

August 31, 2007



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You're probably as excited as he is.**

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the more our investors earn.**

Invest in Kotak Lifestyle and ride the sectors that benefit from the changing lifestyle. Be it Travel, Auto, Retail or Entertainment... everyone's spending. For you.

Scheme Highlights and Risk Factors on Page 19.



Dear Friends,

I write this letter to you with a great sense of satisfaction over the successful conclusion of the NFO - Kotak Global Emerging Markets Fund. The success is even more eventful as it coincided with increased global market volatility. I take this opportunity to express gratitude to all our channel partners whose synergistic efforts made this possible.

The high bouts of volatility witnessed across world markets during the month of August severely tested the patience levels of the investment community. But it is to the credit of the Indian investor that they remained largely unperturbed by the stock market decline. This display of confidence in the Indian markets goes to show the maturity which the investors have developed over a period of time. It also underlines the importance of the oft-stated "Equities are for long term" and that the time in the markets assumes more significance rather than timing the markets.

While the Indian economic growth remains well above the 9% mark and corporate earnings remain in line with expectations, the market still went into a tizzy taking cues from the global market. This volatility witnessed in August was an outcome of a global reassessment of risk in the wake of the meltdown in the US credit and housing market and the potential hazards of an unwinding in the yen carry trade.

This also corroborates the long-held opinion that India, like other emerging markets, is now a part of an increasingly globalised world. Indian markets are no more insulated and would move in tandem with the rest of the world. However, with the domestic growth in most of the emerging markets on the rise, some level of decoupling from the developed world is a possibility.

We believe that, notwithstanding the recent events that indicate a decline in the US economy, the growth in India will continue to remain strong. In fact, there is a strong reason to believe that other emerging markets too remain a relatively safe destination for foreign investment since China and India are fast emerging as a robust alternative market for their produce. Also, with a sizeable safety cushion of forex reserves that amounts to around 70% of the world total, emerging markets largely remain a secure call for investment.

In the long run, the current realignment of the risk and return trade-off in the global financial system will tend to find equilibrium. The subprime meltdown in the US has only brought to the fore the vagaries of the long-standing credit abuse in their system; and the current decline will help in balancing that.

One thing is certain, the current rebalancing of the global finance in favor of the emerging markets, on the one hand; coupled with a decline in growth of the developed world on the other, has led to the emergence of the new global order. As Klaus Schwab of the World Economic Forum himself sees, "an entirely different cast of companies, cities and regions will emerge as the "New Champions" in the World economy".

Regards,

Sandesh Kirkire

Chief Executive Officer

**Before investing, please read the Offer Document.**

## From the Equity Fund Management Team

The sentiments in the domestic equity market were influenced by multiple factors like US economy, global markets and local political scenario. For the month Sensex closed lower by 1.5% to close at 15319 and CNX Midcap had a fall of 2.17% to close at 6044. The equity markets however had substantial volatility during the month with the indices losing around 10% in the early part of the month on the back of global cues (arising from the sub-prime crisis in the USA) and local political scenario (post the nuclear deal with USA). The markets recovered significant portion of the losses in the second half of the month again led by global cues when the US Federal reserve decided to reduce the discount rate by 0.5% to 5.75%. FII's were net sellers with at US\$ 1.92 bn. Mutual funds were net buyers at US \$ 885 mn (upto August 30).

Global equity markets also witnessed volatility during the month wherein the early losses were reversed post the cut in discount rates. While the sub-prime issue is not yet resolved fully, the cut in discount rate has fuelled a hope of a cut in the Fed rate among the market participants and the cut in Fed rate is usually viewed positively in terms of market sentiment. We expect that implications of the sub-prime issue on the real economy will emerge over next 3-6 months in the USA. The sub-prime crisis can have impact on the businesses of the financial service companies in the USA. While there is no direct impact of the sub-prime issue on the Indian economy, there are concerns regarding lower growth expectations for Indian IT services that source business from the financial service industry in the USA. We continue to believe that the growth in Indian economy; being oriented on domestic consumption & infrastructure theme, will remain insulated from global worries and will remain attractive investment destination in long term.

### Economic Indicators

- Indian economy grew at a robust 9.3% in the quarter ended June 2007. The GDP growth while being lower than the 9.6% growth in same period previous year, was higher than the expectations.
- Index of Industrial Production grew at 9.8% in June 2007.
- Wholesale Price Index stood at 3.94% for the week ended August 18.
- Gross tax receipts were up 26% during the period April-July 2007 (YoY basis) with Corporate Tax up 49%, Personal Income tax up 32% and customs duty up 20%.

### Key Policy Actions

- Political environment saw a crisis emerging when scenario witnessed a crisis with the Left parties rejecting the 123 Agreement (Nuclear deal with USA). The crisis stands resolved, at least in the short term, after the Left parties and the Government agreed to form a committee to look into the concerns raised by Left parties.
- Reserve Bank of India has released a discussion paper on Holding Companies in Banking Groups. The paper suggests need for creating proper legal framework so as to ensure that no unregulated entities are present within the structure. The paper also states that "it will be desirable to avoid intermediate holding company structures".
- TRAI released its recommendations suggesting changes to existing policies viz;
  - Raising the limit of substantial equity holding in the competing company from the existing 10% to 20%.
  - A minimum 4 service providers for area without any upper limit
  - A reduction in the limit of 67% market share in terms of subscribers for an operator in each service area to 40%. The market share would be calculated based on the no of subscribers and the AGR (adjusted gross revenue).
  - Additional spectrum allocation beyond 10Mhz to be charged a one time spectrum acquisition charge based on the service areas

### Corporate Developments

- Tata Steel raised US\$725mn from overseas issue of Foreign Currency Convertible Alternative Reference Securities (CARS) as a part of its funding mix for Corus
- SW Steel acquired 3 companies at Baytown, Texas for \$940mn (Rs38.45bn); where Jindal Saw had stakes alongwith Jindal Saw promoters.
- BHEL got order from the UP government to set up a 1,600 Mw thermal power project at Obra at an estimated cost of Rs64bn (\$1.6bn).
- M&M to set up Assembly unit in Brazil: M&M is to set up a utility assembly plant in Manuas, North Brazil, with local partner Bramont, expected to be commissioned by November 2007.
- ICICI bank's plans of creating a holding company structure for its insurance & mutual fund subsidiaries was approved by the FIPB and Finance ministry
- Nuclear Power Corporation of India has recommended setting up four "nuclear power parks" that will house 25 reactors, producing 45,000MW of energy, through a public-private partnership at an investment of Rs2700bn (\$66bn).

### Market Outlook

We continue to maintain that equities remain a preferred asset class for investors considering India's economic potential and corporate sector's growth plans. While the longer term outlook being positive, the near term market movements will mainly take cues from global equity markets as they swing between hope of easing interest rates & fear of sub-prime issue in USA impacting the economic growth. We would recommend investors to use any dip in the equity markets as an opportunity to invest with a 2 – 3 year horizon.

## From the Debt Fund Management Team

A week, they say is a long time in politics and that was the case in the financial markets this month. Within 10 days of the FOMC keeping interest rates unchanged and maintaining that inflation was its predominant concern even as the turmoil in the financial markets continued; the Fed was forced to cut the discount rate and acknowledge that there were increased risks to growth. While the fed funds rate is the rate at which the Fed targets to keep inter bank lending at, the discount rate is the rate at which banks can directly borrow money from the Fed against collateral of a wide range of securities.

The US sub prime crisis which started last month has spread with amazing alacrity engulfing banks across the globe including those in Europe, Australia and China. As BNP Paribas stopped withdrawals from a few of its funds, it turned into a liquidity crisis and the ECB had to step in by infusing record sums to the money markets along with giving out verbal assurances. The Fed and BoJ too had to follow suit and as Countrywide Financial Corporation drew down on its entire line of credit with banks the crisis got even deeper and the Fed was forced to cut the discount rate and also accept asset-backed commercial paper as collateral. The present situation is a classic "liquidity crisis" where entities have raised short term liabilities to create long term assets are unable to refinance their liabilities. Also, these are non-banking entities, which cannot access last resort finance from central banks. To the extent that banks promote some of these entities, sponsor banks may be forced to take risky assets on their balance sheets sparking a crisis of confidence, as the extent of erosion of these assets is still unclear.

The Fed is caught in a Catch 22 situation as a cut in the fed rate could give out signals of bail out for improvident lenders and investors while not easing monetary policy risks pushing the economy towards a slowdown as the credit tightness compounds the drag from the housing slowdown. Data continues to show that the US economy continues to chug along but the recent financial turmoil is a watershed event and past data may not be as relevant in the Fed's decision which will rely on its judgment derived from more near term interactions with its business and banking contacts. But the market has fully discounted a rate cut, and the salutary effect of a rate cut will be much less than the adverse implications of a rate hike, which could trigger a sell off across asset classes.

In its quarterly review of the monetary policy, the RBI had kept its focus on inflation control and taken measures to suck out excess liquidity from the system. The government too did its bit by putting severe restrictions on ECBs and hiking the MSS limit to 1,50,000 Crs. However the global financial crisis has put a brake on further inflows and even caused a reversal of portfolio flows making RBI's job a bit easier. It initially continued with liquidity withdrawal by issuing dated G Secs under the MSS but later switched to using short maturity T Bills to suck out just that liquidity created by T Bills redemption. Headline inflation has crossed to fall below the 4% mark but underlying inflationary pressures still remain especially from high prices of agricultural commodities. With current money market rates just about high enough to dissuade an excessive stimulus the RBI will attempt to keep liquidity just about adequate and consolidate on its hard fought gains on the inflation front. This month the market will also have to deal with advance tax outflows and we expect the 10-year G Sec to remain between 7.75% to 8.00%.

### Source Of Information :

- www.rbi.org.in • www.sebi.gov.in • www.eaindustry.nic.in • Bloomberg
- Moneyline telerate • Economic times • Reuters

**Assets under Management as on August 31, 2007 – Rs. 19647.29 Crores**

## KOTAK 30

Open - Ended Equity Growth Scheme

### About The Scheme

**Investment Objective** - To generate capital appreciation from a portfolio of predominantly equity and equity related securities with investment in, generally, not more than 30 stocks. **Available Options** - DP,DR & G. **Fund Managers** - Krishna Sanghvi and Sanjib Guha. **Loads** - **Entry:** Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores: Nil. Where the switch in is from an Equity/Balanced/Equity FOF scheme to an Equity/Balanced/Equity FOF scheme: Nil. Where investment is made by FIs or sub a/c of FIs: Nil. Where investments is made by fund of funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: 2.25%. **Exit:** For exit within 6 months for investments less than Rs. 5 crore: 1 %. Cases not covered above: Nil.

**Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1.

**Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 467.27 crores **Ratio:** Beta\*: 0.94 Sharpe\*:0.50 Standard Deviation\*: 5.97 Alpha\*:0.57 \* Source: Value Research.

### Performance as on August 31, 2007

	1 Yr	3 Yr	5 Yr	Since Allotment (Dec 29, 1998)
Kotak 30	34.7	46.4	47.5	31.3
S&P CNX Nifty	30.9	43.4	36.9	20.5

Kotak 30 NAV: Rs 35.173 (Div.Option)

\* Returns assumed reinvestment of the tax free dividend declared. Returns = 1 year: Absolute; Returns > 1 year: CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

### Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related (Listed / Awaiting listing)</b>		
Reliance Industries Ltd.	Petroleum Products	8.81
Larsen And Toubro Ltd.	Industrial Capital Goods	5.53
State Bank Of India	Banks	4.71
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	4.45
Reliance Communications Ltd.	Telecom - Services	4.19
Infosys Technologies Ltd.	Software	3.87
ICICI Bank Ltd.	Banks	3.80
Tata Steel Ltd.	Ferrous Metals	3.80
Crompton Greaves Ltd.	Industrial Capital Goods	3.73
Grasim Industries Ltd.	Cement	3.47
Tata Consultancy Services Ltd.	Software	3.46
HDFC Ltd.	Finance	3.39
Bharti Airtel Ltd.	Telecom - Services	3.29
Reliance Energy Ltd.	Power	3.03
Axis Bank Ltd	Banks	3.01
Jaiprakash Associates Ltd	Construction	2.83
Satyam Computer Services Ltd.	Software	2.57
ITC Ltd.	Consumer Non Durables	2.56
Deccan Chronicle Holdings Ltd.	Media and Entertainment	2.35
Lupin Ltd.	Pharmaceuticals	2.08
Aditya Birla Nuvo Ltd	Textile Products	2.01
Bank Of Baroda	Banks	2.01
ONGC Ltd.	Oil	2.00
Sterlite Industries (India) Ltd	Non - Ferrous Metals	1.89
GMR Infrastructure Ltd.	Construction	1.73
Jindal Saw Ltd.	Ferrous Metals	1.70
Patel Engineering Ltd.	Construction	1.66
ABG Shipyard Ltd	Industrial Capital Goods	1.25
<b>Total</b>		<b>89.18</b>
<b>Futures</b>		
Oil & Natural Gas Corporation Ltd.-SEP2007		2.06
Bharti Airtel Ltd.-SEP2007		1.86
<b>Total</b>		<b>3.92</b>
<b>Term Deposit</b>		
Kotak Mahindra Bank		1.71
<b>Total</b>		<b>1.71</b>
Collateral Borrowing & Lending obligation		<b>3.00</b>
<b>Net Current Assets/(Liabilities)</b>		<b>2.19</b>
<b>Grand Total</b>		<b>100.00</b>

Total NPAs provided for and percentage to NAV: Nil

Total Value and percentage to Net Asset of Illiquid Equity Shares: Nil

### Sector Allocation

Industrial Capital Goods	14.95
Banks	13.53
Software	9.90

Petroleum Products	8.81
Telecom - Services	7.48
Construction	6.21
Ferrous Metals	5.50
CBLO & Term Deposits & Rev. Repo	4.71
Cement	3.47
Finance	3.39
Rest	22.05

### SIP Returns

	1 Year	3 Year	5 Year	7 Year
Investment Amt.	Rs. 12000	Rs. 36000	Rs. 60000	Rs. 84000
Investment Value	Rs. 13944	Rs. 63472	Rs. 184749	Rs. 346438
XIRR	31.40%	40.57%	46.83%	40.13%

Assumption: 1) 1000 Investment done on the 7<sup>th</sup> or the subsequent working day of the month. 2) Loads not considered.

## KOTAK MID-CAP

Open - Ended Equity Growth Scheme

### About The Scheme

**Investment Objective** - To generate capital appreciation from a diversified portfolio of equity and equity related securities.

**Available Options** - DP, DR & G. **Fund Managers** - Nikunj Doshi and Anurag Jain. **Loads** - **Entry:** Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores: Nil. Where the switch in is from an Equity/Balanced/Equity FOF scheme to an Equity/Balanced/Equity FOF scheme: Nil. Where investment is made by FIs or sub a/c of FIs: Nil. Where investments is made by fund of funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: 2.25% **Exit:** For exit within 6 months for investments less than Rs. 5 crores: 1 %. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 275.57 crores.

### Performance as on August 31, 2007

	Last 1 Year	Since Allotment (Feb 24, 2005)
Kotack Midcap	38.2	38.3
CNX Midcap	40.3	32.7

Kotak Midcap NAV : Rs.22.900 (Growth Option)

Returns = 1 year: Absolute. Returns > 1 year: CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

### Portfolio

Name of the Instrument	Industry / Rating	to Net Assets
<b>Equity &amp; Equity Related (Listed/Awaiting listing on Stock Exchange)</b>		
SKF India Ltd	Industrial Products	4.24
Patel Engineering Ltd.	Construction	4.14
Kirloskar Oil Engines Ltd.	Industrial Products	4.13
Kalpataru Power Transmission Ltd.	Power	4.10
Maharashtra Seamless Ltd.	Ferrous Metals	4.03
Deccan Chronicle Holdings Ltd.	Media and Entertainment	3.95
Jubilant Organosys Ltd	Pharmaceuticals	3.37
Panacea Biotech Ltd.	Pharmaceuticals	3.16
IDFC Ltd	Finance	3.07
Crompton Greaves Ltd.	Industrial Capital Goods	2.94
Allcargo Global Logistics Ltd.	Transportation	2.81
Indian Overseas Bank	Banks	2.67
Bharat Earth Movers Ltd.	Industrial Capital Goods	2.64
Andhra Bank	Banks	2.63
Ruchi Soya Industries Ltd.	Consumer Non Durables	2.59
Finolex Cables Ltd.	Industrial Products	2.57
GVK Power & Infrastructure Ltd.	Power	2.56
Union Bank Of India	Banks	2.48
Aban Offshore Ltd.	Industrial Services	2.44
Amtek Auto Ltd.	Auto Ancillaries	2.43
Man Industries (India) Ltd.	Ferrous Metals	2.42
Gammon India Ltd.	Construction	2.35
Elecon Engineering Co.Ltd	Engineering	2.34
Biocon Ltd.	Pharmaceuticals	2.23
Television Eighteen India Ltd.	Media and Entertainment	2.13
Megasoft Ltd	Software	2.02
ING Vysya Bank Ltd.	Banks	2.01
Mphasis Ltd	Software	2.00
Jaiprakash Associates Ltd	Construction	1.98
Alstom Projects India Ltd.	Industrial Capital Goods	1.77
Jindal Steel & Power Ltd.	Ferrous Metals	1.71
JSW Steel Ltd.	Ferrous Metals	1.63
Wire & Wireless (India) Ltd.	Media and Entertainment	1.11

Zensar Technologies Ltd.	Software	0.88
Kamdheni Ispat Ltd.	Ferrous Metals	0.88
Nahar Capital & Financial Services Ltd	Finance	0.10
C and C Constructions Ltd	Construction	0.07
<b>Total</b>		<b>90.58</b>
<b>Term Deposit</b>		
Kotak Mahindra Bank Ltd.		1.81
<b>Total</b>		<b>1.81</b>
Reverse Repo		<b>4.63</b>
<b>Net Current Assets/(Liabilities)</b>		<b>2.98</b>
<b>Grand Total</b>		<b>100.00</b>

Total NPAs provided for and percentage to NAV: Nil  
Total Value and percentage to Net Asset of Illiquid Equity Shares: Nil

### Sector Allocation

Industrial Products	10.94
Ferrous Metals	10.68
Banks	9.78
Pharmaceuticals	8.75
Construction	8.55
Industrial Capital Goods	7.35
Media and Entertainment	7.19
Power	6.66
CBLO & Term Deposits & Rev. Repo	6.44
Software	4.91
Rest	18.75

## KOTAK OPPORTUNITIES

*Open - Ended Equity Growth Scheme*

### About the Scheme

**Investment Objective** - To generate capital appreciation from a diversified portfolio of equity and equity related securities.

**Available Options** - DP, DR & G **Fund Managers** – Krishna Sanghvi and Anurag Jain. **Loads - Entry:** Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores: Nil. Where the switch in is from an Equity/Balanced/Equity FOF scheme to an Equity/Balanced/Equity FOF scheme: Nil. Where investment is made by FILs or sub a/c of FILs: Nil. Where investments is made by fund of funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: 2.25%. **Exit:** For exit within 6 months for investments less than Rs. 5 crores: 1 %. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 187.88 crores.

**Ratio:** Beta\*: 0.80 Sharpe\*:0.52 Standard Deviation\*: 5.99 Alpha\*:1.03 \* Source: Value Research.

### Performance as on August 31, 2007

	Last 1 Year	Since Allotment (Sep 09, 2004)
Kotak Opportunities	35.9	49.4
S&P CNX 500	32.2	38.8

Kotak Opportunities NAV: Rs. 33.011 (Growth Option)

Returns = 1 year: Absolute. Returns > 1 year: CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

### Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity Related</b>		
<b>Listed/Awaiting listing on Stock Exchange</b>		
Reliance Industries Ltd.	Petroleum Products	6.63
Bharti Airtel Ltd.	Telecom - Services	4.31
Larsen And Toubro Ltd.	Industrial Capital Goods	4.26
Reliance Communications Ltd.	Telecom - Services	3.70
ICICI Bank Ltd.	Banks	3.31
GVK Power & Infrastructure Ltd.	Power	3.17
Infosys Technologies Ltd.	Software	3.06
State Bank Of India	Banks	2.56
Jindal Steel & Power Ltd.	Ferrous Metals	2.51
JSW Steel Ltd.	Ferrous Metals	2.23
Ashapura Minechem Ltd	Minerals/Mining	2.09
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	2.08
Reliance Energy Ltd.	Power	2.07
Sesa Goa Ltd.	Minerals/Mining	2.07
HDFC Ltd.	Finance	2.05
Andhra Bank	Banks	2.04
Sterlite Industries (India) Ltd	Non - Ferrous Metals	2.02
Union Bank Of India	Banks	1.96
Reliance Capital Ltd.	Finance	1.91
ABG Heavy Industries Ltd.	Industrial Capital Goods	1.88
United Spirits Ltd.	Consumer Non Durables	1.86

Reliance Petroleum Ltd.	Oil & Gas Exploration & Production	1.85
Jindal Saw Ltd.	Ferrous Metals	1.84
Jaiprakash Associates Ltd	Construction	1.82
Kirloskar Oil Engines Ltd.	Industrial Products	1.80
Deccan Chronicle Holdings Ltd.	Media and Entertainment	1.73
Idea Cellular Ltd.	Telecom - Services	1.63
Crompton Greaves Ltd.	Industrial Capital Goods	1.63
Hindustan Construction Co.Ltd	Construction	1.57
Aban Offshore Ltd.	Industrial Services	1.56
IVRCL Infrastructures & Projects Ltd.	Construction	1.51
Punj Lloyd Ltd.	Construction	1.49
Atlas Copco (India) Ltd	Industrial Products	1.48
Kalpataru Power Transmission Ltd.	Power	1.44
Satyam Computer Services Ltd.	Software	1.43
Television Eighteen India Ltd.	Media and Entertainment	1.42
Info Edge (India) Ltd.	Software	1.34
United Phosphorus Ltd	Pesticides	1.33
Mphasis Ltd	Software	1.17
India Cements Ltd.	Cement	1.11
Ambuja Cements Ltd	Cement	1.07
Nahar Industrial Enterprises Ltd.	Textiles - Cotton	1.01
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	1.01
Punjab National Bank	Banks	0.90
Hcl Technologies Ltd.	Software	0.81
Hindustan Unilever Ltd.	Diversified	0.67
<b>Total</b>		<b>92.39</b>

### Futures

Hindustan Unilever Ltd.-SEP2007	0.82
<b>Total</b>	<b>0.82</b>

### Term Deposits

Kotak Mahindra Bank Ltd.	0.80
<b>Total</b>	<b>0.80</b>

Collateral Borrowing & Lending obligation

<b>Net Current Assets/(Liabilities)</b>	<b>0.48</b>
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<b>Grand Total</b>	<b>100.00</b>
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Total NPAs provided for and percentage to NAV: Nil  
Total Value and percentage to Net Asset of Illiquid Equity Shares: Nil

### Sector Allocation

Banks	10.78
Telecom - Services	9.65
Industrial Capital Goods	8.77
Software	7.81
Power	6.69
Petroleum Products	6.63
Ferrous Metals	6.58
Construction	6.39
CBLO & Term Deposits & Rev. Repo	6.31
Minerals/Mining	4.16
Rest	26.23

## Kotak LIFESTYLE

*Open - Ended Equity Growth Scheme*

### About the Scheme

**Investment Objective** - The investment objective of the fund is to generate long-term capital appreciation from a portfolio of equity and equity related securities, generally diversified across companies, which are likely to benefit by changing lifestyle and rising consumerism in India. **Available Options** - DP, DR & G **Fund Managers** – Nikunj Doshi and Krishna Sanghvi. **Loads - Entry:** Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores: Nil. Where the switch in is from an Equity/Balanced/Equity FOF scheme to an Equity/Balanced/Equity FOF scheme: Nil. Where investment is made by FILs or sub a/c of FILs: Nil. Where investments is made by fund of funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: 2.25% **Exit:** For exit within 6 months for investments less than Rs. 5 crores: 1 %. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 326.61 crores.

### Performance As on August 31, 2007

	Last 1 Year	Since Alloted (Mar 21, 2006)
Kotak Lifestyle	37.7	18.7
S & P CNX 500	32.2	21.2

Kotak Lifestyle NAV: Rs. 12.959 (Growth Option)

Returns = 1 year: Absolute; Returns > 1 year: CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

## Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related</b>		
<b>Listed/Awaiting listing on Stock Exchange</b>		
Reliance Communications Ltd.	Telecom - Services	5.19
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	5.12
Bharti Airtel Ltd.	Telecom - Services	4.98
ICICI Bank Ltd.	Banks	4.62
Indian Hotels Company Ltd.	Hotels	4.47
United Spirits Ltd.	Consumer Non Durables	4.29
Deccan Chronicle Holdings Ltd.	Media and Entertainment	4.01
Reliance Capital Ltd.	Finance	3.12
HDFC Bank Ltd.	Banks	2.87
Hindustan Unilever Ltd.	Diversified	2.87
HCL Infosystems Ltd.	Hardware	2.64
HDFC Ltd.	Finance	2.60
Asian Paints Ltd.	Consumer Non Durables	2.60
Aditya Birla Nuvo Ltd	Textile Products	2.55
Pyramid Saimira Theatre Ltd.	Media and Entertainment	2.41
ITC Ltd.	Consumer Non Durables	2.35
Adlabs Films Ltd.	Media and Entertainment	2.28
Hinduja TMT Ltd.	Software	2.18
Maruti Udyog Ltd	Auto	2.13
Raymond Ltd	Textile Products	2.11
Champagne Indage Ltd.	Consumer Non Durables	2.10
Television Eighteen India Ltd.	Media and Entertainment	2.04
Mahindra Gesco Developers Ltd.	Construction	1.99
Deccan Aviation Ltd	Transportation	1.96
Mahindra & Mahindra Ltd.	Auto	1.95
Radico Khaitan Ltd.	Consumer Non Durables	1.91
Zee Entertainment Enterprises Ltd	Media and Entertainment	1.90
Network 18 Fincap Ltd.	Finance	1.58
Info Edge (India) Ltd.	Software	1.51
Royal Orchid Hotels Ltd	Hotels	1.49
Wire & Wireless (India) Ltd.	Media and Entertainment	1.46
Centurion Bank of Punjab Ltd.	Banks	1.45
Nitco Tiles Ltd.	Consumer Non Durables	1.16
Global Broadcast News Ltd	Media and Entertainment	1.13
<b>Total</b>		<b>89.02</b>
<b>Debt Instruments</b>		
<b>Debentures and Bonds</b>		
<b>Corporate Debt / Financial Institutions</b>		
Citicorp Finance (India) Ltd.	AAA	1.23
<b>Corporate Debt / Financial Institutions - Total</b>		<b>1.23</b>
<b>Term Deposits</b>		
Kotak Mahindra Bank Ltd.		1.53
<b>Total</b>		<b>1.53</b>
Collateral Borrowing & Lending obligation		3.14
<b>Net Current Assets/(Liabilities)</b>		<b>5.08</b>
<b>Grand Total</b>		<b>100.00</b>

Total NPAs provided for and percentage to NAV. Nil

Total Value and percentage to Net Asset of Illiquid Equity Shares: Nil

## Sector Allocation

Media and Entertainment	15.23
Consumer Non Durables	14.42
Telecom - Services	10.17
Banks	8.94
Finance	7.31
Hotels	5.95
Pharmaceuticals	5.12
Net Current Assets	5.07
CBLO & Term Deposits & Rev. Repo	4.67
Textile Products	4.66
Rest	18.46

## KOTAK EMERGING EQUITY

Close - Ended Equity Growth Scheme

### About The Scheme

**Investment Objective** - 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. **Available Options** - DP, DR & G **Fund Managers** - Nikunj Doshi & Sanjib Guha. **Unamortised Expenses:** As per SEBI circular dated April 4, 2006, balance proportionate unamortised issue expenses shall be recovered from exiting unitholders. **Loads - Exit:** Nil. (During liquidity window) **Ideal Investments Horizon** - 3 years **Corpus:** Rs. 256.60 crores.

## Performance as on August 31, 2007

Since Allotment (March 30, 2007)	
Kotak Emerging Equity	14.3
Bse Midcap	22.7
Kotak Emerging Equity NAV: Rs. 11.441 (Growth Option)	
Returns = 1 year: Absolute; Annualised return is not shown as scheme has not completed 1 Year. Past performance may or may not be sustained in future.	

## Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related</b>		
<b>Listed/Awaiting listing on Stock Exchange</b>		
ICICI Bank Ltd.	Banks	5.37
Kirloskar Brothers Ltd.	Industrial Products	5.11
Hindustan Construction Co.Ltd	Construction	5.11
Punj Lloyd Ltd.	Construction	5.07
Reliance Capital Ltd.	Finance	4.91
Kalpataru Power Transmission Ltd.	Power	4.54
GVK Power & Infrastructure Ltd.	Power	4.23
Mphasis Ltd	Software	4.00
Godrej Industries Ltd	Chemicals	3.93
Reliance Petroleum Ltd.	Oil & Gas Exploration & Production	3.83
ING Vysya Bank Ltd.	Banks	3.43
Asahi India Glass Ltd	Auto Ancillaries	3.41
3i Infotech Ltd.	Software	3.21
ABG Shipyard Ltd	Industrial Capital Goods	3.15
GMR Infrastructure Ltd.	Construction	3.15
Bharat Bijlee Ltd	Industrial Capital Goods	2.32
JMC Projects (India) Ltd	Construction	2.29
HTMT Global Solutions Ltd	Software	2.26
Pyramid Saimira Theatre Ltd.	Media and Entertainment	2.25
Great Eastern Shipping Com Ltd	Transportation	2.11
Megasoft Ltd	Software	2.08
Global Broadcast News Ltd	Media and Entertainment	1.90
ANG Auto Ltd	Auto	1.88
Hinduja TMT Ltd.	Software	1.85
Sical Logistics Ltd.	Transportation	1.84
Nitin Fire Protection industries Ltd	Industrial Equipment	1.84
Gujarat Ambuja Exports Ltd.	Trading	0.95
<b>Total</b>		<b>86.02</b>
<b>Term Deposit</b>		
Kotak Mahindra Bank Ltd.		1.17
<b>Total</b>		<b>1.17</b>
Reverse Repo		2.67
Collateral Borrowing & Lending obligation		2.34
<b>Net Current Assets/(Liabilities)</b>		<b>7.80</b>
<b>Total</b>		<b>100.00</b>

## Sector Allocation

Construction	15.61
Software	13.41
Banks	8.80
Power	8.76
Net Current Assets	7.81
CBLO & Term Deposits & Rev. Repo	6.18
Industrial Capital Goods	5.47
Industrial Products	5.11
Finance	4.91
Media and Entertainment	4.15
Rest	19.79

## KOTAK CONTRA

Open - Ended Equity Growth Scheme

### About The Scheme

**Investment Objective** - To generate capital appreciation from a diversified portfolio of equity and equity related securities.

**Available Options** - DP, DR & G **Fund Managers** - Sanjib Guha & Anurag Jain. **Loads - Entry:** Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores: Nil. Where the switch in is from an Equity/Balanced/Equity FOF scheme to an Equity/Balanced/Equity FOF scheme: Nil. Where investment is made by FIs or sub a/c of FIs: Nil. Where investments is made by fund of funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: 2.25% **Exit:** For exit within 6 months for investments less than Rs. 5 crores: 1 %. Cases not covered above: Nil.

**Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 121.53 crores.

## Performance as on August 31, 2007

	Last 1 year	Since Allotment (July 27, 2005)
Kotak Contra	29.4	24.0
S&P CNX 500	32.2	33.6

Kotak Contra NAV: Rs. 16.218 (Growth Option)

Returns = 1 year: Absolute; Returns > 1 year: CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

### Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related</b>		
<b>Listed/Awaiting listing on Stock Exchange</b>		
Hindustan Unilever Ltd.	Diversified	5.62
Navin Fluorine International Ltd.	Chemicals	3.71
Asian Paints Ltd.	Consumer Non Durables	3.65
Gammon India Ltd.	Construction	3.24
Mphasis Ltd	Software	3.14
Gujarat Gas Company Ltd	Gas	3.13
Bharat Electronics Ltd	Industrial Capital Goods	3.07
Ipca Laboratories Ltd.	Pharmaceuticals	3.05
Patel Engineering Ltd.	Construction	3.02
Ahmednagar Forgings Ltd.	Industrial Products	3.01
Apollo Tyres Ltd.	Auto Ancillaries	3.00
Infosys Technologies Ltd.	Software	2.97
Nestle India Ltd.	Consumer Non Durables	2.96
I-Flex Solutions Ltd	Software	2.82
Deccan Aviation Ltd	Transportation	2.77
Steel Authority of India Ltd.	Ferrous Metals	2.42
Coromandel Fertilisers Ltd.	Fertilisers	2.41
EID Parry (India) Ltd.	Consumer Non Durables	2.40
ABG Heavy Industries Ltd.	Industrial Capital Goods	2.15
Hindustan Petroleum Corporation Ltd	Petroleum Products	2.13
Monsanto India Ltd.	Pesticides	2.10
Nitco Tiles Ltd.	Consumer Non Durables	2.06
Eveready Industries India Ltd.	Consumer Non Durables	2.02
Punjab National Bank	Banks	1.99
Jindal Steel & Power Ltd.	Ferrous Metals	1.94
Reliance Energy Ltd.	Power	1.92
Hinduja TMT Ltd.	Software	1.85
Aditya Birla Nuvo Ltd	Textile Products	1.83
Britannia Industries Ltd.	Consumer Non Durables	1.77
TATA Metaliks Ltd.	Ferrous Metals	1.66
Nahar Capital & Financial Services Ltd	Finance	1.57
Tata Chemicals Ltd.	Fertilisers	1.56
Puravankara Projects Ltd	Construction	1.43
India Cements Ltd.	Cement	1.40
Godrej Industries Ltd	Chemicals	1.13
Vardhman Holdings Ltd	Finance	0.99
Nahar Spinning Mills Ltd	Textiles - Synthetic	0.95
IVR Prime Urban Developers Ltd	Construction	0.85
Great Eastern Shipping Company Ltd	Transportation	0.72
C and C Constructions Ltd	Construction	0.11
<b>Total</b>		<b>90.52</b>
<b>Futures</b>		
NIFTY-SEP2007		2.19
<b>Total</b>		<b>2.19</b>
<b>Term Deposit</b>		
Kotak Mahindra Bank Ltd.		1.23
<b>Total</b>		<b>1.23</b>
Reverse Repo		5.65
<b>Net Current Assets/(Liabilities)</b>		<b>0.41</b>
<b>Grand Total</b>		<b>100.00</b>

Total NPAs provided for and percentage to NAV: Nil

Total Value and percentage to Net Asset of Illiquid Equity Shares: Nil

### Sector Allocation

Consumer Non Durables	14.85
Software	10.79
Construction	8.66
CBLO & Term Deposits & Rev. Repo	6.88
Ferrous Metals	6.02
Diversified	5.62
Industrial Capital Goods	5.22
Chemicals	4.85
Fertilisers	3.96
Transportation	3.49
Rest	29.66

## KOTAK EQUITY ARBITRAGE

Open - Ended Equity Growth Scheme

### About The Scheme

**Investment Objective** - 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. **Available Options** - DP, DR & G. **Fund Managers** - Ritesh Jain & Sajit Pisharodi. **Loads - Entry:** Nil. Exit: 0.50 % if redeemed within 30 days from the date of allotment of units. **Minimum Initial Investment:** Rs. 5000. **Additional Investment:** Rs. 1000. & In multiples of Re.1. **Ideal Investments Horizon** - 1-3 Months **Corpus:** Rs. 128.89 crores. **Ratios:** Standard Deviation\*: 0.13 Sharpe\*: 0.46 YTM: 6.75 \* Source: Value Research.

### Performance as on August 31, 2007

	Last 1 Year	Since Allotment (Sep 29, 2005)
Kotak Equity Arbitrage Fund	9.1	8.1
CRISIL Liquid Fund Index	7.2	6.4

Kotak Equity Arbitrage NAV Rs. 11.632 (Growth Option)

Returns = 1 year Absolute; Returns > 1 year; CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

### Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related</b>		
<b>Listed/Awaiting listing on Stock Exchange</b>		
State Bank Of India	Banks	4.69
Union Bank Of India	Banks	3.52
JSW Steel Ltd.	Ferrous Metals	3.43
Patni Computers Systems Ltd.	Software	3.43
Maharashtra Seamless Ltd.	Ferrous Metals	3.40
IFCI Ltd.	Finance	3.19
Divi s Laboratories Ltd	Pharmaceuticals	3.14
ICICI Bank Ltd.	Banks	2.77
Escorts Ltd.	Auto	2.57
Tata Teleservices Ltd	Telecom - Services	2.38
GMR Infrastructure Ltd.	Construction	2.32
Oswal Chemicals & Fertilizers Ltd.	Fertilisers	1.82
New Delhi Television Ltd.	Media and Entertainment	1.80
CESC Ltd.	Power	1.69
Omaxe Ltd.	Construction	1.51
Dena Bank	Banks	1.48
Reliance Energy Ltd.	Power	1.46
Mahanagar Telephone Nigam Ltd.	Telecom - Services	1.40
Essar Oil Ltd.	Petroleum Products	1.38
Arvind Mills Ltd.	Textile Products	1.31
GTL Ltd	IT Consulting and Services	1.31
Gateway Distriparks Ltd.	Transportation	1.27
Pantaloon Retail (india) Ltd.	Retailing	1.21
Bharat Forge Ltd.	Industrial Products	1.15
Central Bank Of India	Banks	1.04
HTMT Global Solutions Ltd	Software	0.95
Alok Industries Ltd.	Textile Products	0.92
SRF Ltd.	Auto Ancillaries	0.90
Rajesh Exports Ltd.	Consumer Non Durables	0.89
Oriental Bank of Commerce	Banks	0.89
Jaiprakash Hydro Power Ltd.	Power	0.86
Allahabad Bank.	Banks	0.86
IndusInd Bank Ltd.	Banks	0.78
Ballarpur Industries Ltd.	Paper	0.76
Neyveli Lignite Corporation Ltd.	Power	0.74
IVR Prime Urban Developers Ltd	Construction	0.73
Balrampur Chini Mills Ltd	Consumer Non Durables	0.73
Birla Corporation Ltd.	Cement	0.71
Bajaj Hindusthan Ltd	Consumer Non Durables	0.69
IIDBI Ltd.	Banks	0.65
Bank of India	Banks	0.54
Great Eastern Shipping Comp Ltd	Transportation	0.53
Shipping Corporation of India Ltd.	Transportation	0.52
Lupin Ltd.	Pharmaceuticals	0.48
Gujarat Alkalies & Chemicals Ltd.	Chemicals	0.45
Reliance Natural Resources Ltd	Gas	0.43
Praj Industries Ltd.	Industrial Capital Goods	0.42
Petronet LNG Ltd.	Gas	0.40
Bombay Rayon Fashions Ltd.	Textile Products	0.39
Power Finance Corporation Ltd.	Finance	0.33
Aurobindo Pharma Ltd.	Pharmaceuticals	0.33
Andhra Bank	Banks	0.32

Housing Development & Infrastructure Ltd	Construction	0.30
Chambal Fertilisers & Chemicals Ltd	Fertilisers	0.24
Ultratech Cement Ltd.	Cement	0.19
Mphasis Ltd	Software	0.18
Parsvnath Developers Ltd.	Construction	0.15
Chennai Petroleum Corporation Ltd.	Petroleum Products	0.11
Orchid Chemicals & Pharmaceuticals Ltd.	Pharmaceuticals	0.10
Wockhardt Ltd.	Pharmaceuticals	0.09
Bank Of Baroda	Banks	0.09
Indian Hotels Company Ltd.	Hotels	0.09
Century Textiles & Industries Ltd.	Cement	0.08
Vijaya Bank	Banks	0.06
AIA Engineering Ltd	Industrial Capital Goods	0.04
Indian Bank	Banks	0.02
Punjab National Bank	Banks	0.02
<b>Total</b>		<b>73.63</b>
Punjab National Bank-SEP2007		-0.02
Indian Bank-SEP2007		-0.02
AIA Engineering Ltd-SEP2007		-0.04
Vijaya Bank-SEP2007		-0.06
Century Textiles & Industries Ltd.-SEP2007		-0.08
Indian Hotels Company Ltd.-SEP2007		-0.09
Bank Of Baroda-SEP2007		-0.09
Wockhardt Ltd.-SEP2007		-0.09
Orchid Chemicals & Pharma Ltd.-SEP2007		-0.10
Chennai Petroleum Corp Ltd.-SEP2007		-0.11
Parsvnath Developers Ltd.-SEP2007		-0.15
Mphasis Ltd-SEP2007		-0.18
Ultratech Cement Ltd.-SEP2007		-0.19
Chambal Fertilisers & Chem Ltd-SEP2007		-0.24
Housing Dev & Infrastructure Ltd-SEP2007		-0.30
Andhra Bank-SEP2007		-0.32
Aurobindo Pharma Ltd.-SEP2007		-0.33
Power Finance Corporation Ltd.-SEP2007		-0.33
Bombay Rayon Fashions Ltd.-SEP2007		-0.39
Petronet LNG Ltd.-SEP2007		-0.40
Praj Industries Ltd.-SEP2007		-0.42
Reliance Natural Resources Ltd-SEP2007		-0.43
Gujarat Alkalies & Chemicals Ltd.-SEP2007		-0.46
Lupin Ltd.-SEP2007		-0.48
Shipping Corporation of India Ltd.-SEP2007		-0.52
Great Eastern Shipping Comp Ltd-SEP2007		-0.54
Bank of India-SEP2007		-0.54
IIDBI Ltd.-SEP2007		-0.65
Bajaj Hindusthan Ltd-SEP2007		-0.70
Birla Corporation Ltd.-SEP2007		-0.71
Balrampur Chini Mills Ltd-SEP2007		-0.73
IVR Prime Urban Developers Ltd-SEP2007		-0.74
Neyveli Lignite Corporation Ltd.-SEP2007		-0.74
Ballarpur Industries Ltd.-SEP2007		-0.76
IndusInd Bank Ltd.-SEP2007		-0.78
Jaiprakash Hydro Power Ltd.-SEP2007		-0.86
Allahabad Bank.-SEP2007		-0.87
Oriental Bank of Commerce-SEP2007		-0.90
Rajesh Exports Ltd.-SEP2007		-0.90
Alok Industries Ltd.-SEP2007		-0.90
SRF Ltd.-SEP2007		-0.91
HTMT Global Solutions Ltd-SEP2007		-0.95
Central Bank Of India-SEP2007		-1.05
Bharat Forge Ltd.-SEP2007		-1.16
Pantaloon Retail (india) Ltd.-SEP2007		-1.22
Gateway Distriparks Ltd.-SEP2007		-1.26
GTL Ltd-SEP2007		-1.32
Arvind Mills Ltd.-SEP2007		-1.33
Essar Oil Ltd.-SEP2007		-1.39
Mahanagar Telephone Nigam Ltd.-SEP2007		-1.40
Reliance Energy Ltd.-SEP2007		-1.48
Dena Bank-SEP2007		-1.49
Omaxe Ltd.-SEP2007		-1.53
CESC Ltd.-SEP2007		-1.70
New Delhi Television Ltd.-SEP2007		-1.81
Oswal Chemicals & Fertilizers Ltd.-SEP2007		-1.84
GMR Infrastructure Ltd.-SEP2007		-2.34
Tata Teleservices Ltd-SEP2007		-2.40
Escorts Ltd.-SEP2007		-2.59
ICICI Bank Ltd.-SEP2007		-2.77
Divi s Laboratories Ltd-SEP2007		-3.15
IFCI Ltd.-SEP2007		-3.22
Maharashtra Seamless Ltd.-SEP2007		-3.42

Patni Computers Systems Ltd.-SEP2007		-3.43
JSW Steel Ltd.-SEP2007		-3.45
Union Bank Of India-SEP2007		-3.54
State Bank Of India-SEP2007		-4.72
<b>Total</b>		<b>-74.03</b>

### Money Market Instruments

#### Commercial Paper (CP)/Certificate of Deposits (CD)

#### Corporate Debt / Financial Institutions

Ashok Leyland Ltd.	P1+	3.85
Standard Chartered Investment & Loan India Ltd.	P1+	0.76
<b>Total</b>		<b>4.61</b>

#### Term Deposit

Kotak Mahindra Bank Ltd.		22.11
<b>Total</b>		<b>22.11</b>

#### Reverse Repo

<b>Net Current Assets/(Liabilities)</b>		<b>72.92</b>
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#### Grand Total

<b>Grand Total</b>		<b>100.00</b>
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Total NPA provided for and percentage to NAV: Nil

All ratings other than by CRISIL are by ICRA or CARE or Fitch.

### Sector Allocation

Equities	73.69
Futures	-74.03
Net Current Asset	72.94
CBLO, Reverse Repo & Term Deposit	22.87
Money Market Instruments	4.53

## KOTAK TAX SAVER

Open - Ended Equity Linked Saving Scheme

### About The Scheme

**Investment Objective** - 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. **Available Options** - DP, DR & G

**Fund Managers** - Nikunj Doshi & Anurag Jain. **Loads - Entry:** Where the Purchase amount /Switch in amount is equal to or more than Rs.5 crores: NIL. Where the Switch in is from Equity /balance/Equity FOF Scheme to an Equity/balanced/Equity FOF Scheme: NIL Where investments are made by FILs or sub a/c of FILs: NIL Where Investments are made by Fund of Funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of dividend: NIL Cases not covered above: 2.25%. **Exit:** Nil. **Minimum Initial Investment:** Rs. 500 **Additional Investment:** Rs. 500 & in Multiples of Rs. 500. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 281.43 crores.

### Performance as on August 31, 2007

	Last 1 year	Since Allotment (Nov 23, 2005)
Kotak Tax Saver	47.1	32.8
S&P CNX 500	32.2	32.5

Kotak Tax Saver NAV: Rs. 16.570 (Growth Option)

Returns = 1 year: Absolute. Returns > 1 year: CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

### Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related</b>		
<b>Listed/Awaiting listing on Stock Exchange</b>		
Reliance Industries Ltd.	Petroleum Products	4.11
ICICI Bank Ltd.	Banks	4.10
Bharti Airtel Ltd.	Telecom - Services	3.91
Infosys Technologies Ltd.	Software	3.82
SKF India Ltd	Industrial Products	3.39
Reliance Communications Ltd.	Telecom - Services	3.38
Reliance Industries Ltd.	Petroleum Products	4.11
Panacea Biotech Ltd.	Pharmaceuticals	3.07
Jubilant Oraganosys Ltd	Pharmaceuticals	3.01
HDFC Ltd.	Finance	2.95
Bank Of Baroda	Banks	2.95
GVK Power & Infrastructure Ltd.	Power	2.79
Jaiprakash Associates Ltd	Construction	2.59
Ruchi Soya Industries Ltd.	Consumer Non Durables	2.48
Deccan Chronicle Holdings Ltd.	Media and Entertainment	2.43
Thermax Ltd.	Industrial Capital Goods	2.38
Man Industries (India) Ltd.	Ferrous Metals	2.37



Texmaco Ltd.	Industrial Capital Goods	2.35
Maharashtra Seamless Ltd.	Ferrous Metals	2.30
Allcargo Global Logistics Ltd.	Transportation	2.23
United Spirits Ltd.	Consumer Non Durables	2.19
Gammon India Ltd.	Construction	2.15
Bharat Bijlee Ltd	Industrial Capital Goods	2.13
Hinduja TMT Ltd.	Software	2.09
Aban Offshore Ltd.	Industrial Services	2.08
Godrej Industries Ltd	Chemicals	2.05
Hindustan Unilever Ltd.	Diversified	2.00
Grasim Industries Ltd.	Cement	1.99
Tata Consultancy Services Ltd.	Software	1.99
Bilcare Ltd.	Industrial Products	1.79
Navin Fluorine International Ltd.	Chemicals	1.73
Alstom Projects India Ltd.	Industrial Capital Goods	1.50
Television Eighteen India Ltd.	Media and Entertainment	1.49
Aditya Birla Nuvo Ltd	Textile Products	1.43
Royal Orchid Hotels Ltd	Hotels	1.41
Jindal Steel & Power Ltd.	Ferrous Metals	1.40
Wire & Wireless (India) Ltd.	Media and Entertainment	1.38
Satyam Computer Services Ltd.	Software	1.35
Godawari Power and Ispat Ltd	Ferrous Metals	1.06
Nahar Industrial Enterprises Ltd.	Textiles - Cotton	0.87
Raymond Ltd	Textile Products	0.78
C and C Constructions Ltd	Construction	0.57

**Total** **92.04**

#### Money Market Instruments

#### Commercial Paper (CP)/Certificate of Deposits (CD)

#### Public Sector Undertakings

IDBI Bank Ltd.	P1+	1.75
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**Total** **1.75**

#### Term Deposit

Kotak Mahindra Bank Ltd.		1.07
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**Total** **1.07**

Reverse Repo **2.09**

**Net Current Assets/(Liabilities)** **3.05**

**Grand Total** **100.00**

Total NPAs provided for and percentage to NAV: Nil

Total Value and percentage to Net Asset of Illiquid Equity Shares: Nil

#### Sector Allocation

Software	9.25
Industrial Capital Goods	8.36
Telecom - Services	7.29
Ferrous Metals	7.14
Banks	7.05
Pharmaceuticals	6.08
Construction	5.31
Media and Entertainment	5.31
Industrial Products	5.19
Consumer Non Durables	4.67
Rest	34.35

## KOTAK GLOBAL INDIA

*Open - Ended Equity Growth Scheme*

#### About the Scheme

**Investment Objective** - To generate capital appreciation from a diversified portfolio of predominantly equity and equity related securities issued by globally competitive Indian Companies. **Available Options** - DP, DR & G **Fund Managers** - Nikunj Doshi & Anurag Jain. **Loads - Entry:** Where the Purchase amount /Switch in amount is equal to or more than Rs.5 crores: NIL. Where the Switch in is from Equity /balance/Equity FOF Scheme to an Equity/balanced/Equity FOF Scheme: NIL Where investments are made by FILs or sub a/c of FILs: NIL Where investments are made by Fund of Funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of dividend: NIL Cases not covered above: 2.25%. **Exit:** For exit within 6 months for investments less than Rs. 5 crores: 1 %. Cases not covered above: Nil.

**Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000. & in Multiples of Rs.1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 111.03 crores. **Ratios:** Standard Deviation\*: 5.43 Sharpe\*: 0.48 Beta\*: 0.83 Alpha\*: 0.44 YTM 7.25% \* Source: Value Research.

#### Performance as on August 31, 2007

	1 year	3 year	Since Allotment (Jan 30, 2004)
Kotak Global India	31.3	40.2	35.1
S&P CNX 500	32.2	37.2	28.8

Kotak Global India NAV:Rs. 29.437 ( Growth Option)

Returns = 1 year: Absolute; Returns > 1 year: CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future

#### Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related</b>		
<b>Listed/Awaiting listing on Stock Exchange</b>		
Reliance Industries Ltd.	Petroleum Products	5.21
Reliance Communications Ltd.	Telecom - Services	5.04
Crompton Greaves Ltd.	Industrial Capital Goods	4.41
United Phosphorus Ltd.	Pesticides	4.02
Jubilant Oraganosys Ltd	Pharmaceuticals	3.58
Amtek Auto Ltd.	Auto Ancillaries	3.51
Larsen And Toubro Ltd.	Industrial Capital Goods	3.49
Thermax Ltd.	Industrial Capital Goods	3.44
Hcl Technologies Ltd.	Software	3.29
Dr Reddys Laboratories Ltd	Pharmaceuticals	3.23
ICICI Bank Ltd.	Banks	3.20
Asian Paints Ltd.	Consumer Non Durables	3.11
Zee Entertainment Enterprises Ltd	Media and Entertainment	3.07
Allcargo Global Logistics Ltd.	Transportation	2.94
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	2.93
Siemens Ltd.	Industrial Capital Goods	2.89
ABB Ltd.	Industrial Capital Goods	2.85
Infosys Technologies Ltd.	Software	2.84
Punj Lloyd Ltd.	Construction	2.52
Aban Offshore Ltd.	Industrial Services	2.46
Tech Mahindra Ltd.	Software	2.33
Hanung Toys and Textiles Ltd.	Consumer Non Durables	2.22
Jindal Saw Ltd.	Ferrous Metals	2.16
Mphasis Ltd	Software	2.11
Ipca Laboratories Ltd.	Pharmaceuticals	2.00
ANG Auto Ltd	Auto	1.71
Nahar Industrial Enterprises Ltd.	Textiles - Cotton	1.70
Subex Azure Ltd.	Software	1.68
Sterlite Industries (India) Ltd	Non - Ferrous Metals	1.42
Tata Steel Ltd.	Ferrous Metals	1.09
Tata Tea Ltd.	Consumer Non Durables	1.09
Mahindra & Mahindra Ltd.	Auto	1.08
Hikal Ltd	Pesticides	0.35
<b>Total</b>		<b>88.97</b>
<b>Term Deposit</b>		
Kotak Mahindra Bank Ltd.		1.35
<b>Total</b>		<b>1.35</b>
Reverse Repo		<b>7.95</b>
<b>Net Current Assets/(Liabilities)</b>		<b>1.73</b>
<b>Grand Total</b>		<b>100.00</b>

#### Term Deposit

Kotak Mahindra Bank Ltd.	1.35
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**Total** **1.35**

Reverse Repo **7.95**

**Net Current Assets/(Liabilities)** **1.73**

**Grand Total** **100.00**

Total NPAs provided for and percentage to NAV: Nil

Total value and percentage to Net Asset of Illiquid Equity Shares: Nil

#### Sector Allocation

Industrial Capital Goods	17.07
Software	12.26
Pharmaceuticals	11.74
CBLO & Term Deposits & Rev. Repo	9.30
Consumer Non Durables	6.42
Petroleum Products	5.21
Telecom - Services	5.04
Pesticides	4.37
Auto Ancillaries	3.51
Ferrous Metals	3.25
Rest	21.83

## KOTAK MNC

*Open - Ended Equity Growth Scheme*

#### About the Scheme

**Investment Objective** - To generate capital appreciation from a portfolio of predominantly equity and equity related securities issued by multinational companies. **Available Option** - DP & DR **Fund Managers** - Nikunj Doshi & Anurag Jain.

**Loads - Entry:** Where the Purchase amount /Switch in amount is equal to or more than Rs.5 crores: NIL. Where the Switch in is from Equity/Balance/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme: NIL Where investments are made by FILs or sub a/c of FILs: NIL Where investments are made by Fund of Funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of dividend: NIL Cases not covered above: 2.25% **Exit:** For exit within 6 months for investments less than Rs. 5 crores: 1 %. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Rs.1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 39.71 crores. **Ratio:** Beta\*: 0.73 Sharpe\*:0.39 Alpha\*: 0.39 Standard Deviation\*: 5.89 \* Source: Value Research

## Performance as on August 31, 2007

	1 yr	3 yr	5 yr	Since Allotment (Apr 04, 2000)
Kotak MNC	24.5	34.9	37.1	19.9
S&P CNX Nifty	30.8	39.9	34.6	16.6
Bse Sensex	30.9	43.4	36.9	17.3

Kotak MNC NAV: Rs. 30.006

Returns assumed reinvestment of the tax free dividend declared. Returns = 1 year: Absolute; Returns > 1 year: CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

### Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
------------------------	-------------------	-----------------

Equity & Equity related

#### Listed/Awaiting listing on Stock Exchange

Kennametal India Ltd.	Industrial Products	4.85
SKF India Ltd	Industrial Products	4.63
Castrol (India ) Ltd.	Petroleum Products	4.59
Amara Raja Batteries Ltd.	Auto Ancillaries	4.50
ING Vysya Bank Ltd.	Banks	4.12
Atlas Copco (India) Ltd	Industrial Products	4.02
ABB Ltd.	Industrial Capital Goods	3.91
KSB Pump Ltd	Industrial Products	3.91
Bharti Airtel Ltd.	Telecom - Services	3.88
Mphasis Ltd	Software	3.84
ITC Ltd.	Consumer Non Durables	3.57
3M India Ltd.	Trading	3.49
Grindwell Norton Ltd.	Industrial Products	3.43
Hindustan Unilever Ltd.	Diversified	3.41
Gillette India Ltd	Consumer Non Durables	3.28
Alstom Projects India Ltd.	Industrial Capital Goods	3.22
Siemens Ltd.	Industrial Capital Goods	3.07
I-Flex Solutions Ltd	Software	2.94
GlaxoSmithKline Pharmaceuticals Ltd.	Pharmaceuticals	2.91
SE Asia Marine Engg & Constrct Ltd	Oil	2.77
Aventis Pharma Ltd.	Pharmaceuticals	2.77
Kansai Nerolac Paints Ltd	Consumer Non Durables	2.64
Monsanto India Ltd.	Pesticides	2.64
Asahi India Glass Ltd	Auto Ancillaries	2.50
Pfizer Ltd.	Pharmaceuticals	2.17
Bata India Ltd.	Consumer Non Durables	2.08
Micro Inks Ltd.	Chemicals	2.01
Nestle India Ltd.	Consumer Non Durables	1.62
Solectron EMS India Ltd	Industrial Capital Goods	1.24
Solectron Centum Electronics Ltd.	Industrial Capital Goods	1.24
Gujarat Gas Company Ltd	Gas	0.36
<b>Total</b>		<b>95.61</b>

#### Debt Instruments

##### Debentures and Bonds

##### Corporate Debt / Financial Institutions

Disa India Ltd.*	0.15
<b>Total</b>	<b>0.15</b>

##### Term Deposits

Kotak Mahindra Bank Ltd.	1.26
<b>Total</b>	<b>1.26</b>

##### Net Current Assets/(Liabilities)

<b>Grand Total</b>	<b>100.00</b>
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Bonus Debenture issued

Total NPAs provided for and percentage to NAV: Nil

Total Value and percentage to Net Asset of Illiquid Equity Shares: Nil

### Sector Allocation

Industrial Products	20.83
Consumer Non Durables	13.18
Industrial Capital Goods	12.68
Pharmaceuticals	7.85
Auto Ancillaries	7.00
Software	6.78
Petroleum Products	4.59
Banks	4.12
Telecom - Services	3.88
Trading	3.49
Rest	15.60

## KOTAK TECH

Open - Ended Equity Growth Scheme

### About the Scheme

**Investment Objective** - To generate capital appreciation from a portfolio of predominantly equity and equity related securities in technology, other technology enabled companies and related sectors as given in the investment strategy.

**Available Option** – DP & DR **Fund Managers** – Nikunj Doshi & Anurag Jain

**Loads - Entry:** Where the Purchase amount /Switch in amount is equal to or more than Rs.5 crores: NIL. Where the Switch in is from Equity /balance/Equity FOF Scheme to an Equity/balanced/Equity FOF Scheme: NIL Where investments are made by FILs or sub a/c of FILs: NIL Where investments are made by Fund of Funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of dividends: NIL Cases not covered above: 2.25% **Exit:** For exit within 6 months for investments less than Rs. 5 crores: 1 %. Cases not covered above: Nil **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000.& in Multiples of Rs. 1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 37.89 crores. **Ratio:** Beta\*: 0.90 Sharpe\*: 0.31 Alpha\*: 0.00 Standard Deviation\*: 6.03 \*Source: Value Research

### Performance as on August 31, 2007

	1 yr	3 yr	5 yr	Since Allotment (Apr 04, 2000)
Kotak Tech	17.0	28.2	28.0	-0.1
BSE Tech	27.3	39.3	34.5	2.9

Kotak Tech NAV: Rs.9.952

Returns = 1 year: Absolute; Returns > 1 year: CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

### Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
------------------------	-------------------	-----------------

Equity & Equity related

#### Listed/Awaiting listing on Stock Exchange

Infosys Technologies Ltd.	Software	17.13
Hcl Technologies Ltd.	Software	8.04
Bharti Airtel Ltd.	Telecom - Services	7.20
Mphasis Ltd	Software	6.58
Reliance Communications Ltd.	Telecom - Services	6.03
Patni Computers Systems Ltd.	Software	3.89
I-Flex Solutions Ltd	Software	3.75
Wipro Ltd.	Software	3.56
Deccan Chronicle Holdings Ltd.	Media and Entertainment	3.49
Financial Technologies (India) Ltd.	Software	3.31
Zee Entertainment Enterprises Ltd	Media and Entertainment	3.07
Tata Consultancy Services Ltd.	Software	2.81
Megasoft Ltd	Software	2.61
Pyramid Saimira Theatre Ltd.	Media and Entertainment	2.54
Hinduja TMT Ltd.	Software	2.50
Satyam Computer Services Ltd.	Software	2.36
Subex Azure Ltd.	Software	2.19
Tech Mahindra Ltd.	Software	2.05
Aurionpro Solutions Ltd.	Software	1.74
Tanla Solutions Ltd	Software	1.45
Prime Focus Ltd	Media and Entertainment	1.17
Zensar Technologies Ltd.	Software	0.97
Infotech Enterprises Ltd.	Software	0.87
Info Edge (India) Ltd.	Software	0.78
<b>Total</b>		<b>90.09</b>

#### Privately placed / Unlisted

Virtual Dynamics Software Ltd. @	Software	#
SRM Radiant Infotech Ltd. @	Software	#
<b>Total</b>		<b>0.00</b>

#### Money Market Instruments

##### Commercial Paper (CP)/Certificate of Deposits (CD)

##### Corporate Debt / Financial

Institutions		
ICICI Home Finance Company Ltd	A1+	2.63
<b>Total</b>		<b>2.63</b>

##### Term Deposit

Kotak Mahindra Bank Ltd.	1.32
<b>Total</b>	<b>1.32</b>

##### Net Current Assets/(Liabilities)

<b>Grand Total</b>	<b>100.00</b>
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Total NPAs provided for and percentage to NAV: Nil

Total Value and percentage to Net Asset of Illiquid Equity Shares: Nil

@Private Placed Securities

# Indicates % to Net assets Less than 0.01%

## Sector Allocation

Software	66.61
Telecom - Services	13.22
Media and Entertainment	10.27
Net Current Assets	5.95
Money Market Instruments	2.63
CBLO & Term Deposits & Rev. Repo	1.32

## KOTAK EQUITY FOF

Open - Ended Equity Fund of Funds Scheme

### About the Scheme

**Investment Objective** - The Investment Objective of the Scheme is to generate long-term capital appreciation from a portfolio created by investing predominantly in open-ended diversified equity schemes of Mutual Funds registered with SEBI.

**Available Options** - DP, DR & G **Fund Manager** – Sajit Pisharodi.

**Loads - Entry:** Where the Purchase amount / Switch in amount is equal to or more than Rs.5 crores: NIL. Where the Switch in is from Equity /Balance/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme: NIL Where investments are made by FIs or sub a/c of FIs: NIL Where investments are made by Fund of Funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of dividends: NIL Cases not covered above: 2.25%. **Exit:** For exit within 6 months for investments less than Rs. 5 crores: 1 %. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re. 1.

**Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 74.84 crores. **Ratio:** Beta\*: 0.89 Sharpe\*:0.47 Alpha\*: 0.32 Standard Deviation\*: 5.58 \* Source: Value Research

### Performance as on August 31, 2007

	Last 1 year	Last 3 year	Since Allotment (Aug 09, 2004)
Kotak Equity FOF	31.3	40.6	41.0
S&P CNX Nifty	30.8	39.9	38.6

Kotak Equity FOF NAV: Rs. 28.646 (Growth Option)

Returns = 1 year: Absolute; Returns > 1 year: CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

### Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Mutual Fund Units</b>		
Kotak 30	Equity Scheme	24.65
Reliance Vision Fund	Equity Scheme	17.05
HDFC Equity Fund	Equity Scheme	16.96
Birla Sunlife Frontline Equity	Equity Scheme	16.61
Birla Midcap Fund	Equity Scheme	8.22
Prudential ICICI Dynamic Plan	Equity Scheme	8.03
Franklin India Prima Plus	Equity Scheme	8.02
<b>Total</b>		<b>99.54</b>
<b>Net Current Assets/(Liabilities)</b>		<b>0.46</b>
<b>Grand Total</b>		<b>100.00</b>

Total NPAs provided for and percentage to NAV: Nil

Total Value and percentage to Net Asset of Illiquid Equity Shares: Nil

### Sector Allocation

Diversified Financial Services	99.54
Net Current Assets	0.46

**Specific Risk Factors:** The investors of the scheme shall bear the recurring expenses of the Scheme in addition to the underlying schemes. Hence the investor under the Scheme may receive lower pre-tax returns than what they may receive if they had invested directly in the underlying schemes in the same proportions. The disclosure of the scheme will be limited to providing the particulars of the underlying schemes where the scheme has invested and will not include the investments made by the underlying schemes. The portfolio of the Scheme will normally be comprised of schemes of Kotak Mahindra Mutual Fund and other schemes from the recommended list provided by the Designated Agency. Thought adequate care will be taken to ensure that the methodology adopted by the Designated Agency is proper, there may be any analytical error (like assigning overweightage or underweightage to various risk –returns parameters), execution error etc. by the Designated Agency, which may result in the sub-optimal performance of the Scheme. Since the Scheme proposes to invest at least in 5 underlying schemes, the significant underperformance in even one of the underlying schemes may adversely affect the performance of the Scheme. Investments in underlying equity/debt schemes will have all the risks associated with such schemes.

## KOTAK DYNAMIC FOF

Close - Ended Fund of Funds Scheme

### About the Scheme

**Investment Objective** - The investment objective of the scheme is to generate long-term capital appreciation by investing in a portfolio of diversified large cap Equity Schemes and Liquid Schemes of mutual funds registered with SEBI.

**Available Option - G Fund Manager** – Sajit Pisharodi **Loads - Exit:** Nil (During Liquidity window): Unit holders of the scheme have the option of switch in out all or part of their investment in the Scheme/Plan/Option of the Fund, during the Liquidity window. However, no switch-in is allowed in the scheme **Minimum Initial Investment:** Rs. 5000. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 26.47 crores.

### Performance as on August 31, 2007

	Last 1 year	Since Allotment (Mar 31, 2005)
Kotak Dynamic FOF	16.8	28.2
CRISIL Balance Fund Index	20.8	24.5

Kotak Dynamic FOF NAV Rs. 18.252 (Growth Option)

Returns = 1year Absolute; Returns > 1 year; CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future

### Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Mutual Funds Units</b>		
HDFC Top 200 Fund	Equity Scheme	13.50
Tata Pure Equity Fund	Equity Scheme	13.49
Kotak 30	Equity Scheme	13.49
HSBC Equity Fund	Equity Scheme	13.47
Birla Advantage Fund	Equity Scheme	13.46
Kotak Liquid Institutional Premium Plan	Debt Scheme	6.08
Tata Liquid Super High Investment Plan	Debt Scheme	5.51
HDFC Liquid Fund Premium Plus	Debt Scheme	5.40
HSBC Cash Fund Institutional Plus	Debt Scheme	5.40
Birla Cash Plus Institutional Premium Plan	Debt Scheme	5.40
Kotak Liquid Institutional Plan	Debt Scheme	3.92
<b>Total</b>		<b>99.12</b>
<b>Net Current Assets/(Liabilities)</b>		<b>0.88</b>
<b>Grand Total</b>		<b>100.00</b>

Total NPAs provided for and percentage to NAV: Nil

Total Value and percentage to Net Asset of Illiquid Equity Shares: Nil

### Sector Allocation

Mutual Fund Equity Scheme	67.41
Mutual Fund Debt Scheme	31.71
Net Current Assets	0.88

**Specific Risk factor:** The scheme may invest predominantly in diversified Large Cap Equity or Liquid Schemes of Mutual Fund registered with SEBI. Hence, the Scheme's performance may depend upon the performance of the underlying equity schemes. Any change in the investment policies or the fundamental attributes of the underlying schemes could affect the performance of the Scheme. Investments in underlying equity schemes will have all the risks associated with the underlying equity schemes including performance of underlying stocks, derivative investments, off shore investments, security lending etc. Investments in underlying liquid schemes, will have all the risk associated with such underlying schemes including changes in credit rating, trading volumes, settlement periods and transfer procedures; Prices/Interest Rate Risk and credit risk, volatility and liquidity in money markets, pressure on the exchange rate of the rupee, Basis Risk, spread Risk and Reinvestment risk, offshore investments, derivative investments, security lending etc. The investors of the scheme will bear dual recurring expenses and possibly dual loads, those of the Scheme and those of the underlying Schemes. Hence the investor under the scheme may receive lower pre-tax returns than what they could have received if they had invested directly in the underlying Schemes in the same proportions. The Portfolio disclosure of the scheme will be limited to providing the particulars of the underlying Schemes. The dynamic asset allocation may result in higher transaction costs. The Scheme is a closed-ended scheme and the investors can redeem the units held in the scheme only during the last three working days of every third month from the date of allotment of units, at prices related to Applicable NAV.

## KOTAK FLEXI FOF

Close - Ended Fund of Funds Scheme

### About the Scheme

**Investment Objective** - The investment objective of the scheme is to provide long-term capital appreciation by investing in a portfolio of diversified equity schemes and liquid/short term/floating rate schemes/plans of mutual funds registered with SEBI.

**Available Option** – DR & G **Fund Manager** – Sajit Pisharodi.

**Loads - Entry:** For investments<=Rs. 10 lakhs: 2.25%; otherwise NIL **Exit:** Nil (during liquidity window). **Minimum Initial Investment:** Rs. 5000

**Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 82.93 crores.

### Performance as on August 31, 2007

	Last 1 year	Since Allotment (Oct 20, 2005)
Kotak Flexi FOF	16.3	25.9
CRISIL Balance Fund Index	3.5	4.7

Kotak Flexi FOF NAV Rs. 15.383 (Growth Option)

Returns = 1year Absolute; Returns > 1 year; CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future

## Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Mutual Funds Units</b>		
Tata Equity Opportunities Fund	Equity Scheme	18.78
Reliance Vision Fund	Equity Scheme	18.65
Kotak 30	Equity Scheme	18.62
Prudential ICICI Power Plan	Equity Scheme	18.60
Franklin India Prima Fund	Equity Scheme	18.56
Kotak Liquid Institutional Premium Plan	Debt Scheme	3.42
Reliance Liquidity Fund	Debt Scheme	0.89
Pru. ICICI Liquid Super Institutional Plan	Debt Scheme	0.89
Tata Liquid Super High Investment Plan	Debt Scheme	0.89
<b>Total</b>		<b>99.30</b>
<b>Net Current Assets/(Liabilities)</b>		<b>0.70</b>
<b>Grand Total</b>		<b>100.00</b>

Total NPAs provided for and percentage to NAV: Nil

Total value and percentage to Net Asset of Illiquid Equity Shares: Nil

## Sector Allocation

Mutual Fund Equity Scheme	93.21
Mutual Fund Debt Scheme	6.09
Net Current Assets	0.70

**Specific Risk Factors:** The Scheme may invest predominantly in diversified equity schemes of Mutual Fund registered with SEBI. Hence the Scheme's performance may depend upon the performance of the underlying equity schemes. Any change in the investment policies or the fundamental attributes of the underlying schemes could affect the performance of the scheme. Investments in underlying schemes will have all the risks associated with the underlying equity schemes including performance of underlying stocks, derivative investment, off shore investments, security lending etc. Investments in underlying schemes, which invest predominantly in money market or floating rate instruments, will have all the risks associated with such underlying schemes including changes in credit rating, trading volumes, settlement periods and transfer procedures ;Price/Interest-Rate Risk and credit Risk, volatility and liquidity in the money markets, pressure on the exchange rate of the rupee, Basic Risk, Spread Risk and Reinvestment Risk, off shore investments, derivative investments, security lending, etc. The investors of the scheme will bear dual recurring expenses and possibly dual loads, those of the underlying schemes. Hence the investors under the scheme may receive lower pre-tax returns than what they could have received if they had invested directly in the underlying Schemes in the same proportions. The Portfolio disclosure of the Scheme will be limited to providing the particulars of the underlying schemes where the Scheme has invested and will not include the investments made by the underlying Schemes. The dynamic asset allocation may result in higher transaction costs. The Scheme is a close-ended scheme and the investors can redeem the units held in the scheme only during the last working day of every month and the first working day of every month, from the date of allotment of units, at prices related to Applicable NAV.

## KOTAK BALANCE

*Open - Ended Balanced Scheme*

## About the Scheme

**Investment Objective** - To achieve growth by investing in equity & equity related instruments, balanced with income generation by investing in debt & money market instruments. **Available Option** – DP & DR **Fund Managers** – Krishna Sanghvi, Sanjib Guha & Ritesh Jain. **Loads - Entry:** Where the Purchase amount /Switch in amount is equal to or more than Rs.5 crores: NIL. Where the Switch in is from Equity/Balance/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme: NIL Where investments are made by FILs or sub a/c of FILs: NIL Where investments are made by Fund of Funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of dividends: NIL Cases not covered above: 2.25%. **Exit:** For exit within 6 months for investments less than Rs. 5 crores: 1%. Cases not covered above: Nil **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000.& in Multiples of Rs. 1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 87.03 crores. **Ratios:** Sharpe\*: 0.54 Standard Deviation\*: 4.19 \*Source: Value Research

## Performance as on August 31, 2007

	1 yr	3 yr	5 yr	Since Allotment (Nov 25, 1999)
Kotak Balance *	21.9	29.6	30.7	21.8
Crisil Balanced Fund Index	20.8	24.8	23.0	23.6

Kotak Balance NAV Rs. 25.997

\*Returns assumed reinvestment of the tax-free dividend declared. Returns = 1 year Absolute; Returns>1 year: CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

## Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity Related (Listed/Awaiting listing)</b>		
Reliance Industries Ltd.	Petroleum Products	4.51
Larsen And Toubro Ltd.	Industrial Capital Goods	4.45
Jindal Steel & Power Ltd.	Ferrous Metals	2.91
ICICI Bank Ltd.	Banks	2.55
Reliance Communications Ltd.	Telecom - Services	2.50
Deccan Chronicle Holdings Ltd.	Media and Entertainment	2.08
Reliance Petroleum Ltd.	Oil & Gas Exploration & Production	1.99
Punj Lloyd Ltd.	Construction	1.93

Bharti Airtel Ltd.	Telecom - Services	1.87
Kirloskar Oil Engines Ltd.	Industrial Products	1.85
Bank Of Baroda	Banks	1.85
HDFC Ltd.	Finance	1.82
Man Industries (India) Ltd.	Ferrous Metals	1.77
Crompton Greaves Ltd.	Industrial Capital Goods	1.76
JSW Steel Ltd.	Ferrous Metals	1.66
Sun Pharmaceuticals IndLtd.	Pharmaceuticals	1.60
Sterlite Industries (India) Ltd	Non - Ferrous Metals	1.60
Union Bank Of India	Banks	1.57
Gammon India Ltd.	Construction	1.57
Allcargo Global Logistics Ltd.	Transportation	1.52
GVK Power & Infrastructure Ltd.	Power	1.50
Andhra Bank	Banks	1.47
United Phosphorus Ltd	Pesticides	1.38
Infosys Technologies Ltd.	Software	1.28
Jaiprakash Associates Ltd	Construction	1.26
Asian Paints Ltd.	Consumer Non Durables	1.25
AIA Engineering Ltd	Industrial Capital Goods	1.23
Hinduja TMT Ltd.	Software	1.14
Aditya Birla Nuvo Ltd	Textile Products	1.12
Kalpataru Power Transmission Ltd	Power	1.10
ITC Ltd.	Consumer Non Durables	1.08
Indian Overseas Bank	Banks	1.06
Amtek Auto Ltd.	Auto Ancillaries	1.02
Grasim Industries Ltd.	Cement	1.02
Info Edge (India) Ltd.	Software	0.93
ABG Heavy Industries Ltd.	Industrial Capital Goods	0.89
Tech Mahindra Ltd.	Software	0.89
Tata Consultancy Services Ltd.	Software	0.86
Hcl Technologies Ltd.	Software	0.70
Jubilant Oraganosys Ltd	Pharmaceuticals	0.68
Network 18 Fincap Ltd.	Finance	0.47
Global Vectra Helicorp Ltd.	Transportation	0.30
<b>Total</b>		<b>65.99</b>

**Futures**

Bharti Airtel Ltd.-SEP2007	1.40
<b>Total</b>	<b>1.40</b>

## Debt Instruments

<b>Debentures and Bonds</b>		
<b>Corporate Debt / Financial Institutions</b>		
Mahindra & Mahindra Financial Services Ltd.	P1+	5.74
Citicorp Finance (India) Ltd.	AAA	4.60
ICICI Bank Ltd.	CARE AAA	3.47
<b>Total</b>		<b>13.81</b>

## Public Sector Undertakings

Indian Railway Finance Corporation Ltd.	AAA	6.97
<b>Total</b>		<b>6.97</b>

## Money Market Instruments

### Commercial Paper (CP)/Certificate of Deposits (CD)

<b>Public Sector Undertakings</b>		
State Bank of Mysore	A1+	1.63
<b>Total</b>		<b>1.63</b>

## Term Deposits

Kotak Mahindra Bank Ltd.	2.87
<b>Total</b>	<b>2.87</b>

## Collateral Borrowing & Lending obligation

<b>Net Current Assets/(Liabilities)</b>	<b>2.45</b>
<b>Grand Total</b>	<b>100.00</b>

Total NPAs provided for and percentage to NAV: Nil

Total Value and percentage to Net Asset of Illiquid Equity Shares: Nil

All ratings other than by CRISIL are by ICRA or CARE or FITCH.

## Sector Allocation

Debt Instruments	20.77
Banks	8.49
Industrial Capital Goods	8.33
CBLO & Term Deposits & Rev. Repo	7.75
Ferrous Metals	6.35
Software	5.79
Construction	4.75
Petroleum Products	4.51
Telecom - Services	4.37
Power	2.59
Rest	26.30

## SIP Returns

	1 year	3 years	5 years	7 years
Investment Amt.	Rs. 12000	Rs. 36000	Rs. 60000	Rs. 84000
Investment Value	Rs. 13222	Rs. 54309	Rs. 137448	Rs. 246751
XIRR	19.44%	28.64%	33.91%	30.34%

Assumptions: 1) Rs. 1000 investment done on the 7th or the subsequent working day of the month. 2) Loads not considered.

## KOTAK INCOME PLUS

### Open - Ended Income Scheme

#### About the Scheme

**Investment Objective** - To enhance returns over a portfolio of Debt Instruments with a moderate exposure in Equity and Equity related Instruments. **Available Options** - DP, DR & G **Fund Managers** - Krishna Sanghvi, Sanjib Guha & Ritesh Jain. **Loads - Entry:** Nil. **Exit:** 1% for redemptions within 1 year where investment amount  $\leq$  Rs. 25 lacs. Nil for investment amount  $>$  Rs. 25 lacs. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re. 1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 42.12 crores. **Ratios:** Standard Deviation\*: 0.59 Sharpe\*: 0.03 YTM: 7.00 \* Source: Value Research.

#### Performance as on August 31, 2007

	1 yr	3 yr	Since Allotment (Dec 02, 2003)
Kotak Income Plus	7.2	10.0	8.4
Crisil MIP Blended Index	9.0	9.3	7.6

Kotak Income Plus NAV Rs. 13.5142 (Growth Option)

Returns = 1 year Absolute; Returns  $>$  1 year; CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

#### Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity Related (Listed/Awaiting listing)</b>		
Reliance Industries Ltd.	Petroleum Products	1.86
Bharti Airtel Ltd.	Telecom - Services	1.25
Reliance Communications Ltd.	Telecom - Services	1.18
Larsen And Toubro Ltd.	Industrial Capital Goods	0.92
ICICI Bank Ltd.	Banks	0.84
Reliance Petroleum Ltd.	Oil & Gas Exploration & Production	0.82
Punjab National Bank	Banks	0.80
Deccan Chronicle Holdings Ltd.	Media and Entertainment	0.77
Indian Overseas Bank	Banks	0.73
Jindal Steel & Power Ltd.	Ferrous Metals	0.70
Grasim Industries Ltd.	Cement	0.70
Infosys Technologies Ltd.	Software	0.67
Jaiprakash Associates Ltd	Construction	0.65
Tata Consultancy Services Ltd.	Software	0.63
JSW Steel Ltd.	Ferrous Metals	0.61
Andhra Bank	Banks	0.61
Sterlite Industries (India) Ltd	Non - Ferrous Metals	0.60
Kirloskar Oil Engines Ltd.	Industrial Products	0.55
Aditya Birla Nuvo Ltd	Textile Products	0.50
HDFC Ltd.	Finance	0.47
Sun Pharmaceuticals Ind. Ltd	Pharmaceuticals	0.44
Satyam Computer Services Ltd.	Software	0.43
Kalpitaru Power Transmission Ltd	Power	0.35
AIA Engineering Ltd	Industrial Capital Goods	0.34
Mahindra & Mahindra Ltd.	Auto	0.34
ABG Heavy Industries Ltd.	Industrial Capital Goods	0.33
GVK Power & Infrastructure Ltd.	Power	0.32
Hcl Technologies Ltd.	Software	0.29
ITC Ltd.	Consumer Non Durables	0.20
<b>Total</b>		<b>18.90</b>
<b>Debt Instruments</b>		
<b>Debentures and Bonds</b>		
<b>Corporate Debt / Financial Institutions</b>		
HDFC Ltd.	AAA	11.27
Mahindra & Mahindra Financial Services Ltd.	AA+	9.50
Citicorp Finance (India) Ltd.	AAA	4.75
<b>Total</b>		<b>25.52</b>
<b>Public Sector Undertakings</b>		
Indian Railway Finance Corporation Ltd.	AAA	24.78
Union Bank of India	AA+	12.46
<b>Total</b>		<b>37.24</b>
<b>Term Deposits</b>		
Kotak Mahindra Bank Ltd.		1.19
<b>Total</b>		<b>1.19</b>
<b>Collateral Borrowing &amp; Lending obligation</b>		
<b>Net Current Assets/(Liabilities)</b>		
<b>Grand Total</b>		
		<b>100.00</b>

Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio. 1.09 Years. \* Indicates % to net Asset less than 0.01%. Total NPAs provided for and percentage to NAV. Nil. Total Value and percentage to Net Asset of Illiquid Equity Shares: Nil. All ratings other than by CRISIL are by ICRA or CARE or FITCH.

#### Sector Allocation

Debentures and Bonds	62.45
Equities	18.91
CBLO & Term Deposits & Rev. Repo	13.65
Net Current Assets	4.99

## KOTAK BOND

### Open - Ended Debt Scheme

#### About the Scheme

**Investment Objective** - To create a portfolio of debt and money market instruments of different maturities so as to spread the risk across a wide maturity horizon & different kinds of issuers in the debt market. Plan - (a) Deposit (b) Regular **Available Options** (a) DP, DR & G (b) DP, DR, G & B **Fund Managers** - Ritesh Jain & Imran Sayed. **Loads - (a) Entry:** Nil. **Exit:** 0.5% for redemptions within 6 months where investments amount  $\leq$  Rs.10 Lacs Nil for investment amount  $>$  10 Lacs. (b) **Entry:** Nil. **Exit:** Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re.1.

**Ideal Investments Horizon** - 1-2 years **Corpus:** Rs. 34.34 crores. **Ratios:** Sharpe\*: (a) 0.07 (b) 0.23 Standard Deviation\*: (a) 0.17 (b) 0.18 YTM: 8.00 \* Source: Value Research.

#### Performance as on August 31, 2007

	1 yr	3 yr	5 yr	Since Allotment (Nov 25, 1999)
Deposit Plan	6.0	5.2	6.0	8.8
Regular Plan	7.9	6.2	6.8	9.6
Crisil Composite Bond Index	5.1	4.4	5.1	-

Kotak Bond Deposit NAV Rs. 19.2250 (Growth Option)

Kotak Bond Regular NAV Rs. 20.3761 (Growth Option)

Returns = 1 year Absolute; Returns  $>$  1 year; CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

#### Portfolio - Deposit & Regular Plan

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Debt Instrument</b>		
<b>Debentures &amp; Bonds</b>		
<b>Corporate Debt / Financial Institutions</b>		
TAS Trust Series III, TML Ser. A1	AA+(so)	14.76
Credit Asset Trust Ser VI PTC Class A	F1+(ind)	5.82
Indian Retail ABS Trust Series 56 PTC A2	AAA	5.10
Citifinancial Consumer Finance India Ltd.	AAA	2.45
Infrastruture Leasing & Financial Services Limited	LAAA	1.43
<b>Total</b>		<b>29.56</b>
<b>Government Dated Securities</b>		
7.99% Government Stock - 2017	SOV	14.64
8.23% Government Stock - 2027	SOV	5.59
<b>Total</b>		<b>20.23</b>
<b>Collateral Borrowing &amp; Lending obligation</b>		
<b>Net Current Assets/(Liabilities)</b>		
<b>Grand Total</b>		
		<b>100.00</b>

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset of floating rate instrument: 3.02 years

Total NPAs provided for and percentage to NAV: Nil

Valuation of Government Securities are as per the Securities and Exchange Board of India (SEBI). circular No. MFD/CIR/No 14/442/2002 dated February 20, 2002.

\* Indicates % to net Asset less than 0.01%

All ratings other than by CRISIL are by ICRA or CARE or FITCH.

#### Sector Allocation

CBLO & Term Deposits & Rev. Repo	43.68
Debentures and Bonds	29.56
Government Dated Securities	20.23
Net Current Assets	6.53

#### Rating Profile

CBLO & Term Deposits & Rev. Repo	43.68
SOV	20.23
AA+(so)	14.76
AAA	7.55
Net Current Assets	6.53
F1+(ind)	5.82
LAAA	1.43

## KOTAK BOND SHORT TERM PLAN

Open - Ended Debt Scheme

### About the Scheme

**Investment Objective** - To provide reasonable returns and high level of liquidity by investing in debt & money market instruments of different maturities, so as to spread the risk across different kinds of issuers in the debt market. **Plan** - Short Term **Available Option:** DR & G **Fund Managers** - Ritesh Jain & Deepak Agrawal. **Loads- Entry:** Nil. **Exit:** For investments <= Rs. 2 crores. a) For redemptions/switchout within 6 months 1% b) For redemptions/switchout after 6 months up to 1 year: 0.50% c) For redemptions after 1 year Nil For investments > than Rs.2 crores: NIL **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re.1. **Ideal Investments Horizon** - 6 Months and above **Corpus:** Rs. 286.80 crores. **Ratios** (For Bond Regular Plan) : Sharpe\* : 0.71 Standard Deviation\* : 0.07 YTM : 8.50 \* Source: Value Research.

### Performance as on August 31, 2007

	1 yr	3 yr	5 yr	Since Allotment (May 02, 2002)
Short Term Plan	8.7	6.8	6.5	6.7
Crisil Short Term Bond Fund Index	6.6	5.4	5.2	5.5

Kotak Bond Short Term NAV Rs. 14.0982 (Growth Option)

Returns = 1year Absolute; Returns > 1 year; CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future

### Portfolio - Short Term Plan

Name of the Instrument	Industry / Rating	% to Net Asse
<b>Debt Instrument</b>		
<b>Debentures and Bonds</b>		
<b>Corporate Debt / Financial Institutions</b>		
Rabo India Finance Ltd.	P1+	8.72
Tata Sons Ltd.	AAA	5.19
Sundaram Finance Ltd.	LAA+	3.47
HDFC Ltd.	AAA	2.68
KPI LOAN TRUST SER. A1,OPT -A	AA-(ind)	2.48
Long Bond Receivables NMBR 400BP 2006 IV PTC A1	AAA(so)	2.25
Mahindra & Mahindra Financial Services Ltd.	P1+	2.09
TAS Trust Series III, TML Ser. A1	AA+(so)	1.77
Sundaram Finance Ltd.	AA+	1.72
Indian Cor Loan Sec.Trust Sr XXXVIII TML Sr A1	P1+(so)	1.60
BHPC Auto Sec. Trust JUNE 2005 PTC A3	AAA(so)	0.99
Citifinancial Consumer Finance India Ltd.	AAA	0.35
ICICI Securities Primary Dealership Ltd.	AAA	0.35
<b>Total</b>		<b>33.66</b>
<b>Public Sector Undertakings</b>		
Loan Sec. Trust Series XII	LAAA	1.28
Housing & Urban Development Corporation Ltd.	PR1+	0.35
<b>Total</b>		<b>1.63</b>
<b>Government Dated Securities</b>		
5.48% Government Stock - 2009	SOV	3.36
<b>Total</b>		<b>3.36</b>
<b>Money Market Instruments</b>		
<b>Commercial Paper (CP)/Certificate of Deposits (CD)</b>		
<b>Corporate Debt / Financial Institutions</b>		
Citibank N.A.	P1+	11.74
Tata Motors Ltd.	P1+	6.68
ICICI Bank Ltd.	A1+	3.36
ICICI Bank Ltd.	P1+	1.62
ABN Amro Bank N.V.	A1+	0.99
<b>Total</b>		<b>24.39</b>
<b>Public Sector Undertakings</b>		
State Bank Of India.	P1+	9.84
Punjab National Bank	P1+	7.18
State Bank of Patiala	A1+	5.01
Indian Bank	P1+	3.46
Union Bank of India	A1+	3.30
State Bank of Travancore	P1+	3.27
UCO Bank	P1+	1.67
State Bank of Patiala	P1+	1.04
<b>Total</b>		<b>34.77</b>
<b>Collateral Borrowing &amp; Lending obligation</b>		<b>1.66</b>
<b>Net Current Assets/(Liabilities)</b>		<b>0.53</b>
<b>Grand Total</b>		<b>100.00</b>

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset of floating rate instrument: 0.84 years.

Total NPAs provided for and percentage to NAV: Nil.

Valuation of Government Securities are as per the Securities and Exchange Board of India (SEBI). circular No. MFD/CIR/No 14/442/2002 dated February 20, 2002.

\* Indicates % to net Asset less than 0.01%

### Sector Allocation

Commercial Paper (CP)/Certificate of	59.18
Debentures and Bonds	35.27
Government Dated Securities	3.36
CBLO & Term Deposits & Rev. Repo	1.66
Net Current Assets	0.53

### Rating Profile

P1+	57.32
A1+	12.67
AAA	8.57
LAA+	3.47
SOV	3.36
AAA(so)	3.24
AA-(ind)	2.48
AA+(so)	1.77
AA+	1.72
CBLO & Term Deposits & Rev. Repo	1.66
P1+(so)	1.60
LAAA	1.28
Net Current Assets	0.51
PR1+	0.35

## KOTAK GILT SAVINGS

Open - Ended Dedicated Gilt Scheme

### About The Scheme

**Investment Objective** - To generate risk-free returns through investments in sovereign securities issued by the Central and / or State Government(s) and / or reverse repos in such securities. **Available Options:** DP, DR & G **Fund Managers** - Ritesh Jain & Imran Sayed. **Loads - Entry:** Nil. **Exit:** Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** In multiples of Rs. 1000. **Ideal Investments Horizon** 6 Months and above. **Corpus:** Rs.21.04 crores. **Ratios:** Sharpe\*: 0.09 Standard Deviation\*: 0.10 YTM: 6.75 \* Source: Value Research

### Performance as on August 31, 2007

	1 yr	3 yr	5 yr	Since Allotment (Dec 29, 1998)
Savings Plan	5.6	5.5	5.4	7.4
ISEC SIBEX	7.4	5.9	6.0	-

Kotak Gilt Savings Plan NAV Rs. 18.6164 (Growth Option)

Returns = 1 year Absolute; Returns>1 year; CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

### Portfolio - Savings Plan

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Debt Instruments</b>		
<b>Government Dated Securities</b>		
5.48% Government Stock - 2009	SOV	35.36
<b>Total</b>		<b>35.36</b>
<b>Collateral Borrowing &amp; Lending obligation</b>		
<b>Net Current Assets/(Liabilities)</b>		<b>2.88</b>
<b>Grand Total</b>		<b>100.00</b>

Average Maturity of the portfolio : 0.64 years

Total NPAs provided for and percentage to NAV: Nil

Valuation of Government Securities are as per the Securities and Exchange Board of India (SEBI)

circular No. MFD/CIR/No 14/442/2002 dated February 20, 2002.

\* Indicates % to net Asset less than 0.01%

### Sector Allocation

CBLO & Term Deposits & Rev. Repo	61.76
Government Dated Securities	35.36
Net Current Assets	2.88

## KOTAK GILT INVESTMENT

Open - Ended Dedicated Gilt Scheme

### About The Scheme

**Investment Objective** - To generate risk-free returns through investments in sovereign securities issued by the Central and /or State Government(s) and /or reverse repos in such securities. **Plans-** (a) Regular, (b) PF & Trust **Available Options:** DP, DR & G. **Fund Managers** - Ritesh Jain & Imran Sayed. **Loads - Entry:** Nil. **Exit:** Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re.1.

**Ideal Investments Horizon** - More than 1 year. **Corpus:** Rs. 36.64 crores. **Ratios** Sharpe\*: (a) -0.02 (b) 0.00 Standard Deviation\*: (a) & (b) 0.37 \* Source: Value Research

## Performance as on August 31, 2007

	1 yr	3 yr	5 yr	Since Allotment (Inv Plan – Dec 29, '98, Inv PF & Trust Plan – Nov 11, '03)
Regular Plan	4.6	4.3	6.7	10.7
Investment - PF & Trust Plan	5.1	4.7	-	3.5
ISEC Composite Index	8.5	5.7	6.7	4.12 \$

Kotak Gilt Investment Regular Plan NAV Rs. 24.2103 (Growth Option)  
 Kotak Gilt Investment PF & Trust Plan NAV Rs. 24.5710 (Growth Option)  
 Returns = 1 year Absolute; Returns>1 year; CAGR (Compounded Annualised Growth Rate) \$ The Benchmark return corresponds only to investment – PF and Trust Plan. Past performance may or may not be sustained in future.

## Portfolio – Investment Regular, Provident Fund & Trust Plans

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Debt Instruments</b>		
<b>Government Dated Securities</b>		
7.99% Government Stock - 2017	SOV	27.45
8.33% Government Stock - 2036	SOV	13.65
8.23% Government Stock - 2027	SOV	7.86
<b>Total</b>		<b>48.96</b>
Collateral Borrowing & Lending obligation		<b>30.84</b>
<b>Net Current Assets/(Liabilities)</b>		<b>20.20</b>
<b>Grand Total</b>		<b>100.00</b>

Average Maturity of the portfolio: 8.17 years  
 Total NPAs provided for and percentage to NAV: Nil

## Sector Allocation

Government Dated Securities	48.97
CBLO & Term Deposits & Rev. Repo	30.84
Net Current Assets	20.19

## KOTAK FLEXI DEBT Open - Ended Debt Scheme

### About The Scheme

**Investment Objective** - The investment objective of the Scheme is to maximize returns through an active management of a portfolio of debt and money market securities. **Available Options:** DP, DR & G **Fund Managers** – Ritesh Jain & Deepak Agrawal **Loads– Entry:** Nil. **Exit:** 0.10% if redeemed within 7 days from date of allotment of units. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re.1. **Ideal Investments Horizon** – 7 days **Corpus:** Rs. 6504.37 crores. **Ratios:** YTM: 8.10 Standard Deviation\*: 0.02 Sharpe\*: 2.98 \* Source: Value Research.

## Performance as on August 31, 2007

	1 Year	Since Allotment (Dec 06, 2004)
Kotak Flexi Debt	8.1	7.1
CRISIL Composite Bond Fund Index	9.0	7.6

Kotak Flexi Debt NAV Rs. 12.0470 (Growth Option)  
 Returns = 1 year Absolute; Returns>1 year; CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

## Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Debt Instruments</b>		
<b>Debentures and Bonds</b>		
<b>Corporate Debt / Financial Institutions</b>		
Citifinancial Consumer Finance India Ltd.	AAA	2.04
Mahindra & Mahindra Financial Services Ltd.	P1+	1.77
VEL Trust Series II	A1+(SO)	1.48
Tata Sons Ltd.	AAA	1.07
Chambal Fertilisers & Chemicals Ltd.	P1+	0.77
Shriram Transport Finance Co Ltd.	AA(ind)	0.77
Coll.Debt Trust Ser.15 Class A1 OPT - II	P1+(so)	0.71
Kesoram Industries Limited	PR1+	0.61
GE Capital Services India.	AAA	0.54
Citicorp Finance (India) Ltd.	AAA	0.53
Long Bond Receivables NMBR 400BP 2006 III PTC A	AAA(ind)	0.44
Coll.Debt Trust Ser.14 Class A1 BAJAJ AUTO FIN LTD	P1+(so)	0.43
Finolex Cables Ltd.	P1+	0.38
Jubilant Organosys Limited	F1+(ind)	0.38
Sterlite Optical Technologies Ltd.	P1	0.38
TGS Investment & Trade Private Ltd.	A1+	0.38
Sundaram Finance Ltd.	P1+	0.38
Ranbaxy Holding Company	P1	0.38

Kotak Mahindra Prime Ltd.	LAA	0.38
Jindal Saw Ltd	PR1+	0.38
Indian Cor Loan Sec.Trust Sr XXXVIII TML Sr A1	P1+(so)	0.35
Collateralised Trust Ser 9 CL-A1	AA(ind)	0.34
Hindustan National Glass and Industries Ltd	PR1+	0.31
Madras Cements Ltd.	A1+	0.31
Manaksia Ltd	PR1+	0.31
Infrastructure Development Finance Co. Ltd	AAA	0.31
Mahindra & Mahindra Financial Services Ltd.	AA+	0.29
JM Financial Products Private Limited	P1+	0.28
CREDIT ASSET TRUST Ser VIII Class A Certificates	F1+(ind)	0.23
Graphite India Limited.	A1+	0.23
Kotak Mahindra Prime Ltd.	P1+	0.23
LIC Housing Finance Ltd.	AAA	0.23
Usha Martin Ltd.	PR1+	0.23
Fullerton India Credit Co. Ltd.	A1+	0.23
Loan Rec.Securitization Trust B SHRT,Ser-B2	AA(ind)(SO)	0.21
CAT Series X Class A Certificate	AA(ind)	0.20
TAS Trust Series III, TML Ser. A1	AA+(so)	0.16
Raymond Apparel Ltd.	PR1+	0.15
Reliance Capital Ltd.	A1+	0.12
Credit Asset Trust Ser VI PTC Class A	F1+(ind)	0.11
AXIS Bank Ltd.	LAA+	0.08
KPI LOAN TRUST SER. A1,OPT -A	AA-(ind)	0.08
DSP ML Capital Ltd.	AAA	0.08
Bajaj Auto Finance Limited	AA+	0.07
HDFC Ltd.	AAA	0.07
Coll.Debt Trust Ser.15 Class A2 OPT - II	P1+(so)	0.06
Indian Retail ABS Trust Series 56 PTC A2	AAA	0.05
Coll.Debt Trust Ser.14 Class A2	P1+(so)	0.04
Collateralised Trust Ser 9 CL-A2	AA(ind)	0.04
Loan Rec.Securitization Trust B SHRT,Ser-B1	AA(ind)(SO)	0.03
<b>Total</b>		<b>19.63</b>

### Public Sector Undertakings

Coll.Debt Trust Ser.12 Class A1 OPT I,PFC	P1+(so)	0.70
Ind.Cor.Loan Sec.Trust Series XXXIX PFC A1	P1+(so)	0.70
Power Finance Corporation Ltd.	AAA	0.38
Loan Sec. Trust Series XII	LAAA	0.27
Export-Import Bank of India.	AAA	0.16
Indian Railway Finance Corporation Ltd.	AAA	0.15
National Bank for Agriculture and Rural Development	AAA	0.15
National Thermal Power Corporation Ltd.	AAA	0.15
Coll.Debt Trust Ser.12 Class A2 OPT I PFC	P1+(so)	0.06
Ind.Cor.Loan Sec.Trust Series XXXIX PFC A2	P1+(so)	0.06
<b>Total</b>		<b>2.78</b>

### Money Market Instruments

#### Bill Rediscounting

Standard Chartered Bank Bill Rediscounting 03/09/07	2.31
Standard Chartered Bank Bill Rediscounting 04/09/07	1.54
Standard Chartered Bank Bill Rediscounting 17/09/07	1.53
Standard Chartered Bank Bill Rediscounting.18/09/07	1.53
<b>Total</b>	<b>6.91</b>

### Commercial Paper (CP)/Certificate of Deposits (CD)

#### Corporate Debt / Financial Institutions

ICICI Bank Ltd.	A1+	6.37
ING Vysya Bank Ltd	P1+	4.72
Tata Motors Ltd.	P1+	3.06
Karur Vysya Bank Ltd.	F1+(ind)	2.50
IndusInd Bank Ltd.	A1+	1.99
Centurion Bank of Punjab Ltd.	F1+(ind)	1.47
YES Bank Ltd.	P1+	1.47
Jammu & Kashmir Bank	P1+	1.44
Federal Bank Ltd.	P1+	1.09
Development Credit Bank Ltd.	P1+	0.96
ICICI Bank Ltd.	P1+	0.81
ABN Amro Bank N.V	A1+	0.62
Standard Chartered Bank Ltd	P1+	0.61
Citibank N.A.	P1+	0.54
Citifinancial Consumer Finance India Ltd.	P1+	0.52
Gruh Finance Ltd	P1+	0.43
ICICI Home Finance Company Limited	A1+	0.38
Redington (India) Ltd.	P1+	0.38
Religare Securities Ltd.	P1	0.38
Bank of Nova Scotia	P1+	0.37
L & T Finance Limited	PR1+	0.37
Sundaram Finance Ltd.	P1+	0.30
L & T Finance Limited	PR1+(SO)	0.28
Aditya Birla Nuvo Limited	A1+	0.23
Micro Inks	PR1+	0.23

AXIS Bank Ltd.	P1+	0.15
Apollo Tyres Ltd.	P1+	0.15
HEG Ltd.	A1+	0.15
EDELWEISS Securities Private Limited	P1+	0.15
SBI Cards & Payment Services Pvt. Ltd.	P1+	0.15
Shriram Transport Finance Co Ltd.	F1+(ind)	0.15
UTI Securities Limited	A1+	0.15
YES Bank Ltd.	A1+	0.08
Standard Chartered Investment & Loan (I)Ltd.	P1+	0.06
<b>Total</b>		<b>32.71</b>

#### Public Sector Undertakings

Punjab National Bank	P1+	7.84
State Bank of Hyderabad	P1+	4.42
UCO Bank	P1+	2.51
Indian Bank	F1+(ind)	2.12
State Bank Of India.	P1+	2.10
Export-Import Bank of India.	P1+	1.58
Union Bank of India	P1+	1.50
Canara Bank	P1+	1.34
Punjab National Bank	F1+(ind)	1.00
Punjab National Bank	A1+	0.94
State Bank of Travancore	P1+	0.89
Union Bank of India	A1+	0.88
State Bank of Mysore	A1+	0.82
State Bank of Bikaner & Jaipur	P1+	0.76
Allahabad Bank	P1+	0.60
State Bank of Saurashtra	A1+	0.38
IDBI Bank Ltd.	P1+	0.36
State Bank of Saurashtra	P1+	0.22
Allahabad Bank	PR1+	0.14
<b>Total</b>		<b>30.40</b>

#### Treasury Bills

91 Days Treasury Bill 12/09/2007	SOV	0.54
182 Days Treasury Bill 07/09/2007	SOV	0.15
182 Days Treasury Bill 12/12/2007	SOV	0.15
364 Days Treasury Bill 20/06/2008	SOV	0.15
364 Days Treasury Bill 14/09/2007	SOV	0.15
<b>Total</b>		<b>1.14</b>

#### Term Deposits

Indusind Bank Ltd		3.00
ABN Amro Bank .N .V		1.08
Bank Of Nova Scotia		0.77
ING Vysya Bank Ltd		0.77
<b>Total</b>		<b>5.62</b>

#### Collateral Borrowing & Lending obligation

<b>Net Current Assets/(Liabilities)</b>		<b>0.80</b>
<b>Grand Total</b>		<b>100.00</b>

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset of floating rate instrument: 0.40 years.

\* Indicates % to net Asset less than 0.01%

Total NPAs provided for and percentage to NAV. Nil

All ratings other than by CRISIL are by ICRA or CARE or FITCH.

#### Sector Allocation

Commercial Paper (CP)/Certificate of		63.17
Debentures and Bonds		22.46
Bill Rediscounting		6.91
Cblo & Term Deposits & Rev. Repo		5.62
Treasury Bills		1.14
Net Current Assets		0.70

#### Rating Profile

P1+		45.33
A1+		14.27
F1+(ind)		7.97
Bill Rediscounting		6.91
AAA		5.93
CBLO & Term Deposits & Rev. Repo		5.62
P1+(so)		3.12
PR1+		2.74
A1+(SO)		1.48
AA(ind)		1.36
P1		1.15
SOV		1.14
Net Current Assets		0.70
AAA(ind)		0.44
LAA		0.38
AA+		0.36
PR1+(SO)		0.28

LAAA		0.27
AA(ind)(SO)		0.23
AA+(so)		0.16
AA-(ind)		0.08
LAA+		0.08

## KOTAK FLOATER LONG TERM

Open - Ended Debt Scheme

#### About Scheme

**Investment Objective** - To reduce the interest rate risk associated with investments in fixed rate instruments by investing predominantly in floating rate securities, money market instruments and using appropriate derivatives. **Available Options:** DP, DR & G

**Fund Managers** - Ritesh Jain & Imran Sayed **Loads - Entry:** Nil. **Exit:** 0.5% for redemptions within 6 months where investment amount <= Rs. 10 lacs. Nil for investment amount > Rs. 10 Lacs. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re.1 **Ideal Investments Horizon** - 3 Months and above **Corpus:** Rs. 74.82 crores. **Ratio:** Standard Deviation\*: 0.04 Beta\*: -0.09 Sharpe\*: 1.18 Alpha\*: 0.05 YTM: 7.65 \* Source: Value Research.

#### Performance as on August 31, 2007

	Last 1 Year	Last 3 Year	Since Allotment (Aug 13, 2004)
Kotak Floater Long Term	8.2	6.5	6.5
CRISIL Liquid Fund Index	7.2	5.7	5.7

Kotak Floater Long Term NAV Rs. 12.1150 (Growth Option)

Returns = 1 year Absolute; Returns > 1 year; CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

#### Portfolio- Long Term

Name of the Instrument	Industry / Rating	% to Net Assets
<b>Debt Instruments</b>		
<b>Debentures and Bonds</b>		
<b>Corporate Debt / Financial Institutions</b>		
Tata Sons Ltd.	AAA	13.37
TAS Trust Series III, TML Ser. A1	AA+(so)	6.77
ICICI Bank Ltd.	CARE AAA	6.69
Shriram Transport Finance Co Ltd.	AAA(so)	6.66
Indian Retail ABS Trust Series 56 PTC A2	AAA	3.51
KPI LOAN TRUST SER. A1,OPT -A	AA-(ind)	2.71
<b>Total</b>		<b>39.71</b>

#### Money Market Instruments

#### Commercial Paper (CP)/Certificate of Deposits (CD)

#### Corporate Debt / Financial Institutions

The Indian Hotels Company Ltd.	A1+	12.97
DSP ML Capital Ltd.	P1+	6.50
IndusInd Bank Ltd.	A1+	6.42
<b>Total</b>		<b>25.89</b>

#### Public Sector Undertakings

Punjab National Bank	F1+(ind)	13.35
State Bank of Saurashtra	P1+	6.38
State Bank of Patiala	A1+	6.33
State Bank of Travancore	P1+	6.27
<b>Total</b>		<b>32.33</b>

#### Net Current Assets/(Liabilities)

<b>Grand Total</b>		<b>100.00</b>
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Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset of floating rate instrument: 0.49 years

Total NPAs provided for and percentage to NAV. Nil

All ratings other than by CRISIL are by ICRA or CARE or FITCH.

#### Sector Allocation

Commercial Paper (CP)/Certificate of		58.22
Debentures and Bonds		39.72
Net Current Assets		2.06

#### Rating Profile

A1+		25.71
P1+		19.15
AAA		16.88
F1+(ind)		13.35
AA+(so)		6.77
CARE AAA		6.69
AAA(so)		6.66
AA-(ind)		2.71
Net Current Assets		2.08



## KOTAK FLOATER SHORT TERM

Open – Ended Debt Scheme

## KOTAK LIQUID

Open – Ended Debt Scheme

### About the Scheme

**Investment Objective** - To reduce the interest rate risk associated with investments in fixed rate instruments by investing predominantly in floating rate securities, money market instruments and using appropriate derivatives. **Available Options:** DR & G  
**Fund Managers** – Ritesh Jain & Deepak Agrawal. **Loads– Entry:** Nil. **Exit:** Nil  
**Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re.1. **Ideal Investments Horizon** – 1 Month to 3 Months. **Corpus:** Rs. 242.58 crores. **Ratios:** Standard Deviation\*: 0.02 Beta\*: 0.05 Sharpe\*: 2.21 Alpha\*: 0.03 YTM: 7.50 \*Source: Value Research.

### Performance as on August 31, 2007

	1 Year	3 Year	Since Allotment (July 14, 2003)
Kotak Floater Short Term	7.8	6.3	6.0
CRISIL Liquid Fund Index	7.2	5.7	5.3

Kotak Floater Short Term NAV Rs. 12.7089 (Growth Option)  
Returns = 1 year Absolute; Returns>1 year; CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

### Portfolio

Issuer / Instrument	Industry/Rating	% to Net Assets
<b>Debentures and Bonds</b>		
<b>Corporate Debt / Financial Institutions</b>		
Graphite India Limited.	A1+	6.18
Whirlpool of India Ltd.	P1+	4.95
Credit Asset Trust Ser VI PTC Class A	F1+(ind)	4.12
LIC Housing Finance Ltd.	AAA	2.29
Citicorp Finance (India) Ltd.	AAA	2.06
Infrastructure Development Finance Co. Ltd	LAAA	2.06
Sundaram Finance Ltd.	AA+	2.06
Tata Sons Ltd.	AAA	2.06
<b>Total</b>		<b>25.78</b>

### Public Sector Undertakings

Indian Railway Finance Corporation Ltd.	AAA	4.15
Industrial Development Bank Of India.	AA+	2.48
<b>Total</b>		<b>6.63</b>

### Money Market Instruments

#### Commercial Paper (CP)/Certificate of Deposits (CD)

#### Corporate Debt / Financial Institutions

IndusInd Bank Ltd.	A1+	9.88
Citibank N.A.	P1+	9.61
Essel Mining & Industries Ltd.	A1+	8.07
Gruh Finance Ltd	P1+	4.84
YES Bank Ltd.	P1+	3.98
Standard Chartered Investment & Loan (I) Ltd.	P1+	2.45
ICICI Bank Ltd.	P1+	1.93
<b>Total</b>		<b>40.76</b>

### Public Sector Undertakings

State Bank of Patiala	A1+	9.94
State Bank of Travancore	P1+	9.67
UCO Bank	P1+	4.34
Allahabad Bank	P1+	2.05
<b>Total</b>		<b>26.00</b>

### Net Current Assets/(Liabilities)

<b>Total</b>		<b>100.00</b>
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Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.40 years.

Total NPA provided for and percentage to NAV : Nil.

All ratings other than by CRISIL are by ICRA or CARE or Fitch.

### Sector Allocation

Commercial Paper (CP)/Certificate of	66.76
Debentures and Bonds	32.38
Net Current Assets	0.86

### Rating Profile

P1+	43.83
A1+	34.06
AAA	10.55
AA+	4.52
F1+(ind)	4.12
LAAA	2.06
Net Current Assets	0.86

### About The Scheme

**Investment Objective** - To provide reasonable returns and high level of liquidity by investing in debt and money market instruments of different maturities so as to spread risk across different kinds of issuers in the debt markets. **Plans-** (a) Regular, (b) Institutional (c) Institutional Premium **Available Options:** (a) DR & G (b) DR & G (c) DP, DR & G **Fund Managers** – Ritesh Jain & Deepak Agrawal. **Loads– Entry:** Nil. **Exit:** Nil. **Minimum Initial Investment:** (a) Rs. 5000 (b) Rs. 1 crore (c) Rs. 5 crores. **Additional Investment:** Rs. 1000 & in Multiples of Re.1.

**Ideal Investments Horizon** – 7 days to 15 days **Corpus:** Rs. 5405.89 crores. **Ratios:** Sharpe\*: (a) 1.62 (b) 2.05 (c) 2.38 Standard Deviation\*: (a) & (b) & (c) 0.02 YTM: 7.70 \* Source: Value Research.

### Performance as on August 31, 2007

	1 Year	3 Years	5 Years	Since Allotment (Reg.-Oct05,'00; Instl- Mar 14, 03, Instl Prem - Nov 04,'03)
Kotak Liquid Regular Plan	7.0	5.8	5.5	6.3
Kotak Liquid institutional Plan	7.3	6.2	-	5.8
Kotak Liquid institutional Premier Plan	7.8	6.5	-	6.1
CRISIL Liquid Fund Index	4.0	5.7	5.2	5.2

Kotak Liquid Regular Plan NAV: Rs.15.2316 (Growth Option);  
Kotak Liquid Institutional Plan NAV: Rs.15.4868 (Growth Option);  
Kotak Liquid Institutional Premium Plan NAV: Rs.15.6292 (Growth Option).  
Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate).  
Past performance may or may not be sustained in future.

### Portfolio- Regular, Institutional & Institutional Premium Plan

Issuer / Instrument	Industry/Rating	% to Net Assets
<b>Debt Instruments</b>		
<b>Debentures &amp; Bonds</b>		
<b>Corporate Debt / Financial Institutions</b>		
DSP ML Capital Ltd.	P1+	2.05
Citicorp Finance (India) Ltd.	AAA	1.05
AXIS Bank Ltd.	LAA+	1.04
Kotak Mahindra Prime Ltd.	P1+	0.93
LIC Housing Finance Ltd.	AAA	0.93
Chambal Fertilisers & Chemicals Ltd.	P1+	0.92
Ranbaxy Laboratories Ltd.	P1+	0.92
Sundaram Finance Ltd.	P1+	0.82
Madras Cements Ltd.	A1+	0.79
DSP ML Capital Ltd.	AAA	0.65
Sundaram Finance Ltd.	MAAAA	0.65
ICICI Bank Ltd.	CARE AAA	0.60
GE Money Financial Services Limited	AAA	0.55
India Loan Securitisation Trust V PTC A	AAA(so)	0.55
Mahindra & Mahindra Financial Services Ltd.	AA+	0.49
Rabo India Finance Ltd.	AAA	0.47
Birla Global Finance Ltd.	A1+	0.46
Finolex Industries Ltd.	P1+	0.46
Indian Cor Loan Sec.Trust Sr XXXVIII TML Sr A1	P1+(so)	0.34
Citifinancial Consumer Finance India Ltd.	AAA	0.28
Motherson Sumi Systems Ltd.	A1+	0.28
Raymond Ltd.	PR1+	0.22
Shriram Transport Finance Co Ltd.	AA(ind)	0.19
Birla Corporation Ltd.	PR1+	0.18
GE Capital Services India.	AAA	0.06
<b>Total</b>		<b>15.88</b>

### Public Sector Undertakings

Indian Railway Finance Corporation Ltd.	AAA	3.42
Export-Import Bank of India.	AAA	1.10
Power Finance Corporation Ltd.	AAA	1.03
Industrial Development Bank Of India.	AA+	0.88
Rural Electrification Corporation Ltd.	AAA	0.09
Union Bank of India	AA+	0.09
Housing & Urban Development Corporation Ltd.	PR1+	0.02
<b>Total</b>		<b>6.63</b>

### Money Market Instruments

#### Commercial Paper (CP)/Certificate of Deposits (CD)

#### Corporate Debt / Financial Institutions

Global Trade Finance Ltd.	P1+	4.36
---------------------------	-----	------

Citibank N.A.	P1+	4.28
IndusInd Bank Ltd.	A1+	3.51
ABN Amro Bank N.V	A1+	1.85
HDFC Ltd.	A1+	1.63
ICICI Bank Ltd.	A1+	1.57
Tata Motors Ltd.	P1+	1.21
YES Bank Ltd.	P1+	1.06
Federal Bank Ltd.	P1+	0.93
Ashok Leyland Ltd.	P1+	0.83
ABN Amro Bank N.V	P1+	0.65
The Indian Hotels Company Ltd.	A1+	0.63
Alembic Ltd.	P1+	0.55
Essel Mining & Industries Ltd.	A1+	0.54
Development Credit Bank Ltd.	P1+	0.46
Jindal Saw Ltd	A1+	0.46
Shopper Stop Ltd.	F1+(ind)	0.46
ICICI Bank Ltd.	P1+	0.45
Karur Vysya Bank Ltd.	F1+(ind)	0.43
Hindustan Construction Company Ltd.	PR1+	0.37
Hindustan Sanitaryware & Industries Ltd.	A1+	0.37
L&T Finance limited	PR1+	0.36
Standard Chartered Bank Ltd	P1+	0.27
Infrastruture Leasing & Financial Services Limited	A1+	0.18
Infrastruture Development Finance Co. Ltd	A1+	0.17
ING Vysya Bank Ltd	P1+	0.09

**Total** **27.67**

### Public Sector Undertakings

Union Bank of India	A1+	6.21
UCO Bank	P1+	4.59
Punjab National Bank	P1+	4.31
State Bank of Mysore	A1+	4.24
Allahabad Bank	P1+	3.39
Indian Bank	F1+(ind)	3.23
State Bank of Bikaner & Jaipur	P1+	1.75
Union Bank of India	P1+	1.55
State Bank of Travancore	P1+	1.13
Allahabad Bank	PR1+	0.72
State Bank of Indore	P1+	0.69
State Bank of Patiala	A1+	0.35
State Bank of Patiala	P1+	0.18
IDBI Bank Ltd.	P1+	0.02

**Total** **32.36**

### Treasury Bills

91 Days Treasury Bill 14/09/2007	SOV	1.38
91 Days Treasury Bill 21/09/2007	SOV	0.37

**Total** **1.75**

### Term Deposits

State Bank of Bikaner And Jaipur Corporation Bank		5.55
Jammu And Kashmir Bank Ltd		3.42
Bank Of Nova Scotia		3.24
State Bank of Bikaner And Jaipur		1.85
		0.92

**Total** **14.98**

### Collateral Borrowing & Lending obligation

**0.08**

### Net Current Assets/(Liabilities)

**0.65**

### Grand Total

**100.00**

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.28 years.

Total NPA provided for and percentage to NAV: Nil.

All ratings other than by CRISIL are by ICRA or CARE or Fitch.

### Sector Allocation

Commercial Paper (CP)/Certificate of	60.03
Debentures and Bonds	22.55
CBLO & Term Deposits & Rev. Repo	15.07
Treasury Bills	1.75
Net Current Assets	0.60

### Rating Profile

P1+	38.89
A1+	23.23
CBLO & Term Deposits & Rev. Repo	15.07
AAA	9.63
F1+(ind)	4.11
PR1+	1.87
SOV	1.75
AA+	1.46
LAA+	1.04
MAAA	0.65
Net Current Assets	0.62

CARE AAA	0.60
AAA(so)	0.55
P1+(so)	0.34
AA(ind)	0.19

## DIVIDEND HISTORY

### EQUITY SCHEMES

Record Date	Cum Dividend Nav	Rs./Unit
<b>Kotak 30-Dividend</b>		
July-20-07	38.869	3.00
Dec-27-06	38.556	5.50
Dec-27-05	27.711	1.00
Jun-03-05	20.345	1.00
Nov-05-04	18.060	1.50
Jan-31-04	21.093	5.00
Oct-20-03	18.983	2.00
Dec-28-01	11.036	1.00
Oct-09-00	17.556	2.00
Dec -11-99	22.954	2.00
<b>Kotak Global India</b>		
Feb-08-07	19.792	2.50
Feb-08-06	19.609	2.00
Feb-04-05	13.708	1.50
<b>Kotak Contra</b>		
July-27-07	16.0365	2.00
<b>Kotak MNC</b>		
Feb-11-05	20.600	4.50
<b>Kotak Opportunities</b>		
Sept-27-06	17.745	1.50
Mar-21-06	21.784	4.50
Sept-28-05	16.816	1.00
Feb-25-05	12.852	0.75
<b>Kotak Midcap</b>		
Apr-28-06	19.4377	4.00
Aug-24-05	13.0267	0.50
<b>Kotak Tax Saver</b>		
Feb-20-07	11.6407	3.00
<b>Kotak Lifestyle</b>		
June-29-07	13.067	1.75

### HYBRID SCHEMES

Record Date	Cum Dividend Nav	Rs./Unit
<b>Kotak Balance</b>		
Sept-27-06	22.870	1.00
Mar-27-06	26.645	3.50
Dec-12-05	22.232	1.00
May-16-05	18.129	0.75
Dec-13-04	16.175	0.50
Dec-12-03	15.559	2.75
Mar-13-00	13.471	1.00

### Kotak Income Plus - Monthly Dividend

Aug-13-07	10.9671	Individual / HUF : 0.0506 Others : 0.0471
July-12-07	11.0620	Individual / HUF : 0.0622 Others : 0.0579
June-12-07	10.8824	Individual / HUF : 0.0601 Others : 0.0559
May-14-07	10.8773	Individual / HUF : 0.0657 Others : 0.0612

### Kotak Income Plus - Quarterly Dividend

Jun-20-07	11.0680	Individual / HUF : 0.1885 Others : 0.1755
Mar-20-07	10.8130	Individual / HUF : 0.1174 Others : 0.1093
Dec-20-06	11.0791	Individual / HUF : 0.1896 Others : 0.1765
Sep-20-06	11.0594	Individual / HUF : 0.1909 Others : 0.1778

Face Value : Rs. 10/Unit

Dividend distribution is subject to availability and adequacy of distributable surplus.

After Dividend is distributed. The NAV falls to the extent of the payout and statutory levy, if applicable.

## Risk Factors

We declare that we, Kotak Mahindra Asset Management Company Limited, and / or are employees, have short / long positions in the security(ies) in respect of which investment advice is being rendered.

### Risk Factors:

• Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Schemes will be achieved. • As with any securities investment, the NAV of the Units issued under the Schemes can go up or down depending on the factors and forces affecting the capital and money markets. Past performance of the Sponsor/AMC/Fund or that of existing Schemes of the Fund does not indicate the future performance of the Schemes. • Kotak Mahindra Gilt Unit Scheme '98 (Kotak Gilt), Kotak Mahindra Bond Unit Scheme 99 (Kotak Bond), Kotak Mahindra Liquid Scheme (Kotak Liquid), Kotak Mahindra 30 Unit Scheme (Kotak 30), Kotak Mahindra Balance Unit Scheme 99 (Kotak Balance), Kotak Mahindra Technology Scheme (Kotak Tech), Kotak Mahindra MNC Scheme (Kotak MNC), Kotak Mid-Cap Scheme (Kotak Mid-Cap), Kotak Floater Short Term Scheme, Kotak Mahindra Global India Scheme (Kotak Global India), Kotak Mahindra Income Plus Scheme (Kotak Income Plus), Kotak Equity FOF, Kotak Opportunities, Kotak Floater Long Term Scheme, Kotak Flexi Debt Scheme (Kotak Flexi Debt), Kotak Dynamic Fund of Funds, Kotak Contra Scheme, Kotak Emerging Equity, Kotak Flexi FOF, Kotak Equity Arbitrage Scheme, Kotak Tax Saver & Kotak Lifestyle scheme are only the names of the Schemes and do not in any manner indicate the quality of the Schemes, future prospects or returns. • Appreciation of the value of the Units issued under Kotak 30, Kotak Tech and Kotak MNC can be restricted in the event of a high asset allocation to cash, when stock appreciates. • The NAV of the Schemes may be affected, inter alia, by changes in the NAV / performance of the underlying schemes, market, market interest rates, Price/Interest-rate Risk and Credit Risk, Concentration or Sectoral Risk associated with derivatives trading pertaining to Equity Markets, changes in credit rating, Government policy, volatility and liquidity in the money markets, pressure on the exchange rate of the rupee, trading volumes, performance of individual stocks, settlement periods and transfer procedures, Basis Risk, Spread Risk and Re-investment Risk. • Tax laws may change, affecting the return on investment in Units. • In the event of receipt of a very large number of redemption requests or very large value redemption requests or of restructuring of the Schemes' portfolios or in case of limitation or suspension of redemption in the underlying schemes, there may be delays in the redemption of Units. Please refer to the paragraph on "Right to limit Redemption" in the Offer Documents.

### Statutory:

Kotak Mahindra Mutual Fund has been established as a trust under the Indian Trusts Act, 1882, by Kotak Mahindra Bank Limited (liability Rs. NIL) with Kotak Mahindra Trustee Company Limited as the Trustee and with Kotak Mahindra Asset Management Company Limited as the Investment Manager. Kotak Mahindra Bank Limited is not liable or responsible for any loss or shortfall resulting from the operations of the Scheme. Before investing, please read the Offer Documents.

## Services & Facilities

- **Network of Transaction Acceptance Points:** Submit transaction requests at your convenience across our 27 Investor Service Centres and 93 Transaction Points of CAMS. (To locate these, visit the "Locate Us" section on our website, [www.kotakmutual.com](http://www.kotakmutual.com))
- **Electronic Credit of Dividends and Redemption Proceeds:** Have your dividend payouts and redemption proceeds paid directly into your bank account\*. No more worrying about cheques lost in transit or queuing at a bank to deposit cheques. \* Available for accounts in the following banks only: ABN Amro Bank, ICICI Bank, Citibank, IDBI Bank, Deutsche Bank, Kotak Mahindra Bank, HDFCBank, Standard Chartered Bank, HSBC Bank, AXIS Bank, Indusind Bank, Centurion Bank of Punjab & Corporation Bank.
- **Systematic Investments, Withdrawals and Transfers:** Our **Systematic Investment Facility** provides you with the option of investing a fixed amount over a period of time, in a disciplined manner. Through this process, you benefit from Rupee Cost Averaging (buying more Units at lower NAV), and avoid the uncertainties involved with trying to time the market. Through our **Systematic Withdrawal Facility**, withdraw fixed amounts, or the entire appreciation on your investment, in any scheme periodically and benefit by averaging out on market fluctuations. To systematically transfer investments from one Kotak scheme to another, try our Systematic Transfer Facility. This tool also helps you manage your investment portfolio among Kotak Mutual Schemes, in line with your asset allocation plan.
- **Internet Transactions:** Switch investments across our schemes, or redeem your investments electronically, through our Internet Transaction Facility. You can also invest in our schemes online, through Kotakstreet ([www.kotakstreet.com](http://www.kotakstreet.com)), ICICI Direct ([www.icicidirect.com](http://www.icicidirect.com)), and Times of Money ([www.timesofmoney.com](http://www.timesofmoney.com))
- **E-mail Communication:** Opt in to value-added information through e-mail: Daily NAV and Dividend Updates, Monthly Updates, weekly and more.
- **Website Utilities:** Plan and track your investments better. Use our Risk Profiler to assess your risk appetite, our Financial Planner to plan investments and financial goals and our Returns Calculator to measure your earnings from Kotak Mutual schemes. Just register, free, at [www.kotakmutual.com](http://www.kotakmutual.com), and access all these facilities.

## Contact Details

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