

NOTICE-CUM-ADDENDUM

Notice is hereby given that effective September 1, 2017; there will be revision in scheme features of Kotak Flexi Debt Scheme, Kotak Income Opportunities Fund, Kotak Mahindra Bond Unit Scheme 99, Kotak Medium Term Fund, Kotak Monthly Income Plan, Kotak Multi Asset Allocation Fund, Kotak Balance and Kotak Equity Savings Fund. The details of changes are as under:

I. Change in Asset Allocation pattern:

Scheme Name	Existing Features			Proposed Features		
Kotak Flexi Debt Scheme	Investments	Indicative Allocation	Risk Profile	Investments	Indicative Allocation	Risk Profile
	*Debt Instruments with maturity more than one year	0-95%	Medium	*Debt Instruments with maturity more than one year	0-95%	Medium
Kotak Income Opportunities Fund	Debt, money market instruments & government securities with maturity upto 1 year*	35-100%	Low	Debt, money market instruments & government securities with maturity upto 1 year*	35-100%	Low
	Debt, Money Market Instruments & government securities with maturity greater than 1 year*	0-65%	Low to Medium	Debt, Money Market Instruments & government securities with maturity greater than 1 year*	0-65%	Low to Medium
Kotak Mahindra Bond Unit Scheme 99	Debt Instruments with maturity more than one year*	25-100%	Medium	Debt Instruments with maturity more than one year*	25-100%	Medium
	Debt and Money Market instruments with maturity less than one year*	10-100%	Low to Medium	Debt and Money Market instruments with maturity less than one year*	10-100%	Low to Medium
Kotak Medium Term Fund	Debt instruments	60-100%	Low to Medium	Debt instruments	60-100%	Low to Medium
	Government Securities	0-40%	Low to Medium	Government Securities	0-40%	Low to Medium
Kotak Monthly Income Plan	Debt and money market instruments*	Upto 100%	Low to Medium	Debt and money market instruments*	Upto 100%	Low to Medium
	Equity & Equity related instruments	Upto 20%	Medium to High	Equity & Equity related instruments	Upto 20%	Medium to High

II. In addition to above changes, the following shall be included in the Scheme Information Document of the above mentioned schemes:

1. Where will the scheme invest?

Investment in units of Real Estate Investment Trust ('REIT') & Infrastructure Investment Trust ('InvIT').

2. Risk factors associated with REITs/InvITs:

- Market Risk** - Units of REITs & InvITs are subject to market and other risks. The value of these units can go up or down because of various factors that affect the capital market in general, such as, but not limited to, changes in interest rates, government policy and volatility in the capital markets
- Liquidity Risk** - Liquidity in units of REITs & InvITs may be affected by trading volumes, settlement periods and transfer procedures. These factors may also affect the Scheme's ability to make intended purchases/sales, cause potential losses to the Scheme and result in the Scheme missing certain investment opportunities. These factors can also affect the time taken by KMMF for redemption of Units, which could be significant in the event of receipt of a very large number of redemption requests or very large value redemption requests. In view of this, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described in the Statement of Additional Information. REITs and InvITs currently only have a nascent primary market. As such, in absence of the secondary market, the invested units cannot be redeemed except where the issuer is offering a buyback or delisting the units.
- Re-investment Risk** - Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently the proceeds may get invested at a lower rate.
- Performance Risk** - InvITs and REITs carry a performance risk by way of repayment of principal or of interest by the borrower. REITs & InvITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre scheduled.

The above are some of the common risks associated with investments in REITs & InvITs. There can be no assurance that a Scheme's investment objectives will be achieved, or that there will be no loss of capital.

3. Investment restrictions w.r.t. REITs and InvITs:

- The Mutual Fund under all its schemes shall not own more than 10% of units issued by a single issuer of REIT and InvIT.
- The Scheme shall not invest more than 10% of its NAV in the units of REITs and InvITs.
- The Scheme shall not invest more than 5% of its NAV in the units of REITs and InvITs issued by a single issuer.

The detailed explanation on revision in the scheme features are explained in letter to unit holders of the scheme. The letter to unit holders is being sent separately.

All other terms and condition of the Scheme except the above features will remain unchanged. Unit holders who are not in agreement with the aforesaid proposal may redeem their units at applicable NAV or switch to other open-ended schemes of Kotak Mahindra Mutual Fund without payment of exit load for a period of 15 days i.e. between August 17, 2017 and August 31, 2017.

Redemption requests, if any, may be lodged at any of the Official Point of Acceptance of Kotak Mahindra Mutual Fund on or before 3.00 pm on any business day during the exit period. In case of units held in demat form, units can be redeemed on or before 3.00 pm on any business day during the exit period through MFSS/BStar or through depository participants. Unit holders who have changed their bank accounts are requested to inform the same to AMC (along with a cancelled cheque leaf of old and new bank account) while exercising the option to exit. The redemption proceeds will be mailed /credited within 10 business days of receipt of valid redemption request to those unit holders who choose to exercise their exit option (at NAV applicable on date of redemption). In addition, unit holders who have pledged their units will not have the option to exit unless they procure a release of their pledges prior to submitting their redemptions. Unit holders may note that no action is required in case they are in agreement with the aforesaid proposal, which shall be deemed as staying invested in the scheme. This offer to exit is merely an option and is not compulsory.

This notice is as per the statutory requirement stated under Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 constraining change in fundamental attributes of the schemes.

This addendum forms an integral part of Scheme Information Document (SID), Statement of Additional Information (SAI) and Key Information Memorandum (KIM) of the respective schemes.

Mumbai
August 11, 2017

Any queries / clarifications in this regard may be addressed to:
Kotak Mahindra Asset Management Company Limited
CIN: U65991MH1994PLC080009
(Investment Manager for Kotak Mahindra Mutual Fund)

6th Floor, Kotak Towers, Building No. 21, Infinity Park, Off: Western Express Highway, Goregaon - Mulund Link Road, Malad (East), Mumbai 400097. Phone Number: 022 - 66056825 • Email: mutual@kotak.com • Website: assetmanagement.kotak.com

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

Scheme Name	Existing Features			Proposed Features		
Kotak Multi Asset Allocation Fund	Investments	Indicative Allocation	Risk Profile	Investments	Indicative Allocation	Risk Profile
	Debt and money market instruments	40-90%	Low	Debt and money market instruments	40-90%	Low
	Equity & Equity related instruments	5-40%	High	Equity & Equity related instruments	5-40%	High
	Units of Gold ETFs*	5-20%	Medium to High	Units of Gold ETFs*	5-20%	Medium to High
Kotak Balance	Investments	Indicative Allocation	Risk Profile	Investments	Indicative Allocation	Risk Profile
	Equity and Equity related instruments	51%	Medium to High	Equity and Equity related instruments	51%	Medium to High
	Debt and Money Market instruments*	49%	Low to Medium	Debt and Money Market instruments*	49%	Low to Medium
	Units issued by REITs & InvITs	0-10%	Medium to High	Units issued by REITs & InvITs	0-10%	Medium to High
Kotak Equity Savings Fund	Investments	Indicative Allocation	Risk Profile	Investments	Indicative Allocation	Risk Profile
	A Equity & Equity Related instruments including derivatives	65-90%	Medium to High	A Equity & Equity Related instruments including derivatives	65-90%	Medium to High
	A1 Of which Cash-futures arbitrage*	40-75%	High	A1 Of which Cash-futures arbitrage*	40-75%	High
	A2 of which Net long equity exposure**	15-25%	Medium to High	A2 of which Net long equity exposure**	15-25%	Medium to High
	B Debt & Money market Instruments (including margin for derivatives)	10-35%	Low	B Debt & Money market Instruments (including margin for derivatives)	10-35%	Low
	C Units issued by REITs & InvITs	0-10%	Medium to High	C Units issued by REITs & InvITs	0-10%	Medium to High

For Kotak Mahindra Asset Management Company Limited
Investment Manager - Kotak Mahindra Mutual Fund
Sd/-
Nilesh Shah
Managing Director