

Kotak Sensex ETF

About Kotak Sensex ETF

Kotak Sensex ETF tracks the BSE SENSEX and the fund manager would invest predominantly in stocks forming part of the underlying in the same ratio. Kotak Sensex ETF endeavors to mirror the returns given by the SENSEX as closely as possible post expenses. Units can be bought and sold like any other equity share on the Stock Exchange through a stockbroker post listing. Any investor eligible to invest in equity shares can invest in Kotak Sensex ETF. Kotak Sensex ETF will be listed at The Bombay Stock Exchange, Mumbai (BSE).

Investment Objective

The investment objective of the scheme is to provide returns before expenses that closely correspond to the total returns of the BSE SENSEX subject to tracking errors.

Key Features

- Buy BSE SENSEX like a share through Kotak SENSEX ETF.
- Exposure to a well-diversified portfolio of 30 quality stocks forming part of SENSEX.
- Real time NAV & price of each unit of Kotak SENSEX ETF is close to 1/100th of BSE SENSEX.
- No entry/exit load for investor.
- Low expense ratio.
- Equity taxation (LTCG - Nil & STCG - 15%)
- Listed and traded on BSE with symbol 'KTKSENSEX'
- Minimum purchase lot size is 1 unit on exchange and 10000 units through AMC.

Kotak Sensex ETF*Performance (%) as on 30th December 2011

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

Scheme Inception date is 06/06/2008. 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

| | |
|---------------------------|-------------------------------------|
| Investment Manager | Kotak Mahindra (AMC). Ltd. |
| Trustee | Kotak Mahindra Trustee Co Ltd |
| Benchmark Index | BSE SENSEX |
| Load Structure | Entry: Nil Exit Load: Nil |
| Exchange Listed | Bombay Stock Exchange |
| Exchange Symbol | "KTKSENSEX" |
| ISIN | INF373I01031 |
| Bloom Code | KOTSS IN |
| Expense Ratio | 0.50% |
| Tracking Error | 0.13%* |
| Pricing | 1/100 th of SENSEX |
| NAV* | ₹158.59 |
| Creation Size | 10000 units & in multiples thereof. |
| Allotment Date | 6 June, 2008 |
| AUM | ₹32.54Cr |

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

* As on 30th December 2011.

Index Facts*

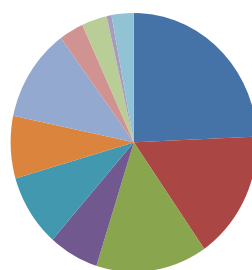
| | |
|---------------------|------------|
| Market Cap | ₹2592337Cr |
| P/E Multiple | 16.41 |
| P/B Multiple | 3.13 |
| Div. Yield | 1.63% |

* Source: www.bseindia.com

Top 10 Companies

| | |
|--------------|-------|
| Infosys | 10.65 |
| Reliance Ind | 9.85 |
| ITC Ltd | 8.67 |
| HDFC | 7.16 |
| HDFC Bank | 6.31 |
| ICICI Bank | 6.23 |
| TCS | 5.38 |
| L & T | 4.33 |
| SBI | 3.65 |
| Bharti | 3.60 |

Sector Allocation



| | |
|--------|-----------------|
| 24.29% | Finance |
| 16.04% | IT |
| 14.59% | Oil & Gas |
| 6.53% | Capital Goods |
| 9.05% | Tran Eq |
| 7.80% | Metal |
| 11.60% | FMCG |
| 3.24% | Power |
| 3.32% | Telecom |
| 0.62% | Housing Related |
| 2.91% | Healthcare |

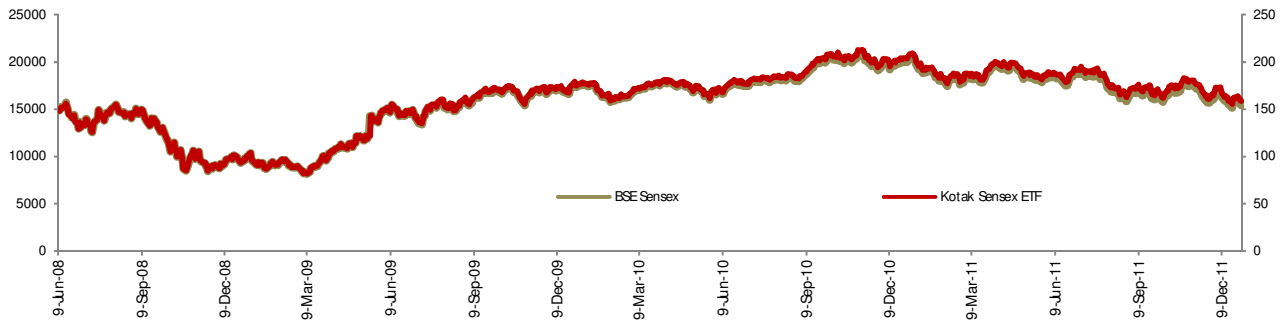
About BSE Sensex

- First stock index in the Indian stock market.
- Basket of 30 stocks captures prominent sectors of the Indian Economy.
- Represents **44%** of total market cap of BSE.

Kotak Sensex ETF

- SENSEX is the first benchmark in India to be based on the globally accepted Free-float Methodology.

NAV 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 # (₹) |
| Kotak Equity Arbitrage | | | | | | | |
| 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 # (₹) |
| 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) & 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 # (₹) |
| Kotak Nifty ETF | | | | | | | |
| 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 # (₹) |
| Kotak Equity FOF | | | | | | | |
| 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.

| 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 # (₹) |
| Kotak PSU Bank ETF | | | | | | | |
| 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.

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

Kotak Sensex ETF

USD 5.97 billion* (as on 30th December 2011). KMAC 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. KMAC 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

Disclaimer

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.**

Disclaimers: For Kotak SENSEX ETF: All rights in the SENSEX vest in Bombay Stock Exchange Limited ("BSE"). BSE and SENSEX are trademarks of BSE and are used by Kotak Mahindra Asset Management Company under license and governed by the Index License Agreement. BSE shall not be liable in any manner whatsoever (including in negligence) for any loss arising to any person whatsoever out of use of or reliance on the SENSEX by any person.

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 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 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 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:

The Scheme is subject to the principal risks described below. Some or all of these risks may adversely affect Scheme's NAV, trading price, yield, total return and/or its ability to meet its objectives.

The NAV of the units is closely related to the value of stocks that form a part of the benchmark index. The value of this will react to stock market movements and may result in changes in the NAV of units under the scheme. There could also be movements in the scheme's NAV due to changes in interest rates, macro economic and political developments and over longer periods during market downturns.

Liquidity Risk: Trading in Kotak SENSEX ETF may be halted due to market conditions or for reasons that in the view of the Exchange Authorities or SEBI, trading in Kotak SENSEX 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 SENSEX ETF will continue to be met or will remain unchanged.

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.

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**