

ADDENDUM DATED JUNE 18, 2007 TO THE COMBINED OFFER DOCUMENT

The following changes have been effected in the Kotak Mahindra Technology Scheme (“Kotak Tech”) with effect from June 18, 2007:

I. Investment Objective:

A) CHAPTER – I HIGHLIGHTS, RISK FACTORS AND DUE DILIGENCE (PAGE 7)

(i) In the table ‘Highlights’ the feature, “Investment in” shall stand replaced as:

Technology, other technology enabled companies and related sectors

(ii) In the table ‘Highlights’ the feature, “Suitable for” shall stand replaced as:

Investors who seek high returns and are willing to take attendant risks from investing in companies in the Technology, other technology enabled companies and related sectors.

(iii) In the table ‘Highlights’ the feature, “Investment Objective” shall stand replaced as:

The investment objective is to generate capital appreciation from a portfolio of predominantly equity and equity related securities in technology, other technology enabled companies and related sectors as given in the investment strategy.

(iv) In the table ‘Highlights’ the feature, “Benchmark Index” shall stand replaced as: BSE Teck Index.

B) CHAPTER – IV INVESTMENT OF THE FUND (Page 46)

Under point no 10, “Kotak Tech”, the subpoint “b” shall stand replaced as :

b) Investment Objective

The investment objective is to generate capital appreciation from a portfolio of predominantly equity and equity related securities in technology, other technology enabled companies and related sectors as given in the investment strategy.

The Performance of Kotak Tech will be measured against the BSE Tech Index.

The Fund may also use derivatives to hedge exposures as and when in the manner approved by SEBI. Subject to the maximum amount permitted from time to time, the Scheme may invest in GDRs/ADRs of Indian companies and/or listed securities issued by foreign companies, in the manner allowed by SEBI/RBI. Such investments will be in conformity with the investment objective of the Scheme and the guidelines and Regulations prevailing at the time.

Portfolio Turnover:

The portfolio turnover does not normally exceed 300% of the assets under management. Portfolio turnover excludes:

- the turnover caused on account of investing the initial corpus;
- the turnover caused on account of investing in debt and money market securities
- the turnover caused on account of fresh purchases and redemptions by Unitholders ; and
- the turnover caused by change of allocation to different sectors.

Turnover means the simple average of the aggregate of purchases and sales, net of the above exclusions. These purchases and sales invite transaction costs viz. brokerage, stamp duty and custodian transaction charges.

There is no assurance that the investment objective of the Scheme will be achieved.

II. Investment Strategy:

CHAPTER – IV INVESTMENT OF THE FUND (Page 47)

Under point no 10, “Kotak Tech”, the subpoint “c” shall stand replaced as :

c) Investment Strategy

The investment strategy of the AMC is directed to investing in stocks, which, in the opinion of the Investment Manager, are priced at a material discount to their intrinsic value. Such intrinsic value is a function of both past performance and future growth prospects. The process of discovering the intrinsic value is through in-house research supplemented by research available from other sources.

The scheme will focus on investing in technology companies, computer hardware, peripherals and components, software (products and services), telecom, telecommunications and media and entertainment, Internet and E-commerce, IT education and training, and other technology enabled companies. These sectors are classified as high growth sectors and are often characterized as being largely insulated from economic cycles but the companies in which the scheme invests could be adversely affected by technological change and obsolescence or by a lack of commercial acceptance of their new product or process. Though investment will be made in all or some of the companies forming part of BSE Teck Index, investments may not be made in the same proportion as the Index. The scheme will also invest in similar existing listed companies that are not a part of the index as well as new issues of companies from the relevant sector, which come into the market.

The limits upto, which the scheme may invest in individual scrips, will be in accordance with the limits prescribed under the regulations from time to time as applicable to sector specific schemes.

The AMC generally takes into account the following before investing in the stocks of any company:

1. The technology content, knowledge base, quality of human resources and potential for intellectual property
2. The financial strength of companies, as indicated by well recognized financial parameters
3. Reputation of the management / promoters and track record
4. Liquidity of the stock

The Scheme may invest in listed/unlisted and/or rated/unrated debt or money market securities provided the investments are within the limits indicated in the Investment Pattern Table. Investment in unrated debt securities is made with the prior approval of the Board of the AMC, provided the investment is within the terms / 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 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.

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 cannot charge management fees on the amounts of the Schemes so invested, unless permitted by the Regulations.

Subject to the maximum amount permitted from time to time, the Scheme may invest in GDRs/ADRs of Indian companies and/or listed securities issued by foreign companies, in the manner allowed by SEBI/RBI. Such investments will be in conformity with the investment objective of the Scheme and the guidelines and Regulations prevailing at the time.

IV. Investment Pattern.

CHAPTER – IV INVESTMENT OF THE FUND (Page 47)

Under point no 10, “Kotak Tech”, the subpoint “d” shall stand replaced as :

d) The Risk Profile and Investment Pattern

Change in Investment Pattern:

Investments	Indicative Allocation	Risk Profile
Equity and equity related securities	65% - 100%	Medium to High
*Debt and money market Securities	0% - 35%	Low to Medium

* Debt securities / instruments are deemed to include securitized debt and investment in securitized debt will not exceed 50% of the debt portion of the scheme.

Note: The asset allocation show above is indicative and may change for a short term on defensive considerations. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above.

This addendum is an integral part of the Combined Offer Document.

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CHIEF EXECUTIVE OFFICER**
