

Kotak Mahindra Mutual Fund

36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai - 400 021

KEY INFORMATION MEMORANDUM & APPLICATION FORMS

CONTINUOUS OFFER:

Unit of all Schemes available at prices related to Applicable NAV

KOTAK BANKING AND PSU DEBT FUND

Kotak Banking and PSU Debt Fund

An Open Ended Debt Scheme
 Continuous Offer from 5-Jan-1999

Earlier known as Kotak Mahindra Gilt Savings Scheme - 98 - Savings Plan. Scheme converted to an open ended debt scheme on August 14, 2013.

This product is suitable for investors who are seeking* Income over a short to medium term investment horizon, investment in debt and money market securities of PSUs, banks and government securities.

Low Risk  (Blue)

KOTAK GILT INVESTMENT

Kotak Mahindra Gilt Unit Scheme '98 (Investment Plan)

An Open-Ended Dedicated Gilts Scheme
 Continuous Offer from 5-Jan-1999

This product is suitable for investors who are seeking* income over a long investment horizon, investments in sovereign securities issued by the Central and/or State Government(s) and / or reverse repos in such securities.

Low Risk  (Blue)

KOTAK BOND SHORT TERM

Kotak Mahindra Bond Unit Scheme '99 (Short Term Plan)

An Open-Ended Debt Scheme
 Continuous Offer from 3-May-2002

This product is suitable for investors who are seeking* income over a medium term horizon, investment in debt & money market securities.

Low Risk  (Blue)

KOTAK BOND

Kotak Mahindra Bond Unit Scheme '99

An Open-Ended Debt Scheme
 Continuous Offer from 29-Nov-1999

This product is suitable for investors who are seeking* income over a long investment horizon, investment in debt & money market securities

Low Risk  (Blue)

KOTAK FLOATER LONG TERM

Kotak Floater Long Term Scheme

An Open-Ended Debt Scheme
 Continuous Offer from 16-Aug-2004

This product is suitable for investors who are seeking* income over a short term investment horizon, investment in debt & money market securities

Low Risk  (Blue)

KOTAK FLOATER SHORT TERM

Kotak Floater Short Term Scheme

An Open-Ended Debt Scheme
 Continuous Offer from 15-July-2003

This product is suitable for investors who are seeking* income over a short term investment horizon, investment in floating rate securities, debt & money market securities

Low Risk  (Blue)

KOTAK MONTHLY INCOME PLAN

Kotak Monthly Income Plan Scheme

An Open-Ended Income Scheme
 Continuous Offer from 03-Dec-2003

This product is suitable for investors who are seeking* income & capital growth over a long term horizon, investment in a portfolio of debt instruments with a moderate exposure in equity & equity related instruments

Medium Risk  (Yellow)

KOTAK FLEXI DEBT

Kotak Flexi Debt Scheme

An Open-Ended Debt Scheme
 Continuous Offer from 07-Dec-2004

This product is suitable for investors who are seeking* income over a medium term investment horizon, investment in debt & money market securities

Low Risk  (Blue)

KOTAK INCOME OPPORTUNITIES FUND

Kotak Income Opportunities Fund

An Open-Ended Debt Scheme
 Continuous Offer from 12-May-2010

This product is suitable for investors who are seeking* income over a medium term investment horizon, investment in debt & money market securities

Low Risk  (Blue)

KOTAK MULTI ASSET ALLOCATION FUND

Kotak Multi Asset Allocation Fund

An Open-Ended Debt Scheme
 Continuous Offer from 27-Jan-2011

This product is suitable for investors who are seeking* income & capital growth over a long term horizon, investment in a portfolio of debt instruments with a moderate exposure in equity & equity related instruments and provides diversification by investing in Gold ETFs

Medium Risk  (Yellow)

KOTAK LIQUID

Kotak Mahindra Liquid Scheme

An Open-Ended Debt Scheme
 Continuous Offer from 06-Oct-2000

This product is suitable for investors who are seeking* income over a short term investment horizon, investment in debt & money market securities

Low Risk  (Blue)

KOTAK GOLD FUND

Kotak Gold Fund

An Open-Ended Fund of Funds Scheme
 Continuous Offer from 5-Apr-2011

This product is suitable for investors who are seeking* returns in line with physical gold, investment in Kotak Gold ETF

High Risk  (Brown)

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

Note: Risk may be represented as: Investors understand that their principal will be at Low risk  (Blue), Investors understand that their principal will be at Medium risk  (Yellow), Investors understand that their principal will be at High risk  (Brown).

THE SPONSOR: Kotak Mahindra Bank Ltd., 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai - 400 021

THE TRUSTEE: Kotak Mahindra Trustee Co. Ltd., 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai - 400 021

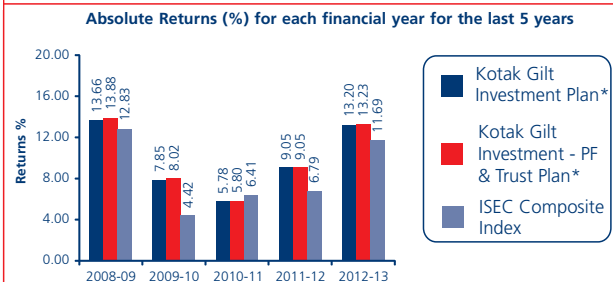
THE ASSET MANAGEMENT COMPANY: Kotak Mahindra Asset Management Co. Ltd., 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai - 400 021

This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. **For further details of the Scheme(s) / Mutual Fund, Due diligence certificate by the AMC, Key Personnel, Investors' rights & services, Risk Factors, Penalties & Pending Litigations, Associate Transactions, etc. investors should, before investment, refer to the Schemes Information Document and Statement of Additional Information available free of cost at any of the Official Acceptance Points or distributors or from the website www.assetmanagement.kotak.com.**

The Scheme(s) particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The Units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.

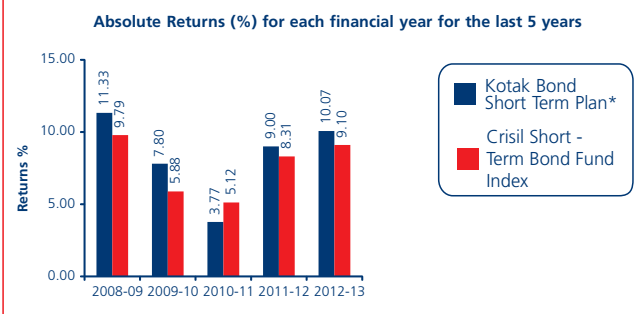
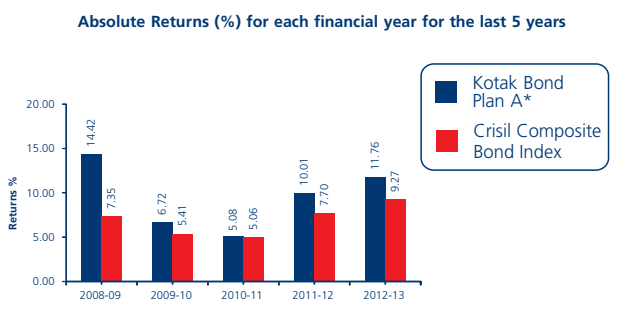
THE DATE OF THIS KEY INFORMATION MEMORANDUM IS August 14, 2013

KEY INFORMATION MEMORANDUM

Scheme Name	KOTAK BANKING AND PSU DEBT FUND <i>An Open Ended Debt Scheme*</i>	KOTAK GILT INVESTMENT <i>An Open - Ended Dedicated Gilt Scheme</i>																											
Investment Objective	To generate income by predominantly investing in debt & money market securities issued by Banks & PSUs and Reverse repos in such securities, sovereign securities issued by the Central Government and State Governments, and / or any security unconditionally guaranteed by the Govt. of India. There is no assurance that or guarantee that the investment objective of the scheme will be achieved.	To generate risk-free returns through investments in sovereign securities issued by the Central and /or State Government(s) and/ or reverse repos in such securities.																											
Asset Allocation Pattern of the Scheme	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Investments</th> <th style="width: 30%;">Indicative Allocation</th> <th style="width: 40%;">Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Debt & Money Market instruments issued by Banks & PSUs</td> <td style="text-align: center;">80% to 100%</td> <td style="text-align: center;">Low to Medium</td> </tr> <tr> <td>Central Government and State government securities/ other instruments*</td> <td style="text-align: center;">0% to 20%</td> <td style="text-align: center;">Low to Medium</td> </tr> </tbody> </table> <p>*other instruments would include funds invested in inter-bank money market, CBLO, and repo (corporate bond/Gsec), or such other short term, overnight securities as may be permitted from time to time.</p> <p>Note: The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Managers, on defensive consideration. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above within 10 working days.</p>	Investments	Indicative Allocation	Risk Profile	Debt & Money Market instruments issued by Banks & PSUs	80% to 100%	Low to Medium	Central Government and State government securities/ other instruments*	0% to 20%	Low to Medium	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Balance Maturity</th> <th colspan="2" style="width: 50%;">Risk profile</th> </tr> <tr> <td></td> <th style="width: 25%;">Price Risk</th> <th style="width: 25%;">Credit Risk</th> </tr> </thead> <tbody> <tr> <td>More than 5 years</td> <td style="text-align: center;">Low</td> <td style="text-align: center;">Zero</td> </tr> <tr> <td>Between 1 to 5 years</td> <td style="text-align: center;">Lower</td> <td style="text-align: center;">Zero</td> </tr> <tr> <td>Less than 1 year</td> <td style="text-align: center;">Lowest</td> <td style="text-align: center;">Zero</td> </tr> <tr> <td>Securities held under Reverse Repos</td> <td style="text-align: center;">Zero</td> <td style="text-align: center;">Very low</td> </tr> </tbody> </table> <p>The risk profile described above indicates that the risks of a portfolio of Government Securities are invariably lower than those of a portfolio of investments of other types of securities. Since Government Securities do not pose any credit risk, they are usually referred to as risk-free securities.</p> <p>Investment Pattern There will be no restriction on maturity of securities.</p>	Balance Maturity	Risk profile			Price Risk	Credit Risk	More than 5 years	Low	Zero	Between 1 to 5 years	Lower	Zero	Less than 1 year	Lowest	Zero	Securities held under Reverse Repos	Zero	Very low
Investments	Indicative Allocation	Risk Profile																											
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Risk Profile of the Scheme	Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized on page 10 - 11.																												
Plans & Options	Plans: 1) Direct Plan 2) Non Direct Plan Options: - Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)	Plans: (a) Regular, (b) PF & Trust (c) Regular Direct (d) PF & Trust Direct Options: - Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)																											
Applicable NAV (after the scheme opens for repurchase & sale)	Please refer to page 11 for details.																												
Minimum Application Amount/ Number of Units	Initial Investment: Rs. 5000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. Additional Investment: Rs. 1000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. SIP Investment: Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each). Redemption: If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme	Initial Investment: Rs. 5000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. Additional Investment: Rs. 1000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. SIP Investment: Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each). Redemption: If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme																											
Despatch of Repurchase (Redemption) Request	Within 10 working days of the receipt of the redemption request at the authorised centre of the Kotak Mutual Fund.																												
Benchmark Index	Crisil Liquid Fund Index	ISEC Composite Index																											
Dividend Policy	Monthly and Annual	Quarterly (20th of Mar/Jun/Sep/Dec)																											
Name of the Fund Managers	Mr. Deepak Agrawal and Mr. Abhishek Bisen	Mr. Abhishek Bisen & Mr. Deepak Agrawal																											
Name of the Trustee Company	Kotak Mahindra Trustee Company Ltd	Kotak Mahindra Trustee Company Limited																											
Compounded Annualised Returns (%)	Performance of the scheme Kotak Mahindra Gilt Savings Scheme – 98 – Savings Plan has been converted into Kotak Banking and PSU Debt Fund on August 14, 2013. Hence Kotak Banking and PSU Debt Fund does not have a performance track record.	Performance of the scheme as on March 28, 2013* (* March 29, 2013, March 30, 2013 and March 31, 2013 being no working days)																											
Last 1 year		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Kotak Gilt Investment Regular Plan</th> <th style="width: 33%;">Kotak Gilt Investment PF & Trust Plan</th> <th style="width: 34%;">ISEC Composite Index</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">13.27</td> <td style="text-align: center;">13.30</td> <td style="text-align: center;">11.69</td> </tr> <tr> <td style="text-align: center;">9.32</td> <td style="text-align: center;">9.34</td> <td style="text-align: center;">8.27</td> </tr> <tr> <td style="text-align: center;">9.88</td> <td style="text-align: center;">9.96</td> <td style="text-align: center;">8.38</td> </tr> <tr> <td style="text-align: center;">10.32</td> <td style="text-align: center;">7.20</td> <td style="text-align: center;">6.66</td> </tr> </tbody> </table>	Kotak Gilt Investment Regular Plan	Kotak Gilt Investment PF & Trust Plan	ISEC Composite Index	13.27	13.30	11.69	9.32	9.34	8.27	9.88	9.96	8.38	10.32	7.20	6.66												
Kotak Gilt Investment Regular Plan	Kotak Gilt Investment PF & Trust Plan	ISEC Composite Index																											
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Last 3 years																													
Last 5 years																													
Since Inception																													
Inception Date		Regular Plan - December 29, 1998; PF & Trust Plan - November 11, 2003																											
		<p style="text-align: center;">Absolute Returns (%) for each financial year for the last 5 years</p>  <p>The benchmark return corresponds to Kotak Gilt Investment PF and Trust Plan.</p>																											
	*All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Past Performance may or may not be sustained in future.																												
Expenses of the Scheme	Continuous Offer	Continuous Offer																											
(i) Load Structure	Entry Load: Nil Exit Load: Nil Note: Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load.	Entry Load: Nil Exit Load: Nil Note: Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load.																											
(ii) Recurring expenses (% of weekly average net assets)	For more details please refer Total Expense Ratio (TER) on page no. 12	Please refer to page 12 for details Actual expenses for the previous Financial Year ended March 31, 2013 (Unaudited): i) Regular: 2.01% P. A.; ii) Regular Direct: 1.44% P. A. iii) PF & Trust: 1.98% P. A. iv) PF & Trust Direct: 1.4% P. A.																											
Waiver of Load for Direct Applications:	Not applicable Please refer to page 11 for details.																												
Tax Treatment for the investors:	Investor is advised to refer to the details in the Statement of Additional Information and also independently refer to his tax advisor.																												
Daily Net Asset Value (NAV) Publication:	Please refer to page 11 for details.																												
For Investor Grievances please contact:	Please refer to page 12 for details.																												
Unitholders' Information:	Please refer to page 12 for details.																												
AAUM and Folio	a) Non Direct - AAUM: Rs. 5.77 crores. FOLIO: 249 b) Direct - AAUM: Rs. 82.84 crores. FOLIO: 12	(a) Regular: AAUM: Rs. 722.24 crores. Folio: 5,158 (b) PF & Trust: AAUM: Rs. 32.25 crores. Folio: 47 (c) Regular Direct: AAUM: Rs. 115.20 crores. Folio: 316 (d) PF & Trust Direct: AAUM: Rs. 4.25 crores. Folio: 4																											
Investment Strategy & Risk Measures:	Please refer to pages 8 - 10 for details.																												

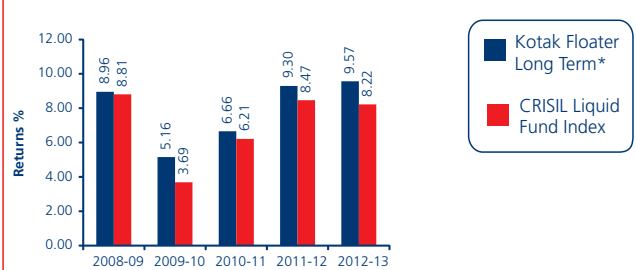
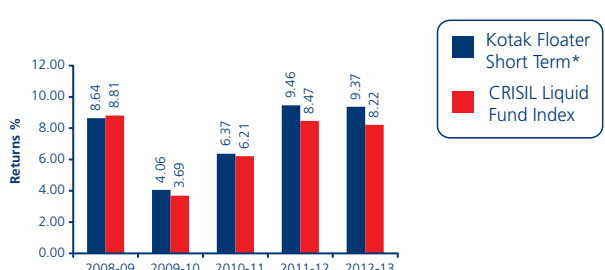
*Earlier known as Kotak Mahindra Gilt Savings Scheme - 98 - Savings Plan. Scheme converted to an open ended debt scheme on August 14, 2013

KEY INFORMATION MEMORANDUM

Scheme Name	KOTAK BOND SHORT TERM			KOTAK BOND		
	<i>An Open - Ended Debt Scheme</i>			<i>An Open - Ended Debt Scheme</i>		
Investment Objective	To provide reasonable returns and high level of liquidity by investing in debt & money market instruments of different maturities, so as to spread the risk across different kinds of issuers in the debt market.			To create a portfolio of debt and money market instruments of different maturities so as to spread the risk across a wide maturity horizon & different kinds of issuers in the debt market.		
Asset Allocation Pattern of the Scheme	Investments	Indicative allocation	Risk profile	Investments	Indicative allocation	Risk profile
	Debt and money market instruments with maturity upto 1 year*	50% to 100%	Low	* Debt Instruments with maturity more than one year	25% to 100%	Medium
	Debt instruments with maturity above 1 year *	0% to 50%	Low to Medium	* Debt and Money Market instruments with maturity less than one year	10% to 100%	Low to Medium
	* Debt instruments shall be deemed to include securitised debt and investment in securitised debts shall not exceed 50% of the net assets of the Plan. Note: The asset allocation shown above is indicative and may change for a short term on defensive considerations. For investments in debt instruments with maturity above one year, a normal deviation of upto 50% of the maximum indicative allocation will be permissible. When investment in debt and money market instruments with maturity above one year exceeds 50% of the maximum indicative allocation, review and rebalancing will be conducted within three working days.			*Debt instruments are deemed to include securitised debt and investment in securitised debts shall not exceed 50% of the net assets of the Scheme. Note: The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Manager, on defensive consideration or according to the interest rate view of the Fund Manager. Also, the composition may change due to purchases and redemption of Units or during adjustment of the average maturity of investments. Should the proportion of investments with maturity more than 1 year fall below 25%, the portfolio will be reviewed and rebalancing will be conducted within 10 working days.		
Risk Profile of the Scheme	Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized on page 10 - 11.					
Plans & Options	Plan: (a) Non Direct (b) Direct (Please refer to page 12 for details) Option: Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)			Plan: (a) Plan A (Previously known as Regular Plan) (b) Direct Option: Dividend Payout, Dividend Reinvestment, Growth & Bonus (applicable for all plans)		
Applicable NAV (after the scheme opens for repurchase & sale)	Please refer to page 11 for details.					
Minimum Application Amount/ Number of Units	Initial Investment: i) Dividend Re-investment & Growth: Rs. 5000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. ii) Dividend Payout (Monthly): Rs. 50,000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. Additional Investment: Rs. 1000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. SIP Investment: Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each). Redemption: If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme			Initial Investment: Plan A: Rs. 5,000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. Additional Investment: Plan A: Rs. 1000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. SIP Investment: Plan A: Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each). Redemption: Plan A : If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme		
Despatch of Repurchase (Redemption) Request	Within 10 working days of the receipt of the redemption request at the authorised centre of the Kotak Mutual Fund.					
Benchmark Index	Crisil Short-Term Bond Fund Index			Crisil Composite Bond Fund Index		
Dividend Policy	Monthly (12th of every Month)			Quarterly (20th of Mar/Jun/Sep/Dec) Annual (12th of Mar)		
Name of the Fund Managers	Mr. Abhishek Bisen & Mr. Deepak Agrawal			Mr. Abhishek Bisen & Mr. Deepak Agrawal		
Name of the Trustee Company	Kotak Mahindra Trustee Company Limited			Kotak Mahindra Trustee Company Limited		
Compounded Annualised Returns (%)	Performance of the scheme as on March 28, 2013* (* March 29, 2013, March 30, 2013 and March 31, 2013 being no working days)			Performance of the scheme as on March 28, 2013* (* March 29, 2013, March 30, 2013 and March 31, 2013 being no working days)		
	Kotak Bond Short Term	CRISIL Short Term Bond Fund Index		Kotak Bond Plan A	CRISIL Composite Bond Fund Index	
Last 1 year	10.13	9.10		11.83	9.29	
Last 3 years	7.59	7.48		8.93	7.33	
Last 5 years	8.37	7.62		9.56	6.95	
Since Inception	7.55	6.61		9.57	N.A.	
Inception Date	May 2, 2002			November 25, 1999		
	Absolute Returns (%) for each financial year for the last 5 years 			Absolute Returns (%) for each financial year for the last 5 years 		
	*All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Past Performance may or may not be sustained in future.					
Expenses of the Scheme	Continuous Offer			Continuous Offer		
(i) Load Structure	Entry Load: Nil Exit Load: 1) For redemptions / switch outs (including SIP/STP) within 90 days from the date of allotment of units, irrespective of the amount of investment: 0.50%. 2) For redemptions / switch outs (including SIP/STP) after 90 days from the date of allotment of units, irrespective of the amount of investment: Nil. 3) Any exit load charged (net off Service Tax, if any) shall be credited back to the Scheme. Note: Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load.			Entry Load: a) Plan A: Nil and b) Direct: Nil Exit Load: Plan A: i) For redemptions /switch outs (including SIP/STP) within 180 days from the date of allotment of units, irrespective of the amount of investment: 1% ii) For redemptions /switchouts after 180 days: Nil. iii) Any exit load charged (net off Service Tax, if any) shall be credited back to the Scheme. Note: Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load.		
(ii) Recurring expenses (% of weekly average net assets)	Please refer to page 12 for details	Actual expenses for the previous Financial Year ended March 31, 2013 (Unaudited): i) Non Direct: 1.36% P. A. ii) Direct: 0.60% P. A.		Please refer to page 12 for details	Actual expenses for the previous Financial Year ended March 31, 2013 (Unaudited): i) Plan A: 1.78% P. A. ii) Plan A Direct: 1.16% P. A.	
Waiver of Load for Direct Applications: Not applicable Please refer to page 11 for details.						
Tax Treatment for the investors: Investor is advised to refer to the details in the Statement of Additional Information and also independently refer to his tax advisor.						
Daily Net Asset Value (NAV) Publication: Please refer to page 11 for details.						
For Investor Grievances please contact: Please refer to page 12 for details.						
Unitholders' Information: Please refer to page 12 for details.						
AAUM and Folio (as on March 31, 2013)	(a) Non Direct: (b) Direct:	AAUM: Rs. 1254.50 crores. AAUM: Rs. 270.99 crores.	Folio: 3,146 Folio: 50	(a) Plan A: (b) Plan A Direct:	AAUM: Rs.5834.23 crores. AAUM: Rs. 105.87 crores.	Folio: 23,981 Folio: 231
Investment Strategy & Risk Measures: Please refer to pages 8 - 10 for details.						

Note - With effect from October 1, 2012 the scheme features of Kotak Bond has been changed. For more details please refer page 11.

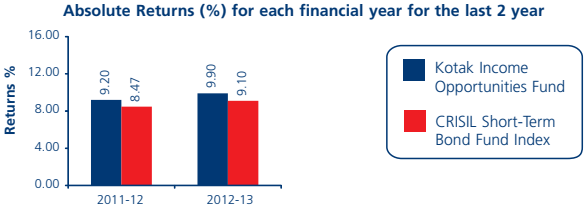
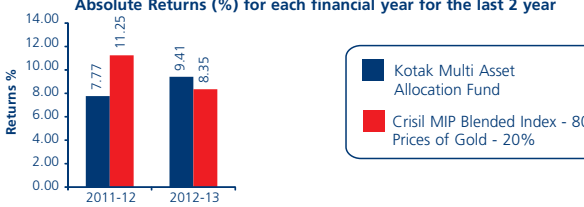
KEY INFORMATION MEMORANDUM

Scheme Name	KOTAK FLOATER LONG TERM <i>An Open - Ended Debt Scheme</i>	KOTAK FLOATER SHORT TERM <i>An Open - Ended Debt Scheme</i>																		
Investment Objective	To reduce the interest rate risk associated with investments in fixed rate instruments by investing predominantly in floating rate securities, money market instruments and using appropriate derivatives.	To reduce the interest rate risk associated with investments in fixed rate instruments by investing predominantly in floating rate securities, money market instruments and using appropriate derivatives.																		
Asset Allocation Pattern of the Scheme	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>Investments</th> <th>Indicative allocation</th> <th>Risk profile</th> </tr> <tr> <td>*Floating rate debt securities &/or money market instruments, other debt securities with outstanding maturity of upto 182 days</td> <td style="text-align: center;">65% to 100%</td> <td style="text-align: center;">Low</td> </tr> <tr> <td>*Fixed rate debt securities</td> <td style="text-align: center;">0% to 35%</td> <td style="text-align: center;">Medium</td> </tr> </table> <p>*Debt securities/instruments are deemed to include securitised debts and investment in securitised debts shall not exceed 50% of the net assets of the Scheme. The floating rate debt securities in the above table include floating rate debt securities and fixed rate debt securities with interest rate swap. Money market instruments will include repos / reverse repos or other instruments permitted by RBI. Some of the investments may be in the call money market or in investments alternative to call money market. (as may evolve or be provided by RBI) Pending deployment in terms of investment objective, the monies under the Scheme may be invested in short-term deposits of Scheduled Commercial Banks in terms of SEBI circular dated April 16, 2007. Note: The asset allocation shown above is indicative and may vary according to circumstances at the discretion of the Fund Manager on defensive consideration. The composition may change due to purchases and redemption of units or during adjustment of the average maturity of investments. When the allocation of floating rate debt securities & money market securities, other debt securities with outstanding maturity of up to 182 days in the portfolio falls below 65% or the allocation of fixed rate debt securities goes above 35% a review and rebalancing will be conducted.</p>	Investments	Indicative allocation	Risk profile	*Floating rate debt securities &/or money market instruments, other debt securities with outstanding maturity of upto 182 days	65% to 100%	Low	*Fixed rate debt securities	0% to 35%	Medium	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>Investments</th> <th>Indicative allocation</th> <th>Risk profile</th> </tr> <tr> <td>*Floating rate debt securities &/or money market instruments, other debt securities with outstanding maturity of upto 91 days</td> <td style="text-align: center;">65% to 100%</td> <td style="text-align: center;">Low</td> </tr> <tr> <td>*Fixed rate debt securities</td> <td style="text-align: center;">0% to 35%</td> <td style="text-align: center;">Medium</td> </tr> </table> <p>*Debt securities/ instruments are deemed to include securitised debts and investment in securitised debts shall not exceed 50% of the net assets of the Scheme. • The floating rate debt securities in the above table include floating rate debt securities and fixed rate debt securities with interest rate swap. • Money market instruments will include repos / reverse repos or other instruments permitted by RBI. • Some of the investments may be in the call money market or in investments alternative to call money market. (As may evolve or be provided by RBI) • The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Manager on defensive consideration. The composition may change due to purchases and redemption of units or during adjustment of the average maturity of investments. • When the allocation of floating rate debt securities &/or money market securities, other debt securities with outstanding maturity of up to 91 days in the portfolio falls below 65% or the allocation of fixed rate debt securities goes above 35% a review and rebalancing will be conducted.</p>	Investments	Indicative allocation	Risk profile	*Floating rate debt securities &/or money market instruments, other debt securities with outstanding maturity of upto 91 days	65% to 100%	Low	*Fixed rate debt securities	0% to 35%	Medium
Investments	Indicative allocation	Risk profile																		
*Floating rate debt securities &/or money market instruments, other debt securities with outstanding maturity of upto 182 days	65% to 100%	Low																		
*Fixed rate debt securities	0% to 35%	Medium																		
Investments	Indicative allocation	Risk profile																		
*Floating rate debt securities &/or money market instruments, other debt securities with outstanding maturity of upto 91 days	65% to 100%	Low																		
*Fixed rate debt securities	0% to 35%	Medium																		
Risk Profile of the Scheme	Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized on page 10 - 11.																			
Plans & Options	Plan: (a) Non Direct (b) Direct (Please refer to page 12 for details) Option: Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)	Plan: (a) Non Direct (b) Direct (Please refer to page 12 for details) Option: Dividend Reinvestment & Growth (applicable for all plans)																		
Applicable NAV (after the scheme opens for repurchase & sale)	Please refer to page 11 for details.																			
Minimum Application Amount/ Number of Units	<p>Initial Investment: i) Daily Dividend Re-investment, Weekly Dividend Re-investment, Monthly Dividend Re-investment & Growth: Rs. 5000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. ii) Dividend Payout (Weekly): Rs. 1,00,00,000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. Additional Investment: Rs. 1000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. SIP Investment: Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each). Redemption: If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme</p>	<p>Initial Investment: i) Daily Dividend Option: Rs. 1,00,000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. ii) Growth, Weekly Dividend and Monthly Dividend Options: Rs. 5000 and in multiples of Rs 1 for purchases and for Re 0.01 for switches Additional Investment: Rs. 1000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. SIP Investment: Not Available Redemption: If the holding is less than Rs. 1000, after processing the redemption request, the entire amount/units will be redeemed from the Scheme.</p>																		
Despatch of Repurchase (Redemption) Request	Within 10 working days of the receipt of the redemption request at the authorised centre of the Kotak Mutual Fund.																			
Benchmark Index	CRISIL Liquid Fund Index	CRISIL Liquid Fund Index																		
Dividend Policy	Daily, Weekly (Every Monday), Monthly (12th of every Month)	Daily, Weekly (Every Monday), Monthly (12th of every Month)																		
Name of the Fund Managers	Mr. Deepak Agrawal & Mr. Abhishek Bisen.	Mr. Deepak Agrawal & Mr. Abhishek Bisen.																		
Name of the Trustee Company	Kotak Mahindra Trustee Company Limited	Kotak Mahindra Trustee Company Limited																		
Compounded Annualised Returns (%)	Performance of the scheme as on March 28, 2013* (* March 29, 2013, March 30, 2013 and March 31, 2013 being no working days)																			
	Kotak Floater Long Term	CRISIL Liquid Fund Index																		
Last 1 year	9.63	8.22																		
Last 3 years	8.52	7.62																		
Last 5 years	7.93	7.06																		
Since Inception	7.50	6.57																		
	Kotak Floater Short Term	CRISIL Liquid Fund Index																		
Last 1 year	9.43	8.22																		
Last 3 years	8.41	7.62																		
Last 5 years	7.57	7.06																		
Since Inception	7.83	6.28																		
Inception Date	August 13, 2004	July 14, 2003																		
	Absolute Returns (%) for each financial year for the last 5 years	Absolute Returns (%) for each financial year for the last 5 years																		
																				
	*All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Past Performance may or may not be sustained in future.																			
Expenses of the Scheme	Continuous Offer																			
(i) Load Structure	<p>Entry Load: Nil Exit Load: Nil Note: Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load.</p>																			
(ii) Recurring expenses (% of weekly average net assets)	<p>Please refer to page 12 for details</p> <p>Actual expenses for the previous Financial Year ended March 31, 2013 (Unaudited): i) Non Direct: 0.50% P. A. ii) Direct: 0.39 P. A.</p>	<p>Please refer to page 12 for details</p> <p>Actual expenses for the previous Financial Year ended March 31, 2013 (Unaudited): i) Non Direct: 0.25% P. A. ii) Direct: 0.13 % P. A.</p>																		
Waiver of Load for Direct Applications:	Not applicable Please refer to page 11 for details.																			
Tax Treatment for the investors:	Investor is advised to refer to the details in the Statement of Additional Information and also independently refer to his tax advisor.																			
Daily Net Asset Value (NAV) Publication:	Please refer to page 11 for details.																			
For Investor Grievances please contact:	Please refer to page 12 for details.																			
Unitholders' Information:	Please refer to page 12 for details.																			
AAUM and Folio (as on March 31, 2013)	(a) Non Direct: AAUM: Rs. 2977.51 crores. Folio: 6,165 (b) Direct: AAUM: Rs. 595.12 crores. Folio: 312	(a) Non Direct: AAUM: Rs. 2762.23 crores. Folio: 1,702 (b) Direct: AAUM: Rs. 2684.92 crores. Folio: 169																		
Investment Strategy & Risk Measures:	Please refer to pages 8 - 10 for details.																			

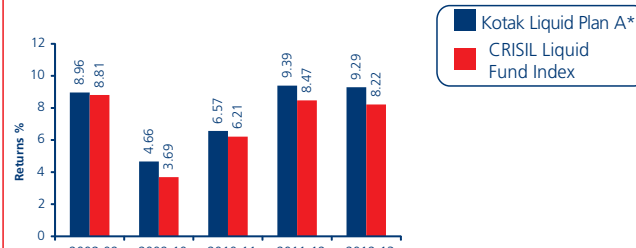
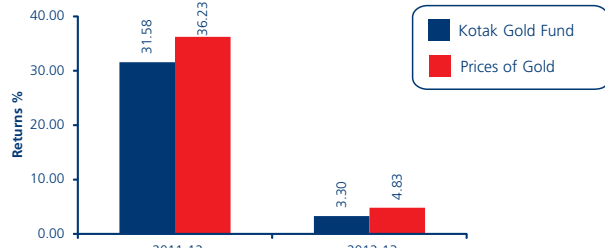
KEY INFORMATION MEMORANDUM

Scheme Name	KOTAK MONTHLY INCOME PLAN <i>An Open-Ended Income fund. Monthly Income is not assured & is subject to availability of distributable surplus</i>	KOTAK FLEXI DEBT <i>An Open - Ended Debt Scheme</i>																		
Investment Objective	To enhance returns over a portfolio of Debt Instruments with a moderate exposure in Equity and Equity related Instruments.	To maximize returns through an active management of a portfolio of debt and money market securities.																		
Asset Allocation Pattern of the Scheme	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>Investments</th> <th>Indicative allocation</th> <th>Risk profile</th> </tr> <tr> <td>*Debt and money market instruments</td> <td>Upto 100%</td> <td>Low to Medium</td> </tr> <tr> <td>Equity and equity related instruments</td> <td>Upto 20%</td> <td>Medium to High</td> </tr> </table> <p>*Debt securities/instruments are deemed to include securitised debts and investment in securitised debts shall not exceed 50% of the net assets of the Scheme. Note: The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Managers, on defensive consideration or according to the interest rate view of the Fund Manager. Also, the composition may change due to purchases and redemption of Units or during adjustment of the average maturity of investments. Should the proportion of investments in equity and equity related instruments exceed 20%, the Portfolio will be reviewed and rebalanced.</p>	Investments	Indicative allocation	Risk profile	*Debt and money market instruments	Upto 100%	Low to Medium	Equity and equity related instruments	Upto 20%	Medium to High	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>Investments</th> <th>Indicative allocation</th> <th>Risk profile</th> </tr> <tr> <td>*Debt Instruments with maturity more than one year</td> <td>0% to 95%</td> <td>Medium</td> </tr> <tr> <td>*Debt and Money Market Instruments with maturity less than one year</td> <td>5% to 100%</td> <td>low to Medium</td> </tr> </table> <p>*Debt securities/instruments are deemed to include securitised debts and investment in securitised debts shall not exceed 50% of the net assets of the Scheme. Note: The asset allocation shown above is indicative and would enable the Fund Manager to take position in the debt market depending upon the market conditions. In a conducive interest rate scenario and/or with a favourable market outlook, the Fund Manager would increase the allocation of debt securities with maturity more than one year; while in adverse interest rate scenario and/or unfavourable market outlook, the Fund Manager would increase the allocation of debt and money market instruments with maturity less than one year. The asset allocation may vary substantially depending upon the Fund Manager's view on the market and/or interest rate. Also, the composition may change due to purchases and redemption of Units or during adjustment of the average maturity of investments. Should the proportion of investments with maturity less than 1 year fall below 2%, the portfolio will be reviewed and rebalanced.</p>	Investments	Indicative allocation	Risk profile	*Debt Instruments with maturity more than one year	0% to 95%	Medium	*Debt and Money Market Instruments with maturity less than one year	5% to 100%	low to Medium
Investments	Indicative allocation	Risk profile																		
*Debt and money market instruments	Upto 100%	Low to Medium																		
Equity and equity related instruments	Upto 20%	Medium to High																		
Investments	Indicative allocation	Risk profile																		
*Debt Instruments with maturity more than one year	0% to 95%	Medium																		
*Debt and Money Market Instruments with maturity less than one year	5% to 100%	low to Medium																		
Risk Profile of the Scheme	Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized on page 10 - 11.																			
Plans & Options	Plan: (a) Non Direct (b) Direct (Please refer to page 12 for details) Option: Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)	Plans - (a) Plan A (Previously known as Institutional Plan) (b) Direct Option: Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)																		
Applicable NAV (after the scheme opens for repurchase & sale)	Please refer to page 11 for details.																			
Minimum Application Amount/ Number of Units	Initial Investment: i) Dividend Re-investment, Dividend Payout (Quarterly) & Growth: Rs. 5000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. ii) Dividend Payout (Monthly): Rs. 50,000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. Additional Investment: Rs. 1000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. SIP Investment: Rs. 1000/- (Subject to a minimum of 6 SIP instalments of Rs. 1000/- each). Redemption: If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme	Initial Investment: Plan A: Rs. 5,000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. Additional Investment: Plan A: Rs. 1000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. SIP Investment: Plan A: Not Available Redemption: Plan A: If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme.																		
Despatch of Repurchase (Redemption) Request	Within 10 working days of the receipt of the redemption request at the authorised centre of the Kotak Mutual Fund.																			
Benchmark Index	CRISIL MIP Blended Index	CRISIL Composite Bond Index																		
Dividend Policy	Monthly (12th of every Month) Quarterly (20th of Mar/Jun/Sep/Dec)	Daily Dividend Reinvestment, Weekly Dividend Reinvestment (Every Monday), Quarterly Dividend Payout & Quarterly Dividend Reinvestment (20th of Mar/Jun/Sep & Dec of every year)																		
Name of the Fund Managers	Mr. Pankaj Tibrewal & Mr. Abhishek Bisen.	Mr. Deepak Agrawal & Mr. Abhishek Bisen																		
Name of the Trustee Company	Kotak Mahindra Trustee Company Limited	Kotak Mahindra Trustee Company Limited																		
Compounded Annualised Returns (%)	Performance of the scheme as on March 28, 2013* (* March 29, 2013, March 30, 2013 and March 31, 2013 being no working days)	Performance of the scheme as on March 28, 2013* (* March 29, 2013, March 30, 2013 and March 31, 2013 being no working days)																		
	Kotak Monthly Income Plan	CRISIL MIP Blended Index																		
	Kotak Flexi Debt - Plan A	CRISIL Composite Bond Fund Index																		
Last 1 year	9.66	9.12																		
Last 3 years	7.12	6.82																		
Last 5 years	5.44	6.96																		
Since Inception	6.63	7.36																		
Inception Date	December 2, 2003	Plan A - May 26, 2008																		
	Absolute Returns (%) for each financial year for the last 5 years 	Absolute Returns (%) for each financial year for the last 4 years <p>The benchmark return corresponds to Kotak Flexi Debt Plan A.</p>																		
	*All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Past Performance may or may not be sustained in future.																			
Expenses of the Scheme	Continuous Offer	Continuous Offer																		
(i) Load Structure	Entry Load: Nil Exit Load: i) For redemptions / switch outs (including SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment: 1% ii) For redemptions/switchouts on or after 1 year: Nil. iii) Any exit load charged (net off Service Tax, if any) shall be credited back to the Scheme. Note: Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load.	Entry Load: Nil Exit Load: Nil Note: Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load.																		
(ii) Recurring expenses (% of weekly average net assets)	Please refer to page 12 for details	Please refer to page 12 for details																		
	Actual expenses for the previous Financial Year ended March 31, 2013 (Unaudited): i) Non Direct: 2.36% P. A. ii) Direct: 1.95% P. A.	Actual expenses for the previous Financial Year ended March 31, 2013 (Unaudited): i) Plan A: 0.62% P. A. ii) Plan A Direct: 0.79% P. A. * Note: *The expense ratio are annualized % age. The Direct Plan was launched w.e.f January 1, 2013.																		
Waiver of Load for Direct Applications:	Not applicable Please refer to page 11 for details.																			
Tax Treatment for the investors:	Investor is advised to refer to the details in the Statement of Additional Information and also independently refer to his tax advisor.																			
Daily Net Asset Value (NAV) Publication:	Please refer to page 11 for details.																			
For Investor Grievances please contact:	Please refer to page 12 for details.																			
Unitholders' Information:	Please refer to page 12 for details.																			
AAUM and Folio (as on March 31, 2013)	(a) Non Direct: AAUM: Rs. 89.56 crores. Folio: 5,088 (b) Direct: AAUM: Rs. 0.04 crores. Folio: 6	(a) Plan A: AAUM: Rs. 1203.12 crores. Folio: 2,082 (b) Plan A Direct: AAUM: Rs. 263.34 crores. Folio: 98																		
Investment Strategy & Risk Measures:	Please refer to pages 8 - 10 for details.																			
	Note - With effect from October 1, 2012 the scheme features of Kotak Flexi Debt has been changed. For more details please refer page 11.																			

KEY INFORMATION MEMORANDUM

Scheme Name	KOTAK INCOME OPPORTUNITIES FUND			KOTAK MULTI ASSET ALLOCATION FUND		
	An Open-Ended Debt Scheme			An Open-Ended Debt Scheme		
Investment Objective	The investment objective of the scheme is to generate income by investing in debt /and money market securities across the yield curve and credit spectrum. The scheme would also seek to maintain reasonable liquidity within the fund. There is no assurance that or guarantee that the investment objective of the scheme will be achieved.			The investment objective of the scheme is to generate income by investing predominantly in debt and money market securities, to generate growth by taking moderate exposure to equity and equity related instruments and provide diversification by investing in Gold ETFs.		
Asset Allocation Pattern of the Scheme	Investments	Indicative allocation	Risk profile	Investments	Indicative allocation	Risk profile
	Debt, money market instruments & government securities with maturity upto 1 year *	35% to 100%	Low	Debt and money market instruments	75% to 90%	Low
	Debt, Money Market Instruments & government securities with maturity greater than 1 year *	0% to 65%	Low – Medium	Equity and equity related instruments	5% to 20%	High
	*Debt instruments shall be deemed to include securitised debts (excluding foreign securitised debt) and investment in securitised debts may be upto 75% of the net assets of the Scheme. The total investment value of debt instruments and Notional value of Investment in derivatives like, Interest Rate Swaps, Interest Rate Forwards, Interest Rate Futures, Forward Rate Agreements, etc, if any, shall not exceed 100% of the net assets of the scheme. Note: The asset allocation if altered for short-term defensive consideration will be rebalanced within 30 days.			* Investments will be made in Gold ETF's based on considerations of price, tracking error, performance, portfolio, expense ratio, materiality of differences etc., based on the judgment of the fund manager. The scheme may also invest in Kotak Gold ETF, subject to investment restrictions. The total gross exposure investment in equity + debt + money market instruments (excluding cash and cash equivalents with residual maturity of less than 91 days) + derivatives positions+ Gold ETF shall not exceed 100% of net assets of scheme. The scheme will not invest in securitised debt. Portfolio Rebalancing The asset allocation shown above is indicative and may change for the short term at the discretion of the fund manager in case of defensive considerations and because of market action. If altered, the allocation would be rebalanced within 15 business days.		
Risk Profile of the Scheme	Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized on page 10 - 11.					
Plans & Options	Plan: (a) Non Direct (b) Direct (Please refer to page 12 for details) Option: Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)			Plan: (a) Non Direct (b) Direct (Please refer to page 12 for details) Option: Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)		
Applicable NAV (after the scheme opens for repurchase & sale)	Please refer to page 11 for details.					
Minimum Application Amount/ Number of Units	Initial Investment: Rs. 5000/- and in multiples of Rs 1 for purchases and for Re 0.01 for switches. Additional Investment: Rs.1000/- and in multiples of Rs 1 for purchases and for Re 0.01 for switches. SIP Investment: Rs.1000/- Subject to a minimum of 6 SIP installments of Rs. 1000/- each) Redemption: Rs. 1000 or 100 units, If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme.			Initial Investment: Rs. 10000/- and in multiples of Rs 1 for purchases and for Re 0.01 for switches. Additional Investment: Rs.1000/- and in multiples of Rs 1 for purchases and for Re 0.01 for switches. SIP Investment: Rs.1000/- (Subject to a minimum of 10 SIP installments of Rs. 1000/- each) Redemption: Rs. 1000 or 100 units, If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme.		
Despatch of Repurchase (Redemption) Request	Within 10 working days of the receipt of the redemption request at the authorised centre of the Kotak Mutual Fund.					
Benchmark Index	CRISIL Short Term Bond Fund Index			80% - CRISIL MIP Blended Fund Index and 20% - price of gold.		
Dividend Policy	Weekly (Every Monday), Monthly (12th of Every Month), Quarterly (20th of Mar/Jun/Sep/Dec), Annual (12th of March)			Monthly (12th of Every Month), Quarterly (20th of Mar/Jun/Sep/Dec), Annual (12th of March)		
Name of the Fund Managers	Mr. Deepak Agrawal and Mr. Abhishek Bisen.			Mr. Pankaj Tibrewal and Mr. Abhishek Bisen		
Name of the Trustee Company	Kotak Mahindra Trustee Company Limited			Kotak Mahindra Trustee Company Limited		
Compounded Annualised Returns (%)	Performance of the scheme as on March 28, 2013* (* March 29, 2013, March 30, 2013 and March 31, 2013 being no working days)			Performance of the scheme as on March 28, 2013* (* March 29, 2013, March 30, 2013 and March 31, 2013 being no working days)		
	Kotak Income Opportunities Fund		CRISIL Short-Term Bond Fund Index	Kotak Multi Asset Allocation Fund		Crisil MIP Blended Index - 80%, Prices of Gold - 20%
	Last 1 year	9.96	9.10	9.47	8.35	
	Last 3 years	-	--	--	-	
	Last 5 years	-	--	--	-	
Since Inception	8.12	7.50	9.04	10.05		
Inception Date	May 12, 2010			January 21, 2011		
	Absolute Returns (%) for each financial year for the last 2 year 			Absolute Returns (%) for each financial year for the last 2 year 		
	*All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Past Performance may or may not be sustained in future.					
Expenses of the Scheme	Continuous Offer			Continuous Offer		
	(i) Load Structure Entry Load: Nil Exit Load: (1) For redemptions / switch outs (including SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment : 2%. (2) For redemptions / switch outs (including SIP/STP) after 1 year from the date of allotment of units, irrespective of the amount of investment: Nil. (3) Exit load charged (net off Service Tax, if any) shall be credited back to the Scheme. Note: Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load.			(i) Load Structure Entry Load: Nil Exit Load: (1) For exit within 1 year from the date of allotment of units: 1%. (2) For exit after 1 year from the date of allotment of units: Nil. (3) Any exit load charged (net off Service Tax, if any) shall be credited back to the Scheme. Note: Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load.		
(ii) Recurring expenses (% of weekly average net assets)	Please refer to page 12 for details		Actual expenses for the previous Financial Year ended March 31, 2013 (Unaudited): i) Non Direct: 2.19% P. A. ii) Direct: 1.89% P. A.	Please refer to page 12 for details		Actual expenses for the previous Financial Year ended March 31, 2013 (Unaudited): i) Non Direct: 2.21% P. A. ii) Direct: 2.03% P. A.
Waiver of Load for Direct Applications: Not applicable Please refer to page 11 for details.						
Tax Treatment for the investors: Investor is advised to refer to the details in the Statement of Additional Information and also independently refer to his tax advisor.						
Daily Net Asset Value (NAV) Publication: Please refer to page 11 for details.						
For Investor Grievances please contact: Please refer to page 12 for details.						
Unitholders' Information: Please refer to page 12 for details.						
AAUM and Folio (as on March 31, 2013)	(a) Non Direct: (b) Direct:	AAUM: Rs. 337.47 crores. AAUM: Rs. 0.18 crores.	Folio: 2,301 Folio: 4	(a) Non Direct: (b) Direct:	AAUM: Rs. 141.64 crores. AAUM: Rs. 0.07 crores.	Folio: 3,988 Folio: 18
Investment Strategy & Risk Measures: Please refer to pages 8 - 10 for details.						

KEY INFORMATION MEMORANDUM

Scheme Name	KOTAK LIQUID			KOTAK GOLD FUND		
	An Open - Ended Debt Scheme			An open ended Fund of Funds Scheme		
Investment Objective	To provide reasonable returns and high level of liquidity by investing in debt and money market instruments of different maturities so as to spread risk across different kinds of issuers in the debt markets			The investment objective of the scheme is to generate returns by investing in units of Kotak Gold Exchange Traded Funds (ETFs).		
Asset Allocation Pattern of the Scheme	Investments	Indicative allocation	Risk profile	Investments	Indicative Allocation (% to net assets)	Risk profile
	*Debt and money market instruments (including inter bank call and repo)	100%	Low to Medium	Units of Kotak Gold ETF	95% to 100%	Low
	Debt securities / instruments are deemed to include securitised debt and investment in securitised debt will not exceed 50% of the net assets of the Scheme. • Investments will be made in debt and money market securities with maturity of upto 91 days only.			Reverse repo and /or CBLO and/or short-term fixed deposits and/or money market instruments and/or Schemes which invest predominantly in the money market securities or Liquid Schemes	0%- 5%	Low
				*The Fund Manager may invest in Liquid Schemes of Kotak Mahindra Mutual Fund. However, the Fund Manager may invest in any other scheme of a mutual fund registered with SEBI, which invest predominantly in the money market securities. When the asset allocation falls outside the range, review and rebalancing will be conducted in 5 working days. The scheme may either invest directly with the underlying fund i.e. Kotak Gold ETF in creation unit size or through the secondary market or a combination of both depending on the market dynamics keeping investors interest in mind. The scheme will not invest in securitized debt.		
Risk Profile of the Scheme	Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized on page 10 - 11.					
Plans & Options	Plans- (a) Plan A (Previously known as Institutional Premium Plan), (b) Direct Option: Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)			Plan: (a) Non Direct (b) Direct (Please refer to page 12 for details) Option: Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)		
Applicable NAV (after the scheme opens for repurchase & sale)	Please refer to page 11 for details.					
Minimum Application Amount/ Number of Units	Initial Investment: Plan A: Rs. 5,000/- and in multiples of Re 1 for purchases and for Re 0.01 for switches Additional Investment: Plan A: Rs. 1000/- and in multiples of Re. 1 for purchases and for Re 0.01 for switches. SIP Investment: Plan A: Not Available Redemption: If the holding is less than Rs. 1000, after processing the redemption request, the entire amount/units will be redeemed from the Scheme.			Initial Investment: Rs. 5000/- and in multiples of Rs 1 for purchases and for Re 0.01 for switches. Additional Investment: Rs. 1000/- and in multiples of Rs 1 for purchases and for Re 0.01 for switches. SIP Investment: Rs. 1000/- (Subject to a minimum of 6 SIP installments of Rs. 1000/- each) Redemption: Rs. 1000 or 100 units, if the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme.		
Despatch of Repurchase (Redemption) Request	Within 10 working days of the receipt of the redemption request at the authorised centre of the Kotak Mutual Fund.					
Benchmark Index	CRISIL Liquid Fund Index			Price of physical gold		
Dividend Policy	Daily, Weekly (Every Monday)			Trustee's Discretion. Please refer to page 11 for details.		
Name of the Fund Managers	Mr. Deepak Agrawal & Mr. Abhishek Bisen			Mr. Abhishek Bisen		
Name of the Trustee Company	Kotak Mahindra Trustee Company Limited			Kotak Mahindra Trustee Company Limited		
Compounded Annualised Returns (%)	Performance of the scheme as on March 28, 2013* (* March 29, 2013, March 30, 2013 and March 31, 2013 being no working days)			Performance of the scheme as on March 28, 2013* (* March 29, 2013, March 30, 2013 and March 31, 2013 being no working days)		
		Kotak Liquid Plan A	CRISIL Liquid Fund Index	Kotak Gold Fund	Prices of Gold	
	Last 1 year	9.35	8.22	3.32	4.83	
	Last 3 years	8.43	7.62	-	-	
	Last 5 years	7.77	7.06	-	-	
Since Inception	7.10	6.35	16.40	19.26		
Inception Date	Plan A - November 4, 2003			March 25, 2011		
	Absolute Returns (%) for each financial year for the last 5 years			Absolute Returns (%) for each financial year for the last 2 year		
						
	*All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Past Performance may or may not be sustained in future.					
Expenses of the Scheme (i) Load Structure	Continuous Offer			Continuous Offer		
	Entry Load: Nil Exit Load: Nil Note: Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load.			Entry Load: Nil • Exit Load: (1) For exit within 6 months from the date of allotment of units: 2%. (2) For exit after 6 months and before 1 year from the date of allotment of units: 1%. (3) For exit after 1 year from the date of allotment of units: Nil (4) Any exit load charged (net of service tax, if any) shall be credited back to the Scheme. Note: Of the exit load or CDSC, a maximum of 1% of the redemption proceeds shall be maintained in a separate account which can be utilized towards payment of commissions to the distributors and towards meeting the sales and marketing expenses. Any balance in excess shall be credited to the scheme immediately. Note: Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load.		
(ii) Recurring expenses (% of weekly average net assets)	Please refer to page 12 for details		Actual expenses for the previous Financial Year ended March 31, 2013 (Unaudited): i) Plan A: 0.17% P. A. ii) Plan A Direct: 0.11% P. A.	Please refer to page 12 for details		Actual expenses for the previous Financial Year ended March 31, 2013 (Unaudited): i) Non Direct: 0.60% P. A. ii) Direct: 0.50% P. A.
Waiver of Load for Direct Applications:	Not applicable Please refer to page 11 for details.					
Tax Treatment for the investors:	Investor is advised to refer to the details in the Statement of Additional Information and also independently refer to his tax advisor.					
Daily Net Asset Value (NAV) Publication:	Please refer to page 11 for details.					
For Investor Grievances please contact:	Please refer to page 12 for details.					
Unitholders' Information:	Please refer to page 12 for details.					
AAUM and Folio (as on March 31, 2013)	(a) Plan A: (b) Plan A Direct:	AAUM: Rs. 3623.98 crores AAUM: Rs. 2751.97 crores	Folio: 574 Folio: 96	(a) Non Direct: (b) Direct:	AAUM: Rs. 534.92 crores AAUM: Rs. 0.70 crores.	Folio: 87,138 Folio: 1,445
Investment Strategy & Risk Measures:	Please refer to pages 8 - 10 for details.					

Note - With effect from October 1, 2012 the scheme features of Kotak Liquid has been changed. For more details please refer page 11.

INVESTMENT STRATEGIES & RISK MEASURES

Kotak Gilt Investment: Investment Strategy

The Scheme predominantly invests in government securities, without any restriction on the maturity of the portfolio.

Risk control measures for investment strategy

The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored at periodic intervals and the portfolio is rebalanced within the specified time period in case of any deviations.

Risk mitigation measures for portfolio volatility

The portfolio volatility is managed in line with the objective of scheme. Internal caps on average maturity are defined to keep volatility on account of interest rate risk minimal. The scheme also invests predominantly in government securities which don't carry credit risk thereby eliminating the resultant volatility. Portfolio volatility is monitored on a periodic basis relative to the benchmark and the peer set. Cap on average maturity also helps reduce volatility.

Risk mitigation measures for managing liquidity

The scheme invests predominantly in government securities which are actively traded and thereby liquid. Reasonable investments are made at the shorter end of the yield curve which is the most actively traded segment in the secondary market. This would help to manage daily liquidity.

Kotak Bond Short Term Plan: Investment Strategy

The Plan may invest in listed/unlisted and/or rated/unrated debt or money market instruments such as commercial paper, certificates of deposit, permitted securities under a repo agreement etc., Gilts/Government securities, securities issued/guaranteed by the Central/State Governments, securities issued by public/private sector companies/corporations, financial institutions, securitised debts including mortgage backed securities when permitted. The instruments may carry fixed rate of return or floating rate of return or may be issued on discount basis. Investments will be made in instruments, which, in the opinion of the Fund Manager, are an acceptable credit risk and where chances of default are at a minimum. The Fund Manager is generally guided, but not restrained, by the ratings announced by various rating agencies on the assets in the portfolio. Investment in unrated debt securities will be made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee will be taken before making the investment. The maturity profile of debt instruments will be selected in accordance with the Fund Manager's view regarding market conditions, interest rate outlook, stability of rating and the liquidity requirement of the Plan.

The Plan may invest in call money/term money market in terms of RBI guidelines in this respect.

To avoid duplication of portfolios and to reduce expenses, the Plan may invest in any other Plan of the Fund to the extent permitted by the Regulations. In such an event, the AMC cannot charge management fees on the amounts of the Plan so invested as required by the Regulations.

The Fund may underwrite primary issuances of securities as permitted under the Regulations.

Risk control measures for investment strategy

The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored at periodic intervals and the portfolio is rebalanced within the specified time period in case of any deviations.

Risk mitigation measures for portfolio volatility

The portfolio volatility is managed in line with the objective of scheme. Internal caps on average maturity are defined to keep volatility on account of interest rate risk minimal. The scheme also invests a significant portion in high credit quality papers to mitigate credit risk and the resultant volatility. Portfolio volatility is monitored on a periodic basis relative to the benchmark and the peer set.

Risk mitigation measures for managing liquidity

Reasonable investments are made at the shorter end of the yield curve which is the most actively traded segment in the secondary market. This would help to manage daily liquidity. The internal investment parameters also take into cognizance liquidity of the portfolio.

Kotak Mahindra Bond Unit Scheme 99: Investment Strategy

The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market instruments/securities, Gilts/Government Securities, securities issued/guaranteed by the Central/State Governments, securities issued by public/private sector companies/corporations, financial institutions and/or money market instruments such as commercial paper, certificates of deposit, permitted securities under a repo agreement etc., provided the investments are within the limits indicated in the Asset Allocation Pattern Table. The instruments may carry fixed rate of return or floating rate of return or may be issued on discount basis. Investments are made in such instruments, which, in the opinion of the Fund Manager, are an acceptable credit risk where chances of default are at a minimum. The Fund Manager is generally guided by, but not restrained by, the ratings announced by various rating agencies on the assets in the portfolio. The maturity profile of debt instruments is selected in accordance with the Fund Manager's view regarding market conditions, interest rate outlook and stability of rating. The Scheme may invest in call money/term money market in terms of RBI guidelines in this respect. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee is taken before making the investment.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, as per the Regulations, the AMC cannot charge management fees on the amounts of the Schemes so invested.

The Fund may underwrite primary issuances of securities subject to the Regulations.

To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore debt securities, in the manner allowed by SEBI/RBI, provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations.

Risk control measures for investment strategy

The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored at periodic intervals and the portfolio is rebalanced within the specified time period in case of any deviations.

Risk mitigation measures for portfolio volatility

The portfolio volatility is managed in line with the objective of scheme. Duration is managed actively after considering various factors affecting interest rates. The scheme also invests a significant portion in high credit quality papers to mitigate credit risk and the resultant volatility. Portfolio volatility is monitored on a periodic basis relative to the benchmark and the peer set.

Risk mitigation measures for managing liquidity

Reasonable investments are made at the shorter end of the yield curve which is the most actively traded segment in the secondary market. This would help to manage daily liquidity. The internal investment parameters also take into cognizance liquidity of the portfolio.

Kotak Floater Long Term Scheme: Investment Strategy

The Scheme will predominantly invest in floating rate debt securities and money market instruments. It may also invest in debt securities with an outstanding maturity of 1 year or more in accordance with the Asset Allocation Pattern table. It will also use appropriate derivatives. The strategy is aimed at reducing interest rate risk.

The debt securities, both floating and fixed rate, will mainly comprise listed/unlisted and/or rated/non-rated debt, Gilts/Government securities, securities issued/guaranteed by the Central/State Governments, securities issued by public/private sector companies/corporations, financial institutions and/or money market instruments such as commercial paper, certificates of deposit, permitted securities under a repo agreement etc. and the investments will be within the limits indicated in the Asset Allocation Pattern Table. The Fund Manager may be guided by, but not restrained by, the ratings announced by various rating agencies on the assets in the portfolio. The maturity profile of debt instruments will be selected in accordance with the Fund Manager's view regarding market conditions, stability of rating and to a limited extent, interest rate outlook. The Scheme may invest in call money/term money market in terms of RBI guidelines in this respect. Investment in unrated debt securities will be made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of

both the AMC and the Trustee will be taken before making the investment.

The Scheme may invest in call money/term money market subject to RBI guidelines in this respect. The Scheme may invest in offshore securities in the manner permitted by SEBI/RBI provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations.

The Scheme may invest in any other schemes of the Fund to the extent permitted by the Regulations. In such an event, the AMC may not charge management fees on the amounts of the Schemes so invested as required by the Regulations.

The Fund may underwrite primary issuances of securities subject to the Regulations.

To avoid duplication of portfolios and to reduce expenses the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, as per the Regulations, the AMC cannot charge management fees on the amounts of the Schemes so invested.

The AMC will have an internal policy for selection of assets of the portfolio from time to time taking into account multiple ratings, rating migration, credit premium over sovereign risk, general economic conditions and such other criteria. Such an internal policy from time to time will lay down maximum/minimum exposure for different ratings, norms for investing in unrated paper, liquidity norms, and so on. Through such norms, the Scheme is expected to maintain a high quality portfolio and manage credit risk well.

Risk control measures for investment strategy

The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored at periodic intervals and the portfolio is rebalanced within the specified time period in case of any deviations.

Risk mitigation measures for portfolio volatility

The portfolio volatility is managed in line with the objective of scheme. Internal caps on average maturity are defined to keep volatility on account of interest rate risk minimal. The scheme also invests a significant portion in high credit quality papers to mitigate credit risk and the resultant volatility. Portfolio volatility is monitored on a periodic basis relative to the benchmark and the peer set.

Risk mitigation measures for managing liquidity

The very nature of the scheme is such that it is subject to liquidity risk. To manage liquidity, sufficient investments are made in overnight assets to ensure daily liquidity. Investments are also made in maturity buckets to provision for unforeseen outflows.

Kotak Floater Short Term Scheme: Investment Strategy

As per SEBI circular dated January 19, 2009, 'liquid fund schemes and plans' shall mean the schemes and plans of a mutual fund as specified in the guidelines issued by SEBI in this regard. Effective May 1, 2009 schemes which make investments in debt and money market securities with maturity of upto 91 days only shall be known as liquid schemes. Accordingly, keeping in view the definition of liquid schemes, Kotak Floater Short Term Scheme is classified as a Liquid Scheme since it is currently investing in debt and money market securities with maturity less than 91 days.

The Scheme will predominantly invest in floating rate debt securities and money market instruments. It will also use appropriate derivatives. The strategy is aimed at reducing interest rate risk.

The debt securities, both floating and fixed rate, will mainly comprise listed / unlisted and/or rated/non-rated debt, Gilts/Government securities, securities issued/guaranteed by the Central / State Governments, securities issued by public/private sector companies / corporations, financial institutions and/or money market instruments such as commercial paper, certificates of deposit, permitted securities under a repo agreement etc. and the investments will be within the limits indicated in the Asset Allocation Pattern Table. The Fund Manager may be guided by, but not restrained by, the ratings announced by various rating agencies on the assets in the portfolio. The maturity profile of debt instruments will be selected in accordance with the Fund Manager's view regarding market conditions, stability of rating and to a limited extent, interest outlook.

The Scheme may invest in call money/term money market subject to RBI guidelines in this respect.

Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore securities in the manner allowed by SEBI/RBI provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, the AMC may not charge management fees on the amounts of the Schemes so invested as required by the Regulations.

The Fund may underwrite primary issuances of securities subject to the Regulations.

Risk control measures for investment strategy

The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored at periodic intervals and the portfolio is rebalanced within the specified time period in case of any deviations.

Risk mitigation measures for portfolio volatility

The portfolio volatility is managed in line with the objective of scheme. Internal caps on average maturity are defined to keep volatility on account of interest rate risk minimal. The scheme also invests a significant portion in high credit quality papers to mitigate credit risk and the resultant volatility. Portfolio volatility is monitored on a periodic basis relative to the benchmark and the peer set.

Risk mitigation measures for managing liquidity

The very nature of the scheme is such that it is subject to liquidity risk. To manage liquidity, sufficient investments are made in overnight assets to ensure daily liquidity. Investments are also made in maturity buckets to provision for unforeseen outflows.

Kotak Monthly Income Plan: Investment Strategy

The investment strategy is aimed at generating regular returns by investing in debt securities and at the same time attempting to enhance returns through investments in equity and equity related instruments.

a. Debt Portion

Investments may be made in such instruments, which, in the opinion of the Fund Manager, are of acceptable credit risk where chances of default are at a minimum. The Fund Manager may generally be guided by, but not restrained by, the ratings announced by various rating agencies on the assets in the portfolio. The maturity profile of debt instruments may be selected in accordance with the Fund Manager's view regarding market conditions, interest rate outlook and stability of rating.

Emphasis may be given to choosing securities, which, in the opinion of the Fund Manager, are less prone to default risk, while bearing in mind the liquidity needs arising out of the open-ended nature of the Scheme.

The Scheme is not restrained from investing in listed/unlisted and / or rated / unrated debt securities, Gilts / Government Securities, securities issued/guaranteed by the Central / State Governments, securities issued by public / private sector companies / corporations, financial institutions and / or money market instruments such as commercial paper, certificates of deposit, permitted securities under a repo agreement etc., provided the investments are within the limits indicated in the Asset Allocation Pattern Table. The instruments may carry fixed rate of return or floating rate of return or may be issued on discount basis. The Scheme may invest in call money / term money market in terms of RBI guidelines in this respect. Investment in unrated debt securities will be made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee will be taken before making the investment.

The AMC will have an internal policy for selection of assets of the portfolio from time to time, taking into account multiple ratings, rating migration, credit premium over sovereign risk, general economic conditions and such other criteria. Such an internal policy from time to time will lay down maximum/minimum exposure for different ratings, norms for investing in unrated paper, liquidity norms and so on. Through such norms, the Scheme is expected to maintain a high quality portfolio and manage credit risk well.

b. Equity Portion

The investment strategy of the AMC will be directed to investing in stocks as indicated in the Asset

INVESTMENT STRATEGIES & RISK MEASURES (Cont.)

Allocation Pattern Table, which, in the opinion of the Fund Manager, are priced at a material discount to their intrinsic value. Such intrinsic value will be a function of both past performance and future growth prospects. The process of discovering the intrinsic value will be through in-house research, supplemented by research available from other sources.

The equity portfolio may not be fully diversified at all points of time as the Fund Manager may restrict investments in a few select companies.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, as per the Regulations, the AMC cannot charge management fees on the amounts of the Schemes so invested.

The Fund may underwrite primary issuances of securities subject to the Regulations.

The Scheme may invest in ADRs/GDRs or other offshore securities. The Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

Risk control measures for investment strategy

The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored at periodic intervals and the portfolio is rebalanced within the specified time period in case of any deviations.

Risk mitigation measures for portfolio volatility

The portfolio volatility is managed in line with the objective of scheme. The scheme predominantly invests in debt and money market instruments with a marginal exposure to equities thus reducing the overall volatility. Internal caps on average maturity are defined to keep volatility on account of interest rate risk minimal. The scheme also invests a significant portion in high credit quality papers to mitigate credit risk and the resultant volatility. The equity component of the portfolio is adequately diversified to mitigate volatility caused on account of concentration. Portfolio volatility is monitored on a periodic basis relative to the benchmark and the peer set.

Risk mitigation measures for managing liquidity

Reasonable investments are made at the shorter end of the yield curve which is the most actively traded segment in the secondary market. This would help to manage daily liquidity. The internal investment parameters also take into cognizance liquidity of the portfolio. On the equity side, all guidelines specified by internal risk management with respect to historical liquidity would be followed. The liquidity would be monitored on a periodic basis and corrective action taken if necessary.

Kotak Flexi Debt Scheme:

Investment Strategy

The investment strategy is aimed at maximising returns through an active management of a portfolio of debt and money market securities.

The Fund Manager would endeavour to manage the portfolio actively among debt securities such as Government Securities, Corporate Bonds and Money Market instruments depending on the view on the interest rates and corporate spreads. In order to be able to churn the portfolio actively, focus would be on investing in securities having high liquidity.

The Scheme returns consist of the returns on account of coupon accrual and capital gains. The value of debt securities is inversely related to the interest rate movements. When interest rates rise the value of the debt security falls and when interest rates fall the value of debt security rise. The degree of rise or fall in the value of such security is generally related directly to the maturity of the security.

The Government securities dominate the fixed income market in the country. This provides significant trading opportunities in the government securities across the yield curve. The corporate bond market volumes too have picked up after the dematerialisation of corporate debt. Normally the corporate bonds trade at a yield spread to the government security. This spread is the risk premium that the corporates have to pay over the zero sovereign risk. These spreads vary according to the credit rating and offer trading opportunities. The compression of these spreads over the underlying government security lead to a higher return in the corporate bonds than the return available in the Government security.

The Scheme will invest in debt securities comprising listed/unlisted and/or rated/non-rated debt, Gilts/Government securities, securities issued/guaranteed by the Central/State Governments, securities issued by public/private sector companies/corporations, financial institutions and/or money market instruments such as commercial paper, certificates of deposit, permitted securities under a repo agreement etc. and the investments will be within the limits indicated in the Asset Allocation Pattern Table. The Fund Manager may be guided by, but not restrained by, the ratings announced by various rating agencies on the assets in the portfolio. The maturity profile of debt instruments will be selected in accordance with the Fund Manager's view regarding market conditions, stability of rating and interest rate outlook.

Investments in unrated debt securities will be made with prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of Trustees. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee will be taken before investing.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, as per the Regulations, the AMC cannot charge management fees on the amounts of the Schemes so invested, unless permitted by the Regulations.

The Fund may underwrite primary issuances of securities subject to the Regulations.

Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore debt securities, in the manner allowed by SEBI/RBI, provided such investments are in conformity with the investment objectives of the Scheme and the prevailing guidelines and Regulations. To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI.

The AMC will have an internal policy for selection of assets of the portfolio from time to time, taking into account multiple ratings, rating migration, credit premium over sovereign risk, general economic conditions and such other criteria. Such an internal policy from time to time will lay down maximum/minimum exposure for different ratings, norms for investing in unrated paper, liquidity norms and so on. Through such norms, the Scheme is expected to maintain a high quality portfolio and manage credit risk well.

Risk control measures for investment strategy

The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored at periodic intervals and the portfolio is rebalanced within the specified time period in case of any deviations.

Risk mitigation measures for portfolio volatility

The portfolio volatility is managed in line with the objective of scheme. Internal caps on average maturity are defined to keep volatility on account of interest rate risk minimal. The scheme also invests a significant portion in high credit quality papers to mitigate credit risk and the resultant volatility. Portfolio volatility is monitored on a periodic basis relative to the benchmark and the peer set.

Risk mitigation measures for managing liquidity

The very nature of the scheme is such that it is subject to liquidity risk. To manage liquidity, sufficient investments are made in overnight assets to ensure daily liquidity. Investments are also made in maturity buckets to provision for unforeseen outflows.

Kotak Income Opportunities Fund:

Investment Strategy

To achieve the investment objective, the scheme would seek to invest in debt instruments of varying credit – investment grade and above with the intent of maximizing yields and at the same time ensuring reasonable liquidity.

The objective of the scheme is to try and create a reasonably diversified portfolio comprising debt instruments like debentures, securitized debt in the form of well seasoned pools / single loan PTCs etc. The scheme would also try to capitalize on investment opportunities in debt segment which are currently mispriced, and which in the view of the fund manager has a potential for some rectification. For instance if the current spread between 3 month and 6 month assets say a CD is at 1%. This in the opinion of the fund manager may be too steep which could see some contraction going forward. The scheme would therefore seek to take position in the 6 month asset. Likewise a rating migration view may be taken by the fund manager which could warrant him to take position in the respective credit.

Similarly food bonds which are backed by Government of India guarantee, tend to trade at spreads higher than Convertible Debentures (CDs) of similar maturities state development loans also are

currently trading at a higher spread (currently 75-100 bps over central government debt) and with state finances improving a case for compression may not be ruled out.

Securitized debt comprising of single loan PTCs tend to offer a premium over debentures.

For evaluating debt investments, the overall macro economic environment, the business the company belongs to and the overall growth prospects for the company will be evaluated. Statistical ratios like debt equity, Return on net worth, debt servicing ability etc will also be monitored to aid the investment decision.

The credit committee has laid down internal norms which need to be adhered to by the fund manager before investing in any debt instrument. The overall view on interest rate going forward would determine the duration of the portfolio.

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

Risk Control Measures for investment strategy

The investment committee would endeavor to review the portfolio composition and its strategy on a periodic basis and suggest corrective measures, if any.

Risk Mitigation measures for portfolio volatility

The fund is not likely to be a very high churn portfolio as the fund manager would seek to identify relatively high on accrual assets. Hence the volatility element in the portfolio is not expected to be very significant. This does not obviously include the portfolio churn on account of underlying investor transactions of purchase / redemptions etc.

Risk mitigation measures for managing liquidity

The scheme proposes to invest at least 35% of its corpus in upto 1 year assets. This segment is the most liquid segment the debt secondary market and can be liquidated in case of unusual redemptions from the fund.

Kotak Multi Asset Allocation Fund:

Investment Strategy

To achieve the investment objective, the investment strategy would be directed to investing in debt and money market instruments, equity and equity related instruments, and units of Gold ETFs as indicated in the Asset Allocation Pattern.

Investments in debt instruments would be in securities, which, in the opinion of the Fund Manager, are of acceptable credit risk where chances of default are at a minimum. The Fund Manager may generally be guided by, but not restrained by, the ratings announced by various rating agencies on the assets in the portfolio. The maturity profile of debt instruments may be selected in accordance with the Fund Manager's view regarding market conditions, interest rate outlook and stability of rating.

The scheme may invest in equity & equity related instruments, which in the opinion of the Fund Manager, are priced at a material discount to their intrinsic value. Such intrinsic value will be a function of both past performance and future growth prospects. The process of discovering the intrinsic value will be through in-house research, supplemented by research available from other sources.

Investment in gold would be in units of Gold ETFs, which follows a passive investment strategy either directly or through the secondary market. Investments will be made in Gold ETFs based on considerations of price, tracking error, performance, portfolio, expense ratio, materiality of differences etc., based on the judgment of the fund manager. The scheme may also invest in Kotak Gold ETF, subject to investment restrictions.

Allocation to various asset classes reduces the overall risks of the portfolio. Historically it is observed that gold has a negative or very low co-relation with asset classes like equity and debt. Asset allocation thus diversifies the underlying portfolio risk.

The Scheme may use derivative instruments such as index futures, stock futures, index options, stock options, warrants, convertible securities, swap agreements 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.

Risk Control Measures for investment strategy

As per the investment strategy, predominant allocation is to debt and money market instruments, which as an asset class as such has a low risk profile. Also maximum allocation to riskier assets like equity is capped at 20%. The internal investment committee would endeavor to review the portfolio composition and its strategy on a periodic basis and suggest corrective measures, if any.

Risk Mitigation measures for portfolio volatility

For the debt part of portfolio, the fund manager would seek to identify assets those are relatively high on accrual and those of high credit quality. Hence the volatility element in the portfolio is not expected to be very significant. The scheme also has allocation to gold. Gold has very low or negative co-relation to other asset classes hence the overall risk gets diversified.

Risk mitigation measures for managing liquidity

Money market instruments are fairly liquid. The scheme would endeavor to invest in high quality debt instruments which can be easily traded. On the equity side, liquidity of stocks in the portfolio would be monitored on a periodic basis based on last three months average turnover in the stocks. Corrective action if necessary would be taken based on such monitoring. Liquidity in Gold ETFs can be managed by engaging authorised participants appointed by the asset management company managing such schemes.

Kotak Mahindra Liquid Scheme:

Investment Strategy

As per SEBI circular dated January 19, 2009, 'liquid fund schemes and plans' shall mean the schemes and plans of a mutual fund as specified in the guidelines issued by SEBI in this regard. Effective May 1, 2009 schemes which make investments in debt and money market securities with maturity of upto 91 days only shall be known as liquid schemes. Accordingly, keeping in view the definition of liquid schemes, Kotak Liquid Scheme is classified as a Liquid Scheme since it is currently investing in debt and money market securities with maturity less than 91 days.

The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market instruments such as commercial paper, certificates of deposit, permitted securities under a repo agreement etc., Gilts/Government securities, securities issued/guaranteed by the Central/State Governments, securities issued by public/private sector companies/corporations, financial institutions, securitised debts including mortgage backed securities when permitted. The instruments may carry fixed rate of return or floating rate of return or may be issued on discount basis. Investments are made in instruments, which, in the opinion of the Fund Manager, are an acceptable credit risk and where chances of default are at a minimum. The Fund Manager may be guided by, but not restrained by, the ratings announced by various rating agencies on the assets in the portfolio. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is in terms of the parameters approved by the Board of the Trustee. Where the proposed investment is not within the parameters as mentioned above, approval of the Boards of both the AMC and the Trustee is taken before making the investment. The maturity profile of debt instruments is selected in accordance with the Fund Manager's view regarding market conditions, interest rate outlook, stability of rating and the liquidity requirement of the Scheme.

The Scheme may invest in call money/term money market in terms of RBI guidelines in this respect.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other scheme of the Fund to the extent permitted by the Regulations. In such an event, the AMC may not charge management fees on the amounts of the Scheme so invested as required by the Regulations.

The Fund may underwrite primary issuances of securities as permitted under the Regulations.

Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore debt securities, in the manner allowed by SEBI/RBI provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations. To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products such as interest rate swaps, futures, options etc., in accordance with the Regulations.

Risk control measures for investment strategy

The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored at periodic intervals and the portfolio is rebalanced within the specified time period in case of any deviations.

INVESTMENT STRATEGIES & RISK MEASURES (Cont.)

Risk mitigation measures for portfolio volatility

The scheme invests in money market instruments and securities with a maturity of less than 90 days which are not marked to market hence portfolio volatility on account of interest rate risk is minimal. The scheme also invests a significant portion in high credit quality papers to mitigate credit risk and the resultant volatility. Portfolio volatility is monitored on a periodic basis relative to the benchmark and the peer set.

Risk mitigation measures for managing liquidity

The very nature of the scheme is such that it is subject to liquidity risk. To manage liquidity, sufficient investments are made in overnight assets to ensure daily liquidity. Investments are also made in maturity buckets to provision for unforeseen outflows.

Kotak Gold Fund:

Investment Strategy

To achieve the investment objective, the scheme will predominantly invest in units of Kotak Gold ETF. The scheme would also invest in debt and money market instruments as stated in the asset allocation table. The investment strategy would largely be passive in nature.

The AMC shall endeavor that the returns of Kotak Gold Fund will replicate the returns generated by the underlying ETF and is not expected to deviate more than 2%, on an annualized basis net of recurring expenses in the Scheme. This deviation would mostly be on account of receipt of cashflows which currently takes 5 days as per current operational procedures.

The table shows below the impact that could happen on fund performance as a result of delay in receipt of money and consequent investments in Kotak Gold ETF over previous six months ending on 31st Jan, 2011.

% Difference in prices between 'n' days	2 Days	3 Days	4 Days	5 Days	6 Days	7 Days
Average	0.18	0.26	0.33	0.42	0.52	0.61
Max	4.16	4.26	4.13	3.89	5.49	6.40
Min	-2.34	-3.50	-3.12	-3.24	-3.81	-3.38

The assumption is that entire corpus is delayed by the no. of days tabulated above. But in reality, since the daily subscription may not be material to the total corpus of the fund the impact would not be material. Moreover subscriptions over periods of time would normally be expected to iron out the deviations.

The fund would endeavor to maintain the indicated asset allocation as mentioned above. However there could be a variance in the asset allocation on account of receipt of cash flows, which on an average takes 5 business days to clear given the existing operational procedure.

Risk Control Measures for investment strategy

The fund endeavours to invest in Gold ETFs. Since fund manager risk in these schemes is not relevant, risk control measures for investment strategy pertain to managing operational risk focused on minimizing tracking error.

Risk Mitigation measures for portfolio volatility

Gold ETFs being passively managed carry lesser risk compared to active management. The underlying

ETF scheme(s) where the fund intends to invest follow the underlying price of gold and therefore the level of portfolio volatility would be same as that of the underlying gold price. There is no additional volatility on account of fund manager decision. The fund manager would also endeavour minimal cash levels to keep performance deviation from the underlying ETF's to minimal.

Risk mitigation measures for managing liquidity

Gold ETFs invest in physical gold which satisfy the norms of 'Good Delivery' as defined by London Bullion Markets association. Liquidity issues are not envisaged as gold is a globally traded commodity and thereby very liquid. There are also designated Authorised Participants who facilitate liquidity on the exchange.

Kotak Banking and PSU Debt Fund

Investment Strategy

The fund would invest in a basket of securities issued by Central and State Governments, and debt & money market securities issued by Banks & PSUs. Investments will be made in instruments, which, in the opinion of the Fund Manager, are an acceptable credit risk and where chances of default are at a minimum. The predominant investment in debt & money market instruments issued by Banks & PSUs, Government securities, is mainly with the aim of keeping high credit quality of the portfolio. Adequate weight age would also be given to liquidity as an investment parameter.

To control credit risk, a thorough credit evaluation of the instruments & issuers would be done by the investment team of the AMC. The Fund Manager is generally guided, but not restrained, by the ratings announced by various rating agencies on the assets in the portfolio. The maturity profile of debt instruments will be selected in accordance with the Fund Manager's view regarding market conditions, interest rate outlook, stability of rating and the liquidity requirement of the fund.

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

Risk Control Measures for investment strategy

The AMC would include ample measures for controlling risks in the portfolio construction process. The risk control process involves reducing risks through diversification of the portfolio, taking care however not to dilute returns in the process. The fund will comply with the prescribed SEBI limits on exposure. Risk is monitored at periodic intervals and the portfolio is rebalanced within the specified time period in case of any deviations.

Risk Mitigation measures for portfolio volatility

The portfolio volatility is managed in line with the objective of scheme. Thorough credit evaluation of the securities intended to be invested in, will be carried out by the AMC, with an endeavor to control risks. Rated Debt instruments in which the Scheme invests will be of investment grade as rated by a credit rating agency. The AMC will be guided but not limited by the ratings of Rating Agencies such as CRISIL, CARE, ICRA and Fitch or any other rating agencies that may be registered with SEBI from time to time. The duration of debt instruments is selected in accordance with the Fund Manager's view regarding market conditions, interest rate outlook and stability of rating.

Risk mitigation measures for managing liquidity

Reasonable investments are made at the shorter end of the yield curve which is the most actively traded segment in the secondary market. This would help to manage daily liquidity. The internal investment parameters also take into cognizance liquidity of the portfolio.

RISK FACTOR

Kotak Mahindra Gilt Unit Scheme - Investment Plan: The Portfolio of Gilt Investment Plan will comprise predominantly of securities issued by the Central or State Government and to a lesser extent Reverse Repo. As such, there would be Zero-Credit Risk. Since there is no restriction on the maturity of the securities, there would be moderate to high price risk or interest rate risk.

Kotak Bond: The Portfolio of Kotak Bond will comprise predominantly of Debt and Money Market instruments issued by Corporates, and to a lesser extent those issued by Central or State Governments. As such, there would be Moderate Credit Risk. Since upto 90% of the portfolio may be invested in securities maturing more than one year, there would be moderate to high Price-risk or Interest-rate risk.

Kotak Bond Short Term Plan: The Portfolio of Kotak Bond Short Term Plan will comprise predominantly of Debt and Money Market instruments issued by Corporates, and to a lesser extent those issued by Central or State Governments. As such, there would be Moderate Credit Risk. Since over 50% of the investment will be in securities maturing in less than one year, there would be low Price-risk or Interest-rate risk.

Kotak Floater Long Term: The Portfolio of Kotak Floater Long Term Scheme will comprise predominantly of Debt and Money Market instruments issued by Corporates, and to a lesser extent those issued by Central or State Governments. As such, there would be Moderate Credit Risk. Since over 65% of the investment will be in securities having floating rates of interest or other debt securities having outstanding maturing of upto 182 days, there would be very low Price-risk or Interest-rate risk.

Kotak Floater Short Term: The portfolio of Kotak Floater Short Term Scheme will comprise predominantly of Debt and Money Market instruments issued by Corporates, and to a lesser extent those issued by Central or State Governments. As such, there would be Moderate Credit Risk. Since over 65% of the investment will be in securities having floating rates of interest or those having outstanding maturing of upto 91 days, there would be very low Price-risk or Interest-rate risk.

Kotak Monthly Income Plan: The portfolio of Kotak Monthly Income Plan will comprise predominantly of debt and money market instruments and upto 20% in equity and equity related instruments. Thus the scheme will have the risks of both the capital markets and the debt markets.

Kotak Flexi Debt: The Scheme may invest in government securities, corporate bonds and money market instruments. While the liquidity risk for money market instruments and short maturity corporate bonds may be low, it may be high in case of medium to long maturity corporate bonds. The Scheme may also be exposed to price risk in case of government securities and corporate bonds arising out of the interest rate risk. The investments in corporate bonds could also lead to a credit risk.

Kotak Liquid: The portfolio of Kotak Liquid will comprise predominantly of Debt and Money Market instruments issued by Corporates, and to a lesser extent those issued by Central or State Governments. As such, there would be Moderate Credit Risk. Also, investment will be in securities at the lower end of the yield curve and as such there would be low Price-risk or Interest-rate risk.

Kotak Income Opportunities Fund: The Portfolio of Kotak Income Opportunities Fund will comprise predominantly of Debt and Money Market instruments issued by Corporates/Banks, and to a lesser extent those issued by Central or State Governments. As such, there would be Moderate Credit Risk. Since upto 65% of the portfolio may be invested in securities maturing more than one year, there would be moderate to high Price-risk or Interest-rate risk.

The market for debt instruments [except for Commercial Papers (CPs) & Convertible debentures (CDs)] are relatively less liquid, which may affect buying and selling of the debt instruments thereby increasing the liquidity risk. However CPs and CDs being money market instruments with investment horizon of less than 1 year, are more liquid in nature and hence significantly reduce the risk. Securitised debt are relatively more illiquid in nature when compared to other debt instruments due to which impact cost may tend to increase.

The scheme intends to invest in long dated debt papers, securitized debt and money market instruments. The levels of liquidity at a relatively low for long dated papers/secured instruments and short dated papers including money market instruments have relatively higher liquidity.

Kotak Multi Asset Allocation:

The Portfolio of the Scheme will comprise predominantly of Debt and Money Market instruments issued by Corporates, and to a lesser extent those issued by Central or State Governments. As such, there would be Moderate Credit Risk. The risks integral to Fixed Income securities are explained in SID.

- Equity and Equity Related Instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of Equity and Equity Related Instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the Government, taxation laws, political, economic or other developments, which may have an adverse impact on individual securities, a specific sector or all sectors. Consequently, the NAV of the Units issued under the Scheme may be adversely affected.
- Further, the Equity and Equity Related Instruments are risk capital and are subordinate in the right of payment to other securities, including debt securities. Equity and Equity Related Instruments listed on the stock exchange carry lower liquidity risk, however the Scheme's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases due to settlement problems could cause the Scheme to miss certain investment opportunities.
- Similarly, the inability to sell securities held in the Scheme's portfolio may result, at times, in potential losses to the Scheme, should there be a subsequent decline in the value of securities held in the Scheme's portfolio.
- The Scheme may invest in securities which are not listed on the stock exchanges. These securities may be illiquid in nature and carry a higher amount of liquidity risk, in comparison to securities that are listed on the stock exchanges or offer other exit options to the investor. The liquidity and valuation of the Scheme's investments due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment.
- The value (price) of gold may fluctuate for several reasons and all such fluctuations will result in changes in the NAV of units under the scheme. The factors that may affect the price of gold, among other things, include demand and supply for gold in India and in the global market, Indian and Foreign exchange rates, Interest rates, Inflation trends, trading in gold, legal restrictions on the movement/trade of gold that may be imposed by RBI, Government of India or countries that supply or purchase gold to/from India, trends and restrictions on import/export of golden jewellery in and out of India, etc.
- As the Gold Exchange Traded Funds (Gold ETFs in which the Scheme will invest) will be investing physical gold and gold related instruments, the NAV of the underlying scheme as well as this Scheme will react to the price of gold. The price of gold may vary for several reasons and all such fluctuations will result in changes in NAV of the units of underlying scheme as well as this Scheme. The prices of gold may be affected by several factors such as demand and supply of gold in India and in the global market, change in political, economical environment and government policy, inflation trends, currency exchange rates, interest rates, perceived trends in bullion prices, restrictions on the movement/trade of gold by RBI, GOI, etc. Absence of adequate liquidity of Gold ETFs units on the stock exchange(s) may impact the cost of purchasing and selling the units of Gold ETFs.
- The funds in which the Scheme invests may not perform in line with the market and may also not achieve its investment objective. In such a situation, the performance of the Scheme could be affected and its ability to achieve its investment objective may be impaired.

Kotak Gold Fund

- The Scheme will predominantly invest in units of Kotak Gold Exchange Traded Fund. Hence the Scheme's performance may depend upon the performance of the Kotak Gold ETF. Any change in the investment policies or the fundamental attributes of the underlying scheme could affect the performance of the Scheme.
- The deviation in performance between the scheme & the underlying scheme i.e. Kotak Gold ETF could also be on account of cash flows which on an average takes 5 days as per current operational procedure.
- The investors of the Scheme will bear dual recurring expenses and possibly dual loads, viz, those of the Scheme and those of the underlying Scheme. Hence the investor under the Scheme may receive lower pre-tax returns than what they could have received if they had invested directly in the underlying Schemes in the same proportions.
- The Portfolio disclosure of the Scheme will be limited to providing the particulars of the underlying schemes where the Scheme has invested and will not include the investments made by the underlying Schemes. However, as the scheme proposes to invest in Kotak Gold ETF, the underlying assets will by and large be physical gold.

RISK FACTOR (Cont.)

- The value (price) of gold may fluctuate for several reasons and all such fluctuations will result in changes in the NAV of units under the scheme. The factors that may affect the price of gold, among other things, include demand and supply for gold in India and in the global market, Indian and Foreign exchange rates, Interest rates, Inflation trends, trading in gold as commodity, legal restrictions on the movement/trade of gold that may be imposed by RBI, Government of India or countries that supply or purchase gold to/from India, trends and restrictions on import/export of golden jewellery in and out of India, etc.
- The fund assets are predominantly invested in Kotak Gold ETF and valued at the market price of the said units on the principal exchange. The same may be at a variance to the underlying NAV of the fund, due to market expectations, demand supply of the units, etc. To that extent the performance of scheme shall be at variance with that of the underlying scheme.
- The endeavour would always be to get cash on redemptions from the underlying funds. However, in case the underlying fund is unable to sell for any reason, and delivers physical gold, there could

- be delay in payment of redemptions proceeds pending such realization.
- The fund will subscribe according to the value equivalent to unit creation size as applicable for Kotak Gold ETF. When subscriptions received are not adequate enough to invest in creation unit size, the subscriptions may be deployed in debt and money market instruments which will have a different return profile compared to gold returns profile. Alternatively the ETF units may be acquired from the stock exchanges where the price quoted may be at variance with the underlying NAV, resulting in a higher acquisition costs.

Kotak Banking & PSU Debt Fund:

The Portfolio of Kotak Banking & PSU Debt Fund will comprise predominantly of Debt and Money Market instruments issued by Banks & PSUs and Reverse repos in such securities, sovereign securities issued by the Central Government and State Governments, and / or any security unconditionally guaranteed by the Govt. of India. As such, there would be low to moderate Credit Risk.

Pursuant to SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 and Gazette Notification No. LAD-NRO/GN/2012-13/17/21502 dated September 26, 2012; following changes are affected to Kotak Bond, Kotak Flexi Debt and Kotak Liquid, wherever applicable, with effect from October 1, 2012.

Kotak Bond:

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

Kotak Flexi debt:

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

Kotak Liquid:

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

COMMON INFORMATION TO SCHEME

Waiver of Load for Direct Applications:

Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009 no entry load shall be charged for all mutual fund schemes. Therefore, the procedure for waiver of load for direct applications is no longer applicable.

Daily Net Asset Value (NAV) Publication: The NAV will be declared on all business days and will be published in 2 newspapers. NAV can also be viewed on www.assetmanagement.kotak.com and www.amfiindia.com. You can also Contact us on our Toll Free No.: 1800222626.

Monthly Portfolio disclosure: The monthly portfolio of the Schemes shall be available in a user-friendly and downloadable format on the website viz. assetmanagement.kotak.com on or before the tenth day of succeeding month.

Dividend Policy:

Growth Option
Under the Growth option, there will be no distribution of income and the return to investors will be only by way of capital gains, if any, through redemption at applicable NAV of Units held by them.

Dividend Option

Under the Dividend option, the Trustee may at any time decide to distribute by way of dividend, the surplus by way of realised profit and interest, net of losses, expenses and taxes, if any, to Unitholders if, in the opinion of the Trustee, such surplus is available and adequate for distribution. The Trustee's decision with regard to such availability and adequacy of surplus, rate, timing and frequency of distribution shall be final. The Trustee may or may not distribute surplus, even if available, by way of dividend.

The dividend will be paid to only those Unitholders whose names appear on the register of Unitholders of the Scheme / Option at the close of the business hours on the record date, which will be announced in advance. The Fund is required to dispatch dividend warrants within 30 days of the date of declaration of the dividend.

The Dividend Option will be available under two sub-options – the Payout Option and the Reinvestment Option.

Dividend Payout Option: Unitholders will have the option to receive payout of their dividend by way of dividend warrant or any other means which can be encashed or by way of direct credit into their account.

Dividend Reinvestment Option: Under the reinvestment option, dividend amounts will be reinvested in the Dividend Reinvestment Option at the Applicable NAV announced immediately following the record date.

However, the Trustees reserve the right to introduce new options and / or alter the dividend payout intervals, frequency, including the day of payout.

Applicable NAV (Continuous Offer) for Purchase / Switch / Redemption:

For Kotak Banking and PSU Debt Fund, Kotak Mahindra Gilt Unit Scheme – Investment Plan, Kotak Mahindra Bond Unit Scheme 99, Kotak Bond Short Term Plan, Kotak Monthly Income Plan, Kotak Floater Long Term Scheme Kotak Flexi Debt Scheme, Kotak Income Opportunities Fund, Kotak Multi Asset Allocation Fund and Kotak Gold Fund.

A. Applicable NAV for Purchases/Switch ins

- For amounts greater than or equal to Rs. 2 lakhs:
 - In respect of valid applications received upto 3.00 p.m. on a business day and entire amount is available in the mutual fund's account for utilization before the cut off time of the same day – closing NAV of the day of receipt of application;
 - In respect of valid applications received after 3.00 p.m. on a business day and the entire amount is available in the mutual fund's account for utilization before cut off time of the next business day – the closing NAV of the next business day;
 - Irrespective of the time of receipt of the application where the entire amount is available in Mutual fund's account for utilization before cut off time on any subsequent business day – units will be allotted at such subsequent business day's NAV.
- For amounts less than Rs. 2 lakhs:
 - In respect of valid applications received upto 3.00 p.m. with a local cheque or demand draft payable at par at the place where it is received – closing NAV of the day of receipt of application;
 - In respect of valid applications received after 3.00 p.m. with a local cheque or demand draft payable at par at the place where it is received – closing NAV of the next business day.

Notes:

- It is clarified that switches will be considered as redemption in the switch-out scheme and purchase / subscription in the switch-in scheme considering the value of the transactions.
- Cheques received on a business day may be deposited with the primary bankers of the respective location on the next business day. NAV shall be as per the applicable NAV mentioned above. To enable early sighting of funds by the schemes, investors are requested to avail of electronic facilities like RTGS / NEFT in respect of subscriptions and submit the proof of transfer of funds alongwith their applications. AMC shall not be responsible for any delay on account of banking clearance or circumstances which are beyond the control of AMC.

B. Applicable NAV for Redemption/Switch outs

- where the application is received upto 3.00 pm – the closing NAV of the day immediately preceding the next business day; and
- where the application is received after 3.00 pm – the closing NAV of the next business day.

For Kotak Mahindra Liquid Scheme and Kotak Floater Short Term Scheme

Applicable NAV for Purchases/Switch ins

- In respect of valid applications received upto 2.00 p.m. on a day and the entire amount is available in the mutual fund's account for utilization before 2.00 p.m. of the same day – the closing NAV of the day immediately preceding the day of receipt of application;
- In respect of valid applications received after 2.00 p.m. on a day and the entire amount is available in the mutual fund's account for utilization on the same day – the closing NAV of the day immediately preceding the next business day ; and
- irrespective of the time of receipt of application, where the entire amount is not available for utilization before the cut-off time – the closing NAV of the day immediately preceding the day on which the funds are available for utilization.

Applicable NAV for Redemption/Switch outs

- where the application is received upto 3.00 pm – the closing NAV of the day immediately preceding the next business day ; and
- where the application is received after 3.00 pm – the closing NAV of the next business day.

Note 1: The cut off time and applicable NAV for redemptions shall remain unchanged.

Note 2: It is clarified that switches will be considered as redemption in the switch out scheme and purchase / subscription in the switch in scheme considering the value of the transactions. Further, where the AMC or the Registrar has provided a facility to the investors to redeem /switchout of the Scheme through the medium of Internet by logging onto specific web-sites or telephone and where investors have signed up for using these facilities, the Applicable NAVs will be as provided above.

Uniform process for aggregating split transactions for NAV applicability

Pursuant to AMFI circular no. 135/BP/35/2012-13 dated February 18, 2013, the following practice of aggregating split transactions is made applicable from March 4, 2013 and accordingly the closing NAV of the day on which the funds are available for utilization shall be applied where the aggregated amount of investments is Rs. 2 lacs and above:

On the basis of above AMFI Circular, following points would be applicable to all Open ended schemes of (other than Kotak Liquid Scheme and Kotak Floater Short Term Scheme):

- All transactions received on the same day (as per Time stamp rule).
- Transactions will include purchases, additional purchases, excluding Switches, SIP/STP and triggered transactions.
- Aggregations will be done on the basis of investor's PAN. In case of joint holding, transactions with similar holding structures will be aggregated.
- All transactions will be aggregated where investors holding pattern is same as stated above, irrespective of whether the amount of the individual transaction is above or below Rs 2 lacs.
- Only transactions in the same scheme will be clubbed. This will include transactions at option level (Dividend and Growth).
- Transactions in the name of minor received through guardian will not be aggregated with the transaction in the name of same guardian.

For Investors' Grievances please contact:

Computer Age Management Services Pvt. Ltd. (Registrar) 148, Old Mahabalipuram Road, Okkiyam Thuraiyakkam, Chennai - 600 096. Ph. 044 3040 7270 website: www.camsonline.com E-mail: eng_k@camsonline.com

Kotak Mahindra Asset Management Company Limited (Investment Manager) Mr. R. Chandrasekaran, 6th Floor, Kotak Infinity, Building No. 21, Infinity Park, Off. Western Express Highway, Gen.A.K. Vaidya Marg, Malad (E), Mumbai - 400 097. Ph. 022 6638 4400; Fax : 022 6638 4455; Website: www.assetmanagement.kotak.com; e-mail: mutual@kotak.com Registered Office: 36-38A, Nariman Bhavan 227, Nariman Point, Mumbai-400 021

Unit holder's Information:

Consolidated Accounts Statements:

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; the investor whose transaction has been accepted by Kotak Mahindra Asset Management Company Ltd. / Kotak Mahindra Mutual Fund on or after October 1, 2011 shall receive the following:

- On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of email and/or SMS within 5 Business Days from the date of receipt of transaction request will be sent to the Unit holders registered e-mail address and/or mobile number.
- 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

COMMON INFORMATION TO SCHEME (Cont.)

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.

- For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN).
- 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.
- 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 Mutual Fund in respect of transactions carried out in the schemes of Kotak Mutual Fund during the month.
- The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically.
- An Account Statement may be sent to a Unitholder using email. 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.
- 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.

Annual Report or Abridged Summary:

Pursuant to SEBI Circular No. Cir/IMD/DF/16/2011 dated September 8, 2011, Annual report or Abridged Summary will be available on assetmanagement.kotak.com and shall be sent by way of email to the investor's registered email address or Physical copies (If investor's email address is not registered), not later than four months after the close of each financial year (March 31). The unit holders may request for a physical copy of scheme annual reports or abridged summary by writing to the Kotak Mahindra Asset Management Company Ltd./Investor Service Centre / Registrar & Transfer Agents. The unit holder can get physical copies of the above mentioned reports at the registered offices at all time. The annual report shall be displayed on www.assetmanagement.kotak.com.

Half yearly Financial Results and Portfolio disclosure: 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.

Investments under 'Direct'

New Purchases:

Investors who wish to invest in the Direct Plan should clearly mention the scheme name as "<Scheme> - Direct - <Options>" in the application form. The broker code field in the application form shall be blank OR investors can write as "Direct" before submitting the form to any of the Kotak Mutual Fund branches or CAMS collection points.

Additional Purchases:

If the scheme name is clearly written as "<Scheme> - Direct - <Options>" in the application form, all such transactions will be processed under the Direct Plan. This is irrespective of whether the broker code/existing folio number is mentioned in the application form or not.

If the scheme name is clearly written as "<Scheme> - <Option>" and the broker code field is blank in the application form, the transaction will be processed in the Direct Plan.

Redemption/Switch:

Where Units under a Scheme are held under both Existing Plan and Direct Plan, investors should clearly mention the plan from which redemption/switch requests are to be processed. If the investor does not mention the plan then the application may be rejected.

SIP/STP:

- In case of Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP), etc registered prior to January 1, 2013 without any distributor code under the Existing Plan, installments falling on or after February 1, 2013 will automatically be processed under the Direct Plan.
- Investors, who had registered for SIP/STP facility prior to January 1, 2013 with distributor code and wish to invest their future installments into the Direct Plan, shall make a written request to the Fund in this behalf. The Fund will take at least 15 days to process such requests. Intervening installments will continue in the Existing Plan.

In case of (a) and (b) above, the terms and conditions of the existing registered enrolment shall continue to apply.

Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan.

All other terms & conditions of the Schemes will remain unchanged.

Non Direct Plan and Direct Plan:

Non Direct Plan: This Plan is for investors who wish to route their investment through any distributor.

Direct Plan: This Plan is only for investors who purchase/subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor. The portfolio of both plans will be unsegregated.

Total Expense Ratio (TER)

The maximum total expenses of the schemes under Regulation 52(6)(c) shall be subject to the following limits:

Daily Net Assets (Rs.)	%
First 100 crores	2.25%
Next 300 crores	2.00%
Next 300 crores	1.75%
Balance assets	1.50%

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 service 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 limits may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) above.
- Expenses not exceeding of 0.30 % of daily net assets, if the new inflows from beyond top 15 cities are at least:
 - 30 % of gross new inflows in the scheme; or
 - 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 utilised 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.

- Additional expenses upto 0.20% of daily net assets of the schemes, incurred towards different heads mentioned under Regulation 52 (2) and 52 (4).
- There is no sub limit on charging of management fee within the limits specified above.

Expense Structure for Direct Plan - The annual recurring expenses will be within the limits specified under the SEBI (Mutual Funds) Regulations, 1996.

However, Direct Plan shall have a lower expense ratio than the Regular Plan. The expenses would exclude distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan.

Service Tax:

Service 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)(c). Service 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.

Total Expense Ratio (TER) for Kotak Gold Fund

The total expenses of the scheme including weighted average of charges levied by the underlying schemes shall not exceed 1.50% of the daily net assets of the scheme.

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 service 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 limits may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) above.
- Expenses not exceeding of 0.30 % of daily net assets, if the new inflows from beyond top 15 cities are at least:
 - 30 % of gross new inflows in the scheme; or
 - 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.

- Additional expenses upto 0.20% of daily net assets of the schemes, incurred towards different heads mentioned under Regulation 52 (2) and 52 (4).
- There is no sub limit on charging of management fee within the limits specified above.

Expense Structure for Direct Plan - The annual recurring expenses will be within the limits specified under the SEBI (Mutual Funds) Regulations, 1996.

However Direct Plan shall have a lower expense ratio than the Non Direct Plan. The expenses would exclude distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan.

The AMC has decided at least 10% of the TER shall be charged towards distribution expenses/ commission in the Direct Plan of Kotak Banking and PSU Debt Fund. The TER of the Direct Plan will be lower to the extent of the abovementioned distribution expenses/ commission (at least 10%) which shall be charged in the Non-Direct Plan of Kotak Banking and PSU Debt Fund.

Service Tax:

Service 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)(c). Service 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.

Scheme Categorisation

Name	This product is suitable for investors who are seeking*
Kotak Banking and PSU Debt Fund	<ul style="list-style-type: none"> Income over a short to medium term investment horizon Investment in debt and money market securities of PSUs, Banks and government securities. Low risk. ■ (Blue)
Kotak Bond	<ul style="list-style-type: none"> Income over a long investment horizon Investment in debt & money market securities Low risk. ■ (Blue)
Kotak Bond Short Term	<ul style="list-style-type: none"> Income over a medium term horizon Investment in debt & money market securities Low risk. ■ (Blue)
Kotak Flexi Debt	<ul style="list-style-type: none"> Income over a medium term investment horizon Investment in debt & money market securities Low risk. ■ (Blue)
Kotak Floater LT	<ul style="list-style-type: none"> Income over a short term investment horizon Investment in debt & money market securities Low risk. ■ (Blue)
Kotak Floater ST	<ul style="list-style-type: none"> Income over a short term investment horizon Investment in floating rate securities, debt & money market securities Low risk. ■ (Blue)
Kotak Gilt Investment Regular	<ul style="list-style-type: none"> Income over a long investment horizon Investments in sovereign securities issued by the Central and/ or State Government(s) and /or reverse repos in such securities. Low risk. ■ (Blue)
Kotak Income Opportunities	<ul style="list-style-type: none"> Income over a medium term investment horizon Investment in debt & money market securities Low risk. ■ (Blue)
Kotak Liquid	<ul style="list-style-type: none"> Income over a short term investment horizon Investment in debt & money market securities Low risk. ■ (Blue)
Kotak Monthly Income Plan	<ul style="list-style-type: none"> Income & capital growth over a long term horizon Investment in a portfolio of debt instruments with a moderate exposure in equity & equity related instruments Medium risk. ■ (Yellow)
Kotak Multi Asset Allocation	<ul style="list-style-type: none"> Income & capital growth over a long term horizon Investment in a portfolio of debt instruments with a moderate exposure in equity & equity related instruments and provides diversification by investing in Gold ETFs Medium risk. ■ (Yellow)
Kotak Gold Fund	<ul style="list-style-type: none"> Returns in line with physical gold Investment in Kotak Gold ETF High risk. ■ (Brown)

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

Note: Risk may be represented as: Investors understand that their principal will be at Low risk ■ (Blue), Investors understand that their principal will be at Medium risk ■ (Yellow), Investors understand that their principal will be at High risk ■ (Brown).

GUIDELINES FOR FILLING UP THE COMMON APPLICATION FORM

1. GENERAL INFORMATION

- Please fill up the Application Form legibly in English in CAPITAL LETTERS.
- Please read this Memorandum and the respective Offer Document/ SA/ SID carefully before investing. Your application for allotment of units in the Scheme(s) is construed to have been made with a full understanding of the terms and conditions applicable to it and the same is binding on you in respect of your investment in the Scheme(s).
- Application Forms incomplete in any respect or not accompanied by a Cheque/ Demand Draft are liable to be rejected. In case your investment application gets rejected on account of the same being incomplete in any respect, your investment amount would be refunded without interest within 30 days.
- Any correction / over writing in the application form must be signed by the investor.
- AMC shall not be responsible for direct credit rejects or / payout delays due to incorrect/ incomplete information provided by investor.
- Investor shall pay the upfront commission to the AMFI registered distributor directly, based on his assessment of various factors including the services rendered by distributor.
- The distributor shall disclose all commissions (in the form of trail commission or any other mode) payable to them for the different competing Schemes of various Mutual Funds from amongst which the Scheme is being recommended to the investor.

2. APPLICANT'S INFORMATION

- If you are already a Unitholder in any scheme of the Fund and wish to make your present investment in the same Account, please fill in the Name of Sole/First Holder & Account No. in Section A, PAN and KYC details in Section B of the Application Form and then proceed to Section E. Your personal information and bank account details indicated for your account would also apply to this investment.
- If you are applying for units in Kotak Mahindra Mutual Fund for the first time, please furnish your complete postal address with Pin Code (P.O. Box No. not enough) and your Contact Nos. This would help us reach you faster.
- Default option (Common to all Schemes)

Indication not made	Default
Scheme Name	As indicated on the Cheque
Dividend/ Growth Option	Growth Option
Sub Options: Dividend Payout / Dividend Reinvestment	Sub Options: Dividend Payout except in case of Kotak Bond Short Term Monthly Dividend, it will be dividend Reinvestment
Mode of holding (based on the number of applicants/ number of signatures on the form)	Single or Joint
Status of First Applicant (Individual, HUF, Company etc.)	Others#

Tax rates (including the tax on dividend distribution) wherever applied on 'others' by Kotak Mutual Fund shall be the same as applicable to a Resident Indian Company

- Permanent Account Number (PAN) Information (Mandatory) With effect from January 1, 2009, it is mandatory for all existing and new investors (including joint holders, guardians of minors and NRIs) to enclose a copy of PAN card to the application for investing in mutual fund Schemes.
- Know Your Client (KYC)
With reference to SEBI Circular MIRDSD/Cir-26/2011 dated December 23, 2011, investors may kindly note w.e.f. January 1, 2012, it is mandatory for all individual/ non individual investors to be KYC Compliant. Investors can approach any SEBI registered KRA for doing KYC.
In the event of KYC Form being subsequently rejected for lack of information/ deficiency/insufficiency of mandatory documentation, the investment transaction will be cancelled and the amount may be redeemed at applicable NAV, subject to payment of exit load, wherever applicable.
- If you are KYC Complaint, your Change of Address, Change in Name, etc. should be given at KRA for updation.

3. THIRD PARTY PAYMENT

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

Definition of Third Party Cheques

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

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

- Payment by Parents/Grand-Parents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs.50,000/- (each regular purchase or per SIP installment) However this restriction will not be applicable for payment made by a guardian whose name is registered in the records of Mutual Fund in that folio.
- Payment by Employer on behalf of employee under Systematic Investment Plans or lump sum / one-time subscription, through Payroll deductions. Asset management companies should exercise extra due diligence in terms of ensuring the authenticity of such arrangements from a fraud prevention and KYC perspectives.
- Custodian on behalf of an FII 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

4. TERMS & CONDITIONS FOR INVESTORS WHO WISH TO HOLD THEIR UNITS IN DEMAT MODE

- The Demat Account Details section on the investment application form needs to be completely filled
- Please ensure that you submit supporting documents evidencing the accuracy of the demat account details. Applications received without supporting documents could be processed under the physical mode.
- The units will be credited to the Demat Account only post realisation of payment.
- The nomination details as registered with the Depository Participant shall be applicable to unitholders who have opted to hold units in Demat mode.
- For units held in demat mode, the bank details mentioned on investment application form shall be replaced with the bank details as registered with the Depository Participant.
- For units held in demat form, the KYC performed by the Depository Participant of the applicants will be considered as KYC verification done by the Trustee / AMC. However, if the transfer of unit to demat account is rejected for any reason whatsoever, the transaction will be liable to be rejected if KYC performed by KRA is not attached with the investment application form.
- In case of Unit Holders holding units in the demat mode, the Fund will not send the account statement to the Unit Holders. The statement provided by the Depository Participant will be equivalent to the account statement.

- If the investor names and their sequence in the investment application form does not match with the Demat Account details provided therein, the units will not be transferred to the Demat Account & units will be held in physical form.
- The option of holding units in demat form is not being currently offered for investment in dividend option of schemes/ plans having dividend frequency of less than a month (ie: Investments in all Daily, Weekly and Fortnightly Dividend Schemes cannot be held in Demat mode)
- In case the application is rejected post banking your payment instrument, the refund instrument will be sent with the bank details furnished in the investment application form & not as available in the Demat Account, post reconciliation of accounts.

5. BANK ACCOUNT DETAILS

Please furnish the Name of your Bank, Branch and City (i.e. clearing circle in which the branch participates), Account Type and Account Number. This is mandatorily required as per SEBI. Applications without this information will be deemed to be incomplete & would be rejected. RTGS IFSC code & NEFT IFSC code would help us serve you better.

6. INVESTMENT DETAILS

- Please issue a separate Cheque / Demand Draft for each separate Scheme / Plan.
- Cheques should be crossed "A/c Payee Only" and drawn in favour of the Scheme in which you propose to invest.
- If you are residing / located in a city / town where we do not have an Official Acceptance Point, please draw a Demand Draft payable at your nearest city / town where we have an Official Acceptance Point.
- Payments by Cash, Stockinvests, Outstation Cheques, Non-MICR Cheques will not be accepted. Post dated cheques will not be accepted except for investments made under Systematic Investment Plan.
- NRI investors are requested to provide debit certificate from their bank for each investment.

7. NOMINATION DETAILS

- With effect from April 1, 2011 nomination shall be mandatory for new folios / accounts opened by individual especially with sole holding and no new folios / accounts for individuals in single holding should be opened without nomination.
- The nomination can be made only by individuals applying for / holding units on their own behalf singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. Nomination cannot be updated in a folio held on behalf of minor.
- Minor(s) can be nominated and in that event, the name, address and signature of the guardian of the minor nominee(s) shall be provided by the unitholder.
- Nomination can also be in favour of the Central Government, State Government, a local authority, any person designated by virtue of his office or a religious or charitable trust.
- The Nominee shall not be a trust other than religious and charitable trust, society, body corporate, partnership firm, karta of Hindu Undivided Family, a power of attorney holder. A non-resident Indian can be nominee subject to the exchange control regulations in force, from time to time.
- Transfer of unit in favour of Noninee(s) shall be valid discharge by the Asset Management Company against the legal heir.
- The cancellation of nomination can be made only by those individuals who hold unit on their behalf singly or jointly.
- On cancellation of nomination, the nomination shall stand rescinded and the Asset Management Company shall not be under any obligation to transfer the units in favour of the Nominee(s).
- If there is multiple nomination and the percentage is less than 100% then the balance will be re-balanced to the first unitholder. If percentage is greater than 100% then nomination would be rejected.
- Nomination in respect of the units stands rescinded upon the transfer of units.
- PANKYC of POA/Guardian is mandatory, applications without this information will be deemed to be incomplete & would be rejected.

8. KOTAK FACILITIES

- If you have an E-Mail address, you can choose to receive E-mail communication from us in lieu of printed communication. Please furnish your E-Mail ID and indicate the nature of communication you wish to receive over E-Mail.
- If you wish to view your investments or transact over the Internet / Telephone, please fill in the Internet / Phone Transactions Form. You can download the same from www.assestmanagement.kotak.com.

9. DECLARATION AND SIGNATURES

- Signatures can be in English or in any other Indian language. Thumb impressions must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under his/her official seal.
- Applications by minors must be signed on their behalf by their guardians.
- If you are investing through your constituted attorney, please ensure that the POA document is signed by you and your Constituted Attorney. The signature in the Application Form, then, needs to clearly indicate that the signature is on your behalf by the Constituted Attorney.

10. 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:

- For existing investors (across mutual funds), the distributor shall be paid Rs. 100/- as transaction charge per subscription of Rs. 10,000/- & above.
- For first time investors, (across Mutual Funds), the distributor shall be paid Rs. 150/- as transaction charge for subscription of Rs. 10,000/- & above.
- 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.
- 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.

Transaction charges shall not be deducted/applicable for:

- Transaction other than purchases/subscriptions such as Switch/Systematic Transfer Plan (STP)/ Dividend Transfer Plan (DTP), etc.
- Purchases/Subscriptions made directly with the Fund without any ARN code.
- Transactions carried out through the stock exchange platforms.
- Distributors who have chosen "Opt Out" of charging the transaction charge.

With reference to SEBI circular no. Cir/IMD/DF/13/2011 dated August 22, 2011 and KMMF notice dated November 1, 2011, distributors shall now have the option to either opt in or opt out of charging transaction charge based on type of the product.

- Employee Unique Identification Number (EUIIN):** SEBI has made it compulsory for every employee/ relationship manager/ sales person of the distributor of mutual fund products to quote the EUIIN obtained by him/her from AMFI in the Application Form. EUIIN would assist in addressing any instance of mis-selling even if the employee/relationship manager/sales person later leaves the employment of the distributor. Hence, if your investments are routed through a distributor please ensure that the EUIIN is correctly filled up in the Application Form.

However, if your distributor has not given you any advice pertaining to the investment, the EUIIN box may be left blank. In this case you are required to provide the declaration to this effect as given in the form.

CHECKLIST

Please ensure that:

- Your Application Form is complete in all respects & signed by all applicants :
 - Name, Address and Contact Details are mentioned in full.
 - Bank Account Details are entered completely and correctly. 9 digit MICR code/IFSC code/RTGS code of your bank is mentioned in the Application Form.
 - Permanent Account Number (PAN) of all Applicants is mentioned and necessary documents [refer Guidelines 2(d)] are enclosed.
 - Appropriate Investment Option is selected. If the Dividend Option is chosen, Dividend Payout or Re-investment and Dividend Frequency is Indicated.
 - If units are applied for Jointly, Mode of Operation of account is indicated.
- Your Investment Cheque/ DD is drawn in favour of Scheme/Plan, dated and signed.
- Please write the Application Number / Folio Number on the face of the cheque (eg. Kotak Opportunities - 12345/67)
- A cancelled Cheque leaf of your Bank is enclosed in case your investment cheque is not from the same account.
- Documents as listed below are submitted along with the Application Form (as applicable to your specific case)

Documents	Companies	Trusts	Societies	Partnership Firms	NRIs / PIOs	FIs	Investments through Constituted Attorney
1. Resolution / Authorisation to invest	✓	✓	✓	✓		✓	
2. List of Authorised Signatories with Specimen Signature(s)	✓	✓	✓	✓		✓	✓
3. Memorandum & Articles of Association	✓						
4. Trust Deed		✓					
5. Bye-Laws			✓				
6. Partnership Deed				✓			
7. Notarised Power of Attorney							✓
8. Account Debit / Foreign Inward Remittance Certificate from remitting Bank					✓	✓	
9. KYC allotment letter / PAN Proof	✓	✓	✓	✓	✓	✓	✓

All documents in 1 to 6 above should be originals / true copies certified by the Director / Trustee / Company Secretary / Authorised Signatory / Notary Public.

Investment Advisor's Name & ARN	Sub-Broker's Name & ARN Sub-Broker \ LG Code	EUIIN (Mandatory)	Appl. CA
ARN-93721 ARUMUGAM MOHAN RAJ			Date : DD / MM / YYYY

"I/We hereby confirm that the EUIIN box has been intentionally left blank by me/us as this transaction is executed without any interaction or advice by the employee/relationship manager/sales person of the above distributor/sub broker or notwithstanding the advice of in-appropriateness, if any, provided by the employee/relationship manager/sales person of the distributor/sub broker."

SIGNATURE(S)

_____	_____	_____
Sole / First Applicant	Second Applicant	Third Applicant

(To be signed by **All Applicants**)

Upfront commission shall be paid directly by the investor to the AMFI registered distributors based on the investor's assessment of various factors including the service rendered by the distributor.

A. UNITHOLDER INFORMATION [Refer Guideline 2(a)]

A) Have you ever invested in any, Mutual Fund before Yes No (For more details, please refer guidelines on page 13, point 9) **New**

B) If you have, at any time, invested in any Scheme of Kotak Mahindra Mutual Fund and wish to hold your present investment in the same Account, please furnish your Name, Folio Number and PAN details below and proceed to Section 4.

Name of Sole / First Holder: _____ Folio No.: _____ / _____

B. NEW APPLICANT'S PERSONAL INFORMATION [Refer Guideline 2]

SOLE/FIRST APPLICANT

_____ Date of Birth**
DD / MM / YYYY

GUARDIAN (in case Sole / First Applicant is a minor) _____ Relationship _____

CONTACT PERSON (in case of Non-individual applicants) _____ Designation _____

SECOND APPLICANT (Joint Holder 1)

GUARDIAN (in case Second Applicant is a minor) _____

THIRD APPLICANT (Joint Holder 2)

GUARDIAN (in case Third Applicant is a minor) _____

MODE OF OPERATION (where there is more than one applicant)

First Holder only Anyone or Survivor Joint

PAN AND KYC COMPLIANT STATUS DETAILS (Mandatory)

PAN Sole / First Applicant KYC Compliant Status* <input type="checkbox"/> PAN Proof # <input type="checkbox"/> Yes <input type="checkbox"/> No	PAN Second Applicant KYC Compliant Status* <input type="checkbox"/> PAN Proof # <input type="checkbox"/> Yes <input type="checkbox"/> No	PAN Third Applicant KYC Compliant Status* <input type="checkbox"/> PAN Proof # <input type="checkbox"/> Yes <input type="checkbox"/> No
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(#Please attach PAN Card Copy) / (*KYC allotment letter copy is mandatory)

Status (Please ✓)

Resident Individual
 NRI on Repatriation Basis
 NRI on Non-Repatriation Basis
 HUF
 Proprietorship
 Partnership Firm
 Private Limited Company
 Public Limited Company
 Mutual Fund
 Mutual Fund FOF Scheme
 Body Corporate
 Registered Society
 PF/Gratuity/Pension/Superannuation Fund
 Trust AOP / BOI
 Foreign Institutional Investor
 On behalf of Minor
 Other _____ (Please specify)

Occupation (Please ✓) (Mandatory)

Business
 Service
 Professional
 Retired
 Housewife
 Student
 Agriculture
 Other _____ (Please specify)

C. THIRD PARTY PAYMENT DECLARATION

Parent/Grand-Parent/Guardian of Minor/ Related Person Other than the Register Guardian/ Employer on behalf of Employee (SIP only)/Custodian on behalf of FII.

Name: _____ Relationship with Applicant: _____

PAN: _____ KYC Compliant Status: Yes No

Declaration: I hereby declare and confirm that the Applicant stated above is the beneficial owner of the investment details mentioned above. I am providing the funds for these investments on account of my natural love and affection or incentive to employee or for & on behalf of fil or as gift from my bank account only.
 Declaration (Guardian of minor, as registered in the folio): I confirm that I am the legal guardian of the Minor, registered in folio and have no objection to receiving these funds on behalf of the minor.

(Note: Aforeside signature should match with the investment cheque signature)

Signature _____

ADDRESS FOR COMMUNICATION* (*Fields are Mandatory)

City* _____ Pin/Zip Code* _____

State* _____ Country* _____

(Cell)* _____ Tel.* _____

(Fax) _____


E-mail* _____

D. DEMAT ACCOUNT DETAILS [Refer Guideline 3]

In case you wish to hold units in demat, please fill this section. Please note that you can hold units in demat for all open ended schemes (except ETFs and dividend options having dividend frequency of less than a month).

NSDL	CDSL
DP Name _____	DP Name _____
_____	_____
DP ID _____	DP ID _____
Beneficiary Account No. _____	Beneficiary Account No. _____

Please ensure that your demat account details mentioned above are along with supporting documents evidencing the accuracy of the demat account. Bank details of DP will overwrite the existing details.



Received from _____
an application for allotment of units in the following scheme :

Investment Details	Instrument Details	Amount
Scheme _____	No. _____ Dated DD / MM / YYYY Rs. _____	
Plan _____	Bank & Branch _____	
Option _____		

Please retain this slip, duly acknowledged by the Official Collection Center till you receive your Account Statement

(To be filled by Applicant)

Appl. CA

Official Acceptance
Point Stamp & Sign

ACKNOWLEDGEMENT SLIP

Please write the Application Number /Folio Number on the face of the Cheque (eg. Kotak Opportunities-12345/67)

E. BANK ACCOUNT DETAILS (Mandatory, this account details will be considered as default account for payout)

[Refer Guideline 5]

Name of Bank _____
 Branch _____ City _____
 Account No. _____
 RTGS IFSC Code _____
 NEFT IFSC Code _____
 MICR Code _____
 Account Type : Current Savings NRO NRE FCNR Others

DIRECT CREDIT

We shall directly credit your dividend/redemption payments into your bank account if your Bank is included in Bank list with which we have a tie-up for direct credit facility.

If, however, you wish to receive a cheque payout, please tick the box alongside.

Note: Investor can register multiple bank account by submitting Bank registration form, please read the instruction given in the form.

F. INVESTMENT DETAILS - MODE OF INVESTMENT (Please ✓) - Cheque/ DD Fund Transfer

[Refer Guideline 6]

Sl. No.	Scheme Name / Frequency	Plan / Option / Sub-option	Frequency	Amount Invested (Rs.)	Net Amount Paid (Rs.)	Payment Details	
						Cheque / DD No.	Bank and Branch
1		<input type="checkbox"/> Growth <input type="checkbox"/> Dividend <input type="radio"/> P <input type="radio"/> R	<input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Daily	Less DD Charges			
2		<input type="checkbox"/> Growth <input type="checkbox"/> Dividend <input type="radio"/> P <input type="radio"/> R	<input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Daily	Less DD Charges			
3		<input type="checkbox"/> Growth <input type="checkbox"/> Dividend <input type="radio"/> P <input type="radio"/> R	<input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Daily	Less DD Charges			

Note - Attach separate cheque for each Investment

P=Payout R=Reinvestment

If you are an NRI Investor, please indicate source of funds for your investment (Please ✓)

NRE NRO FCNR Others _____ (Please specify)

G. NOMINATION DETAILS (to be filled in by Individual(s) applying Singly or Jointly)

[Refer Guideline 7]

I/We _____ and _____ do hereby nominate the undermentioned Nominee to receive the Units to my/our credit in Account No./Application No. _____ in the event of my/our death. I/we also understand that all payments and settlements made to such Nominee and signature of the Nominee acknowledging receipt thereof, shall be a valid discharge by the AMC/ Mutual Fund / Trustee.

DETAILS OF NOMINEE

Name of Nominee	Address	Date Of Birth	% Share	Signature Of Nominee

DETAILS OF GUARDIAN (to be furnished in case Nominee is a minor)

Name of Guardian	Address	Tel. No	Signature Of Guardian

I/We _____ do hereby confirm that I/We do not intend to avail the nomination facility for this investment application.

H. E-MAIL COMMUNICATION

[Refer Guideline 8]

I / We would like to receive all communication by E-mail including Account statement & transaction confirmation [Please ✓]

Your E-mail ID here _____

I. DECLARATION AND SIGNATURES

[Refer Guideline 9]

I/We have read and understood the contents of the Statement of Additional Information/ Scheme Information Document/ Key Information Memorandum of the respective scheme(s) of Kotak Mahindra Mutual Fund. I/We hereby apply for allotment / purchase of Units in the Scheme(s) indicated in Section F above and agree to abide by the terms and conditions applicable thereto. I/We hereby declare that I/We are authorised to make this investment in the abovementioned Scheme(s) and that the amount invested in the Scheme(s) is through legitimate sources only and does not involve and is not designed for the purpose of any contravention or evasion of any Act, Rules, Regulations, Notifications or Directions of the provisions of Income Tax Act, Anti Money Laundering Act, Anti Corruption Act or any other applicable laws enacted by the Government of India from time to time. I/We hereby authorise Kotak Mahindra Mutual Fund, its Investment Manager and its agents to disclose details of my investment to my / our Investment Advisor and / or my bank(s) / Kotak Mahindra Mutual Fund's bank(s). I/We have neither received nor been induced by any rebate or gifts, directly or indirectly, in making this investment. I/We confirm that the distributor has disclosed all commission (in the form of trail commission or any other mode) payable to the distributor for the different competing Schemes of various Mutual Funds from amongst which the Scheme is being recommended to me / us.

Applicable to NRIs seeking repatriation of redemption proceeds: I/We confirm that I am/ we are Non-Resident(s) of Indian Nationality / Origin and that I/We have remitted funds from abroad through approved banking channels or from funds in my/our NRE / FCNR Account.

SIGNATURE(S)

_____	_____	_____
Sole / First Applicant	Second Applicant	Third Applicant

(To be signed by **All Applicants**)

Please tick if the investment is operated as POA / Guardian POA Guardian

PAN of POA Holder / Guardian

PAN _____

KOTAK MAHINDRA MUTUAL FUND
 6th Floor, Kotak Infinity, Building No. 21,
 Infinity Park, Off. Western Express Highway,
 Gen.A.K. Vaidya Marg, Malad (E),
 Mumbai - 400 097.
 ☎ 022-6638 4400
 ✉ mutual@kotak.com
 🌐 www.assetmanagement.kotak.com

COMPUTER AGE MANAGEMENT SERVICES PVT. LTD.
 148, Old Mahabalipuram Road,
 Okkiyam Thuraiyakkam,
 Chennai - 600 096.
 ☎ 044 3040 7270
 ✉ enq_k@camsonline.com
 🌐 www.camsonline.com

We are at your service on 1800-222-626 from 9.30 a.m. to 6.00 p.m. (Monday to Friday)

Investment Advisor's Name & Code	Sub-Broker's Code	EUIIN (Mandatory)	Systematic Investment Form Strike off sections that are not applicable
----------------------------------	-------------------	-------------------	--

"I/We hereby confirm that the EUIIN box has been intentionally left blank by me/us as this transaction is executed without any interaction or advice by the employee/relationship manager/sales person of the above distributor/sub broker or notwithstanding the advice of in-appropriateness, if any, provided by the employee/relationship manager/sales person of the distributor/sub broker."

SIGNATURE(S)

Sole / First Applicant	Second Applicant (To be signed by All Applicants)	Third Applicant
------------------------	--	-----------------

Upfront commission shall be paid directly by the investor to the AMFI registered distributors based on the investor's assessment of various factors including the service rendered by the distributor.

Have you ever invested in any, Mutual Fund before? Yes No (For more details, please refer KIM's Checklist on page 18) **New**

Investor's Information			
Folio No. (For Existing Investors)		Application No. (For New Investors, pls. attach the application form)	
Name of Sole / First Holder			
PAN	PAN Sole / First Applicant		
Enclosed (Please ✓)	<input type="checkbox"/> PAN Proof #	KYC Compliant Status*	<input type="checkbox"/> Yes <input type="checkbox"/> No
(# Please attach PAN Card Copy) / (* KYC allotment letter copy is mandatory)			
Date of Birth	DD/MM/YYYY	E-mail Id	Please provide your e-mail id for mailing of Account Statement

Third Party Payment Declaration	
Parent/Grand-Parent/Guardian of Minor/ Related Person Other than the Register Guardian/ Employer on behalf of Employee (SIP only)/Custodian on behalf of FIIL	
Name: <input type="text"/>	Relationship with Applicant: <input type="text"/>
PAN: <input type="text"/>	KYC Compliant Status: <input type="checkbox"/> Yes <input type="checkbox"/> No
Declaration: I hereby declare and confirm that the Applicant stated above is the beneficial owner of the investment details mentioned above. I am providing the funds for these investments on account of my natural love and affection or incentive to employee or for & on behalf of fil or as gift from my bank account only.	
Declaration (Guardian of minor, as registered in the folio): I confirm that I am the legal guardian of the Minor, registered in folio and have no objection to receiving these funds on behalf of the minor.	
(Note: Aforesaid signature should match with the investment cheque signature)	
Signature <input type="text"/>	

I would like to opt Systematic Investment through SIP Micro SIP

Only for Micro SIP Investors (including joint holders) will submit a photo copy of any one of the documents detailed below along with Micro SIP application as proof of identification in lieu of PAN.

Voter Identity Card Driving License Government/Defense identification card Passport Photo Ration Card Photo Debit Card (credit cards not allowed)

Employee ID cards issued by companies registered with Registrar of Companies Photo Identification issued by Bank Managers of Scheduled Commercial Banks / Gazetted Officer / Elected Representatives to the Legislative Assembly / Parliament ID card issued to employees of Scheduled Commercial / State / District Co-operative Banks Senior Citizen / Freedom Fighter ID card issued by Government Cards issued by Universities / deemed Universities or institutes under statutes like ICAI, ICWA, ICSI Permanent Retirement Account No (PRAN) card issued to New Pension System (NPS) subscribers by Central Recordkeeping Agency (NSDL) Any other photo ID card issued by Central Government / State Governments / Municipal authorities / Government organizations like ESIC / EPFO

The Photo Identification document has to be current and valid and also either self attested or attested by an ARN holder

I would like to opt for Systematic Investment through Auto-Debit Post Dated Cheques (PDC's)

Scheme Option (Please ✓) Growth Dividend : Payout Re-investment

Plan Dividend : Frequency

Investment Frequency Monthly Quarterly SIP Period* From To** OR Default Date (December 2050) SIP Instalment Amount* (Rs.)

SIP Tenure (Please ✓) 3 yrs 5 yrs 10 yrs 15 yrs 20 yrs

SIP Date (Please ✓) 1st 7th 14th 21st 25th

First SIP vide Cheque No. Dated

Cheque Nos. From to Cheque Dated From to

(Excluding initial investment Cheque)

Cheque on Bank City Branch

SIP through Auto-Debit

Bank Account Details (Mandatory)

Bank	Branch	City
Name of Bank Account Holder		
Account Number	MICR (9 digit code next to Cheque No.)*	
IFSC Code	Account Type	<input type="checkbox"/> Current <input type="checkbox"/> Savings <input type="checkbox"/> NRE <input type="checkbox"/> NRO <input type="checkbox"/> FCNR <input type="checkbox"/> Others <small>Please Specify</small>

I/We here by declare that the particulars given above are correct and express my / our willingness to make payments referred above through participation in ECS (Debit Clearing/Direct Debit). If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Mutual Fund or the Bank responsible. If the date of debit to my/our account happens to be a non business day as per the Mutual Fund, execution of the SIP will happen on the day of holiday and allotment of units will happen as per the Terms and Conditions listed in the Offer Document/ SAI/ SID of the Mutual Fund. State Bank of India shall not be liable for, nor be in default by reason of, any failure or delay in completion of its obligations under this Agreement, where such failure or delay is caused, in whole or in part, by acts of God, civil war, civil commotion, riot, strike, mutiny, revolution, fire, flood, fog, was, lightning, earthquake, change of Government policies, Unavailability of Bank's computer system, force majeure events, or any other cause of peril which is beyond reasonable control the State Bank of India and which has the effect of preventing the performance of the contract by State Bank of India. I/We acknowledge that no separate intimation will be received from State Bank of India in case of non-execution of the instructions for any reasons whatsoever.

SIGNATURE(S)

Sole / First Account Holder	Second Account Holder	Third Account Holder
-----------------------------	-----------------------	----------------------

To be signed by All Bank Account Holders if mode of operation is "Joint". (As in Bank Records)

BANKER'S ATTESTATION
(Mandatory if your First SIP Investment is through a Demand Draft / Pay Order)

Certified that the signature of account holder and the details of Bank Accounts are correct as per our records

Signature of Authorised Official From Bank

Bank Stamp & Date

Standing Instructions for State Bank of India Customers

I/We undertake to keep sufficient funds in the funding account on the date of execution of standing instruction. I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Mutual Fund or the Bank responsible. If the date of debit to my/our account happens to be a non business day as per the Mutual Fund, execution of the SIP will happen on the day of holiday and allotment of units will happen as per the Terms and Conditions listed in the Offer Document/ SAI/ SID of the Mutual Fund. State Bank of India shall not be liable for, nor be in default by reason of, any failure or delay in completion of its obligations under this Agreement, where such failure or delay is caused, in whole or in part, by acts of God, civil war, civil commotion, riot, strike, mutiny, revolution, fire, flood, fog, was, lightning, earthquake, change of Government policies, Unavailability of Bank's computer system, force majeure events, or any other cause of peril which is beyond reasonable control the State Bank of India and which has the effect of preventing the performance of the contract by State Bank of India. I/We acknowledge that no separate intimation will be received from State Bank of India in case of non-execution of the instructions for any reasons whatsoever.

Declaration and Signature

I/We have read and understood the contents of the SAI/ SID of the above referred Scheme(s) of Kotak Mahindra Mutual Fund. I/We hereby apply for allotment / purchase of Units in the Scheme(s) indicated as above and agree to abide by the terms and conditions applicable there to. I/We hereby declare that I/We authorized to make this investment in the above mentioned Scheme(s) and that the amount invested in the Scheme(s) is through legitimate sources only and is not designed for the purpose of any contravention or evasion of any Act, Rules, Regulations, Notifications or Directions of the provisions of Income Tax Act, Anti Money Laundering Act, Anti Corruption Act or any other applicable laws enacted by the Government of India from time to time. I/We hereby authorize Kotak Mahindra Mutual Fund, its investment Manager and its agents to disclose details of my investment to my / our Investment Advisor and / or banks. I/We have neither received nor been induced by any rebate or gifts, directly, in making this investment. By ticking micro sip, I/We hereby declare that our total SIP for rolling 12 months or FY April to March does not exceed Rs. 50,000 through this application or any existing SIP in the schemes. I/We also declare that the ARN Holder has disclosed all commission (in the form of trail commission or any other mode) payable to him for the different competing Schemes of various Mutual Funds from amongst which the Scheme is being recommended to me / us.

SIGNATURE(S)

Sole / First Account Holder	Second Account Holder	Third Account Holder
-----------------------------	-----------------------	----------------------

To be signed by All Applicant's if mode of operation is "Joint". (As in Bank Records)

* Please ensure utmost care while filling the highlighted column. The form may get rejected in case the details are incomplete.

** Please refer the Instruction & Information of Normal SIP - Point No.13

TERMS AND CONDITIONS - AUTO DEBITS & ECS

Systematic Investments - Snapshot

Schemes where SIPs are allowed	All open-ended schemes except Kotak Liquid Plan A & Kotak Floater Short Term scheme
Frequency	Monthly or Quarterly
Choice of Dates	1st, 7th, 14th, 21st & 25th
Minimum Investment	Rs. 1000/- (Rs. 500 & in multiples of Rs. 500 in case of Kotak Tax Saver).
Minimum Installments	6 (All SIP installments should be for the same amount)
First SIP	→ Can be done on any Day of the Month
Second & Subsequent SIPs	→ Only on specified SIP Dates (1st, 7th, 14th, 21st & 25th) after a minimum gap of 28 days from date of first SIP. → Can be through ECS Debit/ Direct debit (in select locations) or Post-Dated Cheque based on your preference.

Instruction & Information of Normal SIP

- Please refer the Key Information Memorandum and Offer Document/ SAI/ SID of the respective scheme(s) for Applicable NAV, Risk Factors, Load Structure and other information before investing.
- (i) Existing unitholders need not fill in the Investment Application Form. However, they must compulsorily mention their Account Number in the Systematic Investment Form.
(ii) New Applicants need to compulsorily fill in all sections in the Investment Application Form in addition to Systematic Investment Form. The Application No. must be compulsorily mentioned in the Systematic Investment Form.
- Irrespective of the investment amount please furnish your PAN details and enclose a photocopy of PAN Card for all applications. In case of minor applicants, please furnish the PAN details and PAN proof of the Guardian.
- KYC compliant is mandatory, irrespective of the amount of investment.
- You can opt for Systematic Investment in the Scheme on a monthly/quarterly basis through post-dated cheques / auto-debit for a pre-defined amount. This facility is available only on specified dates of the month/ quarter viz. 1st, 7th, 14th, 21st & 25th. Refer to Section "SIP Auto Debit: Terms & Conditions" for location wise dates available for SIP Auto Debit.
- (i) First SIP Installment : Your first SIP can be for any day of the month, however subject to the condition that, there shall be a minimum gap of 28 day between the first and the second SIP.
(ii) Second & subsequent SIP Installment : Your second and subsequent SIPs are available only on above specified dated of the month. You can choose only one of these dates for the purpose of SIP. In case the chosen date turns out to be a non-working day for the scheme, the SIP will be processed on the immediately following working day.
- We would send you an Account Statement confirming your systematic investment within 10 working days from the date of your first systematic investment transaction Confirmation for subsequent Systematic Investments would be sent to you on a quarterly basis.
- Modification / Cancellation of SIP : You can request for a modification / cancellation of your SIP at any time. Your modification/ cancellation request should be submitted 30 days prior the next Auto Debit Date. Any modification request should be accompanied by :
(i) A new SIP Form duly filled in and carrying the revised SIP request details.
(ii) A written and signed confirmation for discontinuance of the existing SIP.
- Extension of SIP needs to be accompanied with a cancelled cheque leaf.
- If four consecutive SIPs fail, your SIP will automatically stand terminated. If, upon termination / cancellation of your SIP it is observed, that your unitholding in the scheme is less than the minimum investment requirement for the scheme, your units will be redeemed at the applicable NAV of the immediately following 1st or 14th of the month, whichever is earlier and if that date happens to be a non-working day for the scheme on the immediately following working day thereafter.
- If the Scheme name differs between application form and cheque, name mentioned on the cheque will be considered for allotment.
- Incorrect, incomplete, ambiguous forms will not be accepted and will be returned to the investor within 30 days of their receipt.
- An investor has an option to choose the 'End Date' of the SIP by filling the date or by selecting the Default Date i.e. December 2050. In case no end date is selected the default end date will be considered as end date.

Instruction & Information of Micro SIP

- Exemption from need for Permanent Account Number (PAN) for investment through Systematic Investment Plan (SIP) upto Rs. 50,000/with effect from August 1, 2009.
- The exemption will be applicable only to investments by individuals (including NRIs but excluding PIOs), Minors, Sole proprietary firms and to investments made by joint holders.
- The exemption will not be applicable to normal purchase/ switchin transactions, which will continue to be subject to PAN requirement.
- By ticking micro sip, I/We hereby declare that our total SIP for rolling 12 months or FY April to March does not exceed Rs. 50,000 through this application or any existing SIP in the scheme's.
- The photo identification document has to be current and valid and also either self attested or attested by an ARN holder.

SIP Auto - Debit : Terms & Conditions

- Our SIP Auto - Debit Facility is offered to you using RBI's Electronic Clearing Service (ECS) for effecting SIP payment. By opting for this facility you agree to abide by the terms and conditions of ECS Facility of Reserve Bank of India.
- This facility is offered only to investors having bank accounts in any of the cities listed below:

LIST OF LOCATIONS FOR SIP AUTO-DEBIT (THROUGH ECS)

Agra | Ahmedabad | Allahabad | Amritsar | Anand | Asansol | Aurangabad | Bangalore | Baroda | Belgaum | Bhavnagar | Bhilwara | Bhopal | Bhubaneswar | Bikaner | Bikaner | Burdwan | Calicut | Chandigarh | Chennai | Cochin | Coimbatore | Cuttack | Davangere | Dehradun | Delhi | Dhanbad | Durgapur | Erode | Gadag | Gangtok | Gorakhpur | Gulbarga | Guwahati | Gwalior | Haldia | Hassan | Hubli | Hyderabad | Indore | Jabalpur | Jaipur | Jalandhar | Jammu | Jamnagar | Jamshedpur | Jodhpur | Kakinada | Kanpur | Kolhapur | Kolkata | Kota | Lucknow | Ludhiana | Madurai | Mandya | Mangalore | Mumbai | Mysore | Nagpur | Nasik | Nellore | Panjim | Patna | Pondicherry | Pune | Raichur | Raipur | Rajkot | Ranchi | Salem | Shimla | Shimoga | Siliguri | Solapur | Surat | Triunelveli | Tirupati | Tirupur | Trichur | Trichy | Trivendrum | Tumkur | Udaipur | Udupi | Varanasi | Vijayawada (also covers Guntur, Tenali & Mangalagiri) | Vizag

- The cities in the list may be modified / updated/ changed / removed at any time in future entirely at the discretion of Kotak Mahindra Mutual Fund without assigning any reasons or prior notice.
- Direct Debit Facility is available across all the branches of Axis Bank, Bank of Baroda, Bank of India, Dhanalakshmi Bank, Federal Bank, HDFC Bank, ICICI Bank, IDBI Bank, IndusInd Bank, Kotak Mahindra Bank, Punjab National Bank, State Bank of India & UCO Bank.
- Your Bank Branch through which you want your SIP Auto-Debit to take place should participate in local MICR Clearing. In case your bank decides to cross-verify the ECS auto-debit mandate with you as the Bank's customer, you would need to promptly do the same. Kotak Mahindra Mutual Fund, its Investment Manager, Registrar and other service providers will not be liable for any transaction failures due to rejection of the transaction by your bank / branch or its refusal to register the SIP mandate.
- You will not hold Kotak Mahindra Mutual Fund, its Investment Manager, Registrar and other service providers responsible if the transaction is delayed or not effected or your bank account is debited in advance or after the specific SIP date due to various clearing cycles of ECS. Kotak Mahindra Mutual Fund, its Investment Manager, Registrar and other service providers responsible and liable for any damages/ compensation for any loss, damage, etc. incurred by you as a result of use of this facility by you.
- If you have not indicated any of your SIP preference completely in the form, or in case of any discrepancy, we would presume the same as below :
SIP Frequency : Monthly; SIP Date : 7th; No. of installments: Six; Scheme Name : same as mentioned on the 1st cheque, SIP Amount : same as mentioned on the 1st cheque.

Checklist

- Please ensure that:
- Ø If you are an existing investor, you have quoted your Account No. with Kotak Mahindra Mutual Fund on the Systematic Investment Form.
 - Ø If you are a new investor, your Application Number is quoted on the Systematic Investment Form.
 - Ø Scheme (Plan) - Option in which you wish to do your systematic investments is clearly indicated in the Systematic Investment Form.
 - Ø The SIP Amount, the Frequency, your preferred Date and Period are clearly indicated.
 - Ø There is minimum gap of 28 days between your first & second SIP.

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:

- For existing investors (across mutual funds), the distributor shall be paid Rs. 100/- as transaction charge per subscription of Rs. 10,000/- & above.
- For first time investors, (across Mutual Funds), the distributor shall be paid Rs. 150/- as transaction charge per subscription of Rs. 10,000/- & above.
- 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.
- 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.

Transaction charges shall not be deducted/applicable for:

- Transaction other than purchases/subscriptions such as Switch/Systematic Transfer Plan (STP)/Dividend Transfer Plan (DTP), etc.
- Purchases/Subscriptions made directly with the Fund without any ARN code.
- Transactions carried out through the stock exchange platforms.
- Distributors who have chosen 'Opt Out' of charging the transaction charge.

Auto-Debit

- Ø Your First SIP Cheque is from the same bank from which you wish your SIP Auto-Debits to happen.
- Ø Your First SIP Cheque details are clearly indicated in the Systematic Investment Form.
- Ø Your Bank Account Details are correctly and completely furnished including the 9 digit MICR Code which is mandatory for SIPs through ECS.
- Ø Your Systematic Investment Form carries the signatures of the Bank Account Holders as it appears in the Bank Records.
- Ø A copy of your First SIP Cheque is enclosed with your SIP Application.
- Ø If you First SIP Investment is through a Demand Draft Pay Order, please ensure that your Bank details and Signatures are attested by your Bankers.
- Ø Alternatively you can provide us with cancelled cheque leaf copy of the bank from where you intend to do your SIP.

MULTIPLE BANK ACCOUNTS REGISTRATION FORM

Please strike unused sections to avoid unauthorised use.

Folio No. <input style="width: 90%;" type="text"/> (For Existing Unit Holders) _____	OR	Application No. <input style="width: 90%;" type="text"/> (For Existing Unit Holders) _____	Permanent Account Number (PAN) <input style="width: 100%; height: 20px;" type="text"/>
Name of Sole/ First Unit Holder _____			

A – ADDITION OF BANK ACCOUNTS

Please register my/our following bank accounts for all investments in my/our folio. I/we understand that I/we can choose to receive payment proceeds in any of these accounts, by making a specific request in my/our redemption request. I/We understand that the bank accounts listed below shall be taken up for registration in my/our folio in the order given below and the same shall be registered only if there is a scope to register additional bank accounts in the folio subject to a maximum of five in the case of individuals and ten in the case of non individuals.

☞ For each bank account, Investors should produce original for verification or submit originals of the documents mentioned below.

Account No.: <input style="width: 90%;" type="text"/> Bank Name: _____ City: _____ MICR Code[^]: <input style="width: 100%; height: 20px;" type="text"/>	Account type: <input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> NRE <input type="checkbox"/> NRO <input type="checkbox"/> FCNR <input type="checkbox"/> _____ Branch Name: _____ PIN code: <input style="width: 100%; height: 20px;" type="text"/> IFSC Code^{^^}: <input style="width: 100%; height: 20px;" type="text"/>
Document attached (Any one) <input type="checkbox"/> Cancelled Cheque with name pre-printed <input type="checkbox"/> Bank statement <input type="checkbox"/> Pass book <input type="checkbox"/> Bank Certificate	

Account No.: <input style="width: 90%;" type="text"/> Bank Name: _____ City: _____ MICR Code[^]: <input style="width: 100%; height: 20px;" type="text"/>	Account type: <input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> NRE <input type="checkbox"/> NRO <input type="checkbox"/> FCNR <input type="checkbox"/> _____ Branch Name: _____ PIN code: <input style="width: 100%; height: 20px;" type="text"/> IFSC Code^{^^}: <input style="width: 100%; height: 20px;" type="text"/>
Document attached (Any one) <input type="checkbox"/> Cancelled Cheque with name pre-printed <input type="checkbox"/> Bank statement <input type="checkbox"/> Pass book <input type="checkbox"/> Bank Certificate	

Account No.: <input style="width: 90%;" type="text"/> Bank Name: _____ City: _____ MICR Code[^]: <input style="width: 100%; height: 20px;" type="text"/>	Account type: <input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> NRE <input type="checkbox"/> NRO <input type="checkbox"/> FCNR <input type="checkbox"/> _____ Branch Name: _____ PIN code: <input style="width: 100%; height: 20px;" type="text"/> IFSC Code^{^^}: <input style="width: 100%; height: 20px;" type="text"/>
Document attached (Any one) <input type="checkbox"/> Cancelled Cheque with name pre-printed <input type="checkbox"/> Bank statement <input type="checkbox"/> Pass book <input type="checkbox"/> Bank Certificate	

Account No.: <input style="width: 90%;" type="text"/> Bank Name: _____ City: _____ MICR Code[^]: <input style="width: 100%; height: 20px;" type="text"/>	Account type: <input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> NRE <input type="checkbox"/> NRO <input type="checkbox"/> FCNR <input type="checkbox"/> _____ Branch Name: _____ PIN code: <input style="width: 100%; height: 20px;" type="text"/> IFSC Code^{^^}: <input style="width: 100%; height: 20px;" type="text"/>
Document attached (Any one) <input type="checkbox"/> Cancelled Cheque with name pre-printed <input type="checkbox"/> Bank statement <input type="checkbox"/> Pass book <input type="checkbox"/> Bank Certificate	

[^] 9 digit code on your cheque next to the cheque number.

^{^^} 11 digit code printed on your cheque.

B - DEFAULT BANK ACCOUNT

From among the bank accounts registered with you or mentioned above, please register the following bank account as a Default Bank Account into which future redemption and/or dividend proceeds, if any of the above mentioned folio will be paid:

Bank Account No.: <input style="width: 90%;" type="text"/>	Bank Name: _____	
SIGNATURES (To be signed by ALL UNITHOLDERS if mode of operation is indicated as 'JOINT'. In case of non-Individual Unit holders, to be signed by AUTHORISED SIGNATORIES)		
Sole / First Applicant / Unit holder	Second Applicant / Unit holder	Third Applicant / Unit holder

C - BANK ACCOUNT DELETION FORM

Folio No. <input style="width: 250px;" type="text"/>	Permanent Account Number (PAN) <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"><tr><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td></tr></table>										
Name of Sole/ First Unit Holder _____											

Bank Account No.: <input style="width: 250px;" type="text"/>	Bank Name: _____
Bank Account No.: <input style="width: 250px;" type="text"/>	Bank Name: _____
Bank Account No.: <input style="width: 250px;" type="text"/>	Bank Name: _____
Bank Account No.: <input style="width: 250px;" type="text"/>	Bank Name: _____

Deletion of a default bank account is not permitted unless the investor mentions another registered bank account as a default account in Part B of this Form.

SIGNATURES (To be signed by ALL UNIT HOLDERS if mode of operation is indicated as 'JOINT'. In case of non-Individual Unit holders, to be signed by AUTHORISED SIGNATORIES)		
Sole / First Applicant / Unit holder	Second Applicant / Unit holder	Third Applicant / Unit holder

Instructions and Terms and Conditions:

1. This facility allows a unit holder to register multiple bank account details for all investments held in the specified folio (existing or new). Individuals/HuF can register upto 5 different bank accounts for a folio by using this form. Non-individuals can register upto 10 different bank accounts for a folio. For registering more than 5 accounts, please use extra copies of this form.
2. Please enclose a cancelled cheque leaf for each of such banks accounts. This will help in verification of the account details and register them accurately. The application will be processed only for such accounts for which cancelled cheque leaf is provided. Accounts not matching with such cheque leaf thereof will not be registered.
3. If the bank account number on the cheque leaf is handwritten or investor name is not printed on the face of the cheque, bank account statement or pass book or a bank certificate or a letter from the bank giving the name, address and the account number should be enclosed. If photocopies are submitted, investors must produce original for verification.
4. Bank account registration/deletion request will be accepted and processed only if all the details are correctly filled and the necessary documents are submitted. The request is liable to be rejected if any information is missing or incorrectly filled or if there is deficiency in the documents submitted.
5. The first/sole unit holder in the folio should be one of the holders of the bank account being registered.
6. The investors can change the default bank account by submitting this form. In case multiple bank accounts are opted for registration as default bank account, the mutual fund retains the right to register any one of them as the default bank account.
7. A written confirmation of registration of the additional bank account details will be dispatched to you within 10 calendar days of receipt of such request.
8. If any of the registered bank accounts are closed/ altered, please intimate the AMC in writing of such change with an instruction to delete/alter it from of our records..
9. The Bank Account chosen as the primary/default bank account will be used for all Redemption payouts/ Dividend payouts. At anytime, investor can instruct the AMC to change the default bank account by choosing one of the additional accounts already registered with the AMC.
10. If request for redemption received together with a change of bank account or before verification and validation of the new bank account, the redemption request would be processed to the currently registered default (old) bank account.
11. If in a folio, purchase investments are vide SB or NRO bank account, the bank account types for redemption can be SB or NRO only. If the purchase investments are made vide NRE account(s), the bank accounts types for redemption can be SB/ NRO/ NRE.
12. The registered bank accounts will also be used to identify the pay-in proceeds. Hence, unit holder(s) are advised to register their various bank accounts in advance using this facility and ensure that payments for ongoing purchase transactions are from any of the registered bank accounts only, to avoid fraudulent transactions and potential rejections due to mismatch of pay-in bank details with the accounts registered in the folio.