

Kotak Credit Opportunities

About Kotak Credit Opportunities

The investment objective of Kotak Credit Opportunities is to generate income by investing in debt and money market securities across the yield curve and credit spectrum. The scheme would also seek to maintain reasonable liquidity within the fund. The scheme invests in securities offering high accrual by taking on a marginally higher credit risk. The fund manager may also seek to capitalize on opportunity of potential credit rating upgrades from time to time. The scheme is suitable for investors with a time horizon of one year plus.

Portfolio Action

The debt market is currently reeling under incremental supply pressure, which has hardened yields on the far side of the curve. However, the increasing liquidity pressure in the system due to Rupee stabilization may prompt RBI to announce OMO measures. This may also assist RBI in cushioning the yields in the secondary market from hardening further. Another market factor has been the renewed depreciation in the Rupee value, which has negated the concurrent decline in the Brent prices.

However, were Brent prices to slide further from current levels, the latent inflationary pressure in the economy may reduce. This would provide increased monetary maneuverability to the central banker in wake of moderating growth.

For now, the market is in a state of flux regarding the issuance of the new 10 year benchmark in gsecs. The 10 year gsec is trading at 8.66% and if at this juncture the RBI issues a new 10 year gsec, we could see the market rally as money finds its way into the new gsec.

The yield corridor compression between AAA and gilt curve in the last month prompted the fund to reduce its holdings in AAA marginally and re-allocate the same in long term gilt. We believe that, while the possibility of volatility exists, the likelihood of generating alpha from duration play remains high. The high yields available in the secondary gilt market provide ample value buying opportunities as also lock in relatively high carry. The ytm of the fund is presently at 10.25% while the average maturity is at 1.2 yrs.

KotakCredit Opportunities*Performance (%) as on 30th March, 2012

Kotak Credit Opportunities Fund - Growth	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 ## (₹)
Since inception till March 30, 2012	11.39	7.16	6.67	5.19	11394	11295	11002
March 31, 2011 to March 30, 2012	11.39	9.2044	8.2802	6.5914	Not Applicable		

Scheme Inception date is 11/05/2010. Fund Managed by Mr Deepak Agrawal & Mr Abhishek Bisen.

^Past performance may or may not be sustained in future.*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). 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. Additional benchmark for equity schemes & scheme benchmark - source: ICRA MFI Explorer. Additional benchmark for debt schemes - source: Bloomberg. Classification of schemes in short term & long term is based on the average maturity of the scheme. # Name of Scheme Benchmark. ## Name of Additional Benchmark. Please refer page no. 2 for top 3 and bottom 3 schemes managed by Mr Deepak Agrawal & Mr Abhishek Bisen.

Scheme Facts

Structure	An Open- Ended Debt Scheme
Quarterly AAUM*	₹354.30 crores
Launch Date	May 11, 2010
Benchmark	Crisil Short Term Bond Fund Index
Min. Initial Inv.	₹5000/-
Additional Inv.	₹1000 & in multiples of ₹1
Standard Deviation^	0.68
Beta^	0.02
Sharpe^	2.58
Alpha^	1.80
YTM	10.25%
Portfolio Modified Duration	1.04 yrs.
Average Maturity	1.20 yrs.

Load Structure

Entry load:	NIL
Exit Load:	For redemptions / switch outs (including SIP/STP) within 6 months from the date of allotment of units, irrespective of the amount of investment : 2%
	For redemptions / switch outs (including SIP/STP) within 6 months from the date of allotment of units but before 12 months, irrespective of the amount of investment : 1.5%
	For redemptions / switch outs (including SIP/STP) within 12 months from the date of allotment of units but before 15 months, irrespective of the amount of investment - 1%
	For redemptions / switch outs (including SIP/STP) within 15 months from the date of allotment of units, irrespective of the amount of investment: NIL

*As on 31st March 2012 and Source: MFI Explorer.

^ As on 30th April 2012 and Source: Value Research.

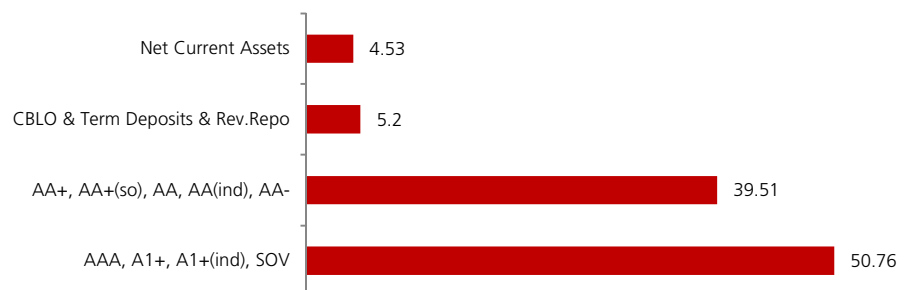
Top 10 Companies*

Shriram Transport Finance Co Ltd.	9.63%
ICICI Bank Ltd.	9.30%
IDBI Bank Ltd.	9.15%
HDFC Ltd.	8.96%
Oriental Bank of Commerce	8.44%
Cholamandalam Investment and Finance Company Ltd	6.81%
Tata Housing Development Co. Ltd.	5.45%
Kotak Mahindra Prime Ltd.	4.64%
Reliance Capital Ltd.	4.26%
Aditya Birla Nuvo Limited	3.50%

Sector Allocation as on 30th April, 2012*

Debentures and Bonds	52.81
Commercial Paper (CP)/Certificate of Deposits (CD)	33.89
CBLO & Term Deposits & Rev.Repo	5.2
Net Current Assets	4.53
Government Dated Securities	3.57

Rating Profile*



*As on 30th April 2012.

Kotak Credit Opportunities

Top 3 Funds Managed by Mr. Deepak Agrawal

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 Bond Deposit - Growth							
Since inception till March 30, 2012	28.27	8.78	N.A	6.0667	28282	N.A	20701
March 31, 2011 to March 30, 2012	28.27	10.009	7.6779	6.5914	Not Applicable		
March 31, 2010 to March 31, 2011	25.70	5.0075	5.0617	3.8581			
March 31, 2009 to March 31, 2010	24.48	6.9664	5.4117	3.0809			

Scheme Inception date is 25/11/1999. Fund Managed by Mr Abhishek Bisen & Mr Deepak Agrawal.

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 Bond Regular Plan - Growth							
Since inception till March 30, 2012	30.31	9.39	N.A	6.0667	30304	N.A	20701
March 31, 2011 to March 30, 2012	30.31	10.0085	7.6779	6.5914	Not Applicable		
March 31, 2010 to March 31, 2011	27.55	5.0832	5.0617	3.8581			
March 31, 2009 to March 31, 2010	26.22	6.7168	5.4117	3.0809			

Scheme Inception date is 25/11/1999. Fund Managed by Mr Abhishek Bisen & Mr Deepak Agrawal

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	Crisil Liquid Fund Index # (%)	CRISIL 1 Year T-Bill Index # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # # (₹)
Kotak Floater - ST - Growth							
Since inception till March 30, 2012	17.56	6.67	6.0656	5.0487	17558	16709	15363
March 31, 2011 to March 30, 2012	17.56	9.4595	8.4435	6.5914	Not Applicable		
March 31, 2010 to March 31, 2011	16.04	6.3708	6.2075	3.8581			
March 31, 2009 to March 31, 2010	15.08	4.0592	3.6932	3.0809			

Scheme Inception date is 14/07/2003. Fund Managed by Mr Deepak Agrawal & Mr Abhishek Bisen.

Bottom 3 Funds Managed by Mr. Deepak Agrawal

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 Flexi Debt Fund - Growth							
Since inception till March 30, 2012	16.47	7.06	N.A	5.8978	21899	N.A	19318
March 31, 2011 to March 30, 2012	16.47	8.816	6.9	6.5914	Not Applicable		
March 31, 2010 to March 31, 2011	15.13	5.5683	4.96	3.8581			
March 31, 2009 to March 31, 2010	14.34	4.2783	3.5	3.0809			

Scheme Inception date is 06/12/2004. Fund Managed by Mr Deepak Agrawal & Mr Abhishek Bisen.

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	Crisil Liquid Fund Index # (%)	CRISIL 1 Year T-Bill Index # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # # (₹)
Kotak Liquid - Regular - Growth							
Since inception till March 30, 2012	20.47	6.43	N.A	5.8978	20463	N.A	19318
March 31, 2011 to March 30, 2012	20.47	8.4106	8.4435	6.5914	Not Applicable		
March 31, 2010 to March 31, 2011	18.88	5.7783	6.2075	3.8581			
March 31, 2009 to March 31, 2010	17.85	3.8595	3.6932	3.0809			

Scheme Inception date is 05/10/2000. Fund Managed by Mr Deepak Agrawal & Mr Abhishek Bisen.

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	ISEC SIBEX # (%)	CRISIL 1 Year T-Bill Index # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # # (₹)
Kotak Gilt - Savings Plan - Growth							
Since inception till March 30, 2012	23.99	6.81	N.A	6.35	23955	N.A	22609
March 31, 2011 to March 30, 2012	23.99	8.2196	7.392	6.5914	Not Applicable		
March 31, 2010 to March 31, 2011	22.17	3.7639	4.904	3.8581			
March 31, 2009 to March 31, 2010	21.36	3.9091	6.097	3.0809			

Scheme Inception date is 29/12/1998. Fund Managed by Mr Abhishek Bisen & Mr Deepak Agrawal.

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 March 30, 2012	2730.62	27.33	28.64	5.6325	30981	32493	12923
March 31, 2011 to March 30, 2012	2730.62	34.8811	36.23	2.4342	Not Applicable		
March 31, 2010 to March 31, 2011	2024.47	25.7323	27.01	4.6145			
March 31, 2009 to March 31, 2010	1610.14	7.135	8.1906	3.596			

Scheme Inception date is 27/07/2007. Fund 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 Fund							
Since inception till March 30, 2012	13.77	30.81	31.9025	2.5609	13139	13250	10260
March 31, 2011 to March 30, 2012	13.77	31.5792	36.23	2.4342	Not Applicable		

Scheme Inception date is 25/03/2011 . Fund Managed by Mr. Abhishek Bisen

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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 - Series 43 (367 Days) - Growth							
Since inception till March 30, 2012	11.02	10.15	8.3548	6.611	11024	10843	10667
March 31, 2011 to March 30, 2012	11.02	10.107	8.2802	6.5914	Not Applicable		

Scheme Inception date is 28/03/2011. Fund Managed by Mr. Mayank Prakash.

Bottom 3 Funds Managed by 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 March 30, 2012	10.44	0.96	-2.76	1.5499	10439	8815	10719
March 31, 2011 to March 30, 2012	10.44	2.4536	-11.05	-9.2256	Not Applicable		
March 31, 2010 to March 31, 2011	10.19	13.1483	15.89	11.1381			
March 31, 2009 to March 31, 2010	9.01	61.351	77.26	73.7566			

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

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 # # (₹)
Kotak Balance							
Since inception till March 30, 2012	23.74	15.83	N.A	11.3152	61452	N.A	37593
March 31, 2011 to March 30, 2012	23.74	0.6502	-3.1732	-9.2256	Not Applicable		
March 31, 2010 to March 31, 2011	23.59	7.6995	9.3669	11.1381			
March 31, 2009 to March 31, 2010	21.90	58.6412	47.3091	73.7566			

Scheme Inception date is 25/11/1999. Fund Managed by Mr. Emmanuel Elango & 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 # # (₹)
Kotak Select Focus Fund							
Since inception till March 30, 2012	11.20	4.56	3.6773	2.6913	11204	10965	10701
March 31, 2011 to March 30, 2012	11.20	-4.5005	-9.2256	-10.4963	Not Applicable		
March 31, 2010 to March 31, 2011	11.73	9.4607	11.1381	10.9395			

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. ^Past performance may or may not be sustained in future.*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).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. Additional benchmark for equity schemes & scheme benchmark - source: ICRA MFI Explorer .Additional benchmark for debt schemes - source: Bloomberg. Classification of schemes in short term & long term is based on the average maturity of the scheme. # Name of Scheme Benchmark. ## Name of Additional Benchmark.

About Kotak Mutual Fund

Kotak Mahindra Asset Management Company Limited (KMAMC) 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 8.21 billion* (as on 30th April 2012). KMAMC 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. KMAMC manages assets worth USD 4.76 billion* as of 30th April 2012. (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

Disclaimer

Kotak Credit Opportunities is an open-ended debt scheme. **Investment Objective:** The investment objective of the scheme is to generate income by investing in debt /and money market securities across the yield curve and credit spectrum. The scheme would also seek to maintain reasonable liquidity within the fund. There is no assurance that or guarantee that the investment objective of the scheme will be achieved.

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

Kotak Liquid is an open-ended debt scheme. **Investment Objective:** To provide reasonable returns and high level of liquidity by investing in debt and money market instruments, of different maturities so as to spread the risk across different kinds of issuers in the debt markets.

Kotak Gilt Savings is an open-ended dedicated gilt unit scheme. **Investment Objective:** To generate risk free returns through investments in sovereign securities issued by the Central govt and/or State Government(s) and/or reverse repos in such securities.

Kotak Gold ETF (an open ended gold exchange traded fund): To generate returns that are in line with the returns on investment in physical gold, subject to tracking errors.

Kotak Global Emerging Market Fund is an open-ended equity scheme. **Investment Objective:** The investment objective of the scheme is to provide long-term capital appreciation by investing in an overseas mutual fund scheme that invests in a diversified portfolio of securities as prescribed by SEBI from time to time in global emerging markets.

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 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.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully. Scheme Information Document (SID) and Statement of Additional Information (SAI) available on mutualfund.kotak.com