

April 30, 2008



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KOTAK STAR KID

From the CEO's Desk



Dear Friends,

"The genesis of a true loss, dwells, in losing the vision! and the confidence ". This ancient Indian wisdom, whenever it had been scripted, would definitely not have been envisaged for the behavioral motivation of an investor. Yet, most inordinately, those investors who lost out on the last month's rally would take an insight from the enunciation of our ancient philosophers.

To divulge further few would realize that while many were preparing for further decline in the Indian equities markets; they turned up to provide a m-o-m return of 10.5% for April 08. This performance of course, is in no ways 'first', unique, and/or alone. The Sensex in the last four years (04-08) has had 34 positive 1-month returns (out of 48). Yet, the April month's Sensex performance stands out because; this was the first of the four months of 2008, when the index provided net positive performance. This reversal in trend can be attributed to a host of factors; namely good corporate results, rising liquidity and palpable signs of end of sub-prime crisis in the US.

The Indian corporate sector was expected to provide an earnings growth of approximately 20%, but the uncertainties regarding the balance-sheet treatment of toxic derivatives caused scare in a section of investors, cracking the Sensex further. In contrast, the 'normal' corporate results have ensured that sentiments receive a fresh boost of confidence regarding growth and earnings.

However, the real challenge to the market growth, and to the market sentiment, emerges from the spiraling inflationary pressure - led largely by runaway hike in commodity and fuel prices. This inflation in basic commodities, among other things, has the potential to underline industrial growth and capital expansion. It is therefore obvious to expect that the aim of restricting inflation shall attract a major set of attention by RBI and Finance Ministry. As the inflation is mainly supply led, the RBI action was mainly to squeeze-out liquidity overhang through the CRR hike, while the fiscal initiatives of reduced tariffs and export ban should be able to tame inflation.

In this backdrop, it is clear that with the market situation still uncertain, and the pathway regarding inflation unclear, the Indian markets will remain circumspect for some more time. During this time period therefore, one can expect to see the indices move in a narrow band to determine the future course of action. Most importantly, the future course of the market momentum would largely be determined by the interplay, and outcome, of various global and domestic market forces. Significant of which being, the developing condition of the global financial system, and the ability of the policy makers to cushion the economy from the impact of imported inflation.

On a slightly different note, it gives me great pleasure in sharing the news that three of the Kotak Fund house schemes got **CRISIL CPR 1 Ranking** for the quarter ended 31st March 2008. This highly acknowledged ranking and methodology grades schemes that have a consistent record of providing risk-adjusted-returns. All the while, CRISIL CPR rankings remain exacting in its precondition regarding the adherence of a scheme to its investment mandate.

On this basis only ten percent of the top schemes in a specific peer group obtain the CPR 1 Ranking. The fact that three of the Kotak schemes have achieved this status goes a long way in exhibiting the

point that Kotak schemes are rigorous in their pursuit of improved risk adjusted return. And all through - are uncompromising in the promise we make to our investors regarding adherence to investment objective and strategy. In this moment of recognition, we cherish all our team mates and partners whose contribution keeps us motivated in improving our performance benchmarks.

Going forward, Kotak Mahindra Mutual Fund is set to launch its maiden Sensex ETF. The scheme - Kotak Sensex ETF - as the name suggests, is an open ended exchange traded index fund that shall provide its investors a stake in the growth potential of India's primary equity index, namely Sensex. The fund gives investor an opportunity to buy the stocks of one of the best known companies Indian corporate sector has to offer. And therefore we remain assured that their excellence shall be reflected in the nav of the Kotak Sensex ETF itself.

The NFO opens on 7th May 2008 and concludes on 16th May. I remain fully confident that your extended co-operation and support will be a key element in making this launch a success.

Thanks and regards,

Sandesh Kirkire

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

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Equity Market View

The Indian equities market witnessed a trend reversal in the April month as Sensex provided a 10.5% return during the period. This was the first in the last four months of 2008 when the m-o-m return by BSE Sensex turned positive. During the same period (April), the 1 month return by Nifty was calculated at 9.11%.

Sensex and Nifty commenced the month at 15644 and 4734 respectively and then displayed the signs of an immediate decline. Sensex and Nifty closed on the month low of 15343.12 and 4647 respectively on 4th April - in process losing out further by 1.93% and 1.85% respectively. However, the markets displayed rejuvenated momentum henceforth, and gained steadily from thereon to touch a month high of 17480 and 5230 respectively. Only afterwards, to go-on and close the April month at 17287 and 5165 respectively.

The Sensex and Nifty performance displayed the daily returns variance (risk) of 1.37% and 1.26% during the month of April. This is far reduced from the month of March, when the returns variance for Sensex and Nifty was registered at 3.02% and 2.81% respectively. This is an important fact indicating that volatility in the Sensex and Nifty performance has reduced by almost half since month of March. This positive performance and reduced return variance can largely be attributed to the 'in-line' Q4 corporate results being declared during the month.

During the April period, the FII participation turned positive, as they executed a net purchase of US\$ 226.6 mn in Indian equities. Much in contrast to the net sales of US\$ 32.2 mn, which FIIs made during the month of March. Equally, the Domestic Mutual Funds were net purchasers of Rs 160.7 Crs in April month, in comparison to net sales of Rs 382.90 crs during March.

The average daily cash volume in Nifty during April was at 13,561 crs, which is less by 3.65% over March. Though in overall terms, the total cash volume in Nifty was recorded at Rs 2,71,227 crs which is a gain of 7.20% over total March volume in cash segment.

Declared Corporate Results

Infosys Q4 net up 9.2%, FY08 PAT up 21%

Infosys Technologies has announced its fourth quarter and financial year 2008 numbers. The company is expecting FY09 revenues at Rs 19894-20214 crore and EPS of Rs 92.30-93.90. It has posted FY08 net profit of Rs 4659 crore as against Rs 3856 crore in FY07 and net sales at Rs 16692 crore versus Rs 13893 crore. Infosys expects OPMs to remain at current levels with a narrow movement of 40-50 bps; they are assuming rupee to be at 40.02 to the dollar. Infy has hedged positions of USD 760 mn. The company is looking at reducing onsite business by 1% every year. It closed four large deals in Q4FY08, but is assuming a flat revenue growth in Q1FY09.

RIL net jumps 24% to Rs 3912 cr in Q4

Reliance Industries announced, it earned over Rs 3,912 crore in net profit for the January-March quarter of FY'08, beating market expectations of a subdued performance. RIL said Q4 net rose 38% in dollar terms and full year net profit grew to Rs 19,458 crore, up 63% compared to the corresponding period a year ago. The firm had posted a net profit of Rs 3,156 crore and a total income of Rs 27,573 crore in the fourth quarter of last financial year. The firm had posted a net profit of Rs 11,943 crore for the full financial year 2006-07. The total income for the year ended March 31, 2008 increased to Rs 1,34,338 crore, from Rs 1,12,171 crore in the year-ago period.

HDFC Bank Profit Gains Before Biggest Indian Takeover

HDFC Bank Ltd reported fourth-quarter profit rose 37% on increased lending to individuals and companies. Net income grew to 4.71 bn rupees (\$117 mn) in the three months ended March 31, from 3.44 bn rupees, or 10.8 rupees, a year earlier. Net interest income, or profit from lending after paying depositors, rose 56% to 16.4 bn rupees. Non-interest income, including fees from advising companies and commission from selling insurance policies and mutual funds, rose to 5.49 bn rupees from 3.94 bn rupees.

Hero Honda's Net Income Gains 53%

Hero Honda Motors Ltd posted a better-than-expected 53% gain in fourth-quarter profit after it cut costs and sold more expensive models. Net income rose to 2.99 bn rupees (\$74 mn), or 14.96 rupees a share, in the three months ended March 31 from 1.95 bn rupees, or 9.76 rupees, a year earlier. Sales rose 5.6% to 27.89 bn rupees. The company introduced more expensive models such as the 150-cc Hunk as higher interest rates cut demand for cheaper models. Sales of two-wheelers rose to 884,075 from 855,984. Income from businesses other than manufacturing rose 24% in the last quarter to 551.4 mn rupees.

Bharti Profit Beats Estimates on New Wireless Users

Bharti Airtel Ltd reported fourth-quarter profit rose 37%, beating estimates, after winning the most customers in a market that's overtaken the U.S. as the second largest. Bharti widened its lead over Reliance Communications Ltd. by cutting rates and expanding its network across rural areas. Bharti's subscriber additions of 6.8 mn last quarter were 2 mn.

Grasim Profit Rises on Higher Demand for Cement, Yarn

Grasim Industries Ltd posted a 41% gain in its fiscal fourth-quarter profit, helped by higher demand for cement and yarn. Net income rose to 6.67 bn rupees (\$165 mn) in the three months ended March 31 from 4.74 bn rupees a

year earlier. Sales rose 10% to 27.4 bn rupees. The company's income from sources other than its main businesses surged to 1.19 bn rupees, compared with 775.8 mn rupees a year earlier. The rise in input costs will continue to erode earnings. Cement sales at Grasim, which sold its stake in Shree Digvijay Cement Co. to Spain's Cimpor Inversiones SA, rose 9% to 4.27 mn tons in the quarter.

Cairn India Group Net More Than Triples on Oil Prices

Cairn India Ltd said first-quarter net income, including that of subsidiaries, more than tripled after crude oil prices rose to a record. Profit in the three months ended March 31 rose to 1.16 bn rupees (\$29 mn) from 375.6 mn rupees a year earlier. Revenue rose 24% to 3.37 bn rupees from 2.72 bn rupees. The explorer will spend \$1.8 bn over two years drilling wells and producing oil at its Mangala, Bhagyam and Aishwariya fields in the northern Indian state of Rajasthan.

Reliance Communications net up 70%

Reliance Communications has posted a 70.8% rise in net profits for the year ended March 31, to log Rs 54.01 bn (\$1.35 bn), against Rs 31.64 bn (\$717 mn) for the year before. Reliance Communications - India's largest mobile phone company in CDMA segment - said its revenues grew 31.8% to Rs 190.68 bn (\$4.77 bn), against Rs 144.68 bn (\$3.28 bn) for 2006-07. The company recommended a dividend of 15% to its two mn shareholders. With a pan-India presence, the company has more than 48 mn customers in some 15,000 towns and 400,000 villages.

Market Outlook

As the corporate earnings season swings into full action, we may see the equities markets garner momentum and test new levels. However the market sentiments still remain circumspect and sensitive to influences from the global financial market and domestic inflation. Nonetheless, despite the short term anxieties, we remain confident that Indian equities market remains a buying proposition from 2-3 years perspective. We therefore maintain the view that investors must look to diversify their equity investments across time by means of SIP to average the possible short term pricing volatility.

Debt Market View

As the inflation continues its upward streak in the April month, the associated anxiety of policy makers is getting amply evident. And rightly so! The inflation, as tracked by whole sale price index (WPI) grew at 7.57% on 19th April 2008 over the same week last year. This was the 9th consecutive week when WPI numbers remained above the RBI comfort-threshold of 5.5%. In fact, the past seven weeks have seen WPI numbers hovering well above the 7% mark.

The fact that this inflation is largely of foreign-import has been discussed threadbare by many market observers and participants alike. In this backdrop, it remains a little disquieting that RBI has sought to reinforce and balance the Rupee-Dollar exchange rate. To put that in perspective, RBI added forex of nearly US\$ 3.1 bn during the April month into its reserves. That translates into a liquidity infusion of approximately Rs 15000 crs through the RBI forex operations alone. To further emphasize the point, during the Jan-Apr period, RBI added around US\$ 35 bn by way of forex currency assets.

It is clear that RBI indulged significant rupee resources in maintaining the Rupee-Dollar balance and in process infused dollops of liquidity into the system. The problem of inflation though lay, not in the fact that liquidity triggered the inflation domino, but that, the 'rightly valued' Rupee might have come handy in importing relatively cheap goods from the international market. In this backdrop, the 75 bps CRR hike by RBI only goes to address the liquidity overhang from the banking system rather than anything else.

The actual response to the inflationary pressure comes-in from the Finance ministry which has taken a spate of measures to address the crux of the issue The Supply Side Imbalance!

The government has removed the import duty on edible oil and has withdrawn the export concession extended to cement and steel sector. This is in addition to the export curbs and levies imposed by the Finance Minister during the Union budget for 2008-09. Additionally, the government has gone in aggressively in procuring and stocking the food supplies. Until 1st May, around 154.22 lakh tons of wheat was purchased as compared to 82.33 lakh tons in the corresponding period last year. It is expected that this twin-pronged strategy adopted by the RBI and the Finance ministry might prevail in curtailing inflation in sometime.

Debt Market Outlook:-

The annual RBI policy statement brings to fore, its dilemma of curbing inflation without hurting growth. Given the circumstance, it is commendable that RBI only responded by a 75 bps CRR hike. But, as the market had oversold in anticipation of a much hawkish response from RBI, the short-rally immediately after the policy announcement was natural. Notwithstanding that, we remain of the view that as inflationary pressure on RBI remains high, the burden on interest rates shall remain, and therefore, further CRR hike cannot be ruled out. We continue to believe that in the short term, the 10 year gilt shall trade in the range of 7.90% - 8.10%.

Assets Under Management as on April 30, 2008 - Rs. 21,546.23 Crores

About our Fund Managers

FUND MANAGER

Name: Mr. Krishna Sanghavi

Scheme (experience in managing this fund since)

Kotak 30 (Jul 11, '07), Kotak Midcap (Sep 11, '07), Kotak Opportunities (Jul 11, '07), Kotak Lifestyle (Sep 11, '07), Kotak Tax Saver (Sep 11, '07), Kotak MNC (Sep 11, '07), Kotak Balance (Jul 11, '07), Kotak Income Plus (Sep 11, '07)

BUSINESS EXPERIENCE

Mr. Sanghavi more than 11 years of experience in Credit Appraisal & Credit Risk Management, Dealer Finance, Business Planning and Fund Management. He joined Kotak Group in 1997 and has worked with Kotak Mahindra Primus Ltd., Kotak Mahindra Finance Ltd. & Kotak Mahindra Old Mutual Life Insurance Ltd. Before joining Kotak group he had worked with IDBI for nearly 2 years.

Name: Mr. Sajit Pisharodi

Scheme (experience in managing this fund since)

Kotak Equity Arbitrage (Sep 29, '05), Kotak Equity FOF (Aug 31, '05), Kotak Income Plus (Sep 11, '07)

Experience of nearly 11 years in the field of financial services. Joined the AMC in February, 2004. Prior to that, Mr. Pisharodi was involved in the equity dealing function at SBI Funds Management Pvt. Ltd. He started his career with Stock Holding Corporation of India Ltd., where he was involved in objections clearance in the custodial services division and moved on to IDBI Capital Markets Pvt. Ltd., where he was part of the broking arm, and involved in equity sales and dealing.

Name: Mr. Anurag Jain

Scheme (experience in managing this fund)

Kotak Midcap (Sept 11, '07), Kotak Opportunities (Jul 11, '07), Kotak Contra (Jul 11, '07), Kotak Tax Saver (Sept 11, '07), Kotak Global India (Sept 11, '07), Kotak MNC (Sept 11, '07), Kotak Tech (Sept 11, '07)

Mr. Jain has close to 6 years of experience in financial engineering and equity research. He joined the equity markets in 2001 working with SBI Mutual Fund, ICICI Bank followed with SSKI securities. He joined the AMC in August 2005, as a part of the equity fund management team for evaluating investment opportunities in equities.

Name: Mr. Abhishek Bisen

Scheme (experience in managing this fund)

Kotak Equity Arbitrage Fund (Apr 15, 2008), Kotak Balance (Apr 15, 2008), Kotak Income Plus (Apr 15, 2008), Kotak Bond Short Term (Apr 15, 2008), Kotak Bond (Regular & Deposit) (Apr 15, 2008), Kotak Gilt Savings (Apr 15, 2008), Kotak Gilt Investment (Regular & PF-Trust) (Apr 15, 2008), Kotak Flexi Debt (Apr 15, 2008), Kotak Floater Long Term (Apr 15, 2008), Kotak Floater Short Term (Apr 15, 2008), Kotak Liquid (Regular, Institutional & Institutional Premium) (Apr 15, 2008)

Experience of 7 Years in the Fixed Income/ Debt Market. He was working with Securities Trading Corporation of India Limited and was involved in Managing Non-SLR Trading book (AUM about INR 10 Bn) and was responsible for all trading positions of Corporate Bonds/ PSU Bonds as well as advising clients under Portfolio Advisory Services. He also has 2 Years of Merchant Banking experience.

Name: Mr. Sanjib Guha

Scheme (experience in managing this fund)

Kotak 30 (Jul 11, '07), Kotak Lifestyle (Sep 11, '07), Kotak Emerging Equity (Sept 11, '07), Kotak Contra (Jul 11, '07), Kotak Global India (Sep 11, '07), Kotak Tech (Sep 11, '07), Kotak Balance (Jul 11, '07)

Past experience of over 6 years in Equity Research & Fund Management. Covered Oil & Gas, Auto, FMCG & Media as Equity Research Analyst. Last assignment was with UTI AMC (2001 – Jun 2007).

Name: Mr. Deepak Agrawal

Scheme (experience in managing this fund)

Kotak Bond Short Term (Apr 14, '08), Kotak Flexi Debt (Jul 11, '07), Kotak Floater Short Term (Jul 11, '07), Kotak Liquid (Jul 11, '07), Kotak Bond (Regular & Deposit) (Apr 14, '08), Kotak Gilt – Savings (Apr 14, '08), Kotak Gilt - Investment & PF-Trust Plan (Apr 14, '08), Kotak Floater Long Term (Jul 11, '07)

Mr. Agrawal started his career with the AMC in September 2000 and moved to Debt Fund Management Team as research analyst in September 2001. Since April 2004, Mr Agrawal was Dealer in the debt fund management team

KOTAK 30

Open-Ended Equity Growth Scheme

About The Scheme

Investment Objective - To generate capital appreciation from a portfolio of predominantly equity related securities. The portfolio will generally comprise of equity and equity related instruments of around 30 companies which may go up to 39 companies.

▪ **Available Options** - DPDR & G. **Fund Managers** Krishna Sanghvi and Sanjib Guha. **Loads - Entry:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a closed 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: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50%. 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: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1 **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 684.07 crores **Ratios:** Portfolio Turnover: 251.33% Total Expense Ratio: 2.23% Beta*: 0.96 Sharpe*:1.39 Standard Deviation*: 25.48 Alpha*: 4.98 * Source: Value Research.

Performance as on April 30, 2008

	6 Months	1 Yr	3 Yr	5 Yr	Since allotment (Dec 29, 1998)
Kotak 30*	-10.91	32.92	44.21	51.26	26.76
S&P CNX Nifty	-11.78	26.30	39.46	40.76	20.97

Kotak 30 NAV: Rs.33.771 (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
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Reliance Industries Limited.	Petroleum Products	8.41%
Oil & Natural Gas Corporation Limited.	Oil	4.45%
Larsen And Toubro Limited.	Diversified	4.39%
HDFC Limited.	Finance	4.31%
State Bank Of India	Banks	3.89%
Infosys Technologies Limited.	Software	3.84%
Bharti Airtel Limited.	Telecom - Services	3.71%
ITC Limited.	Consumer Non Durables	3.21%
Bharat Heavy Electricals Limited.	Industrial Capital Goods	3.20%
Tata Steel Limited.	Ferrous Metals	3.01%
Others		45.51%
Listed/Awaiting listing on Stock Exchange - Total		87.93%

Futures

NIFTY-MAY2008	3.03%
Welspun Gujarat Stahl Rohren Limited.- MAY2008	1.30%

Futures (Market value represents Notional Value) - Total **4.33%**

Options

ICICI Bank Limited. -920.00 - Call Option - May, 2008	-0.02%
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Options - Total

-0.02%

Term Deposits

Kotak Mahindra Bank Limited. 1.57%

Term Deposits - Total

1.57%

Collateral Borrowing & Lending obligation

4.60%

Net Current Assets/ (Liabilities)

1.59%

Grand Total

100.00%

Notes:

Total NPA's provided for and percentage to NAV: Nil

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

SECTOR ALLOCATION

Banks	10.81%
Petroleum Products	8.41%
Software	8.12%
Construction	6.53%
CBLO & Term Deposits & Rev.Repo	6.17%
Telecom - Services	6.16%
Ferrous Metals	5.48%
Finance	4.79%
Power	4.74%
Consumer Non Durables	4.74%
Others	34.05%

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.12,751	Rs. 57,176	Rs. 1,61,920	Rs. 3,56,757
XIRR	11.86%	32.53%	41.02%	40.99%

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:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered

(www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a closed 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: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50%. 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: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1 **Ratios:** Beta*: 0.91 Sharpe*: 0.88 Standard Deviation*: 28.47 Alpha*: -3.94 Portfolio Turnover: 186.44% Total Expense Ratio: 2.34% **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 179.96 crores.

Performance as on April 30, 2008

	6 Months	1 Yr	3 Yr	Since Allotment (Feb. 24, 2005)
Kotak Mid-Cap	-15.39	7.88	29.36	27.86
CNX Midcap	-5.19	33.44	34.61	30.97

Kotak Midcap NAV : Rs.22.344 (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)		
Pantaloon Retail (India) Limited.	Retailing	2.66%
Lanco Infratech Limited.	Power	2.54%
Jindal Steel & Power Limited.	Ferrous Metals	2.40%
HDFC Limited.	Finance	2.33%
Welspun Gujarat Stahl Rohren Limited.	Ferrous Metals	2.23%
Axis Bank Limited	Banks	2.21%
Hindustan Construction Co.Limited	Construction	2.21%
Godrej Industries Limited	Chemicals	2.15%
Bank of India	Banks	2.09%
Punj Lloyd Limited.	Construction	2.03%
Others		63.93%
Listed/Awaiting listing on Stock Exchange - Total		86.78%

Options

NIFTY - 5200.00 - Call Option - May 2008	0.09%
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Options - Total

0.09%

Term Deposits

Kotak Mahindra Bank Limited. 2.78%

Term Deposits - Total

2.78%

Collateral Borrowing & Lending obligation

7.36%

Net Current Assets/ (Liabilities)

2.99%

Grand Total

100.00%

Notes:

Total NPA's provided for and percentage to NAV: Nil

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

SECTOR ALLOCATION

Banks	12.73%
Construction	12.61%
CBLO & Term Deposits & Rev.Repo	10.14%
Industrial Capital Goods	9.60%
Ferrous Metals	7.74%
Power	6.53%
Pharmaceuticals	5.38%
Media and Entertainment	3.78%
Finance	3.33%
Fertilisers	3.05%
Others	25.11%

Midcap Stocks as a percentage of Net Assets - 59.60

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:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a closed 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: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50%. 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: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1 **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 823.58 crores. **Ratios:** Portfolio Turnover: 209.49% Total Expense Ratio: 2.26% Beta*: 1.02 Sharpe*: 1.29 Standard Deviation*: 28.35 Alpha*: 4.08 * Source: Value Research.

Performance as on April 30, 2008

	6 Months	1 Yr	3 Yr	Since allotment (Sep 09, 2004)
Kotak Opportunities	-6.89	40.52	44.72	47.86
S&P CNX 500	-11.31	24.88	35.68	35.46

Kotak Opportunities NAV :Rs.41.536 (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 Limited	Petroleum Products	5.08%
Infosys Technologies Limited	Software	2.98%
Bharti Airtel Limited	Telecom - Services	2.94%
Larsen And Toubro Limited	Diversified	2.92%
Jindal Steel & Power Limited	Ferrous Metals	2.77%
State Bank of India	Banks	2.69%
ITC Limited	Consumer Non Durables	2.67%
HDFC Limited	Finance	2.63%
Axis Bank Limited	Banks	2.58%
Satyam Computer Services Limited	Software	2.52%
Others		59.47%
Listed/Awaiting listing on Stock Exchange - Total		89.25%
Futures		
NIFTY-MAY2008		3.15%
Reliance Communications Limited.-MAY2008		0.45%
Jaiprakash Associates Limited.-MAY2008		0.16%
Tata Steel Limited.-MAY2008		0.01%
JSW Steel Limited.-MAY2008		-0.39%
Bharti Airtel Limited.-MAY2008		-0.44%
Futures (Market value represents Notional Value) - Total		2.94%
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
ICICI Bank Limited.	P1+	1.56%
Corporate Debt / Financial Institutions - Total		1.56%
Public Sector Undertakings		
State Bank of Patiala	A1+	1.81%
Indian Bank	F1+(ind)	0.60%
Public Sector Undertakings - Total		2.41%
Term Deposits		
Kotak Mahindra Bank Limited.		2.00%
Term Deposits - Total		2.00%
Collateral Borrowing & Lending obligation		
Net Current Assets/ (Liabilities)		-2.96%
Grand Total		100.00%

Notes:
Total NPA's provided for and percentage to NAV: Nil
Total value and percentage to Net Asset of Illiquid Equity Shares: Nil

SECTOR ALLOCATION

Construction	9.31%
Ferrous Metals	9.18%
Banks	8.59%
Finance	8.01%
Petroleum Products	7.19%
CBLO & Term Deposits & Rev.Repo	6.80%
Software	6.79%
Consumer Non Durables	6.59%
Telecom - Services	4.59%
Commercial Paper (CP)/Certificate of Deposits (CD)	3.97%
Others	28.98%

*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 December 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 Opportunities - Growth has secured a world rank of 56th (one-year total return of 91.01% as on December 31 07) among the World's Top 100 equity performing funds for the Year ended 2007. The World's Top 100 performing equity funds Lipper Report is based on the study of universe of all global funds classified as "Equity" with a track record of at least one year, as on December 2007. In total 24,887 global equity funds (primary) have qualified for the study. World's Top 100 performing equity funds ranking is based on One year total returns denominated in INR for the period ending on 31st December 2007. Data source by global fund intelligence firm: Lipper, a Reuters Company (www.lipperweb.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:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) 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; vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50%. 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: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re. 1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 186.85 crore. **Ratios:** Portfolio Turnover: 111.53% Total Expense Ratio: 2.24%. **Performance as on March 31, 2008**

	6 Months	1 Yr	Since Allotment (Mar 21, 2006)
Kotak Lifestyle	-17.78	2.25	10.72
S&P CNX 500	-11.31	24.88	21.27

Kotak Lifestyle NAV: Rs.12.400 (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)		
HDFC Ltd.	Finance	6.82%
Bharti Airtel Ltd.	Telecom - Services	6.25%
ITC Ltd.	Consumer Non Durables	5.30%
Pantaloon Retail (India) Ltd.	Retailing	5.15%
Indian Hotels Company Ltd.	Hotels	4.00%
United Spirits Ltd.	Consumer Non Durables	3.87%
ICICI Bank Ltd.	Banks	3.67%
Zee Entertainment Enterprises Ltd	Media and Entertainment	3.66%
Axis Bank Ltd	Banks	3.64%
Reliance Capital Ltd.	Finance	3.63%
Others		44.53%
Listed/Awaiting listing on Stock Exchange - Total		90.52%

Debt Instruments

Debentures and Bonds

Corporate Debt / Financial

Institutions

Citicorp Finance (India) Ltd.	AAA	0.54%
Corporate Debt / Financial Institutions - Total		0.54%

Term Deposits

Term Deposits

Kotak Mahindra Bank Ltd.		1.07%
Term Deposits - Total		1.07%

Collateral Borrowing & Lending obligation

Net Current Assets/ (Liabilities) **1.85%**

100.00%

Notes:

Total NPA's provided for and percentage to NAV: Nil
Total value and percentage to Net Asset of Illiquid Equity Shares: Nil

SECTOR ALLOCATION

Finance	19.15%
Consumer Non Durables	17.72%
Media and Entertainment	13.65%
Telecom - Services	9.65%
Banks	7.31%
CBLO & Term Deposits & Rev.Repo	7.09%
Hotels	5.70%
Auto	5.64%
Retailing	5.15%
Construction	3.53%
Others	5.41%

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:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) 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; vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50%. 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: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re. 1 **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 105.30 crores. **Ratios:** Portfolio Turnover: 103.56% Total Expense Ratio: 2.41%. **Performance as on March 31, 2008**

	6 Months	1 Yr	Since Allotment (July 27, 2005)
Kotak Contra	-7.35	18.37	21.38
S&P CNX 500	-11.31	24.88	30.17

Kotak Contra NAV: Rs.17.462 (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)		
Bharti Airtel Ltd.	Telecom - Services	5.16%
ITC Ltd.	Consumer Non Durables	5.01%
Reliance Energy Ltd.	Power	3.77%
Union Bank of India	Banks	3.50%
ABG Infralogistics Ltd	Industrial Capital Goods	3.09%
Tata Chemicals Ltd.	Fertilisers	3.07%
Asian Paints Ltd.	Consumer Non Durables	3.04%
ICICI Bank Ltd.	Banks	3.01%
Jindal Steel & Power Ltd.	Ferrous Metals	2.96%
Gammon India Ltd.	Construction	2.73%
Others		51.92%
Listed/Awaiting listing on Stock Exchange - Total		87.26%

Options	
NIFTY - 5200.00 - Call Option - May 2008	0.10%
Options - Total	0.10%
Term Deposits	
Term Deposits	1.42%
Kotak Mahindra Bank Ltd.	1.42%
Term Deposits - Total	1.42%
Collateral Borrowing & Lending obligation	10.92%
Net Current Assets/(Liabilities)	0.30%
Grand Total	100.00%

Notes:
Total NPA's provided for and percentage to NAV: Nil
Total value and percentage to Net Asset of Illiquid Equity Shares: Nil

SECTOR ALLOCATION

Consumer Non Durables	16.07%
Banks	13.86%
CBLO & Term Deposits & Rev.Repo	12.34%
Telecom - Services	6.67%
Fertilisers	6.45%
Petroleum Products	5.79%
Software	5.64%
Power	4.68%
Ferrous Metals	4.54%
Industrial Capital Goods	3.85%
Others	20.11%

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** - Sajit Pisharodi & Abhishek Bisen.
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. d. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. e. Where units are allotted upon reinvestment of Dividends: 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. c. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. d. Where units are allotted upon reinvestment of Dividends: Nil.
Minimum Initial Investment: Rs.5000. **Additional Investment:** Rs. 1000 & In multiples of Re.1. **Ideal Investments Horizon:** Above 3 Months **Corpus:** Rs. 297.43 crores.
Ratios: Total Expense Ratio: 1.08% Standard Deviation*: 1.13 Sharpe*: 2.81 YTM: 7.25%* Source: Value Research.

Performance as on April 30, 2008

	6 Months	1 Yr	Since Allotment (Sept 29, 2005)
Kotak Equity Arbitrage Fund	3.84	8.61	8.01
CRISIL Liquid Fund Index	3.50	7.17	6.64

Kotak Equity Arbitrage NAV : Rs.12.2257 (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	7.28%
Rural Electrification Corporation Ltd	Electric Utilities	5.27%
Jindal Steel & Power Ltd.	Ferrous Metals	4.25%
Jaiprakash Associates Ltd	Construction	3.38%
Reliance Capital Ltd.	Finance	2.67%
Reliance Petroleum Ltd.	Petroleum Products	2.22%
Ispat Industries Ltd	Ferrous Metals	1.98%
Welspun Gujarat Stahl Rohren Ltd.	Ferrous Metals	1.77%
IFCI Ltd.	Finance	1.63%
Industrial Development Bank of India Ltd.	Banks	1.57%
Others		32.93%
Listed/Awaiting listing on Stock Exchange - Total		64.95%

FUTURES

Sterlite Industries (India) Ltd-MAY2008	-0.01%
ACC Ltd.-MAY2008	-0.01%
State Bank Of India-MAY2008	-0.02%
Indian Bank-MAY2008	-0.03%
IBN 18 Broadcast Limited-MAY2008	-0.03%
Jindal Saw Ltd.-MAY2008	-0.03%
3i Infotech Ltd.-MAY2008	-0.04%
Bata India Ltd.-MAY2008	-0.04%
Bharat Heavy Electricals Ltd.-MAY2008	-0.04%
NIIT Ltd.-MAY2008	-0.05%
Allahabad Bank.-MAY2008	-0.06%
Chennai Petroleum Corporation Ltd.-MAY2008	-0.07%
Ashok Leyland Ltd.-MAY2008	-0.07%
Ansal Properties & Infrastructure Limited.-MAY2008	-0.09%
Bhushan Steel Ltd-MAY2008	-0.10%
Triveni Engineering & Industries Ltd.-MAY2008	-0.11%
Patni Computers Systems Ltd.-MAY2008	-0.11%
Tata Consultancy Services Ltd.-MAY2008	-0.12%
Development Credit Bank Ltd.-MAY2008	-0.16%
Union Bank Of India-MAY2008	-0.16%
Sterlite Optical Technologies Ltd-MAY2008	-0.17%
Colgate Palmolive (India) Ltd.-MAY2008	-0.18%
Jindal Stainless Ltd.-MAY2008	-0.18%
Adlabs Films Ltd.-MAY2008	-0.20%
Aurobindo Pharma Ltd.-MAY2008	-0.20%
Bharat Electronics Ltd-MAY2008	-0.21%
Power Finance Corporation Ltd.-MAY2008	-0.22%
Deccan Aviation Ltd.-MAY2008	-0.22%
Biocon Ltd.-MAY2008	-0.22%
Rolta India Ltd.-MAY2008	-0.25%
Wire & Wireless (India) Ltd.-MAY2008	-0.25%
I-Flex Solutions Limited-MAY2008	-0.26%
GTL Ltd-MAY2008	-0.27%
Balrampur Chini Mills Ltd-MAY2008	-0.29%

Polaris Software Lab Ltd.-MAY2008	-0.31%
Larsen And Toubro Ltd.-MAY2008	-0.32%
Bank Of Baroda-MAY2008	-0.34%
Escorts Ltd.-MAY2008	-0.35%
NIIT Technologies Ltd-MAY2008	-0.35%
Dena Bank-MAY2008	-0.37%
Gateway Distriparks Ltd.-MAY2008	-0.37%
Nagarjuna Fertilizers & Chemicals Ltd.-MAY2008	-0.41%
Praj Industries Ltd.-MAY2008	-0.43%
Hinduja Ventures Ltd-MAY2008	-0.44%
Oswal Chemicals & Fertilizers Ltd.-MAY2008	-0.45%
Bharti Airtel Ltd.-MAY2008	-0.47%
Steel Authority of India Ltd.-MAY2008	-0.49%
Punjab National Bank-MAY2008	-0.50%
Aptech Ltd.-MAY2008	-0.53%
Omaxe Ltd.-MAY2008	-0.56%
Jet Airways (India) Ltd.-MAY2008	-0.59%
Neyveli Lignite Corporation Ltd.-MAY2008	-0.63%
Hotel Leela Venture Ltd-MAY2008	-0.65%
Tata Teleservices Ltd-MAY2008	-0.66%
India Cements Ltd.-MAY2008	-0.67%
Vijaya Bank-MAY2008	-0.68%
Divi s Laboratories Limited-MAY2008	-0.74%
TVS Motors Company Ltd-MAY2008	-0.76%
Ballarpur Industries Ltd.-MAY2008	-0.77%
Jaiprakash Hydro Power Ltd.-MAY2008	-0.80%
Alok Industries Ltd.-MAY2008	-0.82%
Indian Oil Corporation Ltd-MAY2008	-0.88%
Lakshmi Machine Works Ltd-MAY2008	-0.91%
New Delhi Television Ltd.-MAY2008	-0.92%
Hindustan Construction Co.Ltd-MAY2008	-0.95%
Hindustan Oil Exploration Company Ltd.-MAY2008	-1.06%
Maharashtra Seamless Ltd.-MAY2008	-1.11%
Oriental Bank of Commerce-MAY2008	-1.24%
LIC Housing Finance Ltd.-MAY2008	-1.31%
Infrastructure Development Finance Co. Ltd-MAY2008	-1.33%
Reliance Energy Ltd.-MAY2008	-1.41%
Mahanagar Telephone Nigam Ltd.-MAY2008	-1.45%
Pantaloon Retail (India) Ltd.-MAY2008	-1.56%
Industrial Development Bank of India Ltd.-MAY2008	-1.58%
IFCI Ltd.-MAY2008	-1.64%
Welspun Gujarat Stahl Rohren Ltd.-MAY2008	-1.79%
Ispat Industries Ltd-MAY2008	-2.00%
Reliance Petroleum Ltd.-MAY2008	-2.23%
Reliance Capital Ltd.-MAY2008	-2.68%
Jaiprakash Associates Ltd-MAY2008	-3.40%
Jindal Steel & Power Ltd.-MAY2008	-4.28%
Rural Electrification Corporation Ltd-MAY2008	-5.32%
Reliance Industries Ltd.-MAY2008	-7.30%

Money Market Instruments

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

Corporate Debt / Financial Institutions

Karur Vysya Bank Ltd.	F1+(ind)	1.65%
Corporate Debt / Financial Institutions - Total		1.65%

Term Deposits

Term Deposits		26.90%
Kotak Mahindra Bank Ltd.		26.90%
Term Deposits - Total		26.90%
Collateral Borrowing & Lending obligation		6.89%
Net Current Assets/(Liabilities)		-0.39%
Grand Total		100.00%

Notes:

Total NPA's provided for and percentage to NAV: Nil
Total value and percentage to Net Asset of Illiquid Equity Shares: Nil

SECTOR ALLOCATION

CBLO & Term Deposits & Rev.Repo	33.79%
Petroleum Products	10.44%
Ferrous Metals	8.80%
Finance	7.14%
Electric Utilities	5.27%
Banks	5.13%
Construction	4.98%
Power	2.83%
Telecom - Services	2.57%
Software	2.47%
Others	16.58%

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: i) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) 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: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** Exit Load is not applicable for Kotak Tax Saver Scheme.
Minimum Initial Investment: Rs. 500 **Additional Investment:** Rs. 500 & in Multiples of Rs. 500. **Ideal Investments Horizon** - 3 years **Corpus:** Rs. 463.48 crores. **Ratios:** Portfolio Turnover: 166.45 Total Expense Ratio: 2.31%
Performance as on April 30, 2008

	6 Months	1 Yr	Since Allotment (November 23, 2005)
Kotak Tax Saver	-10.76	19.14	26.27
S&P CNX 500	-11.31	24.88	29.36

Kotak Tax Saver NAV:Rs. 17.671 (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	4.51%
Infosys Technologies Ltd.	Software	3.10%
State Bank Of India	Banks	2.87%
Infrastructure Develop Finance Co. Ltd	Finance	2.69%
Axis Bank Ltd	Banks	2.59%
Larsen And Toubro Ltd.	Diversified	2.43%
Jubilant Oraganosys Ltd	Pharmaceuticals	2.38%
Tata Chemicals Ltd.	Fertilisers	2.37%
Jindal Steel & Power Ltd.	Ferrous Metals	2.33%
HDFC Ltd.	Finance	2.33%
Others		63.48%
Listed/Awaiting listing on Stock Exchange - Total		91.08%

Collateral Borrowing & Lending obligation	8.36%
Net Current Assets/ (Liabilities)	0.56%
Grand Total	100.00%

Notes:

Total NPA's provided for and percentage to NAV: Nil
Total value and percentage to Net Asset of Illiquid Equity Shares: Nil

SECTOR ALLOCATION

Banks	9.62%
Construction	8.78%
CBLO & Term Deposits & Rev.Repo	8.36%
Ferrous Metals	7.73%
Power	7.27%
Finance	6.67%
Industrial Capital Goods	6.58%
Petroleum Products	6.15%
Software	5.18%
Pharmaceuticals	4.61%
Others	29.05%

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:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) 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: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50%. 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: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000. & in Multiples of Rs. 1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 88.72 crores. **Ratios:** Portfolio Turnover: 93.19% Total Expense Ratio: 2.41% Standard Deviation*: 23.81 Sharpe*: 0.99 Beta*: 0.88 Alpha*: -4.47 Source: Value Research.

Performance as on April 30, 2008

	6 Months	1 Yr	3 Yrs	Since Allotment (Jan 30, 2004)
Kotak Global India	-18.82	6.05	28.90	28.49
S&P CNX 500	-11.31	24.88	35.68	28.37

Kotak Global India NAV:Rs. 29.038 (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	7.37%
Punj Lloyd Ltd.	Construction	4.64%
United Phosphorus Ltd	Pesticides	4.54%
United Spirits Ltd.	Consumer Non Durables	4.52%
Reliance Communications Ltd.	Telecom - Services	4.36%
ABB Ltd.	Industrial Capital Goods	3.86%
Oil & Natural Gas Corporation Ltd.	Oil	3.67%
Tata Chemicals Ltd.	Fertilisers	3.23%
Hanung Toys and Textiles Ltd.	Consumer Non Durables	3.11%
Zee Entertainment Enterprises Ltd	Media and Entertainment	3.01%
Others		45.12%
Listed/Awaiting listing on Stock Exchange - Total		87.43%

Term Deposits

Term Deposits	0.56%
Term Deposits - Total	0.56%
Collateral Borrowing & Lending obligation	8.45%
Net Current Assets/ (Liabilities)	3.56%
Grand Total	100.00%

Notes:

Total NPA's provided for and percentage to NAV: Nil
Total value and percentage to Net Asset of Illiquid Equity Shares: Nil

SECTOR ALLOCATION

Industrial Capital Goods	11.37%
Consumer Non Durables	9.51%
CBLO & Term Deposits & Rev.Repo	9.01%
Petroleum Products	7.37%
Ferrous Metals	6.89%
Oil	6.55%
Pesticides	6.36%
Software	4.73%
Construction	4.64%
Telecom - Services	4.36%
Others	29.21%

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:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) 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: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50%. 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: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Rs. 1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 31.98 crores. **Ratios:** Portfolio Turnover: 74.48% Total Expense Ratio: 2.49% Beta*: 0.77 Sharpe*: 0.63 Alpha*: -9.01 Standard Deviation*: 24.30 * Source: Value Research

Performance as on April 30, 2008

	6 Months	1 Yr	3 Yrs	5 Yrs	Since Allotment (Apr 04, 2000)
Kotak MNC	-10.33	1.25	18.88	37.34	17.29
BSE Sensex	-12.41	24.55	41.04	42.30	17.52
S&P CNX Nifty	-11.78	26.30	39.46	40.76	17.26

Kotak MNC NAV :Rs. 28.327. * 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
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
ITC Limited.	Consumer Non Durables	8.51%
Amara Raja Batteries Limited.	Auto Ancillaries	4.87%
ING Vysya Bank Limited.	Banks	4.46%
Sterilite Industries (India) Limited	Non - Ferrous Metals	4.32%
ABB Limited.	Industrial Capital Goods	4.28%
Gillette India Limited	Consumer Non Durables	4.17%
3M India Limited.	Trading	3.87%
Siemens Limited.	Industrial Capital Goods	3.58%
Kennametal India Limited.	Industrial Products	3.38%
SKF India Limited	Industrial Products	3.26%
Others		41.36%
Listed/Awaiting listing on Stock Exchange - Total		86.06%

Term Deposits

Term Deposits	1.56%
Term Deposits - Total	1.56%
Collateral Borrowing & Lending obligation	9.38%
Net Current Assets/ (Liabilities)	3.00%
Grand Total	100.00%

Notes:

Total NPA's provided for and percentage to NAV: Nil
Total value and percentage to Net Asset of Illiquid Equity Shares: Nil

SECTOR ALLOCATION

Consumer Non Durables	23.19%
Industrial Capital Goods	14.15%
Industrial Products	12.77%
CBLO & Term Deposits & Rev.Repo	10.94%
Auto Ancillaries	6.30%
Banks	4.46%
Non - Ferrous Metals	4.32%
Trading	3.87%
Software	3.55%
Minerals/Mining	2.64%
Others	13.81%

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:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC

i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) 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: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50%. 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: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000.& in Multiples of Rs. 1. **Investments Horizon Ideal - 1-3 years Corpus:** Rs. 26.05 crores. **Ratios:** Portfolio Turnover: 96.59% Total Expense Ratio: 2.24% Beta*: 0.86 Sharpe*: 0.58 Alpha*: -1.50 Standard Deviation*: 24.67 *Source: Value Research

Performance as on April 30, 2008

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (April 04, 2000)
Kotak Tech	-18.75	-21.91	17.43	27.89	-2.66
BSE Teck Index	-12.81	-6.77	30.63	41.25	2.11

Kotak Tech NAV: Rs.8,313. 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 Communications Limited	Telecom - Services	10.20%
Bharti Airtel Limited	Telecom - Services	6.90%
OnMobile Global Limited	Telecom - Equipment & Accessories	4.66%
Satyam Computer Services Limited	Software	4.63%
Financial Technologies (India) Limited	Software	4.34%
Tanla Solutions Limited	Software	3.92%
Idea Cellular Limited	Telecom - Services	3.65%
Pyramid Saimira Theatre Limited	Media and Entertainment	3.57%
Allied Digital Services Limited	Hardware	3.55%
Adlabs Films Limited	Media and Entertainment	3.47%
Others		44.78%
Listed/Awaiting listing on Stock Exchange - Total		93.67%
Privately placed / Unlisted		#
Virtual Dynamics Software Limited. @	Software	#
SRM Radiant Infotech Limited. @	Software	
Privately placed / Unlisted - Total		0.00%
Term Deposits		
Kotak Mahindra Bank Limited		0.96%
Term Deposits - Total		0.96%
Collateral Borrowing & Lending obligation		3.84%
Net Current Assets/ (Liabilities)		1.53%
Grand Total		100.00%

Notes:

Indicates % to net Asset less than 0.01%

@ Privately Placed

Total NPA's provided for and percentage to NAV: Nil

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

SECTOR ALLOCATION

Software	43.90%
Telecom - Services	21.60%
Media and Entertainment	19.96%
CBLO & Term Deposits & Rev.Repo	4.80%
Telecom - Equipment & Accessories	4.66%
Hardware	3.55%
Others	1.53%

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:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) 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: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50%. 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: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re. 1. **Ideal Investments Horizon - 1-3 years Corpus:** Rs. 63.08 crores. **Ratios:** Total Expense Ratio: 0.75% Beta*: 0.90 Sharpe*: 1.16 Alpha*: -0.92 Standard Deviation*: 23.99* Source: Value Research

Performance as on April 30, 2008

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Aug 09, 2004)
Kotak Equity FOF	-2.14	20.54	34.29		35.52
S & P CNX Nifty	-11.78	26.30	39.46		36.00

Kotak Equity FOF NAV : Rs.31.039 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Mutual Fund Units		
Kotak 30	Equity Schemes	24.79%
Birla Sunlife Frontline Equity	Equity Schemes	17.04%
SBI Magnum Equity Fund Growth	Equity Schemes	16.22%
Tata Pure Equity Fund	Equity Schemes	16.09%
Franklin India Prima Plus	Equity Schemes	8.26%
Birla Midcap Fund	Equity Schemes	7.94%
HSCB Advantage India Fund	Equity Schemes	7.54%
Total		97.88%
Net Current Assets/ (Liabilities)		2.12%
Grand Total		100.00%

Notes:

Total NPA's provided for and percentage to NAV: Nil

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

SECTOR ALLOCATION

Equity Schemes	97.88%
Net Current Assets	2.12%

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 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 & Abhishek Bisen. **Loads - Entry:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) 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: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50%. 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: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000.& in Multiples of Rs. 1. **Ideal Investments Horizon - 1-3 years Corpus:** Rs. 75.87 crores. **Ratios:** Portfolio Turnover: 164.34% Total Expense Ratio: 2.49% Sharpe*: 1.23 Standard Deviation*: 19.64 *Source: Value Research

Performance as on April 30, 2008

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Nov 25, 1999)
Kotak Balance*	-7.70	23.48	30.80	36.57	21.69
Crisil Balanced					
Fund Index	-6.25	20.91	25.98	26.38	NA

Kotak Balance NAV - Rs. 23.084. * 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
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Reliance Industries Ltd.	Petroleum Products	4.82%
Oil & Natural Gas Corporation Ltd.	Oil	2.72%
Larsen & Toubro Ltd.	Diversified	2.47%
HDFC Ltd.	Finance	2.25%
Bharti Airtel Ltd.	Telecom - Services	2.19%
Axis Bank Ltd	Banks	2.01%
ITC Ltd.	Consumer Non Durables	1.81%
Infosys Technologies Ltd.	Software	1.79%
State Bank Of India	Banks	1.78%
Reliance Communications Ltd.	Telecom - Services	1.73%
Others		42.59%
Listed/Awaiting listing on Stock Exchange - Total		66.16%
Debt Instruments		
Debentures and Bonds		
Corporate Debt / Financial Institutions		
BHVV Home Finance Ltd	LAA+	6.58%
Citicorp Finance (India) Ltd.	AAA	5.27%
ICICI Bank Ltd.	CARE AAA	3.99%
Corporate Debt / Financial Institutions - Total		15.84%
Public Sector Undertakings		
Indian Railway Finance Corporation Ltd.	AAA	6.63%
Public Sector Undertakings - Total		6.63%
Term Deposits		
Kotak Mahindra Bank Ltd.		2.64%
Term Deposits - Total		2.64%
Collateral Borrowing & Lending obligation		9.55%
Net Current Assets/ (Liabilities)		-0.82%
Grand Total		100.00%

Notes:

Total NPA's provided for and percentage to NAV: Nil
Total value and percentage to Net Asset of Illiquid Equity Shares: Nil

SECTOR ALLOCATION

Debentures and Bonds	22.47%
CBLO & Term Deposits & Rev.Repo	12.19%
Banks	7.01%
Construction	6.38%
Petroleum Products	6.31%
Ferrous Metals	5.82%
Industrial Capital Goods	5.71%
Finance	4.02%
Telecom - Services	3.92%
Oil	3.89%
Others	22.28%

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. 12,441	Rs. 49,406	Rs. 1,24,374	Rs. 2,47,581
XIRR	6.92%	21.71%	29.67%	30.44%

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, Sajit Pisharodi & Abhishek Bisen. **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. 28.95 crores. **Ratios:** Total Expense Ratio: 2.21% Standard Deviation*: 5.63 Sharpe*: 0.28 YTM: 7.35% *Source: Value Research. Portfolio Modified Duration: 0.23

Performance as on April 30, 2008

	6 Months	1 Yr	3 Yr	Since Allotment (Dec 02, 2003)
Kotak Income Plus	-1.19	8.27	9.27	8.32
CRISIL MIP Blended Index	0.79	11.23	10.31	8.08

Kotak Income Plus NAV - Rs.14.2319 (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	1.40%
Larsen & Toubro Ltd.	Diversified	0.73%
Oil & Natural Gas Corporation Ltd.	Oil	0.71%
HDFC Ltd.	Finance	0.68%
ITC Ltd.	Consumer Non Durables	0.61%
State Bank Of India	Banks	0.59%
Bharti Airtel Ltd.	Telecom - Services	0.56%
Axis Bank Ltd	Banks	0.54%
Reliance Energy Ltd.	Power	0.47%
Steel Authority of India Ltd.	Ferrous Metals	0.43%
Infosys Technologies Ltd.	Software	0.42%
Punjab Lloyd Ltd.	Construction	0.42%
Aditya Birla Nuvo Limited	Textile Products	0.40%
Welspun Gujarat Stahl Rohren Ltd.	Ferrous Metals	0.39%
Satyam Computer Services Ltd.	Software	0.38%
Rural Electrification Corporation Ltd	Electric Utilities	0.37%
Nagarjuna Construction Company Ltd	Construction	0.37%
Reliance Communications Ltd.	Telecom - Services	0.36%
Sterlite Industries (India) Ltd	Non - Ferrous Metals	0.36%
ABG Infralogistics Ltd	Industrial Capital Goods	0.36%
Aban Offshore Ltd.	Oil	0.35%
Allied Digital Services Limited	Hardware	0.35%
Nicholas Piramal India Ltd.	Pharmaceuticals	0.34%
Nitin Fire Protection industries Ltd	Industrial Capital Goods	0.33%
Madhucon Projects Ltd	Construction	0.33%
Jindal Steel & Power Ltd.	Ferrous Metals	0.33%
Union Bank Of India	Banks	0.32%
Infrastructure Develop Finance Co. Ltd	Finance	0.30%
Mahindra & Mahindra Ltd.	Auto	0.30%
Ranbaxy Laboratories Ltd.	Pharmaceuticals	0.30%
Reliance Petroleum Ltd.	Petroleum Products	0.28%
Deccan Chronicle Holdings Ltd.	Media and Entertainment	0.26%
Pyramid Saimira Theatre Ltd.	Media and Entertainment	0.26%
Hindustan Construction Co.Ltd	Construction	0.25%
Patel Engineering Ltd.	Construction	0.25%
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	0.23%
Tata Steel Limited.	Ferrous Metals	0.23%
Hindustan Petroleum Corporation Ltd	Petroleum Products	0.22%
Housing Develop and Infrastructure Ltd	Construction	0.21%
Marg Constructions Ltd	Construction	0.20%
Balaji Telefilms Ltd	Media and Entertainment	0.18%
Punjab National Bank	Banks	0.14%
Neyveli Lignite Corporation Ltd.	Power	0.13%
Indiabulls Real Estate Ltd	Construction	0.13%
Piramal Life Sciences Limited	Pharmaceuticals	0.04%
Listed/Awaiting listing on Stock Exchange - Total		16.81%

Debt Instruments**Debentures and Bonds****Corporate Debt / Financial****Institutions**

Infrastructure Develop Finance Co. Ltd	AAA	13.91%
Mahindra & Mahindra Financial Svces Ltd.	AA+	13.82%
Citicorp Finance (India) Ltd.	AAA	10.37%
Infrastructure Leasing & Financial Svces Ltd	LAAA	1.72%

Corporate Debt/ Financial Institutions - Total

39.82%

Public Sector Undertakings

Union Bank of India	AA+	18.13%
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Public Sector Undertakings - Total

18.13%

Term Deposits**Term Deposits**

Kotak Mahindra Bank Ltd. 1.73%

Term Deposits - Total

1.73%

Collateral Borrowing & Lending

obligation 18.48%

Net Current Assets/ (Liabilities) 5.03%

Grand Total 100.00%

Notes:

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

Total NPA provided and percentage to NAV: Nil

SECTOR ALLOCATION

Debentures and Bonds	57.95%
CBLO & Term Deposits & Rev.Repo	20.21%
Equities	16.81%
Net Current Assets	5.03%

RATING PROFILE

AA+	33.20%
AAA, LAAA	27.04%
CBLO & Term Deposits & Rev.Repo	19.75%
Equities	16.95%
Net Current Assets	3.06%

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** Deepak Agrawal & Abhishek Bisen. **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. 257.73 crores. **Ratios:** Total Expense Ratio: 0.60% Sharpe*: 5.30 Standard Deviation* : 0.59 YTM : 8.75% * Source: Value Research. Portfolio Modified Duration: 1.70

Performance as on April 30, 2008

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (May 02, 2002)
Short Term Plan	4.09	9.89	7.58	6.63	6.89
Crisil Short - Term					
Bond Fund Index	3.48	8.81	6.25	5.42	5.81

Kotak Bond Short Term NAV : Rs.14.9136 (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		
Kotak Mahindra Prime Ltd.	LAA	9.70%
Citicorp Finance (India) Ltd.	AAA	4.66%
LIC Housing Finance Ltd.	AAA	3.95%
Sundaram Finance Ltd.	LAA+	3.91%
Indiabulls Financial Services Ltd	F1+(ind)(SO)	3.89%
Tata Sons Ltd.	AAA	3.87%
Long Bond Rec.Trust 2006 Ser IV A	AAA(so)	2.42%
RB Loan Trust Series V 2007 Series A1	F1+(ind)(SO)	2.02%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	1.95%
HDFC Ltd.	AAA	1.92%
Indian Cor Loan Sec.Trust Sr XXXVIII - Sr A1	P1+(so)	1.77%
BHPC Auto Sec. Trust JUNE 2005 A3	AAA(so)	0.28%
Infrastructure Development Finance Co. Ltd	LAAA	0.19%
Corporate Debt / Financial Institutions - Total		40.53%
Public Sector Undertakings		
Indian Railway Finance Corporation Ltd.	AAA	4.20%
Public Sector Undertakings - Total		4.20%
Government Dated Securities		
6.57% Government Stock - 2011	SOV	3.76%
Government Dated Securities - Total		3.76%
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
Unitech Ltd.	F1+(ind)	11.22%
ICICI Bank Ltd.	A1+	9.35%
Corporate Debt / Financial Institutions - Total		20.57%
Public Sector Undertakings		
State Bank of Patiala	A1+	1.93%
National Bank for Agriculture and Rural Development	CARE AAA	1.88%
Public Sector Undertakings - Total		3.81%
Collateral Borrowing & Lending obligation		
Net Current Assets/ (Liabilities)		
Grand Total 100.00%		

Public Sector Undertakings

Indian Railway Finance Corporation Ltd. AAA 4.20%

Public Sector Undertakings - Total 4.20%

Government Dated Securities

6.57% Government Stock - 2011 SOV 3.76%

Government Dated Securities - Total 3.76%

Money Market Instruments**Commercial Paper (CP)/Certificate of Deposits (CD)**

Corporate Debt / Financial Institutions

Unitech Ltd. F1+(ind) 11.22%

ICICI Bank Ltd. A1+ 9.35%

Corporate Debt / Financial Institutions - Total 20.57%

Public Sector Undertakings

State Bank of Patiala A1+ 1.93%

National Bank for Agriculture and Rural Development CARE AAA 1.88%

Public Sector Undertakings - Total 3.81%

Collateral Borrowing & Lending obligation

Net Current Assets/ (Liabilities) -2.22%

Grand Total 100.00%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.83 years

Total NPA provided and percentage to NAV: NIL

SECTOR ALLOCATION

Debentures and Bonds	44.73%
CBLO & Term Deposits & Rev.Repo	29.35%
Commercial Paper (CP)/Certificate of Deposits (CD)	24.38%
Government Dated Securities	3.76%
Net Current Assets	-2.22%

RATING PROFILE

A1+, AAA, AAA(so), CARE AAA, F1+(ind), F1+(ind)(SO), LAAA, P1+(so), SOV	57.31%
CBLO & Term Deposits & Rev.Repo	29.35%
LAA+, AA(ind)(SO), LAA	15.56%
Net Current Assets	-2.22%

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 and 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** Deepak Agrawal & Abhishek Bisen. **Loads** - (a) **Entry:** Nil. **Exit:** • For redemptions/ switch-outs within 6 months: 0.50% • For redemptions/ switch-outs after 6 months: Nil (b) **Entry:** Nil. **Exit:** Nil. **Minimum Initial Investment:** (a) Rs. 5000 (b) Rs. 5,00,000 **Additional Investment:** Rs. 1000 & in Multiples of Re.1. **Ideal Investments Horizon** - 1-2 years **Corpus:** Rs. 144.78 crores. **Ratios:** Total Expense Ratio: (a) 2.25% (b) 1.00% Sharpe*: (a) 0.29 (b) 0.92 Standard Deviation*: (a) 2.47 (b) 2.49 YTM: 8.50% *Source: Value Research. Portfolio Modified Duration: 2.08

Performance as on April 30, 2008

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Nov 25, 1999)
Deposit Plan	2.36	7.95	5.77	5.18	8.65
Regular Plan	2.96	9.55	6.96	6.15	9.52
Crisil Composite Bond Index	2.68	7.96	5.29	4.50	NA

Kotak Bond Deposit NAV : Rs.20.1407 (Growth Option). Kotak Bond Regular NAV : Rs.21.5360 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

Issuer / Instrument	Industry / Rating	% to Net Assets
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Debt Instruments

Debentures and Bonds

Corporate Debt / Financial Institutions

HDFC Ltd.	AAA	7.17%
TAS Trust Series III, Series A1	AA+(so)	3.48%
Citicorp Finance (India) Ltd.	AAA	2.06%

Corporate Debt / Financial Institutions - Total

12.71%

Public Sector Undertakings

Indian Railway Finance Corporation Ltd.	AAA	3.39%
National Bank for Agriculture and Rural Development	AAA	2.86%

Public Sector Undertakings - Total

6.25%

Government Dated Securities

6.57% Government Stock - 2011	SOV	23.41%
8.24% Government Stock - 2018	SOV	7.09%
5.87% Government Stock - 2010	SOV	6.70%
7.38% Government Stock - 2015	SOV	6.02%
5.48% Government Stock - 2009	SOV	1.69%
7.99% Government Stock - 2017	SOV	0.82%

Government Dated Securities - Total

45.73%

Money Market Instruments

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

Corporate Debt / Financial Institutions	P1+	12.90%
ICICI Bank Ltd.		12.90%

Corporate Debt / Financial Institutions - Total

12.90%

Collateral Borrowing & Lending obligation

37.29%

Net Current Assets/ (Liabilities)

-14.88%

Grand Total

100.00%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 2.60 years

Total NPA provided and percentage to NAV: NIL

SECTOR ALLOCATION

Government Dated Securities	45.73%
CBLO & Term Deposits & Rev.Repo	37.29%
Debentures and Bonds	18.96%
Commercial Paper (CP)/Certificate of Deposits (CD)	12.9%
Net Current Assets	-14.88%

RATING PROFILE

AAA, P1+, SOV	74.11%
CBLO & Term Deposits & Rev.Repo	37.29%
AA+(so)	3.48%
Net Current Assets	-14.88%

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** Deepak Agrawal & Abhishek Bisen. **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. 5.83 crores.

Ratios: Total Expense Ratio: 1.00% Sharpe*:0.84 Standard Deviation*: 0.94 YTM: 6.65% * Source: Value Research. Portfolio Modified Duration: 1.96

Performance as on April 30, 2008

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Savings Plan Dec 29, 1998)
Gilt Investment Savings Plan	3.93	7.18	5.93	5.40	7.43
ISEC SIBEX	3.68	8.56	6.83	5.93	NA

Kotak Gilt Investment Savings Plan : Rs.19.5639 (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		
5.87% Government Stock - 2010	SOV	83.17%
8.24% Government Stock - 2018	SOV	9.71%
5.48% Government Stock - 2009	SOV	3.67%

Government Dated Securities - Total

96.55%

Net Current Assets/ (Liabilities)

3.45%

Grand Total

100.00%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 2.40 years

Total NPA provided and percentage to NAV: NIL

SECTOR ALLOCATION

Government Dated Securities	96.55%
Net Current Assets	3.45%

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** Deepak Agrawal & Abhishek Bisen. **Loads - (a) Entry:** Nil. **Exit:** Nil. **(b) Entry:** Nil. **Exit:** 1.00%, if redeemed within 1 year.

Minimum Initial Investment: Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re.1 **Ideal Investments Horizon** More than 1 year. **Corpus:** Rs. 28.93 crores. **Ratios:** Total Expense Ratio: (a) 1.65% (b) 1.25% Sharpe*: (a)-0.09 (b) 0.02 Standard Deviation*:

(a) 3.80 (b) 3.80 * YTM: 6.75% *Source: Value Research. Portfolio Modified Duration: 5.59

Performance as on April 30, 2008

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Inv Plan- Dec 29, '98; Inv PF & Trust Plan - Nov 11, '03)
Investment Regular Plan	4.43	8.44	5.17	5.15	10.56
Investment - PF & Trust Plan	4.63	8.87	5.59	-	4.28
ISEC Composite Index	2.77	8.46	6.90	5.48	4.51\$

\$ The Benchmark Return corresponds only to Kotak Investment - PF and Trust Plan

Kotak Gilt Investment Regular Plan: Rs.25.5918 (Growth Option). Kotak Gilt Investment PF & Trust Plan : Rs. 26.0407 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate).

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
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Debt Instruments

Government Dated Securities

8.24% Government Stock - 2018	SOV	52.98%
7.38% Government Stock - 2015	SOV	36.83%

Government Dated Securities - Total

89.81%

Collateral Borrowing & Lending obligation

2.25%

Net Current Assets/ (Liabilities)

7.94%

Grand Total

100.00%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 8.00 years

Total NPA provided and percentage to NAV: NIL

SECTOR ALLOCATION

Government Dated Securities	89.81%
Net Current Assets	7.94%
CBLO & Term Deposits & Rev.Repo	2.25%

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** Deepak Agrawal & Abhishek Bisen

Loads - Entry: Nil. **Exit:** 0.10% if redeemed within 7 days. **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. 6219.38 crores. **Ratios:** Total Expense Ratio: 0.33% Standard Deviation*: 0.12 Sharpe*: 23.71 YTM: 8.50% *Source: Value Research. Portfolio Modified Duration: 0.29

Performance as on April 30, 2008

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Dec 06, 2004)
Kotak Flexi Debt	4.22	8.59	7.47		7.37
CRISIL Composite Bond Index	2.68	7.96	5.29		5.26

Kotak Flexi Debt NAV: Rs.12.7315 (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

Infrastructure Leasing & Financial Services Limited	F1+(ind)	3.21%
Global Trade Finance Ltd.	P1+	2.41%
Edelweiss Capital Ltd.	P1+	1.77%
HDFC Ltd.	AAA	1.76%
CAT Series XXXVII - Class A2	F1+(ind)(SO)	1.61%
Cholamandalam DBS Finance Limited.	A1+	1.61%
DSP Merrill Lynch Capital Ltd.	P1+(so)	1.61%
Shree Cement Ltd.	PR1+	1.45%
Infrastructure Development Finance Co. Ltd	LAAA	1.36%
Sterlite Industries (India) Ltd	P1+	1.28%
Chambal Fertilisers & Chemicals Ltd.	P1+	1.13%
Sundaram Finance Ltd.	P1+	1.13%
Madras Cements Ltd.	A1+	1.05%
Bharat Securitisation Trust 2 Ser B	AA(ind)(SO)	1.04%
RB Loan Trust Series V 2007 Series A3	F1+(ind)(SO)	0.89%
Edelweiss Securities Private Limited	P1+	0.88%
Shriram Transport Finance Co Ltd.	AA(ind)	0.82%
DSP Merrill Lynch Capital Ltd.	P1+	0.80%
Infrastructure Leasing & Financial Services Limited	PR1+	0.80%
Sterlite Technologies Limited.	P1	0.80%
Reliance Capital Ltd.	A1+	0.80%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	0.77%
Tata Sons Ltd.	AAA	0.76%

Coll.Debt Trust Ser.15 Class A1 OPT - II	P1+(so)	0.74%
PST Loan Trust Series 1	AA(ind)	0.72%
Kesoram Industries Limited	PR1+	0.72%
Indiabulls Financial Services Ltd	F1+(ind)(SO)	0.56%
Motherson Sumi Systems Ltd.	A1+	0.56%
Credit Asset Trust Series VIII Class A	F1+(ind)	0.48%
Mahindra & Mahindra Financial Services Ltd.	AAA	0.46%
Citifinancial Consumer Finance India Ltd.	AAA	0.45%
Long Bond Receivables 2006 III A	AAA(ind)	0.45%
LIC Housing Finance Ltd.	AAA	0.45%
Coll.Debt Trust Ser.14 Class A1	P1+(so)	0.45%
Religare Finvest Ltd.	A1+	0.40%
Indian Loan Receivables Trust DEC07 Series E1	P1+(so)	0.40%
Citicorp Finance (India) Ltd.	AAA	0.40%
Kotak Mahindra Prime Ltd.	AA	0.39%
RB Loan Trust Series XII, A2	F1+(ind)(SO)	0.37%
Indian Cor Loan Sec.Trust Sr XXXVIII - Sr A1	P1+(so)	0.37%
Collateralised Trust Ser 9 CL-A1	AA(ind)	0.36%
Whirlpool of India Ltd.	P1+	0.35%
CAI Series XXIII - Class A1	P1+(so)	0.32%
Indian Corporate Loan Securitisation Trust Sr XXVII A1	AA+(so)	0.32%
Birla Global Finance Ltd.	A1+	0.32%
Jindal Saw Ltd	PR1+	0.32%
Bharat Securitisation Trust 1 Series A-PO	A1+(SO)	0.32%
Infrastructure Development Finance Co. Ltd	AAA(ind)	0.25%
KSI Loan Trust Series 1	A1+	0.24%
Kotak Mahindra Prime Ltd.	LAA	0.24%
Hindustan National Glass and Industries Ltd	PR1+	0.24%
Redington (India) Ltd.	P1+	0.24%
Manaksia Ltd	PR1+	0.24%
Indian Corp Loan Sec. Trust Ser L Ser A1	P1+(so)	0.22%
Loan Rec.Securitization Trust B - Ser-B2	AA(ind)(SO)	0.22%
CAT Series X Class A Certificate	AA(ind)	0.21%
Indian Corporate Loan Securitisation Trust Sr XXII	LAAA(SO)	0.18%
TAS Trust Series III, Series A1	AA+(so)	0.16%
Infrastructure Development Finance Co. Ltd	A1+	0.16%
L&T Finance limited	CARE AA+	0.16%
Blue Star Ltd.	PR1+	0.16%
TGS Investment & Trade Private Ltd.	A1+	0.16%
Raymond Ltd.	PR1+	0.16%
Raymond Apparel Ltd.	PR1+	0.16%
Cholamandalam DBS Finance Limited.	LAA	0.16%
Bajaj Auto Finance Limited	AA+	0.15%
RB Loan Trust Series V 2007 Series A1	F1+(ind)(SO)	0.08%
KST Loan Trust Series A2	AA(ind)	0.08%
KPI Loan Trust Series A1,OPT- A	AA-(ind)	0.08%
KAB Loan Trust Series A1	A1+(SO)	0.08%
Kotak Mahindra Prime Ltd.	P1+	0.08%
DSP Merrill Lynch Capital Ltd.	AA+	0.08%
Indian Retail ABS Trust Series 56 A2	AAA	0.05%
RB Loan Trust Series XII, A1	F1+(ind)(SO)	0.04%
Indian Corp Loan Sec. Trust Ser L Ser A2	P1+(so)	0.03%
Coll.Debt Trust Ser.15 Class A2 OPT - II	P1+(so)	0.02%
Coll.Debt Trust Ser.14 Class A2	P1+(so)	0.01%
Loan Rec.Securitization Trust B-Ser-B1	AA(ind)(SO)	0.01%
Collateralised Trust Ser 9 CL-A2	AA(ind)	0.01%
ICICI Bank Ltd.	CARE AAA	0.00%

Corporate Debt / Financial Institutions - Total 44.78%

Public Sector Undertakings

Indian Oil Corporation Ltd.	A1+	0.80%
National Bank for Agriculture and Rural Development	AAA	0.78%
Coll.Debt Trust Ser.12 Class A1 OPT I	P1+(so)	0.73%
Ind.Cor.Loan Sec.Trust Series XXXIX A1	P1+(so)	0.73%
Power Finance Corporation Ltd.	AAA	0.65%
Industrial Development Bank Of India.	AA+	0.41%
Indian Railway Finance Corporation Ltd.	AAA	0.41%
IDBI Bank Ltd.	AA+	0.40%
Loan Rec.Securitization Trust A; Series A2	AAA(ind)(SO)	0.37%
Export-Import Bank of India.	AAA	0.08%
Loan Rec.Securitization Trust A; Series A1	AAA(ind)(SO)	0.04%
State Bank of Mysore	AAA	0.03%
Ind.Cor.Loan Sec.Trust Series XXXIX A2	P1+(so)	0.02%
Coll.Debt Trust Ser.12 Class A2 OPT I	P1+(so)	0.02%

Public Sector Undertakings - Total 5.47%

Money Market Instruments

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

Corporate Debt / Financial Institutions

HDFC Bank Ltd.	P1+	4.29%
Reliance Communications Ltd.	A1+	2.71%
Unitech Ltd.	F1+(ind)	2.63%
ICICI Bank Ltd.	A1+	1.87%
ING Vysya Bank Ltd	P1+	1.69%
ICICI Bank Ltd.	P1+	1.31%
Sobha Developers Ltd.	A1	1.15%
Rabo India Finance Ltd.	P1+	1.03%
Jammu & Kashmir Bank	P1+	0.95%
IDBI Home Finance	A1+	0.80%
Centurion Bank of Punjab Ltd.	F1+(ind)	0.78%
Infrastructure Development Finance Co. Ltd	A1+	0.78%
L & T Finance Limited	PR1+(SO)	0.71%
ABN Amro Bank N.V	A1+	0.56%
Century Enka Ltd.	P1+	0.48%
Reliance Capital Ltd.	A1+	0.48%
DLF Limited	A1+	0.39%
Cholamandalam DBS Finance Limited.	A1+	0.39%
Federal Bank Ltd.	A1+	0.39%
Karur Vysya Bank Ltd.	F1+(ind)	0.37%
Tata Motors Finance Ltd	A1+	0.37%
Development Credit Bank Ltd.	P1+	0.24%
ICICI Home Finance Company Limited	A1+	0.23%
AXIS Bank Ltd.	P1+	0.16%
GE Capital Transportation Financial Services Limited	A1+	0.15%
L & T Finance Limited	PR1+	0.08%

Corporate Debt / Financial Institutions - Total 24.99%

Public Sector Undertakings

State Bank of Patiala	A1+	3.09%
Oriental Bank of Commerce	P1+	1.96%
Corporation Bank	P1+	1.88%
Punjab National Bank	P1+	1.60%
State Bank of Bikaner & Jaipur	P1+	1.59%
State Bank of Mysore	A1+	1.42%
Canara Bank	P1+	0.90%
State Bank Of India.	P1+	0.88%
State Bank of Indore	P1+	0.80%
UCO Bank	P1+	0.79%
National Bank for Agriculture and Rural Development	CARE AAA	0.76%
Allahabad Bank	PR1+	0.74%
Punjab National Bank	A1+	0.48%
State Bank of Saurashtra	P1+	0.40%
Indian Overseas Bank	A1+	0.39%

State Bank of Travancore	P1+	0.31%
Export-Import Bank of India.	P1+	0.16%
Union Bank of India	A1+	0.15%
Industrial Development Bank Of India.	P1+	0.08%

Public Sector Undertakings - Total 18.38%

Treasury Bills

364 Days Treasury Bill 18/07/2008	SOV	0.79%
364 Days Treasury Bill 20/06/2008	SOV	0.16%

Treasury Bills - Total 0.95%

Term Deposits

AXIS Bank Ltd		4.18%
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Term Deposits - Total 4.18%

Collateral Borrowing & Lending obligation 0.06%

Net Current Assets/(Liabilities)		1.19%
Grand Total		100.00%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.31 years

Total NPA provided and percentage to NAV: NIL

SECTOR ALLOCATION

Debentures and Bonds	50.25%
Commercial Paper (CP)/Certificate of Deposits (CD)	43.37%
CBLO & Term Deposits & Rev.Repo	4.24%
Net Current Assets	1.19%
Treasury Bills	0.95%

RATING PROFILE

A1+, A1+(SO), AAA, AAA(ind), AAA(ind)(SO), CARE AAA, F1+(ind), F1+(ind)(SO), LAAA, LAAA(SO), P1+, P1+(so), PR1+, PR1+(SO), SOV	85.37%
A1, AA+, AA+(so), CARE AA+, P1, AA, AA(ind), AA(ind)(SO), LAA, AA-(ind)	9.20%
CBLO & Term Deposits & Rev.Repo	4.24%
Net Current Assets	1.19%

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: DR & G Fund Managers - Deepak Agrawal & Abhishek Bisen. **Loads**

- Entry: Nil. **Exit:** 0.5% for redemptions within 6 months where investment amount <=

Rs. 10 lacs. Nil for investment amount > Rs. 10 Lacs. **Minimum Initial Investment:** Rs.

5000 **Additional Investment:** Rs. 1000 & in Multiples of Re.1 **Ideal Investments**

Horizon 3 Months and above **Corpus:** Rs. 64.30 crores. **Ratios:** Total Expense Ratio:

0.69% Standard Deviation*: 0.29 Beta*: -0.10 Sharpe*: 10.47 Alpha*: 3.19 YTM: 8.60%

* Source: Value Research. Portfolio Modified Duration: 0.13

Performance as on April 30, 2008

	6 Months	1 Yr	3 Yr	Since Allotment (Aug 13, 2004)
Kotak Floater Long Term	4.43	9.25	7.33	6.95
CRISIL Liquid Fund Index	3.50	7.17	6.37	5.99

Kotak Floater Long Term NAV : Rs.12.8360 (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

HDFC Ltd.	AAA	8.06%
Tata Sons Ltd.	AAA	7.88%
Indiabulls Financial Services Ltd	F1+(ind)(SO)	7.79%
Citifinancial Consumer Finance India Ltd.	AAA	7.78%
Indian Retail ABS Trust Series 56 A2	AAA	6.34%
RB Loan Trust Series V 2007 Series A3	F1+(ind)(SO)	5.62%
KPI Loan Trust Series A1,OPT- A	AA-(ind)	3.15%

Corporate Debt / Financial Institutions - Total 46.62%

Public Sector Undertakings

Coll.Debt Trust Ser.24 Class A2 OPT 2	AAA(so)	7.52%
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Public Sector Undertakings - Total 7.52%

Money Market Instruments

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

Corporate Debt / Financial Institutions

Karur Vysya Bank Ltd.	F1+(ind)	7.71%
L & T Finance Limited	PR1+	7.65%
Unitech Ltd.	F1+(ind)	7.45%
Citibank N.A.	P1+	6.13%

Corporate Debt / Financial Institutions - Total 28.94%

Public Sector Undertakings

Corporation Bank	P1+	7.74%
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Public Sector Undertakings - Total 7.74%

Collateral Borrowing & Lending obligation 5.68%

Net Current Assets/(Liabilities)		3.50%
Grand Total		100.00%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.22 years

Total NPA provided and percentage to NAV: NIL

SECTOR ALLOCATION

Debentures and Bonds	54.14%
Commercial Paper (CP)/Certificate of Deposits (CD)	36.68%
CBLO & Term Deposits & Rev.Repo	5.68%
Net Current Assets	3.50%

RATING PROFILE

AAA, AAA(so), F1+(ind), F1+(ind)(SO), P1+, PR1+	87.67%
CBLO & Term Deposits & Rev.Repo	5.68%
Net Current Assets	3.50%
AA-(ind)	3.15%

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** Deepak Agrawal & Abhishek Bisen. **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. 338.76 crores. **Ratios:** Total Expense Ratio: 0.42% Standard Deviation*: 0.12 Beta*: 0.04 Sharpe*: 22.29 Alpha*: 2.53 YTM: 8.25% *Source: Value Research. Portfolio Modified Duration: 0.19

Performance as on April 30, 2008

	7 Days	15 Days	1 Month	3 Months	6 Months
Kotak Floater Short Term	0.16	0.31	0.67	2.06	4.18
CRISIL Liquid Fund Index	0.16	0.24	0.77	1.98	3.50

	1 Yr	3 Yr	Since Allotment (Jul 14, 2003)
Kotak Floater Short Term	8.34	7.09	6.34
CRISIL Liquid Fund Index	7.17	6.37	5.54

Kotak Floater Short Term NAV : Rs.13.4291 (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.	AA+	10.33%
Infrastructure Development Finance Co. Ltd	LAAA	7.38%
CAT Series XXIII - Class A1	P1+(so)	5.95%
Indiabulls Financial Services Ltd	F1+(ind)(SO)	5.92%
CAT Series XXXVII - Class A2	F1+(ind)(SO)	5.92%
Citicorp Finance (India) Ltd.	AAA	4.43%
DSP Merrill Lynch Capital Ltd.	AA+	2.95%
LIC Housing Finance Ltd.	AAA	1.91%
AXIS Bank Ltd.	LAA+	1.52%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	1.48%
Tata Sons Ltd.	AAA	1.48%
Sundaram Finance Ltd.	AA+	1.48%
Infrastructure Development Finance Co. Ltd	AAA	1.45%

Corporate Debt / Financial Institutions - Total

Public Sector Undertakings

Indian Railway Finance Corporation Ltd.	AAA	4.46%
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Public Sector Undertakings - Total

Money Market Instruments

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

Corporate Debt / Financial Institutions

ING Vysya Bank Ltd	P1+	7.02%
Karur Vysya Bank Ltd.	F1+(ind)	4.34%
ICICI Bank Ltd.	P1+	2.93%
Centurion Bank of Punjab Ltd.	F1+(ind)	1.43%

Corporate Debt / Financial Institutions - Total

Public Sector Undertakings

Punjab National Bank	P1+	12.45%
State Bank of India.	P1+	3.52%
Punjab National Bank	A1+	2.75%
Union Bank of India	P1+	1.47%
State Bank of Travancore	P1+	1.46%

Public Sector Undertakings - Total

Collateral Borrowing & Lending obligation

Net Current Assets/ (Liabilities)

Grand Total		100.00%
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Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.19 years

Total NPA provided and percentage to NAV: NIL

SECTOR ALLOCATION

Debentures and Bonds	56.66%
Commercial Paper (CP)/Certificate of Deposits (CD)	37.37%
CBLO & Term Deposits & Rev.Repo	4.65%
Net Current Assets	1.32%

RATING PROFILE

A1+, AAA, F1+(ind), F1+(ind)(SO), LAAA, P1+, P1+(so)	76.27%
AA+, LAA+, AA(ind)(SO)	17.76%
CBLO & Term Deposits & Rev.Repo	4.65%
Net Current Assets	1.32%

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** Deepak Agrawal & Abhishek Bisen. **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. 4475.02 crores. **Ratios:** Total Expense Ratio: (a) 1.00% (b) 0.72% (c) 0.36% Sharpe*: (a) 14.82 (b) 17.20 (c) 19.19 Standard Deviation*: (a) 0.12 (b) 0.12 (c) 0.13 YTM: 8.00 *Source: Value Research. Portfolio Modified Duration: 0.19

Performance as on April 30, 2008

	7 Days	15 Days	1 Month	3 Months	6 Months
Kotak Liquid Regular Plan	0.14	0.28	0.61	1.83	3.67
Kotak Liquid Institutional Plan	0.15	0.29	0.63	1.89	3.80
Kotak Liquid Institutional Premium Plan	0.15	0.31	0.67	2.02	4.04
CRISIL Liquid Fund Index	0.16	0.24	0.77	1.98	3.50

	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	7.24	6.39	5.64	6.38
Kotak Liquid Institutional Plan	7.52	6.76	6.02	6.02
Kotak Liquid Institutional Premium Plan	7.94	7.12	-	6.38
CRISIL Liquid Fund Index	7.17	6.37	5.49	5.64**

** The Benchmark Returns corresponds to Kotak Liquid Institutional Plan

Kotak Liquid Regular Plan NAV: Rs.15.9812 (Growth Option); Kotak Liquid Institutional Plan NAV : Rs.16.2755 (Growth Option). Kotak Liquid Institutional Premium Plan NAV: Rs.16.4730 (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 IV	A1+(SO)	5.01%
Reliance Capital Ltd.	A1+	4.46%
HDFC Ltd.	AAA	3.87%
CAT Series XXIV - Class A	P1+(so)	2.80%
RB Loan Trust Series XI	F1+(ind)(SO)	2.25%
Citicorp Finance (India) Ltd.	AAA	2.02%
Chambal Fertilisers & Chemicals Ltd.	P1+	1.79%
SBI Factors & Commercial Pvt. Ltd.	A1+	1.79%
KPR Loan Trust Series A2,OPT - B	PR1+(SO)	1.28%
AXIS Bank Ltd.	LAA+	1.26%
Kotak Mahindra Prime Ltd.	P1+	1.23%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	1.12%
KCS Loan Trust Series A1,OPT - B	A1+(SO)	1.12%
RB Loan Trust Ser -III 2007 Ser A3	P1+(so)	1.12%
Infrastructure Development Finance Co. Ltd	LAAA	1.12%
Sundaram Finance Ltd.	P1+	1.12%
LIC Housing Finance Ltd.	AAA	0.92%
BHPC Auto Securitisation Trust Dec 2007 - I	AAA(so)	0.85%
ICICI Bank Ltd.	CARE AAA	0.84%
DSP Merrill Lynch Capital Ltd.	AA+	0.78%
Nicholas Piramal India Ltd.	A1+	0.78%
Sundaram Finance Ltd.	MAAAA	0.78%
Mahindra & Mahindra Financial Services Ltd.	AA+	0.70%
Birla Global Finance Ltd.	A1+	0.67%
Hero Cycles Ltd.	P1+	0.67%
Kotak Mahindra Investments Ltd.	A1+	0.67%
Indian Corporate Loan Sec.Trust Series A1	AA+(so)	0.59%
Mahindra & Mahindra Financial Services Ltd.	P1+	0.58%
PST Loan Trust Series 1	AA(ind)	0.58%
Tata Sons Ltd.	AAA	0.57%
Bharat Securitisation Trust 1 Series A-PO	A1+(SO)	0.57%
Citifinancial Consumer Finance India Ltd.	AAA	0.56%
Birla Corporation Ltd.	PR1+	0.56%
GE Capital Services India.	AAA	0.51%
Hero Honda Finance Ltd	P1+	0.45%
TGS Investment & Trade Private Ltd.	A1+	0.45%
Kesoram Industries Limited	PR1+	0.45%
Sundaram Finance Ltd.	A1+	0.44%
Indian Cor Loan Sec.Trust Sr XXXVIII - Sr A1	P1+(so)	0.41%
Sundaram Finance Ltd.	AA+	0.33%
KST Loan Trust Series A2	AA(ind)	0.32%
Credit Asset Trust Series VIII Class A	F1+(ind)	0.22%
RB Loan Trust Series XIV A1-IO	P1+(so)	0.13%
Citicorp Maruti Finance Ltd.	AAA	0.11%
Gruh Finance Ltd	AA	0.11%
India Loan Securitisation Series V Trust 06 Series A	AAA(so)	0.11%
RB Loan Trust Series XIV A2-PO	P1+(so)	0.10%
KPR Loan Trust Series A1,OPT - B	PR1+(SO)	0.07%

Corporate Debt / Financial Institutions - Total

Public Sector Undertakings

Indian Railway Finance Corporation Ltd.	AAA	4.26%
Power Finance Corporation Ltd.	AAA	1.24%
Export-Import Bank of India.	AAA	1.23%
Industrial Development Bank Of India.	AA+	0.68%
National Bank for Agriculture and Rural Development	AAA	0.11%
Union Bank of India	AA+	0.11%

Public Sector Undertakings - Total

Money Market Instruments

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

Corporate Debt / Financial Institutions

Reliance Communications Ltd.	A1+	3.79%
DLF Limited	A1+	2.74%
Karur Vysya Bank Ltd.	F1+(ind)	2.52%
ABN Amro Bank N.V	P1+	1.95%
Rabo India Finance Ltd.	P1+	1.30%
Jammu & Kashmir Bank	P1+	1.10%
ICICI Bank Ltd.	A1+	0.59%
ING Vysya Bank Ltd	P1+	0.57%
HDFC Bank Ltd.	P1+	0.54%
TATA Capital Ltd.	A1+	0.54%
Development Credit Bank Ltd.	P1+	0.51%
Centurion Bank of Punjab Ltd.	F1+(ind)	0.43%
Federal Bank Ltd.	P1+	0.33%
L & T Finance Limited	PR1+	0.33%
Unitech Ltd.	F1+(ind)	0.32%
Century Enka Ltd.	P1+	0.26%
ABN Amro Bank N.V	A1+	0.22%
ICICI Home Finance Company Limited	A1+	0.11%
Citibank N.A.	P1+	0.04%

Corporate Debt / Financial Institutions - Total

Public Sector Undertakings

State Bank of India.	P1+	2.93%
National Bank for Agriculture and Rural Development	CARE AAA	2.18%
State Bank of Patiala	A1+	1.63%
State Bank of Bikaner & Jaipur	P1+	1.51%
State Bank of Hyderabad	P1+	1.08%
Punjab National Bank	P1+	0.53%
Oriental Bank of Commerce	P1+	0.53%
Punjab National Bank	A1+	0.52%
Union Bank of India	A1+	0.43%
Allahabad Bank	PR1+	0.34%
State Bank of Indore	P1+	0.33%
Canara Bank	P1+	0.31%
Indian Overseas Bank	A1+	0.22%
State Bank of Travancore	P1+	0.02%

Public Sector Undertakings - Total

Term Deposits

AXIS Bank Ltd		3.69%
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Term Deposits - Total	3.69%
Collateral Borrowing & Lending obligation	9.61%
Net Current Assets/ (Liabilities)	-0.88%
Grand Total	100.00%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.20 years

Total NPA provided and percentage to NAV: NIL

SECTOR ALLOCATION

Debentures and Bonds	56.87%
Commercial Paper (CP)/Certificate of Deposits (CD)	30.71%
CBLO & Term Deposits & Rev.Repo	13.30%
Net Current Assets	-0.88%

RATING PROFILE

A1+, A1+(SO), AAA, AAA(so), CARE AAA, F1+(ind), F1+(ind)(SO), LAAA, MAAA, P1+, P1+(so), PR1+, PR1+(SO)	81.00%
CBLO & Term Deposits & Rev.Repo	13.30%
AA+, AA+(so), LAA+, AA, AA(ind), AA(ind)(SO)	6.58%
Net Current Assets	-0.88%

Risk free rate of returns for Sharpe ratio : 7.50%

DIVIDEND HISTORY

EQUITY SCHEMES

Record Date	Cum Dividend NAV	Rs/Unit
Kotak 30 - Dividend		
Feb-28-08	39.091	3.00
Jan-11-08	51.398	6.00
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	19.792	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		
Mar-03-08	16.975	2.00
Jan-25-08	27.090	6.00
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	19.437	4.00
Aug-24-05	13.026	0.50
Kotak Tax Saver		
Feb-08-08	15.189	3.50
Feb-20-07	11.640	3.00

Record Date	Cum Dividend NAV	Rs/Unit
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Kotak Lifestyle

June-29-07	13.067	1.75
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HYBRID SCHEMES

Kotak Balance

Mar-25-08	25.629	4.00
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

Apr-15-08	10.8287	Individual / HUF : 0.0711 Others : 0.0661
Mar-12-08	10.9659	Individual / HUF : 0.0612 Others : 0.0570
Feb-12-08	11.0814	Individual / HUF : 0.0652 Others : 0.0607
Jan-14-08	11.7993	Individual / HUF : 0.0738 Others : 0.0687

Kotak Income Plus- Quarterly Dividend

Mar-24-08	10.7946	Individual / HUF : 0.2093 Others : 0.1948
Dec-20-07	11.6952	Individual / HUF : 0.1907 Others : 0.1775
Sep-20-07	11.1409	Individual / HUF : 0.1916 Others : 0.1783
Jun-20-07	11.0680	Individual / HUF : 0.1885 Others : 0.1755

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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Rourkela: 0661-6450114
Surat: 0261-2210596
Silliguri: 9933043502
Shimla: 9418038178
Shrinagar: 9906816655
Trivandrum: 0471-4470134/ 9946666819
Trichy: 9944055455
Udaipur: 9928080889
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