

Addendum to Statement of Additional Information/Scheme Information Document(s) of schemes of Kotak Mahindra Mutual Fund.

Purchase/ Redemption of units of schemes of Kotak Mahindra Mutual Fund through Stock Exchange Infrastructure with effect from February 1, 2010.

In furtherance of SEBI facilitating transactions in Mutual Fund schemes through the stock exchange infrastructure vide SEBI circular SEBI/IMD/CIR No.11/183204/2009 dated November 13, 2009, Kotak Mahindra Asset Management Company Limited (KMAMC) is offering an alternate transaction platform to facilitate purchase/redemption of units in Demat form of select schemes of Kotak Mahindra Mutual Fund on Mutual Fund Service System (MFSS) of the National Stock Exchange of India Limited (NSE) and on the BSE Stock Exchange Platform for Allotment and Repurchase of Mutual Funds (BSE STAR MF System) of the Bombay Stock Exchange Limited (BSE). KMAMC has entered into an arrangement with NSE & BSE for facilitating transactions in select Kotak Mahindra Mutual Fund schemes through the stock exchange brokers who are AMFI Certified.

List of Eligible schemes

Sr No.	Name of the Scheme	Type of the scheme
1	Kotak Mahindra 30 Unit Scheme (Kotak 30)	An open ended equity growth scheme
2	Kotak Opportunities	An open ended equity growth scheme
3	Kotak Midcap	An open ended equity growth scheme
4	Kotak Contra	An open ended equity growth scheme
5	Kotak Lifestyle	An open ended equity growth scheme
6	Kotak Equity Arbitrage Scheme	An open ended equity growth scheme
7	Kotak Select Focus Fund	An open ended equity scheme
8	Kotak Tax Saver Scheme	An open ended equity linked savings scheme
9	Kotak Mahindra Balance Unit Scheme 99	An open ended balanced scheme
10	Kotak Mahindra Income Plus Scheme	An open ended income scheme
11	Kotak Equity FOF	An open ended equity fund of funds scheme

- Only Purchase application below Rs 1 Crore will be allowed under the schemes.
- The above list of schemes is subject to change from time to time. Any changes in the above list of schemes shall be updated on www.kotakmutual.com
- Unit holders, both existing and new, having a demat account can only participate through this facility. However, switch transactions, SIP, SWP, STP are currently not available under this facility.
- MFSS and BSE STAR MF are electronic platforms introduced by National Stock Exchange (NSE) & Bombay Stock Exchange (BSE) respectively for transacting in units of mutual funds. The units of eligible Schemes are not listed on NSE & BSE and the same cannot be traded on the Stock Exchange like shares. The window for purchase/redemption of units on MFSS and BSE STAR MF will be available between 9 a.m. and 3 p.m. or such other timings as may be intimated by the exchanges. The applicability of NAV will be subject to guidelines issued by SEBI on Uniform cut-off timings for applicability of NAV of Mutual Fund Scheme(s)/Plan(s). Currently, the cut-off time is 3.00 p.m. for Non-Liquid Schemes.

Eligible Participants

- All trading members of NSE & BSE who are registered with AMFI as Mutual Fund Advisors and also registered with NSE & BSE as Participants will be eligible to offer this facility to investors.
- The eligible AMFI Certified Stock Exchange brokers will be considered as official point of acceptance of Kotak Mahindra Mutual Fund in accordance with provisions of SEBI circular no SEBI/IMD/Cir No. 11/78450/06 dated October 11, 2006.

Eligible Investors

- Investors having a demat account with any of the depositories and who have completed the prescribed formalities of their respective brokers.

How to Purchase/ Redeem

Purchase

- The investor is required to place an order for purchase of units (subject to applicable limits prescribed by BSE/NSE) with the AMFI certified stock exchange brokers.
- The investor should provide their depository account details to the AMFI certified stock exchange brokers.
- The broker shall enter the purchase order in the Stock Exchange system and an order confirmation slip will be issued to investor. This slip will be considered as time stamping acknowledgement.
- The investor will transfer the funds to the AMFI certified stock exchange brokers.
- Allotment details will be provided by the AMFI certified stock exchange brokers to the investor.
- Allotted units will be directly credited to the investor account by the RTA.
- Account statement shall be provided by the Depository Participant.

Redemption

- The investor who chooses the depository mode is required to place an order, in unit terms only, for redemption (subject to applicable limits prescribed by BSE/NSE) with the AMFI certified stock exchange brokers.
- The investors should provide their Depository Participant with Depository Instruction Slip with relevant units to be credited to Clearing Corporation pool account.
- The redemption order will be entered in the system and an order confirmation slip will be issued to investor. This slip will be considered as time stamping acknowledgement.
- The redemption proceeds will be directly credited to the bank account of the investor as per the bank account details recorded with the Depository Participant.

Note

- In case of non-financial requests/ applications such as change of address, change of bank details, etc. investors should approach the respective Depository Participant(s) since the units are held in demat mode.
- Investors will be sent a demat statement by Depository Participant showing the credit/debit of units to their account. Such demat statement given by the Depository Participant will be deemed to be adequate compliance with the requirements for dispatch of statement of account prescribed by SEBI.
- Investors will have to comply with Know Your Customer (KYC) norms as prescribed by BSE/NSE/CDSL/ NSDL and Kotak Mahindra Mutual Fund to participate in this facility.
- Investors should note that the terms & conditions and operating guidelines issued by NSE & BSE shall be applicable for purchase/redemption of units through the stock exchange infrastructure.
- Investors should get in touch with Investor Service Centres (ISCs) of Kotak Mahindra Mutual Fund or their respective brokers for further details.

All other terms & conditions of the above mentioned Schemes will remain unchanged. The transactions carried out on the above 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 aforesaid 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 **Sandesh Kirkire**
January 29, 2010 **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)

6th Floor, Kotak Towers, Building No.21, Infinity Park, Off: Western Express Highway

Goregaon - Mulund Link Road, Malad (East), Mumbai 400097

Phone Number: 66056825 • Email: mutual@kotak.com

Highlights: Kotak 30 (An open ended equity growth scheme): To generate capital appreciation from a portfolio of predominantly equity related securities. The portfolio will generally comprise of equity & equity related instruments of around 30 companies which may go upto 39 companies. **Kotak Opportunities (An open ended equity growth scheme):** To generate capital appreciation from a diversified portfolio of equity and equity related securities. **Kotak Midcap Scheme (An open ended equity growth scheme):** To generate capital appreciation from a diversified portfolio of equity and equity related securities. **Kotak Contra (An open ended equity growth scheme):** To generate capital appreciation from a diversified portfolio of equity and equity related instruments. **Kotak Lifestyle (An open ended equity growth scheme):** To generate long-term capital appreciation from a portfolio of equity and equity related securities, generally diversified across companies, which are likely to benefit by changing lifestyle and rising consumerism in India. **Kotak Equity Arbitrage Fund (An open ended equity growth scheme):** To generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivatives segment of the equity market, and by investing the balance in debt and money market instruments. **Kotak Select Focus Fund (An open ended equity scheme):** To generate long-term capital appreciation from a portfolio of equity and equity related securities, generally focussed on a few selected sectors. **Kotak Tax Saver (An open ended equity linked savings scheme):** To generate long-term capital appreciation from a diversified portfolio of equity and equity related securities and enable investors to avail the income tax rebate, as permitted from time to time. **Kotak Mahindra Balance Unit Scheme 99 (An open ended balanced scheme):** To achieve growth by investing in equity and equity related instruments, balanced with income generation by investing in debt and money market instruments. **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 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. **General Risk Factors (applicable to all schemes):** Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objective of the schemes will be achieved. As with any securities investment, the NAV of the Units issued under the Schemes can go up or down depending on the factors and forces affecting the capital and money markets. The above mentioned are only the name of the schemes and does not in any manner indicate either the quality of the schemes, its future prospects and returns. Past performance of the Sponsor/AMC or that of any scheme of the Fund does not indicate the future performance of the Schemes of the Fund. **Investment Manager:** Kotak Mahindra Asset Management Company Ltd. **Sponsor:** Kotak Mahindra Bank Ltd. (liability Rs. Nil). **Trustee:** Kotak Mahindra Trustee Company Ltd. Kotak Mahindra Bank Limited is not liable or responsible for any loss or shortfall resulting from the operations of the Schemes. **Please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully before investing. SID and SAI available on www.kotakmutual.com**