Dear Friends,

The economy has been absorbing some incessant shocks since past few months, some emanating from the political arena, some from the financial. The gdp growth rate in Q1FY14 has moderated down to 4.4%, with a more gloomy forecast ahead.

It is easy to get pessimistic in such an environment, but then the fine scale of entrepreneurship gets determined in very these times. It is only in such times that asset buying opportunities arise, but what is critical is accuracy of judgment regarding the value and the outlook on the asset.

For instance, in an equally gloomy days of mid-2008 when the global economy was reeling under the sub-prime crisis, the Indian 10 year gsec yields had hardened to above 9% levels. At that point in time, the US economy and much of the world was reeling under recession. The business confidence and outlook had sagged. But the fact is, informed investors made money that point in time.

A bond investor, investing in 10 year gsec at around July-August of 2008 (and with a 1 year investment horizon), would have garnered a return of around 19% at the minimum, and around 25% at the maximum. The point is, keeping an eye on the value for which you are paying money, is important. It is from that stand point that I am making a case that value exists in present Indian markets. What would be needed is long term investment horizon and calibrated investments to mitigate short term volatility.

From the macro view point, the investment attractiveness of India seems to be flagging in the short run. On the ‘Ease of Doing Business’ Index, India stands at 132. While this was almost always the case, India with around 4% gdp growth rate would be unable to attract same degree of investor willingness to manage the bureaucratic labyrinth, which it did earlier.

As we have stated in our earlier communications, long-term wealth is generated by creating and exchanging value. This process in formal and informal terms is called as business. For that very reason, the core thrust of reform must be to allow more and more meritorious people to produce value: faster, cheaper and better. While many big ticket reforms possibilities exist, even the execution of projects would itself be a big booster.

For now, the economic activity report for Q1-FY14(at FY05 cost) seems to suggest that gross fixed capital formation in the economy may have contracted over the similar quarter last year. Moreover, the size of the valuable, which broadly implies non monetary gold and precious metal purchases within economy, may have almost doubled over the same period last year. This indicates continued savings but sagging investment opportunities within the country.

In absence of any credible breakthrough in the political or business front, the markets would remain volatile and would be range bound. The key benchmark indices, Sensex and Nifty have declined by -3.75% and -4.71% respectively in the August month. During the same month, the FIIs pulled out nearly US$ 900 mn (net) from the spot equities market and withdrew nearly US$ 1.5 bn(net) from the debt market.

Moreover, the Rupee has declined by more than 8% over the last month and nearly 20% since Jan this year. A sizeable proportion of this decline is attributable to FIIL pullout resulting from QE3 tapering fears. In that respect, the actual measures to be announced by the US Fed in September regarding QE3 tapering, would be critical in estimating whether Rupee has been oversold on account of the uncertainty.

Regards,

Sandesh Kirkire
CEO
Kotak Mutual Fund

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Indian equities market closed the month down over the previous month as the key benchmark indices, Sensex and Nifty, declined by -3.75% and -4.71% respectively during the August-2013 month. The market witnessed sizeable sentiment shifts as liquidity draining measures by RBI, and change in policy stance, dampened the sentiments.

During this period, the equities market saw a net withdrawal of around US$ 900 mn from the spot equities market.

### Equity Market View

<table>
<thead>
<tr>
<th>Country Index</th>
<th>Country</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSE Composite</td>
<td>China</td>
<td>5.25%</td>
</tr>
<tr>
<td>Ibovespa Sao Paulo</td>
<td>Brazil</td>
<td>3.68%</td>
</tr>
<tr>
<td>Kospi</td>
<td>S Korea</td>
<td>0.64%</td>
</tr>
<tr>
<td>HangSeng</td>
<td>Hong Kong</td>
<td>-0.70%</td>
</tr>
<tr>
<td>Swiss Market Index</td>
<td>Switzerland</td>
<td>-0.95%</td>
</tr>
<tr>
<td>Nasdaq</td>
<td>USA</td>
<td>-1.01%</td>
</tr>
<tr>
<td>Euronext 100</td>
<td>EU</td>
<td>-1.37%</td>
</tr>
<tr>
<td>CAC 40 Index</td>
<td>France</td>
<td>-1.48%</td>
</tr>
<tr>
<td>RTS Index</td>
<td>Russia</td>
<td>-1.71%</td>
</tr>
<tr>
<td>Nikkei</td>
<td>Japan</td>
<td>-2.04%</td>
</tr>
<tr>
<td>DAX Index</td>
<td>Germany</td>
<td>-2.09%</td>
</tr>
<tr>
<td>KLSE</td>
<td>Malaysia</td>
<td>-2.54%</td>
</tr>
<tr>
<td>FTSE</td>
<td>UK</td>
<td>-3.14%</td>
</tr>
<tr>
<td>Dow Jones</td>
<td>USA</td>
<td>-4.45%</td>
</tr>
<tr>
<td>CNX Nifty Index</td>
<td>India</td>
<td>-4.71%</td>
</tr>
<tr>
<td>Strait Times</td>
<td>Singapore</td>
<td>-5.99%</td>
</tr>
<tr>
<td>Jakarta Composite Index</td>
<td>Indonesia</td>
<td>-9.01%</td>
</tr>
</tbody>
</table>

Source: ICRA

Amongst the sectors, the metals(13.11%), IT(7.64%), and technology(3.89%) were the key outperformers during the month. On the other hand, Capital Goods (-13.88%), Realty (-10.88%), and consumer durables (-10.33%) were at the lagging end of the performance during the August month.

### Other News

- **Q1FY14 GDP at a 4yr low of 4.4%**: GDP growth rate slid to 4.4% in Q1FY14 compared to 4.8% in previous quarter on account of dismal shows by the all three sectors.
- **Govt & RBI takes measures to defend currency**: Government & RBI took several measures like hike in import duty in gold & platinum from 8% to 10%, silver from 6% to 10%; cut amount local companies can invest overseas without approval from 400% of their networth to 100%; residents to remit $75K abroad vs 200K earlier; tightened gold import rules; provide dollars directly to state oil companies.
- **RBI increases rate of interest subvention**: RBI has decided to increase the rate of interest subvention on pre & post-shipment rupee export credit for certain employment-oriented export sectors from 2% to 3%.
- **RBI tightens hedging norms for FIIs**: RBI has restricted the ability of foreign funds to play in the offshore non-deliverable forward (NDF) market. FIIs will have to secure mandates from clients for hedging the underlying securities of sub-account investors and holders of participatory notes.
- **RBI hikes FDI cap in Asset Reconstruction Companies to 74%**: Reserve Bank hiked the limit for foreign investment in Asset Reconstruction Companies (ARCs) to 74% from the earlier cap of 49%.
- **July WPI at 5.8%**: The wholesale price index (WPI) rose an annual 5.8% in July, much higher than the consensus estimate of 5.0% and higher than 4.9% in previous month.
- **Manufacturing PMI up to 50.1 in July**: India’s overall manufacturing PMI index down to 50.1 in July from 50.3 in June, indicating a broad stagnation of manufacturing operating conditions.
- **July exports grew by 11.6%, trade deficit unchanged at $12.2bn**: India’s exports grew by 11.6% to $25.8 billion in July, while imports down by 6.2% to $38bn, leaving a trade deficit of $12.2bn.
- **June IIP slips to -2.2%**: The IIP came in at -2.2%, lower than the consensus estimate of -1.1% & better than -2.8% in the prev mth due to contraction in industrial production driven by consumer durable, capital good etc.
- **Monsoon rains 11% above avg in the month of Jun-Aug**: Cumulative rainfall was excess/normal in 31 and deficient/scanty in 5 out of 36 meteorological subdivisions with overall rainfall in country 11% above avg.
- **Core sector growth plummeted to 0.1% in June’13**: The slow growth came on the back of contraction in coal, crude oil, natural gas and electricity output with fertilizer being the only bright spot.
• **Forex reserves declined by $1.3bn**: Forex reserves declined by ~$1.3bn at US$277.7bn in Aug.

• **Money supply growth**: Money supply (M3) growth declined from 12.8% in July to 12.2% in Aug.

(Source: Internal Research)

**Market Outlook**

The long term outlook continues to remain positive for Indian equities. The government has continued with the diesel price hike policy and the fiscal deficit can be significantly reduced. The next event on the US calendar is the budget stand-off.

The Japanese bond market appears to have stabilized. The Japanese GDP came in below expectations, inspite of the depreciated currency. The stock market has also bounced back from bear market levels.

The depreciation of the rupee caught everyone by surprise. While the quantum of depreciation was in line with expectations of around 4-5% per annum (because of currency-interest rate arbitrage theory), the suddenness of the depreciation was what caused the surprise. The RBI has come out with few measures to curb speculation in currency market, which should help rupee to stabilize. However these measures can impact the economy adversely if continued for a longer period.

Rate cuts from the RBI are also difficult to expect now given the depreciation of the rupee. Having said that, we think that although the rate cut cycle may be elongated, the direction is still downward rather than upward. The RBI has continued with its liquidity removal policies, which will impact the short end of the yield curve.

**Debt Market View**

<table>
<thead>
<tr>
<th>Items</th>
<th>August 2013</th>
<th>July 2013</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reverse Repo</td>
<td>6.25%</td>
<td>6.25%</td>
<td>Nil</td>
</tr>
<tr>
<td>Repo</td>
<td>7.25%</td>
<td>7.25%</td>
<td>Nil</td>
</tr>
<tr>
<td>CRR</td>
<td>4%</td>
<td>4%</td>
<td>Nil</td>
</tr>
<tr>
<td>SLR</td>
<td>23%</td>
<td>23%</td>
<td>Nil</td>
</tr>
<tr>
<td>Mibor Overnight</td>
<td>10.28%</td>
<td>10.17%</td>
<td>11 bps</td>
</tr>
<tr>
<td>Call(O/N)</td>
<td>10.35%</td>
<td>9.79%</td>
<td>56 bps</td>
</tr>
<tr>
<td>1 yr T Bill</td>
<td>10.37%</td>
<td>10.77%</td>
<td>40 bps</td>
</tr>
<tr>
<td>10 G Sec</td>
<td>8.60%</td>
<td>8.17%</td>
<td>43 bps</td>
</tr>
<tr>
<td>USD/INR</td>
<td>66.57%</td>
<td>61.12%</td>
<td>5.45</td>
</tr>
</tbody>
</table>

Source: RBI; Icraonline

• Inflation continues to moderate

**Moderating Inflation**

**Inflation Position**

- The industrial inflation has slipped down to around 2% levels by July, and is expected to decline further in coming months.
- The inflation pressure on the economy is reducing, as evident from the adjoining chart. High base-effect, contracting industrial demand and reduced pricing power (in manu sector) are being attributed for this change.
- Having said that, the high divergence between WPI and CPI numbers continue. In parts, this is attributable to the inflationary pressure in the agri-sector (which may be witnessing relatively high money velocity). Moreover, the divergence between WPI and CPI may also reflect the infrastructural and supply bottlenecks which is dissuading rapid convergence of the two indices.

**Crude Oil & Rupee Pressure**

- Crude Oil prices are seeing major upswing as the improving US economic outlook and political uncertainty in the Middle-East, gives boost to the demand outlook and dampsen supply scenario.

- This has cast a structural pressure on the Indian Current account deficit which remains uncomfortably at around 4% of the GDP. To add to this, the QE3 tapering fears and the resultant FI outflows have seen the Rupee come under sizeable devaluation pressure in the recent months.

**Crude & Rupee Doldrum**

For this reason, in order to eliminate speculative carry trade in the forex market, RBI has had to adapt a hawkish stance by increasing the liquidity cost. This has led to hardening of the yields in the domestic debt market.

**Outlook**

The GDP growth for Q1-FY14 has moderated sharply to around 4.4% yoy. At that, the industrial pricing power has corroded sizably, and most of the production activity is at the risk of deflation. While the central banker has restrained the speculative volatility in the forex market, the downward pressure on the Rupee continues. We believe that a component of this is emanating from structural reasons, namely high current account deficit, which has its roots in sagging manufacturing competitiveness. For that reason, the argument for a more benign monetary policy seems to be growing. Having said that, the US Fed pronouncements on QE3 tapering outlook in its September meeting, would be a highly anticipated event. The market participants would keenly watch that event to get a better outlook on the forex market and the consequent course which the RBI may adapt.

**Gold Corner**

For the month, spot gold closed at $1392.70 per ounce, up $69 per ounce or 5.21%. The upward trend in the metal prices continued in August also after the precious metal bounced back in July with 7.31%. During the first week of the month, Gold fell below $1,300, as strong global economic data dented its safe-haven appeal and physical buying in top consumers India and China remained subdued. But later in the month Gold rose as the dollar’s drop boosted demand for an alternative investment. Also, during the month, Gold broke away from its 50 day moving average in convincing fashion, and breaking $1,340 per ounce horizontal resistance level.

The month of August witnessed the highest raise in gold prices in INR terms in CY 2013. Gold in rupee rose 16.23% during the month mainly due to depreciation in Rupee which dropped by 10.23%. Find below the movement of Gold INR, Gold USD, Rupee and USD in the month of August 2013.

Going forward, seasonal factors, especially the approaching festival season and associated rise in gold demand in India, continuing strong demand from China, and a pick-up in central-bank acquisitions, should contribute in increase in demand. Also unrest and uncertainty in the Middle East could easily build rise in safe-haven demand and possibly affecting world oil prices and supplies to gold’s advantage. Also The FOMC mid September meeting may affect the markets. If the Fed decides to taper QE3 this could result in gold resuming their downward trend and if the FOMC won’t start tapering its asset purchase program just yet, then in such a case, precious metals might slightly rise.

(Source: lbma.co.in, Bloomberg.com & Tradingmg.com)
**KOTAK OPPORTUNITIES**

An Open - Ended Equity Growth Scheme

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

**A) Non Direct Plan**

Direct Plan

Options: Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)

Trustee’s Discretion

Mr. Harsha Upadhyaya

Entry Load: Nil (applicable for all plans)

Exit Load:

i) For redemptions / switch outs (including SIP/STP) after 1 year of the date of allotment of units, irrespective of the amount of investment: 0.85%

ii) For redemptions / switch outs (including SIP/STP) after 1 year of the date of allotment of units, irrespective of the amount of investment: 0.85%

iii) Any exit load charged (net off Service Tax, if any) shall be credited back to the respective Scheme. (applicable for all plans) Bonus units and units issued on reinvestment of dividends shall not be subject to exit load (applicable for all plans)

Initial Investment:

Rs. 5000 and in multiples of Rs. 1 for purchase and for Re 0.01 for switches

Additional Investment:

Rs. 1000 & in multiples of Rs. 1

Ideal Investments Horizon: 3 years & above

AAUAM (in Crores) & Ratios

AAUAM as on June 30, 2013: A) Non Direct Plan: 719.67 B) Direct Plan: 2.00

Benchmark

CNX 500 Index

Inception Date

September 9, 2004

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**KOTAK 50**

An Open-Ended Equity Scheme

**Fund Details**

**Investment Objective**

To generate capital appreciation from a portfolio of predominantly equity and equity related securities. The portfolio will generally comprise of equity and equity related instruments of around 50 companies which may go up to 59 companies but will not exceed 59 at any point in time.

**Available Plans/ Options**

A) Non Direct Plan (a) Direct Plan

Options: Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)

**Dividend Frequency**

Trustee’s Discretion

**Fund Managers**

Mr. Pradip Kumar

**Load Structure**

Entry Load: Nil (applicable for all plans)

**Exit Load:**

i) For redemptions / switch outs (including SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment: 0.57%

ii) For redemptions / switch outs (including SIP/STP) after 1 year from the date of allotment of units, irrespective of the amount of investment: 0.57%

iii) Any exit load charged (net off Service Tax, if any) shall be credited back to the respective Scheme. (applicable for all plans) Bonus units and units issued on reinvestment of dividends shall not be subject to exit load (applicable for all plans)

**Minimum Investment Amount**

Rs. 5000 and in multiples of Rs. 1

---

**Portfolio**

**Issuer/Instrument**

<table>
<thead>
<tr>
<th>Industry/Rating</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliance Industries Ltd.</td>
<td>8.56%</td>
</tr>
<tr>
<td>Infosys Ltd</td>
<td>7.17%</td>
</tr>
<tr>
<td>ICICI Bank Ltd.</td>
<td>7.04%</td>
</tr>
<tr>
<td>ITC Ltd.</td>
<td>6.04%</td>
</tr>
<tr>
<td>HDFC Bank Ltd.</td>
<td>5.20%</td>
</tr>
<tr>
<td>Bharti Airtel Ltd.</td>
<td>4.98%</td>
</tr>
<tr>
<td>HCL Technologies Ltd.</td>
<td>3.82%</td>
</tr>
<tr>
<td>Larsen And Toubro Ltd.</td>
<td>3.75%</td>
</tr>
<tr>
<td>State Bank of India</td>
<td>3.78%</td>
</tr>
<tr>
<td>Tata Consultancy Services Ltd.</td>
<td>2.91%</td>
</tr>
<tr>
<td>Others</td>
<td>43.11%</td>
</tr>
</tbody>
</table>

**Listed/Awaiting listing on Stock Exchange - Total**

95.85%

**Hedging Positions through Futures as on 31st August, 2013**

0.64%

**Collateral Borrowing & Lending obligation**

3.02%

**Net Current Assets/(Liabilities)**

0.45%

**Grand Total**

100%

This product is suitable for investors who are seeking:

- Long term capital growth
- Investment in portfolio of predominantly equity & equity related securities
- Medium risk (Brown)

* Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

Notes:

For the period ended 31st August, 2013 other than hedging transactions through futures which have been squared off/expired are as follows:

Total Number of contracts where futures were bought 188. Total number of contracts where futures were sold 186. Gross National Value of contracts where futures were bought Rs. 498.49 lacs, Gross National Value of contracts where futures were sold Rs. 398.89 lacs and Net profit/(loss) value on all these contracts combined Rs. (92.91) lacs

**Sector Allocation**

- **Oil**
  - CBL& Term Deposits & Rev. Repo: 2.87%
  - Petro Oil & Gas: 3.02%
  - Minerals/Mining: 4.59%
  - Telecom - Services: 6.38%
  - Pharmaceuticals: 6.4%
  - Consumer Non Durables: 8.16%
  - Other Oil: 11%
  - Software: 15.21%
  - Banks: 24.91%

**Media and Entertainment**

- 3.53%

**Telecom - Services**

- 7.75%
**KOTAK MID-CAP**

**An Open - Ended Equity Growth Scheme**

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

A) Non Direct Plan B) Direct Plan

**Options:** Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)

**Trustee’s Discretion**

Mr. Pankaj Tibrewal

**Entry Load:** Nil (applicable for all plans)

**Exit Load:**
- For redemptions / switch outs (including SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment: Nil
- For redemptions / switch outs (including SIP/STP) after 1 year from the date of allotment of units, irrespective of the amount of investment: Nil

**Additional Information:**
- Investment of Rs 10,000/- investment made at inception.
- Ideal Investments Horizon: 3 years & above
- Exit Load: Nil. (applicable for all plans)

**Initial Investment:** Rs. 500 & in multiples of Rs. 500

**Minimum Investment Amount:**

<table>
<thead>
<tr>
<th>Date</th>
<th>Scheme</th>
<th>AAUM (%)</th>
<th>AUM (%)</th>
<th>Current Value of Standard Rs 1000 in the Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun 30, '13</td>
<td>Rs. 16.2510</td>
<td>100.00</td>
<td>100.00</td>
<td>1000.00</td>
</tr>
<tr>
<td>Jun 30, '11</td>
<td>Rs. 16.0910</td>
<td>99.98</td>
<td>99.98</td>
<td>999.88</td>
</tr>
<tr>
<td>Jun 30, '10</td>
<td>Rs. 15.9760</td>
<td>99.97</td>
<td>99.97</td>
<td>999.78</td>
</tr>
<tr>
<td>Jun 30, '09</td>
<td>Rs. 15.8410</td>
<td>99.96</td>
<td>99.96</td>
<td>999.68</td>
</tr>
<tr>
<td>Jun 30, '08</td>
<td>Rs. 15.6910</td>
<td>99.95</td>
<td>99.95</td>
<td>999.59</td>
</tr>
<tr>
<td>Jun 30, '07</td>
<td>Rs. 15.5010</td>
<td>99.94</td>
<td>99.94</td>
<td>999.49</td>
</tr>
<tr>
<td>Jun 30, '06</td>
<td>Rs. 15.3010</td>
<td>99.93</td>
<td>99.93</td>
<td>999.39</td>
</tr>
<tr>
<td>Jun 30, '05</td>
<td>Rs. 15.0910</td>
<td>99.92</td>
<td>99.92</td>
<td>999.29</td>
</tr>
<tr>
<td>Nov 23, 2005</td>
<td>Rs. 14.8510</td>
<td>99.91</td>
<td>99.91</td>
<td>999.19</td>
</tr>
</tbody>
</table>

**Portfolio**

<table>
<thead>
<tr>
<th>Equity &amp; Equity related (Listed/Awaiting listing on Stock Exchange)</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infosys Ltd. Software</td>
<td>7.44%</td>
</tr>
<tr>
<td>CICI Bank Ltd.</td>
<td>5.80%</td>
</tr>
<tr>
<td>Reliance Industries Ltd. Petroleum Products</td>
<td>5.30%</td>
</tr>
<tr>
<td>TCS Ltd.</td>
<td>5.27%</td>
</tr>
<tr>
<td>HDFC Bank Ltd.</td>
<td>5.12%</td>
</tr>
<tr>
<td>Tata Consultancy Services Ltd. Software</td>
<td>4.47%</td>
</tr>
<tr>
<td>HDFC Ltd.</td>
<td>2.99%</td>
</tr>
<tr>
<td>Whitbread of India Ltd. Consumer Durables</td>
<td>2.90%</td>
</tr>
<tr>
<td>Bharat Airtel Ltd. Telecom - Services</td>
<td>2.27%</td>
</tr>
<tr>
<td>State Bank of India Banks</td>
<td>2.25%</td>
</tr>
<tr>
<td>Others</td>
<td>54.61%</td>
</tr>
</tbody>
</table>

**Total Listed/Awaiting Listing on Stock Exchange - Total:**

| 99.99% |

**Grand Total**

| 100.00% |

**This product is suitable for investors who are seeking:**

- Long term capital growth with a 3 year lock in
- Investment in a portfolio of predominantly equity & equity related securities.
- High risk (BROWN)

**Notes:**

- Total NPAs provided for and percentage to NAV: Nil
- Total value and percentage to Net Asset of Liquid Equity Shares: Nil

**Sector Allocation**

| Cement                  | 3.22%          |
| Textile Products        | 3.31%          |
| Oil                     | 3.38%          |
| Finance                 | 3.42%          |
| Media and Entertainment  | 5.31%          |
| Consumer Non Durables   | 7.06%          |
| Industrial Products     | 7.01%          |
| Pharmaceuticals         | 7.51%          |
| Software                | 15.43%         |
| Banks                   | 21.32%         |
| Others                  | 22.93%         |

**KOTAK TAX SAVER**

**An Open-Ended Equity Linked Saving Scheme**

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.

**Investment Objective**

To generate 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 Plans/Options**

A) Non Direct Plan B) Direct Plan

**Options:** Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)

**Trustee’s Discretion**

Mr. Pankaj Tibrewal

**Entry Load:** Nil (applicable for all plans)

**Exit Load:** Exit Load is not applicable for Kotak Tax Saver Scheme.

**Additional Information:**
- Investment of Rs 500 & in multiples of Rs. 500
- Ideal Investments Horizon: 3 years & above
- Exit Load: Nil. (applicable for all plans)

**Initial Investment:** Rs. 500 & in multiples of Rs. 1 for purchase and for Rs 0.01 for switches

**Performance**

<table>
<thead>
<tr>
<th>Date</th>
<th>Scheme</th>
<th>AAUM (%)</th>
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<th>Current Value of Standard Rs 1000 in the Scheme</th>
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<td>Jun 30, '11</td>
<td>Rs. 16.0910</td>
<td>99.98</td>
<td>99.98</td>
<td>999.88</td>
</tr>
<tr>
<td>Jun 30, '10</td>
<td>Rs. 15.9760</td>
<td>99.97</td>
<td>99.97</td>
<td>999.78</td>
</tr>
<tr>
<td>Jun 30, '09</td>
<td>Rs. 15.8410</td>
<td>99.96</td>
<td>99.96</td>
<td>999.68</td>
</tr>
<tr>
<td>Jun 30, '08</td>
<td>Rs. 15.6910</td>
<td>99.95</td>
<td>99.95</td>
<td>999.59</td>
</tr>
<tr>
<td>Jun 30, '07</td>
<td>Rs. 15.5010</td>
<td>99.94</td>
<td>99.94</td>
<td>999.49</td>
</tr>
<tr>
<td>Jun 30, '06</td>
<td>Rs. 15.3010</td>
<td>99.93</td>
<td>99.93</td>
<td>999.39</td>
</tr>
<tr>
<td>Nov 23, 2005</td>
<td>Rs. 14.8510</td>
<td>99.91</td>
<td>99.91</td>
<td>999.19</td>
</tr>
</tbody>
</table>

**Portfolio**

<table>
<thead>
<tr>
<th>Equity &amp; Equity related (Listed/Awaiting listing on Stock Exchange)</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infosys Ltd. Software</td>
<td>7.44%</td>
</tr>
<tr>
<td>CICI Bank Ltd.</td>
<td>5.80%</td>
</tr>
<tr>
<td>Reliance Industries Ltd. Petroleum Products</td>
<td>5.30%</td>
</tr>
<tr>
<td>TCS Ltd.</td>
<td>5.27%</td>
</tr>
<tr>
<td>HDFC Bank Ltd.</td>
<td>5.12%</td>
</tr>
<tr>
<td>Tata Consultancy Services Ltd. Software</td>
<td>4.47%</td>
</tr>
<tr>
<td>HDFC Ltd.</td>
<td>2.99%</td>
</tr>
<tr>
<td>Whitbread of India Ltd. Consumer Durables</td>
<td>2.90%</td>
</tr>
<tr>
<td>Bharat Airtel Ltd. Telecom - Services</td>
<td>2.27%</td>
</tr>
<tr>
<td>State Bank of India Banks</td>
<td>2.25%</td>
</tr>
<tr>
<td>Others</td>
<td>54.61%</td>
</tr>
</tbody>
</table>

**Total Listed/Awaiting Listing on Stock Exchange - Total:**

| 99.99% |

**Grand Total**

| 100.00% |

**This product is suitable for investors who are seeking:**

- Long term capital growth
- Investment in equity & equity related securities predominantly in mid cap stocks.
- High risk (BROWN)

**Notes:**

- Term Deposit as provided above is towards margin for derivatives transactions
**KOTAK CLASSIC EQUITY**

An Open - Ended Equity Growth Scheme

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

A) Non Direct Plan

Options: Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)

Trustee’s Discretion

Mr. Emmanuel Elango

Entry Load: Nil. (applicable for all plans)

Exit Load:

i) For redemptions / switches (excluding SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment: 1%

ii) For redemptions / switches (including SIP/STP) after 1 year from the date of allotment of units, irrespective of the amount of investment: Nil

iii) Any exit load charged on exit from Service Tax, if any, shall be credited back to the respective Scheme. (applicable for all plans)

Bonus units and units issued on reinvestment of dividends shall not be subject to exit load (applicable for all plans)

Initial Investment: Rs. 500 and in multiples of Rs. 1 for purchase and for Rs. 0.01 for switches

Additional Investment: Rs. 1000 & in multiples of Rs. 1

Minimum Investment Amount

3 years & above

AAUM as on June 30, 2013: A) Non Direct Plan: 74.77 B) Direct Plan: 0.13

Ratios: Portfolio Turnover: 17.01% Beta: 0.84 Sharpe*: -0.23 Alpha*: -2.14


CNX 500 Index

July 25, 2005

---

**KOTAK BALANCE**

An Open-Ended Balanced Scheme

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

A) Non Direct Plan I) Direct Plan

Options: Dividend Payout, Dividend Reinvestment (applicable for all plans)

Half Yearly (25th of Mar/Sep)

Entry Load: Nil. (applicable for all plans)

Exit Load:

i) For redemptions / switches (excluding SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment: 1%

ii) For redemptions / switches (including SIP/STP) after 1 year from the date of allotment of units, irrespective of the amount of investment: Nil

iii) Any exit load charged on exit from Service Tax, if any, shall be credited back to the respective Scheme. (applicable for all plans)

Bonus units and units issued on reinvestment of dividends shall not be subject to exit load (applicable for all plans)

Initial Investment: Rs. 500 and in multiples of Rs. 1 for purchase and for Rs. 0.01 for switches

Additional Investment: Rs. 1000 & in multiples of Rs. 1

Minimum Investment Amount

3 years & above

AAUM as on June 30, 2013: A) Non Direct Plan: 101.44 B) Direct Plan: 0.23

Ratios: Portfolio Turnover: 85.94% Beta: 0.81 Sharpe*: -0.12 Alpha*: 0.09

Standard Deviation*: 12.09 " Source: Value Research.

Crisl Balanced Fund Index

November 25, 1999

---

**Performance as on June 28, 2013**

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal will be at</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 28, '13</td>
<td>High risk (Brown)</td>
</tr>
<tr>
<td>June 29, '13</td>
<td>Medium risk (Yellow)</td>
</tr>
<tr>
<td>June 30, '13</td>
<td>Low risk (Blue)</td>
</tr>
</tbody>
</table>

---

**Portfolio**

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

<table>
<thead>
<tr>
<th>Company</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infosys Ltd</td>
<td>5.65</td>
</tr>
<tr>
<td>ICICI Bank Ltd</td>
<td>4.23</td>
</tr>
<tr>
<td>HDFC Bank Ltd</td>
<td>3.06</td>
</tr>
<tr>
<td>IDBI Bank Ltd</td>
<td>3.00</td>
</tr>
<tr>
<td>Tata Consultancy Services Ltd</td>
<td>2.38</td>
</tr>
<tr>
<td>NMDC Ltd</td>
<td>2.81</td>
</tr>
<tr>
<td>HCL Technologies Ltd</td>
<td>2.65</td>
</tr>
<tr>
<td>Reliance Industries Ltd</td>
<td>2.43</td>
</tr>
<tr>
<td>ITC Ltd</td>
<td>2.36</td>
</tr>
<tr>
<td>National Thermal Power Corp Ltd</td>
<td>2.30</td>
</tr>
</tbody>
</table>

Total % to Net Assets: 60.31

### Corporate Debt/Financial Institutions - Total

Total % to Net Assets: 22.25

### Government Debt Securities - Total

Total % to Net Assets: 12.11

### Term Deposits - Total

Total % to Net Assets: 3.97

### Collateral Borrowing & Lending obligation

Total % to Net Assets: 9.34%

### Net Current Assets/Liabilities

Total % to Net Assets: 53.63

Grand Total

100.00%

---

**Notes:**

- **Blue** investors understand that their principal will be at high risk
- **Yellow investors** understand that their principal will be at medium risk
- **Brown** investors understand that their principal will be at low risk

---

**Sector Allocation**

<table>
<thead>
<tr>
<th>Sector</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals/Mining</td>
<td>2.81</td>
</tr>
<tr>
<td>Petroleum Products</td>
<td>2.58</td>
</tr>
<tr>
<td>Chemicals/Pharmaceuticals</td>
<td>6.26</td>
</tr>
<tr>
<td>Debentures &amp; Bonds</td>
<td>5.44</td>
</tr>
<tr>
<td>Food &amp; Beverages</td>
<td>7.95</td>
</tr>
<tr>
<td>Consumer Non Durables</td>
<td>11.31</td>
</tr>
<tr>
<td>Software</td>
<td>12.34</td>
</tr>
<tr>
<td>Software</td>
<td>13.47</td>
</tr>
<tr>
<td>Government Dated Securities</td>
<td>15.47</td>
</tr>
<tr>
<td>Others</td>
<td>15.27</td>
</tr>
</tbody>
</table>

---

**Additional**

- Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

---

**Risk:**

- Long term capital growth
- Investment in equity & equity related securities
- ©2013 Investors Group

---

**Risk:**

- High risk (Brown)
- Low risk (Blue)
- Medium risk (Yellow)

---

**Distribution:**

- Direct: Rs. 10,476 (Dividend Option), Rs. 19,542 (Direct Option)
- Retail: Acts of 2001

---

**Issuer/Investment**

<table>
<thead>
<tr>
<th>Scheme Name</th>
<th>Portfolio</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>KOTAK BALANCE</td>
<td>Equity &amp; Equity related</td>
<td>5.65</td>
</tr>
<tr>
<td></td>
<td>Corporate Debt/Financial Institutions</td>
<td>2.25</td>
</tr>
<tr>
<td></td>
<td>Government Debt Securities</td>
<td>12.11</td>
</tr>
<tr>
<td></td>
<td>Term Deposits</td>
<td>3.97</td>
</tr>
<tr>
<td></td>
<td>Collateral Borrowing &amp; Lending obligation</td>
<td>9.34</td>
</tr>
<tr>
<td></td>
<td>Net Current Assets/Liabilities</td>
<td>53.63</td>
</tr>
<tr>
<td></td>
<td>Grand Total</td>
<td>100.00</td>
</tr>
</tbody>
</table>

---

**Notes:**

- Term Deposit as provided above is towards margin for derivatives transactions
- Total number of contracts where futures were bought 444. Total number of contracts where futures were sold 314

---

**Issuer/Investment**

<table>
<thead>
<tr>
<th>Scheme Name</th>
<th>Portfolio</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>KOTAK EQUITY</td>
<td>Equity &amp; Equity related</td>
<td>5.90</td>
</tr>
<tr>
<td></td>
<td>Corporate Debt/Financial Institutions</td>
<td>2.67</td>
</tr>
<tr>
<td></td>
<td>Government Debt Securities</td>
<td>12.36</td>
</tr>
<tr>
<td></td>
<td>Term Deposits</td>
<td>3.03</td>
</tr>
<tr>
<td></td>
<td>Collateral Borrowing &amp; Lending obligation</td>
<td>5.30</td>
</tr>
<tr>
<td></td>
<td>Net Current Assets/Liabilities</td>
<td>5.02</td>
</tr>
<tr>
<td></td>
<td>Grand Total</td>
<td>100.00</td>
</tr>
</tbody>
</table>

---

**Notes:**

- Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

---

**Risk:**

- Low risk (Blue)
- Medium risk (Yellow)
- High risk (Brown)
The investment objective of the scheme is to generate long-term capital appreciation from a portfolio of equity and equity related securities, generally focused on a few selected sectors.

Performance as on:
- Jun 30, '11
- Jun 30, '12
- Jun 30, '13

Initial Investment: Rs. 5000 and in multiples of Re. 1, irrespective of the amount of investment: 1%

Exit Load:
- i) For redemptions / switch outs (including SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment: 1%
- ii) For redemptions / switch outs (including SIP/STP) after 1 year from the date of allotment of units, irrespective of the amount of investment: 1%
- iii) Any exit load charged (net of Service Tax, if any) shall be credited back to the respective scheme.

Net Current Assets/(Liabilities) 0.23%
Collateral Borrowing & Lending obligation 2.75%

Portfolio:
- Sun Pharmaceuticals Industries Ltd. Pharmaceuticals 3.40%
- Idea Cellular Ltd. Telecom - Services 3.84%
- Reliance Industries Ltd. Petroleum Products 5.87%
- HDFC Top 200 Fund Equity Schemes 17.66%
- Birla Sunlife Frontline Equity Equity Schemes 19.50%
- Kotak Opportunities Equity Schemes 21.47%

Mutual Fund Units - Total 99.75%
Net Current Assets/(Liabilities) 0.25%
Grand Total 100.00%

This product is suitable for investors who are seeking:
- Long term capital growth
- Investment in predominantly in open-ended diversified equity schemes of mutual funds registered with SEBI*
- High risk (Brown)
### KOTAK GLOBAL EMERGING MARKET FUND

#### Scheme Details

**Scheme Name:** KOTAK GLOBAL EMERGING MARKET FUND

**Type:** An Open-Ended Equity Scheme

**Objective:** The investment objective of the scheme is to generate long-term capital appreciation by investing in a diversified portfolio of securities in global emerging markets.

**Inception Date:** June 28, 2013

**Portfolio:**

<table>
<thead>
<tr>
<th>Issuer/Instrument</th>
<th>Industry/Rating</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>MGF ASIAN SMALL EQUITY FUND</td>
<td>Overseas Mutual Fund</td>
<td>43.17%</td>
</tr>
<tr>
<td>CLASS II</td>
<td>Indian Companies</td>
<td>34.13%</td>
</tr>
<tr>
<td>iShares MSCI Emerging Markets ETF</td>
<td>Overseas Mutual Fund</td>
<td>18.33%</td>
</tr>
<tr>
<td>T Rowe Global Emerging Markets Equity A USD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Listed/Awaiting Listing on Stock Exchange - Total</td>
<td>Mutual Fund Units - Total</td>
<td>95.67%</td>
</tr>
<tr>
<td>Collateral Borrowing &amp; Lending Obligation</td>
<td></td>
<td>4.11%</td>
</tr>
<tr>
<td>Net Current Assets/(Liabilities)</td>
<td></td>
<td>0.22%</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td>100.00%</td>
</tr>
</tbody>
</table>

#### Performance

<table>
<thead>
<tr>
<th>Performance as on June 28, 2013</th>
<th>Scheme Returns (%)</th>
<th>MSCI Emerging Market Index (%)</th>
<th>Benchmark</th>
<th>Net Current Assets/(Liabilities)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs. 12,4790 (Direct Dividend Option), Rs. 12,4800 (Direct Growth Option), Rs. 12,5070 (Direct Dividend Option), N.A. stands for data not available. Note: Point to Point (PTP) Returns in INR show the value of Rs. 10,000 investment made at inception. Source: ICRA MFI Explorer # Name of Scheme Benchmark. Rate of Investment (applied for all plans). N.A. stands for data not available. Note: Point to Point (PTP) Returns in INR show the value of Rs. 10,000 investment made at inception. Source: ICRA MFI Explorer # Name of Scheme Benchmark. N.A. stands for data not available. N.A. stands for data not available. Note: Point to Point (PTP) Returns in INR show the value of Rs. 10,000 investment made at inception. Source: ICRA MFI Explorer # Name of Scheme Benchmark. * Past performance may or may not be sustained in the future. All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Returns &lt;= 1 year: Absolute; Returns &gt; 1 year: CAGR (Compounded Annual Growth Rate).</td>
<td>Rs. 12,5480 (Direct Dividend Option), Rs. 12,5440 (Direct Growth Option), Rs. 12,5470 (Direct Dividend Option), N.A. stands for data not available. Note: Point to Point (PTP) Returns in INR show the value of Rs. 10,000 investment made at inception. Source: ICRA MFI Explorer # Name of Scheme Benchmark. N.A. stands for data not available. N.A. stands for data not available. Note: Point to Point (PTP) Returns in INR show the value of Rs. 10,000 investment made at inception. Source: ICRA MFI Explorer # Name of Scheme Benchmark. * Past performance may or may not be sustained in the future. All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Returns &lt;= 1 year: Absolute; Returns &gt; 1 year: CAGR (Compounded Annual Growth Rate).</td>
<td>Rs. 1000 &amp; in multiples of Re. 1</td>
<td>Rs. 1000 &amp; in multiples of Re. 1</td>
<td></td>
</tr>
</tbody>
</table>

#### Notes

- Total NPAs provided for and percentage to NAV: Nil
- Total value and percentage to Net Asset of Liquid Equity Shares: Nil

---

### KOTAK EMERGING EQUITY

#### Scheme Details

**Scheme Name:** KOTAK EMERGING EQUITY

**Type:** An Open - Ended Equity Growth Scheme

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

**Inception Date:** March 30, 2007

**Portfolio:**

<table>
<thead>
<tr>
<th>Issuer/Instrument</th>
<th>Industry/Rating</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bayer CropScience Ltd</td>
<td>Media and Entertainment</td>
<td>7.76%</td>
</tr>
<tr>
<td>GML Ltd</td>
<td>Textile Products</td>
<td>4.11%</td>
</tr>
<tr>
<td>Bank of Baroda</td>
<td>Software</td>
<td>3.92%</td>
</tr>
<tr>
<td>Reserve Bank of India</td>
<td>Software</td>
<td>3.85%</td>
</tr>
<tr>
<td>Canara Bank</td>
<td>Software</td>
<td>3.80%</td>
</tr>
<tr>
<td>Federal Bank Ltd</td>
<td>Software</td>
<td>3.76%</td>
</tr>
<tr>
<td>Retail Enterprises Ltd</td>
<td>Software</td>
<td>3.65%</td>
</tr>
<tr>
<td>Videocon Industries Ltd</td>
<td>Software</td>
<td>3.63%</td>
</tr>
<tr>
<td>Bajaj Finance Ltd</td>
<td>Software</td>
<td>3.55%</td>
</tr>
<tr>
<td>ICICI Bank</td>
<td>Software</td>
<td>3.52%</td>
</tr>
<tr>
<td>Bharti Airtel Ltd</td>
<td>Software</td>
<td>3.41%</td>
</tr>
<tr>
<td>Bharti Infratel Ltd</td>
<td>Software</td>
<td>3.33%</td>
</tr>
<tr>
<td>Aditya Birla Financial Services Ltd</td>
<td>Software</td>
<td>3.19%</td>
</tr>
<tr>
<td>Axis Bank</td>
<td>Software</td>
<td>3.18%</td>
</tr>
<tr>
<td>HCL Technologies Ltd</td>
<td>Software</td>
<td>3.16%</td>
</tr>
<tr>
<td>Deepali Finance Ltd</td>
<td>Software</td>
<td>3.15%</td>
</tr>
<tr>
<td>IDBI Bank</td>
<td>Software</td>
<td>3.14%</td>
</tr>
<tr>
<td>Hike Software Pvt Ltd</td>
<td>Software</td>
<td>3.13%</td>
</tr>
<tr>
<td>National Seeds Ltd</td>
<td>Software</td>
<td>3.12%</td>
</tr>
<tr>
<td>SBI</td>
<td>Software</td>
<td>3.11%</td>
</tr>
</tbody>
</table>

#### Performance

<table>
<thead>
<tr>
<th>Scheme Returns (%)</th>
<th>MSCI Emerging Market Index (%)</th>
<th>Benchmark</th>
<th>Net Current Assets/(Liabilities)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs. 12,5480 (Direct Dividend Option), Rs. 12,5440 (Direct Growth Option), Rs. 12,5470 (Direct Dividend Option), N.A. stands for data not available. Note: Point to Point (PTP) Returns in INR show the value of Rs. 10,000 investment made at inception. Source: ICRA MFI Explorer # Name of Scheme Benchmark. N.A. stands for data not available. N.A. stands for data not available. Note: Point to Point (PTP) Returns in INR show the value of Rs. 10,000 investment made at inception. Source: ICRA MFI Explorer # Name of Scheme Benchmark. * Past performance may or may not be sustained in the future. All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Returns &lt;= 1 year: Absolute; Returns &gt; 1 year: CAGR (Compounded Annual Growth Rate).</td>
<td>Rs. 1000 &amp; in multiples of Re. 1</td>
<td>Rs. 1000 &amp; in multiples of Re. 1</td>
<td></td>
</tr>
</tbody>
</table>

#### Notes

- This product is suitable for investors who are seeking: Long term capital growth
- High risk (Brown)

---

---

#### Sector Allocation

<table>
<thead>
<tr>
<th>Sector</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBO &amp; Term Deposits &amp; Rev.Repo</td>
<td>4.11</td>
</tr>
<tr>
<td>Other</td>
<td>0.22</td>
</tr>
</tbody>
</table>

---

---

#### Load Structure

- Mr. Abhishek Bisen
- Mr. Deepak Gupta
- Mr. Pankaj Tibrewal

#### Benchmark

- MSCI Emerging Market Index

#### Load Structure

- Mr. Abhishek Bisen
- Mr. Deepak Gupta
- Mr. Pankaj Tibrewal

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### Additional Information

- **Entry Load:** Nil (applicable for all plans).
- **Exit Load:** (i) For exit within 1 year from the date of allotment of units: 1%. (ii) For exit after 1 year from the date of allotment of units: Nil (iii) Any exit load charged (net of Service Tax, if any) shall be credited back to the Scheme.

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### Terms & Conditions

- **Bonus:** Bonus units and units issued on reinvestment of dividends shall not be subject to exit load (applicable for all plans).

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### Valuation

- **Kotak Emerging Equity NAV as on June 28, 2013:** Rs. 12.5480 (Direct Dividend Option), Rs. 12.5440 (Direct Growth Option), Rs. 12.5470 (Direct Dividend Option), N.A. stands for data not available. Note: Point to Point (PTP) Returns in INR show the value of Rs. 10,000 investment made at inception. Source: ICRA MFI Explorer # Name of Scheme Benchmark. N.A. stands for data not available. N.A. stands for data not available. Note: Point to Point (PTP) Returns in INR show the value of Rs. 10,000 investment made at inception. Source: ICRA MFI Explorer # Name of Scheme Benchmark. * Past performance may or may not be sustained in the future. All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Returns <= 1 year: Absolute; Returns > 1 year: CAGR (Compounded Annual Growth Rate).

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### Downloadable Files

- **Fund Factsheet:** Available for download.
- **Annual Report:** Available for download.
- **Quarterly Update:** Available for download.
- **Others:** Available for download.
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.

<table>
<thead>
<tr>
<th>Investment Objective</th>
<th>Scheme Name</th>
<th>KOTAK EQUITY ARBITRAGE</th>
<th>An Open - Ended Equity Growth Scheme</th>
</tr>
</thead>
</table>

### Fund Details

- **Investment Objective**: A) Non Direct Plan, B) Direct Plan
- **Load Structure**: Entry Load: Nil (applicable for all plans)
- **Minimum Investment Amount**: Initial Investment: Rs. 5000 and in multiples of Rs1
- **AAUM (In Crores) & Ratios**: AAUM as on June 30, 2013: A) Non Direct Plan: 259.71, B) Direct Plan: 41.26
- **Benchmark**: CRISIL Liquid Fund Index
- **Inception Date**: September 29, 2005

### Performance

#### Performance as on June 29, 2013

<table>
<thead>
<tr>
<th>Date</th>
<th>Equity Arbitrage Fund - Growth</th>
<th>Scheme Returns (%)</th>
<th>Crisil Liquid Fund Index (%)</th>
<th>CNX Nifty # (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ June 29, 2013 and June 30, 2013 being non working days</td>
<td>Since inception to Jun 28, '13</td>
<td>7.05</td>
<td>6.93</td>
<td>10.95</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Equity Arbitrage Fund - Growth</th>
<th>Scheme Returns (%)</th>
<th>Crisil Liquid Fund Index (%)</th>
<th>CNX Nifty # (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ June 29, 2013 and June 30, 2013 being non working days</td>
<td>Jun 30, '12 to Jun 30, '13</td>
<td>8.93</td>
<td>8.14</td>
<td>10.57</td>
</tr>
<tr>
<td>$ June 29, 2013 and June 30, 2013 being non working days</td>
<td>Jun 30, '12 to Jun 30, '13</td>
<td>8.82</td>
<td>8.70</td>
<td>-6.53</td>
</tr>
<tr>
<td>$ June 29, 2013 and June 30, 2013 being non working days</td>
<td>Jun 30, '11 to Jun 30, '11</td>
<td>8.12</td>
<td>7.18</td>
<td>6.30</td>
</tr>
</tbody>
</table>

Kotak EQUITY ARBITRAGE NAV as on June 29, 2013: $ 10.70 (Dividend Option), $ 17.70 (Growth Option), $ 7.7346 (Direct Growth Option), $ 7.7290 (Direct Dividend Option)

### Portfolio

<table>
<thead>
<tr>
<th>Issue/Instrument</th>
<th>Industry/Rating</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Spirits Ltd.</td>
<td>Consumer Non Durables</td>
<td>7.06%</td>
</tr>
<tr>
<td>Yes Bank Ltd.</td>
<td>Banks</td>
<td>6.81%</td>
</tr>
<tr>
<td>Tata Motors Ltd. - DVR</td>
<td>Auto</td>
<td>6.49%</td>
</tr>
<tr>
<td>Power Finance Corp. Ltd.</td>
<td>Finance</td>
<td>3.77%</td>
</tr>
<tr>
<td>IDFC Limited</td>
<td>Finance</td>
<td>2.85%</td>
</tr>
<tr>
<td>Apollo Tyres Ltd.</td>
<td>Auto Ancillaries</td>
<td>2.59%</td>
</tr>
<tr>
<td>Aurobindo Pharma Ltd.</td>
<td>Pharmaceuticals</td>
<td>2.26%</td>
</tr>
<tr>
<td>Jaiprakash Associates Ltd.</td>
<td>Cement</td>
<td>2.23%</td>
</tr>
<tr>
<td>Jindal Steel &amp; Power Ltd.</td>
<td>Ferrous Metals</td>
<td>2.14%</td>
</tr>
<tr>
<td>RainBay Labs Limited</td>
<td>Pharmaceuticals</td>
<td>2.12%</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>25.23%</td>
</tr>
<tr>
<td>Listed/Awaiting on Stock Exchange - Total</td>
<td>63.29%</td>
<td></td>
</tr>
<tr>
<td>Public Sector Undertakings - Total</td>
<td>1.29%</td>
<td></td>
</tr>
<tr>
<td>Corporate Debt/Financial Institutions - Total</td>
<td>7.14%</td>
<td></td>
</tr>
<tr>
<td>Public Sector Undertakings - Total</td>
<td>2.70%</td>
<td></td>
</tr>
<tr>
<td>Treasury Bills - Total</td>
<td>4.50%</td>
<td></td>
</tr>
<tr>
<td>Term Deposits - Total</td>
<td>18.57%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>1.35%</td>
</tr>
<tr>
<td>Gross Total</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

This product is suitable for investors who are seeking: *Income from arbitrage opportunities in the equity market*
*Investment in arbitrage opportunities in the cash & derivatives segment of the equity market*
*Low risk norms* 

### Hedging Positions through Futures as on 31st August, 2013

#### Underlying

- **Name of the Scheme**: Benchmark
- **Name of the Additional Benchmark**: Past performance may or may not be sustained in future.
- **Returns**: Returns <= 1 year: CAGR (Compounded Annualised Growth Rate).

### Sector Allocation

- **Auto Ancillaries**: 2.82%
- **Ferrous Metals**: 3.67%
- **Treasury Bills**: 4.5%
- **Pharmaceuticals**: 4.52%
- **Auto**: 6.6%
- **Consumer Non Durables**: 7.94%
- **Finance**: 8.13%
- **Commercial Paper**: 9.84%
- **CBLO & Term Deposits & Rev.Repo**: 13.47%
- **Others**: 19.48%

**Total NAV of existing assets hedged through futures**: (-44.01)

Think Investments. Think Kotak.
### DEBT FUNDS

#### An Open - Ended Debt Scheme

**KOTAK BANKING AND PSU DEBT FUND**

Earlier known as Kotak Mahindra Gilt Savings Scheme – 98 – Savings Plan, Scheme has been converted to Kotak Banking and PSU Debt Fund as on August 14, 2013.

To generate income by predominantly investing in debt & money market securities issued by Banks & PSUs and Reverse repos in such securities, sovereign securities issued by the Central Government and other Governments, and/or any security unconditionally guaranteed by the Govt. of India.

**Portfolio**

<table>
<thead>
<tr>
<th>Issuer/Instrument</th>
<th>Industry/Rating</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Holdings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dena Bank</td>
<td>CRISIL A+</td>
<td>13.60%</td>
</tr>
<tr>
<td>Central Bank Of India</td>
<td>CRISIL A+</td>
<td>13.59%</td>
</tr>
<tr>
<td>Union Bank Of India</td>
<td>CRISIL A+</td>
<td>13.59%</td>
</tr>
<tr>
<td>State Bank of Bikaner &amp; Japur</td>
<td>CRISIL A+</td>
<td>13.59%</td>
</tr>
<tr>
<td>Allahabad Bank</td>
<td>CRISIL A+</td>
<td>13.58%</td>
</tr>
<tr>
<td>United Bank Of India</td>
<td>CRISIL A+</td>
<td>6.80%</td>
</tr>
<tr>
<td>National Housing Bank</td>
<td>CRISIL A1+</td>
<td>6.60%</td>
</tr>
<tr>
<td>35 Days Cash Management Bill 17/09/2013</td>
<td>SOV</td>
<td>2.09%</td>
</tr>
</tbody>
</table>

**Public Sector Undertakings - Total**

- Net Current Assets/Liabilities: 100.00%

This product is suitable for investors who are seeking:

- **high risk** (Red)
- **medium risk** (Yellow)
- **low risk** (Green)

* Investors should choose their financial advisors if in doubt about whether the product is suitable for them.

**Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 6.05 years**

**Notes:**

- Valuation of Government Securities are as per the Securities and Exchange Board of India (SEBI) circular No. MF/DIR/No. 14/442/2002 dated February 20, 2002.
- Total NPA provided and percentage to NAV: NIL.

**Sector Allocation**

<table>
<thead>
<tr>
<th>Sector Allocation</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Current Assets</td>
<td>0.64</td>
</tr>
<tr>
<td>Treasury Bills</td>
<td>2.09</td>
</tr>
<tr>
<td>Commercial Paper (CP)/Certificate of Deposits (CD)</td>
<td>15.73</td>
</tr>
<tr>
<td>CBOLO &amp; Term Deposits &amp; Rev.Repo</td>
<td>81.54</td>
</tr>
</tbody>
</table>

**Rating Profile**

<table>
<thead>
<tr>
<th>A1+, SOV</th>
<th>CBOLO &amp; Term Deposits &amp; Rev.Repo</th>
<th>Net Current Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>83.63</td>
<td>15.73</td>
<td>0.64</td>
</tr>
</tbody>
</table>

#### An Open - Ended Gilt Unit Scheme

**KOTAK GILT INVESTMENT**

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 Plan
- B) PF & Trust Plan
- C) Regular Direct Plan
- D) PF & Trust Direct Plan

Options:

- Dividend Pay-out, Dividend Reinvestment & Growth (applicable for all plans)
- Daily, Monthly (12th of every Month) & Annual

**Portfolio**

<table>
<thead>
<tr>
<th>Issuer/Instrument</th>
<th>Industry/Rating</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Holdings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Bank of India</td>
<td>CRISIL A1+</td>
<td>6.80%</td>
</tr>
<tr>
<td>United Bank Of India</td>
<td>CRISIL A1+</td>
<td>6.80%</td>
</tr>
<tr>
<td>National Housing Bank</td>
<td>CRISIL A1+</td>
<td>6.79%</td>
</tr>
<tr>
<td>35 Days Cash Management Bill 17/09/2013</td>
<td>SOV</td>
<td>2.09%</td>
</tr>
</tbody>
</table>

**Public Sector Undertakings - Total**

- Net Current Assets/Liabilities: 100.00%

This product is suitable for investors who are seeking:

- **high risk** (Red)
- **medium risk** (Yellow)
- **low risk** (Green)

* Investors should choose their financial advisors if in doubt about whether the product is suitable for them.

**Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 13.85 years**

**Notes:**

- Total NPA provided and percentage to NAV: NIL.

---

**Think Investments. Think Kotak.**
**Scheme Name:** KOTAK MULTI ASSET ALLOCATION FUND

**An Open - Ended Debt Scheme**

The investment objective of the scheme is to generate income by investing predominantly in debt and money market securities, to generate growth by taking moderate exposure to equity and equity related instruments and provide diversification by investing in Gold ETFs.

**Investment Objective:**
- **A)** Non Direct Plan (i) Direct Plan
- **Available Plans/ Options:** Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)
- **Dividend Freq.** Monthly (12th of Every Month), Quarterly (20th of Mar/Jun/Sept/Dec), Annual (12th of March)
- **Like/Unlike:** Mr. Pankaj Tibrewal and Mr. Abhishek Bisen.

**Entry Load:** Nil (applicable for all plans)

**Exit Load:** i) For exit within 1 year from the date of allotment of units: 1%
   ii) For exit after 1 year from the date of allotment of units: Nil

**Minimum Investment Amount:** Initial Investment: Rs. 1,000 or multiple of Rs. 50 for Rs. 0.01 for switches

**Additional Investment:** Rs. 1000 & in multiples of Re1. 1 year & above

**AUM (in Crores) & Ratios:**
- AAA, SOV 73.88
- AAA, SOV 48.77

**Benchmarks:** 80% - CRISIL MIP Blended Fund Index and 20% - price of gold.

**Date of Multi Asset Allocation Fund - Growth**

<table>
<thead>
<tr>
<th>Date</th>
<th>Scheme Name</th>
<th>Scheme Returns (%)</th>
<th>Index %</th>
<th>Current Value of Standard Benchmark (%)</th>
<th>Scheme (%)</th>
<th>Benchmark (%)</th>
<th>Additional Benchmark (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun 30, '11</td>
<td>Kotak Multi Asset Allocation Fund - Growth</td>
<td>12258</td>
<td>80%</td>
<td>12452</td>
<td>12081</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun 30, '12</td>
<td>Kotak Multi Asset Allocation Fund - Growth</td>
<td>8.72</td>
<td>9.42</td>
<td>8.07</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Kotak Multi Asset Allocation Fund NAV as on June 28, 2013:**
- Rs. 12.2593 (Direct Growth Option), Rs. 11.4479 (Monthly Dividend), Rs. 11.3506 (Direct Monthly Dividend), Rs. 11.3036 (Quarterly Dividend), Rs. 11.3714 (Direct Quarterly Dividend), Rs. 11.0771 (Annual Dividend), Rs. 11.3714 (Direct Annual Dividend)

**AAUM as on June 30, 2013:**
- June 2013: Rs. 139.08
- Direct Plan: Rs. 0.09

**Performance:**
- Since inception till Jun 30, '13
  - 6.74
  - 7.42
  - 5.01
  - 19875
  - 19848
  - 11972

**Portfolio:**
- **Equity & Equity related (Listed/ Awaiting listing on Stock Exchange)**
  - Top 10 Holdings
    - 8.12% Central Government
      - National Police and Traffic Service
        - CRISIL AAA
        - 16.20%
    - Kotak Mutual Fund - Kotak Gold ETF
      - Multi Fund Units
        - 7.04%
    - Power Finance Corporation Ltd. CRISIL AAA
      - 1.84%
    - ITC Ltd.
      - Consumer Non Durables
        - 1.30%
    - Infosys Ltd.
      - Software
        - 0.78%
    - ICICI Bank Ltd.
      - Banks
        - 1.05%
    - HDFC Bank Ltd.
      - Banks
        - 0.73%
    - Others
      - 5.19%
    - Listed/Awaiting Listing on Stock Exchange - Total
      - 5.55%
    - Mutual Fund Units - Total
      - 7.04%
    - Corporate Debt/Financial Institutions - Total
      - 14.03%
    - Public Sector Undertakings - Total
      - 1.84%
    - Government Deated Securities - Total
      - 32.73%
    - Total
      - 23.99%
    - Net Current Assets/Liabilities
      - 32.73%

**Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 3.52 years.**

**Notes:**
- This product is suitable for investors who are seeking:
  - Income & Capital growth over a long term horizon
  - Investment in a portfolio of debt instruments with a moderate exposure in equity & equity related instruments and provides diversification by investing in Gold ETFs.
  - Medium risk
  - Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

**Kotak Monthly Income Plan NAV as on June 28, 2013:**
- Rs. 18.7576 (Direct Growth Option), Rs. 11.1933 (Monthly Dividend), Rs. 11.2226 (Direct Quarterly Dividend), Rs. 11.5747 (Quarterly Dividend), Rs. 11.7279 (Direct Annual Dividend) N.A. stands for data not available.

**Issuer/Instrument:**
- Equity & Equity related (Listed/ Awaiting listing on Stock Exchange)
- **Top 10 Holdings**
  - 7.78% Central Government
    - SOV
    - 36.15%
  - 8.12% Central Government
    - SOV
    - 19.72%
  - National Power and Transport Services Limited
    - CRISIL AAA
    - 6.87%
  - 7.16% Central Government
    - SOV
    - 3.14%
  - 9.6% State Government
    - SOV
    - 2.07%
  - National Transport Finance Co. Ltd.
    - Fitch (All Indian)
    - 1.82%
  - Tata Ltd.
    - Consumer Non Durables
    - 5.29%
  - ICICI Bank Ltd.
    - Banks
    - 0.19%
  - Infosys Ltd.
    - Software
    - 0.77%

**Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 4.65 years.**

**Total NPA provided and percentage to NAV:**
- NPA: 0.03

**Notes:**
- **Valuation of Government Securities are as per the Securities and Exchange Board of India (SEBI) circular No. MF/DIR/CIR/No. 14442/2002 dated February 20, 2002.**
**Scheme Name**

**KOTAK BOND**

*An Open - Ended Debt Scheme*

**Fund Details**

**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.

**Available Plans/Options**

- **Deposit** (discontinued for further subscriptions w.e.f. October 1, 2012)
- **Plan A** (Previously known as Regular Plan) (applicable for all plans)
- **Direct Plan** (applicable for all plans)

**Dividend Freq.**

Quarterly (20th of Mar/Jun/Sept/Dec) Annual (12th of Mar) (applicable for all plans)

**Fund Managers**

Mr Abhishek Bisen & Mr Deepak Agrawal

**Load Structure**

**Entry Load:** Nil. (applicable for all plans)

**Exit Load:**
1. For redemptions / switch outs (including SIP/STP) within 180 days from the date of allotment of units, irrespective of the amount of investment: 1%.
2. For redemptions / switch outs (including SIP/STP) after 180 days from the date of allotment of units, irrespective of the amount of investment: Nil.
3. Any exit load charged (net off Service Tax, if any) shall be credited back to the Scheme. (applicable for all plans) Bonus units and units issued on reinvestment of dividends shall not be subject to exit load (applicable for all plans)

**Minimum Investment Amount**

Initial Investment: **Plan A** - Rs. 5000 and in multiples of Re 1 for purchase and for Re 0.01 for switches

Additional Investment: Rs. 1000 & in multiples of Rs 1

Ideal Investments Horizon: 1 year & above

**AAUM (In Crores)**

**Investment Amount**

**Minimum & Ratios**

<table>
<thead>
<tr>
<th>Issuer/Instrument</th>
<th>Industry/Rating</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Government</td>
<td>SOV</td>
<td>7.16%</td>
</tr>
<tr>
<td>Central Government</td>
<td>SOV</td>
<td>8.33%</td>
</tr>
<tr>
<td>Central Government</td>
<td>SOV</td>
<td>8.2%</td>
</tr>
<tr>
<td>Central Government</td>
<td>SOV</td>
<td>8.97%</td>
</tr>
<tr>
<td>HPCL Mitali Energy Ltd.</td>
<td>ICRA AA-</td>
<td>8.2%</td>
</tr>
<tr>
<td>Central Government</td>
<td>SOV</td>
<td>3.2%</td>
</tr>
<tr>
<td>Tata Power Company Ltd.</td>
<td>CRISIL AA</td>
<td>0.22%</td>
</tr>
<tr>
<td>Sterlite Industries (India) Ltd</td>
<td>CRISIL AA</td>
<td>0.36%</td>
</tr>
<tr>
<td>Reliance Ports And Terminals Limited</td>
<td>CRISIL AA</td>
<td>2.65%</td>
</tr>
<tr>
<td>HPCL Mitali Pipelines Ltd.</td>
<td>ICRA AA-</td>
<td>2.47%</td>
</tr>
<tr>
<td>Corporate Debt/Financial Institutions - Total</td>
<td></td>
<td>41.28%</td>
</tr>
<tr>
<td>Government Dated Securities - Total</td>
<td></td>
<td>52.48%</td>
</tr>
<tr>
<td>Corporate Debt/Financial Institutions - Total</td>
<td></td>
<td>0.36%</td>
</tr>
<tr>
<td>Net Current Assets/(Liabilities)</td>
<td></td>
<td>4.02%</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td>100.00%</td>
</tr>
</tbody>
</table>

**Sector Allocation**

**Rating Profile**

| AAA, AAA(SO), A1+,SOV | 65.63 |
| AA+, AA+(SO), AA, AA(ind), AA- | 30.35 |
| Net Current Assets | 4.02 |

**Performance as on June 28, 2013**

<table>
<thead>
<tr>
<th>Date</th>
<th>Scheme Returns (%)</th>
<th>Crisil Composite Bond Fund Index (%)</th>
<th>CRISIL 10 Year Gilts Index (%)</th>
<th>Current Value of Standard Investment of Rs 10000 in the Scheme (Rs)</th>
<th>Benchmark # (Rs)</th>
<th>Additional Benchmark ## (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Since inception till June 28, '13</td>
<td>9.72</td>
<td>N.A</td>
<td>N.A</td>
<td>35289</td>
<td>N.A</td>
<td>N.A</td>
</tr>
<tr>
<td>Jun 30, '12 to Jun 30, '13</td>
<td>12.00</td>
<td>9.87</td>
<td>11.14</td>
<td>35289</td>
<td>N.A</td>
<td>N.A</td>
</tr>
<tr>
<td>Jun 30, '12 to Jun 30, '13</td>
<td>12.58</td>
<td>8.71</td>
<td>7.13</td>
<td>35289</td>
<td>N.A</td>
<td>N.A</td>
</tr>
<tr>
<td>Jun 30, '12 to Jun 30, '13</td>
<td>3.53</td>
<td>4.58</td>
<td>1.79</td>
<td>35289</td>
<td>N.A</td>
<td>N.A</td>
</tr>
</tbody>
</table>

Kotak Bond Plan A NAV as on June 28, 2013: Rs. 35.2887 (Growth Option), Rs. 35.4099 (Direct Growth Option), Rs. 10.4627 (Quarterly Dividend), Rs. 10.5771 (Direct Quarterly Dividend), Rs. 21.9081 (Annual Dividend), Rs. 23.5234 (Bonus) N.A stands for data not available. *Note: Point to Point (PTP) Returns in INR show the value of Rs. 100/- investment made at inception. Source: ICRA MFI Explorer; For Additional Benchmark (Debt Schemes): classification of schemes in short term & long term is based on the average maturity of the scheme. # Name of Scheme Benchmark. ## Name of Additional Benchmark. * Past performance may or may not be sustained in the future. All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Returns <= 1 year: Absolute; Returns > 1 year: CAGR (Compounded Annualised Growth Rate).

**Top 10 Holdings**

- **Central Government**
- **HPCL Mital Energy Ltd.**
- **Tata Power Company Ltd.**
- **Reliance Ports And Terminals Limited**
- **HIPL Mitali Pipelines Ltd.**

**Portfolio**

- **Corporate Debt/Financial Institutions - Total**
- **Government Dated Securities - Total**
- **Net Current Assets/(Liabilities)**
- **Grand Total**

**Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments:** 9.42 years.

**Total NPA provided and percentage to NAV:** NIL

**Sector Allocation**

**Rating Profile**

**Think Investments. Think Kotak.**
**KOTAK BOND SHORT TERM**

An Open - Ended Debt Scheme

**Fund Details**

**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.

**Available Plans/ Options**
A) Non Direct Plan  B) Direct Plan

**Dividend Freq.**
Monthly (12th of every Month)

**Fund Managers**
Mr Abhishek Bisen & Mr Deepak Agrawal

**Load Structure**
Entry Load: NIL. (applicable for all plans)

**Exit Load:**
(i) For redemptions/switch outs (including SIP/STP) within 90 days from the date of allotment of units, irrespective of the amount of investment: 0.50% 
(ii) For redemptions/switch outs (including SIP/STP) after 90 days from the date of allotment of units, irrespective of the amount of investment: NIL

**Minimum Investment Amount**
Initial Investment: (i) Dividend Re-investment & Growth - Rs. 5000 & above (ii) Dividend Payout (Monthly Dividend) - Rs. 50,000 & above

Additional Investment: Rs. 1000 & in multiples of Rs1

Ideal Investments Horizon: 6 Months & above

**AAUM (in Crores) & Ratios**
AAUM as on June 30, 2013: 1624.41  Direct Plan: 589.72

**Load Structure**
Nil. (applicable for all plans)

**Top 10 Holdings**

<table>
<thead>
<tr>
<th>Name of Scheme</th>
<th>Benchmark</th>
<th>Additional Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kotak Bond Short Term Plan</td>
<td>Crisil Short - Term Bond Fund Index</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

**Portfolio**

**Issuer/Instrument**

**Industry/Rating**

**% to Net Assets**

**Top 10 Holdings**

<table>
<thead>
<tr>
<th>Name of Scheme</th>
<th>Benchmark</th>
<th>Additional Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kotak Bond Short Term NAV as on June 28, 2013</td>
<td>Rs. 22.7007 (Growth Option), Rs. 10.1143 (Dividend Option), Rs. 22.7561 (Direct Growth Option), Rs. 10.1542 (Direct Dividend Option)</td>
<td>N.A stands for data not available. Note: Point to Point (PTP) Returns in INR show the value of Rs. 10,000/- investment made at inception. Source: ICRA MFI Explorer. For Additional Benchmark (Debt Schemes): classification of schemes in short term &amp; long term is based on the average maturity of the scheme.</td>
</tr>
</tbody>
</table>

**Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 2.57 years.**

**Total NPA/Adv and percentage to NAV: NIL**

**Sector Allocation**

<table>
<thead>
<tr>
<th>SBLO &amp; Term Deposits &amp; Rev.Repo</th>
<th>0.12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury Bills</td>
<td>4.51</td>
</tr>
<tr>
<td>Net Current Assets</td>
<td>7.60</td>
</tr>
<tr>
<td>Government Dated Securities</td>
<td>8.64</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>15.31</td>
</tr>
<tr>
<td>Debentures and Bonds</td>
<td>63.82</td>
</tr>
</tbody>
</table>

**Rating Profile**

| AAA, A1+ SOV | 67.61 |
| AAA+(SO), AA+, AA, AA(ind), AA- | 24.67 |
| CBLO & Term Deposits & Rev Repo | 0.12 |
| Net Current Assets | 7.60 |
KOTAK INCOME OPPORTUNITIES FUND

An Open-Ended Debt Scheme

Scheme Name

Investment Objective

The investment objective of the scheme is to generate income by investing in debt and money market securities across the yield curve and credit spectrum. The scheme would also seek to maintain reasonable liquidity within the fund.

Available Plans/Options

A) Non Direct Plan B) Direct Plan

Options:
- Dividend Payout
- Dividend Reinvestment & Growth (applicable for all plans)

Dividend Freq.

Weekly (Every Monday), Monthly (12th of every Month), Quarterly (20th of March/June/September/December), Annual (12th of March).

Fund Managers

Mr. Deepak Arawal & Mr. Abhishek Bisen

Load Structure

Entry Load: Nil (applicable for all plans)

Exit Load:
- For redemptions/switch outs (including SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment: 2%.
- For redemptions/switch outs (including SIP/STP) after 1 year from the date of allotment of units, irrespective of the amount of investment: Nil.

Minimum Investment Amount

Initial Investment: Rs. 5000 and in multiples of Rs. 1 for purchase and for Rs. 0.01 for switches

Additional Investment: Rs. 1000 & in multiples of Rs. 1

Ideal Investments Horizon: 1 year & above

AAUM (in crores) & Ratios

AAUM on June 30, 2013: 446.65

Performance

Benchmark

Crisil Short Term Bond Fund Index

Inception Date

May 11, 2010

Top 10 Holdings

1. L & T Seawood Pvt Ltd. CARE AA+(SO) 9.25%
2. Vodafone India Limited CRISIL A1+ 7.97%
3. Indiabulls Capital Finance Private Limited CARE AA 6.65%
4. Magma Fincorp Limited CARE AA 4.99%
5. Reliance Jio Infocomm Limited CRISIL AAA 4.73%
6. LIC Housing Finance Ltd. CRISIL AAA 4.72%
7. Asian Satellite Broadcast Private Limited BRICKWALK BWR A(SO) 4.61%
8. Karur Vysya Bank Ltd. CRISIL A1+ 4.16%
9. Jyothy Laboratories Limited CARE AA 4.12%
10. Power Finance Corporation Ltd. CRISIL AAA 4.06%

Portfolio

Issuer/Instrument

L & T Seawood Pvt Ltd. CARE AA+(SO) 9.25%
Vodafone India Limited CRISIL A1+ 7.97%
Indiabulls Capital Finance Private Limited CARE AA 6.65%
Magma Fincorp Limited CARE AA 4.99%
Reliance Jio Infocomm Limited CRISIL AAA 4.73%
LIC Housing Finance Ltd. CRISIL AAA 4.72%
Asian Satellite Broadcast Private Limited BRICKWALK BWR A(SO) 4.61%
Karur Vysya Bank Ltd. CRISIL A1+ 4.16%
Jyothy Laboratories Limited CARE AA 4.12%
Power Finance Corporation Ltd. CRISIL AAA 4.06%

Corporate Debt/Financial Institutions - Total 59.15%
Public Sector Undertakings - Total 6.10%
Government Dated Securities - Total 4.77%
Corporate Debt/Financial Institutions - Total 16.13%
Public Sector Undertakings - Total 0.48%
Treasury Bills - Total 3.12%
Net Current Assets/(Liabilities) 10.25%
Grand Total 100.00%

Sector Allocation

Treaury Bills 3.12%
Government Dated Securities 4.77%
Net Current Assets 10.25%
Commercial Paper (CP)/Certificate of Deposits (CD) 16.61%
Debentures and Bonds 65.25%

Rating Profile

A1+, AAA, SOV 46.43
AA+, AA+(SO), AA, AA(ind), AA- 36.11
A, BWR A(SO) 7.21
Net Current Assets 10.25
**KOTAK FLOATER LONG TERM**

An Open - Ended Debt Scheme

**Scheme Name**

**Fund Details**

**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 Plans/Options**
A) Non Direct Plan  B) Direct Plan

**Dividend Freq.**
Daily Monthly (12th of every Month), Weekly (Every Monday)

**Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)**
(i) Dividend Re-investment & Growth - Rs. 5000 & above
(ii) Dividend Payout (Weekly) - Rs. 1,00,000 & above

**Fund Managers**
Mr Deepak Agrawal & Mr. Abhishek Bisen

**Load Structure**

**Entry Load:** Nil (applicable for all plans)

**Exit Load:** Nil (applicable for all plans) Bonus units and units issued on reinvestment of dividends shall not be subject to exit load (applicable for all plans)

**Minimum Investment Amount**
Initial Investment: (i) Dividend Re-investment & Growth- Rs. 5000 & above (ii) Dividend Payout (Weekly) - Rs. 1,00,000 & above

**Additional Investment:** Rs. 1000 & in multiples of Re1

**Ideal Investments Horizon:** 15 - 30 Days

**Portfolio**

**Top 10 Holdings**

<table>
<thead>
<tr>
<th>Issuer/Instrument</th>
<th>Industry/Rating</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sesa Goa Ltd.</td>
<td>CRISIL A+</td>
<td>12.57%</td>
</tr>
<tr>
<td>Vodafone India Limited</td>
<td>CRISIL A+</td>
<td>11.81%</td>
</tr>
<tr>
<td>The South Indian Bank Ltd.</td>
<td>CARE A1+</td>
<td>9.03%</td>
</tr>
<tr>
<td>Tata Motors Ltd.</td>
<td>CRISIL A+</td>
<td>6.99%</td>
</tr>
<tr>
<td>91 Days Treasury Bill 21/11/2013</td>
<td>SOV</td>
<td>6.54%</td>
</tr>
<tr>
<td>Tata Motors Finance Ltd</td>
<td>ICRA A1+</td>
<td>6.51%</td>
</tr>
<tr>
<td>L &amp; T Seafood Pvt Ltd.</td>
<td>CARE AA+(SO)</td>
<td>4.50%</td>
</tr>
<tr>
<td>IL &amp; FS Financial Services Ltd.</td>
<td>ICRA A1+</td>
<td>4.05%</td>
</tr>
<tr>
<td>HDFC Ltd.</td>
<td>CRISIL AAA</td>
<td>3.47%</td>
</tr>
<tr>
<td>Tata Capital Financial Services Limited</td>
<td>CRISIL AA+</td>
<td>3.32%</td>
</tr>
</tbody>
</table>

**Corporate Debt/Financial Institutions - Total**

<table>
<thead>
<tr>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>22.09%</td>
</tr>
</tbody>
</table>

**Public Sector Undertakings - Total**

<table>
<thead>
<tr>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.32%</td>
</tr>
</tbody>
</table>

**Total Term Deposits - Total**

<table>
<thead>
<tr>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.54%</td>
</tr>
</tbody>
</table>

**Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments:** 9.60 years.

**Rating Profile**

<table>
<thead>
<tr>
<th>A1+, AAA, A1+(SO), SOV</th>
<th>78.42</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA+, AA+(SO), AA, AA(ind), AA-</td>
<td>16.62</td>
</tr>
<tr>
<td>CBLO &amp; Term Deposits &amp; Rev Repo</td>
<td>1.81</td>
</tr>
<tr>
<td>Net Current Assets</td>
<td>1.15</td>
</tr>
</tbody>
</table>

**Performance**

**Date**

| June 28, 2013 |

<table>
<thead>
<tr>
<th>Scheme Returns (%)</th>
<th>CRISIL Liquid Fund Index (%)</th>
<th>CRISIL 1 Year T-Bill Index (%)</th>
<th>Current Value of Standard Investment of Rs 1000 in the</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.57</td>
<td>6.62</td>
<td>5.56</td>
<td>19109</td>
</tr>
<tr>
<td>9.41</td>
<td>8.14</td>
<td>8.04</td>
<td>17668</td>
</tr>
<tr>
<td>9.59</td>
<td>8.70</td>
<td>7.75</td>
<td>Not applicable</td>
</tr>
<tr>
<td>7.67</td>
<td>7.18</td>
<td>4.43</td>
<td>16168</td>
</tr>
</tbody>
</table>

**Portfolio Modified Duration:** 0.43 yrs

**Beta:** 0.30  **Sharpe:** 2.97  **Alpha:** 1.50  **YTM:** 12.00%

**Net Current Assets:** 1.15

**Debentures and Bonds:** 22.11

**Commercial Paper (CP)/Certificate of Deposits (CD):** 68.39

**Net Current Assets:** 1.15

**Debentures and Bonds:** 22.11

**Commercial Paper (CP)/Certificate of Deposits (CD):** 68.39

**Note:** Point to Point (PTP) Returns in INR show the value of Rs. 10,000/- investment made at inception.

**Portfolio**

**Issuer/Instrument**

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<th>% to Net Assets</th>
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<td>12.57%</td>
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**Total Term Deposits - Total**

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<th>% to Net Assets</th>
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</tbody>
</table>

**Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments:** 9.60 years.

**Total NPA provided and percentage to NAV:** NIL

**Top 10 Holdings**

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**Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments:** 9.60 years.

**Total NPA provided and percentage to NAV:** NIL

**Top 10 Holdings**

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**Corporate Debt/Financial Institutions - Total**

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</tr>
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**Public Sector Undertakings - Total**

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</tr>
</thead>
<tbody>
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<td>2.32%</td>
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</tbody>
</table>

**Total Term Deposits - Total**

<table>
<thead>
<tr>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.54%</td>
</tr>
</tbody>
</table>

**Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments:** 9.60 years.

**Total NPA provided and percentage to NAV:** NIL
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.

Investment Objective
Mr. Deepak Agrawal & Mr. Abhishek Bisen.

Fund Managers
Exit Load: Nil. (applicable for all plans)
Bonus units and units issued on reinvestment of dividends shall not be subject to exit load (applicable for all plans)

DEBT FUNDS
KOTAK FLOATER SHORT TERM
An Open - Ended Debt Scheme

Dividend Freq. Daily Weekly (Every Monday), Monthly (12th of every Month)

Fund Managers
Mr. Deepak Agrawal & Mr. Abhishek Bisen.

Entry Load: Nil. (applicable for all plans)

Minimum Investment Amount
Initial Investment: Rs. 5000 Under growth, weekly dividend and monthly dividend option & Rs.1,00,000 under Daily Dividend Reinvestment option,
Additional Investment: Rs. 1000 in multiples of Re.1.

Ideal Investments Horizon: 1- 15 Days

Exit Load: Nil. (applicable for all plans) Bonus units and units issued on reinvestment of dividends shall not be subject to exit load (applicable for all plans)

Benchmark
CRISIL Liquid Fund Index

Performance As on July 31, 2013

<table>
<thead>
<tr>
<th>Date</th>
<th>Scheme Returns (%)</th>
<th>Crisil Liquid Fund Index (%)</th>
<th>Crisil 1 Year T-Bill Index # (%)</th>
<th>Current Value of Standard Investment of Rs. 10000 in the</th>
</tr>
</thead>
<tbody>
<tr>
<td>Since inception till</td>
<td>7.00</td>
<td>6.34</td>
<td>5.44</td>
<td>19625</td>
</tr>
<tr>
<td>Jan 28, '13</td>
<td>9.04</td>
<td>8.14</td>
<td>8.04</td>
<td>18451</td>
</tr>
<tr>
<td>Jan 30, '13</td>
<td>9.80</td>
<td>8.70</td>
<td>7.75</td>
<td>19653</td>
</tr>
<tr>
<td>Jan 31, '11</td>
<td>7.55</td>
<td>7.18</td>
<td>4.43</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

Kotak Floater Short Term NAV as on June 30, 2013: Rs. 1963.8729 (Growth Option), Rs. 1012.0771 (Daily Dividend), Rs. 1013.3458 (Weekly Dividend), Rs. 1015.0140 (Direct Weekly Dividend), Rs. 1005.3783 (Monthly Dividend)

N.A stands for data not available. Note: Point to Point (PTP) Returns in INR show the value of Rs. 10,000/- investment made at inception.

Portfolio
Issuer/Instrument Industry/Rating % to Net Assets

Top 10 Holdings
The South Indian Bank Ltd. 21.36%
28DAYS Cash Management Bills 17/09/2013 SOV 12.33%
Vodafone India Limited CRISIL A1+ 8.52%
National Housing Bank ICRA A1+ 5.73%
Vijaya Bank CRISIL A1+ 5.30%
Ratnakar Bank Ltd 4.27%
27 DAYS Cash Management Bills 17/09/2013 SOV 4.25%
Tata Motors Ltd CRISIL A1+ 4.24%
Kotak Mahindra Prime Ltd. CRISIL AA+ 3.62%
34 Days Cash Management Bill 17/09/2013 SOV 2.55%

Corporate Debt/Financial Institutions - Total 8.01%
Corporate Debt/Financial Institutions - Total 20.17%
Public Sector Undertakings - Total 17.48%
Treasury Bills - Total 19.13%
Term Deposits - Total 25.63%
Collateral Borrowing & Lending obligation 8.48%
Net Current Assets/(Liabilities) 1.10%
Grand Total 100.00%

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

Rating Profile
AAA, A1+, SOV 60.62
CBLO & Term Deposits & Rev.Repo 34.11
AA+ 4.17
Net Current Assets 1.10

This product is suitable for investors who are seeking:

- Income over a short term investment horizon
- Investment in floating rate securities, debt & money market securities
- Low risk (Blue)

Investors should consult their financial advisors if in doubt about whether the product is suitable for them.
KOTAK FLEXI DEBT
An Open - Ended Debt Scheme

**Scheme Name**

To maximize returns through an active management of a portfolio of debt and money market securities.

**Fund Details**

<table>
<thead>
<tr>
<th>Available Plans/Options</th>
<th>Dividend Freq.</th>
<th>Load Structure</th>
<th>Minimum Investment Amount</th>
<th>AAUM (in Crores)</th>
<th>Ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Regular (discontinued for further subscriptions w.e.f. October 1, 2012) b) Plan A (Previously known as Institutional Plan) c) Direct Plan Options</td>
<td>Daily Dividend Reinvestment, Weekly Dividend Reinvestment (Every Monday), Quarterly Dividend Payout and Reinvestment (20th of March, June, September and December of every year) (applicable for all plans)</td>
<td>Entry Load: Nil. (applicable for all plans)</td>
<td>Initial Investment: Plan A - Rs. 5000 and in multiple of Rs. 1 for purchase and for Rs. 0.01 for switches</td>
<td>June 30, 2013 being June 28, 2013</td>
<td>A-(SO) 2.51</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Exit Load: Nil. (applicable for all plans)</td>
<td>Additional Investment: Rs. 1000 &amp; in multiples of Rs.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ideal Investments Horizon: 30 - 45 Days</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ratios: Standard Deviation*: 0.70 Sharpe*: 2.49 Beta*: 0.33 Alpha*: 1.35 YTM:12.15%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>*Source: Value Research. Portfolio Modified Duration: 0.43 yrs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Benchmark**

CRISIL Composite Bond Index

**Inception Date**


**Earnings**

**Performance as on June 28, 2013**

<table>
<thead>
<tr>
<th>Date</th>
<th>KOTAK FLEXI DEBT Fund - Plan A Growth</th>
<th>CRISIL 1 Year T-Bill Index # (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Since Inception</td>
<td>8.04 (Growth Option)</td>
<td>5.94 (Growth Option)</td>
</tr>
<tr>
<td>Jun 30, '13</td>
<td>7.25 (Direct Growth Option)</td>
<td>4.43 (Direct Growth Option)</td>
</tr>
<tr>
<td>Jun 30, '12</td>
<td>9.35</td>
<td>8.04</td>
</tr>
<tr>
<td>Jun 30, '11</td>
<td>9.66</td>
<td>7.75</td>
</tr>
<tr>
<td>Jun 30, '10</td>
<td>7.73</td>
<td>4.58</td>
</tr>
</tbody>
</table>

The benchmark returns corresponds to Kotak Flexi Plan A. Kotak Flexi Debt Plan A NAV as on June 28, 2013 $: Rs. 14.8241 (Growth Option), Rs. 14.8477 (Direct Growth Option), Rs. 10.0475 (Daily Dividend), Rs. 10.0475 (Direct Daily Dividend), Rs. 10.3585 (Weekly Dividend), Rs. 10.3881 (Direct Weekly Dividend), Rs. 10.5941 (Quarterly Dividend), Rs. 10.6105 (Direct Quarterly Dividend)

**Portfolio**

<table>
<thead>
<tr>
<th>Issuer/Instrument</th>
<th>Industry/Rating</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shapoorji Pallonji &amp; Co. Ltd.</td>
<td>ICRA A1+</td>
<td>14.49%</td>
</tr>
<tr>
<td>Sesa Goa Ltd.</td>
<td>ICRA A1+</td>
<td>12.79%</td>
</tr>
<tr>
<td>Essel Mining &amp; Industries Ltd.</td>
<td>ICRA A1+</td>
<td>9.85%</td>
</tr>
<tr>
<td>HDFC Ltd.</td>
<td>ICRA A1+</td>
<td>7.54%</td>
</tr>
<tr>
<td>IL &amp; FS Financial Services Ltd.</td>
<td>ICRA A1+</td>
<td>7.36%</td>
</tr>
<tr>
<td>Vodafone India Limited</td>
<td>ICRA A1+</td>
<td>7.29%</td>
</tr>
<tr>
<td>Indiabulls Housing Finance Limited</td>
<td>CARE AA+</td>
<td>5.12%</td>
</tr>
<tr>
<td>L &amp; T Seawood Pvt Ltd.</td>
<td>CARE AA+(SO)</td>
<td>5.01%</td>
</tr>
<tr>
<td>Vizag General Cargo Berth Private Limited</td>
<td>CRISIL AA+(SO)</td>
<td>4.89%</td>
</tr>
<tr>
<td>Indostar Capital Finance Private Limited</td>
<td>CRISIL AA+(SO)</td>
<td>4.87%</td>
</tr>
</tbody>
</table>

**Top 10 Holdings**

<table>
<thead>
<tr>
<th>Issuer/Instrument</th>
<th>Industry/Rating</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Debt/Financial Institutions - Total</td>
<td>24.58%</td>
<td></td>
</tr>
<tr>
<td>Public Sector Undertakings - Total</td>
<td>7.43%</td>
<td></td>
</tr>
<tr>
<td>Corporate Debt/Financial Institutions - Total</td>
<td>64.14%</td>
<td></td>
</tr>
<tr>
<td>Collateral Borrowing &amp; Lending obligation</td>
<td>1.47%</td>
<td></td>
</tr>
<tr>
<td>Net Current Assets/(Liabilities)</td>
<td>2.38%</td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>100.00%</td>
<td></td>
</tr>
</tbody>
</table>

**Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.53 years.**

**Sector Allocation**

<table>
<thead>
<tr>
<th>Sector Allocation</th>
<th>A1+, AA, AAA(ind)(SO), A1+, AA+, AA+(SO), AA, AA(ind)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBLO &amp; Term Deposits &amp; Rev Repo</td>
<td>1.47%</td>
</tr>
<tr>
<td>Net Current Assets</td>
<td>2.38%</td>
</tr>
</tbody>
</table>

**Rating Profile**

<table>
<thead>
<tr>
<th>Rating Profile</th>
<th>A1+, AA, AAA(ind)(SO), A1+, AA+, AA+(SO), AA, AA(ind)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBLO &amp; Term Deposits &amp; Rev Repo</td>
<td>73.60</td>
</tr>
<tr>
<td>Net Current Assets</td>
<td>20.04</td>
</tr>
</tbody>
</table>

This product is suitable for investors who are seeking:
- Income over a medium term investment horizon
- Investment in debt & money market securities
- Low risk (Blue)
- Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

Think Investments. Think Kotak.
**DEBT FUNDS**

**KOTAK LIQUID**

An Open - Ended Debt Scheme

**Scheme Name**

**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.

**Available Plans/ Options**

Plans: a) Regular & b) Institutional (discontinued for further subscriptions w.e.f. October 1, 2012) c) Plan A (Previously known as Institutional Premium Plan) d) Direct Plan Options: Dividend Payout, Dividend Reinvestment, Growth & Bonus (applicable for all plans)

**Dividend Freq.**

Daily, Weekly (Every Monday) (applicable for all plans)

**Fund Managers**

Mr Deepak Agrawal & Mr. Abhishek Bisen.

**Load Structure**

Entry Load: Nil. (applicable for all plans)

Exit Load: Nil. (applicable for all plans) Bonus units and units issued on reinvestment of dividends shall not be subject to exit load (applicable for all plans)

**Minimum Investment Amount**

Initial Investment: Plan A: Rs. 5000 and in multiple of Re. 1 for purchase and for Re 0.01 for switches

Additional Investment: Rs. 1000 & in multiples of Re1

Ideal Investments Horizon: 1 - 15 days

**AAUM (In Crores) & #ROGS**


**Ratios**

Collateral Borrowing & Lending obligation: 33.84%

Net Current Assets/(Liabilities): 0.30%

Term Deposits - Total: 3.61%

Treasury Bills - Total: 18.85%

Public Sector Undertakings - Total: 7.14%

Corporate Debt/Financial Institutions - Total: 33.60%

Government Dated Securities - Total: 0.43%

34 Days Cash Management Bill 17/09/2013 SOV 2.80%

35 Days Cash Management Bill 17/09/2013 SOV 4.68%

28DAYS Cash Management Bills 17/09/2013 SOV 5.54%

27 DAYS Cash Management Bills 17/09/2013 SOV 5.61%

Essel Mining & Industries Ltd. ICRA A1+ 2.80%

Bajaj Finance Limited ICRA A1+ 5.87%

34 Days Cash Management Bill 17/09/2013 SOV 5.42%

HDFC Ltd. CRISIL A1+ 5.99%

Corporate Debt/Financial Institutions - Total: 2.23%

Government Dated Securities - Total: 0.43%

Corporate Debt/Financial Institutions - Total: 33.60%

Public Sector Undertakings - Total: 7.14%

Treasury Bills - Total: 18.85%

Collateral Borrowing & Lending obligation: 33.84%

Net Current Assets/(Liabilities): 0.30%

Average Maturity of the portfolio based on total maturity of fixed rate and immediate reset date of floating rate instruments: 0.03 years.

Total NPA provided and percentage to NAV: NIL

**Rating Profile**

A1+, AAA, A1+(so), SOV

Net Current Assets: 62.25

CBLO & Term Deposits & Rev Repo: 37.45

Commercial Paper: 0.30

**Risk free rate of returns for Sharpe ratio : 9.95%**

**Performance as on June 30, 2013**

**Portfolio**

Issuer/Instrument | Industry/Rating | % to Net Assets
--- | --- | ---
HDFC Ltd. | CRISIL A1+ | 5.99%
Bajaj Finance Limited | ICRA A1+ | 5.87%
34 Days Cash Management Bill 17/09/2013 | SOV | 5.61%
28DAYS Cash Management Bills 17/09/2013 | SOV | 5.34%
Federal Bank Ltd | CRISIL A1+ | 5.42%
35 Days Cash Management Bill 17/09/2013 | SOV | 4.68%
Reliance Capital Ltd | CRISIL A1+ | 3.86%
The South Indian Bank Ltd | | 2.89%
27 DAYS Cash Management Bills 17/09/2013 | SOV | 2.85%
Essel Mining & Industries Ltd. | ICRA A1+ | 2.80%

**Sector Allocation**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Current Assets</td>
<td>0.30</td>
</tr>
<tr>
<td>Government Dated Securities</td>
<td>0.43</td>
</tr>
<tr>
<td>Debentures and Bonds</td>
<td>2.23</td>
</tr>
<tr>
<td>Treasury Bills</td>
<td>18.85</td>
</tr>
<tr>
<td>CBLO &amp; Term Deposits &amp; Rev Repo</td>
<td>37.45</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>40.74</td>
</tr>
</tbody>
</table>

**Think Investments. Think Kotak.**
## KOTAK GOLD ETF

**An Open Ended Gold Exchange Traded Fund**

The investment objective of Kotak Gold ETF is to generate returns that are in line with the returns on investment in physical gold, subject to tracking error.

**Available Plans/ Options**
- A) Non Direct Plan
- B) Direct Plan

**Fund Managers**
- Mr. Abhishek Bisen

**Load Structure**
- Entry Load: Nil (applicable for all plans)
- Exit Load: Nil (applicable for all plans)

**Minimum Investment Amount**
- Through Exchange: 1 Unit
- Through AMC: 1000 Units

**Ideal Investments Horizon**
- 1 year and above

**Portfolio**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Gold</th>
<th>Gold</th>
</tr>
</thead>
<tbody>
<tr>
<td>% to Net Assets</td>
<td>81.37%</td>
<td>18.54%</td>
</tr>
</tbody>
</table>

**Commodities Grand Total**
- 99.91%
- Net Current Assets/Liabilities: 0.09%
- Grand Total: 100.00%

This product is suitable for investors who are seeking:
- Returns in line with physical gold
- Investment in physical gold
- High risk (Brown)

* Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

**ETF SCHEMES**

### KOTAK PSU BANK ETF

**An Open Ended Exchange Traded Fund**

The investment objective of the scheme is to provide returns that closely correspond to the total returns of CNX PSU Bank Index, subject to tracking errors.

**Available Plans/ Options**
- A) Non Direct Plan
- B) Direct Plan

**Fund Managers**
- Mr. Deepak Gupta

**Load Structure**
- Entry Load: Nil (applicable for all plans)
- Exit Load: Nil (applicable for all plans)

**Minimum Investment Amount**
- Through Exchange: 1 Unit
- Through AMC: 10000 Units

**Ideal Investments Horizon**
- 3 years and above

**Portfolio**

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Gold Bank Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAUM as on June 30, 2013</td>
<td>9.80</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Issuer/Instrument</th>
<th>Industry/Rating</th>
<th>% to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Bank Of India</td>
<td>Banks</td>
<td>54.86%</td>
</tr>
<tr>
<td>Bank Of Baroda</td>
<td>Banks</td>
<td>12.13%</td>
</tr>
<tr>
<td>Punjab National Bank</td>
<td>Banks</td>
<td>6.97%</td>
</tr>
<tr>
<td>Bank of India</td>
<td>Banks</td>
<td>4.26%</td>
</tr>
<tr>
<td>Canara Bank</td>
<td>Banks</td>
<td>4.06%</td>
</tr>
<tr>
<td>Union Bank Of India</td>
<td>Banks</td>
<td>3.56%</td>
</tr>
<tr>
<td>Industrial Development Bank of India Ltd.</td>
<td>Banks</td>
<td>2.90%</td>
</tr>
<tr>
<td>Oriental Bank of Commerce</td>
<td>Banks</td>
<td>2.18%</td>
</tr>
<tr>
<td>Allahabad Bank</td>
<td>Banks</td>
<td>2.06%</td>
</tr>
<tr>
<td>Syndicate Bank</td>
<td>Banks</td>
<td>1.83%</td>
</tr>
<tr>
<td>Others</td>
<td>Listed/Awaiting Listing on Stock Exchange - Total</td>
<td>99.81%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>100.00%</td>
<td></td>
</tr>
</tbody>
</table>

This product is suitable for investors who are seeking:
- Long term capital growth
- Investment in stocks comprising the underlying index and endeavours to track the benchmark index
- High risk (Brown)

* Investors should consult their financial advisors if in doubt about whether the product is suitable for them.
ETF SCHEMES

KOTAK SENSEX ETF

An Open Ended Exchange Traded Fund
[Eligible scheme under Rajiv Gandhi Equity Savings Scheme (RGESS)]

The investment objective of the scheme is to provide returns before expenses that closely correspond to the total returns of the BSE SENSEX subject to tracking errors.

A) Non Direct Plan (I) Direct Plan

Mr. Deepak Gupta

Minimum Investment Amount (Fresh Purchase/Additional Purchase)

Minimum through Exchange: 1 Unit, through AMC: 10,000 Units.

Ideal Investments Horizon: 3 years and above

Available Plans/Options

A) Non Direct Plan B) Direct Plan

Entry Load: Nil (applicable for all plans)

Exit Load: Nil (applicable for all plans)

Fund Managers

Mr. Deepak Gupta

Benchmark

S&P BSE SENSEX

Inception Date

June 6, 2008

Performance

Date

Kotak Sensex

Returns (%)^a

BSCR (Rs)

CXN Nifty (%)^a

Current Value of Standard Investment of Rs 10000 in the Scheme (Rs)

Benchmark

Additional Benchmark (Rs)

Since inception till

Jun 30, '11

6.50

4.43

7.40

13113

12464

12018

Jun 30, '12 to

Jun 30, '13

12.72

11.29

10.67

Not applicable

Jun 30, '11 to

Jun 30, '12

6.39

-7.51

-6.53

Not applicable

Jun 30, '10 to

Jun 30, '11

7.34

6.47

6.30

Not applicable

Kotak Sensex ETF NAV as on June 28, 2013: Rs. 196.2998

N.A. stands for data not available. Note: Point to Point (PTP) Returns in INR show the value of Rs. 10,000 - investment made at inception. Source: ICRAMFI Explorer

Portfolio

Issuer/Instrument

Industry/Rating

% to Net Assets

ITC Ltd.

Consumer Non Durables

10.75%

Infosys Ltd.

Software

9.54%

Reliance Industries Ltd.

Petroleum Products

9.54%

Tata Consultancy Services Ltd.

Software

7.49%

HDFC Bank Ltd.

Banks

7.16%

ICICI Ltd.

Finance

7.04%

ICICI Bank Ltd.

Banks

5.85%

Hindustan Unilever Ltd.

Consumer Non Durables

4.28%

Larsen And Toubro Ltd.

Construction Project

3.79%

Tata Motors Ltd.

Auto

3.56%

Others

30.91%

Listed/Awaiting Listing on Stock Exchange - Total

99.90%

Not Current Assets/Liabilities

0.10%

Grand Total

100.00%

This product is suitable for investors who are seeking:

- Long term capital growth
- Investment in stocks comprising the underlying index and endeavours to track the benchmark index.
- High risk (Brown) *Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

KOTAK NIFTY ETF

An Open Ended Exchange Traded Fund
[Eligible scheme under Rajiv Gandhi Equity Savings Scheme (RGESS)]

The investment objective of the scheme is to provide returns before expenses that closely correspond to the total returns of the CNX NIFTY subject to tracking errors.

A) Non Direct Plan (I) Direct Plan

Mr. Deepak Gupta

Minimum Investment Amount (Fresh Purchase/Additional Purchase)

Minimum through Exchange: 1 Unit, through AMC: 10,000 Units.

Ideal Investments Horizon: 3 years and above

Available Plans/Options

A) Non Direct Plan B) Direct Plan

Entry Load: Nil (applicable for all plans)

Exit Load: Nil (applicable for all plans)

Fund Managers

Mr. Deepak Gupta

Benchmark

CNX Nifty

Inception Date

February 8, 2010

Performance

Date

Kotak Nifty ETF

Returns (%)^a

BSCR (Rs)

CXN Nifty (%)^a

Current Value of Standard Investment of Rs 10000 in the Scheme (Rs)

Benchmark

Additional Benchmark (Rs)

Since inception till

Jun 30, '11

6.80

5.75

5.49

12509

12095

11994

Jun 30, '12 to

Jun 30, '13

11.85

10.67

11.28

Not applicable

Jun 30, '11 to

Jun 30, '12

5.57

-5.53

-7.51

Not applicable

Jun 30, '10 to

Jun 30, '11

7.28

6.30

6.47

Not applicable

Kotak Nifty ETF NAV as on June 28, 2013: Rs. 593.7418

N.A. stands for data not available. Note: Point to Point (PTP) Returns in INR show the value of Rs. 10,000 - investment made at inception. Source: ICRAMFI Explorer

Portfolio

Issuer/Instrument

Industry/Rating

% to Net Assets

ITC Ltd.

Consumer Non Durables

9.72%

Infosys Ltd.

Software

8.59%

Reliance Industries Ltd.

Petroleum Products

7.94%

HDFC Ltd.

Finance

6.40%

HDFC Bank Ltd.

Banks

6.29%

ICICI Ltd.

Finance

5.94%

ICICI Bank Ltd.

Banks

5.32%

Hindustan Unilever Ltd.

Consumer Non Durables

3.81%

Larsen And Toubro Ltd.

Construction Project

3.08%

Tata Motors Ltd.

Auto

2.56%

Others

40.60%

Listed/Awaiting Listing on Stock Exchange - Total

99.92%

Not Current Assets/Liabilities

0.08%

Grand Total

100.00%

This product is suitable for investors who are seeking:

- Long term capital growth
- Investment in stocks comprising the underlying index and endeavours to track the benchmark index.
- High risk (Brown) *Investors should consult their financial advisors if in doubt about whether the product is suitable for them.
<table>
<thead>
<tr>
<th>Date</th>
<th>Scheme Returns (%)</th>
<th>Crisil Short Term Bond Fund Index (%)</th>
<th>CRISIL 1 Year T-Bill Index (%)##</th>
<th>Current Value of Standard Investment of Rs 10000 in the</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Scheme (Rs)</td>
</tr>
<tr>
<td>Since inception till Jun 28, '13</td>
<td>8.23</td>
<td>9.34</td>
<td>8.03</td>
<td>11207</td>
</tr>
<tr>
<td>Jun 30, '12 to Jun 30, '13</td>
<td>9.10</td>
<td>9.33</td>
<td>8.04</td>
<td></td>
</tr>
<tr>
<td>Jun 30, '11 to Jun 30, '12</td>
<td>-</td>
<td>8.84</td>
<td>7.75</td>
<td></td>
</tr>
<tr>
<td>Jun 30, '10 to Jun 30, '11</td>
<td>-</td>
<td>5.59</td>
<td>4.43</td>
<td></td>
</tr>
</tbody>
</table>

**Kotak Hybrid FTP - Series I - Growth**

**Current Value of Standard Investment of Rs 10000 in the**

<table>
<thead>
<tr>
<th>Date</th>
<th>Scheme Returns (%)</th>
<th>Physical Gold Price # (%)</th>
<th>CRISIL 10 Year Gilt Index (%)##</th>
<th>Current Value of Standard Investment of Rs 10000 in the</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Scheme (Rs)</td>
</tr>
<tr>
<td>Since inception till Jun 28, '13</td>
<td>6.48</td>
<td>8.58</td>
<td>7.51</td>
<td>11528</td>
</tr>
<tr>
<td>Jun 30, '11 to Jun 30, '12</td>
<td>31.24</td>
<td>34.75</td>
<td>7.13</td>
<td></td>
</tr>
<tr>
<td>Jun 30, '10 to Jun 30, '11</td>
<td>-</td>
<td>16.36</td>
<td>1.79</td>
<td></td>
</tr>
</tbody>
</table>

**Kotak Gold Fund**

N.A stands for data not available. Past Performance may or may not be sustained in future. Note: Point to Point (PTP) Returns in INR show the value of Rs. 10,000/- investment made at inception. Source: CRIF MFI Explorer. For Additional Benchmark (Debt Schemes): classification of schemes in short term & long term is based on the average maturity of the scheme. # Name of Scheme Benchmark ## Name of Additional Benchmark. ^ Past performance may or may not be sustained in the future. All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Returns <= 1 year: Absolute; Returns > 1 year: CAGR (Compounded Annualised Growth Rate).
### ABOUT OUR FUND MANAGERS

**Name: Mr. Harsha Upadhyaya**  
**Scheme (experience in managing these funds since)**  
Kotak Opportunities (Aug 1, '12), Kotak Balance (Aug 1, '12), Kotak Select Focus Fund (Aug 1, '12)

**Business Experience**
Mr. Harsha Upadhyaya has 16 years of rich experience spread over Equity Research & Fund Management. His prior stints have been with companies such as Prabhudas Liladhar Pvt. Ltd, SG Asia Securities, Reliance Group, UTI Asset Management Co. Ltd and DSP Blackrock.

**Name: Mr. Pradeep Kumar**  
**Scheme (experience in managing these funds since)**  
Kotak 50 (Dec. 1, '10), Kotak Bond Scheme (Plan A) (Apr. 15, '08), Kotak Money Manager (Mar. 11, '08), Kotak Flexi Debt Scheme (Plan A - Growth) (Apr. 14, '08), Kotak Balanced Income Plan (Jun. 11, '09), Kotak Global Emerging Market Fund (Apr. 15, '08), Kotak Multi Asset Allocation Fund (Jan. 21, '11)

**Business Experience**
Mr. Pradeep Kumar has 14 years of total experience with 12 years experience in Fund Management and Equity Analysis and 2 years of engineering experience. Prior to joining Kotak AMC, Pradeep was working as a Mechanical Engineer with Hindustan Copper Ltd.

### Performance of top 3 and bottom 3 schemes of the Fund Manager

<table>
<thead>
<tr>
<th>Fund Manager</th>
<th>Mr. Abhishek Bisen</th>
<th>Refer Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 3</td>
<td>Kotak Gold Fund - Investment Regular Plan - Growth</td>
<td>10</td>
</tr>
<tr>
<td>Top 3</td>
<td>Kotak Bond Scheme - Plan A - Growth</td>
<td>12</td>
</tr>
<tr>
<td>Bottom 3</td>
<td>Kotak Hybrid FTP - Series I - Growth</td>
<td>21</td>
</tr>
<tr>
<td>Bottom 3</td>
<td>Kotak Gold ETF</td>
<td>19</td>
</tr>
</tbody>
</table>

**Name: Mr. Deepak Agrawal**  
**Scheme (experience in managing these funds since)**  
Kotak Bond Scheme (Plan A) (Apr. 15, '08), Kotak Money Manager (Jan. 21, '10), Kotak Tax Saver (Jan. 21, '10), Kotak Emerging Equity (May 27, '10), Kotak Monthly Income Plan (Dec. 20, '10), Kotak Multi Asset Allocation Fund (Jan. 21, '11)

**Business Experience**
Mr. Deepak Agrawal’s career has started from Kotak AMC when he joined the organization in December 2002 where he was initially in Research, Dealing and then moved into Fund Management from November 2006.

**Performance of top 3 and bottom 3 schemes of the Fund Manager**

<table>
<thead>
<tr>
<th>Fund Manager</th>
<th>Mr. Deepak Agrawal</th>
<th>Refer Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 3</td>
<td>Kotak Bond Scheme - Plan A - Growth</td>
<td>10</td>
</tr>
<tr>
<td>Top 3</td>
<td>Kotak Bond Short Term Plan - Growth</td>
<td>13</td>
</tr>
<tr>
<td>Bottom 3</td>
<td>Kotak Liquid Scheme - Plan A - Growth</td>
<td>16</td>
</tr>
<tr>
<td>Bottom 3</td>
<td>Kotak Gilt Investment PF &amp; Trust Plan - Growth</td>
<td>12</td>
</tr>
<tr>
<td>Bottom 3</td>
<td>Kotak Flexi Debt Scheme - Plan A - Growth</td>
<td>17</td>
</tr>
<tr>
<td>Bottom 3</td>
<td>Kotak Floater ST - Growth</td>
<td>18</td>
</tr>
</tbody>
</table>

**Name: Mr. Mayank Prakash**  
**Scheme (experience in managing these funds since)**  
All Fixed Maturity Plans (FMPs), All Quarterly Interval Plans (QIPs), All Fixed Maturity Plans (FMPs), All Quarterly Interval Plans (QIPs)

**Business Experience**
Mr. Mayank Prakash has been associated with the company since September 2005. He has 4 years of experience in fund management related areas.

**Performance of top 3 and bottom 3 schemes of the Fund Manager**

<table>
<thead>
<tr>
<th>Fund Manager</th>
<th>Mr. Deepak Gupta</th>
<th>Refer Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 3</td>
<td>Kotak Sensex ETF</td>
<td>20</td>
</tr>
<tr>
<td>Top 3</td>
<td>Kotak Hybrid FTP - Series I - Growth</td>
<td>21</td>
</tr>
<tr>
<td>Bottom 3</td>
<td>Kotak Gilt Investment PF &amp; Trust Plan - Growth</td>
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<tr>
<td>Bottom 3</td>
<td>Kotak Equity Arbitrage Fund - Growth</td>
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<tr>
<td>Bottom 3</td>
<td>Kotak Equity FOF - Growth</td>
<td>19</td>
</tr>
</tbody>
</table>

**Name: Mr. Emmanuel Elango**  
**Scheme (experience in managing these funds since)**  
Kotak Classic Equity (Sep. 1, '08), Kotak Balance (Jul. 11, '11)

**Business Experience**
Mr. Emmanuel Elango’s association with the AMC has been since July 2008. Mr. Elango started his career as a Designer Engineer with Bosch. After his management studies, Mr. Elango has also worked with ABN Amro Mutual Fund & DNB Cholamandalam AMC. Before his entry into the investment field, Mr. Elango has also worked as a Mechanical Engineer with Hindustan Copper Ltd.

**Name: Mr. Deepak Gupta**  
**Scheme (experience in managing these funds since)**  
Kotak Equity Arbitrage (Sept. 1, '08), Kotak Equity FOF (Sept. 1, '08), Kotak Global Emerging Market Fund (Apr. 4, '11)

**Business Experience**
Mr. Deepak Gupta has 7 years of experience in the mutual fund industry and 5 years of experience in fund management related areas.

**Name: Mr. Pankaj Tibrewal**  
**Scheme (experience in managing these funds since)**  
Kotak Midcap (Jan. 21, '10), Kotak Tax Saver (Jan. 21, '10), Kotak Emerging Equity (May 27, '10), Kotak Monthly Income Plan (Dec. 20, '10), Kotak Multi Asset Allocation Fund (Jan. 21, '11)

**Business Experience**
Mr. Pankaj Tibrewal has more than 6 years experience in fund management area. Prior to joining Kotak AMC, he was in the fund management team of Principal PNB Asset Management Private Ltd.

**Name: Mr. Pradeep Kumar**  
**Scheme (experience in managing this fund since)**  
Kotak 50 (Dec. 1, '10)

**Business Experience**
Mr. Pradeep Kumar has 14 years of total experience with 12 years experience in Fund Management and Equity Analysis and 2 years of engineering experience. Prior to joining of Kotak Mahindra AMC Ltd, He was a fund manager of Religare Asset Management, ABN Amro Mutual Fund & DSB Cholamandalam AMC. Before his entry into the investment field, Pradeep has also worked as a Mechanical Engineer with Hindustan Copper Ltd.
Pursuant to SEBI circular no. CIR/IMDI/DF/21/2012 dated September 13, 2012 and Gazette Notification No. LAD-NRO/GN/2012-13/17/21502 dated September 26, 2012, following changes are affected to Kotak Bond, Kotak Flexi Debt and Kotak Liquid, wherever applicable, with effect from October 1, 2012.

**Kotak Bond:**
1. W.e.f October 1, 2012, there shall be no fresh subscriptions under the Deposit Plan. Further, the Regular Plan, has been renamed as “Plan A”.
2. All existing SIP/STP falling due from November 1, 2012 under the options in Deposit Plan will be processed in the same options under Plan A.
3. If subscriptions / switch request is received under an option in the Deposit Plan, the same will be processed under the same option, if any, in Plan A.
4. Where the investor has units in both the Deposit Plan and Plan A at the time of redemption / switch the investor must submit separate redemption / switch request.

**Kotak Liquid:**
1. W.e.f October 1, 2012, there shall be no fresh subscriptions under the Regular and Institutional Plans. Further, the Institutional Plan, has been renamed as “Plan A”.
2. If subscriptions / switch request is received under an option in the Regular Plan or Institutional Plan, the same will be processed under the same option, if any, in Plan A.
3. Where the investor has units in both the Regular Plan and Plan A at the time of redemption / switch the investor must submit separate redemption / switch request.
4. Where the investor has units in both the Institutional Plan and Plan A at the time of redemption / switch the investor must submit separate redemption / switch request.

**Kotak Flexi Debt:**
1. W.e.f October 1, 2012, there shall be no fresh subscriptions under the Regular Plan. Further, the Institutional Plan, has been renamed as “Plan A”.
2. All existing SIP/STP falling due from November 1, 2012 under the options in Regular Plan will be processed in the same options under Plan A.
3. If subscriptions / switch request is received under an option in the Regular Plan, the same will be processed under the same option, if any, in Plan A.
4. Where the investor has units in both the Regular Plan and Plan A at the time of redemption / switch the investor must submit separate redemption / switch request.

**In respect of Dividend Reinvestment in Plan A, the investors of discontinued plans shall be deemed to have complied with the minimum investment amount /additional investment amount criteria and the fresh investments by them can be made as per the additional minimum investment amount criteria.**
Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Disclaimer on market outlooks:
The outlook provided is only a subjective understanding of an uncertain market phenomena, which may or may not occur, and may also not have any effect on the performance of the scheme, clement or otherwise. This outlook should not be construed as a reason for investment into the scheme based on prospect of future performance, which may not accrue as anticipated by the investor.

THIRD PARTY PAYMENT
Reference to AMFI Best Practice Guidelines Circular No. 16/2010 - 11 on Risk Mitigation process against Third Party Cheques in Mutual Fund. Subscriptions will not be accepted by the Scheme.

Definition of Third Party Cheques
Where payment is made through instruments issued from an account other than that of the beneficiary investor, the same is referred to as Third-Party payment. In case of a payment from a joint bank account, the first holder of the mutual fund folio has to be one of the joint holders of the bank account from which payment is made. If this criterion is not fulfilled, then this is also construed to be a third party payment.

However, aforesaid clause of investment with Third-Party Payment shall not be applicable for the below mentioned exceptional cases.

a. Payment by Parents/Grand-Parents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs. 50,000/- (each regular purchase or per SIP installment). However this restriction will not be applicable for payment made by a guardian whose name is registered in the records of Mutual Fund in that folio.

b. Payment by Employer on behalf of employee under Systematic Investment Plans or lump sum / one-time subscription, through Payroll deductions.

c. Custodian on behalf of an FI or a client. For pre funded instruments such as DD/Pay order it is the onus of the investor to provided adequate supporting documents to prove that such instruments are issued by debiting the first holders account.

Kotak Mahindra Asset Management Co. Ltd. / Trustee retains the sole and absolute discretion to reject any process application and refund subscription money if the subscription does not comply with the specified provisions of Payment Instruments.

KNOW YOUR CLIENT (KYC)
With reference to SEBI Circular MIRSD/Cir-26/2011 dated December 23, 2011, investors may kindly note w.e.f. January 1, 2012, it is mandatory for all individual/ non individual investors to be KYC Compliant. Investors can approach any SEBI registered KRA for doing KYC. In the event of KYC Form being subsequently rejected for lack of information/deficiency/insufficiency of inform mandatory documentation, the investment transaction will be cancelled and the amount may be redeemed at applicable NAV, subject to payment of exit load, wherever applicable.

RISK FACTORS

IMPORTANT FACTS

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SERVICES & FACILITIES

• Network of Transaction Acceptance Points: Submit transaction requests at your convenience across our 27 Investor Service Centres and 169 Transaction Points of CAMS. (To locate these, visit the “Contact Us” section on our website.).

• 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, Corporation Bank, Deutsche Bank, HDFC Bank, HSBC, ICIIC Bank, IDBI Bank, IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank, Yes Bank.

• Systematic Investments, Withdrawals and Transfers: Our Systematic Investment Facility provides you with the option of investing a fixed amount over a period of time, in an disciplined manner. Through this process, you benefit from Rupee Cost Averaging (buying more Units at lower NAV), and avoid the uncertainties involved with trying to time the market. Through our Systematic Withdrawal Facility, withdraw fixed amounts, or the entire finalisation on your investment, in any scheme periodically and benefit averaging out on market assetmanagement.kotak.com fluctuations. To systematically transfer investments from one Kotak scheme to another, try our Systematic Transfer Facility. This tool also helps you manage your portfolio investment across Kotak Mutual Schemes, in line with your asset allocation plan.

• Internet Transaction: You can now purchase, switch, Redeem, view your account statement Invest in NFO, electronically through our Internet Transaction Facility. For more details please log on to: assetmanagement.kotak.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 assetmanagement.kotak.com and access all these facilities.

CONTACT DETAILS

For details contact us at:
KOTAK MAHINDRA ASSET MANAGEMENT COMPANY LIMITED
6th Floor, Kotak Infiniti, Building No. 21, Infinity Park, Off Western Express Highway, Gen. A. K. Vaidya Marg, Malad (East), Mumbai – 400 098.
Tel.: 91-22-6638 4400 Fax: 91-22-6638 4455 E-mail: mutual@kotak.com Website: assetmanagement.kotak.com

Corporate Office of Asset Management Company: 8th Floor, Vinay Bhavya Complex, 159-A, C S T Road, Kalina, Santacruz (E), Mumbai – 400 098.

To know more about mutual funds
Visit: assetmanagement.kotak.com

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