

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 Aug 2020)

₹1,265.18 crs

Monthly Average AUM*

₹1,279.51 crs

NAV (as on 31st Aug 2020)

Growth ₹58.5837

Direct Growth ₹62.4882

Quarterly Dividend ₹12.5196

Direct Quarterly Dividend ₹16.9122

Annual Dividend ₹35.8922

Direct Annual Dividend ₹22.5075

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[^]

3.80%

Average Maturity

9.63 years

Portfolio Modified Duration

6.75 years

YTM

6.59%

Macaulay Duration

7.01

*Source: MFI Explorer.

[^] as on 31st August, 2020. 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 Fund

- The investment objective of Kotak Bond Fund 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

- Bonds yields in the month of August were very volatile. The 10 year benchmark started the month at 5.83% and inched all the way upto 6.22% levels before finally ending at 5.94% on the 1st of September.
- The upward trajectory in yields was aided by a lack of rate cut by the MPC on account of rise in inflation along with looming supply pressures due to weak fiscal balance.
- The central bank decided to take a pause in the rate cutting cycle while re-iterating they still had tools available at their disposal and were ready to step in as and when required.
- On 13th August CPI was released at 6.93%. Higher than most analyst expectations. This spooked bond traders.
- The final push to yields was when the MPC minutes were released. Which showed the committee members grappling with striking a balance between inflation and growth. Most members expressed concern over the high inflation.
- Late in the month RBI announced an Operation Twist of 20k crs in 2 tranches. The first tranche on 27th August saw 10Y cutoff lower by 10 bp
- However the real surprise came from RBI on 31st August. They announced a further 20000 crs of OT and increase in HTM limits for banks.

Portfolio Action

- As on Aug 31 2020, ~69% of the scheme portfolio comprised of government securities (central as well as state). ~27% of the portfolio was invested in corporate securities, ~3% in CBLO and cash.
- As the liquidity surplus sustains this will lead to compression of spreads in corporate bonds. As far as gilt curve is concerned 10 yr and longer g-sec are most attractive given risk reward and liquidity.

Particulars	31 Aug 2020	31 July 2020
Avg. Maturity (in yrs)	9.63	9.51
Duration	6.75	6.58
Yield (in %)	6.59	6.43
Macaulay Duration	7.01	6.84

Asset Allocation as on 31st August, 2020

Government Dated Securities	69.29%
Debentures and Bonds	27.41%
Net Current Assets	2.57%
TREP & Term Deposits & Rev.Repo	0.73%

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 ₹2773.00bn (as on, 31st August, 2020). 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 ₹1,94,988.62cr as on 31st August, 2020.

* 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.

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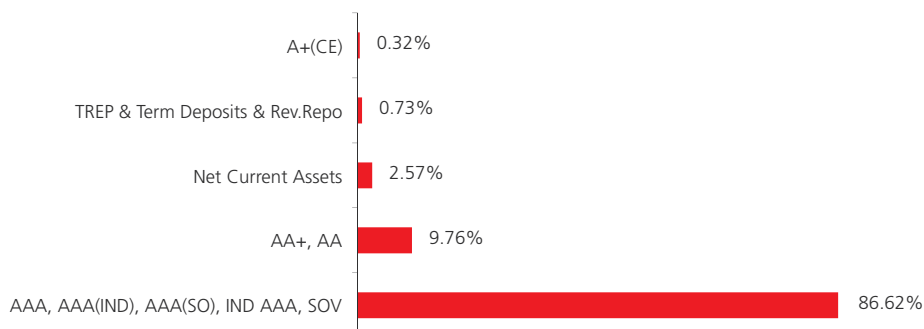
Kotak Bond Fund An open ended medium term debt scheme. **Investment Objective:** To create a portfolio of debt and money market instruments of different maturities so as to spread the risk across a wide maturity horizon & different kinds of issuers in the debt market.

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, 2020

5.77% Central Government	SOV		38.89%
6.19% Central Government	SOV		27.60%
Canara Bank (Basel III TIER II Bonds)	FITCH IND AAA		8.85%
Punjab National Bank (Basel III TIER II Bonds)	CRISIL AA+		5.12%
Bank Of Baroda (Basel III TIER I Bonds)	CRISIL AA+		4.61%
Power Finance Corporation Ltd.	CRISIL AAA		3.91%
Export-Import Bank of India	CRISIL AAA		1.97%
5.79% Central Government	SOV		1.90%
Bank Of Baroda (Basel III TIER II Bonds)	FITCH AAA(IND)		1.65%
ICICI Bank Ltd. (Basel III Tier II Bonds)	SOV		0.90%

Rating Profile as on 31st August, 2020



Kotak Bond Fund* Performance (%) as on 31st August, 2020

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 Fund - Regular Plan - Growth							
Since Inception	8.88	NA	NA	NA	58,584	NA	NA
Last 1 Year	8.91	10.84	-1.93	6.59	10,891	11,084	10,659
Last 3 Years	6.83	7.96	-1.12	6.16	12,196	12,585	11,968
Last 5 Years	7.76	8.76	-1.01	7.84	14,534	15,226	14,589

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.

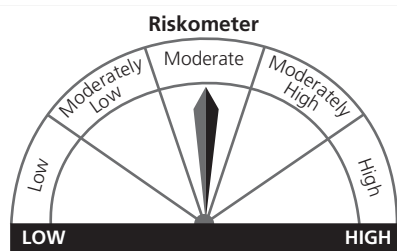
^Past performance may or may not be sustained in future. *All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Returns >= 1 year: CAGR (Compounded Annualised Growth Rate). N.A stands for data not available. Note: Point to Point (PTP) Returns in INR 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.

The performance of the scheme is benchmarked to the Total Return variant (TRI) of the Benchmark. Alpha is difference of scheme return with benchmark return.

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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 Fund - Growth	32.48	31.50	19.86	20.79	13.04	14.39	8.38	10.11
Kotak Gold ETF	30.34	31.50	19.71	20.79	13.27	14.39	13.38	14.55
Kotak Balanced Advantage Fund - Growth	10.23	9.36	NA	NA	NA	NA	7.38	7.35

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

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 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 Balanced Advantage Fund - Growth, *Name of the Benchmark - NIFTY 50 Hybrid Composite Debt 50:50 Index. Scheme Inception date is 03/08/2018. Mr. Abhishek Bisen & Mr. Harish Krishnan has been managing the fund since 03/08/2018. Mr. Hiten Shah has been managing the fund since 03/10/2019.

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 Gilt Fund - Growth	8.66	9.09	7.36	8.30	8.69	8.88	9.61	NA
Kotak Equity Savings Fund - Growth	7.12	4.29	5.80	5.42	7.11	6.30	7.43	6.44
Kotak Equity Hybrid Fund - Growth	6.79	8.25	3.53	7.52	7.33	9.32	6.66	8.05

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

Kotak Gilt Fund - 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.

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. Hiten Shah has been managing the fund since 03/10/2019.

Kotak Equity Hybrid Fund - Growth (Erstwhile Kotak Balance), *Name of the Benchmark - NIFTY 50 Hybrid Composite Debt 65:35 Index, Scheme Inception date is 25/11/1999 and Kotak Equity Hybrid Fund - Regular plan scheme inception date is 3rd November 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.

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