

A. Review of Know Your Customer (KYC) norms w.e.f. January 1, 2011

With reference to AMFI Circular 35/MEM-COR/62/10-11 dated October 7, 2010, investors may kindly note w.e.f. January 1, 2011, it shall be mandatory for all individual investors to be KYC Compliant through the existing CVL platform, irrespective of the amount of investment.

Thus investments of any amount, on or after January 1, 2011 by individual investors who are not KYC Compliant, are liable to be rejected.

However, for investments through Systematic Investment Plan (SIP) upto Rs. 50,000 ("Micro SIP"), existing guidelines remain unchanged.

The aforesaid change is being made under point (iii) "Know Your Customer (KYC)" of clause B "Legal Information" of section VI "Tax & Legal & General Information" in the Statement of Additional Information (SAI).

B. Declaration of Dividend under Kotak Quarterly Interval Plan Series 1

Trustees to Kotak Mahindra Mutual Fund have approved record date of December 15, 2010 for declaration of dividend in the dividend option of Kotak Quarterly Interval Plan Series 1. Entire appreciation in Net Asset Value of dividend option until December 15, 2010, shall be declared as dividend subject to availability and adequacy of distributable surplus and deduction of applicable dividend distribution tax. The Face Value per Unit is Rs. 10, and the NAV as on December 8, 2010 for Kotak Quarterly Interval Plan Series 1 (Dividend Option) is Rs. 10.1627.

The Specified Transaction Period for Kotak Quarterly Interval Plan Series 1 is on December 15, 2010.

Pursuant to payment of dividend, the NAV of the Scheme would fall to the extent of payout and statutory levy, if any.

All Unit Holders of the Dividend Option of the Scheme who will submit valid redemptions/switch-out requests till 3.00 p.m. on December 15, 2010 will be entitled to receive the dividend. In respect of valid purchase/switch-in applications received till 3.00 p.m., the ex-dividend NAV of the day of receipt of application will be applicable and the eligible investors will be entitled for dividend declared, if any, for the next record date by the Trustee.

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

**Mumbai
December 9, 2010**

**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 (an interval debt fund): To generate returns through investments in debt and money market instruments with a view to significantly reduce the interest rate risk. **Exit Load:** 1%, if redeemed anytime other than the Specified Transaction Period for redemptions/switch-outs. **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 Scheme 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 does not indicate the future performance of the Scheme. **Kotak Quarterly Interval Plan Series 1 is only the name of the scheme and does not in any manner indicate either the quality of the scheme, its 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 scheme carefully before investing. SID & SAI available on www.kotakmutual.com**