

# Kotak Balance

## About Kotak Balance

The investment objective of Kotak Balance is to achieve growth by investing in equity and equity related instruments, balanced with income generation by investing in debt and money market instruments. The scheme thus provides capital appreciation potential of equities as well as stable returns of debt.

## Market Outlook

The long term outlook continues to remain positive for Indian equities as the economic growth momentum remains healthy with real GDP growth remaining at around 7%. We expect this growth to result in healthy corporate earnings and the earnings growth to translate on growth in equity markets. While the long term positive outlook remaining intact, the near term challenges can influence markets as it gets impacted by events / newsflows that can have a near term negative implications. The Eurozone situation does not look like it will be resolved quickly. However recent newsflows indicate possibility of some compromises from Germany to ensure the survival of the euro. The US has entered the critical pre-election phase where it is unlikely that tough decisions will be taken. We could be close to the bottoming of the inflationary phase in the Indian economy. The RBI has also indicated that it is not in favor of any more rate hikes. This would lead to the bottoming out of the stock market and a rally in equity markets from here. However the political situation is deteriorating and increasingly populist moves may burgeon the fiscal deficit. The upcoming UP elections will be an indicator of political policy direction going forward. Valuations are very cheap especially in midcap stocks at this point and quite a few stocks look to be promising buys. Debtside: We believe that key policy rates may start to ease from Q1 - FY 13 as the stance changes from "growth focus" to "inflation focus". CRR cut may be effected earlier so as to allow the system to breathe easy on liquidity. Recall that the system has been in the deficit mode for over 5 quarters now. Inflation is expected to ease off further in the 1st half of 2012 due to base effect and the softening impact of the primary articles. In the 2nd half of 2012, we may see the trend higher, albeit average for the calendar year may still be lower. The "China effect", which saw rally in commodities, could temper off as possibilities of China slowdown were to actually materialize. However, the currency may continue to remain under pressure in near term, and range bound for most part of the year. The 10yr Gsec yield may hover in the band of 7.75% to 8.25% for the year. Intermittently, either end of bands could be breached in response to ad hoc news.

## Kotak Balance\* Performance (%) as on 30<sup>th</sup> December, 2011

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	Crisil Balanced Fund Index # (%)	S&P Nifty # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
<b>Kotak Balance</b>							
Since inception till December 31, 2011	19.47	15.04	N.A	10.26	54488	N.A	32616
December 31, 2010 to December 30, 2011	19.47	-14.07	-14.4	-24.62	Not Applicable		
December 31, 2009 to December 30, 2010	23.62	12.43	13.55	17.95	Not Applicable		
December 31, 2008 to December 30, 2009	23.74	53.07	48.65	75.76	Not Applicable		

Scheme Inception date is 25/11/1999. Fund Managed by Mr. Emmanuel Elango & Mr. Krishna Sanghvi & Mr. Abhishek Bisen

\*All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Returns <= 1 year: Absolute; Returns > 1 year: CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future. N.A stands for data not available. Note: Point to Point (PTP) Returns in INR show the value of ₹10,000/- invested at the beginning of a 12 month period as at the end of that period scheme performance. Source: ICRA MFI Explorer. Please refer page no. 2 for top 3 and bottom 3 schemes managed by Mr. Emmanuel Elango & Mr. Krishna Sanghvi & Mr. Abhishek Bisen.

## Scheme Facts

<b>Structure</b>	An Open- Ended Balanced Scheme
<b>Quarterly AAUM*</b>	₹43.97crs
<b>NAV*</b>	
<b>Dividend Option (as on 30<sup>th</sup> Dec 2011)</b>	₹19.474
<b>Launch Date</b>	25th November 1999
<b>Benchmark</b>	Crisil Balanced Fund Index
<b>Min. Initial Inv.</b>	₹5000
<b>Additional Inv.</b>	₹1000 & in multiples of ₹1
<b>Standard Deviation^</b>	17.66
<b>Beta^</b>	0.91
<b>Sharpe^</b>	0.56

\*As on 30<sup>th</sup> December 2011.

^ As on 31<sup>st</sup> December 2011. Data considered from 31/12/2008 to 30/12/2011.

Source: Value Research and MFI Explorer.

## Dividend History

Date	CUM Dividend NAV	Dividend (₹ per unit)
Sept-27-11	20.668	0.50
Mar-28-11	22.476	0.50
Sept-29-10	24.617	0.75
Mar-25-10	23.753	2.00
Sept-25-09	23.271	1.00
Mar-25-08	25.629	4.00

## Top 10 Companies

Infosys Ltd.	Software	4.85%
ICICI Bank Ltd.	Banks	4.46%
Tata Consultancy Services Ltd.	Software	4.36%
ITC Ltd.	Consumer Non Durables	4.28%
Cairn India Limited	Oil	2.99%
Hindustan Zinc Ltd.	Non - Ferrous Metals	2.52%
Reliance Industries Ltd.	Petroleum Products	2.52%
Lupin Ltd.	Pharmaceuticals	1.96%
Jindal Steel & Power Ltd.	Ferrous Metals	1.93%
GlaxoSmithkline Consumer Healthcare Ltd	Consumer Non Durables	1.9%

## Top 10 Sectors

Others	3.24
Non - Ferrous Metals	3.42
Cement	3.88
Petroleum Products	4.44
Ferrous Metals	5.23
Pharmaceuticals	8.53
Consumer Non Durables	12.16
Software	13.25
Banks	13.8
Debentures and Bonds	15.03
CBLO & Term Deposits & Rev.Repo	17.02

## Market Cap.

Market Cap.	%
Large Cap	46.18
Mid Cap	21.92
Other	31.90

Market capitalisation of the 100th largest scrip (on the bases of market capitalisation) is the cutoff to

## Load Structure

<b>Entry Load:</b>	Nil
<b>Exit Load:</b>	For redemptions / switch outs (including SIP/STP) within 1 year from the date of allotment of units, irrespective of the amount of investment: 1%. For redemption/switch outs (including

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Sept-25-07	28.078	2.00
Sept-27-06	22.870	1.00
Mar-27-06	26.645	3.50
Dec-12-05	22.232	1.00
May-16-05	18.129	0.75
Dec-13-04	16.175	0.50
Dec-12-03	15.559	2.75

determine the large cap and midcap segment. Figures as of August month end.

SIP/STP) after 1 year from the date of allotment of units, irrespective of the amount of investment: Nil.

## Other Funds Managed by Mr. Emmanuel Elango

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	S&P CNX 500 # (%)	S&P CNX Nifty # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
<b>Kotak Contra</b>							
Since inception till December 31, 2011	17.47	9.06	9.24	11.33	17468	17652	19940
December 31, 2010 to December 30, 2011	17.47	-23.81	-27.19	-24.62	Not Applicable		
December 31, 2009 to December 30, 2010	22.72	15.62	14.13	17.95			
December 31, 2008 to December 30, 2009	19.76	80.38	88.57	75.76			

Scheme Inception date is 27/07/2005. Fund Managed by Mr. Emmanuel Elango & Mr. Krishna Sanghvi

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	BSE Midcap # (%)	S&P CNX Nifty # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
<b>Kotak Emerging Equity Fund</b>							
Since inception till December 31, 2011	9.35	-1.40	-0.99	4.09	9350	9538	12100
December 31, 2010 to December 30, 2011	9.35	-26.64	-34.19	-24.62	Not Applicable		
December 31, 2009 to December 30, 2010	12.61	21.17	16.15	17.95			
December 31, 2008 to December 30, 2009	10.51	77.66	107.66	75.76			

Scheme Inception date is 30/03/2007. Fund Managed by Mr. Emmanuel Elango & Mr. Pankaj Tibrewal.

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	CNX Midcap # (%)	S&P Nifty # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
<b>Kotak Midcap - Growth</b>							
Since inception till December 31, 2011	20.09	10.72	11.11	12.57	20086	20577	22501
December 31, 2010 to December 30, 2011	20.09	-26.90	-31	-24.62	Not Applicable		
December 31, 2009 to December 30, 2010	27.18	28.00	19.16	17.95			
December 31, 2008 to December 30, 2009	21.45	88.43	98.97	75.76			

Scheme Inception date is 24/02/2005. Fund Managed by Mr. Pankaj Tibrewal & Mr. Emmanuel Elango.

## Top 3 Funds Managed by Mr. Krishna Sanghvi

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	Crisil MIP Blended Index # (%)	CRISIL 10 Year Gilt Index # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
<b>Kotak Monthly Income Plan - Growth</b>							
Since inception till December 31, 2011	15.75	5.78	6.86	3.90	15753	17096	13624
December 31, 2010 to December 30, 2011	15.75	0.86	1.72	1.91	Not Applicable		
December 31, 2009 to December 30, 2010	15.58	6.63	7	3.11			
December 31, 2008 to December 30, 2009	14.64	10.22	12.99	-8.66			

Scheme Inception date is 02/12/2003. Fund Managed by Mr Pankaj Tibrewal, Mr Krishna Sanghvi & Mr Abhishek Bisen.

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	S&P CNX Nifty # (%)	BSE Sensex # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
<b>Kotak 50 - dividend</b>							
Since inception till December 31, 2011	26.38	20.27	13.67	13.29	110409	52967	50709
December 31, 2010 to December 30, 2011	26.38	-18.46	-24.62	-24.64	Not Applicable		
December 31, 2009 to December 30, 2010	34.45	16.37	17.95	17.43			
December 31, 2008 to December 30, 2009	32.62	66.70	75.76	81.03			

Scheme Inception date is 29/12/1998. Fund Managed by Mr. Pradeep Kumar & Mr. Krishna Sanghvi

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	S&P CNX Nifty # (%)	BSE Sensex # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
<b>Kotak Select Focus Fund</b>							
Since inception till December 31, 2011	9.93	-0.33	-1.87	-2.19	9925	9575	9503
December 31, 2010 to December 30, 2011	9.93	-22.29	-24.62	-24.64	Not Applicable		
December 31, 2009 to December 30, 2010	12.68	20.05	17.95	17.43			

Scheme Inception date is 11/09/2009. Fund Managed by Mr. Krishna Sanghvi , Mr. Pradeep Kumar & Mr. Abhishek Bisen.

## Bottom 3 Funds Managed by Mr. Krishna Sanghvi

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	S&P CNX 500 # (%)	S&P Nifty # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
<b>Kotak Opportunities - growth</b>							
Since inception till December 31, 2011	38.57	20.28	13.8	15.15	38570	25726	28042

December 31, 2010 to December 30, 2011	38.57	-22.84	-27.19	-24.62	Not Applicable
December 31, 2009 to December 30, 2010	49.60	18.50	14.13	17.95	
December 31, 2008 to December 30, 2009	41.94	80.13	88.57	75.76	

Scheme Inception date is 09/09/2004. Fund Managed by Mr. Krishna Sanghvi &amp; Mr. Pankaj Tibrewal

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	S&P CNX 500 # (%)	S&P CNX Nifty # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
Kotak Contra							
Since inception till December 31, 2011	17.47	9.06	9.24	11.33	17468	17652	19940
December 31, 2010 to December 30, 2011	17.47	-23.81	-27.19	-24.62	Not Applicable		
December 31, 2009 to December 30, 2010	22.72	15.62	14.13	17.95			
December 31, 2008 to December 30, 2009	19.76	80.38	88.57	75.76			

Scheme Inception date is 27/07/2005. Fund Managed by Mr. Emmanuel Elango &amp; Mr. Krishna Sanghvi

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	S&P CNX 500 # (%)	S&P Nifty # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
Kotak Tax Saver - Growth							
Since inception till December 31, 2011	14.79	6.62	7.95	9.83	14787	15951	17724
December 31, 2010 to December 30, 2011	14.79	-26.03	-27.19	-24.62	Not Applicable		
December 31, 2009 to December 30, 2010	19.83	19.93	14.13	17.95			
December 31, 2008 to December 30, 2009	16.65	74.99	88.57	75.76			

Scheme Inception date is 23/11/2005. Fund Managed by Mr. Pankaj Tibrewal &amp; Mr. Krishna Sanghvi.

### Top 3 Funds Managed by Mr. Abhishek Bisen

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	Physical Gold Price # (%)	CRISIL 10 Year Gilt Index # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
Kotak Gold ETF							
Since inception till December 31, 2011	2628.15	27.97	29.28	5.48	29820	31196	12666
December 31, 2010 to December 30, 2011	2628.15	30.91	31.24	1.91	Not Applicable		
December 31, 2009 to December 30, 2010	2013.45	21.69	23.5	3.11			
December 31, 2008 to December 30, 2009	1634.63	22.34	22.89	-8.66			

Scheme Inception date is 27/07/2007. Fund Managed by Mr. Abhishek Bisen.

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	Crisil Short Term Bond Fund Index # (%)	CRISIL 1 Year T-Bill Index # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
Kotak FMP - 15 Months - Series 7 - Growth							
Since inception till December 31, 2011	10.99	8.93	7.49	6.22	10988	10828	10687
December 31, 2010 to December 30, 2011	10.99	9.54	7.84	6.42	Not Applicable		

Scheme Inception date is 23/11/2010 . Fund Managed by Mr. Abhishek Bisen &amp; Mr. Mayank Prakash.

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	Crisil Composite Bond Fund Index # (%)	CRISIL 1 Year T-Bill Index # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
Kotak FMP - 15 Months - Series 6 - Growth							
Since inception till December 31, 2011	10.97	8.73	6.61	1.00	10976	10738	10111
December 31, 2010 to December 30, 2011	10.97	9.36	6.9	6.42	Not Applicable		

Scheme Inception date is 19/11/2010 . Fund Managed by Mr. Abhishek Bisen &amp; Mr. Mayank Prakash.

### Bottom 3 Funds Managed by Mr. Abhishek Bisen

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	Crisil MIP Blended Index # (%)	CRISIL 10 Year Gilt Index # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
Kotak Monthly Income Plan - Growth							
Since inception till December 31, 2011	15.75	5.78	6.86	3.90	15753	17096	13624
December 31, 2010 to December 30, 2011	15.75	0.86	1.72	1.91	Not Applicable		
December 31, 2009 to December 30, 2010	15.58	6.63	7	3.11			
December 31, 2008 to December 30, 2009	14.64	10.22	12.99	-8.66			

Scheme Inception date is 02/12/2003. Fund Managed by Mr Pankaj Tibrewal, Mr Krishna Sanghvi &amp; Mr Abhishek Bisen.

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	MSCI Emerging Market Index # (%)	S&P CNX Nifty # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
Kotak Global Emerging Equity Market Fund							
Since inception till December 31, 2011	9.73	-0.64	-5.78	-1.54	9725	7725	9350
December 31, 2010 to December 30, 2011	9.73	-4.41	-7.39	-24.62	Not Applicable		
December 31, 2009 to December 30, 2010	10.16	10.38	16.36	17.95			
December 31, 2008 to December 30, 2009	9.11	70.00	74.50	75.76			

Scheme Inception date is 26/9/2007. Fund Managed by Mr. Deepak Gupta (Dedicated fund manager for overseas investment) &amp; Mr. Abhishek Bisen

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	S&P CNX Nifty # (%)	BSE Sensex # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
Kotak Select Focus Fund							
Since inception till December 31, 2011	9.93	-0.33	-1.87	-2.19	9925	9575	9503

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December 31, 2010 to December 30, 2011	9.93	-22.29	-24.62	-24.64	Not Applicable
December 31, 2009 to December 30, 2010	12.68	20.05	17.95	17.43	

Scheme Inception date is 11/09/2009. Fund Managed by Mr. Krishna Sanghvi , Mr. Pradeep Kumar & Mr. Abhishek Bisen.

N.A stands for data not available. Past Performance may or may not be sustained in future. Note: Point to Point (PTP) Returns in INR show the value of ₹10,000/- invested at the beginning of a 12 month period as at the end of that period scheme performance, Source: ICRA MFI Explorer.\*All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Returns <= 1 year: Absolute; Returns > 1 year: CAGR (Compounded Annualised Growth Rate). Past performance may or may not be sustained in future. Debt Schemes Additional benchmark: Source: Bloomberg.

## About Kotak Mutual Fund

Kotak Mahindra Asset Management Company Limited (KAMAC) is a wholly owned subsidiary of Kotak Mahindra Bank Limited (KMBL). KMBL has over two decades of experience in financial services and services 6.7 million customers. KMBL has a market capitalization of USD 5.97 billion\* (as on 30th December 2011). KAMAC is the Asset Manager for Kotak Mahindra Mutual Fund (KMMF). It started operations in December 1998 and has over one million investors in various schemes. KMMF offers schemes catering to investors with varying risk - return profiles and was the first fund house in the country to launch a dedicated gilt scheme. KAMAC manages assets worth USD 5.67 billion\* as of 30th December 2011. (Source: kotak.com & amfiindia.com)

\* The numbers are converted using the Rupee- USD reference rate published by the Reserve Bank of India as on the respective dates.

## To know more

Call : 1800-222-626 ( Toll Free), Mumbai 6638-4400, Delhi 66306900 / 02, Chennai 28221333 / 45038171, Kolkatta 64509802 / 03, Pune 64013395 / 96, Ahmedabad 26779888, Bangalore 66128050 / 51, Hyderabad 66178140 / 41, Visit [mutualfund.kotak.com](http://mutualfund.kotak.com)

## Disclaimer

**Kotak Balance** is an open-ended balanced scheme. **Investment Objective:** To achieve growth by investing in equity & equity related instruments, balanced with income generation by investing in debt & money market instruments. **Kotak Balance is only the name of the scheme and does not in any manner indicate either the quality of the scheme, future prospects or returns.**

**Kotak Midcap** is an open-ended equity growth scheme. **Investment Objective:** To generate capital appreciation from a diversified portfolio of equity & equity related instruments. **Kotak Midcap is only the name of the scheme and does not in any manner indicate either the quality of the scheme, future prospects or returns.**

**Kotak Emerging Equity Scheme** is an open-ended equity growth scheme. **Investment Objective:** The investment objective of the scheme is to generate long-term capital appreciation from a portfolio of equity and equity related securities, by investing predominantly in mid and small cap companies. **Kotak Emerging Equity Scheme is only the name of the scheme and does not in any manner indicate either the quality of the scheme, future prospects or returns.**

**Kotak Contra** is an open - ended equity growth scheme. **Investment Objective:** To generate capital appreciation from a diversified portfolio of equity and equity related securities. **Kotak Contra is only the name of the scheme and does not in any manner indicate either the quality of the scheme, future prospects or returns.**

**Kotak Monthly Income Plan** is an open-ended income fund. Monthly income is not assured & is subject to availability of distributable surplus. **Investment Objective:** To enhance returns over a portfolio of debt instruments with a moderate exposure in equity and equity related instrument. **Kotak Monthly Income Plan is only the name of the scheme and does not in any manner indicate either the quality of the scheme, future prospects or returns.**

**Kotak 50** is an open-ended equity scheme. **Investment Objective:** To generate capital appreciation from a portfolio of predominantly equity related securities. The portfolio will generally comprise of equity and equity related instruments of around 50 companies which may go up to 59 companies. **Kotak 50 is only the name of the scheme and does not in any manner indicate either the quality of the scheme, future prospects or returns.**

**Kotak Select Focus Fund** is an open-ended equity scheme. **Investment Objective:** The investment objective of the scheme is to generate long-term capital appreciation from a portfolio of equity and equity related securities, generally focused on a few selected sectors. **Kotak Select Focus Fund is only the name of the scheme and does not in any manner indicate either the quality of the scheme, future prospects or returns.**

**Kotak Opportunities** is an open-ended equity growth scheme. **Investment Objective:** To generate capital appreciation from a diversified portfolio of equity & equity related instruments. **Kotak Opportunities is only the name of the scheme and does not in any manner indicate either the quality of the scheme, future prospects or returns.**

**Kotak Tax Saver** is an open-ended equity linked savings scheme. **Investment Objective:** 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. The amount invested in the scheme shall be subject to a lock-in of 3 years irrespective of whether the investments would be eligible for tax benefit or not. The above does not constitute and advice or a representation. Investors are requested to seek professional advice in this regard. Kotak Mahindra Bank Limited is not liable or responsible for any loss or short fall resulting from the operations of the scheme. **Kotak Tax Saver is only the name of the scheme and does not in any manner indicate either the quality of the scheme, future prospects or returns.**

**General Risks:** - Mutual Funds and securities investments are subject to market risks. There is no assurance that the Scheme's objective will be achieved. NAV of the Scheme's Units can go up / down depending on factors and forces affecting securities markets. Past performance of Sponsor / AMC / Fund does not indicate the scheme's future performance.

**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 ₹. Nil); **Trustee:** Kotak Mahindra Trustee Company Ltd. **Please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully before investing. SID and SAI available on [mutualfund.kotak.com](http://mutualfund.kotak.com)**