

October 31, 2007



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KOTAK STAR KID

From the CEO's Desk



Dear Friends

As I sit down to write, the most instinctive thought that emerges is about the near-miraculous nature of our transition from a poor 3rd world country to a forward looking developing nation - confident of its destiny. And at no place is this euphoria more evident than in the

Indian stock markets. Ultimately, the stock indices are a barometer of business optimism, indicative of future growth potential of the businesses, something which gets substantiated by the large capex plans of corporate India.

In this largely positive economic landscape, there do remain areas of concern like inflation; rupee-overhang; trade-imbalance; energy security etc that have attracted Indian regulatory and policy response. A unique aspect of these factors has been that they stem largely from beyond the Indian shores but do have major implications on our industrial growth. Another significant facet is that they all have their origin in the credit crunch in the US market and resultant risk reassessment of various asset classes.

The US credit crunch has led to the reassessment of risk premium in various asset classes and as an outcome; the emerging markets have evolved as the new investment destination for foreign capital. At the risk of repetition, you all must be aware that the US housing meltdown has brought to forth a possibility of a slowdown in the US economy. To stem this, the US fed has been aggressively reducing its interest rates and has brought down its key interest rate to 4.50%.

However, with India emerging as an asset class by itself, the global investors risk premium towards India has been on the decline. Every global investor wants "India" in his/her portfolio. This has led to huge inflows in the domestic capital market. Such inflows have led to a large rupee appreciation making exports unattractive. This has also led to a rise in job losses in the export sector. The resultant inflow of foreign capital has increased upward pressure on the Rupee (much to the detriment of Indian exporter) and has led to RBI intervening in the forex market to protect the rupee from appreciating, thus leading to a rupee liquidity overhang.

The well-contemplated move by SEBI to restrict FII participation in India through P-notes and to roll-back ODI (Overseas Derivatives Instruments) issuances is a

step in the right direction to impose some degree of regulation on forex inflow and modulate the ever increasing dollar tide. The sequential move by RBI on 30th October to hike CRR by 50 bps to 7.50%, effective from 10th November is also seen as a measure stemming largely from concerns regarding rupee overhang due to dollar sterilization measures undertaken by the banking regulator.

What emerges from these facts is that the regulators seem focused - among other things - on keeping inflation down through managing demand side of the price slope. However, in the long term, it is essential that the core reasons of inflation - namely the supply side constraints - be removed to allow productive forces to cater to the growing demand. In this larger scheme of things, infrastructure development has a key role to play in decreasing the overall input costs of manufacturing and agriculture. Also, a smoother legal and physical infrastructure has to be setup to decrease the turnaround time of the inventories to internationally competitive levels and take Indian growth to next level. It is therefore no surprise that Indian government has envisaged a US\$ 490 bn investment plan for XIth five-year plan. Rest assured, Infrastructure and Power seem to be the next emerging theme for long term investors.

On a different note, Kotak Mahindra Asset Management Co Ltd had additional reasons to cheer last month. Kotak AMC was adjudged the "Best Debt Fund House" and was awarded the "Wealth Creator" award by 'Outlook Money NDTV Profit Awards 2007'. These awards which have been instituted by Outlook Money and NDTV Profit, recognize and felicitate the most outstanding performers in various categories. It goes without saying that this appreciation sets a benchmark of performance for us and we look forward to meeting these standards on an on-going basis.

Wishing you all a Very Happy Diwali.

Regards,

Sandesh Kirkire

Mutual Fund investments are subject to market risk. Please read offer document carefully before investing.

From the Equity Fund Management Team

The domestic equity markets continued its upward momentum with the Sensex rising nearly 15% during the month to close at 19837 levels (having crossed the 20000 levels on an intra day basis). The month was however marked with a high volatility as we witnessed a downward circuit filter being applied when SEBI initially announced the draft guidelines on regulating & phasing out the P-notes for international investors. The markets however bounced back sharply when the guidelines were actually notified after a week from the draft guidelines date.

The activity during the month was supported by strong flows from international investors as the FIIs bought net equities at over US\$ 5.06 bn during the month. The domestic mutual funds were net sellers at US \$ 425 million.

US Federal Reserve at its meeting on October 31, cut the interest rates by another 25bps, taking Fed rate to 4.5%. The FOMC statement was suggested that this is the last rate cut for time being, as no major signs of the recession what was forecasted are visible. We believe that the implications of the sub-prime issues are not yet known fully, and hence it is difficult to judge regarding health of the US economy. We continue to believe that the growth in Indian economy; being oriented on domestic consumption & infrastructure theme, will remain insulated from global worries and will remain attractive investment destination in long term.

Economic Indicators

- Wholesale Price Index recorded a five year low of 3.02% for week ended October 20.
- Industrial production rose to +10.7% y/y in August, rebounding back in double digits on the back of a strong mining growth, compared to the +7.1% y/y growth posted in July.

Key Policy Actions

- The Nuclear deal with the USA has been put on hold by the Government at present.
- SEBI announced plans on phasing out P-notes by putting restrictions on fresh issuances as well as imposing a 18 month period for closing out of existing holdings. SEBI also announced plans to ease the FII registration process.
- RBI announced a 50 bps hike in Cash Reserve ratio for the Banks.

Corporate Developments

- The quarterly result season has ended on the whole at positive note with Telecom, Pvt. Banks, Capital Goods & Engineering companies delivering result higher than the expectations.
- SBI announced plans to raise around Rs10,000 cr. either through follow on public offer or rights issue, to meet additional capital requirements for business growth and statutory requirement. The matter has been referred to the Government for approval.
- A consortium led by Reliance Energy has secured a Rs6,000-crore project from Andhra Pradesh government for development of a 100-storey trade tower and business district.
- Reliance Communications was awarded the GSM license on a pan India basis thus permitting the company to start offering GSM services across the country.

Market Outlook

We maintain that Indian economy being more domestic oriented is in a fundamentally stronger position in comparison with other emerging markets and is less vulnerable to recession in USA. We also believe that Indian equity as an asset class remains a preferred option for both domestic and international investors considering India's economic potential & corporate sector's growth plans. While the longer term outlook for India continues to remain positive, the near term market movements may be driven by fund flows post the P-note regulations as well as trends in global equity markets We recommend investors to maintain their systematic investments in equity mutual funds with a 2 - 3 year horizon.

From the Debt Fund Management Team

Mid term Review of the Credit & Monetary Policy

- | | |
|---------------------|-----------------------|
| • CRR | - increased by 50 bps |
| • Reverse Repo rate | - unchanged |
| • Repo Rate | - unchanged |
| • Bank Rate | - unchanged |

The RBI hiked the CRR by 50 bps in one stroke effective fortnight beginning 10th of November ostensibly as a front loaded action to suck out the excess liquidity from the system, but was distinctly hawkish in the accompanying statement. On the domestic front while there have been widespread talks of a slowdown in some sectors like automobiles and housing, the RBI sees aggregate demand as "firm and on the up trend". While banks are worried about the slowdown in credit, the RBI highlights that key monetary aggregates (M1 & M3) are "running well above initial projections". On the inflation front while the low WPI figures are hogging the limelight, it points to the still high CPI figures and the incomplete pass through of high international commodity prices, which it believes "carries destabilizing potential into the future".

The focus of the policy however is the management of net capital flows, which are causing a surge in domestic liquidity with potentially inflationary pressures. The RBI would focus on ensuring that money supply is in alignment with indicative projections. It goes on to state that it will be actively managing liquidity using all policy tools available, i.e. CRR, MSS, OMO and LAF which would mean that further aggressive MSS issuance or even a CRR hike cannot be ruled out. As a result the short end of the yield curve would continue to be under pressure from MSS issuance and the omnipresent threat of a CRR hike. The RBI however also states that it would endeavor to contain inflation expectations in the 4 - 4.50% range and then move towards a 3% target over the medium term. This will help bring down the inflation premium and result in further flattening of the yield curve. However, credit growth has in fact slowed down and is running below deposit growth, which could result in credit spreads shrinking further.

With the Fed cutting rates the RBI is clearly worried about flows which are possibly much more than the absorptive capacity of the economy, and would logically result in an asset price inflation. The RBI has highlighted the "rapid escalation in asset prices, particularly equity and real estate, which are significantly driven by capital flows". There has been talk of indirect restriction on capital flows like removing FDI in real estate from the automatic route and some announcement on this front can be expected.

The FOMC cut the fed funds and discount rate by 25 bps but in the accompanying statement tried to prune down expectations of further rate cuts. In the run up to the meet the market had fully discounted a 25 bps rate cut and put a 60% chance to a further rate cut in December. The Fed tried to rein in these expectations lest its hands get tied down by the market at a time when the future is increasingly uncertain.

While the FOMC believes that the "strains in the financial markets have eased somewhat" it also believes that the continuing slowdown in the housing market will intensify and continue to be a drag on economic expansion which would slow in the near term; the Fed also believes that "recent increases in energy and commodity prices, among other factors, may put renewed upward pressure on inflation". Even as the Fed cuts interest rates to preempt the housing and credit market led slowdown the US economy faces higher inflationary pressures from high energy and commodity prices and the falling dollar. While the downside risks to growth rightly attract the markets attention the Fed would not like the market to overlook the underlying inflation threat and the possibility that the Fed would have to reverse the recent rate cuts if and when the economy stabilizes. For the moment though bad news is likely to continue from the housing sector and consumer behavior would be the key to a possible rate cut in December, the possibility of which is still significant.

Source of Information:

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

Assets under Management as on October 31, 2007 - Rs. 22594.93 Crores

KOTAK 30

Open-Ended Equity Growth Scheme

About The Scheme

Investment Objective - To generate capital appreciation from a portfolio of predominantly equity and equity related securities with investment in, generally, not more than 30 stocks.

▪ **Available Options** - DP, DR & G. **Fund Managers** Krishna Sanghvi and Sanjib Guha. **Loads - Entry:** Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores: Nil. Where the switch in is from an Equity/Balanced/Equity FOF scheme to an Equity/Balanced/Equity FOF scheme: Nil. Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/Balanced/Equity FOF Schemes: Nil Where investments is made by fund of funds as defined under SEBI Regulations: NIL. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: 2.25%. **Exit:** For exit within 6 months for investments less than Rs. 5 crore: 1%. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re1 **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 559.86 crores **Ratio:** Beta*: 0.94 Sharpe*: 1.95 Standard Deviation*: 22.90 Alpha*: 8.80 * Source: Value Research.

Performance as on October 31, 2007

	1 Yr	3 Yr	5 Yr	Since allotment (Dec 29, 1998)
Kotak 30*	64.0	58.5	57.9	34.9
S&P CNX Nifty	57.6	48.7	44.1	24.1

Kotak 30 NAV : Rs.46.843 (Div. Option). * Returns assumed reinvestment of the tax free dividend declared. Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
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Equity & Equity related (Listed/Awaiting listing on Stock Exchange)

Reliance Industries Ltd.	Petroleum Products	8.45%
State Bank Of India	Banks	5.54%
Larsen And Toubro Ltd.	Industrial Capital Goods	5.08%
Reliance Communications Ltd.	Telecom - Services	4.76%
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	4.42%
Sterlite Industries (India) Ltd	Non - Ferrous Metals	4.32%
Oil & Natural Gas Corporation Ltd.	Oil	4.23%
Bharti Airtel Ltd.	Telecom - Services	4.23%
Aditya Birla Nuvo Limited	Textile Products	3.83%
Tata Steel Limited.	Ferrous Metals	3.66%
Jaiprakash Associates Ltd	Construction	3.52%
Infosys Technologies Ltd.	Software	3.16%
Punj Lloyd Ltd.	Construction	3.15%
Tata Consultancy Services Ltd.	Software	3.06%
Crompton Greaves Ltd.	Industrial Capital Goods	3.05%
ICICI Bank Ltd. Partly Paid Shares	Banks	3.01%
Bank Of Baroda	Banks	2.87%
Siemens Ltd.	Industrial Capital Goods	2.64%
Grasim Industries Ltd.	Cement	2.64%
ITC Ltd.	Consumer Non Durables	2.17%
Mahindra & Mahindra Ltd.	Auto	2.16%
Patel Engineering Ltd.	Construction	2.09%
ABG Shipyard Limited	Industrial Capital Goods	2.00%
Lupin Ltd.	Pharmaceuticals	1.65%
GMR Infrastructure Ltd.	Construction	1.58%
GAIL (India) Ltd.	Gas	1.55%
Axis Bank Ltd	Banks	1.46%
Tata Power Co. Ltd.	Power	0.79%
ICICI Bank Ltd.	Banks	0.45%

Listed/Awaiting listing on Stock Exchange - Total **91.52%**

Futures

Tata Power Co. Ltd.-NOV2007 1.67%

Futures (Market value represents Notional Value) - Total **1.67%**

TERM DEPOSITS

Term Deposits 1.79%

Term Deposits - Total **1.79%**

Collateral Borrowing & Lending obligation 8.75%

Net Current Assets/(Liabilities) **-3.73%**

Grand Total **100.00%**

Average Maturity of the portfolio

Total NPA provided and percentage to NAV NIL

Note: * Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Industrial Capital Goods	17.19
Banks	13.32
CBLO & TERM DEPOSITS & REV. REPO	10.54
Construction	10.35
Telecom - Services	8.98
Petroleum Products	8.45
Software	6.22
Non - Ferrous Metals	4.32
Oil	4.23
Textile Products	3.83
REST	12.57

SIP Returns	1 year	3 Year	5 Year	7 Year
Investment Amt.	Rs.12,000	Rs.36,000	Rs.60,000	Rs.84,000
Investment Value	Rs.17,571	Rs.78,896	Rs.2,29,338	Rs.3,66,199
XIRR	95.99%	58.29%	56.60%	47.83%

KOTAK MID-CAP

Open - Ended Equity Growth Scheme

About The Scheme

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

▪ **Available Options** - DP, DR & G. **Fund Managers** Krishna Sanghvi and Anurag Jain.

Loads Entry: Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores: Nil. Where the switch in is from an Equity/ Balanced/ Equity FOF scheme to an Equity/ Balanced/ Equity FOF scheme: Nil. Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes: Nil Where investments is made by fund of funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: 2.25% **Exit:** For exit within 6 months for investments less than Rs. 5 crores: 1%. Cases not covered above: Nil.

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

Ideal Investments Horizon - 1-3 years **Corpus:** Rs. 239.92 crores.

Performance as on October 31, 2007

	Last 1 Yr	As on September 28, 2007
Kotak Miid-cap	46.11	54.1
CNX Midcap	43.08	40.91

Kotak Midcap NAV : Rs.26.502 (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
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Equity & Equity related (Listed/Awaiting listing on Stock Exchange)

Crompton Greaves Ltd.	Industrial Capital Goods	4.24%
Kalpataru Power Transmission Ltd.	Power	3.90%
Bharat Earth Movers Ltd.	Industrial Capital Goods	3.84%
GVK Power & Infrastructure Ltd.	Power	3.84%
Patel Engineering Ltd.	Construction	3.82%
Hindustan Construction Co.Ltd	Construction	3.38%
Indian Overseas Bank	Banks	3.34%
Jubilant Oraganosys Ltd	Pharmaceuticals	3.25%
Panacea Biotech Ltd.	Pharmaceuticals	3.17%
State Bank Of India	Banks	3.15%
Television Eighteen India Ltd.	Media and Entertainment	3.09%
Aditya Birla Nuvo Limited	Textile Products	3.04%
Jaiprakash Associates Ltd	Construction	3.00%
Amtek Auto Ltd.	Auto Ancillaries	2.98%
Yes Bank Ltd	Banks	2.94%
Adani Enterprises Ltd	Trading	2.65%
Aban Offshore Ltd.	Industrial Services	2.64%
Deccan Chronicle Holdings Ltd.	Media and Entertainment	2.56%
SKF India Ltd	Industrial Products	2.56%
Elecon Engineering Co.Ltd	Engineering	2.54%
Union Bank Of India	Banks	2.54%
Mphasis Ltd	Software	2.44%
Infrastructure Development Finance Co. Ltd	Finance	2.41%
Man Industries (India) Ltd.	Ferrous Metals	2.41%
Biocon Ltd.	Pharmaceuticals	2.39%
Gammon India Ltd.	Construction	2.34%
Alstom Projects India Ltd.	Industrial Capital Goods	2.20%
Pantaloon Retail (India) Ltd.	Retailing	2.04%
Power Trading Corporation of India Limited	Power	2.03%
Kirloskar Oil Engines Ltd.	Industrial Products	1.83%
Allahabad Bank.	Banks	1.81%
Megasoft Ltd	Software	1.77%
ISMT Ltd.	Steel	1.45%
ING Vysya Bank Ltd.	Banks	1.19%
Nahar Capital & Financial Services Ltd	Finance	0.11%

Listed/Awaiting listing on Stock Exchange - Total **92.89%**

TERM DEPOSITS

Term Deposits 2.08%

Term Deposits - Total **2.08%**

Collateral Borrowing & Lending obligation **5.42%**

Net Current Assets/(Liabilities) **-0.39%**

Grand Total **100.00%**

SECTOR ALLOCATION

Banks	14.98
Construction	12.54
Industrial Capital Goods	10.29
Power	9.77
Pharmaceuticals	8.81
CBLO & TERM DEPOSITS & REV. REPO	7.5
Media and Entertainment	5.65
Industrial Products	4.39
Software	4.21
Textile Products	3.04
REST	18.82

KOTAK OPPORTUNITIES

Open - Ended Equity Growth Scheme

About the Scheme

Investment Objective - To generate capital appreciation from a diversified portfolio of equity and equity related securities. ▪ **Available Options** - DP, DR & G **Fund Managers** Krishna Sanghvi and Anurag Jain. **Loads - Entry:** Where the purchase amount/switch in

amount is equal to or more than Rs. 5 crores: Nil. Where the switch in is from an Equity/Balanced/Equity FOF scheme to an Equity/Balanced/Equity FOF scheme: Nil. Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes: Nil Where investments is made by fund of funds as defined under SEBI Regulations: NIL. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: 2.25%. **Exit:** For exit within 6 months for investments less than Rs. 5 crores: 1 %. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1 **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 244.44 crores. **Ratio:** Beta*: 0.88 Sharpe*:2.03 Standard Deviation*: 23.55 Alpha*:14.32 * Source: Value Research.

Performance as on October 31, 2007

	1 Yr	3 Yr	Since allotment (Sep 09, 2004)
Kotak Opportunities	71.6	63.1	61.9
S&P CNX 500	54.3	47.1	48.1

Kotak Opportunities NAV :Rs.45.437 (Growth Option).

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

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Reliance Industries Ltd.	Petroleum Products	5.18%
Jindal Steel & Power Ltd.	Ferrous Metals	3.89%
Reliance Communications Ltd.	Telecom - Services	3.79%
ICICI Bank Ltd.	Banks	3.59%
State Bank Of India	Banks	3.38%
Larsen And Toubro Ltd.	Industrial Capital Goods	3.12%
Jaiprakash Associates Ltd	Construction	2.83%
Sesa Goa Ltd.	Minerals/Mining	2.75%
Reliance Energy Ltd.	Power	2.75%
Sterlite Industries (India) Ltd	Non - Ferrous Metals	2.74%
Bharti Airtel Ltd.	Telecom - Services	2.57%
ABG Heavy Industries Ltd.	Industrial Capital Goods	2.55%
Aditya Birla Nuvo Limited	Textile Products	2.44%
IVRCL Infrastructures & Projects Ltd.	Construction	2.28%
Hindustan Construction Co.Ltd	Construction	2.08%
GVK Power & Infrastructure Ltd.	Power	2.03%
Nagarjuna Construction Company Ltd	Construction	1.93%
Aban Offshore Ltd.	Industrial Services	1.92%
Bank Of Baroda	Banks	1.90%
Housing Development & Infrastructure Ltd	Construction	1.84%
Union Bank Of India	Banks	1.78%
Ambuja Cements Ltd	Cement	1.78%
United Phosphorus Ltd	Pesticides	1.76%
Punjab National Bank	Construction	1.73%
Century Textiles & Industries Ltd.	Cement	1.73%
Punjab National Bank	Banks	1.72%
Ranbaxy Laboratories Ltd.	Pharmaceuticals	1.59%
Tata Consultancy Services Ltd.	Software	1.56%
Infosys Technologies Ltd.	Software	1.35%
Steel Authority of India Ltd.	Ferrous Metals	1.33%
Ashapura Minechem Ltd	Minerals/Mining	1.33%
Crompton Greaves Ltd.	Industrial Capital Goods	1.33%
Kalpataru Power Transmission Ltd.	Power	1.32%
Mphasis Ltd	Software	1.27%
Pantaloon Retail (india) Ltd.	Retailing	1.25%
United Spirits Ltd.	Consumer Non Durables	1.23%
Bharat Electronics Ltd	Industrial Capital Goods	1.19%
Deccan Chronicle Holdings Ltd.	Media and Entertainment	1.18%
Atlas Copco (India) Ltd	Industrial Products	1.16%
India Cements Ltd.	Cement	1.15%
Dena Bank	Banks	1.07%
Reliance Capital Ltd.	Finance	1.04%
Suzlon Energy Ltd.	Industrial Capital Goods	1.01%
National Thermal Power Corporation Ltd	Power	0.98%
Andhra Bank	Banks	0.91%
Siemens Ltd.	Industrial Capital Goods	0.81%
ISMT Ltd.	Steel	0.67%
Tata Chemicals Ltd.	Fertilisers	0.66%
Nahar Industrial Enterprises Ltd.	Textiles - Cotton	0.20%
Listed/Awaiting listing on Stock Exchange - Total		91.65%
TERM DEPOSITS		
Term Deposits		
Kotak Mahindra Bank Ltd.		0.61%
Term Deposits - Total		0.61%
Collateral Borrowing & Lending obligation		6.55%
Net Current Assets/(Liabilities)		1.19%
Grand total		100.00%
SECTOR ALLOCATION		
Banks		14.35
Construction		12.7
Industrial Capital Goods		10.01
CBLO & TERM DEPOSITS & REV. REPO		7.16
Power		7.07
Telecom - Services		6.36
Ferrous Metals		5.22
Petroleum Products		5.18
Cement		4.66
Software		4.18
REST		23.11

Rating Methodology:

Kotak Opportunities is one of the 5-star rated funds by Value Research in the Equity: Diversified category considering 88 open-ended schemes as on October 31, 2007 on the basis of weighted average monthly returns for the last 3 years. Value Research Fund Ratings are a composite measure of historical risk-adjusted returns. Five-Stars indicate that a fund is in the top 10 per cent of its category in terms of historical risk-adjusted returns. These ratings do not take into consideration any entry or exit load. The Value Research

Ratings are published in Monthly Mutual Fund Performance Report and Mutual Fund Insight, which are subject to change every month. A detailed methodology of the above rating is available at www.valueresearchonline.com.

KOTAK LIFESTYLE

Open - Ended Equity Growth Scheme

About the Scheme

Investment Objective - The investment objective of the fund is to generate longterm capital appreciation from a portfolio of equity and equity related securities, generally diversified across companies, which are likely to benefit by changing lifestyle and rising consumerism in India.

Available Options - DP, DR & G **Fund Managers** Krishna Sanghvi and Sanjib Guha.

Loads - Entry: Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores: Nil. Where the switch in is from an Equity/Balanced/Equity FOF scheme to an Equity/Balanced/Equity FOF scheme: Nil. Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes: Nil Where investments is made by fund of funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: 2.25% **Exit:** For exit within 6 months for investments less than Rs. 5 crores: 1 %. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 287.85 crore

Performance as on October 31, 2007

	Last 1 Yr	Since Allotment (Mar 21, 2006)
Kotak Lifestyle	47.9	28.6
S&P CNX 500	54.3	39.5

Kotak Lifestyle NAV: Rs. 15.184 (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 on Stock Exchange)		
ICICI Bank Ltd.	Banks	8.71%
Reliance Communications Ltd.	Telecom - Services	8.34%
Bharti Airtel Ltd.	Telecom - Services	7.34%
Aditya Birla Nuvo Limited	Textile Products	5.15%
ITC Ltd.	Consumer Non Durables	5.13%
Pantaloon Retail (india) Ltd.	Retailing	4.78%
Mahindra & Mahindra Ltd.	Auto	4.72%
Zee Entertainment Enterprises Ltd	Media and Entertainment	4.22%
United Spirits Ltd.	Consumer Non Durables	3.93%
Reliance Capital Ltd.	Finance	3.69%
HDFC Bank Ltd.	Banks	3.45%
Indian Hotels Company Ltd.	Hotels	3.04%
Deccan Chronicle Holdings Ltd.	Media and Entertainment	3.00%
Maruti Udyog Ltd	Auto	2.98%
Adlabs Films Ltd.	Media and Entertainment	2.91%
Champagne Indage Ltd.	Consumer Non Durables	2.88%
HDFC Ltd.	Finance	2.46%
Pyramid Saimira Theatre Ltd.	Media and Entertainment	2.40%
Radico Khaitan Ltd.	Consumer Non Durables	2.36%
Asian Paints Ltd.	Consumer Non Durables	2.33%
Hinduja TMT Ltd.	Software	1.93%
Royal Orchid Hotels Ltd	Hotels	1.35%
Network 18 Fincap Ltd.	Finance	1.32%
Television Eighteen India Ltd.	Media and Entertainment	1.24%
Deccan Aviation Ltd	Transportation	0.66%
Global Broadcast News Ltd	Media and Entertainment	0.40%
Listed/Awaiting listing on Stock Exchange - Total		90.72%
Debt Instruments		
Debentures and Bonds		
Corporate Debt / Financial Institutions		
Citicorp Finance (India) Ltd.		1.04%
Corporate Debt / Financial Institutions - Total		1.04%
TERM DEPOSITS		
Term Deposits		
Kotak Mahindra Bank Ltd.		1.74%
Term Deposits - Total		1.74%
Collateral Borrowing & Lending obligation		3.30%
Net Current Assets/(Liabilities)		3.20%
Grand Total		100.00%
SECTOR ALLOCATION		
Consumer Non Durables		16.63
Telecom - Services		15.69
Media and Entertainment		14.17
Banks		12.16
Auto		7.7
Finance		7.47
Textile Products		5.15
CBLO & TERM DEPOSITS & REV. REPO		5.04
Retailing		4.78
Hotels		4.39
REST		6.82

KOTAK EMERGING EQUITY

Close - Ended Equity Growth Scheme

About The Scheme

Investment Objective The investment objective of the scheme is to generate long-term capital appreciation from a portfolio of equity and equity related securities, by investing predominantly in mid and small cap companies.

Available Options - DP, DR & G **Fund Managers** Anurag Jain & Sanjib Guha. **Unamortised Expenses:** As per SEBI circular dated April 4, 2006, balance proportionate unamortised issue expenses shall be recovered from exiting unitholders. **Loads - Exit:** Nil. (During liquidity window). **Ideal Investments Horizon** - 3 years **Corpus:** Rs. 304.22 crores.

Performance as on October 31, 2007

	Since Allotment (Mar 30, 2007)
Kotak Emerging Equity Fund	41.6
BSE Midcap	51.1

Kotak Emerging NAV: Rs. 14.175 (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 on Stock Exchange)		
ICICI Bank Ltd.	Banks	8.66%
Punj Lloyd Ltd.	Construction	7.20%
Reliance Petroleum Ltd.	Oil & Gas Exploration & Prodn	6.19%
GVK Power & Infrastructure Ltd.	Power	4.66%
Kalpataru Power Transmission Ltd.	Power	4.55%
Hindustan Construction Co.Ltd	Construction	4.44%
Reliance Capital Ltd.	Finance	4.19%
Godrej Industries Ltd	Chemicals	3.80%
Kirloskar Brothers Ltd.	Industrial Products	3.80%
ABG Shipyard Limited	Industrial Capital Goods	3.60%
GMR Infrastructure Ltd.	Construction	2.91%
Bharat Bijlee Ltd	Industrial Capital Goods	2.89%
JMC Projects (India) Ltd	Construction	2.89%
Asahi India Glass Ltd	Auto Ancillaries	2.71%
Mphasis Ltd	Software	2.55%
Financial Technologies (India) Ltd.	Software	2.13%
Adani Enterprises Ltd	Trading	2.04%
Great Eastern Shipping Company Ltd	Transportation	1.91%
HTMT Global Solutions Ltd	Software	1.84%
Yes Bank Ltd	Banks	1.79%
Global Broadcast News Ltd	Media and Entertainment	1.72%
Nitin Fire Protection industries Ltd	Industrial Equipment	1.68%
Hinduja TMT Ltd.	Software	1.68%
Pyramid Saimira Theatre Ltd.	Media and Entertainment	1.67%
Sical Logistics Ltd.	Transportation	1.55%
ING Vysya Bank Ltd.	Banks	1.41%
ISMT Ltd.	Steel	1.34%
3i Infotech Ltd.	Software	1.25%
ANG Auto Ltd	Auto	1.10%
Gujarat Ambuja Exports Ltd.	Trading	1.08%
Megasoft Ltd	Software	0.64%
Listed/Awaiting listing on Stock Exchange - Total		89.87%

TERM DEPOSITS

Term Deposits	0.99%
Kotak Mahindra Bank Ltd.	0.99%
Term Deposits - Total	0.99%
Collateral Borrowing & Lending obligation	4.60%
Net Current Assets/(Liabilities)	4.54%
GRAND TOTAL	100.00%

SECTOR ALLOCATION

Construction	17.45
Banks	11.85
Software	10.1
Power	9.21
Industrial Capital Goods	6.5
Oil & Gas Exploration & Production	6.19
CBLO & TERM DEPOSITS & REV. REPO	5.59
Net Current Assets	4.53
Finance	4.19
Chemicals	3.8
REST	20.59

KOTAK CONTRA

Open - Ended Equity Growth Scheme

About The Scheme

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

Available Options - DP, DR & G **Fund Managers** Anurag Jain and Sanjib Guha. **Loads - Entry:** Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores; Nil. Where the switch in is from an Equity/ Balanced/ Equity FOF scheme to an Equity/Balanced/Equity FOF scheme: Nil. Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes: Nil Where investments is made by fund of funds as defined under SEBI Regulations: Nil Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: 2.25%. **Exit:** For exit within 6 months for investments less than Rs. 5 crore: 1 %. Cases not covered above: Nil.

Minimum Initial Investment: Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1 **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 128.91 crores.

Performance as on October 31, 2007

	Last 1 Yr	Since Allotment (July 27, 2005)
Kotak Contra	41.7	31.5
S&P CNX 500	54.3	46.6

Kotak Contra NAV: Rs.19.199 (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 on Stock Exchange)		
ICICI Bank Ltd.	Banks	7.20%
Infosys Technologies Ltd.	Software	4.64%
Suzlon Energy Ltd.	Industrial Capital Goods	4.37%
Reliance Energy Ltd.	Power	4.34%
Asian Paints Ltd.	Consumer Non Durables	4.12%
Gammon India Ltd.	Construction	3.92%
Nestle India Ltd.	Consumer Non Durables	3.39%
Bank Of Baroda	Banks	3.25%
ABG Heavy Industries Ltd.	Industrial Capital Goods	3.22%
Navin Fluorine International Ltd.	Chemicals	3.18%
Punjab National Bank	Banks	3.05%
Coromandel Fertilisers Ltd.	Fertilisers	2.83%
Gujarat Gas Company Ltd	Gas	2.63%
Aditya Birla Nuvo Limited	Textile Products	2.63%
Jindal Steel & Power Ltd.	Ferrous Metals	2.53%
Steel Authority of India Ltd.	Ferrous Metals	2.53%
Mphasis Ltd	Software	2.53%
India Cements Ltd.	Cement	2.52%
Apollo Tyres Ltd.	Auto Ancillaries	2.42%
Hinduja TMT Ltd.	Software	1.89%
Tata Chemicals Ltd.	Fertilisers	1.87%
Allahabad Bank.	Banks	1.79%
Panacea Biotech Ltd.	Pharmaceuticals	1.77%
Ahmednagar Forgings Ltd.	Industrial Products	1.71%
Britannia Industries Ltd.	Consumer Non Durables	1.64%
Puravankara Projects Limited	Construction	1.62%
Eveready Industries India Ltd.	Consumer Non Durables	1.60%
Ipsa Laboratories Ltd.	Pharmaceuticals	1.49%
Nahar Capital & Financial Services Ltd	Finance	1.48%
Videsh Sanchar Nigam Ltd.	Telecom - Services	1.25%
Godrej Industries Ltd	Chemicals	1.22%
EID Parry (India) Ltd.	Consumer Non Durables	1.15%
Great Eastern Shipping Company Ltd	Transportation	1.03%
Dena Bank	Banks	1.02%
Vardhman Holdings Limited	Finance	0.94%
Power Grid Corporation Of India Ltd	Power	0.93%
IVR Prime Urban Developers Ltd	Construction	0.93%
Deccan Aviation Ltd	Transportation	0.77%
Nahar Spinning Mills Ltd	Textiles - Synthetic	0.35%
C and C Constructions Ltd	Construction	0.10%
Listed/Awaiting listing on Stock Exchange - Total		91.85%

TERM DEPOSITS

Term Deposits	
Kotak Mahindra Bank Ltd.	1.16%
Term Deposits - Total	1.16%
Collateral Borrowing & Lending obligation	6.98%
Net Current Assets/(Liabilities)	0.01%
Grand Total	100.00%

SECTOR ALLOCATION

Banks	16.3
Consumer Non Durables	11.91
Software	9.06
CBLO & TERM DEPOSITS & REV. REPO	8.15
Industrial Capital Goods	7.59
Construction	6.58
Power	5.27
Ferrous Metals	5.06
Fertilisers	4.7
Chemicals	4.4
REST	20.98

KOTAK EQUITY ARBITRAGE

Open - Ended Equity Growth Scheme

About The Scheme

Investment Objective - The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivatives segment of the equity market, and by investing the balance in debt and money market instruments.

Available Options - DP, DR & G. **Fund Managers** - Ritesh Jain & Sajit Pisharodi. **Loads - Entry:** Nil. **Exit:** For Investments <= Rs. 50 Lacs: a. If Redeemed within 3 months from the date of allotment of units: 0.60% b. If redeemed after 3 months, within 6 months from the date of allotment of units: 0.50% c. If redeemed after 6 months from the date of allotment of units: Nil. For Investments > Rs. 50 Lacs: a. If redeemed on or before 30 days from the date of allotment of units: 0.50% b. If redeemed after 30 days from the date of allotment of units: Nil

Minimum Initial Investment: Rs.5000. **Additional Investment:** Rs. 1000 & In multiples of Re.1. **Ideal Investments Horizon:** Above 3 Months **Corpus:** Rs.367.65 crores. **Ratios:** Standard Deviation*: 0.95 Sharpe*: 3.07 YTM: 7.25* Source: Value Research.

Performance as on October 31, 2007

	1 Yr	Since Allotment (Sept 29, 2005)
Kotak Equity Arbitrage Fund	9.3	8.1
CRISIL Liquid Fund Index	7.4	6.5

Kotak Equity Arbitrage NAV: Rs.11.778 (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 on Stock Exchange)		
Power Grid Corporation Of India Ltd	Power	4.20%
State Bank Of India	Banks	3.42%
Reliance Natural Resources Ltd	Gas	3.15%
Pantaloon Retail (India) Ltd.	Retailing	2.87%
NIIT Technologies Ltd	Software	2.34%
Jaiprakash Hydro Power Ltd.	Power	2.33%
Sesa Goa Ltd.	Minerals/ Mining	2.22%
Union Bank Of India	Banks	2.02%
Aditya Birla Nuvo Limited	Textile Products	1.92%
Tata Teleservices Ltd	Telecom - Services	1.85%
Reliance Industries Ltd.	Petroleum Products	1.72%
Divi s Laboratories Limited	Pharmaceuticals	1.61%
Maharashtra Seamless Ltd.	Ferrous Metals	1.56%
Balrampur Chini Mills Ltd	Consumer Non Durables	1.48%
Triveni Engineering & Industries Ltd.	Consumer Non Durables	1.43%
Reliance Energy Ltd.	Power	1.34%
Lakshmi Machine Works Ltd	Industrial Capital Goods	1.33%
Omaxe Ltd.	Construction	1.30%
Allahabad Bank.	Banks	1.26%
CESC Ltd.	Power	1.11%
Adlabs Films Ltd.	Media and Entertainment	1.10%
GTL Ltd	IT Consulting and Services	1.09%
Escorts Ltd.	Auto	1.08%
SRF Ltd.	Auto Ancillaries	1.08%
Andhra Bank	Banks	1.08%
Essar Oil Ltd.	Petroleum Products	0.93%
GMR Infrastructure Ltd.	Construction	0.89%
Vijaya Bank	Banks	0.89%
Arvind Mills Ltd.	Textile Products	0.89%
S.Kumars Nationwide Ltd.	Textile	0.80%
Ashok Leyland Ltd.	Auto	0.76%
Indian Bank	Banks	0.73%
IFCI Ltd.	Finance	0.68%
Aptech Ltd.	Software	0.66%
New Delhi Television Ltd.	Media and Entertainment	0.65%
Mahanagar Telephone Nigam Ltd.	Telecom - Services	0.62%
Oswal Chemicals & Fertilizers Ltd.	Fertilisers	0.60%
Shipping Corporation of India Ltd.	Transportation	0.59%
Oriental Bank of Commerce	Banks	0.56%
Mangalore Refinery & Petrochemicals Ltd.	Petroleum Products	0.56%
India Infoline Ltd	Finance	0.54%
Bombay Rayon Fashions Ltd.	Textile Products	0.53%
LIC Housing Finance Ltd.	Finance	0.51%
Sasken Communication Technologies Ltd.	Software	0.49%
Neyveli Lignite Corporation Ltd.	Power	0.47%
Gateway Distriparks Ltd.	Transportation	0.46%
Bharat Forge Ltd.	Industrial Products	0.44%
Central Bank Of India	Banks	0.41%
Ballarpur Industries Ltd.	Paper	0.39%
IndusInd Bank Ltd.	Banks	0.36%
Jindal Stainless Ltd.	Ferrous Metals	0.35%
Punjab National Bank	Banks	0.33%
Alok Industries Ltd.	Textile Products	0.32%
Aurobindo Pharma Ltd.	Pharmaceuticals	0.29%
Nagarjuna Fertilizers & Chemicals Ltd.	Fertilisers	0.29%
Great Eastern Shipping Company Ltd	Transportation	0.28%
Dena Bank	Banks	0.28%
Patni Computers Systems Ltd.	Software	0.26%
Biocon Ltd.	Pharmaceuticals	0.26%
Hinduja TMT Ltd.	Software	0.26%
Indian Overseas Bank	Banks	0.25%
Bombay Dyeing & Manufacturing Co Ltd	Chemicals	0.24%
TVS Motors Company Ltd	Auto	0.23%
Reliance Petroleum Ltd.	Oil & Gas Exploration & Prod	0.22%
Gujarat Alkalies & Chemicals Ltd.	Chemicals	0.22%
Petronet LNG Ltd.	Gas	0.20%
Bajaj Hindusthan Limited	Consumer Non Durables	0.20%
Orchid Chemicals & Pharmaceuticals Ltd.	Pharmaceuticals	0.18%
Nucleus Software Exports Ltd	Software	0.17%
Polaris Software Lab Ltd.	Software	0.16%
Praj Industries Ltd.	Industrial Capital Goods	0.16%
Birla Corporation Ltd.	Cement	0.16%
Housing Development & Infrastructure Ltd	Construction	0.13%
Power Finance Corporation Ltd.	Finance	0.06%
Parsvnath Developers Ltd.	Construction	0.06%
3i Infotech Ltd.	Software	0.05%
Chennai Petroleum Corporation Ltd.	Petroleum Products	0.05%
Ansal Properties & Infrastructure Limited.	Construction	0.04%
Bank Of Baroda	Banks	0.04%
Wockhardt Ltd.	Pharmaceuticals	0.03%
AIA Engineering Limited	Industrial Capital Goods	0.03%
Industrial Development Bank of India Ltd.	Banks	0.03%
Chambal Fertilisers & Chemicals Ltd	Fertilisers	0.02%
Syndicate Bank	Banks	0.02%
I-Flex Solutions Limited	Software	0.01%
Hotel Leela Venture Ltd	Hotels	0.01%
Rolta India Ltd.	Software	0.01%
Karnataka Bank Ltd	Banks	0.01%
Yes Bank Ltd	Banks	0.01%
Puravankara Projects Limited	Construction	0.01%
Listed/Awaiting listing on Stock Exchange - Total		67.23%

FUTURES

Puravankara Projects Limited-NOV2007	-0.01%
Yes Bank Ltd-NOV2007	-0.01%
Karnataka Bank Ltd-NOV2007	-0.01%
Rolta India Ltd.-NOV2007	-0.01%
Hotel Leela Venture Ltd-NOV2007	-0.01%
I-Flex Solutions Limited-NOV2007	-0.01%
Syndicate Bank-NOV2007	-0.02%

Chambal Fertilisers & Chemicals Ltd-NOV2007	-0.02%
Industrial Development Bank of India Ltd.-NOV2007	-0.03%
AIA Engineering Limited-NOV2007	-0.03%
Wockhardt Ltd.-NOV2007	-0.03%
Bank Of Baroda-NOV2007	-0.04%
Ansal Properties & Infrastructure Limited.-NOV2007	-0.04%
Chennai Petroleum Corporation Ltd.-NOV2007	-0.05%
3i Infotech Ltd.-NOV2007	-0.05%
Parsvnath Developers Ltd.-NOV2007	-0.06%
Power Finance Corporation Ltd.-NOV2007	-0.06%
Housing Development and Infrastructure Limited-NOV2007	-0.13%
Birla Corporation Ltd.-NOV2007	-0.16%
Praj Industries Ltd.-NOV2007	-0.16%
Polaris Software Lab Ltd.-NOV2007	-0.16%
Nucleus Software Exports Ltd-NOV2007	-0.17%
Orchid Chemicals & Pharmaceuticals Ltd.-NOV2007	-0.18%
Bajaj Hindusthan Limited-NOV2007	-0.20%
Petronet LNG Ltd.-NOV2007	-0.20%
Gujarat Alkalies & Chemicals Ltd.-NOV2007	-0.22%
Reliance Petroleum Ltd.-NOV2007	-0.23%
TVS Motors Company Ltd-NOV2007	-0.23%
Bombay Dyeing & Manufacturing Company Ltd-NOV2007	-0.25%
Indian Overseas Bank-NOV2007	-0.25%
Hinduja TMT Ltd.-NOV2007	-0.26%
Biocon Ltd.-NOV2007	-0.26%
Patni Computers Systems Ltd.-NOV2007	-0.27%
Dena Bank-NOV2007	-0.28%
Great Eastern Shipping Company Ltd-NOV2007	-0.29%
Nagarjuna Fertilizers & Chemicals Ltd.-NOV2007	-0.29%
Aurobindo Pharma Ltd.-NOV2007	-0.30%
Alok Industries Ltd.-NOV2007	-0.33%
Punjab National Bank-NOV2007	-0.33%
IndusInd Bank Ltd.-NOV2007	-0.35%
Jindal Stainless Ltd.-NOV2007	-0.36%
Ballarpur Industries Ltd.-NOV2007	-0.39%
Central Bank Of India-NOV2007	-0.42%
Bharat Forge Ltd.-NOV2007	-0.44%
Gateway Distriparks Ltd.-NOV2007	-0.46%
Neyveli Lignite Corporation Ltd.-NOV2007	-0.47%
Sasken Communication Technologies Ltd.-NOV2007	-0.50%
LIC Housing Finance Ltd.-NOV2007	-0.51%
India Infoline Ltd-NOV2007	-0.54%
Bombay Rayon Fashions Ltd.-NOV2007	-0.54%
Mangalore Refinery And Petrochemicals Ltd.-NOV2007	-0.56%
Oriental Bank of Commerce-NOV2007	-0.57%
Shipping Corporation of India Ltd.-NOV2007	-0.59%
Oswal Chemicals & Fertilizers Ltd.-NOV2007	-0.61%
Mahanagar Telephone Nigam Ltd.-NOV2007	-0.63%
New Delhi Television Ltd.-NOV2007	-0.66%
Aptech Ltd.-NOV2007	-0.67%
IFCI Ltd.-NOV2007	-0.69%
Indian Bank-NOV2007	-0.73%
Ashok Leyland Ltd.-NOV2007	-0.77%
S.Kumars Nationwide Ltd.-NOV2007	-0.80%
Arvind Mills Ltd.-NOV2007	-0.90%
GMR Infrastructure Ltd.-NOV2007	-0.90%
Vijaya Bank-NOV2007	-0.90%
Essar Oil Ltd.-NOV2007	-0.94%
Andhra Bank-NOV2007	-1.09%
Escorts Ltd.-NOV2007	-1.09%
SRF Ltd.-NOV2007	-1.10%
Adlabs Films Ltd.-NOV2007	-1.10%
GTL Ltd-NOV2007	-1.10%
CESC Ltd.-NOV2007	-1.11%
Allahabad Bank.-NOV2007	-1.27%
Omaxe Ltd.-NOV2007	-1.32%
Lakshmi Machine Works Ltd-NOV2007	-1.34%
Reliance Energy Ltd.-NOV2007	-1.35%
Triveni Engineering & Industries Ltd.-NOV2007	-1.45%
Balrampur Chini Mills Ltd-NOV2007	-1.49%
Maharashtra Seamless Ltd.-NOV2007	-1.58%
Divi s Laboratories Limited-NOV2007	-1.62%
Reliance Industries Ltd.-NOV2007	-1.73%
Tata Teleservices Ltd-NOV2007	-1.86%
Aditya Birla Nuvo Limited-NOV2007	-1.93%
Union Bank Of India-NOV2007	-2.03%
Sesa Goa Ltd.-NOV2007	-2.25%
Jaiprakash Hydro Power Ltd.-NOV2007	-2.34%
NIIT Technologies Ltd-NOV2007	-2.37%
Pantaloon Retail (India) Ltd.-NOV2007	-2.89%
Reliance Natural Resources Ltd-NOV2007	-3.17%
State Bank Of India-NOV2007	-3.44%
Power Grid Corporation Of India Ltd-NOV2007	-4.23%
Futures (Market value represents Notional Value) - Total	-67.79%

MONEY MARKET INSTRUMENTS

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

Corporate Debt / Financial Institutions

Birla Global Finance Ltd.	A1	2.69%
Jindal Steel & Power Ltd	A1	2.69%
ICICI Bank Ltd.	A1	2.68%

Corporate Debt / Financial Institutions - Total

8.06%

Public Sector Undertakings

UCO Bank	P1	1.32%
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State Bank of Patiala

	A1	1.30%
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Public Sector Undertakings - Total

2.62%

TERM DEPOSITS

Term Deposits

Kotak Mahindra Bank Ltd.	24.34%
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Term Deposits - Total 24.34%

Collateral Borrowing & Lending obligation 0.54%

Net Current Assets/(Liabilities) 65.00%

Grand Total 100.00%

Average Maturity of the portfolio

Total NPA provided and percentage to NAV: NIL

Note: * Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Equities	67.23
Futures	-67.79
CBLO & TERM DEPOSITS & REV. REPO	24.88
Net Current Assets	65.00
Money Market Instruments	10.68

KOTAK TAX SAVER

Open - Ended Equity Linked Saving Scheme

About The Scheme

Investment Objective - To generate long-term capital appreciation from a diversified portfolio of equity and equity related securities and enable investors to avail the income tax rebate, as permitted from time to time.

Available Options - DP, DR & G Fund Managers – Krishna Sanghvi & Anurag Jain. **Loads**

- Entry: Where the Purchase amount /Switch in amount is equal to or more than Rs.5 crores: NIL. Where the Switch in is from Equity /balance/Equity FOF Scheme to an Equity/balanced/Equity FOF Scheme: NIL Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes: Nil Where Investments are made by Fund of Funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of dividend: NIL Cases not covered above: 2.25%. **Exit:** Nil.

Minimum Initial Investment: Rs. 500 **Additional Investment:** Rs. 500 & in Multiples of Rs. 500. **Ideal Investments Horizon** - 3 years **Corpus:** Rs. 361.96 crores

Performance as on October 31, 2007

	1 Yr	Since Allotment (November 23, 2005)
Kotak Tax Saver	57.7	43.1
S&P CNX 500	54.3	47.8

Kotak Tax Saver NAV:Rs.20.071 (Growth Option). Returns = 1 year : Absolute. Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Reliance Industries Ltd.	Petroleum Products	5.92%
Reliance Communications Ltd.	Telecom - Services	3.74%
State Bank Of India	Banks	3.60%
Bharti Airtel Ltd.	Telecom - Services	3.48%
Aditya Birla Nuvo Limited	Textile Products	3.01%
Jaiprakash Associates Ltd	Construction	2.82%
Jindal Steel & Power Ltd.	Ferrous Metals	2.62%
Aban Offshore Ltd.	Industrial Services	2.46%
Bharat Bijlee Ltd	Industrial Capital Goods	2.45%
Yes Bank Ltd	Banks	2.40%
Bank Of Baroda	Banks	2.37%
Panacea Biotech Ltd.	Pharmaceuticals	2.31%
Texmaco Ltd.	Industrial Capital Goods	2.24%
Sterlite Industries (India) Ltd	Non - Ferrous Metals	2.13%
Jubilant Oraganosys Ltd	Pharmaceuticals	2.05%
Gammon India Ltd.	Construction	2.03%
United Spirits Ltd.	Consumer Non Durables	1.99%
GVK Power & Infrastructure Ltd.	Power	1.96%
Punjab National Bank	Banks	1.96%
Thermax Ltd.	Industrial Capital Goods	1.95%
Tata Consultancy Services Ltd.	Software	1.94%
Infosys Technologies Ltd.	Software	1.93%
Union Bank Of India	Banks	1.92%
Nagarjuna Construction Company Ltd	Construction	1.90%
Deccan Chronicle Holdings Ltd.	Media and Entertainment	1.86%
Godrej Industries Ltd	Chemicals	1.83%
Steel Authority of India Ltd.	Ferrous Metals	1.80%
Hindustan Construction Co.Ltd	Construction	1.69%
Suzlon Energy Ltd.	Industrial Capital Goods	1.64%
Patel Engineering Ltd.	Construction	1.62%
Man Industries (India) Ltd.	Ferrous Metals	1.57%
Alstom Projects India Ltd.	Industrial Capital Goods	1.49%
GMR Infrastructure Ltd.	Construction	1.47%
Reliance Capital Ltd.	Finance	1.47%
Television Eighteen India Ltd.	Media and Entertainment	1.47%
ICICI Bank Ltd. Partly Paid Shares	Banks	1.36%
Bilcare Ltd.	Industrial Products	1.30%
Financial Technologies (India) Ltd.	Software	1.25%
Lanco Infratech Ltd	Power	1.24%
Maharashtra Seamless Ltd.	Ferrous Metals	1.21%
Navin Fluorine International Ltd.	Chemicals	1.20%
Allcargo Global Logistics Ltd.	Transportation	1.19%
Godawari Power and Ispat Limited	Ferrous Metals	1.15%
SKF India Ltd	Industrial Products	1.12%
Grasim Industries Ltd.	Cement	1.02%
Pantaloon Retail (India) Ltd.	Retailing	1.01%
Tata Chemicals Ltd.	Fertilisers	0.89%
Royal Orchid Hotels Ltd	Hotels	0.86%
Ruchi Soya Industries Ltd.	Consumer Non Durables	0.72%
Nahar Industrial Enterprises Ltd.	Textiles - Cotton	0.59%
Corporation Bank Ltd.	Banks	0.25%
Listed/Awaiting listing on Stock Exchange - Total		95.45%
TERM DEPOSITS		
Term Deposits		
Kotak Mahindra Bank Ltd.		0.83%
Term Deposits - Total		0.83%
Collateral Borrowing & Lending obligation		4.97%
Net Current Assets/(Liabilities)		-1.25%
Grand Total		100.00%
SECTOR ALLOCATION		
Banks		13.86
Construction		11.53
Industrial Capital Goods		9.76

SECTOR ALLOCATION (cont.)

Ferrous Metals	8.36
Telecom - Services	7.21
Petroleum Products	5.92
CBLO & TERM DEPOSITS & REV. REPO	5.8
Software	5.12
Pharmaceuticals	4.37
Media and Entertainment	3.32
REST	24.75

KOTAK GLOBAL INDIA

Open - Ended Equity Growth Scheme

About The Scheme

Investment Objective - To generate capital appreciation from a diversified portfolio of predominantly equity and equity related securities issued by globally competitive Indian Companies.

Available Options - DP, DR & G Fund Managers – Sanjib Guha & Anurag Jain. **Loads**

- Entry: Where the Purchase amount /Switch in amount is equal to or more than Rs.5 crores: NIL. Where the Switch in is from Equity /balance/Equity FOF Scheme to an Equity/balanced/Equity FOF Scheme: NIL Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes: Nil Where investments are made by Fund of Funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of dividend: NIL Cases not covered above: 2.25%. **Exit:** For exit within 6 months for investments less than Rs. 5 crores: 1%. Cases not covered above: Nil.

Minimum Initial Investment: Rs. 5000 **Additional Investment:** Rs. 1000. & in Multiples of Rs.1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 127.11 crores. Ratios: Standard Deviation*: 19.81 Sharpe*: 1.73 Beta*: 0.78 Alpha*: 4.41 Source: Value Research.

Performance as on October 31, 2007

	Last 1 Yr	Last 3 Yrs	Since Allotment (Jan 30, 2004)
Kotak Global India	48.5	44.2	40.7
S&P CNX 500	54.3	47.3	37.4

Kotak Global India NAV:Rs.36.018 (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 on Stock Exchange)		
ICICI Bank Ltd.	Banks	7.89%
Reliance Industries Ltd.	Petroleum Products	6.46%
Reliance Communications Ltd.	Telecom - Services	6.26%
Punj Lloyd Ltd.	Construction	5.19%
Siemens Ltd.	Industrial Capital Goods	5.11%
Larsen And Toubro Ltd.	Industrial Capital Goods	5.01%
Amtek Auto Ltd.	Auto Ancillaries	4.22%
Thermax Ltd.	Industrial Capital Goods	4.17%
United Phosphorus Ltd	Pesticides	3.53%
ABB Ltd.	Industrial Capital Goods	3.47%
Aban Offshore Ltd.	Industrial Services	3.44%
Sterlite Industries (India) Ltd	Non - Ferrous Metals	3.04%
Hcl Technologies Ltd.	Software	2.97%
Crompton Greaves Ltd.	Industrial Capital Goods	2.88%
Zee Entertainment Enterprises Ltd	Media and Entertainment	2.86%
Jubilant Oraganosys Ltd	Pharmaceuticals	2.54%
Hanung Toys and Textiles Ltd.	Consumer Non Durables	2.22%
Sesa Goa Ltd.	Minerals/Mining	2.20%
Suzlon Energy Ltd.	Industrial Capital Goods	2.10%
Mahindra & Mahindra Ltd.	Auto	2.08%
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	2.07%
Mphasis Ltd	Software	1.96%
Tata Consultancy Services Ltd.	Software	1.61%
Tata Steel Limited.	Ferrous Metals	1.58%
Hikal Ltd	Pesticides	1.26%
Panacea Biotech Ltd.	Pharmaceuticals	1.20%
Nahar Industrial Enterprises Ltd.	Textiles - Cotton	1.13%
ANG Auto Ltd	Auto	1.04%
Asian Paints Ltd.	Consumer Non Durables	0.95%
Tata Steel Limited**	Ferrous Metals	0.04%
Tata Steel Limited \$	Ferrous Metals	#
Listed/Awaiting listing on Stock Exchange - Total		90.48%
TERM DEPOSITS		
Term Deposits		
Kotak Mahindra Bank Ltd.		1.18%
Term Deposits - Total		1.18%
Collateral Borrowing & Lending obligation		3.93%
Net Current Assets/(Liabilities)		4.41%
Grand Total		100.00%
SECTOR ALLOCATION		
Industrial Capital Goods		22.74
Banks		7.89
Software		6.54
Petroleum Products		6.46
Telecom - Services		6.26
Pharmaceuticals		5.81
Construction		5.19
CBLO & TERM DEPOSITS & REV. REPO		5.11
Pesticides		4.79
Net Current Assets		4.42
REST		24.79

** Rights shares entitlement

\$ Cumulative Convertible Preference Shares entitlement

Indicates %age to net assets less than 0.01%

KOTAK MNC

Open - Ended Equity Growth Scheme

About the Scheme

Investment Objective - To generate capital appreciation from a portfolio of predominantly equity and equity related securities issued by multinational companies.

Available Options – DP & DR **Fund Managers** – Krishna Sanghvi & Anurag Jain. **Loads - Entry:** Where the Purchase amount /Switch in amount is equal to or more than Rs.5 crores: NIL. Where the Switch in is from Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme: NIL Where investments are made by Fund of Funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of dividends: NIL Cases not covered above: 2.25% **Exit** : For exit within 6 months for investments less than Rs. 5 crores: 1 %. Cases not covered above: Nil.

Minimum Initial Investment: Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Rs.1. **Ideal Investments Horizon** - 1-3 years **Corpus** : Rs. 40.23 crores. **Ratio:** Beta*: 0.59. Sharpe*: 1.34 Alpha*: 4.59 Standard Deviation*: 20.10 * Source: Value Research

Performance as on October 31, 2007

	1 Yr	3 Yrs	5 Yrs	Since Allotment (Apr 04, 2000)
Kotak MNC	26.1	33.9	42.0	20.7
BSE Sensex	53.1	51.6	46.4	21.0
S&P CNX Nifty	57.6	48.7	44.1	20.6

Kotak MNC NAV:Rs. 32.447. * Returns assumed reinvestment of the tax free dividend declared. Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
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Equity & Equity related (Listed/Awaiting listing on Stock Exchange)

Siemens Ltd.	Industrial Capital Goods	7.34%
ABB Ltd.	Industrial Capital Goods	6.03%
Bharti Airtel Ltd.	Telecom - Services	5.38%
Kennametal India Ltd.	Industrial Products	4.79%
ING Vysya Bank Ltd.	Banks	4.62%
Castrol (India) Ltd.	Petroleum Products	4.14%
Mphasis Ltd	Software	4.02%
Bata India Ltd.	Consumer Non Durables	3.92%
3M India Ltd.	Trading	3.73%
ITC Ltd.	Consumer Non Durables	3.69%
Alstom Projects India Ltd.	Industrial Capital Goods	3.58%
SKF India Ltd	Industrial Products	3.56%
KSB Pump Ltd	Industrial Products	3.47%
Amara Raja Batteries Ltd.	Auto Ancillaries	3.33%
Gillette India Ltd	Consumer Non Durables	3.15%
Kansai Nerolac Paints Ltd	Consumer Non Durables	2.88%
Nestle India Ltd.	Consumer Non Durables	2.87%
Grindwell Norton Ltd.	Industrial Products	2.54%
Atlas Copco (India) Ltd	Industrial Products	2.35%
Asahi India Glass Ltd	Auto Ancillaries	2.32%
Hindustan Unilever Ltd.	Diversified	2.32%
Monsanto India Ltd.	Pesticides	2.28%
I-Flex Solutions Limited	Software	2.28%
Sesa Goa Ltd.	Minerals/Mining	2.04%
Micro Inks Ltd.	Chemicals	1.97%
Yes Bank Ltd	Banks	1.89%
South East Asia Marine Engg & Constrn Ltd	Oil	1.50%
Soletron EMS India Limited	Industrial Capital Goods	1.22%
Soletron Centum Electronics Ltd.	Industrial Capital Goods	0.61%
Listed/Awaiting listing on Stock Exchange - Total		93.82%

TERM DEPOSITS

Term Deposits		
Kotak Mahindra Bank Ltd.	1.24%	
Term Deposits - Total	1.24%	
Collateral Borrowing & Lending obligation	2.49%	
Net Current Assets/(Liabilities)	2.45%	
Grand Total	100.00%	

SECTOR ALLOCATION

Industrial Capital Goods	18.79
Industrial Products	16.71
Consumer Non Durables	16.5
Banks	6.51
Software	6.29
Auto Ancillaries	5.65
Telecom - Services	5.38
Petroleum Products	4.14
CBLO & TERM DEPOSITS & REV. REPO	3.73
Trading	3.73
REST	12.57

KOTAK TECH

Open - Ended Equity Growth Scheme

About the Scheme

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

Available Options – DP & DR **Fund Managers** – Sanjib Guha & Anurag Jain **Loads - Entry:** Where the Purchase amount /Switch in amount is equal to or more than Rs.5 crores: NIL. Where the Switch in is from Equity/ Balance/ Equity FOF Scheme to an Equity/

Balanced/ Equity FOF Scheme: NIL Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes: Nil Where investments are made by Fund of Funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of dividends: NIL Cases not covered above: 2.25% **Exit:** For exit within 6 months for investments less than Rs. 5 crores: 1 %. Cases not covered above: Nil

Minimum Initial Investment: Rs. 5000 **Additional Investment:** Rs. 1000.& in Multiples of Rs. 1. **Investments Horizon Ideal** - 1-3 years **Corpus:** Rs. 36.44 crores. **Ratio:** Beta*: 0.91 Sharpe*: 0.95 Alpha*: 1.72 Standard Deviation*: 20.70 *Source: Value Research

Performance as on October 31, 2007

	1 Yr	3 Yr	5 Yr	Since Allotment (April 04, 2000)
Kotak Tech	8.4	24.5	29.0	0.4
BSE Tech Index	21.8	37.4	38.6	4.1

Kotak Tech NAV: Rs.10.266. 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
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Equity & Equity related (Listed/Awaiting listing on Stock Exchange)

Infosys Technologies Ltd.	Software	13.86%
Reliance Communications Ltd.	Telecom - Services	12.71%
Bharti Airtel Ltd.	Telecom - Services	8.56%
Mphasis Ltd	Software	6.39%
Hd Technologies Ltd.	Software	6.31%
Tata Consultancy Services Ltd.	Software	5.70%
Financial Technologies (India) Ltd.	Software	4.62%
Idea Cellular Ltd.	Telecom - Services	4.08%
Wipro Ltd.	Software	3.90%
Zee Entertainment Enterprises Ltd	Media and Entertainment	3.40%
Patni Computers Systems Ltd.	Software	3.11%
Tanla Solutions Limited	Software	3.11%
I-Flex Solutions Limited	Software	3.06%
Deccan Chronicle Holdings Ltd.	Media and Entertainment	3.00%
Megasoft Ltd	Software	2.92%
Hinduja TMT Ltd.	Software	2.81%
Satyam Computer Services Ltd.	Software	2.62%
Pyramid Saimira Theatre Ltd.	Media and Entertainment	2.32%
Aurionpro Solutions Ltd.	Software	1.91%
Prime Focus Ltd	Media and Entertainment	1.76%
Listed/Awaiting listing on Stock Exchange - Total		96.15%

PRIVATELY PLACED / UNLISTED

Virtual Dynamics Software Ltd. @	#
SRM Radiant Infotech Ltd. @	#
Privately placed / Unlisted - Total	0.00%

TERM DEPOSITS

Term Deposits		
Kotak Mahindra Bank Ltd.	1.37%	
Term Deposits - Total	1.37%	
Collateral Borrowing & Lending obligation	2.74%	
Net Current Assets/(Liabilities)	-0.26%	
Grand Total	100.00%	

Notes:

Indicates % to net Asset less than 0.01%
@ Privately Placed

SECTOR ALLOCATION

Software	60.32
Telecom - Services	25.36
Media and Entertainment	10.48
CBLO & TERM DEPOSITS & REV. REPO	4.12
Net Current Assets	-0.28

KOTAK EQUITY FOF

Open - Ended Equity Fund of Funds Scheme

About the Scheme

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

Available Options – DP, DR & G **Fund Manager** – Sajit Pisharodi. **Loads - Entry:** Where the Purchase amount / Switch in amount is equal to or more than Rs.5 crores: NIL. Where the Switch in is from Equity /Balance/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme: NIL Where investments are made by FILs or sub a/c of FILs: NIL Where investments are made by Fund of Funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of dividends: NIL Cases not covered above: 2.25% **Exit:** For exit within 6 months for investments less than Rs. 5 crores: 1 %. Cases not covered above: Nil.

Minimum Initial Investment: Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re. 1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 89.97 crores. **Ratio:** Beta*: 0.85 Sharpe*: 1.82 Alpha*: 5.17 Standard Deviation*: 20.50 * Source: Value Research

Performance as on October 31, 2007

	1 Yr	3 Yr	Since Allotment (Aug 09, 2004)
Kotak Equity FOF	49.7	48.2	48.5
S & P CNX Nifty	57.6	48.7	48.6

Kotak Equity FOF NAV : Rs.35.793 (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 follows...

KOTAK FLEXI FOF

Close - Ended Fund of Funds Scheme

About the Scheme

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

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

Minimum Initial Investment: Rs. 5000 **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 81.76 crores.

Performance as on October 31, 2007

	1 Yr	Since Allotment (March 31, 2005)
Kotak Flexi FOF	47.8	38.2
CRISIL Balanced Fund Index	37.5	35.1

Kotak Flexi FOF NAV : Rs.19.326 (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		
Tata Equity Opportunities Fund	Equity Scheme	19.29%
Kotak 30	Equity Scheme	19.01%
Prudential ICICI Power Plan	Equity Scheme	18.34%
Reliance Vision Fund	Equity Scheme	18.19%
Franklin India Prima Fund	Equity Scheme	17.95%
Kotak Liquid Institutional Premium Plan	Debt Scheme	3.58%
Reliance Liquidity Fund	Debt Scheme	1.07%
Pru. ICICI Liquid Super Institutional Plan	Debt Scheme	1.07%
Tata Liquid Super High Investment Plan	Debt Scheme	1.07%
Total		99.57%
Net Current Assets/(Liabilities)		0.43%
Grand Total		100.00%

SECTOR ALLOCATION

Tata Equity Opportunities Fund	19.29
Kotak 30	19.01
Prudential ICICI Power Plan	18.34
Reliance Vision Fund	18.19
Franklin India Prima Fund	17.95
Kotak Liquid Institutional Premium Plan	3.58
Reliance Liquidity Fund	1.07
Pru. ICICI Liquid Super Institutional Plan	1.07
Tata Liquid Super High Investment Plan	1.07
Net Current Assets	0.43

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

KOTAK BALANCE

Open - Ended Balanced Scheme

About the Scheme

Investment Objective - To achieve growth by investing in equity & equity related instruments, balanced with income generation by investing in debt & money market instruments.

Available Options DP & DR **Fund Managers** Krishna Sanghvi, Sanjib Guha & Ritesh Jain. **Loads - Entry:** Where the Purchase amount /Switch in amount is equal to or more than Rs.5 crores: NIL. Where the Switch in is from Equity/Balance/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme: NIL Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/Balanced/Equity FOF Schemes: Nil Where investments are made by Fund of Funds as defined under SEBI Regulations: NIL Where units are allotted upon reinvestment of dividends: NIL Cases not covered above: 2.25%. **Exit:** For exit within 6 months for investments less than Rs. 5 crores: 1%. Cases not covered above: Nil **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000.& in Multiples of Rs. 1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 86.38 crores. **Ratios:** Sharpe*: 2.05 Standard Deviation*: 16.25 *Source: Value Research

Performance as on October 31, 2007

	1 Yr	3 Yr	5 Yr	Since Allotment (Nov 25, 1999)
Kotak Balance*	32.4	40.2	39.3	23.5
Crissil Balanced Fund Index	37.5	31.0	28.5	23.3

Kotak Balance NAV - Rs.29.981. * Returns assumed reinvestment of the tax free dividend declared. Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

PORTFOLIO follows...

Issuer / Instrument	Industry / Rating	% to Net Assets
Mutual Fund Units		
Kotak 30	Equity Scheme	23.97%
Birla Sunlife Frontline Equity	Equity Scheme	16.48%
Birla Midcap Fund	Equity Scheme	8.09%
Franklin India Prima Plus	Equity Scheme	7.98%
Total		56.52%
Net Current Assets/ Liabilities		43.48%
Grand Total		100.00%

SECTOR ALLOCATION

Kotak 30	23.97
Birla Sunlife Frontline Equity	16.48
Birla Midcap Fund	8.09
Franklin India Prima Plus	7.98
Net Current Assets	43.48

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

KOTAK DYNAMIC FOF

Close - Ended Fund of Funds Scheme

About the Scheme

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

Available Option - G Fund Manager- Sajit Pisharodi **Loads - Exit:** Nil (During Liquidity window): Unit holders of the scheme have the option of switch in out all or part of their investment in the Scheme/Plan/Option of the Fund, during the Liquidity window. However, no switch-in is allowed in the scheme

Minimum Initial Investment: Rs. 5000. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 24.45 crores.

Performance as on October 31, 2007

	1 Yr	Since Allotment (March 31, 2005)
Kotak Dynamic FOF	35.9	36.4
CRISIL Balanced Fund Index	37.5	32.1

Kotak Dynamic FOF NAV : Rs.22.328 (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		
Tata Pure Equity Fund	Equity Scheme	12.98%
Kotak 30	Equity Scheme	12.96%
HSBC Equity Fund	Equity Scheme	12.90%
Birla Advantage Fund	Equity Scheme	12.85%
HDFC Top 200 Fund	Equity Scheme	12.80%
Kotak Liquid Institutional Premium Plan	Debt Scheme	9.34%
Tata Liquid Super High Investment Plan	Debt Scheme	5.89%
Birla Cash Plus Institutional Premium Plan	Debt Scheme	5.89%
HSBC Cash Fund Institutional Plus	Debt Scheme	5.89%
HDFC Liquid Fund Premium Plus	Debt Scheme	5.88%
Kotak Liquid Institutional Plan	Debt Scheme	1.48%
Total		98.86%
Net Current Assets/ Liabilities		1.14%
Grand Total		100.00%

SECTOR ALLOCATION

Tata Pure Equity Fund	12.98
Kotak 30	12.96
HSBC Equity Fund	12.9
Birla Advantage Fund	12.85
HDFC Top 200 Fund	12.8
Kotak Liquid Institutional Premium Plan	9.34
Tata Liquid Super High Investment Plan	5.89
Birla Cash Plus Institutional Premium Plan	5.89
HSBC Cash Fund Institutional Plus	5.89
HDFC Liquid Fund Premium Plus	5.88
Kotak Liquid Institutional Plan	1.48
Net Current Assets	1.14

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

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Reliance Industries Ltd.	Petroleum Products	7.05%
Jindal Steel & Power Ltd.	Ferrous Metals	3.57%
Bharti Airtel Ltd.	Telecom - Services	3.20%
Reliance Communications Ltd.	Telecom - Services	3.16%
ICICI Bank Ltd.	Banks	3.09%
Larsen And Toubro Ltd.	Industrial Capital Goods	2.95%
State Bank Of India	Banks	2.84%
Aditya Birla Nuvo Limited	Textile Products	2.80%
Punjab National Bank	Construction	2.73%
Sesa Goa Ltd.	Minerals/Mining	2.65%
Crompton Greaves Ltd.	Industrial Capital Goods	2.47%
Kalpataru Power Transmission Ltd.	Power	2.05%
Bank Of Baroda	Banks	1.99%
Infosys Technologies Ltd.	Software	1.91%
Gammon India Ltd.	Construction	1.91%
Jaiprakash Associates Ltd	Construction	1.69%
ABG Heavy Industries Ltd.	Industrial Capital Goods	1.68%
Ambuja Cements Ltd	Cement	1.68%
Deccan Chronicle Holdings Ltd.	Media and Entertainment	1.67%
Sterlite Industries (India) Ltd	Non - Ferrous Metals	1.55%
National Thermal Power Corporation Ltd	Power	1.52%
Union Bank Of India	Banks	1.46%
Reliance Petroleum Ltd.	Oil & Gas Exploration & Prodn	1.42%
Bharat Electronics Ltd	Industrial Capital Goods	1.37%
Mahindra & Mahindra Ltd.	Auto	1.31%
Andhra Bank	Banks	1.28%
Tata Consultancy Services Ltd.	Software	1.20%
Indian Overseas Bank	Banks	1.16%
Man Industries (India) Ltd.	Ferrous Metals	1.11%
Tata Steel Limited.	Ferrous Metals	0.94%
Nagarjuna Construction Company Ltd	Construction	0.87%
ITC Ltd.	Consumer Non Durables	0.83%
Jubilant Oraganosys Ltd	Pharmaceuticals	0.75%
GAIL (India) Ltd.	Gas	0.72%
Network 18 Fincap Ltd.	Finance	0.49%
Hcl Technologies Ltd.	Software	0.02%
Listed/Awaiting listing on Stock Exchange - Total		69.09%

Futures		
HCL Technologies Ltd.-NOV2007		0.68%
Futures (Market value represents Notional Value) - Total		0.68%
Debt Instruments		
Debentures and Bonds		
Corporate Debt / Financial Institutions		
Citicorp Finance (India) Ltd.	AAA	4.64%
ICICI Bank Ltd.	CARE AAA	3.50%
Corporate Debt / Financial Institutions Total		8.14%
Public Sector Undertakings		
State Bank Of India.	AAA	6.06%
Indian Railway Finance Corporation Ltd.	AAA	1.17%
Industrial Development Bank Of India.	AA+	1.17%
Public Sector Undertakings - Total		8.40%
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Public Sector Undertakings		
Punjab National Bank	P1+	5.78%
State Bank of Mysore	A1+	1.67%
Public Sector Undertakings - Total		7.45%
TERM DEPOSITS		
Term Deposits		
Kotak Mahindra Bank Ltd.		2.89%
Term Deposits - Total		2.89%
Collateral Borrowing & Lending obligation		
Net Current Assets/(Liabilities)		0.17%
Grand Total		100.00%

SECTOR ALLOCATION

Debt Instruments	16.53
Banks	11.82
Industrial Capital Goods	8.47
Money Market Instruments	7.45
Construction	7.19
Petroleum Products	7.05
Telecom - Services	6.36
CBLO & TERM DEPOSITS & REV. REPO	6.08
Ferrous Metals	5.62
Power	3.57
REST	19.86

SIP Returns	1 year	3 Year	5 Year	7 Year
Investment Amt.	Rs.12,000	Rs.36,000	Rs.60,000	Rs.84,000
Investment Value	Rs.14,813	Rs.59,241	Rs.1,50,518	Rs.2,77,424
XIRR	46.18%	35.61%	37.81%	33.69%

KOTAK INCOME PLUS
Open - Ended Income Scheme

About the Scheme

Investment Objective - To enhance returns over a portfolio of Debt Instruments with a moderate exposure in Equity and Equity related Instruments. **Available Options** DP, DR & G **Fund Managers** Krishna Sanghvi, Sanjib Guha & Ritesh Jain. **Loads** - **Entry:** Nil. **Exit:** 1% for redemptions within 1 year where investment amount <= Rs. 25 lacs. Nil for investment amount > Rs. 25 lacs. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & In Multiples of Re. 1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 34.02 crores. **Ratios:** Standard Deviation*: 4.60 Sharpe*: 0.53 YTM: 7.25 *Source: Value Research.

Performance as on October 31, 2007

	1 Yr	3 Yr	Since Allotment (Dec 02, 2003)
Kotak Income Plus	12.4	11.9	9.9
CRISIL MIP Blended Index	12.9	11.1	8.9

Kotak Income Plus NAV - Rs. 14.4484 (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 on Stock Exchange)		
Reliance Industries Ltd.	Petroleum Products	1.96%
ICICI Bank Ltd.	Banks	1.18%
Jindal Steel & Power Ltd.	Ferrous Metals	1.05%
Aditya Birla Nuvo Limited	Textile Products	0.95%
Reliance Communications Ltd.	Telecom - Services	0.86%
State Bank Of India	Banks	0.84%
Patel Engineering Ltd.	Construction	0.83%
Bharti Airtel Ltd.	Telecom - Services	0.80%
Jaiprakash Associates Ltd	Construction	0.77%
Punjab National Bank	Construction	0.71%
Hindustan Construction Co.Ltd	Construction	0.64%
ABG Heavy Industries Ltd.	Industrial Capital Goods	0.61%
Nagarjuna Construction Company Ltd	Construction	0.55%
Mphasis Ltd	Software	0.55%
Kalpataru Power Transmission Ltd.	Power	0.52%
Union Bank Of India	Banks	0.51%
National Thermal Power Corp Ltd	Power	0.49%
Tata Consultancy Services Ltd.	Software	0.49%
Sterlite Industries (India) Ltd	Non - Ferrous Metals	0.48%
Crompton Greaves Ltd.	Industrial Capital Goods	0.48%
Deccan Chronicle Holdings Ltd.	Media and Entertainment	0.45%
Ambuja Cements Ltd	Cement	0.45%
Sesa Goa Ltd.	Minerals/Mining	0.44%
Larsen And Toubro Ltd.	Industrial Capital Goods	0.44%
Indian Overseas Bank	Banks	0.39%
Punjab National Bank	Banks	0.39%
Mahindra & Mahindra Ltd.	Auto	0.28%
ITC Ltd.	Consumer Non Durables	0.26%
Kirloskar Oil Engines Ltd.	Industrial Products	0.14%
Listed/Awaiting listing on Stock Exchange - Total		18.51%

DEBT INSTRUMENTS

Debentures and Bonds			
Corporate Debt / Financial Institutions			
HDFC Ltd.	AAA		14.21%
Mahindra & Mahindra Financial Services Ltd.	AA+		11.76%
Citicorp Finance (India) Ltd.	AAA		8.83%
Corporate Debt / Financial Institutions - Total			34.80%
Public Sector Undertakings			
Union Bank of India	AA+		15.43%
Industrial Development Bank Of India.	AA+		11.91%
Public Sector Undertakings - Total			27.34%
Money Market Instruments			
Commercial Paper (CP)/Certificate of Deposits (CD)			
Public Sector Undertakings			
Punjab National Bank		P1+	11.73%
Public Sector Undertakings - Total			11.73%
TERM DEPOSITS			
Term Deposits			
Kotak Mahindra Bank Ltd.			1.47%
Term Deposits - Total			1.47%
Collateral Borrowing & Lending obligation			
Net Current Assets/(Liabilities)			4.68%
Grand Total			100.00%

Average Maturity of the portfolio 1.44 years
Total NPA provided and percentage to NAV NIL

Note: * Indicates % to Net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds	61.99
Equities	18.5
Commercial Paper (CP)/Certificate of	11.73
Net Current Assets	4.84
CBLO & TERM DEPOSITS & REV. REPO	2.94

KOTAK BOND SHORT TERM PLAN
Open - Ended Debt Scheme

About the Scheme

Investment Objective - To provide reasonable returns and high level of liquidity by investing in debt & money market instruments of different maturities, so as to spread the risk across different kinds of issuers in the debt market. **Plan** Short Term

Available Options: DR & G **Fund Managers** Ritesh Jain & Deepak Agrawal. **Loads Entry:** Nil. **Exit:** Nil

Minimum Initial Investment: Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re. 1. **Ideal Investments Horizon** 6 Months and above **Corpus:** Rs. 562.67 crores. **Ratios:** Sharpe*: 5.63 Standard Deviation*: 0.52 YTM: 8.50 * Source: Value Research.

Performance as on October 31, 2007

	1 Yr	3 Yr	5 Yr	Since Allotment (May 02, 2002)
Short Term Plan	9.0	7.1	6.5	6.8
Crisil Short - Term				
Bond Fund Index	7.5	5.9	5.3	5.7

Kotak Bond Short Term NAV : Rs.14.3219 (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 and Bonds		
Corporate Debt / Financial Institutions		
Tata Sons Ltd.	AAA	2.62%
Credit Asset Trust Series XVI, Class A1	F1+(ind)(SO)	1.78%
LIC Housing Finance Ltd.	AAA	1.78%

Religare Finvest Ltd.	A1+	1.78%
Sundaram Finance Ltd.	LAA+	1.76%
Citicorp Finance (India) Ltd.	AAA	1.75%
Mahindra & Mahindra Financial Services Ltd.	AA+	1.22%
Long Bond Receivables 2006 IV PTC A1	AAA(so)	1.14%
Citifinancial Consumer Finance India Ltd.	AAA	0.94%
Manaksia Ltd	PR1+	0.89%
KSR LOAN TRUST Series A1	AA(ind)(SO)	0.89%
Sundaram Finance Ltd.	AA+	0.89%
Indian Cor Loan Sec.Trust Sr XXXVIII - Sr A1	P1+(so)	0.81%
BHPC Auto Sec. Trust JUNE 2005 PTC A3	AAA(so)	0.34%
Corporate Debt / Financial Institutions - Total		18.59%
PUBLIC SECTOR UNDERTAKINGS		
National Bank for Agriculture and Rural Development	AAA	7.14%
State Bank Of India.	AAA	2.79%
Power Finance Corporation Ltd.	AAA	1.79%
Loan Sec. Trust Series XII	LAAA	0.46%
Public Sector Undertakings - Total		12.18%
Government Dated Securities		
7.27% Government Stock - 2013	SOV	6.51%
5.87% Government Stock - 2010	SOV	0.86%
Government Dated Securities - Total		7.37%
MONEY MARKET INSTRUMENTS		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
Unitech Ltd.	F1+(ind)	5.71%
ING Vysya Bank Ltd	P1+	4.24%
ABN Amro Bank N.V	A1+	3.94%
Tata Motors Ltd.	P1+	3.46%
ICICI Bank Ltd.	A1+	3.42%
ICICI Home Finance Company Limited	A1+	2.48%
Citibank N.A.	P1+	1.68%
Puravankara Projects Limited	F1(ind)	0.87%
ICICI Bank Ltd.	P1+	0.84%
Infrastructure Leasing & Financial Services Limited	A1+	0.84%
Corporate Debt / Financial Institutions - Total		27.48%
Public Sector Undertakings		
Punjab National Bank	P1+	8.69%
State Bank of Travancore	P1+	5.90%
Union Bank of India	A1+	4.27%
State Bank of Saurashtra	P1+	3.28%
State Bank of Patiala	A1+	1.70%
Indian Overseas Bank	A1+	1.66%
State Bank Of India.	P1+	0.85%
National Bank for Agriculture and Rural Development	CARE AAA	0.82%
Public Sector Undertakings - Total		27.17%
Collateral Borrowing & Lending obligation		8.71%
Net Current Assets/(Liabilities)		-1.50%
Grand Total		100.00%
Average Maturity of the portfolio	1.81 years	
Total NPA provided and percentage to NAV	Nil	

Notes: Valuation of Government Securities are as per the Securities and Exchange Board of India (SEBI) circular No. MFD/CIR/No 14/442/2002 dated February 20, 2002.
* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Commercial Paper (CP)/Certificate of	54.66
Debentures and Bonds	30.77
CBLO & TERM DEPOSITS & REV. REPO	8.71
Government Dated Securities	7.37
Net Current Assets	-1.51

RATING PROFILE

P1+, A1+, AAA, PR1+ and SOV	84.59
AA+	7.37
CBLO & TERM DEPOSITS & REV. REPO	8.71
CARE AAA	0.82
Net Current Assets	-1.49

KOTAK BOND

Open - Ended Debt Scheme

About the Scheme

Investment Objective - To create a portfolio of debt and money market instruments of different maturities so as to spread the risk across a wide maturity horizon & different kinds of issuers in the debt market. Plan (a) Deposit (b) Regular. **Available Options** (a) DP, DR & G (b) DP, DR, G & B **Fund Managers** Ritesh Jain & Imran Sayed. **Loads** (a) Entry: Nil. Exit: 0.5% for redemptions within 6 months where investments amount <=Rs.10 Lacs Nil for investment amount > 10 Lacs. (b) Entry: Nil. Exit: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re.1. **Ideal Investments Horizon** - 1-2 years **Corpus:** Rs. 37.47 crores. **Ratios:** Sharpe*: (a) 1.11 (b) 2.27 Standard Deviation*: (a) 1.37 (b) 1.38. YTM: 8.65 *Source: Value Research.

Performance as on October 31, 2007

	1 Yr	3 Yr	5 Yr	Since Allotment (Nov 25, 1999)
Deposit Plan	7.1	5.9	5.9	8.9
Regular Plan	9.0	7.0	6.8	9.7
Crisil Composite Bond Index	6.0	5.2	5.1	5.8

Kotak Bond Deposit NAV : Rs.19.6738 (Growth Option). Kotak Bond Regular NAV : Rs.20.9126 (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		
DEBT INSTRUMENTS		
Debentures and Bonds		
Corporate Debt / Financial Institutions		
TAS Trust Series III, TML Fin. Ser. A1	AA+(so)	13.56%
LIC Housing Finance Ltd.	AAA	13.34%

Indian Retail ABS Trust Series 56 PTC A2	AAA	4.60%
Citifinancial Consumer Finance India Ltd.	AAA	2.27%
Infrastructure Leasing & Financial Services Limited	LAAA	1.34%
Corporate Debt / Financial Institutions - Total		35.11%
Public Sector Undertakings		
State Bank Of India.	AAA	11.18%
Public Sector Undertakings - Total		11.18%
Government Dated Securities		
7.27% Government Stock - 2013	SOV	18.25%
8.33% Government Stock - 2036	SOV	13.38%
Government Dated Securities - Total		31.63%
MONEY MARKET INSTRUMENTS		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
Unitech Ltd.	F1+(ind)	9.83%
Corporate Debt / Financial Institutions - Total		9.83%
Collateral Borrowing & Lending obligation		18.68%
Net Current Assets/(Liabilities)		-6.43%
Grand Total		100.00%

Average Maturity of the portfolio 8.38 years
Total NPA provided and percentage to NAV Nil

Notes: Valuation of Government Securities are as per the Securities and Exchange Board of India (SEBI) circular No. MFD/CIR/No 14/442/2002 dated February 20, 2002.
* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds	46.31
Government Dated Securities	31.63
CBLO & TERM DEPOSITS & REV. REPO	18.68
Commercial Paper (CP)/Certificate of	9.83
Net Current Assets	-6.45

RATING PROFILE

F1+, AAA+, SOV	77.93
CBLO & TERM DEPOSITS & REV. REPO	18.68
AA+(so)	9.83
Net Current Assets	-6.44

KOTAK GILT SAVINGS

Open - Ended Dedicated Gilt Scheme

About The Scheme

Investment Objective - To generate risk-free returns through investments in sovereign securities issued by the Central and / or State Government(s) and/ or reverse repos in such securities.

Available Options: DP, DR & G **Fund Managers** Ritesh Jain & Imran Sayed. **Loads Entry:** Nil. **Exit:** Nil.

Minimum Initial Investment: Rs. 5000 **Additional Investment:** Rs. 1000 and multiples of Re. 1. **Ideal Investments Horizon** 6 Months and above. **Corpus:** Rs.10.26 crores. **Ratios:** Sharpe*: 0.35 Standard Deviation*: 0.67 YTM: 6.50 * Source: Value Research

Performance as on October 31, 2007

	1 Yr	3 Yr	5 Yr	Since Allotment (Savings Plan Dec 29, 1998)
Gilt Investment Savings Plan	5.6	5.5	5.4	7.4
ISEC SIBEX	7.4	6.2	6.0	6.3

Kotak Gilt Investment Savings Plan : Rs.18.8211 (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
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DEBT INSTRUMENTS

Government Dated Securities		
5.48% Government Stock - 2009	SOV	25.62%
7.27% Government Stock - 2013	SOV	23.80%
Government Dated Securities - Total		49.42%
Collateral Borrowing & Lending obligation		72.58%
Net Current Assets/(Liabilities)		-22.00%
Grand Total		100.00%

Average Maturity of the portfolio 1.81 years
Total NPA provided and percentage to NAV Nil

Notes: Valuation of Government Securities are as per the Securities and Exchange Board of India (SEBI) circular No. MFD/CIR/No 14/442/2002 dated February 20, 2002.
* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

CBLO & TERM DEPOSITS & REV. REPO	72.58
Government Dated Securities	49.42
Net Current Assets	-22

KOTAK GILT INVESTMENT

Open - Ended Dedicated Gilt Scheme

About The Scheme

Investment Objective - To generate risk-free returns through investments in sovereign securities issued by the Central and /or State Government(s) and/ or reverse repos in such securities. **Plans-** (a) Regular, (b) PF & Trust

Available Options: DP, DR & G. **Fund Managers** Ritesh Jain & Imran Sayed. **Loads Entry:** Nil. **Exit:** Nil.

Minimum Initial Investment: Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples

of Re.1 **Ideal Investments Horizon** More than 1 year. **Corpus:** Rs. 20.92 crores. **Ratios** Sharpe*: (a) -0.12 (b) 0.03 Standard Deviation*: (a) 2.68 (b) 2.68 * YTM: 6.75 Source: Value Research

Performance as on October 31, 2007

	1 Yr	3 Yr	5 Yr	Since Allotment (Inv Plan - Dec 29, '98; Inv PF & Trust Plan - Nov 11, '03)
Investment Plan	4.1	4.6	6.5	10.6
Investment - PF & Trust Plan	4.5	5.1	-	3.6
ISEC Composite Index	7.2	6.6	6.6	4.4 \$

Kotak Gilt Investment Regular Plan : Rs.24.5039 (Growth Option). Kotak Gilt Investment PF & Trust Plan : Rs. 24.8856 (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

Issuer / Instrument	Industry / Rating	% to Net Assets
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DEBT INSTRUMENTS

Government Dated Securities

8.33% Government Stock - 2036	SOV	47.93%
7.27% Government Stock - 2013	SOV	37.37%

Government Dated Securities - Total

85.30%

Net Current Assets/(Liabilities)

14.70%

Grand Total

100.00%

Average Maturity of the portfolio 15.9 years

Total NPA provided and percentage to NAV Nil

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

* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Government Dated Securities	85.3
Net Current Assets	14.7

KOTAK FLEXI DEBT

Open - Ended Debt Scheme

About The Scheme

Investment Objective - The investment objective of the Scheme is to maximize returns through an active management of a portfolio of debt and money market securities.

Available Options: DP, DR & G **Fund Managers** Ritesh Jain & Deepak Agrawal **Loads**

Entry: Nil. **Exit:** 0.10% if redeemed within 7 days from date of allotment of units.

Minimum Initial Investment: Rs. 5000 & Rs.1,00,000 under Daily Dividend

Reinvestment option. **Additional Investment:** Rs.1000 & in Multiples of Re.1. **Ideal**

Investments Horizon 7 days **Corpus:** Rs. 6995.30 crores. **Ratios:** YTM: 8.40 Standard

Deviation*: 0.11 Sharpe*: 21.92 *Source: Value Research.

Performance as on October 31, 2007

	1 Yr	Since Allotment (Dec 06, 2004)
Kotak Flexi Debt	8.3	7.1
CRISIL Composite Bond Index	6.0	5.2

Kotak Flexi Debt NAV: Rs.12.211 (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
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Debt Instruments

Debentures and Bonds

Corporate Debt / Financial Institutions

VEL Trust Series III	A1+(SO)	3.19%
HDFC Ltd.	AAA	1.50%
VEL Trust Series II	A1+(SO)	1.37%
Tata Sons Ltd.	AAA	1.18%
Shriram Transport Finance Co Ltd.	AA(ind)	0.72%
Emaar MGF Land Ltd.	PR1+	0.71%
Coll.Debt Trust Ser.15 Class A1 OPT - II	P1+(so)	0.66%
Credit Asset Trust Ser XVII Class A1(PO)	F1+(ind)(SO)	0.63%
Kotak Mahindra Prime Ltd.	P1+	0.57%
Panatone Finvest Ltd.	AAA(so)	0.57%
Citifinancial Consumer Finance India Ltd.	AAA	0.55%
IL & FS Financial Services Ltd.	A1+	0.50%
Nirma Ltd.	P1+	0.43%
Long Bond Receivables NMBR 400BP 2006 III PTC A	AAA(ind)	0.41%
Mahindra & Mahindra Financial Services Ltd.	AA+	0.41%
Coll.Debt Trust Ser.14 Class A1	P1+(so)	0.40%
Credit Asset Trust Series XVI, Class A1	F1+(ind)(SO)	0.36%
Edelweiss Capital Ltd.	P1+	0.36%
Ranbaxy Holding Company	P1	0.36%
Infrastructure Development Finance Co. Ltd	AAA(ind)	0.36%
LIC Housing Finance Ltd.	AAA	0.36%
Citicorp Finance (India) Ltd.	AAA	0.35%
Indian Cor Loan Sec.Trust Sr XXXVIII - Sr A1	P1+(so)	0.33%
Collateralised Trust Ser 9 CL-A1	AA(ind)	0.32%
Madras Cements Ltd.	A1+	0.31%
Infrastructure Development Finance Co. Ltd	AAA	0.29%
Manaksia Ltd	PR1+	0.29%
Redington (India) Ltd.	P1+	0.28%
Credit Asset Trust Ser XIX Class A3	F1+(ind)(SO)	0.22%
CREDIT ASSET TRUST Ser VIII Class A Cert	F1+(ind)	0.22%
Ultratech Cement Ltd.	AAA	0.22%
Birla Global Finance Company Limited	A1+	0.21%
Religare Finvest Ltd.	A1+	0.21%
Indian Corp Loan Sec. Trust Ser L Lanco Ser A1	P1+(so)	0.20%
CAT Series X Class A Certificate	AA(ind)	0.19%
Loan Rec.Securitization Trust B - Ser-B2	AA(ind)(SO)	0.19%
TAS Trust Series III, TML Fin. Ser. A1	AA+(so)	0.15%

Bajaj Auto Finance Limited
Credit Asset Trust Ser XVII Class A1(10)
AXIS Bank Ltd.
DSP Merrill Lynch Capital Ltd.
ICICI Bank Ltd.
KPI LOAN TRUST SER. A1,OPT -A
Infrastructure Leasing & Financial Services Limited
Coll.Debt Trust Ser.15 Class A2 OPT - II
Indian Corp Loan Sec. Trust Ser L Lanco Ser A2
Indian Retail ABS Trust Series 56 PTC A2
Coll.Debt Trust Ser.14 Class A2
Collateralised Trust Ser 9 CL-A2
Loan Rec.Securitization Trust B-Ser-B1

Corporate Debt / Financial Institutions - Total

Public Sector Undertakings

National Bank for Agriculture and Rural Development
Coll.Debt Trust Ser.12 Class A1 OPT I,PFC
Ind.Cor.Loan Sec.Trust Series XXXIX PFC A1
Indian Railway Finance Corporation Ltd.
Canbank Factors Ltd.
State Bank Of India.
Loan Sec. Trust Series XII
Power Finance Corporation Ltd.
Industrial Development Bank Of India.
Coll.Debt Trust Ser.12 Class A2 OPT I PFC
Ind.Cor.Loan Sec.Trust Series XXXIX PFC A2

Public Sector Undertakings - Total

MONEY MARKET INSTRUMENTS

Bill Rediscounting

Development Credit Bank Bill Discounting 18/01/2008

Bill Rediscounting - Total

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

Corporate Debt / Financial Institutions

ICICI Bank Ltd.	A1+	4.19%
DLF Limited	A1+	3.47%
ING Vysya Bank Ltd	P1+	2.93%
Tata Motors Ltd.	P1+	2.74%
Karur Vysya Bank Ltd.	F1+(ind)	2.36%
Centurion Bank of Punjab Ltd.	F1+(ind)	2.09%
ABN Amro Bank N.V	P1+	1.99%
Unitech Ltd.	F1+(ind)	1.70%
Jammu & Kashmir Bank	P1+	1.49%
YES Bank Ltd.	P1+	1.38%
Federal Bank Ltd.	P1+	1.15%
Hongkong & Shanghai Banking Corporation	F1+(ind)	1.02%
Sobha Developers Ltd.	A1	0.96%
ICICI Bank Ltd.	P1+	0.77%
Jindal Steel & Power Ltd	A1+	0.57%
Adlabs Films Ltd.	A1+	0.42%
IndusInd Bank Ltd.	A1+	0.42%
Religare Securities Ltd.	P1	0.36%
L & T Finance Limited	PR1+	0.28%
L & T Finance Limited	PR1+(SO)	0.27%
Puravankara Projects Limited	F1(ind)	0.22%
Development Credit Bank Ltd.	P1+	0.20%
AXIS Bank Ltd.	P1+	0.14%
UTI Securities Limited	A1+	0.14%
The Indian Hotels Company Ltd.	A1+	0.14%
Citibank N.A.	P1+	0.14%
Edelweiss Securities Private Limited	P1+	0.14%
Edelweiss Capital Ltd.	P1+	0.14%
Citifinancial Consumer Finance India Ltd.	P1+	0.10%

Corporate Debt / Financial Institutions - Total

Public Sector Undertakings

State Bank Of India.	P1+	3.40%
Indian Bank	F1+(ind)	2.72%
State Bank of Patiala	A1+	2.61%
National Bank for Agriculture and Rural Development	CARE AAA	2.20%
Punjab National Bank	P1+	1.92%
State Bank of Hyderabad	P1+	1.81%
Export-Import Bank of India.	P1+	1.63%
Union Bank of India	P1+	1.42%
Canara Bank	P1+	1.26%
State Bank of Bikaner & Jaipur	P1+	1.11%
Union Bank of India	A1+	1.05%
Punjab National Bank	A1+	0.88%
State Bank of Travancore	P1+	0.70%
Indian Overseas Bank	A1+	0.67%
State Bank of Mysore	A1+	0.62%
IDBI Bank Ltd.	P1+	0.34%
Oriental Bank of Commerce	P1+	0.33%
UCO Bank	PR1+	0.27%
Allahabad Bank	P1+	0.21%
PNB Housing Finance Ltd.	P1+	0.21%
Allahabad Bank	PR1+	0.07%
UCO Bank	P1+	0.06%
State Bank of Saurashtra	P1+	0.01%

Public Sector Undertakings - Total

Treasury Bills

182 Days Treasury Bill 21/03/2008

91 Days Treasury Bill 21/12/2007

364 Days Treasury Bill 20/06/2008

Treasury Bills - Total

TERM DEPOSITS

Term Deposits

The South Indian Bank Limited	4.15%
AXIS Bank Ltd	3.57%
Bank Of Nova Scotia	0.71%
Federal Bank Ltd	0.36%

Term Deposits - Total

Reverse Repo

Net Current Assets/(Liabilities)

100.00%

Average Maturity of the portfolio 0.53 years

Total NPA provided and percentage to NAV NIL

Note: * Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Commercial Paper (CP)/Certificate of	57.38
Debentures and Bonds	26.09
CBLO & TERM DEPOSITS & REV. REPO	11.95
Treasury Bills	2.93
Net Current Assets	0.95
Bill Rediscounting	0.70

RATING PROFILE

P1+, A1+, AAA, Pr1 + and SOV	75.03
AA+	9.10
CBLO & TERM DEPOSITS & REV. REPO	11.95
CARE AAA	2.27
Net Current Assets	0.95
Bill Rediscounting	0.70

KOTAK FLOATER LONG TERM

Open - Ended Debt Scheme

Investment Objective - To reduce the interest rate risk associated with investments in fixed rate instruments by investing predominantly in floating rate securities, money market instruments and using appropriate derivatives.

Available Options: DP, DR & G **Fund Managers** Ritesh Jain & Imran Sayed **Loads**

Entry: Nil. **Exit:** for redemptions within 6 months where investment amount <= Rs. 10 lacs. Nil for investment amount > Rs. 10 lacs. **Minimum Initial Investment:** Rs. 5000

Additional Investment: Rs. 1000 & in Multiples of Re. 1 **Ideal Investments Horizon** 3 Months and above **Corpus:** Rs. 81.56 crores. **Ratio:** Standard Deviation*: 0.25 Beta*: -0.10 Sharpe*: 9.83 Alpha*: 2.67 YTM: 8.30 * Source: Value Research.

Performance as on October 31, 2007

	1 Yr	3 Yr	Since Allotment (Aug 13, 2004)
Kotak Floater Long Term	8.5	6.8	6.6
CRISIL Liquid Fund Index	7.4	5.8	5.8

Kotak Floater Long Term NAV : Rs. 12.2963 (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
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DEBT INSTRUMENTS

Debentures and Bonds

Corporate Debt / Financial Institutions

Tata Sons Ltd.	AAA	12.26%
TAS Trust Series III, TML Fin. Ser. A1	AA+(so)	6.23%
Credit Asset Trust Series XVI, Class A1	F1+(ind)(SO)	6.15%
HDFC Ltd.	AAA	3.52%
Indian Retail ABS Trust Series 56 PTC A2	AAA	3.17%
KPI LOAN TRUST SER. A1, OPT-A	AA-(ind)	2.49%
Rabo India Finance Ltd.	P1+	2.45%
Corporate Debt / Financial Institutions - Total		36.27%

Public Sector Undertakings

National Bank for Agriculture and Rural Development	AAA	6.18%
Public Sector Undertakings - Total		6.18%

Money Market Instruments

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

Corporate Debt / Financial Institutions

Tata Motors Ltd.	P1+	11.90%
TML Financial Services Limited.	P1+	6.08%
L & T Finance Limited	PR1+	5.79%
Unitech Ltd.	F1+(ind)	5.55%
Corporate Debt / Financial Institutions - Total		29.32%

Public Sector Undertakings

UCO Bank	PR1+	6.10%
Punjab National Bank	P1+	5.97%
State Bank of Hyderabad	P1+	5.96%
National Bank for Agriculture and Rural Development	CARE AAA	5.69%
Public Sector Undertakings - Total		23.72%

Collateral Borrowing & Lending obligation

Net Current Assets/(Liabilities)		1.87%
Grand Total		100.00%

Average Maturity of the portfolio 0.54 years

Total NPA provided and percentage to NAV Nil

Notes: * Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Commercial Paper (CP)/Certificate of	53.03
Debentures and Bonds	42.47
CBLO & TERM DEPOSITS & REV. REPO	2.64
Net Current Assets	1.86

RATING PROFILE

P1+, AAA, F1+(ind)	75.54
AA+(so)	14.27
CARE AAA	5.69
CBLO & TERM DEPOSITS & REV. REPO	2.64
Net Current Assets	1.86

KOTAK FLOATER SHORT TERM

Open Ended Debt Scheme

About the Scheme

Investment Objective - To reduce the interest rate risk associated with investments in fixed rate instruments by investing predominantly in floating rate securities, money market instruments and using appropriate derivatives.

Available Options: DR & G **Fund Managers** Ritesh Jain & Deepak Agrawal. **Loads**

Entry: Nil. **Exit:** Nil

Minimum Initial Investment: Rs. 5000 & Rs. 1,00,000 under Daily Dividend Reinvestment option **Additional Investment:** Rs. 1000 & in Multiples of Re.1. **Ideal Investments Horizon** 1 Month to 3 Months. **Corpus:** Rs. 325.82 crores. **Ratios:**

Standard Deviation*: 0.12 Beta*: 0.05 Sharpe*: 16.38 Alpha*: 1.93 YTM: 8.10 *Source: Value Research.

Performance as on October 31, 2007

	1 Yr	3 Yr	Since Allotment (Aug 13, 2004)
Kotak Floater Short Term	8.0	6.6	6.1
CRISIL Liquid Fund Index	7.4	5.9	5.3

Kotak Floater Short Term NAV : Rs. 12.8841 (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
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DEBT INSTRUMENTS

Debentures and Bonds

Corporate Debt / Financial Institutions

Deccan Chronicle Holding Ltd.	PR1+	9.21%
Infrastructure Development Finance Co. Ltd	LAAA	7.67%
Mahindra & Mahindra Financial Services Ltd.	AA+	7.67%
Credit Asset Trust Ser. XIX Class A3	F1+(ind)(SO)	6.18%
Credit Asset Trust Series XVI, Class A1	F1+(ind)(SO)	3.08%
Citicorp Finance (India) Ltd.	AAA	3.07%
DSP Merrill Lynch Capital Ltd.	AAA	3.07%
LIC Housing Finance Ltd.	AAA	2.73%
KSR LOAN TRUST Series A1	AA(ind)(SO)	1.54%
Tata Sons Ltd.	AAA	1.54%
Sundaram Finance Ltd.	AA+	1.53%
Corporate Debt / Financial Institutions - Total		47.29%

Public Sector Undertakings

Indian Railway Finance Corporation Ltd.	AAA	4.64%
Industrial Development Bank Of India.	AA+	1.85%
Public Sector Undertakings - Total		6.49%

Money Market Instruments

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

Corporate Debt / Financial Institutions

Jindal Stainless Ltd.	F1+(ind)	7.61%
Jammu & Kashmir Bank	P1+	7.14%
Tata Motors Ltd.	P1+	4.46%
Exide Industries Ltd.	A1+	3.04%
Unitech Ltd.	F1+(ind)	2.83%
TML Financial Services Limited.	P1+	1.52%
Financial Technologies (India) Ltd.	F1(ind)	1.48%
ICICI Bank Ltd.	P1+	1.46%
Standard Chartered Investment & Loan India Ltd.	P1+	0.30%
Corporate Debt / Financial Institutions - Total		29.84%

Public Sector Undertakings

PNB Housing Finance Ltd.	P1+	5.96%
State Bank of Hyderabad	P1+	4.47%
State Bank Of India.	P1+	1.76%
State Bank of Travancore	P1+	1.46%
Union Bank of India	P1+	1.46%
UCO Bank	P1+	0.30%
Public Sector Undertakings - Total		15.41%

Collateral Borrowing & Lending obligation

Net Current Assets/(Liabilities)		0.59%
Grand Total		100.00%

Average Maturity of the portfolio

0.24 years

Total NPA provided and percentage to NAV Nil

Notes: * Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds	53.77
Commercial Paper (CP)/Certificate of	45.26
Net Current Assets	0.59
CBLO & TERM DEPOSITS & REV. REPO	0.38

RATING PROFILE

P1+, A1+, AAA, F1+(ind)	97.48
AA(ind)(SO)	1.54
Net Current Assets	0.60
CBLO & TERM DEPOSITS & REV. REPO	0.38

KOTAK LIQUID

Open Ended Debt Scheme

About The Scheme

Investment Objective - To provide reasonable returns and high level of liquidity by investing in debt and money market instruments of different maturities so as to spread risk across different kinds of issuers in the debt markets. **Plans-** (a) Regular, (b) Institutional (c) Institutional Premium

Available Options: (a) DR & G (b) DR & G (c) DP, DR & G **Fund Managers** Ritesh Jain & Deepak Agrawal. **Loads** **Entry:** Nil. **Exit:** Nil.

Minimum Initial Investment: (a) Rs. 5000 (b) Rs. 1 crore (c) Rs. 5 crores. **Additional Investment:** Rs. 1000 & in Multiples of Re.1. **Ideal Investments Horizon** 7 days to 15 days **Corpus:** Rs. 6173.79 crores. **Ratios:** Sharpe*: (a) 12.32 (b) 15.30 (c) 17.73 Standard Deviation*: (a) 0.11 (b) 0.11 (c) 0.12 YTM: 7.75 * Source: Value Research.

Performance as on October 31, 2007

	1 Yr	3 Yr	5 Yr	Since Allotment (Reg. - Oct 05, '00; Instl - Mar 14, '03; Instl Prem- Nov 04, '03)
Kotak Liquid Regular Plan	7.1	5.9	5.5	6.3
Kotak Liquid Institutional Plan	7.5	6.3	-	5.8
Kotak Liquid Institutional Premium Plan	7.9	6.6	-	6.1
CRISIL Liquid Fund Index	7.4	5.9	5.3	5.4

Kotak Liquid Regular Plan NAV: Rs. 15.4088 (Growth Option); Kotak Liquid. Institutional Plan NAV : Rs. 15.6735 (Growth Option). Kotak Liquid Institutional Premium Plan NAV: Rs. 15.8264 (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
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DEBT INSTRUMENTS

Debentures and Bonds

Corporate Debt / Financial Institutions

Mahindra & Mahindra Financial Services Ltd.	P1+	2.05%
Citicorp Finance (India) Ltd.	AAA	1.18%
Infrastructure Development Finance Co. Ltd	AAAA	0.96%
LIC Housing Finance Ltd.	AAA	0.92%
AXIS Bank Ltd.	LAA+	0.91%
Kotak Mahindra Prime Ltd.	P1+	0.90%
HDFC Ltd.	AAA	0.81%
Sterlite Industries (India) Ltd	P1+	0.81%
KSR LOAN TRUST Series A1	AA(ind)(SO)	0.81%
Sterlite Optical Technologies Ltd.	P1	0.80%
Madras Cements Ltd.	A1+	0.67%
Sundaram Finance Ltd.	MAAAA	0.57%
DSP Merrill Lynch Capital Ltd.	AAA	0.56%
ICICI Bank Ltd.	CARE AAA	0.52%
Kotak Mahindra Investments Ltd.	A1+	0.49%
Mahindra & Mahindra Financial Services Ltd.	AA+	0.42%
BHW Home Finance Ltd	P1+	0.40%
DSP Merrill Lynch Capital Ltd.	P1+	0.40%
Finolex Cables Ltd.	P1+	0.40%
Birla Global Finance Ltd.	A1+	0.40%
Rabo India Finance Ltd.	P1+	0.34%
Citifinancial Consumer Finance India Ltd.	AAA	0.32%
Raymond Ltd.	PR1+	0.32%
Electrosteel Castings Ltd.	P1+	0.32%
Indian Cor Loan Sec.Trust Sr XXXVIII - Sr A1	P1+(so)	0.30%
GE Capital Services India.	AAA	0.29%
Motherson Sumi Systems Ltd.	A1+	0.24%
India Loan Securitisation Trust V PTC A	AAA(so)	0.17%
Indian Oil Tanking Limited	F1+(ind)	0.16%
Redington (India) Ltd.	P1+	0.16%
Citicorp Maruti Finance Ltd.	AAA	0.08%
Shriram Transport Finance Co Ltd.	AA(ind)	0.08%

Corporate Debt / Financial Institutions - Total

17.76%

Public Sector Undertakings

Indian Railway Finance Corporation Ltd.	AAA	2.84%
National Bank for Agriculture and Rural Development	AAA	1.70%
Export-Import Bank of India.	AAA	0.96%
Power Finance Corporation Ltd.	AAA	0.90%
Industrial Development Bank Of India.	AA+	0.87%
Canbank Factors Ltd.	P1+	0.16%
Rural Electrification Corporation Ltd.	AAA	0.08%
Union Bank of India	AA+	0.08%

Public Sector Undertakings - Total

7.59%

Money Market Instruments

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

ICICI Bank Ltd.	A1+	3.98%
ICICI Bank Ltd.	P1+	3.89%
Global Trade Finance Ltd.	P1+	3.86%
DLF Limited	A1+	3.68%
Citibank N.A.	P1+	1.61%
YES Bank Ltd.	P1+	1.10%
HDFC Ltd.	A1+	1.05%
Ericsson India Pvt. Ltd.	A1+	0.80%
Rabo India Finance Ltd.	P1+	0.79%
YES Bank Ltd.	A1+	0.79%
The Indian Hotels Company Ltd.	A1+	0.54%
Unitech Ltd.	F1+(ind)	0.52%
ABN Amro Bank N.V	A1+	0.42%
Hindustan Construction Company Ltd.	PR1+	0.40%
ING Vysya Bank Ltd	P1+	0.40%
ICICI Securities Primary Dealership Ltd.	P1+	0.40%

Karur Vysya Bank Ltd.	F1+(ind)	0.38%
L&T Finance limited	PR1+	0.32%
Panataloon Retail (India) Ltd.	F1(ind)	0.32%
Tata Motors Ltd.	P1+	0.27%
BOC India Ltd.	P1+	0.24%
IDBI Home Finance	A1+	0.24%
Exide Industries Ltd.	A1+	0.24%
Standard Chartered Bank Ltd	P1+	0.24%
TML Financial Services Limited.	P1+	0.24%
Micro Inks	PR1+	0.24%
Federal Bank Ltd.	P1+	0.22%
Financial Technologies (India) Ltd.	F1(ind)	0.16%
OCL India Limited	A1+	0.16%
Infrastruture Leasing & Financial Services Limited	A1+	0.16%
Infrastructure Development Finance Co. Ltd	A1+	0.15%
Gruh Finance Ltd	P1+	0.13%
BHW Home Finance Ltd	P1+	0.08%
Hongkong & Shanghai Banking Corporation	P1+	0.08%

Corporate Debt / Financial Institutions - Total

28.10%

Public Sector Undertakings

State Bank of Patiala	A1+	3.10%
Union Bank of India	A1+	2.64%
Punjab National Bank	P1+	1.61%
Indian Overseas Bank	A1+	1.55%
State Bank of Bikaner & Jaipur	P1+	1.54%
State Bank of Hyderabad	P1+	1.48%
State Bank Of India.	P1+	1.42%
State Bank of Patiala	P1+	1.41%
Union Bank of India	P1+	1.38%
State Bank of Travancore	P1+	1.24%
Allahabad Bank	PR1+	1.10%
Allahabad Bank	P1+	1.03%
Canara Bank	P1+	0.75%
State Bank of Saurashtra	P1+	0.39%
State Bank of Mysore	A1+	0.19%
IDBI Bank Ltd.	P1+	0.10%
UCO Bank	PR1+	0.02%

Public Sector Undertakings - Total

20.95%

Treasury Bills

364 Days Treasury Bill 29/02/2008	SOV	2.93%
364 Days Treasury Bill 14/03/2008	SOV	1.18%
91 Days Treasury Bill 14/12/2007	SOV	0.40%

Treasury Bills - Total

4.51%

TERM DEPOSITS

Bank Of Nova Scotia		3.64%
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Term Deposits - Total

3.64%

Reverse Repo

12.37%

Collateral Borrowing & Lending obligation

5.22%

Net Current Assets/(Liabilities)

-0.14%

Grand Total

100.00%

Average Maturity of the portfolio 0.27 years

Total NPA provided and percentage to NAV Nil

SECTOR ALLOCATION

Commercial Paper (CP)/Certificate of	49.01
Debentures and Bonds	25.43
CBLO & TERM DEPOSITS & REV. REPO	21.24
Treasury Bills	4.52
Net Current Assets	-0.2

RATING PROFILE

P1+, A1+, AAA and SOV	74.10
CBLO & TERM DEPOSITS & REV. REPO	21.24
AA+	4.34
CARE AAA	0.52
Net Current Assets	-0.20

DIVIDEND HISTORY

EQUITY SCHEMES

Record Date	Cum Dividend NAV	Rs/Unit
Kotak 30 - Dividend		
July-20-07	38.869	3.00
Dec-27-06	38.556	5.50
Dec-27-05	27.711	1.00
Jun-03-05	20.345	1.00
Nov-05-04	18.060	1.50
Jan-31-04	21.093	5.00
Oct-20-03	18.983	2.00
Dec-28-01	11.036	1.00
Oct-09-00	17.556	2.00
Dec-11-99	22.954	2.00
Kotak Global India		
Feb-08-07	22.292	2.50
Feb-08-06	19.609	2.00
Feb-04-05	13.708	1.50
Kotak Contra		
July-27-07	16.0365	2.00
Kotak MNC		
Feb-11-05	20.600	4.50
Kotak Opportunities		
Sept-28-07	24.293	3.00
Sept-27-06	17.745	1.50
Mar-21-06	21.783	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
Kotak Tax Saver		
Feb-20-07	11.6407	3.00

Record Date	Cum Dividend NAV	Rs/Unit
Kotak Lifestyle		
June-29-07	13.067	1.75
HYBRID SCHEMES		
Kotak Balance		
Sept-25-07	28.078	2.00
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		
Oct-10-07	11.2980	Individual / HUF: 0.00628 Others: 0.0584
Sep-12-07	10.9580	Individual / HUF: 0.0426 Others: 0.0397
Aug-13-07	10.9671	Individual / HUF: 0.0506 Others: 0.0471
Jul-12-07	11.0620	Individual / HUF: 0.0622 Others: 0.0579
Kotak Income Plus- Quarterly Dividend		
Sep-20-07	11.1409	Individual/ HUF: 0.1916 Others: 0.1783
Jun-20-07	11.0680	Individual/ HUF: 0.1885 Others: 0.1755
Mar-20-07	10.8130	Individual/ HUF: 0.1174 Others: 0.1093
Dec-20-06	11.0791	Individual/ HUF: 0.1896 Others: 0.1765

RISK FACTORS

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

Risk Factors:

• Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Schemes will be achieved.

• As with any securities investment, the NAV of the Units issued under the Schemes can go up or down depending on the factors and forces affecting the capital and money markets. Past performance of the Sponsor/AMC/Fund or that of existing Schemes of the Fund does not indicate the future performance of the Schemes.

• Kotak Mahindra Gilt Unit Scheme '98 (Kotak Gilt), Kotak Mahindra Bond Unit Scheme 99 (Kotak Bond), Kotak Mahindra Liquid Scheme (Kotak Liquid), Kotak Mahindra 30 Unit Scheme (Kotak 30), Kotak Mahindra Balance Unit Scheme 99 (Kotak Balance), Kotak Mahindra Technology Scheme (Kotak Tech), Kotak Mahindra MNC Scheme (Kotak MNC), Kotak Mid-Cap Scheme (Kotak Mid-Cap), Kotak Floater Short Term Scheme, Kotak Mahindra Global India Scheme (Kotak Global India), Kotak Mahindra Income Plus Scheme (Kotak Income Plus), Kotak Equity FOF, Kotak Opportunities, Kotak Floater Long Term Scheme, Kotak Flexi Debt Scheme (Kotak Flexi Debt), Kotak Dynamic Fund of Funds, Kotak Contra Scheme, Kotak Emerging Equity, Kotak Flexi FOF, Kotak Equity Arbitrage Scheme, Kotak Tax Saver & Kotak Lifestyle scheme are only the names of the Schemes and do not in any manner indicate the quality of the Schemes, future prospects or returns.

• Appreciation of the value of the Units issued under Kotak 30, Kotak Tech and Kotak MNC can be restricted in the event of a high asset allocation to cash, when stock appreciates.

• The NAV of the Schemes may be affected, inter alia, by changes in the NAV / performance of the underlying schemes, market, market interest rates, Price/Interest-rate Risk and Credit Risk, Concentration or Sectoral Risk associated with derivatives trading pertaining to Equity Markets, changes in credit rating, Government policy, volatility and liquidity in the money markets, pressure on the exchange rate of the rupee, trading volumes, performance of individual stocks, settlement periods and transfer procedures, Basis Risk, Spread Risk and Re-investment Risk.

• Tax laws may change, affecting the return on investment in Units.

• In the event of receipt of a very large number of redemption requests or very large value redemption requests or of restructuring of the Schemes' portfolios or in case of limitation or suspension of redemption in the underlying schemes, there may be delays in the redemption of Units. Please refer to the paragraph on "Right to limit Redemption" in the Offer Documents.

Statutory:

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

SERVICES & FACILITIES

- **Network of Transaction Acceptance Points:** Submit transaction requests at your convenience across our 27 Investor Service Centres and 96 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, AXIS Bank, Centurion Bank of Punjab, Citibank, Corporation Bank, Deutsche Bank, HDFC Bank, HSBC, ICICI Bank, IDBI Bank, Indusind Bank Kotak Mahindra Bank, Standard Chartered Bank.
- **Systematic Investments, Withdrawals and Transfers:** Our [Systematic Investment Facility](#) provides you with the option of investing a fixed amount over a period of time, in a disciplined manner. Through this process, you benefit from Rupee Cost Averaging (buying more Units at lower NAV), and avoid the uncertainties involved with trying to time the market. Through our [Systematic Withdrawal Facility](#), withdraw fixed amounts, or the entire appreciation on your investment, in any scheme periodically and benefit by averaging out on market fluctuations. To systematically transfer investments from one Kotak scheme to another, try our Systematic Transfer Facility. This tool also helps you manage your investment portfolio among Kotak Mutual Schemes, in line with your asset allocation plan.
- **Internet Transactions:** Switch investments across our schemes, or redeem your investments electronically, through our Internet Transaction Facility. You can also invest in our schemes online, through Kotakstreet (www.kotakstreet.com), 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.

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Meerut: 0121-4007753/9719459071
Muradabad: 9719102702
Mumbai: 022-66384444
Mysore: 9886780074
Nagpur: 9822747585

Nasik: 9823946567
New Delhi: 011-66306900/02
Panipat: 0180-4022062/9996336633
Patiala: 9872887750
Patna: 9835453534
Pune: 020-64014800/64013395/96/97
Raipur: 9826049267
Rajkot: 0281-6620735
Ranchi: 9835768001
Rourkela: 9937156370
Surat: 261-2210596
Silliguri: 9832501019
Trivandrum: 0471-4470134/ 9946666819
Trichy: 9944055455
Udaipur: 9828567899
Vadodara: 265-6533957
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