

# Kotak PSU Bank ETF

## About Kotak PSU Bank ETF

Kotak PSU Bank ETF is listed and trading on the National Stock Exchange (NSE) & Bombay Stock Exchange (BSE). It reflects the evolution of the CNX PSU Bank Index. The Fund manager would invest predominantly in stocks forming part of the underlying in the same ratio. Kotak PSU Bank ETF endeavors to mirror the returns given by the CNX PSU Bank Index as closely as possible post expenses. Units can be bought and sold like any other equity share on the Stock Exchange through a stockbroker. Any investor eligible to invest in equity shares can invest in Kotak PSU Bank ETF.

## Investment Objective

The investment objective of the scheme is to provide returns that closely correspond to the total returns of CNX PSU Bank Index, subject to tracking errors.

## Key Features

- Buy CNX PSU Bank Index like a share through Kotak PSU Bank ETF.
- Real time indicative NAV & price of each unit of Kotak PSU Bank ETF is close to 1/10<sup>th</sup> of CNX PSU Bank Index.
- No entry/exit load for investor.
- Low expense ratio.
- Equity taxation (LTCG - Nil & STCG - 15%)
- Listed and traded on NSE & BSE with symbol 'KOTAKPSUBK'
- Minimum purchase lot size is 1 unit on exchange and 10000 units through AMC.

## Kotak PSU Bank ETF\*Performance (%) as on 30<sup>th</sup> December 2011

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	CNX PSU Bank Index # (%)	S&P Nifty # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # # (₹)
<b>Kotak PSU Bank ETF</b>							
Since inception till December 31, 2011	276.10	0.89	-2.21	-4.77	10374	9116	8167
December 31, 2010 to December 30, 2011	276.10	-41.11	-41.82	-24.62	Not Applicable		
December 31, 2009 to December 30, 2010	460.90	35.77	34.3	17.95			
December 31, 2008 to December 30, 2009	343.09	76.23	73.3	75.76			

Scheme Inception date is 08/11/2007. Fund Managed by Mr. Deepak Gupta.

\*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 Abhishek Bisen & Mr Deepak Agrawal.

## Scheme Facts

<b>Investment Manager</b>	Kotak Mahindra AHC/Asset Management Co. Ltd.
<b>Trustee</b>	Kotak Mahindra Trustee Co Ltd
<b>Benchmark Index</b>	CNX PSU Bank Index
<b>Load Structure</b>	Entry Load: Nil Exit Load: Nil
<b>Exchange Listed</b>	National Stock Exchange
<b>Exchange Symbol</b>	"KOTAKPSUBK"
<b>ISIN</b>	INF373I01023
<b>Bloom Code</b>	KOPSUB IN Equity
<b>Reuters Code</b>	KTPU.NS
<b>Expense Ratio</b>	0.65%
<b>Tracking Error</b>	0.29%*
<b>Pricing</b>	1/10 <sup>th</sup> CNX PSU Bank Index Value
<b>NAV*</b>	₹276.1
<b>Creation Size</b>	10000 units & in multiples thereof.
<b>Allotment Date</b>	9th Nov 2007
<b>AUM</b>	₹10.70 Crs

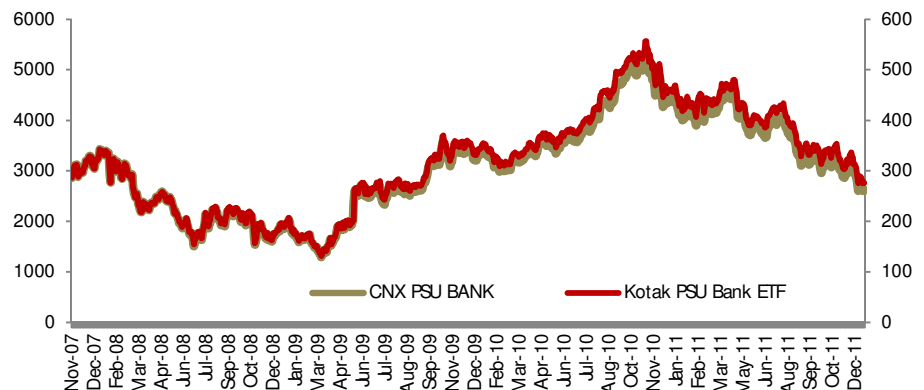
\*Tracking error is annualized & calculated since inception till December 30th, 2010.

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

## Constituents

State Bank Of India	46.72
Bank Of Baroda	12.53
Punjab National Bank	11.63
Canara Bank	5.83
Bank Of India	5.56
Union Bank Of India	4.28
IDBI Bank Ltd.	3.00
Oriental Bank Of Commerce	2.69
Allahabad Bank	2.57
Andhra Bank	2.10
Indian Overseas Bank	1.73
Syndicate Bank	1.34

## NAV Movement



# Kotak PSU Bank ETF

## CNX PSU Bank Index Facts\*

Market Cap	₹225014crs
P/E Multiple	7.03
P/B Multiple	1.08
Div. Yield	2.80%

## PSU Banks - A Universe of opportunities

- In our view the PSU Banks are trading at a discount relative to the valuations of private sector banks while earning similar if not superior ROEs.
- Concerns on worsening asset quality are likely to diminish as economic recovery gathers pace.
- Technology implementation has gained significant traction in most PSU banks. This enables them to leverage the technology platform and earn higher core fee income and improve CASA.
- Easing inflation and slowdown in the pace of policy tightening augurs well for G-Sec yields. This is a positive for PSU Banks, given their correlation to yield movement.

## Other Funds Managed by Mr. Deepak Gupta

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	Crisil Liquid Fund Index # (%)	S&P CNX Nifty # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
<b>Kotak Equity Arbitrage</b>							
Since inception till December 31, 2011	15.46	7.22	6.58	9.57	15463	14897	17712
December 31, 2010 to December 30, 2011	15.46	7.51	8.15	-24.62	Not Applicable		
December 31, 2009 to December 30, 2010	14.39	6.31	5.12	17.95			
December 31, 2008 to December 30, 2009	13.54	5.15	4.86	75.76			

Scheme Inception date is 29/9/2005. Fund Managed by Mr. Deepak Gupta & 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 # (₹)
<b>Kotak Global Emerging Equity Market Fund</b>							
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) & Mr. Abhishek Bisen

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	S&P Nifty # (%)	BSE SENSEX # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
<b>Kotak SENSEX ETF</b>							
Since inception till December 31, 2011	158.59	1.57	0.72	-0.21	10571	10259	9925
December 31, 2010 to December 30, 2011	158.59	-23.94	-24.62	-24.64	Not Applicable		
December 31, 2009 to December 30, 2010	207.28	18.32	17.95	17.43			
December 31, 2008 to December 30, 2009	175.00	82.10	75.76	81.03			

Scheme Inception date is 06/06/2008. Fund Managed by Mr. Deepak Gupta..

Date	NAV Per Unit (₹.)	Scheme Returns (%) ^	S&P Nifty # (%)	BSE Sensex # (%)	Current Value of Standard Investment of ₹ 10000 in the		
					Scheme (₹)	Benchmark # (₹)	Additional Benchmark # (₹)
<b>Kotak Nifty ETF</b>							
Since inception till December 31, 2011	469.50	-3.69	-4.31	-2.32	9308	9194	9562
December 31, 2010 to December 30, 2011	469.50	-23.99	-24.62	-24.64	Not Applicable		

Scheme Inception date is 02/02/2010. Fund Managed by Mr. Deepak Gupta.

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 Equity FOF</b>							
Since inception till December 31, 2011	29.92	15.97	15.02	15.77	29918	28144	29531
December 31, 2010 to December 30, 2011	29.92	-25.57	-24.62	-24.64	Not Applicable		
December 31, 2009 to December 30, 2010	39.90	17.00	17.95	17.43			
December 31, 2008 to December 30, 2009	34.21	81.04	75.76	81.03			

Scheme Inception date is 09/08/2004. Fund Managed by Mr. Deepak Gupta.

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, Scheme benchmark - 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.

## 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 5.97 billion\* (as on 30th December 2011). 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 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

# Kotak PSU Bank ETF



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

## Disclaimer

**Kotak PSU Bank ETF (an open ended exchange traded fund):** To provide returns that closely correspond to the total returns of CNX PSU Bank Index, subject to tracking errors. **Kotak PSU Bank ETF is only the name of the scheme and does not in any manner indicate either the quality of the scheme, future prospects or returns.**

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**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 Global Emerging Market 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 Equity Arbitrage** is 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. **Kotak Equity Arbitrage 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 SENSEX ETF (an open ended exchange traded fund):** To provide returns before expenses that closely correspond to the total returns of the BSE SENSEX subject, to tracking errors. **Kotak Sensex ETF is only the name of the scheme and does not in any manner indicate either the quality of the scheme, future prospects or returns.**

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**Kotak Nifty ETF (an open ended exchange traded fund):** to provide returns before expenses that closely correspond to the total returns of the S&P CNX Nifty subject, to tracking errors. **Kotak Nifty ETF is only the name of the scheme and does not in any manner indicate the quality of the Scheme, its future prospects or returns.**

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## Scheme Specific Risk:

**Liquidity Risk:** Trading in Kotak PSU Bank ETF may be halted due to market conditions or for reasons that in the view of the Exchange Authorities or SEBI, trading in Kotak PSU Bank ETF is not advisable. There could also be trading halts caused by extraordinary market volatility and pursuant to NSE/BSE and SEBI circuit filter rules. There can be no assurance that the requirements of the exchange, necessary to maintain the listing of the Kotak PSU Bank ETF will continue to be met or will remain unchanged.

The concept of exchange-traded funds is relatively new to Indian capital markets. Trading in Kotak PSU Bank ETF could therefore be restricted due to which market price may or may not reflect the true NAV of Kotak PSU Bank ETF at any point of time. Also there can be no assurance that an active secondary market will develop or be maintained for the Scheme units.

**Regulatory Risk:** Any changes in trading regulations by the stock exchange (s) or SEBI may affect the ability of Authorised Participant to arbitrage resulting into wider premium/ discount to NAV.

**Sectoral Risk:** The banking sector in general could underperform returns from the securities included in the index or other asset classes.

**Concentration risk:** The scheme will invest in stocks included in the CNX PSU Banking index; the number of stocks in the index is limited i.e., about 12 stocks (at present). Therefore the scheme is exposed to high level of concentration risk.

Investors may note that even though this is an open-ended scheme, they will have to buy or sell units of the scheme on the stock exchanges where these units are listed for liquidity at the market price, subject to the rules and regulations of the exchange. Buying and selling units on stock exchange requires the investor to engage the services of a broker and are subject to payment of margins as required by the stock exchange/broker, payment of brokerage, securities transactions tax and such other costs. The market price of ETF units, like any other listed security, is largely dependent on two factors, viz., (1) the intrinsic value of the unit (or NAV), and (2) demand and supply of units in the market. Sizeable demand or supply of the units in Exchange may lead to market price of the units to quote at premium or discount to NAV. However since the Authorised Participants and Large Investors can transact with the AMC for units beyond the creation unit size there should not be a significant variance from the NAV. Hence the price of ETF is less likely to hold significant variance (large premium or discount) from the latest declared NAV all the time.

**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)**