

October 31, 2008



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Safety

No need to purchase physical gold.
Avoid hassles of storage and safekeeping.



Liquidity

Trade your units freely on the
Stock Exchange.



Convenience

Use your Demat account to trade units
in small denominations.

Invest in Kotak Gold ETF Today!

From the CEO's Desk



Dear Friends,

Only when one expected that things could not get more bad, it got worse!

Indian equities market witnessed an accelerated decline in its market capitalization, as the key benchmark BSE Sensex declined by nearly 23.9% in October month. In aggregate terms, Sensex has witnessed a 51.75% decline since early Jan. The intensity and the rapidity of the current phase of the decline has come to indicate of weakening investor confidence. As psychologically strong resistance levels

were breached consecutively in short succession! Taking the Sensex down from 13006 to 7697 level within a month's time.

The dual concern presently ailing the market sentiment is: (1) the high wariness amongst investors regarding global slowdown and the resultant fallout of a slower economic expansion in India. And (2), the increasing liquidity crunch witnessed in the domestic market resulting from the nearly 13 bn dollar FII pullout from the Indian equities market and the consequent RBI intervention in the Forex market to support the weak Rupee. Resultantly, the Indian equity market momentum has become highly susceptible to global market movement and to domestic regulatory policy.

RBI is seeking to achieve a balance between financial stability, liquidity management and economic growth. And it is natural that equities market would be wrapped in its after-effects too! Given the current context of decelerating inflation, moderating economic growth and scarce liquidity, an essential circumstance (and ample headroom) has been created for RBI to consider an aggressive rate reduction regime.

Quite visibly, the RBI initiative to slash Repo(0.50 bps), CRR(100 bps), & SLR(100 bps) norm on 1st November is within that ambit of objectives. It is to ensure that liquidity in the system is enhanced (around Rs 120,000 crs) and the cost of lending is reduced. RBI has also decided to buy-back the MSS dated securities as an alternative means to infuse liquidity in the system. However, it is constructive that Reverse Repo rate also be brought down, so as to dissuade banks from parking surplus funds with RBI. This will be a firm indication of a structural decline in the interest rate regime and assuage the liquidity scare in the banking system. This would also force banks to buy fixed income securities where the market has completely become illiquid.

Globally, the equity markets have started to factor in the recessionary trend being witnessed in the US, EU & Japanese market. However, market uncertainty continues to remain due to ambiguity regarding extent, scope, duration and fallout of the impending recession. US economy has already reported a GDP contraction of 0.3% for Q3-2008. Of even higher significance is the fact that disposable income in US has fallen by 8.7% - the highest till date. While consumer spending, which accounts for 2/3 of the US economy, declined by the largest amount in last 28 years. For a market that accounts for nearly 25% of the global economy, it is inevitably that the fallout in US is bound to be disproportionate on the dependent economies.

In India's case, the economic impact of the global recession dwells largely around the unwinding of the financial capital available for the Indian corporates - either by way of FIIs, FDIs, or ECB. The global credit crunch has led to drying up of cheap borrowing opportunity for Indian corporates, who increasingly rely on the Indian banking system for credit. In this given backdrop, the high rate of lending has impacted the efficiency of industrial operations; resulting in re-assessment of capital investment plans in India. This provides an increasingly strong case that interest rates be brought down in a swifter manner to stem the moderating economy.

Closer home, the mutual funds industry AUM in India saw a significant decline during the October month. Both, on account of the fall in the equity markets, as also due to large-scale redemptions in the debt/liquid/FMP segment. The negative data and market scare during mid-September had led to an increased investor preference towards liquidating their fixed income holdings in Mutual Funds and retaining cash. Moreso forex intervention by RBI had already dried up the liquidity from the money market. So, despite a very competitive and risk-prudent portfolio holding by the Mutual funds industry, the redemption pressure saw NAV's coming under strain. In consequence, the underlying assets had to be traded at a discount to raise cash.

Nonetheless, the restoration of money-market liquidity has mollified the pressure, and normalcy should get restored. This however, has underscored a regulatory necessity for a prudent liquidity management to ensure a stable financial system. The focus clearly has shifted to managing growth rather than inflation. It also highlights the coming of age of the Indian mutual funds industry that has very efficiently managed these challenges.

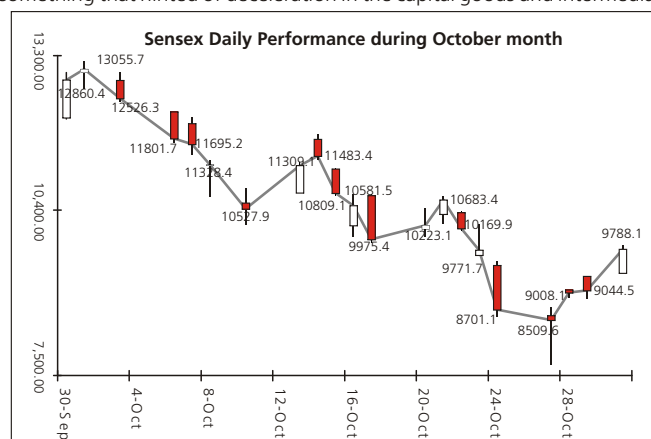
Thanks and regards,

Sandesh Kirkire

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

Equity Market View

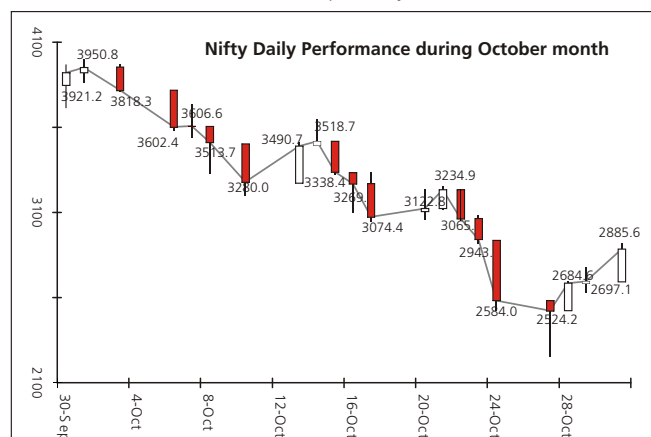
The equities market in the October month continued to remain volatile as cues from the global economy became clearer of an impending slowdown. The uncertainty regarding the efficacy of the various bailout packages had already created the grounds for volatility throughout the month. Domestic sentiments were further damaged by less than expected IIP numbers, something that hinted of deceleration in the capital goods and intermediate



goods sector. The poor corporate results in the overseas markets too delivered a negative impact on the Indian equities markets. The situation was further compounded by a neutral monetary policy, with the final straw being the release of a US report positing an economic contraction in Q3-2008.

Resultantly, the markets witnessed a nearly uncontested decline, with the Sensex declining by as much as 5506 point during the month. The month saw the Sensex breach major psychological barriers as the Index declined from the high of 13203 to month low of 7697 point within 17 trading sessions. However, during the fag end of the month, the market resumed some ground and covered some losses, by closing at 9788 points. The 1-month performance of the Sensex as on 31st October was -23.89%. In the meanwhile, Nifty, in close resemblance ended the month with a negative performance of 26.41% - In the process losing 1035 points.

The Sensex and Nifty performance displayed the daily returns variance (risk) of 5.01% & 4.82% respectively.. This is an increase of more than 255 bps from the returns variance witnessed in September month, which was recorded at 2.437% and 2.227% respectively. This is a near double increase



in risk from the previous month, indicating of heightened volatility and uncertainty in the market during the said period.

The average daily cash volume in Nifty during October month was at Rs 10,809 crs. This is a decrease of 13.44% from the previous month. On the y-o-y basis, the average daily cash volume in Nifty declined by 47.79%. The aggregate cash volume in Nifty during October was recorded at Rs 216198.4 crs - a decline of 52.54% over the same month previous year.

The aggregate turnover in F&O market was recorded at Rs 941,646.17 crs - a decrease of 21.39% over the previous month. In average terms, the F&O volumes reduced by 17.46% over September 08.

During the October month, the FII participation remained negative as they made net sales of US\$ 3.84 bn in Indian equities market. On the other hand, the Domestic Mutual Funds segment was net buyer in the Indian equities market during the October month, selling around Rs 42.9 crs during the period.

Market Outlook

The global equity markets have come under considerable pressure in last few months as every unraveling data is indicating of an impending recession in US. With Euro zone also announcing its economy in recession; and forecasting economic stagnation for 2009 (growth predicted at 0.1%), the markets would be further tested in the near future.

As a silver lining, the 0.3% contraction in the US economy for Q3-2008 is less than what was expected by economists. In that regard, US economy is being considered as more resilient that what was previously estimated. Also, the rate and period of the recession hitting the US economy has been progressively declining over the years, with last economic contraction (Mar-Nov 2001) lasting for only 8 months. This confirms to the observation that recessions are increasingly getting shorter - and more painful - since the policy adaption and the consequent economic resurgence is getting swifter.

The Indian economy on the other hand, will continue to rely overwhelmingly on the domestic demand. Though the markets in the short run would continue to take cues from the international environment. The RBI priority currently is to ensure stable financial environment. However, economic growth too has received focus since sometime by the central banker. In that regard, the nearly 150 bps Repo rate cut and 350 bps CRR cut is a good indication of the RBI intentions in the future. Moreso, these measures, would reduce the cost of lending for the banks and thus augment industrial investment by India Inc.

Given these set of variables, short bouts of volatility may be witnessed in the market from time to time. The market would continue to take cues from both: the unraveling situation in the US; and the regulatory actions back home. In such an environment, markets may remain susceptible to short bouts of high volatility. It is therefore recommended that the investors allocate their investible corpus in accordance with prudent risk management practices, and with a 3-4 year investment horizon.

Also, to mitigate the possibilities of short term pricing volatility, investment through means of SIP to obtain 'competitive risk adjusted return' on their investments is advisable.

Debt Market View

	Sept End	Aug End	Change
Inflation (18/October/ 2008)	10.68%	12.1%	-1.46%
WPI (Points)	238.3	241.1	-2.80
10 YR IGB (Yield) (31/October/2008)	7.50%	8.6%	-1.12%
10 YR UST (Yield) (31/October/2008)	3.96%	3.6%	0.38%
Avg. LAF Surplus / Deficit (Rs. Cr)	-32890	90000	-122890.00
Currency (Rs. /\$) (31/October/2008)	49.45	46.94	2.51
India's Forex Reserve (Billion \$)			
(24/Oct/2008)	258.4	291.97	-33.57

The Indian secondary debt market was in midst of a sharp bull run, with the 10 year gilt declining by nearly 96 bps in the interregnum. The gilt yields collapsed in wake of renewed RBI emphasis to replenish liquidity into the banking system as the central banker slashed CRR by nearly 250 bps during the month - Fusing Rs 185000 crs in the system during the month.

However, the trading sentiment dampened slightly during the end of month due to neutral mid-term credit policy by RBI. Nonetheless, the sentiments improved significantly off the back of declining oil prices, moderating inflation and expectation of further rate deduction by RBI. RBI did comply, with 100 bps reduction in CRR, 50 bps reductions in Repo & revision of SLR ceiling at 24%.

Inflation: Structural Downturn ahead! (Inflation trend constitutes important indication of the future interest rate. And by that extension, interest rates)

The inflationary trend in the Indian economy continued to show a structural moderation. The annual WPI growth declined from 12.1% (mid sept) to 10.68% (mid Oct); a 142 bps decline in 4 weeks time. This is the sharpest decline in WPI in last 70 months. Far more importantly, it indicates of a pattern similar to that witnessed during the closing phases of the earlier inflationary cycles.

The inflation in primary goods showed a declining trend as the 'Primary Goods' index reduced to 10.92% (18th Oct) from 11.56% in the previous month. The downward pressure on this subset of WPI is largely due to lower

prices of non-food articles like raw rubber, cotton and groundnut seeds. The food articles index though still continues to remain upbeat.

However, it was the deceleration in prices of 'Fuel & Power' segment that contributed the most towards moderation in WPI. This segment showed a 257 bps decline from the previous month figure of 16.66%, and stood at 14.09%. This decline is largely been attributable to lower prices of furnace oil and light diesel oil prices.

The inflation in the Manufacturing segment decreased from 10.61% in Sept, to 9.26% (as on 18th Oct) - A 136 bps reduction from the previous figure. The decline in this major segment was attributable to a general reduction in prices over a large range of industry products like food products, beverage & tobacco products, textiles, chemicals, metals & mineral products.

Money-Supply: Easing Trend

The money supply, as depicted by M3, continues to remain strong. The m-o-m growth in the M3 for the month ended 10th Oct was at 2.08%. In absolute terms, the system added nearly 88000 crs in a month's time. Largely by way of time and demand deposit by banks. In annual terms, M3 grew at 20.4%, an increase of Rs 7.3 trillion during the said period. The yoy growth in M3 components: namely currency, Demand Deposits, & time deposits was at 20.3%, 16.8% & 21.1% respectively.

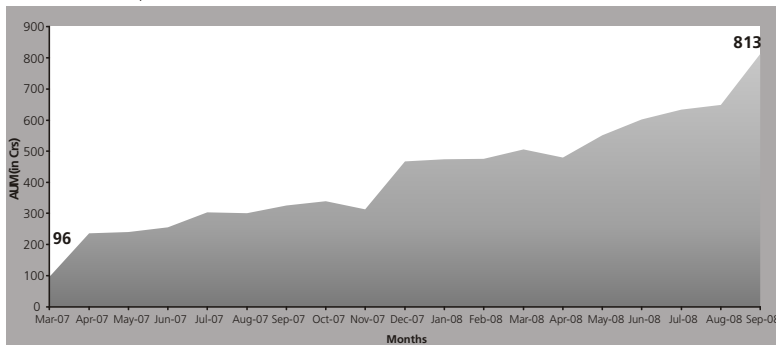
Money Supply & Components (In crs)	10-Oct-08	12-Sept-08	12-Oct-07	% over last month	% over last year
M3	4314125	4226143	3582288	2.08%	20.4%
Currency with the public	603709	593120	501934	1.79%	20.3%
Demand Deposits with Banks	535656	514947	458433	4.02%	16.8%
Time Deposits with Banks	3169925	3113321	2616953	1.82%	21.1%
'Other' Deposits with Reserve Bank	4835	4755	4968	1.68%	-2.7%

Outlook

The RBI intervention in the forex market to support the Rupee - and the corrective actions by way of policy rate cuts - has for now achieved semblance of balance between the mutually exclusive objectives of exchange rate stability and liquidity management. Going forward, rate cut expectation may continue to prevail in the market, given the swift moderation in inflation and rising government focus towards economic growth. The overnight call rate may witness a narrow trading range with possible spurts due to temporary liquidity shortage. On the other hand, the 10 year g-sec is expected to trade in the 7.30-7.60% range for the coming period.

Gold Corner

Gold had a very volatile month when it touched a high of \$886/oz and made a low of \$ 692 /oz to finally settle at \$ 729 /oz at the end of the month. This is almost 17% lower from its Sep'08 closing of \$ 894 /oz. The reason for this underperformance can be attributed to strengthening of dollar. During the month dollar appreciated by almost 9% against Euro. Another reason for correction in gold can be attributed to the profit booking by several players; and the hedge fund induced selling to cover up their margin calls. The assets managed by Gold Exchange Traded Funds in the country increased to Rs. 813 crore as on Sep 30, 08 from Rs. 649 crore as on Aug 08 (See: Industry ETF AUM).



Outlook

Gold supply continues to fall, with worldwide gold mining production falling by 6% annually during the first-half of the year - Totalling just 590 tones between April 08 and July 08. Global gold mining output was the lowest since 1996 according to data from the US Geological Survey. Physical demand remains near record levels internationally; with rising premiums for all bullion products and delays and shortages deepening further. Given the record global demand for bullion, the increasing interest rates cuts and negative real interest rates in many countries is likely to result in higher gold prices in the medium to long term.

Assets Under Management as on October 31, 2008 - Rs. 13,463.32 Crores

About our Fund Managers

FUND MANAGER

Name: Mr. Krishna Sanghavi

Scheme (experience in managing this fund since)

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

Name: Mr. Sajit Pisharodi

Scheme (experience in managing this fund since)

Kotak Equity Arbitrage (Sep 29, '05), Kotak Equity FOF (Aug 31, '05), Kotak Income Plus (Sep 11, '07), Kotak MNC (Aug 29, '08), Kotak Tech (Aug 29, '08), Kotak Balance (Aug 29, '08)

Name: Mr. Anurag Jain

Scheme (experience in managing this fund)

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

Name: Mr. Abhishek Bisen

Scheme (experience in managing this fund)

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

Name: Mr. Emmanuel Elango

Scheme (experience in managing this fund)

Kotak 30 (Sept 1, '08), Kotak Lifestyle (Sept 1, '08), Kotak Contra (Sept 1, '08), Kotak Global India (Sept 1, '08)

Name: Mr. Deepak Agrawal

Scheme (experience in managing this fund)

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

Name: Mr. Deepak Gupta

Scheme (experience in managing this fund)

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

BUSINESS EXPERIENCE

Mr. Sanghvi nearly 13 years of experience spanning various functions like in Credit Appraisal & Credit Risk Management, Dealer Finance, Business Planning and Fund Management. He joined Kotak Group in 1997 and has worked with Kotak Mahindra Primus Ltd., Kotak Mahindra Finance Ltd. & Kotak Mahindra Old Mutual Life Insurance Ltd. Before joining Kotak group he had worked with IDBI for nearly 2 years.

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

Mr. Jain has close to 7 years of experience in financial engineering, equity research and Fund Management. He joined the equity markets in 2001 working with SBI Mutual Fund, ICICI Bank followed with SSKI securities. He joined the AMC in August 2005, as a part of the equity fund management team for evaluating investment opportunities in equities.

Mr. Abhishek Bisen, who holds a Bachelors Degree In Management and Masters Degree in Business Administration with Specialisation in Finance, Joined the AMC in October 2006. Prior to joining Fund Management team Mr. Bisen was Manager with Portfolio Advisory Group of Kotak AMC. Prior to joining Kotak AMC he was working with Securities Trading Corporation of India Limited and was involved in Managing Non SLR Trading book (AUM about INR 10 Bn) and was responsible for all trading positions of Corporate Bonds/PSU Bonds as well as Advising Clients under portfolio Advisory Services. He also has 2 Years Merchant Banking experience. Mr. Bisen has Total work experience of 7 Years in the Fixed Income / Debt Market.

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

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

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

KOTAK 30

Open-Ended Equity Growth Scheme

About The Scheme

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

Available Options - DP, DR & G. **Fund Managers** - Krishna Sanghvi and Emmanuel Elango. **Loads - Entry:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/Balanced/Equity FOF Schemes; vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re1 **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 564.17 crores **Ratios:** Portfolio Turnover: 190.34% Total Expense Ratio: 2.18% Beta*: 0.94 Sharpe*: 0.35 Standard Deviation*: 30.83 Alpha*: 4.37 * Source: Value Research.

Performance as on October 31, 2008 (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since allotment (Dec 29, 1998)
Kotak 30*	-38.80	-46.53	11.50	23.45	18.98
S&P CNX Nifty	-43.18	-50.96	6.76	13.14	12.91

Kotak 30 NAV : Rs.20.378 (Div. Option). * Returns assumed reinvestment of the tax free dividend declared. Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

PORTFOLIO

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

Reliance Industries Ltd.	Petroleum Products	7.06%
Oil & Natural Gas Corporation Ltd.	Oil	5.51%
Bharti Airtel Ltd.	Telecom - Services	5.47%
Infosys Technologies Ltd.	Software	4.55%
Larsen And Toubro Ltd.	Diversified	3.72%
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	3.26%
National Thermal Power Corporation Ltd.	Power	3.13%
HDFC Bank Ltd.	Banks	3.08%
HDFC Ltd.	Finance	3.06%
ITC Ltd.	Consumer Non Durables	2.96%
Others		36.93%

Listed/Awaiting Listing on Stock Exchange - Total

Futures

Hero Honda Motors Ltd. - NOV 2008	0.97%
Lupin Ltd.-NOV2008	0.62%
Bharti Airtel Ltd. - NOV 2008	-0.58%

Futures (Market value represents Notional Value) - Total

1.01%

Debt Instruments

Debentures and Bonds

Corporate Debt/Financial Institutions		
Shriram Transport Finance Co Ltd.	AA(ind)	0.35%
Ultratech Cement Ltd.	AAA	0.35%

Indian Corporate Loan Securitization Trust Series 9 Series A P1+(so) 0.18%

Corporate Debt/Financial Institutions - Total 0.88%

Money Market Instruments

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

Corporate Debt/Financial Institutions

Reliance Capital Ltd.	A1+	6.44%
ICICI Bank Ltd.	A1+	1.21%

Corporate Debt/Financial Institutions - Total 7.65%

Public Sector Undertakings

IDBI Bank Ltd.	A1+	0.85%
Power Finance Corporation Ltd.	P1+	0.81%

Public Sector Undertakings - Total 1.66%

TERM DEPOSITS

Kotak Mahindra Bank Ltd.		7.75%
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Term Deposits - Total 7.75%

Net Current Assets/(Liabilities) 2.32%

Grand Total 100%

Notes:

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

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

SECTOR ALLOCATION

Banks	10.11%
Commercial Paper (CP)/Certificate of Deposits (CD)	9.31%
CBLO & Term Deposits & Rev.Repo	7.75%
Petroleum Products	7.06%
Telecom - Services	6.64%
Diversified	6.63%
Software	6.50%
Oil	5.51%
Power	5.20%
Industrial Capital Goods	5.09%
Others	30.20%

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. 7516	Rs.29,443	Rs. 78,624	Rs. 1,90,494
XIRR	-60.63%	-12.62%	10.75%	22.98%

KOTAK OPPORTUNITIES

Open - Ended Equity Growth Scheme

About the Scheme

Investment Objective - To generate capital appreciation from a diversified portfolio of equity and equity related securities. **Available Options** - DP, DR & G. **Fund Managers** - Krishna Sanghvi and Anurag Jain. **Loads - Entry:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes; vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1 **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 578.29 crores. **Ratios:** Portfolio Turnover: 166.59% Total Expense Ratio: 2.26% Beta*: 1.06 Sharpe*: 0.32 Standard Deviation*: 35.29 Alpha*: 4.16 * Source: Value Research.

Performance as on October 31, 2008 (Figures in %)

	6 Months	1 Yr	3 Yr	Since allotment (Sep 09, 2004)
Kotak Opportunities	-45.23	-50.71	10.51	21.39
S&P CNX 500	-46.26	-53.55	2.48	11.87

Kotak Opportunities NAV : Rs. 22.331 (Growth Option) Returns = 1 year : Absolute. Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

PORTFOLIO

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

Bharti Airtel Ltd.	Telecom - Services	5.43%
Oil & Natural Gas Corporation Ltd.	Oil	4.11%
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	3.60%
Larsen And Toubro Ltd.	Diversified	3.35%
Infosys Technologies Ltd.	Software	3.29%
ITC Ltd.	Consumer Non Durables	3.28%
Reliance Industries Ltd.	Petroleum Products	3.09%
ICICI Bank Ltd.	Banks	2.87%
Divis Laboratories Limited	Pharmaceuticals	2.81%
HDFC Ltd.	Finance	2.64%
Others		44.24%

Listed/Awaiting Listing on Stock Exchange - Total

Futures 78.71%

Bank Of Baroda-NOV2008 0.07%

Bharti Airtel Ltd.-NOV2008 -0.56%

Futures (Market value represents Notional Value) - Total -0.49%

Debt Instruments

Debentures and Bonds

Corporate Debt/Financial Institutions

AXIS Bank Ltd.	LAA+	0.89%
Ultratech Cement Ltd.	AAA	0.35%
Infrastructure Development Finance Co. Ltd	LAAA	0.17%

Corporate Debt/Financial Institutions - Total 1.41%

Money Market Instruments

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

Corporate Debt/Financial Institutions

Reliance Communications Ltd.	A1+	4.31%
Cholamandalam DBS Finance Limited.	A1+	2.59%
GE Capital Services India.	P1+	1.72%
Indiabulls Financial Services Ltd	P1+	1.61%
Reliance Capital Ltd.	A1+	1.00%
Gruh Finance Ltd.	P1+	0.17%

Corporate Debt/Financial Institutions - Total 11.40%

TERM DEPOSITS

Kotak Mahindra Bank Ltd.		6.56%
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Term Deposits - Total 6.56%

Net Current Assets/(Liabilities) 2.41%

Grand Total 100%

Notes:

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

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

SECTOR ALLOCATION

Commercial Paper (CP)/ Certificate of Deposits (CD)	11.40%
Banks	10.37%
Consumer Non Durables	6.76%
CBLO & Term Deposits & Rev.Repo	6.56%
Telecom - Services	6.36%
Industrial Capital Goods	5.98%
Software	5.79%
Diversified	5.65%
Construction	5.22%
Oil	4.87%
Others	31.04%

SIP Returns	1 Year	2 Year	3 Year
Investment Amt.	Rs. 12,000	Rs. 24,000	Rs. 36,000
Investment Value	Rs. 6,831	Rs.15,710	Rs.27,606
XIRR	-68.07%	-35.44%	-16.49%

KOTAK TAX SAVER

Open - Ended Equity Linked Saving Scheme

About The Scheme

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

Available Options - DP, DR & G **Fund Managers** - Krishna Sanghvi & Anurag Jain.
Loads - Entry: a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/Balanced/Equity FOF Schemes: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** Exit Load is not applicable for Kotak Tax Saver Scheme. **Minimum Initial Investment:** Rs. 500 **Additional Investment:** Rs. 500 & in multiples of Rs. 500. **Ideal Investments Horizon** - 3 years **Corpus:** Rs. 273.65 crores. **Ratios:** Portfolio Turnover: 161.69% Total Expense Ratio: 2.30% **Performance as on October 31, 2008** (Figures in %)

	6 Months	1 Yr	Since Allotment (November 23, 2005)
Kotak Tax Saver	-45.93	-53.15	-2.17
S&P CNX 500	-46.26	-53.55	-0.45

Kotak Tax Saver NAV: Rs.9.374 (Growth Option) Returns = 1 year : Absolute. Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

PORTFOLIO

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

Bharti Airtel Ltd.	Telecom - Services	4.18%
Oil & Natural Gas Corporation Ltd.	Oil	4.16%
Infosys Technologies Ltd.	Software	3.60%
Reliance Industries Ltd.	Petroleum Products	3.51%
Larsen And Toubro Ltd.	Diversified	3.39%
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	2.97%
ITC Ltd.	Consumer Non Durables	2.83%
HDFC Bank Ltd.	Banks	2.80%
ICICI Bank Ltd.	Banks	2.71%
Hindustan Unilever Ltd.	Diversified	2.43%
Others		48.47%
Listed/Awaiting Listing on Stock Exchange - Total		81.05%

Debt Instruments

Debentures and Bonds

Corporate Debt/Financial Institutions

AXIS Bank Ltd.	LAA+	3.40%
Madras Cements Ltd.	A1+	1.10%
Ultratech Cement Ltd.	AAA	0.73%
Indian Corporate Loan Securitization Trust Series 9 Series A	P1+(so)	0.37%

Corporate Debt/Financial Institutions - Total

5.60%

Public Sector Undertakings

Indian Railway Finance Corporation Ltd.	AAA	1.85%
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Public Sector Undertakings - Total

1.85%

Money Market Instruments

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

Corporate Debt/Financial Institutions	A1+	4.57%
ICICI Bank Ltd.	F1+(ind)	1.81%
Ballarpur Industries Ltd.	A1+	1.69%

Corporate Debt/Financial Institutions - Total

8.07%

Public Sector Undertakings

State Bank of India.	P1+	0.70%
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Public Sector Undertakings - Total

0.70%

Collateral Borrowing & Lending obligation

0.62%

Net Current Assets/(Liabilities)

2.11%

Grand Total

100%

Notes:

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

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

SECTOR ALLOCATION

Banks	10.66%
Consumer Non Durables	10.16%
Commercial Paper (CP)/Certificate of Deposits (CD)	8.77%
Industrial Capital Goods	7.74%
Debentures and Bonds	7.45%
Software	5.89%
Diversified	5.82%
Telecom - Services	4.78%
Construction	4.74%
Pharmaceuticals	4.46%
Others	29.53%

KOTAK MID-CAP

Open - Ended Equity Growth Scheme

About The Scheme

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

Available Options - DP, DR & G **Fund Managers** Krishna Sanghvi and Anurag Jain.
Loads - Entry: a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered

(www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/Balanced/Equity FOF Schemes: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 500 **Additional Investment:** Rs. 1000 & in multiples of Re. 1. **Ratios:** Beta*: 1.01 Sharpe*: -0.10 Standard Deviation*: 35.71 Alpha*: -10.35 Portfolio Turnover: 215.06% Total Expense Ratio: 2.43% **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 80.95 crores.

Performance as on October 31, 2008 (Figures in %)

	6 Months	1 Yr	3 Yr	Since Allotment (Feb. 24, 2005)
Kotak Mid-Cap	-49.85	-58.49	-5.04	1.90
CNX Midcap	-48.86	-52.79	0.27	4.61

Kotak Midcap NAV : Rs. 10.959 (Growth Option) Returns = 1 year : Absolute. Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

PORTFOLIO

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

Asian Paints Ltd.	Consumer Non Durables	5.29%
Divi s Laboratories Limited	Pharmaceuticals	4.18%
Punj Lloyd Ltd.	Construction	3.78%
Exide Industries Ltd	Auto Ancillaries	3.66%
Mphasis Ltd	Software	3.47%
Lupin Ltd	Pharmaceuticals	3.21%
Crompton Greaves Ltd.	Industrial Capital Goods	3.08%
Marico Ltd.	Consumer Non Durables	3.03%
Thermax Ltd.	Industrial Capital Goods	3.01%
United Phosphorus Ltd	Pesticides	2.62%
Others		39.82%

Listed/Awaiting Listing on Stock Exchange - Total

75.15%

Futures

Titan Industries Ltd.-NOV2008	2.74%
Indian Bank-NOV2008	0.15%

Futures (Market value represents Notional Value) - Total

2.89%

Debt Instruments

Corporate Debt/Financial Institutions

Madras Cements Ltd.	A1+	2.47%
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Corporate Debt/Financial Institutions - Total

2.47%

Money Market Instruments

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

Public Sector Undertakings	PR1+	10.99%
Vijaya Bank		10.99%

Public Sector Undertakings - Total

10.99%

TERM DEPOSITS

Kotak Mahindra Bank Ltd.	8.65%
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Term Deposits - Total

8.65%

Net Current Assets/ (Liabilities)

-0.15%

Grand Total

100%

Notes:

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

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

SECTOR ALLOCATION

Consumer Non Durables	13.80%
Banks	12.20%
Pharmaceuticals	11.53%
Commercial Paper (CP)/Certificate of Deposits (CD)	10.99%
CBLO & Term Deposits & Rev.Repo	8.65%
Industrial Capital Goods	7.10%
Construction	5.75%
Finance	4.06%
Auto Ancillaries	3.66%
Software	3.47%
Others	18.79%

Midcap Stocks as a percentage of Net Assets - 65.24

KOTAK BALANCE

Open - Ended Balanced Scheme

About the Scheme

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

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

allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Rs. 1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 56.67 crores. **Ratios:** Portfolio Turnover: 168.12% Total Expense Ratio: 2.50% Sharpe*: 0.24 Standard Deviation*: 23.85 *Source: Value Research

Performance as on October 31, 2008 (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Nov 25, 1999)
Kotak Balance*	-30.88	-37.49	8.21	18.33	15.35
Crisil Balanced Fund Index	-30.03	-35.20	6.16	9.98	NA

Kotak Balance NAV - Rs. 15,797. * Returns assumed reinvestment of the tax free dividend declared. Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Reliance Industries Ltd.	Petroleum Products	5.10%
Oil & Natural Gas Corporation Ltd.	Oil	3.31%
ITC Ltd.	Consumer Non Durables	3.21%
Bharti Airtel Ltd.	Telecom - Services	2.83%
Hindustan Unilever Ltd.	Diversified	2.71%
ICICI Bank Ltd.	Banks	2.58%
HDFC Bank Ltd.	Banks	2.45%
State Bank Of India	Banks	2.17%
GAIL (India) Ltd.	Gas	1.89%
HDFC Ltd.	Finance	1.87%
Others		33.52%
Listed/Awaiting Listing on Stock Exchange - Total		61.64%
Futures		
Bharat Heavy Electricals Ltd. - NOV 2008		-0.22%
Union Bank Of India- NOV 2008		-0.23%
Infosys Technologies Ltd. - NOV 2008		-0.24%
ITC Ltd. - NOV 2008		-0.28%
Reliance Communications Ltd. -NOV/2008		-0.34%
HDFC Ltd. - NOV 2008		-0.93%
Futures (Market value represents Notional Value) - Total		-2.24%
Options		
Reliance Industries Ltd. - 1350.00 - Call Option - November 2008		-0.08%
Reliance Industries Ltd. - 1200.00 - Call Option - November 2008		-0.20%
Options - Total		-0.28%
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
Kotak Mahindra Prime Ltd.	LAA	10.29%
Ultratech Cement Ltd.	AAA	1.76%
ICICI Bank Ltd.	AAA	1.58%
Corporate Debt/Financial Institutions - Total		13.63%
Public Sector Undertakings		
Indian Railway Finance Corporation Ltd.	AAA	8.88%
Public Sector Undertakings - Total		8.88%
Money Market Instruments		
Commercial Paper(CP)/Certificate of Deposits(CD)		
Corporate Debt/Financial Institutions		
ICICI Bank Ltd.	A1+	8.35%
Development Credit Bank Ltd.	P1+	3.40%
Tata Motors Finance Ltd	A1+	1.69%
Corporate Debt/Financial Institutions - Total		13.44%
Public Sector Undertakings		
State Bank Of India.	P1+	3.39%
Public Sector Undertakings - Total		3.39%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		3.53%
Term Deposits - Total		3.53%
Collateral Borrowing & Lending obligation		
Net Current Assets/(Liabilities)		-3.75%
Grand Total		100%

Notes:

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

SECTOR ALLOCATION

Debentures and Bonds	22.51%
Commercial Paper (CP)/Certificate of Deposits (CD)	16.83%
Banks	10.13%
Consumer Non Durables	5.80%
CBLO & Term Deposits & Rev.Repo	5.29%
Petroleum Products	5.10%
Power	4.70%
Pharmaceuticals	4.40%
Telecom - Services	3.91%
Industrial Capital Goods	3.72%
Others	17.61%

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. 8,423	Rs. 30,375	Rs. 72,997	Rs. 1,51,391
XIRR	-49.93%	-10.72%	7.77%	16.52%

KOTAK LIFESTYLE

Open - Ended Equity Growth Scheme

About The Scheme

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

Available Options - DP, DR & G **Fund Managers** Krishna Sanghvi and Emmanuel Elango. **Loads - Entry:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by

the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/Balanced/Equity FOF Schemes: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 96.08 crore. **Ratios:** Portfolio Turnover: 118.23% Total Expense Ratio: 2.34%

Performance as on October 31, 2008 (Figures in %)

	6 Months	1 Yr	Since Allotment (Mar 21, 2006)
Kotak Lifestyle	-43.29	-54.32	-13.16
S&P CNX 500	-46.26	-53.55	-8.52

Kotak Lifestyle NAV: Rs. 6.913 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Bharti Airtel Ltd.	Telecom - Services	6.67%
Colgate Palmolive (India) Ltd.	Consumer Non Durables	6.43%
Reliance Communications Ltd.	Telecom - Services	6.18%
Maruti Udyog Ltd	Auto	5.86%
HDFC Ltd.	Finance	5.42%
Hero Honda Motors Ltd.	Auto	5.30%
HDFC Bank Ltd.	Banks	4.84%
State Bank Of India	Banks	4.07%
Dabur India Ltd	Consumer Non Durables	3.40%
Zee Entertainment Enterprises Ltd	Media and Entertainment	3.20%
Others		27.31%
Listed/Awaiting Listing on Stock Exchange - Total		78.68%
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
Citifinancial Consumer Finance India Ltd.	AAA	3.12%
LIC Housing Finance Ltd.	AAA	2.11%
Credit Asset Trust Series XLVIII Class A2	F1+(ind)(SO)	1.05%
Corporate Debt/Financial Institutions - Total		6.28%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		2.60%
Term Deposits - Total		2.60%
Net Current Assets/ (Liabilities)		12.44%
Grand Total		100%

Notes:

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

SECTOR ALLOCATION

Consumer Non Durables	19.32%
Banks	15.96%
Auto	12.86%
Telecom - Services	12.85%
Finance	6.69%
Debentures and Bonds	6.28%
Media and Entertainment	4.91%
CBLO & Term Deposits & Rev.Repo	2.60%
Textile Products	2.59%
Diversified	1.62%
Others	14.32%

KOTAK CONTRA

Open - Ended Equity Growth Scheme

About The Scheme

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

Available Options - DP, DR & G **Fund Managers** Anurag Jain and Emmanuel Elango. **Loads - Entry:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/Balanced/Equity FOF Schemes: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re.1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 61.00 crores. **Ratios:** Portfolio Turnover: 128.41% Total Expense Ratio: 2.49% Beta*: 0.88 Sharpe*: 0.07 Standard Deviation*: 30.57 Alpha*: -3.80

Performance as on October 31, 2008 (Figures in %)

	6 Months	1 Yr	3 Yr	Since Allotment (July 27, 2005)
Kotak Contra	-37.77	-44.04	2.46	1.46
S&P CNX 500	-46.26	-53.55	2.48	2.73

Kotak Contra NAV: Rs.10.720 (Growth Option). Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Reliance Industries Ltd.	Petroleum Products	7.08%
Bharti Airtel Ltd.	Telecom - Services	5.30%
Oil & Natural Gas Corporation Ltd.	Oil	4.39%
Dabur India Ltd.	Consumer Non Durables	4.06%
Asian Paints Ltd.	Consumer Non Durables	3.11%
Reliance Communications Ltd.	Telecom - Services	2.96%
Punjab National Bank	Banks	2.90%
HDFC Ltd.	Finance	2.89%
Britannia Industries Ltd.	Consumer Non Durables	2.71%
Union Bank Of India	Banks	2.56%
Others		35.58%
Listed/Awaiting Listing on Stock Exchange - Total		73.54%
Futures		
Hero Honda Motors Ltd.-NOV2008		2.42%
Bajaj Auto Ltd.-NOV2008		0.07%
Futures (Market value represents Notional Value) - Total		2.49%
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
Madras Cements Ltd.	A1+	3.28%
Ultratech Cement Ltd.	AAA	1.64%
Corporate Debt/Financial Institutions - Total		4.92%
Money Market Instruments		
Commercial Paper(CP)/Certificate of Deposits(CD)		
Corporate Debt/Financial Institutions		
ICICI Bank Ltd.	A1+	4.69%
Tata Motors Finance Ltd	A1+	1.57%
Corporate Debt/Financial Institutions - Total		6.26%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		4.92%
Term Deposits - Total		4.92%
Collateral Borrowing & Lending obligation		
Net Current Assets/(Liabilities)		2.63%
Grand Total		100%

Notes:

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

SECTOR ALLOCATION

Consumer Non Durables	14.17%
Banks	13.25%
CBLO & Term Deposits & Rev.Repo	10.16%
Telecom - Services	9.82%
Petroleum Products	7.08%
Commercial Paper (CP)/ Certificate of Deposits (CD)	6.26%
Debentures and Bonds	4.92%
Oil	4.39%
Auto	3.11%
Power	3.11%
Others	23.73%

KOTAK GLOBAL INDIA

Open - Ended Equity Growth Scheme

About the Scheme

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

Available Options - DP, DR & G **Fund Managers** - Anurag Jain & Emmanuel Elango.
Loads - Entry: a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme 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. v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/Balanced/Equity FOF Schemes; vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000. & in Multiples of Rs. 1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 43.21 crores. **Ratios:** Portfolio Turnover: 92.21% Total Expense Ratio: 2.46% Standard Deviation*: 31.25 Sharpe*: -0.07 Beta*: 0.94 Alpha*: -8.67 Source: Value Research.

Performance as on October 31, 2008 (Figures in %)

	6 Months	1 Yr	3 Yrs	Since Allotment (Jan 30, 2004)
Kotak Global India	-45.35	-56.60	-2.36	9.77
S&P CNX 500	-46.26	-53.55	2.48	9.27

Kotak Global India NAV: Rs. 15.577 (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
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Reliance Industries Ltd.	Petroleum Products	7.96%
ICICI Bank Ltd.	Banks	6.92%
Oil & Natural Gas Corporation Ltd.	Oil	5.42%
Zee Entertainment Enterprises Ltd	Media and Entertainment	4.45%
Tata Power Co. Ltd.	Power	4.31%

Divi s Laboratories Limited	Pharmaceuticals	3.84%
Tata Consultancy Services Ltd.	Software	3.77%
United Phosphorus Ltd	Pesticides	3.71%
Crompton Greaves Ltd.	Industrial Capital Goods	3.62%
Thermax Ltd.	Industrial Capital Goods	3.38%
Others		29.66%
Listed/Awaiting Listing on Stock Exchange - Total		77.04%

Money Market Instruments

Commercial Paper(CP)/Certificate of Deposits(CD)		
Corporate Debt/Financial Institutions		
TATA Capital Ltd.	A1+	4.62%
Pidilite Industries Ltd.	P1+	2.27%
Corporate Debt/Financial Institutions - Total		6.89%
Public Sector Undertakings		
IDBI Bank Ltd.	A1+	8.91%
Public Sector Undertakings - Total		8.91%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		2.89%
Term Deposits - Total		2.89%
Net Current Assets/(Liabilities)		4.27%
Grand Total		100%

Notes:

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

SECTOR ALLOCATION

Commercial Paper (CP)/ Certificate of Deposits (CD)	15.80%
Pharmaceuticals	12.70%
Consumer Non Durables	8.74%
Petroleum Products	7.96%
Industrial Capital Goods	7.12%
Banks	6.92%
Oil	6.62%
Pesticides	5.31%
Software	5.18%
Media and Entertainment	4.45%
Others	19.20%

KOTAK MNC

Open - Ended Equity Growth Scheme

About the Scheme

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

Available Options - DP & DR **Fund Managers** - Anurag Jain & Sajit Pisharodi. **Loads - Entry:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes; vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Rs. 1. **Ideal Investments Horizon** - 1-3 years **Corpus** : Rs. 19.85 crores. **Ratios:** Portfolio Turnover: 69.14% Total Expense Ratio: 2.50% Beta*: 0.78 Sharpe*: -0.11 Alpha*: -8.40 Standard Deviation*: 28.16 * Source: Value Research

Performance as on October 31, 2008 (Figures in %)

	6 Months	1 Yr	3 Yrs	5 Yrs	Since Allotment (Apr 04, 2000)
Kotak MNC*	-35.19	-43.98	-2.07	14.70	10.31
BSE Sensex	-42.44	-50.52	7.43	14.80	11.62
S&P CNX Nifty	-43.18	-50.96	6.76	13.14	9.83

Kotak MNC NAV : Rs. 18.138 * Returns assumed reinvestment of the tax free dividend declared. Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
ITC Ltd.	Consumer Non Durables	9.67%
Hindustan Unilever Ltd.	Diversified	7.26%
Bharti Airtel Ltd.	Telecom - Services	5.93%
Nestle India Ltd.	Consumer Non Durables	5.11%
Areva T and D India Ltd.	Industrial Capital Goods	4.01%
Mphasis Ltd	Software	3.80%
Colgate Palmolive (India) Ltd.	Consumer Non Durables	3.44%
Kennametal India Ltd.	Industrial Products	3.28%
ING Vysya Bank Ltd.	Banks	3.26%
Gillette India Ltd	Consumer Non Durables	3.14%
Others		32.75%
Listed/Awaiting Listing on Stock Exchange - Total		81.65%
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
Infrastructure Development Finance Co. Ltd	LAAA	10.07%
Corporate Debt/Financial Institutions - Total		10.07%
Money Market Instruments		
Commercial Paper(CP)/Certificate of Deposits(CD)		
Corporate Debt/Financial Institutions		
ICICI Home Finance Company Limited	A1+	4.96%
Corporate Debt/Financial Institutions - Total		4.96%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		2.52%
Term Deposits - Total		2.52%
Net Current Assets/ (Liabilities)		0.80%
Grand Total		100%

Notes:

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

SECTOR ALLOCATION

Consumer Non Durables	25.69%
Industrial Capital Goods	10.23%
Debentures and Bonds	10.07%
Industrial Products	9.20%
Diversified	7.26%
Telecom - Services	5.93%
Commercial Paper (CP)/Certificate of Deposits (CD)	4.96%
Software	3.80%
Auto Ancillaries	3.43%
Banks	3.26%
Others	16.17%

KOTAK TECH**Open - Ended Equity Growth Scheme****About the Scheme**

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

Available Options - DP & DR **Fund Managers** - Anurag Jain & Sajit Pisharodi. **Loads - Entry:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Rs. 1. **Investments Horizon Ideal** - 1-3 years **Corpus:** Rs. 14.27 crores. **Ratios:** Portfolio Turnover: 101.41% Total Expense Ratio: 2.25% Beta*: 0.84 Sharpe*: -0.42 Alpha*: -9.34 Standard Deviation*: 28.82 *Source: Value Research **Performance as on October 31, 2008** (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (April 04, 2000)
Kotak Tech	-43.75	-55.09	-10.72	3.87	-8.66
BSE Teck Index	-36.93	-45.63	1.45	14.93	-3.50

Kotak Tech NAV: Rs. 4.595 Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Infosys Technologies Ltd.	Software	16.79%
Bharti Airtel Ltd.	Telecom - Services	13.17%
Zee Entertainment Enterprises Ltd	Media and Entertainment	5.93%
Tata Consultancy Services Ltd.	Software	5.65%
Reliance Communications Ltd.	Telecom - Services	4.93%
Mphasis Ltd	Software	4.39%
Zee News Ltd.	Media and Entertainment	2.64%
Allied Digital Services Limited	Hardware	2.31%
Sun TV Limited.	Media and Entertainment	2.30%
MindTree Consulting Ltd.	Software	2.20%
Others		17.71%
Listed/Awaiting Listing on Stock Exchange - Total		78.02%
Privately Placed/Unlisted		
Virtual Dynamics Software Ltd. @	Software	#
SRM Radiant Infotech Ltd. @	Software	#
Privately Placed/Unlisted - Total		
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt/Financial Institutions		
ICICI Bank Ltd.	A1+	6.63%
Corporate Debt/Financial Institutions - Total		6.63%
Public Sector Undertakings		
State Bank Of India.	P1+	6.73%
Public Sector Undertakings - Total		6.73%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		4.97%
Term Deposits - Total		4.97%
Net Current Assets/(Liabilities)		3.65%
Grand Total		100%

Notes:

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

indicates % to Net Assets less than 0.01%

@ Privately Placed

SECTOR ALLOCATION

Software	40.82%
Telecom - Services	18.10%
Media and Entertainment	15.76%
Commercial Paper (CP)/Certificate of Deposits (CD)	13.36%
CBLO & Term Deposits & Rev.Repo	4.97%
Hardware	2.31%
Telecom - Equipment & Accessories	1.03%
Others	3.65%

KOTAK EQUITY FOF**Open - Ended Equity Fund of Funds Scheme****About the Scheme**

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

Available Options - DP, DR & G **Fund Manager** - Sajit Pisharodi & Deepak Gupta. **Loads - Entry:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/ Balanced/Equity FOF Schemes: vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re. 1. **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 34.67 crores. **Ratios:** Total Expense Ratio: 0.75% Beta*: 0.92 Sharpe*: 0.16 Alpha*: -1.31 Standard Deviation*: 29.93* Source: Value Research **Performance as on October 31, 2008** (Figures in %)

	6 Months	1 Yr	3 Yr	Since Allotment (Aug 09, 2004)
Kotak Equity FOF	-38.95	-47.68	5.49	15.92
S & P CNX Nifty	-43.18	-50.96	6.76	14.25

Kotak Equity FOF NAV: Rs.18,680 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Mutual Fund Units		
Kotak 30	Equity Schemes	21.63%
HDFC Top 200 Fund	Equity Schemes	20.91%
Prudential ICICI Dynamic Plan	Equity Schemes	19.57%
Birla Sunlife Frontline Equity	Equity Schemes	19.41%
Tata Equity Opportunities Fund	Equity Schemes	17.71%
Mutual Fund Units - Total		99.23%
Net Current Assets/(Liabilities)		0.77%
Grand Total		100%

Notes:

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

SECTOR ALLOCATION

Equity Schemes	99.23%
Net Current Assets	0.77%

Specific Risk Factors: The investors of the scheme shall bear the recurring expenses of the Scheme in addition to the underlying schemes. Hence the investor under the Scheme may receive lower pre-tax returns than what they may receive if they had invested directly in the underlying schemes in the same proportions. The disclosure of the scheme will be limited to providing the particulars of the underlying schemes where the scheme has invested and will not include the investments made by the underlying schemes.

KOTAK EQUITY ARBITRAGE**Open - Ended Equity Growth Scheme****About The Scheme**

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

Available Options - DP, DR & G. **Fund Managers** - Sajit Pisharodi, Abhishek Bisen and Deepak Gupta. **Loads - Entry:** Nil. **Exit:** For Investments <= Rs. 50 lacs: a. If redeemed within 3 months from the date of allotment of units: 0.60%. b. If redeemed after 3 months, within 6 months from the date of allotment of units: 0.50%. c. If redeemed after 6 months from the date of allotment of units: Nil. d. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. e. Where units are allotted upon reinvestment of Dividends: Nil. For Investments > Rs. 50 lacs: a. If redeemed on or before 30 days from the date of allotment of units: 0.50%. b. If redeemed after 30 days from the date of allotment of units: Nil. c. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. d. Where units are allotted upon reinvestment of Dividends: Nil. **Minimum Initial Investment:** Rs.5000. **Additional Investment:** Rs.1000 & In multiples of Re.1. **Ideal Investments Horizon:** Above 3 Months **Corpus:** Rs. 229.02 crores. **Ratios:** Total Expense Ratio: 1.10% Standard Deviation*: 1.02 Sharpe*: 2.59 YTM: 8.50%* Source: Value Research **Performance as on October 31, 2008** (Figures in %)

	6 Months	1 Yr	Since Allotment (Sept 29, 2005)
Kotak Equity Arbitrage Fund	3.69	7.69	8.00
CRISIL Liquid Fund Index	3.89	7.69	6.87

Kotak Equity Arbitrage NAV : Rs.12.6865 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
ITC Ltd.	Consumer Non Durables	6.60%
GTL Ltd.	Telecom - Equipment & Accessories	4.25%
Hindalco Industries Ltd.	Non - Ferrous Metals	3.48%
Shree Renuka Sugars Ltd.	Consumer Non Durables	3.02%
HDFC Bank Ltd.	Banks	2.99%
Ranbaxy Laboratories Ltd.	Pharmaceuticals	2.86%

Reliance Industries Ltd.	Petroleum Products	2.43%
Oil & Natural Gas Corporation Ltd.	Oil	2.42%
Bank of India	Banks	2.41%
Bharat Forge Ltd.	Industrial Products	2.31%
Others		37.07%
Listed/Awaiting Listing on Stock Exchange - Total		69.84%
Futures		
Adlabs Films Ltd.-NOV2008		-0.01%
India Infoline Ltd.-NOV2008		-0.01%
Reliance Infrastructure Ltd.-NOV2008		-0.01%
Arvind Mills Ltd.-NOV2008		-0.02%
Gujarat Narmada Valley Fertilisers Company Ltd.-NOV2008		-0.02%
IBN 18 Broadcast Limited-NOV2008		-0.02%
NIIT Ltd.-NOV2008		-0.02%
Peninsula Land Ltd.-NOV2008		-0.02%
Reliance Capital Ltd.-NOV2008		-0.02%
Sterlite Technologies Ltd.-NOV2008		-0.02%
Gujarat Alkalies & Chemicals Ltd.-NOV2008		-0.03%
Jaiprakash Associates Ltd.-NOV2008		-0.03%
Bombay Dyeing & Manufacturing Company Ltd.-NOV2008		-0.05%
Dabur India Ltd.-NOV2008		-0.05%
JSL Limited-NOV2008		-0.05%
Kingfisher Airlines Limited-NOV2008		-0.05%
Bharti Airtel Ltd.-NOV2008		-0.06%
Parsvnath Developers Ltd.-NOV2008		-0.06%
Patel Engineering Ltd.-NOV2008		-0.06%
Central Bank Of India-NOV2008		-0.09%
Tata Steel Limited.-NOV2008		-0.09%
Biocon Ltd.-NOV2008		-0.10%
Indian Hotels Company Ltd.-NOV2008		-0.10%
Bharat Electronics Ltd.-NOV2008		-0.11%
Infosys Technologies Ltd.-NOV2008		-0.11%
Rajesh Exports Ltd.-NOV2008		-0.11%
Wipro Ltd.-NOV2008		-0.11%
Ashok Leyland Ltd.-NOV2008		-0.13%
India Cements Ltd.-NOV2008		-0.16%
Rolta India Ltd.-NOV2008		-0.16%
Industrial Development Bank of India Ltd.-NOV2008		-0.17%
Jaiprakash Hydro Power Ltd.-NOV2008		-0.17%
Noida-Toll Bridge Co. Ltd.-NOV2008		-0.17%
Praj Industries Ltd.-NOV2008		-0.23%
Welspun Gujarat Stahl Rohren Ltd.-NOV2008		-0.26%
Grasim Industries Ltd.-NOV2008		-0.27%
Alok Industries Ltd.-NOV2008		-0.30%
Escorts Ltd.-NOV2008		-0.32%
Punjab National Bank-NOV2008		-0.33%
3i Infotech Ltd.-NOV2008		-0.34%
Neyveli Lignite Corporation Ltd.-NOV2008		-0.35%
Television Eighteen India Ltd.-NOV2008		-0.37%
Lakshmi Machine Works Ltd.-NOV2008		-0.39%
Wire & Wireless (India) Ltd.-NOV2008		-0.39%
Oswal Chemicals & Fertilizers Ltd.-NOV2008		-0.40%
Mahanagar Telephone Nigam Ltd.-NOV2008		-0.42%
Syndicate Bank-NOV2008		-0.42%
Nagarjuna Fertilizers & Chemicals Ltd.-NOV2008		-0.43%
Oracle Financial Services Software Ltd.-NOV2008		-0.43%
Dena Bank-NOV2008		-0.44%
Indian Oil Corporation Ltd.-NOV2008		-0.44%
Lanco Infratech Ltd.-NOV2008		-0.44%
Cairn India Limited-NOV2008		-0.45%
K S Oils Ltd.-NOV2008		-0.49%
Mercator Lines Ltd.-NOV2008		-0.50%
Vijaya Bank-NOV2008		-0.52%
Century Textiles & Industries Ltd.-NOV2008		-0.54%
GTL Infrastructure Ltd.-NOV2008		-0.54%
Hindustan Oil Exploration Company Ltd.-NOV2008		-0.55%
JSW Steel Ltd.-NOV2008		-0.57%
Core Projects & Technologies Ltd.-NOV2008		-0.59%
Ispat Industries Ltd.-NOV2008		-0.63%
Reliance Natural Resources Ltd.-NOV2008		-0.63%
Maharashtra Seamless Ltd.-NOV2008		-0.64%
Tata Teleservices Ltd.-NOV2008		-0.64%
Kesoram Industries Limited-NOV2008		-0.68%
Triveni Engineering & Industries Ltd.-NOV2008		-0.70%
TVS Motors Company Ltd.-NOV2008		-0.71%
Reliance Petroleum Ltd.-NOV2008		-0.75%
Birla Corporation Ltd.-NOV2008		-0.77%
Ultratech Cement Ltd.-NOV2008		-0.78%
Balrampur Chini Mills Ltd.-NOV2008		-0.79%
Rural Electrification Corporation Ltd.-NOV2008		-0.79%
Development Credit Bank Ltd.-NOV2008		-0.81%
Aptech Ltd.-NOV2008		-0.86%
DLF Limited-NOV2008		-0.88%
Hindustan Construction Co.Ltd.-NOV2008		-0.93%
Jindal Steel & Power Ltd.-NOV2008		-1.15%
Bajaj Hindusthan Limited-NOV2008		-1.23%
ICICI Bank Ltd.-NOV2008		-1.28%
Idea Cellular Ltd.-NOV2008		-1.61%
IFCI Ltd.-NOV2008		-1.81%
Reliance Communications Ltd.-NOV2008		-1.91%
Infrastructure Development Finance Co. Ltd.-NOV2008		-2.07%
Bharat Forge Ltd.-NOV2008		-2.33%
Bank of India-NOV2008		-2.41%
Oil & Natural Gas Corporation Ltd.-NOV2008		-2.43%
Reliance Industries Ltd.-NOV2008		-2.43%
Ranbaxy Laboratories Ltd.-NOV2008		-2.88%
HDFC Bank Ltd.-NOV2008		-3.01%
Shree Renuka Sugars Ltd.-NOV2008		-3.03%
Hindalco Industries Ltd.-NOV2008		-3.49%
GTL Ltd.-NOV2008		-4.25%
ITC Ltd.-NOV2008		-6.64%
Money Market Instruments		
Commercial Paper(CP)/Certificate Of Deposits(CD)		
Corporate Debt/Financial Institutions		
Unitech Ltd.	F1+(ind)	2.62%
Corporate Debt/Financial Institutions - Total		2.62%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		36.23%
Term Deposits - Total		36.23%
Net Current Assets/(Liabilities)		-8.69%
Grand Total		100%

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

SECTOR ALLOCATION

CBLO & Term Deposits & Rev.Repo	36.23%
Consumer Non Durables	13.00%
Banks	9.42%
Telecom - Equipment & Accessories	4.81%
Telecom - Services	4.63%
Finance	3.88%
Petroleum Products	3.61%
Non - Ferrous Metals	3.48%
Oil	3.45%
Commercial Paper (CP)/Certificate of Deposits (CD)	3.00%
Others	14.53%

KOTAK INCOME PLUS

Open - Ended Income Scheme

About the Scheme

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

Ideal Investments Horizon - 1-3 years **Corpus:** Rs. 21.26 crores. **Ratios:** Total Expense Ratio: 2.23% Standard Deviation*: 6.25 Sharpe*: -0.84 Beta*: -0.01 Alpha*: -5.19 YTM: 7.00% *Source: Value Research, Portfolio Modified Duration: 0.26

Performance as on October 31, 2008 (Figures in %)

	6 Months	1 Yr	3 Yr	Since Allotment (Dec 02, 2003)
Kotak Income Plus	-7.75	-9.28	4.10	5.65
CRISIL MIP Blended Index	-7.54	-6.88	5.21	5.49

Kotak Income Plus NAV - Rs.13.1042 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Reliance Industries Ltd.	Petroleum Products	0.97%
Hindustan Unilever Ltd.	Diversified	0.81%
Bharti Airtel Ltd.	Telecom - Services	0.80%
ITC Ltd.	Consumer Non Durables	0.77%
Oil & Natural Gas Corporation Ltd.	Oil	0.72%
HDFC Bank Ltd.	Banks	0.48%
Lupin Ltd.	Pharmaceuticals	0.47%
Divi s Laboratories Limited	Pharmaceuticals	0.42%
GAIL (India) Ltd.	Gas	0.35%
State Bank Of India	Banks	0.34%
Others		4.96%
Listed/Awaiting Listing on Stock Exchange - Total		11.09%
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
Infrastructure Development Finance Co. Ltd	AAA	18.94%
Indian Corporate Loan Securitization Trust		
Series 9 Series A	P1+(so)	14.12%
ICICI Bank Ltd.	CARE AAA	9.73%
Ultratech Cement Ltd.	AAA	9.58%
Infrastructure Leasing & Financial Services Limited	LAAA	2.09%
Corporate Debt/Financial Institutions - Total		54.46%
Public Sector Undertakings		
Union Bank of India	AA+	24.68%
Public Sector Undertakings - Total		24.68%
Money Market Instruments		
Commercial Paper(CP)/Certificate of Deposits(CD)		
Corporate Debt/Financial Institutions		
IDBI Home Finance	A1+	4.69%
Corporate Debt/Financial Institutions - Total		4.69%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		2.35%
Term Deposits - Total		2.35%
Net Current Assets/(Liabilities)		2.73%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments. 0.33 years
Total NPA provided and percentage to NAV: Nil

Notes:

* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds	79.14%
Equities	11.09%
Commercial Paper (CP)/Certificate of Deposits (CD)	4.69%
Net Current Assets	2.73%
CBLO & Term Deposits & Rev.Repo	2.35%

RATING PROFILE

A1+, AAA, CARE AAA, LAAA, P1+(so)	59.15%
AA+	24.68%
Equities	11.09%
Net Current Assets	2.73%
CBLO & Term Deposits & Rev.Repo	2.35%

KOTAK BOND SHORT TERM PLAN

Open - Ended Debt Scheme

About the Scheme

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

Minimum Initial Investment: Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re.1. **Ideal Investments Horizon** 6 Months and above **Corpus:** Rs. 74.20 crores. **Ratios:** Total Expense Ratio: 0.61% Sharpe*: 2.35 Standard Deviation*: 0.99 YTM: 9.60% *Source: Value Research. Portfolio Modified Duration: 0.91

Performance as on October 31, 2008 (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (May 02, 2002)
Short Term Plan	1.88	6.12	7.17	6.34	6.65
Crisil Short - Term Bond Fund Index	2.39	6.11	6.17	5.26	5.74

Kotak Bond Short Term NAV : Rs.15.2006 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

PORTFOLIO

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

Debentures and Bonds

Corporate Debt/Financial Institutions

Tata Sons Ltd.	AAA	19.57%
Long Bond Rec.Trust 2006 Ser IV A	AAA(so)	8.42%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	6.76%
Citicorp Finance (India) Ltd.	AAA	6.63%
Kotak Mahindra Prime Ltd.	LAA	6.63%
The Indian Hotels Company Ltd.	LAA+	5.96%
AXIS Bank Ltd.	LAA+	2.78%
LIC Housing Finance Ltd.	AAA	2.76%
Indian Corporate Loan SecuritizationTrust Series 9 Series A	P1+(so)	2.70%
RB Loan Trust Series V 2007 Series A1	F1+(ind)(SO)	2.01%
Madras Cements Ltd.	A1+	1.35%
Infrastructure Development Finance Co. Ltd	LAAA	0.12%

Corporate Debt/Financial Institutions - Total

Public Sector Undertakings 9.96%

Public Sector Undertakings - Total

Money Market Instruments 9.96%

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

Corporate Debt/Financial Institutions 65.69%

Net Current Assets/(Liabilities) 9.41%

Grand Total 100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 1.12 years

Total NPA provided and percentage to NAV: NIL

Notes:

* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds 75.65%

Commercial Paper (CP)/Certificate of Deposits (CD) 14.94%

Net Current Assets 9.41%

RATING PROFILE

A1+, AAA, AAA(so), F1+(ind)(SO), LAAA, P1+, P1+(so) 58.50%

AA+, LAA+, AA(ind)(SO), LAA 32.09%

Net Current Assets 9.14%

PORTFOLIO

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

Debt Instruments

Debentures and Bonds

Corporate Debt/Financial Institutions

Tata Sons Ltd.	AAA	9.26%
BHW Home Finance Ltd	LAA+	9.15%
The Indian Hotels Company Ltd.	LAA+	8.46%
Ultratech Cement Ltd.	AAA	7.81%
LIC Housing Finance Ltd.	AAA	1.96%

Corporate Debt/Financial Institutions - Total

Public Sector Undertakings 36.64%

Public Sector Undertakings

PNB Housing Finance Ltd. AA+ 14.15%

Indian Railway Finance Corporation Ltd. AAA 9.90%

Public Sector Undertakings - Total 24.05%

Government Dated Securities

8.24% Government Stock - 2018 SOV 14.06%

8.33% Government Stock - 2036 SOV 9.86%

7.99% Government Stock - 2017 SOV 0.26%

Government Dated Securities - Total 24.18%

Money Market Instruments

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

Corporate Debt/Financial Institutions P1+ 15.14%

DLF Limited P1+ 1.85%

Gruh Finance Ltd P1+ 16.99%

Corporate Debt/Financial Institutions - Total 16.99%

Collateral Borrowing & Lending obligation 1.91%

Net Current Assets/(Liabilities) -3.77%

Grand Total 100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 5.28 years

Total NPA provided and percentage to NAV: NIL

Notes:

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

* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds 60.69%

Government Dated Securities 24.18%

Commercial Paper (CP)/Certificate of Deposits (CD) 16.99%

CBLO & Term Deposits & Rev.Repo 1.91%

Net Current Assets -3.77%

RATING PROFILE

AAA, CARE AAA, P1+, SOV 70.10%

AA+, LAA+ 31.76%

CBLO & Term Deposits & Rev.Repo 1.91%

Net Current Assets -3.77%

KOTAK GILT SAVINGS

Open - Ended Dedicated Gilt Scheme

About The Scheme

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

Available Options: DP, DR & G **Fund Managers** Deepak Agrawal & Abhishek Bisen.

Loads - Entry: Nil. **Exit:** Nil.

Minimum Initial Investment: Rs. 5000 **Additional Investment:** Rs.1000 and multiples of Re. 1. **Ideal Investments Horizon** 6 Months and above. **Corpus:** Rs. 637.11 crores.

Ratios: Total Expense Ratio: 1.30% Sharpe*: 1.64 Standard Deviation*: 1.05 YTM: 7.35%

* Source: Value Research. Portfolio Modified Duration: 0.02

Performance as on October 31, 2008 (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Savings Plan Dec 29, 1998)
Gilt Investment Savings Plan	3.49	7.64	6.14	5.65	7.42
ISEC SIBEX	5.37	9.50	7.64	6.32	NA

Kotak Gilt Investment Savings Plan : Rs. 20.2624 (Growth Option) Returns = 1 year :

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

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
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Money Market Instruments

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

Public Sector Undertakings 15.64%

91 Days Treasury Bill 21/11/2008 SOV 15.64%

Public Sector Undertakings - Total 15.64%

Collateral Borrowing & Lending obligation 85.33%

Net Current Assets/(Liabilities) -0.97%

Grand Total 100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.02 years

Total NPA provided and percentage to NAV: NIL

Notes:

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

* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

CBLO & Term Deposits & Rev.Repo 85.33%

Treasury Bills 15.64%

Net Current Assets -0.97%

RATING PROFILE

CBLO & Term Deposits & Rev.Repo 85.33%

SOV 15.64%

Net Current Assets -0.97%

KOTAK BOND

Open - Ended Debt Scheme

About the Scheme

Investment Objective - To create a portfolio of debt and money market instruments of different maturities so as to spread the risk across a wide maturity horizon & different kinds of issuers in the debt market. **Plan** (a) Deposit (b) Regular. **Available Options** (a) DP, DR & G (b) DP, DR, G & B **Fund Managers** Deepak Agrawal & Abhishek Bisen. **Loads - (a) Entry:** Nil. **Exit:** • For redemptions/ switch-outs within 6 months: 0.50% • For redemptions/ switch-outs after 6 months: Nil (b) **Entry:** Nil. **Exit:** Nil. **Minimum Initial Investment:** (a) Rs. 5000 (b) Rs. 5,00,000 **Additional Investment:** Rs. 1000 & in Multiples of Re.1. **Ideal Investments Horizon** - 1-2 years **Corpus:** Rs. 52.27 crores.

Ratios: Total Expense Ratio: (a) 2.25% (b) 1.51% Sharpe*: (a) 0.45 (b) 0.93 Standard Deviation*: (a) 2.47 (b) 2.50 Beta*: (a) 0.12 (b) 0.12 Alpha*: (a) 0.71 (b) 1.92 YTM: 8.90%

*Source: Value Research. Portfolio Modified Duration: 2.94

Performance as on October 31, 2008 (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Nov 25, 1999)
Deposit Plan	1.70	4.15	5.42	4.38	8.36
Regular Plan	2.07	5.14	6.71	5.35	9.22
Crisil Composite Bond Index	0.09	2.98	4.17	3.49	NA

Kotak Bond Deposit NAV : Rs. 20.4917 (Growth Option) Kotak Bond Regular NAV :

Rs.21.9908 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR

(Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

KOTAK GILT INVESTMENT

Open - Ended Dedicated Gilt Scheme

About The Scheme

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

Available Options: DP, DR & G. **Fund Managers** Deepak Agrawal & Abhishek Bisen. **Loads - (a) Entry:** Nil. **Exit:** Nil. **(b) Entry:** Nil. **Exit:** 1.00%, if redeemed within 1 year. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re. 1 **Ideal Investments Horizon** More than 1 year. **Corpus:** Rs. 25.94 crores. **Ratios:** Total Expense Ratio: (a) 1.65% (b) 0.97% Sharpe*: (a) 1.00 (b) 1.08 Beta*: (a) 0.33 (b) 0.33 Alpha (a) 3.41 (b) 3.78 Standard Deviation*: (a) 4.52 (b) 4.52 *YTM: 7.00% *Source: Value Research. Portfolio Modified Duration: 6.72

Performance as on October 31, 2008 (Figures in %)

	Since Allotment (Inv Plan)			
	6 Months	1 Yr	3 Yr	5 Yr
Investment Regular Plan	6.40	11.24	6.55	4.83
Investment - PF & Trust Plan	6.57	11.63	6.96	NA
ISEC Composite Index	6.28	9.45	7.20	5.39
				10.70
				5.20
				5.36 \$

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

Kotak Gilt Investment Regular Plan : Rs.27.2658 (Growth Option) Kotak Gilt Investment PF & Trust Plan : Rs.27.7888 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate).

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Government Dated Securities		
8.33% Government Stock - 2036	SOV	39.75%
8.24% Government Stock - 2018	SOV	32.37%
8.15% Government Stock - 2022	SOV	4.75%
Government Dated Securities - Total		76.87%
Net Current Assets/(Liabilities)		23.13%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 14.71 years

Total NPA provided and percentage to NAV: NIL

SECTOR ALLOCATION

Government Dated Securities	76.87%
Net Current Assets	23.13%

RATING PROFILE

SOV	76.87%
Net Current Assets	23.13%

KOTAK FLEXI DEBT

Open - Ended Debt Scheme

About The Scheme

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

Available Options: DP, DR & G. **Fund Managers** Deepak Agrawal & Abhishek Bisen. **Loads - Entry:** Nil. **Exit:** 0.15% if redeemed within 1 working day after the date of allotment of units. **Plans:** (a) Regular (b) Institutional. **Minimum Initial Investment:** (a) Rs. 5000 & Rs.1,00,000 under Daily Dividend Reinvestment option (b) Rs.1,00,00,000 **Additional Investment:** (a) & (b) Rs.1000 & in Multiples of Re.1. **Ideal Investments Horizon** 7 days **Corpus:** Rs. 1155.17 crores. **Ratios:** Total Expense Ratio: (a) 0.28% (b) 0.42% Standard Deviation*: 0.11 Sharpe*: 29.21 Beta*: 0.00 Alpha*: 3.20 YTM: 10.00% *Source: Value Research. Portfolio Modified Duration: 0.35

Performance as on October 31, 2008 (Figures in %)

	Since Allotment			
	6 Months	1 Yr	3 Yr	5 Yr
Kotak Flexi Debt Regular Plan	4.43	8.96	8.01	7.60
Kotak Flexi Debt Institutional Plan	NA	NA	NA	-
CRISIL Composite Bond Index	0.09	2.98	4.17	-0.16 \$

Kotak Flexi Debt NAV: Rs.13.3086 (Growth Option) Kotak Flexi Debt Institutional Plan NAV: Rs.10.3975 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. \$ The benchmark returns corresponds to Kotak Flexi Debt Regular Plan.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
CAT Series XXIV - Class A	P1+(so)	10.83%
Bharat Securitisation Trust 2 Ser B	AA(ind)(SO)	5.62%
Tata Sons Ltd.	AAA	5.53%
RB Loan Trust Series V 2007 Series A3	F1+(ind)(SO)	4.77%
IBM INDIA PVT. LTD.	AAA(ind)(SO)	4.40%
Indian Corp Loan Securitisation Trust Series 11 Series A3	LAA+(SO)	4.34%
Indian Corporate Loan Securi Trust Sr LXII A1	LAAA(SO)	4.27%
Long Bond Receivables Trust 2007 SR-V	AAA(so)	4.04%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	3.94%
Kotak Mahindra Prime Ltd.	LAA	3.84%
Sobha Developers Ltd.	LAA	3.03%
Rabo India Finance Ltd.	P1+	2.64%
Citicorp Finance (India) Ltd.	AAA	2.16%
Infrastructure Development Finance Co. Ltd	LAAA	2.16%
GE Capital Services India.	AAA	2.13%
RB Loan Trust Series XII, A2	F1+(ind)(SO)	1.95%
CAT Series XXIII - Class A1	P1+(so)	1.74%
Indian Corp Loan Sec. Trust 08Series 20 Ser A2	LAAA(SO)	1.74%
Bajaj Auto Finance Limited	AA+	1.33%
Sundaram Finance Ltd.	AA+	1.27%
Ultratech Cement Ltd.	AAA	1.04%

DSP Merrill Lynch Capital Ltd.	AA+	0.85%
Cholamandalam DBS Finance Limited.	LAA	0.84%
L & T Finance Limited	CARE AA+	0.84%
LIC Housing Finance Ltd.	AAA	0.84%
Sundaram Finance Ltd.	LAA+	0.84%
BHW Home Finance Ltd.	LAA+	0.83%
Tata Steel Limited	AAA(ind)	0.52%
Citifinancial Consumer Finance India Ltd.	AAA	0.51%
KPI Loan Trust Series A1,OPT- A	AA-(ind)	0.44%
Long Bond Receivables 2006 III A	AAA(ind)	0.40%
Madras Cements Ltd.	A1+	0.35%
Credit Asset Trust Series XLVIII Class A2	F1+(ind)(SO)	0.26%
Corporate Debt Trust 2008 - 09 Series 2 Class A2	P1+(so)	0.19%
Indian Retail ABS Trust Series 56 A2	AAA	0.14%
RB Loan Trust Series V 2007 Series A1	F1+(ind)(SO)	0.13%
RB Loan Trust Series XII, A1	F1+(ind)(SO)	0.11%
Corporate Debt/Financial Institutions - Total		80.86%

Public Sector Undertakings		
Indian Railway Finance Corporation Ltd.	AAA	3.04%
Power Finance Corporation Ltd.	AAA	0.87%
Indian Oil Corporation Ltd.	A1+	0.17%
Loan Rec.Securitization Trust A; Series A1	AAA(ind)(SO)	0.11%
Public Sector Undertakings - Total		4.19%

Money Market Instruments		
Commercial Paper(CP)/Certificate of Deposits(CD)		
Corporate Debt/Financial Institutions		
DLF Limited	P1+	5.12%
Corporate Debt/Financial Institutions - Total		5.12%

Public Sector Undertakings		
Canara Bank	P1+	0.42%
Export-Import Bank of India.	A1+	0.40%
State Bank of Travancore	P1+	0.39%
Public Sector Undertakings - Total		1.21%

TERM DEPOSITS		
YES Bank Ltd.		1.73%
Term Deposits - Total		1.73%
Collateral Borrowing & Lending obligation		0.30%
Net Current Assets/(Liabilities)		6.59%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.40 years

Total NPA provided and percentage to NAV: NIL

Notes:

* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds	85.05%
Net Current Assets	6.59%
Commercial Paper (CP)/Certificate of Deposits (CD)	6.33%
CBLO & Term Deposits & Rev.Repo	2.03%

RATING PROFILE

A1+, AAA, AAA(ind), AAA(ind)(SO), AAA(so), F1+(ind)(SO), LAAA, LAAA(SO), P1+, P1+(so)	63.37%
AA+, CARE AA+, LAA+, LAA+(SO), AA(ind)(SO), LAA, AA-(ind)	24.98%
Net Current Assets	6.59%
Unrated	3.03%
CBLO & Term Deposits & Rev.Repo	2.03%

KOTAK FLOATER LONG TERM

Open - Ended Debt Scheme

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

Available Options: DR & G. **Fund Managers** Deepak Agrawal & Abhishek Bisen. **Loads - Entry:** Nil. **Exit:** 0.5% for redemptions within 6 months where investment amount <= Rs. 10 lacs. Nil for investment amount > Rs. 10 Lacs. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in Multiples of Re.1 **Ideal Investments Horizon** 3 Months and above **Corpus:** Rs. 56.71 crores. **Ratios:** Total Expense Ratio: 0.78% Standard Deviation*: 0.29 Beta*: 0.00 Sharpe*: 12.31 Alpha*: 3.56 YTM: 10.60% *Source: Value Research. Portfolio Modified Duration: 0.15

Performance as on October 31, 2008 (Figures in %)

	6 Months	1 Yr	3 Yr	Since Allotment (Aug 13, 2004)
Kotak Floater Long Term	4.36	9.01	7.92	7.20
CRISIL Liquid Fund Index	3.89	7.69	6.95	6.25

Kotak Floater Long Term NAV : Rs.13.4075 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
Kotak Mahindra Prime Ltd.	P1+	26.50%
Citifinancial Consumer Finance India Ltd.	AAA	10.58%
HDFC Ltd.	AAA	9.14%
Tata Sons Ltd.	AAA	8.93%
AXIS Bank Ltd.	LAA+	7.28%
RB Loan Trust Series V 2007 Series A3	F1+(ind)(SO)	6.37%
Ultratech Cement Ltd.	AAA	5.39%
Indian Retail ABS Trust Series 56 A2	AAA	3.63%
KPI Loan Trust Series A1,OPT- A	AA-(ind)	3.55%
Corporate Debt/Financial Institutions - Total		81.37%
Public Sector Undertakings		
Indian Railway Finance Corporation Ltd.	AAA	9.12%
Coll.Debt Trust Ser.24 Class A2 OPT 2	AAA(so)	4.65%
Public Sector Undertakings - Total		13.77%
Collateral Borrowing & Lending obligation		1.23%
Net Current Assets/(Liabilities)		3.63%
Grand Total		100%

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

Total NPA provided and percentage to NAV: NIL

Notes:

* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds	95.14%
Net Current Assets	3.63%
CBLO & Term Deposits & Rev.Repo	1.23%

RATING PROFILE

AAA, AAA(so), F1+(ind)(SO), P1+	84.31%
LAA+, AA-(ind)	10.83%
Net Current Assets	3.63%
CBLO & Term Deposits & Rev.Repo	1.23%

KOTAK FLOATER SHORT TERM

Open-Ended Debt Scheme

About the Scheme

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

Available Options: DR & G **Fund Managers** Deepak Agrawal & Abhishek Bisen. **Loads - Entry:** Nil. **Exit:** Nil

Minimum Initial Investment: Rs. 5000 & Rs.1,00,000 under Daily Dividend Reinvestment option **Additional Investment:** Rs. 1000 & in Multiples of Re.1. **Ideal Investments Horizon** 1 Month to 3 Months. **Corpus:** Rs. 108.07 crores. **Ratios:** Total Expense Ratio: 0.43% Standard Deviation*: 0.15 Beta*: 0.31 Sharpe*: 21.06 Alpha*: 2.70 YTM: 10.88% *Source: Value Research. Portfolio Modified Duration: 0.04

Performance as on October 31, 2008 (Figures in %)

	7 Days	15 Days	1 Month	3 Months	6 Months
Kotak Floater Short Term	0.20	0.36	0.82	2.45	4.66
CRISIL Liquid Fund Index	0.17	0.35	0.75	2.19	3.89

	1 Yr	3 Yr	5 Yr	Since Allotment (Jul 14, 2003)
Kotak Floater Short Term	9.17	7.78	6.69	6.65
CRISIL Liquid Fund Index	7.69	6.95	5.87	5.78

Kotak Floater Short Term NAV : Rs. 14.0682 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

PORTFOLIO

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

Debentures and Bonds

Corporate Debt/Financial Institutions

CAI Series XXIII - Class A1	P1+(so)	18.55%
Infrastructure Development Finance Co. Ltd	LAAA	13.88%
Madras Cements Ltd.	A1+	11.10%
Tata Steel Limited	AAA(ind)	9.33%
Citifinancial Consumer Finance India Ltd.	AAA	9.28%
Corporate Debt Trust 2008 - 09 Srs 5 Class A1	AAA(so)	7.58%
LIC Housing Finance Ltd.	AAA	5.98%
AXIS Bank Ltd.	LAA+	4.78%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	4.64%
Sundaram Finance Ltd.	AA+	4.63%
Citicorp Finance (India) Ltd.	AAA	1.86%
Indian Corporate Loan SecuritizationTrust Series 9 Series A	P1+(so)	1.85%
Corporate Debt Trust 2008 - 09 Srs 5 Class A2	AAA(so)	1.40%
Corporate Debt/Financial Institutions - Total		94.86%
Collateral Borrowing & Lending obligation		1.11%
Net Current Assets/(Liabilities)		4.03%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.04 years

Total NPA provided and percentage to NAV: NIL

Notes

*Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds	94.86%
Net Current Assets	4.03%
CBLO & Term Deposits & Rev.Repo	1.11%

RATING PROFILE

A1+, AAA, AAA(ind), AAA(so), LAAA, P1+(so)	80.81%
AA+, LAA+, AA(ind)(SO)	14.05%
Net Current Assets	4.03%
CBLO & Term Deposits & Rev.Repo	1.11%

KOTAK LIQUID

Open-Ended Debt Scheme

About the Scheme

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

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

Minimum Initial Investment: (a) Rs. 5000 (b) Rs. 1 crore (c) Rs. 5 crores. **Additional Investment:** Rs. 1000 & in Multiples of Re.1. **Ideal Investments Horizon** 7 days to 15 days **Corpus:** Rs. 1633.84 crores. **Ratios:** Total Expense Ratio: (a) 1.00% (b) 0.78% (c) 0.33% Sharpe*: (a) 13.71 (b) 15.38 (c) 16.90 Standard Deviation*: (a) 0.17 (b) 0.16 (c) 0.17 YTM: 10.50% *Source: Value Research. Portfolio Modified Duration: 0.29

Performance as on October 31, 2008 (Figures in %)

	7 Days	15 Days	1 Month	3 Months	6 Months
Kotak Liquid Regular Plan	0.18	0.36	0.82	2.30	4.30
Kotak Liquid Institutional Plan	0.18	0.37	0.83	2.36	4.42
Kotak Liquid Institutional Premium Plan	0.19	0.39	0.87	2.48	4.65
CRISIL Liquid Fund Index	0.17	0.35	0.75	2.19	3.89

	1 Yr	3 Yr	5 Yr	Since Allotment (Reg. - Oct 05, '00; Instl - Mar 14, '03, Instl Prem- Nov 04, '03)
Kotak Liquid Regular Plan	8.25	7.04	6.02	6.54
Kotak Liquid Institutional Plan	8.51	7.38	6.40	6.29
Kotak Liquid Institutional Premium Plan	9.01	7.80	NA	6.71
CRISIL Liquid Fund Index	7.69	6.95	5.87	5.73**

** The Benchmark Returns corresponds to Kotak Liquid Institutional Plan

Kotak Liquid Regular Plan NAV: Rs.16.6831 (Growth Option); Kotak Liquid Institutional Plan NAV : Rs.17.0103 (Growth Option) Kotak Liquid Institutional Premium Plan NAV: Rs.17.2568 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

PORTFOLIO

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

Debentures and Bonds

Corporate Debt/Financial Institutions

HDFC Ltd.	AAA	5.85%
Tata Steel Limited	AAA(ind)	5.14%
RB Loan Trust Series XI	F1+(ind)(SO)	4.23%
LIC Housing Finance Ltd.	AAA	4.13%
RB Loan Trust Series 30 Series A2(PO)	PR1+(SO)	4.07%
Mahindra & Mahindra Financial Services Ltd.	AA+	3.65%
Kotak Mahindra Prime Ltd.	P1+	3.06%
RB Loan Trust Ser -III 2007 Ser A3	P1+(so)	3.06%
Citifinancial Consumer Finance India Ltd.	AAA	2.41%
Credit Asset Trust Series XLVIII Class A2	F1+(ind)(SO)	2.28%
ICICI Bank Ltd.	CARE AAA	2.23%
Shriram Transport Finance Co Ltd.	AA(ind)	2.02%
AXIS Bank Ltd.	LAA+	1.88%
Madras Cements Ltd.	A1+	1.84%
Indian Corporate Loan SecuritizationTrust Series 9 Series A	P1+(so)	1.72%
Tata Sons Ltd.	AAA	1.58%
DSP Merrill Lynch Capital Ltd.	AA+	1.53%
Kotak Mahindra Prime Ltd.	LAA	1.25%
RB Loan Trust Series V 2007 Series A2	F1+(ind)(SO)	1.22%
Sundaram Finance Ltd.	AA+	1.21%
Citicorp Finance (India) Ltd.	AAA	1.01%
GE Capital Services India.	AAA	0.79%
RB Loan Trust Series 30 Series A1(IO)	PR1+(SO)	0.53%
Infrastructure Development Finance Co. Ltd	AAA	0.31%
KAB Loan Trust Series A1	A1+(SO)	0.31%
Ultratech Cement Ltd.	AAA	0.31%
RB Loan Trust Series XIV A2-PO	P1+(so)	0.27%
RB Loan Trust Series XIV A1-IO	P1+(so)	0.18%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	0.12%
India Loan Securitisation Series V Trust 06 Series A	AAA(so)	0.09%
Citicorp Maruti Finance Ltd.	AAA	0.07%
Corporate Debt/Financial Institutions - Total		58.35%

Public Sector Undertakings

Indian Railway Finance Corporation Ltd.	AAA	11.77%
Power Finance Corporation Ltd.	AAA	3.39%
Indian Oil Corporation Ltd.	A1+	3.06%
Corporate Debt Trust 2008 - 09 Srs 12 Class A1	A1+(SO)	2.72%
Export-Import Bank of India.	AAA	1.55%
IDBI Bank Ltd.	AA+	1.53%
Corporate Debt Trust 2008 - 09 Srs 12 Class A2	A1+(SO)	0.33%
Union Bank of India	AA+	0.30%
National Housing Bank	AAA(ind)	0.12%
Public Sector Undertakings - Total		24.77%

Money Market Instruments

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

Corporate Debt/Financial Institutions

Cholamandalam DBS Finance Limited.	A1+	3.85%
ICICI Home Finance Company Limited	A1+	2.45%
HDFC Ltd.	A1+	1.70%
Gruh Finance Ltd	P1+	1.53%
IDBI Home Finance	A1+	1.53%
AXIS Bank Ltd.	P1+	1.39%
GE Capital Transportation Financial Services Limited	P1+	1.39%
HDFC Bank Ltd.	P1+	1.38%
Tata Motors Ltd.	P1+	1.22%
DLF Limited	P1+	0.61%
ICICI Bank Ltd.	A1+	0.53%
Reliance Capital Ltd.	A1+	0.52%
Reliance Capital Ltd.	P1+	0.30%
Edelweiss Capital Ltd.	P1+	0.28%
Tata Sons Ltd.	P1+	0.26%
Corporate Debt/Financial Institutions - Total		18.94%

Public Sector Undertakings

Corporation Bank	P1+	5.33%
Small Industries Development Bank Of India.	PR1+	2.65%
Oriental Bank of Commerce	P1+	2.06%
UCO Bank	P1+	1.75%
State Bank of Mysore	A1+	1.42%
Vijaya Bank	PR1+	0.58%
Power Finance Corporation Ltd.	P1+	0.33%
Public Sector Undertakings - Total		14.12%
Net Current Assets/(Liabilities)		-16.18%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.30 years

Total NPA provided and percentage to NAV: NIL

Notes:

* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds	83.12%
Commercial Paper (CP)/Certificate of Deposits (CD)	33.06%
Net Current Assets	-16.18%

RATING PROFILE

A1+, A1+(SO), AAA, AAA(ind), AAA(so), CARE AAA, F1+(ind)(SO), P1+, P1+(so), PR1+, PR1+(SO)	102.69%
AA+, LAA+, AA(ind), AA(ind)(SO), LAA	13.49%
Net Current Assets	-16.18%

Risk free rate of returns for Sharpe ratio : 7.25%

DIVIDEND HISTORY

EQUITY SCHEMES

Record Date	Cum Dividend NAV	Rs/Unit
Kotak 30 - Dividend		
Feb-28-08	39.091	3.00
Jan-11-08	51.398	6.00
July-20-07	38.869	3.00
Dec-27-06	38.556	5.50
Dec-27-05	27.711	1.00
Jun-03-05	20.345	1.00
Nov-05-04	18.060	1.50
Jan-31-04	21.093	5.00
Oct-20-03	18.983	2.00
Dec-28-01	11.036	1.00
Oct-09-00	17.556	2.00
Dec-11-99	22.954	2.00
Kotak Global India		
Feb-08-07	19.792	2.50
Feb-08-06	19.609	2.00
Feb-04-05	13.708	1.50
Kotak Contra		
July-27-07	16.0365	2.00
Kotak MNC		
Feb-11-05	20.600	4.50
Kotak Opportunities		
Mar-14-08	16.975	2.00
Jan-25-08	27.090	6.00
Sept-28-07	24.293	3.00
Sept-27-06	17.745	1.50
Mar-21-06	21.783	4.50
Sept-28-05	16.816	1.00
Feb-25-05	12.852	0.75
Kotak Midcap		
Apr-28-06	19.437	4.00
Aug-24-05	13.026	0.50
Kotak Tax Saver		
Feb-08-08	15.189	3.50
Feb-20-07	11.640	3.00

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

HYBRID SCHEMES

Kotak Balance		
Mar-25-08	25.629	4.00
Sept-27-06	22.870	1.00
Mar-27-06	26.645	3.50
Dec-12-05	22.232	1.00
May-16-05	18.129	0.75
Dec-13-04	16.175	0.50
Dec-12-03	15.559	2.75
Mar-13-00	13.471	1.00

Kotak Income Plus - Monthly Dividend		
Sep-12-08	10.2283	Individual / HUF : 0.0536 Others : 0.0498
Aug-12-08	10.3604	Individual / HUF : 0.0566 Others : 0.0526
July-14-08	10.2430	Individual / HUF : 0.0647 Others : 0.0602
Jun-12-08	10.7712	Individual / HUF : 0.0641 Others : 0.0596

Kotak Income Plus- Quarterly Dividend		
Sep-20-08	10.2997	Individual / HUF : 0.0939 Others : 0.0874
Jun-20-08	10.6606	Individual / HUF : 0.1560 Others : 0.1451
Mar-24-08	10.7946	Individual / HUF : 0.2093 Others : 0.1948
Dec-20-07	11.6952	Individual / HUF : 0.1907 Others : 0.1775

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Table illustrates how you could have created wealth by investing through SIP in Kotak 30 (DIV Option) from December 1998.

SCHEME NAME	KOTAK 30
SIP Investment Amount	Rs. 5000
SIP Frequency	Monthly
Total No. of SIP Instalments	119
Total Investment Amount	Rs. 5,95,000
Value of Investment as on 13th October 2008	Rs. 18,36,708
Return on Investment (CAGR)	21.72%

Past performance may or may not be sustained in the future.

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

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Kotak Mahindra 30 unit is an open-ended equity growth 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 investments of around 30 companies may go up to 39 companies. Risk Factors: Mutual Fund investments are subject to market risks; there is no assurance that the Scheme's objectives will be achieved. NAV of the Scheme's Units can go up/down depending on factors & forces affecting securities. Past performance of sponsor/AMC/Fund does not indicate the Scheme's future performance. Kotak 30 is only the Scheme's name and does not indicate its quality, prospects or returns. Statutory: Kotak Mahindra Mutual Fund is a Trust (Indian Trusts Act, 1882). Investment Manager: Kotak Mahindra Asset Management Company Ltd. Sponsor: Kotak Mahindra Bank Ltd. (liability Rs. NIL). Trustee: Kotak Mahindra Trustee Company Ltd. Before investing, please read the Offer Document.

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 Contra Scheme, 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.
- Kotak Gold ETF is an open ended Gold Exchange Traded Fund. Investment Objective: To generate returns those are in line with the returns on investment in physical gold, subject to tracking errors.

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. Past performance of the Sponsor/AMC/Fund does not indicate the Schemes future performance. Before investing, please read the Offer Documents.

SERVICES & FACILITIES

- **Network of Transaction Acceptance Points:** Submit transaction requests at your convenience across our 27 Investor Service Centres and 96 Transaction Points of CAMS. (To locate these, visit the "Locate Us" section on our website, www.kotakmutual.com).
- **Electronic Credit of Dividends and Redemption Proceeds:** Have your dividend payouts and redemption proceeds paid directly into your bank account*. No more worrying about cheques lost in transit or queuing at a bank to deposit cheques. * Available for accounts in the following banks only: ABN Amro Bank, AXIS Bank, Centurion Bank of Punjab, Citibank, Corporation Bank, Deutsche Bank, HDFC Bank, HSBC, ICICI Bank, IDBI Bank, Indusind Bank Kotak Mahindra Bank, Standard Chartered Bank.
- **Systematic Investments, Withdrawals and Transfers:** Our Systematic Investment Facility provides you with the option of investing a fixed amount over a period of time, in a disciplined manner. Through this process, you benefit from Rupee Cost Averaging (buying more Units at lower NAV), and avoid the uncertainties involved with trying to time the market. Through our Systematic Withdrawal Facility, withdraw fixed amounts, or the entire appreciation on your investment, in any scheme periodically and benefit by averaging out on market fluctuations. To systematically transfer investments from one Kotak scheme to another, try our Systematic Transfer Facility. This tool also helps you manage your investment portfolio among Kotak Mutual Schemes, in line with your asset allocation plan.
- **Internet Transactions:** Switch investments across our schemes, or redeem your investments electronically, through our Internet Transaction Facility. You can also invest in our schemes online, through Kotakstreet (www.kotakstreet.com), ICICI Direct (www.icicidirect.com), and Times of Money (www.timesofmoney.com).
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CONTACT DETAILS

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