

ADDENDUM DATED JULY 21, 2005 TO THE OFFER DOCUMENT OF KOTAK MIDCAP SCHEME

The following changes are effected to the Offer Document of Kotak Midcap Scheme with effect from July 21, 2005

CHAPTER I – HIGHLIGHTS, RISK FACTORS AND DUE DILIGENCE (PAGE 3)

1) In the table 'Highlights', for the feature "Loads", under "During Continuous Offer", following changes are made:

Entry Load –

- [1] Where switch-in is made from another Equity / Balanced / FOF Scheme of the Fund [2] where purchase/switch-in amount is greater than or equal to Rs. 3 Crores (Switch-ins being from schemes other than those indicated in [1] above) [3] where Units are allotted upon reinvestment of Dividends [4] Where the investor is a Fund-of-Funds as defined under SEBI Regulations [5] Where investments are made by FIIs or sub a/c of FIIs: Nil
- Where investments are made through SIP / STP (investors other than FII/sub-account of FII) upto Rs. 25 lacs per investment (per instalment): 2.00%
- [1] Purchase/switch-in otherwise than as is mentioned above where purchase/switch-in amount is less than Rs. 3 Crores [2] SIP / STP (from investors other than FII/sub-account of FII) of more than Rs. 25 lacs but below Rs.3 Crore per investment and [3] cases not covered above: 2.25%

Exit load –

SIP/STP upto Rs.25 lacs per investment, (investors other than FII/sub-account of FII) for exit before 18 months (calculated as date to date): 1.00%

2) In the table 'Highlights', following features are amended as follows:

SIP Frequency & Dates	1st, 7th, 14 th and 21st of every month
SWP/STP Dates & Frequency	1st, 7th, 14 th and 21st on monthly & quarterly basis. In STP, weekly option (on 1st, 7th, 14th and 21st being a Friday)
Minimum Investment Size	
SIP Purchase	Rs. 1,000
	Total SIP investments to be - Rs. 6,000
STP Purchase	Rs. 1,000/ Full Appreciation

CHAPTER V – UNITS

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a) In Chapter V (Part A); Section 10, clause "d) Systematic Investment Plan", the second sub-paragraph is replaced as follows:

"For investors availing of SIP, purchase of Units for the first time can be made by monthly cheques (dated 1st, 7th, 14th and 21st of every month) in such a way that atleast 6 cheques are issued."

b) In Chapter V (Part A); Section 10, clause "e) Systematic Withdrawal Plan", the sentence " The withdrawals can be made either monthly or quarterly" is replaced as follows:

The withdrawals can be made either Monthly (on 1st, 7th, 14th and 21st of every month) or Quarterly (on 1st, 7th, 14th and 21st of every Quarter).

PAGE 39:

In Chapter V (Part A); Section 10, clause “f) Systematic Transfer Plan”, in the first paragraph the sentence “The switch can be made Weekly (every Friday), Monthly (Any date) or Quarterly (Any date)” be replaced by the following:

The switch can be made Weekly (on 1st, 7th, 14th and 21st being a Friday), Monthly (on 1st, 7th, 14th and 21st of every month) or Quarterly (on 1st, 7th, 14th and 21st of every quarter)

PAGE 40:

In Chapter V (Part A); Section 10, clause “j) Direct Debit Facility in SIP through ECS” is replaced as follows:

j) Direct Debit Facility in SIP through ECS - (Auto Debit Facility)

Unitholders investing under SIP in any Scheme (only non-institutional plans) of Kotak Mutual Fund have the option to avail the facility of Direct Debit through ECS mode. Direct Debit allows investors to instruct the banker to debit the respective bank account at periodic intervals for making investments in mutual fund scheme(s). However the first investment in SIP under this mode shall be by way of cheque only. Investors who wish to transfer their existing SIPs to Auto Debit Facility shall give 15 days prior notice alongwith with submission of SIP Auto Debit Facility Form and necessary documents, as may be required from time to time.

Presently this facility will be offered only on 1st, 7th, 14th and 21st of every month. However, the AMC reserves the right to modify the dates from time to time. Other terms and conditions for investments in SIP will remain unchanged.

CHAPTER VI – LOADS AND RECURRING EXPENSES (PAGE 45)

Under Part A, ‘Load Structure of the Scheme’, the clause “During Continuous Offer“, the Entry / Exit Load is amended as follows:

Entry Load –

- [1] Where switch-in is made from another Equity / Balanced / FOF Scheme of the Fund [2] where purchase/switch-in amount is greater than or equal to Rs. 3 Crores (Switch-ins being from schemes other than those indicated in [1] above) [3] where Units are allotted upon reinvestment of Dividends [4] Where the investor is a Fund-of-Funds as defined under SEBI Regulations [5] Where investments are made by FIIs or sub a/c of FIIs: Nil
- Where investments are made through SIP / STP (investors other than FII/sub-account of FII) upto Rs. 25 lacs per investment (per installment): 2.00%
- [1] Purchase/switch-in otherwise than as is mentioned above where purchase/switch-in amount is less than Rs. 3 Crores [2] SIP / STP (from investors other than FII/sub-account of FII) of more than Rs. 25 lacs but below Rs.3 Crore per investment and [3] cases not covered above: 2.25%

Exit load –

SIP/STP upto Rs.25 lacs per investment, (investors other than FII/sub-account of FII) for exit before 18 months (calculated as date to date): 1.00%

This addendum is an integral part of the Offer Document

SANDESH KIRKIRE
CHIEF EXECUTIVE OFFICER
