

Sub: Introduction of an Institutional Plan under Kotak Flexi Debt Scheme

Notice is hereby given that an "Institutional Plan" is being introduced under Kotak Flexi Debt Scheme with effect from May 26, 2008.

The aforesaid plan will contain following below mentioned features:

A. Investment Options:

There shall be two Options under the Plan:

1. Growth Option
2. Dividend Option (Daily Reinvestment Option and Weekly Reinvestment Option)

B. Minimum Purchase, Redemption and Balance Amounts:**Purchases:**

Initial Purchase: Rs. 1,00,00,000 and in multiple of Re. 1

Purchases on Ongoing Basis: Rs. 1000 and in multiple of Re. 1

Redemption:

Redemption from existing Unit Accounts: .Rs 1000 or 100 Units.

If the holding is less than Rs. 1000 or 100 units, after processing the redemption request, the entire amount/units will be redeemed from the Scheme.

C. Load Structure:

Entry Load: NIL

Exit Load: 0.10% if redeemed within 7 days from date of allotment of units

With introduction of aforesaid plan, Kotak Flexi Debt Scheme will be renamed as Kotak Flexi Debt – Regular Plan, The asset portfolio of the both the Plans will be un-segregated, and will be benchmarked against CRISIL Composite Bond Index.

All other terms and conditions in the offer document of Kotak Flexi Debt Scheme will remain unchanged.

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

**Mumbai
May 20, 2008**

**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

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Highlights: Kotak Flexi Debt Scheme is an open – ended debt scheme. **Investment Objective:** To maximise returns through an active management of a portfolio of debt and money market securities. **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. Kotak Flexi Debt Scheme 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.**