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SIP.

IT'S A GOOD HABIT.

Systematic Investment Plan is a smart way to create wealth. It doesn't demand lump sum investments. Just a little, every month. What's more? With SIP, you don't need to time the market. And over a long period, your investment averages out the

market highs and lows. Hence you buy more units when the market is low and less when the market is high. SIP is truly small on savings and big on benefits. So, develop a good habit of regular savings. Invest in Kotak SIP.

The Kotak SIP Advantage: • Auto-debit feature • Simple structure: Minimum 6 instalments, minimum investment amount Rs. 1000.

SIP
Systematic Investment Plan

SMS 'KSIP' TO 5676788 FOR DETAILS.



Dear Friends,

The markets continued to be in an uncertain zone during August, albeit the silver lining being the continued cooling of Oil prices and the strengthening of the Dollar. The oil market investments - made mainly through Futures - is essentially a leveraged play. The fear of a global slowdown has led to unwinding in the Oil futures, with liquidity getting back into dollarised securities - Leading to further strengthening of dollar. This should be positive for global financial markets.

However, the uncertainty in the US financial sector continues. Fannie Mae & Freddie Mac (Government Sponsored Enterprises, GSE's) are two such latest casualties that have emerged from the US Sub-prime cauldron who are sending nervous shivers to the global bourses (and verifying the above stated trend).

Both GSE's have been the largest players in the US housing mortgage market - created specifically to provide liquidity to the housing market and thus make homes affordable to average Americans. Their implicit 'infallibility' and various fed guarantees made their capital borrowings AAA grade. Allowing the 'twin GSEs' to leverage themselves inexpensively beyond prudent norms of capital borrowing (Gearing ratio of 65:1). In the present scenario this highly leveraged balance-sheet took a significant hit as the housing market declined and values of the underlying homes depreciated. Making short-term working capital financing difficult.

Though it's largely safe to assume that size and dimension of Both the GSE's, makes them too big and too important within the US's political economy to allow them to fail. Consequently, the measures ranging from immediate bailout package; to a speculated takeover by the Federal government in the future; have emerged as part of the discourse on the tacking the problem.

As for India, the domestic fundamentals are becoming a concern. The first quarter GDP growth estimates have been scaled down to 7.9% in Q1-FY09 from 9.2% in the same period last year. Though, the real big concern continues to be the prices of Oil. The Oil companies are estimated to run a monthly deficit of almost Rs 10,000 crs. In other words an annual Oil deficit in excess of Rs 1 lac crore that has to be funded by the central government. The resultant fiscal scenario is not very encouraging. While the Govt. is planning to raise funds through divestment and sale of 3G spectrum, the FRBM seems to have been forgotten for the current fiscal year.

The Banks are sitting on a very low SLR and that is the reason that inspite of a high inflation in upwards of 12 %, the gilts yields have continued to collapse below 9% since August. But, I guess this could be really for a very short term as RBI has the mandate to autonomously stipulate the SLR floor and ceiling from time to time.

Given, the scale of domestic and external problems in July-August period, the Indian market behavior can be termed as a 'measured response'. Quite rightly so! In the month ending August, Indian markets were the best performing amongst Asian equities, posting an increase of 1.45% in contrast to significant losses registered in markets elsewhere in Asia(-13.63% SSE, -6.46 Hang Seng, -2.27% Nikkei, -7.55% Koshi).

In closing, the overall trends do provide some indication of a likely moderation in inflation and domestic interest rates in the medium term. Such an outlook provides a potential for tapping double digit annualized return on fixed income investments with a '1 year plus' horizon.

With this backdrop, it is clichéd to say that the Indian market offers significant investment possibilities. But, yet it is safe to repeat that: for those investment potentialities to be tapped, an investor needs to arrive at a logical investible time-horizon in full appreciation of the risk-reward expectation.

Thanks and regards,

Sandesh Kirkire

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

Equity Market View

The Indian equities market traded in the narrow range for August 2008. Making a full cyclical pattern during the period.

Indian equities market opened the August month on a largely positive note, with the international prices of crude oil falling to a 3 month low of US\$ 108 per barrel on 11th August. To add to it; the indications of a good monsoon further contributed towards optimism in the market. Also, the US Fed decision to keep the benchmark rate untouched at 2% came as a breather for the market. A combination of these set of factors in the 1st fortnight of August allowed the Sensex and the Nifty to climb up to 7.9% & 6.6% during the period.

However, in the later half, the rising global nervousness regarding the impending problem with Fannie Mae & Freddie Mac in the US housing finance sector brought fresh batch of jitters to the market. The troubled security situation in the Caucasian region (Russia-Georgia) added to the turmoil emanating from the external shores. In consequence, the indices showed a reversal of the previous trend. Declining in excess of 8.8% for the major portion of the last fortnight. Finally, the equities markets did register a late comeback (on 28th & 29th August) on account of decline in inflation trajectory to 12.40%, boosting the market sentiments.

In summation, the Sensex and the Nifty made a net gain of 208 and 27 points respectively. Posting a net gain of 1.45% and 0.62% for the period.

The Sensex and Nifty performance displayed the daily returns variance (risk) of 1.69% and 1.57% respectively. This is more than 100 bps decrease from the returns variance witnessed in July month, which was at 3.244% and 2.919% respectively. The significant decline in variance from the previous month indicates reduced volatility and uncertainty in the market during the period.

The average daily cash volume in Nifty during August month was at Rs 11,712.5 crs. This is a decline by 8.93% from the previous month. On y-o-y basis, the average daily cash volume in Nifty grew by 11.43%. The aggregate cash volume in Nifty during August was recorded at Rs 2, 34,250.7 crs - an increase of 1.30% over the previous year.

The aggregate turnover in F&O market was recorded at Rs 9,57,444.84 crs - a reduction of 17.47% over the previous month. Though in average terms, the F&O volumes declined by only 5.10% over July 08.

During the August month, the FII participation remained negative as they made net sales of US\$ 300.2 mn in Indian equities market. Quite similarly, the Domestic Mutual Funds segment turned net sellers in the Indian equities market during the August month, withdrawing around Rs 767.1 crs during the period.

Indian Economy for Q1 FY09

GDP Report for April - June 2008

Industry Category	in Rs. Crore			Y-o-Y % growth	
	Q1-FY07	Q1-FY08	Q1-FY09	Q1-FY08	Q1-FY09
agriculture, forestry & fishing	122660	128042	131831	4.4	3
mining & quarrying	13852	14083	14760	1.7	4.8
manufacturing	103009	114270	120705	10.9	5.6
electricity, gas & water supply	14942	16121	16537	7.9	2.6
construction	48967	52720	58715	7.7	11.4
trade, hotels, transport & communication	172481	195068	216957	13.1	11.2
financing, ins., real est. & bus. Services	97331	109559	119738	12.6	9.3
community, social & personal	90404	95086	103114	5.2	8.4
GDP at factor cost	663645	724949	782357	9.2	7.9

Market Outlook

The direction of the International prices of crude Oil will remain one of the key influencers of the Indian equities market in the coming months. In return, the crude oil prices remain susceptible to the geo-political events in West Asia, and on the tenuous demand-supply equation between large consumers and large exporters of oil.

Given this backdrop, the aftermath of 'Hurricane Gustav' in Gulf of Mexico would significantly determine the crude oil prices in the US oil futures market in the next few days. Also, the unstable security equation in Caucasus, albeit now stable, may influence the oil flow into the West European nations. However, notwithstanding the above, the resurgent dollar does portend reasons to believe that Oil prices may continue to remain subdued during the period.

Simultaneously, the high inflation and affiliated interest-rate equation too carries an equal importance for the market direction currently. Thus the WPI numbers would continue to influence the market trend from time to time.

Given these set of variables, short bouts of volatility may be witnessed in the market. It is therefore recommended that the investors allocate their investible corpus with a 2-3 year horizon and mitigate the possibilities of short term pricing volatility through means of SIP to obtain 'competitive risk adjusted return' on their investment.

Debt Market View

	August End	July End	Change
Inflation (16/August/ 2008)	12.40%	11.98%	0.42%
WPI (Points)	240.2	239.3	0.9 ticks
10 YR IGB (Yield) (29/August/2008)	8.71%	9.34%	-0.63%
10 YR UST (Yield) (29/August/2008)	3.81%	3.96%	-0.15%
Avg. LAF Surplus / Déficit (Rs. Cr)	-7155	-29636	22481
Currency (Rs. /\$) (29/August/2008)	43.93	42.49	1.44
India's Forex Reserve (Billion \$) (14/August/2008)	297.3	303.6	-6.3

The Indian secondary debt market witnessed a bullish trend in the August month as the gilts rallied, and yields crashed on back of easing liquidity situation in the banking system. This was further accentuated by the decline in the international prices of oil, which fell to US 108/barrel on 11th August. But most important booster for market optimism was the indications of a reversal in the inflationary trend, which had so far disturbed the market sentiments.

The yield on the 10 year gilt declined by 63 bps during the August period. During the same time, the 1 year gilt yields saw a decline by 15 bps. Consequently, the yield curve moved slightly towards the 'right', with the rate corridor between the 1 year and 10 year paper shrinking by 48 bps to 4.90%.

Inflation: Decline Ahead?

The inflationary trend showed a welcome change of direction as WPI index declined by 50 ticks for the first time in the past 28 weeks (ended 16th July 08). Consequently, the y-o-y inflation stood at 12.40% (as on 16th July). A decline of 23 bps from 12.63% in the preceding week (9th July). This data came as a welcome surprise in wake of market expectation of inflation of 12.83% for the same period.

This decline in WPI number was largely attributable to the marginal slowdown witnessed in the indices of 'Primary Goods' segment and 'Fuel' segment. The inflation in the Primary goods segment decelerated by 20 bps to 11.63% from the preceding week. This was attributable to moderation in prices of 'non-food articles' and 'Minerals', which form a sub-group of the 'Primary Articles' segment.

However, it was the moderation in the prices of 'Fuel, Power, and Light & Lubricants' segment that proved to be a major contributor in the overall WPI decline. The y-o-y inflation in this segment stood at 16.76% (16th July) - down by 123 bps from the preceding week high of 17.99%. This decline was attributable to the moderation in prices of Naphtha and Furnace Oil.

Finally, the 'Manufactured Products' segment remained the only major sub-group of WPI that witnessed an absolute increase over the preceding week. The inflation in this segment showed a growth of 11 bps over 9th July, and stood at 11.02% as on 16th July.

Money-Supply: Easing Trend

The money-supply situation remained largely buoyant in the Indian economy as M3 component showed a 20.74% growth over the previous year. The M3 into the system increased significantly on the fortnight ended 1st August; with nearly Rs 320 bn being added into the system during the said period. The plausible reason for this money-supply jump may be attributed to the 6th Pay Commission payout during the period; which extraordinarily increasing the demand deposit & time deposit with the banks.

In the subsequent fortnight ended 15th August, the M3 component declined by Rs 75 bn due to reduction in demand deposit with banks. However, in summation, the market witnessed a M3 net increase of only Rs 249 bn in the July-Aug period - adding to upward buoyancy in the money supply.

Nonetheless, it must be added that, despite the changed levels in absolute terms, the M3 and its sub-components growth projections remains largely in line with expectation.

Outlook

The WPI trajectory indicates that even under a static scenario (i.e, WPI number remaining at 16th Aug level going forward), the inflation may still

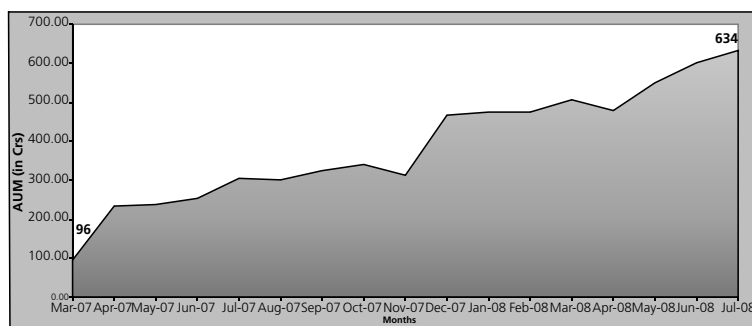
come down to 5.96% levels by financial year end. The next inflation numbers therefore assume significance - in that; it would help confirm the trend as a one-off occasion, or a part of a pattern.

Also, the possibility of a strong dollar indicates of a continued weakening bias in Oil, something which portends good news for the Indian inflation dynamics and debt markets. In consequence, we have reasons to believe that the Indian debt market shall continue to remain bullish in the September month and the 10 year benchmark paper may trade in the 8.5%-8.85% range.

Gold Corner

Gold continued its losing streak in the month of Aug 08. During the month gold fell sharply to see a low of USD 784/oz due to decline in crude prices (almost 12% during the month) and strengthening dollar. However with the possibility of hurricane 'Gustav' hitting the US Gulf coast, crude recovered. Gold followed suit and recovered to end the month at USD 838/oz. During the month there was a shortage of the yellow metal in the country due to global refining problems. Banks and wholesalers therefore had difficulty in keeping up with investment demand. Due to this supply lag the yellow metal traded at a premium in the market during mid-august. The assets managed by Gold Exchange Traded Funds in the country increased to Rs. 634 crore as on Jul 08 from Rs. 602 crore as on Jun 08 (See: Industry ETF AUM).

Industry ETF AUM movement (Rs. Crore)



Outlook

Geopolitical risk is higher now than at any time since the end of the Cold War in 1991 and looks set to remain heightened in coming months. This will be a contributory factor in markedly higher gold prices in coming months. On the economic front, there are concerns that the credit crisis is beginning to spread from sub prime to unsecured loans like credit card debt, car loan debt and to also prime mortgage debt. These set of factors increase the volatility in the global macro economic setup, thus increasing the necessity to protect value (Gold being a significant medium to achieve the same). This should result in gold again being supported.

Assets Under Management as on August 31, 2008 - Rs. 19,799.29 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 Balance (Jul 11, '07), Kotak Income Plus (Sep 11, '07)

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), Kotak MNC (Aug 29, '08), Kotak Tech (Aug 29, '08), Kotak Balance (Aug 29, '08)

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)

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)

Name: Mr. Emmanuel Elango

Scheme (experience in managing this fund)

Kotak 30 (Aug 29, '08), Kotak Lifestyle (Aug 29, '08), Kotak Contra (Aug 29, '08), Kotak Global India (Aug 29, '08)

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)

Name: Mr. Deepak Gupta

Scheme (experience in managing this fund)

Kotak Equity Arbitrage (Aug 29, '08), Kotak Equity FOF (Aug 29, '08)

BUSINESS EXPERIENCE

Mr. Sanghvi nearly 13 years of experience spanning various functions like 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.

Total experience of nearly 15 years in financial services. Sajit started his career with SHCIL where he was part of Custodial Services. After SHCIL he joined IDBI Capital Markets where he set up the Equity desk and was responsible for Institutional Equity sales. Later on he moved into the fund management team of SBI Funds Management Pvt. Ltd., where his primary responsibility included portfolio management and equity dealing. In 2004 he joined Kotak Mutual Fund and has been part of the Funds management team and has been managing various equity funds and other structured funds.

Mr. Jain has close to 7 years of experience in financial engineering, equity research and Fund Management. 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.

Mr. Abhishek Bisen, who holds a Bachelors Degree In Management and Masters Degree in Business Administration with Specialisation in Finance, Joined the AMC in October 2006. Prior to joining Fund Management team Mr. Bisen was Manager with Portfolio Advisory Group of Kotak AMC. Prior to joining Kotak AMC 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 Merchant Banking experience. Mr. Bisen has Total work experience of 7 Years in the Fixed Income / Debt Market.

Past experience of 4 years in Institutional Equities. Worked as Equity research analyst (Oil and Gas, Oil services, Auto Ancillaries, Shipping, Textiles, Transport/Logistics/Aviation), at Franklin Templeton Mutual Fund, India for 2 years. His prior assignment was with J P Morgan Chase as an Equity research analyst. Before his management studies Mr. Elango worked with Bosch as a Design Engineer.

Mr. Agrawal started his career with the AMC in September 2000 and moved to Debt Fund Management Team as research analyst in September 2001 and performed the role of dealer from October 2004 Since November 2006, Mr Agrawal was Fund Manager in the debt fund management team.

Post his CA qualification; Deepak Gupta joined the Kotak AMC in April, 2005 as a Management Trainee in the 'NAV and Fund Accounting' team. In April, 2007 he moved to the Equity Fund Management team as a research analyst.

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 - DP, DR & G. **Fund Managers** Krishna Sanghvi and Emmanuel Elango. **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 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re 1 **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 744.22 crores **Ratios:** Portfolio Turnover: 199.56% Total Expense Ratio: 2.18% Beta*: 0.96 Sharpe*:0.78 Standard Deviation*: 27.37 Alpha*: 3.13 * Source: Value Research.

Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since allotment (Dec 29, 1998)
Kotak 30*	-17.73	4.01	25.79	36.45	23.91
S&P CNX Nifty	-16.35	0.02	23.08	26.28	18.09

Kotak 30 NAV : Rs.29.322 (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. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

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

Reliance Industries Ltd.	Petroleum Products	8.12%
Oil & Natural Gas Corporation Ltd.	Oil	5.43%
Bharti Airtel Ltd.	Telecom - Services	4.81%
Infosys Technologies Ltd.	Software	4.81%
Larsen And Toubro Ltd.	Diversified	4.27%
HDFC Ltd.	Finance	4.18%
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	4.13%
ICICI Bank Ltd.	Banks	2.98%
ITC Ltd.	Consumer Non Durables	2.98%
Reliance Communications Ltd.	Telecom - Services	2.87%
Others		42.97%
Listed/Awaiting Listing on Stock Exchange - Total		87.55%

Futures

NIFTY-SEP2008	2.20%
Futures (Market value represents Notional Value) - Total	2.20%

Money Market Instruments

Commercial Paper(CP)/Certificate of Deposits(CD)		
Corporate Debt/Financial Institutions		
Standard Chartered Bank Ltd	P1+	1.34%
YES Bank Ltd.	P1+	0.67%
Fullerton India Credit Co. Ltd.	A1+	0.13%
Corporate Debt/Financial Institutions - Total		2.14%

Public Sector Undertakings

Indian Overseas Bank	A1+	1.34%
State Bank of Patiala	A1+	1.34%
UCO Bank	P1+	0.13%
Public Sector Undertakings - Total		2.81%

TERM DEPOSITS

Kotak Mahindra Bank Ltd.	3.39%
Term Deposits - Total	3.39%

Collateral Borrowing & Lending obligation

Net Current Assets/(Liabilities)	1.37%
Grand Total	100%

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	10.53%
Petroleum Products	9.33%
Software	8.63%
Telecom - Services	7.68%
Industrial Capital Goods	6.73%
Oil	5.43%
Commercial Paper (CP)/Certificate of Deposits (CD)	4.95%
Ferrous Metals	4.83%
Power	4.67%
Consumer Non Durables	4.43%
Others	32.79%

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. 10,643	Rs. 44,038	Rs. 1,20,300	Rs. 2,87,365
XIRR	-20.44%	13.58%	28.29%	34.74%

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 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 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re 1 **Ratios:** Beta*: 0.97 Sharpe*: 0.28 Standard Deviation*: 30.83 Alpha*: -9.70 Portfolio Turnover: 201.22% Total Expense Ratio: 2.41% **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 135.97 crores.

Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	3 Yr	Since Allotment (Feb. 24, 2005)
Kotak Mid-Cap	-26.16	-19.99	10.01	17.26
CNX Midcap	-21.11	-3.07	16.61	20.39

Kotak Midcap NAV : Rs.17.888 (Growth Option) Returns = 1 year : Absolute. Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

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

Glenmark Pharmaceuticals Ltd	Pharmaceuticals	3.95%
Divi s Laboratories Limited	Pharmaceuticals	3.93%
Asian Paints Ltd.	Consumer Non Durables	3.62%
Welspun Gujarat Stahl Rohren Ltd.	Ferrous Metals	3.53%
Mphasis Ltd	Software	3.12%
Exide Industries Ltd	Auto Ancillaries	3.09%
United Phosphorus Ltd	Pesticides	2.47%
Thermax Ltd.	Industrial Capital Goods	2.45%
Pantaloon Retail (India) Ltd.	Retailing	2.38%
Titan Industries Ltd.	Consumer Non Durables	2.34%
Others		52.18%
Listed/Awaiting Listing on Stock Exchange - Total		83.06%

Futures

NIFTY-SEP2008	1.93%
Futures (Market value represents Notional Value) - Total	1.93%

Debt Instruments

Debentures and Bonds		
Corporate Debt/Financial Institutions		
AXIS Bank Ltd.	LAA+	2.28%
Citicorp Finance (India) Ltd.	AAA	0.73%
Corporate Debt/Financial Institutions - Total		3.01%

Money Market Instruments

Commercial Paper(CP)/Certificate of Deposits(CD)		
Corporate Debt/Financial Institutions		
Standard Chartered Bank Ltd	P1+	7.35%
Corporate Debt/Financial Institutions - Total		7.35%

TERM DEPOSITS

Kotak Mahindra Bank Ltd.	3.68%
Term Deposits - Total	3.68%

Net Current Assets/(Liabilities)

Grand Total	100%
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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

Pharmaceuticals	12.69%
Consumer Non Durables	9.33%
Banks	8.24%
Commercial Paper (CP)/Certificate of Deposits (CD)	7.35%
Construction	7.22%
Industrial Capital Goods	6.62%
Ferrous Metals	5.98%
CBLO & Term Deposits & Rev.Repo	3.68%
Transportation	3.48%
Industrial Products	3.13%
Others	32.28%

Midcap Stocks as a percentage of Net Assets - 71.42

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 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 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re 1 **Ratios:** Beta*: 0.97 Sharpe*: 0.28 Standard Deviation*: 30.83 Alpha*: -9.70 Portfolio Turnover: 201.22% Total Expense Ratio: 2.41% **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 135.97 crores.

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 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1 **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 851.09 crores. **Ratios:** Portfolio Turnover: 160.53% Total Expense Ratio: 2.12% Beta*: 1.04 Sharpe*: 0.73 Standard Deviation*: 30.76 Alpha*: 2.73 * Source: Value Research.

Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	3 Yr	Since allotment (Sep 09, 2004)
Kotak Opportunities	-21.88	6.75	26.08	36.63
S&P CNX 500	-19.77	-3.76	18.75	25.88

Kotak Opportunities NAV : Rs.34.556 (Growth Option) Returns = 1 year : Absolute. Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

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

Reliance Industries Ltd.	Petroleum Products	4.52%
Larsen And Toubro Ltd.	Diversified	3.81%
Infosys Technologies Ltd.	Software	3.70%
ICICI Bank Ltd.	Banks	3.52%
Bharti Airtel Ltd.	Telecom - Services	3.39%
Oil & Natural Gas Corporation Ltd.	Oil	2.85%
Jindal Steel & Power Ltd.	Ferrous Metals	2.72%
ITC Ltd.	Consumer Non Durables	2.60%
Axis Bank Ltd	Banks	2.55%
Reliance Capital Ltd.	Finance	2.53%
Others		54.52%
Listed/Awaiting Listing on Stock Exchange - Total		86.71%

Futures
NIFTY-SEP2008 1.93%

Futures (Market value represents Notional Value) - Total 1.93%

Debt Instruments

Debt Instruments		
Corporate Debt/Financial Institutions		
Ultratech Cement Ltd.	AAA	0.60%
AXIS Bank Ltd.	LAA+	0.49%
Corporate Debt/Financial Institutions - Total		1.09%

Money Market Instruments

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

Public Sector Undertakings

State Bank of Patiala A1+ 3.52%

UCO Bank P1+ 0.46%

Public Sector Undertakings - Total 3.98%

TERM DEPOSITS

Kotak Mahindra Bank Ltd. 3.29%

Term Deposits - Total 3.29%

Collateral Borrowing & Lending obligation 1.26%

Net Current Assets/(Liabilities) 1.74%

Grand Total 100%

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	9.64%
Software	9.39%
Construction	8.42%
Ferrous Metals	5.69%
Petroleum Products	5.54%
Telecom - Services	5.52%
Consumer Non Durables	5.35%
Finance	5.00%
Industrial Capital Goods	4.99%
Oil	4.78%
Others	35.68%

SIP Returns	1 Year	2 Year	3 Year
Investment Amt.	Rs. 12,000	Rs.24,000	Rs. 36,000
Investment Value	Rs. 10,353	Rs.24,939	Rs. 44,428
XIRR	-24.61%	3.76%	14.19%

*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 Emmanuel Elango. **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 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1 **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 88.03 crores. **Ratios:** Portfolio Turnover: 122.77% Total Expense Ratio: 2.49% Beta*: 0.88 Sharpe*: 0.37 Standard Deviation*: 27.49 Alpha*: -6.52

Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	Since Allotment (July 27, 2005)
Kotak Contra	-16.64	-3.88	13.70
S&P CNX 500	-19.77	-3.76	18.98

Kotak Contra NAV: Rs.15.211 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

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 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1 **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 139.05 crore. **Ratios:** Portfolio Turnover: 100.47% Total Expense Ratio: 2.33%

Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	Since Allotment (Mar 21, 2006)
Kotak Lifestyle	-26.44	-22.32	-0.62
S&P CNX 500	-19.77	-3.76	9.27

Kotak Lifestyle NAV: Rs.9.848 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
---------------------	-------------------	-----------------

Equity & Equity related (Listed/Awaiting listing on Stock Exchange)

Bharti Airtel Ltd.	Telecom - Services	7.83%
ITC Ltd.	Consumer Non Durables	6.11%
HDFC Bank Ltd.	Banks	5.05%
Colgate Palmolive (India) Ltd.	Consumer Non Durables	4.79%
HDFC Ltd.	Finance	4.13%
Pantaloon Retail (india) Ltd.	Retailing	3.93%
ICICI Bank Ltd.	Banks	3.77%
Reliance Capital Ltd.	Finance	3.46%
United Spirits Ltd.	Consumer Non Durables	3.42%
Maruti Udyog Ltd	Auto	3.39%
Others		40.21%
Listed/Awaiting Listing on Stock Exchange - Total		86.09%

Debt Instruments

Corporate Debt/Financial Institutions

AXIS Bank Ltd. LAA+ 3.72%

Citicorp Finance (India) Ltd. AAA 0.72%

Corporate Debt/Financial Institutions - Total 4.44%

Money Market Instruments

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

Public Sector Undertakings

Oriental Bank of Commerce P1+ 2.15%

Public Sector Undertakings - Total 2.15%

TERM DEPOSITS

Kotak Mahindra Bank Ltd. 1.80%

Term Deposits - Total 1.80%

Collateral Borrowing & Lending obligation 1.73%

Net Current Assets/(Liabilities) 3.79%

Grand Total 100%

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	19.42%
Finance	12.49%
Banks	11.88%
Media and Entertainment	11.31%
Telecom - Services	9.54%
Auto	5.85%
Debtentures and Bonds	4.44%
Retailing	3.93%
CBLO & Term Deposits & Rev.Repo	3.53%
Hotels	3.36%
Others	14.25%

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 Emmanuel Elango. **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 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1 **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 88.03 crores. **Ratios:** Portfolio Turnover: 122.77% Total Expense Ratio: 2.49% Beta*: 0.88 Sharpe*: 0.37 Standard Deviation*: 27.49 Alpha*: -6.52

Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	Since Allotment (July 27, 2005)
Kotak Contra	-16.64	-3.88	13.70
S&P CNX 500	-19.77	-3.76	18.98

Kotak Contra NAV: Rs.15.211 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Bharti Airtel Ltd.	Telecom - Services	5.76%
Oil & Natural Gas Corporation Ltd.	Oil	4.76%
Crompton Greaves Ltd.	Industrial Capital Goods	3.78%
Satyam Computer Services Ltd.	Software	3.29%
ICICI Bank Ltd.	Banks	3.13%
Reliance Infrastructure Ltd	Power	2.93%
Jindal Steel & Power Ltd.	Ferrous Metals	2.92%
Punjab National Bank	Banks	2.84%
Bank of India	Banks	2.78%
Asian Paints Ltd.	Consumer Non Durables	2.77%
Others		50.88%
Listed/Awaiting Listing on Stock Exchange - Total		85.84%
Money Market Instruments		
Commercial Paper(CP)/Certificate of Deposits(CD)		
Public Sector Undertakings		
State Bank of Bikaner & Jaipur	P1+	4.45%
Oriental Bank of Commerce	P1+	2.23%
Public Sector Undertakings - Total		6.68%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		3.41%
Term Deposits - Total		3.41%
Collateral Borrowing & Lending obligation		
Net Current Assets/(Liabilities)		-0.59%
Grand Total		100%

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	13.40%
Consumer Non Durables	12.87%
CBLO & Term Deposits & Rev.Repo	8.07%
Industrial Capital Goods	7.77%
Software	7.56%
Telecom - Services	7.38%
Commercial Paper (CP)/Certificate of Deposits (CD)	6.68%
Fertilisers	5.86%
Oil	5.71%
Pharmaceuticals	3.58%
Others	21.12%

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 and Deepak Gupta **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. 314.05 crores. **Ratios:** Total Expense Ratio: 1.10% YTM: 8.65%* Source: Value Research.

Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	Since Allotment (Sept 29, 2005)
Kotak Equity Arbitrage Fund	2.72	7.55	7.85
CRISIL Liquid Fund Index	3.85	7.36	6.72

Kotak Equity Arbitrage NAV : Rs.12.4864 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Infrastructure Development Finance Co. Ltd	Finance	5.03%
IFCI Ltd	Finance	4.20%
GTL Ltd	Telecom - Equipment & Accessories	2.65%
Bharti Airtel Ltd.	Telecom - Services	2.54%
Shree Renuka Sugars Ltd.	Consumer Non Durables	2.28%
Rural Electrification Corporation Ltd	Electric Utilities	2.19%
Reliance Capital Ltd.	Finance	2.15%
Jindal Steel & Power Ltd.	Ferrous Metals	2.00%
Reliance Infrastructure Ltd	Power	1.97%
Ispat Industries Ltd	Ferrous Metals	1.95%
Others		42.51%
Listed/Awaiting Listing on Stock Exchange - Total		69.47%
Futures		
Allahabad Bank.-SEP2008		-0.01%
Gujarat Narmada Valley Fertilisers Company Ltd.-SEP2008		-0.02%
Moser Baer (India) Ltd.-SEP2008		-0.02%
Arvind Mills Ltd.-SEP2008		-0.03%
Bata India Ltd.-SEP2008		-0.03%
IBN 18 Broadcast Limited-SEP2008		-0.03%
Petronet LNG Ltd.-SEP2008		-0.03%
Dabur India Ltd-SEP2008		-0.04%
NIIT Ltd.-SEP2008		-0.04%
Peninsula Land Ltd.-SEP2008		-0.04%
Gujarat Alkalies & Chemicals Ltd.-SEP2008		-0.05%
Ansal Properties & Infrastructure Limited.-SEP2008		-0.06%
Rajesh Exports Ltd.-SEP2008		-0.06%
Andhra Bank-SEP2008		-0.07%

Omaxe Ltd.-SEP2008		-0.08%
Polaris Software Lab Ltd.-SEP2008		-0.08%
Mercator Lines Ltd.-SEP2008		-0.09%
Bombay Dyeing & Manufacturing Company Ltd-SEP2008		-0.10%
K S Oils Ltd-SEP2008		-0.10%
Central Bank Of India-SEP2008		-0.11%
Adlabs Films Ltd.-SEP2008		-0.12%
Bank of India-SEP2008		-0.12%
Bharat Electronics Ltd-SEP2008		-0.12%
Deccan Aviation Ltd-SEP2008		-0.12%
Sterlite Optical Technologies Ltd-SEP2008		-0.12%
Indiabulls Real Estate Ltd-SEP2008		-0.13%
Jindal Stainless Ltd.-SEP2008		-0.14%
NIIT Technologies Ltd-SEP2008		-0.14%
Patel Engineering Ltd.-SEP2008		-0.14%
Biocon Ltd.-SEP2008		-0.15%
Ashok Leyland Ltd.-SEP2008		-0.17%
Lanco Infratech Ltd-SEP2008		-0.17%
Aurobindo Pharma Ltd.-SEP2008		-0.18%
Bajaj Hindusthan Limited-SEP2008		-0.19%
New Delhi Television Ltd.-SEP2008		-0.19%
Hinduja Ventures Ltd-SEP2008		-0.23%
Aban Offshore Ltd.-SEP2008		-0.25%
Industrial Development Bank of India Ltd.-SEP2008		-0.27%
Volta Ltd.-SEP2008		-0.28%
Nagarjuna Construction Company Ltd-SEP2008		-0.29%
Jaiprakash Associates Ltd-SEP2008		-0.30%
Gateway Distriparks Ltd.-SEP2008		-0.33%
Grasim Industries Ltd.-SEP2008		-0.37%
Dena Bank-SEP2008		-0.38%
Sesa Goa Ltd.-SEP2008		-0.38%
Chambal Fertilisers & Chemicals Ltd-SEP2008		-0.41%
Mangalore Refinery And Petrochemicals Ltd.-SEP2008		-0.41%
Syndicate Bank-SEP2008		-0.42%
Neyveli Lignite Corporation Ltd.-SEP2008		-0.44%
Praj Industries Ltd.-SEP2008		-0.44%
Alok Industries Ltd.-SEP2008		-0.45%
Escorts Ltd.-SEP2008		-0.45%
Parsvnath Developers Ltd.-SEP2008		-0.46%
S.Kumars Nationwide Ltd.-SEP2008		-0.48%
Oriental Bank of Commerce-SEP2008		-0.52%
Hindustan Petroleum Corporation Ltd-SEP2008		-0.55%
Lakshmi Machine Works Ltd-SEP2008		-0.55%
Hotel Leela Venture Ltd-SEP2008		-0.56%
TVS Motors Company Ltd-SEP2008		-0.56%
Nagarjuna Fertilisers & Chemicals Ltd.-SEP2008		-0.61%
Reliance Petroleum Ltd.-SEP2008		-0.63%
Oracle Financial Services Software Ltd-SEP2008		-0.65%
Wire & Wireless (India) Ltd.-SEP2008		-0.68%
Divi s Laboratories Limited-SEP2008		-0.71%
Indian Hotels Company Ltd.-SEP2008		-0.73%
Oswal Chemicals & Fertilizers Ltd.-SEP2008		-0.74%
Bharat Forge Ltd.-SEP2008		-0.77%
Television Eighteen India Ltd.-SEP2008		-0.78%
Indian Oil Corporation Ltd-SEP2008		-0.79%
Idea Cellular Ltd.-SEP2008		-0.80%
Reliance Communications Ltd.-SEP2008		-0.84%
Tata Teleservices Ltd-SEP2008		-0.84%
Welspun Gujarat Stahl Rohren Ltd.-SEP2008		-0.85%
Ballarpur Industries Ltd.-SEP2008		-0.87%
Balrampur Chini Mills Ltd-SEP2008		-0.88%
Kesoram Industries Limited-SEP2008		-0.91%
Hindustan Oil Exploration Company Ltd.-SEP2008		-0.92%
Ultratech Cement Ltd.-SEP2008		-0.95%
Aptech Ltd.-SEP2008		-0.96%
India Cements Ltd.-SEP2008		-1.02%
Maharashtra Seamless Ltd.-SEP2008		-1.03%
Pantaloon Retail (India) Ltd.-SEP2008		-1.05%
Century Textiles & Industries Ltd.-SEP2008		-1.14%
Birla Corporation Ltd.-SEP2008		-1.15%
Development Credit Bank Ltd.-SEP2008		-1.22%
Hindustan Construction Co.Ltd-SEP2008		-1.26%
Housing Development and Infrastructure Limited-SEP2008		-1.28%
Triveni Engineering & Industries Ltd.-SEP2008		-1.34%
Vijaya Bank-SEP2008		-1.54%
Mahanagar Telephone Nigam Ltd.-SEP2008		-1.79%
Ispat Industries Ltd-SEP2008		-1.97%
Reliance Infrastructure Ltd-SEP2008		-1.98%
Jindal Steel & Power Ltd.-SEP2008		-2.01%
Rural Electrification Corporation Ltd-SEP2008		-2.12%
Reliance Capital Ltd.-SEP2008		-2.17%
Shree Renuka Sugars Ltd.-SEP2008		-2.30%
Bharti Airtel Ltd.-SEP2008		-2.56%
GTL Ltd-SEP2008		-2.67%
IFCI Ltd.-SEP2008		-4.24%
Infrastructure Development Finance Co. Ltd-SEP2008		-5.07%

Money Market Instruments

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

Public Sector Undertakings

Canara Bank	P1+	1.57%
Public Sector Undertakings - Total		1.57%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		29.14%
Term Deposits - Total		29.14%
Collateral Borrowing & Lending obligation		
Net Current Assets/(Liabilities)		-1.29%
Grand Total		100%

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	30.25%
Finance	11.38%
Telecom - Services	6.79%
Ferrous Metals	4.94%
Consumer Non Durables	4.90%
Banks	4.60%
Cement	4.59%
Construction	4.01%
Telecom - Equipment & Accessories	2.77%
Power	2.57%
Others	23.20%

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: 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:** 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. 407.79 crores. **Ratios:** Portfolio Turnover: 164.60% Total Expense Ratio: 2.29%
Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	Since Allotment (November 23, 2005)
Kotak Tax Saver	-23.35	-10.94	14.17
S&P CNX 500	-19.77	-3.76	17.08

Kotak Tax Saver NAV: Rs. 14.441 (Growth Option) Returns = 1 year : Absolute. Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

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

Bharti Airtel Ltd.	Telecom - Services	4.00%
Reliance Industries Ltd.	Petroleum Products	3.93%
Larsen And Toubro Ltd.	Diversified	3.50%
Infosys Technologies Ltd.	Software	3.30%
Aditya Birla Nuvo Limited	Textile Products	3.05%
Tata Chemicals Ltd.	Fertilisers	2.89%
Axis Bank Ltd.	Banks	2.23%
GAIL (India) Ltd.	Gas	2.18%
Jindal Steel & Power Ltd.	Ferrous Metals	2.10%
State Bank Of India	Banks	2.10%
Others		59.50%

Listed/Awaiting Listing on Stock Exchange - Total

Debt Instruments

Debentures and Bonds

Corporate Debt/Financial Institutions

AXIS Bank Ltd.	LAA+	1.27%
Citicorp Finance (India) Ltd.	AAA	0.25%

Corporate Debt/Financial Institutions - Total

Money Market Instruments

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

Corporate Debt/Financial Institutions

Ballarpur Industries Ltd.	F1+(ind)	1.22%
Jammu & Kashmir Bank	P1+	1.22%

Corporate Debt/Financial Institutions - Total

Public Sector Undertakings

State Bank of Bikaner & Jaipur	P1+	4.81%
Canara Bank	P1+	1.18%

Public Sector Undertakings - Total

Collateral Borrowing & Lending obligation

Net Current Assets/(Liabilities)

Grand Total

100%

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

Commercial Paper (CP)/Certificate of Deposits (CD)	8.43%
Banks	8.37%
Software	7.97%
Telecom - Services	6.75%
Power	6.64%
Consumer Non Durables	6.52%
Construction	6.47%
Industrial Capital Goods	5.72%
Pharmaceuticals	4.99%
Petroleum Products	3.93%
Others	34.21%

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 - Anurag Jain & Emmanuel Elango.
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 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000. & in Multiples of Rs.1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 71.76 crores. **Ratios:** Portfolio Turnover: 99.63% Total Expense Ratio: 2.41% Standard Deviation*: 25.53 Sharpe*: 0.42 Beta*: 0.87 Alpha*: -5.93 Source: Value Research.

Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	3 Yrs	Since Allotment (Jan 30, 2004)
Kotak Global India	-18.81	-13.21	13.82	22.00
S&P CNX 500	-19.72	-3.76	18.75	20.94

Kotak Global India NAV: Rs. 24.881 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

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

Reliance Industries Ltd.	Petroleum Products	7.44%
Infosys Technologies Ltd.	Software	4.87%
ICICI Bank Ltd.	Banks	4.68%
Oil & Natural Gas Corporation Ltd.	Oil	4.49%
Welspun Gujarat Stahl Rohren Ltd.	Ferrous Metals	4.01%
Tata Power Co. Ltd.	Power	3.95%
Zee Entertainment Enterprises Ltd	Media and Entertainment	3.80%
Tata Chemicals Ltd.	Fertilisers	3.68%
ABB Ltd.	Industrial Capital Goods	3.66%
Larsen And Toubro Ltd.	Diversified	3.61%
Others		42.63%

Listed/Awaiting Listing on Stock Exchange - Total

86.82%

Debt Instruments

Debentures and Bonds

Corporate Debt/Financial Institutions

AXIS Bank Ltd.	LAA+	8.65%
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Corporate Debt/Financial Institutions - Total

Money Market Instruments

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

Corporate Debt/Financial Institutions

Fullerton India Credit Co. Ltd.	A1+	1.39%
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Corporate Debt/Financial Institutions - Total

TERM DEPOSITS

Kotak Mahindra Bank Ltd.		1.05%
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Term Deposits - Total

Collateral Borrowing & Lending obligation

1.05%

Net Current Assets/(Liabilities)

1.53%

Grand Total

100%

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

Pharmaceuticals	10.68%
Industrial Capital Goods	10.28%
Petroleum Products	9.63%
Software	9.47%
Debentures and Bonds	8.65%
Consumer Non Durables	8.28%
Oil	6.67%
Pesticides	4.87%
Banks	4.68%
Ferrous Metals	4.27%
Others	22.52%

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 - Anurag Jain & 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 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Rs.1. **Ideal Investments Horizon** - 1-3 years **Corpus** : Rs. 27.27 crores. **Ratios:** Portfolio Turnover: 68.29% Total Expense Ratio: 2.50% Beta*: 0.76 Sharpe*: 0.17 Alpha*: -10.31 Standard Deviation*: 25.30 * Source: Value Research
Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	3 Yrs	5 Yrs	Since Allotment (Apr 04, 2000)
Kotak MNC*	-16.61	-15.86	6.73	24.83	14.72
BSE Sensex	-16.96	-2.85	24.01	27.94	14.72
S&P CNX Nifty	-16.35	0.02	23.08	26.28	14.20

Kotak MNC NAV : Rs. 24.786 * 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. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
ITC Ltd.	Consumer Non Durables	8.56%
Hindustan Unilever Ltd.	Diversified	5.85%
ABB Ltd.	Industrial Capital Goods	4.66%
Bharti Airtel Ltd.	Telecom - Services	4.61%
Mphasis Ltd	Software	4.18%
Siemens Ltd.	Industrial Capital Goods	4.02%
ING Vysya Bank Ltd.	Banks	3.97%
3M India Ltd.	Trading	3.92%
Sterlite Industries (India) Ltd	Non - Ferrous Metals	3.68%
Nestle India Ltd.	Consumer Non Durables	3.58%
Others		38.78%
Listed/Awaiting Listing on Stock Exchange - Total		85.81%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		1.83%
Term Deposits - Total		1.83%
Collateral Borrowing & Lending obligation		12.47%
Net Current Assets/(Liabilities)		-0.11%
Grand Total		100%

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	22.58%
Industrial Capital Goods	14.37%
CBLO & Term Deposits & Rev.Repo	14.30%
Industrial Products	8.89%
Software	5.95%
Diversified	5.85%
Telecom - Services	4.61%
Banks	3.97%
Trading	3.92%
Auto Ancillaries	3.74%
Others	11.82%

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 - Anurag Jain & 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 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000.& in Multiples of Rs. 1. **Investments Horizon Ideal** - 1-3 years **Corpus:** Rs. 21.36 crores. **Ratios:** Portfolio Turnover: 103.53% Total Expense Ratio: 2.25% Beta*: 0.82 Sharpe*: 0.00 Alpha*: -6.47 Standard Deviation*: 25.00 *Source: Value Research **Performance as on August 29, 2008#** (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (April 04, 2000)
Kotak Tech	-20.99	-29.40	3.05	16.88	-4.44
BSE Teck Index	-5.78	-13.51	15.59	28.40	0.56

Kotak Tech NAV: Rs.6.827 Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Infosys Technologies Ltd.	Software	12.61%
Bharti Airtel Ltd.	Telecom - Services	9.02%
Reliance Communications Ltd.	Telecom - Services	5.92%
Satyam Computer Services Ltd.	Software	5.65%
Zee Entertainment Enterprises Ltd	Media and Entertainment	5.61%
Mphasis Ltd	Software	5.00%
Tata Consultancy Services Ltd.	Software	4.18%
Allied Digital Services Limited	Hardware	3.69%
Tanla Solutions Limited	Software	3.64%
OnMobile Global Limited	Telecom - Equipment & Accessories	3.41%
Others		29.29%
Listed/Awaiting Listing on Stock Exchange - Total		88.02%
Privately Placed/Unlisted		
Virtual Dynamics Software Ltd. @	Software	#
SRM Radiant Infotech Ltd. @	Software	#
Privately Placed/Unlisted - Total		0.00%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		1.40%
Term Deposits - Total		1.40%
Collateral Borrowing & Lending obligation		7.96%
Net Current Assets/(Liabilities)		2.62%
Grand Total		100%

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

indicates % to Net Assets less than 0.01%
@ Privately Placed

SECTOR ALLOCATION

Software	49.92%
Telecom - Services	17.64%
Media and Entertainment	13.36%
CBLO & Term Deposits & Rev.Repo	9.36%
Hardware	3.69%
Telecom - Equipment & Accessories	3.41%
Others	2.62%

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 & Deepak Gupta. **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 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re. 1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 51.55 crores. **Ratios:** Total Expense Ratio: 0.75% Beta*: 0.92 Sharpe*:0.60 Alpha*: -1.75 Standard Deviation*: 26.12* Source: Value Research **Performance as on August 29, 2008#** (Figures in %)

	6 Months	1 Yr	3 Yr	Since Allotment (Aug 09, 2004)
Kotak Equity FOF	-16.58	-3.17	19.57	27.91
S & P CNX Nifty	-16.35	0.02	23.08	27.20

Kotak Equity FOF NAV: Rs.27.151 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Mutual Fund Units		
Kotak 30	Equity Schemes	21.40%
HDFC Top 200 Fund	Equity Schemes	20.12%
Prudential ICICI Dynamic Plan	Equity Schemes	19.83%
Tata Equity Opportunities Fund	Equity Schemes	19.37%
Birla Sunlife Frontline Equity	Equity Schemes	18.63%
Mutual Fund Units - Total		99.35%
Net Current Assets/(Liabilities)		0.65%
Grand Total		100%

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	99.35%
Net Current Assets	0.65%

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.

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, Sajit Pisharodi & 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 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000.& in Multiples of Rs. 1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 73.25 crores. **Ratios:** Portfolio Turnover:

175.07% Total Expense Ratio: 2.50% Sharpe*: 0.61 Standard Deviation*: 21.18 *Source: Value Research

Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Nov 25, 1999)
Kotak Balance*	-15.20	2.49	17.59	26.40	19.18
Crisil Balanced Fund Index	-10.59	2.78	16.14	17.84	N.A.

Kotak Balance NAV - Rs. 20.525. * 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. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Reliance Industries Ltd.	Petroleum Products	4.96%
Larsen And Toubro Ltd.	Diversified	3.01%
HDFC Ltd.	Finance	2.88%
Oil & Natural Gas Corporation Ltd.	Oil	2.79%
ITC Ltd.	Consumer Non Durables	2.71%
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	2.68%
Bharti Airtel Ltd.	Telecom - Services	2.57%
Axis Bank Ltd.	Banks	2.47%
Mphasis Ltd.	Software	2.24%
Infosys Technologies Ltd.	Software	2.15%
Others		36.88%
Listed/Awaiting Listing on Stock Exchange - Total		65.34%
Futures		
NIFTY-SEP2008		1.19%
Futures (Market value represents Notional Value) - Total		1.19%
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
Kotak Mahindra Prime Ltd.	LAA	8.14%
ICICI Bank Ltd.	AAA	5.28%
Corporate Debt/Financial Institutions - Total		13.42%
Public Sector Undertakings		
Indian Railway Finance Corporation Ltd.	AAA	6.87%
Public Sector Undertakings - Total		6.87%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		2.73%
Term Deposits - Total		2.73%
Collateral Borrowing & Lending obligation		
Net Current Assets/(Liabilities)		1.03%
		100%

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	20.29%
CBLO & Term Deposits & Rev.Repo	12.15%
Banks	8.02%
Industrial Capital Goods	6.88%
Software	5.42%
Pharmaceuticals	5.17%
Petroleum Products	4.96%
Telecom - Services	4.67%
Power	4.64%
Finance	3.40%
Others	24.40%

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. 10,716	Rs. 40,526	Rs. 99,178	Rs. 2,04,672
XIRR	-19.37%	7.87%	20.24%	25.05%

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. 24.47 crores. **Ratios:** Total Expense Ratio: 2.23% Standard Deviation*: 5.81 Sharpe*: -0.15 YTM: 8.60% *Source: Value Research. Portfolio Modified Duration: 0.17

Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Dec 02, 2003)
Kotak Income Plus	-4.08	2.54	6.15		7.00
CRISIL MIP Blended Index	-2.81	4.16	7.25		6.78

Kotak Income Plus NAV - Rs. 13.7864 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Reliance Industries Ltd.	Petroleum Products	0.89%
HDFC Ltd.	Finance	0.81%
Larsen And Toubro Ltd.	Diversified	0.74%
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	0.70%
Bharti Airtel Ltd.	Telecom - Services	0.68%
ITC Ltd.	Consumer Non Durables	0.68%
Mphasis Ltd.	Software	0.64%
Oil & Natural Gas Corporation Ltd.	Oil	0.61%
Axis Bank Ltd.	Banks	0.59%
Infosys Technologies Ltd.	Software	0.57%
Others		6.91%
Listed/Awaiting Listing on Stock Exchange - Total		13.82%

Debt Instruments

Debentures and Bonds

Corporate Debt/Financial Institutions		
Infrastructure Development Finance Co. Ltd	AAA	16.46%
Citicorp Finance (India) Ltd.	AAA	12.26%
Infrastructure Leasing & Financial Services Limited	LAAA	1.87%
Corporate Debt/Financial Institutions - Total		30.59%
Public Sector Undertakings		
Union Bank of India	AA+	21.44%
Public Sector Undertakings - Total		21.44%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		2.04%
Term Deposits - Total		2.04%
Collateral Borrowing & Lending obligation		
Net Current Assets/(Liabilities)		4.73%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.23 years

Total NPA provided and percentage to NAV: Nil

Notes:

* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds	52.03%
CBLO & Term Deposits & Rev.Repo	29.42%
Equities	13.82%
Net Current Assets	4.73%

RATING PROFILE

AAA, LAAA	30.59%
CBLO & Term Deposits & Rev.Repo	29.42%
AA+	21.44%
Equities	13.82%
Net Current Assets	4.73%

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. 103.31 crores. **Ratios:** Total Expense Ratio: 0.60% Sharpe*: 3.43 Standard Deviation*: 0.84 YTM: 9.25% *Source: Value Research. Portfolio Modified Duration: 1.32

Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (May 02, 2002)
Short Term Plan	2.70	7.22	7.29	6.41	6.74
Crisil Short - Term Bond Fund Index	2.62	6.73	6.02	5.22	5.70

Kotak Bond Short Term NAV : Rs. 15.1117 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

Issuer / Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
Kotak Mahindra Prime Ltd.	LAA	23.91%
Tata Sons Ltd.	AAA	14.13%
The Indian Hotels Company Ltd.	LAA+	8.57%
Long Bond Rec.Trust 2006 Ser IV A	AAA(so)	6.05%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	4.85%
RB Loan Trust Series V 2007 Series A1	F1+(ind)(SO)	2.66%
Citicorp Finance (India) Ltd.	AAA	1.90%
BHPC Auto Sec. Trust JUNE 2005 A3	AAA(so)	0.18%
Infrastructure Development Finance Co. Ltd	LAAA	0.09%
Corporate Debt/Financial Institutions - Total		62.34%
Public Sector Undertakings		
Power Finance Corporation Ltd.	AAA	14.34%
Public Sector Undertakings - Total		14.34%
Government Dated Securities		
8.24% Government Stock - 2027	SOV	4.25%
6% Government Stock - 2010	SOV	2.31%
Government Dated Securities - Total		6.56%
Money Market Instruments		
Commercial Paper(CP)/Certificate of Deposits(CD)		
Reliance Capital Ltd.	A1+	0.44%
Corporate Debt/Financial Institutions - Total		0.44%
Public Sector Undertakings		
Oriental Bank of Commerce	P1+	2.84%
Public Sector Undertakings - Total		2.84%
Collateral Borrowing & Lending obligation		
Net Current Assets/(Liabilities)		3.32%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 1.88 years

Total NPA provided and percentage to NAV: Nil

Notes:

* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds	76.68%
CBLO & Term Deposits & Rev.Repo	10.16%
Government Dated Securities	6.56%
Net Current Assets	3.32%
Commercial Paper (CP)/Certificate of Deposits (CD)	3.28%

RATING PROFILE

A1+, AAA, AAA(so), F1+(ind)(SO), LAAA, P1+, SOV	49.19%
LAA+, AA(ind)(SO), LAA	37.33%
CBLO & Term Deposits & Rev.Repo	10.16%
Net Current Assets	3.32%

KOTAK BOND

Open - Ended Debt Scheme

About the Scheme

Investment Objective - To create a portfolio of debt and money market instruments of different maturities so as to spread the risk across a wide maturity horizon & different kinds of issuers in the debt market. **Plan** (a) Deposit (b) Regular. **Available Options** (a) DP, DR & G (b) DP, DR, G & B **Fund Managers** 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. 77.74 crores. **Ratios:** Total Expense Ratio: (a) 2.25% (b) 1.50% **Sharpe*:** (a) 0.21 (b) 0.75 **Standard Deviation*:** (a) 2.44 (b) 2.46 **YTM:** 9.00% *Source: Value Research. **Portfolio Modified Duration:** 1.73

Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Nov 25, 1999)
Deposit Plan	-0.70	5.19	5.18	4.37	8.36
Regular Plan	-0.34	6.39	6.47	5.34	9.22
Crisil Composite Bond Index	-0.61	3.96	4.06	3.50	NA

Kotak Bond Deposit NAV : Rs. 20.2142 (Growth Option) Kotak Bond Regular NAV : Rs.21.6683 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
HDFC Ltd.	AAA	13.35%
The Indian Hotels Company Ltd.	LAA+	11.39%
Ultratech Cement Ltd.	AAA	6.56%
BHW Home Finance Ltd	LAA+	6.31%
Tata Sons Ltd.	AAA	6.26%
ICICI Bank Ltd.	AAA	1.74%
Corporate Debt/Financial Institutions - Total		45.61%
Public Sector Undertakings		
Indian Railway Finance Corporation Ltd.	AAA	13.17%
Power Finance Corporation Ltd.	AAA	12.71%
Public Sector Undertakings - Total		25.88%
Government Dated Securities		
8.24% Government Stock - 2027	SOV	11.31%
7.99% Government Stock - 2017	SOV	0.23%
Government Dated Securities - Total		11.54%
Money Market Instruments		
Commercial Paper(CP)/Certificate of Deposits(CD)		
Public Sector Undertakings		
Oriental Bank of Commerce	P1+	8.82%
Public Sector Undertakings - Total		8.82%
Collateral Borrowing & Lending obligation		
Net Current Assets/(Liabilities)		-2.66%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 3.00 years
Total NPA provided and percentage to NAV: NIL

Notes:

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

* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds	71.49%
Government Dated Securities	11.54%
CBLO & Term Deposits & Rev.Repo	10.81%
Commercial Paper (CP)/Certificate of Deposits (CD)	8.82%
Net Current Assets	-2.66%

RATING PROFILE

AAA, P1+, SOV	74.15%
LAA+	17.70%
CBLO & Term Deposits & Rev.Repo	10.81%
Net Current Assets	-2.66%

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. 5.80 crores. **Ratios:** Total Expense Ratio: 1.00% **Sharpe*:** 1.13 **Standard Deviation*:** 0.98 **YTM:** 8.00% * Source: Value Research. **Portfolio Modified Duration:** 0.002

Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Savings Plan Dec 29, 1998)
Gilt Investment Savings Plan	2.48	6.85	5.76	5.39	7.35
ISEC SIBEX	2.39	6.89	6.61	5.73	NA

Kotak Gilt Investment Savings Plan : Rs.19.8832 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Collateral Borrowing & Lending obligation		
Net Current Assets/(Liabilities)		96.49%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.003 years
Total NPA provided and percentage to NAV: NIL

Notes:

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

* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

CBLO & Term Deposits & Rev.Repo	96.49%
Net Current Assets	3.51%

RATING PROFILE

CBLO & Term Deposits & Rev.Repo	96.49%
Net Current Assets	3.51%

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. 22.53 crores. **Ratios:** Total Expense Ratio: (a) 1.65% (b) 1.25% **Sharpe*:** (a) 0.10 (b) 0.21 **Standard Deviation*:** (a) 3.67 (b) 3.67 *YTM: 8.50% *Source: Value Research. **Portfolio Modified Duration:** 3.20

Performance as on August 29, 2008# (Figures in %)

	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	-1.27	5.40	4.38	3.80	10.14
Investment - PF & Trust Plan	-1.08	5.82	4.79	NA	3.92
ISEC Composite Index	-2.36	3.27	4.99	4.13	3.93 \$

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

Kotak Gilt Investment Regular Plan : Rs.25.4909 (Growth Option) Kotak Gilt Investment PF & Trust Plan : Rs. 25.9724 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Government Dated Securities		
8.24% Government Stock - 2018	SOV	21.52%
8.24% Government Stock - 2027	SOV	19.51%
6% Government Stock - 2010	SOV	10.61%
Government Dated Securities - Total		51.64%
Collateral Borrowing & Lending obligation		
Net Current Assets/(Liabilities)		-33.76%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 5.83 years
Total NPA provided and percentage to NAV: NIL

SECTOR ALLOCATION

CBLO & Term Deposits & Rev.Repo	82.12%
Government Dated Securities	51.64%
Net Current Assets	-33.76%

RATING PROFILE

CBLO & Term Deposits & Rev.Repo	82.12%
SOV	51.64%
Net Current Assets	-33.76%

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:** 0.15% if redeemed within 1 working day after the date of allotment of units. **Plans:** (a) Regular (b) Institutional. **Minimum Initial Investment:** (a) Rs. 5000 & Rs.1,00,000 under Daily Dividend Reinvestment option (b) Rs.1,00,00,000

Additional Investment: (a) & (b) Rs.1000 & in Multiples of Re.1. **Ideal Investments Horizon** 7 days **Corpus:** Rs. 3540.88 crores. **Ratios:** Total Expense Ratio: (a) 0.65%, (b) 0.40% **Standard Deviation*:** 0.11 **Sharpe*:** 29.55 **YTM:** 9.60% *Source: Value Research. **Portfolio Modified Duration:** 0.23

Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Reg Plan-Dec 06,'04, Inst Plan -May 26, '08)
Kotak Flexi Debt Regular Plan	4.31	8.76	7.77	7.51	
Kotak Flexi Debt Institutional Plan	NA	NA	NA	2.27	
CRISIL Composite Bond Index	-0.61	3.96	4.06	4.50\$	

Kotak Flexi Debt NAV: Rs.13.0992 (Growth Option) Kotak Flexi Debt Institutional Plan NAV: Rs.10.2268 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. \$ The benchmark returns corresponds to Kotak Flexi Debt Regular Plan. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

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

Debentures and Bonds

Corporate Debt/Financial Institutions

Global Trade Finance Ltd.	P1+	5.64%
Credit Asset Trust Series XLVIII Class A2	F1+(ind)(SO)	3.67%
Corporate Debt Trust 2008 - 09 Series 2 Class A1	P1+(so)	2.66%
Indian Corporate Loan Securitization Trust Series 9 Series A	P1+(so)	2.54%
Tata Steel Limited	AAA(ind)	2.54%
CAT Series XXIV - Class A	P1+(so)	2.12%
Bharat Securitisation Trust 2 Ser B	AA(ind)(SO)	1.83%
Tata Sons Ltd.	AAA	1.81%
Indian Corp Loan Sec.Trust 08Series 17 Ser A1	PR1+(SO)	1.67%
Citifinancial Consumer Finance India Ltd.	AAA	1.55%
RB Loan Trust Series V 2007 Series A3	F1+(ind)(SO)	1.55%
IBM INDIA PVT. LTD.	AAA(ind)(SO)	1.44%
PST Loan Trust Series 1	AA(ind)	1.44%
Shriram Transport Finance Co Ltd.	AA(ind)	1.42%
Indian Corp Loan Securitisation Trust Series 11 Series A3	LAA+(SO)	1.41%
Indian Corporate Loan Securi Trust Sr LXII A1	LAAA(SO)	1.41%
Long Bond Receivables Trust 2007 SR-V	AAA(so)	1.32%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	1.31%
Citicorp Finance (India) Ltd.	AAA	1.27%
Indiabulls Financial Services Ltd	F1+(ind)(SO)	1.27%
Kotak Mahindra Prime Ltd.	LAA	1.15%
LIC Housing Finance Ltd.	AAA	1.09%
HDFC Ltd.	AAA	1.00%
Kotak Mahindra Prime Ltd.	P1+	0.85%
Rabo India Finance Ltd.	P1+	0.85%
Long Bond Receivables 2006 III A	AAA(ind)	0.79%
Infrastructure Development Finance Co. Ltd	LAAA	0.71%
Investsmart Financial Services Ltd.	A1+	0.71%
Mahindra & Mahindra Financial Services Ltd.	AA+	0.71%
Piramal Healthcare Limited	A1+	0.71%
GE Capital Services India.	AAA	0.70%
RB Loan Trust Series XII, A2	F1+(ind)(SO)	0.64%
CAT Series XXIII - Class A1	P1+(so)	0.57%
Indian Corp Loan Sec.Trust 08Series 20 Ser A2	LAAA(SO)	0.57%
Bharat Securitisation Trust 1 Series A-PO	A1+(SO)	0.56%
Edelweiss Capital Ltd.	P1+	0.56%
Ultratech Cement Ltd.	AAA	0.56%
KST Loan Trust Series A2	AA(ind)	0.49%
Bajaj Auto Finance Limited	AA+	0.45%
Edelweiss Securities Limited	P1+	0.42%
Indian Corp Loan Sec. Trust Ser L Ser A1	P1+(so)	0.39%
Loan Rec.Securitization Trust B - Ser-B2	AA(ind)(SO)	0.38%
Cholamandalam DBS Finance Limited.	LAA	0.28%
TAS Trust Series III, Series A1	AA+(so)	0.28%
Sundaram Finance Ltd.	LAA+	0.27%
DSP Merrill Lynch Capital Ltd.	AA+	0.14%
KAB Loan Trust Series A1	A1+(SO)	0.14%
KPI Loan Trust Series A1,OPT- A	AA-(ind)	0.14%
Corporate Debt Trust 2008 - 09 Series 2 Class A2	P1+(so)	0.10%
RB Loan Trust Series V 2007 Series A1	F1+(ind)(SO)	0.08%
Indian Retail ABS Trust Series 56 A2	AAA	0.06%
RB Loan Trust Series XII, A1	F1+(ind)(SO)	0.05%
Indian Corp Loan Sec. Trust Ser L Ser A2	P1+(so)	0.01%
Loan Rec.Securitization Trust B-Ser-B1	AA(ind)(SO)	0.01%

Corporate Debt/Financial Institutions - Total

Public Sector Undertakings

Indian Railway Finance Corporation Ltd.	AAA	3.51%
Indian Corp Loan Sec.Trust 08Series 19 Ser A2	P1+(so)	3.17%
Indian Oil Corporation Ltd.	A1+	2.68%
Indian Corp Loan Sec.Trust 08Series 32 Ser A1	A1+(SO)	2.40%
Indian Corp Loan Sec.Trust Series 15 Ser A1	P1+(so)	1.41%
IDBI Bank Ltd.	AA+	0.70%
Power Finance Corporation Ltd.	AAA	0.70%
National Housing Bank	AAA(ind)	0.29%
Loan Rec.Securitization Trust A; Series A1	AAA(ind)(SO)	0.05%
Indian Corp Loan Sec.Trust 08Series 19 Ser A1	P1+(so)	0.04%

Public Sector Undertakings - Total

Money Market Instruments

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

Corporate Debt/Financial Institutions

ICICI Bank Ltd.	A1+	6.76%
Unitech Ltd.	F1+(ind)	3.28%
Reliance Infrastructure Ltd	F1+(ind)	2.81%
Sobha Developers Ltd.	A1	2.09%
Tata Motors Ltd.	P1+	1.68%
Adlabs Films Ltd.	A1+	0.71%
ICICI Home Finance Company Limited	A1+	0.68%
Federal Bank Ltd.	P1+	0.54%
ABN Amro Bank N.V	A1+	0.33%
Cholamandalam DBS Finance Limited.	A1+	0.28%
DLF Limited	P1+	0.28%
GE Capital Services India.	P1+	0.27%
Gruh Finance Ltd	P1+	0.27%
Hongkong & Shanghai Banking Corporation	P1+	0.27%
TATA Capital Ltd.	A1+	0.27%
Edelweiss Capital Ltd.	P1+	0.26%
AXIS Bank Ltd.	P1+	0.13%

Corporate Debt/Financial Institutions - Total

Public Sector Undertakings

Oriental Bank of Commerce	P1+	0.30%
State Bank of Mysore	A1+	0.27%
State Bank of Travancore	P1+	0.27%
Indian Overseas Bank	A1+	0.13%

Public Sector Undertakings - Total

Collateral Borrowing & Lending obligation

Net Current Assets/(Liabilities) 5.01%

Grand Total 100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.25 years

Total NPA provided and percentage to NAV: NIL

Notes:

* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds	71.24%
Commercial Paper (CP)/Certificate of Deposits (CD)	21.88%
Net Current Assets	5.01%
CBLO & Term Deposits & Rev.Repo	1.87%

RATING PROFILE

A1+, A1+(SO), AAA, AAA(ind), AAA(ind)(SO), AAA(so), CARE AAA, F1+(ind), F1+(ind)(SO), LAAA, LAAA(SO), P1+, P1+(so), PR1+(SO)	78.62%
A1, AA+, AA+(so), LAA+, LAA+(SO), AA(ind), AA(ind)(SO), LAA, AA-(ind)	14.50%
Net Current Assets	5.01%
CBLO & Term Deposits & Rev.Repo	1.87%

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. 83.30 crores. **Ratios:** Total Expense Ratio: 1.00% Standard Deviation*: 0.27 Beta*: -0.10 Sharpe*: 11.98 Alpha*: 3.43 YTM: 9.50% * Source: Value Research. Portfolio Modified Duration: 0.09

Performance as on August 29, 2008# (Figures in %)

	6 Months	1 Yr	3 Yr	Since Allotment (Aug 13, 2004)
Kotak Floater Long Term	3.88	8.68	7.58	7.03
CRISIL Liquid Fund Index	3.85	7.36	6.66	6.10

Kotak Floater Long Term NAV : Rs. 13.1639 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

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

Debentures and Bonds

Corporate Debt/Financial Institutions

Citicorp Finance (India) Ltd.	AAA	9.64%
HDFC Ltd.	AAA	6.22%
Tata Sons Ltd.	AAA	6.08%
Citifinancial Consumer Finance India Ltd.	AAA	6.01%
Indiabulls Financial Services Ltd.	F1+(ind)(SO)	6.01%
DSP Merrill Lynch Capital Ltd.	AA+	6.00%
Tata Motors Ltd.	P1+	6.00%
Sundaram Finance Ltd.	AA+	5.99%
RB Loan Trust Series V 2007 Series A3	F1+(ind)(SO)	4.34%
Indian Retail ABS Trust Series 56 A2	AAA	3.12%
KST Loan Trust Series A2	AA(ind)	2.43%
KPI Loan Trust Series A1,OPT- A	AA-(ind)	2.41%
Bharat Securitisation Trust 1 Series A-IO	A1+(SO)	1.06%
Indian Corporate Loan Sec.Trust Series A2	AA+(so)	0.50%

Corporate Debt/Financial Institutions - Total

Public Sector Undertakings

Indian Railway Finance Corporation Ltd.	AAA	6.21%
Coll.Debt Trust Ser.24 Class A2 OPT 2	AAA(so)	4.06%

Public Sector Undertakings - Total

Money Market Instruments

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

Corporate Debt/Financial Institutions

ICICI Bank Ltd.	A1+	5.77%
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Corporate Debt/Financial Institutions - Total

Public Sector Undertakings

State Bank of Indore	P1+	5.98%
Oriental Bank of Commerce	P1+	3.53%

Public Sector Undertakings - Total

Collateral Borrowing & Lending obligation

Net Current Assets/(Liabilities) 4.56%

Grand Total 100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.12 years

Total NPA provided and percentage to NAV: NIL

Notes:

* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds	76.08%
Commercial Paper (CP)/Certificate of Deposits (CD)	15.28%
Net Current Assets	4.56%
CBLO & Term Deposits & Rev.Repo	4.08%

RATING PROFILE

A1+, A1+(SO), AAA, AAA(so), F1+(ind)(SO), P1+	74.03%
AA+, AA+(so), AA(ind), AA-(ind)	17.33%
Net Current Assets	4.56%
CBLO & Term Deposits & Rev.Repo	4.08%

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. 357.27 crores. **Ratios:** Total Expense Ratio: 0.41% Standard Deviation*: 0.13 Beta*: 0.06 Sharpe*: 22.73 Alpha*: 2.83 YTM: 9.75% *Source: Value Research. Portfolio Modified Duration: 0.08

Performance as on August 29, 2008# (Figures in %)

	7 Days	15 Days	1 Month	3 Months	6 Months
Kotak Floater Short Term	0.19	0.38	0.78	2.25	4.36
CRISIL Liquid Fund Index	0.16	0.31	0.69	1.80	3.85

	1 Yr	3 Yr	Since Allotment (Jul 14, 2003)
Kotak Floater Short Term	8.83	7.49	6.52
CRISIL Liquid Fund Index	7.36	6.66	5.66

Kotak Floater Short Term NAV : Rs.13.8282 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

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

Debentures and Bonds

Corporate Debt/Financial Institutions

Edelweiss Capital Ltd.	P1+	11.20%
Madras Cements Ltd.	A1+	7.00%
Mahindra & Mahindra Financial Services Ltd.	AA+	7.00%
CAT Series XXIII - Class A1	P1+(so)	5.62%
Indiabulls Financial Services Ltd	F1+(ind)(SO)	5.60%
Whirlpool of India Ltd.	P1+	5.60%
DSP Merrill Lynch Capital Ltd.	AA+	4.20%
Infrastructure Development Finance Co. Ltd	LAAA	4.20%
Tata Steel Limited	AAA(ind)	2.82%
CitiFinancial Consumer Finance India Ltd.	AAA	2.81%
Blue Star Ltd.	AAA	2.80%
Indian Corporate Loan SecuritizationTrust Series 9 Series A	PR1+	2.80%
Sterlite Technologies Limited.	P1+(so)	2.80%
Tata Motors Ltd.	P1	2.80%
Corporate Debt Trust 2008 - 09 Srs 5 Class A1	P1+	2.80%
LIC Housing Finance Ltd.	AAA(so)	2.29%
AXIS Bank Ltd.	AAA	1.81%
Shriram Transport Finance Co Ltd.	LAA+	1.45%
Sundaram Finance Ltd.	AA(ind)(SO)	1.40%
ICICI Bank Ltd.	AA+	1.40%
Citicorp Finance (India) Ltd.	CARE AAA	1.16%
Corporate Debt Trust 2008 - 09 Srs 5 Class A2	AAA	0.56%
Corporate Debt/Financial Institutions - Total	AAA(so)	77.85%

Public Sector Undertakings

Export-Import Bank of India.	AAA	2.80%
Indian Railway Finance Corporation Ltd.	AAA	1.42%
Indian Oil Corporation Ltd.	A1+	1.40%
Public Sector Undertakings - Total		5.62%

Money Market Instruments

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

Corporate Debt/Financial Institutions

Adiabhs Films Ltd.	A1+	7.00%
Reliance Capital Ltd.	A1+	3.67%
ICICI Bank Ltd.	A1+	1.10%
Corporate Debt/Financial Institutions - Total		11.77%
Collateral Borrowing & Lending obligation		2.74%
Net Current Assets/(Liabilities)		2.02%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.08 years

Total NPA provided and percentage to NAV: NIL

Notes

*Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds	83.47%
Commercial Paper (CP)/Certificate of Deposits (CD)	11.77%
CBLO & Term Deposits & Rev.Repo	2.74%
Net Current Assets	2.02%

RATING PROFILE

A1+, AAA, AAA(ind), AAA(so), CARE AAA, F1+(ind)(SO), LAAA, P1+, P1+(so), PR1+	76.99%
AA+, LAA+, P1, AA(ind)(SO)	18.25%
CBLO & Term Deposits & Rev.Repo	2.74%
Net Current Assets	2.02%

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. 3359.72 crores. **Ratios:** Total Expense Ratio: (a) 1.00% (b) 0.74% (c) 0.29% **Sharpe*:** (a) 16.02 (b) 18.02 (c) 19.64 **Standard Deviation*:** (a) 0.13 (b) 0.13 (c) 0.14 **YTM:** 9.50% *Source: Value Research. Portfolio Modified Duration: 0.13

Performance as on August 29, 2008# (Figures in %)

	7 Days	15 Days	1 Month	3 Months	6 Months
Kotak Liquid Regular Plan	0.16	0.33	0.70	2.03	3.91
Kotak Liquid Institutional Plan	0.17	0.34	0.72	2.09	4.04
Kotak Liquid Institutional Premium Plan	0.18	0.35	0.76	2.21	4.28
CRISIL Liquid Fund Index	0.16	0.31	0.69	1.80	3.85

	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	7.75	6.75	5.84	6.46
Kotak Liquid Institutional Plan	8.02	7.11	6.22	6.17
Kotak Liquid Institutional Premium Plan	8.50	7.50	NA	6.56
CRISIL Liquid Fund Index	7.36	6.66	5.69	5.61**

** The Benchmark Returns corresponds to Kotak Liquid Institutional Plan

Kotak Liquid Regular Plan NAV: Rs.16.4094 (Growth Option); Kotak Liquid Institutional Plan NAV : Rs.16.7253 (Growth Option) Kotak Liquid Institutional Premium Plan NAV: Rs.16.9537 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

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

Debentures and Bonds

Corporate Debt/Financial Institutions

ECL Finance Limited	A1+	11.31%
Rabo India Finance Ltd.	P1+	4.50%
Tata Motors Ltd.	P1+	3.13%
RB Loan Trust Series XI	F1+(ind)(SO)	2.99%
Chambal Fertilisers & Chemicals Ltd.	P1+	2.23%
Cholamandalam DBS Finance Limited.	A1+	2.08%
Citicorp Finance (India) Ltd.	AAA	1.82%
CitiFinancial Consumer Finance India Ltd.	AAA	1.62%
Sterlite Technologies Limited.	P1	1.55%
CAT Series XXIV - Class A	P1+(so)	1.49%
HDFC Ltd.	AAA	1.49%
Infrastructure Development Finance Co. Ltd	LAAA	1.49%
KCS Loan Trust Series A1,OPT -B	A1+(SO)	1.49%
RB Loan Trust Ser -III 2007 Ser A3	P1+(so)	1.49%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	1.49%
Edelweiss Securities Limited	P1+	1.34%
Piramal Healthcare Limited	A1+	1.34%
LIC Housing Finance Ltd.	AAA	1.25%
Edelweiss Capital Ltd.	P1+	1.19%
Indian Corp Loan Sec.Trust 08Series 17 Ser A1	PR1+(SO)	1.10%
ICICI Bank Ltd.	CARE AAA	1.08%
AXIS Bank Ltd.	LAA+	0.91%
Redington (India) Ltd.	P1+	0.89%
Indian Corporate Loan Sec.Trust Series A1	AA+(so)	0.78%
PST Loan Trust Series 1	AA(ind)	0.77%
Tata Sons Ltd.	AAA	0.77%
Bharat Securitisation Trust 1 Series A-PO	A1+(SO)	0.76%
Indian Corporate Loan SecuritizationTrust Series 9 Series A	P1+(so)	0.75%
BHW Home Finance Ltd	P1+	0.74%
DSP Merrill Lynch Capital Ltd.	AA+	0.74%
Kotak Mahindra Prime Ltd.	P1+	0.74%
Mahindra & Mahindra Financial Services Ltd.	P1+	0.74%
Motherson Sumi Systems Ltd.	A1+	0.74%
GE Capital Services India.	AAA	0.68%
BHPC Auto Securitisation Trust Dec 2007 - I	AAA(so)	0.59%
RB Loan Trust Series V 2007 Series A2	F1+(ind)(SO)	0.59%
Sundaram Finance Ltd.	AA+	0.44%
KST Loan Trust Series A2	AA(ind)	0.42%
ICICI Securities Primary Dealership Ltd.	AAA	0.41%
Citicorp Maruti Finance Ltd.	AAA	0.15%
Ultratech Cement Ltd.	AAA	0.15%
RB Loan Trust Series XIV A2-PO	P1+(so)	0.13%
RB Loan Trust Series XIV A1-IO	P1+(so)	0.11%
India Loan Securitisation Series V Trust 06 Series A	AAA(so)	0.06%
Corporate Debt/Financial Institutions - Total		60.53%

Public Sector Undertakings

Indian Corp Loan Sec.Trust 08Series 30 Ser A1	P1+(so)	5.21%
Indian Oil Corporation Ltd.	A1+	2.98%
Indian Corp Loan Sec.Trust 08Series 32 Ser A1	A1+(SO)	2.38%
Power Finance Corporation Ltd.	AAA	1.65%
Indian Railway Finance Corporation Ltd.	AAA	1.19%
Export-Import Bank of India.	AAA	0.76%
Loan Rec.Securitization Trust A; Series A2	AAA(ind)(SO)	0.67%
Industrial Development Bank Of India.	AA+	0.45%
National Housing Bank	AAA(ind)	0.30%
Union Bank of India	AA+	0.15%
Public Sector Undertakings - Total		15.74%

Money Market Instruments

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

Corporate Debt/Financial Institutions

Uniftech Ltd.	F1+(ind)	2.32%
YES Bank Ltd.	A1+	1.76%
Hongkong & Shanghai Banking Corporation	P1+	1.66%
IDBI Home Finance	A1+	1.48%
Reliance Capital Ltd.	A1+	1.02%
HDFC Ltd.	A1+	0.87%
Exide Industries Ltd.	P1+	0.74%
DLF Limited	P1+	0.72%
Standard Chartered Bank Ltd	P1+	0.60%
ICICI Bank Ltd.	A1+	0.57%
AXIS Bank Ltd.	P1+	0.30%
Centurion Bank of Punjab Ltd.	F1+(ind)	0.30%
ICICI Home Finance Company Limited	A1+	0.29%
Cholamandalam DBS Finance Limited.	A1+	0.28%
Cholamandalam DBS Finance Limited.	P1+	0.28%
Citibank N.A.	P1+	0.28%
IndusInd Bank Ltd.	P1+	0.28%
Sundaram Finance Ltd.	P1+	0.28%
Reliance Telecom Ltd.	A1+	0.27%
Standard Chartered Investment & Loan India Ltd.	P1+	0.20%
Corporate Debt/Financial Institutions - Total		14.50%

Public Sector Undertakings

National Bank for Agriculture and Rural Development	CARE AAA	1.16%
State Bank of India.	P1+	1.13%
National Bank for Agriculture and Rural Development	P1+	0.84%
UCO Bank	P1+	0.73%
IDBI Bank Ltd.	A1+	0.71%
Punjab National Bank	A1+	0.44%
Punjab National Bank	A1+	0.43%
State Bank of Patiala	A1+	0.30%
Canara Bank	P1+	0.29%
Corporation Bank	P1+	0.29%
Allahabad Bank	PR1+	0.28%
State Bank of Indore	P1+	0.28%
Vijaya Bank	PR1+	0.28%
Public Sector Undertakings - Total		7.16%

Collateral Borrowing & Lending obligation

Net Current Assets/(Liabilities)		1.86%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.13 years

Total NPA provided and percentage to NAV: NIL

Notes:

* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds	76.27%
Commercial Paper (CP)/Certificate of Deposits (CD)	21.66%
Net Current Assets	1.86%
CBLO & Term Deposits & Rev.Repo	0.21%

RATING PROFILE

A1+, A1+(SO), AAA, AAA(ind), AAA(ind)(SO), AAA(so), CARE	
AAA, F1+(ind), F1+(ind)(SO), LAAA, P1+, P1+(so), PR1+, PR1+(SO)	90.23%
AA+, AA+(so), LAA+, P1, AA(ind), AA(ind)(SO)	7.70%
Net Current Assets	1.86%
CBLO & Term Deposits & Rev.Repo	0.21%

Risk free rate of returns for Sharpe ratio : 9.25%

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-14-08	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

Aug-12-08	10.3604	Individual/ HUF : 0.0566 Others : 0.0526
July-14-08	10.2430	Individual / HUF :0.0647 Others : 0.0602
Jun-12-08	10.7712	Individual / HUF :0.0641 Others : 0.0596
May-12-08	10.8405	Individual / HUF :0.0557 Others : 0.0518

Kotak Income Plus- Quarterly Dividend

Jun-20-08	10.6606	Individual / HUF : 0.1560 Others : 0.1451
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

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.

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 \(www.kotakstreet.com\)](http://Kotakstreet.com), [ICICI Direct \(www.icicidirect.com\)](http://ICICI Direct.com), and [Times of Money \(www.timesofmoney.com\)](http://Times of Money.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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