

Fund Factsheet

July 31, 2006

**Let the Bulls and Bears fight.
With Kotak Twin Advantage, you will always be the winner.**



NEW FUND OFFER CLOSES: AUGUST 25, 2006.

KOTAK TWIN ADVANTAGE - III

From CEO's Desk



Life is measured not by the number of breaths we take but by the moments of truth that hold your breath. On 28th July, 2006, we had one such moment at Kotak Mutual Fund. On this day, Kotak Mutual Fund was adjudged the Best Mutual Fund and received the **"NDTV Profit Business Leadership Award"** in the

Mutual Fund category. NDTV Profit Business Leadership Awards have been instituted to award companies, which are the best in their respective fields - companies that have added value for their consumers, investors and the industry on the whole. The award is the new benchmark and a platform for recognizing excellence in business for Indian companies.

While the award is a clear verdict of our leadership and performance, I must tell you that this journey of success and triumph would not have been possible without your wholehearted support, hard work and belief in Kotak Mutual Fund as being the best in the industry.

I take this humble opportunity to thank you for being an able **partner** in our journey of success and honestly believe that we will strengthen our relationship further based on mutual understanding, respect and performance.

With leadership comes responsibility and an ability to learn and create value for our customers and other stakeholders which I believe is a continuous and never ending journey. It is my belief that this award is just the beginning of the journey that we have embarked upon and going ahead we will conquer many more heights and maintain our leadership position.

The RBI on its quarterly policy assessment on July 25, 06, hiked repo and reverse repo rate by 25 bps, to 7% and 6%

respectively, and left CRR and bank rates unchanged. We believe that RBI's overall stance would be to ensure a monetary and interest rate environment that enables growth momentum while emphasizing price stability. I think the rise in global oil prices; credit growth and money supply would exert further pressure on interest rates in India.

I think the RBI is worried, rightly so, about the phenomenal credit growth of over 32% in the first quarter. This was on the back of a 30% growth seen in the first quarter of the last financial year. Clearly the capex cycle is on and the retail credit continues to boom albeit slowly in the home loan front. The inflation too is a concern as the complete oil pass through is yet to happen. I think interest rates would continue to be under pressure for some more time.

Cut it to equity, there is a large consensus among equity market participants that India growth story is intact. However, the recent spike in volatility seems to be unsettling and leaving them in a dilemma whether to invest or not to invest in equity markets. If they invest and market goes down, they suffer a capital loss. Conversely, if they don't invest and market goes up, they suffer an opportunity loss!

To address this dilemma, we offer an investment solution, Kotak Twin Advantage Series III. The scheme endeavours to offer a payoff link to equity with a significantly low risk on capital. I sincerely suggest aggressive debt investors and conservative equity investors to consider this investment option in their overall asset allocation.

Warm Regards

Sandesh Kirkire
Chief Executive Officer.

Before investing, please read the Offer Document.

* Source: Bloomberg

From the Equity Fund Management Team

Last Month: Marked by high volatility:

The month of July continued to witness significant volatility in the equity markets. After a drop of 800 points, the Sensex recovered its lost ground and closed at 10872, registering a gain of 135 points.

What is driving this volatility is a combination of lack of liquidity and tug of war that is going on between earnings growth on one side and the interest rates on the other. In response to the rising inflationary trends, central bankers globally have taken an aggressive stance on tightening liquidity and making money expensive by increasing interest rates. While this will have its desired impact on inflation, rising interest rates may also moderate economic growth.

First quarter Earnings growth & risks:

On the earnings side, the going has been better than expected. Infosys started the earnings season with a bang, and earnings for the first quarter of the current fiscal has been better than expectations in almost all the sectors reinforcing the strong earnings momentum. The cement companies, reflecting the strong pricing and volume growth, stood out posting results far exceeding expectations. Barring the banking sector, impact of interest rate hikes has not been witnessed on the corporate earnings. While not seen in first quarter performance, we expect the negative impact to reflect on consumer demand growth particularly automobiles and housing, and also on the infrastructure spending.

Another nagging issue, which is impacting economic growth and current account, is the continuing rise oil prices. The flare up in the Lebanon-Israel crisis and the onset of hurricanes in Gulf of Mexico has further increased the uncertainty surrounding oil prices. Interest rate rise, oil prices and fear of outflow of FII money, has had its impact on the rupee. Rupee depreciated sharply during the month touching a low of 47 to a dollar before regaining some ground.

Going Forward:

In the face of increased volatility, risk aversion, high interest rates, high oil prices, problems on fiscal management, depreciating rupee, dithering of the UPA government on economic reforms and divestment, lingering worries on monsoon, on one side and strong corporate performance, the investor is at crossroads. While we believe in the strength of the Indian economy, the reality of rising interest rates makes us a little cautious. We expect markets to remain volatile in the near term.

The silver lining for the stock markets is the strong economic growth. IIP growth continues to hover around 10% and in all probability GDP growth in Apr-Jun quarter will be closer to 9%. After a 9.3% GDP growth in the first quarter of 2006 this growth shows the underlying resilience and the strength of the Indian economy. Though the Indian GDP growth may moderate a bit due to rising interest rates, we still believe that India remains one of the fastest growing large sized economies in the world. This economic growth will translate into strong secular corporate earnings growth and continue to attract global equity investors.

Given the general risk aversion, it is good time for long-term investors to build their equity portfolio. However, in this volatile phase, as always the preferred route to investment is SIP.

The month was marked by the horrible bomb blasts in the Mumbai Suburban railways. We pay our tribute to the spirit of Mumbai.

From the Debt Fund Management Team

Major Economic indicators

	Current Month#	Last Month	Change
Inflation (15/July/06)	4.52%	5.44%	-0.92%
WPI (Points)	203.70	203.40	0.15%
10 YR IGB (Yield)	8.24%	8.14%	0.10%
10 YR UST (Yield)	5.00%	5.22%	-0.22%
Avg. LAF Bal. With RBI under Reverse Repo (Rs./\$)	47285	41686	5599
Currency (Rs./\$)	46.56	46.04	1.13%
India's Forex Reserve (billion \$) (22/July/06)	163.35	161.96	1.39

#Current reported period in the month

Inflation Dips

Point-to-point WPI inflation fell during the month to close at 4.52% against 5.44% in the previous month. The fall could be attributed to higher base effect and a fall in prices of certain primary and food articles. However, WPI for all commodities was marginally up by 0.15% to 203.7 during the month as against 203.4 in the previous month.

BoE and ECB rates remain unchanged

The Bank of England's rate setting panel voted unanimously to keep the benchmark rate unchanged at 4.50% as the outlook on inflation remained that CPI will rise before settling back to the target 2% rate. The Bank last changed its rate in August 2005, when it cut the rate by 25 bps. Its European counterpart, European Central Bank too kept its refinancing rate unchanged to 2.75% but it warned that it shall exercise strong vigilance to ensure that risks to price stability don't materialize. This has heightened fears that the ECB will increase its benchmark rate to 3.00% when it meets next on Aug. 3.

BoJ and China hike rates

Bank of Japan put an end to its zero interest rate policy by hiking its overnight call rate by 0.25%, its first hike in nearly six years. The central bank's decision to hike rates could be attributed to accelerating growth and falling unemployment. After the announcement, the Bank of Japan said in a statement that it will adjust the level of the policy rate gradually in the light of developments in economic activity and prices.

Meanwhile the Chinese central bank too raised its reserve requirements by 50bps from 8% to 8.50%. The decision seems to have been taken in recognition of the strong 11.3% growth shown in the 2nd quarter.

Global Crude Oil breaches \$78 mark to new highs

Global crude oil prices surged to record high of \$78.4 a barrel on the NYMEX on July 14, 2006. Fall in US Crude oil supplies, geo political tensions between Israel and Lebanon and Iran's nuclear stand off against the West led to the spike in crude prices.

Rise in US core CPI & Bernanke Testimony

Core CPI inflation, which excludes energy and food, rose by 0.3% in June, above expectations of a 0.2% rise. The headline CPI rate meanwhile rose by 0.2% from May, in line with expectations. Despite a rise in core CPI numbers, US treasuries rallied as Fed Reserve Chairman Ben Bernanke's testimony indicated a possible end to its streak of interest rate hikes on views of moderating economic growth.

Gilt Auction

During the month RBI conducted Rs. 11000 crs of gilt auction. RBI auctioned Rs. 5000 crs of 7.59% 2016 gilt and Rs. 2000 crs of 7.50% 2034 gilt on July 11. At the second auction RBI auctioned Rs. 4000 crs of 7.55% 2010 gilt on July 27.

At the first auction of the month, approx. 75% of the auction size was devolved on the PDs, the highest so far. This devolvement on PDs coupled with weak demand for gilts led the RBI to reduce the auction amount as well as the tenure of the bond at the second gilt auction. Weak sentiments led the 10 yr gilt to touch a high of 8.42% intra month.

RBI rate hike

At the first quarter RBI Monetary and Credit Policy Review, RBI hiked the repo and reverse repo rate by 25 bps to 7% and 6% respectively, leaving CRR and Bank Rate unchanged. Strong M3 and credit growth coupled with inflationary pressures due to rising energy cost posed a cause for concern.

Fiscal Gap widens

India's fiscal deficit widened in the Q1 FY07 to 777.40 bln (\$16.7 bln) or 52.3% of the full year target of 1.49 trillion rupees. The government expects the fiscal deficit to be 3.8% of GDP, down from 4.1% in the previous year.

Outlook

Near term outlook on the Indian Debt market seems to be cautious in the wake of rising fiscal deficit and hawkish RBI Credit Policy statements. In the quarterly RBI Credit Policy review, the central bank has given emphasis on the inflationary pressures building up due to greater than targeted rise in money supply (growth of 18.8% against targeted growth of 15%) and credit growth (growth of 32% against targeted growth of 20%), coupled with rise in energy cost. In order to contain inflation within the targeted range of 5.00-5.50%, further monetary / fiscal measures during the course of the year cannot be ruled out.

Also gilt supplies in excess of Rs. 20000 crs in the next four weeks is likely to dampen market sentiments further, as the market seems to have little appetite for gilt supplies. Market participants shall take further cues from the ECB rate setting meet, scheduled for Aug 3 and FOMC meet on Aug 8. We expect market to remain subdued and gilt prices to remain weak.

Source of information :

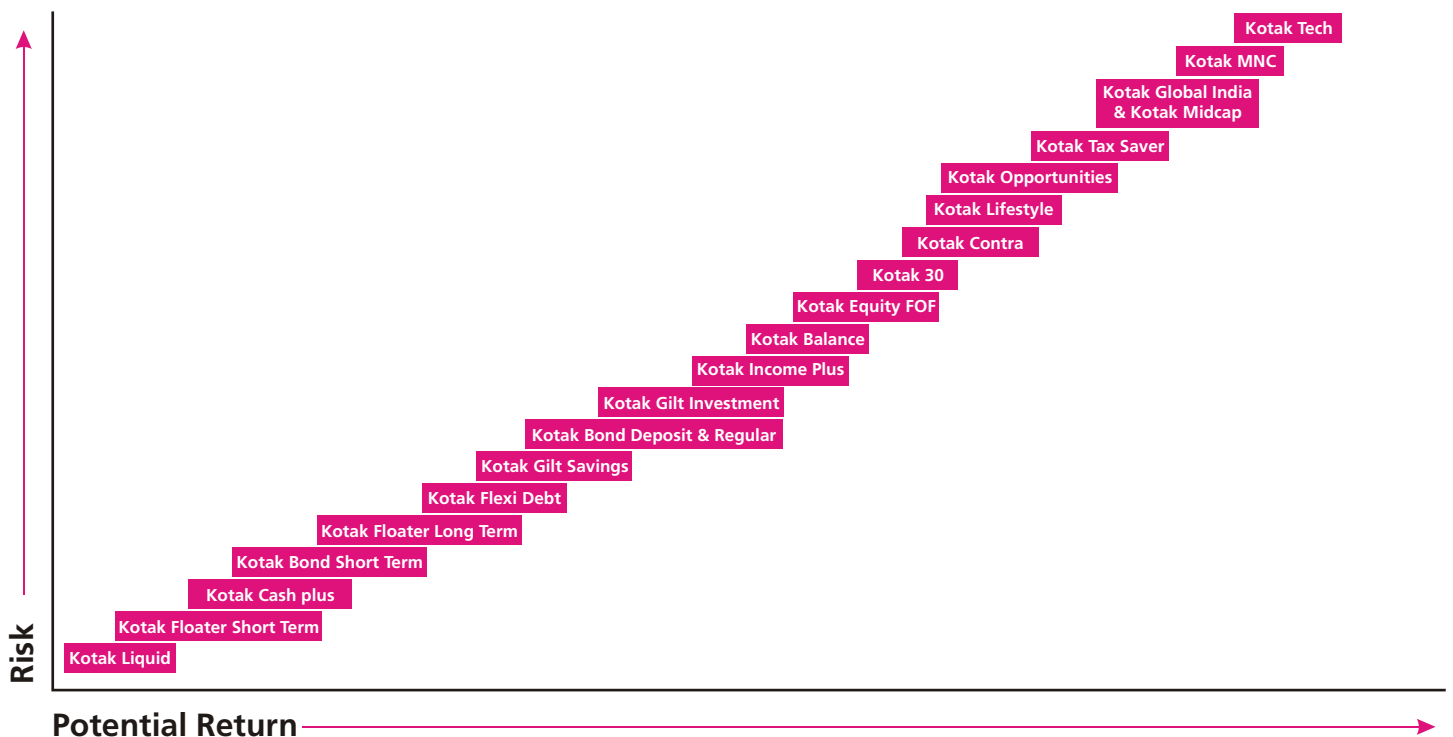
• www.rbi.org.in • www.sebi.gov.in • www.eaindustry.nic.in • Bloomberg • Moneyline telerate • Economic Times

Assets under Management as on July 31, 2006 - Rs. 13833.04 Crores

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Risk Return Stack Up



The above chart is meant only to show relative positioning and should not be construed as absolute risk return relationships among different products.

KOTAK 30

Open-Ended Equity Growth Scheme

Equity Investment
Philosophy



About the Scheme

A large cap diversified scheme, which invests in companies with a medium to long-term view. The scheme follows a bottom-up approach to stock selection. The investment strategy is to take balanced exposure across sectors while maintaining less than 30% exposure to mid-cap stocks.

Ideal Investment Horizon

1-3 years

Corpus

Rs. 261.29 crores

Ratios

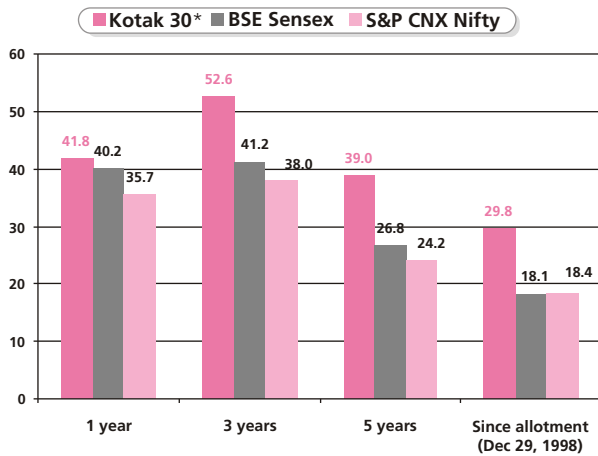
Beta* : 0.90

Sharpe*: 0.49

Portfolio P/E: 23.57

*Source: Value Research

Performance as on July 31, 2006



Kotak 30 NAV: Rs. 30.292 (Div. Option)

* Returns assumed reinvestment of the tax free dividend declared.

Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)

Past performance may or may not be sustained in future.

Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
Infosys Technologies Ltd.	Software	8.66
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	6.97
Larsen And Toubro Ltd.	Industrial Capital Goods	5.83
Reliance Industries Ltd.	Petroleum Products	5.43
Mahindra & Mahindra Ltd.	Auto	5.38
Wipro Ltd.	Software	4.70
Grasim Industries Ltd.	Cement	4.22
ITC Ltd.	Consumer Non Durables	3.84
Bajaj Auto Ltd.	Auto	3.77
I-Flex Solutions Ltd.	Software	3.24
Steel Authority of India Ltd.	Ferrous Metals	3.24
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	3.17
EID Parry (India) Ltd.	Consumer Non Durables	2.97
Nestle India Ltd.	Consumer Non Durables	2.82
HDFC Ltd.	Finance	2.70
Sterlite Industries (India) Ltd	Non - Ferrous Metals	2.51
Siemens Ltd.	Industrial Capital Goods	2.48
Deccan Chronicle Holdings Ltd.	Media and Entertainment	2.47
Punjab National Bank	Banks	2.33
Aditya Birla Nuvo Limited	Textile Products	2.32
The Associated Cement Companies Ltd	Cement	2.10
ICICI Bank Ltd.	Banks	2.01
Lupin Ltd.	Pharmaceuticals	1.81
Hindustan Lever Ltd.	Consumer Non Durables	1.78
Mahindra Gesco Developers Ltd.	Construction	1.18
TajGVK Hotels & Resorts Ltd.	Hotels	1.01
Oil & Natural Gas Corporation Ltd.	Oil	0.01
Total		88.95
Futures		
Oil & Natural Gas Corporation Ltd.-AUG2006		1.32
Sun Pharmaceuticals Industries Ltd.-AUG2006		0.60
Total		1.92
Collateral Borrowing & Lending obligation		4.78
Term Deposits		3.06
Net Current Assets/(Liabilites)		1.29
GRAND TOTAL		100.00

Total NPAs provided for and percentage to NAV: Nil

Total value and percentage to Net Asset of Illiquid Equity Shares : Nil

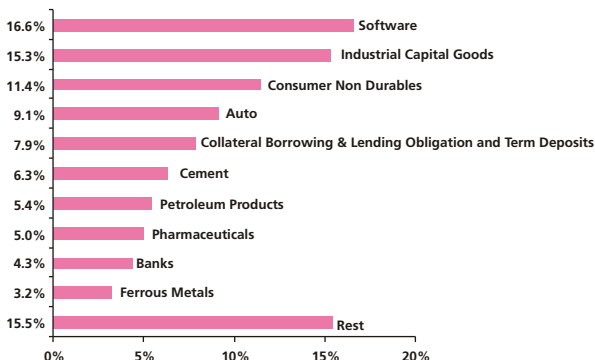
All ratings other than by CRISIL are by ICRA or CARE or Fitch.

SIP Returns

	3 years	5 years	7 years
Investment Amt.	Rs. 36000	Rs. 60000	Rs. 84000
Investment Value	Rs. 65575	Rs. 180819	Rs. 270260
XIRR	43.13%	45.86%	32.94%

Assumptions: 1) Rs. 1000 investment done on the 5th or the subsequent working day of the month.
2) Loads not considered.

Sector Allocation



KOTAK MID-CAP

Open-Ended Equity Growth Scheme

Equity Investment
Philosophy



About the Scheme

A scheme that invests predominantly in midcap companies, which are expected to be tomorrow's large cap companies. The Scheme follows a bottom up approach to stock selection. The investment strategy is to have 65%-95% investments in midcap companies, upto 30% in large cap / small cap

companies, 5%-35% in debt and money market securities with a portfolio diversified across sectors.

Ideal Investment Horizon

1-3 years

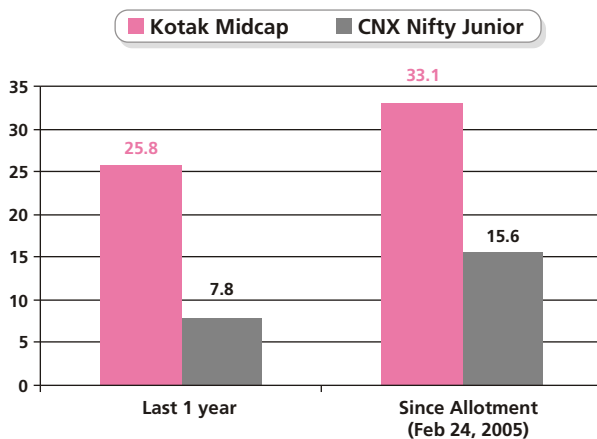
Corpus

Rs. 248.86 crores

Ratio

Portfolio P/E: 32.70

Performance as on July 31, 2006

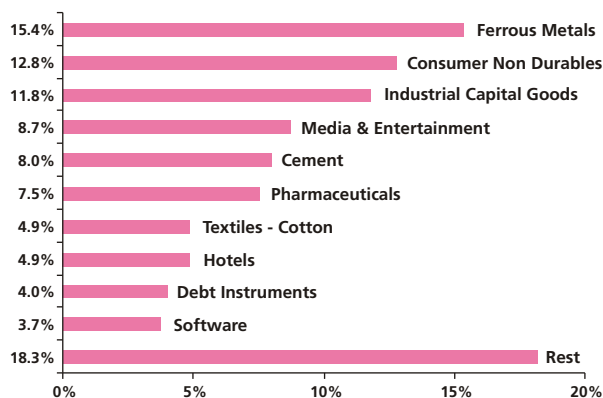


Kotak Midcap NAV: Rs. 15.266 (Growth Option)

Returns = 1 year : Absolute. Returns > 1 year : CAGR (Compounded Annualised Growth Rate)

Past performance may or may not be sustained in future.

Sector Allocation



Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
Jindal Steel & Power Ltd.	Ferrous Metals	4.78
Madras Cements Ltd.	Cement	4.76
Areva T and D India Ltd.	Industrial Capital Goods	4.46
Deccan Chronicle Holdings Ltd.	Media and Entertainment	4.37
Mphasis Bfl Ltd.	Software	3.73
Pidilite Industries Ltd.	Consumer Non Durables	3.60
Mahavir Spinning Mills Ltd.	Textiles - Cotton	3.55
EID Parry (India) Ltd.	Consumer Non Durables	3.47
Alembic Ltd.	Pharmaceuticals	3.40
Bharat Earth Movers Ltd.	Industrial Capital Goods	3.31
MRF Limited	Auto Ancillaries	3.07
TATA Metaliks Ltd.	Ferrous Metals	3.06
TajGVK Hotels & Resorts Ltd.	Hotels	3.02
JSW Steel Ltd.	Ferrous Metals	2.86
Aban Loyd Chiles Offshore Ltd.	Industrial Capital Goods	2.71
Television Eighteen India Ltd.	Media and Entertainment	2.56
Maharashtra Seamless Ltd.	Ferrous Metals	2.53
Ipca Laboratories Ltd.	Pharmaceuticals	2.47
Britannia Industries Ltd.	Consumer Non Durables	2.41
Gujarat Gas Company Ltd	Gas	2.11
Birla Corporation Ltd.	Cement	2.10
EIH Ltd.	Hotels	1.88
Kirloskar Oil Engines Ltd.	Industrial Products	1.81
HT Media Ltd.	Media and Entertainment	1.79
SKF India Ltd	Industrial Products	1.69
Aventis Pharma Ltd.	Pharmaceuticals	1.66
Shree Renuka Sugars Ltd.	Consumer Non Durables	1.61
Gujarat Mineral Development Corporation Ltd.	Minerals/Mining	1.60
Eveready Industries India Ltd.	Consumer Non Durables	1.52
Nahar Exports Ltd.	Textiles - Cotton	1.35
Hindustan Dorr-Oliver Ltd.	Industrial Capital Goods	1.32
Monnet Ispat and Energy Ltd.	Ferrous Metals	1.14
Shree Cement Ltd.	Cement	1.13
Avaya GlobalConnect Ltd.	Telecom - Equipment & Accessories	1.05
Kamdhenu Ispat Ltd.	Ferrous Metals	1.00
Sical Logistics Ltd.	Transportation	0.99
Nahar Spinning Mills Ltd.	Textiles - Synthetic	0.94
Patel Engineering Ltd.	Construction	0.90
Ugar Sugar Works Ltd	Consumer Non Durables	0.23
Total		91.94
Debt Instruments		
Debentures and Bonds		
Public Sector Undertakings		
Power Finance Corporation Ltd.	AAA	4.04
Total		4.04
Collateral Borrowing & Lending obligation		1.61
Net Current Assets/(Liabilites)		2.41
Grand Total		100.00

Total NPAs provided for and percentage to NAV : Nil

Total value and percentage to Net Asset of Illiquid Equity Shares : Nil

All ratings other than by CRISIL are by ICRA or CARE or Fitch.

KOTAK OPPORTUNITIES

Open-Ended Equity Growth Scheme

Equity Investment
Philosophy



About the Scheme

A diversified aggressive equity scheme that has a flexibility to invest across market capitalisation and sectors. The investment strategy is to make strategic use of debt and money market securities, upto 35% with flexibility for large exposure in select sectors.

Ideal Investment Horizon

1-3 years

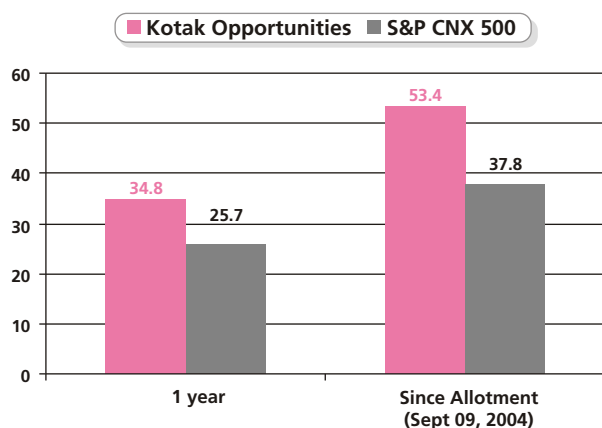
Corpus

Rs. 274.58 crores

Ratio

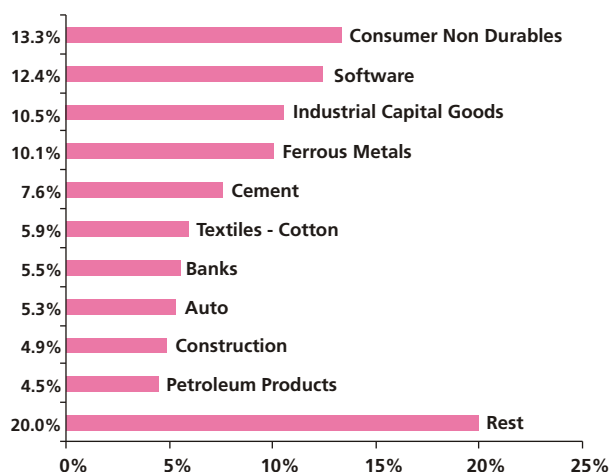
Portfolio P/E: 19.67

Performance as on July 31, 2006



Kotak Opportunities NAV: Rs. 22.448 (Growth Option)
Returns = 1 year : Absolute. Returns > 1 year: CAGR (Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

Sector Allocation



Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
Infosys Technologies Ltd.	Software	6.27
Satyam Computer Services Ltd.	Software	6.13
Jindal Steel & Power Ltd.	Ferrous Metals	4.99
ITC Ltd.	Consumer Non Durables	4.88
Madras Cements Ltd.	Cement	4.73
Reliance Industries Ltd.	Petroleum Products	4.46
Jaiprakash Associates Ltd	Construction	4.15
Eveready Industries India Ltd.	Consumer Non Durables	4.00
Mahavir Spinning Mills Ltd.	Textiles - Cotton	3.84
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	3.82
Larsen And Toubro Ltd.	Industrial Capital Goods	3.50
Mahindra & Mahindra Ltd.	Auto	3.32
Bank of India	Banks	3.23
Alembic Ltd.	Pharmaceuticals	3.15
Ultratech Cement Ltd.	Cement	2.88
Sterlite Industries (India) Ltd	Non - Ferrous Metals	2.65
Maharashtra Seamless Ltd.	Ferrous Metals	2.55
JSW Steel Ltd.	Ferrous Metals	2.53
Syndicate Bank	Banks	2.31
Television Eighteen India Ltd.	Media and Entertainment	2.25
Tata Chemicals Ltd.	Fertilisers	2.10
Nahar Industrial Enterprises Ltd.	Textiles - Cotton	2.08
Bajaj Auto Ltd.	Auto	1.97
Aban Loyd Chiles Offshore Ltd.	Industrial Capital Goods	1.83
Procter & Gamble Hygiene and Health Care Ltd.	Consumer Non Durables	1.70
ABG Heavy Industries Ltd.	Industrial Capital Goods	1.39
Dabur India Ltd	Consumer Non Durables	1.38
Balrampur Chini Mills Ltd	Consumer Non Durables	1.37
Atlas Copco (India) Ltd	Industrial Products	1.19
Dynamatic Technologies Ltd.	Industrial Products	0.85
Solar Explosives Ltd.	Chemicals	0.84
ITD Cementation India Ltd.	Construction	0.71
Total		93.05
Futures		
Dabur India Ltd-AUG2006		0.33
Total		0.33
Term Deposits		3.28
Collateral Borrowing & Lending obligation		0.36
Net Current Assets/(Liabilities)		2.98
Grand Total		100.00

Total NPAs provided for and percentage to NAV: Nil

Total value and percentage to Net Asset of Illiquid Equity Shares : Nil



About the Scheme

A scheme that invests in equity and equity linked instruments across the market irrespective of capitalisation. The scheme follows a bottom-up stock selection and invests across industries and companies, which are expected to benefit from the rising household spending on consumer

goods and services in India.

Ideal Investment Horizon

1 - 3 years

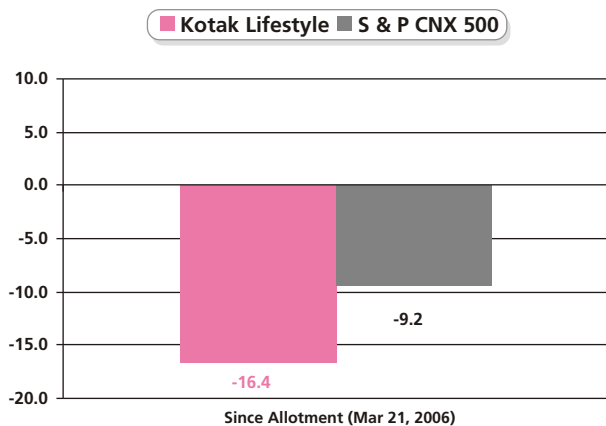
Corpus

Rs. 520.53 crores

Ratio

Portfolio P/E: 38.62

Performance as on July 31, 2006



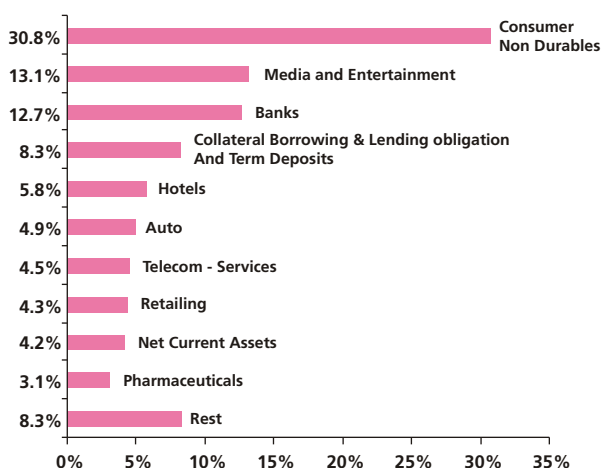
Kotak Lifestyle NAV: Rs. 8.460 (Growth Option)

Returns <= 1 year : Absolute

The Annualised Return is not shown as Scheme has not completed one year.

Past performance may or may not be sustained in future.

Sector Allocation



Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
Indian Hotels Company Ltd.	Hotels	5.07
ITC Ltd.	Consumer Non Durables	4.53
Bharti Airtel Ltd.	Telecom - Services	4.53
Television Eighteen India Ltd.	Media and Entertainment	4.33
Mcdowell & Company Ltd.	Consumer Non Durables	3.86
Zee Telefilms Ltd.	Media and Entertainment	3.79
ICICI Bank Ltd.	Banks	3.72
Hindustan Lever Ltd.	Consumer Non Durables	3.58
Pantaloon Retail (india) Ltd.	Retailing	3.44
Punjab National Bank	Banks	3.38
Marico Ltd.	Consumer Non Durables	3.26
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	3.09
Mahindra & Mahindra Ltd.	Auto	2.92
Nestle India Ltd.	Consumer Non Durables	2.60
Dabur India Ltd	Consumer Non Durables	2.32
HDFC Bank Ltd.	Banks	2.14
Tata Motors Ltd.	Auto	1.99
McLeod Russel India Ltd	Consumer Non Durables	1.97
UTI Bank Ltd.	Banks	1.86
Mahindra Gesco Developers Ltd.	Construction	1.79
Radico Khaitan Ltd.	Consumer Non Durables	1.70
Indiabulls Financial Services Ltd	Finance	1.60
Centurion Bank of Punjab Ltd.	Banks	1.57
Bajaj Hindusthan Ltd.	Consumer Non Durables	1.56
Nitco Tiles Ltd.	Consumer Non Durables	1.50
PVR Ltd.	Media and Entertainment	1.44
Raymond Ltd.	Textile Products	1.36
Deccan Chronicle Holdings Ltd.	Media and Entertainment	1.33
Pidilite Industries Ltd.	Consumer Non Durables	1.13
Gitanjali Gems Ltd.	Consumer Non Durables	1.09
Champagne Indage Ltd.	Consumer Non Durables	1.02
Gati Ltd.	Courier	0.94
Shoppers Stop Ltd.	Retailing	0.90
United Breweries (Holdings) Ltd.	Finance	0.88
Viceroy Hotels Ltd.	Hotels	0.73
Asian Paints (India) Ltd.	Consumer Non Durables	0.66
Inox Leisure Ltd.	Media and Entertainment	0.65
Allcargo Global Logistics Ltd.	Transportation	0.63
Balaji Telefilms Ltd	Media and Entertainment	0.59
UTV Software Communications Ltd.	Media and Entertainment	0.53
Saregama India Ltd.	Media and Entertainment	0.49
International Travel House Ltd.	Travel	0.46
SpiceJet Ltd.	Transportation	0.38
Total		87.31
Futures		
Dabur India Ltd-AUG2006		0.16
Sun Pharmaceuticals Industries Ltd.-AUG2006		0.12
Total		0.28
Options		
Hindustan Lever Ltd. - 250.00 - Call Option - August 2006		0.00
Indian Hotels Company Ltd. - 1170.00 - Call Option - August 2006		0.00
ICICI Bank Ltd. - 540.00 - Call Option - August 2006		0.00
Total		0.00
Collateral Borrowing & Lending obligation		7.11
Term Deposits		1.15
Net Current Assets/(Liabilities)		4.15
GRAND TOTAL		100.00

Total NPAs provided for and percentage to NAV: Nil

Total percentage to Net Asset of Illiquid Equity Shares: Nil

All ratings other than by CRISIL are by ICRA or CARE or Fitch.



About the Scheme

A diversified equity scheme that invest in fundamentally strong companies which are currently under-valued due to temporary/non-recurring reasons, thus following the Contrarian Style of Investing. The Investment Strategy is to have 65% - 100% in Equity and equity related securities, 0%- 35% in Debt & Money market securities.

Ideal Investment Horizon

1-3 years

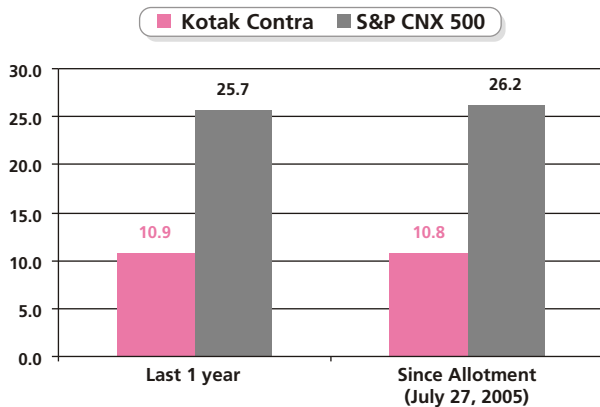
Corpus

Rs. 239.87 crores

Ratio

Portfolio P/E: 26.55

Performance as on July 31, 2006



Kotak Contra NAV: Rs. 11.478 (Growth Option)

Returns <= 1 year: Absolute

Past performance may or may not be sustained in future.

Portfolio

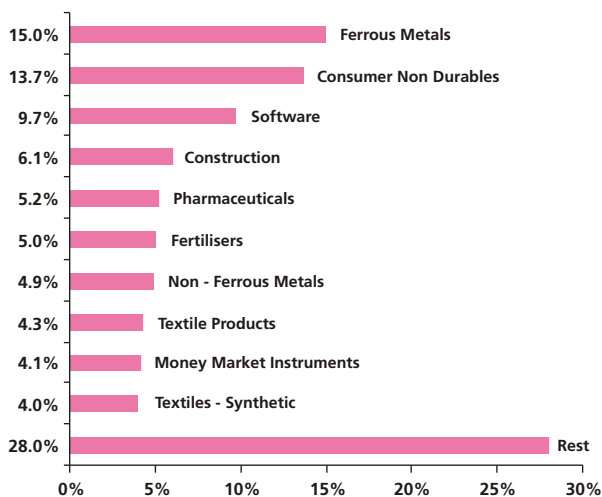
Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
TATA Metaliks Ltd.	Ferrous Metals	5.00
Jindal Steel & Power Ltd.	Ferrous Metals	4.94
Jaiprakash Associates Ltd	Construction	4.67
I-Flex Solutions Limited	Software	4.43
Nahar Spinning Mills Ltd.	Textiles - Synthetic	4.03
Mphasis Bfl Ltd.	Software	3.61
Eveready Industries India Ltd.	Consumer Non Durables	3.08
Monsanto India Ltd.	Pesticides	3.08
Sterlite Industries (India) Ltd	Non - Ferrous Metals	2.87
Aditya Birla Nuvo Limited	Textile Products	2.72
JSW Steel Ltd.	Ferrous Metals	2.59
Nestle India Ltd.	Consumer Non Durables	2.54
Nitco Tiles Ltd.	Consumer Non Durables	2.54
Coromandel Fertilisers Ltd.	Fertilisers	2.52
EID Parry (India) Ltd.	Consumer Non Durables	2.46
Alembic Ltd.	Pharmaceuticals	2.46
Tata Chemicals Ltd.	Fertilisers	2.46
Vardhman Holdings Ltd.	Textiles - Cotton	2.34
Punjab National Bank	Banks	2.13
Steel Authority of India Ltd.	Ferrous Metals	2.05
Hindalco Industries Ltd. Partly Paid shares	Non - Ferrous Metals	2.03
Revathi Equipment Ltd.	Industrial Products	1.94
Ultratech Cement Ltd.	Cement	1.92
Apollo Tyres Ltd.	Auto Ancillaries	1.90
Gujarat Gas Company Ltd	Gas	1.79
Asian Paints (India) Ltd.	Consumer Non Durables	1.74
Sasken Communication Technologies Ltd.	Software	1.67
ABG Heavy Industries Ltd.	Industrial Capital Goods	1.63
Great Eastern Shipping Company Ltd	Transportation	1.61
Navin Fluorine International Ltd.	Chemicals	1.57
Raymond Limited	Textile Products	1.54
Ipca Laboratories Ltd.	Pharmaceuticals	1.50
Mahindra Gescro Developers Ltd.	Construction	1.37
Ugar Sugar Works Ltd	Consumer Non Durables	1.33
Abbott India Ltd.	Pharmaceuticals	1.26
Power Trading Corporation of India Ltd.	Power	1.21
Hindustan Dorr-Oliver Ltd.	Industrial Capital Goods	1.16
Sical Logistics Ltd.	Transportation	1.12
Dena Bank	Banks	0.68
Rathi Udyog Ltd.	Ferrous Metals	0.40
Total		91.89
Debt Instruments		
Debentures & Bonds		
Public Sector Undertakings		
Export-Import Bank of India.	AAA	2.14
Total		2.14
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
ING Vysya Bank Ltd	P1+	4.14
Total		4.14
Collateral Borrowing & Lending obligation		2.50
Term Deposits		1.25
Net Current Assets/(Liabilities)		-1.92
Grand Total		100.00

Total NPAs provided for and percentage to NAV: Nil

Total value and percentage to Net Asset of Illiquid Equity Shares : Nil

All ratings other than by CRISIL are by ICRA or CARE or Fitch.

Sector Allocation



KOTAK TAX SAVER

Open-Ended Equity Linked Savings Scheme

Equity Investment
Philosophy



About the Scheme

A diversified equity scheme that invests in equity and equity related securities and enable investors to avail the income tax rebate, as permitted from time to time. The investment strategy is to have 80 - 100% in equity portion and 0 - 20% in non equity portion.

Ideal Investment Horizon

3 years and above

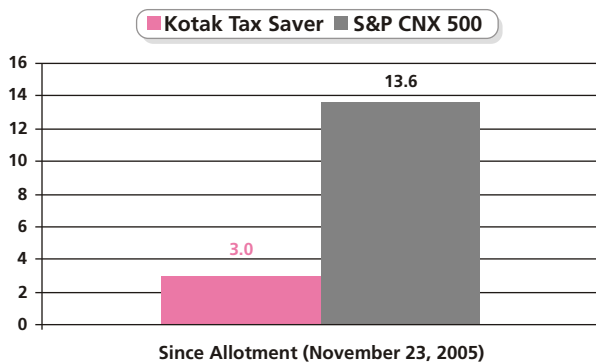
Corpus

Rs. 115.11 crores

Ratio

Portfolio P/E: 27.22

Performance as on July 31, 2006



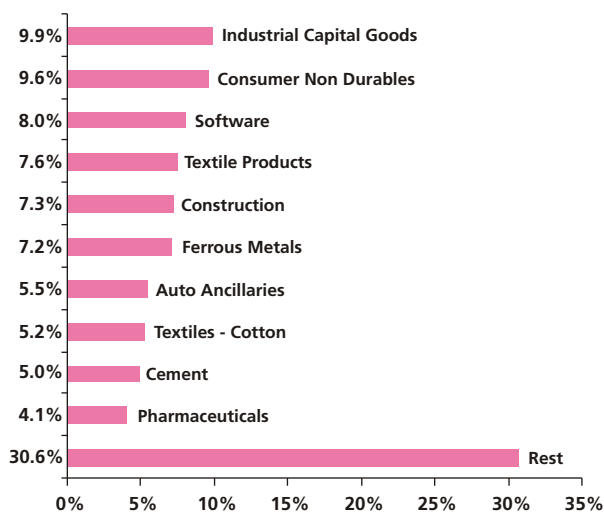
Kotak Tax Saver NAV: Rs. 10.323 (Growth Option)

Returns <= 1 year : Absolute

The Annualised Return is not shown as Scheme has not completed one year.

Past performance may or may not be sustained in future.

Sector Allocation



Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
Jaiprakash Associates Ltd	Construction	4.32
Infosys Technologies Ltd.	Software	4.31
Alembic Ltd.	Pharmaceuticals	4.08
Ultratech Cement Ltd.	Cement	3.65
Nahar Industrial Enterprises Ltd.	Textiles - Cotton	3.47
Areva T and D India Ltd.	Industrial Capital Goods	3.17
Reliance Industries Ltd.	Petroleum Products	2.98
Television Eighteen India Ltd.	Media and Entertainment	2.95
EID Parry (India) Ltd.	Consumer Non Durables	2.78
Mcdowell & Company Ltd.	Consumer Non Durables	2.58
Nestle India Ltd.	Consumer Non Durables	2.39
Amtek Auto Ltd.	Auto Ancillaries	2.36
Pantaloon Retail (india) Ltd.	Retailing	2.29
Aditya Birla Nuvo Limited	Textile Products	2.22
Jindal Steel & Power Ltd.	Ferrous Metals	2.19
Monnet Ispat and Energy Ltd.	Ferrous Metals	2.18
Bombay Rayon Fashions Ltd.	Textile Products	2.12
Satyam Computer Services Ltd.	Software	2.10
Viceroy Hotels Ltd.	Hotels	2.06
Centurion Bank of Punjab Ltd.	Banks	2.02
SKF India Ltd.	Industrial Products	1.88
Great Eastern Shipping Company Ltd.	Transportation	1.87
Godawari Power and Ispat Ltd.	Ferrous Metals	1.84
Texmaco Ltd.	Industrial Capital Goods	1.83
Hindalco Industries Ltd	Non - Ferrous Metals	1.81
MRF Limited	Auto Ancillaries	1.79
Prajay Engineers Syndicate Ltd	Industrial Capital Goods	1.76
Mahavir Spinning Mills Ltd.	Textiles - Cotton	1.75
B L Kashyap and Sons Ltd.	Construction	1.70
Nilkamal Plastics Limited.	Industrial Products	1.69
GVK Power & Infrastructure Ltd.	Power	1.68
Bharat Bijlee Ltd	Industrial Capital Goods	1.68
Celebrity Fashions Ltd.	Textile Products	1.66
Sasken Communication Technologies Ltd.	Software	1.59
Raymond Ltd.	Textile Products	1.58
Tata Chemicals Ltd.	Fertilisers	1.48
Bharati Shipyard Ltd.	Industrial Capital Goods	1.47
Dolphin Offshore Enterprises (India) Ltd.	Oil & Gas	1.41
Apollo Tyres Ltd.	Auto Ancillaries	1.32
Shree Cement Ltd.	Cement	1.31
IVRCL Infrastructures & Projects Ltd.	Construction	1.23
Britannia Industries Ltd.	Consumer Non Durables	1.19
SREI Infrastructure & Finance Ltd	Finance	1.14
Adhunik Metaliks Ltd.	Ferrous Metals	0.97
Ugar Sugar Works Ltd	Consumer Non Durables	0.70
Hindalco Industries Ltd. Partly Paid shares	Non - Ferrous Metals	0.28
Total		94.83
Collateral Borrowing & Lending obligation		3.47
Term Deposits		0.43
Net Current Assets/(Liabilities)		1.27
Grand Total		100.00

Total NPAs provided for and percentage to NAV: Nil

Total value and percentage to Net Asset of Illiquid Equity Shares : Nil



About the Scheme

A diversified equity scheme which aims at capturing the growth potential of globally competitive Indian companies. The scheme follows a bottom up approach to stock selection with focus on Indian companies with a clear global expansion / export

strategy for incremental growth. The investment strategy is to have a portfolio diversified across sectors.

Ideal Investment Horizon
1-3 years

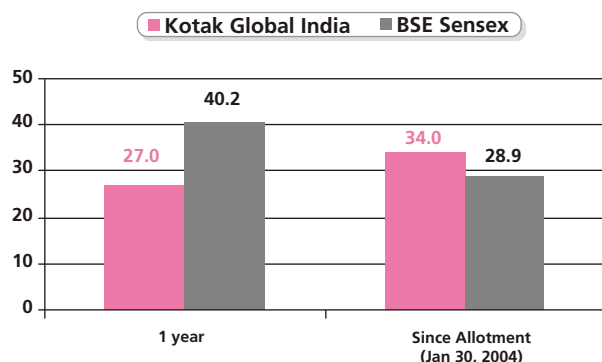
Corpus

Rs. 120.31 crores

Ratio

Portfolio P/E: 18.47

Performance as on July 31, 2006

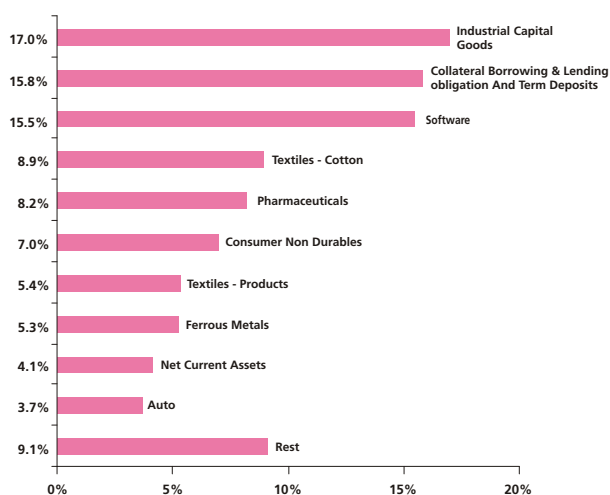


Kotak Global India NAV: Rs. 20.784 (Growth Option)

Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)

Past performance may or may not be sustained in future.

Sector Allocation



Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
Infosys Technologies Ltd.	Software	6.88
Siemens Ltd.	Industrial Capital Goods	5.16
Mahavir Spinning Mills Ltd.	Textiles - Cotton	4.86
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	4.82
Larsen And Toubro Ltd.	Industrial Capital Goods	4.59
Thermax Ltd.	Industrial Capital Goods	4.46
Nahar Industrial Enterprises Ltd.	Textiles - Cotton	4.07
Asian Paints (India) Ltd.	Consumer Non Durables	3.99
Mahindra & Mahindra Ltd.	Auto	3.68
Raymond Limited	Textile Products	3.63
Tata Consultancy Services Ltd.	Software	3.42
Ipca Laboratories Ltd.	Pharmaceuticals	3.42
Tata Steel Limited.	Ferrous Metals	3.30
Tata Tea Ltd.	Consumer Non Durables	2.99
Bharat Forge Ltd.	Industrial Products	2.84
ABB Ltd.	Industrial Capital Goods	2.78
Subex Systems Ltd.	Software	2.78
Sundaram Fasteners Ltd.	Auto Ancillaries	2.74
Allsec Technologies Ltd.	Software	2.41
JSW Steel Ltd.	Ferrous Metals	1.99
Sterlite Industries (India) Ltd	Non - Ferrous Metals	1.87
SPL Industries Ltd.	Textile Products	1.72
Hindalco Industries Ltd. Partly Paid shares	Non - Ferrous Metals	1.16
Allcargo Global Logistics Ltd.	Transportation	0.52
Total		80.08
Collateral Borrowing & Lending obligation		13.30
Term Deposits		2.49
Net Current Assets/(Liabilites)		4.13
GRAND TOTAL		100.00

Total NPAs provided for and percentage to NAV: Nil

Total value and percentage to Net Asset of Illiquid Equity Shares : Nil

All ratings other than by CRISIL are by ICRA or CARE or Fitch.



About the Scheme

A scheme diversified across sectors, that invests in Multinational companies having business in India. The scheme follows a bottom-up approach to stock selection and the investment strategy is to make aggressive allocation across select sectors.

Ideal Investment Horizon

1-3 years

Corpus

Rs. 48.54 crores

Ratios

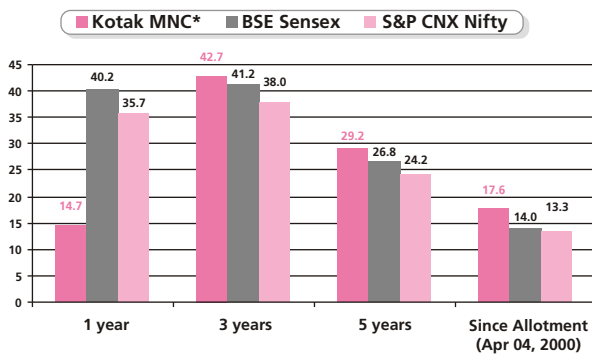
Beta* : 0.76

Sharpe* : 0.41

Portfolio P/E : 29.40

*Source: Value Research

Performance as on July 31, 2006



Kotak MNC NAV: Rs. 21.819

*Returns assumed reinvestment of the tax free dividend declared.

Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)

Past performance may or may not be sustained in future.

Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
Astrazeneca Pharma (I) Ltd.	Pharmaceuticals	8.62
I-Flex Solutions Ltd.	Software	6.56
Atlas Copco (India) Ltd	Industrial Products	6.34
ABB Ltd.	Industrial Capital Goods	5.57
ITC Ltd.	Consumer Non Durables	5.02
3M India Ltd.	Trading	4.68
Aventis Pharma Ltd.	Pharmaceuticals	4.07
Gillette India Ltd	Consumer Non Durables	4.05
KSB Pump Ltd	Industrial Products	3.92
GlaxoSmithKline Consumer Healthcare Ltd	Consumer Non Durables	3.89
Kennametal India Ltd.	Industrial Products	3.08
GlaxoSmithKline Pharmaceuticals Ltd.	Pharmaceuticals	3.05
Maruti Udyog Ltd	Auto	3.00
Hindustan Lever Ltd.	Consumer Non Durables	2.92
Monsanto India Ltd.	Pesticides	2.91
Syngenta India Ltd.	Pesticides	2.81
Pfizer Ltd.	Pharmaceuticals	2.79
Bharti Airtel Ltd.	Telecom - Services	2.76
The Associated Cement Companies Ltd	Cement	2.61
SKF India Ltd	Industrial Products	2.29
Ciba Speciality Chemicals Ltd.	Chemicals	2.07
Siemens Ltd.	Industrial Capital Goods	2.01
Mphasis Bfl Ltd.	Software	2.01
Igarashi Motors India Ltd.	Auto Ancillaries	2.00
Z F Steering Gear (India) Ltd	Auto Ancillaries	1.83
Disa India Ltd.	Industrial Capital Goods	1.72
ITD Cementation India Ltd.	Construction	1.19
Soletron Centum Electronics Ltd.	Industrial Capital Goods	0.90
Total		94.67
Collateral Borrowing & Lending obligation		4.12
Term Deposits		1.03
Net Current Assets/(Liabilites)		0.18
GRAND TOTAL		100.00

Total NPAs provided for and percentage to NAV: Nil

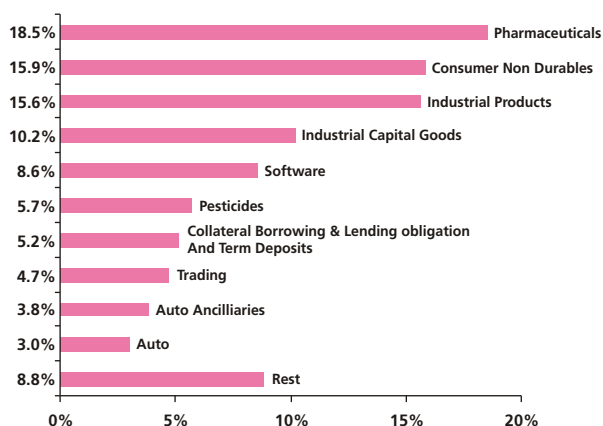
Total value and percentage to Net Asset of Illiquid Equity Shares : Nil

SIP Returns

	3 years	5 years
Investment Amt.	Rs. 36000	Rs. 60000
Investment Value	Rs. 55407	Rs. 142530
XIRR	30.13%	35.46%

- Assumptions:
- Rs. 1000 investment done on the 5th or the subsequent working day of the month.
 - Loads not considered.

Sector Allocation





About the Scheme

A sector scheme, investing only in IT sector companies. The scheme follows a bottom-up approach to stock selection. The investment strategy is to invest with medium to long term view on companies.

Ideal Investment Horizon

1 - 3 years

Corpus

Rs. 44.92 crores

Ratios

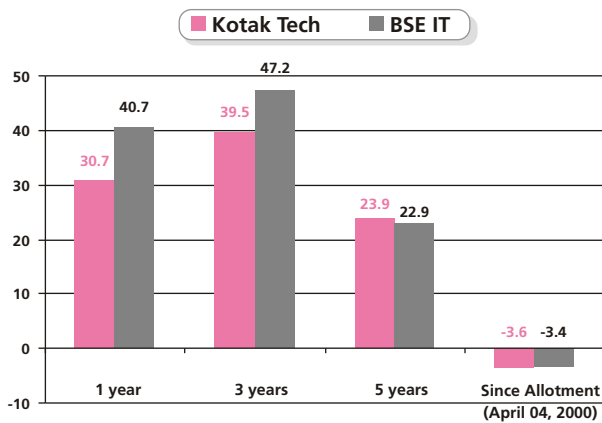
Beta* : 0.92

Sharpe* : 0.40

Portfolio P/E : 27.36

*Source: Value Research

Performance as on July 31, 2006



Kotak Tech NAV: Rs. 7.917

Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)

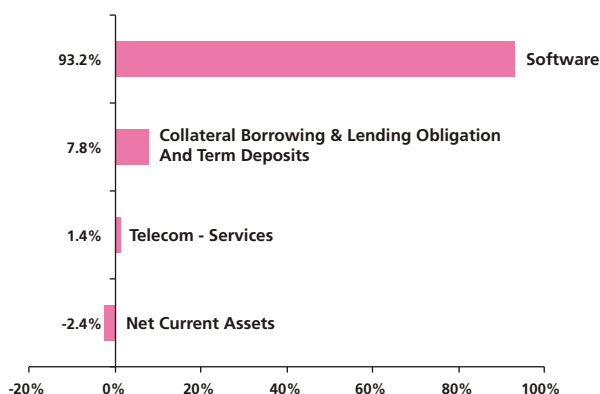
Past performance may or may not be sustained in future.

SIP Returns

	3 years	5 years
Investment Amt.	Rs. 36000	Rs. 60000
Investment Value	Rs. 54728	Rs. 123676
XIRR	29.20%	29.41%

- Assumptions :**
- Rs. 1000 investment done on the 5th or the subsequent working day of the month.
 - Loads not considered.

Sector Allocation



Portfolio

Name of the Instrument	Industry / Rating	% to Net Assets
Equity & Equity Related (Listed/Awaiting listing)		
Infosys Technologies Ltd.	Software	25.47
Satyam Computer Services Ltd.	Software	8.98
Wipro Ltd.	Software	8.19
I-Flex Solutions Limited	Software	7.98
Allsec Technologies Ltd.	Software	6.78
Megasoft Ltd	Software	6.07
Tata Consultancy Services Ltd.	Software	6.04
Subex Systems Ltd.	Software	5.54
KPIT Cummins Infosystems Ltd.	Software	3.53
Infotech Enterprises Ltd.	Software	3.05
Mastek Ltd.	Software	3.02
Sasken Communication Technologies Ltd.	Software	2.96
Hcl Technologies Ltd.	Software	2.61
Mphasis Bfl Ltd.	Software	2.51
Tulip IT Services Ltd.	Telecom - Services	1.44
Zenith Infotech Ltd.	Software	0.44
Total		94.61
Privately placed / Unlisted		
Virtual Dynamics Software Ltd. @	Software	#
SRM Radiant Infotech Ltd. @	Software	#
Total		0.00
Collateral Borrowing & Lending obligation		6.68
Term Deposits		1.11
Net Current Assets/(Liabilites)		-2.40
GRAND TOTAL		100.00

Total NPAs provided for and percentage to NAV: Nil

Total percentage to Net Asset of Illiquid Equity Shares : Nil

@ Privately Placed Securities.

Indicates % to net assets less than 0.01%

KOTAK EQUITY FOF

Open-Ended Equity Fund of Funds Scheme

Equity Investment
Philosophy



About the Scheme

A multi manager FOF scheme that invests 90-100% in diversified equity schemes and rest in liquid schemes. The Scheme invests across multiple fund houses which invests

65%-75% of their portfolio in diversified large cap schemes and 15%-25% in diversified aggressive equity schemes.

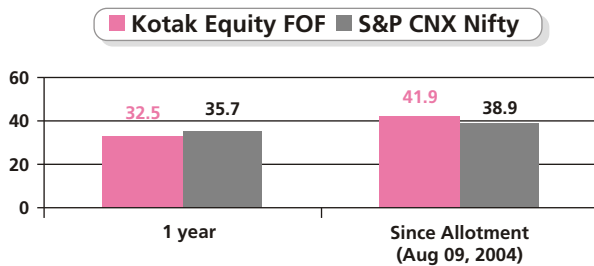
Ideal Investment Horizon

1 - 3 years

Corpus

Rs. 71.06 crores

Performance as on July 31, 2006



Kotak Equity FOF NAV: Rs.19.971 (Growth Option)
Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

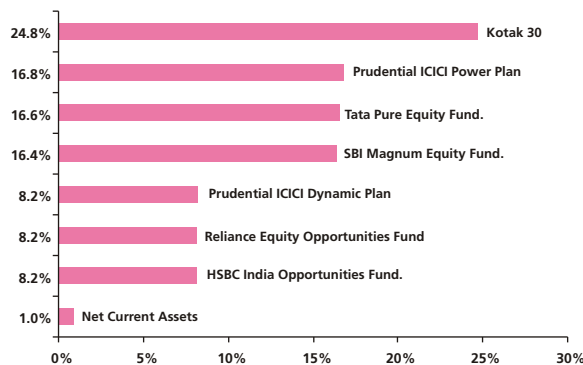
Portfolio

Issuer / Instrument	Industry / Rating	% to Net Assets
Mutual Fund Units		
Kotak 30.	Equity Scheme	24.75
Prudential ICICI Power Plan.	Equity Scheme	16.80
Tata Pure Equity Fund.	Equity Scheme	16.55
SBI Magnum Equity Fund.	Equity Scheme	16.37
Prudential ICICI Dynamic Plan.	Equity Scheme	8.24
Reliance Equity Opportunities Fund.	Equity Scheme	8.16
HSBC India Opportunities Fund.	Equity Scheme	8.16
Total		99.03
Net Current Assets/(Liabilities)		0.97
Grand Total		100.00

Total NPAs provided for and percentage to NAV: Nil

Total value and percentage to Net Asset of Illiquid Equity Shares : Nil

Sector Allocation



Specific Risk Factors : The investors of the scheme shall bear the recurring expenses of the Scheme in addition to the expenses of the underlying schemes. Hence the investor under the Scheme may receive lower pre-tax returns than what they may receive if they had invested directly in the underlying schemes in the same proportions. • The portfolio disclosure of the Scheme will be limited to providing the particulars of the underlying schemes where the Scheme has invested and will not include the investments made by the underlying schemes. • The portfolio of the Scheme will normally be comprised of schemes of Kotak Mahindra Mutual Fund and other schemes from the recommended list provided by the Designated Agency. Thought adequate care will be taken to ensure that the methodology adopted by the Designated Agency is proper, there may be any analytical error (like assigning overweightage or underweightage to various risk-returns parameters), execution error etc. by the Designated Agency, which may result in the sub-optimal performance of the Scheme. • Since the Scheme proposes to invest at least in 5 underlying schemes, the significant underperformance in even one of the underlying schemes may adversely affect the performance of the Scheme. Investments in underlying equity/debt schemes will have all the risks associated with such schemes.

KOTAK DYNAMIC FOF

Close-Ended Fund of Funds Scheme

Equity Investment
Philosophy



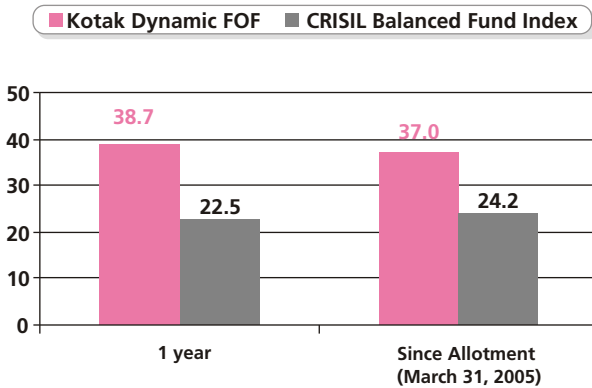
About the Scheme

A close-ended multi-manager FOF scheme, with a maturity period of three years. The scheme allocates assets across the diversified large cap schemes and liquid

schemes in a specific proportion, based on the recommendation received by the designated advisor*.

Corpus
Rs. 34.80 crores

Performance as on July 31, 2006



Kotak Dynamic FOF NAV: Rs. 15.215 (Growth Option)
Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

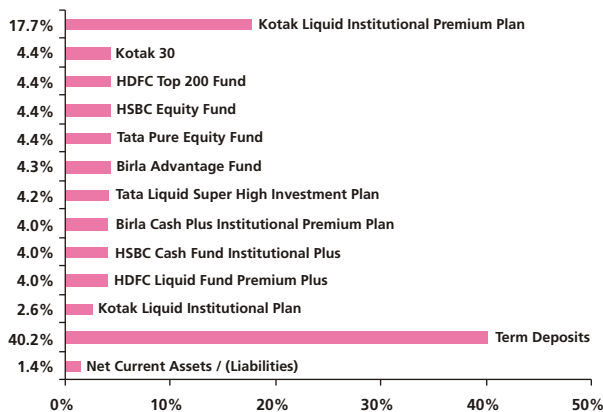
Portfolio

Issuer / Instrument	Industry / Rating	% to Net Assets
Mutual Fund Units		
Kotak Liquid Institutional Premium Plan	Debt Scheme	17.72
Kotak 30	Equity Scheme	4.38
HDFC Top 200 Fund	Equity Scheme	4.36
HSBC Equity Fund	Equity Scheme	4.36
Tata Pure Equity Fund	Equity Scheme	4.35
Birla Advantage Fund	Equity Scheme	4.34
Tata Liquid Super High Investment Plan	Debt Scheme	4.24
Birla Cash Plus Institutional Premium Plan	Debt Scheme	4.02
HSBC Cash Fund Institutional Plus	Debt Scheme	4.02
HDFC Liquid Fund Premium Plus	Debt Scheme	4.02
Kotak Liquid Institutional Plan	Debt Scheme	2.59
Total		58.40
Term Deposits		40.23
Net Current Assets/(Liabilities)		1.37
Grand Total		100.00

Total NPAs provided for and percentage to NAV: Nil
Total value and percentage to Net Asset of Illiquid Equity Shares : Nil

* Designated Advisor: Kotak Securities Limited

Sector Allocation



Specific Risk Factors :

- The Scheme may invest predominantly in diversified Large Cap Equity or Liquid Schemes of Mutual Fund registered with SEBI. Hence the Scheme's performance may depend upon the performance of the underlying equity schemes. Any change in the investment policies or the fundamental attributes of the underlying schemes could affect the performance of the Scheme.
- Investments in underlying equity schemes will have all the risks associated with the underlying equity schemes including performance of underlying stocks, derivative investments, off shore investments, security lending etc.
- Investments in underlying liquid schemes, will have all the risks associated with such underlying schemes including changes in credit rating, trading volumes, settlement periods and transfer procedures; Price/Interest-Rate Risk and credit risk, volatility and liquidity in the money markets, pressure on the exchange rate of the rupee, Basis Risk, Spread Risk and Reinvestment Risk, off shore investments, derivative investments, security lending, etc.
- The investors of the Scheme will bear dual recurring expenses and possibly dual loads, those of the Scheme and those of the underlying Schemes. Hence the investor under the Scheme may receive lower pre-tax returns than what they could have received if they had invested directly in the underlying Schemes in the same proportions.
- The Portfolio disclosure of the Scheme will be limited to providing the particulars of the underlying schemes where the Scheme has invested and will not include the investments made by the underlying Schemes.
- The dynamic asset allocation may result in higher transaction costs.
- The Scheme is a close-ended scheme and the investors can redeem the units held in the scheme only during the last three working days of every third month from the date of allotment of units, at prices related to Applicable NAV.

KOTAK FLEXI FOF

Close-Ended Fund of Funds Scheme

Equity Investment
Philosophy



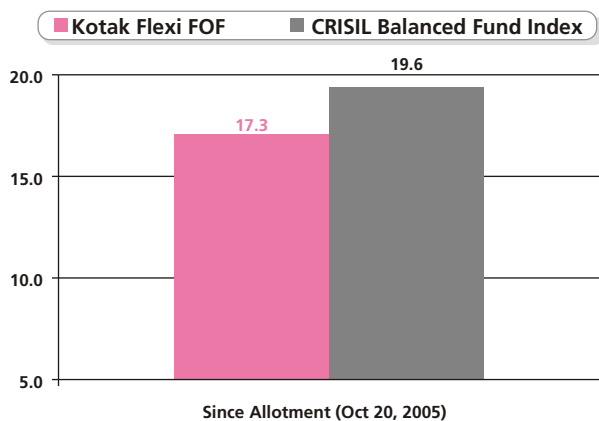
About the Scheme

A close ended multi manager FOF scheme, with a maturity period of 3 years. The scheme allocates assets across equity

(diversified large cap and aggressive scheme) and liquid schemes.

Corpus
Rs. 183.41 crores

Performance as on July 31, 2006



Kotak Flexi FOF NAV: Rs. 11.741 (Growth Option)
Returns <= 1 year : Absolute
The Annualised Return is not shown as Scheme has not completed one year.
Past performance may or may not be sustained in future.

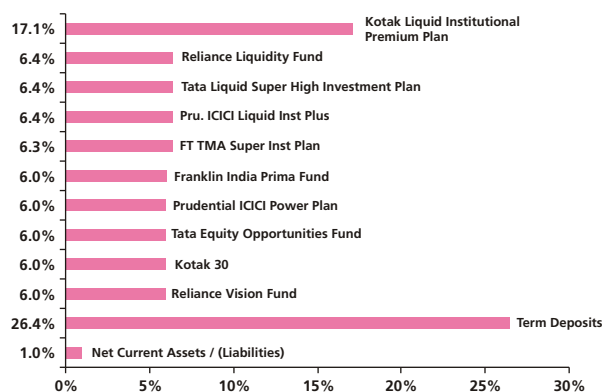
Portfolio

Issuer / Instrument	Industry / Rating	% to Net Assets
Mutual Fund Units		
Kotak Liquid Institutional Premium Plan.	Debt Scheme	17.13
Reliance Liquidity Fund.	Debt Scheme	6.37
Tata Liquid Super High Investment Plan.	Debt Scheme	6.37
Pru. ICICI Liquid Inst Plus.	Debt Scheme	6.37
FT TMA Super Inst Plan.	Debt Scheme	6.36
Franklin India Prima Fund.	Equity Scheme	6.06
Prudential ICICI Power Plan.	Equity Scheme	6.00
Tata Equity Opportunities Fund.	Equity Scheme	6.00
Kotak 30.	Equity Scheme	5.98
Reliance Vision Fund.	Equity Scheme	5.95
Total		72.59
Term Deposits		26.44
Net Current Assets/(Liabilities)		0.97
Grand Total		100.00

Total NPAs provided for and percentage to NAV: Nil

Total value and percentage to Net Asset of Illiquid Equity Shares : Nil

Sector Allocation



Specific Risk Factors :

- The Scheme may invest predominantly in diversified equity schemes of Mutual Fund registered with SEBI. Hence the Scheme's performance may depend upon the performance of the underlying equity schemes. Any change in the investment policies or the fundamental attributes of the underlying schemes could affect the performance of the Scheme.
- Investments in underlying equity schemes will have all the risks associated with the underlying equity schemes including performance of underlying stocks, derivative investments, off shore investments, security lending etc.
- Investments in underlying schemes, which invest predominantly in money market or floating rate instruments, will have all the risks associated with such underlying schemes including changes in credit rating, trading volumes, settlement periods and transfer procedures; Price/Interest-Rate Risk and credit Risk, volatility and liquidity in the money markets, pressure on the exchange rate of the rupee, Basis Risk, Spread Risk and Reinvestment Risk, off shore investments, derivative investments, security lending, etc.
- The investors of the Scheme will bear dual recurring expenses and possibly dual loads, those of the Scheme and those of the underlying Schemes. Hence the investor under the Scheme may receive lower pre-tax returns than what they could have received if they had invested directly in the underlying Schemes in the same proportions.
- The Portfolio disclosure of the Scheme will be limited to providing the particulars of the underlying schemes where the Scheme has invested and will not include the investments made by the underlying Schemes.
- The dynamic asset allocation may result in higher transaction costs.
- The Scheme is a close-ended scheme and the investors can redeem the units held in the scheme only during the last working day of every month and the first working day of every month, from the date of allotment of units, at prices related to Applicable NAV.

KOTAK BALANCE

Open-Ended Balanced Scheme

Equity Investment
Philosophy



Debt Investment
Philosophy



About the Scheme

A Scheme, investing in equity, debt and money market instruments. The investment strategy is to have 51%-70% in equity portion and 30%-50% in non-equity portion.

Ideal Investment Horizon

more than 1 year

Corpus

Rs. 103.57 crores

Ratios

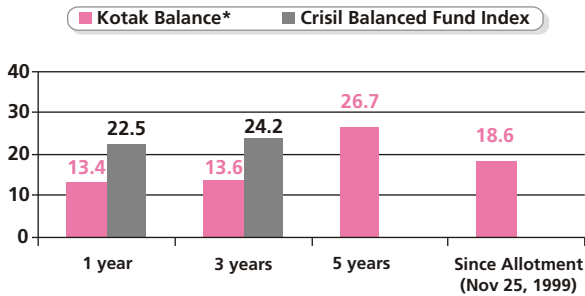
Beta*: 1.25

Sharpe*: 0.47

Portfolio P / E: 12.29

*Source: Value Research

Performance as on July 31, 2006



Kotak Balance NAV: Rs. 21.227

* Returns assumed reinvestment of the tax free dividend declared.

Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)

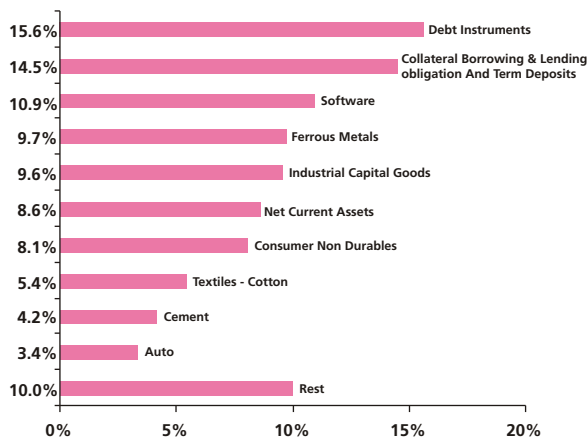
Past performance may or may not be sustained in future.

SIP Returns

	3 years	5 years
Investment Amt.	Rs. 36000	Rs. 60000
Investment Value	Rs. 59971	Rs. 142953
XIRR	36.14%	35.59%

Assumptions: 1) Rs. 1000 investment done on the 5th or the subsequent working day of the month.
2) Loads not considered.

Sector Allocation



Portfolio

Issuer/ Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing)		
Satyam Computer Services Ltd.	Software	5.83
Infosys Technologies Ltd.	Software	5.12
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	3.99
Larsen And Toubro Ltd.	Industrial Capital Goods	3.47
Steel Authority of India Ltd.	Ferrous Metals	3.05
Mahavir Spinning Mills Ltd.	Textiles - Cotton	2.85
Alembic Ltd.	Pharmaceuticals	2.74
Reliance Industries Ltd.	Petroleum Products	2.74
Maharashtra Seamless Ltd.	Ferrous Metals	2.70
Nahar Industrial Enterprises Ltd.	Textiles - Cotton	2.59
Monnet Ispat and Energy Ltd.	Ferrous Metals	2.44
Jaiprakash Associates Ltd	Construction	2.31
Grasim Industries Ltd.	Cement	2.31
Sterlite Industries (India) Ltd	Non - Ferrous Metals	2.17
Mahindra & Mahindra Ltd.	Auto	2.17
Bharat Earth Movers Ltd.	Industrial Capital Goods	2.14
Procter & Gamble Hygiene and Health Care Ltd.	Consumer Non Durables	2.05
Madras Cements Ltd.	Cement	1.85
Deccan Chronicle Holdings Ltd.	Media and Entertainment	1.74
ITC Ltd.	Consumer Non Durables	1.62
Coromandel Fertilisers Ltd.	Fertilisers	1.59
Hindustan Lever Ltd.	Consumer Non Durables	1.57
TATA Metaliks Ltd.	Ferrous Metals	1.54
Bank of India	Banks	1.47
Marico Ltd.	Consumer Non Durables	1.41
Ugar Sugar Works Ltd	Consumer Non Durables	1.41
Syndicate Bank	Banks	1.20
Bajaj Auto Ltd.	Auto	1.19
Total		67.26
Futures		
NIFTY-AUG2006		-6.01
Total		-6.01
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
HDFC Ltd.	AAA	4.85
Citicorp Maruti Finance Ltd.	AAA	4.84
Total		9.69
Public Sector Undertakings		
Industrial Development Bank Of India.	AA+	5.00
Indian Railway Finance Corporation Ltd.	AAA	0.97
Total		5.97
Collateral Borrowing & Lending obligation		9.66
Term Deposits		4.83
Net Current Assets/(Liabilities)		8.60
Grand Total		100.00

Total NPAs provided for and percentage to NAV: Nil

Total value and percentage to Net Asset of Illiquid Equity Shares : Nil

All ratings other than by CRISIL are by ICRA or CARE or Fitch

KOTAK INCOME PLUS

Open-Ended Income Scheme

Debt Investment
Philosophy



Equity Investment
Philosophy



About the Scheme

A Scheme, investing in equity, debt and money market instruments. The investment strategy is to have 80%-100% in debt and money market instruments and 0%-20% in equity and equity related instruments.

Ideal Investment Horizon

more than 1 year

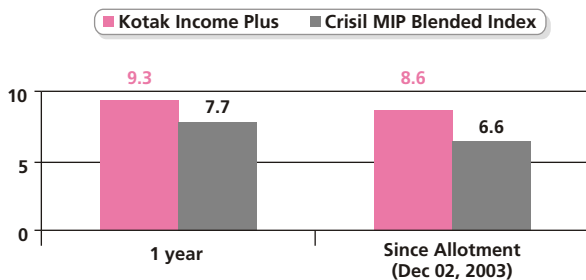
Corpus

Rs. 124.32 crores

Ratio

YTM : 6.50

Performance as on July 31, 2006



Kotak Income Plus NAV: Rs. 12.4521 (Growth Option)
Returns = 1 year : Absolute; Returns > 1 year : CAGR
(Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

Portfolio

Issuer/ Instrument	Industry / Rating	% to Net Assets
Equity & Equity related (Listed/Awaiting listing)		
Infosys Technologies Ltd.	Software	1.31
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	1.07
Mahindra & Mahindra Ltd.	Auto	0.65
TATA Metaliks Ltd.	Ferrous Metals	0.59
Larsen And Toubro Ltd.	Industrial Capital Goods	0.57
Reliance Industries Ltd.	Petroleum Products	0.55
Satyam Computer Services Ltd.	Software	0.55
ITC Ltd.	Consumer Non Durables	0.54
Steel Authority of India Ltd.	Ferrous Metals	0.53
Nahar Industrial Enterprises Ltd.	Textiles - Cotton	0.50
Hindustan Lever Ltd.	Consumer Non Durables	0.47
Bharti Airtel Ltd.	Telecom - Services	0.46
Oil & Natural Gas Corporation Ltd.	Oil	0.42
Grasim Industries Ltd.	Cement	0.42
Hindalco Industries Ltd. Partly Paid shares	Non - Ferrous Metals	0.40
Bajaj Auto Ltd.	Auto	0.40
EID Parry (India) Ltd.	Consumer Non Durables	0.35
Nahar Exports Ltd.	Textiles - Cotton	0.33
GlaxoSmithKline Consumer Healthcare Ltd	Consumer Non Durables	0.32
Sesa Goa Ltd.	Ferrous Metals	0.31
Nitco Tiles Ltd.	Consumer Non Durables	0.29
Megasoft Ltd	Software	0.28
Cipla Ltd.	Pharmaceuticals	0.28
Allcargo Global Logistics Ltd.	Transportation	0.26
Allsec Technologies Ltd.	Software	0.26
MRF Limited	Auto Ancillaries	0.24
Bharat Earth Movers Ltd.	Industrial Capital Goods	0.22
GlaxoSmithKline Pharmaceuticals Ltd.	Pharmaceuticals	0.20
ITD Cementation India Ltd.	Construction	0.20
ABG Heavy Industries Ltd.	Industrial Capital Goods	0.20
Aventis Pharma Ltd.	Pharmaceuticals	0.16
Total		13.33
Debt Instruments		
Debtures & Bonds		
Corporate Debt / Financial Institutions		
LIC Housing Finance Ltd.	AAA	8.21
Citicorp Finance (India) Ltd.	AAA	8.11
Sterlite Industries (India) Ltd	P1+	4.83
Citicorp Maruti Finance Ltd.	AAA	4.04
Citicorp Maruti Finance Ltd.	P1+	4.02
Citifinancial Consumer Finance India Ltd.	AAA	4.02
Mahindra & Mahindra Financial Services Ltd.	AA+	4.02
Total		37.25
Public Sector Undertakings		
Power Finance Corporation Ltd.	AAA	8.06
Industrial Development Bank Of India.	AA+	4.16
Export-Import Bank of India.	AAA	4.06
Total		16.28
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
Jammu & Kashmir Bank	P1+	4.00
Total		4.00
Collateral Borrowing & Lending obligation		30.57
Term Deposits		0.40
Net Current Assets/(Liabilities)		-1.83
Grand Total		100.00

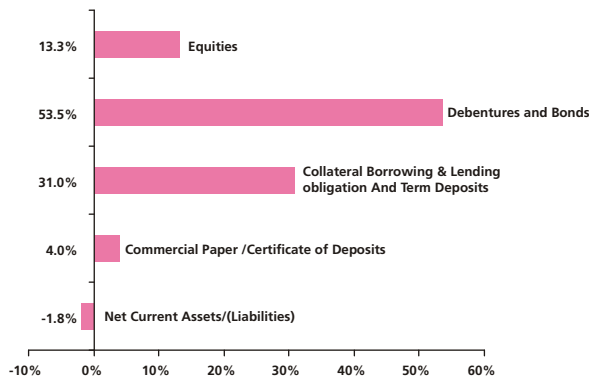
Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio : 0.04 years

Total NPAs provided for and percentage to NAV: Nil

Total value and percentage to Net Asset of Illiquid Equity Shares : Nil

All ratings other than by CRISIL are by ICRA or CARE or Fitch

Sector Allocation



KOTAK BOND

Open-Ended Debt Scheme

Debt Investment
Philosophy



About the Scheme

The portfolio of the scheme consists of debt and money market securities, having two plans: Deposit Plan and Regular Plan. The investment strategy is to invest across wide maturity horizons and different kinds of issuers in the debt market, the G-Sec component is normally maintained

between 30% to 50% and it generally does not invest in corporate bonds with less than AA rating.

Ideal Investment Horizon

1-2 years

Corpus:

Rs. 27.14 crores

Ratios (For Bond Regular Plan)

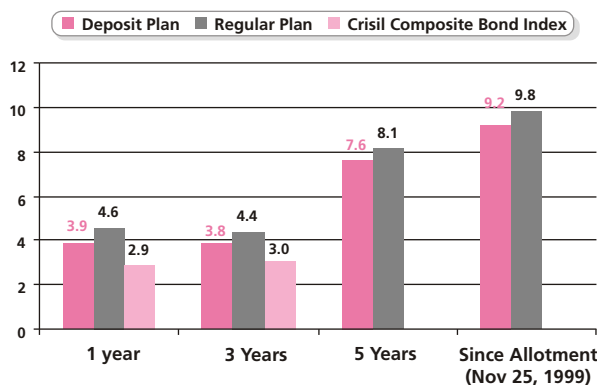
Sharpe*: 0.05

Standard Deviation*: 0.13

YTM: 7.75

*Source: Value Research

Performance as on July 31, 2006



Kotak Bond Deposit Plan NAV: Rs. 17.9885 (Growth options)
Kotak Bond Regular Plan NAV: Rs. 18.7070 (Growth options)
Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

Portfolio - Deposit & Regular Plans

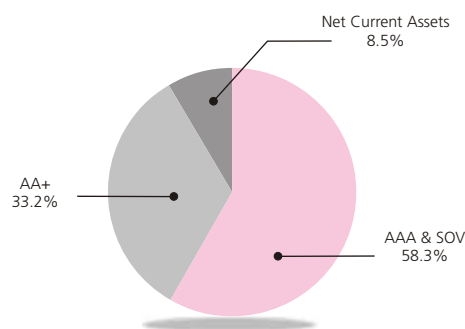
Issuer/ Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
Mahindra & Mahindra Financial Services Ltd.	AA+	14.68
Tata Motors Ltd.	LAAA(SO)	14.28
UTI Bank Ltd.	LAA+	11.09
Associated Cement Companies Ltd.	LAA+	7.46
ICICI Bank Ltd.	AAA	7.44
Total		54.95
Public Sector Undertakings		
National Thermal Power Corporation Ltd.	LAAA	15.31
Indian Railway Finance Corporation Ltd.	AAA	3.68
Total		18.99
Government Dated Securities		
9.39% Government Stock - 2011	SOV	11.74
12.00% Government Stock - 2008	SOV	3.98
Total		15.72
Money Market Instruments		
Treasury Bills		
182 Days Treasury Bill 17/11/2006	SOV	1.81
Total		1.81
Net Current Assets/(Liabilities)		8.53
Grand Total		100.00

Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio: 1.98 years

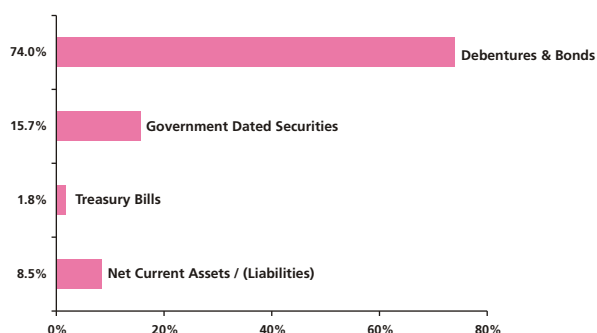
Total NPA provided for and percentage to NAV : Nil

All ratings other than by CRISIL are by ICRA or CARE or Fitch.

Rating Profile



Sector Allocation



KOTAK BOND SHORT TERM PLAN

Open-Ended Debt Scheme

Debt Investment
Philosophy



About the Scheme

A short-term income plan that invests in debt and money market securities. The investment strategy involves investments in CPs, T-Bills, Corporate Bonds and Gilts with a dynamic approach to duration management within the prescribed limit.

The average maturity of the plan is capped at 3 years.

Ideal Investment Horizon

1 month and above

Corpus:

Rs. 75.56 crores

Ratios

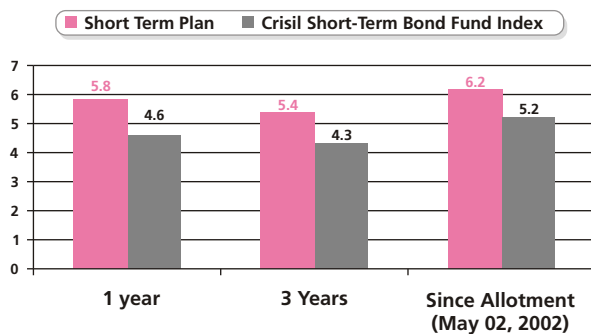
Sharpe* : 0.83

Standard Deviation*: 0.03

YTM: 7.40

*Source: Value Research

Performance as on July 31, 2006

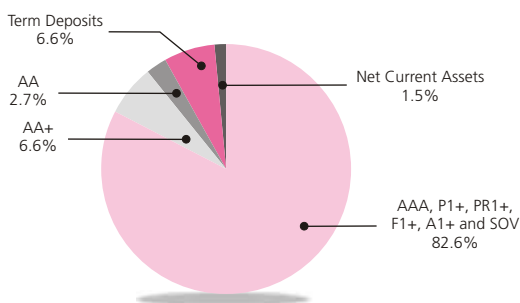


Kotak Bond Short Term NAV: Rs. 12.8857 (Growth Option)
Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

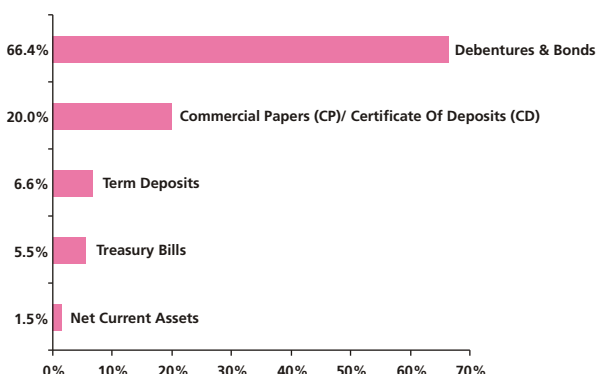
Portfolio - Short Term Plan

Issuer/ Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
Deccan Chronicle Holding Ltd.	PR1+	13.24
Tata Motors Ltd.	LAAA(SO)	7.67
ICICI Bank Ltd.	CARE AAA	6.63
Associated Cement Companies Ltd.	LAA+	6.62
GE Countrywide Consumer Financial Services Ltd.	AAA	6.62
Tata Motors Ltd.	AAA(so)	6.05
ICICI Bank Ltd.	AAA	4.01
Cholamandalam DBS Finance Limited.	LAA	2.65
Citicorp Finance (India) Ltd.	AAA	1.31
ICICI Securities Ltd.	AAA	1.31
ICICI Bank Ltd.	AAA(so)	1.02
Total		57.13
Public Sector Undertakings		
Indian Oil Corporation Ltd.	LAAA	7.94
Indian Railway Finance Corporation Ltd.	AAA	1.37
Total		9.31
Money Market Instruments		
Commercial Paper /Certificate of Deposits		
Corporate Debt / Financial Institutions		
ICICI Bank Ltd.	A1+	6.34
DSP ML Capital Ltd.	P1+	5.02
Total		11.36
Public Sector Undertakings		
Export-Import Bank of India.	P1+	6.14
Indian Bank	F1+(ind)	2.51
Total		8.65
Treasury Bills		
182 Days Treasury Bill 26/01/2007	SOV	5.45
Total		5.45
Term Deposits		6.62
Net Current Assets/(Liabilites)		1.48
Grand Total		100.00

Rating Profile



Sector Allocation



Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio: 0.78 years

Total NPA provided for and percentage to NAV : NIL

All ratings other than by CRISIL are by ICRA, CARE or FITCH

KOTAK GILT SAVINGS

Open-Ended Dedicated Gilt Scheme

Debt Investment
Philosophy



About the Scheme

India's first dedicated gilt scheme, with an objective to generate risk free returns through predominant investments in the Government of India securities with short-term outstanding maturity and with low interest rate/price risk. The investment strategy involves the average portfolio

maturity being capped at 4 years and a reasonable cash component in bearish markets.

Ideal Investment Horizon

6 months and above

Corpus

Rs. 19.43 crores

Ratios

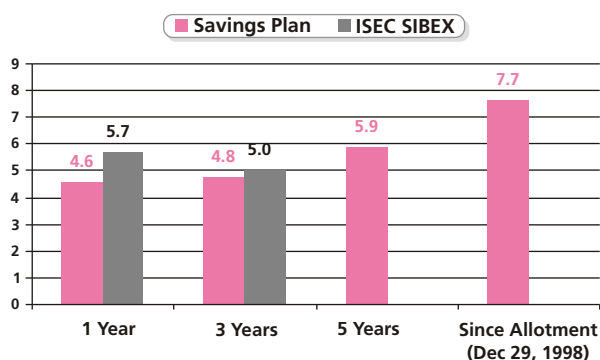
Sharpe* : 0.07

Standard Deviation* : 0.09

YTM: 6.50

*Source: Value Research

Performance as on July 31, 2006

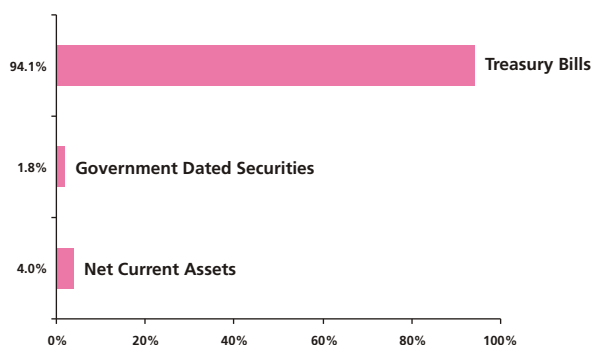


Kotak Gilt Savings Plan NAV: Rs. 17.5084 (Growth Option)

Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)

Past performance may or may not be sustained in future.

Sector Allocation



Portfolio - Savings Plan

Issuer / Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Government Dated Securities		
11.90% Government Stock - 2007	SOV	1.84
Total		1.84
Money Market Instruments		
Treasury Bills		
364 Days Treasury Bill 13/10/2006	SOV	50.84
91 Days Treasury Bill 13/10/2006	SOV	37.52
182 Days Treasury Bill 17/11/2006	SOV	5.77
364 Days Treasury Bill 04/08/2006	SOV	0.01
Total		94.14
Net Current Assets/(Liabilities)		4.02
Grand Total		100.00

Average Maturity of the portfolio: 0.21 years

Total NPA provided for and percentage to NAV : NIL

All ratings other than by CRISIL are by ICRA or CARE or Fitch.

KOTAK GILT INVESTMENT

Open-Ended Dedicated Gilt Scheme

Debt Investment
Philosophy



About the Scheme

India's first dedicated gilt scheme, which has two plans: Regular Plan and PF & Trust Plan. The objective of the scheme is to generate risk free returns through investments in the Government of India securities. The investment strategy concentrates on aggressive asset allocation

and the scheme does not have any restriction on the portfolio maturity.

Ideal Investment Horizon

More than 1 year

Corpus

Rs. 48.15 crores

Ratios (For Gilt Investment Regular Plan)

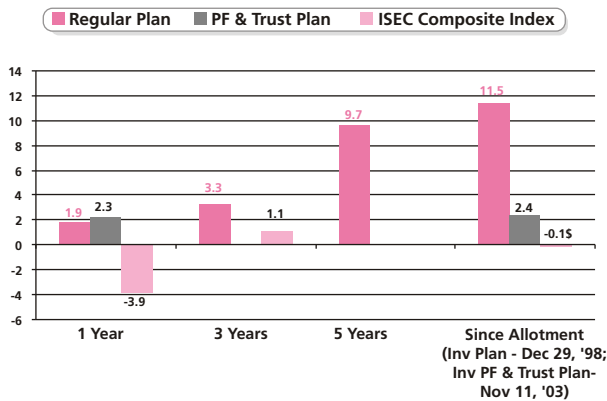
Sharpe* : -0.09

Standard Deviation* : 0.32

YTM: 7.25

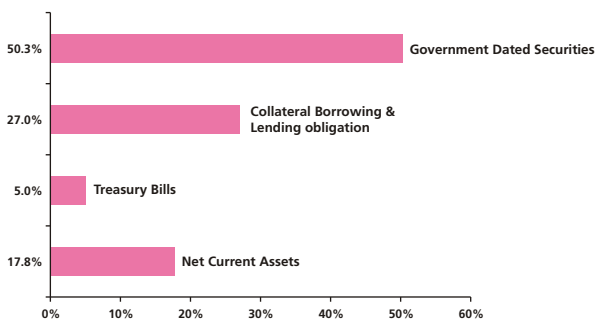
*Source: Value Research

Performance as on July 31, 2006



Kotak Gilt Investment Regular Plan NAV: Rs. 22.8243 (Growth Option)
Kotak Gilt Investment PF & Trust Plan NAV: Rs. 23.0627 (Growth Option)
Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)
\$ The benchmark return corresponds only to Investment - PF and Trust Plan
Past performance may or may not be sustained in future.

Sector Allocation



Portfolio-Investment-Regular, Provident Fund & Trust Plans

Issuer / Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Government Dated Securities		
11.90% Government Stock - 2007	SOV	25.88
9.39% Government Stock - 2011	SOV	15.44
12.00% Government Stock - 2008	SOV	8.97
Total		50.29
Money Market Instruments		
Treasury Bills		
91 Day Treasury Bill 20/10/2006	SOV	2.93
182 Days Treasury Bill 17/11/2006	SOV	2.04
Total		4.97
Collateral Borrowing & Lending obligation		27.00
Net Current Assets/(Liabilites)		17.74
Grand Total		100.00

Average Maturity of the portfolio: 1.14 years

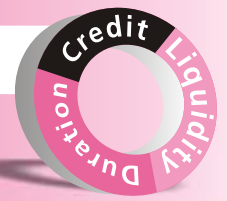
Total NPA provided for and percentage to NAV : NIL

All ratings other than by CRISIL are by ICRA or CARE or Fitch.

KOTAK FLEXI DEBT

Open-Ended Debt Scheme

Debt Investment
Philosophy



About the Scheme

An income scheme, which invests dynamically, moves the portfolio maturity across the maturity spectrum so as to maximise return. The investment strategy involves investing in Corporate Bonds, Gilts, cash and cash equivalents etc. The scheme endeavors to capitalize on trading opportunities in the market

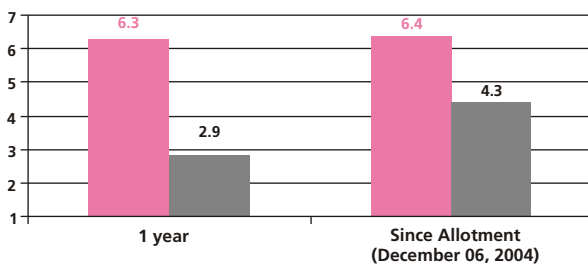
with active arbitrage across asset classes and yield curve. The internal average maturity is capped at 2 years and 10-20 % of the portfolio is traded with the rest in assets carrying higher yields.

Ideal Investment Horizon
3 months & above

Corpus
Rs. 692.94 crores
Ratio
YTM: 7.40

Performance as on July 31, 2006

■ Kotak Flexi Debt ■ CRISIL Composite Bond Fund Index



Kotak Flexi Debt NAV : Rs. 11.0730 (Growth Option)
Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

Portfolio

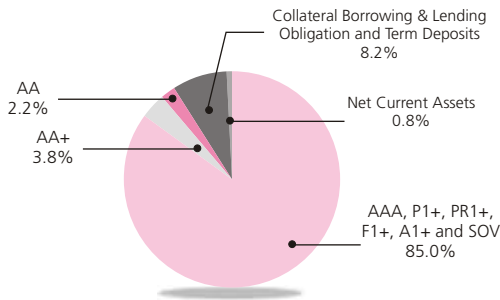
Issuer/ Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
Tata Sons Ltd.	P1+(so)	4.35
ICICI Bank Ltd.	CARE AAA	3.61
Cholamandalam DBS Finance Limited.	LAA	2.16
Manaksia Ltd	PR1+	2.16
GE Countrywide Consumer Financial Services Ltd.	AAA	1.44
Hindustan Construction Company Ltd.	PR1+	1.44
Citifinancial Consumer Finance India Ltd.	AAA	1.43
Mahindra & Mahindra Financial Services Ltd.	AA+	1.01
Associated Cement Companies Ltd.	LAA+	0.72
LIC Housing Finance Ltd.	AAA	0.72
Tata Motors Ltd.	LAAA(SO)	0.68
ICICI Bank Ltd.	AAA	0.58
ICICI Bank Ltd.	LAAA(SO)	0.07
Total		20.37
Public Sector Undertakings		
National Thermal Power Corporation Ltd.	LAAA	7.14
Industrial Development Bank Of India.	AA+	2.07
National Bank for Agriculture and Rural Development	AAA	1.44
Power Finance Corporation Ltd.	LAAA	1.44
Indian Oil Corporation Ltd.	LAAA	0.14
Total		12.23
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
Standard Chartered Bank Ltd	P1+	7.06
GE Capital Services India.	P1+	5.55
ICICI Bank Ltd.	A1+	4.30
American Express Bank Ltd	A1+	4.15
Standard Chartered Investment & Loan India Ltd.	P1+	2.41
Jammu & Kashmir Bank	P1+	1.43
ICICI Bank Ltd.	PR1+	1.40
Mahindra & Mahindra Financial Services Ltd.	P1+	1.40
YES Bank Ltd.	A1+	1.10
ABN Amro Bank N.V	A1+	0.71
HDFC Bank Ltd.	PR1+	0.69
Karur Vysya Bank Ltd.	F1+(ind)	0.68
Tata Sons Ltd.	P1+	0.67
ING Vysya Bank Ltd	P1+	0.57
Total		32.12
Public Sector Undertakings		
Indian Bank	F1+(ind)	7.26
Export-Import Bank of India.	P1+	6.70
State Bank of Travancore	P1+	3.35
State Bank of Hyderabad	A1+	2.71
UCO Bank	P1+	1.48
State Bank of Patiala	A1+	1.38
State Bank of Bikaner & Jaipur	P1+	1.22
Corporation Bank	P1+	0.72
Total		24.82
Treasury Bills		
182 Days Treasury Bill 26/01/2007	SOV	1.40
Total		1.40
Term Deposits		
Collateral Borrowing & Lending obligation		5.77
Net Current Assets/(Liabilities)		0.84
Grand Total		100.00

Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio: 0.63 years

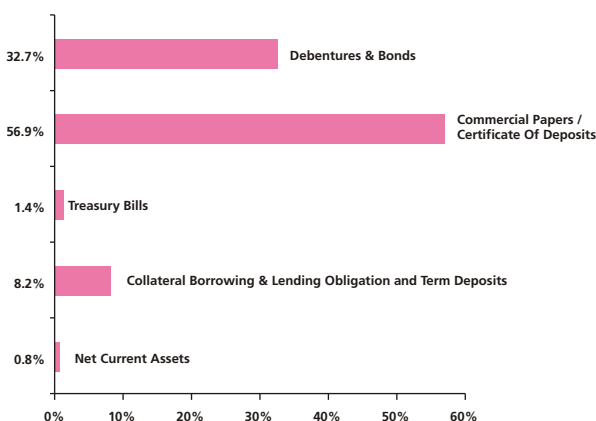
Total NPA provided for and percentage to NAV : Nil

All ratings other than by CRISIL are by ICRA or CARE or Fitch.

Rating Profile



Sector Allocation



KOTAK FLOATER LONG TERM

Open-Ended Debt Scheme

Debt Investment
Philosophy



About the Scheme

An income scheme, which invests predominantly in floating rate securities and money market instruments to contain the interest rate risk. The investment strategy provides flexibility to invest up to 35% in fixed debt securities with

outstanding maturity above 1 year. The floating rate debt securities include floating rate debt securities and fixed rate debt securities with interest rate swap.

Ideal Investment Horizon
3 months & above

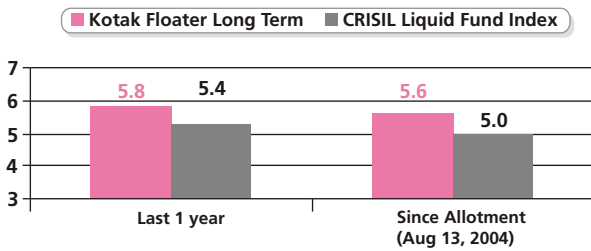
Corpus

Rs. 489.82 crores

Ratio

YTM: 7.40

Performance as on July 31, 2006



Kotak Floater Long Term NAV : Rs. 11.1360 (Growth Option)
Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)
Past performance may or may not be sustained in future.

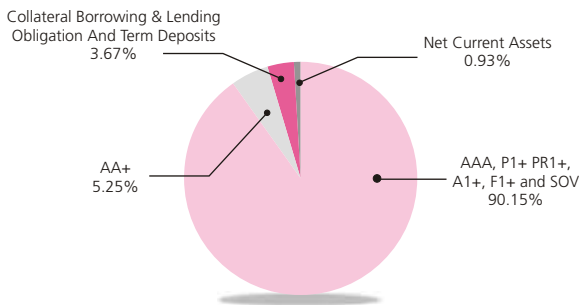
Portfolio - Long Term

Issuer/ Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
Tata Sons Ltd.	P1+(so)	5.13
LIC Housing Finance Ltd.	AAA	4.10
Citifinancial Consumer Finance India Ltd.	AAA	4.06
Ace Glass Containers Limited.	PR1+	2.04
Manaksia Ltd	PR1+	2.04
Hindustan Construction Company Ltd.	PR1+	2.04
ICICI Bank Ltd.	CARE AAA	2.04
Deccan Chronicle Holding Ltd.	PR1+	1.94
Tata Motors Ltd.	AAA(so)	1.87
Mahindra & Mahindra Financial Services Ltd.	AA+	1.54
Citicorp Finance (India) Ltd.	AAA	1.04
Reliance Energy Ltd.	AAA	1.03
Reliance Industries Ltd.	AAA	1.03
Citicorp Maruti Finance Ltd.	AAA	1.02
Tata Steel Limited	AAA	1.02
ICICI Bank Ltd.	AAA	0.62
ICICI Bank Ltd.	AAA(so)	0.31
Total		32.87
Public Sector Undertakings		
Union Bank of India	AA+	2.04
Industrial Development Bank Of India.	AA+	1.67
Indian Oil Corporation Ltd.	LAAA	1.16
Total		4.87
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
GE Capital Services India.	P1+	6.93
Infrastructure Development Finance Co. Ltd	P1+	5.65
American Express Bank Ltd	A1+	4.05
HDFC Bank Ltd.	PR1+	3.90
SBI Cards & Payment Services Pvt. Ltd.	P1+	3.68
YES Bank Ltd.	A1+	3.12
Mahindra & Mahindra Financial Services Ltd.	P1+	2.96
UTI Bank Ltd.	A1+	2.93
Hindustan Sanitaryware & Industries Ltd.	A1+	2.62
Redington (India) Ltd.	P1+	2.01
Jindal Steel & Power Ltd	A1+	1.99
Karur Vysya Bank Ltd.	F1+(ind)	1.94
Tata Sons Ltd.	P1+	1.90
ABN Amro Bank N.V	A1+	1.01
ICICI Bank Ltd.	A1+	0.78
Total		45.47
Public Sector Undertakings		
Corporation Bank	P1+	4.68
UCO Bank	P1+	2.09
Indian Bank	F1+(ind)	1.55
State Bank of Bikaner & Jaipur	P1+	0.96
Export-Import Bank of India.	P1+	0.95
Total		10.23
Treasury Bills		
182 Days Treasury Bill 26/01/2007	SOV	1.98
Total		1.98
Term Deposits		
Collateral Borrowing & Lending obligation		3.06
Net Current Assets/(Liabilities)		0.61
Grand Total		100.00

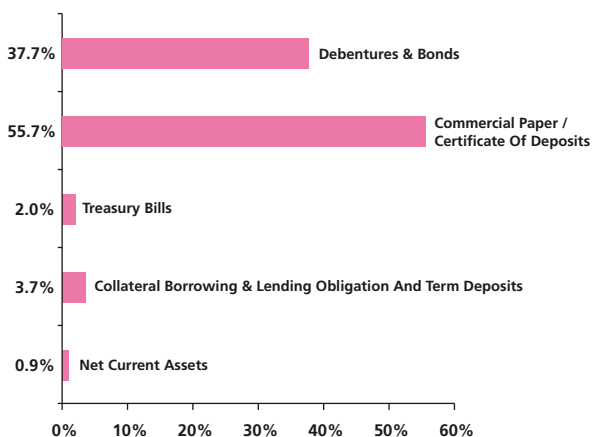
Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio: 0.52 years

Total NPA provided for and percentage to NAV : Nil
All ratings other than by CRISIL are by ICRA or CARE or Fitch.

Rating Profile



Sector Allocation



KOTAK CASH PLUS

Open-Ended Income Oriented Scheme

Debt Investment
Philosophy



About the Scheme

An Open-ended arbitrage scheme, that aims to generate income from investment in debt and money market securities and by availing arbitrage opportunities between price of spot and derivatives markets.

Ideal Investment Horizon

1 - 3 months

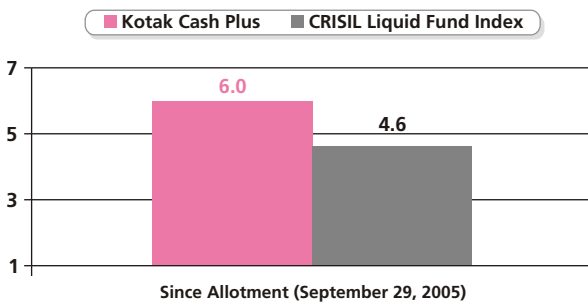
Corpus

Rs. 160.25 crores

Ratio

YTM: 6.70

Performance as on July 31, 2006



Kotak Cash Plus NAV : Rs. 10.6128 (Growth Option)
Returns <= 1 year : Absolute
The Annualised Return is not shown as Scheme has not completed one year.
Past performance may or may not be sustained in future.

Portfolio - Cash Plus

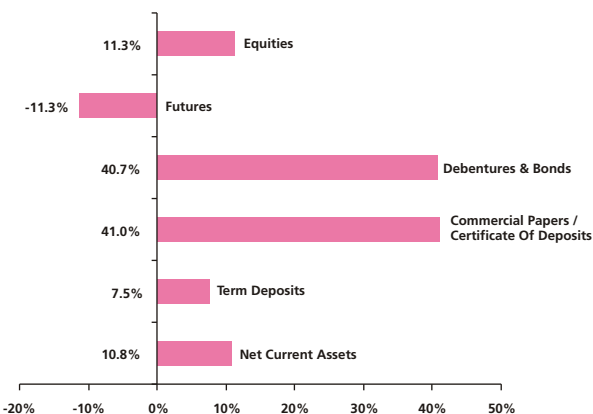
Issuer/ Instrument	Industry / Rating	% to Net Assets
Equity & Equity related		
Listed/Awaiting listing on Stock Exchange		
Bank Of Baroda	Banks	4.00
Sterlite Industries (India) Ltd	Non - Ferrous Metals	1.88
ICICI Bank Ltd.	Banks	1.38
New Delhi Television Ltd.	Media and Entertainment	1.26
Jindal Stainless Ltd.	Ferrous Metals	0.75
Jaiprakash Hydro Power Ltd.	Power	0.72
IFCI Ltd.	Finance	0.67
Indian Hotels Company Ltd.	Hotels	0.23
Reliance Capital Ltd.	Finance	0.13
Escorts Ltd.	Auto	0.12
Gujarat Narmada Valley Fertilisers Company Ltd.	Fertilisers	0.10
Vijaya Bank	Banks	0.03
Orchid Chemicals & Pharmaceuticals Ltd.	Pharmaceuticals	0.01
Total		11.28
Futures		
Orchid Chemicals & Pharmaceuticals Ltd.-AUG2006		-0.01
Vijaya Bank-AUG2006		-0.03
Gujarat Narmada Valley Fertilisers Company Ltd.-AUG2006		-0.10
Escorts Ltd.-AUG2006		-0.12
Reliance Capital Ltd.-AUG2006		-0.13
Indian Hotels Company Ltd.-AUG2006		-0.23
IFCI Ltd.-AUG2006		-0.68
Jaiprakash Hydro Power Ltd.-AUG2006		-0.73
Jindal Stainless Ltd.-AUG2006		-0.75
New Delhi Television Ltd.-AUG2006		-1.26
Bank Of Baroda-AUG2006		-1.28
ICICI Bank Ltd.-AUG2006		-1.38
Sterlite Industries (India) Ltd-AUG2006		-1.89
Bank Of Baroda-SEP2006		-2.75
Total		-11.34
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
LIC Housing Finance Ltd.	AAA	9.58
Citifinancial Consumer Finance India Ltd.	AAA	6.21
Mahindra & Mahindra Financial Services Ltd.	AA+	4.37
Citicorp Finance (India) Ltd.	AAA	3.13
Total		23.29
Public Sector Undertakings		
Export-Import Bank of India.	AAA	9.49
Industrial Development Bank Of India.	AA+	3.23
Power Finance Corporation Ltd.	AAA	3.13
Indian Railway Finance Corporation Ltd.	AAA	1.60
Total		17.45
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
HDFC Ltd.	P1+	12.45
ING Vysya Bank Ltd	P1+	9.32
Cholamandalam DBS Finance Limited.	P1+	4.98
American Express Bank Ltd	A1+	3.10
Total		29.85
Public Sector Undertakings		
Allahabad Bank	P1+	6.21
State Bank of Travancore	P1+	4.96
Total		11.17
Term Deposits		7.49
Net Current Assets/(Liabilities)		10.81
Grand Total		100.00

Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio: 0.10 years

Total NPA provided for and percentage to NAV : Nil

All ratings other than by CRISIL are by ICRA or CARE or Fitch.

Sector Allocation



KOTAK FLOATER SHORT TERM

Open-Ended Debt Scheme

Debt Investment
Philosophy



About the Scheme

A liquid scheme, which invests predominantly in floating rate securities and money market instruments to contain the interest rate risk. Not more than 10% of the portfolio is exposed to market risk.

Ideal Investment Horizon

1 month to 3 months

Corpus

Rs. 416.47 crores

Ratio

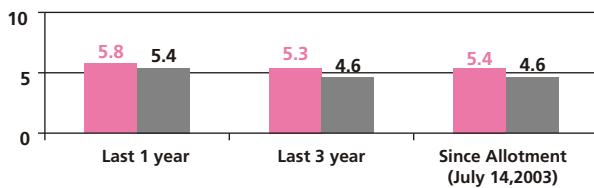
Standard Deviation*: 0.01

YTM: 6.70

*Source: Value Research

Performance as on July 31, 2006

Kotak Floater Short Term ■ CRISIL Liquid Fund Index



Kotak Floater Short Term NAV : Rs. 11.7302 (Growth Option)

Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)

Past performance may or may not be sustained in future.

Portfolio - Short Term

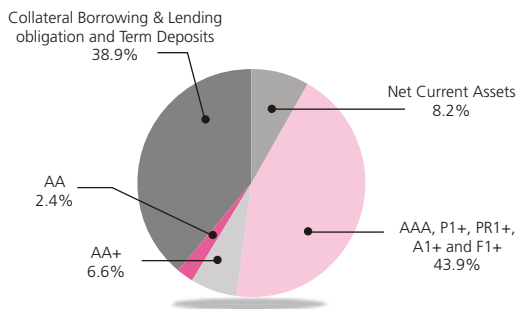
Issuer/ Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
GE Countrywide Consumer Financial Services Ltd.	AAA	3.60
Citicorp Finance (India) Ltd.	AAA	2.42
HDFC Ltd.	AAA	2.41
Bajaj Hindusthan Limited	F1+(ind)	2.40
Gruh Finance Ltd	AA	2.40
Tata Motors Ltd.	AAA(so)	1.97
Mahindra & Mahindra Financial Services Ltd.	AA+	1.92
Indian Oil Tanking Limited	F1+(ind)	1.20
Sundaram Finance Ltd.	MAAA	1.20
Deccan Chronicle Holding Ltd.	PR1+	0.12
Total		19.64
Public Sector Undertakings		
Indian Oil Corporation Ltd.	LAAA	5.83
Industrial Development Bank Of India.	AA+	4.68
Power Finance Corporation Ltd.	AAA	4.54
Indian Railway Finance Corporation Ltd.	AAA	2.41
National Bank for Agriculture and Rural Development	AAA	2.40
Export-Import Bank of India.	AAA	0.72
Total		20.58
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
American Express Bank Ltd	A1+	3.52
ICICI Bank Ltd.	PR1+	3.49
Jammu & Kashmir Bank	P1+	1.19
ICICI Bank Ltd.	A1+	0.95
Total		9.15
Public Sector Undertakings		
National Housing Bank	F1+(ind)	2.39
Power Finance Corporation Ltd.	A1+	1.18
Total		3.57
Term Deposits		30.73
Collateral Borrowing & Lending obligation		8.16
Net Current Assets/(Liabilities)		8.17
Grand Total		100.00

Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio: 0.14 years

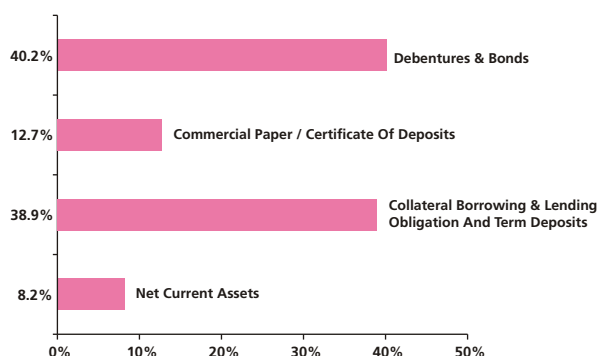
Total NPA provided for and percentage to NAV : Nil

All ratings other than by CRISIL are by ICRA or CARE or Fitch.

Rating Profile



Sector Allocation



KOTAK LIQUID

Open-Ended Debt Scheme

Debt Investment
Philosophy



About the Scheme

A liquid scheme, which predominantly invests in money market securities and endeavors to provide reasonable returns and high level of liquidity. The scheme has four plans: Regular Plan, Sweep Plan, Institutional Plan and Institutional Premium Plan. The investment strategy reduces the interest rate/price risk to minimal levels and normally the average portfolio maturity is not more than 6 months.

Ideal Investment Horizon

7 days to 15 days

Corpus:

Rs. 7174.33 crores

Ratios (For Liquid Institutional Premium Plan)

Sharpe* : 2.41

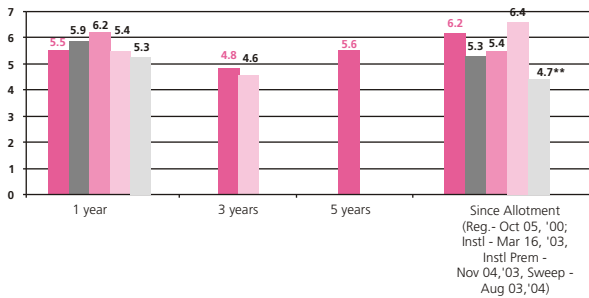
Standard Deviation* : 0.01

YTM: 6.80

*Source : Value Research

Performance as on July 31, 2006

■ Kotak Liquid Regular Plan ■ Kotak Liquid Institutional Plan
■ Kotak Liquid Institutional Premium Plan ■ Kotak Liquid Sweep Plan
■ CRISIL Liquid Fund Index



Kotak Liquid Regular Plan NAV: Rs. 14.1660 (Growth option)

Kotak Liquid Institutional Plan NAV: Rs. 14.3508 (Growth option)

Kotak Liquid Institutional Premium Plan NAV: Rs. 14.4228 (Growth option)

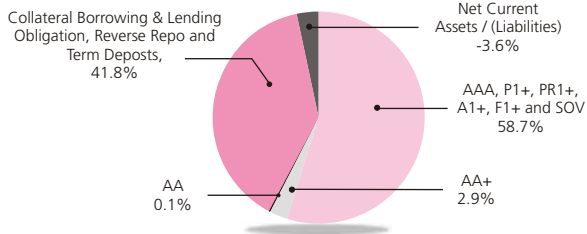
Kotak Liquid Sweep Plan NAV: 10.0071 (Daily Dividend)

Returns = 1 year : Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate)

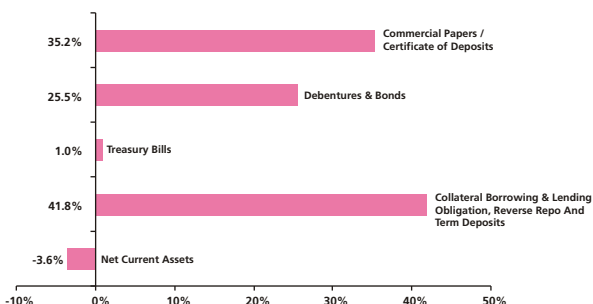
** The Benchmark Return corresponds to Liquid - Institutional, Institutional Premium & Sweep Plan

Past performance may or may not be sustained in future.

Rating Profile



Sector Allocation



Portfolio-Regular, Sweep, Institutional & Institutional Premium Plans

Issuer/ Instrument	Industry / Rating	% to Net Assets
Debt Instruments		
Debentures & Bonds		
Corporate Debt / Financial Institutions		
Tata Motors Ltd.	P1+	2.10
Rabo India Finance Pvt Ltd.	P1+	1.39
Sterlite Industries (India) Ltd	P1+	1.22
Citifinancial Consumer Finance India Ltd.	AAA	1.05
GE Capital Services India.	AAA	1.05
Raymond Ltd.	PR1+	0.95
Citicorp Finance (India) Ltd.	AAA	0.77
HDFC Ltd.	AAA	0.77
Sundaram Finance Ltd.	P1+	0.77
Chambal Fertilisers & Chemicals Ltd.	P1+	0.70
Mahindra & Mahindra Financial Services Ltd.	AA+	0.67
UTI Bank Ltd.	LAA+	0.66
Global Trade Finance Pvt. Ltd.	P1+	0.62
Bajaj Hindusthan Limited	F1+(ind)	0.56
Balrampur Chini Mills Ltd.	A1+	0.56
LIC Housing Finance Ltd.	AAA	0.56
Cholamandalam DBS Finance Limited.	A1+	0.49
Sundaram Finance Ltd.	LAA+	0.47
GE Countrywide Consumer Financial Services Ltd.	AAA	0.42
United Phosphorus Ltd.	PR1+	0.42
Sundaram Finance Ltd.	MAAA	0.42
Century Textiles & Industries Ltd.	F1+(ind)	0.35
Dr.Reddy's Laboratories Ltd.	P1+	0.35
Mahindra & Mahindra Financial Services Ltd.	P1+	0.35
Infrastructure Development Finance Co. Ltd	AAA	0.28
Electrosteel Castings Ltd.	P1+	0.21
HDFC Bank Ltd.	AAA(so)	0.17
Cholamandalam DBS Finance Limited.	LAA	0.14
Finolex Cables Ltd.	P1+	0.14
Motherson Sumi Systems Ltd.	A1+	0.14
ICICI Bank Ltd.	LAAA(SO)	0.11
ICICI Bank Ltd.	AAA(so)	0.10
Citicorp Finance (India) Ltd.	AAA(ind)	0.09
Tata Motors Ltd.	AAA(so)	0.07
Citicorp Maruti Finance Ltd.	P1+	0.07
Cholamandalam DBS Finance Limited.	MAA+	0.07
Total		19.26
Public Sector Undertakings		
Indian Railway Finance Corporation Ltd.	AAA	2.72
Export-Import Bank of India.	AAA	1.78
Industrial Development Bank Of India.	AA+	1.00
National Bank for Agriculture and Rural Development	AAA	0.38
Indian Oil Corporation Ltd.	LAAA	0.21
Power Finance Corporation Ltd.	AAA	0.15
Total		6.24
Money Market Instruments		
Commercial Paper (CP)/Certificate of Deposits (CD)		
Corporate Debt / Financial Institutions		
HDFC Ltd.	A1+	2.75
ABN Amro Bank N.V	A1+	2.41
Jammu & Kashmir Bank	P1+	1.32
HDFC Bank Ltd.	PR1+	1.27
ING Vysya Bank Ltd	P1+	1.12
Standard Chartered Investment & Loan India Ltd.	P1+	0.85
Hongkong & Shanghai Banking Corporation	F1+(ind)	0.70
SBI Cards & Payment Services Pvt. Ltd.	P1+	0.69
Hongkong & Shanghai Banking Corporation	P1+	0.65
ICICI Bank Ltd.	A1+	0.65
Lupin Ltd.	A1+	0.55
American Express Bank Ltd	A1+	0.49
Karur Vysya Bank Ltd.	F1+(ind)	0.43
IDBI Home Finance	A1+	0.42
ICICI Bank Ltd.	P1+	0.41
Standard Chartered Bank Ltd	P1+	0.41
J P Morgan Securities India Private Limited	P1+	0.35
SBI Factors & Commercial Pvt. Ltd.	A1+	0.28
Karnataka Bank Ltd	A1+	0.21
Mahindra & Mahindra Financial Services Ltd.	P1+	0.20
YES Bank Ltd.	A1+	0.15
First India Credit Corporation Limited	A1+	0.14
HDFC Ltd.	P1+	0.14
Sundaram Finance Ltd.	P1+	0.14
Kesoram Industries Limited	PR1+	0.14
Jindal Steel & Power Ltd	A1+	0.14
Bharat Overseas Bank Ltd	A1+	0.10
Hindustan Sanitaryware & Industries Ltd.	A1+	0.10
Tata Motors Ltd.	P1+	0.07
Cholamandalam DBS Finance Limited.	P1+	0.03
Infrastructure Development Finance Co. Ltd	P1+	0.01
Total		17.32
Public Sector Undertakings		
State Bank of Travancore	P1+	2.40
UCO Bank	P1+	2.03
State Bank of Patiala	A1+	1.97
State Bank of Indore	P1+	1.60
National Housing Bank	F1(ind)	1.37
Power Finance Corporation Ltd.	A1+	1.23
State Bank of Saurashtra	A1+	1.06
State Bank of Bikaner & Jaipur	A1+	0.95
Allahabad Bank	P1+	0.91
Power Finance Corporation Ltd.	P1+	0.87
Indian Bank	F1+(ind)	0.82
State Bank of Mysore	A1+	0.69
National Housing Bank	F1+(ind)	0.68
State Bank of Patiala	P1+	0.33
Corporation Bank	P1+	0.29
Union Bank of India	A1+	0.21
State Bank of Hyderabad	A1+	0.20
State Bank Of India.	P1+	0.13
Punjab National Bank	A1+	0.08
State Bank of Saurashtra	P1+	0.07
Total		17.89
Treasury Bills		
91 Days Treasury Bill 13/10/2006	SOV	0.59
91 Day Treasury Bill 27/10/2006	SOV	0.34
364 Days Treasury Bill 04/08/2006	SOV	0.05
364 Days Treasury Bill 15/09/2006	SOV	0.04
Total		1.02
Term Deposits		31.78
Collateral Borrowing & Lending obligation		8.44
Reverse Repo		1.62
Net Current Assets/(Liabilities)		-3.57
Grand Total		100.00

Average Maturity based on total maturity of fixed rate and immediate reset date of floating rate instruments of the portfolio: 0.18 years

Total NPA provided for and percentage to NAV : Nil

All ratings other than by CRISIL are by ICRA or CARE or Fitch.

Ready Reckoner

Scheme (Allotment Date)	Investment Objective	Options Available	Loads
EQUITY			
Kotak 30 (December 29, 1998) Fund Manager Anand Shah	To generate capital appreciation from a portfolio of predominantly equity and equity related securities with investment in, generally, not more than 30 stocks.	DP, DR & G	<p>Entry</p> <p>[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. 5 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 FIs or sub a/c of FIs: Nil</p> <ul style="list-style-type: none"> Where investments are made through SIP / STP of less than Rs. 25 lacs per installment and for, investments other than those indicated in [3], [4] and [5] above: 1.25% Cases not covered above: 2.25% <p>Exit:</p> <ul style="list-style-type: none"> For investment through SIP/STP for less than Rs. 25 lakhs per installment, for exit within 24 months (calculated as date to date): 1.00% For investment through SIP/STP for greater than or equal to Rs. 25 lakhs but less than Rs. 5 crores (per installment), for exit within 6 months (calculated as date to date): 1.00% For investment through non-SIP / non-STP, less than Rs. 5 crores, for exit within 6 months: 1.00% Cases not covered above : Nil
Kotak MidCap (February 24, 2005) Fund Manager Anand Shah	To generate capital appreciation from a diversified portfolio of equity and equity related securities.	DP, DR & G	
Kotak Opportunities (September 9, 2004) Fund Manager Anand Shah	To generate capital appreciation from a diversified portfolio of equity and equity related securities.	DP, DR & G	
Kotak Contra (July 29, 2005) Fund Manager Anand Shah	To Generate capital appreciation from a diversified portfolio of equity and equity related securities.	DP, DR & G	
Kotak Global India (January 30, 2004) Fund Manager Sajit Pisharodi	To generate capital appreciation from a diversified portfolio of predominantly equity and equity related securities issued by globally competitive Indian companies.	DP, DR & G	
Kotak MNC (April 4, 2000) Fund Manager Sajit Pisharodi	To generate capital appreciation from a portfolio of predominantly equity and equity related securities issued by multinational companies	DP & DR	
Kotak Tech (April 4, 2000) Fund Manager Sajit Pisharodi	To generate capital appreciation from a portfolio of predominantly equity and equity related securities in the information technology sector.	DP & DR	
Kotak Lifestyle (March 21, 2006) Fund Manager Nitin Jain	The investment objective of the fund is to generate long-term capital appreciation from a portfolio of equity and equity related securities, generally diversified across companies, which are likely to benefit by changing lifestyle and rising consumerism in India.	DP, DR & G	
Kotak Tax Saver# (November 23, 2005) Fund Manager Nitin Jain	To generate long - term capital appreciation from a diversified portfolio of equity and equity related securities and enable investors to avail the income tax rebate, as permitted from time to time.	DP, DR & G	
Kotak Equity FOF (August 9, 2004) Fund Manager Sajit Pisharodi	To generate long term Capital appreciation from a portfolio created by investing predominantly in open - ended diversified equity schemes of Mutual Funds registered with SEBI.	DP, DR & G	
Kotak Dynamic FOF* (March 31, 2005) Fund Manager Sajit Pisharodi	To generate long term Capital appreciation by investing in a portfolio of diversified large cap Equity Schemes and Liquid Schemes of mutual funds registered with SEBI.	G	
Kotak Flexi FOF* (October 20, 2005) Fund Manager Sajit Pisharodi	To provide long - term capital appreciation by investing in a portfolio of diversified equity schemes and liquid / short term / floating rate schemes / plans of mutual funds registered with SEBI	DR & G	
HYBRID			
Kotak Balance (November 25, 1999) Fund Manager Anand Shah & Ritesh Jain	To achieve growth by investing in equity & equity related instruments, balanced with income generation by investing in debt & money market instruments.	DP & DR	<p>Entry: [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. 5 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 FIs or sub a/c of FIs: Nil • Where investments are made through SIP / STP of less than Rs. 25 lacs per installment and for, investments other than those indicated in [3], [4] and [5] above: 1.25% • Cases not covered above: 2.25%</p> <p>Exit: • For investment through SIP/STP for less than Rs. 25 lakhs per installment, for exit within 24 months (calculated as date to date) : 1.00% • For investment through SIP/STP for greater than or equal to Rs. 25 lakhs but less than Rs. 5 crores (per installment), for exit within 6 months (calculated as date to date) : 1.00% • For investment through non-SIP / non-STP, less than Rs. 5 crores, for exit within 6 months: 1.00% • Cases not covered above : Nil</p>
Kotak Income Plus (December 2, 2003) Fund Managers Sajit Pisharodi & Ritesh Jain	To enhance returns over a portfolio of debt instruments with a moderate exposure to equity and equity related instruments.	DP, DR & G	<p>Entry: Nil</p> <p>Exit: 0.5% for redemptions within 6 months where investment amount <= Rs. 10 lacs Nil for investment amount > Rs. 10 lacs</p>

Minimum Initial Investment : Rs. 5000 (# Rs. 500) • Additional Investment : In Multiples of Rs. 1000 except for Kotak Tax saver: In multiples of Rs. 500. * No additional investment is permissible in Kotak Dynamic FOF and Kotak Flexi FOF as they are close ended schemes.

Ready Reckoner

Scheme (Allotment Date)	Investment Objective	Plan	Options Available	Loads
DEBT				
Kotak Bond (November 25, 1999)	To create a portfolio of debt and money market instruments of different maturities so as to spread the risk across a wide maturity horizon & different kinds of issuers in the debt market.	Deposit	DP, DR & G	Entry: Nil Exit: 0.5% for redemptions within 6 months where investment amount \leq Rs. 10 lacs. Nil for investment amount $>$ Rs. 10 lacs
		Regular	DP, DR, G & B	Entry: Nil Exit: Nil
Kotak Bond (May 2, 2002)	To provide reasonable returns and high level of liquidity by investing in debt & money market instruments of different maturities, so as to spread the risk across different kinds of issuers in the debt market.	Short Term	DR & G	Entry: Nil Exit: Nil
Kotak Floater Long Term (August 13, 2004)	To reduce the interest rate risk associated with investments in fixed rate instruments by investing predominantly in floating rate securities, money market instrument and using appropriate derivatives	****	DR & G	Entry: Nil Exit: 0.5% for redemptions within 6 months where investment amount \leq Rs. 10 lacs. Nil for investment amount $>$ Rs. 10 lacs
Kotak Cash Plus (Sep. 29, 2005.)	To generate income from investment in debt and money market securities and by availing arbitrage opportunities between prices of spot and derivatives markets.	****	DP, DR & G	Entry: Nil Exit: 0.50% if redeems within 30 days from the date of allotment of units.
Kotak Floater Short Term (July 14, 2003)	To reduce the interest rate risk associated with investments in fixed rate instruments by investing predominantly in floating rate securities, money market instruments and using appropriate derivatives.	****	DR & G	Entry: Nil Exit: NIL
Kotak Flexi Debt (December 6, 2004)	To maximise returns through an active management of a portfolio of debt and money securities.	****	DP, DR & G	Entry: Nil Exit: Nil
Kotak Gilt Investment (December 29, 1998)	To generate risk-free returns through investments in sovereign securities issued by the Central Government and/or State Governments and/or reverse repos in such securities.	Regular	DP, DR & G	Entry: Nil Exit: Nil
Kotak Gilt Investment (November 11, 2003)	- do -	Providend Fund & Trust	DP, DR & G	Entry: Nil Exit: Nil
Kotak Gilt Savings (December 29, 1998)	- do -	****	DP, DR & G	Entry: Nil Exit: Nil
Kotak Liquid (October 5, 2000)	To provide reasonable returns and high level of liquidity by investing in debt and money market instruments of different maturities so as to spread the risk across different kinds of issuers in the debt markets.	Regular	DR & G	Entry: Nil Exit: Nil
Kotak Liquid (March 16, 2003)	- do -	Institutional #	DR & G	Entry: Nil Exit: Nil
Kotak Liquid (November 4, 2003)	- do -	Institutional Premium \$	DP, DR & G	Entry: Nil Exit: Nil
Kotak Liquid (August 3, 2004)	- do -	Sweep	DR	Entry: Nil Exit: Nil

Fund Managers (To all the above schemes): Ritesh Jain & Lakshmi Iyer except for Kotak Cash Plus: Sajit Pisharodi & Ritesh Jain

Minimum Initial Investment : Rs. 5000 (# Rs. 1 crore, \$ Rs. 5 crores) • Additional Investment : In Multiples of Rs. 1000 except for Kotak Liquid Sweep which is not permissible
DP - Dividend Payout; DR-Dividend Reinvestment; G-Growth; B-Bonus.

Dividend History

EQUITY SCHEMES

Record Date	Cum Dividend NAV	Rs/Unit
Kotak 30-Dividend		
Dec-27-05	27.711	1.00
Jun-03-05	20.345	1.00
Nov-05-04	18.060	1.50
Jan-31-04	21.093	5.00
Oct-20-03	18.983	2.00
Dec-28-01	11.036	1.00
Oct-09-00	17.556	2.00
Dec-11-99	22.954	2.00
Kotak Global India		
Feb-08-06	19.609	2.00
Feb-04-05	13.708	1.50
Kotak MNC		
Feb-11-05	20.600	4.50
Kotak Opportunities		
Mar-21-06	21.784	4.50
Sept-28-05	16.816	1.00
Feb-25-05	12.852	0.75
Kotak Midcap		
Apr-28-06	19.4377	4.00
Aug-24-05	13.0267	0.50

HYBRID SCHEMES

Record Date	Cum Dividend NAV	Rs/Unit
Kotak Balance		
Mar-27-06	26.645	3.50
Dec-12-05	22.232	1.00
May-16-05	18.129	0.75
Dec-13-04	16.175	0.50
Dec-12-03	15.559	2.75
Mar-13-00	13.471	1.00
Kotak Income Plus - Monthly Dividend		
Jul-12-06	10.8789	Individual / HUF : 0.0618 Others : 0.0575
Jun-12-06	10.8019	Individual / HUF : 0.0675 Others : 0.0629
May-12-06	11.4096	Individual / HUF : 0.0639 Others : 0.0595
Apr-12-06	11.1610	Individual / HUF : 0.0636 Others : 0.0592
Kotak Income Plus - Quarterly Dividend		
Jun-20-06	10.9942	Individual / HUF : 0.1709 Others : 0.1591
Mar-20-06	11.2373	Individual / HUF : 0.1633 Others : 0.1521
Dec-20-05	10.9792	Individual / HUF : 0.1651 Others : 0.1537
Sep-20-05	10.9693	Individual / HUF : 0.1604 Others : 0.1494

DEBT SCHEMES

Record Date	Cum Dividend NAV	Rs/Unit
Kotak Bond Deposit Plan		
Jun-25-04	10.5647	0.0600
Mar-25-04	10.7807	0.1058
Dec-26-03	10.9167	0.1650
Sep-25-03	11.0101	0.2475
Kotak Bond Short Term Plan		
Jul-12-06	10.1094	Individual / HUF : 0.0485 Others : 0.0452
Jun-12-06	10.1136	Individual / HUF : 0.0522 Others : 0.0486
May-12-06	10.1102	Individual / HUF : 0.0492 Others : 0.0459
May-12-06	10.1102	Individual / HUF : 0.0492 Others : 0.0459
Kotak Bond Regular Plan - Annual		
Mar-12-04	12.2306	0.7798
Mar-12-03	11.8021	0.7500
Mar-13-02	13.8500	3.0000
Kotak Bond Regular Plan - Quarterly		
Jun-20-06	10.4424	Individual / HUF : 0.0910 Others : 0.0847
Mar-20-06	10.3510	Individual / HUF : 0.04870 Others : 0.0454
Dec-20-05	10.4100	Individual / HUF : 0.1005 Others : 0.0935
Sep-20-05	10.4191	Individual / HUF : 0.1084 Others : 0.1010
Kotak Floater Short Term - Monthly		
Jul-12-06	10.0510	Individual / HUF : 0.0432 Others : 0.0402
Jun-12-06	10.0533	Individual / HUF : 0.0452 Others : 0.042
May-12-06	10.0508	Individual / HUF : 0.0430 Others : 0.0401
Apr-12-06	10.0521	Individual / HUF : 0.0442 Others : 0.0411
Kotak Floater Short term - Weekly		
Jul-31-06	10.0152	Individual / HUF : 0.0095 Others :
0.0089Jul-24-06	10.0152	Individual / HUF : 0.0095 Others : 0.0089
Jul-17-06	10.0159	Individual / HUF : 0.0101 Others : 0.0094
Jul-10-06	10.0154	Individual / HUF : 0.0097 Others : 0.0090
Jul-03-06	10.0161	Individual / HUF : 0.0103 Others : 0.0096

DEBT SCHEMES

Record Date	Cum Dividend NAV	Rs/Unit
Kotak Floater Long Term - Monthly		
Jul-12-06	10.0583	Individual / HUF : 0.0509 Others : 0.0474
Jun-12-06	10.0561	Individual / HUF : 0.0490 Others : 0.0456
May-12-06	10.0471	Individual / HUF : 0.0411 Others : 0.0383
Apr-12-06	10.0519	Individual / HUF : 0.0453 Others : 0.0422
Kotak Floater Long term - Weekly		
Jul-31-06	10.0457	Individual / HUF : 0.0117 Others : 0.0109
Jul-24-06	10.0459	Individual / HUF : 0.0119 Others : 0.0111
Jul-17-06	10.0459	Individual / HUF : 0.0119 Others : 0.0111
Jul-10-06	10.0459	Individual / HUF : 0.0119 Others : 0.0111
Jul-03-06	10.0457	Individual / HUF : 0.0117 Others : 0.0109
Kotak Gilt Investment PF & Trust Plan		
Dec/20/05	10.8621	Individual / HUF : 0.0800 Others : 0.0745
Sep/20/05	10.888	Individual / HUF : 0.1027 Others : 0.0957
Jun/20/05	10.9314	Individual / HUF : 0.1408 Others : 0.1311
Mar/21/05	10.7760	Individual / HUF : 0.0357 Others : 0.0334
Kotak Gilt Investment Regular Plan - Dividend		
Mar-25-04	10.5848	0.0909
Dec-26-03	10.7693	0.2050
Sep-25-03	10.9273	0.3450
Kotak Gilt Savings Plan - Annual Dividend		
Sep-21-03	15.3239	4.5000
Kotak Gilt Savings Plan - Monthly Dividend		
Jul-12-06	10.4528	Individual / HUF : 0.0262 Others : 0.0244
Jun-12-06	10.4564	Individual / HUF : 0.0293 Others : 0.0273
May-12-06	10.4657	Individual / HUF : 0.0375 Others : 0.0349
Apr-12-06	10.5015	Individual / HUF : 0.0689 Others : 0.0641
Kotak Flexi Debt - Quarterly		
Jun-20-06	10.203	Individual / HUF : 0.1328 Others : 0.1237
Mar-20-06	10.1661	Individual / HUF : 0.1289 Others : 0.1200
Dec-20-05	10.1497	Individual / HUF : 0.1145 Others : 0.1066
Sep-20-05	10.1668	Individual / HUF : 0.1295 Others : 0.1206
Kotak Flexi Debt - Daily		
Jul-31-06	10.0164	Individual / HUF : 0.001594 Others : 0.001484
Jul-28-06	10.0311	Individual / HUF : 0.005001 Others : 0.004657
Jul-27-06	10.0311	Individual / HUF : 0.002000 Others : 0.001863
Jul-26-06	10.0311	Individual / HUF : 0.001665 Others : 0.001550
Kotak Cash Plus		
Jul-24-06	10.1979	Individual / HUF : 0.0410 Others : 0.0381
Jun-26-06	10.2132	Individual / HUF : 0.0513 Others : 0.0477
May-22-06	10.2148	Individual / HUF : 0.0475 Others : 0.0442
Mar-27-06	10.1171	Individual / HUF : 0.0507 Others : 0.0472
Kotak Liquid Sweep Plan		
Jul-31-06	10.0071	Individual / HUF : 0.001435 Others : 0.001336
Jul-30-06	10.0071	Individual / HUF : 0.001463 Others : 0.001362
Jul-28-06	10.0071	Individual / HUF : 0.002832 Others : 0.002637
Jul-27-06	10.0071	Individual / HUF : 0.001568 Others : 0.001460
Kotak Liquid Regular Plan		
Jul-31-06	10.0303	Individual / HUF : 0.0099 Others : 0.0093
Jul-24-06	10.0299	Individual / HUF : 0.0096 Others : 0.0089
Jul-17-06	10.0301	Individual / HUF : 0.0098 Others : 0.0091
Jul-10-06	10.0301	Individual / HUF : 0.0098 Others : 0.0091
Jul-03-06	10.0301	Individual / HUF : 0.0098 Others : 0.0091
Kotak Liquid Institutional Plan - Daily		
Jul-31-06	12.2281	Individual / HUF : 0.001781 Others : 0.001658
Jul-30-06	12.2281	Individual / HUF : 0.001819 Others : 0.001694
Jul-28-06	12.2281	Individual / HUF : 0.003519 Others : 0.003277
Jul-27-06	12.2281	Individual / HUF : 0.001947 Others : 0.001813
Kotak Liquid Institutional Plan - Weekly		
Jul-31-06	10.0338	Individual / HUF : 0.0106 Others : 0.0098
Jul-24-06	10.0334	Individual / HUF : 0.0102 Others : 0.0095
Jul-17-06	10.0335	Individual / HUF : 0.0103 Others : 0.0096
Jul-10-06	10.0334	Individual / HUF : 0.0103 Others : 0.0096
Jul-03-06	10.0335	Individual / HUF : 0.0104 Others : 0.0097
Kotak Liquid Institutional Premium Plan - Daily		
Jul-31-06	12.2281	Individual / HUF : 0.001885 Others : 0.001756
Jul-30-06	12.2281	Individual / HUF : 0.001919 Others : 0.001787
Jul-28-06	12.2281	Individual / HUF : 0.003724 Others : 0.003468
Jul-27-06	12.2281	Individual / HUF : 0.002050 Others : 0.001909
Kotak Liquid Institutional Premium Plan - Weekly		
Jul-31-06	10.0469	Individual / HUF : 0.0111 Others : 0.0103
Jul-24-06	10.0467	Individual / HUF : 0.0109 Others : 0.0102
Jul-17-06	10.0468	Individual / HUF : 0.0110 Others : 0.0102
Jul-10-06	10.0467	Individual / HUF : 0.0109 Others : 0.0102
Jul-03-06	10.0469	Individual / HUF : 0.0111 Others : 0.0103

Face value : Rs. 10/Unit

Dividend distribution is subject to availability and adequacy of distributable surplus.

After dividend is distributed, the NAV falls to the extent of the payout and statutory levy, if applicable.

Risk Factors

We declare that we, Kotak Mahindra Asset Management Company Limited, and / or are employees, have short / long positions in the security(ies) in respect of which investment advice is being rendered.

Risk Factors :

• Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Schemes will be achieved. • As with any securities investment, the NAV of the Units issued under the Schemes can go up or down depending on the factors and forces affecting the capital and money markets. Past performance of the Sponsor/AMC/Fund or that of existing Schemes of the Fund does not indicate the future performance of the Schemes. • Kotak Mahindra Gilt Unit Scheme '98 (Kotak Gilt), Kotak Mahindra Bond Unit Scheme 99 (Kotak Bond), Kotak Mahindra Liquid Scheme (Kotak Liquid), Kotak Mahindra 30 Unit Scheme (Kotak 30), Kotak Mahindra Balance Unit Scheme 99 (Kotak Balance), Kotak Mahindra Technology Scheme (Kotak Tech), Kotak Mahindra MNC Scheme (Kotak MNC), Kotak Mid-Cap Scheme (Kotak Mid-Cap), Kotak Floater Short Term Scheme, Kotak Mahindra Global India Scheme (Kotak Global India), Kotak Mahindra Income Plus Scheme (Kotak Income Plus), Kotak Equity FOF, Kotak Opportunities, Kotak Floater Long Term Scheme, Kotak Flexi Debt Scheme (Kotak Flexi Debt), Kotak Dynamic Fund of Funds, Kotak Contra Scheme, Kotak Flexi FOF, Kotak Cash Plus Scheme, Kotak Tax Saver, Kotak Lifestyle & Kotak Twin Advantage Series III are only the names of the Schemes and do not in any manner indicate the quality of the Schemes, future prospects or returns. • Appreciation of the value of the Units issued under Kotak 30, Kotak Tech and Kotak MNC can be restricted in the event of a high asset allocation to cash, when stock appreciates. • Investments by Kotak Tech in the Information Technology Sector will restrict the diversification of the Scheme due to which the NAV of the Units issued under the Scheme runs the risk of high volatility. • Technology stocks particularly run the risk of high volatility, high valuation and obsolescence. • The NAV of the Schemes may be affected, inter alia, by changes in the NAV / performance of the underlying schemes, market, market interest rates, Price/Interest-rate Risk and Credit Risk, Concentration or Sectoral Risk associated with derivatives trading pertaining to Equity Markets, changes in credit rating, Government policy, volatility and liquidity in the money markets, pressure on the exchange rate of the rupee, trading volumes, performance of individual stocks, settlement periods and transfer procedures, Basis Risk, Spread Risk and Re-investment Risk. • Tax laws may change, affecting the return on investment in Units. • In the event of receipt of a very large number of redemption requests or very large value redemption requests or of restructuring of the Schemes' portfolios or in case of limitation or suspension of redemption in the underlying schemes, there may be delays in the redemption of Units. Please refer to the paragraph on "Right to limit Redemption" in the Offer Documents.

Scheme Specific Risk Factors for Kotak Twin Advantage Series III :

• There is no assurance that on maturity of the scheme, the original investments made by the investor will be realized. • There is no assurance / guarantee of capital protection from Kotak Mahindra Asset Management Company Limited / Kotak Mahindra Trustee Company Limited or Sponsor. • The fund manager may invest in equity-based options; as such, the risk associated with derivatives may affect the returns of the scheme. • The scheme is a close-ended debt scheme and the investors can redeem the units held in the scheme only during the liquidity window, at prices related to Applicable NAV. • Appropriate Opportunity/Liquidity may not be available in the market for buying Index Options. • If the Initial investment in Debt & money market instruments matures before the maturity of the scheme, there could be a reinvestment risk. • The Scheme will invest predominantly in Debt/ Money Market Instruments and Government securities. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures. • These factors may also affect the Scheme's ability to make intended purchases/sales, cause potential losses to the Scheme(s) and result in the Scheme(s) missing certain investment opportunities. • The Scheme may from time to time invest in domestic securitised debt, for instance, in asset backed securities. Typically, investments in securitised debt carry credit risk (where credit losses in the underlying pool exceed credit enhancement provided) and the reinvestment risk (which is higher as compared to the normal corporate or sovereign debt). The underlying assets in securitised debt are receivables arising from automobile loans, personal loans, loans against consumer durables, loans backed by mortgage of residential / commercial properties, etc. • As per SEBI Circular dated December 12, 2003 Ref No. SEBI/IMD/CIR No. 10/22701/03, each Scheme(s) and individual plan(s) under the schemes should have a minimum of 20 investors and no single investor should account for more than 25% of the corpus of such Scheme(s)/plan(s) at the time of allotment in case of a close ended scheme(s). In case of non-fulfilment: with either of the above two conditions, the investor's application money would be refunded, in full, immediately after the close of the NFO. • Kotak Mahindra Bank Limited is not liable or responsible for any loss or shortfall resulting from the operations of the Scheme.

Statutory :

Kotak Mahindra Mutual Fund has been established as a trust under the Indian Trusts Act, 1882, by Kotak Mahindra Bank Limited (liability Rs. NIL) with Kotak Mahindra Trustee Company Limited as the Trustee and with Kotak Mahindra Asset Management Company Limited as the Investment Manager. Kotak Mahindra Bank Limited is not liable or responsible for any loss or shortfall resulting from the operations of the Scheme. **Before investing, please read the Offer Documents.**

Highlights of Kotak Twin Advantage Series III :

- Close ended Debt Scheme.
- Investment Objective: To generate income by investing in the Debt & Money Market Instruments and to generate capital appreciation by investing in equity index options.
- Investment Pattern:
 - Debt and Money Market Instruments: 65% to 100% (including margin money deployed for derivative transactions)
 - Equity Index Options: 0% to 35%
- Maturity Period: 3 years from the date of allotment
- Liquidity Window: Redemption available on the following days of 25th March, 25th June, 25th September and 25th December, each year
- Exit Load: Nil.
 - As per SEBI circular dated April 04, 06, balance proportionate unamortised issue expenses shall be recovered from exiting unit holders.
- Investment Options:
 - Growth
 - Dividend Payout
 - Dividend Reinvestment
- Benchmark: CRISIL MIP Blended Index
- Minimum Investment Amount: Rs. 5000

Services & Facilities

- **Network of Transaction Acceptance Points:** Submit transaction requests at your convenience across our 27 Investor Service Centres and 48 Transaction Points of CAMS. (To locate these, visit the "Locate Us" section on our website, www.kotakmutual.com).
- **Electronic Credit of Dividends and Redemption Proceeds:** Have your dividend payouts and redemption proceeds paid directly into your bank account*. No more worrying about cheques lost in transit or queuing at a bank to deposit cheques. * Available for accounts in the following banks only: ABN Amro Bank, ICICI Bank, Citibank, IDBI Bank, Deutsche Bank, Kotak Mahindra Bank, HDFC Bank, Standard Chartered Bank, HSBC & UTI Bank.
- **Systematic Investments, Withdrawals and Transfers:** Our Systematic Investment Facility provides you with the option of investing a fixed amount over a period of time, in a disciplined manner. Through this process, you benefit from Rupee Cost Averaging (buying more Units at higher NAV), and avoid the uncertainties involved with trying to time the market. Through our Systematic Withdrawal Facility, withdraw fixed amounts, or the entire appreciation on your investment, in any scheme periodically and benefit by averaging out on market fluctuations. To systematically transfer investments from one Kotak scheme to another, try our Systematic Transfer Facility. This tool also helps you manage your investment portfolio among Kotak Mutual Schemes, in line with your asset allocation plan.
- **Internet Transactions:** Switch investments across our schemes, or redeem your investments electronically, through our Internet Transaction Facility. You can also invest in our schemes online, through Kotakstreet (www.kotakstreet.com), ICICI Direct (www.icicidirect.com), and Times of Money (www.timesofmoney.com)
- **E-mail Communication :** Opt in to value-added information through e-mail: Daily NAV and Dividend Updates, Monthly Updates, weekly and more.
- **Website Utilities:** Plan and track your investments better. Use our Risk Profiler to assess your risk appetite, our Financial Planner to plan investments and financial goals and our Returns Calculator to measure your earnings from Kotak Mutual schemes. Just register, free, at www.kotakmutual.com, and access all these facilities.

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