

ADDENDUM DATED AUGUST 16, 2006 TO THE COMBINED OFFER DOCUMENT

Sub: Modification in Investment Pattern of Kotak Mahindra Bond Unit Scheme

The following changes will be effected in the Offer Document with effect from August 16, 2006:

Chapter IV – Investment of the Fund

1. Part A, point (e) “The Risk Profile and Investment Pattern” (page 38)

The table on asset allocation will be replaced with the following:

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

Investments	Indicative Allocation	Risk Profile
*Debt instrument with maturity more than one year	25% to 100%	Medium
*Debt and Money Market Instruments with maturity less than one year	10% to 100%	Low to Medium

- **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.

This addendum is an integral part of the Offer Document.

Sandesh Kirkire
Chief Executive Officer