

A. Declaration of Dividend under quarterly dividend option of below mentioned schemes

Trustee to Kotak Mahindra Mutual Fund has approved record date of June 21, 2010 for the declaration of dividend subject to the availability and adequacy of distributable surplus and NAV growth, under quarterly dividend options of following schemes in accordance with the Scheme Information Document of the respective schemes:

Scheme Name	Recommended rate of dividend Rs. per unit* (Face value of Rs. 10/ each)	NAV as on June 14, 2010
Kotak Mahindra Bond Unit Scheme 99 (Regular Plan)	0.3445	10.7407
Kotak Mahindra Bond Unit Scheme 99 (Deposit Plan)	0.4158	12.726
Kotak Flexi Debt Scheme (Regular Plan)	0.1049	10.3547
Kotak Mahindra Gilt Unit Scheme 98 (Regular Plan)	0.3412	13.1734
Kotak Mahindra Gilt Unit Scheme 98 (PF & Trust Plan)	0.3031	11.2586
Kotak Mahindra Income Plus Scheme	0.1596	10.6109

* Amount available for distribution as on June 14, 2010. However, the actual distributable surplus available on the Record Date, subject to the maximum recommended rate as given above, will be distributed, which is subject to deduction of applicable dividend distribution tax.

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 quarterly dividend option of the above schemes, whose name appears in the records of the Registrar, Computer Age Management Services Pvt. Ltd, as on June 21, 2010, will be entitled to receive the dividend.

B. Declaration of Dividend under Kotak Quarterly Interval Plan Series 2

Trustees to Kotak Mahindra Mutual Fund have approved record date of June 21, 2010 for declaration of dividend in the dividend option of Kotak Quarterly Interval Plan Series 2. Upto 100% of distributable surplus available as on record date will be paid as dividend, subject to the 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 June 14, 2010 for Kotak Quarterly Interval Plan Series 2 (Dividend Option) is Rs. 10.1282.

The Specified Transaction Period for Kotak Quarterly Interval Plan Series 2 is on June 21, 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 June 21, 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.

C. Suspension of reinvestment facility under the Dividend Option of Kotak Quarterly Interval Plan Series 2:

With effect from June 21, 2010, the reinvestment facility under dividend option of Kotak Quarterly Interval Plan Series 2 shall stand suspended. Fresh subscriptions / switches into the reinvestment facility will not be accepted for any investments. Accordingly, dividend payout shall be the default option for applications under dividend option.

All other terms and conditions as provided in the Scheme Information Document remain unchanged.

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

**Mumbai
June 15, 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 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 Flexi Debt Scheme** (an open ended debt scheme) - To maximize returns through an active management of a portfolio of debt and money market securities. **Kotak Mahindra Gilt Unit Scheme 98** (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. **Kotak Mahindra Income Plus Scheme** (an open ended income scheme) - To enhance returns over a portfolio of Debt Instruments with a moderate exposure in Equity and Equity related Instruments. **Kotak Quarterly Interval Plan Series 2** (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. **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(s) would be achieved. As with any securities investment, the NAV of the Units issued under the Scheme(s) 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(s). **The above mentioned are only the names of the schemes and does not in any manner indicate either the quality of the schemes, 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 scheme carefully before investing. SID & SAI available on www.kotakmutual.com**