

Change in load structure under Kotak Equity Arbitrage Fund and declaration of Dividend under Kotak Quarterly Interval Plan Series 3

A. Change in Load Structure under Kotak Equity Arbitrage Fund with effect from February 18, 2009 ('the said date'):

Entry Load: Nil

Exit load:

For Investments less than or equal to Rs. 2 crores:

- a. If redeemed on or before 90 days from the date of allotment of units: 0.60%
- b. If redeemed after 90 days but on or before 180 days from the date of allotment of units: 0.50%
- c. If redeemed after 180 days from the date of allotment of units: Nil

For Investments greater than Rs. 2 crores:

- a. If redeemed on or before 30 days from the date of allotment of units: 0.50%
- b. If redeemed after 30 days from the date of allotment of units: Nil

Note

Where investments is made by Fund of Funds as defined under SEBI Regulations: Nil

Where units are allotted upon reinvestment of Dividends: Nil

Please note that the new load structure will be applicable only on a prospective basis to Units purchased on or after the said date.

B. Declaration of Dividend under Kotak Quarterly Interval Plan Series 3

Trustees to Kotak Mahindra Mutual Fund have approved record date of February 19, 2009 for declaration of dividend in the dividend option of Kotak Quarterly Interval Plan Series 3. 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 on February 12, 2009 is Rs. 10.1308. The Specified Transaction Period is on February 19, 2009.

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 February 19, 2009 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. Units will be allotted on STP date NAV

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

**Mumbai,
February 13, 2009**

**Sd/-
Sandesh Kirkire
Chief Executive Officer**

Any queries / clarifications in this regard may be addressed to :

Kotak Mahindra Asset Management Company Limited

Investment Manager - Kotak Mahindra Mutual Fund

1st Floor, Dani Corporate Park, 158 CST Road, Kalina, Santacruz East, Mumbai - 400098

Phone Number: 022-6708 4500 • Email: mutual@kotak.com

Kotak Equity Arbitrage Fund: an open ended equity growth scheme **Kotak Quarterly Interval Plan Series 3:** an interval debt fund. **Investment Objective:** Kotak Equity Arbitrage Fund: The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash & derivatives segment of the equity market, and by investing the balance in debt and money market instruments. Kotak Quarterly Interval Plan Series 3: 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 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 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 Scheme. The above mentioned 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:** 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 Offer Document of the scheme for more information and risk factors.**