

ADDENDUM DATED FEBRUARY 29, 2008 TO THE OFFER DOCUMENT OF KOTAK EQUITY FOF

The following changes have been effected in the Kotak Equity FOF ("the Scheme") with effect from March 1, 2008:

Chapter IV (Page 24 - 25)

Under part 'A' of the aforesaid chapter, point 4, "Investment Strategy" and point 5, " The Risk Profile and Investment Pattern" shall be replaced as under:

4. Investment Strategy

The Scheme will invest predominantly in open-ended diversified equity schemes of Mutual Funds, which are registered with SEBI.

The Fund Manager will normally invest not more than 25% of scheme's equity allocation in one or more equity scheme(s) of KMMF subject to SEBI regulations.

A combination of quantitative filters and qualitative judgment will be used in fund selection.

Quantitative analysis: Past performance of funds will be evaluated based on parameters like consistency in generating better risk and style adjusted returns, fund volatility, etc. The funds will be ranked based on combination of above listed parameters and best performing funds will be further subjected to qualitative judgment process described below.

Qualitative judgment: The Fund-Of-Funds manager, if considered necessary, may interact with the fund-management teams of prospective/ current underlying funds to assess them on parameters like consistency and merits-demerits of their investment style (cap, sector, growth/value bias), research depth, clarity in decision making process and transparency in disclosures.

Hence, only the funds which pass through both quantitative and qualitative filters described above shall be included as underlying funds in the Kotak Equity FOF.

Pending deployment of the funds of the Scheme in terms of the investment objective, the Fund can invest the funds of the Scheme in short term deposits of scheduled commercial banks as per the guidelines given in SEBI Circular nos. SEBI/IMD/CIR No. 1/91171/07 dated April 16 2007 and SEBI circular no SEBI/IMD/CIR No. 8 / 107311 /07 dated October 26, 2007.

5. The Risk Profile and Investment Pattern

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

Investments Profile	Indicative Allocation *	Risk
Open - Ended Diversified equity schemes	90% to 100%	Medium to High
Reverse repo and/or CBLO and/or short-term fixed deposits and/or Schemes which invest predominantly in the money market or floating rate securities *	0% to 10%	Low

* The Fund Manager will normally invest in Kotak Mahindra Liquid Scheme and Kotak Mahindra Floater Short Term Scheme. However, the Fund Manager may invest in any other scheme of a mutual fund registered with SEBI, which invest predominantly in the money market or floating rate securities.

The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Manager, on defensive

consideration. Review and rebalancing will be conducted when the asset allocation falls outside the range as indicated above. If the exposure falls outside the above range, it will be restored within 10 (Ten) Working Days. **This addendum is an integral part of the Offer Document.**

Sandesh Kirkire
Chief Executive Officer