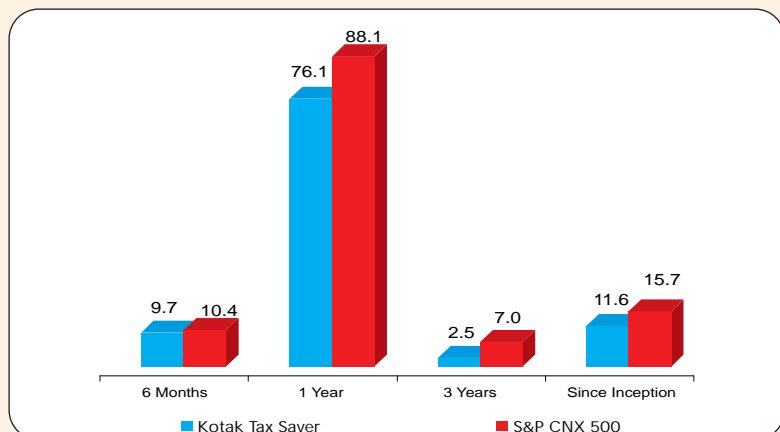


Performance (%) as on 29th January 2010[#]



About Kotak Tax Saver

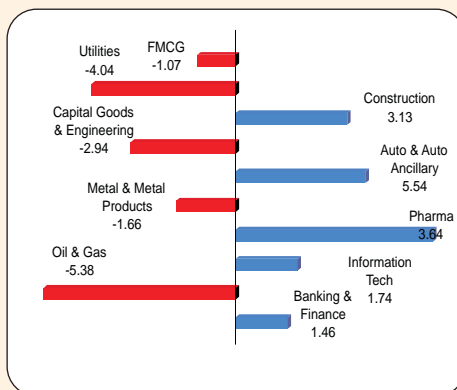
Kotak Tax Saver is a diversified equity scheme that invests in equity and equity related securities and enables the investors to avail the income tax rebate, as permitted from time to time. The investment strategy is to have 80-100% in equity and 0-20% in debt and money market securities. This way the investor derives the dual benefit of gaining returns from investment in equities while also availing the tax benefit. Kotak Tax Saver scheme uses bottom-up stock selection to build its portfolio. Risk is being managed by adequate diversification and by spreading investments over a range of industries and companies.

Kotak Tax Saver - growth NAV as on 29th January 2010: Rs. 15.850. Returns up to 1 yr: absolute. Returns > 1 yr compounded annualized growth rate (CAGR). Past performance may or may not be sustained in future. Scheme in inception since Nov 23rd 2005. Scheme Benchmark: S&P CNX 500. # 30th January 2010 and 31st January 2010 being non-working days.

Sectoral Allocation as on 29-Jan-2010[#] % of NAV

Banks	10.64
Pharmaceuticals	8.99
Software	8.58
Finance	7.19
Construction Project	6.41
Petroleum Products	5.87
Oil	5.53
FMCG	5.48
Construction	5.04
Auto	4.93
Ohters	31.34

Portfolio Allocation OW/UW* to Nifty



Market Cap (%) - Jan 2010

Large Cap	53.70
Mid Cap	42.04
Cash/Others	4.26

Equity Market Outlook

The scheme increased its allocation in the Financial Institution segment from 2.42% to 5.14% during the month. The predominant allocation in these sectors was primarily due to expected increase in credit offtake from private institutional players. The other sectors which received significant corpus allocation during the month were realty, Banks, Pharma & Biotechnology and Utilities sector. Here the nav allocation expanded by more than 1% each. On the other hand, the fund marginally reduced its allocation in construction & infrastructure, IT and auto & auto ancillaries. This was on account of scrip specific variables, and was not reflective of the fund's opinion on sectors.

Scrips / Top 10 Holdings	Type	% of Nav
Reliance Industries Ltd.	Petroleum	4.03%
ONGC	Oil	3.48%
Power Finance Corporation	Finance	2.66%
IDFC	Finance	2.48%
Bharti Airtel Ltd.	Telecom- ser.	2.36%
Larsen And Toubro Ltd.	Construction	2.33%
Voltas Ltd.	Construction	2.27%
Sterlite Industries (India) Ltd	Non - Ferrous Metals	2.17%
ICICI Bank Ltd.	Banks	2.10%
State Bank Of India	Banks	2.09%

Taxsaver Reckoner*

Taxable Income (Rs)	Tax payable (Rs)	Optimal (Rs) amt to be invested in ELSS **	Tax payable after Invst (Rs)	% Tax Saving on Invtmt
160000	0	0	0	-
200000	4120	40000	0	10.3%
300000	14420	100000	4120	10.3%
400000	35020	100000	14420	20.6%
500000	55620	100000	35020	20.6%
600000	86520	100000	55620	30.9%
700000	117420	100000	86520	30.9%
800000	148320	100000	117420	30.9%

*The above example is hypothetical and may not be construed as a tax advise, It is recommended that the investor consult the tax advisor to ascertain their tax benefit. The total tax payable assumes all deductions except deductions u/s 80C of the Income Tax Act, 1961. The tax calculations are based on the Finance Act 2009-10. **The optimal amount mentioned above is from the viewpoint of utilising the full tax saving potential of the scheme, the benefits of which accrue at the beginning of the financial year. Past performance may or may not sustain in future.

Scheme Features

Minimum Investment: Rs. 5000 (growth and dividend options available)/ SIP, STP, SWP facilities available subject to applicable conditions as per the offer document

Entry Load :**Exit Load :**

Nil

I) Not Applicable for Kotak Tax Saver Scheme

*: Overweight /Under weight Sectoral Allocation in comparison to Benchmark Allocation

Risk Factors: 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. Risk Factors: Mutual Fund 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. Kotak Tax Saver is only the Scheme's name and does not indicate its quality, future prospects or returns. Statutory: 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 Rs. Nil) Trustee: Kotak Mahindra Trustee Company Ltd. Please read Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully before investing. SID and SAI available on www.kotakmutual.com