

Suspension of subscription to the units of Kotak Equity Arbitrage Fund

Given the large size of the scheme and prevailing market conditions, in the interest of the scheme and the existing unitholders, the subscription of units (including switch-in) in Kotak Equity Arbitrage Fund will stand suspended w.e.f. July 1, 2009 till further notice.

However, the scheme will continue to issue units to the investors already registered under the Dividend Reinvestment Option, and will continue to accept subscriptions from investors already registered under Systematic Investment Plan (SIP) and Systematic Transfer Plan (STP). No fresh registrations shall be accepted via SIP / STP wef from the aforesaid date.

During this period of suspension, redemptions (including switch-out) would continue to be allowed as per the terms of the Scheme Information Document. All the other terms and conditions of the Scheme Information Document, read with the addenda issued from time to time will remain unchanged.

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

**Mumbai
June 26, 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 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

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Kotak Equity Arbitrage Fund: An open – ended equity growth scheme. **Investment Objective:** 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.

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 Equity Arbitrage Fund 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 Scheme Information Document and Statement of Additional Information of the scheme for more information and risk factors.**