

ADDENDUM DATED MAY 25, 2006 TO THE OFFER DOCUMENT OF KOTAK TWIN ADVANTAGE SERIES II

The following changes are effected in Offer Document of the Scheme with effect from May 26, 2006

- I(a). On page no 2, Under Chapter I, in the table under 'Highlights, Risk Factors And Due Diligence' the following shall be added:

| | |
|---------------|---|
| Option | Growth Option Dividend Option (Payout/Re-investment) |
|---------------|---|

- I(b). On page no 2, Under Chapter I, in the table under 'Highlights, Risk Factors And Due Diligence' in the feature on Exit Load (during Liquidity Window) before maturity of the Scheme following sentence Shall be added:

"Inter-switch option from one Option/Sub-Option to another within the Scheme will not attract any entry/exit Load."

- II. On page no 27, under Chapter IV, ' Investment of Fund', in Part 'A' the Para on Dividend will be replaced as given below:

2. Options

- a. Growth Option:

Under this 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.

- b. Dividend Option

Under this option, the Trustee may decide to distribute by way of dividend, the surplus of realised profit and interest, net of losses, expenses and taxes, if any, to Unitholders of the Scheme, if, in the opinion of the Trustee, such available surplus is 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 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 NAV of the Scheme will fall after declaration of the first dividend to the extent of distributed income, tax and surcharge thereon, where applicable. The Unitholder has the option of receiving the dividend or having the same reinvested. Dividend amounts will be reinvested in the same Option at the Applicable NAV announced immediately after the date of declaration of Dividend.

- III. On page No 38, under Chapter V, 'Units', in Part 'A' , in point no 9, in sub-paragraph on 'Switching' the following sentence shall be added after the para starting from : 'A Switch Unless otherwise specified'.

"Inter-switch option from one Option/Sub-Option to another within the Scheme will not attract any entry/exit Load."

- IV. On page no 33, under Chapter V, 'Units' in Part 'B' point no 9 'Choice of Option' under the Scheme shall be added:

9. Choice of Option under the Scheme

If the applicant does not indicate his choice of Option in the Application Form, the Fund accepts the application as being for the Growth Option. The Investor, however, is free to switch from the Scheme/Plan/Option to any other open-ended Scheme/Plan/Option of his choice as mentioned under sub - paragraph 'Switching' under paragraph 'Facilities Offered to Investors under the Scheme' in this Offer Document.

- V. On page no 40, under Chapter VI, 'Loads and Recurring Expenses' in Part 'A' the following sentence in the paragraph on Exit Load shall be added:

"Inter-switch option from one Option/Sub-Option to another within the Scheme will not attract any entry/exit Load."

This addendum is an integral part of the Offer Document.

SANDESH KIRKIRE
CHIEF EXECUTIVE OFFICER
