kotak® Mutual Fund

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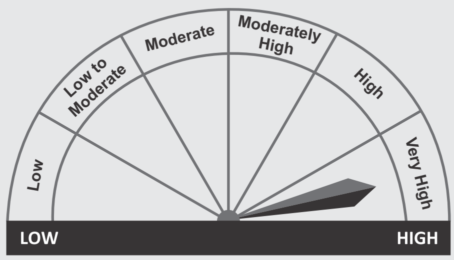
SCHEME INFORMATION DOCUMENT (SID)

Kotak IT ETF

An open ended scheme replicating/ tracking NIFTY IT Index

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	Riskometer  Investors understand that their principal will be at Very High Risk

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

Units at ₹10 each during the New Fund Offer

NFO Opens on: Friday, February 26, 2021 **NFO Closes on: Monday, March 01, 2021**

Offer of Units of ₹10/- per unit issued at a premium approximately equal to the difference between face value and allotment price during the New Fund Offer Period and at NAV based prices during Continuous offer.

Scheme Re-opens for continuous sale and repurchase on or before: Tuesday, March 09, 2021

Name of Mutual Fund	Kotak Mahindra Mutual Fund
Name of Asset Management Company	Kotak Mahindra Asset Management Company Ltd CIN: U65991MH1994PLC080009
Name of Trustee Company	Kotak Mahindra Trustee Company Ltd CIN: U65990MH1995PLC090279
Registered Address of the Companies	27 BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E),Mumbai - 400051
Corporate Office Address of Asset Management Company	2nd Floor, 12-BKC, Plot No. C-12, G-Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051
Website	assetmanagement.kotak.com

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Kotak Mahindra Mutual Fund, Tax and Legal issues and general information on assetmanagement.kotak.com.

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website, assetmanagement.kotak.com.

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated February 16, 2021.

Stock Exchange Disclaimer Clause:

"As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter no. NSE/LIST/5257 dated October 22, 2020, permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; not does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund. Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

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I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Type of Scheme	An open ended scheme replicating/tracking NIFTY IT Index
Investment Objective	The investment objective of the scheme is to replicate the composition of the NIFTY IT Index and to generate returns that are commensurate with the performance of the NIFTY IT Index, subject to tracking errors. **However, there is no assurance or guarantee that the investment objective of the scheme will be achieved.**
Liquidity	The Ongoing Offer Period of the Scheme will commence within 5 Business Days from the date of allotment of Units under the Scheme. The Units of the Scheme can be purchased/ redeemed on a continuous basis on the Stock Exchanges during the trading hours like any other publicly listed security. The AMC will appoint Authorised Participant(s) who will endeavor to provide liquidity through Stock Exchanges by providing two-way quotes in the Units of the Scheme during trading hours. Authorised Participant/Large Investors can subscribe/redeem the Units of the Scheme directly with the Mutual Fund only in the Creation Size. Details of minimum subscription/redemption amount is stated below. Depending on the market volatility, liquidity conditions and any other factors, the AMC may, at its sole discretion, decide to accept subscription/redeem Units of the Scheme either in "Cash", "in-kind"/Portfolio Deposit (through slice of the entire Portfolio excluding G-Sec, TREPS and Repo in Government Securities) or the combination of both.
Benchmark	NIFTY IT Index TRI
Option	The Scheme does not offer any Plans/Options for investment. The AMC/Trustee reserve the right to introduce Option(s) as may be deemed appropriate at a later date.
NAV Information	The Kotak IT ETF units will be listed on NSE, and all purchase and sale of units by investors other than Authorised Participants and Large Investors will be done on the stock exchange. The NAV has a reference value for investors and will be useful for Authorised Participants for offering quotes on the Stock Exchange. The NAVs of the Scheme will be calculated and updated on every Business day on AMFI's website www.amfiindia.com by 11.00 p.m. The First NAV of the scheme shall be declared within 5 working days from the date of allotment. The NAVs shall also be updated on the website of the Kotak Mahindra Mutual Fund viz. assetmanagement.kotak.com. Unitholders may avail the facility to receive the latest available NAVs through SMS by submitting a specific request in this regard to the AMC/Mutual Fund. Delay in uploading of NAV beyond 11.00 p.m. on every business day shall be explained in writing to AMFI. In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release for revised NAV shall be issued.

	The portfolio of the Schemes shall be available in a user-friendly and downloadable format on the website viz. assetmanagement.kotak.com on or before fifth day of every fortnight for debt schemes, on or before the tenth day from the close of each month for other schemes of succeeding month. The AMC may also calculate intra-day indicative NAV (computed based on snapshot prices received from NSE) and will be updated during the market hours on its website assetmanagement.kotak.com. Intra-day indicative NAV will not have any bearing on the creation or redemption of units directly with the Fund by the AP/LI.
Listing	The units of the Scheme will be listed on NSE. The AMC reserves the right to list the units on other exchanges.
Loads	**Entry Load**: Nil In terms of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The commission as specified in the aforesaid circular, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor. **Exit Load**: Nil **Other charges for transactions through Stock Exchange Mode :** The units of the Scheme are compulsorily traded on Stock Exchange(s) in dematerialized form, and hence, there shall be no entry/exit load for the units purchased or sold through Stock Exchanges. However, the investor shall have to bear costs in the form of bid/ask spread and brokerage and such other costs as charged by his broker or mandated by the government from time-to-time for transacting in the units of the Scheme through secondary market.
Sale of Units by Mutual Fund	**On-going basis:** i. Ongoing purchases directly from the Mutual Fund would be restricted to Authorized Participants and Large Investors provided the value of units to be purchased is in creation unit size. Authorised Participants and Large Investors may buy the units on any business day of the scheme directly from the Mutual Fund at applicable NAV, and transaction charges by depositing basket of securities comprising Nifty IT Index. ii. The units are listed on NSE to provide liquidity through secondary market. All categories of Investors may purchase the units through secondary market on any trading day. iii. The AMC will appoint Authorised Participant(s) (whose name will be available on the website of the Fund assetmanagement.kotak.com) to provide liquidity in secondary market on an ongoing basis. The Authorised Participant(s) would offer daily two-way quote in the market. iv. The AMC reserves the right to list the units of the scheme on any other exchange, in future.
Accepting of cash transactions	At present, applications for investing in scheme through cash are not accepted by Kotak AMC. The Asset Management Company is in process of implementing adequate systems and controls to accept Cash Investment in the Scheme. Information in this regard will be provided to Investors as and when the facility is made available.

Face Value of units	The face value of each unit will be Rs.10 per unit. On allotment value of each unit will be approximately equal to 1/1000th of the value of Nifty IT Index.
Creation/Redemption unit size	Creation Unit is fixed number of units of the Scheme, which is exchanged for a basket of securities underlying the index called the Portfolio Deposit and a Cash Component equal to the value of 1,00,000 units of the Scheme. **For redemption of units it is vice versa i.e. fixed number of units of Scheme are exchanged for Portfolio Deposit and Cash Component based on the request of AP. The Portfolio Deposit and Cash Component will change from time to time.**
Transaction handling charges	Transaction handling charges include brokerage, depository participant charges, uploading charges and such other charges that the mutual fund may have to incur in the course of accepting the portfolio deposit or for giving a portfolio of securities as consideration for a redemption request. Such transaction handling charges shall be recoverable from the transacting authorised participant or large investor.
Cost of trading on the stock exchange	Investor will have to bear the cost of brokerage and other applicable statutory levies Eg. Securities Transaction Tax, etc when the units are bought or sold on the stock exchange.
Dematerialisation	1. Units of the Scheme will be available in Dematerialized (electronic) form only. 2. The applicant under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL and will be required to indicate in the application the Depository Participants (DP‘s) name, DP ID Number and the beneficiary account number of the applicant. 3. Units of the Schemes will be issued, traded and settled compulsorily in dematerialized form.

II. INTRODUCTION

A. Risk Factors

Standard Risk Factors:

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down. The value of investments may be affected, inter-alia, by changes in the market, interest rates, changes in credit rating, trading volumes, settlement periods and transfer procedures; the NAV is also exposed to Price/Interest-Rate Risk and Credit Risk and may be affected inter-alia, by government policy, volatility and liquidity in the money markets and pressure on the exchange rate of the rupee
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.
- Kotak IT ETF is only the name of the scheme and does not in any manner indicate either the quality of the scheme or its future prospects and returns.
- The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of Rs.2,50,000 made by it towards setting up the Fund.
- The present scheme is not a guaranteed or assured return scheme.

Scheme Specific Risk Factors

The Scheme is subject to the principal risks described below. Some or all of these risks may adversely affect Scheme's NAV trading price, yield, total return and/or its ability to meet its objectives.

1) The NAV of the units is closely related to the value of stocks that form a part of the benchmark index. The value of this will react to stock market movements and may result in changes in the NAV of units under the scheme. There could also be movements in the scheme's NAV due to changes in interest rates, macro-economic and political developments and over longer periods during market downturns;
2) Liquidity Risk: Trading in Kotak IT ETF may be halted due to market conditions or for reasons that in the view of the Exchange Authorities or SEBI, trading in Kotak IT ETF is not advisable. There could also be trading halts caused by extraordinary market volatility and pursuant to NSE and SEBI circuit filter rules. There can be no assurance that the requirements of the exchange necessary to maintain the listing of the Kotak IT ETF will continue to be met or will remain unchanged
3) Regulatory Risk: Any changes in trading regulations by the stock exchange (s) or SEBI may affect the ability of Authorised Participant/Large Investors to arbitrage resulting into wider premium/ discount to NAV.
4) Sector Risk: The IT sector in general could underperform returns from the securities or other asset classes.
5) Tracking error may have an impact on the performance of the scheme. However KMAMC will endeavour to keep the tracking error as low as possible.
6) The Scheme is a passively managed scheme and provides exposure to the benchmark and tracking its performance and yield as closely as possible. The Schemes performance may be affected by a general price decline in the stock markets. The Scheme invests in the stocks comprising the index regardless of their investment merit. The Mutual Fund does not attempt to take defensive positions in declining markets.
7) As the scheme proposes to invest not less than 95% of the net assets in securities comprising of Nifty IT Index, any deletion of stocks from or addition to in Nifty IT Index may require sudden and immediate liquidation or acquisition of such stocks at the prevailing market prices

irrespective of whether valuation of stocks is attractive enough. This may not always be in the interest of unitholders.

8) The performance of the Nifty IT Index will have a direct bearing on the performance of the scheme. Hence any composition change by virtue of weightage or stocks selection will have an impact on the scheme.
9) Though Kotak IT ETF will be listed on the stock exchange, there is no assurance that an active secondary market will develop or be maintained.
10) Investors may note that even though this is an open-ended scheme, they will have to buy or sell units of the scheme on the stock exchanges where these units are listed for liquidity at the market price, subject to the rules and regulations of the exchange. Buying and selling units on stock exchange requires the investor to engage the services of a broker and are subject to payment of margins as required by the stock exchange/ broker, payment of brokerage, securities transactions tax and such other costs.
11) The market price of ETF units, like any other listed security, is largely dependent on two factors, viz., (1) the intrinsic value of the unit (or NAV), and (2) demand and supply of units in the market. Sizeable demand or supply of the units in Exchange may lead to market price of the units to quote at premium or discount to NAV. However since the eligible investors can transact with the AMC for units beyond the creation unit size there should not be a significant variance from the NAV. Hence the price of ETF is less likely to hold significant variance (large premium or discount) from the latest declared NAV all the time.
12) Capital Gains Impact: Investors who trade in Kotak IT ETF may be subject to Long Term Capital Gains or Short Term Capital Gains. Investors are requested to consult their tax / legal consultants before investing in the scheme.
13) The units will be issued only in demat form through depositories. The records of the depository are final with respect to the number of units available to the credit of unit holder. Settlement of trades, repurchase of units by the mutual fund depends up on the confirmations to be received from depository (ies) on which the mutual fund has no control.
14) The scheme will attract provisions of take over regulations, if it invests in more than 10% of the paid up capital of a company and therefore may not be able to accept further subscriptions.

Risk associated with Exchange Traded Fund:

a) **Absence of Prior Active Market:** Although the units of ETFs are listed on the Stock Exchange for trading, there can be no assurance that an active secondary market will develop or be maintained.

b) **Lack of Market Liquidity:** Trading in units of ETFs on the Stock Exchange on which it is listed may be halted because of market conditions or for reasons that, in the view of the concerned Stock Exchange or Market Regulator, trading in the ETF Units is inadvisable. In addition, trading in the units of ETFs is subject to trading halts caused by extraordinary market volatility pursuant to 'circuit breaker' rules. There can be no assurance that the requirements of the concerned Stock Exchange necessary to maintain the listing of the units of ETFs will continue to be met or will remain unchanged.

c) **Units of Exchange Traded Funds May Trade at Prices Other than NAV:** Units of Exchange Traded Funds may trade above or below their NAV. The NAV of Units of Exchange Traded Funds may fluctuate with changes in the market value of a Scheme's holdings. The trading prices of units of ETF will fluctuate in accordance with changes in their NAVs as well as market supply and demand. However, given that ETFs can be created / redeemed in Creation Units, directly with the fund, large discounts or premiums to the NAVs will not sustain due to arbitrage possibility available.

d) **Regulatory Risk:** Any changes in trading regulations by the Exchange or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/ discount to NAV. Although Kotak IT ETF is proposed to be listed on Exchange, the AMC and the Trustees will not be liable for delay in listing of Units of the Scheme on Exchange / or due to connectivity problems with the depositories due to the occurrence of any event beyond their control.

e) **Political Risks:** Whereas the Indian market was formerly restrictive, a process of deregulation has been taking place over recent years. This process has involved removal of trade barriers and protectionist measures, which could adversely affect the value of investments. It is possible that the future changes in the Indian political situation, including political, social or economic instability, diplomatic developments and changes in laws and regulations could have an effect on the value of investments. Expropriation, confiscatory taxation or other relevant developments could affect the value of investments.

f) **Right to Limit Redemptions:** The Trustee, in the general interest of the unit holders of the Scheme offered under this Scheme Information Document and keeping in view of the unforeseen circumstances/unusual market conditions, may limit the total number of Units which can be redeemed on any Business Day depending on the total "Saleable Underlying Stock" available with the fund.

g) **Redemption Risk:** The Unit Holders may note that even though this is an open ended scheme, the Scheme would ordinarily repurchase Units in Creation Unit size. Thus unit holdings less than the Creation Unit size can normally only be sold through the secondary market unless no quotes are available on the Exchange for 3 trading days consecutively.

h) **Asset Class Risk:** The returns from the types of securities in which a Scheme invests may underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of out-performance and under performance in comparison of the general securities markets.

i) **Passive Investments:** As the Scheme is not actively managed, the underlying investments may be affected by a general decline in the Indian markets relating to its Underlying Index. The scheme invests in the securities included in its underlying index regardless of their investment merit. The AMC does not attempt to take defensive positions in declining markets. Further, the fund manager does not make any judgment about the investment merit nor shall attempt to apply any economic, financial or market analysis.

j) **Tracking Error Risk:** Factors such as the fees and expenses of the Scheme, cash balance, changes to the Underlying assets and regulatory policies may affect AMC's ability to achieve close correlation with the Underlying assets of the scheme. The Scheme's returns may therefore deviate from those of its Underlying assets.

k) Tracking Error of ETFs is likely to be low as compared to a normal index fund. Due to the Creation / Redemption of units through the in-kind mechanism the fund can keep lesser funds in cash. Also, time lag between buying / selling units and the underlying shares is much lower The Investment Manager would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible. Under normal circumstances, such tracking errors are not expected to exceed 2% per annum. However this may vary when the markets are very volatile However, there can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Underlying Index.

Risk specific to investing in companies forming part of Nifty IT Index and risks:-
The underlying companies forming part of Nifty IT Index are typically large & mid cap in nature and are well researched. They also enjoy reasonable liquidity. The risk to investing in these companies would emanate from market risk in general in case equity markets enter a correction/consolidation phase. Also a risk may arise in case the sector to which the company belongs may not perform in line with the broader market.

Risks associated with Capital Markets or Equity Markets (i.e. Markets in which Equity Shares or Equity oriented instruments are issued and traded)

- **Price fluctuations and Volatility:**

Mutual Funds, like securities investments, are subject to market and other risks and there can be neither a guarantee against loss resulting from an investment in the Scheme nor any assurance that the objective of the Scheme will be achieved. The NAV of the Units issued under the Scheme 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. Pressure on the exchange rate of the Rupee may also affect security prices.

- **Concentration / Sector Risk:**

When a Mutual Fund Scheme, by mandate, restricts its investments only to a particular sector; there arises a risk called concentration risk. If the sector, for any reason, fails to perform, the portfolio value will plummet and the Investment Manager will not be able to diversify the investment in any other sector.

- **Liquidity Risks:**

Liquidity in Equity investments 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.

Potential Loss associated with Securities Lending:-

In the case of securities lending the additional risk is that there can be temporary illiquidity of the securities that are lent out and the Fund may not be able to sell such lent-out securities, resulting in an opportunity loss. In case of a default by counterparty, the loss to the Fund can be equivalent to the securities lent.

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Risks associated with Covered Call Strategy:

- The risk associated with a covered call is the loss of upside, i.e. If the underlying price rises above the strike, the short call loses its value as much as the underlying stock gains

- The Scheme may write covered call option only in case it has adequate number of underlying equity shares as per regulatory requirement. This means to set aside a portion of investment in underlying equity shares. In case of change in view, the scheme may not be able to sell the underlying equity shares immediately. If covered call options are sold to the maximum extent allowed by regulatory authority.

- The covered call options need to be unwound before the stock positions can be liquidated. This may lead to a loss of opportunity, or can cause exit issues if the strike price at which the call option contracts have been written become illiquid. Hence, the scheme may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity.

Risks associated with Debt / Money Markets (i.e. Markets in which Interest bearing Securities or Discounted Instruments are traded)

a) Credit Risk:

Securities carry a Credit risk of repayment of principal or interest by the borrower. This risk depends on micro-economic factors such as financial soundness and ability of the borrower as also macro-economic factors such as Industry performance, Competition from Imports, Competitiveness of Exports, Input costs, Trade barriers, Favourability of Foreign Currency conversion rates, etc.

Credit risks of most issuers of Debt securities are rated by Independent and professionally run rating agencies. Ratings of Credit issued by these agencies typically range from "AAA" (read as "Triple A" denoting "Highest Safety") to "D" (denoting "Default"), with about 6 distinct ratings between the two extremes.

The highest credit rating (i.e. lowest credit risk) commands a low yield for the borrower. Conversely, the lowest credit rated borrower can raise funds at a relatively higher cost. On account of a higher credit risk for lower rated borrowers lenders prefer higher rated instruments further justifying the lower yields.

b) Price-Risk or Interest-Rate Risk:

From the perspective of coupon rates, Debt securities can be classified in two categories, i.e., Fixed Income bearing Securities and Floating Rate Securities. In Fixed Income Bearing Securities, the Coupon rate is determined at the time of investment and paid/received at the predetermined frequency. In the Floating Rate Securities, on the other hand, the coupon rate changes - 'floats' - with the underlying benchmark rate, e.g., MIBOR, 1 yr. Treasury Bill.

Fixed Income Securities (such as Government Securities, bonds, debentures and money market instruments) where a fixed return is offered, run price-risk. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, the payment-frequency of such coupon, days to maturity and the increase or decrease in the level of interest rates. The prices of Government Securities (existing and new) will be influenced only by movement in interest rates in the financial system. Whereas, in the case of corporate or institutional fixed income securities, such as bonds or debentures, prices are influenced not only by the change in interest rates but also by credit rating of the security and liquidity thereof. However, debt securities in the scheme are intended to be held till maturity. For such securities held till maturity, there will not be any interest rate risk at the end of the tenure.

Floating rate securities issued by a government (coupon linked to treasury bill benchmark or a real return inflation linked bond) have the least sensitivity to interest rate movements, as compared to other securities. The Government of India has already issued a few such securities and the Investment Manager believes that such securities may become available in future as well. These securities can play an important role in minimizing interest rate risk on a portfolio.

c) **Risk of Rating Migration:**

The following table illustrates the impact of change of rating (credit worthiness) on the price of a hypothetical AA rated security with a maturity period of 3 years, a coupon of 10.00% p.a. and a market value of Rs. 100. If it is downgraded to A category, which commands a market yield of, say, 11.00% p.a., its market value would drop to Rs. 97.53 (i.e. 2.47%) If the security is up-graded to AAA category which commands a market yield of, say, 9.00% p.a. its market value would increase to Rs102.51 (i.e. by 2.51%). The figures shown in the table are only indicative and are intended to demonstrate how the price of a security can be affected by change in credit rating.

Rating	**Yield (% p.a.)**	**Market Value (Rs.)**
AA	10.00	100.00
If upgraded to AAA	9.00	102.51
If downgraded to A	11.00	97.53

d) **Basis Risk:**

During the life of floating rate security or a swap the underlying benchmark index may become less active and may not capture the actual movement in the interest rates or at times the benchmark may cease to exist. These types of events may result in loss of value in the portfolio. Where swaps are used to hedge an underlying fixed income security, basis risk could arise when the fixed income yield curve moves differently from that of the swap benchmark curve.

e) **Spread Risk:**

In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. However depending upon the market conditions the spreads may move adversely or favourably leading to fluctuation in NAV.

f) **Reinvestment Risk:**

Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently the proceeds may get invested at a lower rate.

g) **Liquidity Risk:**

The corporate debt market is relatively illiquid vis-a- vis the government securities market. There could therefore be difficulties in exiting from corporate bonds in times of uncertainties. Liquidity in a scheme therefore may suffer. Even though the Government Securities market is more liquid compared to that of other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. 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 (SAI).

Risks associated with Investing in Structured Obligation (SO) & Credit Enhancement (CE) rated securities:

The risks factors stated below for the Structured Obligations & Credit Enhancement are in addition to the risk factors associated with debt instruments.

- Credit rating agencies assign CE rating to an instrument based on any identifiable credit enhancement for the debt instrument issued by an issuer. The credit enhancement could be in various forms such as guarantee, shortfall undertaking, letter of comfort, pledge of shares listed on stock exchanges etc. from the issuers, promoters or another entity. This entity could be either related or non-related to the issuer like a bank, financial institution, etc. Hence, for CE rated instruments evaluation of the credit enhancement provider, as well as the issuer is undertaken to determine the issuer rating.

- SO transactions are asset backed/ mortgage backed securities, securitized paper backed by hypothecation of loan receivables, securities backed by trade receivables, credit card receivables etc. In case of SO rated issuer, the underlying loan pools or securitization, etc. is assessed to arrive at rating for the issuer.

- Liquidity Risk: SO rated securities are often complex structures, with a variety of credit enhancements. Debt securities lack a well-developed secondary market in India, and due to the credit enhanced nature of CE securities as well as structured nature of SO securities, the liquidity in the market for these instruments is low as compared to similar rated debt instruments. Hence, lower liquidity of such instruments, could lead to inability of the scheme to sell such debt instruments and generate liquidity for the scheme or higher impact cost
- when such instruments are sold. Where equity shares are provided as collateral there is the risk of sharp price volatility of underlying securities which may lead to erosion in value of collateral as also low liquidity of the underlying shares which may affect the ability of the fund to enforce collateral and recover capital and interest obligations.

Credit Risk: The credit risk of debt instruments which are CE rated derives rating based on the combined strength of the issuer as well as the structure. Hence, any weakness in either the issuer or the structure could have an adverse credit impact on the debt instrument. The weakness in structure could arise due to inability of the investors to enforce the structure due to issues such as legal risk, inability to sell the underlying collateral or enforce guarantee, etc. In case of SO transactions, comingling risk and risk of servicer increases the overall risk for the securitized debt or assets backed transactions. Therefore apart from issuer level credit risk such debt instruments are also susceptible to structure related credit risk.

Risks associated with investments in Derivative Instruments:

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investment.

The risks associated with the use of derivatives are different from or possibly greater than the risks associated with investing directly in securities and other traditional investments. There are certain risks inherent in derivatives. These are:

a) Basis Risk – This risk arises when the derivative instrument used to hedge the underlying asset does not match the movement of the underlying being hedged for e.g. mismatch between the maturity date of the futures and the actual selling date of the asset.

b) Limitations on upside: Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.

c) Liquidity risk pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivates may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.

d) In case of investments in index futures, the risk would be the same as in the case of investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. In case futures are used for hedging a portfolio of stocks, which is different from the index stocks, the extent of loss could be more or less depending on the coefficient of variation of such portfolio with respect to the index; such coefficient is known as Beta.

e) The risk related to hedging for use of derivatives, (apart from the derivatives risk mentioned above) is that event of risk, which we were anticipating and hedged our position to mitigate it, does not happen. In such case, the cost incurred in hedging the position would be a avoidable charge to the scheme net assets.

f) Credit Risk – The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a IRS / IRF derivative transaction. With the phased implementation of physical settlement of stocks in equity derivative segment, though there is an element of risk of stock / funds not being received, the same is mitigated due to settlement guarantee similar to equity cash market segment.

g) Interest Rate Risk – interest rate is one of the variables while valuing derivatives such as futures & options. For example, with everything remaining constant, when interest rates increase, the price of Call option would increase. Thus, fluctuations in interest rates would result in volatility in the valuation of derivatives.

h) Model Risk - A variety of models can be used to value options. Hence, the risk to the fund is that the fund manager buys a particular option using a particular valuation model (on the basis of which the option seems to be fairly priced or cheap) but the market is valuing it using another valuation model and according to which the option may be expensive.

i) The risk (loss) for an option buyer is limited to the premium paid, while the risk (loss) of an option writer is unlimited, the latter's gain being limited to the premiums earned. However, in the case of the Fund, all option positions will have underlying assets and therefore all losses due to price-movement beyond the strike price will actually be an opportunity loss. The writer of a put option bears a risk of loss if the value of the underlying asset declines below the strike price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the strike price.

Risks associated with Covered Call Strategy:

- The risk associated with a covered call is the loss of upside, i.e. If the underlying price rises above the strike, the short call loses its value as much as the underlying stock gains

- The Scheme may write covered call option only in case it has adequate number of underlying equity shares as per regulatory requirement. This means to set aside a portion of investment in underlying equity shares. In case of change in view, the scheme may not be able to sell the underlying equity shares immediately. If covered call options are sold to the maximum extent allowed by regulatory authority.

- The covered call options need to be unwound before the stock positions can be liquidated. This may lead to a loss of opportunity, or can cause exit issues if the strike price at which the call option contracts have been written become illiquid. Hence, the scheme may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity.

Risks associated with Securitised Debt:

The Scheme may from time to time invest in domestic securitised debt, for instance, in asset backed securities (ABS) or mortgage backed securities (MBS). Typically, investments in securitised debt carry credit risk (where credit losses in the underlying pool exceed credit enhancement provided, (if any) and the reinvestment risk (which is higher as compared to the normal corporate or sovereign debt). The underlying assets in securitised debt are receivables arising from automobile loans, personal loans, loans against consumer durables, loans backed by mortgage of residential / commercial properties, underlying single loans etc.

ABS/MBS instruments reflect the proportionate undivided beneficial interest in the pool of loans and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. Investments in securitised debt is largely guided by following factors:

- Attractive yields i.e. where securitised papers offer better yields as compared to the other debt papers and also considering the risk profile of the securitised papers.
- Diversification of the portfolio
- Better performance

Broadly following types of loans are securitised:

- **Auto Loans**

  The underlying assets (cars etc.) are susceptible to depreciation in value whereas the loans are given at high loan to value ratios. Thus, after a few months, the value of asset becomes lower than the loan outstanding. The borrowers, therefore, may sometimes tend to default on loans and allow the vehicle to be repossessed.

  These loans are also subject to model risk i.e. if a particular automobile model does not become popular, loans given for financing that model have a much higher likelihood of turning bad. In such cases, loss on sale of repossession vehicles is higher than usual.

  Commercial vehicle loans are susceptible to the cyclicality in the economy. In a downturn in economy, freight rates drop leading to higher defaults in commercial vehicle loans. Further, the second hand prices of these vehicles also decline in such economic environment.

- **Housing Loans**

  Housing loans in India have shown very low default rates historically. However, in recent years, loans have been given at high loan to value ratios and to a much younger borrower classes. The loans have not yet gone through the full economic cycle and have not yet seen a period of declining property prices. Thus the performance of these housing loans is yet to be tested and it need not conform to the historical experience of low default rates.

- **Consumer Durable Loans**

  The underlying security for such loans is easily transferable without the bank's knowledge and hence repossession is difficult.

  The underlying security for such loans is also susceptible to quick depreciation in value. This gives the borrowers a high incentive to default.

- **Personal Loans**

  These are unsecured loans. In case of a default, the bank has no security to fall back on. The lender has no control over how the borrower has used the borrowed money.

  Further, all the above categories of loans have the following common risks:

  All the above loans are retail, relatively small value loans. There is a possibility that the borrower takes different loans using the same income proof and thus the income is not sufficient to meet the debt service obligations of all these loans.

In India, there is no ready database available regarding past credit record of borrowers. Thus, loans may be given to borrowers with poor credit record. In retail loans, the risks due to frauds are high.

- **Single Loan PTC**

  A single loan PTC is a securitization transaction in which a loan given by an originator (Bank/ NBFC/ FI etc.) to a single entity (obligor) is converted into pass through certificates and sold to investors. The transaction involves the assignment of the loan and the underlying receivables by the originator to a trust, which funds the purchase by issuing PTCs to investors at the discounted value of the receivables. The PTCs are rated by a rating agency, which is based on the financial strength of the obligor alone, as the PTCs have no recourse to the originator.

  The advantage of a single loan PTC is that the rating represents the credit risk of a single entity (the obligor) and is hence easy to understand and track over the tenure of the PTC. The primary risk is that of all securitized instruments, which are not traded as often in the secondary market and hence carry an illiquidity risk. The structure involves an assignment of the loan by the originator to the trustee who then has no interest in monitoring the credit quality of the originator. The originator that is most often a bank is in the best position to monitor the credit quality of the originator. The investor then has to rely on an external rating agency to monitor the PTC. Since the AMC relies on the documentation provided by the originator, there is a risk to the extent of the underlying documentation between the seller and underlying borrower.

Risks associated with segregated portfolio

- Investor holding units of segregated portfolio may not able to liquidate their holding till the time realisable value is recovered.
- Security comprising of segregated portfolio may realise lower value or may realise zero value.
- Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

B. Requirement of Minimum Investors in the Scheme

In accordance with SEBI/IMD/CIR No. 10/22701/03 dated December 12, 2003 the requirement of minimum number of investors in the scheme is not applicable to Kotak IT ETF.

C. Special Considerations

- Prospective investors should review/study SAI along with SID carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/investment matters and are advised to consult their own professional advisor(s) as to the legal or any other requirements or restrictions relating to the subscriptions, gifting, acquisition, holding, disposal (sale, transfer, switch or redemption or conversion into money) of units and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalization, disposal (sale, transfer, switch or redemption or conversion into money) of units within their jurisdiction/nationality, residence, domicile etc. or under the laws of any jurisdiction to which they or any managed Funds to be used to purchase/gift units are subject, and also to determine possible legal, tax, financial or other consequences of subscribing/gifting to, purchasing or holding units before making an application for units.
- Neither this SID and SAI, nor the units have been registered in any jurisdiction. The distribution of this SID in certain jurisdictions may be restricted or subject to registration and accordingly, any person who gets possession of this SID is required to inform themselves about, and to

observe, any such restrictions. It is the responsibility of any persons in possession of this SID and any persons wishing to apply for units pursuant to this SID to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction. Any changes in SEBI/NSE/RBI regulations and other applicable laws/regulations could have an effect on such investments and valuation thereof.

- Kotak Mahindra Mutual Fund/AMC has not authorised any person to give any information or make any representations, either oral or written, not stated in this SID in connection with issue of units under the Schemes. Prospective investors are advised not to rely upon any information or representations not incorporated in the SAI and SID as the same have not been authorised by the Fund or the AMC. Any purchase or redemption made by any person on the basis of statements or representations which are not contained in this SID or which are not consistent with the information contained herein shall be solely at the risk of the investor. The investor is requested to check the credentials of the individual, firm or other entity he/she is entrusting his/her application form and payment to, for any transaction with the Fund. The Fund shall not be responsible for any acts done by the intermediaries representing or purportedly representing such investor.
- If the units are held by any person in breach of the Regulations, law or requirements of any governmental, statutory authority including, without limitation, Exchange Control Regulations, the Fund may mandatorily redeem all the units of any Unit holder where the units are held by a Unit holder in breach of the same. The Trustee may further mandatorily redeem units of any Unit holder in the event it is found that the Unit holder has submitted information either in the application or otherwise that is false, misleading or incomplete.
- If a Unit holder makes a redemption request immediately after purchase of units, the Fund shall have a right to withhold the redemption request till sufficient time has elapsed to ensure that the amount remitted by the Unit holder (for purchase of units) is realized and the proceeds have been credited to the Scheme's Account. However, this is only applicable if the value of redemption is such that some or all of the freshly purchased units may have to be redeemed to effect the full redemption.
- In terms of the Prevention of Money Laundering Act, 2002 ("PMLA") the rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML) Laws, all intermediaries, including mutual funds, are required to formulate and implement a client identification programme, and to verify and maintain the record of identity and address(es) of investors.
- If after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall report any such suspicious transactions to competent authorities under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/Unit holder/any other person.
- The AMC offers portfolio management service. The AMC has renewed its registration obtained from SEBI vide Registration No. – INP000000837 dated November 13, 2018 to act as a Portfolio Manager under the SEBI (Portfolio Managers) Regulations, 1993. The said certificate of registration is valid unless it is suspended or cancelled by SEBI. Kotak Mahindra Pension Fund Limited, a subsidiary of the AMC is providing pension fund management services. The AMC has received no objection certificate from SEBI for management of pension funds through its subsidiary. The AMC has received in-principle approval from SEBI for acting as an investment manager for Kotak Alternative Investment Fund Trust. No Scheme(s) have yet been launched under the AIF Fund. The AMC has received No objection from SEBI for providing non-binding offshore advisory services to offshore funds. The AMC has not yet commenced providing non-binding offshore advisory services. The AMC has systems in place to ensure that there is no conflict of interest between the aforesaid activities.

The following three types of investors may subscribe to the units of the scheme. While all of them may subscribe to the units during the New Fund Offer, there are some restrictions on their dealing with the Fund directly during the continuous offer as explained below:

1. **Authorised Participants (AP):** AP is an entity engaged by AMC to undertake the responsibility of a market maker and ensure liquidity in the stock market. The role of AP will endeavour to assure liquidity for Kotak IT ETF units in the stock exchanges where the units are listed.

2. **Large Investors (LI):** LI may buy and redeem units in creation unit size directly from the Fund directly on any business day at applicable NAV price plus transaction charges, as and when permitted by the AMC.

3. **Other Investors:** Investors other than AP and LI may buy or sell Kotak IT ETF units from the stock market only, on an ongoing basis.

Requirements for investing through demat mode:

1. Requirement of Demat account for investing in the scheme

The applicant under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL and will be required to indicate in the application the Depository Participants (DP's) name, DP ID Number and the beneficiary account number of the applicant.

2. Procedure for Purchase/Redemption of Units directly from the Fund:

Only Authorised Participants can purchase or redeem unit directly from the Fund as per the procedure given below:

a. Creation/Redemption of units in Creation Unit Size by Exchanging Portfolio Deposit

The Fund creates / redeems the scheme units in large size known as “Creation Unit”. The value of the “Creation Unit” is 1,00,000 units of the Scheme or in multiple thereof called as the “Portfolio Deposit” and a “Cash Component” which will be exchanged for corresponding number of units. The Portfolio Deposit and Cash Component may change from time to time and will be announced by Fund on its website. Portfolio deposit shall be made into a pre-designated depository account. AMC may, at its sole discretion, create units of the Scheme in ‘Creation Unit’ size in “Cash”.

Payment of proceeds in cash: The Fund at its discretion may accept the request of AP/LI for payment of redemption proceeds in cash. Such investors shall make redemption request to the Fund whereupon the Fund will arrange to sell underlying portfolio securities on behalf of the investor. Accordingly, the sale proceeds of portfolio securities, after adjusting necessary charges/costs, will be remitted to the investor. The number of Units so redeemed will be subtracted from the unitholder’s account balance (DP) and a statement to this effect will be issued to the unitholder by depository.

b. Procedure for Creating Scheme’s units in Creation Unit Size

AP may deposit requisite basket of securities comprising Nifty IT Index constituting the Portfolio Deposit and Cash component. The requisite securities constituting the Portfolio Deposit have to be transferred to the designated depository account of the scheme while the Cash Component has to be paid to the AMC based on the request by AP/LI by way of a cheque or pay order or demand draft. The AMC will have the corresponding number of units credited to the depository account of the AP.

The Portfolio Deposit and Cash Component for the Scheme may change from time to time due to change in NAV.

c. Procedure for Redeeming Scheme's units in Creation Unit Size

AP may submit Redemption request transaction form prescribed by the AMC enclosed with redemption request slip used in the depository system duly acknowledged by the depository participant with which AP has a depository account.

The Portfolio Deposit and Cash Component for the Scheme may change from time to time due to change in NAV.

Example for Calculation of the price at which units can be purchased and the units receivable by the investor

The example of Creation Unit as on February 09, 2021 for Kotak IT ETF is as follows:

Stock Name	Weight (%)	Price	Quantity	Value
TATA CONSULTANCY SERVICES LTD.	26.816511	3176.9	219	695741.1
INFOSYS LTD.	25.938964	1305.55	517	674969.35
WIPRO LTD.	9.92804	439.35	588	258337.8
HCL Technologies Ltd.	8.939578	951.6	244	232190.4
TECH MAHINDRA LTD.	8.890538	975.1	237	231098.7
INFO EDGE (INDIA) LTD.	8.85871	4969.4	46	228592.4
LARSEN & TOUBRO INFOTECH LTD.	4.34023	4067.8	28	113898.4
MPHASIS LTD.	3.180127	1647.2	50	82360
MINDTREE LTD.	2.057119	1714.45	31	53147.95
COFORGE LTD.	1.050184	2543.65	11	27980.15
Value of Portfolio Deposit				2598316.3

Value of portfolio deposit	2598316.25
Value of Cash Component	1683.75
Total Value of creation unit	2600000

Cash Component arrived in the following manner:

Number of units comprising one creation unit	100000
NAV per Unit (Assuming Underlying index value is 21000)	26
Value of 1 Creation Unit	2600000
Value of Portfolio Deposit (pre-defined basket of securities of the Underlying Basket)	2598316.25
Cash Component	1683.75

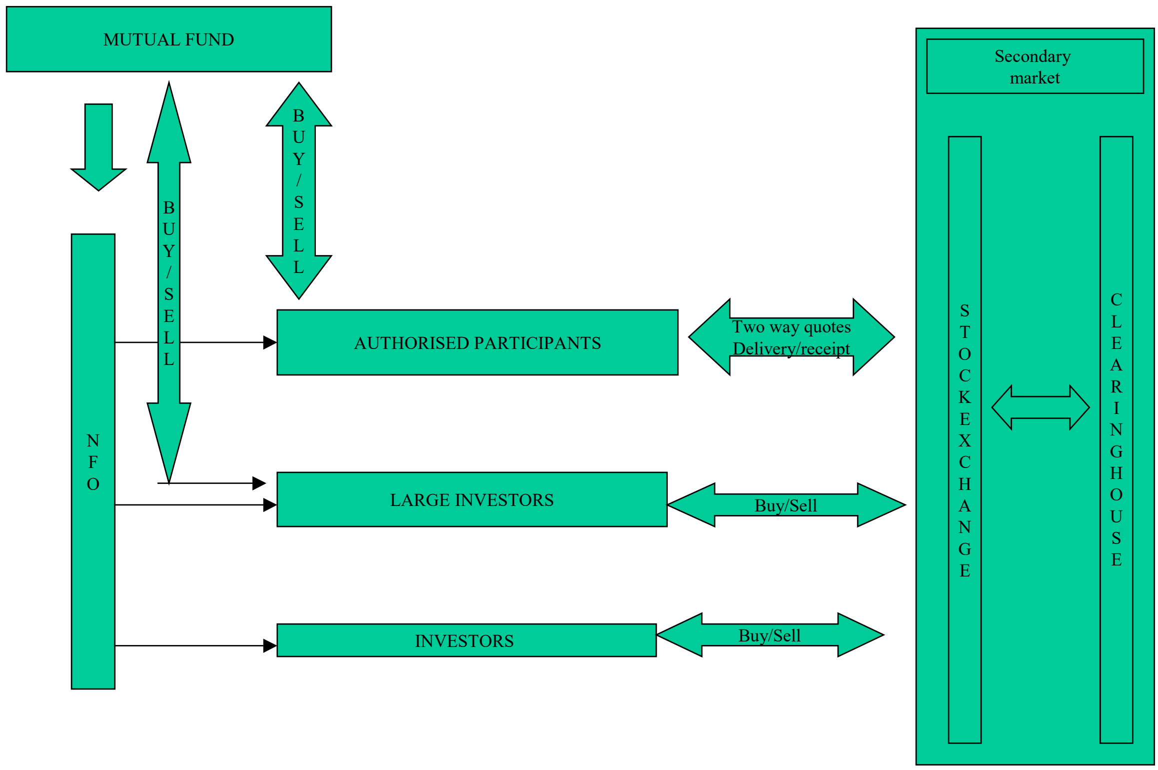
The above is just an example to illustrate the calculation of cash component. Cash Component will vary depending upon the actual charges incurred like Custodial Charges and other incidental charges for creating units.

The above procedure relating to purchase and sale of units by different types of investors/participants in the scheme is tabulated for easy reference

Type of investor and transaction details	**Sale of units by Mutual Fund**	**Redemption of units by unit holders**
During Continuous offer		
Authorized Participants	Any business day in creation unit* Size at applicable NAV and transaction handling charges.	Any business day in creation unit* Size
Large Investor	Any business day in creation unit* Size at applicable NAV and transaction handling charges.	Any business day in creation unit* Size
Other investors	Only through stock exchange	Only through stock exchange
Role of Authorised participants	Gives two way quotes in the secondary market. Stands as a seller for a buy order.	Gives two-way quotes in the secondary market. Stands as a buyer against a sell order.
Role of large investor	Only an investor – no other role in the scheme operations.	-

*** Creation unit**

Each creation unit consists of 100000 units of Kotak IT ETF.
Each unit of Kotak IT ETF will be approximately equal to 1/1000th of the value of the Nifty IT Index.



d. Redemption method:

- Unitholder (large investor or authorized participant) may submit to any of the offices of AMC Redemption request Form enclosed with a copy of redemption request duly acknowledged by the depository participant.
- The depository participant will process the request and forward the same to Registrar to the Scheme in the normal course.
- The time taken for confirmation of repurchase of units is dependent upon the timelines and procedures of depositories.
- Redemption proceeds in the form of Portfolio of securities will be transferred to the demat account of the unit holder within three days of confirmation with the depository records.

e. Exit opportunity in case of ETF for investors other than Authorised Participants and Large Investors:

Investors other than Authorised Participants and Large Investors can directly approach the Fund for redemption of units, and no exit load will be charged if-

a) Traded price of the ETF units is at discount of more than 3% of NAV for continuous 30 trading days, or
b) Discount of bid price to NAV over a period of 7 consecutive trading days is greater than 3%, or
c) No quotes are available on exchange for 3 consecutive trading days, or
d) Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.

In such a scenario valid applications received upto 3 p.m. the Mutual Fund shall process the redemption request basis the closing NAV of the day of receipt of application.

Such instances shall be tracked by the AMC on an ongoing basis and incase if any of the above mentioned scenario arises the same shall be disclosed on the website of the AMC.

f. Buying /Selling through the Stock Exchange

Buying / Selling units on the stock exchange is just like buying / selling any other normal listed securities. If an investor has bought units, an investor has to pay the purchase amount to the broker / sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the exchange. If an investor has sold units, an investor has to deliver the units to the broker/sub-broker before the securities pay-in day of the settlement cycle on the exchange. The units (in case of units bought) and the funds (in the case of units sold) are paid out to the broker on the payout day of the settlement cycle on the exchange. The trading member would pay the money or deliver the units to the investor in accordance with time prescribed by the stock exchange regulations.

If an investor has bought units, he should give standing instructions for 'Delivery-In' to his/her DP for accepting units in his/her beneficiary account. An investor should give the details of his/her beneficiary account and the DP-ID of his/her DP to his/her trading member. The trading member will transfer the units directly to his/her beneficiary account on receipt of the same from exchange's clearing corporation.

An investor who has sold units should instruct his/her Depository Participant (DP) to give 'Delivery Out' instructions to transfer the units from his/her trading member through whom he/she have sold the units. The details of the pool A/c of his/her trading member to which the units are to be transferred, unit quantity etc. should be mentioned in the delivery out instructions given by him/her to the DP. The instructions should be given well before the prescribed securities pay-in day. SEBI has advised that the delivery out instructions should be given atleast 24 hours prior to the cut off time for the prescribed securities pay in to avoid any rejection of instructions due to data entry errors, network problems, etc.

D. Definitions

In this SID, the following words and expressions shall have the meaning specified below, unless the context otherwise requires:

Applicable NAV	Unless stated otherwise in this document, 'Applicable NAV' is the Net Asset Value at the close of a Working/Business Day as of which the purchase or redemption is sought by an investor and determined by the Fund.
Application Supported by Blocked Amount (ASBA)	An application containing an authorization given by the Investor to block the application money in his specified bank account towards the subscription of Units offered during the NFO of the Scheme. On intimation of allotment by CAMS to the banker the investors account shall be debited to the extent of the amount due thereon.
Asset Management Company or AMC or Investment Manager or KMAMC	Kotak Mahindra Asset Management Company Limited, the Asset Management Company incorporated under the Companies Act, 1956, and authorised by SEBI to act as Investment Manager to the Schemes of Kotak Mahindra Mutual Fund.
Authorised Participant	Member of the Stock Exchanges having trading terminals on which the units of the scheme are listed and appointed by the AMC to give two way quotes on the stock exchanges and who deal in creation unit size for the purpose of purchase and sale of units directly from the AMC The names of the Authorised Participants will be available on the website of the Fund assetmanagement.kotak.com
Business day	A day other than: (i) Saturday and Sunday (ii) A day on which banks in Mumbai including the Reserve Bank of India are closed for business or clearing (iii) A day on which Recognized Stock Exchanges is closed (iv) A day on which NSDL and/or CDSL is closed for the purpose of transfer of securities between depository (demat) accounts. (v) A day on which Purchase and Redemption of units is suspended by the AMC Additionally, the day when banks in any location where the AMC's Investor service centers are located, are closed due to local holiday, such days will be treated as non-business days at such centers for the purpose of accepting subscriptions. However, if the Investor service center in such local holidays, only redemption and switch request will be accepted at those centers provided it is a business day for the scheme. The AMC reserves the right to declare any day as a Business Day or otherwise at any or all Investor Service Centres.
Cash Component	Cash component represents the difference between the applicable net asset value of a creation unit and the market value of the Portfolio deposit.
Controlling Branches (CBs)	Controlling Branches (CBs) of the SCSBs are the branches of the SCSBs acting as coordinating branch for the Registrar and Transfer Agent of Mutual Fund, AMC and the Stock Exchange(s) for the ASBA facility offered during the NFO period.
Custodian	Standard Chartered Bank and Deutsche Bank, acting as Custodians to the Scheme, or any other Custodian appointed by the Trustee.

Creation Unit	Creation Unit is fixed number of units of the Scheme, which is exchanged for a basket of securities underlying the index called the Portfolio Deposit and a Cash Component equal to the value of 100000 units of the Scheme or cash equal to the value of 100000 units of the scheme. For redemption of units it is vice versa i.e. fixed number of units of Scheme are exchanged for Portfolio Deposit and Cash Component or cash equal to the value of 100000 units of the scheme. The Portfolio Deposit and Cash Component will change from time Each creation unit consists of 100000 units of Kotak IT ETF. Each unit of Kotak IT ETF will be approximately equal to 1/1000th of the value of the Nifty IT Index. The creation unit size may be changed by the AMC at their discretion and the notice of the same shall be published on AMC's website.
Creation date	Creation date is the date on which units are allotted against a creation unit transaction.
Depository	A depository as defined in the Depositories Act, 1996 (22 of 1996) and includes National Securities Depository Ltd (NSDL) and Central Depository Services Ltd (CDSL).
Designated Branches (DBs)	Designated Branches (DBs) of the SCSBs are the branches of the SCSBs which shall collect the ASBA Application Forms duly filled by the Investors towards the subscription to the Units of the Scheme offered during the NFO. The list of these Designated Branches shall be available at the websites of SEBI and the stock exchanges.
Entry Load	The charge that is paid by a Unitholder when he invests an amount in the Scheme.
Exit Load	The charge that is paid by a Unitholder when he redeems Units from the Scheme.
Exchange Traded Funds (ETF)	Exchange Traded Funds are passively managed funds tracking a benchmark index and reflect the performance of that index. They have the flexibility of trading on stock exchanges like a share and offer the best features of open and close end funds.
Large Investors	For the purpose of Purchase and Redemption of units under Kotak IT ETF, "Large Investors" would mean investors who deal in creation unit size, other than Authorised Participants.
Foreign Portfolio Investor or (FPI)	Means a person who satisfies the eligibility criteria prescribed under regulation 4 of SEBI (Foreign Portfolio Investors) Regulations, 2014 and has been registered under Chapter II of these regulations, which shall be deemed to be an intermediary in terms of the provisions of the Securities and Exchange Board of India Act, 1992. Provided that any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
Gilts/Government Securities	Securities created and issued by the Central Government and/or State Government.
IMA	Investment Management Agreement dated 20th May 1996, entered into between the Fund (acting through the Trustee) and the AMC and as amended up to date, or as may be amended from time to time.
I-NAV	INAV is a measure of the schemes' intraday value based on real time prices of the underlying securities in the scheme's portfolio.

Investor Service Centres or ISCs	Designated branches of the AMC / other offices as may be designated by the AMC from time to time.
Kotak Bank/ Sponsor	Kotak Mahindra Bank Limited.
KMMF/Fund/ Mutual Fund	Kotak Mahindra Mutual Fund, a trust set up under the provisions of The Indian Trusts Act, 1882.
KMTCL/Trustee	Kotak Mahindra Trustee Company Limited, a company set up under the Companies Act, 1956, and authorized by SEBI to act as the Trustee for the Schemes of Kotak Mahindra Mutual Fund.
Main Portfolio	Scheme portfolio excluding the segregated portfolio. (Portfolio referred herewith will include interest accrued as well)
Mutual Fund Regulations/ Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended up to date, and such other regulations as may be in force from time to time.
Money Market Instruments	Includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time.
MIBOR	The Mumbai Interbank Offered Rate published once every day by the FIMDA and published twice every day by Reuters, as specifically applied to each contract.
NAV	Net Asset Value of the Units of the Scheme (including the options thereunder) as calculated in the manner provided in this Offer Document or as may be prescribed by Regulations from time to time. The NAV is computed upto four decimal places.
NRI	Non-Resident Indian and Person of Indian Origin as defined in Foreign Exchange Management Act, 1999.
Portfolio deposit	Portfolio Deposit consists of pre-defined basket of securities that represent the underlying index and announced by AMC from time to time.
Purchase Price	Purchase Price, to an investor, of Units of respective Schemes (including Options thereunder) computed in the manner indicated under sub-paragraph 'Purchase Price' under paragraph 'Purchase of Units' in Chapter IV 'Units and Offer'.
Redemption Price	Redemption Price to an investor of Units of the Scheme (including Options thereunder) computed in the manner indicated under sub-paragraph 'Redemption Price' under paragraph 'Redemption of Units' in Chapter V 'Units'.
Registrar	Computer Age Management Services Private Limited ('CAMS'), acting as Registrar to the Scheme including the services relating to providing interface with depository system, or any other Registrar appointed by the AMC.
Repo	Sale of securities with simultaneous agreement to repurchase them at a later date.
Reserve Bank of India/RBI	Reserve Bank of India, established under the Reserve Bank of India Act, 1934.
Reverse Repo	Purchase of securities with a simultaneous agreement to sell them at a later date.
Risk – Free	Absence of credit risks i.e. no risk of default on payment of principal and interest.
Triparty Repo	Tri-party repo is a type of repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.

Scheme	Kotak IT ETF.
SEBI	The Securities and Exchange Board of India.
Segregated portfolio	A portfolio, comprising of debt or money market instrument affected by a credit event that has been segregated in a mutual fund scheme. Note 1: As per SEBI circular dated December 28, 2018, credit event is considered for creation of segregated portfolio, however for the purpose of SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2019/127 dated November 07, 2019, 'actual default' by the issuer of such instruments shall be considered for creation of segregated portfolio. Further, in accordance with SEBI Circular no. SEBI/HO/IMD/DF4/CIR/P/2020/165 dated September 02, 2020 or subsequent amendment thereto , the date of proposal for restructuring of debt received by AMCs shall be treated as the trigger date for the purpose of creation of segregated portfolio. Currently as per referred circular this is permitted till December 31, 2020. Note 2: Portfolio referred herewith will include interest accrued as well
Total portfolio	Scheme portfolio including the securities affected by the credit event. (Portfolio referred herewith will include interest accrued as well)
Self-Certified Syndicate Bank (SCSB)	Self Certified Syndicate Bank (SCSB) means a bank registered with SEBI to offer the facility of applying through the ASBA facility. ASBAs can be accepted only by SCSBs, whose names appear in the list of SCSBs as displayed by SEBI on its website at www.sebi.gov.in.
Scheme Information Document (SID)	This document issued by Kotak Mahindra Mutual Fund, offering for subscription of Units of the Scheme.
Statement of Additional Information (SAI)	It contains details of Kotak Mahindra Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document)
Transaction Points	Centres designated by the Registrar, to accept investor transactions and scan them for handling by the nearest ISC.
Tracking Error	Means the extent to which the NAV of the fund moves in a manner inconsistent with the movements of the benchmark index on any given day or over any given period of time due to any cause or reason whatsoever including but not limited to expenditure incurred by the scheme, dividend payouts if any, whole cash not invested at all times as it may keep a portion of funds in cash to meet redemption etc.
Transaction cost	Charges payable to Custodian / Depository Participants, and any incidental expenses relating to conversion of basket of securities into units or units into basket of securities consequent upon purchase or redemption.
Trust Deed	The Trust Deed entered into on 20th May, 1996 between the Sponsor and the Trustee, as amended up to date, or as may be amended from time to time.
Trust Fund	The corpus of the Trust, Unit capital and all property belonging to and/or vested in the Trustee.
Unit	The interest of the investors in any of the Schemes, which consists of each Unit representing one undivided share in the assets of the respective Schemes.
Valuation Day	Business Day of the Scheme.

Unitholder	A person who holds Unit(s) under the Scheme.
Words and Expressions used in this SID and not defined	Same meaning as in Trust Deed.

E. Due Diligence by the Asset Management Company

It is confirmed that:

- the Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- all legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed scheme.
- the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

For Kotak Mahindra Asset Management Company Limited
Asset Management Company for Kotak Mahindra Mutual Fund

Place: Mumbai **Jolly Bhatt**

Date: February 16, 2021 **Compliance Officer and Company Secretary**

III. INFORMATION ABOUT THE SCHEME

Kotak IT ETF

A. Type of the scheme

An open ended scheme replicating/tracking NIFTY IT Index

B. What is the investment objective of the scheme?

The investment objective of the scheme is to replicate the composition of the NIFTY IT Index and to generate returns that are commensurate with the performance of the NIFTY IT Index, subject to tracking errors.

However, there is no assurance or guarantee that the investment objective of the scheme will be achieved.

Tracking Error

Tracking error means the extent to which the NAV of the fund moves in a manner inconsistent with the movements of the benchmark index on any given day or over any given period of time due to any cause or reason whatsoever including but not limited to expenditure incurred by the scheme, dividend payouts if any, whole cash not invested at all times as it may keep a portion of funds in cash to meet redemption etc.

Tracking error could be the result of a variety of factors including but not limited to:

a. Delay in the purchase or sale of stocks within the benchmark due to
    i. Illiquidity in the stock,
    ii. Delay in realisation of sale proceeds,
b. The scheme may buy or sell the stocks comprising the index at different points of time during the trading session at the then prevailing prices which may not correspond to its closing prices.
c. The potential for trades to fail, which may result in the Scheme not having acquired the stocks at a price necessary to track the benchmark price.
d. The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses.
e. Disinvestments to meet redemptions, recurring expenses, dividend payouts etc.
f. Execution of large buy / sell orders
g. Transaction cost and recurring expenses
h. Realisation of Unit holders' funds

C. How will the scheme allocate its assets?

The asset allocation under the Scheme, under normal circumstances, is as follows:

Investments	Indicative Allocation	Risk Profile
Equity and Equity related securities covered by the Nifty IT Index including Derivatives*	95 - 100%	Medium - High
Debt & Money Market Instruments#	0 - 5%	Low – Medium

*Exposure to equity derivatives of the index itself or its constituent stocks may be required in certain situations wherein equity shares are unavailable, insufficient or for rebalancing in case of corporate actions for a temporary period etc. The gross position to such derivatives will be restricted to 5% of net assets of the scheme. This will also include various derivative and hedging products to reduce the risk of the portfolio, in the manner permitted by SEBI from time to time.

#Debt instruments shall be deemed to include securitised debts (excluding foreign securitised debt) and investment in securitised debts may be up to 50% of Debt and Money Market instruments. This will also include margin money for derivative transactions.

#Money Market instruments includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time.

The scheme may invest in another scheme of the Kotak Mahindra Mutual Fund or any other Mutual Fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the management of Kotak Mahindra Asset Management Company Limited or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of Kotak Mahindra Mutual Fund.

The scheme may participate in the corporate bond repo transactions upto 100% of of Debt and Money Market instruments and in accordance with extant SEBI/RBI guidelines and any subsequent amendments thereto specified by SEBI and/or RBI from time to time.

The cumulative gross exposure through equity, debt, and derivative positions will not exceed 100% of the net assets of a Scheme.

Investment in debt instruments having structured obligations / credit enhancements:
The investment of the Scheme in the following instruments shall not exceed 10% of the debt portfolio of the Scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the Scheme :-

- Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade; and –
- Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade

The Scheme does not intend to engage in Foreign securities/ADR & GDR.

Subject to the Regulations and the applicable guidelines issued by SEBI, the Trustee may permit the Fund to engage in securities lending and borrowing and short selling. At present, since only lending is permitted, the fund may temporarily lend securities held with the Custodian to reputed counter-parties or on the exchange, for a fee, subject to prudent limits and controls for enhancing returns. The Fund, as per the current regulations is allowed to lend securities subject to a maximum of 50%, in aggregate, of the net assets of the Scheme.

Portfolio Rebalancing:

Kotak IT ETF is a passively managed open-ended ETF scheme, therefore change in investment pattern is normally not foreseen. However, for short durations part of the corpus may be pending for deployment, in cases of extreme market conditions, special events or corporate events, like declaration of by the companies comprising the index and account of new subscriptions, redemptions and changes in composition of the underlying index. In case of any deviation, the AMC will achieve a normal asset allocation pattern in a maximum period of 7 days. Where the portfolio is not rebalanced within 7 days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objective of the Scheme.

Overview of Debt Market and Money Markets.

The Indian Debt Market has grown in size substantially over the years. The Reserve Bank of India has been taking steps to make the Indian Debt Market efficient and vibrant. Broadly, the debt market is divided in two parts viz. the Money Market and the Debt market. Money market instruments have a tenor of less than one year while debt market instruments have a tenor of more than one year. Money market instruments are typically commercial paper, certificates of deposit, treasury bills, trade bills, repos, interbank call deposit receipts etc. Debt market comprises typically of securities issued by Governments (Central and State), Banks, Financial Institutions, and Companies in the private and public sector, Corporations, Statutory Bodies etc.

The debt securities are mainly traded over the telephone directly or through brokers. The National Stock Exchange of India has a separate trading platform called the Wholesale Debt Market segment where trades put through member brokers are reported.

RBI has introduced the Negotiated Dealing System (NDS) platform for screen-based trading in Government Securities and Money Market instruments. Most of the market participants are now operating through NDS.

Promoted by major banks and financial institutions, The Clearing Corporation of India Ltd. (CCIL) was incorporated on April 30, 2001. The CCIL guarantees the settlement of all trades executed through NDS. The clearing and settlement risks viz., Counter party Credit Risk and Operational Risk are mitigated by CCIL thereby facilitating a smooth settlement process.

The following table gives approximate yields prevailing as on February 04, 2021 on some of the money and debt market instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing.

Instrument	Yield Range (% per annum)
Inter-bank Call Money	3.16-3.19
91 Day Treasury Bill	3.36-3.38
364 Day Treasury Bill	3.56-3.59
P1+ Commercial Paper 90 Days	3.50-3.55
3-Year Government of India Security	4.90 -5.00
5-Year Government of India Security	5.40-5.50
10-Year Government of India Security	6.05-6.15

Generally, for instruments issued by a non-Government entity, the yield is higher than the yield on a Government Security with corresponding maturity. The difference, known as credit spread, depends on the credit rating of the entity. Investors must note that the yields shown above are the yields prevailing on February 04, 2021, and they are likely to change consequent to changes in economic conditions and RBI policy.

D. Where will the scheme invest?

The net assets of the Scheme will be invested predominantly in stocks constituting the Nifty IT Index and / or its exchange traded derivatives. This would be done by investing in almost all the stocks comprising the NIFTY IT Index in approximately the same weightage that they represent in the Nifty IT Index and/or investing in derivatives including futures contracts and options contracts on the Nifty IT Index. A small portion of the net assets will be invested in money market instruments permitted by SEBI / RBI including (CPs, CDs, Tbills, Mibor linked instruments with daily Put/Call options & overnight Interest rate Reset Linked Instruments) as may be provided by the RBI, to meet the liquidity requirements of the Scheme.

The Scheme may take equity derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the Regulations.

The Fund Manager reserves the right to invest in such instruments and securities as may be permitted from time to time and which are in line with the investment objective of the scheme.

E. What are the investment strategies?

To achieve the investment objective, the scheme will follow passive investment strategy with investments in stocks in the same proportion as in NIFTY IT Index. The investment strategy would revolve around reducing the tracking error to the least possible through rebalancing of the portfolio, taking into account the change in weights of stocks in the index as well as the incremental collections/redemptions from the Scheme.

Risk mitigation measures for portfolio volatility and portfolio concentration:

ETF Scheme being a passive investment carries lesser risk as compared to active fund management. The portfolio follows the index and therefore the level of stock concentration in the portfolio and its volatility would be the same as that of the index, subject to tracking error. Thus there is no additional element of volatility or stock concentration on account of fund manager decisions.

Risk mitigation measures for managing liquidity:
As per data from NSE more than half of market liquidity remains in the index. Therefore, the scheme does not envisage liquidity issues. The scheme may take exposure to equity derivatives of the index itself or its constituent stocks, when equity shares are unavailable, insufficient or for rebalancing in case of corporate actions for a temporary period.

Portfolio Turnover

Portfolio Turnover is defined as the aggregate of purchases and sales as a percentage of the corpus during the specified period of time.

Portfolio Turnover is a term used to measure the volume of trading that occurs in a Scheme’s portfolio during a given time period. Kotak IT ETF is a passively managed open-ended exchange traded scheme. It is therefore expected that there would be a number of subscriptions and redemptions on a daily basis through Authorised participants and Large Investors. Generally, turnover will depend upon the extent of purchase and redemption of units and the need to rebalance the portfolio on account of change in the composition, if any, and corporate actions of securities included in Nifty IT Index.

Portfolio Turnover Ratio: Since the scheme is a new fund to be launched, the said ratio is Not Applicable during NFO.

Product Differentiation in comparison with other ETF schemes offered by the Fund:

<table>
<tr><th>Name of the Existing Scheme</th><th>Objective</th><th>Asset Allocation Pattern</th><th>Differentiation</th></tr>
<tr><td>Kotak Gold ETF</td><td>The investment objective of the scheme is to generate returns that are in line with the returns on investment in physical gold, subject to tracking errors.</td><td><table><tr><th>Investments</th><th>Indicative Allocation (% to net assets)</th><th>Risk Profile</th></tr><tr><td>Physical Gold</td><td>95% to 100%</td><td>Low to Medium</td></tr><tr><td>Debt and money market instruments</td><td>0% to 5%</td><td>Low</td></tr></table></td><td>Kotak Gold ETF is the only fund offered by Kotak Mahindra Mutual Fund which aims to generate returns that are in line with the returns on investment in physical gold.</td></tr>
<tr><td>Kotak PSU Bank ETF</td><td>The investment objective of the scheme is to provide returns that closely correspond to the total returns of Nifty PSU Bank Index, subject to tracking errors.</td><td><table><tr><th>Investments</th><th>Indicative Allocation (% to net assets)</th><th>Risk Profile</th></tr><tr><td>Stocks comprising Nifty PSU Bank Index</td><td>95% to 100%</td><td>Medium to High</td></tr><tr><td>Debt and money market instruments</td><td>0% to 5%</td><td>Low</td></tr></table></td><td>Kotak PSU Bank ETF is the only fund offered by Kotak Mahindra Mutual Fund which aims to provide returns that closely correspond to the total returns of stocks as represented by Nifty PSU Bank Index.</td></tr>
<tr><td>Kotak SENSEX ETF</td><td>The investment objective of the scheme is to provide returns before expenses that closely correspond to the total returns of the BSE SENSEX index subject to tracking errors.</td><td><table><tr><th>Investments</th><th>Indicative Allocation (% to net assets)</th><th>Risk Profile</th></tr><tr><td>Stocks comprising Comprising BSE Sensex</td><td>95% to 100%</td><td>Medium to High</td></tr><tr><td>Debt and money market instruments</td><td>0% to 5%</td><td>Low</td></tr></table></td><td>Kotak Sensex ETF is the only fund offered by Kotak Mahindra Mutual Fund which aims to provide returns that closely correspond to the total returns of stocks as represented by BSE SENSEX Index.</td></tr>
</table>

<table>
<tr>
<td>Kotak Nifty ETF</td>
<td>The investment objective of the scheme is to provide returns before expenses that closely correspond to the total returns of the Nifty 50 subject to tracking errors.</td>
<td>
<table>
<tr><th>Investments</th><th>Indicative Allocation (% to net assets)</th><th>Risk Profile</th></tr>
<tr><td>Stocks comprising Nifty 50</td><td>95% to 100%</td><td>Medium to High</td></tr>
<tr><td>Debt and money market instruments</td><td>0% to 5%</td><td>Low</td></tr>
</table>
</td>
<td>Kotak Nifty ETF is the only fund offered by Kotak Mahindra Mutual Fund which aims to provide returns that closely correspond to the total returns of stocks as represented by Nifty 50 Index.</td>
</tr>
<tr>
<td>Kotak Banking ETF</td>
<td>The investment objective of the scheme is to provide returns before expenses that closely correspond to the total returns of the Nifty Bank Index subject to tracking errors.</td>
<td>
<table>
<tr><th>Investments</th><th>Indicative Allocation (% to net assets)</th><th>Risk Profile</th></tr>
<tr><td>Stocks comprising Nifty Bank Index</td><td>95% to 100%</td><td>Medium to High</td></tr>
<tr><td>Cash and Debt/ money market instruments</td><td>0% to 5%</td><td>Low</td></tr>
</table>
</td>
<td>Kotak Banking ETF is the only fund offered by Kotak Mahindra Mutual Fund which aims to provide returns that closely correspond to the total returns of stocks as represented by Nifty Bank Index.</td>
</tr>
</table>

INVESTMENT IN DERIVATIVES

The Scheme may use derivative instruments such as index futures, stock futures, index options, stock options, warrants, convertible securities, swap agreements, write call option under the covered call strategy or any other derivative instruments that are permissible or may be permissible in future under applicable regulations, as would be commensurate with the investment objective of the Scheme. The manner of use of derivative instruments is illustrated below:

Hedging & Portfolio balancing
As part of the fund management exercise under the Scheme, the Trustee may permit the use of any of the instruments mentioned above or any other instrument that may become permissible in the future under applicable regulations. Such investment in Index futures, , Stock options, Index Options, Stock Futures and other derivative instruments will be used with the objective of a) hedging the portfolio and/or b) rebalancing of the portfolio of the Scheme or c) for any other purpose as may be permitted by the Regulations from time to time.

The note below explains the concept of Index Futures, Options, with an example each, for the understanding of the Unitholders.

Index Futures / Stock Futures
Due to ease of execution and settlement, index futures are an efficient way of buying / selling an Index compared to buying / selling a portfolio of physical shares representing an Index. Index futures can be an efficient way of achieving a Scheme's investment objectives. Index futures may do away with the need for trading in individual components of the Index, which may not be possible at times, keeping in mind the circuit filter system and the liquidity in some of the scripts. Index futures can also be helpful in reducing transaction costs and processing costs on account of ease of execution of one trade compared to

several trades of shares comprising the Index and will be easy to settle compared to physical portfolio of shares representing an Index.

The National Stock Exchange and the Bombay Stock Exchange introduced Index futures on Nifty (NSE-50) and Sensex (BSE 30) for three serial months. For example, in the month of Jun 2017, three futures were available i.e. June, July and September 2017, each expiring on the last working Thursday of the respective month

Let us assume the Nifty Index was 9600 as on Jun 16, 2017 and three future indices were available as under:

Month	Bid Price	Offer Price
Jun 2017	9607	9610
Jul 2017	9630	9632
Aug 2017	9645	9647

The Fund could buy an Index of Jun 2017 as on Jun 16, 2017 at an offer price of 9610. The Fund would have to pay the initial margin as regulated by the exchanges and settle its Index position with daily marked to market i.e. receive profits/pay losses on a daily basis.

The following is a hypothetical example of a typical index future trade and the associated costs compared with physical stocks.

(Amount in Rupees)

Particulars	Index Future	Actual Purchase of Stocks
Index as on Jun 16, 2017	9600	9600
Jun 2017 Futures Cost	9610	
A. Execution Cost		
Carry costs (9610-9600)	10.00	Nil
B. Brokerage Cost		
Assumed at 0.03% for Index Future and 0.05% for spot stocks (0.03% of 9610) (0.05% of 9600)	2.8830	4.8000
C. Securities Transaction Tax STT for Index Futures is Nil STT for Spot Stocks is 0.10% (0.10% of 9600)	Nil	9.6000
D. Gains on Surplus Funds (Assuming 4% return on 91% of the money left after paying (9% margin) (4% x 9600 x 91% x 13 days ÷ 365)	(12.4458)	Nil
Cash Market/ Sale Price at expiry	9700	9700
E. Brokerage on Sale		
Assumed at 0.03% for Index Future and 0.05% for Spot stocks (0.03% of 9700) (0.05% of 9700)	2.9100	4.8500
F. Securities Transaction Tax STT for Index Futures is 0.01% STT for Spot Stocks is 0.10% (0.01% of 9700) (0.10% of 9700)	0.9700	9.7000
Total Cost (A+B+C-D+E+F)	4.3172	28.9500
Profit	95.6828	71.0500

As the above example demonstrates, the cost differential between purchasing Index Future and 50 stocks compromising Nifty (NSE-50) is a function of the carrying cost, the interest earned available to Fund Managers and the brokerage cost applicable in both cases. However, as mentioned earlier, as the Indian equity markets continues to have limitations in execution of trades due to the lack of adequate liquidity and the concept of circuit breakers, index future can allow a fund to buy all the stocks comprising the index at a nominal additional cost.

Please note that the above example is hypothetical in nature and the figures, brokerage rates etc. are assumed. In case the execution and brokerage costs on purchase of Index Futures are high and the returns on surplus funds are less, buying of index future may not be beneficial as compared to buying stocks comprising the Index. The actual return may vary based on actuals and depends on final guidelines / procedures and trading mechanism as envisaged by stock exchanges and other regulatory authorities.

Use of futures

Futures can effectively be used as a substitute for underlying stocks e.g. if the Scheme has received fresh subscriptions and if it is not immediately possible to invest the cash so received into intended stocks, the Fund Manager can buy a Future contract and subsequently replace them by actual purchase of stocks. The reverse can be done in case of redemption of Units.

The Scheme typically holds cash in order to meet sudden redemption requests. This cash holding reduces the overall returns of the Scheme. By buying futures relative to this cash holding the Scheme can effectively increase its exposure to the market while keeping the cash required to meet redemption requirement.

Futures will be used to hedge or rebalance the Portfolio or as permitted by the Regulations from time to time.

Note on Risk:

- In case of investments in index futures, the risk would be the same as in the case of investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. In case futures are used for hedging a portfolio of stocks, which is different from the index stocks, the extent of loss could be more or less depending on the coefficient of variation of such portfolio with respect to the index; such coefficient is known as Beta.

- Interest Rate Risk – interest rate is one of the variables while valuing derivatives such as futures & options. For example, with everything remaining constant, when interest rates increase, the price of Call option would increase. Thus, fluctuations in interest rates would result in volatility in the valuation of derivatives.

- Credit Risk – With the phased implementation of physical settlement of stocks in equity derivative segment, though there is an element of risk of stock / funds not being received, the same is mitigated due to settlement guarantee similar to equity cash market segment.

- Liquidity risk pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivates may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.

Option Contracts (Stock and Index)

In the global financial markets, particularly securities markets, options have been, for quite many years, a means of conveying rights from one party to another at a specified price on or before a specific date, at a cost, which is called Premium. The underlying instrument can be an individual stock or a stock index such as the BSE Sensex (such options being referred to as index options). Options are used widely the world over to manage risk and generate income options may be preferred over futures as they provide asymmetric pay offs.

There are broadly two kinds of Options trade viz. Long & Short. A Long Call is buying a Call option to purchase the stock at a later date at a fixed price called the strike price. A Long Put on the other hand is buying Put option i.e. an option to sell the stock at a later date at the strike price. Similarly A Short Call is selling a Call option which is also called writing a Call option by which the option writer has an obligation to sell the stock to the call buyer at the strike price. A Short Put is to sell or write a Put option i.e. an obligation to buy the stock from the Put buyer at the strike price. The specified price at which the shares are contracted to be purchased or sold is called the strike price. Options that can be exercised on or before the expiration date are called American Options, while those that can be exercised only on the expiration date are called European Options. Option contracts are designated by the type of option, name of the underlying, expiry month and the strike price.

Example for Options

Buying a Call Option: Let us assume that the Scheme buys a call option of ABC Ltd. with strike price of Rs. 3500, at a premium of Rs. 100. If the market price of ABC Ltd on the expiration date is more than Rs. 3500, the option will be exercised. The Scheme will earn profits once the share price crosses Rs. 3600 (Strike Price + Premium i.e. 3500+100). Suppose the price of the stock is Rs. 3800, the option will be exercised and the Scheme will buy 1 share of ABC Ltd. from the seller of the option at Rs 3500 and sell it in the market at Rs. 3800, making a profit of Rs. 200. In another scenario, if on the expiration date the stock price falls below Rs. 3500, say it touches Rs. 3000, the Scheme will choose not to exercise the option. In this case the Scheme loses the premium (Rs. 100), which will be the profit earned by the seller of the call option.

Buying a Put Option: Let us assume that the Scheme owns shares of ABC Ltd., which are trading at Rs. 3500. The fund manager expects the price to rise to Rs. 3800 but at the same time wants to protect the downside. So, he can buy a put option at Rs. 3500 by paying a premium of, say, Rs. 100. If the stock falls to say Rs 3200 by expiry, the option becomes in-the-money by Rs. 300 and the schemes loses only the initial premium paid to buy the hedge. On the contrary, if the fund manager's view turns out to be right and the stock actually rallies to Rs. 3800, the scheme gains Rs. 300 from the stock and the hedging cost paid to buy the protection is the loss. Thus, adjusted for the hedging cost, the scheme gains Rs. 200 from the trade.

Writing a Call Option: Let us assume that the Fund owns shares of ABC Ltd., which are trading at Rs. 3500. The Fund wishes to sell these shares at Rs.3800. It can write call option at Rs. 3800 and earn a premium of, say, Rs. 50. If the option is not exercised, the Fund earns a premium and if the stock price does reach Rs. 3800, the premium adds to the profits that the Fund would have booked by selling at that price. In this case, if the stock price of ABC Ltd. is less then Rs. 3800, the Fund earns Rs 50 and if it closes above Rs. 3800 and the option gets exercised by the buyer, the Fund gets the strike price of Rs. 3800 plus a premium of Rs. 50, i.e. effectively Rs. 3850. Any loss because of stock price movement beyond Rs. 3850 is actually an opportunity loss, as the Fund would otherwise have sold the shares at Rs. 3800.

The above example is hypothetical in nature and all figures are assumed for the purpose of illustrating the use of call options in individual stocks. Similarly, analogies can be drawn to illustrate the use of put options in individual stocks, and call and put options in index.

Note on Risk:

- The risk (loss) for an option buyer is limited to the premium paid, while the risk (loss) of an option writer is unlimited, the latter's gain being limited to the premiums earned. However, in the case of the Fund, all option positions will have underlying assets and therefore all losses due to price-movement beyond the strike price will actually be an opportunity loss. The writer of a put option bears a risk of loss if the value of the underlying asset declines below the strike price.

The writer of a call option bears a risk of loss if the value of the underlying asset increases above the strike price.

- Model Risk - A variety of models can be used to value options. Hence, the risk to the fund is that the fund manager buys a particular option using a particular valuation model (on the basis of which the option seems to be fairly priced or cheap) but the market is valuing it using another valuation model and according to which the option may be expensive.

- Basis Risk – This risk arises when the derivative instrument used to hedge the underlying asset does not match the movement of the underlying being hedged for e.g. mismatch between the maturity date of the futures and the actual selling date of the asset.

- Interest Rate Risk – interest rate is one of the variables while valuing derivatives such as futures & options. For example, with everything remaining constant, when interest rates increase, the price of Call option would increase. Thus, fluctuations in interest rates would result in volatility in the valuation of derivatives.

- Liquidity risk pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivates may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.

The Scheme will use options only for the purpose of hedging and portfolio balancing or for any purpose as permitted by Regulations from time to time. Internal controls / limits for managing risks associated with options have been set up / laid down.

Benefits of Covered Call Strategy:

Covered call writing is a strategy where a writer (say the Fund) will hold a particular stock, and sell in the market a call option on the stock. Here the buyer of the call option now has the right to buy this stock from the writer (the Fund) at a particular price which is fixed by the contract (the strike price). The writer receives a premium for selling a call, but if the call option is exercised, he has to sell the underlying stock at the strike price. This is advantageous if the strike price is the level at which the writer wants to exit his holding / book profits. The writer effectively gains a fixed premium in exchange for the probable opportunity loss that comes from giving up any upside if the stock goes up beyond the strike price.

Illustration/Example of Covered Call Strategy:

The Scheme owns 5000 shares of A with a current market price of Rs 180. The view of the fund manager is that the price could decline by Rs 15 – Rs 20 over a one-month period. The fund manager does, however, wish to hold the shares due to the positive long-term outlook. The fund manager can cover the expected near-term decline by writing a call or buying a put.

A call option may be sold for a contract size of 5000 at a strike price of Rs 180 with an expiry date that is one month going forward. The Scheme receives a premium of Rs 10 (for example) for writing this call option in favour of the buyer. The buyer has the choice to buy the shares at Rs 180 on expiry date (usually the last Thursday of a month). The following are examples based on price trends after one month:

• If the stock price declines to Rs 170, the buyer of the call option will not exercise the right to buy as the stock can be purchased at a lower price in the spot market. The fund manager has ensured that the Rs 180 prevailing at the time of selling the option is protected through a combination of market price of Rs 170 and earned premium of Rs 10;

• If the stock price dips below Rs 170, the buyer will not exercise the option. The loss for the fund manager is limited to the extent to which price dips below Rs 170, as the decline from Rs 180 to Rs 170 is covered by the earned premium;

• If the stock price rises to Rs 190, the buyer of the option will exercise the right to buy the shares he can buy them at the strike price of Rs 180 and if he chooses to sell at the spot of Rs 190 to make a profit of Rs 10 per share. This price trend is, however, contrary to the expectations of the fund manager. There is no loss for the fund manager as he has already received Rs 10 as premium. This will ensure that his effective price in meeting the comportment to the holder of the call option is Rs 180 and

• If the stock price rises to more than Rs 190, the buyer will exercise the option. The loss to the fund manager will be limited to the extent to which the price is higher than Rs 190, as the premium of Rs 10 will cover partially the higher cost of the shares that have to be purchased to meet the commitment under the option.

The above example is hypothetical in nature and all figures are assumed for the purpose of illustrating the use of call options in individual stocks. Similarly, analogies can be drawn to illustrate the use of put options in individual stocks, and call and put options in index.

Note on Risk:
The risk (loss) for an option buyer is limited to the premium paid, while the risk (loss) of an option writer is unlimited, the latter's gain being limited to the premiums earned. However, in the case of the Fund, all option positions will have underlying assets and therefore all losses due to price-movement beyond the strike price will actually be an opportunity loss. The writer of a put option bears a risk of loss if the value of the underlying asset declines below the strike price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the strike price.

Interest Rate Futures (IRFs)

Interest Rate Futures (IRF) contract is an agreement to buy or to sell a debt instrument at a specified future date at a price that is fixed today. Exchange traded IRFs are standardised contracts based on a notional coupon bearing Government of India (GOI) security. National Securities Clearing Corporation Limited (NSCCL) is the clearing and settlement agency for all deals executed in Interest Rate Futures. NSCCL acts as legal counter-party to all deals on Interest Rate Futures contract and guarantees settlement.

Using IRFs

- **Directional trading**

As there is an inverse relationship between interest rate movement and underlying bond prices, the futures price also moves in tandem with the underlying bond prices. If one has a strong view that interest rates will rise in the near future and wants to benefit from rise in interest rates; one can do so by taking short position in IRF contracts.
<u>Example:</u>
A trader expects long-term interest rate to rise. He decides to sell Interest Rate Futures contracts as he shall benefit from falling future prices.

Expectation	Position
Interest Rates going up	Short Futures
Interest Rates going down	Long Futures

- Trade Date - 1st April 2017
- Futures Delivery date – 1st May 2017
- Current Futures Price - Rs. 97.50

- Futures Bond Yield- 8.21%
- Trader sell 250 contracts of the May 2017 - 10 Year futures contract on NSE on 1st April 2017 at Rs. 97.50
- Assuming the price moves to Rs. 97.15 on April 9, 2017, net MTM gain would be Rs. 1,75,000 (250*2000*97.50-97.15) (I)
- Closing out the Position
- 10th April 2017 - Futures market Price – Rs. 96.70
- Trader buys 250 contracts of May 2017 at Rs. 96.70 and squares off his position
- Therefore total profit for trader 250*2000*(97.15-96.70) is Rs.2,25,000 (II)
- Total Profit on the trade = INR 4,00,000 (I & II)

Note on Risk:

- The risk related to hedging for use of derivatives, (apart from the derivatives risk mentioned above) is that event of risk, which we were anticipating and hedged our position to mitigate it, does not happen. In such case, the cost incurred in hedging the position would be a avoidable charge to the scheme net assets.

- Limitations on upside: Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.

- Credit Risk – The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a IRS / IRF derivative transaction.

- Liquidity risk pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivates may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.

Hedging

Holders of the GOI securities are exposed to the risk of rising interest rates, which in turn results in the reduction in the value of their portfolio. So in order to protect against a fall in the value of their portfolio due to falling bond prices, they can take short position in IRF contracts.

<u>Example:</u>
Date: 01-April-2017
Spot price of GOI Security: Rs 105.05
Futures price of IRF Contract: Rs 105.12
On 01-April-2017 XYZ bought 2000 GOI securities from spot market at Rs 105.07. He anticipates that the interest rate will rise in near future. Therefore to hedge the exposure in underlying market he may sell May 2017 Interest Rate Futures contracts at Rs 105.12
On 16-May-2017 due to increase in interest rate:
Spot price of GOI Security: Rs 104.24
Futures Price of IRF Contract: Rs 104.28
Loss in underlying market will be (104.24 - 105.05)*2000 = Rs 1620
Profit in the Futures market will be (104.28 – 105.12)*2000 = Rs 1680

Note on Risk:

- The risk related to hedging for use of derivatives, (apart from the derivatives risk mentioned above) is that event of risk, which we were anticipating and hedged our position to mitigate it, does not happen. In such case, the cost incurred in hedging the position would be a avoidable charge to the scheme net assets.

- Limitations on upside: Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.

- Credit Risk – The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a IRS / IRF derivative transaction.

- Liquidity risk pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivates may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.

Arbitrage

Arbitrage is the price difference between the bonds prices in underlying bond market and IRF contract without any view about the interest rate movement. One can earn the risk-less profit from realizing arbitrage opportunity and entering into the IRF contract.

Example:
On 18th April, 2017 buy 6.35% GOI '20 at the current market price of Rs. 97.2485
Step 1 - Short the futures at the current futures price of Rs. 97.80
Step 2 - Fund the bond by borrowing up to the delivery period (assuming borrowing rate is 8.00%)
Step 3 - On 10th May 2017, give a notice of delivery to the exchange
Under the strategy, the trader has earned a return of
= (97.800 – 97.2485) / 97.2485 * 365 / 23
= 9.00 % (implied repo rate)
(Note: For simplicity accrued interest is not considered for calculation)
Against its funding cost of 8.00% (borrowing rate), thereby earning risk free arbitrage.

Note on Risk:

- The risk related to hedging for use of derivatives, (apart from the derivatives risk mentioned above) is that event of risk, which we were anticipating and hedged our position to mitigate it, does not happen. In such case, the cost incurred in hedging the position would be a avoidable charge to the scheme net assets.

- Limitations on upside: Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.

- Credit Risk – The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a IRS / IRF derivative transaction.

- Liquidity risk pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivates may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.

Interest Rate Swap (IRS)

IRS is a widely used derivative product in the financial markets to manage interest rate risk. A typical transaction is a contract to exchange streams of interest rate obligation/income on a notional principal amount with a counter party, usually a bank. The two interest streams are, fixed rate on one side and floating rate on the other.

Example: Suppose the Fund holds a fixed rate bond of maturity 5 years carrying a fixed interest rate (coupon) of 6% p.a. payable half yearly. Such an investment runs the risk of depreciation if interest rates rise. To manage this risk, the Fund can enter into an IRS with another market participant, here the Fund contracts to pay fixed rate, say 5.25% p.a., and receive a floating rate (say overnight MIBOR). This transaction is done for a notional principal amount equal to the value of the investment. By such a contract a fixed rate income is offset by a fixed rate payment obligation leaving only a floating rate income stream. Thus, without actually investing in a floating rate asset, the Fund starts earning a floating rate income, reducing the risk of depreciation associated with the fixed rate investment. Following table summarises the cash flow streams:

Original investment	6% p.a.
Pay (Fixed rate)	5.25% p.a. (IRS)
Receive (Floating rate)	MIBOR
Net Flow	MIBOR + 0.75% p.a. (*)

* (6% p.a. – 5.25 % p.a.)
The floating rate reference is defined in the swap agreement.

The above example illustrates a case of fixed to floating rate swap. A swap could be done to move from floating rate to fixed rate in a similar fashion.

Please note that the above example is hypothetical in nature and the interest rates are assumed. The actual return may vary based on actual and depends on the interest rate prevailing at the time the swap agreement is entered into.

The Scheme will be allowed to take exposure in Interest Rate Swaps only on a non-leveraged basis. A swap will be undertaken only if there is an underlying asset in the portfolio.

The Scheme may use other derivatives such as interest rate futures, etc, to meet the investment objective of the Scheme, whenever such instruments are available in the market.

Note on Risk:

- Limitations on upside: Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.

Credit Risk – The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a IRS / IRF derivative transaction.

F. Fundamental attributes

Following are the fundamental attributes of the scheme, in terms of Regulation 18 (15A) of SEBI (MF) Regulations:

1. Type of the scheme: As mentioned under the heading “Type of the Scheme” of Chapter III
2. Investment Objective: As mentioned under the heading “Investment Objective” of Chapter III
3. Investment Pattern: As mentioned under the heading “How will the scheme allocate its assets” of Chapter III
4. Terms of Issue:
    - o Liquidity provisions such as listing, repurchase, redemption. Investors may refer Chapter IV for detailed information on listing, repurchase and redemption.
    - o Aggregate fees and expenses charged to the scheme. Investors may refer Chapter V on fees and expenses charged to the scheme.
    - o Any safety net or guarantee provided.- Not Applicable

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

1. A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
2. The Unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load

G. How will the scheme benchmark its performance?

The performance of Kotak IT ETF is benchmarked against the Nifty IT Index TRI

1. **About Nifty IT Index TRI**
   The Nifty IT index captures the performance of the Indian IT companies. Nifty IT Index comprises of 10 companies listed on the National Stock Exchange (NSE).

   Nifty IT index is computed using free float market capitalization method with a base date of January 1, 1996 indexed to a base value of 1000 wherein the level of the index reflects total free float market value of all the stocks in the index relative to a particular base market capitalization value. The base value of the index was revised from 1000 to 100 with effect from May 28, 2004.

2. **Index Review**
   Index is re-balanced on semi-annual basis. The cut-off date is January 31 and July 31 of each year, i.e. For semi-annual review of indices, average data for six months ending the cut-off date is considered. Four weeks prior notice is given to market from the date of change.

3. **Index Constituents and weightages (as on February 09, 2021)**

Stock Name	Weight (%)
Tata Consultancy Services Ltd.	26.82
Infosys Ltd.	25.94
Wipro Ltd.	9.93
HCL Technologies Ltd.	8.94
Tech Mahindra Ltd.	8.89
Info Edge (India) Ltd.	8.86
Larsen & Toubro Infotech Ltd.	4.34
MPHASIS Ltd.	3.18
Mindtree Ltd.	2.06
Coforge Ltd.	1.05

4. **Selection Criteria:**

   1. Companies should form part of NIFTY 500 at the time of review. In case, the number of eligible stocks representing a particular sector within NIFTY 500 falls below 10, then deficit number of stocks shall be selected from the universe of stocks ranked within top 800 based on both average daily turnover and average daily full market capitalisation based on previous six months period data used for index rebalancing of NIFTY 500.

   2. Companies should form a part of the IT sector.

3. The company's trading frequency should be at least 90% in the last six months.

4. The company should have a listing history of 6 months. A company which comes out with an IPO will be eligible for inclusion in the index, if it fulfills the normal eligibility criteria for the index for a 3 month period instead of a 6 month period.

5. Final selection of 10 companies shall be done based on the free-float market capitalization. A preference shall be given to companies that are available for trading in NSE's Futures & Options segment at the time of final selection.

6. Weightage of each stock in the index is calculated based on its free-float market capitalization such that no single stock shall be more than 33% and weightage of top 3 stocks cumulatively shall not be more than 62% at the time of rebalancing.

In terms of the SEBI Circular SEBI/HO/IMD/DF3/ CIR/P/2019/011 dated January 10, 2019, the Index shall comply with the following portfolio concentration norms:

a) The Index shall have a minimum of 10 stocks as its constituents.
b) No single stock shall have more than 25% weight in the Index.
c) The weightage of the top three constituents of the Index, cumulatively shall not be more than 65% of the Index.
d) The individual constituent of the Index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

The Scheme shall monitor compliance with the aforesaid norms by the Index at the end of every calendar quarter. Further, the updated constituents of the Index shall be made available on the website of the Fund.

H. Who manages the scheme?

Mr. Devender Singhal and Mr. Satish Dondapati will be the designated fund managers of the scheme.

Name	**Age**	**Qualification**	**Business Experience**	**Schemes Managed**
Mr. Devender Singhal	43 years	BA(H) Mathematics, PGDM (Finance)	Mr. Devender Singhal has been associated with the Kotak Group since July 2007. He is responsible for the research coverage of FMCG and Automobiles at Kotak AMC since Feb 2009. Devender has also been managing equity funds since 2015. Devender has an overall working experience of 18 years in equity research and fund management. Prior to joining Kotak AMC, Devender worked with the PMS divisions of Kotak, Religare, Karvy and P N Vijay Financial Services.	• Kotak Asset Allocator Fund • Kotak PSU Bank ETF • Kotak Debt Hybrid Fund • Kotak Nifty ETF • Kotak Banking ETF • Kotak Sensex ETF • Kotak NV 20 ETF • Kotak India Growth Fund Series 4

Mr. Satish Dondapati	41 Years	MBA (Finance)	Mr. Satish Dondapati has over 12 years of experience in ETF. He joined Kotak AMC in March 2008 in Product's Department. Prior to joining Kotak AMC, he was in the MF Product Team of Centurion Bank Of Punjab	• Kotak Sensex ETF • Kotak PSU Bank ETF • Kotak Nifty ETF • Kotak Banking ETF • Kotak NV 20 ETF • Kotak Gold ETF

I. What are the investment restrictions?

As per the Trust Deed read with the SEBI (MF) Regulations, the following investment restrictions apply in respect of the Scheme at the time of making investments.

1. The Scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of directors of the asset management company:

   Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and Tri-party repo (collateralized borrowing and lending obligations)

   Provided further that investment within such limit can be made in mortgaged backed securitized debt which are rated not below investment grade by a credit rating agency registered with the Board.

   Note: The above limits are subject to indicative allocation of Debt and Money Market instruments as stated under the asset allocation of the Scheme.

2. The Mutual Fund under all its Scheme(s) shall not own more than 10% of any company's paid up capital carrying voting rights.

   Provided, investment in the asset management company or the trustee company of a mutual fund shall be governed by clause (a), of sub-regulation (1), of regulation 7B.

3. Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments. It is further clarified that the investment limits are applicable to all debt securities, which are issued by public bodies/institutions such as electricity boards, municipal corporations, state transport corporations etc. guaranteed by either state or central government. Government securities issued by central/state government or on its behalf by the RBI are exempt from the above investment limits.

4. The investment of the Scheme in the following instruments shall not exceed 10% of the debt portfolio of the Scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the Scheme: -

   - Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade; and –
   - Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade

The above limits shall not be applicable on investments in securitized debt instruments.
Investment by the Scheme in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares.

Further, the investment in debt instruments having credit enhancements should be sufficiently covered to address the market volatility and reduce the inefficiencies of invoking of the pledge or cover, whenever required, without impacting the interest of the investors. In case of fall in the value of the cover below the specified limit, AMCs will initiate necessary steps to ensure protection of the interest of the investors.

5. The Scheme may invest in another scheme under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same AMC or in schemes under the management of any other asset management shall not exceed 5% of the net asset value of the Mutual Fund.

6. The Scheme shall not make any investments in:
   (a) any unlisted security of an associate or group company of the Sponsors; or
   (b) any security issued by way of private placement by an associate or group company of the Sponsors; or
   (c) the listed securities of group companies of the Sponsors which is in excess of 25% of the net assets.

7. The Scheme shall not invest in any Fund of Funds Scheme.

8. Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed only if:-
   (a) such transfers are made at the prevailing market price for quoted Securities on spot basis (spot basis shall have the same meaning as specified by Stock Exchange for spot transactions.)
   (b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

9. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:
   - Provided that the Mutual Fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI.
   - Provided further that the Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.
   - Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

10. No loans for any purpose may be advanced by the Mutual Fund and the Mutual Fund shall not borrow except to meet temporary liquidity needs of the Schemes for the purpose of payment of interest or dividends to Unit Holders, provided that the Mutual Fund shall not borrow more than 20% of the net assets of each of the Schemes and the duration of such borrowing shall not exceed a period of six months.

11. The Mutual Fund shall enter into transactions relating to Government Securities only in dematerialised form.

12. The mutual fund shall get the securities purchased / transferred in the name of the fund on account of the concerned scheme, where investments are intended to be of long term nature.

13. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, a mutual fund may invest them in short term deposits of schedule commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, to be read with SEBI circular dated August 16, 2019 and September 20, 2019, as may be amended from time to time. The AMC shall not charge any investment management and advisory fees for parking of funds in such short term deposits of scheduled commercial banks for the scheme.

14. In accordance with the guidelines as stated under SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 01, 2019, investments in following instruments as specified in the said circular, as may be amended from time to time, shall be applicable:

    i. All fresh investments by mutual fund schemes in CPs would be made only in CPs which are listed or to be listed.

    ii. The scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instrument and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used by mutual funds for hedging.

    iii. However, the scheme may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio of the scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.

    iv. Further, investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. by mutual fund schemes shall be subject to the conditions as specified in the said circular:

        a. Investments should only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.
        b. Exposure of mutual fund schemes in such instruments shall not exceed 5% of the net assets of the schemes.
        c. All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.

15. Investments in Derivatives shall be in accordance with the guidelines as stated under SEBI circular no DNPD/Cir-29/2005 dated September 14, 2005, DNPD/Cir-30/2006 dated January 20, 2006 and SEBI/DNPD/Cir-31/2006 dated September 22, 2006, Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010, SEBI/HO/IMD/DF2/CIR/P/2017/109 dated September 27, 2017 and SEBI/HO/IMD/DF2/CIR/P/2019/17 dated January 16, 2019 as may be amended from time to time.

16. The scheme will invest in Repos in Corporate debt in accordance with SEBI circular no CIR / IMD / DF / 19 / 2011 dated November 11, 2011.

17. In terms of the SEBI Circular SEBI/HO/IMD/DF3/ CIR/P/2019/011 dated January 10, 2019, the Index shall comply with the following portfolio concentration norms:
    a) The Index shall have a minimum of 10 stocks as its constituents.
    b) No single stock shall have more than 25% weight in the Index.
    c) The weightage of the top three constituents of the Index, cumulatively shall not be more than 65% of the Index.

d) The individual constituent of the Index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

The Scheme shall monitor compliance with the aforesaid norms by the Index at the end of every calendar quarter. Further, the updated constituents of the Index shall be made available on the website of the Fund.

These investment restrictions shall be applicable at the time of investment. Changes, if any, do not have to be effected merely because, owing to appreciations or depreciations in value, or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any Schemes of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, AMC shall as soon as possible take appropriate corrective action, taking into account the interests of the Unit holders.

In addition, certain investment parameters may be adopted internally by AMC, and amended from time to time, to ensure appropriate diversification / security for the Fund. The Trustee Company / AMC may alter these above stated limitations from time to time, and also to the extent the SEBI (Mutual Funds) Regulations, 1996 change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for Mutual Funds to achieve its investment objective. As such all investments of the Scheme will be made in accordance with SEBI (Mutual Funds) Regulations, 1996.

The AMC may alter these above stated restrictions from time to time to the extent the SEBI (MF) Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective. The Trustee may from time to time alter these restrictions in conformity with the SEBI (MF) Regulations.

All investment restrictions shall be applicable at the time of making investment.

Apart from the above investment restrictions, the Fund follows certain internal norms vis-à-vis limiting exposure to scrips, sectors etc, within the above mentioned restrictions, and these are subject to review from time to time

Modifications, if any, in the Investment Restrictions on account of amendments to the Regulations shall supercede/ override the provisions of the Trust Deed.

Investments by the AMC in the Fund

The AMC reserves the right to invest its own funds in the Scheme as may be decided by the AMC from time to time. Under the Regulations, the AMC is not permitted to charge any investment management and advisory services fee on its own investment in the Scheme.

Limits for investment in derivatives instruments

As per SEBI circular no. Cir / IMD / DF / 11 / 2010 dated August 18, 2010 on "Review of norms for investment and disclosure by Mutual Funds in derivatives", the limits for exposure towards derivatives are as under:

1. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
2. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
3. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
4. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following :-

a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.

5. Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
6. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.

Exposure in derivative positions shall be computed as follows:

Position	**Exposure**
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option bought	Option Premium Paid * Lot Size * Number of Contracts

Participation of schemes of Kotak Mahindra Mutual Fund in repo of corporate debt securities:
In accordance with SEBI circular no. CIR / IMD / DF / 19 / 2011 dated November 11, 2011 and CIR/IMD/DF/23/2012 dated November 15, 2012; schemes of Kotak Mahindra Mutual Fund (KMMF) shall participate in the corporate bond repo transactions w.e.f. June 21, 2013 as per the guidelines issued by Reserve Bank of India (RBI) from time to time. Currently the applicable guidelines are as under:

- The gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the concerned scheme.
- The cumulative gross exposure through repo transactions in corporate debt securities along with, debt and derivatives shall not exceed 100% of the net assets of the concerned scheme.
- Mutual Funds shall participate in repo transactions only in AA and above rated corporate debt securities.
- In terms of Regulation 44 (2) mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months

The investment restrictions applicable to the Scheme's participation in the corporate bond repos will also be as prescribed or varied by SEBI or by the Board of Kotak Mahindra Trustee Company Limited (subject to SEBI requirements) from time to time. The above limits are subject to indicative allocation of Debt and Money Market instruments as stated under the asset allocation of the Scheme.

The following guidelines shall be followed by Kotak Mutual Fund for participating in repo in corporate debt securities, which have been approved by the Board of AMC and Trustee Company.

(i) Category of counterparty to be considered for making investment:

All entities eligible for transacting in corporate bond repos as defined by SEBI and RBI shall be considered for repo transactions.

7. Credit rating of counterparty to be considered for making investment

The schemes shall participate in corporate bond repo transactions with counterparties having a minimum investment grade rating and is approved by the Investment Committee on a case-to-case basis. In case there is no rating available, the Investment Committee will decide the rating of the counterparty, and report the same to the Board from time to time.

(ii) Tenor of Repo and collateral

As a repo seller, the schemes will borrow cash for a period not exceeding 6 months or as per extant regulations.

As a repo buyer, the Schemes are allowed to undertake the transactions for maximum maturity upto one year or such other terms as may be approved by the Investment Committee.

There shall be no restriction / limitation on the tenor of collateral.

(iii) Applicable haircuts

As per RBI circular RBI/2012-13/365 IDMD.PCD. 09 /14.03.02/2012-13 dated 07/01/2013, all corporate bond repo transaction will be subject to a minimum haircut given as given below:

(1) AAA : 07.50%
(2) AA+ : 08.50%
(3) AA : 10.00%

The haircut will be applicable on the prevailing market value of the said security on the prevailing on the date of trade. However, the fund manager may ask for a higher haircut (while lending) or give a higher haircut (while borrowing) depending on the market prevailing liquidity situation.

Risk envisaged and mitigation measures for repo transactions:

Credit risks could arise if the counterparty does not return the security as contracted or interest received by the counter party on due date. This risk is largely mitigated, as the choice of counterparties is largely restricted and their credit rating is taken into account before entering into such transactions. Also operational risks are lower as such trades are settled on a DVP basis.

In the event of the scheme being unable to pay back the money to the counterparty as contracted, the counter party may dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to us. Thus the scheme may in remote cases suffer losses. This risk is normally mitigated by better cash flow planning to take care of such repayments.

Investments in securitized debt instruments

How the risk profile of securitized debt fits into the risk appetite of the scheme:

The scheme investment pattern permits investments in debt and money market instruments with extended maturities. Under this the investments could be in the following form of issuances, viz. CPs, CDs, Securitised debt, etc. i.e. for the same acceptable levels of risks there could be multiple instruments available to a Fund Manager. Based on the credit assessment of the issuers the Fund Manager may chose to invest in securitized debt.

Our evaluation process for investment in securitized debt is similar to the approach followed for other types of instruments including money market and bonds. We lay emphasis on credit, liquidity and duration risk while evaluating every prospective investment, keeping in mind the investment objectives of the particular scheme.

Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt etc:

The Fund Manager shall do a comprehensive credit assessment of the structure before investment. This includes originator's credit origination standards, track record on asset quality, more specifically its track record in respect the asset class that is being securitized and also the performance of the pools securitised by the originator in the past. No investments will be made in instruments rated below certain grades as prescribed by the investment committee or in unrated instruments. Prior approval of Trustee will be taken, in case of any investments in unrated instruments.

The securitised paper may pertain to a single asset class e.g., car loans or commercial vehicle loans or a combination of different asset classes i.e. car loans, two wheeler loans and commercial vehicle loans. Investment focus is towards diversification in the asset pool in terms of geography, underlying collateral. Although there is no specific guidelines with respect minimum period for which the originator had held the loans in its books), appropriateness of the seasoning (the period for which the originator has held loans on its books) and also the loan to value and instilment to income profile of the pool are important parameters for making investment decision.

In case of single loan securitization, the originator merely transfers the loan existing in his book by way of a single loan sell down. The obligation to repay and service the debt remains with the underlying obligor and hence, it is the obligor whose standalone business and financial risk profile is evaluated. Therefore, the credit rating of a single loan structure mirrors the credit rating of the obligor.

For pool securitization, where the debt repayment is dependent on the underlying pool of borrowers, it is important to evaluate the characteristics of the pool including the type of loan, loan to value ratio, ticket size of loan, geographic distribution etc. and the track record of the originator in terms of volume of securitization activity, historical losses seen in similar pools, stability in cash flow servicing and utilization level of credit enhancement.

Risk Mitigation strategies for investments with each kind of originator:

Apart from the above, risk assessment process includes examination of the credit enhancements offered under the present PTC structure, utilization of credit enhancement in the previous securitization structures of the originator and the trends in credit enhancement utilization of securitization transactions of similar asset classes of other originators. The size & reach of originators, its infrastructure & follow-up mechanism, quality of MIS & the collection process are also considered for each originator.

The nature of the instrument, underlying risks, underlying risk migration perceptions would decide the tenure of the said investments.

There is clear cut segregation of duties and responsibilities with respect to Investment Function and Sales function. Risk assessment and monitoring of investment in Securities Debt is done by a team comprising of credit analyst, fund manager and Head of Fixed Income. The Investment committee also looks into a first time investment in credit, apart from sanctioning overall limits for the same. Investment Decisions are being taken independently based on the above mentioned parameters and investment by the originator in the scheme is based on their own evaluation of the scheme vis a vis their investment objective.

Originator risk can be evaluated and mitigated on the basis of –

(a) Market position and size of the originator and expertise/niche in financing a particular type of asset.
(b) Systems and processes established by the originator to address operational risk relating to disbursement, collection and recovery of loans.
(c) Extent of data disclosed by the originator for the current pool as well as past pools which showcases the data mining capability of the originator.

(d) Credit enhancement provided based on the pool characteristics, historical performance of past pools and the base case losses assumed by the credit agency.

The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments:

Framework that will be applied while evaluating investment decision relating to a pool securitization transaction:

Characteristics/ Type of Pool	Mortgage Loan	CV & CE	Cars	Two Wheelers	Micro Finance	Personal Loans	Single loan sell down
Average maturity (in months)	36m-72m	12m-36m	12m-36m	12m-24m	3m-18m	12m-24m	12m-36m
Collateral margin (including cash, guarantees, excess interest spread, subordination)	5%-25%	10%-25%	10%-25%	Min 15%	Min 20%	Min 20%	NA
Average Loan-to-value	70%-90%	65%-90%	65%-90%	50%-75%	NA	NA	NA
Average Pool Seasoning (in months)	6m-12m	3m-6m	3m-6m	3m-6m	1m-3m	3m-6m	NA
Maximum exposure per ABS transaction	5%-15%	5%-15%	5%-15%	5%-10%	5%-15%	5%-10%	5%-15%

Note - Kindly note that these are indicative ranges and final figures could vary depending upon the overall characteristics of the transaction and market conditions

In respect of single sell down loans the process would be similar to the one adopted for investing in the issuer directly. Similarly, the fund in the normal course of business would not be investing in personal / micro finance pools, unless the levels of comfort arising of the transaction structures, satisfy the investment committee.

The above table is prepared after considering the risk mitigating measures such as Size of the loan, Average original maturity of the pool, Average seasoning of the pool, Loan to Value Ratio, Geographical Distribution and Structure of the pool, default rate distribution & credit enhancement facility. The information contained herein is based on current market conditions and may change from time to time based on changes in such conditions, regulatory changes and other relevant factors. Accordingly, our investment strategy, risk mitigation measures and other information contained herein may change in response to the same. This framework would be used as a reference for evaluation of investment into any securitized debt. However, each investment would also be evaluated on a case to case basis on its own merits apart from these limits.

Other risk mitigation measures
(a) Loan to Value Ratio – is an important parameter which highlights the underwriting standards of the issuer. Also, lower LTV ratios generally result in higher recoveries in case of default.

(b) Average seasoning of the pool - may vary depending on the asset type. Higher seasoning is preferred as it gives better visibility on delinquency levels in the pool.

(c) Default rate distribution – this is studied using empirical data for the originator. This is also a critical data used by the rating agency in determining the credit enhancement levels to be stipulated.

(d) Geographical Distribution – helps in identifying concentration risk in a particular geography and therefore reduces the default risk.

(e) Credit enhancement facility – is provided in pool securitization transactions and is very important as it is used to absorb credit losses stemming from default in the pool assets. The size of credit enhancement is determined on the basis of the issuer's credit risk profile, the type of asset being securitized and past pool performances.

(f) Liquidity facility – in some cases, in addition to the credit enhancement facility there is also a liquidity facility provided which is used to meet any shortfalls arising from delayed collections or delinquencies in the pool.

Minimum retention percentage by originator of debts to be securitized:
Although there is no specific guidelines with respect minimum retention percentage for which the originator had held the loans in its books), appropriateness of the seasoning (the period for which the originator has held loans on its books) and also the loan to value and installment to income profile of the pool are important parameters for making investment decision.

Minimum retention period of the debt by originator prior to securitization
For single loan securitization, there is currently no regulation for minimum retention period of debt by the originator. Our investment decision is driven by the credit quality of the underlying obligor.

For pool securitization, there is currently no regulation for minimum retention period of debt by the originator. Generally the pool assets we acquire in the form of PTCs have a retention period of 3-6 months by the originator. We follow the extant guidelines pertaining to securitization as set out by the regulator.

The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund:

An investment by the scheme in any security is done after detailed analysis by the Fixed Income team and in accordance with the investment objectives and the asset allocation pattern of a scheme. The robust credit process ensures that there is no conflict of interests when a scheme invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme. Normally the issuer who is securitizing instrument is in need of money and is unlikely to have long term surplus to invest in mutual fund scheme. Furthermore, there is clear cut segregation of duties and responsibilities with respect to Investment function and Sales function. Investment decisions are being taken independently based on the above mentioned parameters and investment by the originator in the scheme is based on their own evaluation of the scheme vis a vis their investment objectives

Our investment decisions are independent of other business functions and are solely based on the assessment of credit risk, liquidity risk and duration risk pertaining to a particular security.

The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt

Risk assessment and monitoring of investment in Securities Debt is done by a team comprising of credit analyst, fund manager and Head of Fixed Income. The Investment committee also looks into a first time investment in credit, apart from sanctioning overall limits for the same. Investment Decisions are being taken independently based on the above mentioned parameters and investment by the originator in the scheme is based on their own evaluation of the scheme vis a vis their investment objective.

Apart from monitoring the credit quality of the underlying obligator / originator, for pool securitization transactions we closely monitor the monthly pool performance report which is sent out by the trustee. The reports are tracked for changes in specific pool characteristics which can impact the collection performance and loss levels in the pool.

Creation of segregated portfolio

In accordance with SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2018/160, dated December 28, 2018, SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2019/127 dated November 07, 2019 and SEBI/HO/IMD/DF4/CIR/P/2020/165 dated September 02, 2020, provisions have been included for creation of segregated portfolio and enabling fund manager to invest in various instruments / securities available in the securities market in the interest of investors.

Explanations:

1. The term 'segregated portfolio' shall mean a portfolio, comprising of debt or money market instrument affected by a credit event, that has been segregated in a mutual fund scheme.
2. The term 'main portfolio' shall mean the scheme portfolio excluding the segregated portfolio.
3. The term 'total portfolio' shall mean the scheme portfolio including the securities affected by the credit event.

Note 1: As per SEBI circular dated December 28, 2018, credit event is considered for creation of segregated portfolio, however for the purpose of SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2019/127 dated November 07, 2019, 'actual default' by the issuer of such instruments shall be considered for creation of segregated portfolio. Further, in accordance with SEBI Circular no. SEBI/HO/IMD/DF4/CIR/P/2020/165 dated September 02, 2020 or subsequent amendment thereto , the date of proposal for restructuring of debt received by AMCs shall be treated as the trigger date for the purpose of creation of segregated portfolio. Currently as per referred circular this is permitted till December 31, 2020.

Note 2: Portfolio referred herewith will include interest accrued as well.

Terms and conditions in respect of Creation of segregated portfolio in the scheme:

AMC may create segregated portfolio in the scheme and it shall be subject to guidelines specified by SEBI from time to time including the following:

1. Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:

   a. Downgrade of a debt or money market instrument to 'below investment grade', or

   b. Subsequent downgrades of the said instruments from 'below investment grade', or

   c. Similar such downgrades of a loan rating.

2. In case of difference in rating by multiple CRAs, AMC shall consider the most conservative rating. Creation of segregated portfolio shall be based on issuer level credit events as per above point no. 1 and shall be implemented at the ISIN level.

3. Creation of segregated portfolio shall be optional and at the discretion of Kotak Mahindra Asset Management Company Ltd ('AMC'). It should be created only if the Scheme Information Document (SID) of the scheme has provisions for segregated portfolio with adequate disclosures.

   Further, in accordance with SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2019/127 dated November 07, 2019, creation of segregated portfolio in mutual fund schemes has been permitted in respect of unrated debt or money market instruments by mutual fund schemes of an issuer that does not have any outstanding rated debt or money market instruments, subject to the following terms:

   a. Segregated portfolio of such unrated debt or money market instruments may be created only in case of actual default of either the interest or principal amount. As per SEBI circular dated

December 28, 2018, credit event is considered for creation of segregated portfolio, however for the purpose of SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2019/127 dated November 07, 2019, 'actual default' by the issuer of such instruments shall be considered for creation of segregated portfolio. Further, in accordance with SEBI Circular no. SEBI/HO/IMD/DF4/CIR/P/2020/165 dated September 02, 2020 or subsequent amendment thereto the date of proposal for restructuring of debt received by AMCs shall be treated as the 'trigger date' for the purpose of creation of segregated portfolio .Currently as per referred circular this is permitted till December 31, 2020.

b. AMCs shall inform AMFI immediately about the actual default by the issuer. Upon being informed about the default, AMFI shall immediately inform the same to all AMCs. Pursuant to dissemination of information by AMFI about actual default by the issuer, AMCs may segregate the portfolio of debt or money market instruments of the said issuer in terms of SEBI circular dated December 28, 2018. However, as per SEBI Circular no. SEBI/HO/IMD/DF4/CIR/P/2020/165 dated September 02, 2020 or subsequent amendment thereto the proposal of restructuring of debt received by AMCs shall be immediately reported to the Valuation Agencies, Credit Rating Agencies, Debenture Trustees and AMFI. AMFI, on receipt of such information, shall immediately disseminate it to its members. Currently as per referred circular the said provision will be effective till December 31, 2020.

c. All other terms and conditions as stated in SEBI circular dated December 28, 2018 shall remain the same.

Process for creation of segregated portfolio:
On the date of the Credit Event the Investment Committee of AMC shall first approve the creation of segregated portfolio and their decision will be recommended to the Board of AMC and the Trustee Company for approval.

a. Once AMC decides to segregate portfolio, it shall

- Seek approval of trustees prior to creation of the segregated portfolio.
- Immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors. Kotak Mahindra Mutual Fund should also disclose that the segregation shall be subject to Trustees approval. Additionally, the said press release shall be prominently disclosed on the website of the AMC.
- Ensure that till the time the trustees approval is received, which in no case shall exceed 1 business day from the day of credit event, the subscription and redemption in the scheme shall be suspended for processing with respect to creation of units and payment on redemptions.

b. Once trustees approval is received by the AMC:

i. Segregated portfolio shall be effective from the day of credit event
ii. AMC shall issue a press release immediately with all relevant information pertaining to the segregated portfolio. The said information shall also be submitted to SEBI.
iii. An e-mail or SMS should be sent to all unit holders of the concerned scheme.
iv. The NAV of both segregated and main portfolio will be disclosed from the day of the credit event.
v. All existing investors in the scheme as on the day of the credit event shall be allotted equal number of units in the segregated portfolio as held in the main portfolio.
vi. No redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in segregated portfolio, AMC shall enable listing of units of segregated portfolio on the recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests.

c. If the trustees do not approve the proposal to segregate portfolio, AMC shall issue a press release immediately informing investors of the same.

Valuation and processing of subscriptions and redemptions:

The valuation of the instruments/portfolio shall be done based on the Board approved valuation policy for securities which are rated below investment grade.

All subscription and redemption requests for which NAV of the day of credit event or subsequent day is applicable will be processed as per the existing circular on applicability of NAV as under:

i. Upon trustees' approval to create a segregated portfolio -

- Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.
- Investors subscribing to the scheme will be allotted units only in the main portfolio based on its NAV.

ii. In case trustees do not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of 'Total portfolio'.

TER for the Segregated Portfolio

1. AMC shall not charge investment and advisory fees on the segregated portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in segregated portfolio.
2. The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence.
3. The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.
4. The costs related to segregated portfolio shall in no case be charged to the main portfolio.

Risks associated with segregated portfolio

1) Investor holding units of segregated portfolio may not able to liquidate their holding till the time realisable value is recovered.
2) Security comprising of segregated portfolio may realise lower value or may realise zero value.
3) Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

Disclosure Requirements

In order to enable the existing as well as the prospective investors to take informed decision, the following shall be adhered to:

a. A statement of holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event shall be communicated to the investors within 5 working days of creation of the segregated portfolio.
b. Adequate disclosure of the segregated portfolio shall appear in the scheme related documents, in monthly and half-yearly portfolio disclosures and in the annual report of the mutual fund and the schemes.
c. The Net Asset Value (NAV) of the segregated portfolio shall be declared on daily basis.

d. The information regarding number of segregated portfolios created in a scheme shall appear prominently under the name of the scheme at all relevant places such as SID, KIM-cum-Application Form, advertisement, AMC and AMFI websites, etc.
e. The scheme performance required to be disclosed at various places shall include the impact of creation of segregated portfolio. The scheme performance should clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event and the said fall in NAV along with recovery (ies), if any, shall be disclosed as a footnote to the scheme performance.

f. The disclosures at paragraph 7(d) and 7(e) above regarding the segregated portfolio shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/ written-off.
g. The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

Monitoring by Trustees

a. In order to ensure timely recovery of investments of the segregated portfolio, trustees shall ensure that:
   i. The AMC puts in sincere efforts to recover the investments of the segregated portfolio.
   ii. Upon recovery of money, whether partial or full, it shall be immediately distributed to the investors in proportion to their holding in the segregated portfolio. Any recovery of amount of the security in the segregated portfolio even after the write off shall be distributed to the investors of the segregated portfolio.
   iii. An Action Taken Report (ATR) on the efforts made by the AMC to recover the investments of the segregated portfolio is placed in every trustees meeting till the investments are fully recovered/ written-off.
   iv. The trustees shall monitor the compliance of aforesaid SEBI circular and disclose in the half-yearly trustees reports filed with SEBI, the compliance in respect of every segregated portfolio created.
b. In order to avoid mis-use of segregated portfolio, trustees shall ensure to have a mechanism in place to negatively impact the performance incentives of satss, Chief Investment Officers (CIOs), etc. involved in the investment process of securities under the segregated portfolio, mirroring the existing mechanism for performance incentives of the AMC, including claw back of such amount to the segregated portfolio of the scheme.

Illustration of Segregated Portfolio:

Portfolio Date 31-Mar-19
Downgrade Event Date 31-Mar-19
Downgrade Security **7.65% C Ltd from AA+ to B**
Valuation Marked Down 25%

Mr. X is holding 1000 Units of the scheme, amounting to (1000*15.8450) Rs.15844.99

Portfolio on the date of Downgrade Event

Security	**Rating**	**Type of the Security**	**Qty**	**Price Per Unit**	**Market Value (Rs. in Lacs)**	**% of Net Assets**
7.80% A FINANCE LTD	CRISIL AAA	NCD	3200000	102.81	3289.98	20.76
7.70 % B LTD	CRISIL AAA	NCD	3230000	98.51	3182.00	20.08
7.65 % C Ltd	**CRISIL B***	**NCD**	**3200000**	**98.46**	**3150.62**	**19.88**

D Ltd (15/ May/2019)	ICRA A1+	CP	3200000	98.36	3147.65	19.87
7.90 % E LTD	CRISIL AA	NCD	3200000	98.68	2960.27	18.68
Cash / Cash Equivalents (incl Interest accrued but not due of Rs.5.96 lacs on 7.65 % C Ltd NCD^)					115.96	0.73
Net Assets					15846.48	
Unit Capital (no of units) in lacs					1000.00	
NAV per unit (Rs.)					15.8450	

On the date of credit event i.e. on 31st March 2019, NCD of C Ltd (7.65%) will be segregated as separate portfolio.

Main Portfolio as on 31st March 2019

Security	Rating	Type of the Security	Qty	Price Per Unit	Market Value (Rs. in Lacs)	% of Net Assets
7.80% A FINANCE LTD	CRISIL AAA	NCD	3200000	102.81	3289.98	25.93
7.70 % B LTD	CRISIL AAA	NCD	3230000	98.51	3182.00	25.08
D Ltd (15/ May/2019)	ICRA A1+	CP	3200000	98.36	3147.65	24.80
7.90 % E LTD	CRISIL AA	NCD	3200000	98.68	2960.27	23.32
Cash / Cash Equivalents					110.00	0.87
Net Assets					12,689.90	
Unit Capital (no of units) in lacs					1,000	
NAV(Rs.)					12.6899	

Segregated Portfolio as on 31st March 2019

Security	Rating	Type of the Security	Qty	Price Per Unit (Before Marked Down) #	Price Per Unit (After Marked Down) *	Market Value (Rs. in Lacs)	% of Net Assets
7.65 % C Ltd	CRISIL B *	NCD	3200000	98.46	73.84	2362.97	99.81
Interest accrued but not due on 7.65 % C LTD NCD before mark down was Rs.5.96 lacs						4.47	0.19
Net Assets						2,367.44	
Unit Capital (no of units) in lacs						1,000	
NAV per unit (Rs.)						2.3674	

Before Marked down the security was valued at Rs. 98.46 per unit.

* Marked down by 25% on the date of credit event.

Value of Holding of Mr. X after creation of Segregated Portfolio			
	Segregated Portfolio	**Main Portfolio**	**Total Value**
No of units	1,000	1,000	
NAV per unit (Rs.)	2.3674	12.6899	
Total value in Rs.	2,367.40	12,689.90	15057.30

Apart from above, there will be no change in any other features of the schemes.

J. Additional Scheme Related Disclosures

a. Aggregate investment in the Scheme of certain categories of persons:

Aggregate Investment by the concerned scheme's fund manager in the scheme: Not Applicable
Aggregate Investment by the Kotak AMC'S Board of Directors in the scheme: Not Applicable
Aggregate Investment by Key Managerial Person of Kotak AMC in the scheme: Not Applicable

b. Scheme's portfolio holdings: Not Applicable
c. Sector wise fund allocation: Not Applicable
d. Portfolio turnover ratio: Not Applicable
e. Website link for Monthly Portfolio Holding:
Please visit assetmanagement.kotak.com to obtain Scheme's latest monthly portfolio holding statement.

Since the scheme is a new fund to be launched, the above disclosures are not applicable.

K. How has the schemes performed?

IV. UNITS AND OFFER

This section provides details you need to know for investing in the scheme.

A. New Fund Offer (NFO)

New Fund Offer: **This is the period during which a new Scheme sells its units to the investors**	NFO opens on :- February 26, 2021 NFO closes on: - March 01, 2021 The subscription list may be closed earlier by giving at least one day's notice in one daily newspaper. The AMC reserves the right to extend the closing date, subject to the condition that the New Fund Offer shall not be kept open beyond 15 days as permissible under Regulations. Any such extension shall be announced by way of a notice in one national newspaper.
New Fund Offer Price: **This is the price per unit that the investors have to pay to invest during the NFO.**	The face value of each unit of the Scheme will be Rs.10/-. Offer of Units of Rs. 10/- each for cash (on allotment, the value of each Unit would approximately equal to the value of 1/1000th of the value of NIFTY IT Index) to be issued at a premium, if any, approximately equal to the difference between face value and allotment price during the New Fund Offer ("NFO") and at NAV based prices during the Ongoing Offer.
Minimum Amount for Application in the NFO of scheme	Minimum investment amount of Rs. 5,000 and in multiples of Re.1 thereafter. At present, applications for investing in scheme through cash are not accepted by Kotak AMC. The Asset Management Company is in process of implementing adequate systems and controls to accept Cash Investment in the Scheme. Information in this regard will be provided to Investors as and when the facility is made available.
Minimum Target amount **This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within 5 business days, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 5 business days from the date of closure of the subscription period.**	The Fund seeks to collect a minimum subscription amount of Rs. 10,00,00,000/- (Rupees Ten crores only) under the scheme.
Maximum Amount to be raised (if any)	There is no upper limit on the total amount that may be collected.

This is the maximum amount which can be collected during the NFO period, as decided by the AMC.	
Dividend Frequency and Record date	At discretion of Trustees.
Choice of Default Option	The Scheme does not offer any Plans/Options for investment. The AMC/Trustee reserve the right to introduce Option(s) as may be deemed appropriate at a later date.
Allotment	Subject to the receipt of the specified Minimum Subscription Amount for the Scheme, full allotment will be made to all valid applications received during the New Fund Offer. The Trustee reserves the right, at their discretion to reject any application. Allotment will be completed within 5 business days after the closure of the New Fund Offer. Allotment of units and dispatch of allotment advice to FPI will be subject to RBI approval if required. Investors who have applied in non-depository mode will be entitled to receive the account statement of units within 5 Business Days of the closure of the NFO Period (since the investor can transact only through the exchange after NFO period, they need to convert the units in demat form). For applicants applying through the ASBA mode, on intimation of allotment by CAMS to the banker the investors account shall be debited to the extent of the amount due thereon. On allotment, units will be credited to the Investor's demat account as specified in the ASBA application form. The Asset Management Company shall, on production of instrument of transfer together with relevant unit certificates, register the transfer and return the unit certificate to the transferee within 30 days from the date of such production. The Units of the Scheme held in the dematerialised form will be fully and freely transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time and as stated in SEBI Circular No. CIR/IMD/DF/10/2010 dated August 18, 2010. Further, for the procedure of release of lien, the investors shall contact their respective DP. Also, when a person becomes a holder of the units by operation of law or upon enforcement of pledge, then the AMC shall, subject to production/submission of such satisfactory evidence, which in its opinion is sufficient, effect the transfer, if the intended transferee is otherwise eligible to hold the units.
Refund	If application is rejected, full amount will be refunded within 5 business days from of closure of NFO. If refunded later than 5 business days, interest @ 15% p.a. for delay period will be paid and charged to the AMC.
Who can invest **This is an indicative list and you are requested to**	The following are eligible to apply for purchase of the Units: • Resident Indian Adult Individuals, either singly or jointly (not exceeding three). • Parents/Lawful guardians on behalf of Minors.

consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.	• Companies, corporate bodies, registered in India. • Registered Societies and Co-operative Societies authorised to invest in such Units. • Religious and Charitable Trusts under the provisions of 11(5) of the Income Tax Act, 1961 read with Rule 17C of the Income Tax Rules, 1962. • Trustees of private trusts authorised to invest in mutual fund schemes under their trust deeds. • Partner(s) of Partnership Firms. • Association of Persons or Body of Individuals, whether incorporated or not. • Hindu Undivided Families (HUFs). • Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions and Investment Institutions. • Non-Resident Indians/Persons of Indian origin resident abroad (NRIs) on full repatriation or non-repatriation basis. • Other Mutual Funds registered with SEBI. • Foreign Portfolio Investors (FPI) registered with SEBI. • International Multilateral Agencies approved by the Government of India. • Army/Navy/Air Force, Para-Military Units and other eligible institutions. • Scientific and Industrial Research Organizations. • Provident/Pension/Gratuity and such other Funds as and when permitted to invest. • Universities and Educational Institutions. • Other schemes of Kotak Mahindra Mutual Fund may, subject to the conditions and limits prescribed in the SEBI Regulations and/or by the Trustee, AMC or Sponsor, subscribe to the Units under the Scheme. The list given above is indicative and the applicable law, if any, shall supersede the list. Acceptance of Subscriptions from U.S. Persons and Residents of Canada : - The Scheme shall not accept subscriptions from U.S. Persons and Residents of Canada, except where transaction request received from Non – resident Indian (NRIs) / Persons of Indian Origin (PIO) who at the time of investment are present in India and submit physical transaction request along with such declarations / documents as may be prescribed by Kotak Mahindra Asset Management Company Ltd and Kotak Mahindra Trustee Company Ltd. The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC/ Trustee Company. The investor shall be responsible for complying with all the applicable laws for such investments. The AMC reserves the right to put the transaction request on hold/reject the transaction request, or reverse the units allotted, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard.

	The Trustee/AMC reserves the right to change/modify the provisions mentioned above at a later date.
Where can you submit the filled up applications.	Applications can be made either by way of a "Regular Application" along with a cheque/DD or fund transfer instruction. The Fund may introduce other newer methods of application which will be notified as and when introduced. Investors should complete the Application Form and deliver it along with a cheque/draft (i.e. in case of "Regular Application") or fund transfer instructions, at any of the official points of acceptance of transactions as given on the back cover of this document. For investments through switch transactions, transaction slip with application forms can be submitted at the AMC branches, CAMS Investor Service Centres and branches, given in the last page. All trading Member of Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), who are registered with AMFI as Mutual Fund Advisors offering the facility of purchase and redemption of units of Kotak Mahindra Mutual Funds through stock Exchanges platforms are the official Acceptance points for fresh applications as the NFO of the scheme is offered through the stock exchange platforms. Further in line with SEBI Circular no. SEBI/HO/MRD1/DSAP/CIR/P/2020/29 dated February 26,2020 it has been decided to allow investors to directly access infrastructure of the recognised stock exchanges to purchase mutual fund units directly from Mutual Fund/ Asset Management Companies. SEBI circular has advised recognised stock exchanges, clearing corporations and depositories to make necessary amendment to their existing byelaws, rules and/or regulations, wherever required. Further, Investors may also apply through ASBA facility, during the NFO period of the Scheme.
Applications Supported by Blocked Amount (ASBA)	As per SEBI vide its circular no. SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2010 an investor can subscribe to the New Fund Offer (NFO) through ASBA facility. The ASBA facility is offered by selected Self Certified Syndicate Banks (SCSBs) which are registered with SEBI for offering the facility, and whose names appear in the list of SCSBs as displayed by SEBI on its website at www.sebi.gov.in. ASBA is an application containing an authorization given by the Investor to block the application money in his specified bank account towards the subscription of Units offered during the NFO of the Schemes. On intimation of allotment by CAMS to the banker the investors account shall be debited to the extent of the amount due thereon. On allotment, units will be credited to the Investor’s demat account as specified in the ASBA application form. Grounds for rejection of ASBA applications • ASBA application forms can be rejected by the AMC/Registrar/ SCSBs, on the following technical grounds: - • Applications by persons not competent to contract under the Indian Contract Act, 1872, including but not limited to minors,

	insane persons etc. • Mode of ASBA i.e. either Physical ASBA or Electronic ASBA, not selected or ticked. • ASBA Application Form without the stamp of the SCSB. • Application by any person outside India if not in compliance with applicable foreign and Indian laws. • Bank account details not given/incorrect details given. • Duly certified Power of Attorney, if applicable, not submitted alongwith the ASBA application form. • No corresponding records available with the Depositories matching the parameters namely (a) Names of the ASBA applicants (including the order of names of joint holders) (b) DP ID (c) Beneficiary account number or any other relevant details pertaining to the Depository Account. • Insufficient funds in the investor's account. • Application accepted by SCSB and not uploaded on/with the Exchange/ Registrar.
Mechanism for Redressal of Investor Grievances under ASBA Facility	All grievances relating to the ASBA facility may be addressed to the respective SCSBs, giving full details such as name, address of the applicant, number of Units applied for, counterfoil or the application reference given by the SCSBs, DBs or CBs, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Investor.
How to Apply	Application form and Key Information Memorandum may be obtained from the offices of AMC or Investor Services Centers of the Registrar or distributors or downloaded from assetmanagement.kotak.com. Investors are also advised to refer to Statement of Additional Information before submitting the application form. All cheques and drafts should be crossed "Account Payee Only" and drawn in favour of the scheme viz: Kotak IT ETF Any application may be accepted or rejected at the sole and absolute discretion of the Trustee. Please refer to the SAI and Application form for the instructions.
Listing	The units of the Scheme are listed on NSE on allotment under intimation to SEBI. It may also list on any other exchanges subsequently. AMC has proposed to engage AP for creating liquidity for ETFs in the stock exchange so that retail investors (investors other than AP and Large Investors) are able to buy or redeem units on the stock exchange using the services of a stockbroker.
Special Products / facilities available during the NFO	Switching is available during the NFO.
The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the	Not Applicable

AMC) involved in the same.	
Restrictions, if any, on the right to freely retain or dispose of units being offered.	The Asset Management Company shall, on production of instrument of transfer together with relevant unit certificates, register the transfer and return the unit certificate to the transferee within 30 days from the date of such production. The Units of the Scheme held in the dematerialised form will be fully and freely transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time and as stated in SEBI Circular No. CIR/IMD/DF/10/2010 dated August 18, 2010. Further, for the procedure of release of lien, the investors shall contact their respective DP. Also, when a person becomes a holder of the units by operation of law or upon enforcement of pledge, then the AMC shall, subject to production/submission of such satisfactory evidence, which in its opinion is sufficient, effect the transfer, if the intended transferee is otherwise eligible to hold the units.
Foreign Account Tax Compliance	FATCA is an acronym for Foreign Account Tax Compliance Act ("FATCA"), a United States Federal law to increase compliance by US taxpayers and is intended to bolster efforts to prevent tax evasion by the US taxpayers with offshore investments. The Government of India and the United States of America (US) have reached an agreement in substance on the terms of an Inter- Governmental Agreement (IGA) and India is now treated as having an IGA in effect from April 11, 2014. The AMC/Fund are likely to be classified as a 'Foreign Financial Institution' (Investment Entity as per Annexure 1(i)) under the FATCA provisions. In accordance with FATCA provisions, the AMC/Mutual Fund will be required to undertake due diligence process and identify US reportable accounts and collect such information/documentary evidences of the US and/or non-US status of its investors/Unit holders and disclose such information (through its agents or service providers) as far as may be legally permitted about the holdings, investment returns and/or to US Internal Revenue Service (IRS) or the Indian Tax Authorities, as the case may be for the purpose of onward transmission to the IRS pursuant to the new reporting regime under FATCA.

B. Ongoing Offer Details

<table>
<tr><td>Ongoing Offer Period

This is the date from which the scheme reopened for subscriptions/redemptions after the closure of the NFO period.</td><td>The Scheme will reopen for subscription/redemptions within 5 business days from the date of allotment of units/scheme will be listed in the exchange within 5 business days from the date of allotment for investors transaction.</td></tr>
<tr><td>Ongoing price for subscription (purchase)

This is the price you need to pay for purchase</td><td>(a) Ongoing purchases directly from the Mutual Fund would be restricted to Authorized Participants provided the value of units to be purchased is in creation unit size. Authorised Participants may buy the units on any business day of the scheme directly from the Mutual Fund by paying applicable transaction handling charges and cash component in cash and by depositing basket of securities comprising Nifty IT Index. Units may be allotted only after realization of cheque where the full consideration for creation unit is paid by cheque and at the value at which the underlying stocks for the creation unit is purchased against that purchase request.

NAV for continuous offer
<table>
<tr><td>Value of portfolio deposit (basket of securities) in creation unit size</td><td>1</td><td>2098471.3</td></tr>
<tr><td>Price of 1 unit portfolio creation</td><td>2</td><td>21</td></tr>
<tr><td>Cash Component (say)</td><td>3</td><td>1528.7</td></tr>
<tr><td>Net Assets</td><td>4=(1+3)</td><td>2100000</td></tr>
<tr><td>No. of units in creation unit</td><td>5</td><td>100000</td></tr>
<tr><td>NAV per unit</td><td>6=(4/5)</td><td>21</td></tr>
</table>

Note
1. In addition to the NAV, any person transacting with the fund will have to reimburse transaction charges - brokerage, STT, NSDL charges etc.
2. Transaction charges payable by the investor is per creation request and will be as determined by the AMC at the time of transaction
3. The above creation unit is for 100000 units of Kotak IT ETF which is minimum lots size for creation

(a) The units are listed on NSE to provide liquidity through secondary market. All categories of Investors may purchase the units through secondary market on any trading day.
(b) The AMC will appoint Authorised Participant(s) to provide liquidity in secondary market on an ongoing basis. The Authorised Participant(s) would offer daily two-way quote in the market.

<u>Switches:</u>
Switches are not allowed under the scheme.</td></tr>
<tr><td>Ongoing price for redemption (sale) (to other schemes/plans of the Mutual Fund) by</td><td>Authorised Participant and Large Investor can redeem units directly with the fund at Applicable NAV based prices, subject to applicable exit load; if any.</td></tr>
</table>

investors. This is the price you will receive for redemptions	There is no exit load. However, transaction charges payable to Custodian/Depository Participants, and other incidental charges relating to conversion of units into basket of securities may be deducted from redemption proceeds. The charges will be notified on assetmanagement.kotak.com from time to time. Investors other than AP/LI may redeem units at the listed price plus transaction handling charges on stock exchange. As required under the Regulations, the Fund will ensure that the Redemption Price is not lower than 93% of the NAV and the Purchase Price is not higher than 107% of the NAV, provided that the difference between the Redemption Price and Purchase Price of the Units shall not exceed the permissible limit of 7% of the Purchase Price, as provided for under the Regulations.
Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	Ongoing purchases directly from the Mutual Fund would be restricted to Authorized Participants Authorised Participants may buy the units on any business day for the scheme directly from the Mutual Fund at applicable NAV and entry load, in creation unit size. Every creation unit shall have total monetary value in Rupee terms equivalent to that day's portfolio deposit and cash component. For Purchase/ Redemption directly from the fund on any business day: a) Upto 3.00 p.m. on a business day, the NAV of such business day. b) After 3.00 p.m. on a business day, the NAV of the following business day. Switches are not allowed under the Scheme.
Where can the applications for purchase/redemption be submitted?	Applications can be submitted only at the offices of AMC As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number. To safeguard the interest of Unitholders from loss or theft of their refund orders/redemption cheques, investors are requested to provide their bank details in the Application Form. The Bank Account details as mentioned with the Depository should be mentioned. If depository account details furnished in the application form are invalid or not confirmed in the depository system, the application may be rejected. Notwithstanding any of the above conditions, any application may be accepted or rejected at the sole and absolute discretion of the Trustee.
Who can invest This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.	The following are eligible to apply for purchase of the Units: • Resident Indian Adult Individuals, either singly or jointly (not exceeding three). • Parents/Lawful guardians on behalf of Minors. • Companies, corporate bodies, registered in India. • Registered Societies and Co-operative Societies authorised to invest in such Units. • Public sector undertakings, public/Statutory corporations subject to general or specific permissions granted to them by the Central/State governments from time to time.

	• Religious and Charitable Trusts under the provisions of 11(5) of the Income Tax Act, 1961 read with Rule 17C of the Income Tax Rules, 1962. • Trustees of private trusts authorised to invest in mutual fund schemes under their trust deeds. • Partner(s) of Partnership Firms. • Association of Persons or Body of Individuals, whether incorporated or not. • Hindu Undivided Families (HUFs). • Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions and Investment Institutions. • Non-Resident Indians/Persons of Indian origin resident abroad (NRIs) on full repatriation or non-repatriation basis. • Other Mutual Funds registered with SEBI. • Foreign Portfolio Investors (FPIs) or sub-accounts of FPI's registered with SEBI. • International Multilateral Agencies approved by the Government of India. • Army/Navy/Air Force, Para-Military Units and other eligible institutions. • Scientific and Industrial Research Organizations. • Provident/Pension/Gratuity and such other Funds as and when permitted to invest. • Public Financial Institution as defined under the Companies Act 2013. • Universities and Educational Institutions. • Other schemes of Kotak Mahindra Mutual Fund may, subject to the conditions and limits prescribed in the SEBI Regulations and/or by the Trustee, AMC or Sponsor, subscribe to the Units under the Scheme. The list given above is indicative and the applicable law, if any, shall supersede the list. Acceptance of Subscriptions from U.S. Persons and Residents of Canada w.e.f. November 17, 2016 : - The Scheme shall not accept subscriptions from U.S. Persons and Residents of Canada, except where transaction request received from Non – resident Indian (NRIs) / Persons of Indian Origin (PIO) who at the time of investment are present in India and submit physical transaction request along with such declarations / documents as may be prescribed by Kotak Mahindra Asset Management Company Ltd and Kotak Mahindra Trustee Company Ltd. The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC/ Trustee Company. The investor shall be responsible for complying with all the applicable laws for such investments. The AMC reserves the right to put the transaction request on hold/reject the transaction request, or reverse the units allotted, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard.

	The Trustee/AMC reserves the right to change/modify the provisions mentioned above at a later date.
Minimum amount for purchase/redemption	1. Ongoing purchases directly from the Mutual Fund would be restricted to Authorized Participants and Large Investors provided the value of units to be purchased is in creation unit size. Authorised Participants and Large Investors may buy the units on any business day of the scheme directly from the Mutual Fund by paying applicable transaction handling charges and cash component in cash and by depositing basket of securities comprising Nifty IT Index TRI. Units may be allotted only on realization of cheque where the full consideration for creation unit is paid by cheque and at the value at which the underlying stocks for the creation unit is purchased against that purchase request. 2. The units are listed on NSE to provide liquidity through secondary market. All categories of Investors may purchase the units through secondary market on any trading day. 3. The AMC will appoint Authorised Participant(s) to provide liquidity in secondary market on an ongoing basis. The Authorised Participant(s) would offer daily two-way quote in the market. **Minimum Redemption Amount:** All investors including Authorised Participants, Large Investors and other investors may sell their units in the stock exchange(s) on which these units are listed on all trading days of the stock exchange Mutual Fund will repurchase units from Authorised participants and Large Investors on any business day in creation units size.
Minimum balance to be maintained and consequences of non-maintenance	Not Applicable
Dividend Policy	The Scheme does not offer any Plans/Options for investment. The AMC/Trustee reserve the right to introduce Option(s) as may be deemed appropriate at a later date.
Listing	The units of the Scheme will initially be listed on NSE on allotment under intimation to SEBI. It may also list on any other exchanges subsequently. AMC has proposed to engage AP for creating liquidity for ETFs in the stock exchange so that investors are able to buy or redeem units on the stock exchange using the services of a stockbroker.
How to Apply	**For Authorised Participants & Large Investors** Application form and Key Information Memorandum may be obtained from the offices of AMC or Investor Services Centers of the Registrar or distributors or downloaded from assetmanagement.kotak.com. Investors are also advised to refer to Statement of Additional Information before submitting the application form.

	Any application may be accepted or rejected at the sole and absolute discretion of the Trustee. All cheques and drafts should be crossed "Account Payee Only" and drawn in favour of **"Kotak IT ETF"**. **Purchase from Stock Exchanges (applicable for Authorised Participants, Large Investors and other investor)** An investor can buy units of the Scheme on a continuous basis on the national stock exchange and other recognised stock exchanges where the Scheme units are listed and traded like any other publicly traded securities at prices which may be close to the actual NAV of the Scheme. There is no load for investors transacting on the stock exchange. However, there would be cost of brokerage and other transactions costs (like STT) payable to broker or sub-broker of the exchange. Please refer to the SAI and Application form for the instructions.
Non acceptance of Third Party Cheques	Third Party Cheques will not be accepted by the Scheme. **Definition of Third Party Cheques** **1.** 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. **2.** 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, afore-mentioned clause of investment with Third-Party Payment shall not be applicable for the below mentioned exceptional cases. 1. Payment for investment by means of Cheque, Demand Draft or any other mode shall be accepted from the bank account of the minor or from a joint account of the minor with the guardian only. 2. Payment by Employer on behalf of employee under Systematic Investment Plans or lump sum / one-time subscription, through Payroll deductions. AMC shall exercise extra due diligence in terms of ensuring the authenticity of such arrangements from a fraud prevention and KYC perspectives. 3. Custodian on behalf of an FPI 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/ not process application and refund subscription money if the subscription does not comply with the specified provisions of Payment Instruments.
Special Products available	No Special Products available under the scheme

Dividend	The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend. Trustees may declare dividend subject to availability and adequacy of distributable surplus. If and when dividends are declared, dividends will be distributed to all unit holders registered on the registers of the depositories on the record date.
Redemption	Redemption proceeds in the form of basket of securities included in the Nifty IT Index in the same proportion will be credited to the designated DP account of the AP/LI. Any fractions in the number of securities transferable to AP/LI will be rounded off to the lower integer and the value of the fractions will be added to the cash component payable. The cash component of the proceeds at the applicable NAV will be paid by way of cheque or direct credit. Payment of proceeds in cash: The Fund at its discretion may accept the request of AP/LI for payment of redemption proceeds in cash. Such investors shall make redemption request to the Fund whereupon the Fund will arrange to sell underlying portfolio securities on behalf of the investor. Accordingly, the sale proceeds of portfolio securities, after adjusting necessary charges/costs, will be remitted to the investor. The number of Units so redeemed will be subtracted from the unitholder's account balance (DP) and a statement to this effect will be issued to the unitholder by depository. Redemption cheques will generally be sent to the Unitholder's address, (or, if there is more than one joint holder, the address of the first-named holder) when the unit balance is confirmed with the records of the depository, not later than 10 (Ten) Working Days from the date of receipt of redemption requests. Redemption proceeds may also be paid to the Unitholder in any other manner like through ECS, direct credit, RTGS, demand draft, etc as the AMC may decide, from time to time, for the smooth and the efficient functioning of the Scheme. Note: The mutual fund will rely on the address and the bank account details recorded in the depository system. Any changes to the address and bank account details can be made only through the depository system.
Redemption by NRIs/FPIs	Credit balances in the account of a NRIs/FPIs unit holder may be redeemed by such unit holder subject to any procedures laid down by the RBI. Payment to NRI/FPI unit holder will be subject to the relevant laws/guidelines of RBI as are applicable from time to time (subject to deduction of tax at source as applicable). The Fund will not be liable for any delays or for any loss on account of exchange fluctuations while converting the rupee amount in US Dollar or any other currency. **Note:** The mutual fund will rely on the NRI status and his account details as recorded in the depository system. Any changes to the same can be made only through the depository system.

Delay in payment of redemption / repurchase proceeds	The Asset Management Company shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).
Unclaimed Redemption/Dividend Amount	In accordance with No SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016, the unclaimed Redemption amount and Dividend amount may be deployed by the Mutual Fund in call money market or money market Instruments as well as in a separate plan or liquid scheme/money market mutual fund scheme floated by mutual funds. Investors who claim these amounts during a period of three years from the due date shall be paid initial unclaimed amount along with the income earned on its deployment. Investors who claim these amounts after 3 years, shall be paid initial unclaimed amount along with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. AMC shall play a proactive role in tracing the rightful owner of the unclaimed amounts considering the steps suggested by regulator vide the referred circular. Further, AMC shall not charge any exit load in this plan and TER (Total Expense Ratio) of such plan shall be capped at 50 bps.
Bank A/c Details	As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number. To safeguard the interest of Unitholders from loss or theft of their refund orders/redemption cheques, investors are requested to provide their bank details in the Application Form. In case an existing Unitholder is submitting a request for Change in his Bank Details, he needs to submit a copy of cancelled cheque leaf of the new bank account or Bank statement of the new bank account attested by his banker with seal & signature of banker or letter from the Banker of the investor. In absence of the same, the request for Change in Bank Mandate is liable to be rejected. Investors have an option of registering their bank accounts, by submitting the necessary forms & documents. At the time of redemption, investors can select the bank account to receive the amount.
Central KYC (CKYC)	The Government of India has authorized the Central Registry of Securitization and Asset Reconstruction and Security interest of India (CERSAI, an independent body), to perform the function of Central KYC Records Registry including receiving, storing, safeguarding and retrieving KYC records in digital form. Accordingly, in line with SEBI circular nos. CIR/MIRSD/66/2016 dated July 21, 2016 and CIR/MIRSD/120/2016 dated November 10, 2016 on Operationalization of Central KYC (CKYC), read with AMFI Best Practice Guidelines circular no. 68/2016-17 dated December 22, 2016, new individual investors investing into the Fund are requested to note the following changes, with effect from February 1, 2017. 1. New individual investors who have never done KYC under KRA (KYC Registration Agency) regime and whose KYC is not registered or verified in the KRA system, will be required to fill the new CKYC form while investing with the Fund.

	2. If any new individual investor uses the old KRA KYC form which does not have all the information needed for registration with CKYC, such investor will be required to either fill the new CKYC form or provide the missing/additional information using the Supplementary CKYC form. Investors who have already completed CKYC and have a KYC Identification Number (KIN) from the CKYC Registry can invest in schemes of the Fund quoting their 14 digit KIN in the application form. Further, in case the investor's PAN is not updated in CKYC system, a self-certified copy of PAN Card will need to be provided.
Foreign Account Tax Compliance	FATCA is an acronym for Foreign Account Tax Compliance Act ("FATCA"), a United States Federal law to increase compliance by US taxpayers and is intended to bolster efforts to prevent tax evasion by the US taxpayers with offshore investments. The Government of India and the United States of America (US) have reached an agreement in substance on the terms of an Inter- Governmental Agreement (IGA) and India is now treated as having an IGA in effect from April 11, 2014. The AMC/Fund are likely to be classified as a 'Foreign Financial Institution' (Investment Entity as per Annexure 1(i)) under the FATCA provisions. In accordance with FATCA provisions, the AMC/Mutual Fund will be required to undertake due diligence process and identify US reportable accounts and collect such information/documentary evidences of the US and/or non-US status of its investors/Unit holders and disclose such information (through its agents or service providers) as far as may be legally permitted about the holdings, investment returns and/or to US Internal Revenue Service (IRS) or the Indian Tax Authorities, as the case may be for the purpose of onward transmission to the IRS pursuant to the new reporting regime under FATCA.
The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	Not Applicable
Restrictions, if any, on the right to freely retain or dispose of units being offered.	Units which are held in demat form shall be freely transferable under the depository system.
Listing	The units of the Scheme are listed on NSE on allotment under intimation to SEBI. It may also list on any other exchanges subsequently. AMC has proposed to engage AP for creating liquidity for ETFs in the stock exchange so that retail investors (investors other than AP and Large Investors) are able to buy or redeem units on the stock exchange using the services of a stockbroker.

Transaction Charges	Pursuant to SEBI Circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, transaction charge per subscription of Rs. 10,000/- and above be allowed to be paid to the distributors of the Kotak Mahindra Mutual Fund products. The transaction charge shall be subject to the following: (a) For existing investors (across mutual funds), the distributor shall be paid Rs. 100/- as transaction charge per subscription of Rs.10,000/- & above. (b) For first time investors, (across Mutual Funds), the distributor may be paid Rs. 150/- as transaction charge for subscription of Rs. 10,000/- & above. (c) The transaction charge shall be deducted by Kotak AMC from the subscription amount & paid to the distributor (will be subject to statutory levies, as applicable) & the balance amount shall be invested. (d) In case of Systematic Investment Plan(s), the transaction charge shall be applicable only if the total commitment through SIPs amounts to Rs.10,000/- & above. In such cases the transaction charge shall be recovered in first 3/4 successful installments. Identification of investors as "first time" or "existing" will be based on Permanent Account Number (PAN) at the First/ Sole Applicant/ Guardian level. Hence, Unit holders are urged to ensure that their PAN / KYC is updated with the Fund. Unit holders may approach any of the Official Points of Acceptances of the Fund i.e. Investor Service Centres (ISCs) of the Fund/ offices of our Registrar and Transfer Agent, M/s. Computer Age Management Services Pvt. Ltd in this regard. The statement of accounts shall clearly state that the net investment as gross subscription less transaction charge and give the number of units allotted against the net investment. **Transaction charges shall not be deducted/applicable for:** • Transaction other than purchases/subscriptions such as Switch/Systematic Transfer Plan (STP)/,etc.; • Purchases/Subscriptions made directly with the Fund without any ARN code. • Transactions carried out through the stock exchange platforms. In accordance with the SEBI circular no. SEBI/IMD/CIR No. 4/ 168230/09, dated June 30, 2009, commission in the aforesaid circular to distributors shall be paid by the investor directly to the distributor by a separate cheque based on his assessment of various factors including the service rendered by the distributor. Further as per circular dated September 13, 2012, distributors shall now have the option to either opt in or opt out of charging transaction charge based on the type of product.
Accounts Statements	The depository participant with whom the unitholder has a depository account will send a statement of transactions in accordance with the byelaws of the depository which will contain the details of transaction of units. Allotment of units and dispatch of Allotment Advice to FPIs will be subject to RBI approval, if required.

	Units allotted under this scheme are transferable subject to the provisions of the Depositories Act, SEBI (Depository and Depository Participant) Regulations, 1996 and other applicable provisions. Note: The fund house may not furnish separate accounts statement to the unitholders since the statement of accounts furnished by depository participant will contain the details of transactions in these units. Pursuant to Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, read with SEBI Circular No. Cir/IMD/DF/16/ 2011 dated September 8, 2011 and SEBI Circular no. CIR/MRD/DP/31/2014 dated November 12, 2014, SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016, and SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016 and SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2018/137 dated October 22, 2018 the investor whose transaction has been accepted by Kotak Mahindra Asset Management Company Ltd. / Kotak Mahindra Mutual Fund shall receive the following: 1. A consolidated account statement (CAS) for each calendar month on or before 10th of the succeeding month shall be sent by email (wherever investor has provided email id) or physical account statement where investor has not provided email id., across the schemes of the mutual funds, to all the investors in whose folio(s) transaction(s) has/have taken place during the month. The same shall be sent by the AMC or by the Agencies appointed by the AMC for non demat unit holders. 2. For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN). 3. The CAS will not be received by the investors for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN and email id. Such investors will get monthly account statement from Kotak Mahindra Mutual Fund in respect of transactions carried out in the schemes of Kotak Mahindra Mutual Fund during the month. 4. Pursuant to SEBI Circular no. CIR /MRD /DP /31/2014 dated November 12, 2014 requiring Depositories to generate and dispatch a single consolidated account statement for investors having mutual fund investments and holding demat accounts, the following modifications are made to the existing guidelines on issuance of CAS i. Such Investors shall receive a single Consolidated Account Statement (CAS) from the Depository. ii. Consolidation shall be done on the basis of Permanent Account Number (PAN). In case of multiple holding, it shall be PAN of the first holder and pattern of holding. iii. In case an investor has multiple accounts across two depositories, the depository with whom the Demat account has been opened earlier will be the default depository which will consolidate the details across depositories and MF investments and dispatch the CAS to the investor. iv. The CAS will be generated on monthly basis. v. If there is any transaction in any of the Demat accounts of the

	investor or in any of his mutual fund folios, depositories shall send the CAS within ten days from the month end. In case, there is no transaction in any of the mutual fund folios and demat accounts, then CAS with holding details shall be sent to the investor on half yearly basis. vi. The dispatch of CAS by the depositories shall constitute compliance by Kotak AMC/ Kotak Mahindra Mutual Fund with the requirements under Regulation 36(4) of SEBI (Mutual Funds) Regulations, 1996. vii. Further, a consolidated account statement shall be sent by Depositories every half yearly (September/March), on or before 10th day of succeeding month, providing the following information: - holding at the end of the six month - The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as Goods and services tax (wherever applicable, as per existing rates), operating expenses, etc. - The scheme's average Total Expense Ratio (in percentage terms) along with the break up between Investment and Advisory fees, Commission paid to the distributor and Other expenses for the period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in. 5. Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period. 6. In case of a specific request is received from the investors, Kotak Mahindra Asset Management Company Ltd./ Kotak Mahindra Mutual Fund will provide the physical account statement to the investors. 7. The statement shall be dispatched to the unitholders who subscribe to the units when the scheme is open for continuous subscription after NFO within 5 business days from the date of transaction receipt/allotment 8. In case of units held in demat, on allotment ,confirmation specifying the units allotted shall be sent by way of email and/or SMS within 5 Business Days of the closure of the NFO Period to the Unit holder's registered e-mail address and/or mobile number The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically. 9. An Account Statement may be sent to a Unitholder using e-mail. Account Statements to be issued in lieu of Unit Certificates

	under the Scheme are non-transferable. These Account Statements shall not be construed as proof of title and are only computer printed statements, indicating the details of transactions under the Scheme concerned. 10. Any discrepancy in the Account Statement / Unit Certificate should be brought to the notice of the Fund/AMC immediately. Contents of the Account Statement / Unit Certificate will be deemed to be correct if no error is reported within 30 days from the date of Account Statement / Unit Certificate. **Half Yearly Account Statement:** • Asset management company will send consolidated account statement every half yearly (September/ March), on or before tenth day of succeeding month, detailing holding at the end of the six month, across all schemes of all mutual funds, to all such investors in whose folios no transaction has taken place during that period. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement. • The Account Statement shall reflect : - - holding at the end of the six month - The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as Goods and services tax (wherever applicable, as per existing rates), operating expenses, etc. - The scheme's average Total Expense Ratio (in percentage terms) along with the break up between Investment and Advisory fees, Commission paid to the distributor and Other expenses for the period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in. - Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period. • The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme. • Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated. "Transaction" shall include purchase and redemption.
MF utility services for Investors	Kotak Mahindra Asset Management Company Ltd ("the AMC") has entered into an Agreement with MF Utilities India Private Limited ("MFUI"), a "Category II – Registrar to an Issue" under SEBI

	(Registrars to an Issue and Share Transfer Agents) Regulations, 1993, for usage of MF Utility ("MFU") - a shared services initiative of various Asset Management Companies, which acts as a transaction aggregation portal for transacting in multiple Schemes of various Mutual Funds with a single form and a single payment instrument. Accordingly, all financial and non-financial transactions pertaining to Schemes of Kotak Mahindra Mutual Fund can be done through MFU either electronically on www.mfuonline.com as and when such a facility is made available by MFUI or physically through the authorized Points of Service ("POS") of MFUI with effect from the respective dates as published on MFUI website against the POS locations. The list of POS of MFUI is published on the website of MFUI at www.mfuindia.com as may be updated from time to time. The Online Transaction Portal of MFU i.e. www.mfuonline.com and the POS locations of MFUI will be in addition to the existing Official Points of Acceptance ("OPA") of the AMC. The uniform cut-off time as prescribed by SEBI and as mentioned in the SID / KIM of respective schemes shall be applicable for applications received on the portal of MFUI i.e. www.mfuonline.com. However, investors should note that transactions on the MFUI portal shall be subject to the eligibility of the investors, any terms & conditions as stipulated by MFUI / Mutual Fund / the AMC from time to time and any law for the time being in force. Investors are requested to note that, MFUI will allot a Common Account Number ("CAN"), a single reference number for all investments in the Mutual Fund industry, for transacting in multiple Schemes of various Mutual Funds through MFU and to map existing folios, if any. Investors can create a CAN by submitting the CAN Registration Form (CRF) and necessary documents at the MFUI POS. The AMC and / or its Registrar and Transfer Agent (RTA) shall provide necessary details to MFUI as may be needed for providing the required services to investors / distributors through MFU. Investors are requested to visit the websites of MFUI or the AMC to download the relevant forms
Central KYC (CKYC)	The Government of India has authorized the Central Registry of Securitization and Asset Reconstruction and Security interest of India (CERSAI, an independent body), to perform the function of Central KYC Records Registry including receiving, storing, safeguarding and retrieving KYC records in digital form. Accordingly, in line with SEBI circular nos. CIR/MIRSD/66/2016 dated July 21, 2016 and CIR/MIRSD/120/2016 dated November 10, 2016 on Operationalization of Central KYC (CKYC), read with AMFI Best Practice Guidelines circular no. 68/2016-17 dated December 22, 2016, new individual investors investing into the Fund are requested to note the following changes, with effect from February 1, 2017. 1. New individual investors who have never done KYC under KRA (KYC Registration Agency) regime and whose KYC is not registered or verified in the KRA system, will be required to fill the new CKYC form while investing with the Fund.

	2. If any new individual investor uses the old KRA KYC form which does not have all the information needed for registration with CKYC, such investor will be required to either fill the new CKYC form or provide the missing/additional information using the Supplementary CKYC form. Investors who have already completed CKYC and have a KYC Identification Number (KIN) from the CKYC Registry can invest in schemes of the Fund quoting their 14 digit KIN in the application form. Further, in case the investor's PAN is not updated in CKYC system, a self-certified copy of PAN Card will need to be provided.
Foreign Account Tax Compliance	FATCA is an acronym for Foreign Account Tax Compliance Act ("FATCA"), a United States Federal law to increase compliance by US taxpayers and is intended to bolster efforts to prevent tax evasion by the US taxpayers with offshore investments. The Government of India and the United States of America (US) have reached an agreement in substance on the terms of an Inter- Governmental Agreement (IGA) and India is now treated as having an IGA in effect from April 11, 2014. The AMC/Fund is classified as a 'Foreign Financial Institution' (Investment Entity as per Annexure 1(i)) under the FATCA provisions. In accordance with FATCA provisions, the AMC/Mutual Fund will be required to undertake due diligence process and identify US reportable accounts and collect such information/documentary evidences of the US and/or non-US status of its investors/Unit holders and disclose such information (through its agents or service providers) as far as may be legally permitted about the holdings, investment returns and/or to US Internal Revenue Service (IRS) or the Indian Tax Authorities, as the case may be for the purpose of onward transmission to the IRS pursuant to the new reporting regime under FATCA.

B. Periodic Disclosures

Net Asset Value This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.	The Kotak IT ETF units will be listed on NSE, and all purchase and sale of units by investors other than Authorised Participants and Large Investors will be done on the stock exchange. The NAV has a reference value for investors and will be useful for Authorised Participants for offering quotes on the Stock Exchange. The NAVs of the Scheme will be calculated and updated on every Business day on AMFI's website www.amfiindia.com by 11.00 p.m. The First NAV of the scheme shall be declared within 5 working days from the date of allotment. The NAVs shall also be updated on the website of the Kotak Mahindra Mutual Fund viz. assetmanagement.kotak.com. Unitholders may avail the facility to receive the latest available NAVs through SMS by submitting a specific request in this regard to the AMC/Mutual Fund. Delay in uploading of NAV beyond 11.00 p.m. on every business day shall be explained in writing to AMFI. In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release for revised NAV shall be issued.

	The portfolio of the Schemes shall be available in a user-friendly and downloadable format on the website viz. assetmanagement.kotak.com on or before fifth day of every fortnight for debt schemes, on or before the tenth day from the close of each month for other schemes of succeeding month. The AMC may also calculate intra-day indicative NAV (computed based on snapshot prices received from NSE) and will be updated during the market hours on its website assetmanagement.kotak.com. Intra-day indicative NAV will not have any bearing on the creation or redemption of units directly with the Fund by the AP/LI.
Half yearly Disclosures: Portfolio / Financial Results This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.	The Mutual Funds / AMCs shall disclose portfolio (along with ISIN) on the website of the Kotak Mahindra Mutual Fund viz. assetmanagement.kotak.com and on the website of AMFI within 5 days of every fortnight for Debt Schemes, 10 days from the close of each month for other schemes and 10 days from the close of half-year for all the schemes in a user-friendly and downloadable spreadsheet format. In case of unitholders whose e-mail addresses are registered, the AMC shall send via email within 5 days of every fortnight for debt schemes, 10 days from the close of each month for other schemes and 10 days from the close of half-year for all schemes. The Mutual Fund / AMC shall provide a physical copy of statement of its scheme portfolio, without charging any cost, on specific request received from a unit holder. An advertisement shall be published every half-year disclosing the hosting of the half-yearly statement of the schemes on website of Kotak Mahindra Mutual Fund and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the statement of scheme portfolio. Such advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.
Half Yearly Results	The soft copy of unaudited financial results shall within one month from the close of each half year i.e. 31st of March and the 30th of September, be hosted on the website assetmanagement.kotak.com and will be sent to AMFI for posting on its website www.amfiindia.com . Also an advertisement of hosting of the unaudited results shall be published in one English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated.
Annual Report	Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 read with SEBI Circular No. Cir/IMD/DF/16/2011 dated September 8, 2011, read with SEBI Mutual Fund (Second Amendment) Regulation 2018, the scheme wise annual report or abridged summary thereof will be hosted on the website of the Kotak Mahindra Mutual Fund viz. assetmanagement.kotak.com and on the website of AMFI, not later than four months after the close of each financial year (31st March). The AMCs shall display the link prominently on the website of the Kotak Mahindra Mutual Fund viz. assetmanagement.kotak.com and make the physical copies available to the unitholders, at their registered offices at

<table>
<tr><td></td><td>all times. Unit holders whose e-mail addresses are not registered will have to specifically 'opt in' to receive physical copy of scheme wise annual report or abridged summary thereof. The unit holders may request for a physical copy of scheme annual reports at a price and the text of the relevant scheme by writing to the Kotak Mahindra Asset Management Company Ltd. / Investor Service Centre / Registrar & Transfer Agents. The Mutual Fund / AMC shall provide a physical copy of abridged report of the annual report, without charging any cost, on specific request received from a unit holder. An advertisement shall be published every year disclosing the hosting of the scheme wise annual report on website of Kotak Mahindra Mutual Fund and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the scheme wise annual report or abridged summary thereof. Such advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.</td></tr>
<tr><td>Associate Transactions</td><td>Please refer to Statement of Additional Information (SAI).</td></tr>
<tr><td>Taxation:
The information is provided for general information purposes only. However, in view of the individual nature of tax implications, each investor is advised to consult his or her own tax adviser with respect to the specific tax implications arising out of his or her participation in the scheme.</td><td>TDS and Taxability applicable in case of Dividend distributed to Unit holders w.e.f 1st April 2020
<table>
<tr><th></th><th colspan="3">TDS Rates</th><th>Taxability</th></tr>
<tr><th></th><th>Threshold limit</th><th>Section</th><th>Base Rate</th><th>Base rate</th></tr>
<tr><td>RESIDENT</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Resident Unit Holder</td><td>Rs.5,000</td><td>194K</td><td>10% (7.5% from 14.05.2020 to 31.03.2021)</td><td>Slab rates plus applicable surcharge and cess (Refer Note 1)</td></tr>
<tr><td colspan="5">NON-RESIDENT UNIT HOLDERS (subject to DTAA benefits)</td></tr>
<tr><td>(1)FII/FPI</td><td>NILs</td><td>196D r.w.s 115AD (1)(a)(i)</td><td>20% plus applicable surcharge and cess (Refer note 1)</td><td>20% plus applicable surcharge and cess (Refer Note 1)</td></tr>
<tr><td colspan="5">(2) Foreign company/corporates</td></tr>
<tr><td>Purchase in Indian Rupees</td><td>NIL</td><td>196A</td><td>20% plus applicable surcharge and cess (Refer note 1)</td><td>40% plus applicable surcharge and cess (Refer Note 1)</td></tr>
<tr><td>Purchase in Foreign Currency</td><td>NIL</td><td>196A r.w.s 115A</td><td>20% plus applicable surcharge and cess (Refer note 1)</td><td>20% plus applicable surcharge and cess (Refer Note 1)</td></tr>
<tr><td colspan="5">(3) Others</td></tr>
<tr><td>Purchase</td><td>NIL</td><td>196A</td><td>20%</td><td>At slab rates</td></tr>
</table>
</td></tr>
</table>

in Indian Rupees			plus applicable surcharge and cess (Refer note 1)	applicable plus applicable surcharge and cess (Refer Note 1)
Purchase in Foreign Currency	NIL	196A r.w.s 115A	20% plus applicable surcharge and cess (Refer note 1)	20% plus applicable surcharge and cess (Refer Note 1)

Taxability applicable in case of Capital Gains to Unit holders w.e.f 1st April 2020

	Unit Holders	
Taxation	**Resident**	**Non-resident (Including FPI)**
Short Term Capital Gain	15% plus applicable surcharge & HE cess (Refer note 1)	15% plus applicable surcharge & HE cess (Refer note 1)
Long Term Capital Gain (Refer note 2 below)	10% without indexation benefit and without foreign currency conversion benefit plus applicable surcharge & HE cess (Refer note 1)	10% (without indexation & without foreign currency fluctuation benefit) plus applicable surcharge & HE cess (Refer note 1)

**w.e.f 01.04.2020 dividend distribution tax has been abolished on dividend distributed to unit holders and such dividend is now taxable in the hands of unit holders.

Note (1) : The above rates would be increase by surcharge of:

- **In case of foreign companies**;
- 2% where the total income exceeds Rs. 10,000,000 but less than / equal to Rs. 100,000,000
- 5% where the total income exceeds Rs. 100,000,000

- **In case of resident domestic corporate unit holders**;
- 7% where the total income exceeds Rs. 10,000,000 but less than / equal to Rs. 100,000,000 or
- 12% where the total income exceeds Rs. 100,000,000
- 10% where domestic company is eligible & exercises the option granted u/s 115BAA or 115BAB of the Act.

- **In case of non-corporate resident unit holders being partnership firms** covered under Indian Partnership Act, 1932/ Limited liability partnership covered under Limited Liability Partnership Act, 2008:
  - 12% where the total income exceeds Rs.10,000,000

- **In case of resident and non-resident non-corporate unit holders being individual, HUF, AOP, BOI and artificial juridical person;**

Income		Surcharge Rates	
Total Income	Other Income (i.e Income other than Capital gains covered under section 111A, section 112A, 115AD(1)(b) & company dividend) i.e income from Dividend distribution and Capital gains other than on equity oriented fund	Other Income (i.e Income other than Capital gains covered under section 111A, section 112A 115AD(1)(b) & company dividend). i.e income from Dividend distribution and Capital gains other than on equity oriented fund	Capital gains covered under section 111A, section 112A & 115AD(1)(b) & company dividend. i.e capital gains on equity oriented fund
Upto 50Lakh		Nil	Nil
More than 50 Lakh up to 1 Cr		10%	10%
More than 1 Cr but up to 2Cr		15%	15%
More than 2 Cr	Up to 2 cr	15%	15%
	More than 2 cr but up to 5 cr	25%	15%
	More than 5Cr	37%	15%

Further, an additional cess of 4% (Health & education Cess on income-tax) would be charged on the amount of tax inclusive of surcharge as applicable, for all unit holders.

Further, the rates stated above for Non-residents are further subject to DTAA benefits, if applicable.

Note 2) :**Long term capital gain**:- Any transfer of *equity oriented fund units* (refer Note 3) on or after 1 April 2018, shall not be exempt under section 10(38).
Long term capital gains in excess of Rs. 1 lakh shall be taxable @ 10% plus surcharge (as per note 1) plus health & education cess @ 4%.
The capital gain will be computed without giving effect to the 1st and 2nd proviso to section 48 in the manner laid down under the section i.e. without indexation benefit and without foreign currency conversion benefit
Cost for units acquired prior to 1 Feb 2018 and sold on or after 1 April

	2018 will be computed as under: **Higher of**: a) Cost of acquisition or **Lower of**: b) FMV of asset on 31 Jan 2018 c) Full value of consideration accruing as a result of transfer Note 3) equity oriented fund" means a fund set up under a scheme of a mutual fund specified under clause (23D) of section 10 and, (i) in a case where the fund invests in the units of another fund which is traded on a recognised stock exchange, (A) a minimum of ninety per cent of the total proceeds of such fund is invested in the units of such other fund; and (B) such other fund also invests a minimum of ninety per cent of its total proceeds in the equity shares of domestic companies listed on a recognised stock exchange; and (ii) in any other case, a minimum of sixty-five per cent of the total proceeds of such fund is invested in the equity shares of domestic companies listed on a recognised stock exchange: Provided that the percentage of equity shareholding or unit held in respect of the fund, as the case may be, shall be computed with reference to the annual average of the monthly averages of the opening and closing figures; Note 4) Under section 10(23D) of the Income tax Act, 1961, income earned by a Mutual Fund registered with SEBI is exempt from income tax. For further details on taxation please refer to the clause on taxation in the SAI.
Stamp Duty	Levying of Stamp Duty on Mutual Fund Transactions - Pursuant to Notification No. S.O. 4419(E) dated December 10, 2019 and Notification No. G.S.R 226 (E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019 and clarification letter no : SEBI/IMD/DF2/OW/P/2020/11099/1 issued by Securities and Exchange Board of India dated June 29, 2020,a stamp duty @ 0.005% would be levied on all applicable mutual fund transactions. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including dividend reinvestment and Switch in) to the unitholders would be reduced to that extent.
For Investor Grievances please contact	Ms. Sushma Mata Kotak Mahindra Asset Management Company Limited 6th Floor, Kotak Towers, Building No.21, Infinity Park, Off: Western Express Highway Goregaon - Mulund Link Road, Malad (East), Mumbai 400097 Phone Number: 66056765 Fax: 6708 2213 e-mail: mutual@kotak.com

C. Computation of NAV

The NAV of the Units of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date.

The Fund shall value its investments according to the valuation norms, as specified in the Eighth Schedule of the Regulations, or such guidelines / recommendations as may be specified by SEBI from time to time. The broad valuation norms are detailed in the Statement of Additional Information.

NAV of Units under the Scheme will be calculated as shown below:

$$\text{NAV} = \frac{\text{Market or Fair Value of Scheme's investments} + \text{Current assets including Accrued Income} - \text{Current Liabilities and provisions including accrued expenses}}{\text{No. of Units outstanding under the Scheme/Option.}}$$

NAV for the Scheme and the repurchase prices of the Units will be calculated and announced at the close of each Business Day. The NAV shall be computed upto four decimals. The NAV of Direct Plan will be different than the NAV of Regular Plan.

The AMC may also calculate intra-day indicative NAV and publish the same on its website assetmanagement.kotak.com. Intra-day NAV will not have any bearing on the creation or redemption of units directly with the Fund by the AP/LI.

V. FEES AND EXPENSES

This section outlines the expenses that will be charged to the schemes.

A. New Fund Offer (NFO) Expenses

These expenses are incurred for the purpose of various activities related to the NFO like marketing and advertising, Brokerage, registrar expenses, printing and stationary, bank charges etc.

The New Fund Offer expenses of the scheme will be borne by the AMC.

B. Total Expense Ratio (TER)

Total Expense Ratio is the total of ongoing fees and operating expenses charged to the scheme, expressed as a percentage of the scheme's daily net assets.

These fees and expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, brokerage/commission, marketing and selling costs etc.

The total expense ratio of the scheme including the investment and advisory fees shall not exceed 1.00 per cent of the daily net assets.

Total Expense Ratio for the schemes

The AMC has estimated following recurring expenses, as summarized in the below table for the scheme. Total expense ratio of the Scheme (including investment and advisory fees) will be subject to the maximum limits (as a percentage of Daily Net Assets of the Scheme) as per Regulation 52 as amended from time to time, with no sub-limit on investment and advisory fees.

Expenses Structure	% of daily Net Assets
Investment Management and Advisory Fees	Upto 1.00%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and dividend redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.	
Goods and Services tax on expenses other than investment and advisory fees	
Goods and Services tax on brokerage and transaction cost	
Other Expenses (including listing expenses)*	

Maximum total expense ratio (TER) permissible under Regulation 52 (6)(b)	**Upto 1.00%**
Additional expenses under regulation 52 (6A) (c) #	Upto 0.05%
Additional expenses for gross new inflows from specified cities	Upto 0.30%

* As permitted under the Regulation 52 of SEBI (Mutual Funds) Regulations, 1996

The AMC shall not charge additional expenses under Regulation 52(6A)(c) in case exit load is not levied/ not applicable

The fund shall update the current expense ratios on the website (assetmanagement.kotak.com) at least three working days prior to the effective date of the change. The web link for TER is https://assetmanagement.kotak.com/total-expense-ratio

Illustration of impact of expense ratio on scheme's returns:

Particulars	**NAV p.u. in Rs.**	**%**
Subscription received on March 31, 2019 (A)	100.00	-
Value of Subscribed Amount before expenses as on March 31, 2020 (B)	112.25	-
Expense charged by the scheme (C)	1.06	1.00%
Value of Subscribed Amount as on March 31, 2020 (Net of expenses charged) (D)	111.19	-
Net Return to investors (E) (E=D-A)	11.19	11.19%

Illustration is given to understand the impact of expense ratio on a scheme return and this should not be construed as an indicative return of the scheme. The expenses of the Direct Plan under the Scheme will be lower to the extent of distribution expenses/ commission.

In terms of the SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2018/137 dated October 22, 2018, all fees and expenses charged in a direct plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in a regular plan.

Additional expenses which may be charged to the Schemes:

The following additional expenses may be charged to the Schemes under Regulation 52 (6A), namely-

- Brokerage and transaction costs (including Goods and Services tax) which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions. Any payment towards brokerage and transaction cost, over and above the said 12 bps and 5bps for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under regulation 52.
- Expenses not exceeding of 0.30 % of daily net assets, if the new inflows from beyond top 30 cities are at least:
  (i) 30 % of gross new inflows in the scheme; or
  (ii) 15 % of the average assets under management (year to date) of the scheme; whichever is higher.
  Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub- clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis.

  Provided further that expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities.

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.

Provided further that the additional TER can be charged based on inflows only from 'retail investors' (SEBI vide its Circular no. SEBI/HO/IMD/DF2/CIR/P/2019/42 dated March 25, 2019, has defined that inflows of amount upto Rs 2,00,000/- per transaction, by individual investors shall be considered as inflows from "retail investor") from beyond top 30 cities.

Provided that the additional commission for beyond top 30 cities shall be paid as trail only.

In case inflows from beyond top 30 cities is less than the higher of (i) or (ii) above, additional TER on daily net assets of the scheme shall be charged as follows:

Daily net assets X 30 basis points X New inflows from individual investors from beyond top 30 cities
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365* X Higher of (i) or (ii) above

* 366, wherever applicable.

TER for the Segregated Portfolio

1. AMC shall not charge investment and advisory fees on the segregated portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in segregated portfolio.
2. The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence.
3. The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.
4. The costs related to segregated portfolio shall in no case be charged to the main portfolio.

Goods and Services tax:

Goods and Services tax on investment and advisory fees may be charged to the scheme in addition to the maximum limit of TER as prescribed in Regulation 52(6)(b). Goods and Services tax on other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit of TER as per Regulation 52.

The estimates are based on good faith for the Scheme as per the information available subject to prevailing regulations.

The aforesaid estimates are made in good faith by the Investment Manager and are subject to change inter se among the various heads of expenses and between the Plans. It may also be noted that the total expenses of the Plans will also be subject to change within the overall limits of expenses under Regulation 52. Actual expenses under any head and / or the total expenses may be more or less than the estimates. The Investment Manager retains the right to charge the actual expenses to the Fund, however the expenses charged will not exceed the statutory limit prescribed by the Regulations. There will be no sub limit on management fee, and it shall be within the overall TER specified above.

For the actual current expenses being charged, the investor may refer to the website of the mutual fund.

C. Load structure

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of assetmanagement.kotak.com or may call at 1800-22-2626 or your distributor.

Entry Load: Nil
In terms of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The commission as specified in the aforesaid circular, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.

Exit load: Nil

Other charges for transactions through Stock Exchange Mode :
The units of the Scheme are compulsorily traded on Stock Exchange(s) in dematerialized form, and hence, there shall be no entry/exit load for the units purchased or sold through Stock Exchanges. However, the investor shall have to bear costs in the form of bid/ask spread and brokerage and such other costs as charged by his broker or mandated by the government from time-to-time for transacting in the units of the Scheme through secondary market.

Any imposition or enhancement of Load in future shall be applicable on prospective investments only. A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated. In case of changes in load structure the addendum carrying the latest applicable load structure shall be attached to all KIM and SID already in stock till it is updated.

Investors may obtain information on loads on any Business Day by calling the office of the AMC or any of the Investor Service Centers. Information on applicability of loads will also be provided in the Account Statement.

The investor is requested to check the prevailing load structure of the scheme before investing.

For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres.

The investor is requested to check the prevailing load structure of the scheme before investing.

VI. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

VII. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

SEBI Requirements	Response
Details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to shareholders or debenture holders and depositors, or for economic offences, or for violation of securities law.	• RBI had imposed a penalty of Rs.20 lakhs on Kotak Mahindra Bank Ltd – for KYC deficiencies found in opening ONE savings account opened in the year 2010. This was a case of failure of the personnel in meeting the customer before opening the account. As per the Bank's processes it is mandatory to meet the customer before on-boarding the customer. However, in respect of the cited case, branch personnel had visited the house of the customer but did not meet the customer. However they had certified that they met the customer. Action has already been taken on the errant employee and the process has been reiterated for stricter compliance. • IRDA penalised Kotak Bank for Rs. 1 lakh in the case of payments made by Exide to erstwhile ING Vysya Bank Ltd. (eIVBL) in the financial year 2013-14. IRDA had noted that EXIDE life insurance company had paid infrastructure facility charges to the eIVBL during 2013-14 and IRDA found that it is in violation of clause 21 of Guidelines on Licensing of Corporate Agents (dated 14.7.2015) and Sec 40 of Insurance Act 1938 as the amount paid had exceeded the limit of expenditure on commission stipulated under Sec 40 A of the Insurance Act. • The Reserve Bank of India (RBI) has, by an order dated June 06, 2019, imposed a monetary penalty of Rs 2 crores (Rs 20 million) on Kotak Mahindra Bank Limited (the bank) for failure to furnish information about details of the shareholding held by its promoters and to submit details of the proposed course of action/plans/strategy of the bank for complying with the permitted timeline for dilution of promoter shareholding. • RBI imposed a penalty of Rs. 40,000 during 2019-20 for not exchanging soiled mutilated notes by two branches observed during in-cognito visit.
Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee	I. Kotak Mahindra Trustee Company Limited (Trustee Company) had been served a Show Cause Notice on July 26, 2018 vide letter No. EAD/SS-SKS/OW/20656/1/2018 dated July 23, 2018 and letter No. EAD/SS-SKS/OW/20656/2/2018 dated July 23, 2018, respectively, by the Securities and Exchange Board of India (SEBI), mentioning Adjudication proceedings in respect of the possible violation of the following provisions of law: Not putting in place proper systems relating to parking of funds in short-term deposits of schedule commercial banks. Maintaining invalid email IDs of investors.

Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party	Using previous day's NAV for calculation of cash component in case of redemption in 'cash' for Kotak Gold ETF. Kotak Mahindra Asset Management Company Ltd and Kotak Mahindra Trustee Company Ltd had presented the facts of the each case as reply to the aforesaid show cause notice with a request of personal hearing. Subsequent to Personal hearing, the Adjudicating Officer of SEBI, vide its order no. EAD-2/SS/SK/2018-19/1408-1409 dated October 12, 2018, disposed off the aforesaid show cause notice and stated that the case does not deserve imposition of any monetary penalty. Further in this regard, AMC and Trustee Company have been served a Show Cause Notice no. EFD/DRA4/OW/AS/31206/1/2018 and EFD/DRA4/OW/AS/31206/2/2018 dated November 12 2018, respectively to show cause as to why penalty should not be imposed upon the entities involved under the relevant provisions of SEBI Act, 1992 with reference to the above mentioned alleged violations. AMC and Trustee Company had filed the detailed response to SEBI in this regard. Subsequently, SEBI vide its order no. WTM/AB/EFD-1/DRA-4/08/2019-20 dated May 31, 2019, disposed off the show cause notices dated November 12 2018. II. Kotak Mahindra Asset Management Company Limited (AMC) has been served a Show Cause Notice (SCN) by SEBI, vide its letter No. SEBI/HO/IMD/DF2/OW/P/2019/11854/1 dated May 10, 2019, and Supplementary Show Cause Notice vide SEBI's letter No. SEBI/HO/IMD/DF2/OW/P/2019/014772/1 dated June 12, 2019, issued under Section 11(1), 11B and 11B (2) of Securities and Exchange Board of India Act, 1992 read with provisions of SEBI (Mutual Fund) Regulations, 1996, in the matter of Kotak Mahindra Asset Management Co. Ltd. The alleged charge is, that on maturity date of Kotak FMP Series 127 and 183, close ended debt schemes, investors were not paid full proceeds on the declared NAV due to pending recovery of dues from Essel Group of Companies. The AMC vide its letter dated August 29, 2019, had filed its reply to the aforesaid show cause notice and supplementary show cause notice. A personal hearing on the matter was held on October 16, 2019 before Hon'ble Whole Time Member-SEBI. AMC had also filed its written submission with SEBI post hearing. Order from SEBI is awaited. Further, Kotak Mahindra Trustee Company Limited (Trustee Company) and few officials of Kotak Mahindra Asset

	Management Company Limited, had been served a Show Cause Notice by SEBI on the aforesaid matter, vide its Letter no. EAD/EAD5/MC/CB/2019/13787/4 dated May 31, 2019 under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, Section 15I, Section 15D and Section 15HB of Securities and Exchange Board of India Act, 1992 read with provisions of SEBI (Mutual Fund) Regulations, 1996, in the matter of Kotak Mahindra Mutual Fund. The reply of the letter dated May 31, 2019, was filed with SEBI by Trustees on October14, 2019, and by required officials of AMC on October 23, 2019. The Hearing for letter dated May 31, 2019 was held on November 19, 2019 before Adjudicating Officer of SEBI. Order from SEBI is awaited in this regard. In early September 2019, part payment of the pending dues, was also paid to all unitholders of the respective schemes. On September 25, 2019, balance payment along with accrued interest was paid off to the unitholders of the respective schemes. III. Kotak Mahindra Asset Management Company Limited (AMC) has been served a Show Cause Notice (SCN) by SEBI, vide its letter No. SEBI/HO/IMD/DF2/OW/P/2020/13217/1 dated August 13, 2020, issued under Section 11(1), 11B and 11B(2) of Securities and Exchange Board of India Act, 1992 read rule 4 (1) of the SEBI (Procedure for holding Inquiry and imposing Penalties) Rules, 1995 for inquiry and imposing penalty under sections 15D (b) and 15 HB of the act read with provisions of the SEBI (Mutual Fund) Regulations, 1996, in the matter of Kotak Mahindra Asset Management Co. Ltd. Further in this regard, AMC Employees and Trustee Company have been served a Show Cause Notice no. EAD/EAD6/BJD/AB/2020/16954/1 dated October 12, 2020, under Section 11(1), 11B and 11B(2) of Securities and Exchange Board of India Act, 1992 read rule 4 (1) of the SEBI (Procedure for holding Inquiry and imposing Penalties) Rules, 1995 for inquiry and imposing penalty under sections 15D (b) and 15 HB of the act read with provisions of the SEBI (Mutual Fund) Regulations, 1996. The alleged charge is, that on maturity date of Kotak FMP Series 187, 189, 193 and 194 close ended debt schemes, investors were not paid full proceeds on the declared NAV due to pending recovery of dues from Essel Group of Companies. The gist of the charges in the SCN and the Supplementary SCN issued to the AMC is the following: a. Investments in debt securities without rendering high standards of service, not exercising due diligence and not ensuring proper care

	b. Investments in debt securities without research report and analyzing various Factors` c. Non-Disclosure of information having adverse bearing on the investments of the investors d. Maturity date of the ZCNCDs of Issuers exceeded the maturity date of the schemes e. Partial redemption of FMPs at the end of their maturity periods and the FMPs not being wound up at the end of their maturities f. creation of segregated portfolio without a provision of the same being provided in the SIDs g. Valuation of assets of mutual fund schemes should have been on the basis of principles of fair value and not amortization. h. Reply to the Show Cause notice dated August 13, 2020 was filed with SEBI on December 17, 2020. i. Reply to the Show Cause notice dated October 12, 2020 was filed with SEBI on February 8, 2021.
Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party	NIL
Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency	NIL

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

Note: The Scheme under this Scheme Information Document was approved by the Trustees at their meeting held on October 20, 2020. The Trustees have ensured that Kotak IT ETF approved by them is a new product offered by Kotak Mahindra Mutual Fund and is not a minor modification of any existing scheme/fund/product.

kotak Mutual Fund

OFFICIAL COLLECTION CENTRES (FOR FRESH PURCHASES & SWITCH-INS)

KMAMC AUTHORISED COLLECTION CENTRES

Agra: Shop No. G-4, Ground Floor, U-Pee Tower, Block No.53/4, Sanjay Place, Agra - 282002. **Ahmedabad:** 305, 3rd Floor, Siddhivinayak Complex, Near Shivranjani Cross Road, Satellite, Ahmedabad - 380015. **Ajmer:** 1st FL, India Heights, Kutchary Road, India Motor Circle, Ajmer - 305001. **Aligarh:** 1st Floor, Omeshwar Plaza, C1 Omeshwar Plaza, Plot No.3/243, Laxmi Bai Marg, Marris Road, Aligarh - 202001. **Allahabad:** Upper Ground Floor UG-7, Vashishtha Vinayak Tower, 38-1, Taskand Marg, Civil Lines, Allahabad - 211001. **Amritsar:** 2nd Floor, SCO-32, Pal Plaza, Distt. Shopping Complex, Block-B, Ranjit Avenue, Amritsar – 143001. **Aurangabad:** 3rd Floor, Block No. D 28/29, Motiwala Trade Centre, Opp HDFC Bank, Nirla Bazar, Aurangabad – 431001. **Ambala:** Bldg No.5396, First Floor, Punjabi Mohalla, Nicholson Road, Above Haryana Beauty Parlour, Ambala Cantt, Ambala - 133001. **Anand:** 201, 2nd Floor Krishna Galleria,Opp. Big Bazar, Besides H.P. Petrol Pump,Anand – Vidhyanagar Road,Anand – 388001. **Bangalore:** 5th FL, 506, North Block, Manipal Centre, Dickenson Road, Bangalore - 560042. **Belgaum:** 2nd Floor, Amar Empire, Office No.10, Near Basaveshwar Circle, Goavess Khanapur Road, Belgaum - 590001, Karnataka. **Bhavnagar:** 303, 3rd Fl Krushna Darshan, Waghawadi Road, Parimal Chowk, Bhavnagar - 364002. **Bhopal:** Office No.MF-10, First Floor, Above Sony Service Center, Mansarover Complex, Hoshangabad Road,Bhopal 462011. **Bhubaneshwar:** 2nd Floor, Building No.24, SCR Janpath, Bapujinagar, Bhubaneshwar - 751009. **Bhuj:** Shop No.7, Gr. Fl, "Ramyakala" Nr Poojan Hospital, Hospital Road, Bhuj - 370001. **Bareily:** 1st Floor,Singh Complex,167-A,Civil Lines,Station Road, Bareily - 243001. **Bhilai:** Shop No.22, Commercial Complex, Nehru Nagar [E], Bhilai - 490006. **Calicut:** 5th Floor, Parco Complex,Near KDC Bank,Kallai Road, Calicut - 673012. **Chandigarh:** 1st Floor, SCO 2475-76, Sector 22-C, Chandigarh - 160022. **Chennai:** 1-E, 1st Floor, Eldorado Building, No.112 Nungambakkam High Road, Chennai - 600034. **Coimbatore:** S. S. Complex, 554B/1, 2nd Floor, D.B. Road, R S Puram, Coimbatore - 641002. **Cuttack:** 3rd Fl, City Mart, Above Vishal Megha Mart, Bajrakbati Road, Cuttack - 753001. **Dehradun:** Office No. 247/2, 1st Floor, Swaraj Plaza, Above Cafe Coffee day, Rajpur Road, Dehradun – 248001. **Dhanbad:** 2nd Floor, Room No.215, Shriram Plaza, Bank More, Dhanbad - 826001. **Durgapur:** 2nd Fl, Amantran, Urbashi Commercial Place, Bengal Ambuja, City Centre, Durgapur - 713216. **Goa:** 3rd Floor, Mathias Plaza, 18th June Road, Panaji, Goa - 403001. **Gorakhpur:** 1st Floor, Shop No. 6, Cross Road The Mall, Agrasen Chowk, Bank Road, Gorakhpur - 273001 (UP). **Gurgaon:** Unit no. 214 , 2nd floor, Vipul Agora Building, Sector no.28, M G Road, Gurgaon - 122001. **Guwahati:** Uma Abhaya Complex, 2nd Floor, Opp. Ulubari High School, Bora Service, G.S Road, Guwahati - 781007. **Gwalior:** 2nd Floor "Sai Pawar Building" 300, Tulsi Vihar Colony, City Centre, Gwalior - 474011. **Hyderabad:** 201, 2nd Floor Legend Esta, Rajbhavan Road, Somajiguda, Hyderabad - 500 082 (Telangana). **Hubli:** Office No.201, 1st Floor, Kundgol Complex, Court Circle, Hubli - 580029. **Indore:** 2nd Floor, Starlit Tower, Plot No.29/1, Yashwant Niwas Road, Indore - 452001. **Jabalpur:** 290-C, Ground Floor, Scientex Building, Opp. Spandhan Hospital, Near Bhawartal Park, Sudarshan Motors Chowk, Jabalpur Hospital to Shastri Bridge Road, Napier Town, Jabalpur - 482001 (M.P). **Jaipur:** Office no. 105-106, D-38A,1ST FL, The Landmark Bldg, Subhash Marg,Ahinsa Circle, C-Scheme, Jaipur - 302001. **Jalandhar:** Office No. 18 , 3rd Floor, City Square Building, Eh-197, Civil Lines, GT Road, Jalandhar -144001, Punjab. **Jamnagar:** Neo Square, 1st Floor, Office No. 131&136, Pandit Nehru Marg, Nr. Amber Cinema, Jamnagar - 361001. **Jamshedpur:** 2nd Floor, Bharat Business Centre, Rear Wing, Ram Mandir Area, Bistupur, Jamshedpur – 831001. **Jalgaon:** Ground Floor, Panna Heights, Jai Nagar,Opp: Omkareshwar, Jalgaon – 425002. **Jammu:** Shop no.21, A-2, South Block, Ground Floor, Bahu Plaza, Jammu - 180001. **Jodhpur:** 106, 1st Floor, Modi Arcade,Near Bombay Motor Circle, Chopasani Road, Jodhpur - 342001. **Kanpur:** Office No. 108/109, 1st Floor, KAN Chambers, 14/113, Civil Lines, Kanpur - 208001. **Kochi:** Door No.65/877, 1st Fl, Chammany Complex, Kaloor Kadavanthara Road, Kochi - 682017. **Kolhapur:** Office No.6, 1st Floor,Vasant Prabha Chambers,Sykes Extension, Near Parikh Pool, Railway Gate, Kolhapur - 416001. **Kolkata:** 3rd Fl, The Millenium., 235/2A, AJC Bose Road, Kolkata - 700020. **Kota:** Office No. 4, 3rd Floor, Kewal Sudesh Tower, 19, Vallabh Nagar, Kota - 324007 (Rajasthan). **Kottayam:** Shop No.273/ 4/ G3G4, 1st Floor, Pulimoottil Arcade, K K Road, Muttambalam P O, Kanjikuzhy, Kottayam - 686004. **Lucknow:** 2nd Floor,Aryan Business Park, 90, M.G.Road [Exchange Cottage], Off:Park Road, Hajratganj, Lucknow - 226001. **Ludhiana:** SCO 16-17, 3rd Floor, Fortune Chambers,Opp: Ludhiana Stock Exchange, Feroze Gandhi Market, Ludhiana – 141001. **Madurai:** 272/273, Suriya Towers, 2nd Floor, Goodshed Street, Madurai – 625001. **Mangalore:** D.No. 5-4-169/21, 3rd Floor, Lalbagh Towers, Ballalbhag Circle, Near Kalyan Jewellers, M.G.Road, Mangalore – 575003. **Meerut:** 1st Floor, Office No.106, "Om Plaza" Bldg., Begum Bridge Road, Sothiganj, Meerut - 250001. **Moradabad:** Krishna Complex, 1st Fl, Near Raj Mahal Hotel, Civil Lines, Moradabad – 244001. **Mumbai [Borivali-W]:**3rd Floor,309, Jalaram Business Centre, Above Axis bank, Near Chamunda Circle, Borivali (West), Mumbai-400092. **Mumbai [Goregaon]:** 6th Floor, Zone IV ,Kotak Infinity, Bldg No.21, Infinity Park, Off Western Express Highway, General A K Vaidya Marg, Malad[E], Mumbai - 400097. **Mumbai [Nariman Point]:** Bakhtawar, 229, 2nd Floor, Nariman Point, Mumbai - 400021. **Mysore:** 1st Floor, Office no.23, 24 & 25, Prashanth Plaza, CH 16 , 5th Cross, 4th Main Road, Chamaraja Mohalla, Saraswathipuram, Mysore – 570009. **Nagpur:** 302,3rd FL Shalwak Manor, East High Court Road, Opp. Dr.Jay Deshmukh's Hospital, Ramdaspeth, Nagpur - 440011. **Nasik:** Office No.4, Gr Fl, Samruddhi Residency Apartment,Tilak Wadi, Opp Ramayan Bunglow,Sharanpur Road, Nasik- 422002. **New Delhi:** Unit Number 1101, 1103 & 1104, 11TH Floor, Kailash Building. 26, Kasturba Gandhi Marg, New Delhi - 110001. **Panipat:** Lower Ground Floor, Jawa Complex, Near Vijaya Bank, Opp:Bhatak Chowk, G.T.Road, Panipat - 132103. **Patiala:** SCO-130, 1ST Floor, New Leela Bhawan, Near Punjab National Bank, Patiala - 147001. **Patna:** 3rd Floor, Office No. 306, Grand Plaza, Frazer Road, Patna - 800001 (Bihar). **Pune:** Office No 10 / 11, 3rd Floor, Aditya Centeegra, F C Road, Near Dyneshwar Paduka Chowk, Next to Kotak Mahindra Bank, Shivajinagar, Pune – 411005. **Pondicherry:** Jayalakshmi Complex, 1st Fl, 114-116, Thiruvalluvar Salai, Pillaithottam, Pondicherry - 605013. **Raipur:** Office No.T-15, 3rd Floor, Raheja Tower, Jail Road, Raipur – 492001. **Rajkot:** 4th Floor, Star Plaza, Office No.429, Near Phulchhab Chowk, Rajkot - 360001. **Ranchi:** 3rd Fl, Satya Ganga, Lalji Hirji Road, Main Road, Ranchi - 834001. **Rohtak:** Lower Gr Floor, Office No.3, "Bank Square" Building, Opp: Myna Tourist Complex, 120-121 Civil Lines, Rohtak - 124001. **Rourkela:** 2nd Floor, Plot No. : 304, Holding No. : 72,Opp : Old Court, Main Road, Uditnagar, Above Yes Bank & Corporation Bank, Rourkela - 769012. **Saharanpur:** 1st Floor, Krishna Complex, Opp. Hathi Gate Court Road, Saharanpur – 247001. **Salem:** 2nd Floor, Kandaswarna Shopping Mall,1/194/2,Saradha College Road, Fairlands, Salem - 636016. **Silliguri:** Nanak Complex, Lower Gr Floor, Plot No. 8598/8599, Sevoke Road, Siliguri – 734001. **Shimla:** 1st, Floor,Bhagra Niwas,Near Lift Road,The Mall, Shimla - 171001. **Surat:** Office no.b-129, 1st Floor, International Trade, Centre [ITC] Building, Majura Gate Crossing, Ring Road, Surat - 395002. **Thane [Mumbai]:** Shop No.2 Gr.Fl, Ram Rao Sahani Sadan, Kaka Sohni Path, Naupada, Thane (West) : 400602. **Trichy:** 1st Floor, Vignesh Aradhana, No.16, GF4, Shop no.4, Shastri Road, Tiruchirapalli, Trichy - 620017. **Trivandrum:** Gr. Fl, 'Blossom' Bldg, TC No. 9/1020-3 (New TC No.22/901), Opp. NSS Karayogam, Sasthamangalam Village P.O, Trivandrum 695 010. **Thrissur:** 2nd Fl, Trichur Trade Centre, Kuruppam Road, Thrissur - 680001 [Kerala]. **Udaipur:** 1st Floor, Moomal Tower, 222/16, Saheli Marg, Udaipur - 313001. **Vadodara:** Unit No.202, 2nd Floor, Gold Croft, Jetalpur Road, Alkapuri, Vadodara -390007 (Gujarat). **Vapi:** Shop No.TA9, 3rd Floor, Solitaire Business Center, Opp. DCB Bank, Vapi-Silvassa Road, Vapi - 396191. **Varanasi:** Shop No. 54, 1st Floor , "Kuber Complex", D-58/2, Rathyatra Crossings, Varanasi - 221010 (Uttar Pradesh). **Vijayawada:** DN: 39-14-1, 1st Floor, Uttam Towers, Above Vodafone Store, Opp. The Gateway Hotel, M.G. Road, Labbipet, Vijayawada – 520010. **Visakhapatnam:** 1st Floor, Door No.47-10-10, Rednam Regency, 2nd Lane, Dwarkanagar, Visakhapatnam – 530016.

OFFICIAL COLLECTION CENTRES (FOR FRESH PURCHASES & SWITCH-INS)

I. COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED (CAMS) - INVESTOR SERVICE CENTRES

Ahmedabad: 111-113, 1st Floor, Devpath Building, Off C G Road, Behind Lal Bungalow, Ellis Bridge, Ahmedabad - 380006. **Bangalore:** Trade Centre, 1st Floor, 45, Dikensen Road, (Next to Manipal Centre), Bangalore - 560042. **Bhubaneswar:** 3rd Floor, Plot No - 111, Varaha Complex Building, Station Square, Kharvel Nagar, Unit 3, Bhubaneswar - 751001. **Chandigarh:** Deepak Tower, SCO 154-155, 1st Floor, Sector 17-C, Chandigarh - 160017. **Chandrapur:** Opp Mustafa décor, Behind, Bangalore,Bakery Kasturba, Road, Chandrapur - 442402 (Maharashtra). **Chennai:** No 178/10, M G R Salai, Nungambakkam, Chennai - 600034. **Coimbatore:** No 1334; Thadagam Road, Thirumoorthy Layout, R.S. Puram, Behind Venkteswara Bakery, Coimbatore – 641002. **Durgapur:** Plot No.3601, Nazrul Sarani, City Centre, Durgapur - 713216. **Goa:** Office No. 103, 1st Floor, Unitech City Centre, M.G. Road, Panaji Goa, Goa - 403 001. **Hyderabad:** 208, 2nd Floor, Jade Arcade, Paradise Circle, Secunderabad - 500003. **Indore:** 101, Shalimar Corporate Centre, 8-B, South tukogunj, Opp.Greenpark, Indore - 452001. **Jaipur:** R-7, Yudhisthir Marg ,C-Scheme, Behind Ashok Nagar Police Station, 63/ 2, The Mall, Jaipur - 302001. **Kanpur:** 1st Floor, 106 to 108, City Centre, Phase II, 63/2, The Mall, Kanpur – 208001. **Kochi:** Modayil, Door No. 39/2638 DJ, 2nd Floor, 2A, M.G. Road, Kochi - 682016. **Korba:** Shop No 6, Shriram Commercial Complex, Infront of Hotel Blue Diamond Ground Floor, T.P. Nagar, Korba - 495677, Chhattisgarh. **Kolkata:** Kankaria Centre, 2/1,Russell Street (2nd Floor), Kolkata - 700071. **Korba:** Shop No 6, Shriram Commercial Complex, Infront of Hotel Blue Diamond Ground Floor, T.P. Nagar, Korba - 495677 (West Bengal). **Lucknow:** Off No 4,1st Floor,Centre Court Building, 3/c, 5 - Park Road, Hazratganj, Lucknow - 226001. **Ludhiana:** U/ GF, Prince Market, Green Field, Near Traffic Lights, Sarabha Nagar Police Station, Pulli, Pakhowal Road, Ludhiana - 141002. **Madurai:** 1st Floor, 278, North Perumal Maistry Street (Nadar Lane), Madurai - 625 001. **Mangalore:** No. G 4 & G 5, Inland Monarch, Opp. Karnataka Bank, Kadri Main Road, Kadri, Mangalore - 575003. **Mumbai:** Rajabahdur Compound, Ground Floor, Opp Allahabad Bank, Behind ICICI Bank, 30, Mumbai Samachar Marg, Fort, Mumbai - 400023. **Nagpur:** 145 Lendra, New Ramdaspeth, Nagpur - 440010. **New Delhi:** 7-E, 4th Floor, Deen Dayaal Research Institute Building, Swami Ram Tirath Nagar, Near Videocon Tower, Jhandewalan Extension, New Delhi – 110055. **Patna:** G-3, Ground Floor, Om Vihar Complex, SP Verma Road, Patna - 800001. **Pune:** Vartak Pride , 1st floor, Survay No 46, City Survay No 1477, Hingne Budruk, D. P Road, Behind Dinanath Mangeshkar Hospital, Karvenagar, Pune - 411 052. **Surat:** Shop No-G-5, International Commerce Center, Nr.Kadiwala School, Majura Gate, Ring Road, Surat - 395002. **Vadodara:** 103 Aries Complex, BPC Road, Off R.C. Dutt Road, Alkapuri, Vadodara - 390007. **Vijayawada:** 40-1-68, Rao & Ratnam Complex, Near Chennupati Petrol Pump, M.G Road, Labbipet, Vijayawada - 520010. **Visakhapatnam:** Door No 48-3-2, Flat No 2, 1st Floor, Siddhi Plaza, Near Visakha Library, Srinagar, Visakhapatnam- 530 016. **Wardha:** Opp. Raman Cycle Industries, Krishna Nagar, Wardha - 442001 (Maharashtra).

II. COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED (CAMS) - TRANSACTION POINT

Agartala : Advisor Chowmuhani, (Ground Floor), Krishnanagar, Agartala - 799001. **Agra :** No.8, 2nd Floor, Maruti Tower, Sanjay Place, Agra - 282002. **Ahmednagar :** Office No. 3, 1st Floor, Shree Parvati, Plot No. 1/175, Opp. Mauli Sabhagruh, Zopadi Canteen, Savedi, Ahmednagar - 414 003. **Ajmer :** AMC No. 423/30, New Church Brahampuri, Opp T B Hospital, Jaipur Road, Ajmer - 305001. **Akola :** Opp. RLT Science College, Civil Lines, Akola - 444001. **Aligarh :** City Enclave, Opp. Kumar Nursing Home, Ramghat Road, Aligarh - 202001. **Allahabad :** 30/2, A&B, Civil Lines Station, Besides Vishal Mega Mart, Strachey Road, Allahabad - 211001. **Alleppey :** Doctor's Tower Building, Door No. 14/2562, 1st floor, North of Iorn Bridge, Near Hotel Arcadia Regency, Allppey - 688 001. **Alwar :** 256A, Scheme No 1, Arya Nagar, Alwar - 301001. **Amaravati :** 81, Gulsham Tower, 2nd Floor, Near Panchsheel Talkies, Amaravati - 444601. **Ambala :** Opposite PEER, Bal Bhavan Road, Ambala - 134003. **Amritsar :** SCO - 18J, 'C' BLOCK RANJIT AVENUE, Amritsar - 140001. **Anand :** 101, A P Tower, Behind Sardhar Gunj, Next to Nathwani Chambers, Anand - 388001. **Anantapur :** 15-570-33, I Floor Pallavi Towers, Subash Road, Opp:Canara Bank Anantapur - 515 001 Andhra Pradesh. **Ankleshwar :** G-34, Ravi Complex, Valia Char Rasta, G I D C, Bharuch, Ankleshwar - 393002. **Asansol :** Block - G, 1st Floor, P C Chatterjee Market Complex, Rambandhu Talab, P O Ushagram, Asansol - 713303. **Aurangabad:** 2nd Floor, Block No. D-21-D-22 Motiwala Trade Center, Nirala Bazar New Samarth Nagar, Opp. HDFC Bank, Aurangabad – 431001. **Balasore:** B C Sen Road, Balasore - 756001. **Bankura:** Cinema Road, Nutanganj, Beside Mondal Bakery, PO & District, Bankura - 722 101. **Bareilly:** F-62-63, Second Floor, Butler Plaza, Civil Lines, Bareilly - 243001, UP. **Basti:** Office No. 3, 1st Floor, Jamia Shopping Complex, (Opposite Pandey School), Station Road, (Uttar Pradesh), Basti - 272002. **Belgaum :** Classic Complex, Block no 104, 1st Floor, Saraf Colony, Khanapur Road, Tilakwadi, Belgaum - 590 006. **Bellary:** 18/47/A, Govind Nilaya, Ward 20, Sangankal Moka Road, Gandhinagar, Bellary I - 583102. **Bengaluru:** First Floor, 17/1, -(272) 12th Cross Road, Wilson Garden, Bengaluru 5600027. **Berhampur:** Kalika Temple Street, Ground Floor, Beside SBI Bazar Branch, Berhampur - 760 002 (Odisha). **Bhagalpur :** Krishna, 1st Floor, Near Mahadev Cinema, Dr R P Road, Bhagalpur - 812002. **Bharuch** (Parent: Ankleshwar TP) **:** A-111, First Floor, R K Casta, Behind Patel Super Market, Station Road, kotak Mutual Fund

II. COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED (CAMS) - TRANSACTION POINT (Cont.)

Bharuch - 392001. **Bhatinda :** 2907 GH, GT Road, Near Zila Parishad, Bhatinda - 151001. **Bhavnagar:** 305-306, Sterling Point, Waghawadi Road, OPP. HDFC Bank, Bhavnagar - 364002. **Bhilai :** First Floor, Plot No. 3, Block No. 1, Priyadarshini Parisar West, Behind IDBI Bank, Nehru Nagar, Bhilai - 490020. **Bhilwara :** Indraprastha Tower, 2nd Floor, Shyam Ki Sabji Mandi Near Mukulji Garden, Bhilwara - 311001. **Bhopal :** Plot no 10, 2nd Floor, Alankar Complex, Near ICICI Bank, MP Nagar, Zone II, Bhopal - 462 011. **Bhuj :** Office No. 4-5, First Floor, RTO Relocation Commercial Complex – B, Opp. Fire Station, Near RTO Circle, Bhuj-Kutch – 370001. **Bhusawal** (Parent: Jalgaon TP) **:** 3, Adelade Apartment, Christain Mohala, Behind Gulshan-E-Iran Hotel, Amardeep Talkies Road, Bhusawal - 425201. **Bikaner :** F 4/5, Bothra Complex, Modern Market, Bikaner - 334001. **Bilaspur :** Shop No. B - 104, First Floor, Narayan Plaza, Link Road, Bilaspur - 495001. **Bokaro :** Mazzanine Floor, F-4, City Centre, Sector-4, Bokaro Steel City Bokaro - 827004. **Burdwan :** 399, G T Road, Basement of Talk of the Town, Burdwan - 713101. **C.R.Avenue** (Parent: Kolkata ISC) **:** 33,C R Avenue, 2nd Floor, Room No.13, Kolkata - 700012. **Calicut :** 29/97G, 2nd Floor, Gulf Air Building, Mavoor Road, Arayidathupalam, Calicut - 673016. **Chandrapur:** Opp Mustafa Decor, Near Bangalore Bakery, Kasturba Road, Chandrapur - 442 402 Maharashtra. **Chennai:** 3rd Floor, B R Complex, No. 66, Door No. 11A, Ramakrishna Iyer Street, Opp. National Cinema Theatre, West Tambaram, Chennai 600045. **Chennai:** 158, Rayala Towers, Ground Floor, Chennai - 600002. **Chinchwad:** Harshal Heights, Shop no 29, Basement, Opp. Gawade Petrol Pump, Link Road, Chinchwad - 411033. **Chhindwara :** 2nd Floor, Parasia Road, Near Surya Lodge, Sood Complex, Above Nagpur CT Scan, Chhindwara – 480001 (Madhya Pradesh). **Chittorgarh :** 3 Ashok Nagar, Near Heera Vatika, Chittorgarh - 312001. **Coochbehar:** N. N. Road, Power House, Choupathi, Coochbehar - 736101. **Cuttack :** Near Indian Overseas Bank, Cantonment Road, Mata Math, Cuttack - 753001. **Darbhanga :** Shahi Complex, 1st Floor, Near R B Memorial Hospital, V I P Road, Benta, Laheriasarai, Darbhanga 846001. **Davenegere :** 13, 1st Floor, Akkamahadevi Samaj Complex, Church Road, P J Extension, Devengere - 577002. **Dehradun :** 204/121, Nari Shilp Mandir Marg, Old Connaught Place, Dehradun - 248001. **Deoghar :** S S M Jalan Road, Ground Floor, Opp Hotel Ashoke, Caster Town, Deoghar - 814112. **Dewas:** Tarani Colony, Near Pushp Tent House, Dewas - 455001. **Dhanbad :** Urmila Towers, Room No. 111, 1st Floor, Bank More, Dhanbad - 826001. **Dharmapuri :** 16A/63A, Pidamaneri Road, Near Indoor Stadium, Dharmapuri - 636701. **Dhule :** H No. 1793 / A, J B Road, Near Tower Garden, Dhule - 424001. **Erode :** 197, Seshaiyer Complex, Agraharam Street, Erode - 638001. **Faizabad :** Amar Deep Building, 3/20/14, 2nd Floor, Niyawan, Faizabad-224001 **Faridabad :** B-49, 1st Floor, Nehru Ground, Behind Anupam Sweet House, NIT, Faridabad - 121001. **Firozabad:** 53, 1st Floor, Shastri Market, Sadar Bazar, Firozabad - 283 203. **Gandhidham :** Office No. 4, Ground Floor, Ratnakala Arcade, Plot No 231, Ward 12 B ,Gandhidham - 370 201 (Gujarat). **Gandhinagar:** 507, 5th Floor, Shree Ugati Corporate Park, Opposite Pratik Mall, Near HDFC Bank, Kudasan, Gandhinagar – 382421. **Gaya:** North Bisar Tank, Upper Ground Floor, Near I.M.A. Hall, Gaya 823001, Bihar. **Ghaziabad :** FF - 26, Konark Building, 1st Floor, RDC - Rajnagar, Ghaziabad - 201002. **Goa:** No DU 8, Upper Ground Floor, Behind Techoclean Clinic, Suvidha Complex Near ICICI Bank, Vasco, Goa – 403802. **Gondal :** A/177 Kailash Complex Opp. Khedut Decor GONDAL - 360311. **Gorakhpur :** Shop No. 5 & 6, 3rd Floor, Cross Road The Mall, A D Tiraha, Bank Road, Gorakhpur – 273001. **Gulbarga :** Pal Complex, 1st Floor, Opp City Bus Stop, Super Market, Gulbarga - 585101. **Guntur** : Door No 5-38-44, 5/1 BRODIPET, Near Ravi Sankar Hotel, Guntur - 522002. **Gurgaon :** SCO - 17, 3rd Floor, Sector-14, Gurgoan - 122001. **Guwahati:** Piyali Phukan Road K. C. Path House No - 1 Rehabari Guwahati – 781008. **Gwalior :** G-6, Global Apartment Phase - II, Opposite Income Tax Office, Kailash Vihar City Centre, Gwalior - 474011. **Haldia :** 1st Floor, New Market Complex, Durgachak Post Office, Purba Medinipur District, Haldia - 721602. **Haldwani :** Durga City Centre, Nainital Road, Haldwani - 263139. **Haridwar:** F - 3, Hotel Shaurya, New Model Colony, Haridwar - 249408. **Hazaribagh :** Muncipal Market, Annada Chowk, Hazaribagh - 825301. **Himmatnagar :** D-78, 1st Floor, New Durga Bazar, Near Railway Crossing, Himmatnagar - 383001. **Hisar :** 12, Opp HDFC Bank, Red Square Market, Hisar - 125001. **Hoshiarpur :** Near Archies Gallery, Shimla Pahari Chowk, Hoshiarpur - 146001. **Hosur :** Survey No.25/204,Attibele Road, HCF Post, Mathigiri, Above Time Kids School, Opposite to Kuttys Frozen Foods, Hosur - 635 110 (Tamil Nadu). **Hubli :** 206 & 207, 1st Floor, A-Block, Kundagol Complex, Opp Court, Club road, Hubli - 580029. **Jabalpur:** 8, Ground Floor, Datt Towers, Behind Commercial Automobiles, Napier Town, Jabalpur - 482001. **Jalandhar :** 367/8, Central Town, Opp. Gurudwara Diwan Asthan, Jalandhar - 144001. **Jalgoan :** Rustomji Infotech Services, 70, Navipeth, Opp old Bus Stand, Jalgoan - 425001. **Jalna:** (Parent ISC – Aurangabad) : Shop No. 11, 1st Floor, Ashoka Plaza, Opp Magistic Talkies, Subhash Road, Jalna - 431203. **Jalpaiguri:** Babu Para, Beside Meenaar Apartment, Ward No VIII, Kotwali Police Station, PO & Dist. Jalpaiguri – 735101. **Jamnagar :** 207, Manek Centre, P N Marg, Jamnagar - 361001. **Jamshedpur:** Millennium Tower, Room No. 15, 1st Floor, R - Road, Bistupur, Jamshedpur - 831001. **Jaunpur:** Gopal Katra, 1st Floor, Fort Road, Jaunpur - 222001. **Jhansi :** Babu Lal Karkhana Compound, Opp SBI Credit Branch, Gwalior Road, Jhansi - 284001. **Jodhpur :** 1/5, Nirmal Tower, 1st Chopasani Road, Jodhpur - 342003. **Jammu:** JRDS Heights, Lane Opp. S&S Computers,Near RBI Building, Sector 14, Nanak Nagar Jammu - 180004. **Junagadh :** Circle Chowk, Near Choksi Bazar Kaman, Gujarat Junagadh - 362001. **Kadapa:** Door No.: 21/ 598, Palempapaiah Street, Near Ganjikunta Pandurangaiah Dental Clinic, 7 Road Circcle, Kadapa - 516001. **Kakinada :** No.33-1, 44 Sri Sathya Complex, Main Road, Kakinada - 533 001. **Kalyani :** A - 1/50, Block - A, Dist Nadia Kalyani - 741235. **Kangra:** College Road Kangra, Dist. Kangra – 176001 (Himachal Pradesh). **Kannur :** Room No.14/435, Casa Marina Shopping Centre, Talap, Kannur - 670004. **Karimnagar :** H No. 7-1-257, Upstairs S B H, Mangammthota, Karimnagar - 505001. **Karnal** 29 Avtar Colony, Behind Vishal Mega Mart, Karnal – 132001. **Karur :** 126 GVP Towers, Kovai Road, Basement of Axis Bank, Karur - 639002. **Katni:** NH 7, Near LIC, Jabalpur Road, Bargawan, Katni - 483501. **Kestopur :** S. D. Tower, Sreeparna Apartment, AA-101, Prafulla Kannan (West) Shop No - 1M, Block – C (Ground Floor), Kestopur, - 700101. **Khammam:** 1st Floor, Shop No 11 - 2 - 31/3, Philips Complex, Balajinagar, Wyra Road, Near Baburao Petrol Bunk, Khammam – 507001. **Kharagpur:** "Silver Palace" OT Road, Inda- Kharagpur G.P- Barakola P.S- Kharagpur Local - 721305. **Kolhapur :** AMD Sofex Office No.7, 3rd Floor, Ayodhya Towers, Station Road, Kolhapur - 416001. **Kolkata:** 2A, Ganesh Chandra Avenue Room No.3A, Commerce House"(4th Floor), Kolkata – 700013. **Kollam :** Uthram Chambers (Ground Floor), Thamarakulam, Kollam - 691 006. **Kota :** B-33, Kalyan Bhawan, Triangle Part, Vallabh Nagar, Kota - 324007. **Kottayam:** Shop No.273/ 4/ G3G4, 1st Floor, Pulimoottil Arcade, K K Road, Muttambalam P O, Kanjikuzhy, Kottayam - 686004. **Kukatpally:** No. 15-31-2M-1/4 1st Floor, 14-A, MIG KPHB Colony, Kukatpally - 500072. **Kumbakonam :** Jailani Complex, 47, Mutt Street, Kumbakonam - 612001. **Kurnool:** Shop Nos. 26 and 27, Door No. 39/265A and 39/265B, Second Floor, Skanda Shopping Mall, Old Chad Talkies, Vaddageri, 39th Ward, Kurnool – 518001. **Malda :** Daxhinapan Abasan, Opp Lane of Hotel Kalinga, S M Pally, Malda - 732101. **Mandi:** 328/12 Ram Nagar, 1st Floor, Above Ram Traders, Mandi -175001 (Punjab). **Manipal:** Shop No A2, Basement Floor, Academy Tower, Opp. Corporation Bank, Manipal – 576104. **Mapusa** (Parent ISC : Goa) **:** Office No.CF-8, 1st Floor, Business Point, Above Bicholim Urban Co-op Bank, Angod, Mapusa - 403507. **Margao:** F4- Classic Heritage, Near Axis Bank, Opp. BPS Club Pajifond, Margao - 403601. **Mathura :** 159/160, Vikas Bazar, Mathura - 281001. **Meerut :** 108, 1st Floor, Shivam Plaza, Opp Eves Cinema, Hapur Road, Meerut - 250002. **Mehsana :** 1st Floor, Subhadra Complex, Urban Bank Road, Mehsana - 384002. **Mirzapur:** Ground Floor, Canara Bank Building, Dhundhi Katra, Mirzapur. Uttar Pradesh - 231001. **Moga :** Gandhi Road, Opp Union Bank of India, Moga - 142001. **Moradabad :** H 21-22, 1st Floor, Ram Ganga Vihar Shopping Complex, Opposite Sale Tax Office, Moradabad - 244001. **Mumbai (Andheri):** 351, Icon, 501, 5th Floor, Western Express Highway, Andheri (East), Mumbai - 400069. **Mumbai (Borivali West):** Hirji Heritage,4th Floor, Office No.402,L.T.Road,Borivali West, Mumbai - 400092. **Mumbai (Ghatkoper-E):** Platinum Mall, Office No.307, 3rd floor, Jawahar Road, Ghatkopar East, Mumbai 400 077, Maharashtra. **Muzaffarnagar:** F26/27-Kamadhenu Market, Opp. LIC Building Ansari Road, Muzaffarnagar - 251 001. **Muzzafarpur :** Brahman Toli, Durga Asthan Gola Road, Muzaffarpur - 842001. **Mysore :** No.1, 1st Floor, CH.26 7th Main, 5th Cross, (Above Trishakthi Medicals), Saraswati Puram, Mysore - 570009. **Namakkal:** 156A / 1, First Floor, Lakshmi Vilas Building, Opp. To District Registrar Office, Trichy Road, Namakkal – 637001 (Tamil Nadu). **Nanded:** Shop No. 8,9 Cellar, 'Raj Mohammed Complex', Main Road, Sri Nagar, Nanded - 431605. **Nadiad:** F 142, First Floor, Gantakaran Complex, Gunj Bazar, Nadiad - 387001. **Nalgonda :** Adj. to Maisaiah Statue , Clock Tower Center, Bus Stand Road , Nalgonda - 508001. **Nashik:** 1st Floor, "Shraddha Niketan", Tilak Wadi, Opp. Hotel City Pride, Sharanpur Road, Nashik - 422 002. **Navsari :** Dinesh Vasani & Associates, 103 - Harekrishna Complex, above IDBI Bank, Near Vasant Talkies, Chimnabai Road, Navasari - 396445. **Nellore :** 97/56, 1st Floor, Immadisetty Towers, Ranganayakulapet Road, Santhapet, Nellore - 524001. **New Delhi:** Flat no.512, Narian Manzil, 23 Barakhamba Road, Connaught Place, New Delhi - 110001. **New Delhi:** 306, 3rd Floor, DDA - 2 Building District Centre, Janakpuri, New Delhi 110058. **New Delhi:** Aggarwal Cyber Plaza-II, Commercial Unit No-371, 3rd Floor,Plot No C-7, Netaji Subhash Palace, Pitampura, New Delhi - 110034. **Noida :** E-3, Ground Floor, Sector 3 , Near Fresh Food Factory, Noida - 201301, UP. **Palakkad :** 10 / 688, Sreedevi Residency, Mettupalayam Street, Palakkad - 678001. **Palanpur :** Gopal Trade Center, Shop No. 13-14, 3rd Floor, Nr. BK Mercantile Bank, Opp. Old Gunj, Palanpur – 385001, Gujarat. **Panipat :** 83, Devi Lal Shopping Complex, Opp ABN Amro Bank, G T Road, Panipat 132103. **Pathankot:** 13 - A, 1st Floor, Gurjeet Market Dhangu Road, Pathankot - 145 001. **Patiala :** 35, New Lal Bagh, Opposite Polo Ground, Patiala - 147001. **Pondicherry :** S-8, 100, Jawaharlal Nehru Street, (New Complex, Opp. Indian Coffee House), Pondicherry - 605001. **Rai Bareli :** 17, Anand Nagar Complex, Rai Bareli - 229001. **Rae Bareilly:** 17, Anand Nagar Complex Opposite Moti Lal Nehru Stadium, SAI Hostel Jail Road, Rae Bareilly – 229001 (Uttar Pradesh). **Raipur :** HIG, C-23, Sector – 1, Devendra Nagar, Raipur - 492004. **Rajahmundry :** Cabin 101, D No. 7-27-4, 1st Floor, Krishna Complex, Baruvari Street, T Nagar, Rajahmundry - 533101. **Rajkot :** Office 207 - 210, Everest Building, Harihar Chowk, Opp Shastri Maidan Limda Chowk Rajkot - 360001. **Ranchi :** 4, HB Road, No: 206, 2nd Floor Shri Lok Complex, Ranchi - 834 001. **Rajapalayam:** No 59 A/1, Railway Feeder Road, (Near Railway Station), Rajapalayam – 626117 (Tamil Nadu). **Ratlam :** Dafria & Co.,18, Ram Bagh, Near Scholar's Schoo, Ratlam – 457001. **Ratnagiri :** Orchid Tower, Gr'Floor, Gala No 06, S.V.No.301/Paiki 1/2, Nachane Munciple Aat, Arogya Mandir, Nachane Link Road, At, Post, Tal. Ratnagiri, Dist. Ratnagiri - 415612 (Maharashtra). **Rohtak:** SCO 06, Ground Floor, MR Complex, Near Sonipat Stand Delhi Road, Rohtak-124 001 (Haryana). **Roorkee :** 22 Civil Lines, Ground Floor, Hotel Krish Residence Roorkee - 247667. **Rourkela :** J B S Market Complex, 2nd Floor, Udit Nagar, Rourkela - 769012. **Sagar :** Opp. Somani Automoblies, Bhagwanganj, Sagar - 470002. **Saharanpur :** 1st Floor, Krishna Complex, Opp. Hathi Gate, Court Road, Saharanpur - 247001. **Salem :** No. 2, 1st Floor, Vivekananda Street, New Fairlands, Salem - 636016. **Sambalpur :** C/o Raj Tibrewal & Associates, Opp.Town High School, Sansarak, Sambalpur - 768001. **Sangli:** Jiveshwar Krupa Bldg, Shop. NO.2, Ground Floor, Tilak Chowk, Harbhat Road, Sangli – 416416. **Satara :** 117 / A / 3 / 22, Shukrawar Peth, Sargam Apartment, Satara - 415002. **Shahjahanpur :** Bijlipura, Near Old Distt Hospital , Shahjahanpur - 242001. **Shillong:** 3rd Floor, RPG COMPLEX, Keating Road, Shillong, Meghalaya - 793 001. **Shimla :** 1st Floor, Opp Panchayat Bhawan Main Gate, Bus Stand, Shimla - 171001. **Shimoga :** Nethravathi, Near Gutti Nursing Home, Kuvempu Road, Shimoga - 577201. **Siliguri:** 78 , Haren Mukherjee Road 1st floor Beside SBI Hakimpara Siliguri - 734001. **Sirsa:** Gali No1, Old Court Road, Near Railway Station Crossing, Sirsa - 125055. **Sitapur:** Arya Nagar Near Arya Kanya School, Sitapur - 261001, (Uttar Pradesh). **Solan :** 1st Floor, Above Sharma General Store, Near Sanki Rest house, The Mall, Solan - 173212. **Solapur :** Flat No 109, 1st Floor, A Wing, Kalyani Tower, 126 Siddheshwar Peth, Near Pangal High School, Solapur - 413001. **Sonepat:** 1st Floor, Pawan Plaza, Atlas Road, Subhash Chowk, Sonepat – 131001, Haryana. **Sriganganagar :** 18 L Block, Sri Ganganagar - 335001. **Srikakulam :** Door No 4-4-96, First Floor, Vijaya Ganapathi Temple Back Side, Nanubala Street, Srikakulam - 532001. **Sultanpur:** 967, Civil Lines, Near Pant Stadium, Sultanpur - 228001. **Surat :** Plot No.629,2nd Floor, Office No.2-C/2-D, Mansukhlal Tower, Beside Seventh Day Hospital, Opp.Dhiraj Sons, Athwalines, Surat - 395001. **Surendranagar :** 2 M I Park, Near Commerce College, Wadhwan City, Surendranagar - 363035. **Tezpur Sonitpur:** Kanak Tower 1st Floor, Opposite IDBI Bank/ICICI Bank, C.K.Das Road, Tezpur Sonitpur, Assam – 784001. **Thane:** Dev Corpora, 1st floor, Office no. 102, Cadbury Junction, Eastern Expressway, Thane (West) – 400 601.**Thiruppur:** 1(1), Binny Compound, 2nd Street, Kumaran Road, Thiruppur - 641601. **Thiruvalla :** 1st Floor, Room No - 61(63) International Shopping Mall, Opp. St. Thomas Evangelical Church, Above Thomson Bakery, Manjady, Thiruvalla - 689105 (Kerala). **Tinsukia:** Sanairan Lohia Road,1st Floor, Tinsukia - 786125. **Tirunelveli :** No. F4, Magnem Suraksaa Apartments, Tiruvananthapuram Road, Tamil Nadu, Tirunelveli - 627 002. **Tirupathi :** Shop No : 6, Door No: 19-10-8, (Opp to Passport Office), AIR Bypass Road, Tirupathi – 517501. **Trichur :** Room No. 26 & 27, Dee Pee Plaza, Kokkalai, Trichur - 680001. **Trichy :** No 8, 1st Floor, 8th Cross West Extn, Thillainagar, Trichy - 620018. **Trivandrum:** R S Complex, Opposite of LIC Building, Pattom PO, Trivandrum - 695004. **Tuticorn :** 1 - A / 25, 1st Floor, Eagle Book Centre Complex, Chidambaram Nagar Main, Palayamkottai Road, Tuticorn - 628008. **Udaipur:** 32, Ahinsapuri, Fatehpura circle, Udaipur- 313001. **Ujjain:** 123, 1st Floor, Siddhi Vinanyaka Trade Centre, Saheed Park, (Madhya Pradesh), Ujjain - 456010. **Unjha** (Parent: Mehsana) **:** 10/11, Maruti Complex, Opp. B R Marbles, Highway Road, Mehsana, Unjha - 384170. **Valsad:** Gita Niwas, 3rd Floor, Opp. Head Post Office, Halar Cross Lane, Valsad - 396001. **Vapi :** 208, 2nd Floor HEENA ARCADE, Opp. Tirupati Tower, Near G.I.D.C. Char Rasta, Vapi – 396195. **Varanasi:** Office no 1, Second floor, Bhawani Market, Building No. D-58/2-A1, Rathyatra, Beside Kuber Complex, Varanasi - 221010. **Vashi:** BSEL Tech Park, B-505, Plot no 39/5 & 39/5A, Sector 30A, Opp. Vashi Railway Station, Vashi, Navi Mumbai – 400705. **Vellore:** AKT Complex 2nd floor, No 1,3 New Sankaranpalayam Road, Tolgate, Vellore – 632001 (Tamil Nadu). **Warangal:** A.B.K Mall, Near Old Bus Depot road, F-7, Ist Floor, Ramnagar, Hanamkonda, Warangal - 506001. **Yamuna Nagar:** 124-B/R Model Town, Yamunanagar - 135001. **Yavatmal:** Pushpam, Tilakwadi, Opp Dr Shrotri Hospital, Yavatmal - 445001.

CAMS, Registrar and Transfer Agent to Kotak Mutual Fund will be the official point of acceptance for electronic transaction received through specified banks, Financial Institutions with whom Kotak Mahindra Mutual Fund has entered or may enter into specific arrangement for purchase/sale/switch of units and secured internet site operated by Kotak Mahindra Mutual Fund.

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