

Scheme Facts

Structure

An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years

Month end AUM* (as on 31st Aug 2020)

₹12,848.37 crs

Monthly Average AUM*

₹13,146.77 crs

NAV (as on 31st Aug 2020)

Growth ₹39.7713

Direct Growth ₹42.1269

Monthly Dividend ₹10.1557

Direct Monthly Dividend ₹13.2005

Half Yearly Dividend ₹14.4917

Direct Half Yearly Dividend ₹14.9342

Direct Normal Dividend ₹12.5121

Launch Date

2nd May, 2002

Benchmark

Nifty Short Duration Debt Index

Min. Initial Inv.

(a) Dividend Re-investment & Growth - ₹5000 & above (b) Dividend Payout (Monthly Dividend) - ₹50,000 & above

Additional Inv.

₹1000 & in multiples of ₹ 1

Standard Deviation[^]

2.03%

Average Maturity

3.17 years

Portfolio Modified Duration

2.56 years

YTM

5.53%

Macaulay Duration

2.68

*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: Nil

About Kotak Bond Short Term Fund

- The investment objective of Kotak Bond Short Term Fund is to provide reasonable returns and high level of liquidity by investing in debt and money market instruments of different maturities so as to spread the risk across different kind of issuers in the debt market.
- The scheme is suitable for investors who may generally want to position themselves at the shorter end of the yield curve with a time horizon of 6 months and more.

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 end, the portfolio duration stood at 2.56, we have maintained duration of the fund in the middle of the matrix.
- Currently, ~40% of the portfolio has a residual maturity of less than 2 years. Of the balance, ~30% is invested in corporate bonds and ~31% is invested majorly in central and state government securities.
- 100% of the portfolio is invested in government securities and in AAA or equivalent rated securities.

Particulars	31 Aug 2020	31 July 2020
Avg. Maturity (in yrs)	3.17	3.13
Duration	2.56	2.51
Yield (in %)	5.53	5.16
Macaulay Duration	2.68	2.62

Asset Allocation as on 31st August, 2020

Debentures and Bonds	62.47%
Government Dated Securities	34.05%
Net Current Assets	2.29%
Commercial Paper (CP)/Certificate of Deposits (CD)	0.75%
TREP & Term Deposits & Rev.Repo	0.44%

About Kotak Mutual Fund

Kotak Mahindra Asset Management Company Limited (KAMAC) 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). KAMAC 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. KAMAC 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.

Visit - assetmanagement.kotak.com

Email - mutual@kotak.com

Disclaimer

Kotak Bond Short Term Fund is An open ended short term debt scheme. **Investment Objective:** The investment objective of the Scheme is to provide reasonable returns and high level of liquidity by investing in debt instruments such as bonds, debentures and Government securities; and money market instruments such as treasury bills, commercial papers, certificates of deposit, including repos in permitted securities of different maturities, so as to spread the risk across different kinds of issuers in the debt markets. The Schememay invest in the call money/term money market in terms of RBI guidelines in this respect. To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time, in the manner permitted by SEBI. Subject to the maximum amount permitted from time to time, the Scheme may invest in offshore securities in the manner allowed by SEBI/RBI, provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations. There is no assurance that the investment objective of the Scheme will be realised.

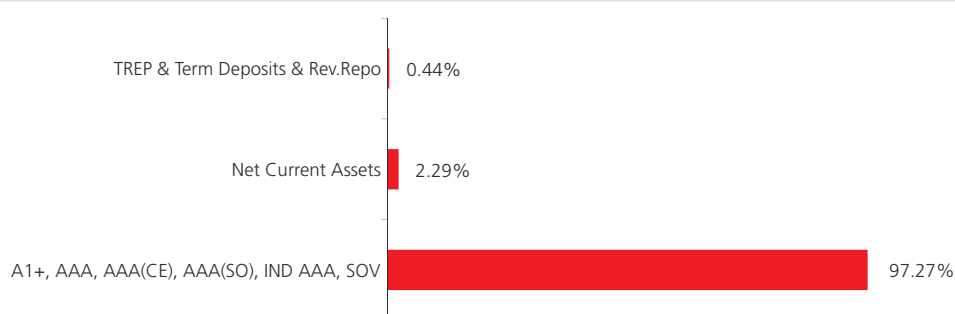
Mutual Fund investments are subject to market risks, read all scheme related documents carefully. Scheme Information Document (SID) and Statement of Additional Information (SAI) available on mutualfund.kotak.com

Top 10 Companies as on 31st August, 2020

Company Name	Rating	Weightage (%)	Yield (%)
HDFC Ltd.	CRISIL AAA	9.58%	9.58%
Power Finance Corporation Ltd.	CRISIL AAA	8.74%	8.74%
Rural Electrification Corporation Ltd.	CRISIL AAA/FITCH IND AAA	6.34%	6.34%
7.59% Central Government	SOV	5.46%	5.46%
State Bank Of India.(^)(Basel III Tier II Bonds)	CRISIL AAA	4.15%	4.15%
LIC Housing Finance Ltd.	CARE AAA/CRISIL AAA	4.09%	4.09%
National Bank for Agriculture & Rural Development	CRISIL AAA/ICRA AAA	3.60%	3.60%
Bajaj Finance Ltd.	CRISIL AAA	3.53%	3.53%
7.27% Central Government	SOV	3.36%	3.36%
Jamnagar Utilities & Power Private Limited (Mukesh Ambani Group)(^)	CRISIL AAA	2.90%	2.90%

(^) Fully or Party blocked against Interest Rate Swap (IRS)

Rating Profile as on 31st August, 2020



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

Date	Scheme Returns (%) ^	Nifty Short Duration Debt Index [‡] # (%)	Alpha	CRISIL 1 Year T-Bill Index ## (%)	Current Value of Standard Investment of ₹10000 in the		
					Scheme # (₹)	Benchmark # (₹)	Additional Benchmark ## (₹)
Kotak Bond Short Term Fund - Growth							
Since Inception	7.82	8.01	-0.19	6.13	39,771	41,104	29,795
Last 1 Year	9.49	9.60	-0.11	6.78	10,949	10,960	10,678
Last 3 Years	7.82	8.06	-0.24	6.97	12,537	12,622	12,242
Last 5 Years	8.06	8.28	-0.22	6.95	14,741	14,892	14,001

Scheme Inception date is 02/05/2002. Mr. Deepak Agrawal has been managing the fund since 11/07/2007.

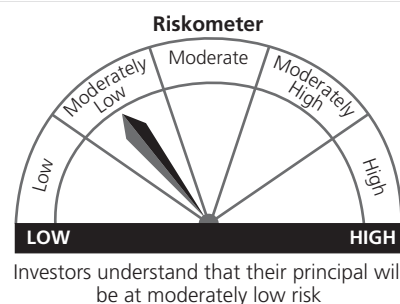
Different plans have different expense structure. The performance details provided herein are of regular plan.

^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. Deepak Agrawal.

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 Short Duration Debt Index from Crisil Short Term 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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This product is suitable for investors who are seeking*:

- Income over a medium term 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. Deepak Agrawal

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 Banking and PSU Debt Fund - Growth	10.15	10.18	8.52	8.59	8.70	8.83	7.59	NA
Kotak Dynamic Bond Fund - Growth	9.72	10.66	8.60	8.21	9.47	8.85	8.78	8.64
Kotak Corporate Bond Fund - Growth	9.36	11.93	8.46	8.21	8.44	9.15	8.33	9.59

Mr. Deepak Agrawal manages 12 & All FMPs funds of Kotak Mutual fund.

Kotak Banking and PSU Debt Fund - Growth, *Name of the Benchmark - CRISIL Banking and PSU Debt Index, Scheme Inception date is 29/12/1998. Mr. Deepak Agrawal has been managing the fund since 01/08/2008.

Kotak Dynamic Bond Fund - Growth (Erstwhile Flexi Debt Fund), *Name of the Benchmark - NIFTY Composite Debt Index, Scheme Inception date is 26/05/2008. Mr. Deepak Agrawal has been managing the fund since 25/11/2012.

Kotak Corporate Bond Fund - Growth, *Name of the Benchmark - CRISIL Corporate Bond Composite Index, Scheme Inception date is 21/09/2007. Mr. Deepak Agrawal has been managing the fund since 01/02/2015.

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.

Bottom 3 Funds Managed by Mr. Deepak Agrawal

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 Money Market Fund - Growth	6.47	5.91	7.38	6.83	7.39	7.10	7.38	7.54
Kotak Liquid Fund - Growth	4.89	4.95	6.36	6.34	6.75	6.66	7.27	7.29
Kotak Overnight Fund - Growth	3.95	4.07	NA	NA	NA	NA	4.71	4.83

Mr. Deepak Agrawal manages 12 & All FMPs funds of Kotak Mutual fund.

Kotak Money Market Fund - Growth, *Name of the Benchmark - NIFTY Money Market Index, Scheme Inception date is 14/07/2003. Mr. Deepak Agrawal has been managing the fund since 01/11/2006.

Kotak Liquid Fund - Growth, *Name of the Benchmark - NIFTY Liquid Index, Scheme Inception date is 04/11/2003. Mr. Deepak Agrawal has been managing the fund since 01/05/2007.

Kotak Overnight Fund - Growth, *Name of the Benchmark - NIFTY 1D Rate Index, Scheme Inception date is 15/01/2019. Mr. Deepak Agrawal has been managing the fund since 15/01/2019.

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

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