

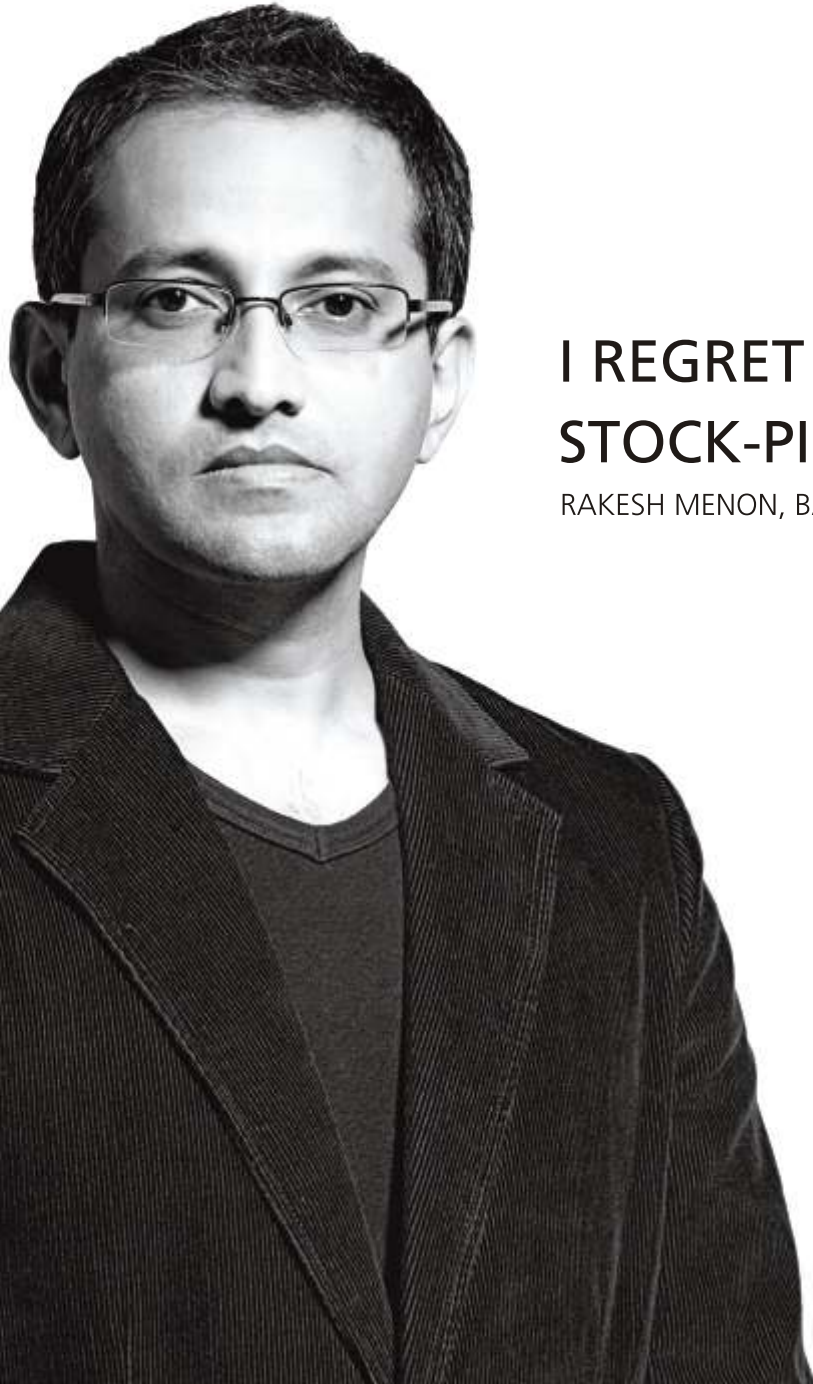


kotak[®]
Mutual Fund

Think Investments. Think Kotak.[®]

Fund Factsheet

February 28, 2007



I REGRET DOING STOCK-PICKING ON MY OWN

RAKESH MENON, BANGALORE

KOTAK EMERGING EQUITY SCHEME

NFO CLOSING 12 MARCH 07

UNITS ISSUED AT RS 10

INVEST IN EMERGING SMALL / MID CAPS NOW.

Introducing, the Kotak Emerging Equity Scheme. A scheme that identifies and invests in Small and Mid Caps that have the potential to grow. Invest now. Don't miss out.

From CEO's Desk



Dear Friends,

As I write this letter to you, the Sensex is experiencing fresh bouts of volatility and seems to be in complete grip of the bears. This trend had been observed since past few weeks, with Sensex losing as much as 14% ever since it touched the high of 14723 on 9th Feb 07.

The easiest thing to do in such a situation is hit the panic button followed by frenzied exits from the market. It therefore becomes essential that investors need to be communicated the reasons behind the correction and the fallout of such market actions.

India has arrived on the global arena. It is therefore natural that when the world sneezes, India too catches a cold. With global integration and open economies, Indian markets are no longer insulated from the other economies across the world. Nonetheless, corrections should be viewed as opportunities to participate in attractive valuations on the whole. To give you a perspective, the Nifty 50, Nifty Mid-Cap and Nifty Junior are presently trading at P/E valuation of 17.1x, 14.8x and 17.1x respectively. With Nifty valuations for FY08 at 14.4x and fundamentals of the economy remaining strong with a buoyant corporate sector, I see no reason why the markets would not recover the lost ground. What remains to be seen is how effectively can this prospect in the mid and small cap segment be utilized. Our current NFO, Kotak Emerging Equity Scheme is well poised to capture these market movements as it is slated to close on 12th March.

As the equity markets gyrate, we had reasons to celebrate on the debt front. Kotak Mahindra Mutual Fund won the prestigious ICRA Mutual Fund Awards 2007 for two of its schemes 'Kotak Flexi Debt Fund' and 'Kotak Bond Short Term Plan'. The schemes received the award in the

category of 'Open Ended Debt - Short Term' for one year and for 'Open Ended Debt - Short Term' for three years*. This is indeed a special moment for us and is testimony of the fact that focused funds management is aptly rewarded. More importantly, it comes at a time when Kotak Mahindra Mutual fund is expanding the scope of its product bouquet to provide domestic investors an opportunity to invest in overseas markets. In this context, it gives me great pleasure to inform you that we have entered into a product tie-up with T. Rowe Price, a US based investment management firm. T Rowe Price, founded in 1937, is one of the most respected independent global investment managers and manages assets over US\$ 330 bn worldwide. Under this tie-up, Kotak Asset Management would float a domestic fund that would in turn invest in the Global Emerging Markets Fund of T Rowe Price.

Clearly the time has come for the Indian investors to own a pie in the global growth story and in the process enable diversification of his asset portfolio.

Warm Regards

Sandesh Kirkire
Chief Executive Officer.

* The methodology for selecting a fund house for these awards can be seen on www.mutualfundsindia.com

Before investing, please read the Offer Document.

Foreword

From the Equity Fund Management Team

Budget FY08 - A fine act of balancing economics and politics

"Good economics works for everyone... only not at the same time" - The Finance Minister, Mr P. Chidambaram

The Budget presented by the Finance Minister for FY08 is a fine act of achieving political goals by not overlooking economy. The Budget indicated a strong preference from the Government on the need to have inclusive growth wherein the benefits of the economic growth are wide spread across the society as a whole. The budget emphasized on the need to support the agriculture economy and creation of social infrastructure. It has addressed the long term issues like improving education, water supply, health etc. As expected the primary focus of the budget was addressing concerns of inflation without affecting growth of the economy.

Riding the strong economic cycle, government finances have continued to improve. Total revenue collection for FY07 grew by 27% v/s estimated growth of 20%. Major buoyancy was witnessed in corporate tax collections, which grew by 45%. For FY08, the Budget estimates a modest corporate tax growth of 15%. Fiscal deficit in FY07 at 3.7% is below the target of 3.8% and the budget sets a target of 3.3% in FY08.

On the tax proposals, the key changes were the dual excise duty in cement, reduction in peak customs duty to 10%, imposition of service tax on lease rentals. While withdrawal of Section 80IA benefit will increase tax rates of construction companies, reduction in exemption under Sec 36(1)(viii) will increase tax rates of a few financials. From broader equity market perspective implementation of Fringe Benefit Tax (FBT) on Employee Stock Options (ESOPs) and increase in Dividend Distribution Tax from 12.5% to 15% were perceived negatively. Also inclusion of companies availing Sec 10A & Sec 10B benefits under Minimum Alternative Tax (MAT) has not gone well with the market. However, there are some unfulfilled demands from corporate sectors like withdrawal of surcharge from corporate tax and reduction in MAT rate. We believe the impact of the budget on corporate performance will be minimal, except for that of construction sector where the new rule is applicable with retrospective effect.

Major events during the month

Besides the budget some of the key events during the month were hike in promoters holding in three major corporate groups in the country viz. Reliance Industries, Tisco and Hindalco. The three groups are increasing holding through preferential allotment to fund their future growth plans and perhaps points towards confidence in future of the companies. In another significant development Vodafone, the world's largest player in GSM mobile telephony, acquired Hutchison Telecommunications Int 67 percent stake in Hutchison Essar with its bid of \$19 billion (Rs850bn). Simultaneously, Vodafone offloaded its 5.6 percent direct stake in India's mobile leader Bharti Airtel to the Bharti Group for \$1.6 billion.

Inflation the focus

Inflation during the month hovered above 6% and was the main concern for policy makers. While the government reduced prices of petrol and diesel to control inflation, the RBI increased Cash Reserve Ratio (CRR) rate by 0.5% to control liquidity in the system. The focus of all the Government policies today seems to be towards controlling inflation by moderating growth of the economy. The Q3FY07 GDP growth reported was at 8.6% mainly led by 10.7% growth in the manufacturing sector. Agri growth remained a concern with reported growth of 1.5% for the quarter. The Budget therefore focused on providing a major thrust to the agriculture sector, so that a sustainable agri growth is achieved over longer term.

Market Outlook

For the month of February the market witnessed heightened volatility with Budget round the corner and global interest rate scenario. With Japan going for 25bps increase in interest rate, there was expectations of another round of rate hikes globally. For the month BSE Sensex closed 8.2% lower at 12938 as compared to 14091 close for Jan month. While FIs invested \$1.62bn for the month, domestic MFs were net sellers of Rs 274cr. As we enter March, the market has seen some correction due to fear of unwinding of Japanese Yen carry trades. We believe the correction offers a good chance for the investors waiting on the sidelines to enter the market as long term prospects remain robust.

From the Debt Fund Management Team

Major Economic indicators

	Current Month#	Last Month	Change
Inflation (10/Feb/07)	6.63%	5.95%	0.68%
WPI (Points)	209.20	208.30	0.43%
10 YR IGB (Yield)	7.99%	7.72%	0.27%
10 YR UST (Yield)	4.57%	4.81%	-0.24%
Avg. LAF Bal. With RBI under Reverse Repo (Rs. cr)	6031	2306	3725
USD/INR (28/Feb/07)	44.28	44.18	0.23%
India's Forex Reserve (billion \$) (16/Feb/07)	188.91	178.13	10.78

#Current reported period in the month

The month of February witnessed a roller coaster ride in the bond market, with the yield on 10 year sovereign bond touching a high of 8.09% intra month, before settling at 7.99% on month end. At the start of the month the 10 year yield was at 7.69%.

More than two year high inflation of 6.73%, 9 year high M3 growth of 21.3%, CRR hike of 25 bps on one hand; and expectations of auction cancellation in March along with hopes of lower government borrowings in the next fiscal on the other hand, kept the yield on 10 year sovereign bond to oscillate in the range of 7.69% - 8.09%. Liquidity conditions remained reasonably tight during the month. However during month end, dollar buying by nationalized banks perhaps on behalf of the RBI eased the tight interbank liquidity conditions to a certain extent. During month end, average daily subscription to RBI Reverse Repo window amounted in excess of Rs. 20000 crs, whereas during the month the same amounted to approx Rs. 6000 crs.

On the global front, Bank of England left its benchmark rate unchanged at a five year high of 5.25%, after a surprise hike by 25 bps in January. The decision to leave rate unchanged came along expected lines as growth in service sector, which forms a major part of the economy slowed in January, personal bankruptcies reached a record and Bank of England figures showed indications of a slowing housing market. Its European counterpart, the ECB too held interest rates steady at 3.5% but signaled a likely increase next month amid rising concern that new wage agreements and high oil prices could spur inflation.

Bank of Japan (BoJ) raised its overnight call rate by 25 bps to 0.50% amidst increased pressure from Western nations to hike rates and with the domestic politicians refuting such a move. The BoJ raised the rate with immediate effect, confident that economy can sustain its recovery. It was the first increase since July last year when the BoJ raised the minimum lending rate for commercial banks from near zero for the first time in nearly six years. Japan's gross domestic product grew 1.2% in October-December versus the previous quarter and at an annualized rate of 4.8%, due to a turnaround in private consumption.

While in the U.S., softer Non farm payroll & retail sales, strong bidding interest at 3 year and 30 year note auction along with a fall in US home construction to an annual pace of 1.408 million units in January compared to 1.643 million units in December contributed to the fall in US treasury yields. January's starts level were the lowest since August 1997. However the single largest contributor to the fall in yields was the rising delinquencies in the sub prime mortgages, which saw safe haven buying in US treasuries, pushing the yield on 10 yr US treasuries to close at 4.57% on month end.

On the domestic front, India's WPI as on Feb 3, 2007 touched more than two year high of 6.73% owing to rise in prices of food and manufactured products. To keep inflation within its comfort zone of 5.00% - 5.50%, the Finance Ministry announced a cut in prices of petrol and diesel by Rs. 2 & Re. 1 respectively. Also the RBI resorted to a hike in CRR by 50 bps in two stages, with the first hike of 25 bps coming into effect from Feb 17. The combined effect of higher inflation and CRR hike caused the yield on 10 yr sovereign bond to spike to 8.09%.

India's industrial production growth slowed down to 11.1% in December 2006 after touching a 10-year peak of 14.4% a month ago. Manufacturing, on a sequential basis, grew 11.9% during December as against 15.7% in November 2006. During April 06 -December 06, the IIP showed a growth of 10.8%.

At the FY08 Union Budget, the Finance Ministry hiked the Dividend Distribution Tax for Money Market & Liquid Mutual Funds to 25%, thereby reducing the arbitrage opportunities. For FY08, the Finance Ministry expects the fiscal deficit to be 3.3% of GDP and for FY07 it is estimated to be 3.7% of GDP. For FY08, gross and net Government borrowing is expected to be Rs. 1.55 trillion & Rs. 1.09 trillion respectively.

Outlook

Gilt prices are expected to remain rangebound as market participants are expected to trade cautiously ahead of the Rs. 8000 crs gilt auction, which earlier, the market had expected to be cancelled. Improvement in liquidity scenario could be hampered with the implementation of second phase of 25 bps hike in CRR with effect from March 3. Advance tax outflows along with inflationary pressures would be key sensitivity factors that would provide further directions to market participants. Short term rates are expected to remain under pressure and we expect the yield on 10 year sovereign bond to remain in the range of 7.80% - 8.10%.

Source of information :

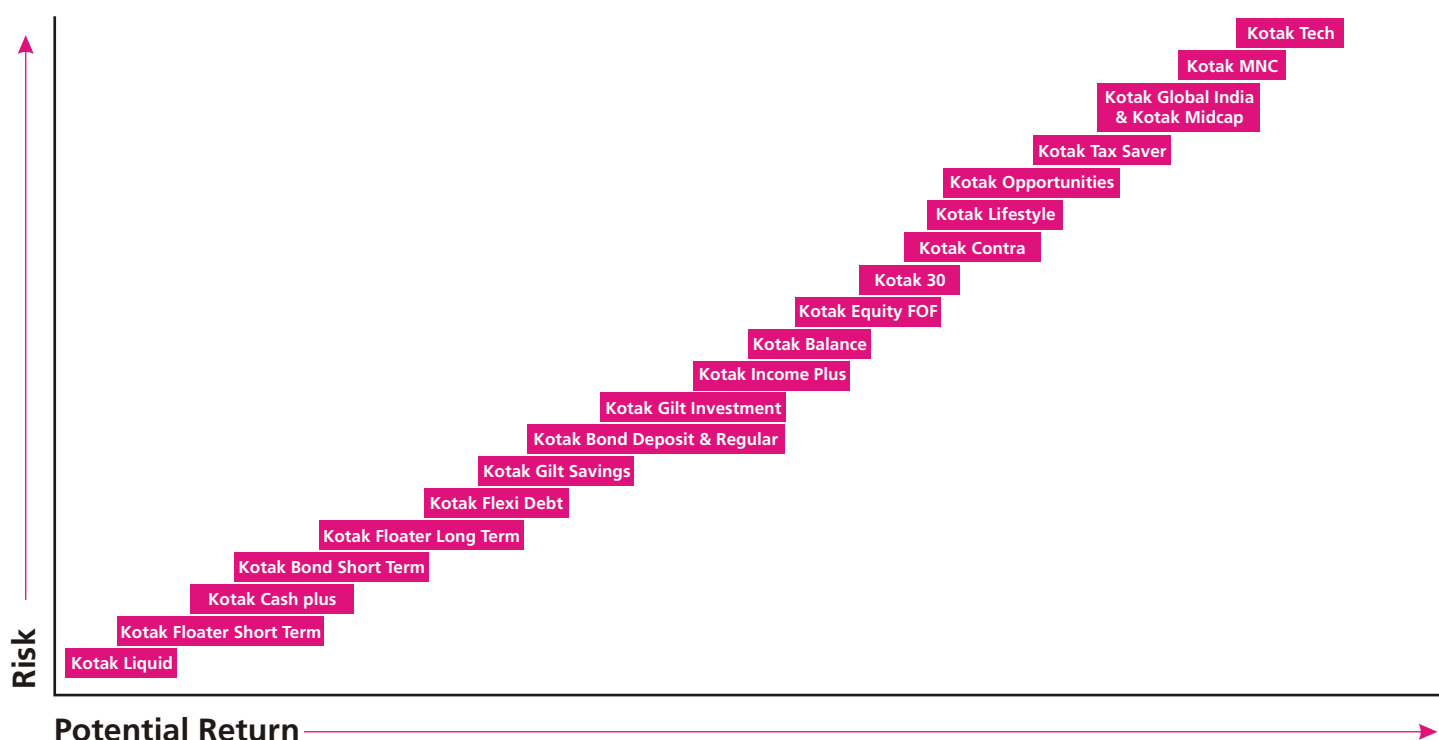
• www.rbi.org.in • www.sebi.gov.in • www.eaindustry.nic.in • Bloomberg • Moneyline telerate • Economic Times • Reuters

Assets under Management as on February 28, 2007 - Rs. 13964.61 Crores

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Risk Return Stack Up



The above chart is meant only to show relative positioning and should not be construed as absolute risk return relationships among different products.



About the Scheme

A large cap diversified scheme, which invests in companies with a medium to long-term view. The scheme follows a bottom-up approach to stock selection. The investment strategy is to take balanced exposure across sectors while maintaining less than 30% exposure to mid-cap stocks.

Ideal Investment Horizon

1-3 years

Corpus

Rs. 432.01 crores

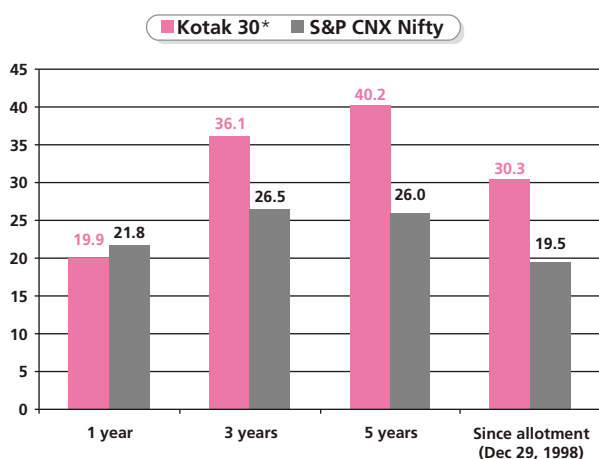
Ratios

Beta* : 0.94

Sharpe* : 0.37

*Source: Value Research

Performance as on February 28, 2007



Kotak 30 NAV: Rs. 31.309 (Div. Option)

* Returns assumed reinvestment of the tax free dividend declared.

Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)

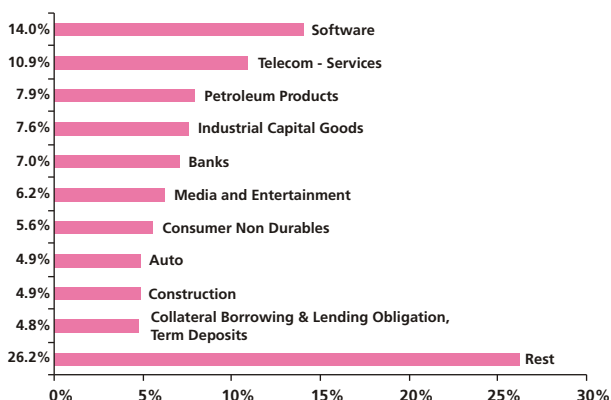
Past performance may or may not be sustained in future.

SIP Returns

	1 year	3 years	5 years	7 years
Investment Amt.	Rs. 12000	Rs. 36000	Rs. 60000	Rs. 84000
Investment Value	Rs. 12797	Rs. 62558	Rs. 180293	Rs. 301647
XIRR	12.62%	39.50%	45.77%	36.13%

Assumptions: 1) Rs. 1000 investment done on the 5th or the subsequent working day of the month.
2) Loads not considered.

Sector Allocation



Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
Reliance Industries Ltd.	Petroleum Products	7.92
Bharti Airtel Ltd.	Telecom - Services	6.49
ITC Ltd.	Consumer Non Durables	5.56
ICICI Bank Ltd.	Banks	5.47
Larsen And Toubro Ltd.	Industrial Capital Goods	5.30
Infosys Technologies Ltd.	Software	4.76
Reliance Communications Ltd.	Telecom - Services	4.43
Oil & Natural Gas Corporation Ltd.	Oil	4.14
Wipro Ltd.	Software	3.98
Aditya Birla Nuvo Limited	Textile Products	3.57
Hindustan Lever Ltd.	Diversified	3.57
Tata Consultancy Services Ltd.	Software	3.26
Mahindra & Mahindra Ltd.	Auto	2.95
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	2.68
Jaiprakash Associates Ltd	Construction	2.65
Zee Entertainment Enterprises Ltd	Media and Entertainment	2.64
Grasim Industries Ltd.	Cement	2.30
Siemens Ltd.	Industrial Capital Goods	2.25
Mphasis Ltd	Software	2.02
Maruti Udyog Ltd	Auto	1.95
Deccan Chronicle Holdings Ltd.	Media and Entertainment	1.89
GMR Infrastructure Ltd.	Construction	1.81
HDFC Ltd.	Finance	1.74
Amtek Auto Ltd.	Auto Ancillaries	1.73
Wire & Wireless (India) Ltd.	Media and Entertainment	1.67
State Bank Of India	Banks	1.57
India Cements Ltd.	Cement	1.24
Sterlite Industries (India) Ltd	Non - Ferrous Metals	1.09
Ansar Properties & Infrastructure Limited.	Construction	0.42
Zee News Ltd.	Media and Entertainment	#
Total		91.05
Futures		
Sun Pharmaceuticals Industries Ltd.-MAR2007		0.10
Total		0.10
Collateral Borrowing & Lending obligation		3.61
Term Deposits		1.16
Net Current Assets/(Liabilities)		4.08
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

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

Indicates % to net assets less than 0.01%

KOTAK MID-CAP

Open-Ended Equity Growth Scheme

Equity Investment
Philosophy



About the Scheme

A scheme that invests predominantly in midcap companies, which are expected to be tomorrow's large cap companies. The Scheme follows a bottom up approach to stock selection. The investment strategy is to have 65%-100% investments in midcap companies, upto 35% in large cap / small

cap companies, 0%-35% in debt and money market securities with a portfolio diversified across sectors.

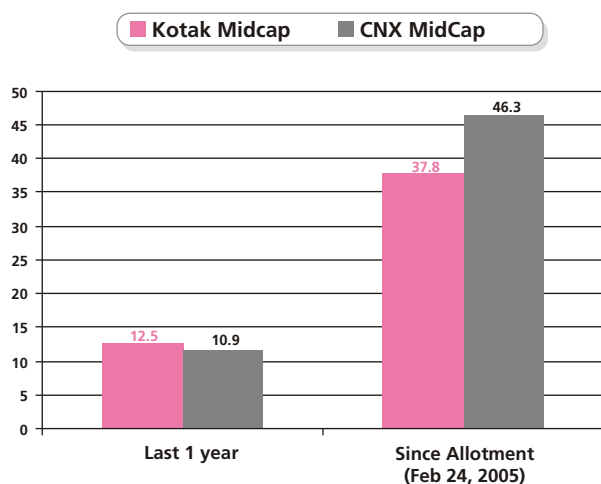
Ideal Investment Horizon

1-3 years

Corpus

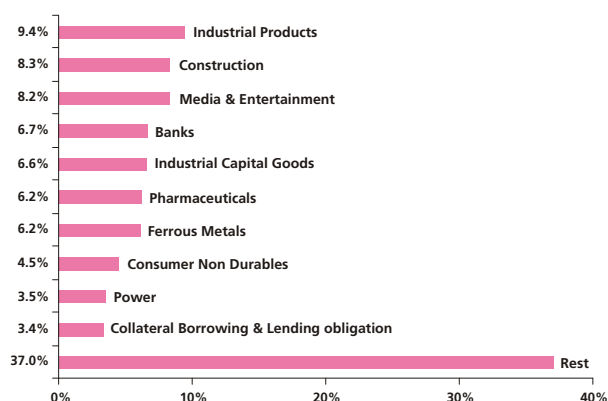
Rs. 234.46 crores

Performance as on February 28, 2007



Kotak Midcap NAV: Rs. 19.306 (Growth Option)
Returns = 1 year : Absolute. Returns > 1 year : CAGR (Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

Sector Allocation



Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
Kalpataru Power Transmission Ltd.	Power	3.48
Jubilant Organosys Ltd	Pharmaceuticals	3.16
Elecon Engineering Co.Ltd	Engineering	3.08
Maharashtra Seamless Ltd.	Ferrous Metals	2.89
Bharat Earth Movers Ltd.	Industrial Capital Goods	2.83
SKF India Ltd	Industrial Products	2.54
Ruchi Soya Industries Ltd.	Consumer Non Durables	2.52
Finolex Cables Ltd.	Industrial Products	2.44
Panacea Biotec Ltd.	Pharmaceuticals	2.43
Patel Engineering Ltd.	Construction	2.38
Hindustan Lever Ltd.	Diversified	2.33
Sesa Goa Ltd.	Minerals/Mining	2.28
Gujarat Gas Company Ltd	Gas	2.22
Jaiprakash Associates Ltd	Construction	2.21
Mphasis Ltd	Software	2.17
Deccan Chronicle Holdings Ltd.	Media and Entertainment	2.10
HT Media Limited.	Media and Entertainment	2.10
Jindal Steel & Power Ltd.	Ferrous Metals	2.08
Allcargo Global Logistics Ltd.	Transportation	2.07
Television Eighteen India Ltd.	Media and Entertainment	2.07
EID Parry (India) Ltd.	Consumer Non Durables	2.03
Amtek Auto Ltd.	Auto Ancillaries	1.99
Wire & Wireless (India) Ltd.	Media and Entertainment	1.98
Areva T and D India Ltd.	Industrial Capital Goods	1.93
Bilcare Ltd.	Industrial Products	1.89
Vardhman Textiles Ltd.	Textiles - Cotton	1.85
Gammon India Ltd.	Construction	1.83
Alstom Projects India Ltd.	Industrial Capital Goods	1.80
TajGVK Hotels & Resorts Limited	Hotels	1.80
ING Vysya Bank Ltd.	Banks	1.76
United Phosphorus Ltd	Pesticides	1.69
Aban Offshore Ltd.	Industrial Services	1.68
Ipca Laboratories Ltd.	Pharmaceuticals	1.67
Andhra Bank	Banks	1.60
Bank of India	Banks	1.57
Indian Overseas Bank	Banks	1.53
Kirloskar Oil Engines Ltd.	Industrial Products	1.45
Aventis Pharma Ltd.	Pharmaceuticals	1.38
Network 18 Fincap Ltd.	Finance	1.37
Madras Cements Ltd.	Cement	1.35
Kesoram Industries Limited	Auto Ancillaries	1.28
Shree Cement Ltd.	Cement	1.26
Kamdhenu Ispat Ltd.	Ferrous Metals	1.22
Great Eastern Shipping Company Ltd	Transportation	1.14
Jain Irrigation Systems Ltd.	Industrial Products	1.10
Ansal Housing & Construction Ltd.	Construction	1.04
Tanla Solutions Limited	Software	0.92
Ansal Properties & Infrastructure Limited.	Construction	0.74
Indian Bank	Banking and Finance	0.18
Nahar Spinning Mills Ltd	Textiles - Synthetic	0.11
Nahar Capital & Financial Services Ltd	Finance	0.11
C and C Constructions Ltd	Construction and Engineering	0.10
Total		92.73
Debt Instruments		
Debentures and Bonds		
Corporate Debt / Financial Institutions		
Citicorp Finance (India) Ltd.	AAA	0.85
LIC Housing Finance Ltd.	AAA	0.43
Total		1.28
Collateral Borrowing & Lending obligation		3.41
Net Current Assets/(Liabilities)		2.58
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
All ratings other than by CRISIL are by ICRA or CARE or Fitch.

KOTAK OPPORTUNITIES

Open-Ended Equity Growth Scheme

Equity Investment
Philosophy



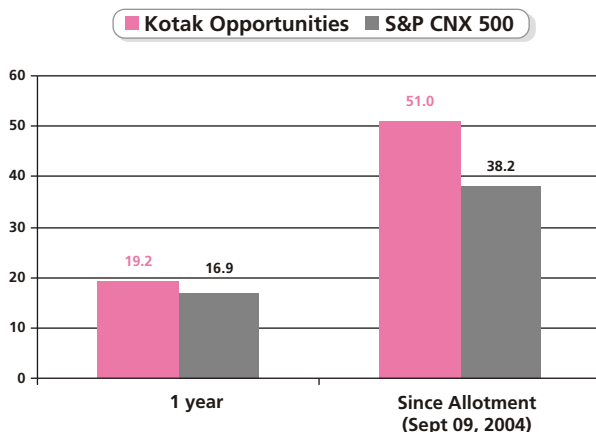
About the Scheme

A diversified aggressive equity scheme that has a flexibility to invest across market capitalisation and sectors. The investment strategy is to make strategic use of debt and money market securities, upto 35% with flexibility for large exposure in select sectors.

Ideal Investment Horizon
1-3 years

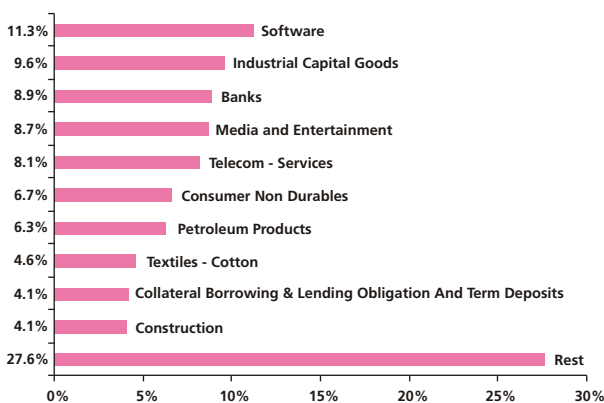
Corpus
Rs. 224.26 crores

Performance as on February 28, 2007



Kotak Opportunities NAV: Rs. 27.688 (Growth Option)
Returns = 1 year : Absolute. Returns > 1 year : CAGR (Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

Sector Allocation



Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
Reliance Industries Ltd.	Petroleum Products	6.27
Larsen And Toubro Ltd.	Industrial Capital Goods	5.08
ITC Ltd.	Consumer Non Durables	4.90
Reliance Communications Ltd.	Telecom - Services	4.45
ICICI Bank Ltd.	Banks	3.96
Bharti Airtel Ltd.	Telecom - Services	3.69
Zee Entertainment Enterprises Ltd	Media and Entertainment	3.15
Hindustan Lever Ltd.	Diversified	3.15
Jaiprakash Associates Ltd	Construction	2.92
Sesa Goa Ltd.	Minerals/Mining	2.78
Infosys Technologies Ltd.	Software	2.72
Punjab National Bank	Banks	2.65
Mahindra & Mahindra Ltd.	Auto	2.60
Siemens Ltd.	Industrial Capital Goods	2.33
Vardhman Textiles Ltd.	Textiles - Cotton	2.30
Hcl Technologies Ltd.	Software	2.28
Nahar Industrial Enterprises Ltd.	Textiles - Cotton	2.26
Ipca Laboratories Ltd.	Pharmaceuticals	2.21
ABG Heavy Industries Ltd.	Industrial Capital Goods	2.21
HT Media Limited.	Media and Entertainment	2.19
Jindal Steel & Power Ltd.	Ferrous Metals	2.08
Andhra Bank	Banks	2.07
Satyam Computer Services Ltd.	Software	1.94
Television Eighteen India Ltd.	Media and Entertainment	1.80
Atlas Copco (India) Ltd	Industrial Products	1.79
Marico Ltd.	Consumer Non Durables	1.78
Tanla Solutions Limited	Software	1.70
India Cements Ltd.	Cement	1.59
United Phosphorus Ltd	Pesticides	1.56
Wire & Wireless (India) Ltd.	Media and Entertainment	1.53
Network 18 Fincap Ltd.	Finance	1.51
Info Edge (India) Ltd.	Software	1.50
Kesoram Industries Limited	Auto Ancillaries	1.43
Financial Technologies (India) Ltd.	Software	1.11
Ansul Properties & Infrastructure Limited.	Construction	1.10
Madras Cements Ltd.	Cement	1.03
Aban Offshore Ltd.	Industrial Services	1.00
Indian Bank	Banking and Finance	0.20
C and C Constructions Ltd	Construction and Engineering	0.11
Zee News Ltd.	Media and Entertainment	#
Total		90.93
Debt Instruments		
Debentures and Bonds		
Corporate Debt / Financial Institutions		
Citicorp Finance (India) Ltd.	AAA	2.23
Total		2.23
Collateral Borrowing & Lending obligation		3.48
Term Deposits		0.67
Net Current Assets/(Liabilities)		2.69
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

Indicates % to net assets less than 0.01%

KOTAK LIFESTYLE

Open-Ended Equity Growth Scheme

Equity Investment
Philosophy



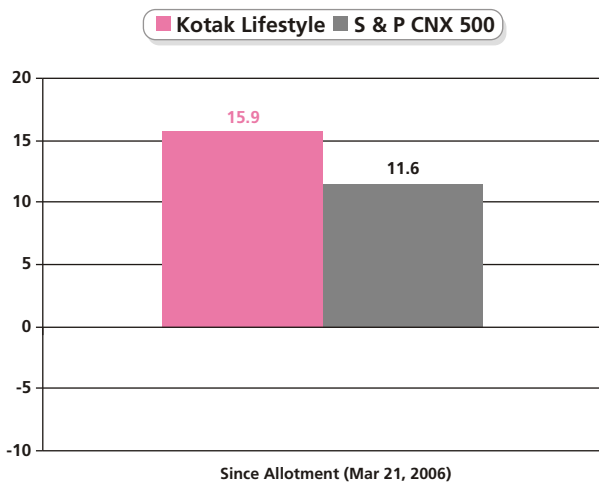
About the Scheme

A scheme that invests in equity and equity linked instruments across the market irrespective of capitalisation. The scheme follows a bottom-up stock selection and invests across industries and companies, which are expected to benefit from the rising household spending on consumer

goods and services in India.
Ideal Investment Horizon
1 - 3 years

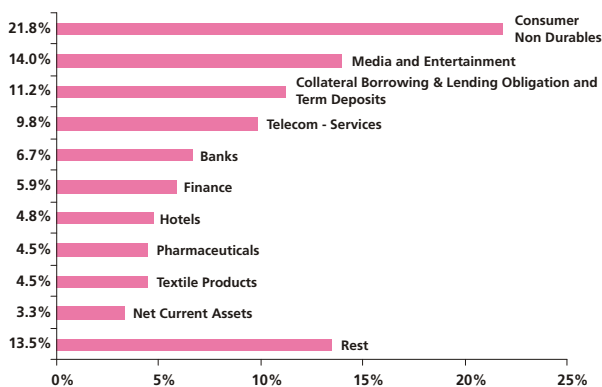
Corpus
Rs. 384.15 crores

Performance as on February 28, 2007



Kotak Lifestyle NAV: Rs. 11.519 (Growth Option)
Returns <= 1 year : Absolute
The Annualised Return is not shown as Scheme has not completed one year.
Past performance may or may not be sustained in future.

Sector Allocation



Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
ITC Ltd.	Consumer Non Durables	5.36
Bharti Airtel Ltd.	Telecom - Services	5.18
Reliance Communications Ltd.	Telecom - Services	4.67
ICICI Bank Ltd.	Banks	4.53
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	4.48
Indian Hotels Company Ltd.	Hotels	4.45
United Spirits Ltd.	Consumer Non Durables	3.48
Zee Entertainment Enterprises Ltd	Media and Entertainment	3.37
Television Eighteen India Ltd.	Media and Entertainment	3.30
Jagran Prakashan Limited	Media and Entertainment	3.09
Pantaloon Retail (india) Ltd.	Retailing	3.07
Hindustan Lever Ltd.	Diversified	2.75
Mahindra & Mahindra Ltd.	Auto	2.64
Champagne Indage Ltd.	Consumer Non Durables	2.49
Aditya Birla Nuvo Limited	Textile Products	2.47
Marico Ltd.	Consumer Non Durables	2.22
Network 18 Fincap Ltd.	Finance	2.20
Asian Paints Ltd.	Consumer Non Durables	2.01
Raymond Limited	Textile Products	1.99
Wire & Wireless (India) Ltd.	Media and Entertainment	1.94
Radico Khaitan Ltd.	Consumer Non Durables	1.89
HDFC Ltd.	Finance	1.77
Centurion Bank of Punjab Ltd.	Banks	1.47
Rajesh Exports Ltd.	Consumer Non Durables	1.36
Adlabs Films Ltd.	Media and Entertainment	1.36
Nitco Tiles Ltd.	Consumer Non Durables	1.30
Info Edge (India) Ltd.	Software	1.03
Zee News Ltd.	Media and Entertainment	0.92
Gitanjali Gems Ltd.	Consumer Non Durables	0.91
Ansal Properties & Infrastructure Limited.	Construction	0.91
Mahindra Gesco Developers Limited.	Construction	0.87
Euro Ceramics Limited	Consumer Non Durables	0.79
HDFC Bank Ltd.	Banks	0.69
Sobha Developers Ltd.	Construction	0.68
United Breweries (Holdings) Ltd.	Finance	0.51
Royal Orchid Hotels Ltd	Hotels	0.31
Indiabulls Real Estate Ltd	Finance	1.43
Total		83.89
Debt Instruments		
Debentures and Bonds		
Corporate Debt / Financial Institutions		
Citicorp Finance (India) Ltd.	AAA	1.04
Citifinancial Consumer Finance India Ltd.	AAA	0.52
Total		1.56
Collateral Borrowing & Lending obligation		9.89
Term Deposits		1.30
Net Current Assets/(Liabilities)		3.36
GRAND TOTAL		100.00

Total NPAs provided for and percentage to NAV: Nil
Total percentage to Net Asset of Illiquid Equity Shares: Nil
All ratings other than by CRISIL are by ICRA or CARE or Fitch



About the Scheme

A diversified equity scheme that invest in fundamentally strong companies which are currently under-valued due to temporary/non-recurring reasons, thus following the Contrarian Style of Investing. The Investment Strategy is to have 65% - 100% in Equity and equity related securities, 0%- 35% in Debt & Money market securities.

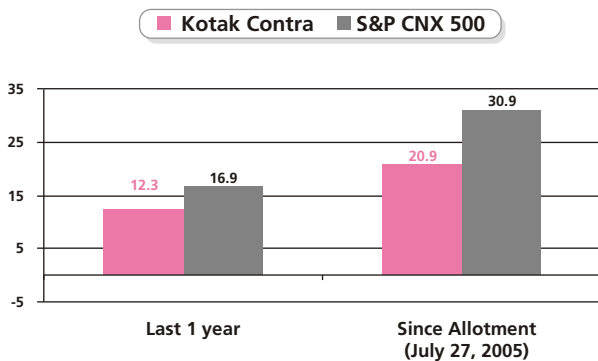
Ideal Investment Horizon

1-3 years

Corpus

Rs. 143.59 crores

Performance as on February 28, 2007



Kotak Contra NAV: Rs. 13.996 (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

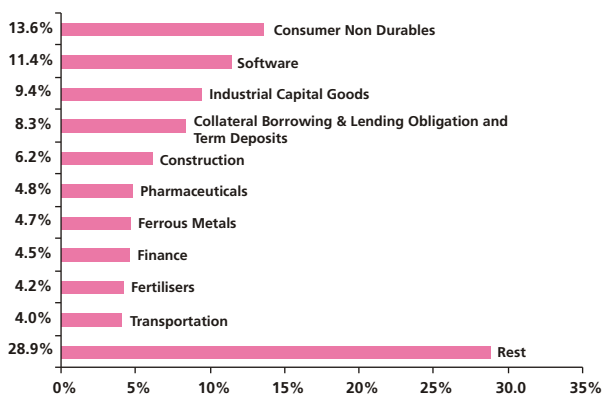
Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
Ipca Laboratories Ltd.	Pharmaceuticals	4.76
Sasken Communication Technologies Ltd.	Software	4.50
Mphasis Ltd	Software	4.24
Bharat Electronics Ltd	Industrial Capital Goods	4.03
Jaiprakash Associates Ltd	Construction	3.97
Hindustan Lever Ltd.	Diversified	3.38
Asian Paints Ltd.	Consumer Non Durables	3.33
Navin Fluorine International Ltd.	Chemicals	3.25
Vardhman Holdings Limited	Finance	3.20
Ahmednagar Forgings Ltd.	Industrial Products	3.11
Aditya Birla Nuvo Limited	Textile Products	3.09
Nestle India Ltd.	Consumer Non Durables	3.04
Revathi Equipment Ltd.	Industrial Capital Goods	2.99
Reliance Energy Ltd.	Power	2.91
I-Flex Solutions Limited	Software	2.65
Apollo Tyres Ltd.	Auto Ancillaries	2.45
Nitco Tiles Ltd.	Consumer Non Durables	2.44
ABG Heavy Industries Ltd.	Industrial Capital Goods	2.40
Jindal Steel & Power Ltd.	Ferrous Metals	2.34
TATA Metaliks Ltd.	Ferrous Metals	2.32
Monsanto India Ltd.	Pesticides	2.26
Eveready Industries India Ltd.	Consumer Non Durables	2.23
Coromandel Fertilisers Ltd.	Fertilisers	2.19
Great Eastern Shipping Company Ltd	Transportation	2.17
Gammon India Ltd.	Construction	2.10
Tata Chemicals Ltd.	Fertilisers	2.02
Gujarat Gas Company Ltd	Gas	2.02
Deccan Aviation Ltd	Transportation	1.88
EID Parry (India) Ltd.	Consumer Non Durables	1.54
Nahar Spinning Mills Ltd	Textiles - Synthetic	1.33
Nahar Capital & Financial Services Ltd	Finance	1.33
Ultratech Cement Ltd.	Cement	1.07
Britannia Industries Ltd.	Consumer Non Durables	1.01
Grasim Industries Ltd.	Cement	1.00
Indian Bank	Banking and Finance	0.19
C and C Constructions Ltd	Construction and Engineering	0.10
Hindustan Dorr-Oliver Ltd.	Industrial Capital Goods	#
Total		88.84
Collateral Borrowing & Lending obligation		7.31
Term Deposits		1.04
Net Current Assets/(Liabilities)		2.81
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

Indicates % to net assets less than 0.01%

Sector Allocation



KOTAK TAX SAVER

Open-Ended Equity Linked Savings Scheme

Equity Investment
Philosophy



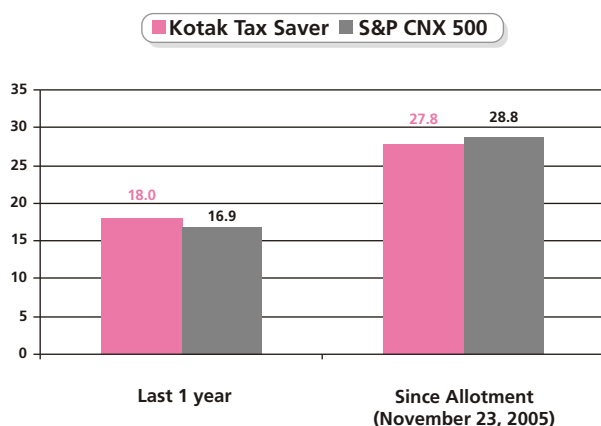
About the Scheme

A diversified equity scheme that invests in equity and equity related securities and enable investors to avail the income tax rebate, as permitted from time to time. The investment strategy is to have 80 - 100% in equity portion and 0 - 20% in non equity portion.

Ideal Investment Horizon
3 years and above

Corpus
Rs. 175.33 crores

Performance as on February 28, 2007



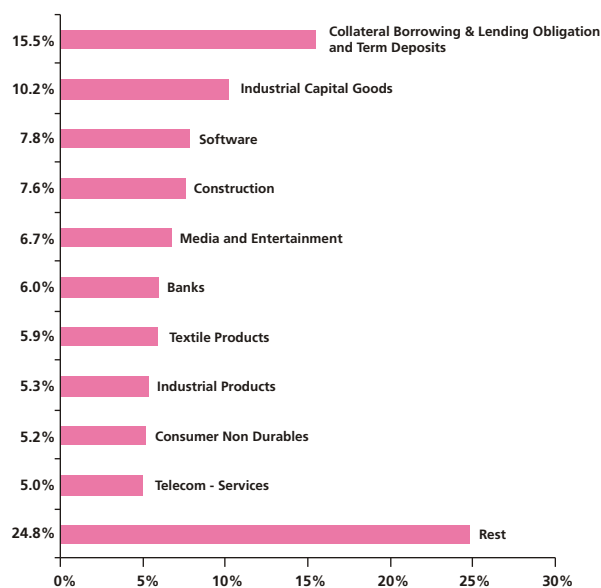
Kotak Tax Saver NAV: Rs. 13.67 (Growth Option)
Returns = 1 year : Absolute. Returns > 1 year : CAGR (Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
ICICI Bank Ltd.	Banks	4.26
Jaiprakash Associates Ltd	Construction	3.98
Reliance Industries Ltd.	Petroleum Products	3.52
Bilcare Ltd.	Industrial Products	3.08
Bharti Airtel Ltd.	Telecom - Services	3.08
Panacea Biotec Ltd.	Pharmaceuticals	3.03
Aditya Birla Nuvo Limited	Textile Products	3.02
Thermax Ltd.	Industrial Capital Goods	2.92
Jubilant Oraganosys Ltd	Pharmaceuticals	2.78
Sasken Communication Technologies Ltd.	Software	2.78
United Phosphorus Ltd	Pesticides	2.63
Bharat Bijlee Ltd	Industrial Capital Goods	2.47
Satyam Computer Services Ltd.	Software	2.45
SKF India Ltd	Industrial Products	2.24
Wire & Wireless (India) Ltd.	Media and Entertainment	2.11
Elecon Engineering Co.Ltd	Engineering	2.09
Ruchi Soya Industries Ltd.	Consumer Non Durables	2.04
Gammon India Ltd.	Construction	1.96
Zee Entertainment Enterprises Ltd	Media and Entertainment	1.95
Reliance Communications Ltd.	Telecom - Services	1.92
Hindustan Lever Ltd.	Diversified	1.91
United Spirits Ltd.	Consumer Non Durables	1.91
Texmaco Ltd.	Industrial Capital Goods	1.84
Bombay Rayon Fashions Ltd.	Textile Products	1.68
Infosys Technologies Ltd.	Software	1.64
Aban Offshore Ltd.	Industrial Services	1.53
Alstom Projects India Ltd.	Industrial Capital Goods	1.52
Royal Orchid Hotels Ltd	Hotels	1.52
Allcargo Global Logistics Ltd.	Transportation	1.51
Jindal Steel & Power Ltd.	Ferrous Metals	1.50
Centurion Bank of Punjab Ltd.	Banks	1.49
Network 18 Fincap Ltd.	Finance	1.49
Areva T and D India Ltd.	Industrial Capital Goods	1.47
Television Eighteen India Ltd.	Media and Entertainment	1.47
Dolphin Offshore Enterprises (India) Ltd.	Oil and Gas	1.46
Nahar Industrial Enterprises Ltd.	Textiles - Cotton	1.43
Raymond Limited	Textile Products	1.22
EID Parry (India) Ltd.	Consumer Non Durables	1.22
Jagran Prakashan Limited	Media and Entertainment	1.17
Godawari Power and Ispat Limited	Ferrous Metals	1.16
Vardhman Textiles Ltd.	Textiles - Cotton	1.16
Motor Industries Company Ltd.	Auto Ancillaries	1.01
Navin Fluorine International Ltd.	Chemicals	0.97
Ansal Housing & Construction Ltd.	Construction	0.95
Tanla Solutions Limited	Software	0.94
Ansal Properties & Infrastructure Limited.	Construction	0.63
Indian Bank	Banks	0.19
C and C Constructions Ltd	Construction	0.10
Total		90.40
Collateral Borrowing & Lending Obligation		14.94
Term Deposits		0.57
Net Current Assets/(Liabilities)		-5.91
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





KOTAK GLOBAL INDIA

Open-Ended Equity Growth Scheme

About the Scheme

A diversified equity scheme which aims at capturing the growth potential of globally competitive Indian companies. The scheme follows a bottom up approach to stock selection with focus on Indian companies with a clear global expansion / export

strategy for incremental growth. The investment strategy is to have a portfolio diversified across sectors.

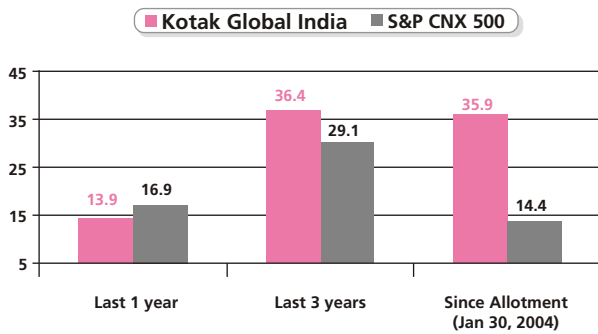
Ideal Investment Horizon

1-3 years

Corpus

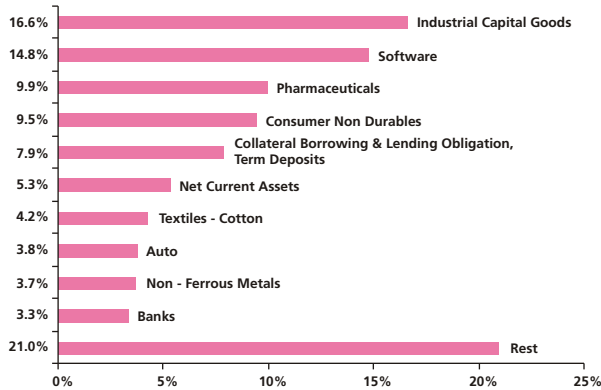
Rs. 111.85 crores

Performance as on February 28, 2007



Kotak Global India NAV: Rs. 25.269 (Growth Option)
Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

Sector Allocation



Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
Larsen And Toubro Ltd.	Industrial Capital Goods	5.13
Thermax Ltd.	Industrial Capital Goods	4.40
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	4.15
Sterlite Industries (India) Ltd	Non - Ferrous Metals	3.67
Tata Tea Ltd.	Consumer Non Durables	3.54
Jubilant Organosys Ltd	Pharmaceuticals	3.44
ICICI Bank Ltd.	Banks	3.34
Sasken Communication Technologies Ltd.	Software	3.20
Tata Consultancy Services Ltd.	Software	3.14
Infosys Technologies Ltd.	Software	2.99
Bilcare Ltd.	Industrial Products	2.97
Amtek Auto Ltd.	Auto Ancillaries	2.83
Reliance Communications Ltd.	Telecom - Services	2.81
Tech Mahindra Ltd.	Software	2.57
Mahindra & Mahindra Ltd.	Auto	2.54
Siemens Ltd.	Industrial Capital Goods	2.46
Zee Entertainment Enterprises Ltd	Media and Entertainment	2.42
Nahar Industrial Enterprises Ltd.	Textiles - Cotton	2.39
Allcargo Global Logistics Ltd.	Transportation	2.38
Crompton Greaves Ltd.	Industrial Capital Goods	2.37
Ipca Laboratories Ltd.	Pharmaceuticals	2.35
Asian Paints Ltd.	Consumer Non Durables	2.34
Hanung Toys and Textiles Ltd.	Consumer Non Durables	2.27
ABB Ltd.	Industrial Capital Goods	2.27
Raymond Limited	Textile Products	2.07
Subex Azure Ltd.	Software	2.02
Sesa Goa Ltd.	Minerals/Mining	1.91
Vardhman Textiles Ltd.	Textiles - Cotton	1.85
United Phosphorus Ltd	Pesticides	1.71
Aban Offshore Ltd.	Industrial Services	1.60
Rajesh Exports Ltd.	Consumer Non Durables	1.32
ANG Auto Ltd	Auto	1.25
Tanla Solutions Limited	Software	0.85
Sundaram Fasteners Ltd.	Auto Ancillaries	0.25
Zee News Ltd.	Media and Entertainment	#
Total		86.80
Collateral Borrowing & Lending Obligation		6.53
Term Deposits		1.34
Net Current Assets/(Liabilites)		5.33
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

Indicates % to net assets less than 0.01%



About the Scheme

A scheme diversified across sectors, that invests in Multinational companies having business in India. The scheme follows a bottom-up approach to stock selection and the investment strategy is to make aggressive allocation across select sectors.

Ideal Investment Horizon

1-3 years

Corpus

Rs. 42.32 crores

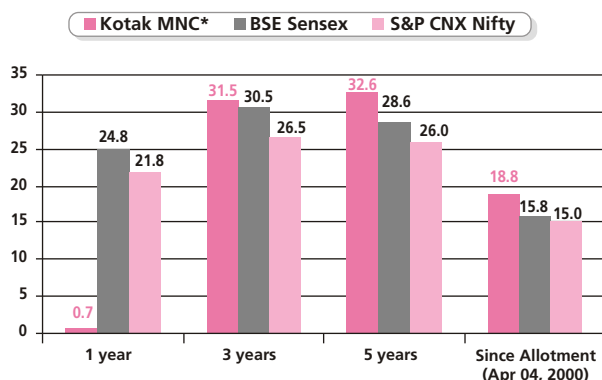
Ratios

Beta* : 0.70

Sharpe* : 0.35

*Source: Value Research

Performance as on February 28, 2007



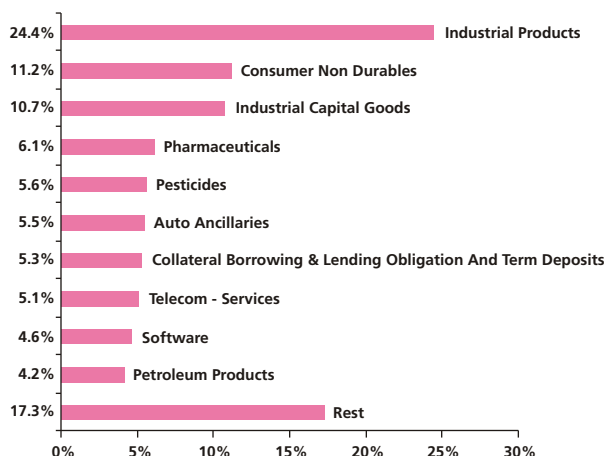
Kotak MNC NAV: Rs. 25.673

*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.

Sector Allocation



Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
Atlas Copco (India) Ltd	Industrial Products	9.23
ITC Ltd.	Consumer Non Durables	6.21
Bharti Airtel Ltd.	Telecom - Services	5.10
KSB Pump Ltd	Industrial Products	4.77
Mphasis Ltd	Software	4.59
Kennametal India Ltd.	Industrial Products	4.41
Castrol (India) Ltd.	Petroleum Products	4.15
SKF India Ltd	Industrial Products	3.92
Siemens Ltd.	Industrial Capital Goods	3.77
ING Vysya Bank Ltd.	Banks	3.63
Amara Raja Batteries Ltd.	Auto Ancillaries	3.37
Hindustan Lever Ltd.	Diversified	3.33
Syngenta India Ltd.	Pesticides	3.25
Aventis Pharma Ltd.	Pharmaceuticals	3.22
Gillette India Ltd	Consumer Non Durables	3.05
GlaxoSmithKline Pharmaceuticals Ltd.	Pharmaceuticals	2.91
Maruti Udyog Ltd	Auto	2.78
Alstom Projects India Ltd.	Industrial Capital Goods	2.61
Sesa Goa Ltd.	Minerals/Mining	2.53
ABB Ltd.	Industrial Capital Goods	2.36
Monsanto India Ltd.	Pesticides	2.35
3M India Ltd.	Trading	2.15
Grindwell Norton Ltd.	Industrial Products	2.10
Motor Industries Company Ltd.	Auto Ancillaries	2.09
Solectron Centum Electronics Ltd.	Industrial Capital Goods	1.97
South East Asia Marine	Oil	1.94
Engg. & Construction Ltd.		
Bata India Ltd.	Consumer Non Durables	1.92
Ciba Speciality Chemicals Ltd.	Chemicals	1.22
Total		94.93
Futures		
GlaxoSmithKline Pharmaceuticals Ltd.-MAR2007		0.39
Total		0.39
Debt Instruments		
Debentures and Bonds		
Corporate Debt / Financial Institutions		
Disa India Ltd.	Unrated	0.14
Total		0.14
Collateral Borrowing & Lending Obligation		4.73
Term Deposits		0.59
Net Current Assets/(Liabilities)		-0.78
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

* Bonus Debentures issued



About the Scheme

A sector scheme, investing only in IT sector companies. The scheme follows a bottom-up approach to stock selection. The investment strategy is to invest with medium to long term view on companies.

Ideal Investment Horizon

1 - 3 years

Corpus

Rs. 44.45 crores

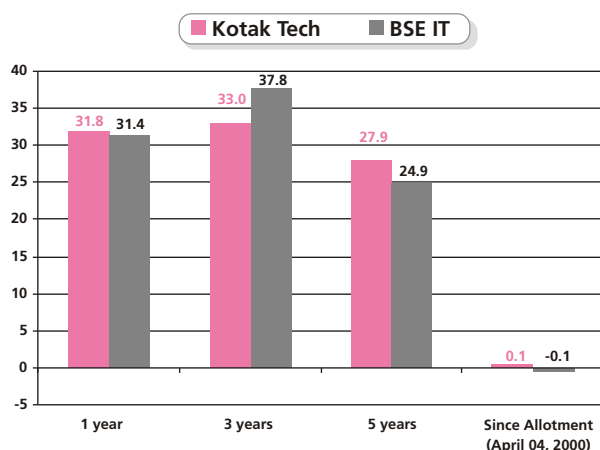
Ratios

Beta* : 0.92

Sharpe* : 0.37

*Source: Value Research

Performance as on February 28, 2007

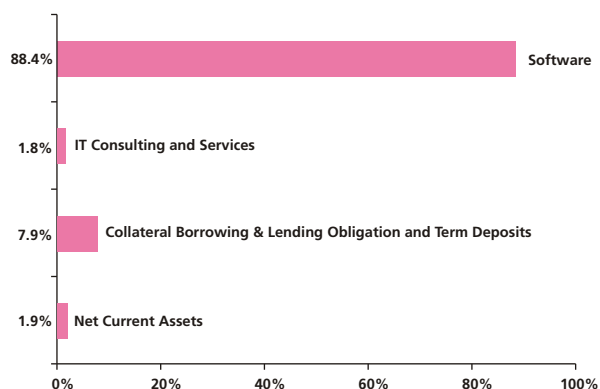


Kotak Tech NAV: Rs. 10.099

Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)

Past performance may or may not be sustained in future.

Sector Allocation



Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
Infosys Technologies Ltd.	Software	23.83
Tata Consultancy Services Ltd.	Software	10.47
Wipro Ltd.	Software	9.11
Hcl Technologies Ltd.	Software	8.92
Satyam Computer Services Ltd.	Software	7.08
Mphasis Ltd	Software	5.83
Sasken Communication Technologies Ltd.	Software	4.47
Infotech Enterprises Ltd.	Software	2.80
Megasoft Ltd	Software	2.22
I-Flex Solutions Limited	Software	2.08
Financial Technologies (India) Ltd.	Software	1.99
Subex Azure Ltd.	Software	1.97
Hexaware Technologies Ltd.	Software	1.86
iGATE Gloabal Solutions Ltd.	IT Consulting and Services	1.82
Tech Mahindra Ltd.	Software	1.78
Tanla Solutions Limited	Software	1.11
Sonata Software Ltd.	Software	1.07
Aurionpro Solutions Ltd.	Software	0.92
Aztecsoft Ltd	Software	0.88
Total		90.21
Privately Placed/ Unlisted		
Virtual Dynamics Software Ltd. @	Software	#
SRM Radiant Infotech Ltd. @	Software	#
Total		0.00
Collateral Borrowing & Lending Obligation		6.75
Term Deposits		1.12
Net Current Assets/(Liabilites)		1.92
GRAND TOTAL		100.00

Total NPAs provided for and percentage to NAV: Nil

Total percentage to Net Asset of Illiquid Equity Shares: Nil

@ Privately Placed Securities.

Indicates % to net assets less than 0.01%



KOTAK EQUITY FOF

Open-Ended Equity Fund of Funds Scheme

About the Scheme

A multi manager FOF scheme that invests 90-100% in diversified equity schemes and rest in liquid schemes. The Scheme invests across multiple fund houses which invests

65%-75% of their portfolio in diversified large cap schemes and 15%-25% in diversified aggressive equity schemes.

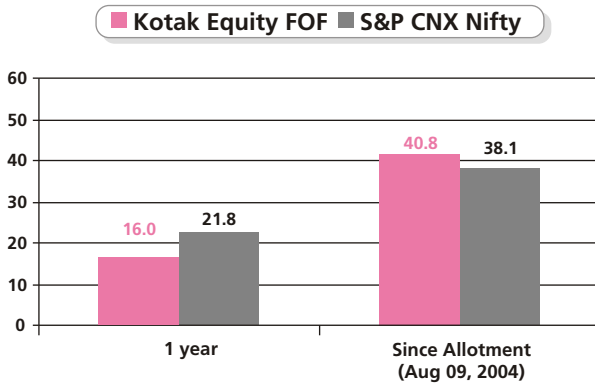
Ideal Investment Horizon

1 - 3 years

Corpus

Rs. 72.76 crores

Performance as on February 28, 2007



Kotak Equity FOF NAV: Rs. 23.982 (Growth Option)
Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

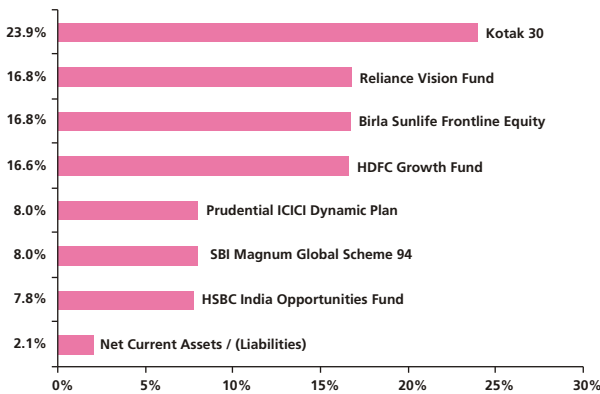
Portfolio

Issuer / Instrument	Industry / Rating	% to Net Assets
Mutual Fund Units		
Kotak 30 - Growth	Equity Scheme	23.94
Reliance Vision Fund - Growth	Equity Scheme	16.82
Birla Sunlife Frontline Equity - Growth	Equity Scheme	16.74
HDFC Growth Fund - Growth	Equity Scheme	16.61
Prudential ICICI Dynamic Plan - Growth	Equity Scheme	8.03
SBI Magnum Global Scheme 94 - Growth	Equity Scheme	7.99
HSBC India Opportunities Fund Growth	Equity Scheme	7.79
Total		97.92
Net Current Assets/(Liabilities)		2.08
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



Specific Risk Factors : The investors of the scheme shall bear the recurring expenses of the Scheme in addition to the expenses of 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 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 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

Equity Investment
Philosophy



About the Scheme

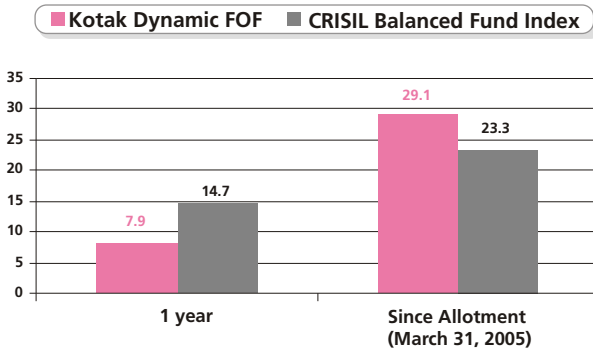
A close-ended multi-manager FOF scheme, with a maturity period of three years. The scheme allocates assets across the diversified large cap schemes and liquid

schemes in a specific proportion, based on the recommendation received by the designated advisor*.

Corpus

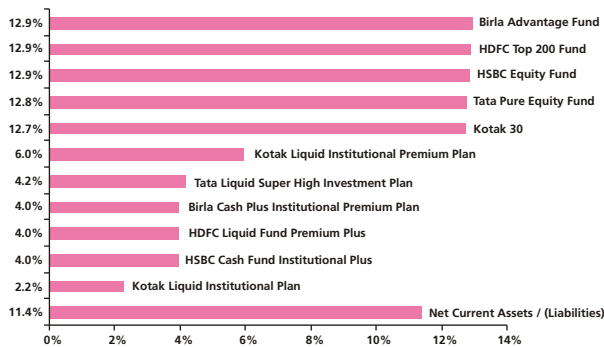
Rs. 28.79 crores

Performance as on February 28, 2007



Kotak Dynamic FOF NAV: Rs. 16.318 (Growth Option)
Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

Sector Allocation



Portfolio

Issuer / Instrument	Industry / Rating	% to Net Assets
Mutual Fund Units		
Birla Advantage Fund - Growth	Equity Scheme	12.94
HDFC Top 200 Fund - Growth	Equity Scheme	12.92
HSBC Equity Fund - Growth	Equity Scheme	12.87
Tata Pure Equity Fund - Growth	Equity Scheme	12.79
Kotak 30 - Growth	Equity Scheme	12.75
Kotak Liquid Institutional Premium Plan - Growth	Debt Scheme	5.96
Tata Liquid Super High Investment Plan - App	Debt Scheme	4.17
Birla Cash Plus Institutional Premium Plan -Growth	Debt Scheme	3.97
HDFC Liquid Fund Premium Plus -Growth	Debt Scheme	3.97
HSBC Cash Fund Institutional Plus - Growth	Debt Scheme	3.97
Kotak Liquid Institutional Plan - Growth	Debt Scheme	2.26
Total		88.57
Net Current Assets/(Liabilities)		11.43
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

* Designated Advisor: Kotak Securities Limited

Specific Risk Factors :

- 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 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, Basis 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 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 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 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

Equity Investment
Philosophy



About the Scheme

A close ended multi manager FOF scheme, with a maturity period of 3 years. The scheme allocates assets across equity

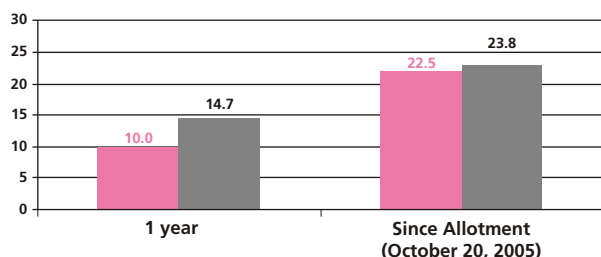
(diversified large cap and aggressive scheme) and liquid schemes.

Corpus

Rs. 92.08 crores

Performance as on February 28, 2007

■ Kotak Flexi FOF ■ CRISIL Balanced Fund Index



Kotak Flexi FOF NAV: Rs. 13.187 (Growth Option)

Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)

Past performance may or may not be sustained in future.

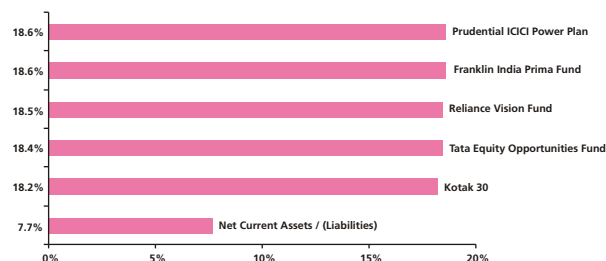
Portfolio

Issuer / Instrument	Industry / Rating	% to Net Assets
Mutual Fund Units		
Prudential ICICI Power Plan - Growth	Equity Scheme	18.60
Franklin India Prima Fund - Growth	Equity Scheme	18.59
Reliance Vision Fund - Growth	Equity Scheme	18.45
Tata Equity Opportunities Fund - Growth	Equity Scheme	18.45
Kotak 30 - Growth	Equity Scheme	18.23
Total		92.32
Net Current Assets/(Liabilities)		7.68
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



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 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 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, Basis 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 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 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

Equity Investment
Philosophy



Debt Investment
Philosophy



About the Scheme

A Scheme, investing in equity, debt and money market instruments. The investment strategy is to have 51%-70% in equity portion and 30%-50% in non-equity portion.

Ideal Investment Horizon

more than 1 year

Corpus

Rs. 95.84 crores

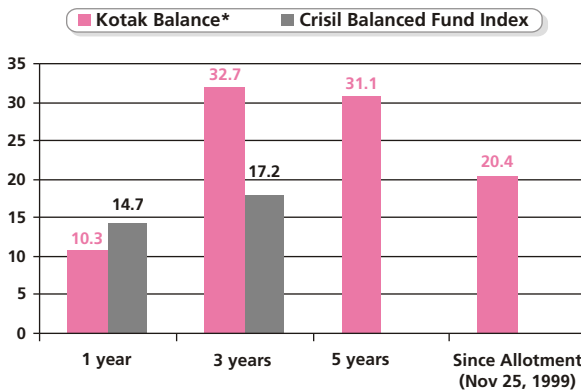
Ratios

Beta*: 1.12

Sharpe*: 0.42

*Source: Value Research

Performance as on February 28, 2007



Kotak Balance NAV: Rs. 22.744

* Returns assumed reinvestment of the tax free dividend declared.

Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)

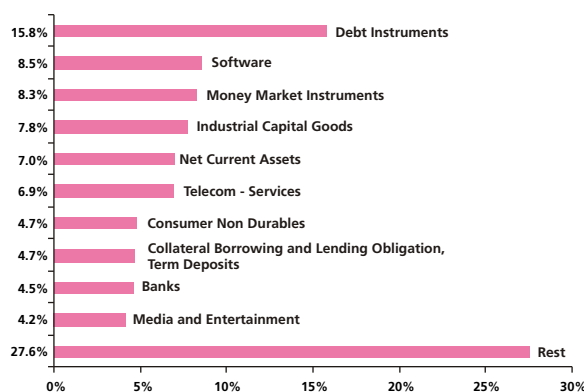
Past performance may or may not be sustained in future.

SIP Returns

	1 year	3 years	5 years	7 years
Investment Amt.	Rs. 12000	Rs. 36000	Rs. 60000	Rs. 84000
Investment Value	Rs. 12366	Rs. 55903	Rs. 137827	Rs. 231039
XIRR	5.74%	30.86%	34.05%	28.48%

- Assumptions: 1) Rs. 1000 investment done on the 5th or the subsequent working day of the month.
2) Loads not considered.

Sector Allocation



Portfolio

Issuer/ Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing)		
Reliance Industries Ltd.	Petroleum Products	4.09
Bharti Airtel Ltd.	Telecom - Services	3.56
Reliance Communications Ltd.	Telecom - Services	3.32
Larsen And Toubro Ltd.	Industrial Capital Goods	2.80
ICICI Bank Ltd.	Banks	2.60
HT Media Limited.	Media and Entertainment	2.37
Mahindra & Mahindra Ltd.	Auto	2.37
Siemens Ltd.	Industrial Capital Goods	2.07
Nahar Industrial Enterprises Ltd.	Textiles - Cotton	1.93
Tata Consultancy Services Ltd.	Software	1.92
Hcl Technologies Ltd.	Software	1.88
ITC Ltd.	Consumer Non Durables	1.79
Deccan Chronicle Holdings Ltd.	Media and Entertainment	1.79
Satyam Computer Services Ltd.	Software	1.77
Sesa Goa Ltd.	Minerals/Mining	1.67
Infosys Technologies Ltd.	Software	1.59
Madras Cements Ltd.	Cement	1.50
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	1.48
Coromandel Fertilisers Ltd.	Fertilisers	1.46
ABG Heavy Industries Ltd.	Industrial Capital Goods	1.44
Navin Fluorine International Ltd.	Chemicals	1.39
Hindustan Lever Ltd.	Diversified	1.38
Jaiprakash Associates Ltd	Construction	1.37
Global Vectra Helicorp Ltd.	Transportation	1.22
Amtek Auto Ltd.	Auto Ancillaries	1.17
Marico Ltd.	Consumer Non Durables	1.14
Tech Mahindra Ltd.	Software	1.12
Maruti Udyog Ltd	Auto	1.05
Asian Paints Ltd.	Consumer Non Durables	1.00
Container Corporation of India Ltd.	Transportation	0.98
Jindal Steel & Power Ltd.	Ferrous Metals	0.97
Andhra Bank	Banks	0.97
Indian Hotels Company Ltd.	Hotels	0.97
Punjab National Bank	Banks	0.83
Euro Ceramics Limited	Consumer Non Durables	0.80
Aditya Birla Nuvo Limited	Textile Products	0.74
JSW Steel Ltd.	Ferrous Metals	0.73
Jubilant Organosys Ltd	Pharmaceuticals	0.54
Ansal Properties & Infrastructure Limited.	Construction	0.53
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	0.48
Tanla Solutions Limited	Software	0.24
Indian Bank	Banking and Finance	0.18
C and C Constructions Ltd	Construction and Engineering	0.10
Total		63.30
Futures		
Jammu and Kashmir Bank Ltd.-MAR2007		0.92
Total		0.92
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
HDFC Ltd.	AAA	6.34
Citicorp Finance (India) Ltd.	AAA	3.14
Total		9.48
Public Sector Undertakings		
Indian Railway Finance Corporation Ltd.	AAA	6.33
Total		6.33
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Public Sector Undertakings		
State Bank Of India.	P1+	5.14
Total		5.14
Treasury Bills		
182 Days Treasury Bill 23/03/2007	SOV	3.12
Total		3.12
Term Deposits		2.61
Collateral Borrowing & Lending Obligation		2.09
Net Current Assets/(Liabilities)		7.01
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

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

KOTAK INCOME PLUS

Open-Ended Income Scheme

Debt Investment
Philosophy



Equity Investment
Philosophy



About the Scheme

A Scheme, investing in equity, debt and money market instruments. The investment strategy is to have 80%-100% in debt and money market instruments and 0%-20% in equity and equity related instruments.

Ideal Investment Horizon

more than 1 year

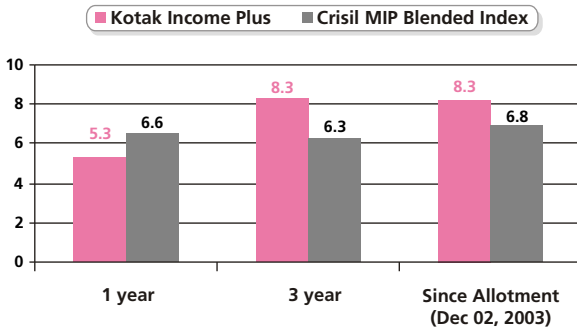
Corpus

Rs. 77.81 crores

Ratio

YTM : 7.26

Performance as on February 28, 2007



Kotak Income Plus NAV: Rs. 12.9565 (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
Equity & Equity related (Listed/Awaiting listing)		
Bharti Airtel Ltd.	Telecom - Services	1.48
Reliance Industries Ltd.	Petroleum Products	1.39
Reliance Communications Ltd.	Telecom - Services	1.05
Larsen And Toubro Ltd.	Industrial Capital Goods	0.96
Satyam Computer Services Ltd.	Software	0.93
ICICI Bank Ltd.	Banks	0.85
Jaiprakash Associates Ltd	Construction	0.84
Mahindra & Mahindra Ltd.	Auto	0.83
HT Media Limited.	Media and Entertainment	0.82
Tata Consultancy Services Ltd.	Software	0.69
Infosys Technologies Ltd.	Software	0.68
Oil & Natural Gas Corporation Ltd.	Oil	0.66
Grasim Industries Ltd.	Cement	0.57
Punjab National Bank	Banks	0.54
Euro Ceramics Limited	Consumer Non Durables	0.54
Nahar Industrial Enterprises Ltd.	Textiles - Cotton	0.54
Sterlite Industries (India) Ltd	Non - Ferrous Metals	0.48
Tech Mahindra Ltd.	Software	0.46
Divi s Laboratories Limited	Pharmaceuticals	0.45
ITC Ltd.	Consumer Non Durables	0.44
Bharat Earth Movers Ltd.	Industrial Capital Goods	0.43
Hindustan Lever Ltd.	Diversified	0.41
Hcl Technologies Ltd.	Software	0.39
Andhra Bank	Banks	0.37
ABG Heavy Industries Ltd.	Industrial Capital Goods	0.28
Wire & Wireless (India) Ltd.	Media and Entertainment	0.23
Tanla Solutions Limited	Software	0.20
Indian Bank	Banks	0.19
Deccan Chronicle Holdings Ltd.	Media and Entertainment	0.16
C and C Constructions Ltd	Construction	0.11
Zee News Ltd.	Media and Entertainment	#
Total		17.97
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
Citifinancial Consumer Finance India Ltd.	AAA	16.75
GE Money Financial Services Limited	AAA	5.14
Mahindra & Mahindra Financial Services Ltd.	AA+	5.14
Total		27.03
Public Sector Undertakings		
Indian Railway Finance Corporation Ltd.	AAA	15.35
Power Finance Corporation Ltd.	AAA	12.88
Union Bank of India	AA+	6.74
State Bank of Hyderabad	LAAA	6.31
Export-Import Bank of India.	AAA	6.17
Total		47.45
Collateral Borrowing & Lending obligation		0.90
Term Deposits		0.64
Net Current Assets/(Liabilities)		6.01
Grand Total		100.00

Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio : 0.98 years

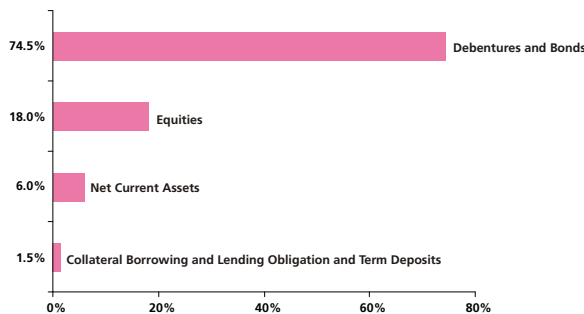
Total NPAs provided for and percentage to NAV: Nil

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

Indicates % to net assets less than 0.01%

Sector Allocation



KOTAK BOND

Open-Ended Debt Scheme

Debt Investment
Philosophy



About the Scheme

The portfolio of the scheme consists of debt and money market securities, having two plans: Deposit Plan and Regular Plan. The investment strategy is to invest across wide maturity horizons and different kinds of issuers in the debt market, the G-Sec component is normally maintained

between 30% to 50% and it generally does not invest in corporate bonds with less than AA rating.

Ideal Investment Horizon

1-2 years

Corpus:

Rs. 51.47 crores

Ratios (For Bond Regular Plan)

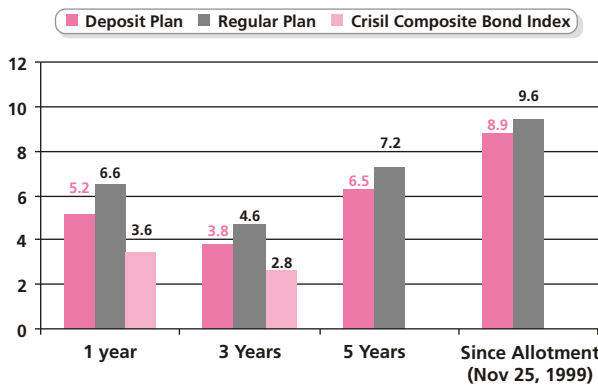
Sharpe*: 0.10

Standard Deviation*: 0.14

YTM: 8.23

*Source: Value Research

Performance as on February 28, 2007

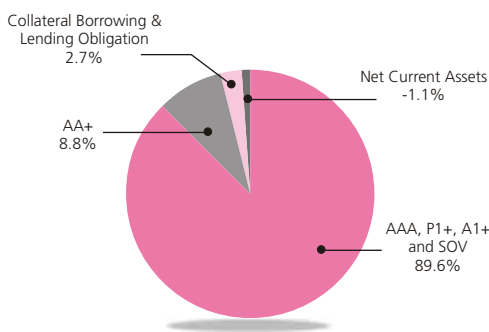


Kotak Bond Deposit Plan NAV: Rs. 18.5533 (Growth options)
Kotak Bond Regular Plan NAV: Rs. 19.4914 (Growth options)
Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

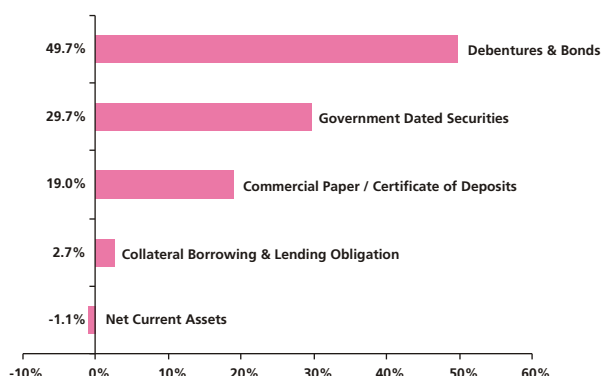
Portfolio - Deposit & Regular Plans

Issuer/ Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
Long Bond Receivables NMBR 400BP 2006 IV PTC A1	AAA(so)	13.54
HDFC Ltd.	AAA	11.80
Bajaj Auto Finance Limited	AA+	8.78
Indian Retail ABS Trust Series 56 PTC A2	AAA	3.58
Citifinancial Consumer Finance India Ltd.	AAA	1.54
Infrastruture Leasing & Financial Services Limited	LAAA	0.97
Total		40.21
Public Sector Undertakings		
Export-Import Bank of India.	AAA	9.53
Total		9.53
Government Dated Securities		
7.37% Government Stock - 2014	SOV	17.83
8.07% Government Stock - 2017	SOV	9.77
9.39% Government Stock - 2011	SOV	2.04
Total		29.64
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
YES Bank Ltd.	A1+	9.45
Total		9.45
Public Sector Undertakings		
UCO Bank	P1+	9.57
Total		9.57
Collateral Borrowing & Lending Obligation		2.72
Net Current Assets/(Liabilites)		-1.12
Grand Total		100.00

Rating Profile



Sector Allocation



Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio: 4.17 years

Total NPA provided for and percentage to NAV : Nil

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

KOTAK BOND SHORT TERM PLAN

Open-Ended Debt Scheme

Debt Investment
Philosophy



About the Scheme

A short-term income plan that invests in debt and money market securities. The investment strategy involves investments in CPs, T-Bills, Corporate Bonds and Gilts with a dynamic approach to duration management within the prescribed limit.

The average maturity of the plan is capped at 3 years.

Ideal Investment Horizon

1 month and above

Corpus:

Rs. 125.43 crores

Ratios

Sharpe* : 0.59

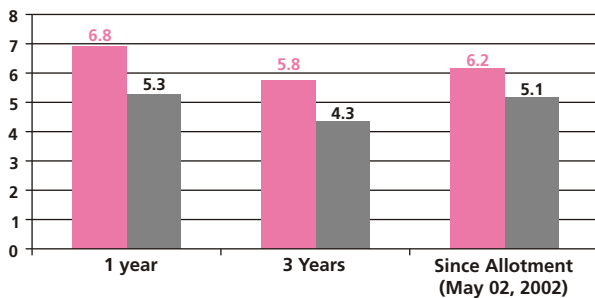
Standard Deviation*: 0.04

YTM: 8.25

*Source: Value Research

Performance as on February 28, 2007

Short Term Plan ■ Crisil Short-Term Bond Fund Index



Kotak Bond Short Term NAV: Rs. 13.397 (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 - Short Term Plan

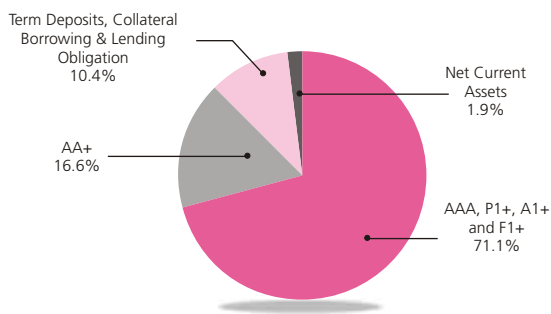
Issuer/ Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
Citicorp Finance (India) Ltd.	AAA	16.45
ICICI Securities Ltd.	AAA	11.80
Sundaram Finance Ltd.	AA+	7.81
Bajaj Auto Finance Limited	AA+	7.21
GE Capital Services India.	AAA	4.01
Sundaram Finance Ltd.	MAAA	3.19
BHPC Auto Sec. Trust JUNE 2005 PTC A3	AAA(so)	2.76
Indian Retail ABS Trust Series 56 PTC A2	AAA	2.21
Associated Cement Companies Ltd.	LAA+	1.60
Reliance Industries Ltd.	AAA	0.16
Total		57.20
Public Sector Undertakings		
Indian Railway Finance Corporation Ltd.	AAA	6.43
Export-Import Bank of India.	AAA	5.47
Indian Corporate Loan Sec. Trust XI PTC A1	AAA	3.15
Total		15.05
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
BHW Home Finance Ltd	P1+	3.77
Total		3.77
Public Sector Undertakings		
IDBI Bank Ltd.	A1+	7.74
Indian Bank	F1+(ind)	3.87
Total		11.61
Term Deposits		7.97
Collateral Borrowing & Lending Obligation		2.47
Net Current Assets/(Liabilities)		1.93
Grand Total		100.00

Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio: 1.34 years

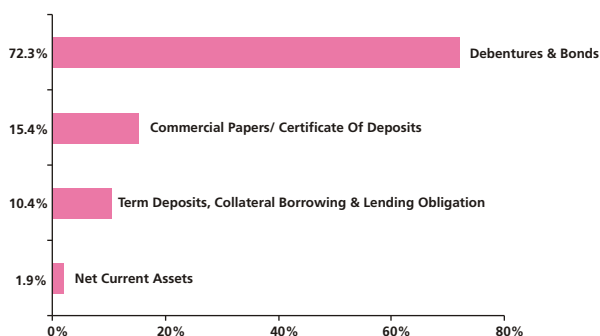
Total NPA provided for and percentage to NAV : NIL

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

Rating Profile



Sector Allocation



KOTAK GILT SAVINGS

Open-Ended Dedicated Gilt Scheme

Debt Investment
Philosophy



About the Scheme

India's first dedicated gilt scheme, with an objective to generate risk free returns through predominant investments in the Government of India securities with short-term outstanding maturity and with low interest rate/price risk. The investment strategy involves the average portfolio

maturity being capped at 4 years and a reasonable cash component in bearish markets.

Ideal Investment Horizon

6 months and above

Corpus

Rs. 13.97 crores

Ratios

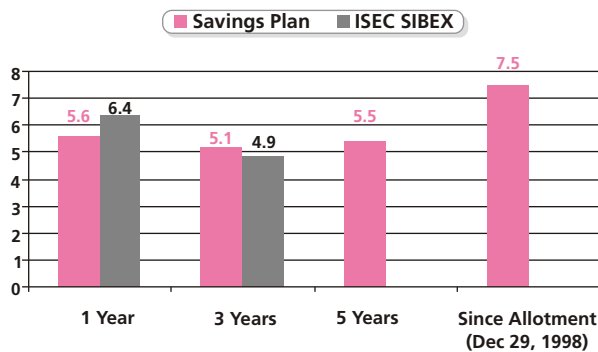
Sharpe* : 0.003

Standard Deviation* : 0.11

YTM: 7.34

*Source: Value Research

Performance as on February 28, 2007

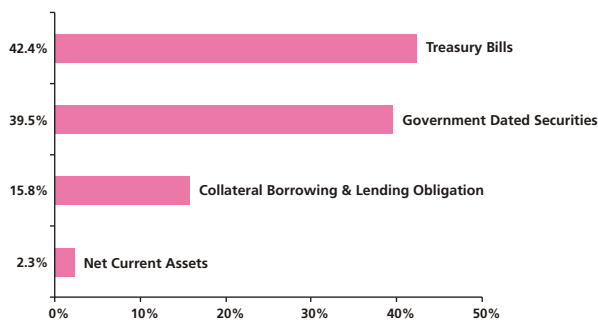


Kotak Gilt Savings Plan NAV: Rs. 18.0801 (Growth Option)

Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)

Past performance may or may not be sustained in future.

Sector Allocation



Portfolio - Savings Plan

Issuer / Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Government Dated Securities		
9.39% Government Stock - 2011	SOV	22.58
11.90% Government Stock - 2007	SOV	16.96
Total		39.54
Money Market Instruments		
Treasury Bills		
182 Days Treasury Bill 23/03/2007	SOV	28.52
364 Days Treasury Bill 03/08/2007	SOV	13.88
Total		42.40
Collateral Borrowing & Lending Obligation		15.75
Net Current Assets/(Liabilities)		2.31
Grand Total		100.00

Average Maturity of the portfolio: 1.10 years

Total NPA provided for and percentage to NAV : NIL

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

KOTAK GILT INVESTMENT

Open-Ended Dedicated Gilt Scheme

Debt Investment
Philosophy



About the Scheme

India's first dedicated gilt scheme, which has two plans: Regular Plan and PF & Trust Plan. The objective of the scheme is to generate risk free returns through investments in the Government of India securities. The investment strategy concentrates on aggressive asset allocation

and the scheme does not have any restriction on the portfolio maturity.

Ideal Investment Horizon

More than 1 year

Corpus

Rs. 32.23 crores

Ratios (For Gilt Investment Regular Plan)

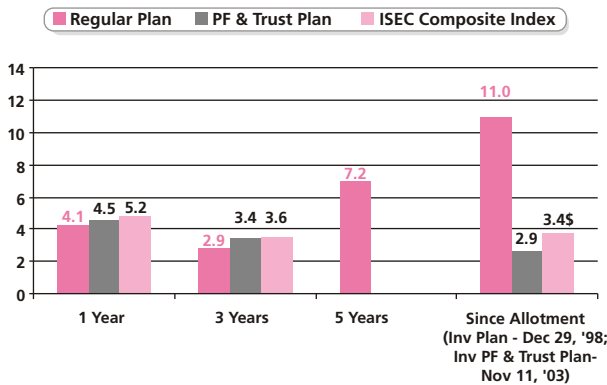
Sharpe* : -0.09

Standard Deviation* : 0.39

YTM: 7.68

*Source: Value Research

Performance as on February 28, 2007



Kotak Gilt Investment Regular Plan NAV: Rs. 23.4453 (Growth Option)
Kotak Gilt Investment PF & Trust Plan NAV: Rs. 23.7468 (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

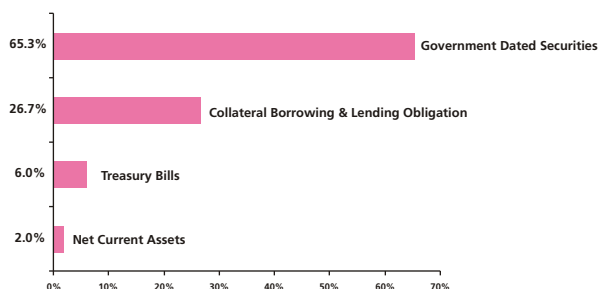
Issuer / Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Government Dated Securities		
7.37% Government Stock - 2014	SOV	46.48
8.07% Government Stock - 2017	SOV	15.60
9.39% Government Stock - 2011	SOV	3.26
Total		65.34
Money Market Instruments		
Treasury Bills		
364 Days Treasury Bill 03/08/2007	SOV	6.02
Total		6.02
Collateral Borrowing & Lending Obligation		26.69
Net Current Assets/(Liabilities)		1.95
Grand Total		100.00

Average Maturity of the portfolio: 5.03 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



KOTAK FLEXI DEBT

Open-Ended Debt Scheme

Debt Investment
Philosophy



About the Scheme

An income scheme, which invests dynamically, moves the portfolio maturity across the maturity spectrum so as to maximise return. The investment strategy involves investing in Corporate Bonds, Gilts, cash and cash equivalents etc. The scheme

endeavors to capitalize on trading opportunities in the market with active arbitrage across asset classes and yield curve. The internal average maturity is capped at 2 years and 10-20 % of the portfolio is traded with the rest in assets carrying higher yields.

Ideal Investment Horizon

3 months & above

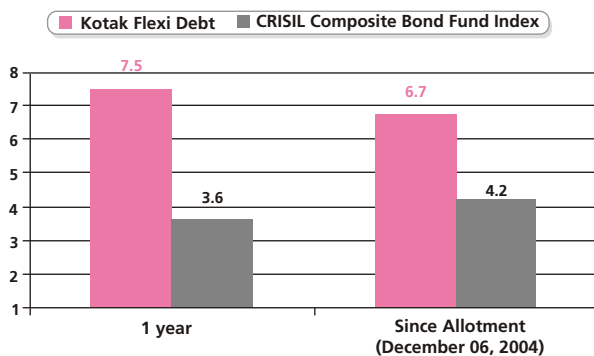
Corpus

Rs. 514.36 crores

Ratio

YTM: 8.18

Performance as on February 28, 2007



Kotak Flexi Debt NAV : Rs. 11.5524 (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

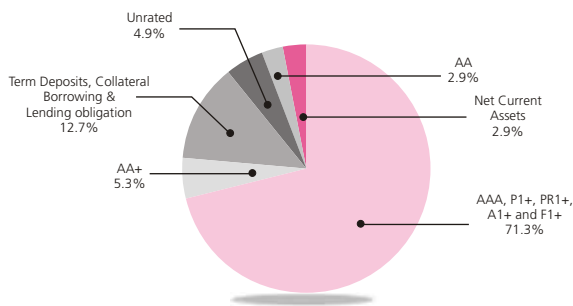
Issuer/ Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
Citicorp Finance (India) Ltd.	AAA	6.47
Long Bond Receivables NMBR 400BP 2006 III PTC A	AAA(ind)	5.94
Bajaj Hindusthan Limited	F1+(ind)	4.86
L&T Finance limited	Unrated	4.86
Cholamandalam DBS Finance Limited.	LAA	2.92
Sundaram Finance Ltd.	P1+	1.94
Citifinancial Consumer Finance India Ltd.	AAA	1.31
Infrastructure Development Finance Co. Ltd	AAA	0.99
DSP ML Capital Ltd.	AAA	0.98
LIC Housing Finance Ltd.	AAA	0.97
Bajaj Auto Finance Limited	AA+	0.88
Mahindra & Mahindra Financial Services Ltd.	AA+	0.78
Indian Retail ABS Trust Series 56 PTC A2	AAA	0.72
UTI Bank Ltd.	LAA+	0.59
BHPC Auto Sec Trust SEP 05 Series A1	LAAA(SO)	0.27
Indian Retail ABS Trust Ser 39 PTC A2	LAAA(SO)	0.03
Total		34.51
Public Sector Undertakings		
Loan Sec. Trust Series XII	LAAA	6.73
Industrial Development Bank Of India.	AA+	1.99
Indian Corporate Loan Sec. Trust XI PTC A1	AAA	1.92
Export-Import Bank of India.	AAA	1.38
Union Bank of India	AA+	1.02
Indian Railway Finance Corporation Ltd.	AAA	0.99
Total		14.03
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
ABN Amro Bank N.V	A1+	5.63
SBI Cards & Payment Services Pvt. Ltd.	P1+	4.05
BHW Home Finance Ltd	P1+	2.39
Karur Vysya Bank Ltd.	F1+(ind)	0.96
HDFC Bank Ltd.	PR1+	0.94
Total		13.97
Public Sector Undertakings		
Export-Import Bank of India.	P1+	5.66
Union Bank of India	A1+	4.84
UCO Bank	P1+	2.88
IDBI Bank Ltd.	P1+	2.82
State Bank of Saurashtra	P1+	1.92
State Bank of Patiala	P1+	1.86
State Bank of Bikaner & Jaipur	P1+	1.71
State Bank Of India.	P1+	0.19
Total		21.88
Term Deposits		12.64
Collateral Borrowing & Lending Obligation		0.10
Net Current Assets/(Liabilities)		2.87
Grand Total		100.00

Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio: 0.39 years

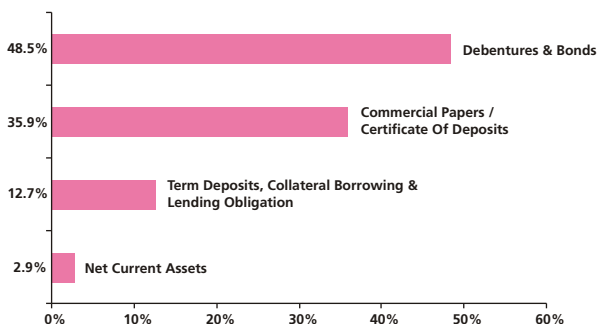
Total NPA provided for and percentage to NAV : Nil

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

Rating Profile



Sector Allocation



KOTAK FLOATER LONG TERM

Open-Ended Debt Scheme

Debt Investment
Philosophy



About the Scheme

An income scheme, which invests predominantly in floating rate securities and money market instruments to contain the interest rate risk. The investment strategy provides flexibility to invest up to 35% in fixed debt securities with

outstanding maturity above 1 year. The floating rate debt securities include floating rate debt securities and fixed rate debt securities with interest rate swap.

Ideal Investment Horizon
3 months & above

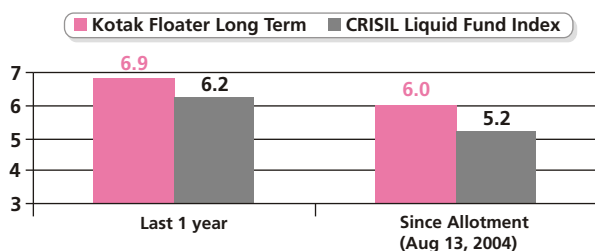
Corpus

Rs. 77.72 crores

Ratio

YTM: 7.88

Performance as on February 28, 2007



Kotak Floater Long Term NAV : Rs. 11.5924 (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

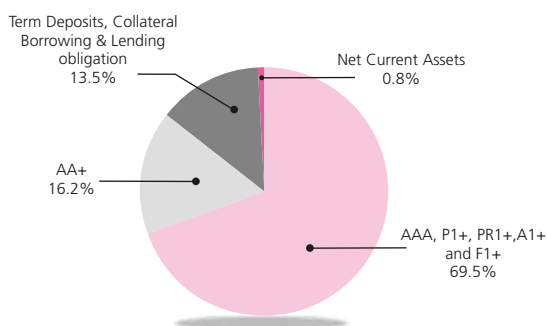
Issuer/ Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
ICICI Bank Ltd.	CARE AAA	12.88
Mahindra & Mahindra Financial Services Ltd.	AA+	9.66
UTI Bank Ltd.	LAA+	6.57
Shriram Transport Finance Co Ltd.	AAA(so)	6.37
Indian Retail ABS Trust Series 56 PTC A2	AAA	3.56
BHPC Auto Sec. Trust AUG 05 Series A	AAA(so)	1.88
Total		40.92
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
Tata Sons Ltd.	P1+	12.54
ICICI Home Finance Company Limited	A1+	12.31
HDFC Bank Ltd.	PR1+	2.56
Total		27.41
Public Sector Undertakings		
State Bank Of India.	P1+	12.63
Union Bank of India	A1+	3.50
Indian Bank	F1+(ind)	1.25
Total		17.38
Term Deposits		12.87
Collateral Borrowing & Lending Obligation		0.64
Net Current Assets/(Liabilities)		0.78
Grand Total		100.00

Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio: 0.45 years

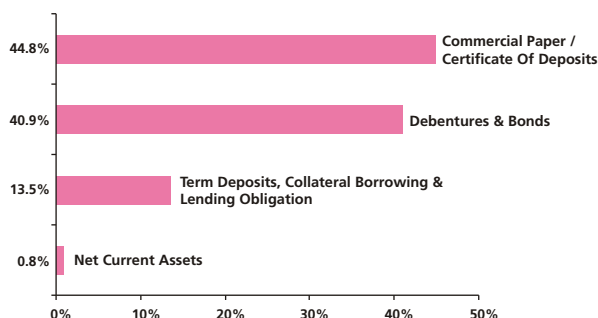
Total NPA provided for and percentage to NAV : Nil

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

Rating Profile



Sector Allocation



KOTAK CASH PLUS

Open-Ended Income Oriented Scheme

Debt Investment
Philosophy



About the Scheme

An Open-ended arbitrage scheme, that aims to generate income from investment in debt and money market securities and by availing arbitrage opportunities between price of spot and derivatives markets.

Ideal Investment Horizon

1 - 3 months

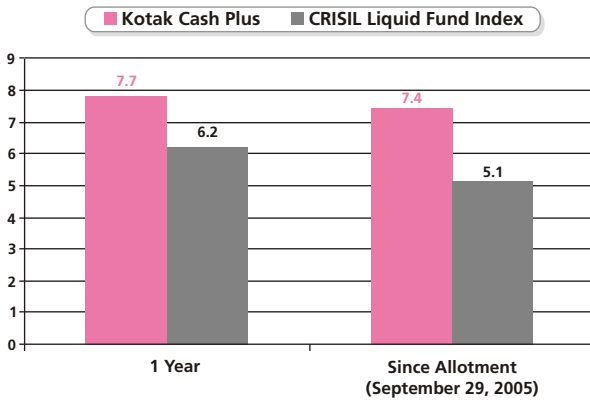
Corpus

Rs. 77.52 crores

Ratio

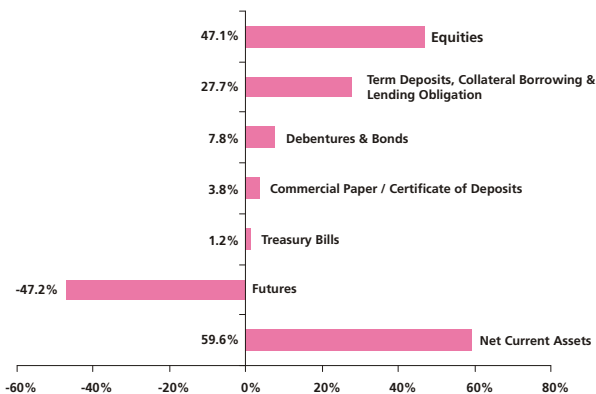
YTM: 7.20

Performance as on February 28, 2007



Kotak Cash Plus NAV : Rs. 11.071 (Growth Option)
Returns= 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

Sector Allocation



Portfolio - Cash Plus

Issuer/ Instrument	Industry / Rating	% to Net Assets
Equity & Equity related		
Listed/Awaiting listing on Stock Exchange		
Praj Industries Ltd.	Industrial Capital Goods	8.56
Bank Of Baroda	Banks	8.16
JSW Steel Ltd.	Ferrous Metals	3.95
Tata Teleservices Ltd	Telecom - Services	3.62
TVS Motors Company Ltd	Auto	2.91
Industrial Development Bank of India Ltd.	Banks	2.55
Divi s Laboratories Limited	Pharmaceuticals	2.53
SRF Ltd.	Auto Ancillaries	2.12
IndusInd Bank Ltd.	Banks	2.06
Global Tele Systems Ltd.	IT Consulting and Services	1.80
Gateway Distriparks Ltd.	Transportation	1.68
Matrix Laboratories Ltd.	Pharmaceuticals	1.05
Vijaya Bank	Banks	1.03
Arvind Mills Ltd.	Textile Products	1.01
Sesa Goa Ltd.	Minerals/Mining	0.76
Neyveli Lignite Corporation Ltd.	Power	0.61
Gujarat Narmada Valley Fertilisers Company Ltd.	Fertilisers	0.50
Tata Tea Ltd.	Consumer Non Durables	0.46
Gujarat Alkalies & Chemicals Ltd.	Chemicals	0.35
Escorts Ltd.	Auto	0.31
Ashok Leyland Ltd.	Auto	0.29
Allahabad Bank.	Banks	0.19
Nicholas Piramal India Ltd.	Pharmaceuticals	0.18
Federal Bank Ltd.	Banks	0.15
Alok Industries Ltd.	Textile Products	0.11
Bongaigaon Refinery & Petrochemicals Ltd.	Petroleum Products	0.07
Chambal Fertilisers & Chemicals Ltd	Fertilisers	0.03
Hinduja TMT Ltd.	Software	0.02
Total		47.06
Futures		
Hinduja TMT Ltd.-MAR2007		-0.02
Chambal Fertilisers & Chemicals Ltd-MAR2007		-0.03
Bongaigaon Refinery & Petrochemicals Ltd.-MAR2007		-0.07
Alok Industries Ltd.-MAR2007		-0.11
Federal Bank Ltd.-MAR2007		-0.15
Nicholas Piramal India Ltd.-MAR2007		-0.18
Allahabad Bank.-MAR2007		-0.19
Ashok Leyland Ltd.-MAR2007		-0.29
Escorts Ltd.-MAR2007		-0.31
Gujarat Alkalies & Chemicals Ltd.-MAR2007		-0.36
Tata Tea Ltd.-MAR2007		-0.46
Gujarat Narmada Valley Fertilisers Company Ltd.-MAR2007		-0.50
Neyveli Lignite Corporation Ltd.-MAR2007		-0.62
Sesa Goa Ltd.-MAR2007		-0.76
Arvind Mills Ltd.-MAR2007		-1.02
Vijaya Bank-MAR2007		-1.02
Matrix Laboratories Ltd.-MAR2007		-1.05
Gateway Distriparks Ltd.-MAR2007		-1.67
Global Tele Systems Ltd.-MAR2007		-1.80
IndusInd Bank Ltd.-MAR2007		-2.07
SRF Ltd.-MAR2007		-2.12
Divi s Laboratories Limited-MAR2007		-2.55
Industrial Development Bank of India Ltd.-MAR2007		-2.55
TVS Motors Company Ltd-MAR2007		-2.93
Tata Teleservices Ltd-MAR2007		-3.63
JSW Steel Ltd.-MAR2007		-3.97
Bank Of Baroda-MAR2007		-8.20
Praj Industries Ltd.-MAR2007		-8.61
Total		-47.24
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
Citicorp Finance (India) Ltd.	AAA	3.88
UTI Bank Ltd.	LAA+	1.32
HDFC Ltd.	AAA	1.29
Total		6.49
Public Sector Undertakings		
Indian Railway Finance Corporation Ltd.	AAA	1.30
Total		1.30
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Public Sector Undertakings		
State Bank Of India.	P1+	3.81
Total		3.81
Treasury Bills		
364 Days Treasury Bill 03/08/2007	SOV	1.25
Total		1.25
Term Deposits		19.35
Collateral Borrowing & Lending Obligation		8.39
Net Current Assets/(Liabilities)		59.59
Grand Total		100.00

Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio: 0.04 years
Total NPA provided for and percentage to NAV : Nil
All ratings other than by CRISIL are by ICRA or CARE or Fitch.

KOTAK FLOATER SHORT TERM

Open-Ended Debt Scheme

Debt Investment
Philosophy



About the Scheme

A liquid scheme, which invests predominantly in floating rate securities and money market instruments to contain the interest rate risk. Not more than 10% of the portfolio is exposed to market risk.

Ideal Investment Horizon

1 month to 3 months

Corpus

Rs. 410.26 crores

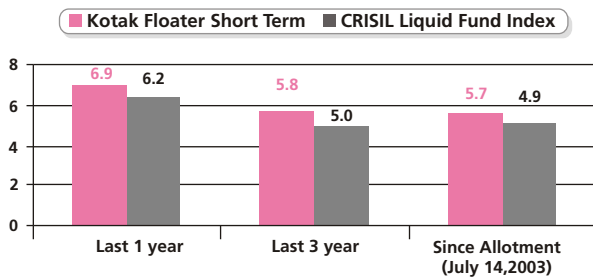
Ratio

Standard Deviation*: 0.02

YTM: 7.92

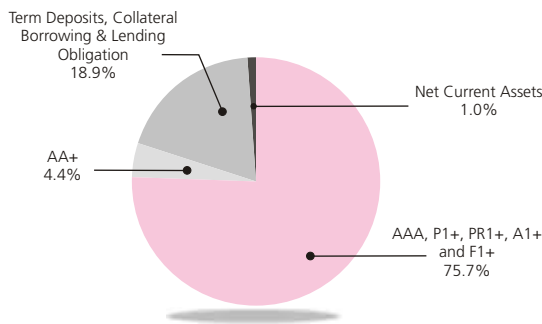
*Source: Value Research

Performance as on February 28, 2007

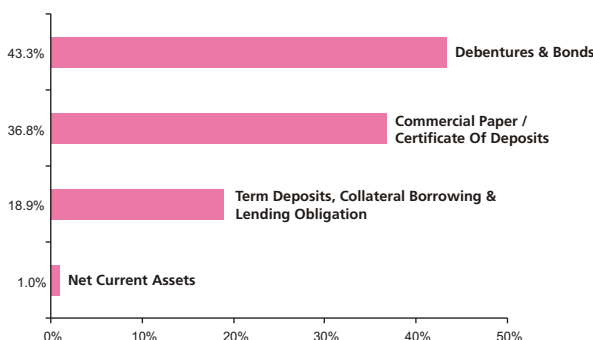


Kotak Floater Short Term NAV : Rs. 12.2281 (Growth Option)
Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

Rating Profile



Sector Allocation



Portfolio - Short Term

Issuer/ Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
Bajaj Hindusthan Limited	F1+(ind)	6.09
Credit Asset Trust Ser VI PTC Class A	F1+(ind)	5.58
Birla Corporation Ltd.	PR1+	4.88
Whirlpool of India Ltd.	P1+	4.88
Rabo India Finance Pvt Ltd.	P1+	4.88
LIC Housing Finance Ltd.	AAA	2.95
JM Financial Products Private Limited	P1+	2.44
Reliance Communications Ltd.	A1+	2.44
Sundaram Finance Ltd.	AA+	1.71
HDFC Ltd.	AAA	1.22
BHPC Auto Sec. Trust JUNE 2005 PTC A1	AAA(so)	0.70
BHPC Auto Sec. Trust AUG 05 Series A	AAA(so)	0.40
Total		38.17
Public Sector Undertakings		
Industrial Development Bank Of India.	AA+	2.75
Indian Railway Finance Corporation Ltd.	AAA	2.45
Total		5.20
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
UTI Bank Ltd.	A1+	6.07
ICICI Home Finance Company Limited	A1+	4.66
YES Bank Ltd.	A1+	3.56
HDFC Ltd.	A1+	2.43
American Express Bank Ltd	A1+	2.39
Federal Bank Ltd.	P1+	1.20
Rabo India Finance Pvt Ltd.	P1+	1.19
Tata Sons Ltd.	P1+	1.18
Total		22.68
Public Sector Undertakings		
Indian Bank	F1+(ind)	5.92
UCO Bank	P1+	3.41
State Bank of Mysore	A1+	2.40
Export-Import Bank of India.	P1+	2.37
Total		14.10
Term Deposits		18.28
Collateral Borrowing & Lending Obligation		0.61
Net Current Assets/(Liabilities)		0.96
Grand Total		100.00

Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio: 0.19 years

Total NPA provided for and percentage to NAV : Nil

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

KOTAK LIQUID

Open-Ended Debt Scheme

Debt Investment
Philosophy



About the Scheme

A liquid scheme, which predominantly invests in money market securities and endeavors to provide reasonable returns and high level of liquidity. The scheme has four plans: Regular Plan, Sweep Plan, Institutional Plan and Institutional Premium Plan. The investment strategy reduces the interest rate/price risk to minimal levels and normally the average portfolio maturity is not more than 6 months.

Ideal Investment Horizon

7 days to 15 days

Corpus:

Rs. 5660.01 crores

Ratios (For Liquid Institutional Premium Plan)

Sharpe* : 2.19

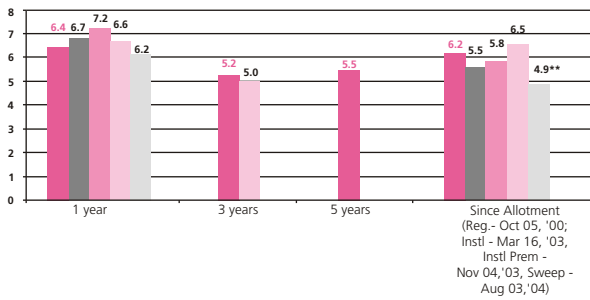
Standard Deviation* : 0.01

YTM: 8.06

*Source : Value Research

Performance as on February 28, 2007

■ Kotak Liquid Regular Plan
 ■ Kotak Liquid Institutional Plan
■ Kotak Liquid Institutional Premium Plan
 ■ Kotak Liquid Sweep Plan
■ CRISIL Liquid Fund Index



Kotak Liquid Regular Plan NAV: Rs. 14.7073 (Growth option)

Kotak Liquid Institutional Plan NAV: Rs. 14.9295 (Growth option)

Kotak Liquid Institutional Premium Plan NAV: Rs. 15.0412 (Growth option)

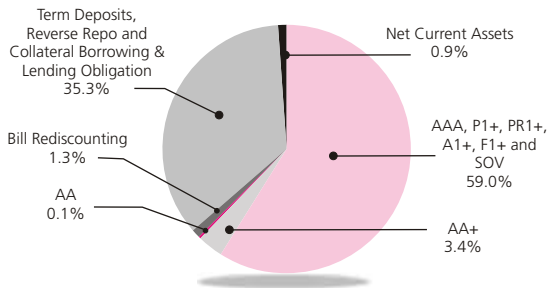
Kotak Liquid Sweep Plan NAV: 10.0071 (Daily Dividend)

Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)

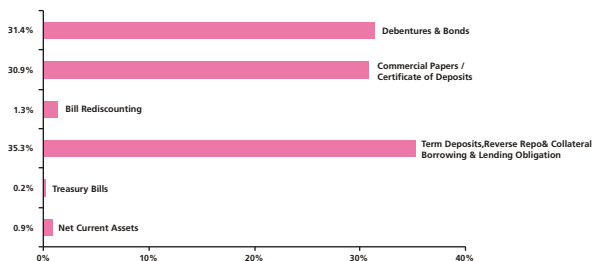
** The Benchmark Return corresponds to Liquid - Institutional, Institutional Premium & Sweep Plan

Past performance may or may not be sustained in future.

Rating Profile



Sector Allocation



Portfolio-Regular, Sweep, Institutional & Institutional Premium Plans

Issuer/ Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
Grasim Industries Ltd.	PR1+	2.50
Bajaj Hindusthan Limited	F1+(ind)	1.76
Mahindra & Mahindra Financial Services Ltd.	P1+	1.68
Global Trade Finance Ltd.	P1+	1.62
Sundaram Finance Ltd.	P1+	1.33
Citicorp Finance (India) Ltd.	AAA	1.13
Rabo India Finance Pvt Ltd.	P1+	1.06
UTI Bank Ltd.	LAA+	0.92
GE Money Financial Services Limited	AAA	0.90
Balrampur Chini Mills Ltd.	A1+	0.88
Tata Motors Ltd.	P1+	0.88
Chambal Fertilisers & Chemicals Ltd.	P1+	0.88
Infrastructure Development Finance Co. Ltd	LAAA	0.87
LIC Housing Finance Ltd.	AAA	0.84
India Loan Securitisation Trust V PTC A	AAA(so)	0.79
Citifinancial Consumer Finance India Ltd.	AAA	0.71
Reliance Communications Ltd.	A1+	0.71
HDFC Ltd.	AAA	0.69
Kesoram Industries Limited	PR1+	0.53
Mahindra & Mahindra Financial Services Ltd.	AA+	0.52
EID Parry (India) Ltd.	P1+	0.44
Redington (India) Ltd.	P1+	0.36
L&T Finance limited	CARE AA+	0.35
United Phosphorus Ltd.	PR1+	0.35
The Indian Hotels Company Ltd.	LAA+	0.33
ICICI Bank Ltd.	CARE AAA	0.27
Jubilant Organosys Limited	F1+(ind)	0.27
DSP ML Capital Ltd.	AAA	0.18
Sundaram Finance Ltd.	A1+	0.18
Madras Cements Ltd.	A1+	0.18
Motherhood Sumi Systems Ltd.	A1+	0.18
Cholamandalam DBS Finance Limited.	LAA	0.09
Rabo India Finance Pvt Ltd.	AAA	0.09
Reliance Industries Ltd.	AAA	0.08
GE Capital Services India.	AAA	0.05
Indian Retail ABS Trust Ser 39 PTC A2	LAAA(SO)	0.02
BHPC Auto Sec Trust SEP 05 Series A1	LAAA(SO)	0.01
Total		24.63
Public Sector Undertakings		
Indian Railway Finance Corporation Ltd.	AAA	3.16
Industrial Development Bank Of India.	AAA	1.27
Power Finance Corporation Ltd.	AAA	0.98
Export-Import Bank of India.	AAA	0.75
National Bank for Agriculture and Rural Development	AAA	0.53
National Housing Bank	AAA(ind)	0.09
Total		6.78
Money Market Instruments		
Bill Rediscounting		
Standard Chartered Bank Bill Rediscounting 16/03/07		0.70
Standard Chartered Bank Bill Rediscounting 20/03/07		0.62
Total		1.32
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
ABN Amro Bank N.V	A1+	1.73
ICICI Bank Ltd.	A1+	1.14
HDFC Bank Ltd.	P1+	0.88
Hongkong & Shanghai Banking Corporation	P1+	0.86
Rabo India Finance Pvt Ltd.	P1+	0.43
DSP ML Capital Ltd.	P1+	0.37
Standard Chartered Bank Ltd	P1+	0.35
Citifinancial Consumer Finance India Ltd.	P1+	0.34
HDFC Bank Ltd.	PR1+	0.34
YES Bank Ltd.	A1+	0.29
HDFC Ltd.	A1+	0.23
ICICI Home Finance Company Limited	A1+	0.22
American Express Bank Ltd	A1+	0.19
Aditya Birla Nuvo Limited	A1+	0.18
UTI Bank Ltd.	A1+	0.18
EDELWEISS Securities Private Limited	P1+	0.16
BHW Home Finance Ltd	P1+	0.12
Karnataka Bank Ltd	A1+	0.12
Apollo Tyres Ltd.	P1+	0.09
ICICI Bank Ltd.	P1+	0.09
Jammu & Kashmir Bank	P1+	0.09
Federal Bank Ltd.	P1+	0.09
Karur Vysya Bank Ltd.	F1+(ind)	0.07
Reliance Capital Ltd.	A1+	0.03
Standard Chartered Investment & Loan India Ltd.	P1+	0.02
Total		8.61
Public Sector Undertakings		
State Bank of Patiala	P1+	3.85
State Bank of Travancore	P1+	3.34
UCO Bank	P1+	2.30
State Bank Of India.	P1+	2.05
State Bank of Bikaner & Jaipur	P1+	1.99
State Bank of Indore	P1+	1.85
Union Bank of India	A1+	1.60
State Bank of Patiala	A1+	1.02
IDBI Bank Ltd.	P1+	0.83
Allahabad Bank	P1+	0.72
State Bank of Mysore	A1+	0.67
Export-Import Bank of India.	P1+	0.52
Allahabad Bank	PR1+	0.43
State Bank of Hyderabad	A1+	0.43
IDBI Bank Ltd.	A1+	0.26
Indian Bank	F1+(ind)	0.18
Corporation Bank	P1+	0.17
State Bank of Saurashtra	P1+	0.09
Total		22.30
Treasury Bills		
182 Days Treasury Bill 23/03/2007	SOV	0.19
Total		0.19
Term Deposits		
Reverse Repo		33.39
Collateral Borrowing & Lending Obligation		1.24
Net Current Assets/(Liabilities)		0.67
Grand Total		100.00

Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio: 0.21 years

Total NPA provided for and percentage to NAV : Nil

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

Ready Reckoner

Scheme (Allotment Date)	Investment Objective	Options Available	Loads
EQUITY			
Kotak 30 (December 29, 1998) Fund Manager Krishna Sanghvi	To generate capital appreciation from a portfolio of predominantly equity and equity related securities with investment in, generally, not more than 30 stocks.	DP, DR & G	<p>Entry</p> <ul style="list-style-type: none"> 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 investments 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% <p>Exit Load:</p> <ul style="list-style-type: none"> For exit within 6 months for investments less than Rs. 5 crores: 1% Cases not covered above: Nil
Kotak MidCap (February 24, 2005) Fund Manager Nikunj Doshi	To generate capital appreciation from a diversified portfolio of equity and equity related securities.	DP, DR & G	
Kotak Opportunities (September 9, 2004) Fund Manager Nikunj Doshi	To generate capital appreciation from a diversified portfolio of equity and equity related securities.	DP, DR & G	
Kotak Contra (July 29, 2005) Fund Manager Nikunj Doshi & Anurag Jain	To Generate capital appreciation from a diversified portfolio of equity and equity related securities.	DP, DR & G	
Kotak Global India (January 30, 2004) Fund Managers Nikunj Doshi & Anurag Jain	To generate capital appreciation from a diversified portfolio of predominantly equity and equity related securities issued by globally competitive Indian companies.	DP, DR & G	
Kotak MNC (April 4, 2000) Fund Managers Nikunj Doshi & Anurag Jain	To generate capital appreciation from a portfolio of predominantly equity and equity related securities issued by multinational companies	DP & DR	
Kotak Tech (April 4, 2000) Fund Managers Nikunj Doshi & Anurag Jain	To generate capital appreciation from a portfolio of predominantly equity and equity related securities in the information technology sector.	DP & DR	
Kotak Lifestyle (March 21, 2006) Fund Manager Nikunj Doshi	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.	DP, DR & G	
Kotak Tax Saver# (November 23, 2005) Fund Manager Nikunj Doshi	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.	DP, DR & G	
Kotak Equity FOF (August 9, 2004) Fund Manager Sajit Pisharodi	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.	DP, DR & G	
Kotak Dynamic FOF* (March 31, 2005) Fund Manager Sajit Pisharodi	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.	G	
Kotak Flexi FOF* (October 20, 2005) Fund Manager Sajit Pisharodi	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	DR & G	
HYBRID			
Kotak Balance (November 25, 1999) Fund Managers Krishna Sanghvi & Ritesh Jain	To achieve growth by investing in equity & equity related instruments, balanced with income generation by investing in debt & money market instruments.	DP & DR	<p>Entry: [1] Where switch-in is made from another Equity / Balanced / FOF Scheme of the Fund [2] where purchase/switch-in amount is greater than or equal to Rs. 5 Crores (Switch-ins being from schemes other than those indicated in [1] above) [3] where Units are allotted upon reinvestment of Dividends [4] Where the investor is a Fund-of-Funds as defined under SEBI Regulations [5] Where investments are made by FIs or sub a/c of FIs: Nil • Where investments are made through SIP / STP of less than Rs. 25 lacs per installment and for, investments other than those indicated in [3], [4] and [5] above: 1.25% • Cases not covered above: 2.25%</p> <p>Exit: • For investment through SIP/STP for less than Rs. 25 lakhs per installment, for exit within 24 months (calculated as date to date) : 1.00% • For investment through SIP/STP for greater than or equal to Rs. 25 lakhs but less than Rs. 5 crores (per installment), for exit within 6 months (calculated as date to date) : 1.00% • For investment through non-SIP / non-STP, less than Rs. 5 crores, for exit within 6 months: 1.00% • Cases not covered above : Nil</p>
Kotak Income Plus (December 2, 2003) Fund Managers Krishna Sanghvi & Ritesh Jain	To enhance returns over a portfolio of debt instruments with a moderate exposure to equity and equity related instruments.	DP, DR & G	<p>Entry: Nil</p> <p>Exit: 0.5% for redemptions within 6 months where investment amount <= Rs. 10 lacs Nil for investment amount > Rs. 10 lacs</p>

Minimum Initial Investment : Rs. 5000 (# Rs. 500) • Additional Investment : In Multiples of Rs. 1000 except for Kotak Taxsaver: In multiples of Rs. 500. * No additional investment is permissible in Kotak Dynamic FOF and Kotak Flexi FOF as they are close ended schemes.

Ready Reckoner

Scheme (Allotment Date)	Investment Objective	Plan	Options Available	Loads
DEBT				
Kotak Bond (November 25, 1999) Fund Manager Ritesh Jain	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.	Deposit	DP, DR & G	Entry: Nil Exit: 0.5% for redemptions within 6 months where investment amount </= Rs. 10 lacs. Nil for investment amount > Rs. 10 lacs
		Regular	DP, DR, G & B	Entry: Nil Exit: Nil
Kotak Bond (May 2, 2002) Fund Managers Ritesh Jain & Abhishek Bisen	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.	Short Term	DR & G	Entry: Nil Exit: Nil
Kotak Floater Long Term (August 13, 2004) Fund Managers Ritesh Jain & Abhishek Bisen	To reduce the interest rate risk associated with investments in fixed rate instruments by investing predominantly in floating rate securities, money market instrument and using appropriate derivatives	****	DP, DR & G	Entry: Nil Exit: 0.5% for redemptions within 6 months where investment amount </= Rs. 10 lacs. Nil for investment amount > Rs. 10 lacs
Kotak Cash Plus (Sep. 29, 2005.) Fund Managers Ritesh Jain & Sajit Pisharodi	To generate income from investment in debt and money market securities and by availing arbitrage opportunities between prices of spot and derivatives markets.	****	DP, DR & G	Entry: Nil Exit: 0.50% if redeems within 30 days from the date of allotment of units.
Kotak Floater Short Term (July 14, 2003) Fund Managers Ritesh Jain & Deepak Agrawal	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.	****	DR & G	Entry: Nil Exit: Nil
Kotak Flexi Debt (December 6, 2004) Fund Manager Ritesh Jain	To maximise returns through an active management of a portfolio of debt and money securities.	****	DP, DR & G	Entry: Nil Exit: Nil
Kotak Gilt Investment (December 29, 1998) Fund Manager Ritesh Jain	To generate risk-free returns through investments in sovereign securities issued by the Central Government and/or State Governments and/or reverse repos in such securities.	Regular	DP, DR & G	Entry: Nil Exit: Nil
Kotak Gilt Investment (November 11, 2003) Fund Manager Ritesh Jain	- do -	Providend Fund & Trust	DP, DR & G	Entry: Nil Exit: Nil
Kotak Gilt Savings (December 29, 1998) Fund Managers Ritesh Jain & Abhishek Bisen	- do -	****	DP, DR & G	Entry: Nil Exit: Nil
Kotak Liquid (October 5, 2000) Fund Manager Ritesh Jain	To provide reasonable returns and high level of liquidity by investing in debt and money market instruments of different maturities so as to spread the risk across different kinds of issuers in the debt markets.	Regular	DR & G	Entry: Nil Exit: Nil
Kotak Liquid (March 16, 2003) Fund Manager Ritesh Jain	- do -	Institutional #	DR & G	Entry: Nil Exit: Nil
Kotak Liquid (November 4, 2003) Fund Manager Ritesh Jain	- do -	Institutional Premium \$	DP, DR & G	Entry: Nil Exit: Nil
Kotak Liquid (August 3, 2004) Fund Manager Ritesh Jain	- do -	Sweep	DR	Entry: Nil Exit: Nil

Minimum Initial Investment : Rs. 5000 (# Rs. 1 crore, \$ Rs. 5 crores) • Additional Investment : In Multiples of Rs. 1000 except for Kotak Liquid Sweep which is not permissible
DP - Dividend Payout; DR-Dividend Reinvestment; G-Growth; B-Bonus.

Dividend History

EQUITY SCHEMES

Record Date	Cum Dividend NAV	Rs/Unit
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Kotak 30-Dividend

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

Kotak Global India

Feb-08-07	22.292	Individual / HUF : 2.5000 Others : 2.5000
Feb-08-06	19.609	2.00
Feb-04-05	13.708	1.50

Kotak MNC

Feb-11-05	20.600	4.50
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Kotak Opportunities

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

Kotak Midcap

Apr-28-06	19.4377	4.00
Aug-24-05	13.0267	0.50

HYBRID SCHEMES

Record Date	Cum Dividend NAV	Rs/Unit
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Kotak Balance

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

Feb-12-07	11.0453	Individual / HUF : 0.0575 Others : 0.0535
Jan-12-06	11.1061	Individual / HUF : 0.0651 Others : 0.0607
Nov-11-06	11.0150	Individual / HUF : 0.0669 Others : 0.0623
Oct-12-06	10.9463	Individual / HUF : 0.0623 Others : 0.0580

Kotak Income Plus - Quarterly Dividend

Dec-20-06	11.0791	Individual / HUF : 0.1896 Others : 0.1765
Sept-20-06	11.0594	Individual / HUF : 0.1909 Others : 0.1778
Jun-20-06	10.9942	Individual / HUF : 0.1709 Others : 0.1591
Mar-20-06	11.2373	Individual / HUF : 0.1633 Others : 0.1521

DEBT SCHEMES

Record Date	Cum Dividend NAV	Rs/Unit
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Kotak Bond Deposit Plan

Jun-25-04	10.5647	0.0600
Mar-25-04	10.7807	0.1058
Dec-26-03	10.9167	0.1650
Sept-25-03	11.0101	0.2475

Kotak Bond Short Term Plan

Feb-12-07	10.1121	Individual / HUF : 0.0506 others:0.0472
Jan-12-07	10.1193	Individual / HUF : 0.0570 others:0.0530
Dec-12-06	10.1159	Individual / HUF : 0.0540 others:0.0503
Nov-13-06	10.1206	Individual / HUF : 0.0581 others:0.0541

Kotak Bond Regular Plan - Annual

Mar-12-04	12.2306	0.7798
Mar-12-03	11.8021	0.7500
Mar-13-02	13.8500	3.0000

Kotak Bond Regular Plan - Quarterly

Dec-20-06	10.6003	Individual / HUF : 0.1839 Others : 0.1713
Sept-20-06	10.5812	Individual / HUF : 0.1887 Others : 0.1757
Jun-20-06	10.4424	Individual / HUF : 0.0910 Others : 0.0847
Mar-20-06	10.3510	Individual / HUF : 0.04870 Others : 0.0454

Kotak Floater Short Term - Monthly

Feb-12-07	10.0656	Individual / HUF : 0.0559 Others : 0.0521
Jan-12-07	10.0669	Individual / HUF : 0.0570 Others : 0.0531
Dec-12-06	10.0605	Individual / HUF : 0.0514 Others : 0.0479
Nov-13-06	10.0653	Individual / HUF : 0.0556 Others : 0.0518

Kotak Floater Short term - Weekly

Feb-26-2007	10.0201	Individual / HUF : 0.0128 Others : 0.0120
Feb-19-2007	10.0199	Individual / HUF : 0.0127 Others : 0.0118
Feb-12-2007	10.0198	Individual / HUF : 0.0126 Others : 0.0117
Feb-05-2007	10.0198	Individual / HUF : 0.0126 Others : 0.0117

DEBT SCHEMES

Record Date	Cum Dividend NAV	Rs/Unit
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Kotak Floater Long Term - Monthly

Feb-12-07	10.0596	Individual / HUF : 0.0513 Others : 0.0478
Jan-12-07	10.0603	Individual / HUF : 0.0520 Others : 0.0484
Dec-12-06	10.0583	Individual / HUF : 0.0502 Others : 0.0467
Nov-13-06	10.0633	Individual / HUF : 0.0550 Others : 0.0512

Kotak Floater Long term - Weekly

Feb-26-2007	10.0452	Individual / HUF : 0.0106 Others : 0.0099
Feb-19-2007	10.0419	Individual / HUF : 0.0078 Others : 0.0072
Feb-12-2007	10.0460	Individual / HUF : 0.0114 Others : 0.0106
Feb-05-2007	10.0466	Individual / HUF : 0.01190 Others : 0.0111

Kotak Gilt Investment PF & Trust Plan

Dec/20/06	11.0639	Individual / HUF : 0.1461 Others : 0.1360
Sep/20/06	11.1431	Individual / HUF : 0.2595 Others : 0.2416
Dec/20/05	10.8621	Individual / HUF : 0.0800 Others : 0.0745
Sep/20/05	10.888	Individual / HUF : 0.1027 Others : 0.0957

Kotak Gilt Investment Regular Plan - Dividend

Mar-25-04	10.5848	0.0909
Dec-26-03	10.7693	0.2050
Sept-25-03	10.9273	0.3450

Kotak Gilt Savings Plan - Annual Dividend

Sept-21-03	15.3239	4.5000
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Kotak Gilt Savings Plan - Monthly Dividend

Feb-12-07	10.4590	Individual / HUF : 0.0314 Others : 0.0293
Jan-12-07	10.4400	Individual / HUF : 0.0148 Others : 0.0138
Dec-12-06	10.4633	Individual / HUF : 0.0352 Others : 0.0328
Nov-13-06	10.4842	Individual / HUF : 0.0535 Others : 0.0499

Kotak Flexi Debt - Quarterly

Dec-20-06	10.2458	Individual / HUF : 0.1491 Others : 0.1389
Sept-20-06	10.2302	Individual / HUF : 0.1462 Others : 0.1362
Jun-20-06	10.203	Individual / HUF : 0.1328 Others : 0.1237
Mar-20-06	10.1661	Individual / HUF : 0.1289 Others : 0.1200

Kotak Flexi Debt - Daily

Feb-28-07	10.0311	Individual / HUF : 0.001942 Others : 0.001809
Feb-27-07	10.0311	Individual / HUF : 0.001790 Others : 0.001669
Feb-26-07	10.0311	Individual / HUF : 0.002083 Others : 0.001940
Feb-23-07	10.0311	Individual / HUF : 0.005417 Others : 0.005045

Kotak Cash Plus

Jan-22-07	10.3416	Individual / HUF : 0.04000 Others : 0.0373
Dec-26-06	10.3175	Individual / HUF : 0.01790 Others : 0.01670
Sept-25-06	10.1893	Individual / HUF : 0.0426 Others : 0.0396
Aug-28-06	10.1991	Individual / HUF : 0.0512 Others : 0.0476

Kotak Liquid Sweep Plan

Feb-28-07	10.0071	Individual / HUF : 0.001679 Others : 0.001564
Feb-27-07	10.0071	Individual / HUF : 0.001740 Others : 0.001620
Feb-26-07	10.0071	Individual / HUF : 0.001694 Others : 0.001577
Feb-25-07	10.0071	Individual / HUF : 0.001724 Others : 0.001606

Kotak Liquid Regular Plan

Feb-26-2007	10.0334	Individual / HUF : 0.0116 Others : 0.0108
Feb-19-2007	10.0336	Individual / HUF : 0.0118 Others : 0.0110
Feb-12-2007	10.0336	Individual / HUF : 0.0118 Others : 0.0110
Feb-05-2007	10.0336	Individual / HUF : 0.0118 Others : 0.0110

Kotak Liquid Institutional Plan - Daily

Feb-28-07	12.2281	Individual / HUF : 0.002084 Others : 0.001940
Feb-27-07	12.2281	Individual / HUF : 0.002162 Others : 0.002014
Feb-26-07	12.2281	Individual / HUF : 0.002101 Others : 0.001958
Feb-25-07	12.2281	Individual / HUF : 0.002133 Others : 0.001987

Kotak Liquid Institutional Plan - Weekly

Feb-26-2007	10.0365	Individual / HUF : 0.0122 Others : 0.0114
Feb-19-2007	10.0367	Individual / HUF : 0.0124 Others : 0.0115
Feb-12-2007	10.0367	Individual / HUF : 0.0124 Others : 0.0115
Feb-05-2007	10.0367	Individual / HUF : 0.0124 Others : 0.0115

Kotak Liquid Institutional Premium Plan - Daily

Feb-28-07	12.2281	Individual / HUF : 0.002213 Others : 0.002061
Feb-27-07	12.2281	Individual / HUF : 0.002288 Others : 0.002132
Feb-26-07	12.2281	Individual / HUF : 0.002231 Others : 0.002079
Feb-25-07	12.2281	Individual / HUF : 0.002264 Others : 0.002109

Kotak Liquid Institutional Premium Plan - Weekly

Feb-26-2007	10.0501	Individual / HUF : 0.0130 Others : 0.0121
Feb-19-2007	10.0502	Individual / HUF : 0.0132 Others : 0.0122
Feb-12-2007	10.0500	Individual / HUF : 0.0130 Others : 0.0121
Feb-05-2007	10.0501	Individual / HUF : 0.0131 Others : 0.0122

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 Flexi FOF, Kotak Cash Plus Scheme, Kotak Tax Saver, Kotak Lifestyle & Kotak Emerging Equity 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. • Investments by Kotak Tech in the Information Technology Sector will restrict the diversification of the Scheme due to which the NAV of the Units issued under the Scheme runs the risk of high volatility. • Technology stocks particularly run the risk of high volatility, high valuation and obsolescence. • 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.

Specific Risk Factors For Kotak Emerging Equity Scheme

The portfolio of the Scheme will comprise predominantly of equity and equity related securities and there could be Moderate to High risk on account of Price Fluctuations and volatility. The ability of the mid & small cap companies to withstand the change in the business cycle is limited, which may also lead to higher volatility in stock prices. Since the liquidity in the stocks of mid & small cap companies is relatively lower than the stocks of large companies, the liquidity risk is also expected to be relatively higher. However, the diversification and flexibility to invest up to 35% in other companies (large companies) reduces the overall volatility and liquidity risk of the portfolio. Kotak Mahindra Bank Limited is not liable or responsible for any loss or shortfall resulting from the operations of the Scheme.

Highlights of Kotak Emerging Equity Scheme

A 3 year close - ended equity growth 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. Asset Allocation: Equity and Equity related Securities - 65% to 100% [of which Mid and Small cap Companies - 65% to 100%; Other Companies - 0% to 35%]; Debt and Money Market Instruments - 0% to 35%. Exit Load (during Liquidity Window): NIL. As per SEBI circular dated April 4, 2006, balance proportionate unamortised issue expenses shall be recovered from exiting Unitholders. Initial Issue Expenses not exceeding 6%. Liquidity Window: Liquidity for the first time will be available on the last business day in the 3rd month from the date of allotment of units under the Scheme. Subsequent liquidity window would be available on the last business day of every month.

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 48 Transaction Points of CAMS. (To locate these, visit the "Locate Us" section on our website, 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, HDFC Bank, Standard Chartered Bank, HSBC & UTI 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 higher 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), ICICI Direct (www.icicidirect.com), and Times of Money (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, and access all these facilities.

Contact Details

For details contact us at:

KOTAK MAHINDRA ASSET MANAGEMENT COMPANY LIMITED

91/92, 9th Floor, Sakhar Bhavan, 230, Nariman Point, Mumbai - 400 021.

Tel.: 91-22-6638 4444 • Fax: 91-22-6638 4455

E-mail: mutual@kotak.com • Website: www.kotakmutual.com

- **Agra:** 9719222156
- **Ahmedabad:** (079) 26574992 / 93
- **Amritsar:** 9888265777
- **Aurangabad:** 9860288066
- **Bangalore:** (080) 66128050 / 51
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- **Meerut:** 9719459071
- **Moradabad:** 9839905663
- **Mumbai:** (022) 66384444 (Mr. R. Chandrasekaran)
- **Nagpur:** 9822747585
- **Nasik:** 9881468214
- **Nellore:** 9885563131
- **New Delhi:** (011) 66306900/01/02/03
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- **Pune:** (020) 26053338 / 9053
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- **Surat:** (0261) 2210596
- **Trichy:** 9944055455
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