

Scheme Facts

Structure

An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 4 years and 7 years

Month end AUM* (as on 31st August 2019)

₹1,884.85 crs

Monthly Average AUM*

₹1,880.56 crs

NAV (as on 30th August 2019)

Growth ₹53.7660

Direct Growth ₹56.7345

Quarterly Dividend ₹12.0234

Direct Quarterly Dividend ₹15.3549

Annual Dividend ₹32.9406

Direct Annual Dividend ₹23.3253

Launch Date

November 25, 1999

Benchmark

Nifty Medium to Long Duration Index

Min. Initial Inv.

Regular Plan ₹5000 and in multiple of 1 for purchase and for ₹0.01 for switches

Additional Inv.

₹1000 & in multiples of ₹ 1

Standard Deviation[^]

3.32%

Average Maturity

9.27 years

Portfolio Modified Duration

6.11 years

YTM

7.40%

Macaulay Duration

6.42

*Source: MFI Explorer.

[^] as on 30th August, 2019. Source: ICRA MFI Explorer. Standard Deviation is calculated on Annualised basis using 3 years history of monthly returns.

Load Structure

Entry Load: Nil

**Exit Load:

For redemptions/switch outs (including SIP/STP) within 3 months from the date of allotment of units, irrespective of the amount of investment: 0.20%.

For redemption/switch outs (including SIP/STP) after 3 months from the date of allotment of units, irrespective of the amount of investment: Nil.

**The aforesaid revised exit load structure will be applicable only on a prospective basis for Units purchased/SIP/STP registered on or after February 22, 2018.

About Kotak Bond

- The investment objective of Kotak Bond is to create a portfolio of debt and money market instruments of different maturities so as to spread the risk across a wide maturity horizon and different kinds of issuers in the debt market.
- The scheme offers a play on interest rates by managing duration actively.
- Duration is increased if the view is that of falling interest rates and vice versa.
- The scheme also seeks to provide stable returns in the long term by managing credit risk actively.
- The portfolio is well diversified with a mix of good credit quality debentures, bonds and government securities. It is suitable for investors who seek the high accrual offered by long term papers, have a view on interest rates and have a long term investment horizon.

Debt Market Outlook

- The month of Aug began with a scheduled MPC meeting at the beginning of the month. All eyes were on MPC as it would have reaffirmed the market belief of rate cuts ahead. The decision was better than market estimates as they decided to give 35 bp reduction in repo and making the REPO Rate at 5.40%.
- The Jalan committee report was approved and accepted by the government and the RBI Board in which they recommended transfer of Rs. 1.76 tn to the government from profit and contingency reserves. They also decided not to touch the revaluation reserves which was a much larger part of the overall Kitty.
- Later during the month the FM announced the reversal of additional tax which was levied on the FPI however this decision doesn't have any direct correlation with bond market but definitely impacts the equity and currency thus impacts debt market.
- Other macro variables such as CPI inflation and GDP were announced during the month, while CPI was in line with market expectations the GDP number was a shocker at 5%, almost 70 bps below the expected rate. This was seen as a positive for the bond market as bond yields drifted lower.
- We continue to maintain the view on the G sec and corporate bonds as stated earlier. The credit environment continues to be weaker hence low rated credit spreads remained elevated while good quality AAA rated PSU assets saw spread compression as well which as in line with our estimates and we continue to hold these assets as we expect gradual compression going ahead.

Portfolio Action

- As on Aug 31 2019, ~44.35% of the scheme portfolio comprised of government securities (central as well as state). ~52.50% of the portfolio was invested in corporate securities, ~3.10% in CBLO and cash.
- The benchmark gilt started the month at 6.422%-levels and ended the month around 6.559% levels.
- As envisaged earlier, the SDL spreads have widened and we will be in a good position to accumulate SDLs in our portfolio.
- As the liquidity surplus sustains this will lead to compression of spreads in corporate bonds. As far as gilt curve is concerned 10 yr g sec is most attractive given risk reward and liquidity.

Particulars	30 August 2019	31 July 2019
Avg. Maturity (in yrs)	9.27	6.60
Duration	6.11	4.43
Yield (in %)	7.40	7.34
Macaulay Duration	6.42	4.69

Asset Allocation as on 31st August, 2019

Debentures and Bonds	52.48%
Government Dated Securities	44.40%
TREP & Term Deposits & Rev.Repo	9.32%
Net Current Assets	-6.20%

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. KMBL has a market capitalization of 2732.81bn(as on, 31st August, 2019). KMAMC is the Asset Manager for Kotak Mahindra Mutual Fund (KMMF). It started operations in December 1998. 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 ₹ 1,69,756.51CR as on 31st August, 2019.

* 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 61152100, Delhi 66306900 / 02, Chennai 28221333 / 45038171, Kolkata 64509802 / 03, Pune 64013395 / 96, Ahmedabad 26779888, Bangalore 66128050 / 51, Hyderabad 66178140/41.

Visit - assetmanagement.kotak.com
Email - mutual@kotak.com

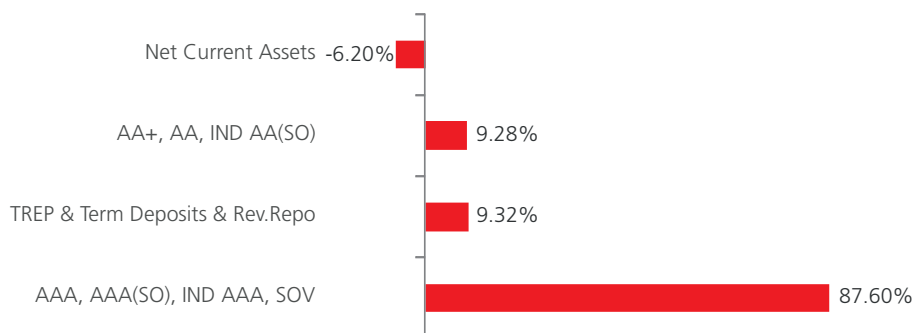
Disclaimer

Kotak Bond An open ended medium term debt scheme. **Investment Objective:** To create a portfolio of debt and money market instruments of different maturities so as to spread the risk across a wide maturity horizon & different kinds of issuers in the debt market.

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

Top 10 Companies as on 31st August, 2019

7.26% Central Government	SOV		19.60%
7.57% Central Government	SOV		18.84%
National Highways Authority Of India	CRISIL AAA		11.65%
Power Finance Corporation Ltd.	CRISIL AAA		6.20%
Rent A Device Trust (Underlying customer Reliance Retail)	ICRA AAA(SO)		5.95%
Rural Electrification Corporation Ltd.	CRISIL AAA		5.86%
NABARD	CRISIL AAA		5.77%
State Bank Of India.	CRISIL AA+		4.29%
7.18% State Government-West Bengal	SOV		3.93%
Indian Railway Finance Corporation Ltd.	CRISIL AAA		3.22%

Rating Profile as on 31st August, 2019

Kotak Bond* Performance (%) as on 30th August, 2019

Date	Scheme Returns (%) ^	Nifty Medium to Long Duration Index [‡] # (%)	Alpha	CRISIL 10 Year Gilt Index ## (%)	Current Value of Standard Investment of ₹10000 in the		
					Scheme # (₹)	Benchmark # (₹)	Additional Benchmark ## (₹)
Kotak Bond - Regular Plan - Growth							
Since Inception	8.88	NA	NA	NA	53,766	NA	NA
Last 1 Year	12.44	13.08	-0.64	16.35	11,244	11,308	11,635
Last 3 Years	5.94	7.34	-1.40	6.95	11,887	12,365	12,230
Last 5 Years	8.25	9.14	-0.89	8.97	14,873	15,496	15,379

Scheme Inception date is 25/11/1999. Mr. Abhishek Bisen has been managing the fund since 01/04/2008.

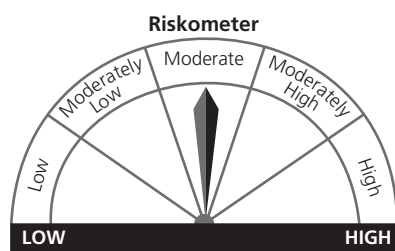
Different plans have different expense structure. The performance details provided herein are of regular plan.

^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: CAGR (Compounded Annualised Growth Rate). N.A stands for data not available. Note: Point to Point (PTP) Returns in INR shows the value of ₹10,000/- investment made at inception. Source: ICRA MFI Explorer. 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. 3 for top 3 and bottom 3 schemes managed by Mr. Abhishek Bisen.

We are comparing the performances of the funds with the total return Index.

‡With Effect from 1st June 2018, the Benchmark is changed to Nifty Medium to Long Duration Index from Crisil Composite Bond Fund Index.

These materials are not intended for distribution to or use by any person in any jurisdiction where such distribution would be contrary to local law or regulation. The distribution of this document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this document are required to inform themselves about, and to observe, any such restrictions.



Investors understand that their principal will be at moderate risk

This product is suitable for investors who are seeking*:

- Income over long term investment horizon
- Investment in debt & money market securities

* Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

Top 3 Funds Managed by Mr. Abhishek Bisen

Period	1 year		3 years		5 years		Since Inception	
	Scheme Returns (%) [^]	Benchmark Returns (%) ^{^*}	Scheme Returns (%) [^]	Benchmark Returns (%) ^{^*}	Scheme Returns (%) [^]	Benchmark Returns (%) ^{^*}	Scheme Returns (%) [^]	Benchmark Returns (%) ^{^*}
Kotak Gold ETF	30.05	31.15	6.84	7.90	6.16	7.25	12.07	13.25
Kotak Gold Fund - Growth	26.92	31.15	6.60	7.90	5.34	7.25	5.82	7.80
Kotak Gilt - Investment - Regular - Growth	14.83	17.60	7.17	7.83	9.40	9.37	9.65	NA

Mr. Abhishek Bisen manages 9 funds of Kotak Mutual fund.

Kotak Gold ETF, *Name of the Benchmark - Price of Gold, Scheme Inception date is 27/07/2007. Mr. Abhishek Bisen has been managing the fund since 15/04/2008. & Mr. Satish Dondapati has been managing the fund since 09/05/2019.

Kotak Gold Fund - Growth, *Name of the Benchmark - Price of Gold, Scheme Inception date is 25/03/2011. Mr. Abhishek Bisen has been managing the fund since 04/03/2011.

Kotak Gilt - Investment - Regular - Growth, *Name of the Benchmark - NIFTY All Duration G-Sec Index, Scheme Inception date is 29/12/1998. Mr. Abhishek Bisen has been managing the fund since 15/04/2008.

Different plans have different expense structure. The performance details provided herein are of regular plan

[^]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: CAGR (Compounded Annualised Growth Rate). N.A stands for data not available. Source: ICRA MFI Explorer.

We are comparing the performances of the funds with the total return Index.

TRI – Total Return Index. With effect from 1st February 2018, we are comparing the performances of the funds with the total return variant of the benchmark instead of the price return variant.

The debt component of the index is TRI since inception. For equity component of the index, as TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR of S&P BSE 200 PRI values series is used till 31st July 2006 and TRI values is used since 1st Aug 2006.

Bottom 3 Funds Managed by Mr. Abhishek Bisen

Period	1 year		3 years		5 years		Since Inception	
	Scheme Returns (%) [^]	Benchmark Returns (%) ^{^*}	Scheme Returns (%) [^]	Benchmark Returns (%) ^{^*}	Scheme Returns (%) [^]	Benchmark Returns (%) ^{^*}	Scheme Returns (%) [^]	Benchmark Returns (%) ^{^*}
Kotak Debt Hybrid - Growth	4.28	10.07	5.62	7.93	8.16	9.40	7.55	8.31
Kotak Equity Savings Fund - Growth	2.06	4.20	6.81	6.49	NA	NA	7.49	6.89
Kotak Equity Hybrid - Growth	-3.22	0.83	4.93	8.98	NA	NA	6.63	7.93

Mr. Abhishek Bisen manages 9 funds of Kotak Mutual fund.

Kotak Debt Hybrid - Growth (Erstwhile Kotak Monthly Income Plan), *Name of the Benchmark - CRISIL Hybrid 85+15 - Conservative Index, Scheme Inception date is 02/12/2003. Mr. Abhishek Bisen has been managing the fund since 01/04/2008. Mr. Devender Singhal has been managing the fund since 25/08/2015.

Kotak Equity Savings Fund - Growth, *Name of the Benchmark - 75% NIFTY 50 ARBITRAGE + 25% Nifty 50 TRI, Scheme Inception date is 13/10/2014. Mr. Harish Krishnan has been managing the fund since 09/05/2019. Mr. Abhishek Bisen has been managing the fund since 17/09/2014. Mr. Arjun Khanna has been managing the fund since 09/05/2019.

Kotak Equity Hybrid - Growth (Erstwhile Kotak Balance), *Name of the Benchmark - NIFTY 50 Hybrid Composite Debt 70:30 Index, Scheme Inception date is 05/11/2014. Mr. Pankaj Tibrewal has been managing the fund since 25/08/2015. Mr. Abhishek Bisen has been managing the fund since 15/04/2008.

Different plans have different expense structure. The performance details provided herein are of regular plan

[^]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: CAGR (Compounded Annualised Growth Rate). N.A stands for data not available. Source: ICRA MFI Explorer.

We are comparing the performances of the funds with the total return Index.

TRI – Total Return Index. With effect from 1st February 2018, we are comparing the performances of the funds with the total return variant of the benchmark instead of the price return variant.

The debt component of the index is TRI since inception. For equity component of the index, as TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR of S&P BSE 200 PRI values series is used till 31st July 2006 and TRI values is used since 1st Aug 2006.