

Pursuant to SEBI circular no. SEBI CIR / IMD / DF / 19 / 2010 dated November 26, 2010 on Interval Schemes/Plans, the following changes will be made to Kotak Quarterly Interval Plan Series 1, Kotak Quarterly Interval Plan Series 2, Kotak Quarterly Interval Plan Series 3, Kotak Quarterly Interval Plan Series 4, Kotak Quarterly Interval Plan Series 5, Kotak Quarterly Interval Plan Series 6, Kotak Quarterly Interval Plan Series 7, Kotak Quarterly Interval Plan Series 8, Kotak Quarterly Interval Plan Series 9 and Kotak Quarterly Interval Plan Series 10 ("the schemes"), with effect from the date of the next specified transaction period of each scheme.

## 1. Listing:

The Scheme(s) will be listed on National Stock Exchange and/or Bombay Stock Exchange. Unit holders are given an option to hold the units in demat form in addition to account statement as per current practice.

The Unitholders intending to hold/trade the units in Demat form are required to have a beneficiary account with the Depository Participant (DP) (registered with NSDL / CDSL) and will be required to indicate the DP's name, DP ID Number and the beneficiary account number of the applicant with the DP.

In case Unit holders do not provide their Demat Account details, an Account Statement shall be sent to them. Such unitholders will not be able to trade on the stock exchange.

In case of Demat Account unitholders, redeeming in Interval Plan, they have to submit an additional form called repurchase request form signed and stamped by their respective DP along with the redemption request form, during specified transaction period.

## 2. Change in the definition of "Liquidity/ Specified Transaction Period (STP)":

Each of the Quarterly Interval Plans will have Specified Transaction Period for a minimum of 2 Business Days, once in a quarter; during which period investor can Subscribe / Redeem / Switch-in/ Switch-out, directly with the Mutual Fund. However, the AMC reserves the right to change / alter the "Specified Transaction Period", depending on the prevailing market conditions and to protect the interest of the investors. Specified Transaction Period for Purchases/ Switch-ins/Redemptions/ Switch-outs would generally be Two Consecutive Business days immediately after the end of the quarterly interval period.

The units cannot be redeemed with Kotak Mahindra Mutual Fund (KMMF) until the Specified Transaction Period of the respective schemes.

Therefore, in case the First STP date is followed by a Non-Business day, the same will be postponed in such manner that the Two STP dates fall consecutively.

For eg:

If the First STP date 08/04/2011 is a Friday and the Second STP date 11/04/2011 is a Monday, then the STP Dates will be postponed to Monday 11/04/2011 and Tuesday 12/04/2011 such that all dates are business days.

## 3. Change in the definition of "Interval Period":

Interval Period is the period of time elapsed between two Specified Transaction Periods. The period between two Specified Transaction Periods shall be around 90 days from the First STP date of the last Interval Period.

Eg: If the First STP date is on Monday 11/04/2011 and the Second on Tuesday 12/04/2011, then the next interval period would be 11/07/2011 and correspondingly the Second STP date would be 12/07/2011.

Moreover, no redemption / switch-out will be allowed during the second day of STP for purchase / switch-ins made during the first day of the STP.

## 4. Change in the Investment Strategy:

For the purpose of achieving the investment objective, each Scheme will invest in a portfolio of Debt, Money Market securities, Government Securities which mature on or before the opening of the immediately following specified transaction period.

Further, in case of securities with put and call options the residual time for exercising the put option of the securities shall not be beyond the opening of the immediately following STP.

The effective dates for carrying out the aforesaid changes alongwith the exit window period for respective scheme(s) is provided in the below mentioned table:

Name of the Scheme(s)	STP date from which the change shall be applicable	The exit window available from*
Kotak Quarterly Interval Plan Series 1	15/06/2011	16/05/2011 to 14/06/2011
Kotak Quarterly Interval Plan Series 2	20/06/2011	21/05/2011 to 19/06/2011
Kotak Quarterly Interval Plan Series 3	12/05/2011	12/04/2011 to 11/05/2011
Kotak Quarterly Interval Plan Series 4	02/06/2011	03/05/2011 to 01/06/2011
Kotak Quarterly Interval Plan Series 5	20/04/2011	21/03/2011 to 19/04/2011
Kotak Quarterly Interval Plan Series 6	10/05/2011	10/04/2011 to 09/05/2011
Kotak Quarterly Interval Plan Series 7	24/05/2011	24/04/2011 to 23/05/2011
Kotak Quarterly Interval Plan Series 8	08/06/2011	09/05/2011 to 07/06/2011
Kotak Quarterly Interval Plan Series 9	06/04/2011	07/03/2011 to 05/04/2011
Kotak Quarterly Interval Plan Series 10	07/04/2011	08/03/2011 to 06/04/2011

\*Unitholders who are not in agreement with the changes may redeem their units at applicable NAV or switch to other open-ended schemes of Kotak Mahindra Mutual Fund without payment of exit load during the exit period as mentioned above for each scheme.

Redemption requests, if any, may be lodged at any of the Official Point of Acceptance of Kotak Mahindra Mutual Fund on or before 3.00 p.m. during the exit period. The redemption proceeds will be mailed /credited within 10 business days of receipt of valid redemption request to those unit holders who choose to exercise their exit option (at NAV applicable on date of redemption). In addition, unit holders who have pledged their units will not have the option to exit unless they procure a release of their pledges prior to submitting their redemptions. Unit holders may note that no action is required in case they are in agreement with the aforesaid proposal, which shall be deemed as staying invested in the scheme. This offer to exit is merely an option and is not compulsory. Unitholders are being sent letters informing them of the changes to the Scheme(s).

All other terms of the Scheme(s) remains unchanged. This addendum forms an integral part of Scheme Information Document (SID)/ Statement of Additional Information (SAI) & Key Information Memorandum (KIM).

**For Kotak Mahindra Asset Management Company Limited  
Investment Manager – Kotak Mahindra Mutual Fund**

**Mumbai  
March 4, 2011**

**Sd/-  
Sandesh Kirkire  
Chief Executive Officer**

Any queries / clarifications in this regard may be addressed to:

**Kotak Mahindra Asset Management Company Limited**

(Investment Manager for Kotak Mahindra Mutual Fund)

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**Highlights: Kotak Quarterly Interval Plan Series 1, Kotak Quarterly Interval Plan Series 2, Kotak Quarterly Interval Plan Series 3, Kotak Quarterly Interval Plan Series 4, Kotak Quarterly Interval Plan Series 5, Kotak Quarterly Interval Plan Series 6, Kotak Quarterly Interval Plan Series 7, Kotak Quarterly Interval Plan Series 8, Kotak Quarterly Interval Plan Series 9 and Kotak Quarterly Interval Plan Series 10 (debt oriented interval funds):** To generate returns through investments in debt and money market instruments with a view to significantly reduce the interest rate risk. **Risk Factors: Mutual Fund and securities investments are subject to market risks and there is no assurance or guarantee that the objective of the Scheme would be achieved. As with any securities investment, the NAV of the Units issued under the Schemes can go up and down depending on the factors and forces affecting the securities markets.** Past performance of the Sponsor/AMC/Fund or that of existing schemes of the Fund do not indicate the future performance of the Schemes. **The above mentioned are only the name of the schemes and do not in any manner indicate either the quality of the schemes or their future prospects and returns. Statutory Details:** Kotak Mahindra Mutual Fund is a Trust (Indian Trust Act, 1882). **Investment Manager:** Kotak Mahindra Asset Management Company Ltd. **Sponsor:** Kotak Mahindra Bank Ltd. (liability Rs. Nil). **Trustee:** Kotak Mahindra Trustee Company Ltd. **Please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) of the schemes carefully before investing. SID & SAI available on www.kotakmutual.com**