

Investors many kindly note with reference to notice-cum-addendum dated January 29, 2010 issued by Kotak Mahindra Asset Management Company Limited and SEBI Circular no. CIR/IMD/DF/17/2010 dated November 9, 2010, there is a change in settlement process for purchase/ redemption of units of eligible schemes of Kotak Mahindra Mutual Fund through Stock Exchange Infrastructure (viz. BSE StAR MF and NSE MFSS platform) from December 24, 2010. Accordingly, the following has been decided:

- (i) that units of schemes of Kotak Mahindra Mutual Fund shall be permitted to be transacted through clearing members of the registered Stock Exchanges.
- (ii) to permit Depository participants of registered Depositories to process only redemption request of units held in demat form.

The following has been decided with respect to investors having demat account and purchasing and redeeming mutual funds units through stock brokers and clearing members:

- (i) Investors shall receive redemption amount (if units are redeemed) and units (if units are purchased) through broker/clearing member's pool account. Kotak Mahindra Mutual Fund (KMMF)/ Kotak Mahindra Asset Management Company Limited (KMAMC) shall pay proceeds to the broker/clearing member (in case of redemption) and broker/clearing member in turn pay redemption proceeds to the respective investor and similarly units shall be credited by KMMF/KMAMC into broker/clearing member's pool account (in case of purchase) and broker/clearing member shall in turn credit the demat account to the respective investor.
- (ii) Payment of redemption proceeds to the broker/clearing members by KMMF/KMAMC shall discharge KMMF/KMAMC of its obligation of payment to individual investor. Similarly, in case of purchase of units, crediting units into broker/clearing member pool account shall discharge KMMF/KMAMC of its obligation to allot units to individual investor.

Clearing members and Depository participants shall be considered as official points of acceptance for the schemes of Kotak Mahindra Mutual Fund as per SEBI Circular No. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 and conditions stipulated in SEBI Circular dated November 13, 2009 for stock brokers viz. AMFI/NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund, shall be applicable for such Clearing members and Depository participants as well.

Please note that Kotak Equity FOF scheme shall not be available for trading on NSE MFSS platform.

All other terms & conditions of the facility remain unchanged. The transactions carried out on the BSE StAR and NSE MFSS platform shall be subject to SEBI (Mutual Funds) Regulations, 1996 and circulars / guidelines issued thereunder from time to time. The AMC reserves the right to change/modify the features of this facility at a later date.

This addendum shall form an integral part of the Scheme Information Document(s) / Key Information Memorandum(s) of the Scheme(s) of Kotak Mahindra Mutual Fund as amended from time to time.

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

Sd/-

**Mumbai
December 24, 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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Kotak Equity FOF: (An open ended equity Fund of Funds Scheme): To generate long-term capital appreciation from a portfolio created by investing predominantly in open-ended diversified equity schemes of Mutual Funds registered with SEBI. Investors shall bear the recurring expenses of the scheme, in addition to the expenses of other schemes in which the Fund of Funds Scheme makes investments. **Risk Factors: Mutual Fund and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Schemes 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 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 Equity FOF 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(s) carefully before investing. SID & SAI available on www.kotakmutual.com**