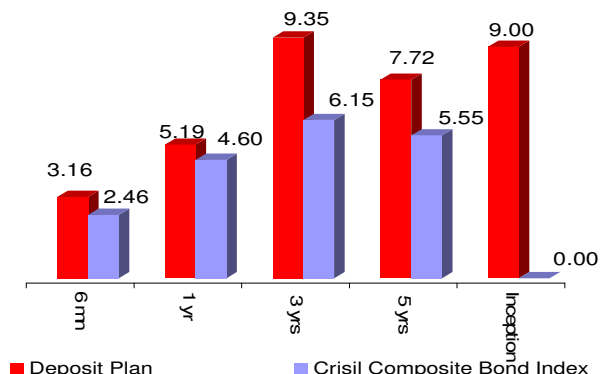


Kotak Bond Deposit Performance as on 30th July 2010



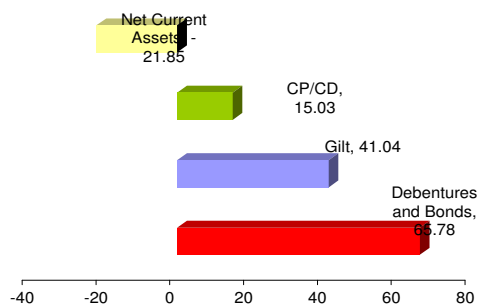
Kotak Bond Deposit NAV: Rs.25.105(Growth Option) Returns = 1 year: Absolute; Returns > 1 year : CAGR (Compounded Annualised Growth Rate). Scheme in inception since 25th Nov, 99. Past performance may or may not be sustained in future.

About Kotak Bond Deposit

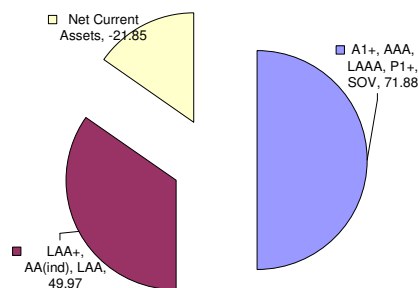
The current macro-economic environment is very conducive for interest rates. Bond fund is positioned to take advantage of the downward movement in interest rates. The combination of gilt and corporate bonds in the portfolio, also allows the investor to participate in spread compression in gilts and corporate bonds, which we believe would compress in the near term.

Investment Horizon: 6 month to 1 year

Sectoral Allocation as on 30th July 10



Rating Profile



Portfolio Details

YTM	6.25%
Avg Mat.	5.33 yr
Mod D	3.67
Corpus(Rs)	121.7 cr

Debt Market Outlook:

The hawkish stance adopted by the RBI in its monetary policy meet may continue to restrain the trading sentiments in the market. Additionally, the tone of the policy, and the increased frequency of the official policy review meet, has indicated the likelihood of additional rate hikes in the future. In the forthcoming period, the IIP and the WPI data, as well as the monsoon behavior, will continue to influence the market trading momentum from time to time. The market may also keenly watch-out the monetary policy outcome of other central banks due for their respective reviews in the month of August.

Portfolio as on 30th July 10	Rating	% to Nav
7.8% Central Government	SOV	32.85%
Aditya Birla Nuvo Limited	LAA+	17.24%
Shriram Transport Finance Co Ltd.	AA(ind)	17.18%
HDFC Ltd.	LAAA	11.58%
Kotak Mahindra Prime Ltd.	LAA	11.43%
8.2% Central Government	SOV	8.13%
Indian Oil Corporation Ltd.	P1+	6.53%
Power Grid Corporation of India Ltd.	AAA	4.23%
Bajaj Auto Finance Limited	LAA+	4.12%
ONGC VIDESH LTD.	P1+	2.86%

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

Scheme Details

Investment Objective	Investment Pattern	Benchmark Index
To create a portfolio of debt and money market instruments of different maturities so as to spread the risk across a wide maturity horizon & different kinds of issuers in the debt market.	Debt Instruments with maturity more than one year: 25% to 100%. Debt and Money Market instruments with maturity less than one year: 10% to 100%	CRISIL Composite Bond Fund Index.

Accolades

Kotak Bond Regular

Lipper Fund Awards India –March 2007	Best Fund over Five Years –Bond Indian Rupee General
Lipper Fund Awards India –Mayil 2006	Best Fund over Five Years - Bond Indian Rupee General
ICRA Online MFR 1- December 2005	2nd Best Performing Open Ended Debt/Income Fund- 3 Year Category
CNBC India Mutual Fund of The Year Award - 2004	Best Performing Open Ended Debt/Income Fund- 3 Year Category

Kotak Bond Deposit

ICRA Online MFR 1- December 2004	Best Performing Open Ended Debt/Income Fund- 3 Year Category
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** Disclaimer

Kotak Bond Deposit is an open-ended debt scheme. **Investment Objective:** To create a portfolio of debt and money market instruments of different maturities so as to spread the risk across a wide maturity horizon & different kinds of issuers in the debt market. Risk Factors: Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme will be achieved. *As with any securities investment, the NAV of the Units issued under the Scheme can go up or down depending on the factors and forces affecting the capital markets. * Past performance of the Sponsor / Fund / AMC or that of existing Schemes of the Fund does not indicate the future performance of the Scheme. * The NAV of the Scheme may be affected, inter alia, by changes in the market, performance of individual stocks, trading volumes, settlement periods and transfer procedures. * Appreciation of the value of the Units issued under the Scheme can be restricted in the event of a high asset allocation to cash, when stock appreciates. * Tax laws may change, affecting the return on investment in Units. *In the event of receipt of a very large number of redemption requests or very large value redemption requests or of a restructuring of the Scheme's portfolio, there may be delays in the redemption of Units. Please refer to the paragraph on "Right to limit Redemption" in the Statement of Additional Information. *Kotak Mahindra Bank Limited is not liable or responsible for any loss or shortfall resulting from the operations of the Scheme Statutory: Kotak Mahindra Mutual Fund is a Trust (Indian Trusts Act, 1882). Investment Manager: Kotak Mahindra Asset Management Company Ltd. Sponsor: Kotak Mahindra Bank Ltd. (liability Rs. NIL). Trustee: Kotak Mahindra Trustee Company Ltd. Before investing, please read the Statement of Additional Information and Scheme Information Documents.