

KOTAK FUNDS - INDIA MIDCAP FUND (KF - IMCF)

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Fund Size: US\$ 49.15mn | Fund NAV: (US\$) 9.42

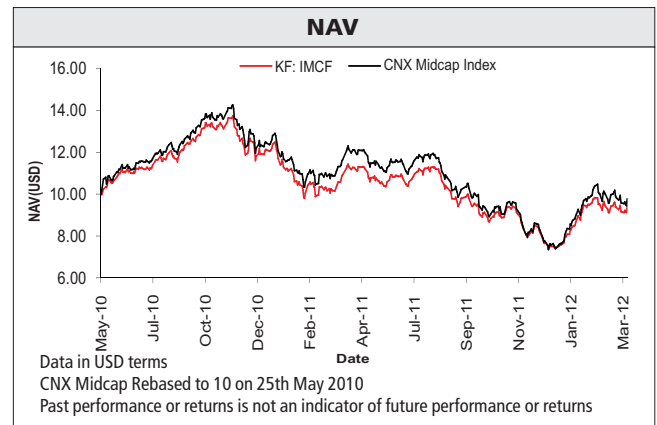
30th March 2012

Investment Objective

The Kotak Funds – India Midcap Fund aims to achieve long term capital appreciation by primarily investing at least two thirds of its total assets in equity and equity linked securities of mid capitalization companies registered in India or deriving a significant portion of their business from India.

Performance Snapshot (% Change)		
	KF-IMCF	CNX Midcap
1 month	-2.32	-3.53
3 months	26.72	31.52
6 months	3.24	4.48
1 Year	-13.77	-16.06
YTD	26.72	31.52
Since Inception*	-3.20	-1.24

Data as of 30th March 2012
*Annualised



Top 10 Sectors invested in [^]	(%)
Banking & Finance	22.4
Pharma	10.6
FMCG	10.6
Capital Goods & Engineering	6.7
Cement & Cement Products	5.3
Auto & Auto Ancillary	5.2
Oil & Gas	4.8
Construction	4.0
Information Tech	3.3
Utilities	3.2

[^]The sector classification was previously being done based on Industry Classification Benchmark. As of 30th July 2010 this is based on the classification done by the Investment Manager's affiliate company in India. This has been changed to maintain consistency between internal risk controls and client communication.

Top 10 Stock Holdings	(%)
Strides Arcolab Ltd	2.8
Yes Bank Ltd	2.7
Oracle Financial Services Software Ltd	2.4
Indusind Bank Ltd	2.3
Raymond Ltd	2.3
Glaxosmithkline Consumer Healthcare Ltd	2.2
Century Textile & Industries Ltd	2.1
Apollo Hospitals Enterprise Ltd	2.1
Power Finance Corporation Ltd	2.1
Exide Industries Ltd	2.1

Annualised Ratios	KF-IMCF	CNX Midcap
Sharpe Ratio since inception*	-0.17	-0.07
Sortino Ratio since inception*	-0.25	-0.10
Beta	0.86	—
Volatility	21.30%	23.58%

*assuming the risk free rate to be 0.33%

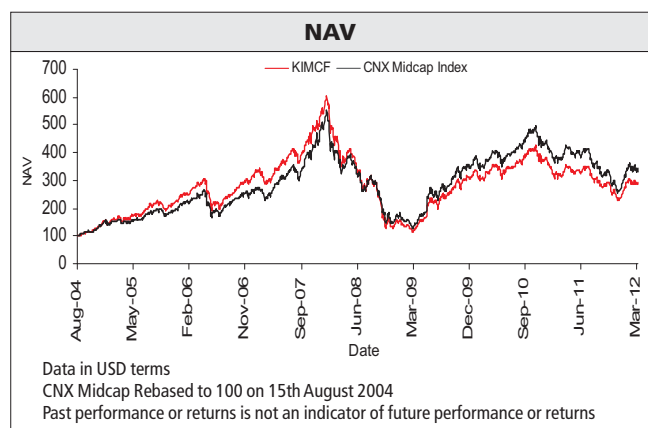
Yearly Performance					
	YTD	2011	2010*	2009	2008
KF: IMCF	26.72	-39.98	23.81	—	—
CNX Midcap Index	31.52	-41.91	27.91	—	—

*2010 is a partial year

The fund management team is of the opinion that being a long term investment fund the investor would have a better understanding of the performance of the portfolio if the performance figures are restricted to 1 month, 3 months, 6 months, 1 year, 3 years, 5 years and since inception performance numbers. Hence from 1st December, 2010 we have decided to remove the monthly performance break-up and show it as break-up of 1 month, 3 months, 6 months, 1 year, 3 years, 5 years and since inception performance periods. Please refer to the important notice on last page before investing.

PERFORMANCE FOR KOTAK INDIAN MIDCAP FUND

The performance information given below is that of Kotak Indian Midcap Fund (KIMCF), comprising of Class C Shares of Global Investment Opportunities Fund Ltd., a Mauritius domiciled Investment Company regulated by the Financial Services Commission, Mauritius. KIMCF has an investment strategy identical to that of Kotak Funds – India Midcap Fund ('KF – IMCF') and is managed by Kotak Mahindra (UK) Ltd. KIMCF has become a feeder fund of KF-IMCF from 9th June 2010.



Performance Snapshot (% Change)

	KIMCF	CNX Midcap
1 month	-2.30	-3.53
3 months	25.68	31.52
6 months	2.98	4.48
1 Year	-13.69	-16.06
3 Year*	29.82	31.11
5 Year*	-0.61	6.29
YTD	25.68	31.52
Since Inception*	15.08	17.44

Data as of 30th March 2012
*Annualised

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^KIMCF has become a feeder fund of Kotak Funds: India Midcap Fund (KF-IMCF) with effect from 9th June 2010.

Key Risks

Country risk: The Fund is subject to the geographical, political, economic and social issues specific to India.

Currency risk: The Fund is subject to fluctuation in exchange rate as the underlying assets are held in Indian Rupees while the base currency is US Dollar/Euro.

Volatility risk: The Indian stock markets are more volatile than the stock markets of the developed economies of Western Europe and North America.

Tax risk: Tax treatment of foreign investments in India may be varied by the Indian Government without notice.

Regulatory risk: The Fund may be restricted from investing in certain sectors or companies, or be subject to investment limits.

Liquidity risk: The Fund may invest in companies where market liquidity is thin.

Performance risk: Past investment performance should not be viewed as a guide to, or indicator of, future performance and the value of investments and the income derived from them can go down as well as up.

Capital risk: All or some of the capital investment may be lost.

Concentration Risk: The Fund may invest all or a substantial portion of its assets in a single fund.

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Fund Details

Fund Structure	UCITS III compliant SICAV
Domicile	Luxembourg
Inception date	25th May, 2010
Investment Manager	Kotak Mahindra (UK) Limited
Reference Currency	USD
Dealing Currency	USD, GBP, EUR
NAV Frequency	Daily
Administrator and Depository Services	HSBC Securities Services (Luxembourg) SA
Management Company	RBS (Luxembourg) SA
Bloomberg Ticker	KOTIMAU LX Equity
ISIN Code (Class A ACC USD)	LU0511423146

Fee and Redemption Structure

Subscription and redemption frequency	Daily
Management Fees	2.00% pa

Investment Methodology

The fund manager will seek to invest in companies, which exhibit one or more of the following characteristics:

- Companies belonging to a new and profitable industry or sector or where there is a significant improvement expected in fundamentals.
- Companies that are expected to grow rapidly.
- Companies that are expected to create and deliver long-term value due to innovation and IPR development.
- Companies with the potential for value unlocking in the medium to long term due to demerger of businesses, strategic sale, change in management, de-regulation, economic legislation and reform.
- Companies that are strong asset plays.
- Companies that are expected to witness operational and financial improvement due to positive swing in their business cycles.
- Companies whose shares are undervalued relative to the market or to other companies in the same sector.

Important Notice

This document is not intended as a recommendation or for the purpose of soliciting any action in relation to the fund or any investments and is not intended as an offer to sell shares in the fund.

KF - IMCF is a Sub Fund of 'The Kotak Funds' which is an open ended investment company organized as a Societe d'Investissement a Capital Variable (SICAV) under the laws of the Grand Duchy of Luxembourg and is registered under Part I of the Luxembourg law of 20 December 2002 relating to undertakings for collective investment. The Fund is operated under the requirements of the European Union's Directive on Undertakings for Collective Investment in Transferable Securities (UCITS) and is regulated by Luxembourg's Commission de Surveillance du Secteur Financier (CSSF). The address of the CSSF is 110, route d'Arlon L-2991 Luxembourg (Telephone No. : (352) 26 25 1-1 Facsimile No. : (352) 26 25 1-601).

The information on Kotak Indian Midcap Fund included in this document relates to an investment fund incorporated in Mauritius and regulated by the Financial Services Commission of Mauritius.

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Investments in India are subject to a number of risks including, but not limited to, risk of losing some or all of the capital invested, high market volatility, variable market liquidity, geopolitical risks (including political instability), exchange rate fluctuations (between the currency of the fund's share class and the Indian Rupee), changes in tax regime and restrictions on investment activities of foreign investors. In addition, shares in the fund may not be readily redeemable. Past investment performance should not be viewed as a guide to, or indicator of, future performance and the value of investments and the income derived from them can go down as well as up. Investments in India should be considered only as part of a diversified overall portfolio of assets. Detailed information on the fund and associated risks is contained in the fund prospectus.

You should consult your professional adviser if you are in doubt about the strict restrictions applicable to the use of this document, regulatory status of the fund, applicable regulatory protection, associated risks and suitability of the fund to your objectives.

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