

September 30, 2008



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KOTAK GOLD ETF

From the CEO's Desk



Dear Friends,

The world has changed significantly since the last month. The global financial markets - due to excessive leveraging - now face a significant unwinding prospect arising from risk premium readjustment. Leading to a current phase of credit-crunch that has brought the financial markets to a halt. Of the top five investment banks, One has gone bankrupt, two have merged into a commercial banks, while two are in the process of becoming a commercial bank. Quite similarly, major European Banks too have started to feel the heat, with couple of banks soliciting a government bailout.

Remember, that the most leveraged financial entity in India is a commercial bank with a high capital adequacy of 9%, and a leverage of ten times. While the investment banks in US were leveraged upwards of 25 times with a capital adequacy of under 5%. The corporate debt market, more so the mortgaged backed securities market, have become illiquid; and the only way forward is to have a bailout plan by the US government. This is a sheer failure of risk management practice.

The immediate discourse in the US, however, is centered on the approach that is needed to: restrict the crisis, rectify the markets and regenerate the economy from the present fiasco.

Going forward, the financial markets would have to de-leverage. This could lead to a sell-off of the prop-book positions. It is estimated that the total FII holdings in Indian equities market aggregate to around US\$ 140 bn. This is equivalent to 20-25% of the floating stock. Now the uncertainty is that, how much of this holding is leveraged, and in the de-leveraging process: how much is likely to be pulled out.

On account of this uncertainty, the Sensex has lost nearly 1704 points in the September month. A decline of 11.7% over the previous month. Though, the insulation of a larger aggregate demand within the Indian economy from external factors is ample reason to believe that the Indian corporate growth would remain largely unaffected.

However, a source of concern does linger on the Indian economy. Largely from the rising import costs. - Initially, from the high oil prices - And then, due to the weakening Rupee.

This issue is decisively reflected in the recently released Balance of Payment (BoP) numbers for Q1-FY09. The BoP surplus, although in positive territory of US\$ 2.2 bn, is yet far below the US\$ 11.2 bn in the same quarter previous year. This is largely attributable to the trade deficit that has increased by 46% over the same period last year. Thanks, largely to a 90% y-o-y hike in crude oil prices.

Added to that, the US financial crisis has caused an aggregate FII outflow of US\$ 9.1 bn in 2008 with an outflow of US\$ 2.05 bn in September month alone. This has increased the pressure on the Rupee, which has declined by more than 16% since Jan 08.

Given this backdrop, the Indian GDP growth projection of 7.5%-8% for FY09 comes across as too optimistic an outlook. Going forward, as the economic stalwarts of the leading nations grapple with the ways and means to restrict the credit-crunch. The Indian policy-makers concerns would be centered largely at isolating India from its aftermath, and ensuring a smooth growth trajectory. Given this divergence of fortunes, sooner or later, the attraction of India as a trade and investment destination is bound to increase.

As Charles Dickens had famously written, "**It was the best of times, It was the worst of times...**"

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 September month witnessed renewed bouts of volatility because of rising uncertainty in the global financial market. The September month was marked by events of gigantic magnitude, as initially Fannie Mae and Freddie Mac were taken over by US fed under its 'Conservatorship'. And later, during the 3rd and 4th week, a spate of Wall-street Investment bank failures, distress mergers, and Sale, completely exposed the systemic risk-risk-reward imbalance in the US financial system. To add to it, the uncertainty regarding the US treasury bailout plan contributed to the market shivers.

Sensex Returns		
Date	Close	(+ or -) %
31-Dec-07	20,286.99	
31-Jan-08	17,648.71	-13.00%
29-Feb-08	17,578.72	-0.40%
31-Mar-08	15,644.44	-11.00%
30-Apr-08	17,287.31	10.50%
30-May-08	16,415.57	-5.04%
30-Jun-08	13,461.60	-17.99%
31-Jul-08	14,355.75	6.64%
29-Aug-08	14,564.53	1.45%
30-Sep-08	12,860.43	-11.70%

Nifty Returns		
Date	Close	(+ or -) %
31-Dec-07	6138.6	-
31-Jan-08	5137.45	-16.31%
29-Feb-08	5223.5	1.67%
31-Mar-08	4734.5	-9.36%
30-Apr-08	5165.9	9.11%
30-May-08	4870.1	-5.73%
30-Jun-08	4040.55	-17.03%
31-Jul-08	4332.95	7.24%
29-Aug-08	4360	0.62%
30-Sep-08	3921.2	-10.06%

In consequence, the Indian equities market declined by over 10% during the September month. This was the third such month wherein the monthly decline was in excess of 10%. And the 5th major tumble this year. The Sensex posted a net decline of 11.70% while Nifty reduced by 10.06% during the same period. In process both the indices shed nearly 1704.1 points & 438.8 points respectively.

The Sensex and Nifty performance displayed the daily returns variance (risk) of 2.437% and 2.227% respectively. This is more than a 70 bps increase from the returns variance witnessed in August month, which was at 1.691% and 1.574% respectively. The significant increase in variance from the previous month indicates heightened volatility and uncertainty in the market during the period.

The average daily cash volume in Nifty during September month was at Rs 12,488 crs. This is an increase of 6.62% from the previous month. However, on the y-o-y basis, the average daily cash volume in Nifty declined by 6.11%. The aggregate cash volume in Nifty during September was recorded at Rs 2,62,261.3 - a declined of 1.42% over the same month previous year. The aggregate turnover in F&O market was recorded at Rs 11,97,872.36 crs - an increase of 25.11% over the previous month. In average terms, the F&O volumes increased by 19.15% over August 08.

During the September month, the FII participation remained negative as they made net sales of US\$ 2.05 bn in Indian equities market. In contrast, the Domestic Mutual Funds segment turned net buyers in the Indian equities market during the September month, staking up around Rs 2292 crs during the period.

Other News: The Q1-FY09 Balance of Payment Position(BoP)

Item	in billion US\$		% increase or decrease
	Q1-FY09	Q1-FY08	
A. CURRENT ACCOUNT			
I. MERCHANDISE	-31.57	-20.70	52.5%
II. INVISIBLES (a+b+c)	20.85	14.40	44.8%
a) Services	10.46	8.73	19.8%
b) Transfers	11.52	7.52	53.3%
c) Income	-1.13	-1.85	-38.7%
Total Current Account (I+II)	-10.72	-6.30	70.2%
B. CAPITAL ACCOUNT			
1. Foreign Invst(a+b)	5.91	10.12	-41.6%
a) FDI(i+ii)	10.12	2.66	280.6%
i. In India	12.14	6.98	73.9%
ii. Abroad	-2.02	-4.32	-53.3%
b) Portfolio Investment	-4.21	7.46	-156.4%

2. Loans (a+b+c)	4.08	9.04	-54.8%
a) External Assistance	0.35	0.24	45.6%
b) ECBs	1.56	6.99	-77.7%
c) Short Term to India	2.17	1.80	20.5%
3. Banking Capital (a+b)	2.74	-0.92	-397.6%
a) Commercial Banks	2.85	-0.91	-411.7%
b) Others	-0.11	-0.01	1750.0%
4. Rupee Debt Service	-0.03	-0.04	-30.2%
5. Other Capital	0.52	-0.84	-161.4%
Total Capital Acc (1to5)	13.22	17.35	-23.8%
C. Errors & Omissions	-0.26	0.16	-265.2%
D. Overall Balance	2.24	11.20	-80.0%

Market Outlook

Given the seriousness of the credit-crunch afflicting the US financial markets, a major concern for the US Treasury, Fed and other policy-makers would be to restrict the fallout of the credit-crunch on the broader US economy. In this backdrop, the ambiguity surrounding the US growth prospects would be of vital concern for the market trend in the following months.

Added to that, the uncertainty surrounding the US bailout package would continue to affect the equities markets in the immediate term. It is expected that the haze regarding the status of the bailout package may get clear by the end of first or second week. US politics notwithstanding!

Also, as the Oil prices increasingly reacting to the demand-destruction trend in the US economy, the possibility of an oil price shock seems less likely in the following month. In addition, it seems that the rising de-leveraging of the investment positions has also adversely impacted the speculative stake in crude oil market internationally.

However, the silver-lining in the current scenario is the relative isolation of the Indian financial markets, and the Indian economy, from the larger global fallout. This is attributable to the fact that the predominant portion of the aggregate demand within the Indian economy is generated internally. Thus, despite the occasionally hiccups, Indian economy is expected to remain as one of the fastest growing economies in world.

Given these set of variables, short bouts of volatility may be witnessed in the market from time to time. The uncertainty surrounding the US financial markets and its unclear impact on the Indian economic and financial landscape may garner some caution from investors. 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 (13/September/ 2008)	12.14%	12.40%	-0.26%
WPI (Points)	241.1	240.2	0.90
10 YR IGB (Yield) (29/September/2008)	8.62%	8.71%	-0.09%
10 YR UST (Yield) (29/September/2008)	3.58%	3.81%	-0.23%
Avg. LAF Surplus / Déficit (Rs. Cr)	90000	-7155	97155.00
Currency (Rs. /\$) (29/September/2008)	46.94	43.93	3.01
India's Forex Reserve (Billion \$)			
(19/September/2008)	291.97	297.3	-5.33

The Indian gilt market was in a cyclical trend last month, as the benchmark yields softened in a staggered manner. The yield on the 10-year gilt declined from 8.71% to a 3-month low of 8.21% in the early half of Sept 08. The primary reasons for the initial bullish phase in the debt market was due to SLR buying, expectation of further moderation in inflation, easy liquidity conditions, and moderating crude oil prices.

However, the trading outlook took a bearish turn as the US financial crisis triggered a significant jump of nearly 25 USD in crude oil prices - breaching the US\$ 100/barrel psychological mark. In addition, the RBI intervention in the Forex market to support the Rupee was seen cautiously by the traders. Added to that, the tightening of liquidity due to advance tax outflow and flat WPI numbers dampened the trading sentiments - Leading to hardening of yield. The 10 year benchmark, in consequence, rose by nearly 41 bps and closed the month at 8.62%.

Inflation: Decline Ahead?

The moderation in the inflationary trend continued in the September month as the 4 week inflation average declined from 12.37% in the August month to 12.18% in September. This indicates of a larger structural declining trend in inflation. The weekly inflation fell to a low of 12.10% after which it notched up 4 bps to stay at 12.14% for the remaining two week. (as ended on 13th Sept).

The inflation in primary goods showed a renewed upward pressure, as the 'Primary Goods' index rose to 11.56% on 13th Sept. This hike in the primary commodities was largely attributable to hike in prices of marine products, tea, & Fruits and vegetables. The 4 week average inflation in primary commodities was at 11.30%.

The inflation in the Fuel & Power component of WPI was largely subdued at 16.66%. The 4 week average inflation in this segment was at 16.74%, a

decline of 73 bps over the same data last month.

The 4 week average inflation in Manufacturing segment increased from 10.86% in Aug to 10.94% (as on 13th Sept). Though, the weekly inflation as on 13th Sept was at 10.61%. The reason for structural buoyancy in manufacturing product prices was attributed to the price hikes in Machinery products, transport equipment, chemicals, textiles, food products and rubber and plastic products.

Money-Supply: Easing Trend

The money supply, as depicted by M3, continues to remain buoyant. The y-o-y growth in the M3 for the fortnight ended 12th Sept was at 21.21%. This is an increase of 10850 crs from the fortnight ended 29th Aug. This spurt broad money-supply is largely attributable to a 1.12% hike in M1 component (currency with public). Also, the Time deposits with Banks increased from the last fortnight by 0.22% to 31,13,321 crs.

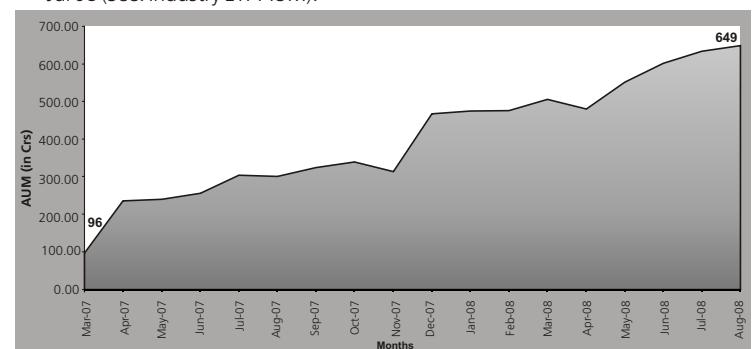
Money Supply & Components (In crs)	12-Sep-08	29-Aug-08	14-Sep-07	% o/v last fortnight	% o/v last year
M3	4,226,143.00	4,215,293.00	3,486,629.00	0.26%	21.21%
Currency with the public	593,120.00	586,561.00	494,289.00	1.12%	19.99%
Demand Deposits with Banks	514,947.00	517,045.00	438,919.00	-0.41%	17.32%
Time Deposits with Banks	3,113,321.00	3,106,639.00	2,548,378.00	0.22%	22.17%
'Other' Deposits with Reserve Bank	4,755.00	5,048.00	5,043.00	-5.80%	-5.71%

Outlook

Going forward, the liquidity situation is expected to remain restricted with an expected borrowing of around 45-50000 crs from the market. The RBI intervention in the Forex market to stabilize the Rupee may fuse-in added pressure on liquidity availability. In consequence, the overnight call rates are expected to remain in double-digit in the following month. However, a slight mellowing from the present 15%+plus levels can be expected. Also, the increasing possibility of a recession in the US markets, and the likely demand-destruction in the fuel consumption gives hope for a continued decline in the crude oil prices. In consequence, a moderation in WPI numbers can be expected. The 10-year benchmark yield may trade in the broad range of 8.30-8.70% in the coming month.

Gold Corner

In line with the historical seasonal price pattern, the yellow metal surged in mid September after remaining subdued for a couple of months. It ended the month at \$897/oz after seeing a low of \$742 on Sep 11, almost 8% up from the Aug end price of \$834. The month witnessed turmoil in global financial markets as a few major financial institutions either filed for bankruptcy or got taken over by other players as a fall out of the sub prime crime and credit crisis. As a result the precious metal surged 11% on a single day on concerns that the crisis in the financial industry could stun the broader economy. The assets managed by Gold Exchange Traded Funds in the country increased to Rs. 649 crore as on Aug 08 from Rs. 634 crore as on Jul 08 (See: Industry ETF AUM).



Outlook

China, South Africa and Australia are the three biggest producers of gold. Australia saw its gold production slump 13% in the second quarter to an 18-year low. Also there have not been any major gold discoveries there for many years. South African production has been plummeting year after year. In 1998 it was 496.9 tons and in 2007 it was 269.9 tons. Only China has managed to increase gold production in recent years. However China does not export gold, it is consumed internally to meet the rapidly growing demand for jewellery and as an investment. Most economies internationally are suffering from surging inflation leading to huge physical demand for gold all over the world. So on one hand production of gold is reducing and demand is going up on the other. This equation should lead to higher prices in gold. Given the uncertainty in the equity markets, inflationary and microeconomic concerns internationally, gold is likely to maintain its upward trend.

Assets Under Management as on September 30, 2008 - Rs. 18,149.15 Crores

About our Fund Managers

FUND MANAGER

Name: Mr. Krishna Sanghavi

Scheme (experience in managing this fund since)

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

Name: Mr. Sajit Pisharodi

Scheme (experience in managing this fund since)

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

Name: Mr. Anurag Jain

Scheme (experience in managing this fund)

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

Name: Mr. Abhishek Bisen

Scheme (experience in managing this fund)

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

Name: Mr. Emmanuel Elango

Scheme (experience in managing this fund)

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

Name: Mr. Deepak Agrawal

Scheme (experience in managing this fund)

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

Name: Mr. Deepak Gupta

Scheme (experience in managing this fund)

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

BUSINESS EXPERIENCE

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

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

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

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

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

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

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

KOTAK 30

Open-Ended Equity Growth Scheme

About The Scheme

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

Available Options - DP, DR & G. **Fund Managers** - Krishna Sanghvi and Emmanuel Elango. **Loads - Entry:** a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/Balanced/Equity FOF Schemes; vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re1 **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 710.65 crores **Ratios:** Portfolio Turnover: 201.28% Total Expense Ratio: 2.23% Beta*: 0.96 Sharpe*:0.55 Standard Deviation*: 27.89 Alpha*: 3.34 * Source: Value Research.

Performance as on September 30, 2008 (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since allotment (Dec 29, 1998)
Kotak 30*	-17.51	-17.09	17.97	32.87	22.45
S&P CNX Nifty	-19.99	-21.73	14.65	22.56	16.64

Kotak 30 NAV : Rs.26.609 (Div. Option). * Returns assumed reinvestment of the tax free dividend declared. Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Reliance Industries Ltd.	Petroleum Products	7.89%
Bharti Airtel Ltd.	Telecom - Services	5.27%
Oil & Natural Gas Corporation Ltd.	Oil	5.16%
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	4.48%
Larsen And Toubro Ltd.	Diversified	4.39%
HDFC Ltd.	Finance	4%
Infosys Technologies Ltd.	Software	3.44%
State Bank Of India	Banks	3.22%
ITC Ltd.	Consumer Non Durables	3.11%
ICICI Bank Ltd.	Banks	3%
Others		42.06%
Listed/Awaiting Listing on Stock Exchange - Total		86.02%
Futures		
ICICI Bank Ltd.-OCT2008		-0.06%
Reliance Petroleum Ltd.-OCT2008		-0.35%
Futures (Market value represents Notional Value) - Total		-0.41%
Options		
NIFTY - 3900.00 - Put Option - October 2008		-0.12%
NIFTY - 4000.00 - Put Option - October 2008		-0.16%
Options - Total		-0.28%
Debt Instruments		
Debentures and Bonds		
Public Sector Undertakings		
Indian Railway Finance Corporation Ltd.	AAA	0.71%
Public Sector Undertakings - Total		0.71%
Money Market Instruments		
Commercial Paper(CP)/Certificate of Deposits(CD)		
Corporate Debt/Financial Institutions		
Gruh Finance Ltd	P1+	3.49%
TATA Capital Ltd.	A1+	0.70%
Corporate Debt/Financial Institutions - Total		4.19%
Public Sector Undertakings		
UCO Bank	P1+	1.39%
Public Sector Undertakings - Total		1.39%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		3.55%
Term Deposits - Total		3.55%
Collateral Borrowing & Lending obligation		0.35%
Net Current Assets/(Liabilities)		4.48%
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	11.41%
Petroleum Products	8.24%
Telecom - Services	7.62%
Industrial Capital Goods	6.67%
Diversified	6.13%
Software	5.71%
Commercial Paper (CP)/Certificate of Deposits (CD)	5.58%
Oil	5.16%
Power	4.62%
Consumer Non Durables	4.52%
Others	34.34%

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. 9,643	Rs. 39,093	Rs. 1,05,364	Rs. 255,208
XIRR	-34.26%	5.43%	22.71%	31.29%

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. 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. 756.33 crores. **Ratios:** Portfolio Turnover: 159.58% Total Expense Ratio: 2.26% Beta*: 1.08 Sharpe*: 0.53 Standard Deviation*: 32.12 Alpha*: 3.40 * Source: Value Research.

Performance as on September 30, 2008 (Figures in %)

	6 Months	1 Yr	3 Yr	Since allotment (Sep 09, 2004)
Kotak Opportunities	-22.91	-20.95	18.40	30.87
S&P CNX 500	-22.24	-26.76	10.38	21.26

Kotak Opportunities NAV : Rs. 29.813 (Growth Option) Returns = 1 year : Absolute. Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Bharti Airtel Ltd.	Telecom - Services	5.14%
Larsen And Toubro Ltd.	Diversified	4.85%
ICICI Bank Ltd.	Banks	4.65%
Reliance Industries Ltd.	Petroleum Products	4.64%
ITC Ltd.	Consumer Non Durables	3.29%
Infosys Technologies Ltd.	Software	2.90%
Axis Bank Ltd	Banks	2.86%
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	2.74%
Oil & Natural Gas Corporation Ltd.	Oil	2.73%
Punj Lloyd Ltd.	Construction	2.55%
Others		53.67%
Listed/Awaiting Listing on Stock Exchange - Total		90.02%
Futures		
Tech Mahindra Ltd.-OCT2008		-0.11%
Housing Development and Infrastructure Limited-OCT2008		-0.15%
Reliance Petroleum Ltd.-OCT2008		-0.33%
ICICI Bank Ltd.-OCT2008		-0.96%
Futures (Market value represents Notional Value) - Total		-1.55%
Options		
NIFTY - 3900.00 - Put Option - October 2008		-0.09%
NIFTY - 4000.00 - Put Option - October 2008		-0.11%
Options - Total		-0.20%
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
AXIS Bank Ltd.	LAA+	0.41%
Corporate Debt/Financial Institutions - Total		0.41%
Money Market Instruments		
Commercial Paper(CP)/Certificate of Deposits(CD)		
Corporate Debt/Financial Institutions		
Cholamandalam DBS Finance Limited.	A1+	3.28%
Corporate Debt/Financial Institutions - Total		3.28%
Public Sector Undertakings		
Corporation Bank	P1+	1.28%
Public Sector Undertakings - Total		1.28%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		3.70%
Term Deposits - Total		3.70%
Collateral Borrowing & Lending obligation		0.17%
Net Current Assets/(Liabilities)		2.89%
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	12.21%
Construction	8.41%
Telecom - Services	6.99%
Consumer Non Durables	6.42%
Software	6.37%
Diversified	6.35%
Industrial Capital Goods	5.62%
Petroleum Products	4.97%
Ferrous Metals	4.79%
Finance	4.7%
Others	33.17%

SIP Returns	1 Year	2 Year	3 Year
Investment Amt.	Rs. 12,000	Rs. 24,000	Rs. 36,000
Investment Value	Rs. 8,904	Rs. 21,156	Rs. 37,505
XIRR	-43.99%	-11.65%	2.68%

KOTAK TAX SAVER

Open - Ended Equity Linked Saving Scheme

About The Scheme

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

Available Options - DP, DR & G **Fund Managers** - Krishna Sanghvi & Anurag Jain.
Loads - Entry: 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. 357.03 crores. **Ratios:** Portfolio Turnover: 165.82% Total Expense Ratio: 2.31% **Performance as on September 30, 2008** (Figures in %)

	6 Months	1 Yr	Since Allotment (November 23, 2005)
Kotak Tax Saver	-25.04	-31.03	7.96
S&P CNX 500	-22.24	-26.76	11.26

Kotak Tax Saver NAV: Rs.12.448 (Growth Option) Returns = 1 year : Absolute. Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Bharti Airtel Ltd.	Telecom - Services	5.39%
Reliance Industries Ltd.	Petroleum Products	4.91%
Larsen And Toubro Ltd.	Diversified	3.77%
HDFC Ltd.	Finance	2.63%
Oil & Natural Gas Corporation Ltd.	Oil	2.61%
ICICI Bank Ltd.	Banks	2.55%
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	2.54%
Axis Bank Ltd.	Banks	2.53%
Aditya Birla Nuvo Limited	Textile Products	2.50%
Infosys Technologies Ltd.	Software	2.39%
Others		55.29%
Listed/Awaiting Listing on Stock Exchange - Total		
87.11%		
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
AXIS Bank Ltd.	LAA+	1.45%
Corporate Debt/Financial Institutions - Total		
1.45%		
Public Sector Undertakings		
Indian Railway Finance Corporation Ltd.	AAA	1.42%
Public Sector Undertakings - Total		
1.42%		
Money Market Instruments		
Commercial Paper(CP)/Certificate of Deposits(CD)		
Public Sector Undertakings		
State Bank of Bikaner & Jaipur	P1+	5.52%
State Bank of Hyderabad	P1+	2.47%
Public Sector Undertakings - Total		
7.99%		
Net Current Assets/(Liabilities)		
2.03%		
Grand Total		
100%		

Notes:

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

SECTOR ALLOCATION

Banks	9.37%
Consumer Non Durables	9.22%
Industrial Capital Goods	8.16%
Commercial Paper (CP)/Certificate of Deposits (CD)	7.99%
Telecom - Services	7.02%
Power	6.29%
Software	5.87%
Construction	4.91%
Petroleum Products	4.91%
Pharmaceuticals	4.82%
Others	31.44%

KOTAK MID-CAP

Open - Ended Equity Growth Scheme

About The Scheme

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

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

covered above: 2.25%. **Exit:** For exit within 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 5000 **Additional Investment:** Rs. 1000 & in multiples of Re. 1. **Ratios:** Beta*: 1.00 Sharpe*: 0.08 Standard Deviation*: 32.07 Alpha*: -10.02 Portfolio Turnover: 213.07% Total Expense Ratio: 2.34% **Ideal Investments Horizon** - 1-3 years **Corpus:** Rs. 115.42 crores.

Performance as on September 30, 2008 (Figures in %)

	6 Months	1 Yr	3 Yr	Since Allotment (Feb. 24, 2005)
Kotak Mid-Cap	-26.13	-36.72	2.47	11.85
CNX Midcap	-22.28	-28.55	8.7	14.86

Kotak Midcap NAV : Rs. 15.300 (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)		
Glenmark Pharmaceuticals Ltd	Pharmaceuticals	3.60%
Welspun Gujarat Stahl Rohren Ltd.	Ferrous Metals	3.60%
Divi s Laboratories Limited	Pharmaceuticals	3.47%
Asian Paints Ltd.	Consumer Non Durables	3.21%
Exide Industries Ltd	Auto Ancillaries	3.12%
Punj Lloyd Ltd.	Construction	3.11%
Crompton Greaves Ltd.	Industrial Capital Goods	3.01%
Mphasis Ltd	Software	2.85%
United Phosphorus Ltd	Pesticides	2.55%
Titan Industries Ltd.	Consumer Non Durables	2.41%
Others		46.39%
Listed/Awaiting Listing on Stock Exchange - Total		
77.32%		
Futures		
ICICI Bank Ltd.-OCT2008		2.09%
Reliance Capital Ltd.-OCT2008		2.06%
Indiabulls Real Estate Ltd-OCT2008		1.93%
Reliance Infrastructure Ltd-OCT2008		1.92%
Housing Development and Infrastructure Limited-OCT2008		0.97%
Axis Bank Ltd-OCT2008		0.93%
Sintex Industries Ltd.-OCT2008		0.59%
HDFC Bank Ltd.-OCT2008		0.26%
Futures (Market value represents Notional Value) - Total		
10.75%		
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
ICICI Bank Ltd.	CARE AAA	3.59%
Corporate Debt/Financial Institutions - Total		
3.59%		
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		6.07%
Term Deposits - Total		
6.07%		
Collateral Borrowing & Lending obligation		
Net Current Assets/(Liabilities)		
-0.33%		
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

Derivatives	10.75%
Pharmaceuticals	10.41%
Banks	9.64%
Consumer Non Durables	8.67%
CBLO & Term Deposits & Rev.Repo	8.67%
Construction	8.3%
Industrial Capital Goods	6.37%
Ferrous Metals	5.47%
Debentures and Bonds	3.59%
Industrial Products	3.44%
Others	24.69%

Midcap Stocks as a percentage of Net Assets - 66.94

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. 68.01 crores. **Ratios:** Portfolio Turnover: 176.46% Total Expense Ratio: 2.50% Sharpe*: 0.43 Standard Deviation*: 21.74 *Source: Value Research

Performance as on September 30, 2008 (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Nov 25, 1999)
Kotak Balance*	-13.62	-14.17	12.88	24.21	17.97
Crisil Balanced					
Fund Index	-15.12	-12.44	11.16	15.61	N.A.

Kotak Balance NAV - Rs. 19.036. * 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	5.02%
Oil & Natural Gas Corporation Ltd.	Oil	3.01%
HDFC Ltd.	Finance	2.85%
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	2.81%
Axis Bank Ltd	Banks	2.65%
ITC Ltd.	Consumer Non Durables	2.61%
Bharti Airtel Ltd.	Telecom - Services	2.57%
ICICI Bank Ltd.	Banks	2.36%
State Bank Of India	Banks	2.23%
Reliance Communications Ltd.	Telecom - Services	1.91%
Others		37.99%
Listed/Awaiting Listing on Stock Exchange - Total		66.01%
Options		
NIFTY - 4300.00 - Call Option - October 2008		0.02%
National Thermal Power Corporation Limited - 175.00 - Call Option - October 2008		-0.01%
NIFTY - 4500.00 - Call Option - October 2008		-0.01%
Bharti Airtel Ltd. - 760.00 - Call Option - October 2008		-0.01%
Reliance Industries Ltd. - 1920.00 - Call Option - October 2008		-0.07%
ICICI Bank Ltd. - 520.00 - Call Option - October 2008		-0.07%
NIFTY - 4000.00 - Put Option - October 2008		-0.08%
Options - Total		-0.23%
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
Kotak Mahindra Prime Ltd.	LAA	8.74%
ICICI Bank Ltd.	AAA	5.67%
Corporate Debt/Financial Institutions - Total		14.41%
Public Sector Undertakings		
Indian Railway Finance Corporation Ltd.	AAA	7.40%
Public Sector Undertakings - Total		7.40%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		2.94%
Term Deposits - Total		2.94%
Collateral Borrowing & Lending obligation		
Net Current Assets/(Liabilities)		-3.47%
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	21.81%
CBLO & Term Deposits & Rev.Repo	15.88%
Banks	8.89%
Industrial Capital Goods	6.23%
Pharmaceuticals	5.37%
Petroleum Products	5.02%
Power	4.67%
Telecom - Services	4.48%
Oil	3.73%
Consumer Non Durables	3.35%
Others	20.57%

SIP Returns	1 Year	3 Year	5 Year	7 Year
Investment Amt.	Rs. 12,000	Rs. 36,000	Rs. 60,000	Rs. 84,000
Investment Value	Rs. 9,861	Rs. 36,498	Rs. 88,605	Rs. 1,83,564
XIRR	-31.42%	0.90%	15.61%	21.96%

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. 122.90 crore. **Ratios:** Portfolio Turnover: 118.14% Total Expense Ratio: 2.24%.

Performance as on September 30, 2008 (Figures in %)

	6 Months	1 Yr	Since Allotment (Mar 21, 2006)
Kotak Lifestyle	-25.50	-37.94	-5.00
S&P CNX 500	-22.24	-26.76	3.41

Kotak Lifestyle NAV: Rs.8.783 (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	7.12%
Maruti Udyog Ltd	Auto	6.88%
Bharti Airtel Ltd.	Telecom - Services	6.26%
HDFC Ltd.	Finance	6.02%
Axis Bank Ltd	Banks	5.55%
Colgate Palmolive (India) Ltd.	Consumer Non Durables	5.35%
Reliance Communications Ltd.	Telecom - Services	3.66%
ICICI Bank Ltd.	Banks	3.40%
Pantaloon Retail (india) Ltd.	Retailing	3.38%
Reliance Capital Ltd.	Finance	3.26%
Others		33.24%
Listed/Awaiting Listing on Stock Exchange - Total		84.12%
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
AXIS Bank Ltd.	LAA+	4.21%
Corporate Debt/Financial Institutions - Total		4.21%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		2.03%
Term Deposits - Total		2.03%
Net Current Assets/(Liabilities)		9.64%
Grand Total		100%

Notes:

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

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

SECTOR ALLOCATION

Consumer Non Durables	22.47%
Finance	11.96%
Banks	10.45%
Telecom - Services	9.92%
Auto	8.33%
Media and Entertainment	7.08%
Debentures and Bonds	4.21%
Retailing	3.38%
Textile Products	3.16%
CBLO & Term Deposits & Rev.Repo	2.03%
Others	17.01%

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. 77.83 crores. **Ratios:** Portfolio Turnover: 135.26% Total Expense Ratio: 2.49% Beta*: 0.91 Sharpe*: 0.22 Standard Deviation*: 28.42 Alpha*:-5.34

Performance as on September 30, 2008 (Figures in %)

	6 Months	1 Yr	3 Yr	Since Allotment (July 27, 2005)
Kotak Contra	-15.48	-22.54	7.41	9.13
S&P CNX 500	-22.24	-26.76	10.38	13.61

Kotak Contra NAV: Rs.13.500 (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)		
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	5.49%
ITC Ltd.	Consumer Non Durables	4.83%
Reliance Industries Ltd.	Petroleum Products	4.56%
Bharti Airtel Ltd.	Telecom - Services	4.49%
State Bank Of India	Banks	3.76%
Crompton Greaves Ltd.	Industrial Capital Goods	3.65%
Dabur India Ltd.	Consumer Non Durables	3.37%
Bank of India	Banks	3.36%
Punjab National Bank	Banks	3.17%
Asian Paints Ltd.	Consumer Non Durables	3.03%
Others		49.98%
Listed/Awaiting Listing on Stock Exchange - Total		89.69%
Futures		
Cairn India Limited-OCT2008		1.09%
Satyam Computer Services Ltd.-OCT2008		-1.86%
Futures (Market value represents Notional Value) - Total		-0.77%
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
Ultratech Cement Ltd.	AAA	2.62%
Corporate Debt/Financial Institutions - Total		2.62%

Corporate Debt/Financial Institutions - Total	
Money Market Instruments	
Commercial Paper(CP)/Certificate of Deposits(CD)	
Corporate Debt/Financial Institutions	6.37%
TATA Capital Ltd. A1+	6.37%
Corporate Debt/Financial Institutions - Total	
TERM DEPOSITS	3.85%
Kotak Mahindra Bank Ltd.	3.85%
Term Deposits - Total	3.21%
Collateral Borrowing & Lending obligation	-4.97%
Net Current Assets/(Liabilities)	100%
Grand Total	

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	17.49%
Banks	16.88%
Industrial Capital Goods	11.47%
Telecom - Services	8.71%
CBLO & Term Deposits & Rev.Repo	7.06%
Commercial Paper (CP)/Certificate of Deposits (CD)	6.37%
Fertilisers	4.98%
Petroleum Products	4.56%
Power	3.74%
Finance	3.55%
Others	15.19%

KOTAK GLOBAL INDIA

Open - Ended Equity Growth Scheme

About the Scheme

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

Available Options - DP, DR & G **Fund Managers** - Anurag Jain & Emmanuel Elango.
Loads - Entry: a) No entry load shall be charged on: i) For "all direct" applications received by AMC i.e. applications received through internet facility offered (www.kotakmutual.com), on application forms that are not routed through any distributor/agent/broker and submitted to AMC office or collection centre / investment service centre. ii) On additional purchases done directly by the investor under the same folio and switch-in to the scheme from other scheme if such transaction is done directly by the investor: iii) Where the purchase amount/switch in amount is equal to or more than Rs. 5 crores iv) Where the switch in is from an Equity/Balanced/Equity FOF Scheme to an Equity/Balanced/Equity FOF Scheme. v) Where switch in is from a close ended scheme (excluding Fixed Maturity Plans and Interval Plans) during the pre-defined liquidity window of the scheme as defined in the respective offer documents or on maturity to an Equity/Balanced/Equity FOF Schemes; vi) Where the switch in is from any other scheme apart from point iv and v above to an Equity/ Balanced/ Equity FOF Scheme for investments equal to or more than Rs. 5 crores vii) Where investments is made by Fund of Funds as defined under SEBI Regulations viii) Where units are allotted upon reinvestment of Dividends b) Cases not covered above: 2.25%. **Exit:** For exit within 1 year from the date of allotment of units for investments of less than Rs. 5 crores: 1%. For exit on or after 1 year from the date of allotment of units for investments of less than Rs. 5 crores: Nil. Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil. Where units are allotted upon reinvestment of Dividends: Nil. Cases not covered above: Nil. **Minimum Initial Investment:** Rs. 1000. **Additional Investment:** Rs. 5000 **Investment Horizon** - 1-3 years **Corpus:** Rs. 62.74 crores. **Ratios:** Portfolio Turnover: 97.01% Total Expense Ratio: 2.41% Standard Deviation*: 26.56 Sharpe*: 0.18 Beta*: 0.89 Alpha*: -6.51 Source: Value Research.

Performance as on September 30, 2008 (Figures in %)

	6 Months	1 Yr	3 Yrs	5 Yrs	Since Allotment (Jan 30, 2004)
Kotak Global India	-20.33	-30.52	6.50		18.21
S&P CNX 500	-22.24	-26.76	10.38		17.16

Kotak Global India NAV: Rs. 21.844 (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	7.77%
Oil & Natural Gas Corporation Ltd.	Oil	5.77%
ICICI Bank Ltd.	Banks	5.12%
Infosys Technologies Ltd.	Software	4.46%
Zee Entertainment Enterprises Ltd	Media and Entertainment	3.91%
Larsen And Toubro Ltd.	Diversified	3.90%
Tata Power Co. Ltd.	Power	3.90%
ABB Ltd.	Industrial Capital Goods	3.77%
United Phosphorus Ltd	Pesticides	3.70%
Welspun Gujarat Stahl Rohren Ltd.	Ferrous Metals	3.41%
Others		42.31%
Listed/Awaiting Listing on Stock Exchange - Total		88.02%
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
AXIS Bank Ltd. LAA+		6.60%
Corporate Debt/Financial Institutions - Total		6.60%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		1.99%
Term Deposits - Total		1.99%
Collateral Borrowing & Lending obligation		3.03%
Net Current Assets/(Liabilities)		0.36%
Grand Total		100%

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

SECTOR ALLOCATION

Pharmaceuticals	12.26%
Industrial Capital Goods	10.2%
Software	8.48%
Consumer Non Durables	8.44%
Oil	8.22%
Petroleum Products	7.77%
Debentures and Bonds	6.6%
Pesticides	5.14%
Banks	5.12%
CBLO & Term Deposits & Rev. Repo	5.02%
Others	22.75%

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. 24.71 crores. **Ratios:** Portfolio Turnover: 74.51% Total Expense Ratio: 2.50% Beta*: 0.79 Sharpe*: 0.05 Alpha*: -8.59 Standard Deviation*: 25.93 * Source: Value Research

Performance as on September 30, 2008 (Figures in %)

	6 Months	1 Yr	3 Yrs	5 Yrs	Since Allotment (Apr 04, 2000)
Kotak MNC*	-14.00	-23.09	2.58	19.67	12.41
BSE Sensex	-20.75	-25.42	14.19	23.61	12.60
S&P CNX Nifty	-19.99	-21.73	14.65	22.56	12.62

Kotak MNC NAV : Rs. 22.510 * 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	9.41%
Hindustan Unilever Ltd.	Diversified	6.64%
Bharti Airtel Ltd.	Telecom - Services	5.72%
ABB Ltd.	Industrial Capital Goods	4.63%
ING Vysya Bank Ltd.	Banks	3.93%
3M India Ltd.	Trading	3.80%
Nestle India Ltd.	Consumer Non Durables	3.76%
Mphasis Ltd	Software	3.57%
Kennametal India Ltd.	Industrial Products	3.30%
Siemens Ltd.	Industrial Capital Goods	3.23%
Others		38.44%
Listed/Awaiting Listing on Stock Exchange - Total		86.43%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		2.02%
Term Deposits - Total		2.02%
Collateral Borrowing & Lending obligation		11.74%
Net Current Assets/(Liabilities)		-0.19%
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	23.34%
Industrial Capital Goods	14.75%
CBLO & Term Deposits & Rev.Repo	13.76%
Industrial Products	8.95%
Diversified	6.64%
Telecom - Services	5.72%
Software	4.82%
Banks	3.93%
Trading	3.8%
Auto Ancillaries	3.62%
Others	10.67%

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. 17.65 crores. **Ratios:** Portfolio Turnover: 100.78% Total Expense Ratio: 2.25% Beta*: 0.80 Sharpe*: -0.27 Alpha*: -6.44 Standard Deviation*: 26.73 *Source: Value Research **Performance as on September 30, 2008** (Figures in %)

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (April 04, 2000)
Kotak Tech	-25.45	-43.25	-5.57	8.88	-6.42
BSE Tech Index	-18.51	-32.13	6.02	20.47	-1.65

Kotak Tech NAV: Rs.5.689 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	11.90%
Infosys Technologies Ltd.	Software	10.30%
Reliance Communications Ltd.	Telecom - Services	7.94%
Zee Entertainment Enterprises Ltd	Media and Entertainment	6.12%
Satyam Computer Services Ltd.	Software	4.85%
Mphasis Ltd	Software	4.69%
Allied Digital Services Limited	Hardware	4.12%
Tanla Solutions Limited	Software	3.38%
OnMobile Global Limited	Telecom - Equipment & Accessories	3.31%
Idea Cellular Ltd.	Telecom - Services	2.98%
Others		29.62%
Listed/Awaiting Listing on Stock Exchange - Total		89.21%
Privately Placed/Unlisted		#
Virtual Dynamics Software Ltd. @	Software	#
SRM Radiant Infotech Ltd. @	Software	#
Privately Placed/Unlisted - Total		0.00%
TERM DEPOSITS		#
Kotak Mahindra Bank Ltd.		3.12%
Term Deposits - Total		3.12%
Collateral Borrowing & Lending obligation		6.23%
Net Current Assets/(Liabilities)		1.44%
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

indicates % to Net Assets less than 0.01%

@ Privately Placed

SECTOR ALLOCATION

Software	42.61%
Telecom - Services	22.82%
Media and Entertainment	16.35%
CBLO & Term Deposits & Rev.Repo	9.35%
Hardware	4.12%
Telecom - Equipment & Accessories	3.31%
Others	1.44%

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. 45.80 crores. **Ratios:** Total Expense Ratio: 0.75% Beta*: 0.93 Sharpe*: 0.37 Alpha*: -1.76 Standard Deviation*: 26.90* Source: Value Research **Performance as on September 30, 2008** (Figures in %)

	6 Months	1 Yr	3 Yr	Since Allotment (Aug 09, 2004)
Kotak Equity FOF	-17.36	-22.68	12.03	23.87
S & P CNX Nifty	-19.99	-21.73	14.65	23.36

Kotak Equity FOF NAV: Rs.24.285 (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)

Mutual Fund Units		
Kotak 30	Equity Schemes	21.85%
HDFC Top 200 Fund	Equity Schemes	20.81%
Prudential ICICI Dynamic Plan	Equity Schemes	19.78%
Birla Sunlife Frontline Equity	Equity Schemes	19.02%
Tata Equity Opportunities Fund	Equity Schemes	18.60%
Mutual Fund Units - Total		100.06%
Net Current Assets/(Liabilities)		-0.06%
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	100.06
Net Current Assets	-0.06

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. 281.07 crores. **Ratios:** Total Expense Ratio: 1.10% Standard Deviation*: 1.02 Sharpe*: 2.64 YTM: 9.00% * Source: Value Research.

Performance as on September 30, 2008 (Figures in %)

	6 Months	1 Yr	Since Allotment (Sept 29, 2005)
Kotak Equity Arbitrage Fund	3.40	8.03	7.96
CRISIL Liquid Fund Index	3.92	7.48	6.80

Kotak Equity Arbitrage NAV : Rs. 12.6092 (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)		
Infrastructure Development Finance Co. Ltd	Finance	3.55%
ICICI Bank Ltd.	Banks	3.38%
Housing Development & Infrastructure Ltd.	Construction	3.32%
IFCI Ltd.	Finance	3.03%
Shree Renuka Sugars Ltd.	Consumer Non Durables	2.89%
GTL Ltd	Telecom - Equipment & Accessories	2.73%
Bajaj Hindusthan Limited	Consumer Non Durables	2.43%
Reliance Industries Ltd.	Petroleum Products	1.95%
Reliance Infrastructure Ltd	Power	1.75%
Ispat Industries Ltd	Ferrous Metals	1.65%
Others		47.90%
Listed/Awaiting Listing on Stock Exchange - Total		74.58%
Futures		#
Reliance Communications Ltd.-OCT2008		-0.01%
Allahabad Bank.-OCT2008		-0.02%
Arvind Mills Ltd.-OCT2008		-0.02%
Bank Of Baroda-OCT2008		-0.02%
Gujarat Narmada Valley Fertilisers Company Ltd.-OCT2008		-0.02%
NIIT Ltd.-OCT2008		-0.02%
Bata India Ltd.-OCT2008		-0.03%
IBN 18 Broadcast Limited-OCT2008		-0.03%
Peninsula Land Ltd.-OCT2008		-0.03%
Petronet LNG Ltd.-OCT2008		-0.03%
Dabur India Ltd-OCT2008		-0.04%
Gujarat Alkalies & Chemicals Ltd.-OCT2008		-0.04%
Sterlite Optical Technologies Ltd-OCT2008		-0.04%
Great Eastern Shipping Company Ltd-OCT2008		-0.06%
Indian Overseas Bank-OCT2008		-0.06%
Polaris Software Lab Ltd.-OCT2008		-0.06%
Bombay Dyeing & Manufacturing Company Ltd-OCT2008		-0.08%
Tata Consultancy Services Ltd.-OCT2008		-0.09%
Adlabs Films Ltd.-OCT2008		-0.10%
Kingfisher Airlines Limited-OCT2008		-0.10%
Patel Engineering Ltd.-OCT2008		-0.11%
NIIT Technologies Ltd-OCT2008		-0.12%
Rajesh Exports Ltd.-OCT2008		-0.12%
Bharat Electronics Ltd-OCT2008		-0.13%
Central Bank Of India-OCT2008		-0.13%
JSL Limited-OCT2008		-0.14%
Union Bank Of India-OCT2008		-0.14%
Ashok Leyland Ltd.-OCT2008		-0.15%
Biocon Ltd.-OCT2008		-0.15%
Hinduja Ventures Ltd-OCT2008		-0.16%
New Delhi Television Ltd.-OCT2008		-0.16%
Aurobindo Pharma Ltd.-OCT2008		-0.18%
Jaiprakash Hydro Power Ltd.-OCT2008		-0.19%
Hindustan Petroleum Corporation Ltd-OCT2008		-0.20%
Indiabulls Real Estate Ltd-OCT2008		-0.22%
Volta Ltd.-OCT2008		-0.23%

Noida-Toll Bridge Co. Ltd.-OCT2008	-0.24%
Syndicate Bank-OCT2008	-0.27%
Gateway Distriparks Ltd.-OCT2008	-0.28%
Indian Hotels Company Ltd.-OCT2008	-0.29%
Punjab National Bank-OCT2008	-0.31%
Chambal Fertilisers & Chemicals Ltd-OCT2008	-0.34%
S.Kumars Nationwide Ltd.-OCT2008	-0.34%
Bharti Airtel Ltd.-OCT2008	-0.36%
Grasim Industries Ltd.-OCT2008	-0.36%
Praj Industries Ltd.-OCT2008	-0.36%
Idea Cellular Ltd.-OCT2008	-0.38%
Core Projects & Technologies Ltd-OCT2008	-0.40%
GTL Infrastructure Ltd.-OCT2008	-0.41%
Alok Industries Ltd.-OCT2008	-0.42%
Neyveli Lignite Corporation Ltd.-OCT2008	-0.42%
Escorts Ltd.-OCT2008	-0.43%
Indian Oil Corporation Ltd-OCT2008	-0.43%
3i Infotech Ltd.-OCT2008	-0.46%
Oracle Financial Services Software Ltd-OCT2008	-0.46%
Ranbaxy Laboratories Ltd.-OCT2008	-0.48%
Nagarjuna Fertilizers & Chemicals Ltd.-OCT2008	-0.49%
Lakshmi Machine Works Ltd-OCT2008	-0.50%
Dena Bank-OCT2008	-0.51%
Industrial Development Bank of India Ltd.-OCT2008	-0.51%
Oriental Bank of Commerce-OCT2008	-0.51%
Wire & Wireless (India) Ltd.-OCT2008	-0.55%
Oswal Chemicals & Fertilizers Ltd.-OCT2008	-0.56%
Bharat Forge Ltd.-OCT2008	-0.59%
Lanco Infratech Ltd-OCT2008	-0.60%
K S Oils Ltd-OCT2008	-0.61%
Punj Lloyd Ltd.-OCT2008	-0.61%
TVS Motors Company Ltd-OCT2008	-0.64%
Television Eighteen India Ltd.-OCT2008	-0.66%
Divi s Laboratories Limited-OCT2008	-0.69%
Reliance Petroleum Ltd.-OCT2008	-0.70%
Mercator Lines Ltd.-OCT2008	-0.72%
Satyam Computer Services Ltd.-OCT2008	-0.74%
JSW Steel Ltd.-OCT2008	-0.76%
Tata Teleservices Ltd-OCT2008	-0.76%
Century Textiles & Industries Ltd.-OCT2008	-0.77%
Jaiprakash Associates Ltd-OCT2008	-0.79%
Welspun Gujarat Stahl Rohren Ltd.-OCT2008	-0.81%
Ballarpur Industries Ltd.-OCT2008	-0.83%
Kesoram Industries Limited-OCT2008	-0.83%
Hotel Leela Venture Ltd-OCT2008	-0.85%
Balrampur Chini Mills Ltd-OCT2008	-0.86%
Pantaloon Retail (India) Ltd.-OCT2008	-0.88%
Rolta India Ltd.-OCT2008	-0.88%
Development Credit Bank Ltd.-OCT2008	-0.91%
Hindustan Oil Exploration Company Ltd.-OCT2008	-0.92%
Ultratech Cement Ltd.-OCT2008	-0.94%
Aptech Ltd.-OCT2008	-0.96%
Birla Corporation Ltd.-OCT2008	-0.98%
Mahanagar Telephone Nigam Ltd.-OCT2008	-1%
Parsvnath Developers Ltd.-OCT2008	-1.02%
Maharashtra Seamless Ltd.-OCT2008	-1.11%
India Cements Ltd.-OCT2008	-1.15%
Hindustan Construction Co.Ltd-OCT2008	-1.44%
Tata Steel Limited.-OCT2008	-1.45%
Vijaya Bank-OCT2008	-1.47%
Jindal Steel & Power Ltd.-OCT2008	-1.50%
Triveni Engineering & Industries Ltd.-OCT2008	-1.54%
Rural Electrification Corporation Ltd-OCT2008	-1.64%
Ispat Industries Ltd-OCT2008	-1.66%
Reliance Infrastructure Ltd-OCT2008	-1.76%
Reliance Industries Ltd.-OCT2008	-1.96%
Bajaj Hindusthan Limited-OCT2008	-2.44%
GTL Ltd-OCT2008	-2.74%
Shree Renuka Sugars Ltd.-OCT2008	-2.91%
IFCI Ltd.-OCT2008	-3.05%
Housing Development and Infrastructure Limited-OCT2008	-3.34%
ICICI Bank Ltd.-OCT2008	-3.38%
Infrastructure Development Finance Co. Ltd-OCT2008	-3.57%

Money Market Instruments

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

Public Sector Undertakings

State Bank of Bikaner & Jaipur 6.38%

Public Sector Undertakings - Total P1+ **6.38%**

TERM DEPOSITS

Kotak Mahindra Bank Ltd. 23.84%

Term Deposits - Total **23.84%**

Collateral Borrowing & Lending obligation **4.87%**

Net Current Assets/(Liabilities) **-9.67%**

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	28.71%
Consumer Non Durables	8.49%
Banks	8.22%
Construction	7.52%
Finance	6.58%
Commercial Paper (CP)/Certificate of Deposits (CD)	6.38%
Ferrous Metals	6.29%
Software	4.34%
Cement	4.19%
Petroleum Products	3.27%
Others	16.01%

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 \leq 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. 23.54 crores. **Ratios:** Total Expense Ratio: 2.23% Standard Deviation*: 5.75 Sharpe*: -0.31 Beta*: 0.13 Alpha*: -1.72 YTM: 9.00% *Source: Value Research. Portfolio Modified Duration: 0.24

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

	6 Months	1 Yr	3 Yr	Since Allotment (Dec 02, 2003)
Kotak Income Plus	-3.49	-2.33	4.79	6.48
CRISIL MIP Blended Index	-2.99	0.20	6.22	6.44

Kotak Income Plus NAV - Rs. 13.5442 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # September 30, 2008 being non - business day.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing on Stock Exchange)		
Reliance Industries Ltd.	Petroleum Products	1.24%
Axis Bank Ltd.	Banks	0.76%
Bharti Airtel Ltd.	Telecom - Services	0.73%
ITC Ltd.	Consumer Non Durables	0.70%
Oil & Natural Gas Corporation Ltd.	Oil	0.57%
HDFC Ltd.	Finance	0.55%
Reliance Infrastructure Ltd	Power	0.50%
Larsen And Toubro Ltd.	Diversified	0.47%
Mphasis Ltd	Software	0.47%
Lupin Ltd.	Pharmaceuticals	0.46%
Others		7.01%
Listed/Awaiting Listing on Stock Exchange - Total		13.46%
Options		
NIFTY - 4300.00 - Call Option - October 2008		0.01%
Options - Total		0.01%
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
Infrastructure Development Finance Co. Ltd	AAA	17.11%
Infrastructure Leasing & Financial Services Limited	LAAA	1.94%
Corporate Debt/Financial Institutions - Total		19.05%
Public Sector Undertakings		
Union Bank of India	AA+	22.29%
Public Sector Undertakings - Total		22.29%
TERM DEPOSITS		
Kotak Mahindra Bank Ltd.		2.12%
Term Deposits - Total		2.12%
Collateral Borrowing & Lending obligation		
Net Current Assets/(Liabilities)		3.56%
Grand Total		100%

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

Total NPA provided and percentage to NAV: Nil

Notes:

* Indicates % to net Asset less than 0.01 %

SECTOR ALLOCATION

CBLO & Term Deposits & Rev.Repo	41.63%
Debentures and Bonds	41.34%
Equities	13.46%
Net Current Assets	3.56%
Derivatives	0.01%

RATING PROFILE

CBLO & Term Deposits & Rev.Repo	41.63%
AA+	22.29%
AAA, LAAA	19.05%
Equities	13.46%
Net Current Assets	3.56%
Derivatives	0.01%

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. 90.28 crores.

Ratios: Total Expense Ratio: 0.60% Sharpe*: 3.42 Standard Deviation*: 0.85 YTM:9.75% *Source: Value Research. Portfolio Modified Duration: 1.60

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

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (May 02, 2002)
Short Term Plan	2.86	7.20	7.39	6.45	6.77
Crisil Short - Term					
Bond Fund Index	2.67	6.41	6.08	5.21	5.73

Kotak Bond Short Term NAV : Rs.15.2237 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # September 30, 2008 being non - business day.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
Tata Sons Ltd.	AAA	16.14%
Long Bond Rec.Trust 2006 Ser IV A	AAA(so)	6.92%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	5.56%
Kotak Mahindra Prime Ltd.	LAA	5.45%
The Indian Hotels Company Ltd.	LAA+	4.91%
RB Loan Trust Series V 2007 Series A1	F1+(ind)(SO)	2.34%
Citicorp Finance (India) Ltd.	AAA	2.17%
Infrastructure Development Finance Co. Ltd	LAAA	0.10%
BHPC Auto Sec. Trust JUNE 2005 A3	AAA(so)	0.09%
Corporate Debt/Financial Institutions - Total		43.68%

Public Sector Undertakings		
Rural Electrification Corporation Ltd.	AAA	11.07%
Power Finance Corporation Ltd.	AAA	10.92%
PNB Housing Finance Ltd.	AA+	8.31%
Public Sector Undertakings - Total		30.30%
Money Market Instruments		
Commercial Paper(CP)/Certificate of Deposits(CD)		
Corporate Debt/Financial Institutions		
Reliance Capital Ltd.	A1+	0.50%
Corporate Debt/Financial Institutions - Total		0.50%
Public Sector Undertakings		
Oriental Bank of Commerce	P1+	10.91%
Union Bank of India	A1+	5.43%
Public Sector Undertakings - Total		16.34%
Collateral Borrowing & Lending obligation		7.31%
Net Current Assets/(Liabilities)		1.87%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 1.70 years
Total NPA provided and percentage to NAV: NIL

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

SECTOR ALLOCATION

Debentures and Bonds	73.98%
Commercial Paper (CP)/Certificate of Deposits (CD)	16.84%
CBLO & Term Deposits & Rev.Repo	7.31%
Net Current Assets	1.87%

RATING PROFILE

A1+, AAA, AAA(so), F1+(ind)(SO), LAAA, P1+	66.59%
AA+, LAA+, AA(ind)(SO), LAA	24.23%
CBLO & Term Deposits & Rev.Repo	7.31%
Net Current Assets	1.87%

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. 53.98 crores. **Ratios:** Total Expense Ratio: (a) 2.25% (b) 1.50% Sharpe*: (a) 0.29 (b) 0.81 Standard Deviation*: (a) 2.46 (b) 2.48 Beta*: (a) 0.12 (b) 0.12 Alpha*: (a) 0.80 (b) 2.09 YTM: 9.50% *Source: Value Research. Portfolio Modified Duration: 2.21

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

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Nov 25, 1999)
Deposit Plan	1.01	4.99	5.26	4.28	8.34
Regular Plan	1.37	6.10	6.54	5.25	9.20
Crisil Composite Bond Index	0.03	3.69	4.15	3.46	NA

Kotak Bond Deposit NAV : Rs. 20.3202 (Growth Option) Kotak Bond Regular NAV : Rs. 21.7953 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # September 30, 2008 being non - business day.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures and Bonds		
Corporate Debt/Financial Institutions		
Ultratech Cement Ltd.	AAA	9.45%
BHW Home Finance Ltd	LAA+	9.07%
Tata Sons Ltd.	AAA	9%
The Indian Hotels Company Ltd.	LAA+	8.22%
ICICI Bank Ltd.	AAA	2.50%
Corporate Debt/Financial Institutions - Total		38.24%
Public Sector Undertakings		
PNB Housing Finance Ltd.	AA+	13.89%
Indian Railway Finance Corporation Ltd.	AAA	9.59%
IDBI Bank Ltd.	AA+	9.26%
Power Finance Corporation Ltd.	AAA	9.14%
Public Sector Undertakings - Total		41.88%
Government Dated Securities		
8.28% Government Stock - 2032	SOV	3.33%
7.99% Government Stock - 2017	SOV	0.33%
Government Dated Securities - Total		3.66%
Collateral Borrowing & Lending obligation		6.85%
Net Current Assets/(Liabilities)		9.37%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 3.23 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	80.12%
Net Current Assets	9.37%
CBLO & Term Deposits & Rev.Repo	6.85%
Government Dated Securities	3.66%

RATING PROFILE

AAA, SOV	43.34%
AA+, LAA+	40.44%
Net Current Assets	9.37%
CBLO & Term Deposits & Rev.Repo	6.85%

KOTAK GILT SAVINGS

Open - Ended Dedicated Gilt Scheme

About The Scheme

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

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

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

Minimum Initial Investment: Rs. 5000 **Additional Investment:** Rs. 1000 and multiples of Re. 1. **Ideal Investments Horizon** 6 Months and above. **Corpus:** Rs. 5.94 crores.

Ratios: Total Expense Ratio: 1.00% Sharpe*: 1.27 Standard Deviation*: 1.01 YTM: 8.00%

* Source: Value Research. Portfolio Modified Duration: 0.002

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

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Savings Plan Dec 29, 1998)
Gilt Investment Savings Plan	3.19	7.61	6.05	5.56	7.41
ISEC SIBEX	3.32	7.79	7.00	5.91	NA

Kotak Gilt Investment Savings Plan : Rs. 20.1192 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # September 30, 2008 being non - business day.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Collateral Borrowing & Lending obligation		62.26%
Net Current Assets/(Liabilities)		37.74%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.002 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	62.26%
Net Current Assets	37.74%

RATING PROFILE

CBLO & Term Deposits & Rev.Repo	62.26%
Net Current Assets	37.74%

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. **(b) Entry:** Nil. **Exit:** Nil. 1.00%, if redeemed within 1 year.

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

Ideal Investments Horizon More than 1 year. **Corpus:** Rs. 22.59 crores. **Ratios:** Total Expense Ratio: (a) 1.65% (b) 1.25% Sharpe*: (a) 0.46 (b) 0.56 Beta*: (a) 0.26 (b) 0.26

Alpha (a) 2.06 (b) 2.46 Standard Deviation*: (a) 4.09 (b) 4.09 *YTM: 8.50% *Source: Value Research. Portfolio Modified Duration: 8.82

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

	6 Months	1 Yr	3 Yr	5 Yr	Since Allotment (Inv Plan- Dec 29, '98; Inv PF & Trust Plan - Nov 11, '03)
Investment Regular Plan	1.17	5.97	4.57	3.70	10.13
Investment - PF & Trust Plan	1.36	6.38	4.99	NA	4.02
ISEC Composite Index	-0.91	3.62	5.16	4.15	4.06 \$

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

Kotak Gilt Investment Regular Plan : Rs. 25.6934 (Growth Option) Kotak Gilt Investment PF & Trust Plan : Rs. 26.1682 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). # September 30, 2008 being non - business day.

PORTFOLIO

Issuer / Instrument	Industry / Rating	% to Net Assets
Government Dated Securities		
8.28% Government Stock - 2032	SOV	91.54%
8.15% Government Stock - 2022	SOV	1.46%
Government Dated Securities - Total		93%
Collateral Borrowing & Lending obligation		81.90%
Net Current Assets/(Liabilities)		-74.90%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 21.62 years

Total NPA provided and percentage to NAV: NIL

SECTOR ALLOCATION

Government Dated Securities	93%
CBLO & Term Deposits & Rev.Repo	81.9%
Net Current Assets	-74.9%

RATING PROFILE

SOV	93%
CBLO & Term Deposits & Rev.Repo	81.9%
Net Current Assets	-74.9%

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. 2927.20 crores. **Ratios:** Total Expense Ratio: (a) 0.25%, (b) 0.37% Standard Deviation*: 0.11 Sharpe*: 29.52 Beta*: 0.00 Alpha*: 3.18 YTM: 11.00% *Source: Value Research. Portfolio Modified Duration: 0.31
Performance as on September 29, 2008 # (Figures in %)

	Since Allotment (Reg Plan-Dec 06, '04, Inst Plan -May 26, '08)			
	6 Months	1 Yr	3 Yr	
Kotak Flexi Debt Regular Plan	4.40	8.89	7.90	7.56
Kotak Flexi Debt Institutional Plan	NA	NA	NA	3.14
CRISIL Composite Bond Index	0.03	3.69	4.15	-0.58 \$

Kotak Flexi Debt NAV: Rs.13.2042 (Growth Option) Kotak Flexi Debt Institutional Plan NAV: Rs.10.3117 (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 Institutional Plan. # September 30, 2008 being non-business day.

PORTFOLIO

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

Debentures and Bonds

Corporate Debt/Financial Institutions

Shriram Transport Finance Co Ltd.	F1+(ind)	5.13%
Credit Asset Trust Series XLVIII Class A2	F1+(ind)(SO)	4.44%
Corporate Debt Trust 2008 - 09 Series 2 Class A1	P1+(so)	3.22%
Tata Steel Limited	AAA(ind)	3.07%
CAT Series XXIV - Class A	P1+(so)	2.57%
Bharat Securitisation Trust 2 Ser B	AA(ind)(SO)	2.22%
Tata Sons Ltd.	AAA	2.18%
Kotak Mahindra Prime Ltd.	LAA	2.05%
Indian Corp Loan Sec.Trust 08Series 17 Ser A1	PR1+(SO)	2.02%
Citifinancial Consumer Finance India Ltd.	AAA	1.88%
RB Loan Trust Series V 2007 Series A3	F1+(ind)(SO)	1.88%
IBM INDIA PVT. LTD.	AAA(ind)(SO)	1.74%
Indian Corp Loan Securitisation Trust Series 11 Series A3	LAA+(SO)	1.71%
Piramal Healthcare Limited	A1+	1.71%
Shriram Transport Finance Co Ltd.	AA(ind)	1.71%
LIC Housing Finance Ltd.	AAA	1.66%
Long Bond Receivables Trust 2007 SR-V	AAA(so)	1.59%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	1.57%
HDFC Ltd.	AAA	1.21%
Citicorp Finance (India) Ltd.	AAA	1.20%
Rabo India Finance Ltd.	P1+	1.04%
Kotak Mahindra Prime Ltd.	P1+	1.02%
Reliance Capital Ltd.	A1+	1.02%
Long Bond Receivables 2006 III A	AAA(ind)	0.95%
Indian Corporate Loan Securitisation Trust Series 9 Series A	P1+(so)	0.85%
Infrastructure Development Finance Co. Ltd	LAAA	0.85%
Mahindra & Mahindra Financial Services Ltd.	AA+	0.85%
GE Capital Services India.	AAA	0.84%
RB Loan Trust Series XII, A2	F1+(ind)(SO)	0.77%
CAT Series XXIII - Class A1	P1+(so)	0.69%
Indian Corp Loan Sec.Trust 08Series 20 Ser A2	LAAA(SO)	0.68%
Bharat Securitisation Trust 1 Series A-PO	A1+(SO)	0.68%
Ultratech Cement Ltd.	AAA	0.68%
Bajaj Auto Finance Limited	AA+	0.55%
Sundaram Finance Ltd.	AA+	0.50%
Loan Rec.Securitization Trust B - Ser-B2	AA(ind)(SO)	0.46%
Cholamandalam DBS Finance Limited.	LAA	0.34%
Indiabulls Financial Services Ltd	F1+(ind)(SO)	0.34%
L & T Finance Limited	CARE AA+	0.34%
TAS Trust Series III, Series A1	AA+(so)	0.34%
BHW Home Finance Ltd	LAA+	0.33%
DSP Merrill Lynch Capital Ltd.	AA+	0.33%
Sundaram Finance Ltd.	LAA+	0.33%
KAB Loan Trust Series A1	A1+(SO)	0.17%
KPI Loan Trust Series A1,OPT- A	AA-(ind)	0.17%
Corporate Debt Trust 2008 - 09 Series 2 Class A2	P1+(so)	0.10%
RB Loan Trust Series V 2007 Series A1	F1+(ind)(SO)	0.07%
Indian Retail ABS Trust Series 56 A2	AAA	0.06%
RB Loan Trust Series XII, A1	F1+(ind)(SO)	0.05%

Corporate Debt/Financial Institutions - Total

60.17%

Public Sector Undertakings

Indian Railway Finance Corporation Ltd.	AAA	2.86%
Indian Corp Loan Sec.Trust Series 15 Ser A1	P1+(so)	1.71%
Corporate Debt Trust 2008 - 09 Srs 12 Class A1	A1+(SO)	1.52%
Indian Oil Corporation Ltd.	A1+	1.20%
IDBI Bank Ltd.	AA+	0.85%
Power Finance Corporation Ltd.	AAA	0.85%
Rural Electrification Corporation Ltd.	AAA	0.51%
Industrial Development Bank Of India.	AA+	0.35%
National Housing Bank	AAA(ind)	0.35%
Corporate Debt Trust 2008 - 09 Srs 12 Class A2	A1+(SO)	0.19%
Loan Rec.Securitization Trust A; Series A1	AAA(ind)(SO)	0.05%

Public Sector Undertakings - Total

10.44%

Money Market Instruments

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

Corporate Debt/Financial Institutions

ICICI Bank Ltd.	A1+	9.67%
Sobha Developers Ltd.	A1	2.55%
DLF Limited	P1+	2%
Pidilite Industries Ltd.	P1+	1.67%
HDFC Ltd.	P1+	0.85%
ICICI Home Finance Company Limited	A1+	0.67%
TATA Capital Ltd.	A1+	0.67%
Cholamandalam DBS Finance Limited.	P1+	0.65%
AXIS Bank Ltd.	P1+	0.63%

HDFC Ltd.	A1+	0.63%
Cholamandalam DBS Finance Limited.	A1+	0.34%
Indiabulls Financial Services Ltd	P1+	0.34%
Federal Bank Ltd.	P1+	0.33%
GE Capital Services India.	P1+	0.33%
Gruh Finance Ltd	P1+	0.33%
Hongkong & Shanghai Banking Corporation	P1+	0.33%

Corporate Debt/Financial Institutions - Total

21.99%

Public Sector Undertakings

State Bank of Patiala	A1+	1.30%
IDBI Bank Ltd.	A1+	0.83%
State Bank of Mysore	A1+	0.77%
Export-Import Bank of India.	A1+	0.76%
State Bank of Patiala	P1+	0.49%
Oriental Bank of Commerce	P1+	0.46%
State Bank of Travancore	P1+	0.46%
Allahabad Bank	PR1+	0.31%

Public Sector Undertakings - Total

5.38%

TERM DEPOSITS

Punjab National Bank	3.42%
YES Bank Ltd.	0.68%

Term Deposits - Total

4.10%

Collateral Borrowing & Lending obligation

2.01%

Net Current Assets/(Liabilities)

-4.09%

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	70.61%
Commercial Paper (CP)/Certificate of Deposits (CD)	27.37%
CBLO & Term Deposits & Rev.Repo	6.11%
Net Current Assets	-4.09%

RATING PROFILE

A1+, A1+(SO), AAA, AAA(ind), AAA(ind)(SO), AAA(so), CARE AAA, F1+(ind), F1+(ind)(SO), LAAA, LAAA(SO), P1+, P1+(so), PR1+, PR1+(SO)	80.43%
A1, AA+, AA+(so), CARE AA+, LAA+, LAA+(SO), AA(ind), AA(ind)(SO), LAA, AA-(ind)	17.55%
CBLO & Term Deposits & Rev.Repo	6.11%
Net Current Assets	-4.09%

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. 198.01 crores. **Ratios:** Total Expense Ratio: 0.87% Standard Deviation*: 0.28 Beta*: -0.09 Sharpe*: 12.15 Alpha*: 3.52 YTM: 11.50% * Source: Value Research. Portfolio Modified Duration: 0.13
Performance as on September 29, 2008 # (Figures in %)

	6 Months	1 Yr	3 Yr	Since Allotment (Aug 13, 2004)
Kotak Floater Long Term	4.07	8.82	7.72	7.10
CRISIL Liquid Fund Index	3.92	7.48	6.80	6.16

Kotak Floater Long Term NAV : Rs. 13.2760 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # September 30, 2008 being non-business day.

PORTFOLIO

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

Debentures and Bonds

Corporate Debt/Financial Institutions

Global Trade Finance Ltd.	P1+	12.63%
Hindustan National Glass and Industries Ltd	PR1+	10.10%
Kotak Mahindra Prime Ltd.	P1+	7.60%
Citicorp Finance (India) Ltd.	AAA	4.05%
Whirlpool of India Ltd.	P1+	3.54%
HDFC Ltd.	AAA	2.62%
Tata Sons Ltd.	AAA	2.56%
Citifinancial Consumer Finance India Ltd.	AAA	2.53%
AXIS Bank Ltd.	LAA+	2.09%
RB Loan Trust Series V 2007 Series A3	F1+(ind)(SO)	1.82%
Ultratech Cement Ltd.	AAA	1.54%
Indian Retail ABS Trust Series 56 A2	AAA	1.17%
KPI Loan Trust Series A1,OPT- A	AA-(ind)	1.02%
Bharat Securitisation Trust 1 Series A-IO	A1+(SO)	0.27%

Corporate Debt/Financial Institutions - Total

53.54%

Public Sector Undertakings

Indian Oil Corporation Ltd	A1+	7.58%
Indian Railway Finance Corporation Ltd.	AAA	2.61%
Coll.Debt Trust Ser.24 Class A2 OPT 2	AAA(so)	1.52%

Public Sector Undertakings - Total

11.71%

Money Market Instruments

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

Corporate Debt/Financial Institutions	A1+	12.50%
IDBI Home Finance	A1+	4.57%
HDFC Ltd.	P1+	2.48%
Standard Chartered Investment & Loan India Ltd.	A1+	2.45%
ICICI Bank Ltd.		22%

Corporate Debt/Financial Institutions - Total

Public Sector Undertakings

State Bank of Hyderabad	P1+	2.48%
Oriental Bank of Commerce	P1+	1.49%

Public Sector Undertakings - Total

3.97%

Collateral Borrowing & Lending obligation

6.82%

Net Current Assets/(Liabilities)

1.96%

Grand Total

100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.15 years
Total NPA provided and percentage to NAV: NIL

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

SECTOR ALLOCATION

Debentures and Bonds	65.25%
Commercial Paper (CP)/Certificate of Deposits (CD)	25.97%
CBLO & Term Deposits & Rev.Repo	6.82%
Net Current Assets	1.96%

RATING PROFILE

A1+, A1+(SO), AAA, AAA(so), F1+(ind)(SO), P1+, PR1+	88.11%
CBLO & Term Deposits & Rev.Repo	6.82%
LAA+, AA-(ind)	3.11%
Net Current Assets	1.96%

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. 150.15 crores. **Ratios:** Total Expense Ratio: 0.42% Standard Deviation*: 0.14 Beta*: 0.08 Sharpe*: 22.13 Alpha*: 2.89 YTM: 11.10% *Source: Value Research. Portfolio Modified Duration: 0.08

Performance as on September 30, 2008 (Figures in %)

	7 Days	15 Days	1 Month	3 Months	6 Months
Kotak Floater Short Term	0.20	0.40	0.82	2.36	4.49
CRISIL Liquid Fund Index	0.18	0.34	0.74	2.10	3.92

	1 Yr	3 Yr	5 Yr	Since Allotment (Jul 14, 2003)
Kotak Floater Short Term	9.01	7.64	6.62	6.59
CRISIL Liquid Fund Index	7.48	6.80	5.78	5.72

Kotak Floater Short Term NAV : Rs. 13.9497 (Growth Option) Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate) Past performance may or may not be sustained in future. # August 30, 2008 and August 31, 2008 being non-business days.

PORTFOLIO

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

Debentures and Bonds

Corporate Debt/Financial Institutions

Madras Cements Ltd.	A1+	16.65%
CAT Series XXIII - Class A1	P1+(so)	13.36%
Infrastructure Development Finance Co. Ltd	LAAA	9.99%
Tata Steel Limited	AAA(ind)	6.72%
Citifinancial Consumer Finance India Ltd.	AAA	6.68%
Indiabulls Financial Services Ltd	F1+(ind)(SO)	6.66%
Corporate Debt Trust 2008 - 09 Srs 5 Class A1	AAA(so)	5.46%
LIC Housing Finance Ltd.	LAA	4.31%
AXIS Bank Ltd.	LAA+	3.44%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	3.34%
Global Trade Finance Ltd.	P1+	3.33%
Sundaram Finance Ltd.	AA+	3.33%
Citicorp Finance (India) Ltd.	AAA	1.33%
Corporate Debt Trust 2008 - 09 Srs 5 Class A2	AAA(so)	1.13%
Corporate Debt/Financial Institutions - Total		85.73%

Public Sector Undertakings

Indian Oil Corporation Ltd.	A1+	3.33%
Public Sector Undertakings - Total		3.33%

Money Market Instruments

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

Punjab National Bank	P1+	6.41%
Public Sector Undertakings - Total		6.41%

Collateral Borrowing & Lending obligation

Net Current Assets/(Liabilities)		2.06%
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Grand Total **100%**

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

Total NPA provided and percentage to NAV: NIL

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

SECTOR ALLOCATION

Debentures and Bonds	89.06%
Commercial Paper (CP)/Certificate of Deposits (CD)	6.41%
Net Current Assets	2.47%
CBLO & Term Deposits & Rev.Repo	2.06%

RATING PROFILE

A1+, AAA, AAA(ind), AAA(so), F1+(ind)(SO), LAAA, P1+, P1+(so)	85.36%
AA+, LAA+, AA(ind)(SO)	10.11%
Net Current Assets	2.47%
CBLO & Term Deposits & Rev.Repo	2.06%

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. 2763.61 crores. **Ratios:** Total Expense Ratio: (a) 1.00% (b) 0.74% (c) 0.29% Sharpe*: (a) 15.28 (b) 17.13 (c) 18.73 Standard Deviation*: (a) 0.14 (b) 0.14 (c) 0.15 YTM: 11.50% *Source: Value Research. Portfolio Modified Duration: 0.15

Performance as on September 30, 2008 (Figures in %)

	7 Days	15 Days	1 Month	3 Months	6 Months
Kotak Liquid Regular Plan	0.20	0.39	0.77	2.15	4.08
Kotak Liquid Institutional Plan	0.21	0.40	0.79	2.21	4.20
Kotak Liquid Institutional Premium Plan	0.21	0.42	0.83	2.33	4.44
CRISIL Liquid Fund Index	0.18	0.34	0.74	2.10	3.92

	1 Yr	3 Yr	5 Yr	Since Allotment (Reg. - Oct 05, '00; Instl - Mar 14, '03, Instl Prem- Nov 04, '03)
Kotak Liquid Regular Plan	7.98	6.89	5.93	6.50
Kotak Liquid Institutional Plan	8.24	7.24	6.31	6.23
Kotak Liquid Institutional Premium Plan	8.73	7.65	NA	6.63
CRISIL Liquid Fund Index	7.48	6.80	5.78	5.67**

** The Benchmark Returns corresponds to Kotak Liquid Institutional Plan

Kotak Liquid Regular Plan NAV: Rs. 16.5437 (Growth Option); Kotak Liquid Institutional Plan NAV : Rs. 16.8660 (Growth Option) Kotak Liquid Institutional Premium Plan NAV: Rs.17.1030 (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

L & T Finance Limited	PR1+	4.52%
Cholamandalam DBS Finance Limited.	A1+	3.98%
RB Loan Trust Series XI	F1+(ind)(SO)	3.63%
Madras Cements Ltd.	A1+	2.35%
HDFC Ltd.	AAA	2.18%
CAT Series XXIV - Class A	P1+(so)	1.81%
Infrastructure Development Finance Co. Ltd	LAAA	1.81%
KCS Loan Trust Series A1, OPT -B	A1+(SO)	1.81%
Kesoram Industries Limited	PR1+	1.81%
RB Loan Trust Ser -III 2007 Ser A3	P1+(so)	1.81%
Shriram Transport Finance Co Ltd.	AA(ind)(SO)	1.81%
Rabo India Finance Ltd.	P1+	1.77%
Citicorp Finance (India) Ltd.	AAA	1.63%
LIC Housing Finance Ltd.	AAA	1.51%
Citifinancial Consumer Finance India Ltd.	AAA	1.42%
Indian Corp Loan Sec.Trust 08Series 17 Ser A1	PR1+(SO)	1.34%
ICICI Bank Ltd.	CARE AAA	1.32%
AXIS Bank Ltd.	LAA+	1.11%
Bharat Securitisation Trust 1 Series A-PO	A1+(SO)	0.93%
Tata Sons Ltd.	AAA	0.93%
Indian Corporate Loan SecuritizationTrust Series 9 Series A	P1+(so)	0.91%
Birla Global Finance Co.Ltd.	A1+	0.90%
DSP Merrill Lynch Capital. Ltd.	AA+	0.90%
Kotak Mahindra Prime Ltd.	P1+	0.90%
Mahindra & Mahindra Financial Services Ltd.	AA+	0.90%
Sundaram Finance Ltd.	P1+	0.90%
GE Capital Services India.	AAA	0.83%
RB Loan Trust Series V 2007 Series A2	F1+(ind)(SO)	0.72%
Sundaram Finance Ltd.	A1+	0.72%
BHPC Auto Securitisation Trust Dec 2007 - I	AAA(so)	0.56%
Hindustan National Glass and Industries Ltd	PR1+	0.54%
Sundaram Finance Ltd.	AA+	0.54%
ICICI Securities Primary Dealership Ltd.	AAA	0.50%
Blue Star Ltd.	PR1+	0.36%
Global Trade Finance Ltd.	P1+	0.36%
Citicorp Maruti Finance Ltd.	AAA	0.18%
Ultratech Cement Ltd.	AAA	0.18%
RB Loan Trust Series XIV A2-PO	P1+(so)	0.16%
RB Loan Trust Series XIV A1-IO	P1+(so)	0.12%
India Loan Securitisation Series V Trust 06 Series A	AAA(so)	0.04%
Corporate Debt/Financial Institutions - Total		50.70%

Public Sector Undertakings

Indian Railway Finance Corporation Ltd.	AAA	5.17%
Power Finance Corporation Ltd.	AAA	2.01%
Export-Import Bank of India.	AAA	0.92%
Loan Rec.Securitization Trust A; Series A2	AAA(ind)(SO)	0.81%
Industrial Development Bank Of India.	AA+	0.54%
National Housing Bank	AAA(ind)	0.37%
Union Bank of India	AA+	0.18%
Public Sector Undertakings - Total		10%

Money Market Instruments

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

Corporate Debt/Financial Institutions		
Reliance Capital Ltd.	A1+	5.62%
ICICI Bank Ltd.	A1+	3.48%
Adlabs Films Ltd.	A1+	2.84%
GE Money Financial Services Limited	P1+	1.81%
HDFC Ltd.	A1+	1.42%
HDFC Ltd.	P1+	1.25%
Reliance Communications Ltd.	A1+	0.99%
Federal Bank Ltd.	P1+	0.90%
Citibank N.A.	P1+	0.35%
Jammu & Kashmir Bank	P1+	0.35%
Sundaram Finance Ltd.	P1+	0.35%
Cholamandalam DBS Finance Limited.	A1+	0.34%
ING Vysya Bank Ltd	P1+	0.33%
Standard Chartered Investment & Loan India Ltd.	P1+	0.25%
Ballarpur Industries Ltd.	F1+(ind)	0.18%
Tata Motors Ltd.	P1+	0.17%
Corporate Debt/Financial Institutions - Total		20.63%

Public Sector Undertakings

Punjab National Bank	P1+	3.02%
State Bank of Bikaner & Jaipur	P1+	1.98%
Vijaya Bank	PR1+	1.59%
UCO Bank	P1+	1.42%
State Bank Of India.	P1+	1.38%
Corporation Bank	P1+	0.36%
PNB Housing Finance Ltd.	P1+	0.36%
Canara Bank	P1+	0.35%
State Bank of Hyderabad	P1+	0.35%
State Bank of Indore	P1+	0.35%

Allahabad Bank	PR1+	0.34%
State Bank of Patiala	A1+	0.18%
Public Sector Undertakings - Total		11.68%
TERM DEPOSITS		
Bank Of Nova Scotia		3.62%
Punjab National Bank		3.62%
Term Deposits - Total		7.24%
Net Current Assets/(Liabilities)		-0.25%
Grand Total		100%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.15 years

Total NPA provided and percentage to NAV: NIL

Notes:

* Indicates % to net Asset less than 0.01%

SECTOR ALLOCATION

Debentures and Bonds	60.7%
Commercial Paper (CP)/Certificate of Deposits (CD)	32.31%
CBLO & Term Deposits & Rev. Repo	7.24%
Net Current Assets	-0.25%

RATING PROFILE

A1+, A1+(SO), AAA, AAA(ind), AAA(ind)(SO), AAA(so), CARE AAA, F1+(ind), F1+(ind)(SO), LAAA, P1+, P1+(so), PR1+, PR1+(SO)	87.03%
CBLO & Term Deposits & Rev. Repo	7.24%
AA+, LAA+, AA(ind)(SO)	5.98%
Net Current Assets	-0.25%

Risk free rate of returns for Sharpe ratio : 9.10%

DIVIDEND HISTORY

EQUITY SCHEMES

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

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

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

RISK FACTORS

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

Risk Factors:

- Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Schemes will be achieved.
- As with any securities investment, the NAV of the Units issued under the Schemes can go up or down depending on the factors and forces affecting the capital and money markets. Past performance of the Sponsor/AMC/Fund or that of existing Schemes of the Fund does not indicate the future performance of the Schemes.
- Kotak Mahindra Gilt Unit Scheme '98 (Kotak Gilt), Kotak Mahindra Bond Unit Scheme 99 (Kotak Bond), Kotak Mahindra Liquid Scheme (Kotak Liquid), Kotak Mahindra 30 Unit Scheme (Kotak 30), Kotak Mahindra Balance Unit Scheme 99 (Kotak Balance), Kotak Mahindra Technology Scheme (Kotak Tech), Kotak Mahindra MNC Scheme (Kotak MNC), Kotak Mid-Cap Scheme (Kotak Mid-Cap), Kotak Floater Short Term Scheme, Kotak Mahindra Global India Scheme (Kotak Global India), Kotak Mahindra Income Plus Scheme (Kotak Income Plus), Kotak Equity FOF, Kotak Opportunities, Kotak Floater Long Term Scheme, Kotak Flexi Debt Scheme (Kotak Flexi Debt), Kotak Dynamic Fund of Funds, Kotak Contra Scheme, Kotak Emerging Equity, Kotak Flexi FOF, Kotak Equity Arbitrage Scheme, Kotak Tax Saver & Kotak Lifestyle scheme are only the names of the Schemes and do not in any manner indicate the quality of the Schemes, future prospects or returns.
- 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. 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.
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- **Internet Transactions:** Switch investments across our schemes, or redeem your investments electronically, through our Internet Transaction Facility. You can also invest in our schemes online, through Kotakstreet (www.kotakstreet.com), ICICI Direct (www.icicidirect.com), and Times of Money (www.timesofmoney.com).
- **E-mail Communication:** Opt in to value-added information through e-mail: Daily NAV and Dividend Updates, Monthly Updates, weekly and more.
- **Website Utilities:** Plan and track your investments better. Use our Risk Profiler to assess your risk appetite, our Financial Planner to plan investments and financial goals and our Returns Calculator to measure your earnings from Kotak Mutual schemes. Just register, free, at www.kotakmutual.com, and access all these facilities.

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