

Notice is hereby given that it has been decided to include the following paragraph under internal norms of investment restrictions applicable to Kotak Mahindra Liquid Scheme, Kotak Floater Short Term Scheme, Kotak Floater Long Term Scheme, Kotak Mahindra Bond Unit Scheme 99, Kotak Mahindra Bond Short Term Plan, Kotak Mahindra Gift unit Scheme 99 (Savings Plan) and (Investment Plan). The Scheme Information Document of above schemes stands modified to that extend as under:

“With respect to credit risk exposure arising out of OTC derivatives and repo transactions, the AMC does an ongoing credit assessment for setting appropriate credit limit and type of exposure the scheme can assume on all counterparties of the scheme. Internal control mechanisms ensure adherence to these limits and type of exposures.”

All other features and terms and conditions of the schemes shall remain unchanged.

This addendum forms integral part of Scheme Information Document/Key Information Memorandum of the respective schemes.

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

Sd/-

**Mumbai
February 1, 2010**

**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 Mahindra Liquid Scheme (An Open ended Debt Scheme) - To provide reasonable returns and high level of liquidity by investing in Debt and money market instruments of different maturities so as to spread risk across different kinds of issuers in the Debt Markets. **Kotak Floater Short Term Scheme (An Open ended Debt Scheme)** - 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. **Kotak Floater Long Term Scheme (An Open ended Debt Scheme)** - 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. **Kotak Mahindra Bond Unit Scheme 99 (An Open ended Debt Scheme)** - To create a portfolio of debt instruments of different maturities so as to spread the risk across a wide maturity horizon and different kinds of issuers in the debt markets. **Kotak Mahindra Bond Short Term Plan (An Open ended Debt Scheme)** - 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 market. **Kotak Mahindra Gift Unit Scheme 99 - Investment Plan & Savings Plan (An Open ended dedicated Gilt Scheme)** - To generate risk-free returns through investments in sovereign securities issued by the Central and /or State Government(s) and/or reverse repos in such securities. **Risk Factors: Mutual Fund and securities investments are subject to market risks and there is no assurance or guarantee that the objective of the Schemes 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 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. **The above mentioned are only the name of the schemes and does not in any manner indicate either the quality of the schemes, their future prospects and returns. Statutory:** 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**