

1. Review of Know Your Customer (KYC) norms w.e.f. October 1, 2010

With reference to AMFI Circular 35/MEM-COR/54/10-11 dated August 16, 2010, investors may kindly note w.e.f. October 1, 2010, it shall be mandatory for the following category of investors to be KYC Compliant through the existing CVL Platform, irrespective of the amount of investment:

- a) Non individual investors including but not limited to Corporate, Partnership Firms, Trusts, Hindu Undivided Family (HUF);
- b) Non Resident Indians (NRIs);
- c) Investors coming through Channel Distributors

The above category of investors for the purpose of KYC compliance shall include (i) their constituted Power of Attorney (PoA) holder, in case of investments through a PoA; and (ii) each of the applicants, in case of application in joint names.

Thus investments of any amount, on or after October 01, 2010 by afore-mentioned list of investors who are not KYC Compliant, are liable to be rejected.

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).

2. Transferability of Mutual Fund units of schemes of Kotak Mahindra Mutual Fund w.e.f. October 1, 2010:

Investors may kindly note that w.e.f. October 1, 2010, Units of all schemes of Kotak Mahindra Mutual Fund which are held in demat form shall be freely transferable under the depository system. However, restrictions on transfer of units of Kotak Tax Saver Scheme during the lock-in period shall continue to be applicable as per the ELSS Guidelines. Further, the investors under Kotak Tax Saver Scheme may specifically note that the units held under the scheme can only be transferred after a period of 3 years from the date of allotment of Units, whether it be in physical or demat mode.

The aforesaid change is being made under point (viii) "Transfer of units" of clause B "Legal Information" of section VI "Tax & Legal & General Information" in the Statement of Additional Information (SAI).

All other terms and conditions as provided in the Statement of Additional Information remain unchanged.

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

**Mumbai
September 28, 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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General Risk Factors: Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objective 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 securities markets. Past performance of the Sponsor/AMC/Fund or that of any scheme of the Fund does not indicate the future performance of the Schemes of the Fund. **Investment Manager:** Kotak Mahindra Asset Management Company Ltd. **Sponsor:** Kotak Mahindra Bank Ltd. (liability Rs. Nil). **Trustee:** Kotak Mahindra Trustee Company Ltd. Kotak Mahindra Bank Limited is not liable or responsible for any loss or shortfall resulting from the operations of the Schemes. **Please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully before investing. SID and SAI available on www.kotakmutual.com**