

January 31, 2008

THE 5 STAR RATED\*  
KOTAK OPPORTUNITIES FUND  
IS NOW A TOP 100 FUND# GLOBALLY.

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AFTER ALL, YOUR MONEY DESERVES  
NOTHING LESS.

**KOTAK OPPORTUNITIES**



Dear Friends,

**'The stock decline of May 2006 has found resonance in January 08'.** That is how many of analysts put the events of January in brief.

The BSE Sensex saw one of the steepest correction in its history, when it fell nearly 20% from its high of 20,873.33 on 8th Jan 08; to its month low of 16,729 on 22nd Jan 08. In process, market capitalization in excess of Rs 10 lac crore was wiped out, leaving investors high and dry. When I compare the market behavior in May 06 to that of Jan 08, I see two similarities, viz. global volatility and extensive domestic leveraging. While the global volatility in May 06 was mainly on account of unwinding of carry trades, this time it was more on account of the impending US recession.

An additional similarity between the May 06 & Jan 08 period was the huge liquidity outflow in the mega IPO. However in present circumstance, we did not see retail investors panicking from temporary discomfiture. In fact, for Kotak Mutual Fund, January 08 saw large inflow into our existing schemes like Kotak 30, Kotak Opportunities and Kotak Taxsaver.

At a larger level, the current decline in the Indian equities market was in line with the meltdown across the global bourses; with Hang Seng, FTSE and Dow Jones, all correcting by around (21%), (13%) and (10%) respectively over the previous month close (December). Prima Facie, our reaction to the negative global cues seems to be overdone in comparison to others. But it is worth noting that, while the global exchanges have been in decline since last October, Indian markets succumbed decisively only in mid-Jan period.

In a way, the market crash in January represents more of a technical overreaction to a short-term change in perception, rather than a comment on fundamental outlook of the Indian economy. The streams of negative cues coming in from the US financial sector were already testing the stability of the Indian equities market. Eventually, the losses and write-downs in US financial industry (exceeding US\$ 135 bn) led to a liquidity crunch in US credit market, sparking off position unwinding globally.

These huge write-offs in the financial services sector saw a massive sell-off in the global equity markets. The fact that US economy grew by only 0.6% in Q4-2007 as compared to 4.9% in Q3-2007, marked the formal beginning of a slowdown, and perhaps even recession in US. This was probably well-anticipated the Fed as seen by two sharp rate-cuts on 22nd Jan (0.75%) and on 30th Jan (0.50 %) bringing down the Fed funds rate to 3%.

In this backdrop, the widening interest rate differential between US and India provides significant arbitrage opportunities to the international investors - both in equity and in debt. It is therefore fair to expect that RBI may consider a downward revision of interest rates to stymie such an inflow into the system – an outlook that makes gilt and income funds attractive in the 6 month to 1 year time frame.

Despite the temporary pessimism in some quarters, I believe that India, with its relative insulation from global economy remains well set to maintain its '8.5% plus' growth momentum in future. The genesis of this opinion rests in the fact that Indian economy derives its growth largely from the domestic demand. As a case point, India's exports-to-GDP ratio at 15% remains one of the lowest in the world in comparison to other major economies like China (40%), Korea (46%), Malaysia (104%) etc. This indigenous nature of demand ensures that factors affecting the Indian corporate performance remain local and confined within expected parameters. However, global events in the short term would continue to drive the stock markets and equity valuations.

On a different note, Kotak Mahindra Mutual Fund had many reasons to rejoice last month. The Kotak Opportunities scheme - which has **5 Star** rating from [valueresearchonline](http://www.valueresearchonline.com) - was recently adjudged by Lipper as one of the top 100 schemes in the entire world (the universe of such schemes being nearly 24,000). We believe that our continued commitment towards providing risk adjusted performance was the basis for this coveted recognition. I take this opportunity to thank all our channel partners and colleagues whose co-operation and effort motivated us to strive for continued improvement and excellence.

Regards,

Sandesh Kirkire

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

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## From the Equity Fund Management Team

The sentiments in the domestic equity market were driven by fear across the global equity markets arising from the losses borne by financial institutions in USA. In addition to global factors, the domestic markets were also impacted by liquidity crunch arising from huge subscription to IPO of reliance Power Ltd and Future Capital holding. The leveraged positions built in equity assets through the futures & options segments were substantially unwound as margin calls were enforced by brokers and the exchanges.

The equity indices had a high degree of volatility wherein the Sensex touched an all time high of over 21206.77 and then corrected over 27.7% to record a low of 15332.42 before closing at 17648.71, a net loss of 13% over previous closing. CNX Midcap closed down by 20.6% to close at 7308.05.

FIs became net sellers reflecting the sharp fall with net outflows for the month being US\$3.23bn compared to net inflow of US\$1.38bn in December'08. Domestic Mutual funds were net buyers with inflows of US\$1.4bn compared to net inflows of US\$800mn in the previous month.

In a major event, the US Federal Reserve announced an interim rate cut of 0.75% at an unscheduled meeting and followed up with another 0.50% cut at the scheduled meeting. As the sub-prime issue is neither resolved fully nor the impact fully quantified, the markets failed to react positively to the rate cut announcements. While there is no direct impact of the sub-prime issue on the Indian economy, there may be a limited impact of any recession in the USA on export oriented sectors. On the whole, we maintain that as the growth in Indian economy is based on domestic consumption & infrastructure theme, Indian economy will remain insulated from global worries and will retain its status as an attractive investment destination in long term.

### Economic Indicators

- Indian GDP growth rates for FY 2007 were revised to 9.6% and the estimates for FY 2008 were pegged at 9%.
- Core sector growth was lower at 5.3% in November.
- IIP growth fell to 5.3% in November on account of slower manufacturing growth. The growth number was 11.8% in the month of October.
- WPI inflation rose slightly to 3.83 % in the week ended 12th Jan 08.

### Key Policy Actions

- RBI at its monetary policy maintained the key rates at existing levels.
- India and France sign 5 treaties including civil nuclear cooperation: The nuclear cooperation will, however, be subject to the safeguards agreement that India has to sign with the IAEA.
- Subsequent to SEBI's decision allowing FIIs to short sell equity assets, RBI also accorded the approval.
- The government announced further liberalization of FDI in seven key economic sectors, allowing 74% FDI in non-scheduled airlines, 49% foreign investment in commodity exchanges and up to 49% FDI in credit information companies (CICs).

### Corporate News

- The quarterly results declared by corporate sector for the period ended December 2007 were on expected lines and contained no major surprises. A sample of 1393 companies (having market capitalization of USD 1 trillion) showed sales growth of 15.7%, operating profit growth of 23.2% and net profit growth of 15.3%. The net profit growth was lower than operating profit growth on account of increase in interest costs by 46.1% during second half of the current calendar year.
- State Bank of India announced plans to raise Rs. 16,736 crore via rights issue in ratio of one share for every five shares held at Rs1,590 per share. The government will infuse nearly Rs.10,000 crore to maintain its holding at 59.73%.
- Reliance power successfully completed its IPO and drew subscription at around 73 times the offer size of Rs. 11700 crore. Investors applied for shares worth
- Tata Motors unveiled its new car "NANO" to be launched at Rs.1 lakh. The car will be commercially launched in second half of the calendar year 2008.
- Tata Chemicals Ltd announced plans to acquire US-based natural soda-ash producer General Chemical Industrial Products Inc. for US \$ 1 bn. Post the acquisition, Tata Chemicals will emerge as second largest producer of soda ash with nearly 14% of world capacity.
- ICICI bank announced plans to raise funds in its broking subsidiary, ICICI Securities Ltd. through a private placement of equity shares and later through IPO. ICICI Bank also announced that its earlier plan of creating a holding company (for its insurance and mutual fund businesses) and making IPO in the company was withdrawn as the time limits set in the earlier agreement with the investors had been exceeded.

### Market Outlook

We believe that Indian economy being more domestic oriented is in a fundamentally stronger position in comparison with other emerging markets and is less vulnerable to recession in USA. We continue to maintain that Indian equities remain a preferred asset class for both domestic and international investors considering India's economic potential & corporate sector's growth plans. While the longer term outlook being positive, the near term market

movements will mainly take cues from global equity markets as they swing between the hopes of improving liquidity as well as risk appetite courtesy the easing of global interest rates led by US Federal Reserve & the fear of economic recession in USA impacting the global growth outlook. We would recommend investors to stay invested with a 2-3 year horizon and also use any dips as buying opportunity to increase their investments in equity assets.

## From the Debt Fund Management Team

### RBI holds benchmark rates in policy review

Contrary to market expectations RBI resisted overt pressure from the finance minister and kept benchmark rates unchanged in the third quarter review of the credit and monetary policy. The consensus expectation of a 25 bps cut in the repo rate was based on the markets expecting a slowdown in the economy as seen in weak IIP figures especially the rate sensitive sectors and the continuing low inflation. This was buttressed by the aggressive rate cuts by the Fed amidst expectations of a recession in the US, which would increase the interest rate differential between the two countries on one hand and adversely impact export demand on the other.

RBI however interprets the extant economic scenario a bit differently. It expects GDP to grow at 8.5% in the current financial year, which though down from 9% a year earlier would be in line with its earlier projections but still anticipates a "persistence of aggregate demand pressures (in the economy)". While the market was taking comfort from low headline inflation figures the RBI sees stronger indications of "upside inflationary risks in the period ahead". Even as it acknowledges that credit off take has come down over the course of the year, it also points out that "domestic monetary and liquidity conditions continue to be more expansionary than before and are likely to be amplified by global factors". While some observers expected the RBI to dovetail the FOMC with domestic rate cuts the RBI expects a soft landing in the US and believes that globally, "upside pressures on inflation have become more potent and real than before."

Going forward RBI will continue to stay focused on containing inflation to 5% in the current financial year and stay on course to meet its medium term target of 3%. Money supply growth is running at 22%, much higher than RBIs projection of 17-17.5% and has the potential to stoke domestic inflation. If the rate cuts in US do result in a resurgence of forex flows, RBI will continue with its policy of intervening in the forex market and then sterilizing them by issuing MSBs and a CRR hike too cannot be ruled. While a hike in benchmark rates is ruled out, barring any unforeseen circumstances RBI is unlikely to cut benchmark rates till the July review.

### Fed on an aggressive rate cutting spree

The FOMC in an unprecedented move cut the fed funds rate by 75 bps in an emergency meet as one Wall Street biggie after another announced larger and even more larger write downs and equity markets worldwide tanked amidst fears that the sub prime credit crisis would engulf the larger US economy pulling it into recession. This was followed by another 50 bps cut a week later in the scheduled Jan end meet bringing the cumulative rate cuts by the fed to 225 bps since Sept 2007. The Fed move was prompted by the continuing deterioration in the housing market along with a softening labor market and above all the unprecedented stress in the financial markets, which threatens to choke off credit to both business and households. The FOMC expects inflation to moderate in the coming quarters, but it is uncomfortably high at the moment and inflation expectations have moved up since September when the Fed started its current round of rate cuts with the 2-10 year Treasury spreads widening to 150 bps from 50 bps in September and not surprisingly there were dissenters to the Fed's move in each of the two meetings this month. The Fed's actions had built up expectations that other central banks would follow suit but the ECB botched such hopes by reiterating its inflation fighting credentials though the BoE may cut rates soon it would be a result of domestic compulsions. The markets are now putting a 61% chance to a recession in the US and that would definitely drag down global GDP growth but high oil and agricultural commodities prices pose an inflationary risk, which cannot be overlooked. With the labor market in the US seeing its first contraction in four and a half years in January, the Fed can be expected to cut rates in the next few meets, but it is quite likely that it could start reversing the rate cuts by the end of this year when it could be fighting to rein in inflation.

### Outlook

Even as RBI maintains its vigil on inflation, bond fundamentals continue to get positive. Partly as a result of a tight monetary policy followed by RBI and partly due to a slowdown in the US, inflation and growth should moderate in 2008. The tight monetary policy initiated by RBI in 2004 could finally come to an end in 2008 with the first rate cut likely in July. HDFC has been the first off the block to cut interest rates on existing mortgages and more interest rate could follow in the year ahead. Bond markets have already performed well in January with Kotak Bond fund giving a return of 29% (ann.) and we believe bond funds would continue to give good returns in the rest of 2008 as well.

### Source of Information:

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

**Assets under Management as on January 31, 2008 - Rs. 22,665.10 Crores**

## About our Fund Managers

### FUND MANAGER

**Name: Mr. Krishna Sanghavi**

**Scheme (experience in managing this fund since)**

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

### BUSINESS EXPERIENCE

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

**Name: Mr. Sajit Pisharodi**

**Scheme (experience in managing this fund since)**

Kotak Equity Arbitrage (Sep 29, '05), Kotak Equity FOF (Aug 31, '05), Kotak Dynamic FOF (Aug 31, '05), Kotak Flexi FOF (Oct 20, '05)

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

**Name: Mr. Anurag Jain**

**Scheme (experience in managing this fund)**

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

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

**Name: Mr. Ritesh Jain**

**Scheme (experience in managing this fund)**

Kotak Equity Arbitrage (Sept 29, '05), Kotak Balance (Jul 11, '07), Kotak Income Plus (Sept 11, '07), Kotak Bond Short Term (May 16, '05), Kotak Bond (Regular & Deposit) (May 16, '05), Kotak Gilt Savings (May 16, '05), Kotak Gilt Investment (Regular & PF-Trust) (Dec 20, '98), Kotak Flexi Debt (May 16, '05), Kotak Floater Long Term (Aug 13, '04), Kotak Floater Short Term (May 16, '05), Kotak Liquid (May 16, '05)

Experience of 7 years. Having begun his career in foreign exchange banking at Corporation Bank, he then moved to IDBI Bank Ltd., where he managed money market treasury (trading and ALM management). Prior to joining the Kotak Mahindra group, he also worked briefly at Ranbaxy Laboratories Ltd., managing US\$ 500 Million of foreign exchange treasury. Mr. Jain joined the AMC in 2003 as part of the Fund Management team.

**Name: Mr. Sanjib Guha**

**Scheme (experience in managing this fund)**

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

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

**Name: Mr. Imran Sayed**

**Scheme (experience in managing this fund)**

Kotak Bond (Regular & Deposit) (Jul 11, '07), Kotak Gilt Savings (Jul 11, '07), Kotak Gilt Invest (Regular & PF-Trust) (Jul 11, '07), Kotak Floater Long Term (Jul 11, '07)

Over six years of experience in the debt market. Before joining Kotak MF was working at Sahara India Financial Corporation managing the debt portfolio. Prior to that was working at Darashaw securities as an IRS dealer.

**Name: Mr. Deepak Agrawal**

**Scheme (experience in managing this fund)**

Kotak Bond Short Term (Jul 11, '07), Kotak Flexi Debt (Jul 11, '07), Kotak Floater Short Term (Nov 1, '06), Kotak Liquid (Jul 11, '07),

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



# KOTAK 30

## Open-Ended Equity Growth Scheme

### About The Scheme

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

▪ **Available Options** - DP, DR & G. **Fund Managers** Krishna Sanghvi and Sanjib Guha. **Loads - Entry:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores. iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/Balanced/Equity FOF Schemes: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/Balanced/Equity FOF Scheme. 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:** i) For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1% ii) For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50% iii) Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil iv) Where units are allotted upon reinvestment of Dividends: Nil v) 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. 607.32 crores **Ratios:** Portfolio Turnover: 294.92% Total Expense Ratio: 2.24% \* Source: Value Research.

### Performance as on January 31, 2008

	6 Months	1 Yr	3 Yr	5 Yr	Since allotment (Dec 29, 1998)
Kotak 30*	23.5	40.7	45.9	52.7	28.5
S&P CNX Nifty	13.2	25.8	35.7	37.6	21.5

Kotak 30 NAV : Rs.39.204 (Div. Option). \* Returns assumed reinvestment of the tax free dividend declared. Returns = 1 year: Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related (Listed/Awaiting listing on Stock Exchange)</b>		
Reliance Industries Ltd.	Petroleum Products	7.55 %
Larsen And Toubro Ltd.	Industrial Capital Goods	4.80 %
HDFC Ltd.	Finance	4.21 %
ITC Ltd.	Consumer Non Durables	4.02 %
Aditya Birla Nuvo Limited	Textile Products	3.92 %
ICICI Bank Ltd.	Banks	3.78 %
State Bank Of India	Banks	3.21 %
Reliance Communications Ltd.	Telecom - Services	3.16 %
Bharti Airtel Ltd.	Telecom - Services	3.11 %
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	3.02 %
Others		52.95 %
<b>Listed/Awaiting listing on Stock Exchange - Total</b>		<b>93.73%</b>

### TERM DEPOSITS

<b>Term Deposits</b>	
Kotak Mahindra Bank Ltd.	0.82%
<b>Term Deposits - Total</b>	<b>0.82%</b>
<b>Collateral Borrowing &amp; Lending obligation</b>	<b>4.28%</b>
<b>Net Current Assets/(Liabilities)</b>	<b>1.17%</b>
<b>Grand Total</b>	<b>100.00%</b>

Total NPA provided and percentage to NAV: NIL

### SECTOR ALLOCATION

Banks	12.55
Industrial Capital Goods	10.37
Construction	9.32
Petroleum Products	8.87
Telecom - Services	6.27
Power	6.13
Consumer Non Durables	5.83
Finance	5.36
Software	5.32
CBLO & TERM DEPOSITS & REV. REPO	5.10
REST	24.88

SIP Returns	1 year	3 Year	5 Year	7 Year
Investment Amt.	Rs.12,000	Rs.36,000	Rs.60,000	Rs.84,000
Investment Value	Rs.14,956	Rs.67,215	Rs.1,93,998	Rs.4,07,670
XIRR	48.46%	45.04%	48.97%	44.87%

# 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. 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:** i) For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1% ii) For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50% iii) Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil iv) Where units are allotted upon reinvestment of Dividends: Nil v) Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1 **Ratios:** Portfolio Turnover: 165.70% Total Expense Ratio: 2.34% **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 210.06 crores. **Performance as on January 31, 2008**

	6 Months	1 Yr	Since Allotment (Feb. 24, 2005)
Kotak Mid-Cap	9.9	23.3	36.5
CNX Midcap	17.9	38.4	36.0

Kotak Midcap NAV : Rs.25.478 (Growth Option). Returns = 1 year : Absolute. Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related (Listed/Awaiting listing on Stock Exchange)</b>		
Welspun Gujarat Stahl Rohren Ltd.	Ferrous Metals	4.50 %
Aditya Birla Nuvo Limited	Textile Products	4.28 %
GVK Power & Infrastructure Ltd.	Power	4.02 %
Jaiprakash Associates Ltd.	Construction	3.19 %
Hindustan Construction Co.Ltd	Construction	3.02 %
Patel Engineering Ltd.	Construction	2.78 %
Godrej Industries Ltd.	Chemicals	2.75 %
Mahindra Lifespace Developers Ltd	Construction	2.64 %
Gammon India Ltd.	Construction	2.63 %
Pantaloon Retail (India) Ltd.	Retailing	2.57 %
Others		60.26 %
<b>Listed/Awaiting listing on Stock Exchange - Total</b>		<b>92.64%</b>

### TERM DEPOSITS

<b>Term Deposits</b>	
Kotak Mahindra Bank Ltd.	2.38%
<b>Term Deposits - Total</b>	<b>2.38%</b>
<b>Collateral Borrowing &amp; Lending obligation</b>	<b>1.90%</b>
<b>Net Current Assets/(Liabilities)</b>	<b>3.08%</b>
<b>Grand Total</b>	<b>100.00%</b>

Total NPA provided and percentage to NAV: NIL

### SECTOR ALLOCATION

Construction	16.89
Banks	11.37
Power	10.61
Ferrous Metals	7.69
Finance	5.80
Pharmaceuticals	5.80
Media and Entertainment	4.84
CBLO & TERM DEPOSITS & REV. REPO	4.28
Textile Products	4.28
Industrial Capital Goods	3.71
REST	24.73

# KOTAK OPPORTUNITIES

## Open - Ended Equity Growth Scheme

### About the Scheme

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### Performance as on January 31, 2008

	6 Months	1 Yr	3 Yr	Since allotment (Sep 09, 2004)
Kotak Opportunities	34.8	56.0	53.3	56.6
S&P CNX 500	14.6	28.2	35.0	39.7

Kotak Opportunities NAV :Rs.45.798 (Growth Option). Returns = 1 year : Absolute. Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related (Listed/Awaiting listing on Stock Exchange)</b>		
Reliance Industries Ltd.	Petroleum Products	3.83 %
Aditya Birla Nuvo Limited	Textile Products	3.07 %
Reliance Capital Ltd.	Finance	2.90 %

Jindal Steel & Power Ltd.	Ferrous Metals	2.85 %
Infrastructure Develt Finance Co. Ltd	Finance	2.81 %
Reliance Energy Ltd.	Power	2.81 %
ITC Ltd.	Consumer Non Durables	2.72 %
Jaiprakash Associates Ltd	Construction	2.66 %
Larsen And Toubro Ltd.	Industrial Capital Goods	2.54 %
Housing Development & Infrastructure Ltd	Construction	2.46 %
Others		61.81 %
<b>Listed/Awaiting listing on Stock Exchange - Total</b>		<b>90.46%</b>

#### MONEY MARKET INSTRUMENTS Commercial Paper (CP)/ Certificate of Deposits (CD)

<b>Corporate Debt/ Financial Institutions</b>		
ING Vysya Bank Ltd.	P1+	4.51 %
<b>Corporate Debt/ Financial Institutions- Total</b>		<b>4.51 %</b>
<b>Public Sector Undertakings</b>		
State Bank of Hyderabad	P1+	9.82 %
State Bank of Patiala	A1+	4.61 %
<b>Public Sector Undertakings - Total</b>		<b>14.43 %</b>
<b>TERM DEPOSITS</b>		
<b>Term Deposits</b>		1.00 %
Kotak Mahindra Bank Ltd.		1.00 %
<b>Term Deposits - Total</b>		<b>0.77 %</b>
<b>Collateral Borrowing &amp; Lending obligation</b>		<b>0.77 %</b>
<b>Net Current Assets/(Liabilities)</b>		<b>-11.17 %</b>
<b>Grand Total</b>		<b>100.00 %</b>

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Money Market Instruments	18.94
Construction	16.93
Finance	10.74
Banks	8.94
Ferrous Metals	6.24
Power	5.82
Industrial Capital Goods	5.63
Petroleum Products	4.81
Consumer Non Durables	4.02
Pharmaceuticals	3.24
REST	14.69

\*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](http://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](http://www.lipperweb.com))

## KOTAK LIFESTYLE Open - Ended Equity Growth Scheme

#### About The Scheme

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

**Available Options** - DP, DR & G Fund Managers Krishna Sanghvi and Sanjib Guha.  
**Loads - Entry:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered ([www.kotakmutual.com](http://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. 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:** i) For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1% ii) For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50% iii) Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil iv) Where units are allotted upon reinvestment of Dividends: Nil v) 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. 227.29 crore. **Ratios:** Portfolio Turnover: 120.37% Total Expense Ratio: 2.24%. **Performance as on January 31, 2008**

	6 Months	1 Yr	Since Allotment (Mar 21, 2006)
Kotak Lifestyle	8.7	20.9	22.1
S&P CNX 500	14.6	28.2	26.4

Kotak Lifestyle NAV: Rs.14.520 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related (Listed/Awaiting listing on Stock Exchange)</b>		
ICICI Bank Ltd.	Banks	6.12 %
Pantaloon Retail (india) Ltd.	Retailing	5.90 %
United Spirits Ltd.	Consumer Non Durables	4.83 %
Zee Entertainment Enterprises Ltd	Media and Entertainment	4.60 %
ITC Ltd.	Consumer Non Durables	4.30 %
Aditya Birla Nuvo Limited	Textile Products	3.93 %
Deccan Chronicle Holdings Ltd.	Media and Entertainment	3.91 %

HDFC Bank Ltd.	Banks	3.80 %
Reliance Communications Ltd.	Telecom - Services	3.74 %
Reliance Capital Ltd.	Finance	3.72 %
Others		47.46 %
<b>Listed/Awaiting listing on Stock Exchange - Total</b>		<b>92.31 %</b>

#### Debt Instruments

<b>Debentures and Bonds</b>		
<b>Corporate Debt / Financial Institutions</b>		
Citicorp Finance (India) Ltd.	AAA	0.44 %
<b>Corporate Debt / Financial Institutions - Total</b>		<b>0.44 %</b>
<b>Term Deposits</b>		
<b>Term Deposits</b>		0.88 %
Kotak Mahindra Bank Ltd.		0.88 %
<b>Term Deposits - Total</b>		<b>0.88 %</b>
<b>Collateral Borrowing &amp; Lending obligation</b>		<b>2.20 %</b>
<b>Net Current Assets/(Liabilities)</b>		<b>4.17 %</b>
<b>Grand Total</b>		<b>100.00 %</b>

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Consumer Non Durables	17.66
Media and Entertainment	16.91
Finance	15.28
Banks	12.87
Telecom - Services	7.14
Retailing	5.9
Auto	4.93
Hotels	4.73
Net Current Assets	4.21
Textile Products	3.93
REST	6.44

## KOTAK EMERGING EQUITY Close - Ended Equity Growth Scheme

#### About The Scheme

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

**Available Options** - DP, DR & G Fund Managers Anurag Jain & Sanjib Guha.  
**Unamortised Expenses:** As per SEBI circular dated April 4, 2006, balance proportionate unamortised issue expenses shall be recovered from exiting unitholders. **Loads - Exit:** Nil. (During liquidity window). **Ideal Investments Horizon** - 3 years **Corpus:** Rs.264.11 crores. **Ratios:** Portfolio Turnover: 95.30% Total Expense Ratio: 2.25%  
**Performance as on January 31, 2008**

	6 Months	Since Allotment (Mar 30, 2007)
Kotak Emerging Equity Fund	14.8	35.8
BSE Midcap	15.3	44.3

Kotak Emerging NAV: Rs.13.577 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related (Listed/Awaiting listing on Stock Exchange)</b>		
ICICI Bank Ltd.	Banks	4.78 %
GVK Power & Infrastructure Ltd.	Power	4.72 %
Reliance Industries Ltd.	Petroleum Products	4.22 %
Pantaloon Retail (india) Ltd.	Retailing	3.33 %
Welspun Gujarat Stahl Rohren Ltd.	Ferrous Metals	3.31 %
Godrej Industries Ltd.	Chemicals	3.30 %
ABG Shipyard Limited	Industrial Capital Goods	3.25 %
Punj Lloyd Ltd.	Construction	3.01 %
Nitin Fire Protection industries Ltd	Industrial Equipment	2.99 %
JMC Projects (India) Ltd	Construction	2.98 %
Kalpataru Power Transmission Ltd.	Power	2.98 %
Others		53.96 %
<b>Listed/Awaiting listing on Stock Exchange - Total</b>		<b>92.83 %</b>

#### TERM DEPOSITS

<b>Term Deposits</b>		
Kotak Mahindra Bank Ltd.		1.14 %
<b>Term Deposits - Total</b>		<b>1.14 %</b>
<b>Collateral Borrowing &amp; Lending obligation</b>		<b>2.18 %</b>
<b>Net Current Assets/(Liabilities)</b>		<b>3.85 %</b>
<b>Grand Total</b>		<b>100.00 %</b>

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Construction	18.08
Power	8.77
Industrial Capital Goods	8.34
Banks	6.96
Media and Entertainment	5.14
Industrial Products	4.71
Software	4.67
Petroleum Products	4.22
Net Current Assets	3.88
Finance	3.86
REST	31.37

## KOTAK CONTRA Open - Ended Equity Growth Scheme

#### About The Scheme

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

**Available Options - DP, DR & G Fund Managers** Anurag Jain and Sanjib Guha. **Loads - 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. vii) Where investments are 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:** i) For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1% ii) For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50% iii) Where investments are made by Fund of Funds as defined under SEBI Regulations: Nil iv) Where units are allotted upon reinvestment of Dividends: Nil v) 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. 120.29 crores. **Ratios:** Portfolio Turnover: 110.27% Total Expense Ratio: 2.41% **Performance as on January 31, 2008**

	6 Months	1 Yr	Since Allotment ( July 27, 2005)
Kotak Contra	15.2	24.9	27.5
S&P CNX 500	14.6	28.2	35.2

Kotak Contra NAV: Rs.18.842 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related (Listed/Awaiting listing on Stock Exchange)</b>		
Reliance Energy Ltd.	Power	5.76 %
ITC Ltd.	Consumer Non Durables	5.07 %
ICICI Bank Ltd.	Banks	5.06 %
Punjab National Bank	Banks	4.30 %
Jindal Steel & Power Ltd.	Ferrous Metals	3.88 %
ABG Infralogistics Ltd	Industrial Capital Goods	3.68 %
Gammon India Ltd.	Construction	3.51 %
Aditya Birla Nuvo Limited	Textile Products	3.46 %
Asian Paints Ltd.	Consumer Non Durables	3.11 %
Tata Chemicals Ltd.	Fertilisers	3.11 %
Others		51.50 %
<b>Listed/Awaiting listing on Stock Exchange - Total</b>		<b>92.44%</b>

#### TERM DEPOSITS

<b>Term Deposits</b>		
Kotak Mahindra Bank Ltd.		1.25%
<b>Term Deposits - Total</b>		<b>1.25%</b>
<b>Collateral Borrowing &amp; Lending obligation</b>		<b>5.61%</b>
<b>Net Current Assets/(Liabilities)</b>		<b>0.70%</b>
<b>Grand Total</b>		<b>100.00%</b>

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Banks	16.47
Consumer Non Durables	14.98
CBLO & TERM DEPOSITS & REV. REPO	6.86
Fertilisers	6.52
Ferrous Metals	6.16
Power	5.76
Industrial Capital Goods	5.52
Construction	5.02
Petroleum Products	4.82
Software	3.83
REST	24.06

## KOTAK EQUITY ARBITRAGE

Open - Ended Equity Growth Scheme

#### About The Scheme

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

**Available Options - DP, DR & G Fund Managers** - Ritesh Jain & Sajit Pisharodi. **Loads - Entry:** Nil. **Exit:** For Investments <= Rs. 50 lacs: a. If redeemed within 3 months from the date of allotment of units: 0.60%. b. If redeemed after 3 months, within 6 months from the date of allotment of units: 0.50%. c. If redeemed after 6 months from the date of allotment of units: Nil. d. Where investments are 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 are 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. 428.84 crores. **Ratios:** Total Expense Ratio: 1.08% YTM: 7.50\* Source: Value Research.

#### Performance as on January 31, 2008

	6 Months	1 Yr	Since Allotment (Sept 29, 2005)
Kotak Equity Arbitrage Fund	4.5	10.0	8.3
CRISIL Liquid Fund Index	3.1	7.4	6.5

Kotak Equity Arbitrage NAV : Rs.12.0602 ( Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related (Listed/Awaiting listing on Stock Exchange)</b>		
Reliance Industries Ltd.	Petroleum Products	3.69 %
Reliance Energy Ltd.	Power	2.44 %

Jindal Steel & Power Ltd.	Ferrous Metals	2.42 %
Union Bank Of India	Banks	2.18 %
Pantaloon Retail (India) Ltd.	Retailing	1.82 %
Oriental Bank of Commerce	Banks	1.51 %
Sesa Goa Ltd.	Minerals/Mining	1.38 %
Andhra Bank	Banks	1.04 %
Larsen And Toubro Ltd.	Industrial Capital Goods	1.04 %
S.Kumars Nationwide Ltd.	Textile	1.03 %
Others		14.23 %
<b>Listed/Awaiting listing on Stock Exchange - Total</b>		<b>32.78%</b>

#### FUTURES

I-Flex Solutions Limited-FEB2008	-0.01 %
Jindal Stainless Ltd.-FEB2008	-0.01 %
Industrial Development Bank of India Ltd.-FEB2008	-0.01 %
Titan Industries Ltd.-FEB2008	-0.02 %
3i Infotech Ltd.-FEB2008	-0.02 %
Bata India Ltd.-FEB2008	-0.02 %
Chennai Petroleum Corporation Ltd.-FEB2008	-0.04 %
Wire & Wireless (India) Ltd.-FEB2008	-0.05 %
Shipping Corporation of India Ltd.-FEB2008	-0.06 %
Bank Of Baroda-FEB2008	-0.06 %
Triveni Engineering & Industries Ltd.-FEB2008	-0.07 %
Biocon Ltd.-FEB2008	-0.08 %
Jet Airways (India) Ltd.-FEB2008	-0.08 %
Praj Industries Ltd.-FEB2008	-0.08 %
Arvind Mills Ltd.-FEB2008	-0.08 %
Sterlite Optical Technologies Ltd-FEB2008	-0.11 %
Global Broadcast News Ltd-FEB2008	-0.11 %
Ispat Industries Ltd-FEB2008	-0.12 %
Aurobindo Pharma Ltd.-FEB2008	-0.13 %
TVS Motors Company Ltd-FEB2008	-0.14 %
Oswal Chemicals & Fertilizers Ltd.-FEB2008	-0.15 %
Orchid Chemicals & Pharmaceuticals Ltd.-FEB2008	-0.15 %
Polaris Software Lab Ltd.-FEB2008	-0.16 %
Network 18 Fincap Ltd.-FEB2008	-0.17 %
Bajaj Hindusthan Limited-FEB2008	-0.18 %
Dena Bank-FEB2008	-0.25 %
Reliance Natural Resources Ltd-FEB2008	-0.25 %
Indian Overseas Bank-FEB2008	-0.26 %
Aditya Birla Nuvo Limited-FEB2008	-0.35 %
Hotel Leela Venture Ltd-FEB2008	-0.38 %
India Cements Ltd.-FEB2008	-0.40 %
Jaiprakash Hydro Power Ltd.-FEB2008	-0.41 %
Neyveli Lignite Corporation Ltd.-FEB2008	-0.41 %
Gateway Distriparks Ltd.-FEB2008	-0.43 %
Omase Ltd.-FEB2008	-0.46 %
Hinduja Ventures Ltd-FEB2008	-0.48 %
Tata Teleservices Ltd-FEB2008	-0.49 %
NIIT Technologies Ltd-FEB2008	-0.50 %
Aptech Ltd.-FEB2008	-0.61 %
New Delhi Television Ltd.-FEB2008	-0.61 %
Reliance Communications Ltd.-FEB2008	-0.62 %
Escorts Ltd.-FEB2008	-0.63 %
LIC Housing Finance Ltd.-FEB2008	-0.68 %
Vijaya Bank-FEB2008	-0.73 %
Divi s Laboratories Limited-FEB2008	-0.75 %
Allahabad Bank.-FEB2008	-0.76 %
Ashok Leyland Ltd.-FEB2008	-0.82 %
Maharashtra Seamless Ltd.-FEB2008	-1.01 %
Andhra Bank-FEB2008	-1.04 %
Larsen And Toubro Ltd.-FEB2008	-1.05 %
S.Kumars Nationwide Ltd.-FEB2008	-1.06 %
Sesa Goa Ltd.-FEB2008	-1.39 %
Oriental Bank of Commerce-FEB2008	-1.53 %
Pantaloon Retail (India) Ltd.-FEB2008	-1.84 %
Union Bank Of India-FEB2008	-2.21 %
Jindal Steel & Power Ltd.-FEB2008	-2.44 %
Reliance Energy Ltd.-FEB2008	-2.44 %
Reliance Industries Ltd.-FEB2008	-3.71 %

#### Money Market Instruments

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

<b>Corporate Debt / Financial Institutions</b>		
Global Trade Finance Ltd.	P1+	11.56%
ING Vysya Bank Ltd	P1+	3.40%
ICICI Bank Ltd.	A1+	2.32%
<b>Corporate Debt / Financial Institutions - Total</b>		<b>17.28%</b>

#### Public Sector Undertakings

State Bank Of India.	P1+	5.71%
State Bank of Patiala	A1+	4.64%
State Bank of Travancore	P1+	3.39%
<b>Public Sector Undertakings - Total</b>		<b>13.74%</b>

#### TERM DEPOSITS

<b>Term Deposits</b>		
Kotak Mahindra Bank Ltd.		24.95%
<b>Term Deposits - Total</b>		<b>24.95%</b>
<b>Collateral Borrowing &amp; Lending obligation</b>		<b>4.00%</b>
<b>Net Current Assets/(Liabilities)</b>		<b>7.25%</b>
<b>Grand Total</b>		<b>100.00%</b>

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Equities	32.78
CBLO & TERM DEPOSITS & REV. REPO	28.95
Corporate Debt / Financial Institutions	17.28
Public Sector Undertakings	13.74
Net Current Assets	7.25

## 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. 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:** Nil.

**Minimum Initial Investment:** Rs. 500 **Additional Investment:** Rs. 500 & in Multiples of Rs. 500. **Ideal Investments Horizon** - 3 years **Corpus:** Rs. 428.47 crores. **Ratios:** Portfolio Turnover: 194.77 Total Expense Ratio: 2.32%

**Performance as on January 31, 2008**

	6 Months	1 Yr	Since Allotment (November 23, 2005)
Kotak Tax Saver	13.5	32.2	35.4
S&P CNX 500	14.6	28.2	35.0

Kotak Tax Saver NAV:Rs.19.445 (Growth Option). Returns = 1 year : Absolute. Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related (Listed/Awaiting listing on Stock Exchange)</b>		
Reliance Industries Ltd.	Petroleum Products	3.76 %
Aditya Birla Nuvo Limited	Textile Products	3.70 %
Welspun Gujarat Stahl Rohren Ltd.	Ferrous Metals	3.05 %
Infrastructure Develt Finance Co. Ltd.	Finance	2.78 %
Reliance Energy Ltd.	Power	2.54 %
Jindal Steel & Power Ltd.	Ferrous Metals	2.39 %
Indiabulls Real Estate Ltd	Finance	2.36 %
Larsen And Toubro Ltd.	Industrial Capital Goods	2.34 %
Jaiprakash Associates Ltd	Construction	2.33 %
GVK Power & Infrastructure Ltd.	Power	2.17 %
Others		67.08 %
<b>Listed/Awaiting listing on Stock Exchange - Total</b>		<b>94.50 %</b>

<b>Collateral Borrowing &amp; Lending obligation</b>	<b>2.80 %</b>
<b>Net Current Assets/(Liabilities)</b>	<b>2.70 %</b>
<b>Grand Total</b>	<b>100.00 %</b>

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Industrial Capital Goods	10.66
Construction	10.34
Finance	9.21
Banks	7.41
Ferrous Metals	7.25
Power	6.94
Pharmaceuticals	5.46
Petroleum Products	5.15
Textile Products	3.70
Software	3.58
REST	30.30

## KOTAK GLOBAL INDIA

### Open - Ended Equity Growth Scheme

#### About the Scheme

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

**Available Options** - DP, DR & G **Fund Managers** - Sanjib Guha & Anurag Jain. **Loads - Entry:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores. iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/Balanced/Equity FOF Scheme. 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:** i) For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1% ii) For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50% iii) Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil iv) Where units are allotted upon reinvestment of Dividends: Nil v) 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. 98.49 crores. **Ratios:** Portfolio Turnover: 95.27% Total Expense Ratio: 2.41% Source: Value Research.

**Performance as on January 31, 2008**

	6 Months	1 Yr	3 Yrs	Since Allotment (Jan 30, 2004)
Kotak Global India	2.8	12.9	31.5	32.4
S&P CNX 500	14.6	28.2	35.0	31.3

Kotak Global India NAV:Rs.30.735 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related (Listed/Awaiting listing on Stock Exchange)</b>		
ICICI Bank Ltd.	Banks	6.99 %
Reliance Communications Ltd.	Telecom - Services	6.26 %

Larsen And Toubro Ltd.	Industrial Capital Goods	5.55 %
Reliance Industries Ltd.	Petroleum Products	5.29 %
Welspun Gujarat Stahl Rohren Ltd.	Ferrous Metals	5.28 %
Punj Lloyd Ltd.	Construction	5.04 %
Sesa Goa Ltd.	Minerals/Mining	4.78 %
Siemens Ltd.	Industrial Capital Goods	4.50 %
United Phosphorus Ltd	Pesticides	4.40 %
United Spirits Ltd.	Consumer Non Durables	4.28 %
Others		41.65 %
<b>Listed/Awaiting listing on Stock Exchange - Total</b>		<b>94.02 %</b>

<b>Collateral Borrowing &amp; Lending obligation</b>	<b>4.82 %</b>
<b>Net Current Assets/(Liabilities)</b>	<b>1.16 %</b>
<b>Grand Total</b>	<b>100.00 %</b>

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Industrial Capital Goods	21.22
Banks	6.99
Consumer Non Durables	6.87
Ferrous Metals	6.62
Telecom - Services	6.26
Pesticides	5.89
Petroleum Products	5.29
Construction	5.04
CBLO & TERM DEPOSITS & REV. REPO	4.82
Minerals/Mining	4.78
REST	26.22

## KOTAK MNC

### Open - Ended Equity Growth Scheme

#### About the Scheme

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

**Available Options** - DP & DR **Fund Managers** - Krishna Sanghi & 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. 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:** i) For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1% ii) For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50% iii) Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil iv) Where units are allotted upon reinvestment of Dividends: Nil v) 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. 34.36 crores. **Ratios:** Portfolio Turnover: 64.75% Total Expense Ratio: 2.50% \* Source: Value Research

**Performance as on January 31, 2008**

	6 Months	1 Yr	3 Yrs	5 Yrs	Since Allotment (Apr 04, 2000)
Kotak MNC	-1.9	9.3	24.1	38.1	18.7
BSE Sensex	13.2	25.3	39.1	40.3	17.5
S&P CNX Nifty	13.2	25.8	35.7	37.6	16.6

Kotak MNC NAV :Rs. 29.862. \* Returns assumed reinvestment of the tax free dividend declared. Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related (Listed/Awaiting listing on Stock Exchange)</b>		
ITC Ltd.	Consumer Non Durables	7.61 %
Siemens Ltd.	Industrial Capital Goods	5.35 %
Amara Raja Batteries Ltd.	Auto Ancillaries	5.32 %
Yes Bank Ltd	Banks	5.12 %
Kennametal India Ltd.	Industrial Products	4.53 %
Castrol (India) Ltd.	Petroleum Products	4.39 %
ABB Ltd.	Industrial Capital Goods	4.08 %
ING Vysya Bank Ltd.	Banks	4.07 %
Sesa Goa Ltd.	Minerals/Mining	3.98 %
Bata India Ltd.	Consumer Non Durables	3.87 %
Others		45.60 %
<b>Listed/Awaiting listing on Stock Exchange - Total</b>		<b>93.92 %</b>

#### TERM DEPOSITS

<b>Term Deposits</b>	
Kotak Mahindra Bank Ltd.	1.46 %
<b>Term Deposits - Total</b>	<b>1.46 %</b>
<b>Collateral Borrowing &amp; Lending obligation</b>	<b>5.82 %</b>
<b>Net Current Assets/(Liabilities)</b>	<b>-1.20 %</b>
<b>Grand Total</b>	<b>100.00 %</b>

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Consumer Non Durables	19.67
Industrial Capital Goods	16.78
Industrial Products	14.01
Banks	9.19
Auto Ancillaries	7.47
CBLO & TERM DEPOSITS & REV. REPO	7.28
Finance	4.80



Petroleum Products	4.39
Minerals/Mining	3.98
Trading	3.63
REST	8.80

## KOTAK TECH

### Open - Ended Equity Growth Scheme

#### About the Scheme

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

**Available Options** - DP & DR **Fund Managers** - Sanjib Guha & Anurag Jain **Loads - Entry:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores. iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/Balanced/Equity FOF Scheme. 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:** i) For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1% ii) For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50% iii) Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil iv) Where units are allotted upon reinvestment of Dividends: Nil v) 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. 28.16 crores. **Ratios:** Portfolio Turnover: 90.25% Total Expense Ratio: 2.25% \*Source: Value Research

#### Performance as on January 31, 2008

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (April 04, 2000)
Kotak Tech	-12.7	-18.8	16.3	23.6	-1.5
BSE Teck Index	-13.6	-12.5	24.4	31.6	1.4

Kotak Tech NAV: Rs.8.883. Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related (Listed/Awaiting listing on Stock Exchange)</b>		
Reliance Communications Ltd.	Telecom - Services	12.76 %
Bharti Airtel Ltd.	Telecom - Services	6.10 %
Infosys Technologies Ltd.	Software	5.59 %
Financial Technologies (India) Ltd.	Software	4.93 %
Deccan Chronicle Holdings Ltd.	Media and Entertainment	4.50 %
Adlabs Films Ltd.	Media and Entertainment	4.34 %
Mphasis Ltd	Software	4.21 %
Hinduja Ventures Ltd	Software	4.13 %
Tanla Solutions Limited	Software	3.99 %
Idea Cellular Ltd.	Telecom - Services	3.94 %
Others		39.81 %
<b>Listed/Awaiting listing on Stock Exchange - Total</b>		<b>94.30%</b>
<b>Privately placed / Unlisted</b>		
Virtual Dynamics Software Ltd. @	Software	#
SRM Radiant Infotech Ltd. @	Software	#
<b>Privately placed / Unlisted - Total</b>		<b>0.00%</b>
<b>Collateral Borrowing &amp; Lending obligation</b>		<b>3.55%</b>
<b>Net Current Assets/(Liabilities)</b>		<b>2.15%</b>
<b>Grand Total</b>		<b>100.00%</b>

Notes: # Indicates % to net Asset less than 0.01%  
@ Privately Placed

#### SECTOR ALLOCATION

Software	42.68
Media and Entertainment	24.78
Telecom - Services	23.51
CBLO & TERM DEPOSITS & REV. REPO	3.55
Computer Hardware	3.33
Net Current Assets	2.15

## KOTAK EQUITY FOF

### Open - Ended Equity Fund of Funds Scheme

#### About the Scheme

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

**Available Options** - DP, DR & G **Fund Manager** - Sajit Pisharodi. **Loads - Entry:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores. iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/Balanced/Equity FOF Scheme. 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:** i) For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1% ii) For exit after 6 months upto 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 0.50% iii) Where investments is made by Fund of Funds as defined under SEBI

Regulations: Nil iv) Where units are allotted upon reinvestment of Dividends: Nil v) 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. 69.70 crores. **Ratios:** Total Expense Ratio: 0.75% \* Source: Value Research

#### Performance as on January 31, 2008

	6 Months	1 Yr	3 Yr	Since Allotment (Aug 09, 2004)
Kotak Equity FOF	13.6	28.0	37.1	43.3
S & P CNX Nifty	13.2	25.8	35.7	38.6

Kotak Equity FOF NAV : Rs.33.308 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Mutual Fund Units</b>		
Kotak 30	Equity Scheme	25.21%
SBI Magnum Equity Fund	Equity Scheme	16.72%
Birla Sunlife Frontline Equity	Equity Scheme	16.48%
Tata Pure Equity Fund	Equity Scheme	16.36%
Birla Midcap Fund	Equity Scheme	8.47%
Franklin India Prima Plus	Equity Scheme	8.32%
HSBC Advantage India Fund	Equity Scheme	8.11%
<b>Total</b>		<b>99.67%</b>
<b>Net Current Assets/(Liabilities)</b>		<b>0.33%</b>
<b>Grand Total</b>		<b>100.00%</b>

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Kotak 30	25.21
SBI Magnum Equity Fund	16.72
Birla Sunlife Frontline Equity	16.48
Tata Pure Equity Fund	16.36
Birla Midcap Fund	8.47
Franklin India Prima Plus	8.32
HSBC Advantage India Fund	8.11
Net Current Assets	0.33

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

## KOTAK DYNAMIC FOF

### Close - Ended Fund of Funds Scheme

#### About the Scheme

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

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

**Minimum Initial Investment:** Rs. 5000. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 19.09 crores. **Ratios:** Total Expense Ratio: 0.75%

#### Performance as on January 31, 2008

	6 Months	1 Yr	Since Allotment ( March 31, 2005)
Kotak Dynamic FOF	4.2	12.0	26.4
CRISIL Balanced Fund Index	10.6	20.4	25.4

Kotak Dynamic FOF NAV : Rs.19.402 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Mutual Fund Units</b>		
Kotak Liquid Institutional Premium Plan	Debt Scheme	13.83%
Birla Cash Plus Institutional Premium Plan	Debt Scheme	12.87%
HDFC Liquid Fund Premium Plus	Debt Scheme	12.87%
Tata Liquid Super High Investment Plan	Debt Scheme	12.87%
HSBC Cash Fund Institutional Plus	Debt Scheme	12.87%
HDFC Top 200 Fund	Equity Scheme	6.30%
HSBC Equity Fund	Equity Scheme	6.30%
Kotak 30	Equity Scheme	6.28%
Tata Pure Equity Fund	Equity Scheme	6.27%
Birla Advantage Fund	Equity Scheme	6.20%
Kotak Liquid Institutional Plan	Debt Scheme	3.14%
<b>Total</b>		<b>99.80%</b>
<b>Net Current Assets/(Liabilities)</b>		<b>0.20%</b>
<b>Grand Total</b>		<b>100.00%</b>

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Kotak Liquid Institutional Premium Plan	13.83
Birla Cash Plus Institutional Premium Plan	12.87
HDFC Liquid Fund Premium Plus	12.87
Tata Liquid Super High Investment Plan	12.87
HSBC Cash Fund Institutional Plus	12.87
HDFC Top 200 Fund	6.30
HSBC Equity Fund	6.30
Kotak 30	6.28
Tata Pure Equity Fund	6.27

Birla Advantage Fund	6.20
Kotak Liquid Institutional Plan	3.14
Net Current Assets	0.20

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

## KOTAK FLEXI FOF

### Close - Ended Fund of Funds Scheme

#### About the Scheme

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

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

**Minimum Initial Investment:** Rs. 5000 **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 38.31 crores. **Ratios:** Total Expense Ratio: 0.75%

**Performance as on December 31, 2008**

	6 Months	1 Yr	Since Allotment (Oct 20, 2005)
Kotak Flexi FOF	11.4	23.4	27.6
CRISIL Balanced Fund Index	10.6	20.4	25.4

Kotak Flexi FOF NAV - Rs. 17.5810 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Mutual Fund Units</b>		
Prudential ICICI Power Plan	Equity Scheme	16.23%
Kotak 30	Equity Scheme	16.11%
Franklin India Prima Fund	Equity Scheme	16.06%
Tata Equity Opportunities Fund	Equity Scheme	16.01%
Reliance Vision Fund	Equity Scheme	15.93%
Kotak Liquid Institutional Premium Plan	Debt Scheme	7.31%
Pru. ICICI Liquid Super Institutional Plan	Debt Scheme	2.95%
Tata Liquid Super High Investment Plan	Debt Scheme	2.95%
Reliance Liquidity Fund	Debt Scheme	2.95%
FT TMA Super Inst Plan	Debt Scheme	2.94%
<b>Total</b>		<b>99.44%</b>
<b>Net Current Assets/(Liabilities)</b>		<b>0.56%</b>
<b>Grand Total</b>		<b>100.00%</b>

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Prudential ICICI Power Plan	16.23
Kotak 30	16.11
Franklin India Prima Fund	16.06
Tata Equity Opportunities Fund	16.01
Reliance Vision Fund	15.93
Kotak Liquid Institutional Premium Plan	7.31
Pru. ICICI Liquid Super Institutional Plan	2.95
Tata Liquid Super High Investment Plan	2.95
Reliance Liquidity Fund	2.95
FT TMA Super Inst Plan	2.94
Net Current Asset	0.56

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

## KOTAK BALANCE

### Open - Ended Balanced Scheme

#### About the Scheme

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

**Available Options** DP & DR Fund Managers Krishna Sanghvi, Sanjib Guha & Ritesh Jain. **Loads - Entry:** 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. 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:** i) For exit within 6 months from the date of allotment of units for investments of less than Rs. 5 crores: 1% ii) For exit after 6 months upto 1 year from the date of allotment of units for

investments of less than Rs. 5 crores: 0.50% iii) Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil iv) Where units are allotted upon reinvestment of Dividends: Nil v) 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. 84.40 crores. **Ratios:** Portfolio Turnover: 162.14% Total Expense Ratio: 2.50% \*Source: Value Research

#### Performance as on January 31, 2008

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Nov 25, 1999)
Kotak Balance*	11.4	22.4	32.1	36.5	22.4
Cril Balanced Fund Index	10.6	20.4	23.9	24.8	20.6

Kotak Balance NAV - Rs. 29.487. \* Returns assumed reinvestment of the tax free dividend declared. Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related (Listed/Awaiting listing on Stock Exchange)</b>		
Reliance Industries Ltd.	Petroleum Products	3.52 %
Axis Bank Ltd	Banks	3.06 %
Aditya Birla Nuvo Limited	Textile Products	2.82 %
Jaiprakash Associates Ltd	Construction	2.15 %
ICICI Bank Ltd	Banks	2.04 %
Larsen And Toubro Ltd.	Industrial Capital Goods	1.99 %
Gammon India Ltd.	Construction	1.96 %
Bank Of Baroda	Banks	1.94 %
Reliance Communications Ltd.	Telecom - Services	1.92 %
Reliance Capital Ltd.	Finance	1.85 %
Others		44.10 %
<b>Listed/Awaiting listing on Stock Exchange - Total</b>		<b>67.35%</b>

#### DEBT INSTRUMENTS

##### Debentures and Bonds

<b>Corporate Debt / Financial Institutions</b>		
Citicorp Finance (India) Ltd.	AAA	4.75%
ICICI Bank Ltd.	CARE AAA	3.58%

##### Corporate Debt / Financial Institutions

- Total **8.33%**

##### Public Sector Undertakings

Indian Railway Finance Corporation Ltd.	AAA	5.96%
Punjab National Bank	AAA	4.83%
<b>Public Sector Undertakings - Total</b>		<b>10.79%</b>

#### TERM DEPOSITS

<b>Term Deposits</b>		
Kotak Mahindra Bank Ltd.		2.37%
<b>Term Deposits - Total</b>		<b>2.37%</b>

#### Collateral Borrowing & Lending obligation

<b>Net Current Assets/(Liabilities)</b>		<b>1.18%</b>
<b>Grand Total</b>		<b>9.98%</b>
		<b>100.00%</b>

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Debt Instruments	19.11
Construction	11.54
Banks	10.06
Net Current Assets	10.01
Industrial Capital Goods	6.41
Finance	4.71
Ferrous Metals	4.20
Media and Entertainment	4.20
CBLO & TERM DEPOSITS & REV. REPO	3.55
Petroleum Products	3.52
REST	22.69

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. 13,592	Rs. 53,554	Rs. 1,36,032	Rs. 2,60,538
XIRR	25.41%	27.55%	33.44%	31.87%

## KOTAK INCOME PLUS

### Open - Ended Income Scheme

#### About the Scheme

**Investment Objective** - To enhance returns over a portfolio of Debt Instruments with a moderate exposure in Equity and Equity related Instruments. **Available Options** DP, DR & G Fund Managers Krishna Sanghvi, Sanjib Guha & Ritesh Jain. **Loads - Entry:** Nil. **Exit:** 1% for redemptions within 1 year where investment amount <= Rs. 25 lacs. Nil for investment amount > Rs. 25 lacs. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re. 1.

**Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 30.23 crores. **Ratios:** Total Expense Ratio: 2.22% YTM: 7.50 \*Source: Value Research.

**Performance as on January 31, 2008**

	6 Months	1 Yr	3 Yr	Since Allotment (Dec 02, 2003)
Kotak Income Plus	5.7	9.9	10.4	9.3
CRISIL MIP Blended Index	5.6	10.9	9.9	8.4

Kotak Income Plus NAV - Rs. 14.4710 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Equity &amp; Equity related (Listed/Awaiting listing on Stock Exchange)</b>		
Reliance Industries Ltd.	Petroleum Products	1.07%
Aditya Birla Nuvo Limited	Textile Products	0.72%
Canara Bank	Banks	0.71%
Axis Bank Ltd	Banks	0.70%
Reliance Energy Ltd.	Power	0.69%
Larsen And Toubro Ltd.	Industrial Capital Goods	0.60%
State Bank Of India	Banks	0.56%
Punjab Lloyd Ltd.	Construction	0.54%
Consolidated Constructn Consortium Ltd	Construction	0.52%
ITC Ltd.	Consumer Non Durables	0.52%

Jaiprakash Associates Ltd	Construction	0.51%
Sterlite Industries (India) Ltd	Non - Ferrous Metals	0.49%
Jindal Steel & Power Ltd.	Ferrous Metals	0.48%
Reliance Communications Ltd.	Telecom - Services	0.48%
Infrastructure Development Finance Co. Ltd	Finance	0.46%
ICICI Bank Ltd.	Banks	0.46%
Hindustan Construction Co.Ltd	Construction	0.45%
Patel Engineering Ltd.	Construction	0.45%
Deccan Chronicle Holdings Ltd.	Media and Entertainment	0.44%
Mahindra & Mahindra Ltd.	Auto	0.44%
Nagarjuna Construction Company Ltd	Construction	0.44%
ABG Infralogistics Ltd	Industrial Capital Goods	0.44%
Madhucon Projects Ltd	Construction	0.43%
Kalpataru Power Transmission Ltd.	Power	0.40%
Allied Digital Services Limited	Computer Hardware	0.40%
Welspun Gujarat Stahl Rohren Ltd.	Ferrous Metals	0.39%
Punjab National Bank	Banks	0.38%
Ranbaxy Laboratories Ltd.	Pharmaceuticals	0.36%
Nitin Fire Protection industries Ltd	Industrial Equipment	0.31%
Aban Offshore Ltd.	Industrial Services	0.30%
Marg Constructions Ltd	Construction	0.29%
Nicholas Piramal India Ltd.	Pharmaceuticals	0.29%
HDFC Bank Ltd.	Banks	0.29%
Mundra Port & Special Economic Zone Ltd	Travel & Transportation	0.28%
Pyramid Saimira Theatre Ltd.	Media and Entertainment	0.27%
Indiabulls Real Estate Ltd	Finance	0.25%
Mahindra Lifespaces Developers Ltd	Construction	0.24%
TajGVK Hotels & Resorts Limited	Hotels	0.24%
Balaji Telefilms Ltd	Media and Entertainment	0.23%
Bharti Airtel Ltd.	Telecom - Services	0.23%
Infosys Technologies Ltd.	Software	0.22%
Mphasis Ltd	Software	0.21%
Reliance Petroleum Ltd.	Oil & Gas Exploration & Production	0.21%
Hindustan Petroleum Corporation Ltd	Petroleum Products	0.21%
Tata Consultancy Services Ltd.	Software	0.20%
Housing Development & Infrastructure Ltd	Construction	0.18%
Bharat Earth Movers Ltd.	Industrial Capital Goods	0.09%
Future Capital Holdings Limited	Finance	0.06%
State Bank Of India-Rights	Banks	0.04%
<b>Listed/Awaiting listing on Stock Exchange - Total</b>		<b>19.17%</b>

#### DEBT INSTRUMENTS

##### Debentures and Bonds

##### Corporate Debt / Financial Institutions

Mahindra & Mahindra Financial Services Ltd.	AA+	13.23%
Citicorp Finance (India) Ltd.	AAA	9.94%
Infrastructure Leasing & Financial Services Limited	LAAA	1.69%
<b>Corporate Debt / Financial Institutions - Total</b>		<b>24.86%</b>
<b>Public Sector Undertakings</b>		
Union Bank of India	AA+	17.36%
<b>Public Sector Undertakings - Total</b>		<b>17.36%</b>
<b>TERM DEPOSITS</b>		
Kotak Mahindra Bank Ltd.		1.65%
<b>Term Deposits - Total</b>		<b>1.65%</b>
<b>Collateral Borrowing &amp; Lending obligation</b>		<b>2.48%</b>
<b>Net Current Assets/(Liabilities)</b>		<b>34.48%</b>
<b>Grand Total</b>		<b>100.00%</b>

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

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Debentures and Bonds	42.22
Net Current Assets	34.48
Equities	19.17
CBLO & TERM DEPOSITS & REV. REPO	4.13

## KOTAK BOND SHORT TERM PLAN

### Open - Ended Debt Scheme

#### About the Scheme

**Investment Objective** - To provide reasonable returns and high level of liquidity by investing in debt & money market instruments of different maturities, so as to spread the risk across different kinds of issuers in the debt market. **Plan** Short Term **Available Options:** DR & G **Fund Managers** Ritesh Jain & Deepak Agrawal. **Loads Entry:** Nil. **Exit:** Nil.

**Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re.1. **Ideal Investments Horizon** 6 Months and above **Corpus:** Rs. 533.91 crores. **Ratios:** Total Expense Ratio: 0.60% YTM : 8.60 \* Source: Value Research.

#### Performance as on January 31, 2008

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (May 02, 2002)
Short Term Plan	4.5	9.5	7.4	6.6	6.9
Crisil Short - Term					
Bond Fund Index	3.5	8.3	6.1	5.4	5.8

Kotak Bond Short Term NAV : Rs.14.6535 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Debt Instruments</b>		
<b>DEBT INSTRUMENTS</b>		
<b>Debentures and Bonds</b>		
<b>Corporate Debt / Financial Institutions</b>		
Infrastructure Development Finance Co. Ltd	LAAA	4.67%
Rabo India Finance Ltd.	P1+	3.90%
HDFC Ltd.	AAA	3.76%
BHW Home Finance Ltd	LAA+	2.82%
LIC Housing Finance Ltd.	AAA	1.91%
Indiabulls Financial Services Ltd	F1+(ind)(SO)	1.88%
Sundaram Finance Ltd.	LAA+	1.87%
Citicorp Finance (India) Ltd.	AAA	1.85%
Tata Sons Ltd.	AAA	1.84%
Mahindra & Mahindra Financial Services Ltd.	AA+	1.66%

RB Loan Trust Series V 2007 Ser A1(Unitech)	F1+(ind)(SO)	1.31%
Long Bond Receivables NMBR 400BP 2006 IV PTC A1	AAA(so)	1.21%
Citifinancial Consumer Finance India Ltd.	AAA	1.01%
ICICI Bank Ltd.	CARE AAA	0.95%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	0.94%
Citicorp Maruti Finance Ltd.	AAA	0.92%
Indian Cor Loan Sec.Trust Sr XXXVIII - Sr A1	P1+(so)	0.85%
BHPC Auto Sec. Trust JUNE 2005 PTC A3	AAA(so)	0.23%

#### Corporate Debt / Financial Institutions - Total

##### Public Sector Undertakings

Power Finance Corporation Ltd.	AAA	3.84%
Punjab National Bank	AAA	2.52%
State Bank Of India.	AAA	1.99%
Indian Railway Finance Corporation Ltd.	AAA	1.12%
State Bank of Mysore	AAA	0.94%

##### Public Sector Undertakings - Total

##### Government Dated Securities

8.23% Government Stock - 2027	SOV	2.79%
7.99% Government Stock - 2017	SOV	1.93%
8.20% Government Stock - 2024	SOV	1.86%
5.87% Government Stock - 2010	SOV	0.91%

##### Government Dated Securities - Total

##### Money Market Instruments

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

##### Corporate Debt / Financial Institutions

Unitech Ltd.	F1+(ind)	5.29%
ING Vysya Bank Ltd	P1+	4.55%
ABN Amro Bank N.V	A1+	4.25%
ICICI Home Finance Company Limited	A1+	2.67%
ICICI Bank Ltd.	A1+	2.57%
Citibank N.A.	P1+	1.81%
Centurion Bank of Punjab Ltd.	F1+(ind)	1.49%
Tata Motors Ltd.	P1+	0.93%
ICICI Bank Ltd.	P1+	0.91%

##### Corporate Debt / Financial Institutions - Total

##### Public Sector Undertakings

State Bank of Hyderabad	P1+	6.41%
State Bank of Travancore	P1+	6.34%
State Bank Of India.	P1+	5.47%
Union Bank of India	A1+	1.83%
Punjab National Bank	P1+	0.92%
State Bank of Indore	P1+	0.91%
National Bank for Agriculture & Rural Development	CARE AAA	0.89%

##### Public Sector Undertakings - Total

##### Collateral Borrowing & Lending obligation

<b>Net Current Assets/(Liabilities)</b>		<b>-1.53%</b>
<b>Grand Total</b>		<b>100.00%</b>

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 2.93 years

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Commercial Paper (CP)/Certificate of	47.24
Debentures and Bonds	43.97
Government Dated Securities	7.50
CBLO & TERM DEPOSITS & REV. REPO	2.81
Net Current Assets	-1.52

#### RATING PROFILE

P1+, A1+, PR1+, AAA(so) and SOV	95.21
CBLO & TERM DEPOSITS & REV. REPO	2.81
CARE AAA	1.84
AA+	1.66
Net Current Assets	-1.52

## KOTAK BOND

### Open - Ended Debt Scheme

#### About the Scheme

**Investment Objective** - To create a portfolio of debt and money market instruments of different maturities so as to spread the risk across a wide maturity horizon & different kinds of issuers in the debt market. **Plan** (a) Deposit (b) Regular. **Available Options** (a) DP, DR & G (b) DP, DR, G & B **Fund Managers** Ritesh Jain & Imran Sayed. **Loads** (a) Entry: Nil. Exit: 0.5% for redemptions within 6 months where investments amount <=Rs. 10 Lacs Nil for investment amount > 10 Lacs. (b) Entry: Nil. Exit: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re.1. **Ideal Investments Horizon** 1-2 years **Corpus:** Rs. 111.48 crores. **Ratios:** Total Expense Ratio: (a) 2.25% (b) 0.57% YTM: 8.50 \*Source: Value Research.

#### Performance as on January 31, 2008

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Nov 25, 1999)
Deposit Plan	6.6	10.3	6.7	6.0	9.2
Regular Plan	7.5	12.3	7.9	7.0	10.0
Crisil Composite Bond Index	3.9	7.8	5.5	5.0	6.0

Kotak Bond Deposit NAV : Rs.20.4984 (Growth Option). Kotak Bond Regular NAV : Rs.21.8788 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Debt Instruments</b>		
<b>DEBENTURES AND BONDS</b>		
<b>Corporate Debt / Financial Institutions</b>		
TAS Trust Series III, TML Fin. Ser. A1	AA+(so)	4.54%
<b>Corporate Debt / Financial Institutions - Total</b>		<b>4.54%</b>
<b>Public Sector Undertakings</b>		
Power Finance Corporation Ltd.	AAA	9.11%
State Bank Of India.	AAA	4.75%
National Bank for Agriculture and Rural Development	AAA	3.84%
Punjab National Bank	AAA	0.91%
<b>Public Sector Undertakings - Total</b>		<b>18.61%</b>
<b>Government Dated Securities</b>		
8.33% Government Stock - 2036	SOV	44.11%
8.23% Government Stock - 2027	SOV	8.92%



7.99%	Government Stock - 2017	SOV	5.73%
8.35%	Government Stock - 2022	SOV	4.73%
	<b>Government Dated Securities - Total</b>		<b>63.49%</b>
	<b>Collateral Borrowing &amp; Lending obligation</b>		<b>21.53%</b>
	<b>Net Current Assets/(Liabilities)</b>		<b>-8.17%</b>
	<b>Grand Total</b>		<b>100.00%</b>

**Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 17.58 years**

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Government Dated Securities	63.49
Debentures and Bonds	23.15
CBLO & TERM DEPOSITS & REV. REPO	21.53
Net Current Assets	-8.17

#### RATING PROFILE

SOV	63.49
CBLO & TERM DEPOSITS & REV. REPO	21.53
AAA	18.61
AA+(so)	4.54
Net Current Assets	-8.17

## KOTAK GILT SAVINGS

Open - Ended Dedicated Gilt Scheme

#### About The Scheme

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

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

**Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 and multiples of Re. 1. **Ideal Investments Horizon** 6 Months and above. **Corpus:** Rs.8.57 crores. **Ratios:** Total Expense Ratio: 1.00% YTM: 7.30 \* Source: Value Research

#### Performance as on January 31, 2008

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Savings Plan Dec 29, 1998)
Gilt Investment Savings Plan	3.7	7.1	5.8	5.5	7.5
ISEC SIBEX	3.3	8.2	6.5	6.2	6.5

Kotak Gilt Investment Savings Plan : Rs.19.2971 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets	
<b>Debt Instruments</b>			
<b>Government Dated Securities</b>			
5.87%	Government Stock - 2010	SOV	56.69%
5.48%	Government Stock - 2009	SOV	30.92%
	<b>Government Dated Securities - Total</b>		<b>87.61%</b>
	<b>Collateral Borrowing &amp; Lending obligation</b>		<b>8.75%</b>
	<b>Net Current Assets/(Liabilities)</b>		<b>3.64%</b>
	<b>Grand Total</b>		<b>100.00%</b>

**Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments:1.51 years**  
Total NPA provided and percentage to NAV: NIL

Note: 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.

#### SECTOR ALLOCATION

Government Dated Securities	87.6
CBLO & TERM DEPOSITS & REV. REPO	8.75
Net Current Assets	3.65

## KOTAK GILT INVESTMENT

Open - Ended Dedicated Gilt Scheme

#### About The Scheme

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

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

**Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 and in Multiples of Re. 1 **Ideal Investments Horizon** More than 1 year. **Corpus:** Rs. 21.97 crores. **Ratios:** Total Expense Ratio: (a) 1.65% (b) 1.25% \* YTM: 7.50 Source: Value Research

#### Performance as on January 31, 2008

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Inv Plan- Dec 29, '98; Inv PF & Trust Plan - Nov 11, '03)
Investment Regular Plan	7.6	10.3	6.0	6.4	11.1
Investment - PF & Trust Plan	7.8	10.7	6.4	-	4.9
ISEC Composite Index	4.7	9.9	7.1	6.4	7.4

Kotak Gilt Investment Regular Plan : Rs.26.0264 (Growth Option). Kotak Gilt Investment PF & Trust Plan : Rs. 26.4579 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate).

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets	
<b>Debt Instruments</b>			
<b>Government Dated Securities</b>			
8.33%	Government Stock - 2036	SOV	65.00%

8.23%	Government Stock - 2027	SOV	22.64%
	<b>Government Dated Securities - Total</b>		<b>87.64%</b>
	<b>Collateral Borrowing &amp; Lending obligation</b>		<b>2.28%</b>
	<b>Net Current Assets/(Liabilities)</b>		<b>10.08%</b>
	<b>Grand Total</b>		<b>100.00%</b>

**Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 22.75 years**  
Total NPA provided and percentage to NAV: NIL

Note: 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.

#### SECTOR ALLOCATION

Government Dated Securities	87.64
Net Current Assets	10.08
CBLO & TERM DEPOSITS & REV. REPO	2.28

## KOTAK FLEXI DEBT

Open - Ended Debt Scheme

#### About The Scheme

**Investment Objective** - The investment objective of the Scheme is to maximize returns through an active management of a portfolio of debt and money market securities. **Available Options:** DP, DR & G **Fund Managers** Ritesh Jain & Deepak Agrawal **Loads Entry:** Nil. **Exit:** 0.10% if redeemed within 7 days from date of allotment of units.

**Minimum Initial Investment:** Rs. 5000 & Rs.1,00,000 under Daily Dividend Reinvestment option. **Additional Investment:** Rs.1000 & in Multiples of Re.1. **Ideal Investments Horizon** 7 days **Corpus:** Rs. 3944.60 crores. **Ratios:** Total Expense Ratio: 0.33% YTM: 8.50 \*Source: Value Research.

#### Performance as on January 31, 2008

	6 Months	1 Yr	3 Yr	Since Allotment (Dec 06, 2004)
Kotak Flexi Debt	4.1	8.6	7.3	7.3
CRISIL Composite Bond Index	3.9	7.8	5.5	6.0

Kotak Flexi Debt NAV: Rs. 12.4705 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Debt Instruments</b>		
<b>Debentures and Bonds</b>		
<b>Corporate Debt / Financial Institutions</b>		
VEL Trust Series III	A1+(SO)	5.51%
DSP Merrill Lynch Capital Ltd.	P1+(so)	5.07%
VEL Trust Series II	A1+(SO)	2.44%
Tata Sons Ltd.	AAA	2.23%
HDFC Ltd.	AAA	1.69%
Bharat Securitisation Trust 2 Ser B (STFCL)	AA(ind)(SO)	1.65%
RB Loan Trust Series V 2007 Ser A3 (Unitech)	F1+(ind)(SO)	1.40%
Shriram Transport Finance Co Ltd.	AA(ind)	1.28%
Infrastructure Leasing & Financial Services Limited	A1+	1.27%
Infrastructure Leasing & Financial Services Limited	PR1+	1.27%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	1.25%
Citicorp Finance (India) Ltd.	AAA	1.23%
Coll. Debt Trust Ser.15 Class A1 OPT - II	P1+(so)	1.16%
Indiabulls Financial Services Ltd	F1+(ind)(SO)	0.89%
Kotak Mahindra Prime Ltd.	P1+	0.89%
Citifinancial Consumer Finance India Ltd.	AAA	0.78%
JM Financial Products Private Limited	P1+	0.74%
Mahindra & Mahindra Financial Services Ltd.	AA+	0.73%
Long Bond Receivables NMBR 400BP 2006 III PTC A	AAA(ind)	0.73%
LIC Housing Finance Ltd.	AAA	0.71%
Coll. Debt Trust Ser.14 Class A1	P1+(so)	0.70%
Birla Global Finance Ltd.	A1+	0.63%
Religare Finvest Ltd.	A1	0.63%
Infrastructure Development Finance Co. Ltd	AAA(ind)	0.63%
Indian Loan Receivables Trust DEC07 Series E1	P1+(so)	0.63%
Infrastructure Development Finance Co. Ltd	LAAA	0.63%
Indian Cor Loan Sec. Trust Sr XXXVIII - Sr A1	P1+(so)	0.58%
Collateralised Trust Ser 9 CL-A1	AA(ind)	0.57%
RB Loan Trust Series VIII (Unitech)	F1+(ind)(SO)	0.52%
CAT Series XXIII - Class A1	P1+(so)	0.51%
Graphite India Limited.	A1+	0.50%
CREDIT ASSET TRUST Ser VIII Class A Cert	F1+(ind)	0.38%
Indian Corp Loan Sec. Trust Ser L Lanco Ser A1	P1+(so)	0.35%
Loan Rec.Securitization Trust B - Ser-B2	AA(ind)(SO)	0.34%
CAT Series X Class A Certificate	AA(ind)	0.33%
Indian Corporate Loan Securitisation Trust Sr XXII	LAAA(SO)	0.28%
TAS Trust Series III, TML Fin. Ser. A1	AA+(so)	0.26%
Cholamandalam DBS Finance Limited.	LAA	0.25%
Infrastructure Development Finance Co. Ltd	AAA	0.25%
Bajaj Auto Finance Limited	AA+	0.24%
RB Loan Trust Series V 2007 Ser A1(Unitech)	F1+(ind)(SO)	0.18%
KPI LOAN TRUST SER. A1, OPT -A	AA-(ind)	0.13%
KAB Loan Trust Series A1; SREI	A1+(SO)	0.13%
GE Money Financial Services Limited	AAA	0.13%
DSP Merrill Lynch Capital Ltd.	AAA	0.12%
Indian Retail ABS Trust Series 56 PTC A2	AAA	0.09%
Indian Corp Loan Sec. Trust Ser L Lanco Ser A2	P1+(so)	0.07%
Coll. Debt Trust Ser.15 Class A2 OPT - II	P1+(so)	0.07%
Coll. Debt Trust Ser.14 Class A2	P1+(so)	0.04%
Collateralised Trust Ser 9 CL-A2	AA(ind)	0.04%
Loan Rec.Securitization Trust B-Ser-B1	AA(ind)(SO)	0.03%
BHPC Auto Sec May 2005 PTC A3 MBR 1.60P	LAAA(SO)	0.01%
VEL Trust Series II	A1+(SO)	0.01%
ICICI Bank Ltd.	CARE AAA	0.00%
<b>Corporate Debt / Financial Institutions - Total</b>		
<b>Public Sector Undertakings</b>		
National Bank for Agriculture and Rural Development	AAA	1.49%
Punjab National Bank	AAA	1.19%
Coll. Debt Trust Ser.12 Class A1 OPT I, PFC	P1+(so)	1.16%
Ind. Cor. Loan Sec. Trust Series XXXIX PFC A1	P1+(so)	1.16%
Power Finance Corporation Ltd.	AAA	0.89%
Indian Railway Finance Corporation Ltd.	AAA	0.64%
State Bank of Mysore	AAA	0.13%
Ind. Cor. Loan Sec. Trust Series XXXIX PFC A2	P1+(so)	0.06%
Coll. Debt Trust Ser.12 Class A2 OPT I PFC	P1+(so)	0.06%
<b>Public Sector Undertakings - Total</b>		
<b>MONEY MARKET INSTRUMENTS</b>		
<b>Bill Rediscounting</b>		
Development credit Bank Bill Discounting 06/02/2008		0.63%
<b>Bill Rediscounting - Total</b>		
<b>Commercial Paper (CP)/Certificate of Deposits (CD)</b>		
<b>Corporate Debt / Financial Institutions</b>		



Unitech Ltd.	F1+(ind)	4.04%
DLF Limited	A1+	3.60%
Karur Vysya Bank Ltd.	F1+(ind)	3.54%
Jammu & Kashmir Bank	P1+	2.45%
ING Vysya Bank Ltd	P1+	2.22%
Sobha Developers Ltd.	A1	1.75%
IndusInd Bank Ltd.	A1+	1.38%
Citibank N.A.	P1+	1.22%
Development Credit Bank Ltd.	P1+	0.88%
Religare Securities Ltd.	P1	0.76%
Tata Motors Ltd.	P1+	0.76%
Federal Bank Ltd.	P1+	0.63%
YES Bank Ltd.	P1+	0.63%
Essel Mining & Industries Ltd.	A1	0.63%
ABN Amro Bank N.V.	P1+	0.60%
L & T Finance Limited	PR1+(SO)	0.49%
YES Bank Ltd.	A1+	0.43%
Financial Technologies (India) Ltd.	F1(ind)	0.38%
ABN Amro Bank N.V.	A1+	0.35%
Rabobank India Finance Ltd.	P1+	0.28%
AXIS Bank Ltd.	P1+	0.24%
ICICI Bank Ltd.	A1+	0.24%
L & T Finance Limited	PR1+	0.12%
<b>Corporate Debt / Financial Institutions - Total</b>		<b>27.62%</b>
<b>Public Sector Undertakings</b>		
State Bank of Patiala	A1+	4.92%
State Bank of Travancore	P1+	3.10%
Union Bank of India	P1+	2.11%
Indian Overseas Bank	A1+	1.11%
Punjab National Bank	P1+	0.96%
State Bank of Mysore	A1+	0.63%
Allahabad Bank	P1+	0.50%
PNB Housing Finance Ltd.	P1+	0.38%
Union Bank of India	A1+	0.38%
UCO Bank	P1+	0.35%
State Bank of India.	P1+	0.25%
State Bank of Hyderabad	P1+	0.13%
State Bank of Saurashtra	P1+	0.03%
<b>Public Sector Undertakings - Total</b>		<b>14.85%</b>
<b>Treasury Bills</b>		
364 Days Treasury Bill 18/07/2008	SOV	1.23%
364 Days Treasury Bill 20/06/2008	SOV	0.25%
<b>Treasury Bills - Total</b>		<b>1.48%</b>
<b>TERM DEPOSITS</b>		
<b>Term Deposits</b>		
The South Indian Bank Limited		4.18%
<b>Term Deposits - Total</b>		<b>4.18%</b>
<b>Collateral Borrowing &amp; Lending obligation</b>		<b>0.03%</b>
<b>Net Current Assets/(Liabilities)</b>		<b>1.25%</b>
<b>Grand Total</b>		<b>100.00%</b>

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.57 years

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Debentures and Bonds	49.95
Commercial Paper (CP)/Certificate of	42.42
CBLO & TERM DEPOSITS & REV. REPO	4.21
Treasury Bills	1.47
Bill Rediscounting	0.63
Net Current Assets	1.32

#### RATING PROFILE

P1+, A1+, AAA, PR1+ and SOV	92.6
CBLO & TERM DEPOSITS & REV. REPO	4.21
Net Current Assets	1.33
AA+	1.23
Bill Rediscounting	0.63

## KOTAK FLOATER LONG TERM

Open - Ended Debt Scheme

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

**Available Options:** DP, DR & G **Fund Managers** Ritesh Jain & Imran Sayed **Loads Entry:** Nil. **Exit:** 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. 79.68 crores. **Ratios:** Total Expense Ratio: 0.63% YTM: 8.75 \* Source: Value Research.

Performance as on January 31, 2008

	6 Months	1 Yr	3 Yr	Since Allotment (Aug 13, 2004)
Kotak Floater Long Term	4.4	9.1	7.1	6.9
CRISIL Liquid Fund Index	3.1	7.4	6.1	5.8

Kotak Floater Long Term NAV : Rs.12.5922 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Debt Instruments</b>		
<b>Debentures and Bonds</b>		
<b>Corporate Debt / Financial Institutions</b>		
Emaar MGF Land Ltd.	Pr1+	12.55%
Tata Sons Ltd.	AAA	6.36%
Indiabulls Financial Services Ltd	F1+(ind)(SO)	6.29%
Indian Retail ABS Trust Series 56 PTC A2	AAA	5.27%
RB Loan Trust Series V 2007 Ser A3 (Unitech)	F1+(ind)(SO)	4.53%
KPI LOAN TRUST SER. A1, OPT-A	AA-(ind)	2.55%
<b>Corporate Debt / Financial Institutions - Total</b>		<b>37.55%</b>
<b>Public Sector Undertakings</b>		
Punjab National Bank	AAA	6.27%
<b>Public Sector Undertakings - Total</b>		<b>6.27%</b>
<b>Money Market Instruments</b>		
<b>Commercial Paper (CP)/Certificate of Deposits (CD)</b>		
<b>Corporate Debt / Financial Institutions</b>		
Citibank N.A.	P1+	10.91%

Tata Motors Ltd.	P1+	6.21%
L & T Finance Limited	PR1+	6.05%
Unitech Ltd.	F1+(ind)	5.85%
<b>Corporate Debt / Financial Institutions - Total</b>		<b>29.02%</b>
<b>Public Sector Undertakings</b>		
Export-Import Bank of India.	P1+	12.23%
State Bank Of India.	P1+	6.10%
<b>Public Sector Undertakings - Total</b>		<b>18.33%</b>
<b>Collateral Borrowing &amp; Lending obligation</b>		
<b>Net Current Assets/(Liabilities)</b>		
<b>Grand Total</b>		
		<b>100.00%</b>

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.96 years

Total NPA provided and percentage to NAV: NIL

#### SECTOR ALLOCATION

Commercial Paper (CP)/Certificate of	47.34
Debentures and Bonds	43.83
CBLO & TERM DEPOSITS & REV. REPO	7.53
Net Current Assets	1.30

#### RATING PROFILE

P1+, PR1+, AAA and F1(ind)	88.63
CBLO & TERM DEPOSITS & REV. REPO	7.53
AA-(ind)	2.55
Net Current Assets	1.29

## KOTAK FLOATER SHORT TERM

Open-Ended Debt Scheme

#### About the Scheme

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

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

**Minimum Initial Investment:** Rs. 5000 & Rs.1,00,000 under Daily Dividend Reinvestment option **Additional Investment:** Rs. 1000 & in Multiples of Re.1. **Ideal Investments Horizon** 1 Month to 3 Months. **Corpus:** Rs. 388.10 crores. **Ratios:** Total Expense Ratio: 0.41% YTM: 8.50 \*Source: Value Research.

Performance as on January 31, 2008

	7 Days	15 Days	1 Month	3 Months	6 Months
Kotak Floater Short Term	0.2	0.3	0.7	2.1	4.1
CRISIL Liquid Fund Index	0.1	0.2	0.5	1.6	3.1

	1 Yr	3 Yr	Since Allotment (Aug 13, 2004)
Kotak Floater Short Term	8.2	6.8	6.2
CRISIL Liquid Fund Index	7.4	6.1	5.8

Kotak Floater Short Term NAV : Rs.13.1586 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

#### PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
<b>Debt Instruments</b>		
<b>Debentures and Bonds</b>		
<b>Corporate Debt / Financial Institutions</b>		
Infrastructure Development Finance Co. Ltd	LAAA	6.44%
Mahindra & Mahindra Financial Services Ltd.	AA+	6.44%
CAT Series XXIII - Class A1	P1+(so)	5.21%
Indiabulls Financial Services Ltd	F1+(ind)(SO)	5.17%
Manakia Ltd	PR1+	5.15%
Emaar MGF Land Ltd.	PR1+	4.38%
DSP Merrill Lynch Capital Ltd.	AAA	2.58%
Motherson Sumi Systems Ltd.	A1+	2.58%
Citicorp Finance (India) Ltd.	AAA	2.58%
Cholamandalam DBS Finance Limited.	AAA	2.06%
LIC Housing Finance Ltd.	AAA	1.67%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	1.29%
Tata Sons Ltd.	AAA	1.29%
Sundaram Finance Ltd.	AAA	1.29%
<b>Corporate Debt / Financial Institutions - Total</b>		<b>48.13%</b>
<b>Public Sector Undertakings</b>		
Indian Railway Finance Corporation Ltd.	AAA	2.59%
Industrial Development Bank Of India.	AA+	1.33%
<b>Public Sector Undertakings - Total</b>		<b>3.92%</b>
<b>Money Market Instruments</b>		
<b>Commercial Paper (CP)/Certificate of Deposits (CD)</b>		
<b>Corporate Debt / Financial Institutions</b>		
ICICI Bank Ltd.	A1+	5.62%
Citibank N.A.	P1+	5.48%
YES Bank Ltd.	P1+	5.12%
Federal Bank Ltd.	P1+	4.99%
Standard Chartered Investment & Loan India Ltd.	P1+	4.12%
ICICI Bank Ltd.	P1+	1.25%
<b>Corporate Debt / Financial Institutions - Total</b>		<b>26.58%</b>
<b>Public Sector Undertakings</b>		
Indian Bank	F1+(ind)	7.51%
Corporation Bank	P1+	5.02%
State Bank of Travancore	P1+	2.57%
Canara Bank	P1+	1.28%
State Bank Of India.	P1+	1.25%
Union Bank of India	P1+	1.25%
State Bank of Mysore	A1+	0.38%
UCO Bank	P1+	0.26%
<b>Public Sector Undertakings - Total</b>		<b>19.52%</b>
<b>Collateral Borrowing &amp; Lending obligation</b>		
<b>Net Current Assets/(Liabilities)</b>		
<b>Grand Total</b>		
		<b>100.00%</b>

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.14 years

Total NPA provided and percentage to NAV: NIL

## SECTOR ALLOCATION

Debentures and Bonds	52.05
Commercial Paper (CP)/Certificate of	46.11
Net Current Assets	1.07
CBLO & TERM DEPOSITS & REV. REPO	0.77

## RATING PROFILE

P1+, PR1+, A1+, P1+(so) and F1+(ind)(so)	89.09
AA+	9.06
Net Current Assets	1.08
CBLO & TERM DEPOSITS & REV. REPO	0.77

# KOTAK LIQUID

## Open-Ended Debt Scheme

### About The Scheme

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

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

**Minimum Initial Investment:** (a) Rs. 5000 (b) Rs. 1 crore (c) Rs. 5 crores. **Additional Investment:** Rs. 1000 & in Multiples of Re.1. **Ideal Investments Horizon** 7 days to 15 days **Corpus:** Rs. 6318.33 crores. **Ratios:** Total Expense Ratio: (a) 1% (b) 0.72% (c) 0.38% **YTM:** 8.25 \* Source: Value Research.

### Performance as on January 31, 2008

	7 Days	15 Days	1 Month	3 Months	6 Months
Kotak Liquid Regular Plan	0.2	0.3	0.6	1.8	3.5
Kotak Liquid Institutional Plan	0.2	0.3	0.6	1.9	3.7
Kotak Liquid Institutional Premium Plan	0.2	0.3	0.7	2.0	3.9
CRISIL Liquid Fund Index	0.1	0.2	0.5	1.6	3.1

				Since Allotment (Reg. -
	1 Yr	3 Yr	5 Yr	Oct 05, '00; Instl - Mar 14, '03, Instl Prem- Nov 04, '03)
Kotak Liquid Regular Plan	7.3	6.2	5.6	6.3
Kotak Liquid Institutional Plan	7.6	6.6	-	5.9
Kotak Liquid Institutional Premium Plan	8.0	6.9	-	6.3
CRISIL Liquid Fund Index	7.4	6.1	5.4	5.5

Kotak Liquid Regular Plan NAV: Rs.15.6940 (Growth Option); Kotak Liquid Institutional Plan NAV : Rs.15.9737 (Growth Option). Kotak Liquid Institutional Premium Plan NAV: Rs.16.1478 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

### PORTFOLIO

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

#### Debt Instruments

##### Debentures and Bonds

##### Corporate Debt / Financial Institutions

DSP Merrill Lynch Capital Ltd.	P1+(so)	6.02%
Reliance Capital Ltd.	A1+	3.17%
JM Financial Products Private Limited	P1+	2.77%
HDFC Ltd.	AAA	2.05%
CAT Series XXIV - Class A	P1+(so)	1.99%
Citicorp Finance (India) Ltd.	AAA	1.26%
AXIS Bank Ltd.	LAA+	0.89%
Kotak Mahindra Prime Ltd.	P1+	0.87%
BHPC Auto Securitisation Trust Dec 2007 - I	AAA(so)	0.81%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	0.79%
KCS LOAN TRUST SER. A1,OPT -B ;SREI	A1+(SO)	0.79%
RB Loan Trust Ser -III 2007 Ser A3 (IFSL)	P1+(so)	0.79%
Infrastructure Development Finance Co. Ltd	LAAA	0.79%
Videsh Sanchar Nigam Ltd.	P1+	0.79%
L & T Finance Limited	Unrated	0.79%
LIC Housing Finance Ltd.	AAA	0.66%
Investsmar Financial Services. Ltd.	A1+	0.63%
TGS Investment & Trade Private Ltd.	A1+	0.63%
ICICI Bank Ltd.	CARE AAA	0.59%
DSP Merrill Lynch Capital Ltd.	AAA	0.56%
Sundaram Finance Ltd.	MAAA	0.55%
JM Financial & Investment Consultancy Services Pvt. Ltd.	P1+	0.55%
L & T Finance Limited	PR1+(SO)	0.55%
Citifinancial Consumer Finance India Ltd.	AAA	0.48%
Kotak Mahindra Investments Ltd.	A1+	0.48%
Birla Global Finance Ltd.	A1+	0.40%
JM Financial Services Private Limited	P1+	0.40%
GE Capital Services India.	AAA	0.36%
Indian Cor Loan Sec.Trust Sr XXXVIII - Sr A1	P1+(so)	0.29%
Mahindra & Mahindra Financial Services Ltd.	AA+	0.26%
Sundaram Finance Ltd.	AA+	0.23%
India Loan Securitisation Trust V PTC A	AAA(so)	0.12%
Tata Sons Ltd.	AAA	0.08%

Gruh Finance Ltd	AA	0.08%
KPR LOAN TRUST SER. A2,OPT -B ;SREI	PR1+(SO)	0.08%
KPR LOAN TRUST SER. A1,OPT -B ;SREI	PR1+(SO)	0.05%

##### Corporate Debt / Financial Institutions - Total

##### Public Sector Undertakings

Indian Railway Finance Corporation Ltd.	AAA	3.02%
Export-Import Bank of India.	AAA	1.19%
Industrial Development Bank Of India.	AA+	0.88%
Power Finance Corporation Ltd.	AAA	0.88%
National Bank for Agriculture and Rural Development	AAA	0.48%
Union Bank of India	AA+	0.08%

##### Public Sector Undertakings - Total

##### MONEY MARKET INSTRUMENTS

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

##### Corporate Debt / Financial Institutions

Indusind Bank Ltd.	A1+	6.26%
ICICI Bank Ltd.	A1+	3.67%
ICICI Bank Ltd.	P1+	2.45%
ABN Amro Bank N.V	P1+	1.88%
ING Vysya Bank Ltd	P1+	1.63%
Global Trade Finance Ltd.	P1+	1.57%
TATA Capital Ltd.	A1+	1.57%
Tata Motors Ltd.	P1+	1.53%
ICICI Bank Ltd.	PR1+	1.17%
Hongkong & Shanghai Banking Corporation	F1+(ind)	1.15%
ABN Amro Bank N.V	A1+	0.93%
Infrastructure Leasing & Financial Services Limited	F1+(ind)	0.79%
Jindal Stainless Ltd.	F1+(ind)	0.78%
Ballarpur Industries Ltd.	F1+(ind)	0.79%
ICICI Home Finance Company Limited	A1+	0.73%
Federal Bank Ltd.	A1+	0.46%
Centurion Bank of Punjab Ltd.	F1+(ind)	0.39%
Rabo India Finance Ltd.	P1+	0.39%
Karuru Vysya Bank Ltd.	F1+(ind)	0.38%
Jammu & Kashmir Bank	P1+	0.38%
Redington (India) Ltd.	P1+	0.31%
Adlabs Films Ltd.	A1+	0.24%
BOC India Ltd.	P1+	0.24%
Micro Inks	PR1+	0.24%
Sundaram Finance Ltd.	P1+	0.23%
L & T Finance Limited	PR1+	0.23%
OCL India Limited	A1+	0.16%
Financial Technologies (India) Ltd.	F1(ind)	0.16%
Hindustan Construction Company Ltd.	PR1+	0.16%
YES Bank Ltd.	A1+	0.08%

##### Corporate Debt / Financial Institutions - Total

##### Public Sector Undertakings

State Bank Of India.	P1+	6.77%
Export-Import Bank of India.	P1+	2.17%
National Bank for Agriculture and Rural Development	CARE AAA	2.03%
Power Finance Corporation Ltd.	A1+	1.57%
State Bank of Bikaner & Jaipur	P1+	1.52%
Indian Bank	F1+(ind)	1.31%
Indian Overseas Bank	A1+	1.30%
State Bank of Indore	P1+	1.23%
Punjab National Bank	P1+	1.06%
Punjab National Bank	A1+	1.00%
Union Bank of India	P1+	0.80%
Canara Bank	PR1+	0.77%
Allahabad Bank	PR1+	0.69%
State Bank of Saurashtra	P1+	0.68%
State Bank of Patiala	A1+	0.46%
State Bank of Hyderabad	P1+	0.39%
UCO Bank	P1+	0.35%
State Bank of Travancore	P1+	0.24%
State Bank of Mysore	A1+	0.16%

##### Public Sector Undertakings - Total

##### TERM DEPOSITS

##### Term Deposits

Corporation Bank	3.17%
Bank Of Nova Scotia	0.95%

##### Term Deposits - Total

##### Collateral Borrowing & Lending obligation

Net Current Assets/(Liabilities)	0.94%
<b>Grand Total</b>	<b>100.00%</b>

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

Total NPA provided and percentage to NAV: NIL

## SECTOR ALLOCATION

Commercial Paper (CP)/Certificate of	55.38
Debentures and Bonds	39.11
CBLO & TERM DEPOSITS & REV. REPO	4.47
Net Current Assets	1.04

## RATING PROFILE

P1+, P1+(so), PR1+, A1+, AAA and F1+(ind)	90.32
CBLO & TERM DEPOSITS & REV. REPO	4.47
CARE AAA	2.62
AA+	1.54
Net Current Assets	1.05

# DIVIDEND HISTORY

## EQUITY SCHEMES

Record Date	Cum Dividend NAV	Rs/Unit
<b>Kotak 30 - Dividend</b>		
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
<b>Kotak Global India</b>		
Feb-08-07	22.292	2.50
Feb-08-06	19.609	2.00
Feb-04-05	13.708	1.50
<b>Kotak Contra</b>		
July-27-07	16.0365	2.00
<b>Kotak MNC</b>		
Feb-11-05	20.600	4.50
<b>Kotak Opportunities</b>		
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
<b>Kotak Midcap</b>		
Apr-28-06	19.4377	4.00
Aug-24-05	13.0267	0.50
<b>Kotak Tax Saver</b>		
Feb-20-07	11.6407	3.00

Record Date	Cum Dividend NAV	Rs/Unit
<b>Kotak Lifestyle</b>		
June-29-07	13.067	1.75

## HYBRID SCHEMES

Record Date	Cum Dividend NAV	Rs/Unit
<b>Kotak Balance</b>		
Sept-25-07	28.078	2.00
Sept-27-06	22.870	1.00
Mar-27-06	26.645	3.50
Dec-12-05	22.232	1.00
May-16-05	18.129	0.75
Dec-13-04	16.175	0.50
Dec-12-03	15.559	2.75
Mar-13-00	13.471	1.00

Record Date	Cum Dividend NAV	Rs/Unit
<b>Kotak Income Plus - Monthly Dividend</b>		
Jan-14-07	11.7993	Individual / HUF: 0.0738 Others: 0.0687
Dec-12-07	11.7295	Individual / HUF: 0.0654 Others: 0.0609
Nov-12-07	11.4449	Individual / HUF: 0.6668 Others: 0.0621
Oct-10-07	11.2980	Individual / HUF: 0.00628 Others: 0.0584

Record Date	Cum Dividend NAV	Rs/Unit
<b>Kotak Income Plus- Quarterly Dividend</b>		
Dec-20-07	11.6952	Individual / HUF: 0.1907 Others: 0.1775
Sep-20-07	11.1409	Individual / HUF: 0.1916 Others: 0.1783
Jun-20-07	10.7082	Individual / HUF: 0.1885 Others: 0.1755
Mar-20-07	10.8640	Individual / HUF: 0.1174 Others: 0.1093

## RISK FACTORS

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

### Risk Factors:

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

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

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

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

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

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

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

### Statutory:

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

## SERVICES & FACILITIES

- **Network of Transaction Acceptance Points:** Submit transaction requests at your convenience across our 27 Investor Service Centres and 96 Transaction Points of CAMS. (To locate these, visit the "Locate Us" section on our website, [www.kotakmutual.com](http://www.kotakmutual.com)).
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