office, Vyapar Vihar, Bilaspur - 495001. **Bokaro :** Mazzanine Floor, F-4, City Centre, Sector-4, Bokaro Steel City Bokaro - 827004. **Burdwan :** 399, G T Road, Basement of Talk of the Town, Burdwan - 713101. **C.R.Avenue (Parent: Kolkata ISC) :** 33, C R Avenue, 2nd Floor, Room No.13, Kolkata - 700012. **Calicut :** 29/97G, 2nd Floor, Gulf Air Building, Mavoor Road, Arayidathupalam, Calicut - 673016. **Chandrapur:** Opp Mustafa Decor, Near Bangalore Bakery, Kasturba Road, Chandrapur - 442 402 Maharashtra. **Chennai:** Ground Floor, 148 Old Mahabalipuram Road, Okkiyam, Thuraiyakkam, Chennai - 600097. **Chhindwara :** Shop No. 01 Near Puja Lawn, Prarasia Road, Chhindwara - 480001. **Chittorgarh :** 3 Ashok Nagar, Near Heera Vatika, Chittorgarh - 312001. **Cuttack :** Near Indian Overseas Bank, Cantonment Road, Mata Math, Cuttack - 753001. **Darbhanga :** Shahi Complex, 1st Floor, Near R B Memorial



### III. COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED (CAMS) - TRANSACTION POINT

Hospital, V I P Road, Benta, Laheriasarai, Darbhanga - 846001. **Davenegere** : 13, 1st Floor, Akkamahadevi Samaj Complex, Church Road, P J Extension, Devengere - 577002. **Dehradun** : 204/121, Nari Shilp Mandir Marg, Old Connaught Place, Dehradun - 248001. **Deoghar** : S S M Jalan Road, Ground Floor, Opp Hotel Ashoke, Caster Town, Deoghar - 814112. **Dhanbad** : Urmila Towers, Room No. 111, 1st Floor, Bank More, Dhanbad - 826001. **Dharmapuri** : 16A/63A, Pidamaneri Road, Near Indoor Stadium, Dharmapuri - 636701. **Dhule** : H No. 1793 / A, J B Road, Near Tower Garden, Dhule - 424001. **Erode** : 197, Seshaiyer Complex, Agraharam Street, Erode - 638002. **Faizabad** : 64 Cantonment, Near GPO, Faizabad - 224001. **Faridabad** : B-49, 1st Floor, Nehru Ground, Behind Anupam Sweet House, NIT, Faridabad - 121001. **Gandhidham** : S-7, Ratnakala Arcade, Plot No. 231, Ward - 12/B, Gandhidham - 370201. **Ghaziabad** : 113/6, 1st Floor, Navyug Market, Ghaziabad - 201001. **Gondal** : A/177 Kailash Complex Opp. Khedut Decor GONDAL - 360311. **Gorakhpur** : Shop No. 3, 2nd Floor, Cross Road, A.D. Chowk, Bank Road, Gorakhpur - 273001. **Gulbarga** : Pal Complex, 1st Floor, Opp City Bus Stop, Super Market, Gulbarga - 585101. **Guntur** : Door No 5-38-44, 5/1 BRODIPET, Near Ravi Sankar Hotel, Guntur - 522002. **Gurgaon** : SCO - 17, 3rd Floor, Sector-14, Gurgaon - 122001. **Guwahati** : A K Azad Road, Rehabari, Guwahati - 781008. **Gwalior** : G-6, Global Apartment Phase - II, Opposite Income Tax Office, Kailash Vihar City Centre, Gwalior - 474011. **Haldia** : 1st Floor, New Market Complex, Durgachak Post Office, Purba Medinipur District, Haldia - 721602. **Haldwani** : Durga City Centre, Nainital Road, Haldwani - 263139. **Hazaribagh** : Municipal Market, Annada Chowk, Hazaribagh - 825301. **Himmatnagar** : D-78, 1st Floor, New Durga Bazar, Near Railway Crossing, Himmatnagar - 383001. **Hisar** : 12, Opp Bank of Baroda, Red Square Market, Hisar - 125001. **Hoshiarpur** : Near Archies Gallery, Shimla Pahari Chowk, Hoshiarpur - 146001. **Hosur** : No.9/2, 1st Floor, Attibele Road, HCF Post, Behind RTO office, Mathigiri, Hosur - 635 110. **Hubli** : 206 & 207, 1st Floor, A-Block, Kundagol Complex, Opp Court, Club road, Hubli - 580029. **Jabalpur** : 8, Ground Floor, Datt Towers, Behind Commercial Automobiles, Napier Town, Jabalpur - 482001. **Jalandhar** : 367/8, Central Town, Opp. Gurudwara Diwan Asthan, Jalandhar - 144001. **Jalgaon** : Rustomji Infotech Services, 70, Navipeth, Opp old Bus Stand, Jalgaon - 425001. **Jalna** : (Parent ISC - Aurangabad) : Shop No. 11, 1st Floor, Ashoka Plaza, Opp Magistic Talkies, Subhash Road, Jalna - 431203. **Jamnagar** : 207, Manek Centre, P N Marg, Jamnagar - 361001. **Jamshedpur** : Millennium Tower, Room No. 15, 1st Floor, R - Road, Bistupur, Jamshedpur - 831001. **Jhansi** : Babu Lal Karkhana Compound, Opp SBI Credit Branch, Gwalior Road, Jhansi - 284001. **Jodhpur** : 1/5, Nirmal Tower, 1st Chopasani Road, Jodhpur - 342003. **Jammu** : JRDS Heights, Lane Opp. S&S Computers, Near RBI Building, Sector 14, Nanak Nagar Jammu - 180004. **Junagadh** : Circle Chowk, Near Choksi Bazar Kaman, Gujarat Junagadh - 362001. **Kadapa** : Door No.: 21/598, Palempapaiah Street, Near Ganjikutta Pandurangaiah Dental Clinic, 7 Road Circle, Kadapa - 516001. **Kakinada** : No.33-1, 44 Sri Sathya Complex, Main Road, Kakinada - 533 001. **Kalyani** : A - 1/50, Block - A, Dist Nadia Kalyani - 741235. **Kannur** : Room No.14/435, Casa Marina Shopping Centre, Talap, Kannur - 670004. **Karimnagar** : H No. 7-1-257, Upstairs S B H, Mangammthota, Karimnagar - 505001. **Karnal** : (Parent :Panipat TP) : 7, IInd Floor, Opp Bata Showroom, Kunjapura Road, Karnal - 132001. **Karur** : 126 GVP Towers, Kovai Road, Basement of Axis Bank, Karur - 639002. **Katni** : NH 7, Near LIC, Jabalpur Road, Bargawan, Katni - 483501. **Kestopur** : S. D. Tower, Sreeparna Apartment, AA-101, Prafulla Kannan (West) Shop No - 1M, Block - C (Ground Floor), Kestopur, - 700101. **Khammam** : 1st Floor, Shop No 11 - 2 - 31/3, Philips Complex, Balajinagar, Wyra Road, Near Baburao Petrol Bunk, Khammam - 507001. **Kharagpur** : Shivhare Niketan, H No 291/1, Ward No 15, Opposite UCO Bank, Kharagpur - 721301. **Kolhapur** : AMD Sofex Office No.7, 3rd Floor, Ayodhya Towers, Station Road, Kolhapur - 416001. **Kollam** : Kochupilamoodu Junction, Near VLC, Beach Road, Kollam - 691001. **Kota** : B-33, Kalyan Bhawan, Triangle Part, Vallabh Nagar, Kota - 324007. **Kottayam** : Building No: KMC IX / 1331 A, Opp.: Malayala Manorama, Railway Station Road, Thekkumkattil Building Kottayam - 686 001 **Kumbakonam** : Jailani Complex, 47, Mutt Street, Kumbakonam - 612001. **Kurnool** : H.No.43/8, Upstairs, Uppini Arcade, N R Peta, Kurnool - 518004. **Malda** : Daxhinapan Abasan, Opp Lane of Hotel Kalinga, S M Pally, Malda - 732101. **Manipal** : Basement floor, Academy Tower, Opposite Corporation Bank, Manipal - 576104. **Mapusa** : (Parent ISC : Goa) : Office No.CF-8, 1st Floor, Business Point, Above Beholium Urban Co-op Bank, Angod, Mapusa - 403507. **Margao** : Virginkar Chambers, 1st Floor, Near Kamath Milan Hotel, New Market, Near Lily Garments, Old Station Road, Margao - 403601. **Mathura** : 159/160, Vikas Bazar, Mathura - 281001. **Meerut** : 108, 1st Floor, Shivam Plaza, Opp Eves Cinema, Hapur Road, Meerut - 250002. **Mehsana** : 1st Floor, Subhadra Complex, Urban Bank Road, Mehsana - 384002. **Moga** : Gandhi Road, Opp Union Bank of India, Moga - 142001. **Moradabad** : B-612, Sudhakar, Lajpat Nagar, Moradabad - 244001. **Mumbai (Andheri)** : CTS No 411, Citipoint, Gundivali, Teli Gali, Above C.T. Chatwani Hall, Andheri (East) Mumbai - 400 069. **Muzaffarpur** : Brahman Toli, Durga Asthan Gola Road, Muzaffarpur - 842001. **Mysore** : No.1, 1st Floor, CH.26 7th Main, 5th Cross, (Above Trishakthi Medicals), Saraswati Puram, Mysore - 570009. **Nadiad** : F 142, First Floor, Gantakaran Complex, Gunj Bazar, Nadiad - 387001. **Nalgonda** : Adj. to Maisaiah Statue, Clock Tower Center, Bus Stand Road, Nalgonda - 508001. **Nashik** : Ruturang Bungalow, 2 Godavari Colony, Behind Big Bazar, Near Boys Town School, Off College Road, Nashik - 422005. **Navsari** : Dinesh Vasani & Associates, 103 - Harekrishna Complex, above IDBI Bank, Near Vasant Talkies, Chhinnabar Road, Navasari - 396445. **Nellore** : 97/56, 1st Floor, Immadi Setty Towers, Ranganayakulapet Road, Santhapet, Nellore - 524001. **Noida** : C-81, 1st Floor, Sector No 2, Noida - 201301. **Palakkad** : 10 / 688, Sreedevi Residency, Mettupalayam Street, Palakkad - 678001. **Palanpur** : Jyotindra Industries Compound, Near Vinayak Party Plot, Deesa Road, Palanpur - 385001. **Panipat** : 83, Devi Lal Shopping Complex, Opp ABN Amro Bank, G T Road, Panipat - 132103. **Patiala** : 35, New Lal Bagh Colony, Patiala - 147001. **Pondicherry** : S-8, 100, Jawaharlal Nehru Street, New Complex, Opp. Indian Coffee House), Pondicherry - 605001. **Raibareli** : 17, Anand Nagar Complex, Raibareli - 229001. **Raipur** : HIG, C-23, Sector - 1, Devendra Nagar, Raipur - 492004. **Rajahmundry** : Cabin 101, D No. 7-27-4, 1st Floor, Krishna Complex, Baruvuri Street, T Nagar, Rajahmundry - 533101. **Rajkot** : Office 207 - 210, Everest Building, Harihar Chowk, Opp Shastri Maidan Limda Chowk Rajkot - 360001. **Ranchi** : 4, HB Road, No: 206, 2nd Floor Shri Lok Complex, Ranchi - 834 001. **Ratlam** : Dafria & Co., 18, Ram Bagh, Near Scholar's School, Ratlam - 457001. **Ratnagiri** : Kohinor Complex, Near Natya Theatre, Nachane Road, Ratnagiri - 415639. **Rohtak** : 205, 2nd Floor, Bldg. No. 2, Munjal Complex, Delhi Road, Rohtak - 124001. **Roorkee** : 22 Civil Lines, Ground Floor, Hotel Krish Residence Roorkee - 247667. **Rourkela** : 1st Floor, Mangal Bhawan, Phase II, Power House Road, Rourkela - 769001. **Sagar** : Opp. Somani Automobiles, Bhagwanganj, Sagar - 470002. **Saharanpur** : 1st Floor, Krishna Complex, Opp. Hath Gate, Court Road, Saharanpur - 247001. **Salem** : No. 2, 1st Floor, Vivekananda Street, New Fairlands, Salem - 636016. **Sambalpur** : C/o Raj Tibrewal & Associates, Opp. Town High School, Sansarak, Sambalpur - 768001. **Sangli** : Jiveshwar Krupa Bldg, Shop. NO.2, Ground Floor, Tilak Chowk, Harbhat Road, Sangli - 416416. **Satara** : 117 / A / 3 / 22, Shukrawar Peth, Sargam Apartment, Satara - 415002. **Shahjahanpur** : Bijlipura, Near Old Distt Hospital, Shahjahanpur - 242001. **Shimla** : 1st Floor, Opp Panchayat Bhawan Main Gate, Bus Stand, Shimla - 171001. **Shimoga** : Nethravathi, Near Gutti Nursing Home, Kuvempu Road, Shimoga - 577201. **Siliguri** : 17B Swamiji Sarani, Siliguri - 734001. **Sirsa** : Gali No1, Old Court Road, Near Railway Station Crossing, Sirsa - 125055. **Solan** : 1st Floor, Above Sharma General Store, Near Sanki Rest house, The Mall, Solan - 173212. **Solapur** : Flat No 109, 1st Floor, A Wing, Kalyani Tower, 126 Siddheshwar Peth, Near Pangal High School, Solapur - 413001. **Sriganganagar** : 18 L Block, Sri Ganganagar - 335001. **Srikakulam** : Door No 4-4-96, First Floor, Vijaya Ganapathi Temple Back Side, Nanubala Street, Srikakulam - 532001. **Sultanpur** : 967, Civil Lines, Near Pant Stadium, Sultanpur - 228001. **Surat** : Plot No.629, 2nd Floor, Office No.2-C/2-D, Mansukhlal Tower, Beside Seventh Day Hospital, Opp.Dhiraj Sons, Athwalines, Surat - 395001. **Surendranagar** : 2 M I Park, Near Commerce College, Wadhwan City, Surendranagar - 363035. **Thane** : 3rd Floor, Nalanda Chambers, "B" Wing, Gokhale Road, Near Hanuman Temple, Naupada, Thane (West) - 400 602. **Thiruppur** : 1(1), Binny Compound, 2nd Street, Kumaran Road, Thiruppur - 641601. **Thiruvalla** : 24/590-14, C.V.P Parliament Square Building, Cross Junction, Thiruvalla - 689101. **Tinsukia** : Sanairan Lohia Road, 1st Floor, Tinsukia - 786125. **Tirunelveli** : 1st Floor, Mano Prema Complex, 182 / 6, S N High Road, Tirunelveli - 627001. **Tirupathi** : Shop No : 6, Door No: 19-10-8, (Opp to Passport Office), AIR Bypass Road, Tirupathi - 517501. **Trichur** : Room No. 26 & 27, Dee Pee Plaza, Kottkalai, Trichur - 680001. **Trichy** : No 8, 1st Floor, 8th Cross West Extn, Thillainagar, Trichy - 620018. **Trivandrum** : R S Complex, Opposite of LIC Building, Pattom PO, Trivandrum - 695004. **Tuticorn** : 1 - A / 25, 1st Floor, Eagle Book Centre Complex, Chidambaram Nagar Main, Palayamkottai Road, Tuticorn - 628008. **Udaipur** : 32 Ahinsapuri, Fatehpura Circle, Udaipur - 313004. **Ujjain** : 123, 1st Floor, Siddhi Vinayaka Trade Centre, Saheed Park, (Madhya Pradesh), Ujjain - 456010. **Unjha** : (Parent: Mehsana) : 10/11, Maruti Complex, Opp. B R Marbles, Highway Road, Mehsana, Unjha - 384170. **Valsad** : Gita Niwas, 3rd Floor, Opp. Head Post Office, Halar Cross Lane, Valsad - 396001. **Vapi** : 208, 2nd Floor HEENA ARCADE, Opp. Tirupati Tower, Near G.I.D.C. Char Rasta, Vapi - 396195. **Varanasi** : Office no 1, Second floor, Bhawani Market, Building No. D-58/2-A1, Rathayatra, Beside Kuber Complex, Varanasi - 221010. **Vellore** : No.1, Officer's Line, 2nd Floor, MNR Arcade, Opp. ICICI Bank, Krishna Nagar, Vellore - 632001. **Warangal** : A.B.K Mall, Near Old Bus Depot road, F-7, 1st Floor, Ramnagar, Hanamkonda, Warangal - 506001. **Yamuna Nagar** : 124-B/R Model Town, Yamunanagar - 135001. **Yavatmal** : Pushpam, Tilakwadi, Opp Dr Shrotri Hospital, Yavatmal - 445001.

**CAMS, Registrar and Transfer Agent to Kotak Mutual Fund will be the official point of acceptance for electronic transaction received through specified banks, Financial Institutions with whom Kotak Mahindra Mutual Fund has entered or may enter into specific arrangement for purchase/sale/switch of units and secured internet site operated by Kotak Mahindra Mutual Fund.**

**All ASBA Participating Bank.**