

Notice is hereby given of the following changes to be effected in Kotak Midcap and Kotak Emerging Equity Scheme.

A. Kotak Midcap

With effect from March 8, 2013, Kotak Midcap Scheme would adopt CNX Midcap as the basis for the purpose of determining the definition of Midcaps. i.e. any stock which has a market capitalisation above the highest market capitalisation in CNX Midcap would be considered as Largecap, and, any stock which has a market capitalisation below the lowest market capitalisation in CNX Midcap would be considered as smallcap For the purpose of determining midcap stocks, the market capitalisation of companies at the end of previous calendar quarter will be considered, and followed for subsequent calendar quarter.

Unit holders of Kotak Midcap who are not in agreement with the change may redeem their units at applicable NAV or switch to other open-ended schemes of Kotak Mutual Fund without payment of exit load between February 5, 2013 and March 7, 2013. Unit holders may note that no action is required in case they are in agreement with the aforesaid change, which shall be deemed as acceptance to the change. This offer to exit is merely an option and is not compulsory. The Unitholders of the Scheme will be separately intimated of the detailed procedure of the change, by way of letter.

B. Kotak Emerging Equity

As per the terms of Scheme Information Document of Kotak Emerging Equity Scheme, for the purpose of determining market capitalisation, the scheme follows the market capitalisation range provided by Value Research at the end of previous calendar quarter for the subsequent calendar quarter. The AMC reserves right to change the designated agency for the purpose of determining market capitalisation.

In order to align the methodology of the identification of midcap stocks for the portfolio with the methodology of the underlying the benchmark, with effect from March 8, 2013, market capitalisation as defined in BSE Midcap (benchmark of the scheme) shall be considered, instead of Value Research. Any stock which has a market capitalization above the highest market capitalisation in BSE Midcap would be considered as Largecap, and, any stock which has a market capitalisation below the lowest market capitalisation in BSE Midcap would be considered as smallcap.

All other features, terms and conditions of Kotak Midcap and Kotak Emerging Equity remain unchanged.

This addendum shall form an integral part of the Scheme Information Document / Key Information Memorandum of the Schemes as amended from time to time.

**For Kotak Mahindra Asset Management Company Limited
Investment Manager – Kotak Mahindra Mutual Fund**

**Mumbai
February 1, 2013**

**Sd/-
Sandesh Kirkire
Chief Executive Officer**

Any queries / clarifications in this regard may be addressed to:

Kotak Mahindra Asset Management Company Limited

(Investment Manager for Kotak Mahindra Mutual Fund)

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